

CITY OF WEST TORRENS



## Notice of Committee Meeting

**NOTICE IS HEREBY GIVEN** in accordance with Sections 87 and 88 of the Local Government Act 1999, that a meeting of the

### **AUDIT AND RISK PRESCRIBED COMMITTEE**

Members: Councillor S Rypp (Presiding Member),  
Councillor G Vlahos  
Independent Members: R Haslam, E Moran, S Spadavecchia

**of the**

**CITY OF WEST TORRENS**

will be held in the Mayor's Reception Room, Civic Centre  
165 Sir Donald Bradman Drive, Hilton

on

**TUESDAY, 10 OCTOBER 2017**  
**at 6.00pm**

**Terry Buss**  
**Chief Executive Officer**

#### **City of West Torrens Disclaimer**

Please note that the contents of this Committee Agenda have yet to be considered by Council and Committee recommendations may be altered or changed by the Council in the process of making the formal Council decision.

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**1 MEETING OPENED****1.1 Evacuation Procedures****2 PRESENT****3 APOLOGIES****Apologies****Committee Members:**

Ms Elizabeth Moran

Cr George Vlahos

**4 DISCLOSURE STATEMENTS**

Committee Members are required to:

1. Consider Section 73 and 75 of the *Local Government Act 1999* and determine whether they have a conflict of interest in any matter to be considered in this Agenda; and
2. Disclose these interests in accordance with the requirements of Sections 74 and 75A of the *Local Government Act 1999*.

**5 CONFIRMATION OF MINUTES****RECOMMENDATION**

That the Minutes of the meeting of the Audit and Risk Prescribed Committee held on 8 August 2017 be confirmed as a true and correct record.

**6 COMMUNICATION BY THE CHAIRPERSON****7 PRESENTATIONS**

Nil

## **8 OUTSTANDING REPORTS / ACTIONS**

### **8.1 Open Actions Update**

#### **Brief**

This report presents an update on the current status of open actions from previous meetings of the Audit and Risk Prescribed General Committee.

#### **RECOMMENDATION**

It is recommended to the Audit and Risk Committee that it notes the status of current open actions.

---

#### **Introduction**

A report is presented to each ordinary meeting of the Audit and Risk Prescribed General Committee (Committee) detailing the status of open actions from previous Committee meetings.

#### **Discussion**

This report provides an update of the current status of open actions (**Attachment 1**). Of the four (4) outstanding actions, two (2) are complete, one (1) is in progress relating to a risk workshop scheduled to occur on the 10<sup>th</sup> October 2017 and one (1) has not started because it will be considered as part of a six-monthly report that will be presented to the Committee at its February 2018 meeting.

#### **Conclusion**

This report provides details of the status of the Committee's open actions from previous meetings.

#### **Attachments**

##### **1. Open Actions Report**

## Audit and Risk Committee Open actions

October 2017

EMT = Executive Management Team  
CEO = Chief Executive Officer  
GMB&CS = General Manager Business & Community Services  
GMCR = General Manager Corporate & Regulatory  
GMUS = General Manager Urban Services  
PLIA&R = Program Leader Internal Audit and Risk

	Target date	RO	Status		Meeting/s where item originally raised/reported
			Actions taken	Status	
OPEN ACTIONS					
1	<b>Risk Workshop</b> The administration agreed to hold a risk workshop which details the Enterprise Risk Management Frameworks and its application to strategic risk.	Aug 2017	PLIA&R / GMB&C S	Workshop/Presentation prepared and scheduled to be delivered on 10 October 2017.	In Progress  May 2017
2	<b>Internal Audit Recommendations and Action Progress Report.</b> That the methodology be tabled at a subsequent meeting of the Committee for reviewing the currency of the action items contained in Attachment 1 of the Agenda Report.	Feb 2018	GMB&C S/PLIA&R	This is a six-monthly report and will be actioned when next presented during February 2018.	Not Started  Aug 2017
COMPLETED ACTIONS					
3	<b>Internal Audit Program</b> The CEO agreed to the replacement of the Cash Handling Spot Audit with an audit to provide assurance that the agreed audit findings actions are being completed consistent with the original action and for this activity to be undertaken on an annual basis, the outcome of which will be reported to the Committee.	Oct 2017	PLIA&R	2017/18 Internal Audit Program modified to remove the Cash Handling Spot Audit and include an Internal Audit Recommendations assurance audit.	Complete  Aug 2017

1

## Audit and Risk Committee Open actions

October 2017

EMT = Executive Management Team  
 CEO = Chief Executive Officer  
 GMB&CS = General Manager Business & Community Services  
 GMCR = General Manager Corporate & Regulatory  
 GMUS = General Manager Urban Services  
 PLIA&R = Program Leader Internal Audit and Risk

	Target date	RO	Status		Meeting/s where item originally raised/reported
			Actions taken	Status	
4	Agreed Action Summary Table That the Internal Audit Recommendations and Action Progress Report be replaced with a summary table as per the minutes from the 08 August 2017 Committee Meeting.	Feb 2018	PLIA&R	The template for this report has been amended with the inclusion of a summary table. This is a six-monthly report and will be next presented during February 2018.	Complete Aug 2017

## **9 REPORTS OF THE CHIEF EXECUTIVE OFFICER**

### **9.1 FINANCIAL REPORTING AND SUSTAINABILITY**

#### **9.1.1 Financial Reporting**

##### **Brief**

This report lists those finance related reports which were considered by Council between 2 August 2017 and 3 October 2017.

##### **RECOMMENDATION**

It is recommended to the Audit and Risk Committee that the Financial Reporting report be received.

---

##### **Introduction**

The Audit and Risk Prescribed General Committee (the Committee) is presented with a list, at each ordinary meeting, of those finance related reports considered by Council since the Committee's last ordinary meeting. These reports and associated minutes, which are detailed below, are available on Council's website at [www.westtorrens.sa.gov.au](http://www.westtorrens.sa.gov.au).

##### **Discussion**

The following reports were considered by Council/Council Committee between 2 August 2017 and 3 October 2017.

##### **15 August 2017**

- Creditor Payments
- Taxi Voucher Usage
- Elected Members' Telephones
- Register of Allowances and Benefits - 12 Months to 30 June 2017
- Investments Review 2016/17
- Mendelson Foundation Investment Performance 30 June 2017

##### **5 September 2017**

- Revision of the 2017/18 Budget

##### **19 September 2017**

- Early Rate Payment Incentives
- Creditor Payments
- Council Budget Report - Two Months to 31 August 2017

##### **3 October 2017**

- Nil

##### **Conclusion**

This report lists those finance related reports which were considered by Council between 2 August 2017 and 3 October 2017.

##### **Attachments**

Nil

## 9.2 INTERNAL CONTROLS AND RISK MANAGEMENT SYSTEMS

### 9.2.1 Annual Comprehensive Strategic Risk Review

#### Brief

This report presents the results of the 2017-2018 Annual Strategic Risk Review.

#### RECOMMENDATION

It is recommended to the Audit and Risk Committee that the 2017-2018 Annual Strategic Risk Review be received.

---

#### Introduction

As part of Council's risk management program, implemented in 2009, ten strategic risks (the risks) were identified as follows:

- |                    |                           |
|--------------------|---------------------------|
| 1. The Business    | 6. Advice and Information |
| 2. Staff           | 7. Fraud and Corruption   |
| 3. Injury or Death | 8. Information Services   |
| 4. The Council     | 9. Service Centres        |
| 5. Decision Making | 10. Flooding              |

These risks have been subject to both an annual and mid-year review since that time.

In the last two years the following emerging risks were identified and reported on at each review:

1. Infill Development/PDI Implementation
2. Rate Capping

These emerging risks do not pose a significant threat during the first six months of the 2017-18 financial year however, will be reviewed as part of the mid-year strategic risk review.

#### Discussion

The City of West Torrens (CWT) *Administration Policy - Risk Management Framework* provides that risk identification, risk analysis and risk evaluation occur annually and reviewed six-monthly.

As a result, the Executive Management Team (EMT) continues to review and report on its strategic risks at six-monthly intervals (Reviews). The importance of six-monthly Reviews is recognised as an important function in the identification, monitoring and controlling of current, new or emerging strategic risks.

#### Risk Framework

CWT has adopted the risk analysis matrix (Matrix) which forms part of the **AS/NZ ISO 31000** Risk Management (Standard). Use of the matrix allocates a risk rating based on the likelihood (%) and consequence level of a risk occurring (**Attachment 1**).

To assist in the determination of the consequence level, risk consequence descriptors have been approved across a range of risk areas such as financial, reputation, people and WHS (**Attachment 2**). These have been updated as part of this review.

## Strategic Risk Review

The strategic risk review process, undertaken by the EMT, is outlined below in Table A.

**TABLE A: Executive Management Team - Strategic Risk Review Process**

	Annual Review	Mid-Year Review
<b>Process</b>	<ul style="list-style-type: none"> <li>EMT Workshop/Meeting/Email</li> <li>Risk Team meets with risk control owners (Managers)</li> <li>1.</li> </ul>	<ul style="list-style-type: none"> <li>Review by Executive via email</li> </ul>
<b>Output</b>	<ul style="list-style-type: none"> <li>Strategic Risk evidence folders updated</li> </ul>	<ul style="list-style-type: none"> <li>Nil</li> </ul>
<b>Report</b>	<ul style="list-style-type: none"> <li>Comprehensive report presented to the A&amp;R Committee</li> <li>Evidence folders updated and presented to the A&amp;R Committee</li> </ul>	<ul style="list-style-type: none"> <li>Summary report with emphasis on material change presented to the A&amp;R Committee</li> </ul>

As per the process detailed in Table A, the EMT has reviewed the organisation's strategic risks which resulted in an amendment to Strategic Risk 9 - Service Centres to accommodate organisational/community resilience i.e. the ability to prevent, prepare, respond and/or recover from an emergency regardless of the magnitude of the incident.

Consequently, Strategic Risk 9 - Services Centres has been re-titled to Ineffective Strategic Risk 9 - Organisational/Community Resilience which also reflects local government's increasing role in emergency management, the City of West Torrens' growing role in supporting community resilience and our strategic objective to improve organisational and community resilience.

Having regard to the greater breadth of this risk, and because local government's role in emergency management continues to grow (to the point where it cannot yet be defined), the overall risk review has increased the revised risk rating from Moderate to High.

Revised risk ratings of High or Extreme are outside of the Council's risk tolerance, therefore solutions have been identified that, when implemented, will assist to reduce the residual risk level as low as reasonably practical.

In the interim, the Executive's monitoring of Strategic Risk 9 - Ineffective Organisational / Community Resilience has been increased from 6 monthly to quarterly and will continue to be presented to the Audit and Risk Committee six-monthly as part of the scheduled strategic risk review processes.

There are no changes to the overall residual risk ratings of the remaining nine identified strategic risks. Therefore, the ten strategic risks are summarised as follows:

<b>TABLE B: 2017-18 Strategic Risk Ratings</b>			
<b>Risk</b>	<b>Likelihood/Consequence</b>		<b>Revised Rating</b>
<b>1. The Business</b>	Likelihood = Unlikely	Consequence = Moderate	<b>Moderate</b>
<b>2. Staff</b>	Likelihood = Unlikely	Consequence = Major	<b>Moderate</b>
<b>3. Serious Injury or Death</b>	Likelihood = Rare	Consequence = Catastrophic	<b>Moderate</b>
<b>4. The Council</b>	Likelihood = Unlikely	Consequence = Major	<b>Moderate</b>

<b>5. Decision Making</b>	Likelihood = Unlikely Consequence = Moderate	<b>Moderate</b>
<b>6. Advice and Information</b>	Likelihood = Unlikely Consequence = Moderate	<b>Moderate</b>
<b>7. Fraud and Corruption</b>	Likelihood = Unlikely Consequence = Moderate	<b>Moderate</b>
<b>8. Information Services</b>	Likelihood = Unlikely Consequence = Major	<b>Moderate</b>
<b>9. Ineffective Organisational / Community Resilience</b>	<b>Likelihood = Moderate Consequence = Major</b>	<b>High</b>
<b>10. Flooding</b>	Likelihood = Rare Consequence = Catastrophic	<b>Moderate</b>

The strategic risk review document (**Attachment 3**) highlights all changes as ~~strike through~~ if the risk, controls or additional solutions have been deleted or the text is underlined where they have been added, amended or hyperlinked as part of the evidence collection process.

### Control Verification Process

The strategic risk review ensures that thorough assessment of the controls associated with each risk is undertaken, at least annually, to determine whether each asserted control is *tangible or intangible* dependent on whether evidence of each asserted control is available. These are shown on the first page of each risk (**Attachment 3**).

This evidence has been reviewed by desktop process, involving the management team where required and is verified, updated, printed and placed in four hard copy folders which will be available at the meeting for cross referencing by members.

### Emerging Risks

EMT reviewed the 'emerging risks' which are risks or issues which are currently on the horizon which may or may not have an impact on Council and which may or may not be within the control of the CWT. These have not been risk assessed at this point, generally because the risk is not concrete in nature, but will be monitored and risk assessed if they eventuate and are within the organisation's control. Two emerging risks of *Planning Development and Infrastructure Act 2016* (PDI Act) and Rate Capping remain on the horizon and are discussed in Section 2 of **Attachment 3**.

### Conclusion

The *2017-18 Annual Strategic Risk Review* has been completed by the Executive Management Team and the outcomes of the Review are attached for information. One (1) of the ten (10) Strategic Risks was re-titled to Ineffective Organisational / Community Resilience and now carries a residual risk level of 'High'. The remaining nine (9) risk issues are unchanged and continue to carry a residual risk level of 'Moderate'. All risks were subject to an extensive control verification process which involved meeting with the management team.

### Attachments

1. Risk Analysis Matrix
2. Consequence Descriptors
3. Annual Strategic Risk Review 2017/18



## Risk Analysis Matrix – Level of Risk

When assessing risk the likelihood and consequence must be correlated using the risk matrix detailed below for both negative or positive risks,

Prevent/Reduce/Manage Negative Consequences					LIKELIHOOD	Enhance/Promote/Facilitate Positive Consequences				
Catastrophic	Major	Moderate	Minor	Insignificant	Almost Certain > 95% chance of occurring	M	H	M	M	Insignificant
						E	E	E	E	Minor
						E	E	E	E	Major
						H	H	M	M	Moderate
						H	M	L	L	Outstanding
Outstanding	Major	Moderate	Minor	Insignificant	Likely 75% - 95% chance of occurring	M	H	M	M	Insignificant
						E	E	E	E	Minor
						E	E	E	E	Major
						H	H	M	M	Moderate
						H	M	L	L	Outstanding
Outstanding	Major	Moderate	Minor	Insignificant	Moderate 25% - 75% chance of occurring	M	H	M	M	Insignificant
						E	E	E	E	Minor
						E	E	E	E	Major
						H	H	M	M	Moderate
						H	M	L	L	Outstanding
Outstanding	Major	Moderate	Minor	Insignificant	Unlikely 5% - 25% chance of occurring	M	H	M	M	Insignificant
						E	E	E	E	Minor
						E	E	E	E	Major
						H	H	M	M	Moderate
						H	M	L	L	Outstanding
Outstanding	Major	Moderate	Minor	Insignificant	Rare < 5% chance of occurring	M	H	M	M	Insignificant
						E	E	E	E	Minor
						E	E	E	E	Major
						H	H	M	M	Moderate
						H	M	L	L	Outstanding

## Consequences Descriptors Matrix

<b>Rating</b>	<b>Financial</b>	<b>Organisational/ Customer Impact</b>	<b>Reputation/ Relationships Damage</b>	<b>People</b>	<b>WHS</b>
<b>Insignificant</b>	<p>≤ 5% reduction in revenue</p> <p>Theft or loss of up to \$2,000</p>	<p>Lack of response to customer request 3 days later than deadline</p> <p>Inability to provide service/s for 1 day</p> <p>External enquiry agency request for information</p>	Letters of complaint to general managers or managers	<p>≥ 10% staff turnover per year</p> <p>≤ 10% non-availability or capability of staff at any one time</p>	<p>Bump, minor bruise, removal of splinters etc. requiring no treatment (report only) to staff members</p> <p>Or</p> <p>To members of the public due to the actions/omissions of work undertaken by CWT</p>
<b>Minor</b>	<p>Between 6 and 10% variation in expenditure/revenue</p> <p>Theft or loss between \$2001 to \$30,000</p>	<p>Lack of response to customer request 5 week later than deadline</p> <p>Inability to provide a service for 2 working days</p> <p>Ombudsman/Ministerial investigation commenced.</p>	Letters of complaint to CEO/Mayor or letters to Messenger/Advertiser	<p>≥ 15% staff turnover per year</p> <p>≥ 15% non-availability or capability of staff at any one time</p>	<p>First aid treatment including; Hot cold treatment, removal of splinters, covering wounds, removal of foreign bodies in the eye using eye wash or cotton swab, administering non-prescription medication to staff members</p> <p>Or</p> <p>To members of the public due to the actions/omissions of work undertaken by CWT</p> <p>Or</p> <p>Incident where potential for minor injury may occur</p>

Rating	Financial	Organisational/ Customer Impact	Reputation Relationships	People	WHS
<b>Moderate</b>	Between 11 and 15% variation in expenditure/revenue  Theft or loss of between \$30,001 and \$100,000	Lack of response to customer request 10 working days later than deadline  Inability to provide all services for more than 24 hours  Inability to provide one service for $\geq 5$ -days  Ombudsman/Ministerial investigation finds systemic weaknesses in organisational processes  ICAC investigation commenced	Negative article in Messenger/Advertiser.	$\geq 20\%$ permanent staff turnover per year  $\geq 20\%$ non-availability of staff at any one time	Medically treated injury requiring clinic or hospital treatment less than 24 hours duration, installing a drip or iv, physiotherapy as a cure, applying a cast , surgery, prescription drugs, stitching a wound to staff members  Or  To members of the public due to the actions/omissions of work undertaken by CWT  Incident where potential for moderate injury may occur  Notifiable incident to SafeWork SA or Office of the Technical Regulator (OTR)  Category 1 - Breach of Duty for reckless conduct
	Between 16 and 40% variation in expenditure/revenue  Theft or loss of between \$100,001 and \$1m	Lack of response to customer request 20 working days later than deadline  Inability to provide one service for $\geq 20$ working days  Inability to provide all services for $\geq 48$ hours.	Negative front page story in Messenger/Advertiser.	$\geq 40\%$ permanent staff turnover per year  $\geq 40\%$ non-availability of staff at any one time	Major injury resulting in limb loss, electrocution, permanently disability, blindness to staff members  Or  To members of the public due to the actions/omissions of work undertaken by CWT
<b>Major</b>					

Rating	Financial	Organisational/ Customer Impact	Reputation Relationships	People	WHS
Catastrophic		<p>Ombudsman/Ministerial review results in termination of staff/major changes to systems and processes</p> <p>Employee(s)/Elected Members charged with corruption and referred to DPP for prosecution</p>			<p>Incident where potential for major injury may occur</p> <p>Notifiable incident to SafeWork SA or Office of the Technical Regulator (OTR)</p> <p>Category 2 Breach of Duty</p>
	<p>≥ 40% variation in expenditure/revenue.</p> <p>Theft or loss of &gt;\$1m.</p>	<p>Inability to provide critical Council services (Waste, HACC, St Martins, dog attack response) for ≥ 5 working days</p> <p>Ministerial abolition of Council</p> <p>Employee(s)/Elected Member(s) found guilty of corruption</p>	<p>Follow up stories in any media that extend the scope of concern.</p>	<p>≥ 50% permanent staff turnover per year</p> <p>≥ 50% non-availability of staff at any one time</p>	<p>The work related death of an employee</p> <p>The death of a person due to CWT negligence</p> <p>Notifiable incident to SafeWork SA or OTR)</p> <p>Category 3 Breach of Duty</p>



# Strategic Risk

## Annual ~~Mid-~~ ~~Year~~ Review

### 2017~~16~~/18~~17~~

Annual Review Approved	October 201 <del>7</del> <sup>6</sup>
Mid-Year Review Approved	<del>February</del> 201 <del>7</del> <sup>7</sup>



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Risk Issue	1. THE BUSINESS
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Descriptor	Inefficient/ineffective practices that may lead to increased costs, missed opportunities and/or community dissatisfaction with Council.
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Untreated Risk:	Likelihood: Likely	=	High
	Consequence: Moderate		

## Existing Controls

Tangible Controls (Evidence available)	
1.	Continuous improvement through the Lean Thinking program
2.	Internal and External audit arrangements in situ
3.	Monthly reports to Council and bi-monthly to committees
4.	Policy review regime monitored and managed
5.	<u>Experienced and S</u> strong governance function
6.	Adequate and well trained resources
7.	Robust recruitment process ensures qualified staff, qualifications/ professional memberships or registration; confirmed and recorded on file
8.	Strong, stable and experienced management team
9.	Organisation is transparent, open and accountable to the community
10.	Legislation/policies/procedures in situ
11.	Plans in situ - i.e. Asset Management Plan, Risk <u>&amp; Resilience</u> Management Plan, 10 year Financial Plan, Strategic Plan etc.
12.	Robust software systems in situ - i.e. Interplan/ <u>Objective</u> ECM etc.
13.	Elected Member body is open to new initiatives

Effectiveness of controls:	Satisfactory
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REVISED RISK RATING:	Likelihood: Unlikely	=	Moderate
	Consequence: Moderate		

Mid-Year Strategic Annual Strategic Risk Review 2017/16/2018/17

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<b>Additional Solutions</b>	Not required
<b>Role of Executive</b>	As this is a moderate risk, monitor and review six monthly



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**EVIDENCE SUPPORTING TANGIBLE CONTROLS****RISK 1 - The Business:**

Control	Evidence	Doc Set ID or Webpage
1. Continuous improvement through the Lean Thinking program. <del>Lean is contained in each manager's PDP as a performance KPI</del>	a. Lean Progress Report	a. <a href="#">Lean Project Register from Intranet</a>
2. Internal and External audit arrangements in situ	a. BDO <a href="#">Audit Engagement Letter 16/17</a> <a href="#">External Audit Plan</a> b. Galpins engaged to undertake internal audit c. <a href="#">Internal Audit Plan 2015-2018</a> -was approved April 2015 - Outlining co-sourced approach to Internal Audit d. <a href="#">Internal Audit program 2107/18</a> e. <a href="#">Wallmans engaged to undertake two legislative compliance audits per annum</a>	a. <a href="#">A20160163285579</a> b. <a href="#">A7706242982174</a> c. <a href="#">A10359352984263</a> d. <a href="#">ID 10037 (Infocouncil -2017-18 Internal Audit program)</a> e. <a href="#">A2008258</a>
3. Monthly reports to Council and bi-monthly to committees	a. Agendas and Minutes available on website	a. <a href="#">Council agendas and minutes on webpage</a> <a href="#">Council agendas and minutes on CWT website</a>
4. Policy review regime monitored and managed	a. Policy Review <a href="#">Report Schedule 2016015 -2017016</a>	a. <a href="#">A2039613333295</a>
5. <del>Experienced and S</del> strong governance function	a. <del>Comprises 4 FTE including Team Leader, Governance (law degree), Governance function</del> comprise suitably qualified high level staff. General Manager has 150+ years' experience in governance. <a href="#">Governance Team Leader has Law Degree</a>	a. <a href="#">Organisational chart on intranet</a> <a href="#">Organisation al chart on Council intranet</a> <a href="#">General Manager Experience across Two Councils link to Marion Website</a>

Mid-Year Strategic Annual Strategic Risk Review 2017016/201817

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	<p>b. Personnel File</p> <p><u>c. Reports presented to Council/Governance/Audit and Risk and Corporate Planning, Policy and Performance Committees</u></p> <p><u>d. Ombudsman's Confidential Audit found CWT were well within suggested limit for confidential items</u></p>	<p><u>A305026726604</u> (re Governance Manager)</p> <p>b. Information on file (accessible by Exec) but confidential</p> <p><u>c. -Council agendas and minutes on webpage Council Agendas and Minutes on CWT website</u></p> <p><u>d. Confidential Items Annual Report (report Confidential Items Annual Report (report and minutes of Council meeting from Website August 2017)</u></p>
6. Adequate and well trained resources	<p>a. Staff Learning and Development Plans</p> <p>b. Performance Development Guidelines</p> <p>c. Training certificates registered in personnel files</p>	<p>a. <u>A64061181260</u></p> <p>b. <u>3267375 PDP guidelines on Intranet PDP guidelines on Council Intranet</u></p> <p>c. Access restricted but evidence confirmed</p>
7. Robust recruitment process ensures qualified staff, qualifications/professional memberships or registration; confirmed and recorded on file	<p>a. HR Recruitment Tool Box available on the intranet which encompasses all relevant recruitment information including FAQs, policies, templates, forms, letters etc.</p> <p>b. Internal audit undertaken of recruitment process - good level of compliance and presented to February 2013 meeting of the Audit and Risk Committee</p>	<p>a. <u>HR recruitment toolbox on the Intranet</u></p> <p>b. <u>A6438761875107</u></p>
8. Strong, stable and experienced management team	<p>a. All managers accredited in risk management</p>	<p>a. Certificates confirmed in personnel files/ECM</p>

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	<p>b. All managers have tertiary qualifications and experience</p> <p>c. All managers have to present on leadership at Manager's Forum (held monthly)</p> <p>d. Executive meets weekly</p> <p>e. Executive management team has comprised the same members for over 8 years</p>	<p>b. Personnel files</p> <p>c. <a href="#">A8946593333313</a></p> <p>d. 3096325</p> <p>e. Personnel files/reports to Council/Annual Reports/ Organisational Chart</p>
9. Organisation is transparent, open and accountable to the community	<p>a. Public Consultation Policy.</p> <p>b. Annual Report Confidential Items <del>2016</del><del>015-2017</del><del>016</del> Item <del>1147.34</del> Governance Standing Committee adopted by Council at its <del>1016</del> August <del>2017</del><del>016</del> Ordinary meeting.</p> <p>c. Whistleblower process available for staff and public to report alleged wrong-doings</p> <p>d. <u>Agendas and minutes publically available</u></p> <p>e. <u>Gifts and benefits register publically available</u></p> <p>f. <u>Ombudsman's Report publically available</u></p>	<p>a. <a href="#">A19709922989134</a> <a href="#">Public consultation policy on Website</a> <a href="#">Public consultation policy on CWT Website</a></p> <p>b. <a href="#">Confidential Items Annual Report (report and minutes of Council meeting from Website August 2016)</a> <a href="#">Confidential Items Annual Report (report Confidential Items Annual Report (report and minutes of Council meeting from Website August 2017))</a></p> <p>c. <a href="#">Whistleblowers Policy on CWT Website</a></p> <p>d. <a href="#">Agendas and Minutes page on CWT website</a></p> <p>e. <a href="#">Registers and Records page on CWT website</a></p> <p>f. <a href="#">Complaints lodged with the Ombudsman's Office -January 2017 to June 2017 Council and Standing</a></p>

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	<p><a href="#">g. Elected Members Ordinary Returns publically available</a></p> <p><a href="#">h. Salary Register publically available</a></p> <p><a href="#">i. Informal gatherings open to the public</a></p> <p><a href="#">j. Complaints Policy available on CWT website</a></p> <p><a href="#">k. Internal Review of Council Decisions Policy on website</a></p>	<p><a href="#">Committees Agenda 05 September 2017</a></p> <p><a href="#">g. Registers and Records page on CWT website</a></p> <p><a href="#">h. Registers and Records page on CWT website</a></p> <p><a href="#">i. Informal gatherings information and details of upcoming designated informal gatherings from CWT website</a></p> <p><a href="#">j. Complaints Policy from CWT website</a></p> <p><a href="#">k. Internal Review of Council Decisions Policy on CWT website</a></p>
10. Legislation/policies/procedures in situ	<p>a. Council policies available on the CWT website and intranet</p> <p>b. Administration policies available on Compass</p> <p>c. Council policies presented to <a href="#">Council for consideration generally via each meeting of the CPPP</a> for review and recommendation to Council</p> <p>d. Policies provided to Executive for review and approval. (Development Assessment Panel delegations Policy - Draft Review by PK 30 August 2016 doc)</p> <p>e. <a href="#">Council</a> Policy review schedule approved and presented to the CPPP</p>	<p>a. <a href="#">Council policies page on website</a></p> <p><a href="#">Council policies on the Intranet</a></p> <p>b. <a href="#">All Administration Policies available on the Intranet</a></p> <p>c. <a href="#">Minutes of July 2016 CPPPP Committee Agenda from November 2016 CPPP Committee meeting - Children and Vulnerable Persons Safety Policy</a></p> <p>d. <a href="#">A8848813321375</a></p> <p>e. <a href="#">A8922872221754 Policy schedule contained in CPPPP agenda October 2014</a></p>

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<p>11. Plans in situ - i.e. Asset Management Plan, Risk &amp; Resilience Management Plan, 10 year Financial Plan, Community Plan etc.</p>	<p>a. City of West Torrens Asset Management Plan- Footpaths</p> <p>b. City of West Torrens Asset Management Plan- Roads Infrastructure.</p> <p>c. City of West Torrens 10 year Financial Plan</p> <p>d. Towards 2025 Community Plan - <u>review approved 2017 following public consultation</u></p> <p>e. Internal Audit Plan 2015-2018</p> <p>f. Adopted Budget and Annual Business Plan <u>2017016-2018017</u></p>	<p>a. <u>A26851896482</u> <a href="#">Footpaths Infrastructure Asset Management Plan from Website</a></p> <p>b. <u>A26901896484</u> <a href="#">Roads Infrastructure Asset Management Plan from Website</a></p> <p>c. <u>1256966</u> <a href="#">City of West Torrens 10 Year Financial Plan from websiteCity of West Torrens 10 Year Financial Plan from CWT website</a></p> <p>d. <u>2233775</u> <a href="#">Community Plan on website</a></p> <p>e. <u>A10359352982417</u></p> <p>f. <u>3280758</u> <a href="#">Adopted Budget and Annual Business Plan on Website</a></p>
<p>12. Robust software systems in situ - i.e. Interplan/<u>Objective ECM</u> etc.</p>	<p>a. Software systems in place i.e. ECM, Interplan, Desktop, etc.</p> <p>b. Advent Manager Relian Sys for delegations software Quotation</p>	<p>a. <u>A19406543285841</u></p> <p>b. <u>A18126713096686</u></p>
<p>13. Elected Member body is open to new initiatives</p>	<p>a. Sale of St Martins</p> <p>b. Thebarton Community Centre</p> <p>c. Sale of Brickworks</p> <p>d. Weigall Oval masterplan</p>	<p>a. <u>A7828732991068</u></p> <p>b. <u>A3762131149755</u></p> <p>c. <u>1451887 - confidential</u></p> <p>d. <u>A8588883286831</u></p>

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Risk Issue		2. STAFF	
Descriptor	a) Inadequate management of staff leading to a reduced overall performance of the organisation. b) Inability to attract or retain appropriately skilled staff leading to a loss of corporate knowledge and reduced organisational capability and capacity to achieve effective service delivery.		
Untreated Risk:	Likelihood: Likely	=	Extreme
	Consequence: Major		

## Existing Controls

Tangible Controls (Evidence available)	
1.	Annual <i>Performance Development Plans</i> are implemented resulting in individual training plans.
2.	Professional development programs in place e.g. Local Government Professionals SA Professional and Emerging Leaders Programs, LGPro Challenge etc.
3.	<del>All mManagers and supervisors are trained/educated in</del> <del>have undertaken formalised leadership training</del>
	<del>Some traineeships/cadetships/work experience in place</del>
4.	<del>Monthly reports provided to Executive on vacancies and overdue leave</del>
5-4.	Cultural Change and Development Program (FITCOR) in situ
6-5.	<del>Priority Existing staff given the opportunity to apply to for</del> internal appointments <del>or priority to undertake secondments when if</del> appropriate
7-6.	Policies and procedures in place i.e. training and development
8-7.	Retention strategies are in situ and conditions of employment and remuneration are attractive i.e. induction process, salary sacrifice arrangements, healthy lifestyle allowance, 48/52 arrangements, Enterprise Agreements
9-8.	Managers' remuneration is packaged
10-9.	Recruitment is undertaken via various media
11-10.	Continuous improvement through LEAN thinking implemented
12-11.	Classification review <del>for Library staff</del> completed <del>and being implemented for LGE Award employees</del>
13-12.	Recruitment and selection audit completed with a finding of a good level of compliance
14-13.	Conditions of employment and remuneration are attractive
5-14.	64% of employees are under 50 with 26% under the age of 35

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16.15. All departments have commenced documenting their processes via Lean/continuous improvement projects

**Intangible Controls (No evidence available but known to be in place)**

1. Organisation taps into professional networks as part of recruitment process

<b>Effectiveness of controls:</b>	Satisfactory
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Risk	Likelihood	Consequence	=	Revised Risk Rating
a)	Unlikely	Major		Moderate
b)	Unlikely	Major		Moderate
c)	Unlikely	Major		Moderate

<b>OVERALL REVISED RISK RATING:</b>	Likelihood: Unlikely	<b>=</b>	<b>Moderate</b>
	Consequence: Major		

<b>Additional solutions</b>	Nil
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<b>Role of Executive</b>	As these risks are moderate risks, monitor and review six monthly
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**RISK 2 - Staff****EVIDENCE SUPPORTING TANGIBLE CONTROLS**

Control	Evidence	Doc Set Id/Webpage
1. Annual <i>Performance Development Plans</i> are implemented resulting in individual training plans	<p>a. <u>Employee Performance Development Program</u></p> <p>b. <u>Corporate Leader Performance Development Plan</u></p> <p>c. <u>PDP instruction guide/available information</u></p> <p>d. <u>Corporate Training Plan template</u></p> <p>e. <u>Memo of how many PDP's have been completed</u></p>	<p>a. <u>PDP guidelines on Council Intranet 3267375</u></p> <p>PDP guidelines and templates on Intranet</p> <p>b. <u>A1271064</u></p> <p>c. <u>PDP guidelines and templates on Intranet</u></p> <p>d. <u>A2008095</u></p> <p>e. <u>A2053466</u></p>
2. Professional development programs in place e.g. <u>Local Government Professionals SA Professional and Emerging Leaders Programs, LGPro Challenge Etc Training and Development Policy Study Assistance Policy</u>	<p>a. <u>Study Assistance Policy</u></p> <p>b. <u>Training and Development Policy</u></p> <p>c. <u>LG Professionals programs supported</u></p> <p>d. <u>Participation in LG Management Challenges</u></p>	<p>a. <u>A63034094062</u></p> <p><u>Administration Policy Study Assistance from Intranet</u></p> <p>b. <u>A64061181260</u></p> <p><u>Administration Policy Training and Development From Intranet</u></p> <p>c. <u>A1961577 - Confidential - (Advice to staff member of successful expression of interest to professional leaders program)</u></p> <p>d. <u>A2037493</u></p>
3. <u>All Managers and supervisors staff are trained/educated in have undertaken formalised leadership training</u>	<p>Proteus Launchpad Leadership training provided in 2010</p> <p>a. <u>Leadership learning at Managers Forum</u></p> <p>b. <u>Leadership Forum Agenda</u></p> <p>c. <u>Leadership cultural behaviours</u></p>	<p>a. <u>1387261</u></p> <p>Certificates available in confidential personnel files.</p> <p>a. <u>A2021083 Leadership learning presentation</u></p> <p>b. <u>A2047365 Leadership Forum Agenda 14 Sept 2017</u></p> <p>c. <u>A2051438</u></p>

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	<u>d. Leader competency development in progress with Leadership Learning</u>	<u>d. A2051640</u>
<del>4. Some traineeships/cadetships /work experience in place</del>	<del>a. Compliance trainee currently engaged via Maxima</del> <del>b. a. Training and Development Policy</del>	<del>a.3093295</del> <del>b. 1181260 Training and Development Policy on Intranet</del>
<del>5. Monthly reports provided to Executive on vacancies and overdue leave</del>	<del>a. April 2015 Vacancy and Outstanding leave Report</del>	<del>a. 3098793</del>
<u>6.4. Cultural Change and Development Program (FITCOR) in situ</u>	a. Page on the intranet b. Job descriptions c. FITCOR committee Minutes/Notes d. FITCOR on website under employment and volunteering information page <del>e. Consultant engaged and working with leadership team on refreshing and progressing FITCORE</del> <del>e.f. Cultural launch event plan</del>	a. Cultural development program on Intranet b. <u>A8968703335972</u> c. <u>A1764243 3308067</u> d. <u>Employment and volunteering page on Website displaying FITCOR</u> <del>e .A1015831 - Email to Management Team - Cultural Change Initiative</del> <del>f.A2049792</del>
<u>7.5. Existing Staff given the opportunity to apply Priority given to for internal appointments or priority to undertake secondments if appropriate</u>	a. City of West Torrens Administration Policy - Recruitment and Selection b. Policy is available on Intranet	a. <u>A1966212399442</u> b. <u>Recruitment and Selection Policy on Intranet</u>

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<p>8.6. Policies and procedures in place i.e. training and development</p>	<p>a. Managing Performance Misconduct and Inappropriate Behaviour Policy</p> <p>b. Salary Sacrifice Policy</p> <p>c. Training and Development Policy</p> <p>d. Code of Conduct for Council Employees</p>	<p>a. <a href="#">A85613055162 Managing Performance Misconduct and Inappropriate Behaviour Policy on Intranet</a></p> <p>b. <a href="#">A66131265421 Salary Packaging Administration Policy on Intranet</a></p> <p>c. <a href="#">A64061181260 Training and Development Policy on Intranet</a></p> <p>d. <a href="#">A83452132464 Code of Conduct for Council Employees on Intranet</a></p>
<p>9.7. Retention strategies in place i.e. induction process, EAs in place</p>	<p>a. EBAs available on the intranet</p> <p>b. Induction New Employee Checklist</p> <p>c. Probationary Period Checklist</p>	<p>a. <a href="#">Agreements &amp; Awards</a></p> <p>b. <a href="#">A13732941228134 Induction New Employees on Intranet</a></p> <p><a href="#">Your First 3 months City of West Torrens Induction Policy and checklists From Intranet</a></p> <p>c. <a href="#">A267473583197 Probation Period Checklist on Intranet</a></p> <p><a href="#">Your First 3 months City of West Torrens Induction Policy and checklists From Intranet</a></p>
<p>10.8. Managers' remuneration package</p>	<p>a. Salary Register publically available</p>	<p>a. <a href="#">A10356873342176 Salary Register 2016</a></p> <p>Publically available via Customer Service Kiosk</p>
<p>11.9. Recruitment is undertaken via various media</p>	<p>a. Vacancies placed on Website</p> <p>b. Seek job website</p> <p>c. Local Government Directory, Universities etc.</p> <p>d. Recruitment Toolbox</p> <p>e. Managers Recruitment Checklist</p>	<p>a. <a href="#">Vacancies Page on the CWT Internet</a></p> <p>b. <a href="#">Seek website</a></p> <p>c. <a href="#">Careers in Council Local Government Association website</a></p> <p>d. <a href="#">Recruitment Toolbox on CWT intranet</a></p> <p>e. <a href="#">A12662961187522 Managers Recruitment Checklist on Intranet</a></p>

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	f. Recruitment and Selection Policy	f. <a href="#">A1966212399442 Recruitment and Selection policy on Intranet</a>
<del>12.10.</del> Continuous improvement through LEAN thinking implemented	a. Past LEAN Projects - Truss project, Gnarly Project, Library Project, Depot projects completed  b. Manager training completed  c. Facilitators training held in March 2015  d. Lean Project updating Policies on Intranet/Website  e. LEAN Project Register	a. <a href="#">Past Projects Lean-Thinking page on Intranet</a>  b. <a href="#">A18109012268984</a>  c. <a href="#">A16602122977962</a>  d. <a href="#">A12251713484577</a>  e. <a href="#">Lean Project Register on Intranet</a>
<del>13.11.</del> Classification review <del>for Library Staff completed and being implemented for LGE Award employees</del>	a. <del>Classification review for Library Staff Local Government Employees Enterprise Agreement 2014</del>	a. <del>A1993574 Consultant Review Report 2326708 City Of West Torrens Local Government Employees Enterprise Agreement 2014 from Industrial Commission Website</del>
<del>14.12.</del> Recruitment and selection audit completed with a finding of a good level of compliance	a. Recruitment, Selection, Induction and Probation Process - Final Internal Audit Report	a. <a href="#">A7037244932900</a>
<del>15.13.</del> Conditions of employment and remuneration are attractive	a. <del>RDO's, Healthy Lifestyle incentives, Flexible leave arrangements</del>  b. <del>EBA table of comparison (approximate mid-way point)</del>	a. <a href="#">Benefits and Conditions of employment page on Website</a>  b. <a href="#">Comparisons by level sorted by Council salary from Council Intranet MSO Bargaining 2017</a>
<del>16.14.</del> Over 64% of employees are under the age of 50 and 26% under 35	a. Ageing Workforce Report	a. <a href="#">A18118073087728</a>
<del>17.15.</del> All departments have commenced documenting their processes via Lean/continuous improvement projects	a. Past LEAN Projects - Truss project, Gnarly Project, Library Project, Depot completed  b. Managers training completed  c. Facilitators training March 2015	a. <a href="#">Past Projects Lean-Thinking page on Intranet</a>  b. <a href="#">A18109012268984</a>  c. <a href="#">A16602122977962</a>

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	d. Lean Project "updating Policies" on Intranet e. Lean Project Register	d. <del>A12251713184577</del> e. <a href="#">Lean Project Register on Intranet</a>
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Risk Issue	3. SERIOUS INJURY OR DEATH
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Descriptor	An act or omission by Council (or its contractors) that contributes to the serious injury or death of an employee, contractor, visitor, client of a service, or member of the public.
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Untreated Risk:	Likelihood: Unlikely	=	High
	Consequence: Catastrophic		

**Existing Controls**

Tangible Controls (Evidence available)	
1.	Policies, procedures and Safe Work/Operating procedures, Job Safety and Environmental Assessments in place and reviewed as required
2.	<del>No history of Safework SA Prosecution or WHS offence investigations have indicated no negligence by CWT</del>
3.	Legislation is monitored via weekly Government Gazette and provided to managers for implementation as required
4.	Policies review schedule in situ. In addition, when legislation changes, affected policies are reviewed or developed
5.	Spot visits to work sites by supervisors
6.	Internal audits, KPI audits and Safework SA audits undertaken at regular intervals or ad-hoc
7.	Advocacy sources available for employees and members of the public
8.	Asset Management Plans in place and being implemented
9.	WHS and IM Plan and associated programs approved and monitored
10.	Investigation, monitoring and reporting to the management team of specific incidences
11.	Major reports, or when there is a perceived significant issue, include risk assessment details.
12.	Customer requests priorities and complaints are escalated to managers
13.	Risk assessments undertaken for <del>all</del> major projects, <del>and</del> new programs <u>and departmental operational risks</u> .
14.	Risk training provided to all team leaders/supervisors/co-coordinators 2013 and 2015 <u>with further training planned for November 2017</u>
15.	<del>Refresher training for managers completed in August 2013</del> . Risk Management accreditation training undertaken by all new managers in February/March 2015

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16.	Claims trends monitored and inform maintenance schedules
17.	Contractor Management Policy reviewed with input from key staff stakeholders and adopted in November 2014. Training being rolled out.
18.	Contractor management templates revised, implemented and available on the intranet
19.	WHS Calendar of Events outlines all corporate WHS training, including Emergency Evacuation
20.	Trained Emergency Evacuation Personnel
21.	Regular emergency evacuation drills undertaken
22.	Executive debrief following emergency drills
23.	<del>Annual Risk and Resilience Plan approved by the Executive integrated with strategic and service planning</del>

**Intangible Controls (No evidence available but known to be in place)**

Nil

<b>Effectiveness of controls:</b>	Satisfactory
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<b>REVISED RISK RATING:</b>	<b>Likelihood:</b> Rare	<b>=</b>	<b>Moderate</b>
	<b>Consequence:</b> Catastrophic		

<b>Additional Solutions</b>	Not required.
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<b>Role of Executive</b>	As this is a moderate risk, monitor and review six monthly
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**RISK 3 - Serious Injury or Death**  
**EVIDENCE SUPPORTING TANGIBLE CONTROLS**

Control	Evidence	Doc Set Id/Webpage
1. Policies, procedures and Safe Work/Operating procedures, Job Safety and Environmental Assessments in place and reviewed as required	a. WHS Policies available on the intranet <a href="#">Policy Hub - index of policies</a> b. Index of SOP's c. Policy review <a href="#">Report 2017/2018 schedule</a> d. SWP / SOP review schedule underway e. Job Safety Environment Analysis Register f. <del>Example provided of JSEA - Cooling Tower Inspections from September 2015</del>	a. <a href="#">WHS policies on intranet</a> b. <a href="#">A126572314419845 Index of SOP's from Intranet</a> c. <a href="#">A20396133333295</a> d. <a href="#">A8558782183894</a> e. <a href="#">A1157321-3100007</a> Document Register printed from ECM f. <del>3086153</del>
2. <del>No history of</del> Safework SA <del>prosecution or WHS offence investigations have indicated no negligence by CWT</del>	a. The historical outcome of three reported incidents found no negligence on the part of CWT	a. Confidential records in ECM but confirmed by GMB&CS
3. Legislation is monitored via weekly Government Gazette and provided to managers for implementation as required	a. Government Gazettes <del>reports</del> distributed to relevant managers for information <a href="#">as soon as received</a> b. Legislative Progress Report to Council provides a monthly overview of proposed amendments and changes to legislation <a href="#">which affects CWT processes/policy or practices</a>	a. <a href="#">A20514723085951</a> b. <a href="#">Legislative Progress Report September 2017 from Agenda Council and Standing Committees 03 October 20173497707</a>
4. Policies review schedule in situ. In addition, when legislation changes, affected policies are reviewed or developed	a. Policy review <a href="#">Report 2017/2018 schedule</a>	a. <a href="#">A20396133333295</a> <a href="#">CWT Corporate Planning Policy and Performance Committee Agenda 8 September 2015</a> <a href="#">CWT Corporate Planning Policy and Performance Committee Agenda 8 November 2016</a>

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	b. WHS and IM Performance Dashboard Report Quarter 4 2015/2016	b. <a href="#">WHS and IM Performance Dashboard link from Intranet</a>
5. Spot visits to work sites <del>Internal audits undertaken by supervisors</del>	a. Part of normal day to day work – recorded and lodged into system	a. <a href="#">A8895923327352</a>
6. Internal <del>a</del> Audits KPI audits and <del>Safework SA</del> Workcover audits undertaken at regular intervals or adhoc	a. <a href="#">2015-2018 Internal Audit Plan</a> b. <a href="#">2016 LGAWCS KPI Audit Evaluation</a>	a. <a href="#">A1035935 2982417</a> b. <a href="#">ID 9604 Infocouncil</a>
7. Advocacy sources <a href="#">available for employees and members of the public</a>	a. CHSP Advocacy Policy available on Compass	a. <a href="#">A19459431971464 CHSP advocacy policy on Intranet</a>
8. Asset Management Plans in place and being implemented.	a. Asset Management Policy and Plan available on website	a. <a href="#">459426 Asset Management policy on Website</a>
9. WHS and IM Plan and associated programs approved and monitored	a. Updated to the WHS and IM Plan 2014-2017 (reviewed March 2016) b. <a href="#">CWT WHS and IM system</a> c. <a href="#">WHS Dashboard report</a>	a. <a href="#">A16713832980694</a> b. <a href="#">CWT WHS and IM Management System from Intranet</a> c. <a href="#">WHS and IM Performance Dashboard Quarter four 2016 -2017 from Intranet</a>
10. Investigation, monitoring and reporting to the management team of specific incidences	a. All WHS accidents/incidents investigated. Reports to Exec and Steering Committee b. WHS and IM Performance Dashboard Report Quarter 4 - <a href="#">2016045-2017046</a>	a. <a href="#">A12712053324364 Minutes of WHS Steering Committee 25 August 2016 from Intranet</a> b. <a href="#">WHS and IM Performance Dashboard Quarter four 2015-2016 from Intranet</a> <a href="#">WHS and IM Performance Dashboard Quarter four 2016 -2017 from Intranet</a>

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11. Major reports, or when there is a perceived significant issue, include risk assessment details	a. <a href="#">Risk Management Framework Administration Policy approved June 2017 Council Report Agenda template prompts risk assessment</a>	a. <a href="#">Risk Management Framework Administration Policy from Council Intranet3331004</a>
12. Customer requests priorities <a href="#">and complaints</a> are escalated to managers	a. As detailed in the Customer Complaints policy which is available on CWT website	a. <a href="#">A19706081780634 Customer complaints policy on Website</a>
13. Risk assessments undertaken for <del>all</del> major projects, <del>and</del> new programs <a href="#">and departmental operational risks</a>	a. Summer Festival 2017016 Risk Management Plan  <del>b. City Assets Annual Service Plan for 2016/17</del>  b. <a href="#">City Works Operational Risk Register</a>	a. <a href="#">A19673863237862</a>  b. 3271870  <a href="#">City Assets Annual Service Plan for 2016/17 from Website</a> b. <a href="#">A2050000</a>
14. Risk training provided to all team leaders/supervisors/co-coordinators <a href="#">2013 and 2015 with further training planned for November 2017</a>	a. <a href="#">Confirmation from Tafe SA that 9 Staff members have completed Risk Management Training in 2015 with further training planned for November 2017</a>  b. <a href="#">Risk Management Training appointments 2017</a>  c. <a href="#">Corporate Risk Induction</a>  d. <a href="#">Risk Identification Workshop</a>	a. <a href="#">A17521003048179</a>  b. <a href="#">A2034169</a>  c. <a href="#">A2043539</a>  d. <a href="#">A2050022</a>
15. <del>Refresher training for managers completed in August 2013. Risk Management accreditation training undertaken by all new Managers in February/March 2015</del>	a. <a href="#">Risk Management accreditation training undertaken by all new managers in February/ March 2015 Risk Managers-Refresher Training – Proposal 2013. Confirmation that training was carried out verified</a>  b. <a href="#">Risk Management Training 2017 appointments to Management Team</a>	a. Individual records confidential on personnel files but confirmed          b. <a href="#">A2051693</a>
16. Claims trends monitored and inform maintenance schedules	a. WHS and IM Performance Dashboard Report Quarter 4 <a href="#">2016045-2017046</a>	a. <a href="#">WHS and IM dashboard report on Intranet</a>

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17. Contractor Management Policy reviewed with input from key staff stakeholders and adopted in November 2014. Training being rolled out	a. Contractor Management  b. Attendance record Procurement and Contractor management training - Minor Works	a. <a href="#">A20453981234533</a> <a href="#">Administration Policy Contractor Management from Intranet</a>  b. <a href="#">A18483833443780</a>
18. Contractor management templates revised, implemented and available on the intranet	a. Contractor Management Process available on the intranet (includes risk assessment, induction and monitoring requirements)  b. Natural Environmental Guidelines for Works, Operations and Contractors  c. The Procurement process available on intranet outlines RFQ schedules, contract conditions used to evaluate suitability of suppliers	a. <a href="#">Procurement page with templates and guidelines on intranet</a>  b. <a href="#">A83672154120</a> <a href="#">Natural Environmental Guidelines for Works, Operations and Contractors on Intranet</a>  c. <a href="#">Procurement page with templates and guidelines on intranet</a>
19. WHS Calendar of Events outlines all corporate WHS training, including Emergency Evacuation	a. <del>2017046</del> WHS Calendar of Events	a. <del>2017</del> WHS Calendar of Events from Council Intranet <del>3018698</del>
20. Trained Emergency Evacuation Personnel	a. Emergency Evacuation Exercise from Bob May Workplace Emergency Training 28.06. <del>1746</del> - Civic Centre  b. Training attendance record from Bob May for Emergency Warden Training <del>including attendance of Chief &amp; Deputy Warden</del> on <del>256/07/2017046</del>  c. Training attendance record - Bob May Workplace emergency training - Chief & Deputy Warden Training <del>01/08/2017 and Emergency Evacuation</del>	a. <a href="#">A20183023279765</a>  b. <a href="#">A20457433326634</a>  c. <a href="#">A20457423078262</a>

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	<p><del>Procedures and Practical use of Portable Fire Extinguishers Training -- 25/8/2015</del></p> <p>d. Training attendance record from Bob May for Fire Safety Training and Extinguisher Training on 25/8/2015</p> <p>e. Training attendance record for Emergency Evacuation Procedures and Practical use of Portable Fire Extinguishers Training Certificate of attendance -- 18/8/2015 and Certificates received for all attendees</p>	<p>d. <del>A16970483075588</del></p> <p>e. <del>A18097483072357</del></p>
21. Regular <del>e</del> Emergency <del>e</del> Evacuation <del>d</del> Drills undertaken	a. Emergency Evacuation Exercise from Bob May Workplace Emergency Training 28.06. <del>17</del> 46- Civic Centre	a. <del>A20183023279765</del>
22. Executive debrief following emergency drills	a. Memo to Executive - Code Orange Emergency Evacuation 17 June 2015	a. <del>A8285873038684</del>
23. <del>Annual Risk and Resilience Plan approved by the Executive-integrated with Strategic and Service Planning</del>	<p><del>Risk included in the Integrated Annual Planning Cycle.</del></p> <p>a. <del>Risk and Resilience Plan 2017/18</del></p> <p><del>a-b. Risk and Resilience Plan Quarterly update fourth quarter - June 2017</del></p>	<p><del>a. 3099774</del></p> <p><del>a.A2049817</del></p> <p><del>b.A2049821</del></p>

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Risk Issue	4. THE COUNCIL
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Descriptor	<p>a) Breakdown in the effective working relationship between Elected Members.</p> <p>b) Breakdown in the effective working relationships between Elected Members and the Administration</p> <p>c) Breakdown in the effective working relationships between senior members of the Administration</p>
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Untreated Risk:	Likelihood: Likely	=	Extreme
	Consequence: Major		

## Existing Controls

## Tangible Controls (Evidence available)

1.	Mandatory Code of Conduct for Council Members has been enacted and includes mandated behaviours and associated penalties for non-compliance
2.	Legislation in situ
3.	<u>Mandatory</u> Elected Member Induction completed
4.	Commitment to positive working relationships, demonstrated through mechanisms such as pre-briefs, EM workshops, training sessions, joint EM/Staff social events
5.	Training provided to staff on their roles and responsibilities
6.	Commitment to good management practice
7.	Effective and regular formal and informal communication between the CEO and Mayor -
8.	Effective information provision
9.	Whistleblower processes in place
10.	Mandatory Code of Conduct for Employees documents and stipulates the values, behaviours and conduct expected of staff.
11.	Strategic direction documented and clearly articulated
12.	Ombudsman Act and Independent Commissioner Against Corruption Act provide for simpler reporting processes and greater investigation into misconduct
13.	<u>ICAC oversight of conduct /maladministration/corruption</u>
13-14.	On-site training made available to Elected Members which met the majority of the mandatory training requirements including Code of Conduct requirements and included roles and responsibilities
14-15.	On-line mandatory training modules made available by the LGA to all Elected Members which includes roles and responsibilities

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Intangible Controls (No evidence available but known to be in place)				
1. Effective and regular formal and informal communication between the CEO and Mayor				
Risk	Likelihood	Consequence	=	Revised Risk Rating
4a	Unlikely	Major		Moderate
4b	Unlikely	Major		Moderate
4c	Unlikely	Major		Moderate
Effectiveness of controls		Satisfactory		
OVERALL REVISED RISK RATING:	Likelihood: Unlikely		=	Moderate
	Consequence: Major			
Additional Solutions		Nil		
Role of Executive		As this is a moderate risk, monitor the actions and review six monthly		

**RISK 4 - The Council**  
**EVIDENCE SUPPORTING TANGIBLE CONTROLS**

Control	Evidence	Doc Set Id/Webpage
1. Mandatory Code of Conduct for Council Members has been enacted and includes mandated behaviours and associated penalties for non-compliance	<p>a. The Code of Conduct for Council Members is available on the SA legislation webpage and Council's website</p> <p>b. Mandatory Code of Conduct for Council members as Gazetted 29 Aug 2013</p>	<p>a. <a href="#">A83532132493 Code of Conduct for Elected Members on Website</a></p> <p>b. <a href="#">Mandatory Code Of Conduct for Council Members as Gazetted 29 August 2013</a></p>
2. Legislation in situ	<p>a. Local Government Act 1999</p> <p>b. Development Act 1993</p> <p>c. Legislation covering your work page on the intranet</p> <p>d. <a href="#">Legislative update report/PDI update report</a></p> <p>e. <a href="#">PDI Steering group in preparation for implementation of Planning Reform/PDI Act</a></p>	<p>A <a href="#">Local Government Act 1999 from SA legislation website</a></p> <p>b. <a href="#">Development Act on Internet from SA Legislation website</a></p> <p>c. <a href="#">Page on intranet outlining legislation covering your work</a></p> <p>d. <a href="#">A2044664 Project Status report - PDI Engagement - update 4</a></p> <p>e. <a href="#">A2039594 -PDI Steering Act Committee - Agenda 8 Sept 2017</a></p>
3. <del>Mandatory</del> Elected Member Induction completed	<p>a. Good Governance Training was provided to Elected Members on 3 December 2014</p>	<p>a. <a href="#">A18280272307689</a></p>
4. Commitment to positive working relationships, demonstrated through mechanisms such as pre-briefs, EM workshops, training sessions, joint EM/Staff social events	<p>a. Elected Member Strategic Planning <a href="#">Day April Event Survey 2017045</a></p> <p>b. <a href="#">EM briefings/Informal gatherings held regularly before Council meetings - not decision making Council Pre-brief flyer 16 August 2016</a></p>	<p>a. <a href="#">A19867892346314</a></p> <p>b. <a href="#">A19715043307974</a></p>
5. Training provided to staff on their roles and responsibilities	<p>a. <a href="#">Corporate Governance Induction sessions are provided to all new staff every quarter. Sessions address working relationships with the elected body</a></p>	<p>a. <a href="#">A9793453285655</a></p>

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6. Commitment to good management practice	<p>a. Potential leaders currently participating in LG Professionals Challenge</p> <p>b. Up to 2 potential leaders participate in LG Professionals leadership training each year</p> <p>c. One manager per month provides a leadership learning session to the Managers Forum</p> <p>d. Study Assistance Program.</p> <p>e. LEAN Facilitation Guide</p>	<p>a. <a href="#">A20374933127736</a></p> <p>b. <a href="#">A1961577 - Confidential - (Advice to staff member of successful expression of interest to professional leaders program)</a> <a href="#">3029393-ELP-3135971-PLP</a></p> <p>c. <a href="#">A2021083 Leadership learning presentation 3333313</a></p> <p>d. <a href="#">A63031094062</a> <a href="#">Study Assistance Administration Policy on Intranet</a></p> <p>e. <a href="#">A10789823022589</a> <a href="#">Lean Facilitators Guide on Intranet</a></p>
<p>7. Effective and regular formal and informal communication between the CEO and Mayor</p> <p><del>(Effective communication processes in situ between Elected Members and the management team which is open, transparent, accessible and accountable)</del></p>	<p>a. EM briefings/<del>Informal gatherings</del> held regularly <del>fortnightly</del> before <del>every</del> Council meetings – not decision making</p> <p>b. <a href="#">Elected Members Planning Day agenda 2017</a> <a href="#">Agenda-Regional-EM Workshop</a></p> <p><del>9-c. Informal Gatherings and Discussions Policy</del> <del>Elected Members Planning Day agenda 2015</del></p>	<p>a. <a href="#">A19715043191782</a></p> <p>b. <a href="#">A19867893061878</a></p> <p>c. <a href="#">Council Policy Informal Gatherings and Discussions on CWT website</a></p>
8. Effective information provision	<p>a. Survey undertaken in January 2015 with Elected Members to determine their preferred communication/information provision mode</p> <p>b. Information provided efficiently in various electronic mediums i.e. <a href="#">File</a></p>	<p>a. <a href="#">A18321442316314</a></p> <p>b. <a href="#">A9434973249497</a></p>



	<p><del>DirectorDropbox</del>, iPad, iPhones, extranet, email etc.</p> <p>c. <del>EM briefings/Informal gatherings held regularly before Council meetings - not decision making Pre-briefs and workshops</del></p> <p>d. <del>An</del> Elected Member Strategic Planning <del>Day April 2017</del> Event Survey was distributed to EM on 23 January 2015</p>	<p>c. <del>A1971504-3337531</del></p> <p>d. <del>A19867892346314</del></p>
9. Whistleblower processes in place	<p>a. Policy reviewed <del>May 2016 Feb 2013</del> and available on compass.</p> <p>b. Separate/private email account <a href="mailto:wtccwhistleblowers@gmail.com">wtccwhistleblowers@gmail.com</a> accessed only by responsible officer is available for lodgment of whistleblowers complaints <del>tested September 2017</del></p>	<p>a. <del>A1971069479795</del> <a href="#">Whistle-blowers policy on Website</a></p> <p>b. <del>A20501493326410</del></p>
10. Mandatory Code of Conduct for Employees documents and stipulates the values, behaviours and conduct expected of staff	<p>a. Code of Conduct for Council Employees available in hard copy, on State Govt legislation website and Council's webpage and the intranet</p>	<p>a. <del>A83452132464</del> <a href="#">Code of conduct for Council Employees Local Government Act 1999 Section 110 From Website</a> * <a href="#">Code of Conduct for Council Employees Local Government Act 1999 from Website</a></p>
11. Strategic direction documented and clearly articulated	<p><del>a.</del> Towards 2025 Community Plan <del>review approved 2017 following public consultation</del></p> <p><del>a.b.</del> Strategic Directions Report</p>	<p>a. <del>2233775</del> <del>Towards 2025 Community Plan from Website</del> <del>Towards 2025 Community Plan from CWT website</del></p> <p>b. <del>A12648632227205</del> <a href="#">Vision 2025 Strategic Directions Report from Website</a></p>

	<del>b-c</del> Departmental Service plans i.e. Annual Service Plan- City Works 2016/17	c. <a href="#">A78063274876</a>
12. Ombudsman Act and Independent Commissioner Against Corruption Act provides for simpler reporting processes and greater investigation into misconduct	<p>a. Reporting and Investigating Council Member Code of Conduct Complaints Policy is available of Council's website</p> <p>b. Ombudsman Act <a href="#">1972</a> Legislation available on State Govt legislation webpage</p> <p>c. ICAC Directions and Guidelines</p> <p><del>d.</del> Ombudsman SA Website</p> <p><del>e.</del> OPI website</p>	<p>a. <a href="#">A19709962236607</a> <a href="#">CWT Reporting and Investigating Council Member Code of Conduct Complaints from Website</a></p> <p>b. <a href="#">Ombudsman's Act from SA Legislation website</a> <a href="#">Ombudsman's Act 1972 from SA Legislation website</a></p> <p><a href="#">Independent Commissioner Against Corruption Act from SA Legislation website</a></p> <p>c. <a href="#">ICAC Directions and Guidelines</a></p> <p>d. <a href="#">Ombudsman SA website</a></p> <p>e. <a href="#">The office for Public Integrity website</a></p>
13. <a href="#">ICAC oversight of conduct /maladministration/corruption</a>	<p>a. <a href="#">ICAC Directions and Guidelines</a></p> <p>b. <a href="#">OPI website</a></p>	<p>a. <a href="#">ICAC Directions and Guidelines from ICAC/OPI website</a></p> <p>b. <a href="#">The Office for Public Integrity website</a></p>
<del>13.14.</del> Onsite training made available to Elected Members which met the majority of the mandatory training requirements including Code of Conduct requirements and included roles and responsibilities	<p>a. Financial Management Mandatory Training provided by John Comrie to Elected Members</p> <p>b. Mandatory training register Financial Reporting and Management 2015</p>	<p>a. <a href="#">A16629422982595</a></p> <p>b. <a href="#">A7676032979499</a></p>
<del>14.15.</del> On-line mandatory training modules made available by the LGA to all Elected Members which includes roles and responsibilities	<p>a. Email from GMOS to all Elected Members</p> <p>b. LGA website</p>	<p>a. <a href="#">A11377713078148</a></p> <p>b. <a href="#">www.mylearning.lga.sa.gov.au</a> and <a href="#">www.lga.sa.gov.au</a></p>

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Risk Issue	5. DECISION MAKING
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Descriptor	<p>a) Decisions made by Council that reverse or change direction from approved or established plans without considering the impacts on service delivery or reputation or decisions that are based on political expediency.</p> <p>b) Decisions made by the Administration that reverse or change direction from approved or established plans without considering the impacts on service delivery or reputation or decisions that are based on political expediency.</p>
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Untreated Risk:	Likelihood: Likely	=	High
	Consequence: Moderate		

**Existing Controls**

Tangible Controls (Evidence available)	
1.	Policy review regime monitored quarterly by the Executive
2.	Audit arrangements in place (external and internal)
3.	Strong governance and risk function
4.	Robust recruitment process ensures qualified staff i.e. qualifications checked and references sought for preferred applicants to ensure the required competence of staff to make effective decisions and recorded on file
5.	All reports to Council specify legislative requirements, policies or practices that apply or situations when a decision may be 'ultra-vires'
6.	Elected Member body is open to new initiatives
7.	Strong, stable and experienced executive management team
8.	Transparent, open and accountable to the community
9.	Legislation and policies in situ
10.	Plans in situ - i.e. Asset Management, Risk, Financial and Strategic Plans
11.	Robust software systems in situ - e.g. Interplan
12.	CEO receives and delegates powers to make decisions
13.	Meeting Action Progress Report provided each quarter to the CPPP/Council
Intangible Controls (No evidence available but known to be in place)	
1.	Adequate and well trained resources provided

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Risk	Likelihood	Consequence	=	Revised Risk Rating
5a	Unlikely	Major		Moderate
5b	Unlikely	Moderate		Moderate

Effectiveness of controls:	Satisfactory
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OVERALL REVISED RISK RATING:	Likelihood: Unlikely	=	Moderate
	Consequence: Moderate		

Additional Solutions	Not required
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Role of Executive	As this is a moderate risk, monitor and review six monthly
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**RISK 5 - Decision Making**  
**EVIDENCE SUPPORTING TANGIBLE CONTROLS**

Control	Evidence	Doc Set Id/Webpage
1. Policy review regime monitored quarterly by the Executive	a. Policy <u>Review Report 2017/2018</u> <del>schedule in place.</del>	a. <u>A20396133333295</u>
2. Audit arrangements in place (external and internal).	a. BDO <u>Audit Engagement Letter</u> <del>External Audit Plan 16/17</del> <u>45/46</u> b. Galpins engaged to undertake internal audit. c. Internal Audit Plan 2015-2018 was approved April 2015 -Outlining co-sourced approach to Internal Audit. d. <u>Internal Audit Program 2017/18</u> e. <u>Wallmans Lawyers engaged to undertake legislative compliance audits</u>	a. <u>A2016016 3285579</u> b. <u>A7706242982174</u> c. <u>A1035935 2984263</u> d. <u>ID 10037 (Infocouncil) -2017/18 Internal Audit program</u> e. <u>A2008258</u>
3. Strong governance and risk function	a. <u>Comprises 4.5 FTE including Team leader, Governance and Business Improvement (law degree) Governance function comprise suitably qualified high level staff</u> b. Senior Strategic Procurement Officer and Program Leader Internal Audit and Risk c. General Manager has <u>150+</u> years governance experiences across two SA councils. Evidence of position from previous council	a. <u>A20535601748015</u> page 2829 b. <u>A20535601748015</u> pages 21, <u>2829</u> c. <u>A20535601748015</u> pg. 1 <u>3099673</u> <u>General Manager Experience across Two Councils link to Marion Council Website</u> <u>A305026726604</u> re Governance Manager 2008

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	<p>d. All managers are accredited in risk management <u>-refresher training booked for November 2017</u></p> <p>e. A number Team leaders and staff trained in risk management in 2015 <u>- Further training sessions booked for November 2017</u></p> <p>f. Enterprise Risk Management policy reviewed and approved in <u>JuneMay 2017045</u>, available on Council's webpage</p> <p>g. Risk Management Framework <u>reviewed and approved June 2017</u> and available on <u>CWT</u> Intranet</p> <p>h. Good levels of compliance and controls of risk reviews. Galpins CWT Risk Management Controls Verification Internal Audit Report.</p> <p>i. Strategic Risk Review</p> <p><u>j. Risk Inductions</u></p>	<p>d. <u>A3549814130328</u></p> <p>e. <u>A17521003048179</u></p> <p>f. <u>A1970642306044</u> <a href="#">CWT Enterprise Risk Management Policy from Councils website</a>  <a href="#">CWT Council and Standing Committee Minutes 12 May 2015</a></p> <p>g. <u>4127259</u> <a href="#">CWT Risk Management Framework from Councils intranet</a></p> <p>h. <u>A7706242982174</u></p> <p>i. <u>3161237</u> <a href="#">Strategic Risk Review from Intranet2016/17 Mid-Year Strategic Risk Review from Council Intranet</a></p> <p>j. <u>A2043539</u></p>
4. Robust recruitment process ensures qualified staff i.e. qualifications checked and references sought for preferred applicants to ensure the required competence of staff to	<p>a. Recruitment toolbox available on Compass which steps out the process for recruitment</p> <p>b. Recruitment and selection internal audit completed and presented to Audit and</p>	<p>a. <a href="#">Vacancies and recruitment toolbox on intranet</a></p> <p>b. <u>A6438764875407</u></p>

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make effective decisions and recorded on file	Risk Committee in February 2013	<a href="#">February 2013 Audit and Risk Committee Agenda</a>
5. All reports to Council specify legislative requirements, policies or practices that apply or situations where a decision may be 'ultra-vires'	a. Revocation of Community Land Classification - Thebarton Report to Council	a. <a href="#">A10422722092804</a>
6. Elected Member body is open to new initiatives.	a. Sale of St Martins b. Thebarton Community Centre c. Sale of Brickworks d. Weigall Oval masterplan	a. <a href="#">A7828732994068</a> b. <a href="#">A3762131149755</a> c. 1451887 - <a href="#">confidential</a> d. <a href="#">A7862604739683</a>
7. Strong, stable and experienced executive management team	a. Executive team all holds tertiary qualifications b. Executive team has extensive management/executive experience c. Executive team composition has been stable with only one change since 2008 and that role was absorbed within current executive team d. as evidenced via annual reports on website	a. Information verified but not public information b. Resumes verified but confidential - experience at CWT c. <a href="#">A18484143114245</a> Email from CEO advising role absorbed into remaining execs d. <a href="#">Annual Report on webpage</a>
8. Transparent, open and accountable to the community	a. Annual Report Confidential Items 2016/17-2017/18, <a href="#">Item 11.3 Governance Standing Committee adopted by Council at is 01 August 2017 Ordinary meeting with Council invoking S90 (3) a total of nine (9) times to discuss 1.92% of all business items presented to Council within the 2016/17 financial year well within the Ombudsman's objective of 3% for Local Government with Council invoking s90(3) a total of seven (7) times</a>	a. <a href="#">Confidential Items Annual Report (report Confidential Items Annual Report (report and minutes of Council meeting from Website August 2017)3306582</a>

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	<p><del>to discuss 1.30% of all business items presented to Council during the 2015/16 financial year</del></p> <p>b. Freedom of Information available on CWT website</p> <p><del>c. Whistleblowers information available on website with Gmail address directed only to the responsible officer</del></p> <p><del>d. Internal Review Of Council Decisions Policy</del></p> <p><del>e. Complaints Policy</del></p>	<p>b. <a href="#">Freedom of Information page on website</a></p> <p>c. <a href="#">Whistleblowers webpage</a></p> <p><del>d. Internal Review of Council Decisions Policy on CWT website</del></p> <p><del>e. Customer Complaints Policy on CWT website</del></p>
9. Legislation and policies in situ	<p>a. Policy register</p> <p>b. Legislative Progress Report to each Council meeting</p> <p>c. Reports refer to legislative requirements when relevant</p> <p>d. LGA Circulars</p> <p><del>e. Legislative Compliance Audits</del></p> <p><del>f. Government Gazette distributed weekly to relevant General Managers, Managers and key staff for Information</del></p> <p><del>g. PDI update report</del></p>	<p>a. <del>A10261543333295</del> <a href="#">City of West Torrens Intranet Policy Hub</a></p> <p>b. <del>Legislative Progress Report September 2017 from Agenda Council and Standing Committees 03 October 2017 197706</del></p> <p>c. <del>A6598702002916</del></p> <p>d. <del>A8216203238495</del> <a href="#">Local Government Circular Hoarding and Squalor resources now available</a></p> <p>e. <del>A2008258 231350</del></p> <p>f. <del>A122485</del></p> <p>g. <del>A2044664</del></p>
10. Plans in situ - i.e. Asset Management, Risk,	<p>a. Towards 2025 Community Plan - <del>reviewed and</del></p>	<p>a. <del>2233775</del></p>

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Financial and Strategic Plans	<p><u>approved in 2017 following public consultation</u></p> <p>b. Asset Management Policy reviewed in 2014</p> <p>c. 2015-2018 Internal Audit Plan</p> <p>d. Budget and annual business plan <u>2017/16/2018/17</u> incorporates the ten year financial plan</p>	<p><u>Towards 2025 Community Plan from Website</u> <u>Towards 2025 Community Plan from CWT website</u></p> <p>b. <u>A1970551459426</u> <u>Asset Management Policy on Website</u></p> <p>c. <u>A1035935 2982417</u></p> <p>d. <u>3280758</u> <u>Adopted budget and annual Business Plan 2016/17 from Website</u> <u>Adopted budget and annual Business Plan 2017/18 from CWT website</u></p>
11. Robust software systems in situ - e.g. Interplan	a. IT Work Plan 2016/2017	a. <u>A19406543285844</u>
12. CEO receives and delegates powers to make decisions	<p><u>a. Development Assessment Panel Delegations Policy</u></p> <p><u>b. CAP Delegations report</u></p> <p><u>a.c. CEO Delegations Framework (publically available)</u></p> <p><u>a.d. Sub-Delegations Framework - Revocations and instrument of sub delegations 2016</u></p> <p><u>a.e. Delegations and Register of Interests Internal Audit</u></p>	<p>a. <u>A10178453325058</u> <u>Development Assessment Panel Delegations Policy</u></p> <p><u>b.ID 10123 (Infocouncil)</u></p> <p><u>cb. A18948033264356</u></p> <p><u>de. A12709333263326</u></p> <p><u>ed. A12081353461200</u></p>
13. Meeting Action Progress Report provided each quarter to the CPPP/Council	a. Meeting Action Progress Report	a. <u>A8245593243654</u>

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Risk Issue	6. ADVICE AND INFORMATION
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Descriptor	<p>a) Failure to provide adequate, accurate and/or timely advice that leads to poor decision making.</p> <p>b) Failure to properly secure information leading to its misuse or to breaches of privacy principles.</p>
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Untreated Risk:	Likelihood: Likely	=	High
	Consequence: Moderate		

**Existing Controls****Tangible Controls (Evidence available)**

1. Policies/procedures/delegations/authorisations approved
2. Legislative changes distributed as they are received by Governance
3. Government Gazettes distributed weekly by Governance
4. Recruitment process to ensure qualified staff, qualifications/ professional memberships or registration; confirmed and recorded on file
5. Referee checks undertaken and recorded
6. Criminal History checks undertaken if required by policy/position
7. Training and training support provided
8. Supervision provided based on experience
9. Performance Development Plans
10. High level of security in place associated with information storage and retrieval
11. Audits undertaken by IMU
12. Delegations/authorisations reviewed regularly by the Council and Executive Management Team, particularly following changes to legislation
13. Professional indemnity insurance in situ for staff via LGRS

**Intangible Controls (No evidence available but known to be in place)**

Nil

Risk	Likelihood	Consequence	=	Revised Risk Rating
6a	Unlikely	Moderate	=	Moderate
6b	Unlikely	Moderate	=	Moderate

Effectiveness of controls:	Satisfactory
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<b>OVERALL REVISED RISK RATING:</b>	<b>Likelihood:</b> Unlikely	<b>=</b>	<b>Moderate</b>
	<b>Consequence:</b> Moderate		

<b>Additional Solutions</b>	Not required
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<b>Role of Executive</b>	As this is a moderate risk, monitor and review six monthly
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**RISK 6 - Advice and Information**  
**EVIDENCE SUPPORTING TANGIBLE CONTROLS**

Control	Evidence	Doc Set Id/Webpage
1. Policies/procedures/delegations/authorisations approved	<p>a. Review of delegations and authorisations approved by Council in <del>May</del><u>April</u> <del>2017</del><u>2016</u></p> <p>b. <del>CEO</del> Delegations Framework <del>2017</del></p> <p>c. Sub Delegations Framework - Revocations and Instruments of Subdelegations</p> <p>d. Authorisations Register</p> <p>e. <del>CEO Development Assessment Panel</del> Delegations Policy</p>	<p>a. <u>A9228003226236</u></p> <p>b. <u>2017 Delegations Framework Endorsed By Council 02 May 2017 link to CWT websiteA9228003226236</u>  <u>CEO and Sub-delegations endorsed by Council 7 June 2016 Updated 26 July 2016.</u></p> <p>c. <u>A18948033264356</u></p> <p>d. <u>A18433623293538</u></p> <p>e. <u>1223321 Delegations Policy CWT websiteDevelopment Assessment Panel Delegations Policy CWT website</u></p>
2. Legislative changes are distributed as they are received by Governance	<p><del>a. Monthly legislative update reports provided to the Governance Committee</del></p> <p><del>a.</del> Updated Acts provided to Ems in hard copy/ <u>File</u> <del>Director Data</del><u>now</u> or via email notification dependent on their preference</p> <p><del>b.</del> Staff advised of changes via email with recommendation that the changes can be accessed via legislation.sa.gov.au site</p> <p><del>c.</del> Legislative <u>Progress</u> Reports to Council</p>	<p><del>a.</del> <u>3197706 Progress Legislative Report to Meeting of Council</u>  <u>Agenda from the Meeting of Council 02 August 2016</u></p> <p><del>a.b.</del> <u>3164236</u> Email to Elected Members</p> <p><del>b.</del> <u>A20514653042654</u> ECM distribution of Government Gazette</p> <p><del>c.d.</del> <u>Legislative Progress Report September 2017 from Agenda Council and Standing</u></p>

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	<p><u>e.d.</u> Updated Acts that affect Council are reported to the Council</p> <p><u>f.e.</u> Executive is also advised by <u>email</u>/memo of changes to Acts if they <u>y</u> affect Council</p> <p><u>g.f.</u> <u>Government gazette distributed weekly to relevant General Managers, Managers and key staff for information</u> Governance distributes the Government Gazette to Managers and other staff on a weekly basis identifying updates to legislation as they affect the Council</p>	<p><u>Committees 03 October 2017</u> 3197706</p> <p><u>Progress Legislative Report to Meeting of Council 2 August 2016 – link below</u></p> <p><u>Agenda from the Meeting of Council 02 August 2016</u></p> <p><u>de.</u> 3090074 Planning Development and Infrastructure Bill Introduction Report. <u>Council and Standing Committee Agenda 6 October 2015</u> <u>Council and Governance Prescribed Standing Committee Agenda 6 October 2015</u></p> <p><u>ef.</u> 3138680</p> <p><u>fg.</u> A1224853060869 ECM-distribution of Government-Gazette</p>
3. Government Gazettes distributed weekly by Governance	a. <u>Government gazette distributed weekly to relevant General Managers, Managers and key staff for information</u> Government gazette updates provided to those managers for whom the updates are relevant	a. A1224853042654 ECM-distribution of Government-Gazette
4. Recruitment process to ensure qualified staff, qualifications/ professional memberships or registration; confirmed and recorded on file	a. Recruitment Tool Box	a. <u>Recruitment toolbox on intranet</u>

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5. Referee checks undertaken and recorded	<p><del>a. Recruitment and Selection Audit—good level of compliance</del></p> <p><del>b.a. Reference Check Form</del></p> <p><del>b.b. Recommendation Report</del></p> <p><del>d.c. Link to the Toolbox on Compass</del></p>	<p><del>a. 1932900</del></p> <p><del>ab. A1265874583200</del> <del>Reference check template from Recruitment toolbox on Intranet</del></p> <p><del>be. A1270755583204</del> <del>Interview Recommendation report from Recruitment Toolbox on Intranet</del></p> <p><del>cd. Recruitment toolbox on Intranet</del></p>
6. Criminal History checks undertaken if required by policy/position	<p><del>a. Licenses/Qualifications/DCSI ClearancePolice Clearance Statutory Declaration Form</del></p> <p>b. Police Clearance Administration Policy</p>	<p><del>a. Licenses-Clearances information from Council Intranet1791150</del> <del>Police clearance Statutory Declaration on Intranet</del></p> <p>b. Criminal and Relevant History Screening Policy from Council Intranet612613</p> <p><del>Police Clearance Administration Policy on Intranet</del></p>
7. Training and training support provided	<p><del>a. Study assistance program</del></p> <p><del>a.b. Individual training requirements identified via PDP process</del></p> <p><del>b.c. PDP Guidelines/processes</del></p> <p><del>b.d. Performance Development Program</del></p> <p><del>d.e. Study Assistance Request Form</del></p>	<p>a. <a href="#">Study Assistance Program link on Intranet</a></p> <p><del>b. Administration Policy Study Assistance on Intranet</del> <del>Training Plan template Administration Policy Study Assistance on Intranet</del> <del>Administration Policy Study Assistance on Council Intranet</del></p> <p><del>cb. 2225982</del> <del>PDP guidelines from Intranet</del> <del>PDP guidelines from Council Intranet</del></p> <p><del>de. PDP program from Intranet</del></p> <p><del>ed. A12698741107670</del> <del>Study Assistance Request Form on Intranet</del></p>

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8. Supervision provided based on experience	a. Organisational Chart demonstrates reporting structure	a. <a href="#">A20535601748015 CWT Organisational Chart</a>
9. Performance Development Plans	a. PDP	a. <a href="#">A14133614416219 PDP program from Intranet</a>
10. High level of security in place associated with information storage and retrieval.	<p>a. Workflows contained in <a href="#">ObjectiveECM</a> – Network access forms</p> <p>b. Workers compensation claims, industrial claims, etc.</p> <p>c. Allocation of software administration Rights.</p>	<p>a. confidential documents have secure folder status and are only able to be accessed by approved officers - GMBCS verified</p> <p>b. confidential documents have secure folder status and are only able to be accessed by approved officers - GMBCS verified</p> <p>c. <a href="#">Network Access Removal Form</a></p>
11. Audits undertaken by IMU	a. <a href="#">ObjectiveECM</a> Subject Folder Security	a. <a href="#">A15587061740650</a>
12. Delegations/authorisations reviewed regularly by the Council and Executive Management Team, particularly following changes to legislation	a. <a href="#">CEO Delegations Framework Review 2017046</a>	a. <a href="#">2017 Delegations Framework Endorsed By Council 02 May 2017 link to CWT website3226236</a>
13. Professional indemnity insurance in situ for staff <a href="#">via LGRS</a>	a Local Government Association Mutual Liability Scheme confirmation of membership	a. <a href="#">A17474313043535</a> (15/16) <a href="#">A8466743274805</a> 16/17

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Risk Issue		7. FRAUD AND CORRUPTION	
Descriptor	Inadequate systems and procedures that provide opportunities for fraud or corruption by Council staff, volunteers or Elected Members.		
Untreated Risk:	Likelihood: Almost Certain	=	Extreme
	Consequence: Catastrophic		

## Existing Controls

Tangible Controls (Evidence available)	
1.	Policies/procedures, controls in place i.e. Fraud and Corruption Prevention, Control, Reporting and Investigating and Whistleblowers
2.	Internal and External Audits undertaken in accordance with plan
3.	Implementation of ICAC and OPI with associated legislation
4.	Confidential Whistleblowers email address for reporting purposes
5.	Mandatory Code of Conduct for Council Members (and independent members of the Audit and Risk Committee) in situ
6.	Mandatory Code of Conduct for Council employees in situ
7.	Mandatory DAP Code of Conduct in situ
8.	Code of Conduct awareness training provided to all staff and Elected Members, DAP and Audit and Risk Independent Members
9.	Legislation (LG Act, Criminal Law Consolidation Act, ICAC Act, Ombudsman Act strengthened etc.)
10.	Review and improve key workflow process to improve integrity
11.	Audit and Risk Committee established
12.	Majority of processes are open and transparent
13.	Section 270 of the LG Act providing for the Internal Review of Council/Staff and Contractor Decisions and complaints
14.	Ability for stakeholders to report complaints/concerns to multiple enquiry and investigation agencies i.e. ICAC/OPI/Ombudsman/Minister/SAPOL/Council
15.	Regular review of policies and procedures
16.	Notification process in place for changes to legislation
17.	Council/Committee meetings/Informal gatherings held in public

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18.	Information is made available to the community in a range of forms (i.e. budget paper, council agenda) <u>and via Freedom of Information Applications</u>
19.	Regular consultation with the community in line with policy and legislation
20.	Governance Panel (LGA) operational
21.	Regular legislative compliance audits undertaken
22.	Any complaint of fraud and corruption will be directed <u>to</u> the OPI or SAPOL
23.	Customer Complaints Policy in situ
<del>24.</del>	<del>Internal Audit of fraud and corruption prevention and control completed by contract auditors - relevant actions being implemented as appropriate</del>
<del>25-24.</del>	<del>Internal audits undertaken across all aspects of the business and any irregularities reported</del>
<del>26-25.</del>	<del>External Audit undertaken and reported to the Audit and Risk Committee and Council in line with legislation</del>
<del>27-26.</del>	<del>Prudential reporting undertaken for required capital projects in accordance with legislation</del>
<del>28-27.</del>	<del>Strong internal controls including new Deloitte's control tracking program</del>
<del>29-28.</del>	<del>Fraud and Corruption/ICAC/OPI/Ombudsman awareness training provided to Elected Members, independent members of DAP and Audit and Risk Committee and all purchasers across the organisation</del>
<del>30-29.</del>	<del>Procurement Roadmap program currently being implemented to provide robust procurement processes including purchase interrogation</del>
<del>31-30.</del>	<del>Revised Fraud Prevention, Control, Reporting and Investigating Council Policy, which includes new reporting requirements to OPI, was presented to the August 2014 Policy Planning and Performance Committee and approved by Council at its 2 September 2014 meeting.</del>
<del>32-31.</del>	<del>Training provided to Elected Members and independent members of the DAP and Audit and Risk Committee on new conflict of interest and informal gatherings provisions during 2016</del>

**Intangible Controls (No evidence available but known to be in place)**

Nil

<b>Effectiveness of controls:</b>	<b>Satisfactory</b>
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<b>REVISED RISK RATING:</b>	<b>Likelihood:</b> Unlikely	<b>=</b>	<b>Moderate</b>
	<b>Consequence:</b> Moderate		

<b>Additional Solutions</b>	Nil
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<b>Role of Executive</b>	As this is a moderate risk, monitor the action items quarterly and review six monthly
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**RISK 7 - Fraud and Corruption**  
**EVIDENCE SUPPORTING TANGIBLE CONTROLS**

Control	Evidence	Doc Set Id/Webpage
1. Policies/procedures, controls in place i.e. Fraud and Corruption Prevention, Control, Reporting and Investigating and Whistleblowers	<p>a. Whistleblowers Policy</p> <p>b. Fraud and Corruption Prevention, Control Reporting and Investigation Policy</p> <p>c. Elected Members Gifts and Benefits Register</p> <p>d. Council employees gifts and benefits register</p>	<p>a. <a href="#">A1971069479795 Whistleblowers Policy</a></p> <p>b. <a href="#">A1970704496974 Fraud and Corruption Prevention, Control Reporting and Investigation Policy</a>  <a href="#">Fraud and Corruption Prevention, Control Reporting and Investigation Policy on CWT website</a></p> <p>c. <a href="#">Elected member gifts benefits and hospitality Register on CWT website</a>  <a href="#">3215860 Elected Members Gifts and Benefits Register</a></p> <p>d. <a href="#">Council Employees gifts benefits and hospitality Register on CWT website</a></p>
2. Internal and External Audits undertaken in accordance with plan	<p><del>a. Fraud and Corruption Internal Audit completed in 2012. Actions arising from the audit in progress (as per report to Committee)</del></p> <p><del>b. Internal audits undertaken in line with 2015-2018</del> <del>045</del> Internal Audit Plan</p> <p><del>b. 2015</del> <del>044/1615</del> Audited financial statements presented to October <del>2016</del> <del>045</del> meeting of the Audit and Risk Prescribed General Committee</p> <p><del>d. c. Example audit - Local Government Act 1999 Procedures at Meetings and Access to meetings and documents Final Internal Audit Report</del></p>	<p><del>a. 1825596</del></p> <p><del>ab. A103593529811263</del></p> <p><del>bc. A20499243104981</del></p> <p><del>cd. A8382843049141</del></p>
3. Implementation of ICAC and OPI with associated legislation	<p>a. Reporting and Investigation Council Member Code of Conduct Complaints</p>	<p>a. <a href="#">A19709962236607 Reporting and Investigation Council Member code of conduct complaints</a></p>

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	<p><u><a href="#">b. Fraud and Corruption Prevention, Control, Reporting and Investigation Policy</a></u></p> <p><u><a href="#">c. Whistleblowers Policy and dedicated internet page</a></u></p>	<p><u><a href="#">b.A46971 Fraud and Corruption Prevention, Control, Reporting and Investigation Policy on CWT website</a></u></p> <p><u><a href="#">c. Whistleblowers Administration Policy on CWT website</a></u></p>
4. Confidential Whistleblowers email address for reporting purposes	<p>a. Whistleblowers Policy and dedicated internet page</p> <p>b. Whistleblowers Gmail address tested</p>	<p>a. <u><a href="#">A1971069479795 Whistleblower Policy External WebsiteWhistleblower Administration Policy on CWT website</a></u></p> <p>b. <u><a href="#">A20501493326410</a></u></p>
5. Mandatory Code of Conduct for Council Members (and independent members of the Audit and Risk Committee) in situ	<p>a. Current Mandatory Code of Conduct for Elected Members available on website</p> <p>b. Gazzeted 29 Aug 2013</p>	<p>a. <u><a href="#">A83452132464 Code of Conduct for Council Members on Website</a></u></p> <p>b. <u><a href="#">Mandatory Code Of Conduct for Council Members as Gazetted 29 August 2013</a></u></p>
6. Mandatory Code of Conduct for Council employees in situ	<p>a. Code of Conduct for Council Employees is available on website, intranet and in hard copy booklet form which is provided to all employees</p> <p>b. All staff are required to read, sign and return last page of Code of Conduct booklet to indicate they have read and understood the contents</p>	<p>a. <u><a href="#">A83452132464 Mandatory Code of Conduct for Council Employees on webpage</a></u></p> <p>b) All signed code of conduct signed returns are verified by Governance prior to inclusion in personnel file (confidential)</p>
7. Mandatory DAP Code of Conduct in situ	<p>a. DAP Code of Conduct is mandated via the <i>Development Act 1993</i>. Available on website</p>	<p><u><a href="#">Code of Conduct for DAP and DAC Members</a></u></p>
8. Code of Conduct awareness training provided to all staff and Elected Members, DAP and Audit and Risk Independent Members	<p>a. Audit Committee Member Induction training completed in February 2015 (PowerPoint presentation from KelledyJones provided as evidence)</p>	<p>a. <u><a href="#">A17108462329388</a></u></p>

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9. Legislation (LG Act, Criminal Law Consolidation Act, ICAC Act, Ombudsman Act strengthened etc.)	a. Legislation in place.	a. <a href="#">Legislation SA Website</a>
10. Review and improve key workflow process to improve integrity	<p>a. <a href="#">Audit and Risk Prescribed General Committee</a> Reconstituted by Council in <del>December</del><a href="#">November 2016</a><del>2014</del>. Meets 5 times per annum</p> <p>b. <a href="#">Internal Audit Plan 2015-2018</a> was approved April 2015 outlining co-sourced approach to Internal Audit</p> <p>c. <a href="#">Lean Project Register</a></p>	<p>a. <a href="#">Audit and Risk Committee Prescribed General Committee terms of Reference from CWT website</a><del>2308754</del>– <a href="#">Audit and Risk Committee terms of Reference</a></p> <p><del>2300674 for Audit and Risk Prescribed General Committee Structure</del></p> <p>b. <a href="#">A1035935</a></p> <p>c. <a href="#">Lean Project Register from Council Intranet</a></p>
11. Audit and Risk Committee established	<p>a. Committee re-established on 1 December 2016</p> <p>b. Audit and Risk Prescribed General Committee Terms of Reference approved by Council at its 18 October 2016 meeting and commenced December 2016</p>	<p>a. <a href="#">A19659822308754 Audit and Risk Committee Terms of Reference</a></p> <p>18 October 2016 <a href="#">Agenda PDF (112MB)</a> and <a href="#">Minutes PDF (316KB)</a></p> <p><a href="#">18 October 2016 Council meeting agenda and minutes</a></p>
12. Majority of processes are open and transparent	<p>a. <a href="#">Code of Practice Access to Meetings</a></p> <p>b. <a href="#">Public Consultation Policy</a></p> <p>c. <a href="#">Annual Report Confidential Items 2016-2017 Item 11.3 Governance Standing Committee adopted by Council at its 01 August 2017 Ordinary meeting</a></p> <p>d. <a href="#">Whistleblower process available for staff and public to report alleged wrong-doings</a></p>	<p>a. <a href="#">A1966095591879 Code of Practice - Access to Meetings and Documents</a></p> <p>b. <a href="#">A1970992 Public consultation policy on Website</a></p> <p>c. <a href="#">Confidential Items Annual Report (report Confidential Items Annual Report (report and minutes of Council meeting from Website August 2017))</a></p> <p>d. <a href="#">Whistleblowers Policy on CWT Website</a></p>

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	<p><u><a href="#">e. Agendas and minutes publically available</a></u></p> <p><u><a href="#">f. Gifts and benefits register publically available</a></u></p> <p><u><a href="#">g. Ombudsman's Report publically available</a></u></p> <p><u><a href="#">h. Elected Members Ordinary Returns publically available</a></u></p> <p><u><a href="#">i. Salary Register publically available</a></u></p>	<p><u><a href="#">e. Agendas and Minutes page on CWT website</a></u></p> <p><u><a href="#">f. Registers and Records page on CWT website</a></u></p> <p><u><a href="#">g. Complaints lodged with the Ombudsman's Office -January 2017 to June 2017 Council and Standing Committees Agenda 05 September 2017</a></u></p> <p><u><a href="#">h. Registers and Records page on CWT website</a></u></p> <p><u><a href="#">i. Registers and Records page on CWT website</a></u></p>
13. Section 270 <u><a href="#">of the LG Act</a></u> providing for the Internal Review of Council/Staff <u><a href="#">and Contractors</a></u> <u><a href="#">Decisions and complaints</a></u>	<p><u><a href="#">a. Internal review of Council Decisions Policy reviewed and approved by Council in 2015 <u><a href="#">and reviewed March 2017</a></u></a></u></p> <p><u><a href="#">b. Customer Complaints Policy</a></u></p>	<p><u><a href="#">a. <u><a href="#">A1970716306075 Internal Review of Council Decisions Policy</a></u></a></u></p> <p><u><a href="#">b. Customer Complaints Policy on CWT website</a></u></p>
14. Ability for stakeholders to report complaints/concerns to multiple enquiry and investigation agencies i.e. ICAC/OPI/ Ombudsman/Minister/ SAPOL/Council	<p>a. Provided for in ICAC Act.</p> <p>b. Documented in Customer Complaints Policy</p> <p>c. Reporting and Investigating Council Member Code of Conduct Complaints</p>	<p><u><a href="#">a. <u><a href="#">Independent Commissioner Against Corruption Act 2012</a></u></a></u></p> <p><u><a href="#">b. <u><a href="#">A19706084780634 Customer Complaints Policy</a></u></a></u></p> <p><u><a href="#">c. <u><a href="#">A19709962236607 CWT Code Reporting and investigating council member code of conduct complaints</a></u></a></u></p>
15. Regular review of policies and procedures	<p>a. Policy Review <u><a href="#">Report 2017/2018Schedule</a></u></p>	<p>a. <u><a href="#">A20396133333295</a></u></p>
16. Notification process in place for changes to legislation	<p>a. Distribution of Government Gazettes</p> <p><u><a href="#">b. <u><a href="#">Progress Legislative Progress Update</a></u> Report</a></u></p>	<p>a. <u><a href="#">A20514723042654</a></u></p> <p><u><a href="#">b. <u><a href="#">Legislative Progress Report September 2017 from Agenda Council and Standing</a></u></a></u></p>

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	<a href="#">c. PDI update report</a>	<a href="#">Committees 03 October 20173197706</a>  <a href="#">c. A2044664</a>
17. Council/Committee meetings/ <a href="#">Informal gatherings</a> held in public	<a href="#">a. Included in agendas and/or available on the web</a>  <a href="#">b. Details of Informal gatherings available on Council website</a>	<a href="#">a. CWT website - Agendas and Minutes page</a>  <a href="#">b. Informal gatherings information and details of upcoming designated informal gatherings on CWT website</a>
18. Information is made available to the community in a range of forms (i.e. budget paper, council agenda) <a href="#">and via Freedom of Information Applications</a>	<a href="#">a. FOI legislation enables access to certain information by external <u>and</u> internal parties</a>  <a href="#">b. Website, social media Council agendas etc.</a>	<a href="#">a. Freedom of information page on website</a>  <a href="#">b. CWT Website</a>
19. Regular consultation with the community in line with policy and legislation	<a href="#">a. Underdale and Torrensville DPA Brownhill-Keswick Creek consultation</a>  <a href="#">b. Representation review consultation</a>  <a href="#">c. Public Consultation Policy</a>  <a href="#">d. By Law review consultation 2017</a>	<a href="#">a. Urban Renewal Development Plan Amendment (DPA) from CWT website3255666</a>  <a href="#">b. A16979614997724</a>  <a href="#">c. 2989134 Public Consultation Policy from CWT website</a>  <a href="#">d. A1997734</a>
20. Governance Panel (LGA) operational	<a href="#">a. LGA mechanism.</a>  <a href="#">b. Reporting and Investigating Council Member Code of Conduct Complaints.</a>	<a href="#">a. Governance panel information on LGA website</a>  <a href="#">b. A19709662236607 Reporting and Investigating Council Member Code of Conduct Complaints</a>
21. Regular legislative compliance audits undertaken	<a href="#">a. Expiation Offences Act 1996 - in respect of parking control enforcement</a>	<a href="#">a. A12095952223448 Expiation Offences Act 1996</a>

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	b. Liquor Licensing Act 1997 audit reports	b. <a href="#">A185339952223447</a> Liquor Licensing Act 1997
22. Any complaint of fraud and corruption will be directed <u>to</u> the OPI or SAPOL	a. Customer Complaints Policy – will be referred to OPI/ICAC for investigation now in place Fraud and Corruption Prevention, Control and Investigation Council Policy	a. <a href="#">A1970704496971</a> <a href="#">Fraud and Corruption Prevention, Control and Investigation Council Policy on website</a>
23. Customer Complaints Policy in situ	a. Policy approved by Council in 2012- available on website	a. <a href="#">A19706081780634</a> <a href="#">Customer Complaints Policy on Website</a>
<del>24. Internal Audit of fraud and corruption prevention and control completed by contract auditors – relevant actions being implemented as appropriate</del>	<del>a. Fraud and Corruption Prevention and Control Internal Audit presented to Aug 2012 meeting of the Committee</del>	<del>a. 1825596</del>
<del>25.24. Internal audits undertaken across all aspects of the business and any irregularities reported</del>	<del>a. Fraud and Corruption Internal Audit completed in 2012. Actions arising from the audit in progress (as per report to Committee)</del> <del>a. Logical Security Internal Audit</del> <del>b. Internal Control Self-Assessment 2017</del> <del>c. Internal audits undertaken in line with. 2016015-2017016 Internal Audit Program</del> <del>d. Legislated external audits undertaken – BDOPKF attended October September Committee meeting to present results</del> <del>e. Local Government Act 1999 Procedures at Meetings and Access to meetings and documents Final Internal Audit Report</del>	<del>a. 1825596</del> <del>a. A934226</del> <del>b. A2052033</del> <del>cb. A1035935-1738946</del> <del>de. A2016016-3277260</del> <del>ed. A8382843049141</del>
<del>26.25. External Audit undertaken and reported to the Audit and Risk</del>	a. <del>BDO Audit Engagement Letter 16/17 BDO Audit 2015/16 Annual Audit Plan</del>	a. <del>A20160163285579</del>

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Committee and Council in line with legislation	<p><del>and Interim Management Letter</del></p> <p><del>SA Public Health Act 2011</del>  <del>Internal Audit Local Government Act 1999</del>  <del>Procedures at Meetings and Access to meetings and documents</del>  b. <del>Final Internal Audit Report</del></p> <p>c. Audited Financial statements presented to Audit and Risk Committee October 2016</p>	<p>b. <del>Audit and Risk Prescribed General Committee Agenda July 20 2016 -3049144</del></p> <p><del>ce. A882123-3099613</del></p>
<del>27-26.</del> Prudential reporting undertaken for required capital projects in accordance with legislation	<p>a. <del>Prudential Report Thebarton Precinct Community Facility-</del></p> <p>b. <del>Prudential Report Manuel site</del></p>	<p>a. <del>A8120913020748</del></p> <p>b. <del>Confidential but verified by GMB&amp;CS</del></p>
<del>28-27.</del> Strong internal controls including new Deloitte's control tracking program	<p>a. BDO audited statements 2014/15 confirms strong internal controls</p> <p>b. Risk Internal Control Verification Audit</p>	<p>a. <del>A9792283285579</del></p> <p>b. <del>A7706242982174</del></p>
<del>29-28.</del> Fraud and Corruption/ICAC/OPI/Ombudsman awareness training provided to Elected Members, independent members of DAP and Audit and Risk Committee and all purchasers across the organisation	<p>a. Fraud and Corruption Prevention Control Reporting and Investigation Policy</p> <p>b. Staff attendance at Fraud and Corruption Awareness and Prevention Sessions 23 and 24 January 2013 (85 staff members)</p> <p>c. Policy reviewed – training of decision making staff undertaken in February 2013</p> <p>d. <del>Managers attended 2017 ICAC training on how to conduct an investigation</del></p>	<p>a. <del>A1970704496971</del>  <a href="#">Fraud and Corruption Prevention Control Reporting and Investigation Policy on Website</a></p> <p>b. 1948190</p> <p>c. 1948190</p> <p>d. <del>A2020683</del></p>
<del>30-29.</del> Procurement Roadmap program	<p>a. Procurement Roadmap Provided</p>	<p>a. <a href="#">Procurement page on Intranet</a></p>

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currently being implemented to provide robust procurement processes including purchase interrogation		
30. Revised Fraud Prevention, Control, Reporting and Investigating Council Policy, which includes new reporting requirements to OPI, was presented to the August 2014 Policy Planning and Performance Committee and approved by Council at its 2 September 2014 meeting	a. Fraud and Corruption Prevention, Control Reporting and Investigation Policy	a. <del>A1970704496971</del> <a href="#">Fraud and Corruption Prevention, Control Reporting and Investigation Policy on Website</a>
32-31. Training provided to Elected Members and independent members of the DAP and Audit and Risk Committee on new conflict of interest and informal gatherings provisions during 2016	a. Training Provided by Kelledy Jones 4 February 2016 conflicts of <del>i</del> nterest and <del>i</del> nformal gatherings Elected members  b. Training provided for Audit and Risk Committee <del>by</del> Kelledy Jones 17 March 2016	a. <del>A12243913183250</del>  b. <del>A17788533204232</del>



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Risk Issue	8. INFORMATION SERVICES
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Descriptor	Damage, long term interruption, or loss of key business information systems and/or the data stored within them, leading to the Council's capacity to provide essential services being severely compromised, reduced in the long term or lost entirely.
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Untreated Risk:	Likelihood: Almost Certain	=	Extreme
	Consequence: Major		

**Existing Controls**

Tangible Controls (Evidence available)	
1.	Uninterrupted Power Supply (UPS)
2.	Virtualised backup in situ
3.	Daily tapes back up
4.	Employing competent staff
5.	Adequate funding levels established with resourcing meeting organisational need
6.	Replacement and upgrade programs in situ for hardware and software
7.	Multiple layers of security in place
8.	Audits undertaken by specialist network security firms
9.	External specialist advice sought when required
10.	Robust policies in situ for IT usage and dealing with terminated staff
11.	Competitively remunerated to minimise malicious interference by staff
12.	Supportive work environment provided
13.	Full restore of system approximately within seven minutes
14.	IT Disaster Recovery (DR) Management Plan 2009 - updated 2015
15.	CWT Business Continuity Plan 2015 approved - updated may 2016
16.	Business Continuity Plan tested November <del>2016</del> - retesting scheduled for 2017
17.	Mobile device management including the ability to present real time information

Intangible Controls (No evidence available but known to be in place)
Nil

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<b>Effectiveness of controls:</b>	<b>Satisfactory</b>
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REVISED RISK RATING:	Likelihood: Unlikely	=	Moderate
	Consequence: Major		
Additional Solutions	Nil		
Role of Executive	As this is a moderate risk, monitor and review six monthly		

**RISK 8 - Information Services**  
**EVIDENCE SUPPORTING TANGIBLE CONTROLS**

Control	Evidence	Doc Set Id/Webpage
1. Uninterrupted Power Supply (UPS)	<p>a. Information Services Risk Evidence update as at <u>August</u><del>October</del> 2017<u>046</u></p> <p>b. Annual Maintenance agreement with Computer Site Solutions</p> <p>c. Annual maintenance reports from Computer Site Solutions re: Civic &amp; Library UPS. (October 2014) - <u>Invoice from Computer Site Solutions for UPS maintenance Sep 16 to August 17</u></p>	<p>a. <u>A20343623346474</u></p> <p>b. <u>A17239033345144</u></p> <p>c. <u>Invoice SC8231 in Finance OneLibrary - 2265059 - Civic - 2265058</u></p>
2. Virtualised backup in situ	a. In July 2015 the DR equipment was removed from the Library datacentre and relocated into the Adelaide City Council's Pirie Street datacentre	a. <u>A8018523009287</u> ACC CWT Rack Space and Optic Fibre Connectivity Agreement May 2015
3. Daily tapes back up	a. Backup jobs occur every weeknight / day or once a week including Enterprise, CWT Aftermail, Dataworks, Chris 21, etc. Back up tapes are recorded in an excel register	a. <u>A19406232181917</u>
4. Employing competent staff	a. All staff in IS are trained / qualified/experienced. Network - IS administrators required to complete VMware and Microsoft accredited training	a. Individual records confidential on personnel files but confirmed
5. Adequate funding levels established with resourcing meeting organizational need	a. Funding approved based on the IS workplan and is reviewed on a quarterly basis for currency	a. <u>A20277533344996</u> IS Budget 2017 <u>046-1847</u>
6. Replacement and upgrade programs in situ for hardware and software	a. Core software updated to keep the released versions within the range of supplier support products. Key business applications are typically updated annually.	<p>a. <u>A17996173099646</u> Software Applications - Support Profile - Feb 2014.pdf</p> <p>Also IS Strategic Plan and IS Roadmap <u>A1232133113174</u>, <u>A18280983113175</u></p>

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7. Multiple layers of security in place	<p>a. Proxy Server - Firewall is Threat Management Gateway</p> <p>b. Evidence of the plans and execution exists in the Information Services budget and IS Work Plan documents in ECM and FinanceOne</p> <p>c. Key performance indicators for IS service levels are identified and updated in Interplan</p> <p>d. Logical Security Internal Audit Report</p> <p>e. White Listing process established to prevent executables being run</p> <p>e-f. <u>Annual maintenance support for Secureware (Palo Alto and Ironport)</u></p>	<p>a. <u>A19406543285841</u></p> <p>b. <u>A1940654 3285841</u> Information Services Work Plan 2016/2017 <u>A20277533344996</u>-IS Budget 2017016-1817</p> <p>c. <u>A8737703305160</u></p> <p>d. <u>A9469722018645</u></p> <p>e. <u>A10399963346439</u></p> <p>f. <u>A2027753</u></p>
8. Audits undertaken by specialist network security firms	<p>a. 3 external audits in the last 6 years by CQR Consulting, including reviews of:</p> <ul style="list-style-type: none"> <li>• ICT Security.</li> <li>• Information access in Dataworks and Active Directory.</li> <li>• Virtualised architecture.</li> </ul> <p>b. ICT Vulnerability assessment by CQR Consulting</p>	<p>a. Logical Security Internal Audit Report ID <u>A9469722018645</u>, Invoice for IT Security review <u>A16017694330814</u></p> <p>b. <u>A17291303340202</u></p>
9. External specialist advice sought when required	<p>a. CQR Consulting engaged to review security of the virtual environment</p>	<p>a. <u>A15948701311793</u> &amp; <u>A18077463227993</u> CQR proposals Purchase Order 102313</p>
10. Robust policies in situ for IT usage and dealing with terminated staff	<p>a. Network Access and Removal form</p> <p>b. Information Technology and Its Use Policy</p> <p>c. As a double check, payroll provides IT with information on who has left WT employment as an</p>	<p>a. <u>Network Access Removal Form</u></p> <p>b. <u>A1975896305781</u> <u>Information Technology and Its Use Policy</u></p> <p>c., Confidential information verified by GM B&amp;CS</p>

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	additional check to capture when a network access change has not been submitted	
11. Competitively remunerated to <del>minimise</del> malicious interference by staff	<p>a. EBA -Remuneration reflects that of Local Government</p> <p>b. Each year roles are considered during the Performance Development Process</p> <p>c. In 2013 the IS Application Coordinator role was reclassified including comparison to similar roles in other councils such as Charles Sturt and Holdfast Bay</p> <p>d. In 2015 the Web Administrator role was reclassified based on comparison to other similar roles in Local and State Government. The following Councils provided comparative information:</p> <ul style="list-style-type: none"> <li>• Adelaide Hills Council</li> <li>• City of Burnside</li> <li>• City of Salisbury</li> <li>• City of Charles Sturt</li> <li>• City of Onkaparinga</li> </ul>	<p>a. <a href="#">A17072472326708</a></p> <p>b. <a href="#">A20204183267375</a> <a href="#">PDP guidelines CWT intranet</a></p> <p>c. Information on file (accessible by Exec) but confidential</p> <p>d. Information on file (accessible by Exec) but confidential</p>
12. Supportive work environment provided	<p>a. <a href="#">Employee Assistance Program</a></p> <p>a.b. <a href="#">A, FITCORE cultural development program</a></p> <p>b.c. Information Services - Post 2015 Employee Opinion Survey - Action Plan</p>	<p>a. <a href="#">Employee Assistance Program Information on Intranet</a></p> <p>b. <a href="#">FITCORE Information page on Council Intranet</a></p> <p><a href="#">_Fitcor Information Page on Intranet</a></p> <p>c.b. <a href="#">A12700933121728</a></p>
13. Full restore of system approximately within seven minutes	a. Information Management Procedures and Standards	a. <a href="#">Information Management Procedures and Standards</a>
14. IT Disaster Recovery (DR) Management Plan 2009 - <del>updated</del> 2015	a. IT Disaster Recovery (DR) Management Plan October 2015	a. <a href="#">A11584583401265</a>

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15. CWT Business Continuity Plan 2015 approved - <u>updated may 2016</u>	a. CWT Business Continuity Plan approved June 2015 - updated May 2016	a. <u>A8410993267083</u>
16. Business Continuity Plan tested November 2016 <del>015</del> - <u>retesting scheduled for 2016</u>	a. BCP <u>Test Event held 03 November 2016</u> Training attendance <u>Record</u> Engagement Letter - Deloitte June 2016	a <u>A19271403288652</u>
17. <u>Mobile device management including the ability to present real time information</u>	a. <u>Pathway customer request system allows information to be added and viewed in the field</u>	a. <u>A2051581</u>



<b>Risk Issue</b>	<b>9. SERVICE CENTRES INEFFECTIVE ORGANISATIONAL/COMMUNITY RESILIENCE</b>
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<b>Descriptor</b>	<p>a) <u>The, inability to respond, recover, restore and resume business as usual during a business continuity event resulting in D</u>amage, long term interruption, or loss of key service centres (Civic, Depot, Library, Thebarton Community Centre) leading to the Council's capacity to provide essential services being severely compromised, reduced in the long term or lost entirely.</p> <p>b) <u>The inability to effectively Prepare, Prevent, Respond and/or Recover (PPRR) from an emergency event resulting in loss of key infrastructure/assets and/or ongoing danger to staff or our community.</u></p> <p>c) <u>Ineffective communication with Emergency Control Agencies, Western Adelaide Emergency Management Committee member councils or Functional Support Group(s) resulting in inefficient response and recovery from an emergency hazard.</u></p> <p>d) <u>Failure to adequately partner with the community and associated community services providers to build resilience programs resulting in delayed or missed opportunities for Council to respond to and meet the immediate needs of its community during or responding to an emergency incident.</u></p> <p>e) <u>Deliberate attack with the aim of injuring the Council, its staff or community such as Terrorist attack, hostile vehicle attack at crowded places, cyber-crime etc.</u></p> <p>f) <u>The inability of the organisation to meet the increasing demands being placed on Local Government by the State and LGA with regard to emergency management</u></p>
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<b>Untreated Risk:</b>	<b>Likelihood:</b> <u>Unlikely</u> <u>Likely</u>	<b>=</b>	<b><u>Extreme</u><u>Moderate</u></b>
	<b>Consequence:</b> Major		

Risk	Likelihood	Consequence	=	Revised Risk Rating
a)	<u>Unlikely</u>	<u>Major</u>		<u>Moderate</u>
b)	<u>Unlikely</u>	<u>Major</u>		<u>Moderate</u>
c)	<u>Likely</u>	<u>Moderate</u>		<u>High</u>
d)	<u>Likely</u>	<u>Moderate</u>		<u>High</u>
e)	<u>Unlikely</u>	<u>Catastrophic</u>		<u>High</u>
f)	<u>Likely</u>	<u>Major</u>		<u>Extreme</u>

**Existing Controls**

<b>Tangible Controls (Evidence available)</b>	
1.	Organisation is insured via LGRS (unlimited insurance) which includes insurance for the operation of alternative service sites in a major business disruption
2.	CWT is a member of the Western <u>Adelaide</u> Zone Emergency Management Committee
3.	Emergency procedures approved and in place
4.	Evacuation drills undertaken on a regular basis with subsequent de-brief report to Executive
5.	IS Disaster Recovery Plan documented and in place
6.	Training program in place (fire, evacuation etc.)
7.	EAP/Trauma counselling program in place
8.	WHS&IM plan and programs, policies, procedures, standard operating guidelines (non-WHS) in place
9.	Risk management program in place
10.	<del>Sturt Emergency Risk Management Plan developed with five southern adjoining Councils identified emergencies relating to CWT</del> <u>Emergency Risk Management Plan in place for the Western Region (West Torrens, Charles Sturt, Port Adelaide Enfield, Safecom, SAPOL, SES, MFS)</u>
11.	Business continuity planning approved and tested in November 2016, <del>to be retested in 2017</del>
12.	Alternative sites identified for the operation of a control centre in the event of a major business disruption
13.	Funding provided in 2016-2017 budget to develop Emergency Management Plan
14.	<u>Enterprise Risk Framework requires an annual risk and resilience plan to be developed and approved by the Executive</u>
15.	<u>2017/18 Annual Risk and Resilience Plan approved</u>
16.	<u>Emergency Management/Business Continuity Plan in Situ and developed with the business for the business (Staff Workshops)</u>
17.	<u>Emergency Management Business Continuity Scenario Event undertaken regularly</u>
18.	<u>CWT has approved the LGA's NDRP funding proposal to provide sector-wide emergency management project officers</u>
19.	<u>LG Functional Support Group is in Situ and mandated under the Fire and Emergency Services Act 2005, the Emergency Management Act 2004 and the State Emergency Management Plan.</u>
20.	<u>Executive direction is that any further development of open space or buildings takes into account aesthetically pleasing design to mitigate potential threats to public safety</u>
21.	<u>Commonwealth's Hostile Vehicle Guidelines for Crowded Places guiding the mitigation of the consequences of such attacks</u>
22.	<u>1 FTE dedicated to risk management (includes emergency management)</u>

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23.	<u>CWT participating in Adaptwest Project</u>
24.	<u>AdaptWest Action Plan (climate change adaptation plan) approved by three western regional councils and State has provided grant funding for a project officer to progress the implementation of the plan.</u>
25.	<u>Countering violent extremism taskforce appointed by the State</u>
26.	<u>Local government now represented on the State Emergency Management Committee and in the State Emergency Centre.</u>
27.	<u>Emergency management assurance program includes Local Government</u>
28.	<u>Approval of the Brown Hill/Keswick Creeks Stormwater Plan Part A and Part B by all five councils and submitted to the Stormwater Management Authority in March 2016.</u>
29.	<u>Commitment by all Councils involved in Brown Hill/Keswick Creeks to form a Regional subsidiary to implement the Stormwater Management Plan</u>

**Intangible Controls (No evidence available but known to be in place)**

Nil

**Effectiveness of controls:** Satisfactory Some Weakness**Revised Risk Ratings for each Risk Component**

<u>Risk</u>	<u>Likelihood</u>	<u>Consequence</u>	<u>=</u>	<u>Revised Risk Rating</u>
a)	<u>Unlikely</u>	<u>Moderate</u>		<u>Moderate</u>
b)	<u>Unlikely</u>	<u>Moderate</u>		<u>Moderate</u>
c)	<u>Likely</u>	<u>Moderate</u>		<u>High</u>
d)	<u>Likely</u>	<u>Moderate</u>		<u>High</u>
e)	<u>Rare</u>	<u>Catastrophic</u>		<u>Moderate</u>
f)	<u>Moderate</u>	<u>Major</u>		<u>High</u>

**OVERALL REVISED RISK RATING**

<b>OVERALL REVISED RISK RATING:</b>	<b>Likelihood:</b> <u>Unlikely</u> <u>Moderate</u>	<b>=</b>	<b><u>High</u><u>Moderate</u></b>
	<b>Consequence:</b> <u>Moderate</u> <u>Major</u>		

<b>Additional Solutions</b>	Commence the Emergency Management Plan
	<u>Consider the allocation of LGRS refund for the appointment of additional staff for twelve months to develop templates, website, action plans</u>
	<u>Arrange briefing by SAPOL on terrorism potential in the CWT</u>
	<u>Implement appropriate treatment measures when possible for events, new and upgrades to buildings and open</u>
	<u>Relevant members of the Administration to continue to participate in WZEMC, FSG and other emergency management committees and seminars to inform future actions with regard to emergency management</u>

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	<u>Risk management training to contain emergency management requirements</u>
<b>Role of Executive</b>	As this is a <del>moderate</del> <u>High</u> risk, monitor and review <u>quarterly by the executive and report to the Audit Committee</u> six monthly



**RISK 9 - Service Centres**  
**EVIDENCE SUPPORTING TANGIBLE CONTROLS**

Control	Evidence	Doc Set Id/Webpage
1. Organisation is insured via LGRS (unlimited insurance) which includes insurance for the operation of alternative service sites in a major business disruption	a. Level of insurance required reviewed annually with the LGRS	a. <a href="#">A8466743274805</a> Local government Asset Mutual Fund and Insurance Renewals 2016/2017
2. CWT is a member of the Western <u>Adelaide</u> Zone Emergency Management Committee	a. CWT Member of the <u>(GMB&amp;CS &amp; PLIAR of the Western Zone Emergency Management Committee (WAZEMC))</u>	a. <a href="#">A16584822974154</a>
3. Emergency procedures <u>documented</u> <del>approved</del> and in place	a. Emergency procedures available on intranet and in hard copy.	a. <a href="#">A12690432239405</a> <a href="#">Emergency Procedures Manual Civic Environmental Health Compliance</a>
4. Evacuation drills undertaken on a regular basis with subsequent de-brief report to Executive	a. <u>City Works Depot Evacuation Drill held on 23 August 2017</u> <u>Emergency Evacuation Drill held by Environmental Health on 05 July 2016</u>	a. <a href="#">A12690433279755</a>
5. IS Disaster Recovery Plan documented and in place	a. IS Disaster Recovery (DR) Management Plan October 2015 Plan	a. <a href="#">A11584583401265</a>
6. Training program in place (fire, evacuation etc.)	a. Fire Wardens trained in all civic facilities - last training July <u>2017</u> <del>045</del>  b. Chief Fire Wardens and Deputy trained as per Emergency Procedures last training <u>August</u> <del>July</del> <u>2017</u> <del>045</del>	a. <a href="#">A20300703085725</a> <a href="#">Emergency Wardens Civic Centre</a>  b. <a href="#">A20351423018460</a>
7. EAP/Trauma counselling program in place	a. Information available to staff on the intranet and in a booklet form.	a. <a href="#">Employee assistance program from intranet</a>
8. WHS&IM plan and programs, policies, procedures, standard operating guidelines (non WHS) in place	a. <u>WHS &amp; IM One System</u> a.b. Occupational Health Safety, Welfare, and Injury Management Plan 2014-2017.	a. <a href="#">WHS Policies and Procedures from Intranet</a>  b. <a href="#">WHS Page on Intranet</a>  <a href="#">WHS and IM Management System</a>

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	<p><a href="#">b.c.</a> SOPs/SWPs available on Intranet</p> <p><a href="#">c.d.</a> Administration Policy WHS and IM lead Policy</p> <p><a href="#">d.e.</a> Administration Policy WHS and IM Planning</p>	<p><a href="#">cb.</a> <a href="#">Safe Operating Procedures</a> <a href="#">Safe Work Procedures</a></p> <p><a href="#">de.</a> <a href="#">Administration Policy WHS and IM Lead Policy</a></p> <p><a href="#">ed.</a> <a href="#">Administration Policy WHS and IM Planning</a></p>
9. Risk management program in place	<p><a href="#">a.</a> Risk management framework and policy on Intranet</p> <p><a href="#">b.</a> <a href="#">Enterprise Risk Management Policy</a></p> <p><a href="#">c.</a> <a href="#">Risk and Resilience Plan</a></p>	<p><a href="#">a.</a> <a href="#">Risk Management Framework</a></p> <p><a href="#">b.</a> <a href="#">Enterprise risk Management Policy</a></p> <p><a href="#">c.</a> <a href="#">A2049817</a></p>
10. <a href="#">Emergency Risk Management Plan in Place for the Western Region (West Torrens, Charles Sturt, Port Adelaide Enfield, SAFECOM, SAPOL, SES, MFS Western Zone Emergency Management Plan)</a>	<p><a href="#">a.</a> Western Zone Emergency Management Plan - developed by Western Zone Emergency Management Committee - approved by Minister/SEMC</p>	<p><a href="#">a.</a> <a href="#">A19085213297246</a> Western <a href="#">Adelaide</a> Zone Emergency Management Plan</p>
11. Business continuity plan approved and tested in November 2016 <del>015, to be retested in 2016.</del>	<p><a href="#">a.</a> Approved Business Continuity Plan</p> <p><a href="#">b.</a> <a href="#">BCP Training Engagement Letter Deloitte June 2016</a></p> <p><a href="#">c.</a> <a href="#">2017/18 Risk and Resilience Plan</a></p> <p><a href="#">a.d.</a> <a href="#">BCP Test Event 03 November 2017 - Training attendance Record</a></p>	<p><a href="#">a.</a> <a href="#">3100347</a> <a href="#">Business Continuity Plan</a></p> <p><a href="#">b.</a> <a href="#">A1810104-3288652</a></p> <p><a href="#">c.</a> <a href="#">A2049817</a></p> <p><a href="#">d.</a> <a href="#">1927140</a></p>
12. Alternative sites identified for the operation of a control center in the event of a major business disruption	<p><a href="#">a.</a> Replication of Production databases daily to the Disaster Recovery (DR) datacenter</p> <p><a href="#">b.</a> Alternative site decisions available in the approved BCP.</p>	<p><a href="#">a.</a> <a href="#">A18101043009287</a> ACC CWT Rack Space and Optic Fibre Connectivity Agreement May 2015:</p> <p><a href="#">b.</a> <a href="#">3100347</a> Business Continuity Plan pages 1 14-27</p>

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	<p>c. Multiple sites to operate service centres as follows:</p> <p>Civic Centre 165 Sir Donald Bradman Drive Hilton 5033</p> <p>Hamra Centre Library 1 Brooker Terrace Hilton SA 5033</p> <p>Cummins House 23 Sheoak Avenue Novar Gardens 5033</p> <p>Thebarton Community Centre Cnr Ashwin Parade and South Road, Torrensville SA 5031</p> <p><u>Plympton Community Centre 34 Long St Plympton SA 5038</u> <u>Camden Community Centre 7 Carlisle Street, Camden Park SA 5038</u></p>	c. <a href="#">Website Contact Page</a>
13. Funding provided in 2016-17 Budget to develop Emergency Management Plan	Budgeted in 2016-17	a. <a href="#">A18101003288649</a> City of West Torrens EMP Engagement Letter Draft June 2016
14. <u>Enterprise Risk Framework requires an annual risk and resilience plan to be developed and approved by the Executive</u>	<p>a. <u>Enterprise Risk Management Framework</u></p> <p>b. <u>2017/18 Approved Risk and Resilience Plan</u></p>	<p>a. <u>Risk Management Framework Administration Policy form Council Intranet</u></p> <p>b. <u>A2049817</u></p>
15. <u>2017/18 Annual Risk and Resilience Plan approved</u>	a. <u>2017/18 Approved Risk and Resilience Plan</u>	a. <u>A2049817</u>
16. <u>Emergency Management/Business Continuity Plan in Situ and developed with the business for the business (Staff Workshops)</u>	a. <u>EMBCP workshops with key staff</u>	a. <u>A2050022</u>
17. <u>Emergency Management Business Continuity Scenario</u>	a. <u>BCP test event 03 November 2016 - training attendance record</u>	a. <u>A1927140</u>

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<u>Event undertaken regularly</u>		
<u>18. CWT has approved the LGA's NDRP funding proposal to provide sector-wide emergency management project officers</u>	<u>a. CWT approval for NDRP funding</u>	<u>a. A2051119</u>
<u>19. LG Functional Support Group is in Situ and mandated under the Fire and Emergency Services Act 2005, the Emergency Management Act 2004 and the State Emergency Management Plan.</u>	<u>a. LG Functional Support Group Implementation program - Participating agency workshops</u>	<u>a.A2023587</u>
<u>20. Executive direction is that any further development of open space or buildings takes into account aesthetically pleasing design to mitigate potential threats to public safety</u>	<u>a. Executive Direction- New open spaces or buildings to mitigate potential threats to safety</u>	<u>a. A2049620</u>
<u>21. Commonwealth's Hostile Vehicle Guidelines for Crowded Places guiding the mitigation of the consequences of such attacks</u>	<u>a. Australia's Strategy for protecting Crowded Places from Terrorism</u> <u>b. Hostile vehicle guidelines for Crowded Places</u>	<u>a.Australia's strategy for protecting crowded places from terrorism - link to National Security website</u> <u>b.Hostile vehicle Guidelines for Crowded Places - link to National Security Website</u>
<u>22. 1 FTE dedicated to risk management (includes emergency management)</u>	<u>a. Program Leader Internal Audit and Risk job description includes emergency management</u>	<u>a.A2045226</u>
<u>23. CWT participating in Adaptwest Project</u>	<u>a. CWT part Adaptwest Steering Committee</u>	<u>a. A1962188</u>
<u>24. AdaptWest Action Plan (climate change adaptation plan) approved by three western regional councils and State has provided grant funding for a project officer to progress the implementation of the plan.</u>	<u>a. Adaptwest successful grant application notification</u>	<u>a. A2043621</u>

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<u>25. Countering violent extremism taskforce appointed by the State</u>	<u>a. State Emergency Management Committee Preparedness and Prevention Fund 2017-18</u>	<u>a. A2038243</u>
<u>26. Local government now represented on the State Emergency Management Committee and in the State Emergency Centre</u>	<u>a. New State Emergency Management Plan launched 16 December 2016 - email from State Emergency Management Committee</u>  <u>b. State Emergency Management Plan</u>	<u>A2023583</u>  <u>b. State Emergency Management Plan - link to Department of Premier and Cabinet website</u>
<u>27. Emergency management assurance program includes Local Government</u>	<u>a. SA Emergency Assurance Framework - Local Government opportunity to comment</u>	<u>a. A2051965</u>
<u>28. Approval of the Brown Hill/Keswick Creeks Stormwater Plan Part A and part B by all five councils and submitted to the Stormwater Management Authority in March 2016</u>	<u>a. Both Part A and Part B of the plan approved by all councils involved in the project</u>	<u>a. Part A approval given at 21 August 2012 Meeting of Council</u> <u>21 Aug 2012 meeting of Council minutes - approval of plan</u>  <u>Part B approval given at the Meeting of Council 15 September 2015 Minutes Meeting of Council and Standing Committee Minutes 15 September 2015</u>
<u>29. Commitment by all Councils involved in Brownhill/Keswick creeks to form a Regional subsidiary to implement the Stormwater Management Plan</u>	<u>a. Brownhill Keswick Creek Stormwater Project - Steering Group -minutes 29/09/2017</u>	<u>a.2053057</u>

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Risk Issue	10. FLOODING		
Descriptor	Damage to private property, council facilities and/or community infrastructure as a result catchment flood events		
Untreated Risk:	Likelihood: Rare	=	Moderate
	Consequence: Catastrophic		

## Existing Controls

Tangible Controls (Evidence available)	
1. Working with/through Stormwater Management Authority on Brown Hill, Keswick and Sturt Creeks	
2. Approval of the Brown Hill/Keswick Creeks Stormwater Plan Part A and Part B by all five councils and submitted to the Stormwater Management Authority in March 2016.	
3. <u>Commitment by all Councils involved in Brownhill/Keswick Creeks to form a Regional subsidiary to implement the Stormwater Management Plan</u>	
3.4. <u>SES Emergency Management Plan</u>	
4.5. <u>CWT Stormwater Plan</u>	
5.6. <u>Lockleys Stormwater duplication Mile End/Cowandilla Stormwater Outfall Project completed</u>	
6.7. <u>Development Plan</u>	
7.8. <u>Flood mapping and updating of the Development Plan/Development Plan amendments</u>	
8.9. <u>Structural Mitigation works</u>	
9.10. <u>Non-structural mitigation works e.g. Flood Safe program</u>	
10.11. <u>Existing stormwater network</u>	
12. <u>Western Adelaide Zone Emergency Management Committee (WAZEMC) identifies flooding as a key hazard (risk) for the western region</u>	
11.13. <u>Regular routine maintenance</u>	
12.14. <u>Asset Management Plan</u>	
13.15. <u>Flood Alerts provided to Council</u>	
14.16. <u>Remote sensor monitoring of creek levels</u>	
15.17. <u>Section 30 Review</u>	
16.18. <u>Bureau of Meteorology early warnings provided to Council</u>	
17.19. <u>Specialised advice and designs sought</u>	

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<a href="#">18.20.</a> Development controlled in the Brown Hill/Keswick Creeks and River Torrens catchments
<a href="#">19.21.</a> Flood response protocol
<a href="#">20.22.</a> Whole of Catchment Management Plan
<a href="#">21.23.</a> Participating in the Western Region Climate Change Adaptation Plan
<a href="#">22.24.</a> Continuation of long term stormwater upgrade works in the Lockleys area.

**Intangible Controls (No evidence available but known to be in place)**

1. Regular routine maintenance (side-entry pit) program

<b>Effectiveness of controls:</b>	<b>Satisfactory</b>
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<b>REVISED RISK RATING:</b>	<b>Likelihood:</b> Rare	<b>=</b>	<b>Moderate</b>
	<b>Consequence:</b> Catastrophic		

<b>Additional Solutions</b>	<ol style="list-style-type: none"> <li>1. Continue to implement the actions/findings arising from the Brownhill and Keswick Creeks Stormwater Management Plan</li> <li>2. Continue to implement and use digital terrain mapping for the entire City</li> <li>3. Continue to develop and implement a Flood Mapping Plan</li> </ol>
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<b>Role of Executive</b>	As this is a moderate risk, monitor and review six monthly
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**RISK 10 - Flooding**  
**EVIDENCE SUPPORTING TANGIBLE CONTROLS**

Control	Evidence	Doc Set Id/Webpage
1. Working with/through Stormwater Management Authority on Brown Hill, Keswick and Sturt Creeks	<p>a. CEO is a member BHKC Steering Committee</p> <p>b. GM Urban Services is on the BHKC Technical Group.</p> <p>c. Working closely with the SMA in relation to the development of the BHKC Plan and its implementation</p> <p>d. Both Part A and Part B of the plan both agreed by all five councils involved in the project</p> <p>e. Annual Business Plan Summary provides that \$0.57084 m contributed in 2017046/1817 to BHKC works</p> <p>f. CWT is a member of the Patawalonga Lake Operational Management and Steering Committee</p>	<p>a. <a href="#">A9105323218231</a> Agenda from BHKC Steering Committee. 5/04/2016</p> <p>b. <a href="#">A15681091796471</a> Agenda from BHKC Technical Group</p> <p>c. Report to Meeting of Council 2 June 2015 titled Brown Hill Keswick Creek project Stormwater Management Authority Notice.  <a href="#">Council and Standing Committee Minutes 2 June 2015 from Website</a></p> <p>d. Part A approval given at Meeting of Council in at 21 August 2012 Meeting of Council  <a href="#">21 Aug 2012 meeting of Council minutes - approval of plan from Website</a>  Part B approval given at the Meeting of Council 15 September 2015 Minutes <a href="#">Meeting of Council and Standing Committee Minutes 15 September 2015 from Website</a></p> <p>e. <a href="#">2016/17 Annual Business Plan Summary from Website 2017/18 Annual Business Plan Summary from CWT website</a>  <a href="#">2016/17 Adopted Budget and Annual Business Plan from Website 2017/18 Adopted Budget and Annual Business Plan from CWT website</a></p> <p>f. <a href="#">A990816</a></p>
2. Approval of the Brown Hill/Keswick Creeks Stormwater Plan Part A and part B by all five	a. Both Part A and Part B of the plan approved by all councils involved in the project	a. Part A approval given at 21 August 2012 Meeting of Council <a href="#">21 Aug 2012 meeting of Council minutes - approval of plan</a>

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councils and submitted to the Stormwater Management Authority in March 2016		Part B approval given at the Meeting of Council 15 September 2015 Minutes <a href="#">Meeting of Council and Standing Committee Minutes 15 September 2015</a>
<u>3. Commitment by all Councils involved in Brownhill/Keswick Creeks to form a Regional subsidiary to implement the Stormwater Management Plan</u>	<u>a. Brownhill Keswick Creek Stormwater Project - Steering Group - minutes 29/09/2017</u>	<u>a. 2053057</u>
<u>3.4. SES Emergency Management Plan</u>	a. State Emergency Management Plan	a. <a href="#">State Emergency Management Plan from SA Government website.</a>
<u>4.5. CWT Stormwater Plan</u>	<u>a. Development Plan West Torrens Council June 2015</u>  <u>b. CWT Stormwater Management Plan</u>  <u>c. Lower Sturt Catchment Management Plan</u>	a. <u>A26951896486</u>  <u>b. Stormwater Management Plan CWT Stormwater Management Plan on Council Intranet</u>  <u>c. A1149969</u>
<u>5.6. Lockleys Stormwater duplication Mile End/Cowandilla Stormwater Outfall Project completed</u>	a. <u>Project completion documentation for Lockleys Stormwater duplication - Rutland Ave/May Tce</u>	a. <u>A858848 Stormwater Infrastructure Plans - Clyde Ave &amp; Rutland Ave, Lockleys 270859 re-project Agenda Completion documentation available in Pathway</u>
<u>6.7. Development Plan</u>	a. Available on the website, two main defences: <ul style="list-style-type: none"> <li>Controls on new developments to minimise the impact of flooding; &amp;</li> <li>Incorporates flood mapping and is regularly updated</li> </ul> b. Asset Plans updated in accordance with Section 30 of Development Act - Strategic directions report	a. <u>A9798103285903 CWT Development Plan</u>  <u>Flood Prone Areas Map</u>  b. <u>A8932412222753 Strategic Directions report 2014 minutes 26 August 2014</u>

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<a href="#">7.8.</a> Flood mapping and updating of the Development Plan/Development Plan amendments	a. Incorporating this control as part 3 to the Development Plan	a. <a href="#">Flood Prone Areas Map</a>
<a href="#">8.9.</a> Structural Mitigation works	a. Internal audit report stormwater management confirms a good level of compliance with stormwater asset planning, management and maintenance	a. <a href="#">A7116682049265</a>
<a href="#">9.10.</a> Non-structural mitigation works e.g. Flood Safe program	a. SES Flood Safe program funding agreement	a. <a href="#">A18513142216585</a>
<a href="#">10.11.</a> Existing stormwater network	a. Existing drainage network is recorded in Conquest (Asset management software)  b. Westmaps map example of drainage network under roads (Attached)	a. <a href="#">A9942133299295</a>  b. Westmaps proxy stormwater network evidence.
<a href="#">12.</a> <u>Western Adelaide Zone Emergency Management Committee (WZEMC) identifies flooding as a key hazard (risk) for the western region</u>	<a href="#">a. WAZEMC Risk Management Plan</a>	<a href="#">a. A1893056</a>
<a href="#">11.13.</a> Regular routine maintenance	a. City Works undertake routine maintenance via customer requests in Pathway	a. <a href="#">A8704633299400</a> - Screen dump - customer requests for stormwater maintenance.
<a href="#">12.14.</a> Asset Management Plan	a. AMP is the tool to develop sustainable management of assets it documents the strategy for sustainable investment and its purpose is to maintain functionality of existing systems  b. Stormwater Infrastructure Asset Management Plan on the website	a. <a href="#">Asset Management Plan</a>  b. <a href="#">A26951896486 Stormwater Infrastructure Management Plan</a>
<a href="#">13.15.</a> Flood Alerts provided to Council	a. Membership provides detailed flood/weather alerts provided to Council via DL email address evidenced in the BOM service level specification	a. <a href="#">A8704783299424</a> Flood and weather warning folder in ECM (print screen) evidencing flood warning correspondence.

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	and flood warning correspondence	<a href="#">BOM Service Level Specification for Flood Forecasting and Warning Services</a>
<del>14.16.</del> Remote sensor monitoring of creek levels	a. Access to remote sensor data (monitoring of creek levels) evidence in BOM service level specification	a. <a href="#">BOM Service Level Specification for Flood Forecasting and Warning Services</a>
<del>15.17.</del> Section 30 Review	a. Strategic Directions report	a. <a href="#">A8932412222753</a> <a href="#">Strategic Directions report 2014 minutes 26 August 2014</a>
<del>16.18.</del> Bureau of Meteorology early warnings provided to Council	a. Membership provides detailed flood/weather alerts provided to Council via DL email address	a. 3299424 - Flood and weather warning folder in ECM (print screen) evidencing flood warning correspondence
<del>17.19.</del> Specialised advice and designs sought	a. Tonkins Engineering Services fee proposal - Shannon Ave, Stormwater Pump Station  b. Tonkin Engineering fee proposal - Stormwater Asset Register  c. Correspondence - request for quote -GAP Watson Ave Netley 'design components'.  d. Chippendale Stormwater Pump Station upgrade  e. <a href="#">Southfront Design -Dew St/Maria St Thebarton</a>	a. <a href="#">A40571127451</a>  b. <a href="#">A15201931456553</a>  c. <a href="#">A6913531664398</a>  d. <a href="#">A16475831486441</a>  e. <a href="#">A2028779</a>
<del>18.20.</del> Development controlled in the Brown Hill/ Keswick Creeks and River Torrens catchments	a. CWT Development Plan	a. <a href="#">CWT Development Plan</a>
<del>19.21.</del> Flood Response Protocol	a. SWP Emergency response flooding	a. <a href="#">A248309486958</a>
<del>20.22.</del> Whole of Catchment Management Plan	a. Initial Urban Stormwater Master Plan	a. <a href="#">A28501237928</a>
<del>21.23.</del> Participating in the Western Region Climate Change Adaptation Plan	a. Western Adelaide Region Change Adaptation Plan Project Team (Governance) Structure	a. <a href="#">A8287253038812</a>

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22.24. Continuation of long term stormwater upgrade works in the Lockleys area	a. Annual Business Plan Summary <del>2017/18</del> <sup>2016/17</sup>	a. <del>2016/17 Annual Business Plan Summary on Website</del> <sup>2017/18 Annual Business Plan Summary on CWT website</sup>
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## SECTION 2 - EMERGING RISKS

This section contains a series of risks that are currently emerging that may impact on Council. These risks may or may not be able to be controlled by Council at this point. Similarly, the risks may eventuate or alternatively dissipate dependent on a variety of factors which may be outside of Council's direct control but which may impact on Council. As a result risk assessment may not be possible until the risk actually eventuates.

Emerging Risk 1	Infill Development/ <u>PDI implementation</u>
Issue	<p>The <i>Planning, Development and Infrastructure Bill</i> has been assented and will replace the <i>Development Act 1993</i> when it is fully commenced in approximately 2-3 years. This will result in amendments to the <i>Local Government Act 1999</i> and other legislation.</p> <p>The objects of the Planning and Infrastructure Amendment Act significantly alter the framework applied to land use planning in the state, whereby the current aim of orderly land use planning is to be superseded by the primary goal of enhancing the State's prosperity through a system that enables development and minimise local government's role in development assessment.</p> <p>Known or potential local impacts include:</p> <ul style="list-style-type: none"> <li>• The move to facilitate, rather than control, increased building/development opportunities in all areas across the City of West Torrens, other than in designated character areas, for economic development purposes rather than focus on proper, orderly and efficient planning and development;</li> <li>• elimination or minimisation of Council's rights to control development/building in its area</li> <li>• exclusion of all but one Elected Member from membership of Council's or a regional development assessment panel</li> <li>• the minimisation of public notification requirements and third party appeal rights associated with certain applications</li> <li>• automatic approval of a development application if the <u>the</u> assessment is not finalis<u>ized</u> within a specific timeframe</li> <li>• ability for developers to encroach on community land without approval from Council</li> <li>• <u>ability for developers/State Government to see a co-contribution for certain required developments i.e. tramway installations</u></li> <li>• <u>significant cost to Council during implementation</u></li> </ul> <p>It is difficult to yet know the full extent of the impacts of this Act until such time as the State Commission of Planning, design codes and procedures have been implemented and the Act commenced, it is expected that they will be broad reaching, have a financial/resource impact on the organisation and change development assessment as we know it.</p> <p>Training of staff and Elected Members has been undertaken and on-going monitoring of the planning and infrastructure environment is on-going. Once more information is available, a risk assessment can be undertaken. It is likely that there is little Council can do to minimise this risk.</p>

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	In the interim, a steering group of relevant members of the administration (jointly headed up by the General Manager Urban Services and the General Manager Business and Community Services) is meeting weekly to influence the legislation and design codes as well as preparing the organization for the commencement of the Act. One of the urban policy planning positions have been reallocated to a PDI project officer role for a two year period, under the direction of the General Manager Business and Community Services, to project manage the preparation for and implementation of the PDI Act
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**Activities associated with this issue**

1. ~~The Planning Development and Infrastructure Act has been proclaimed with staged commencement. The Expert Panel on Planning Reform process has 'informed' the proposed legislative changes. CWT participated in each of the three consultation/feedback processes managed by the Panel, without any discernible impact.~~
2. CWT will ensure that the impact of the resulting legislation/regulation is communicated to its community, together with clear statements about the origins/responsibilities for the changes once they are better known.
3. On-going updating of staff and Council will continue to ensure the organisation is informed and ready to implement required changes.
4. The Steering Group will continue to plan for the implementation of the impending changes and commencement of the Act.
5. The Project Officer will continue to manage the preparations and implementation of the PDI Act and associated changes to the systems and processes
6. ~~Staff working collaboratively with DPTI staff on the implementation of the PDI Act with a PDI update report to each Governance Committee meeting~~

**Emerging Risk 2      Rate Capping**

<b>Issue</b>	The Economic and Finance Committee of parliament has completed its examination into the capping of Council rates. The principal recommendation from this report was that 'the authority of local government to have control over its own financial affairs remain unchanged'. However, the South Australian Liberal Party has indicated that it will take rate capping to the next State election. If introduced, rate capping could significantly constrain the City of West Torrens financially and potentially have significant impacts on service delivery. The State Government however, has indicated that it is not convinced that rate capping is a viable option
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Risk of rate capping occurring

	<b>Likelihood</b>	<b>Consequence</b>	<b>=</b>	<b>Untreated Risk Rating</b>
	Unlikely	Major		Moderate

**Activities associated with this issue**

1. The City of West Torrens, along with many other councils, presented a submission to the Economic and Finance Committee of parliament.
2. The LGA has presented a submission to the Parliamentary Committee and issued media releases.

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3. The LGA is monitoring progress of the Economic and Finance Committee and is expected to lobby to protect council interests.
4. The State Government has advised the media that rate capping is not a viable option.

## 9.3 INTERNAL AUDIT

### 9.3.1 Accounts Payable Internal Audit Report

#### Brief

This report presents the results of the *Accounts Payable* internal audit.

#### RECOMMENDATION

It is recommended to the Audit and Risk Committee that this report be received.

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#### Introduction

In accordance with the approved Internal Audit Program 2016-2017 and scope the *Accounts Payable Internal Audit* (audit) was undertaken by the Contract Auditor Galpins. The objectives of the audit are to evaluate and report on:

- An appropriate approval process is in place in line with CEO sub delegations and Administration Policy: Financial Authorities.
- Internal Controls are assessed and operating effectively, including separation of duties
- Expenditure registers are maintained where applicable, including the local government act 1999 (s79 Register of allowances and benefits and s 105 Register of remuneration, salaries and benefits)
- Alignment with the Enterprise Risk Management Framework/operational risk register.

#### Discussion

The accounts payable function is responsible for ensuring that City of West Torrens creditors are paid on time and that expenditure is matched to the appropriate general ledger/chart of account code. In addition, payments are required to be made in line with appropriate legislation including GST and tax invoice provisions.

The scope of the audit was to sample accounts payable transactions data from the masterfile and use data analysis to assess accounts payable risks and review available data sets to determine potential 'red flags' in the data. These red flags included:

- Duplicate Payments
- Unusual payments (e.g. unusual timing, unusual payment patterns or amounts, unusual transaction descriptions)
- Supplier Masterfile Pertinence (e.g. duplicate creditors, completeness of supplier details, invalid ABNs)
- Purchase order (PO) pertinence (missing PO's, post-dated PO's).
- Payments outside of payment terms, and;
- Matching of supplier data against the payroll data base (i.e. matching the bank account details and/or addresses).

Following completion of the audit, a draft Internal Audit Report (the Report) was issued to the Manager Financial Services for comment and individual risk assessment during July 2017. The final report is attached with management comment.

#### Internal Audit Findings

The Auditor's control risk rating assessed a **good level of compliance** with legislation, policy, procedure and generally accepted industry standards or better practice and this is supported with examples of good practice being identified in part 1.4 of the report.



Eight (8) audit findings were made. Five (5) findings were assessed by the auditor as attracting a moderate level of risk. These findings are within tolerance levels and are not subject to priority actioning but will be completed as part of relevant review cycles ranging from December 2017 to December 2020. Three (3) audit findings were assessed as better practice opportunities and will not be pursued because the resource cost of implementation will exceed the benefit delivered.

## **Conclusion**

The *Accounts Payable Internal Audit*, undertaken by the Contract Auditor, is complete. Five (5) audit findings were identified as moderate and were agreed for actioning with three (3) audit findings identified as better practice opportunities.

All audit findings are within risk tolerance levels and the recommendations minor in nature therefore, in accordance with policy, progress updates will not be reported to the Audit and Risk Committee.

## **Attachments**

### **1. Accounts Payable Internal Audit**



# **City of West Torrens Accounts Payable Review**

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## **Internal Audit Report**

**Audited By:** Tim Muhlhausler, Contract Internal Auditor  
Christopher Both, Contract Internal Auditor

**Draft Report Issued:** June 2017

**Final Report Executive Management Approval:** August 2017

**Final Report Presented:** September 2017

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## 1. EXECUTIVE SUMMARY

### 1.1 Background

The approved Audit Program for 2016-17 provides for an audit of Accounts Payable. The accounts payable function is responsible to ensure City of West Torrens creditors are paid on time and that expenditure is matched to the appropriate general ledger / chart of account code. In addition, payments should be made in line with appropriate legislation including GST and Tax invoice provisions.

### 1.2 Objectives and Scope

The objectives of the audit are to review the accounts payable process to ensure:

- An appropriate approval process is in place in line with CEO sub delegations and Administration Policy: Financial Authorities.
- Internal Controls are assessed and operating effectively, including separation of duties
- Expenditure registers are maintained where applicable, including the local government act 1999 (s79 Register of allowances and benefits and s 105 Register of remuneration, salaries and benefits)
- Alignment with the Enterprise Risk Management Framework/operation risk Register.
- Audit undertaken over data analysis using data analytics software in order to analyse accounts payable data over an extended period. Audit will assess accounts payables risks and review available data sets to determine suitable analytics to identify potential “red flags” in the data.

These red flags include:

- Duplicate Payments
- Unusual payments (e.g. unusual timing, unusual payment patterns or amounts, unusual transaction descriptions)
- Supplier Masterfile Pertinence (e.g. duplicate creditors, completeness of supplier details, invalid ABNs)
- Purchase order pertinence (missing PO's, post-dated Po's).
- Payments outside of payment terms, and;
- Matching of supplier data against the payroll data base (i.e. matching the bank account details and/or addresses).

### 1.3 Associated Risks

Potential risks associated with *Accounts Payable* as identified by Internal Audit include, but are not limited to:

- Erroneous or fraudulent payment of invoices.
- Duplicate or inaccurate payments
- Payments do not meet payment terms resulting in loss of discount or penalties being applied.
- Unauthorised work undertaken by creditors

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- Improper charge to incorrect accounts
- Unauthorised payments are made to non-existent creditors, and;
- Qualified financial controls opinion resulting in reputation damage or restriction on supply and/or financing.

#### 1.4 Examples of Good Practice

Internal controls / processes assessed as demonstrating good practice in mitigating risk included the following:

- ✓ All sampled payments were authorised appropriately.
- ✓ Invoices electronically filed in Finance One system.
- ✓ Purchase Order's (PO's) require secondary authorisation for payment to occur within the system (i.e. a dual authorisation process, rather than automatic approval upon PO matching).
- ✓ A low number of potential duplicate payments was identified via data analytics. No actual duplicate payments were found.
- ✓ An internal register is maintained to identify where PO's are not raised for invoices. A monthly report is sent to all managers advising of instances relating to their responsible areas.
- ✓ The number of instances where PO's are not raised for invoices is low.
- ✓ High degree of ABN conformity across vendors within vendor master file. Only a small number of exceptions noted (e.g. off by one digit due to human error).
- ✓ Appropriate authorisations are required for EFT banking.

## 1.5 Key Findings and Recommendations

Overall City of West Torrens (CWT) policies and procedures were found to have a *good level of compliance* with policy, procedure and generally accepted industry standards or better practice.

Eight (8) internal audit findings were identified during the course of this audit, relating mainly to maintenance of the supplier master file. These are summarised below, and details are provided in section 2 of this report.

Findings were rated in accordance with the CWT's Risk Management Framework, as follows:

- *Extreme risk* recommendations
- *High risk* recommendations
- *Moderate risk* recommendations
- *Low risk* recommendations
- *Better practice* or improvement recommendations

### Findings Summary Table

A summary of the internal audit findings is provided in the table below.

Finding and Recommendation/s - Risk Table	Extreme Risk	High Risk	Mod Risk	Low Risk	Better Practice
<b>2.1: Supplier master file procedures</b> No formally documented internal procedures have been established to ensure pertinence over the supplier master file.			X		
<b>2.2: Supporting documentation for master file changes</b> Inconsistencies in supporting documentation required to initiate changes made or account creation within the vendor master file.			X		
<b>2.3: Review of the master file within the system</b> Audit trail of changes to the master file are not reviewed to ensure any changes made to creditor accounts are valid.			X		
<b>2.4: Active vendors within the supplier master file</b> Supplier master file contains over 4000 active supplier accounts, of which only 1135 accounts have had expenditure this financial year.			X		
<b>2.5 Manual upload of the batch payment ABA file to the bank website.</b> The upload of the ABA file for batch payments for creditors is not automated and potentially			X		

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Finding and Recommendation/s - Risk Table	Extreme Risk	High Risk	Mod Risk	Low Risk	Better Practice
be manipulated prior to upload. No detective controls in place to validate bank details uploaded to the banking system to Finance One batch reports.					
<b>2.6: Cheque payments to creditors</b> A large number of cheque payments are still processed.					X
<b>2.7: Creditor payment terms</b> Lack of uniformity of creditor terms within the system, and some inconsistency with terms indicated on invoices.					X
<b>2.8: Approvals after hours and on weekends</b> Audit identified a number of transactions approved after hours (after 8pm or before 7am) and transactions approved on weekends.					X

Section 2 of the report details the key findings and recommended actions proposed to be undertaken by management.

## 2. INTERNAL AUDIT FINDINGS AND RECOMMENDATIONS

2.1: Supplier master file procedures	Risk Rating – Moderate				
	Auditor <i>Galpins</i>	Descriptor <i>Financial</i>	Consequence <i>Moderate</i>		Likelihood <i>Moderate</i>
	Manager	Financial	Moderate		Moderate
	Recommendation/s		Management Response		Target Date
<p>Issues and Impact</p> <p>Having documented procedures providing guidance and instruction to staff encourages uniformity and ensures that processes are undertaken in a manner consistent with management's expectations.</p> <p>The CWT does not currently have any formal policy or procedures in place to guide management of the supplier master file.</p> <p>In the following findings 2.2 – 2.4, Audit has identified some gaps and exceptions in maintenance of the supplier master file. Developing a formal procedure for management of the supplier master file will help to ensure the pertinence of the supplier master file, and complement the implementation of specific recommendations in other findings within this report, strengthening the mitigation of risks.</p>	<p>Internal procedures are developed to guide management of the supplier master file. Procedures should address requirements for:</p> <ul style="list-style-type: none"> <li>• vendor creation</li> <li>• vendor modification (in particular sensitive data such as bank details)</li> <li>• vendor deletion / deactivation</li> <li>• periodic review / tidy up of the Vendor listing (see finding 2.4)</li> <li>• review of master file changes (see finding 2.3)</li> <li>• authorisation and documentation requirements for the above.</li> </ul>		<p>I do not support a formal policy but am willing to consider a documented procedure.</p> <p>This is not a high priority as the number of gaps are minimal.</p>		2020



2.2: Supporting documentation for master file changes	Risk Rating – Moderate				
	Auditor <i>Galpins</i>	Descriptor <i>Financial</i>	Consequence <i>Moderate</i>	Likelihood <i>Moderate</i>	
	Manager	Financial	Moderate	Moderate	
	Recommendation/s		Management Response	Target Date	
<p><b>Issues and Impact</b></p> <p>The <i>Better Practise Model – Internal financial controls</i> lists as a recommended core control <i>“Recorded changes to the supplier master file are compared to authorised source documents to ensure that they were input accurately”</i> to ensure pertinence of the master file.</p> <p>There had been 46 new vendors created this financial year (2016/17) at the time of audit. There is no formal guidance provided to staff regarding what constitutes appropriate supporting documentation to initiate the creation of new vendors or changes to vendor details in the supplier master file.</p> <p>As a consequence, the nature and existence of supporting documentation retained on file is variable, ranging from copies of formal correspondence from the supplier to internal emails from Council staff. For a number of modifications sampled by audit, no supporting documentation had been uploaded into the finance system.</p> <p>Having consistent, appropriate supporting evidence is particularly important for changes to sensitive data such as bank account details. From discussions with staff, audit understands that an invoice detailing new bank details was sufficient to substantiate a change. No further validation is currently performed.</p>	<p>Internal procedures are developed to achieve formal, consistent standards for:</p> <ul style="list-style-type: none"> <li>• required supporting documentation to support a change to vendor details</li> <li>• where supporting documentation is filed (e.g. as attachments within Finance One)</li> <li>• any validation required on supporting documentation (e.g. contacting vendors directly to confirm bank account changes)</li> <li>• the use of any forms that are completed and authorised to approve changes to vendor details*.</li> </ul> <p><i>*Creditor maintenance forms are commonly used across Local and State government. These forms help to achieve consistency and to ensure supporting documentation is ‘valid’ and/or ‘authorised’ prior to a change occurring, decreasing the likelihood of a inaccurate, inappropriate or fraudulent changes of vendor accounts.</i></p>		As per 2.1	2020	

2.3: Review of audit trail reports of changes to the supplier master file	Risk Rating – Moderate				
	Auditor <i>Galpins</i>	Descriptor <i>Financial</i>		Consequence <i>Moderate</i>	Likelihood <i>Moderate</i>
	Manager	Better Practice		N/A	N/A
	Recommendation/s		Management Response		Target Date
<p>Issues and Impact</p> <p>There are no formal reviews undertaken of changes made to the supplier master file.</p> <p>Review of the audit trail of changes to the supplier master file is an important detective control to ensure only authorised changes have been made and valid supporting documentation exists to substantiate these changes.</p> <p>This control may also be used as a preventative control, by timing the review to be undertaken prior to release of payment batches. This allows any errors to be identified and corrected prior to processing payments.</p>	<p>It is recommended that:</p> <ul style="list-style-type: none"> <li>Audit trails of changes to the supplier master file are produced and formally reviewed by an independent person (i.e. a person who is unable to modify the master file)</li> <li>As part of this review, spot checks are performed to verify the existence and legitimacy of supporting documentation to substantiate changes (particularly to sensitive data such as bank details).</li> <li>The timing of this review could be performed either on a periodic basis (e.g. monthly) as a detective control to identify any past errors, or preferably incorporated into the payment cycle prior to each batch being paid (as a preventative control).</li> </ul>		<p>Will consider a periodic review but it is not practical to include into a payment cycle.</p> <p>There is little evidence that it is causing any issues. This is more of a better practice Solution</p>		2020

Risk Rating – Moderate					
2.4: Active vendors within the supplier master file	Auditor	Descriptor	Consequence	Likelihood	Target Date
	Galpins	Financial	Moderate	Moderate	
	Manager	Financial	Moderate	Moderate	
	Recommendation/s		Management Response		
Issues and Impact					
The Better Practise Model – Internal financial controls lists as a recommended additional control “Suppliers that have not been used for a significant period of time are reviewed and marked for deletion by the application, if appropriate.”	The default reporting available out of Finance One to enable review of the master file lacked detail and was not in a user-friendly format.		Deactivating suppliers has been considered, but it is a time consuming process because each creditor has to be deactivated individually.		Ongoing
Audit reviewed the vendor master file and found a high number of active suppliers within the system. Analysis revealed of the 4458 suppliers within the master file, 4401 are active for data entry, ledger status and account number status. Of the 4401 active accounts within the system, only 1135 had expenditure occurring against them within the last financial year as at the date of our audit.	Audit has worked with IT staff to develop a new vendor master file report that can be used by council finance staff to facilitate the review of the supplier master file in a more efficient, effective manner.		This is a low priority but we will endeavor to action on an ongoing basis.		
Audit notes 32 vendor accounts are active in the system but contain descriptions such as ‘Do not use’ or ‘CLOSED’ next to the account name, indicating an intention that the account not be used. Of these 32 accounts, 3 had expenditure recorded against them totalling \$44,610 within the 2016/17 year.	It is recommended that this report be used to facilitate the periodic “spring clean” of the vendor master file by finance staff. This should include ensuring the deactivation of suppliers for which no expenditure has been recently incurred and for which future expenditure is not planned.				

2.5 Manual upload of the batch payment ABA file to the bank website.	Risk Rating – Moderate				
	Auditor <i>Galpins</i>	Descriptor <i>Financial</i>	Consequence <i>Moderate</i>	Likelihood <i>Moderate</i>	Target Date
	Manager	Financial	Moderate	Moderate	
	Recommendation/s		Management Response		
Issues and Impact	na The <i>Better Practise Model – Internal financial controls</i> lists as a recommended core control “ <i>Payments (Cheques and EFT’s) are endorsed by authorised officers separate to the preparer who ensure that they are paid to the specified payee.</i> ”  Council’s financial system ‘Finance One’ generates an ABA file which is stored on council’s internal drive prior to being manually uploaded into the banking portal for payment. The ABA file is not encrypted and can potentially be opened as a TXT (text format) file and manually manipulated prior to being uploaded.  Upon upload into the banking website, no mitigating checks are currently being performed to compare the account details uploaded into the banking system against Finance One reports.	Council may wish to contact its IT system provider to investigate whether it is possible to implement a way to enable a direct interface between Finance One and the banking online system to avoid any manual upload.  In the absence of this control, it is recommended that creditor bank details uploaded into the banking system are reviewed against Finance One batch reports to ensure they are consistent. Automation of this process may be achieved through the use of ‘Excel’ using formulas to match the two datasets.	Willing to contact system provider to determine if direct interface is possible.		Dec 2017



2.6: Cheque payments to creditors	Risk Rating – Better Practice					
	Auditor <i>Galpins</i>	Descriptor N/A	Consequence N/A	Likelihood N/A	Target Date	
	Manager	N/A	N/A	N/A		
	Recommendation/s	Management Response				
Issues and Impact						
Approximately 142 different suppliers were paid via cheques in the 2016/17 financial year, totalling approximately \$1.48 million. The top 10 suppliers paid via cheque amount to 80% of this total expenditure and include utility suppliers, government entities, miscellaneous suppliers, petty cash reimbursements and councillor payments. In our experience, this extent of cheque use is above average for SA local government.	The use of cheques is phased out in favor of increased use of EFT or other electronic means of funds transfer.				We are actively trying to reduce down the number of cheques issued, however it is not always a practical solution for one off payments.	Not Applicable
Whilst cheque payments are not considered inappropriate, and audit testing has not identified any inappropriate transactions occurring through the use of cheques, there may be benefits to council in reducing the use of cheque payments.						
Manual cheques are typically less efficient as a payment method, and inherently provide less control compared to alternative payment methods such as EFT.						

Risk Rating – Better Practice					
2.7: Creditor payment terms	Auditor	Descriptor	Consequence	Likelihood	
	Galpins	N/A	N/A	N/A	
	Manager	N/A	N/A	N/A	
Issues and Impact	Recommendation/s		Management Response	Target Date	
<p>The majority of suppliers within the vendor master file (4039) do not have any term days set. The remaining suppliers' term days varied from 1 to 30 days, with the majority (110) set to 20 days within the system. The term days in the supplier master file often did not align with the terms sighted by audit on invoices.</p> <p>Data analysis revealed that the majority of suppliers are approved for payment within 30 days. Analysis was undertaken on a population of \$36,000,000. Of this population, approximately \$4,100,000 was approved for payment after 30 days.</p>	<p>As part of the periodic "spring clean" of the vendor master file by finance staff (as recommended in finding 2.4), creditor terms within the master file are reviewed to ensure uniformity of creditor terms and consistency with invoice / contract terms.</p>		<p>Term days are used as a guide only. A 'Spring clean' of term days is not seen as a priority as it will have very little benefit.</p>	Not Applicable	

Risk Rating – Better Practice				
2.8: Approvals after hours and on weekends	Auditor	Descriptor	Consequence	Likelihood
	Galpins		N/A	N/A
	Manager	N/A	N/A	B/A
Issues and Impact	Recommendation/s		Management Response	Target Date
<p>Data analytics was used to identify expenditure approved for payment outside of normal working hours or on weekends.</p> <p>During the 2016/17 financial year, approximately \$5.4 million has been approved after 8pm on weeknights. Additionally, approximately \$476,000 of expenditure has been approved on weekends. Only a very low volume of spend was approved prior to 7am.</p> <p>Audit tested a sample of these payments and found that the majority of this expenditure had PO's raised prior to the approval.</p> <p>Inherently, excessive transactions outside of normal hours may highlight capacity issues, WHS concerns, or be red flags for risk-based identification of potential fraud.</p>	<p>Whilst it is expected that management may work some overtime, the volume of approvals identified indicates that it would be worthwhile reviewing the reasons why staff are finding it necessary to process approvals outside of hours. This may, for example, provide insights into the adequacy of staffing capacity and the use of overtime.</p>		<p>Not considered as an issue as majority of authorisations are completed by management against existing purchase orders.</p>	Not Applicable

### **9.3.2 Dog and Cat Management Board Audit August 2017.**

#### **Brief**

This report presents the results of the Dog and Cat Management Audit completed August 2017 undertaken by the Dog and Cat Management Board.

#### **RECOMMENDATION**

It is recommended to the Audit and Risk Committee that the outcomes of the Dog and Cat Management Audit be received.

---

#### **Introduction**

The Dog and Cat Management Board (Board) is required under the Dog and Cat Management Act 1995 (Act) to monitor the administration and enforcement by councils of the Act. For this purpose the Board conducted a dog and cat management audit of the City of West Torrens (CWT) on 2 August 2017.

#### **Discussion**

The Board recently completed its dog and cat management audit (Audit) of the City of West Torrens pursuant to s21(b)(i) and s26(2) of the Act. The final report from the Board is attached **(Attachment 1)**.

The Audit found two areas of non-compliance. The first relates to the format of identity cards and the second matter to a new Board policy about access to information held in the dog register. Both issues are the result of changes to the Act which came into effect on 1 July 2017 but had yet to be implemented.

Both action have been agreed by CWT management for actioning and were completed during September 2017.

#### **Conclusion**

The dog and cat management audit is complete. Two (2) non-compliance findings were made and all findings were agreed for actioning and subsequently completed during September 2017.

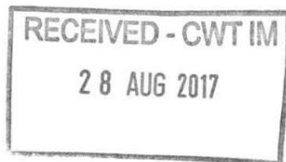
#### **Attachments**

##### **1. Dog and Cat Management Audit**





**Government of South Australia**  
**Dog and Cat Management Board**



81-95 Waymouth Street

Adelaide SA 5000

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Adelaide SA 5001

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[www.dogandcatboard.com.au](http://www.dogandcatboard.com.au)

DCMB # 98/0069

24 August 2017

Mr Terry Buss  
Chief Executive  
City of West Torrens Council  
165 Sir Donald Bradman Drive  
HILTON SA 5033

Dear Mr Buss

**RE: DOG AND CAT MANAGEMENT AUDIT**

The Dog and Cat Management Board (the Board) is required<sup>1</sup> to monitor the administration and enforcement by councils of the *Dog and Cat Management Act 1995* (the Act). Councils' arrangements for the management of dogs must be satisfactory to the Board.<sup>2</sup> For this purpose, the Board conducted a dog and cat management audit of the City of West Torrens on 2<sup>nd</sup> August 2017.

Please find enclosed the completed audit report. The audit found that there were two areas of non-compliance. The first related to the format of identity cards. The requirements changed with the legislative changes to the Dog and Cat Management Act 1995 that came into effect on 1<sup>st</sup> July 2017. The second matter related to a new Board policy about access to information held in the dog register. Again this is a new policy arising out of the legislative changes.

A copy of the audit report is attached. Following the audit we have been in contact with your officer, Deborah Ellis-Paterson. We have sent a copy of the Board policy on Access to the Dog Register and have already received written confirmation that the policy will be used should an application for access be made. This matter has therefore been satisfactorily addressed. With regard to the identity cards we understand that replacement cards are on order. Please confirm when they will be replaced and new cards in the Board approved format issued to authorised persons.

<sup>1</sup> S21(b)(i)

<sup>2</sup> S26(2)

If any queries arise in the future our Project Officer, Compliance, Denise Rushton, is available to assist the Council. She can be contacted on (08) 8124 4858 at [denise.rushton@sa.gov.au](mailto:denise.rushton@sa.gov.au) if you have any questions or concerns.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'AL' followed by a flourish.

Andrew Lamb  
**Board Secretary**  
**Dog and Cat Management Board**

# DOG AND CAT MANAGEMENT AUDIT OF THE

## CITY OF WEST TORRENS

### CONDUCTED BY THE DOG AND CAT MANAGEMENT BOARD

ON 2<sup>ND</sup> AUGUST 2017

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## **EXECUTIVE SUMMARY**

The purpose of this report is to provide feedback to the City of West Torrens regarding the audit of legislative, policy and guideline compliance with the *Dog and Cat Management Act 1995* (the Act).

## **BACKGROUND**

In 2005 an Auditor General review of the Dog and Cat Management Board (the Board) recommended that the Board should “undertake spot checks of all Councils with the aim of covering all Councils within a five-year period.” It is Board policy that all councils are visited by the Board every three years.

This audit was conducted within the fourth audit cycle.

## **AUDIT APPROACH**

Our approach in undertaking the audit included:

- Consultation regarding the audit checklist and processes for identified non-compliance
- Collaboration with the councils to arrange suitable dates and times for audit visits.
- Site visits to the councils to audit operational systems and processes to provide support, advice and ensure compliance with the Act

The audit focused on the following sections of the Act:

- 25B—Identification of authorised persons
- 26—Council responsibility for management of dogs
- 26A—Plans of management relating to dogs and cats
- 34—Registration procedure for individual dogs
- 35—Registration procedure for businesses involving dogs
- 39—Rectification of register
- 51—Grounds on which orders may be made
- 52—Procedure for making and revoking orders
- 59A—Prohibition Orders
- 61—Procedure following seizure of dog
- 62—Limits on entitlement to return of dog
- 90—By-laws



## **FINDINGS**

The findings are documented in detail below:

### *25B—authorised persons must be issued with an identity card in the form approved by the Board*

The Council has issued all authorised dog management officers (now known as authorised persons) with an identity card but identification cards need to be amended to comply with the form required by the Board. The approved form is the template format for identity cards on the LGA website.

Non-compliances identified under section 25B of the Act:

Identity Cards to be reissued in the form approved by the Board	MAJOR
---	-------

### *26—Council responsibility for management of dogs*

The Council is meeting the legislative requirements to maintain a dog register that contains information required by the Board. The public register is available and is consistent with the Board's guideline. The Council has provided the Board with the dog registration information that is required by the Board at the end of the financial year.

An appropriate Registrar of Dogs has been appointed.

The Council was not aware of the Board's Guidance on Access to the Dog Register. A copy of the Guidance has subsequently been supplied to the Council and written confirmation has been provided that this is now available to the appropriate officers should an application for access be received.

The Council issue certificates of registration and registration discs as required. At least one full time (or equivalent) dog management officer has been appointed.

The Council makes satisfactory arrangements for the detention of dogs seized under the Act. The facilities at the AWL are used and these have been inspected and approved by the Board.

Financial compliance of expenditure of money collected under the Act, the keeping of separate accounts for money received and expended under the Act and payment of a percentage of dog registration fees into the Dog and Cat Management Fund is audited annually when Council supply the Board with statistics and financial information at the end of the financial year.

### *26A—Plans of management relating to dogs and cats*

Council has implemented a plan of management relating to dogs and cats that has been approved by the Board and the identified KPIs are monitored and achievement is documented. The approved Plan is displayed on the Council's website.

*34—Registration procedure for individual dogs*

Applications to register individual dogs are compliant with the requirements of the Board. Upon registration and payment of appropriate fees, the council issues compliant certificates of registration and registration discs.

*35—Registration procedure for businesses involving dogs*

The Council has the provision for business registration and have an application for registration of a business involving dogs and upon registration and payment of appropriate fees, council issue a compliant certificate of registration and registration disc.

*39—Rectification of register*

The Council has a process to enable aggrieved people to rectify the register of dogs.

*51—Grounds on which orders may be made*

The Council has demonstrated compliance with the Act by collecting satisfactory evidence to determine whether control orders should be placed and by following the Council's standard operating procedures.

*52—Procedure for making and revoking orders*

The Council has demonstrated it has undertaken legislative steps in placing orders by ascertaining persons responsible for the dog, giving written notice of intention to place an order and the terms of the order, and inviting the persons responsible to make a submission in response to the intention to place an order within 7 days.

The orders placed are in the form required by the Board, a copy is provided to the person(s) responsible and noted in the register of dogs.

*59A—Prohibition orders*

The Council has a standard operating procedure for making prohibition orders and access to the form required by the Board.

*61—Procedure following seizure of dog*

If a dog is seized by Council it is returned to the person who owns or is responsible for the dog or detained in an approved detention facility.

A public notice of detention is displayed at the Council's office for a minimum of 72 hours. The notice details the general description of the dog, day and time it was seized and the place the dog is being detained.

If the owner or person(s) responsible for the dog are known Council issues a notice of detention in the form required by the Board as soon as possible.

Action undertaken by officers is consistent with the Council's seizing and impounding standard operating procedure.

*62—Limits on entitlement to return of dog*

Council ensures dogs are not released from the detention facility unless satisfactory proof of ownership is provided or evidence of permission to collect the dog from the owner or persons responsible is sighted. Impound and daily holding fees are paid and the dog is registered before release.

*90—By-laws*

Proposed by-laws have been provided to the Board at least 42 days before resolving to make the by-law and at least 21 days before public notice of the proposed by-law was given. The Council provided a report, in the form requested by the Board, regarding the objects of the by-law, proposed implementation/enforcement and key difference to previous by-laws or by-laws in other council areas.

**COUNCIL DETENTION FACILITIES**

Council detention facility information:

Location	1-19 Cormack Road Wingfield			No. of pens	multi
Owner	Animal Welfare League			Built:	-
Past approval	18/02/2014	Current Issues	None		
Date of audit	11/07/2017	Approved this audit	✓ <input type="checkbox"/> Yes <input type="checkbox"/> No		

The Animal Welfare League, SA detention facilities were audited on 11th July 2017 and a compliance report was issued to the Animal Welfare League on 24th August 2017.

*Collection*

Council vehicles used to transport dogs are safe, reducing the risk of injury to the operator and dog.



**NON-COMPLIANCE REQUIRING RECTIFICATION**

For the City of West Torrens to be compliant, the following areas require corrective action:

*Major (Legislative) Non-compliance*

Identity cards to be issued in the form approved by the Board	Section 25B of the Act	Planned Action

A plan to rectify is required within 14 days, with corrective actions to be undertaken within 3 months of the date of this report.

### 9.3.3 Food Act 2001 Internal Audit

#### Brief

This report presents the results of the *Food Act 2001 internal audit*.

#### RECOMMENDATION

It is recommended to the Audit and Risk Committee that the report be received.

---

#### Introduction

In accordance with the approved Internal Audit Program 2017-2018 and scope the *Food Act 2001 Internal Audit* (Audit) was undertaken by the Contract Legal Auditor Wallmans Lawyers. The objectives of the Audit are to evaluate and report on compliance with the provisions of the *South Australian Food Act 2001* (Act).

#### Discussion

The City of West Torrens (CWT) meets the definition of an 'enforcement agency' under part 2 of the *South Australian Food Regulations 2002* (Regulations). Therefore, CWT has responsibility to take action to protect public health in relation to food matters.

The Scope of the Audit was to sample files from a variety of food related activities to report CWT's level of compliance with:

- *South Australian Food Act 2001*
- *South Australian Food Regulations 2002*
- Australian Food Safety Standards
- Opportunities for the introduction of better practice and process improvement

Following completion of the Audit, a draft Internal Audit Report (Report) was issued to the Manager Regulatory Services for comment and individual risk assessment. The final report is attached (**Attachment 1**).

#### Internal Audit Findings

The Auditor's control risk rating assessed a **good level of compliance** with the statutory provisions of the Act and Regulations. Processes are well understood by the officers who adhere to those processes. Consistency of approach and enforcement is ensured through specific procedures set by CWT and through the knowledge and experience of the officers.

Three (3) audit findings were made and all were assessed by the Auditor as attracting a low level of risk. These findings are within CWT tolerance levels therefore only one (1) action will be actioned by December 2017 because the benefit of implementation exceeds the cost of resource allocation. The one (1) finding being actioned is not subject to priority actioning.

#### Conclusion

The *South Australian Food Act 2001 Legislative Compliance Internal Audit*, undertaken by the Contract Legal Auditor, is complete. Three (3) findings were identified as low risk and one (1) finding was agreed for actioning. All Audit findings are within risk tolerance levels and the recommendations minor in nature therefore progress updates will not be reported to the Committee.

#### Attachments

##### 1. Food Act 2001 Legislative Compliance Internal Audit



WALLMANS  
LAWYERS

City of West Torrens  
Legislative audit: *Food Act 2001*  
22 September 2017

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## Audit report

### 1. Context

- 1.1 We are engaged by the City of West Torrens (**CWT**) to undertake a legislative audit in respect of the council's compliance with its obligations pursuant to the *Food Act 2001 (Act)*.
- 1.2 This report includes the scope of the audit and methodology used by us to undertake the audit. The detailed audit findings are set out in the word table attached.
- 1.3 Recommendations resulting from the audit are set out below.

### 2. Objectives

- 2.1 The objectives of the audit are to:
  - (a) evaluate and report on the level of compliance with the Act
  - (b) identify opportunities for better practices and process improvements in respect of the regulation, inspection and enforcement applicable to food businesses in the council area

### 3. Scope

- 3.1 The audit considered CWT's compliance with the provisions of the legislation.
- 3.2 The audit also considered
  - (a) the potential risks associated with administration of the Act
  - (b) rating the compliance of CWT in accordance with defined ratings
  - (c) any recommended actions for CWT to improve compliance with the Act.
- 3.3 Documents considered were:
  - (a) legislation:
    - (i) the Act and *Food Regulations 2002*;
    - (ii) Food Safety Standards.
  - (b) council documents:
    - (i) sample files of inspections, re-inspections and notices issued to certain food businesses
    - (ii) CWT Policy: Food Act Inspections and Audit Fees
    - (iii) CWT Policy: Order Making
    - (iv) CWT 2017 Delegations Framework

## 3

- (v) CWT Fact Sheet: Food Premises Rubbish and Recycled material
- (vi) CWT Expiation Review Policy
- (vii) CWT Guidelines: Construction and Fit-out of Food Businesses
- (viii) Standard Operating Procedure: Enforcement Framework for Regulatory Services
- (ix) Standard Operating Guideline: Routine Inspections of Food Premises
- (x) Standard Operating Guideline: Issuing Food Act Improvement Notices
- (xi) Business Operational Procedure: Conducting Food Audits Flowchart
- (xii) Environmental Health Procedure: Conducting Audits of Food Safety Programs
- (xiii) Documents relating to appointment of authorised officers
- (xiv) Food Act 2001 Annual Report questionnaire 2015/16
- (xv) Template forms
  - Food business notification form
  - Seizure and Forfeiture Order
  - Certificate of Clearance
  - Prohibition Order
  - Improvement Notice
  - Australian food safety assessment
  - Inspection report
  - various covering letters, letters of service
- (xvi) CWT files held electronically
  - sample viewed
- (xvii) CWT records held electronically
  - sample viewed

#### 4. Methodology

- 4.1 The audit has been undertaken in accordance with the Internal Audit Scope provided by CWT and the methodology set out in Wallmans fee proposal letter of 5 May 2017.

## 4

- 4.2 An initial meeting with Darryl Whicker (Program Leader Internal Audit and Risk) was held at the council on 18 May 2017. At the meeting the scope was confirmed along with the methodology, and desired format of the report in a word table or excel spreadsheet; a word table is attached.
- 4.3 The audit assessed the overall compliance of CWT as against the legislative requirements and obligations.
- 4.4 We identified CWT's legislative obligations by reviewing the legislation listed in paragraph 3.3(a).
- 4.5 CWT's compliance with the legislation was considered by reviewing the documents listed in paragraph 3.3(b) and from the information ascertained during interviews with CWT officers.
- 4.6 CWT's compliance was rated in accordance with the defined compliance rating; good, partial, substantial or non-compliant.
- 4.7 CWT's exposure to risk was considered in accordance with the Risk Management Framework as it applies to administration of this legislation, and comments noted accordingly. The audit was not undertaken as a general risk assessment.
- 4.8 Interviews were conducted with Darren Isgar, Team Leader, Environmental Health; and Deepti Sethi, Authorised Officer.
- 4.9 A draft report was provided to CWT on 25 August 2017.

**5. Summary**

- 5.1 The audit concluded that CWT has a good level of compliance with the statutory provisions of the Act and regulations.
- 5.2 Processes are well understood by the officers who adhere to those processes. Consistency of approach and enforcement is ensured through specific procedures set by CWT and through the knowledge and experience of the officers.
- 5.3 Appropriate software is used at inspections on site and also in the CWT office, which keeps records, allows for workload planning, rostering of inspections and follow-ups, and the availability of relevant information.
- 5.4 Information, publications and other resources provided by SA Health are also utilised.

**6. Recommendations**

- 6.1 Recommendations are set out in the table below, and are summarised as follows:
  - (a) no relevant concerns were found
  - (b) no particular areas for action are recommended
  - (c) attention is drawn to consequences provided in the legislation
  - (d) CWT processes and conduct of the legislative requirements are appropriate.

5

**7. Auditor**

The audit was undertaken by Alison Brookman, Special Counsel.

**8. Findings Attached**

### Audit findings – good practice

Subject matter	Good practice
<b>1: Staffing</b>	<p>Recruitment and training of authorised officers is key to CWT performing its obligations required by the legislation. CWT acts appropriately to recruit qualified and experienced staff to undertake the roles of inspectors and food safety auditors.</p> <p>Officers work in a team environment and are located physically close to each other which promotes knowledge sharing and consistency.</p> <p>The use of good software packages ensures records are kept correctly as required by the legislation. The officers are all able to access computer records for the input of data and to see actions taken on behalf of CWT. Computer records also include the list of authorised officers and particular qualifications and authorisations for particular officers.</p>
<b>2: Familiarity with the legislative requirements</b>	<p>The officers are familiar with their legislative requirements and how to apply their knowledge and information gathered to the enforcement and regulation of the food businesses in the area.</p>
<b>3. Knowledge of CWT policies and procedures</b>	<p>Officers have the necessary knowledge of and appropriately apply relevant CWT policies and procedures, such as -</p> <p>Standard Operating Guideline: Routine Inspections of Food Premises.</p> <p>Standard Operating Procedure: Enforcement Framework for Regulatory Services.</p> <p>Electronic records, use of tablet at food premises.</p>
<b>4. Consistency between officers, avoidance of conflicts</b>	<p>The officers work as a team and the Team Leader promotes communication among the staff which assists to ensure a consistent approach which is important in regulatory and enforcement duties.</p> <p>The use of template forms and correspondence assist to maintain a consistent approach.</p> <p>Fees are invoiced by the finance department of CWT which promotes independence of the inspection/enforcement officers along with professional conduct. This also assists to minimise conflicts of interest involving the officers.</p>

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<b>5. Improvement notices</b>	<p>Improvement notices are the most common form of enforcement used and must reflect a consistent and correct means of regulation. The officers also use these as a means of feedback and education for the food businesses, which assists with compliance and understanding, thus reducing recidivism.</p> <p>The use of CWT policies and determined procedures assists, such as -  Standard Operating Guideline: Issuing Food Act Improvement Notice.  Standard Operating Procedure: Enforcement Framework for Regulatory Services.  Template forms.</p>
<b>6. Auditors</b>	<p>Audits are undertaken by authorised Food Safety Auditors where a food business must comply with a food safety program.</p> <p>CWT has appropriate policies to ensure audits are undertaken in accordance with the Act.  Environmental Health Procedure 13: Conducting Audits of Food Safety Programs  Business Operational Procedure Flowchart: Conducting Food Audits</p>
<b>7. Notifications / regulation</b>	<p>In addition to specific matters as above, food businesses must provide to CWT notification of details required by the legislation. The notification form is available on the CWT website to assist businesses to comply.</p>

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## Audit Compliance and Findings

Legislative obligations Authorised Officers	Compliance	Recommendations
<p>Appointed by CWT (must have appropriate qualifications or experience) (s94)</p> <p>List of authorised officers maintained by CWT</p> <p>Authorised officers issued with a certificate of authority (s95).</p> <p>CEO, as head of an <i>enforcement agency</i>, reports to the <i>relevant authority</i> (ss90, 93)</p> <ul style="list-style-type: none"> <li>- on the performance of functions</li> <li>- with the frequency required by the <i>relevant authority</i> on any proceedings for offences – within 1 month of finalisation.</li> </ul>	Good	Nil
<p><b>Delegations</b></p> <p>By CWT as an <i>enforcement agency</i> (s91).</p> <p>2017 Delegations Framework includes:</p> <ul style="list-style-type: none"> <li>- to commence prosecution</li> <li>- seizure</li> <li>- review of decision/Order</li> <li>- change priority classification</li> <li>- issue notices, expiations</li> </ul>	Good	Nil
<p><b>Inspection and seizure (s37)</b></p> <p>Authorised officer to produce certificate of authority on entering premises if requested. (s95(3))</p>	Good	Nil

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Produce certificate of authority if requested on requiring a person to produce anything or answer questions. (s95(3))			
<b>Seizure orders</b> (s42) Written & served. Hold the material the subject of the order pending proceedings. Must not remove a thing before a seizure order is made.	Good	Nil	
<b>Improvement notices</b> (ss43, 44) Served on <i>proprietor</i> of food business	Good	Nil	
<b>Taking samples &amp; analysis</b> (s53>) The Act specifies the procedure to be followed, how to deal with samples for analysis ie to mark and seal, give to proprietor, control sample.	Good	Nil	
<b>Auditing</b> Food safety auditors – CWT approval of auditors where delegated power from the <i>relevant authority</i> CWT staff approved by the <i>relevant authority</i> as auditors – (ss73 – 77) Auditors must be provided with a certificate of authority as an auditor (s83).	Good	Nil	

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<p>A list of food safety auditors must be maintained by the <i>relevant authority</i> (s84) by CWT if delegated power from the Minister.</p> <p><b>Duties of auditors</b></p> <ul style="list-style-type: none"> <li>- audit food safety programs</li> <li>- any necessary follow-up after an audit</li> </ul> <p>assess food businesses to ascertain compliance with the Food Safety Standards (s80)</p>		
<p><b>Audit reporting</b></p> <p>Required where a food business must comply with a food safety program (s78).</p> <p>The results of any audit must be reported to CWT (as the <i>appropriate enforcement agency</i>) in the form and with contents as prescribed by the Act (s81)</p> <p>Reports of the assessment must indicate</p> <ul style="list-style-type: none"> <li>- compliance with the Food Safety Standards</li> <li>- any contravention with the standards</li> </ul> <p>Auditors must report any contravention of the Act, Regulations, Standards that</p> <ul style="list-style-type: none"> <li>- is an imminent and serious risk to the safety of food intended for sale</li> <li>- will cause significant unsuitability of food intended for sale as soon as possible, and within 24 hours, in writing to CWT; a copy of the report is to be given to the proprietor.</li> </ul>	Good	Nil
<p><b>Priority classification of food businesses</b> (s79)</p> <p>CWT is the <i>appropriate enforcement agency</i></p> <p>CWT must determine</p>	Good	Nil

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<ul style="list-style-type: none"> <li>- priority classification of individual food businesses (for the purposes of food safety programs)</li> <li>- frequency of auditing of food safety programs</li> </ul> <p>Written notification of the classification must be given to the proprietor of a food business (s79(3))</p>		
<p><b>Regulation of food businesses</b></p> <p><b>Notifications</b> must be made to CWT (as <i>appropriate enforcement agency</i>) (s86)</p> <ul style="list-style-type: none"> <li>- by proprietor of a food business</li> <li>- in the correct form and with contents as prescribed in the Act</li> </ul>	Good	Nil

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Risk Rating: Low					
1. Prohibition orders (s46)		Auditor	Descriptor	Consequence	Likelihood
		Wallmans	Financial	Insignificant	Rare
		Manager	Financial	Insignificant	Rare
Legislative obligations	Compliance	Recommendations		Management, Response and Responsibility	Risk
<p>Orders as specified in the Act</p> <p><b>Certificate of clearance</b> after prohibition order dealt with</p> <p>Request for <b>re-inspection</b> where the subject of a prohibition order (s49)</p>	Good	<p>Clarify the process for certifying clearance.</p> <p>While the issue of a prohibition order is relatively infrequent, as the Act provides that a certificate of clearance is taken to be given in certain circumstances it is prudent to ensure such circumstances are specifically addressed. It is recommended that the process to ensure re-inspection occurs within the 2 days of a request be detailed, such as it is for routine inspections and issue of improvement notices in the Standard Operating Guideline. Specifically, log the receipt of a request for re-inspection, set the date for re-inspection and conduct using the existing procedures for recording relevant dates, mobile device and procedures as documentd for inspections.</p>		<p>Consider modifying the routine inspections of food premises SOG to include the issuing of Prohibition Order. SOG would specify the process for any re-inspection will occur with in 2 days of receiving a written request for an inspection in accordance with s49.</p> <p>By December 2017.</p>	<p>Low</p> <p>Potential liability to pay compensation if found on review that there were no grounds for making a prohibition order (s52)</p> <p>If not re-inspected within 2 business days, and no fault of the proprietor of the food business, a certificate of clearance is taken to have been given.</p> <p>If a certificate of clearance is refused a person aggrieved may apply for review to the Administrative &amp; Disciplinary Division of the District Court within 28 days. (s51)</p>

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Risk Rating: Low					
2. Review of prohibition order (s52)	Auditor	Descriptor	Consequence	Likelihood	Summary
	Wallmans	Financial	Insignificant	Rare	Low
	Manager				Better Practice

Legislative obligations	Compliance	Recommendations	Management, Response and Responsibility	Risk
The authority or person who made the order receives an application for compensation from the person bound by the order	Good	Likely infrequent occurrence, therefore the lack of written policy specifically dealing with this is acceptable.	<p>Sub delegations to CEO, GM Corporate &amp; Regulatory, Manager under section 52(4) of the Food Act.</p> <p>There is no formal written process should such a request be received.</p> <p>Head of the enforcement agency (CEO) issues the Prohibition Order (no other person has this delegated power) so CEO has to be satisfied on the grounds of issuing a Prohibition Order and is aware of the potential</p>	<p>Low to medium</p> <p>If no determination is made on the application for compensation within 28 days, it is taken to be refused.</p> <p>A person may apply for review of the determination, as to whether compensation is payable or the amount, to the Administrative &amp; Disciplinary Division of the District Court within 28 days of notification of the determination</p>

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				for compensation for losses.	Agree with likely infrequent occurrence and lack of written policy is acceptable.	<b>No Action Required</b>
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3. Offences / court proceedings	Risk Rating: Low				
	<b>Auditor</b> Wallmans	<b>Descriptor</b> Financial	<b>Consequence</b> Insignificant	<b>Likelihood</b> Rare	<b>Summary</b> Low
	<b>Manager</b>	Financial	Insignificant	Rare	Low

Legislative obligations	Compliance	Recommendations	Management, Response and Responsibility	Risk
<p>Commenced by correct body</p> <ul style="list-style-type: none"> <li>- CWT</li> <li>- The authority to elect to lay a charge lies with - CEO, GM Corporate &amp; Regulatory, Manager Regulatory</li> </ul> <p>Commenced against the correct person who contravened the Act (ss97 &gt;)</p> <p>Issue and enforcement of expiation notices (per <i>Expiation of Offences Act 1996</i>)</p>	Good	<p>CWT should ensure any court proceedings are correctly implemented. When officers consider or recommend that proceedings should be commenced against a food business, there may be uncertainty of the legal entity against which the proceedings should be issued, this may arise as the proprietor of the business provides notification to CWT but this may be a trading or business name, or employee of a company rather than the legal entity. The Enforcement Framework does not only apply to Food Act proceedings; as the decision to prosecute is made by the CEO or senior staff such</p>	<p>Should proceedings commence against a food business and or individual, legal advice would be sought. Legal advice would include that proceedings are against a legal entity.</p> <p><b>No Action Required</b></p>	<p>Low</p> <p>Defences are provided ss24&gt;</p> <p>A person who has obtained confidential information in connection with the administration of the Act must not disclose that information unless with lawful reason (s111).</p>

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			proceedings under this Act may not need to be specifically detailed in the Framework. It is raised for awareness, but could be included in operating procedures specific to the Food Act or a general note made in the Enforcement Framework to check on the legal entity against which any prosecution or court proceedings are to be taken.		
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### 9.3.4 2017-2018 Internal Audit Program Update

#### Brief

This report presents the 2017-2018 Internal Audit Program Update.

#### RECOMMENDATION

It is recommended to the Audit and Risk Committee that the 2017-2018 Internal Audit Program Update report be received.

#### Introduction

An update report is provided to each ordinary meeting of the Audit and Risk Prescribed General Committee (Committee) on the status of current and, if appropriate, the previous Internal Audit Program.

#### Discussion

This report summarises the status of all audits contained in the 2017-18 *Internal Audit Program* (Program) as at 30 September 2017.

#### Summary

Audit Status	Number
Audits Not Started	8
Complete	5
In Progress	1
<b>Total Audits Programmed (excluding staged audits)</b>	<b>14</b>
Audit Status (Staged Audits)	Number
Staged Audits Not Started	1
Staged Audits Complete	0
Staged Audits in Progress	2
<b>Total Staged Audits</b>	<b>3</b>
<b>Total Audits</b>	<b>17</b>
Cancelled/Deferred	1

#### Audits Completed

Five (5) of the fourteen (14) programmed audits (excluding staged audits) are complete, accounting for all of the 2016/17 audits rolled over to the 2017/18 Program.

No.	Audit Description	Meeting Presented
1.	Vic Roads Annual Audit	Not Applicable
2.	Accounts Payable	October 2017
3.	Hazard Register - WHS Controls	October 2017
4.	Land and Building (Sale and Conveyancing) Act 2010	October 2017
5.	Food Act 2001	October 2017

### **Compliance Audits in Progress**

The following audits are in progress as at 30 September 2017:

1. **Contractor Management** - this audit scope has been approved to be undertaken during quarter two.

### **Audits Cancelled**

The following audit has been cancelled:

1. **Cash Handling Spot Audit** - this audit, to be undertaken by the Program Leader Internal Audit and Risk was part of the 2017-18 Internal Audit Program but was cancelled owing to its low level of risk. It has been replaced in the Program with an *Internal Audit Recommendations* assurance audit designed to test whether audit finding actions are being completed consistent with the original action. This audit is number 13 on the Program.

### **Facilitative/Staged Audits Underway**

The following three (3) facilitative and staged audits are in progress and will continue to be progressed with activity spanning over multiple internal audit programs:

1. Debtor Management.
2. Maintenance of Plant and Equipment.
3. Continuous Audit - Procurement Roadmap (CAPR) - owing to significant time and progress against the Procurement Roadmap deliverables, stages two and three of the approved scope will commence during quarter two.

### **Conclusion**

Five (5) of the planned fourteen (14) audits (36%) are complete as at the end of the first quarter. Of the remaining nine (9) audits, one (1) has an audit scope approved and is therefore in progress awaiting an opening meeting and eight (8) have not started.

Of the three (3) staged audits, two (2) audits are in progress.

### **Attachments**

1. **2017/18 Internal Audit Program Update Report**

## 2017/18 Internal Audit Program

Report as at 30 Sept 2017

Audit No.	Internal Audit	Audit Objectives	Quarter	Status	Comments
<b>Status of 2016/17 Internal Audits Carried Forward</b>					
1	Accounts Payable	<ul style="list-style-type: none"> <li>An appropriate approval process is in place and in line with the CEO sub-delegations and Administration Policy: Financial Authorities</li> <li>Internal controls are assessed and operating effectively, including separation of duties</li> <li>Expenditure registers are maintained where applicable, including the Local Government Act 1999 (s79 Register of allowances and benefits and s105 Register of remuneration, salaries and benefits)</li> <li>Alignment with the Enterprise Risk Management Framework/operational risk register</li> </ul> <p>Audit will also undertake data analysis of accounts payable data using data analytics software in order to analyse accounts payable data over an extended period.</p>	1	Complete	The audit, undertaken by the Contract Internal Auditor is complete and the final report is presented to the 10 October 2017 meeting of the Committee.
2	Hazard Register - Controls	<p>The objectives of this audit are to evaluate and report on:</p> <ul style="list-style-type: none"> <li>Audit will sample departmental hazards from the each departments hazard register and review the: <ul style="list-style-type: none"> <li>completeness and existence of hazard registers and associated risk assessments</li> <li>processes and controls in place to ensure legitimacy</li> <li>linkage with the Enterprise Risk Management Framework through the use of the risk matrix.</li> </ul> </li> </ul>	1	Complete	The audit, undertaken by the Contract Internal Auditor is complete and the final report is presented to the 10 October 2017 meeting of the Committee.

Not Started	In Progress	Complete	Deferred	Cancelled
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## 2017/18 Internal Audit Program

Report as at 30 Sept 2017

Audit No.	Internal Audit	Audit Objectives	Quarter	Status	Comments
3	Land and Building (Sale and Conveyancing) Act 2010 Section 12 Statements	The objectives of the review are to evaluate and report on the level of compliance with the: <ul style="list-style-type: none"> <li>• <i>Land and Building (Sale and Conveyancing) Act 1994</i></li> <li>• <i>(Sale and Conveyancing) Regulations 2010</i> (the Regulations)</li> <li>• Opportunities for the introduction of better practices and process improvement</li> </ul>	1	Complete	The audit, undertaken by the Contract Legal Internal Auditor is complete and the final report is presented to the 10 October 2017 meeting of the Committee.
4	Food Act 2001.	The objectives of the review are to evaluate and report on the level of compliance with the: <ul style="list-style-type: none"> <li>• <i>South Australian Food Act 2001</i></li> <li>• <i>South Australian Food Regulations 2002</i></li> <li>• Australian Food Safety Standards</li> <li>• Opportunities for the introduction of better practices and process improvement</li> </ul>	1	Complete	The audit, undertaken by the Contract Legal Internal Auditor is complete and the final report is presented to the 10 October 2017 meeting of the Committee.
<b>Status of 2017/18 Internal Audits</b>					
<b>Assurance Audits</b>					
5	Business Continuity and Emergency Management Plan - Review and Exercise Event.	A surprise mock event or scenario designed to test the effectiveness and/or raise awareness of the Business Continuity Emergency Management Plan (BCP).	4	Not Started	
6	Budget Planning and Strategic Planning Alignment	An audit to provide assurance whether the budgeting process is aligned with the organisations strategic objectives (Community Plan) and obligations under the Local Government Act, 1999 & CWT Policies.	3	Not Started	
7	Community Consultation	An audit designed to determine the effectiveness of community consultation when aligning and forming key business strategies such as the Community Plan	2	Not Started	

	Not Started	In Progress	Complete	Deferred	Cancelled
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## 2017/18 Internal Audit Program

Report as at 30 Sept 2017

Audit No.	Internal Audit	Audit Objectives	Quarter	Status	Comments
8	Information Fraud	and associated corporate and departmental service plans. This organisation manages information of a confidential and commercially sensitive nature. This audit will test the robustness of the process of allocating and revoking information privileges.	2	Not Started	
<b>Legislative Audits</b>					
9	Governance Framework - Compliance with the Local Government Act.	An audit to determine whether the organisation is meeting its governance obligations under the Local Government Act, 1999.	4	Not Started	
<b>Third Party Audits</b>					
10	Vic Roads Annual Audit	Self-assessment mandated as part of the agreement with Vic Roads	1	Complete	The Enterprise Risk Officer completed this audit during July 2017.
<b>Spot Audits</b>					
11	Service Centre Procedures and Systems	This audit will test the provision of information from the Contact Centre aligns with the CWT telephone protocols, scripting, team agreements and stakeholder expectations.	3	Not Started	
12	Internal Recommendations Audit	An annual audit designed to provide assurance that the agreed audit findings actions are being completed consistent with the original action.	3	Not Started	
<b>WHS Audits</b>					
13	Traffic Management	A WHS/Legislative Compliance audit to determine whether CWT (or contractor) traffic management activities occur in line with legislation to ensure the safe movement of people throughout the city.	2	Not Started	
14	Contractor Management Audit	The purpose of this audit is to: 1. document progress against the 2012 audit findings and re-evaluate the overall compliance rating	2	In Progress	The audit scope is approved and was presented to the 30 May 2017 meeting of the Committee. The audit will be undertaken by the Contract

	Not Started	In Progress	Complete	Deferred	Cancelled
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## 2017/18 Internal Audit Program

Report as at 30 Sept 2017

Audit No.	Internal Audit	Audit Objectives	Quarter	Status	Comments
		2. establish policy compliance against the WHS Act and Regulations 3. report on departmental compliance against the current version of CWT Contractor Management Policy with emphasis on contractor induction, monitoring and evaluation. 4. report on compliance with the WHS aspects of contractor engagement as part of the procurement process, specifically the WHS information being provided and evaluated as part of the tender/quotation.			Internal Auditor, supported by Adelaide OHS Consultants commencing in quarter 2.
<b>Facilitative Audits (Long term duration).</b>					
15	Maintenance Plant and Equipment - Operational Sites	<b>Stage 1 - Develop Solution Action Plan</b> An objectives and agreed outcomes report will replace the traditional audit findings report. This report will use internal resources to investigate those gaps previously identified and use a 'cause and effect' approach to identify and document:  <b>Gap Analysis (Internal Work Group)</b> <ul style="list-style-type: none"> <li>• What should be done;</li> <li>• What is currently being done;</li> <li>• Significant differences between 'what should' and 'what is' being done;</li> <li>• Assess the current residual risk in respect of continuing to operate in the current state.</li> </ul> <b>Outcomes (Internal Work Group)</b>		<b>Stage 1 complete</b>  <b>Stage 2 Not Started</b>	Phase 1 complete. The gap-analysis was presented to the July 2016 meeting of the Committee.

Not Started	In Progress	Complete	Deferred	Cancelled
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## 2017/18 Internal Audit Program

Report as at 30 Sept 2017

Audit No.	Internal Audit	Audit Objectives	Quarter	Status	Comments
16	Debtor Management	<p>The Audit objectives will be the benchmark from which to develop outcomes (solutions). The work group will design a project plan for management approval which identifies:</p> <ul style="list-style-type: none"> <li>Proposed solutions against the relevant audit objective(s);</li> <li>An implementation plan which assigns roles, responsibilities, deliverables and timeframes;</li> <li>A future risk assessment reflective of the proposed solution.</li> </ul> <p>Stage 1: The objectives of the audit are to work with stakeholders to:</p> <ul style="list-style-type: none"> <li>Undertake a risk assessment against the process of debt management in its current state.</li> <li>Undertake high level benchmarking of debt management policies and debt ratios within the local government sector to propose methodologies which are effective and efficient in managing debt.</li> <li>To assess the current state of debt management and document a risk-based gap analysis which proposes findings for implementation.</li> </ul> <p>Stage 2: The objectives of the audit are to work with stakeholders to:</p> <ul style="list-style-type: none"> <li>Develop debt management policy/methodology content including documenting the processes for debt escalation, recovery, waiver or write off.</li> </ul>	2	In Progress	<p>Phase 1 is in progress. The gap-analysis was presented to the July 2016 meeting of the Committee.</p> <p>A meeting is scheduled with the Manager Financial Services during quarter 2 to progress this audit.</p>

Not Started	In Progress	Complete	Deferred	Cancelled
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## 2017/18 Internal Audit Program

Report as at 30 Sept 2017

Audit No.	Internal Audit	Audit Objectives	Quarter	Status	Comments
		<ul style="list-style-type: none"> <li>Develop a technical specification to quote for services with reference to correcting those gaps and/or control weaknesses identified and/or review options available through pre-existing purchasing panels.</li> </ul>			
<b>Staged Audits (Long Term Audits)</b>					
17	Continuous Audit - Procurement Roadmap (Stage 2).	<p>Stage 2 objectives seek to assess the completeness of delivering procurement information, defining roles and responsibilities and the provision of procurement training. In addition, progress against the agreed actions identified in Stage 1 and the overall progress against the Roadmap will be assessed.</p> <p><b>Intranet/Information availability - the audit will determine the:</b></p> <ul style="list-style-type: none"> <li>level of consultation</li> <li>ease of obtaining relevant procurement / contractor management information</li> <li>sufficient evidence of probity of process (documentation and reporting)</li> <li>availability of contracts documents and templates</li> </ul> <p><b>Roles and responsibilities - the audit will assess the:</b></p> <ul style="list-style-type: none"> <li>Roles and responsibilities are available and understood</li> <li>Sufficiency of training to undertake procurement activity in accordance with the procurement policy and using the procurement processes, contracts and templates.</li> </ul>	2	<div>Stage 1 Complete</div> <div>Stage 2 &amp; 3 In Progress</div>	Owing to significant time and progress against the Procurement Roadmap deliverables, stages two and three of the approved scope will commence during quarter two to be undertaken by the Contract Internal Auditor.

	Not Started	In Progress	Complete	Deferred	Cancelled
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### 9.3.5 Land and Business (Sale and Conveyancing) Act 1994 (SA) Internal Audit

#### Brief

This report presents the results of the *Land and Business (Sale and Conveyancing) Act 1994 SA Internal Audit*.

#### RECOMMENDATION

It is recommended to the Audit and Risk Committee that the *Land and Business (Sale and Conveyancing) Act 1994 SA Internal Audit* report be received.

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#### Introduction

In accordance with the approved Internal Audit Program 2017-2018 and scope the *Land and Business (Sale and Conveyancing) Act 1994 SA Internal Audit* (Audit) was undertaken by Council's contract legal auditor, Wallmans Lawyers. The objectives of the audit are to evaluate and report on compliance with the provisions of the *Land and Business (Sale and Conveyancing) Act 1994 SA* (Act).

#### Discussion

Section 12(1) of the Act requires councils to provide certain information to an applicant (real estate agent/lawyer/registered conveyancer) on behalf of a vendor of land. This enables the vendor to serve a section 7 vendor's statement (form 1), in relation to that land, on the purchaser.

The scope of the Audit included the sampling of files from a variety of 'Section 12' search activities and report on the City of West Torrens' (CWT) level of compliance with the:

- *Land and Business (Sale and Conveyancing) Act 1994 SA South Australian Food Regulations 2002*;
- Land and Business (Sale and Conveyancing) Regulations 2010 (SA); and
- Opportunities for the introduction of better practice and process improvement.

Following completion of the Audit, a draft Internal Audit Report (Report) was issued to the Manager City Development (Acting) for comment and individual risk assessment during September 2017. The final report is attached (**Attachment 1**).

#### Internal Audit Findings

The Auditor's control risk rating assessed a **good level of compliance** with the statutory provisions of the Act and Regulations. All required particulars were included in the Section 12 Statements reviewed with only a few minor errors in references to legislation. This presents an overall low risk to Council.

Six (6) audit findings were made comprising two (2) low risk, one (1) moderate risk and three (3) better practice recommendations. These findings are within tolerance levels therefore are not subject to priority actioning. However all three recommendations attracting a risk classification were implemented during September 2017.

The three (3) better practice findings comprise multiple recommendations one (1) of which will not be actioned. The remaining two (2) are approved for actioning from September 2017 to December 2019.

One (1) better practice recommendation was deferred to the Executive to determine whether the additional (non-legislated) information that Council provides on their Section 12 Statements should continue. The Executive met during October 2017 and determined that CWT would provide the information required by legislation, but will also consult legal for assurance purposes.

**Conclusion**

The *Land and Business (Sale and Conveyancing) Act 1994 SA Legislative Compliance Internal Audit*, undertaken by the contract legal auditor, is complete. Three (3) audit findings were implemented during September 2017. Two (2) of the three (3) better practice findings were approved for non-priority actioning ranging from September 2017 to December 2019.

All audit findings are within risk tolerance levels and the recommendations minor in nature therefore progress updates will not be reported to the Committee.

**Attachments****1. Land and Business (Sale and Conveyancing) Act 1994 (SA) Internal Audit**





**City of West Torrens**  
**Internal legislative audit**  
***Land and Business (Sale and Conveyancing) Act 1994 (SA)***

25 August 2017

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## Audit report

### 1. Context

- 1.1 We are engaged by the City of West Torrens (**Council**) to undertake a legislative audit in respect of the *Land and Business (Sale and Conveyancing) Act 1994* (SA) (**Act**).
- 1.2 We are asked to audit the compliance of Council's practices and procedures with the Act by reviewing four Council files that relate to Section 12 Statement requests (**Audit**).
- 1.3 Councils are required under section 12(1) of the Act to provide certain information to an applicant (real estate agent / lawyer / registered conveyancer) on behalf of a vendor of land. This enables the vendor to serve on the purchaser a section 7 vendor's statement (**Form 1**) in relation to that land.
- 1.4 Councils must provide information 'reasonably required' in relation to:
  - (a) any charge or prescribed encumbrance over land within the council area of which the council has the benefit;
  - (b) insurance under Division 3 of Part 5 of the *Building Work Contracts Act 1995* in relation to a building on land within the council area.
- 1.5 Regulation 13 and Schedule 3 of the *Land and Business (Sale and Conveyancing) Regulations 2010* (SA) (**Regulations**) provide further information about the types of inquiries that can be made of councils. These provisions identify specific 'items' under legislation in relation to which councils are required to provide information (for instance, under the *Development Act 1999*, the *Local Government Act 1999*, and the *Food Act 2001*).
- 1.6 The information provided by Council in response to a section 12(1) request will be referred to as a '**Section 12 Statement**' for the purposes of this Audit.
- 1.7 This report sets out the scope of the Audit and methodology used by us to undertake the Audit. The detailed Audit findings are set out in the tables attached.

### 2. Objective

- 2.1 The objectives of the Audit are:
  - (a) to evaluate and report on Council's level of compliance with the Act and the Regulations; and
  - (b) identify opportunities for the introduction of better practices and process improvement with respect to the preparation of Section 12 Statements.

### 3. Scope

- 3.1 The Audit considered Council's compliance with the relevant provisions of the Act and Regulations.
- 3.2 The audit also considered:
  - (a) the potential risks associated with administration of the Act;

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- (b) rating the compliance of Council in accordance with defined ratings;
- (c) any recommended actions for Council to improve compliance with the Act.

3.3 The following documentation was reviewed in the Audit:

- (a) Council's internal '*Section 12 Procedures and Checklist*' and '*Section 7 Checklist*' documents (**Council Procedures**);
- (b) the following Council files dealing with Section 12 Statement requests:
  - (i) 183-189 and 191-195 Richmond Road, Richmond SA 5033 (7 June 2017) (**Sample File 1A** and **Sample File 1B**);
  - (ii) 3/412 Sir Donald Bradman Drive, Brooklyn Park SA 5032 (15 June 2017) (**Sample File 2**);
  - (iii) 2/20-22 Cross Street, Lockleys SA 5032 (15 June 2017) (**Sample File 3**); and
  - (iv) 15B Cowra Street, Mile End SA 5031 (15 June 2017) (**Sample File 4**)(collectively '**Sample Files**').

3.4 Interviews were also conducted with the following Council staff on 8 August 2017:

- (a) Pat Mosca, Development Assistant and Brett Mickan, Development Technician;
- (b) Di Colls, Team Leader Information Management and Liz Bailey, IT Application Support Coordinator; and
- (c) Janine Lennon, Manager City Development.

#### 4. Methodology

- 4.1 The audit has been undertaken in accordance with the Internal Audit Scope provided by Council and the methodology set out in Wallmans' fee proposal letter of 5 May 2017.
- 4.2 An initial meeting with Darryl Whicker (Program Leader Internal Audit and Risk) to commence the audit process was held at the Council on Wednesday 18 May 2017.
- 4.3 We identified Council's legislative obligations by reviewing the Act and Regulations.
- 4.4 We evaluated Council's compliance with the Act and Regulations by reviewing the Council Procedures and the Sample Files in the context of Council's legislative obligations.
- 4.5 After reviewing the documents, we compiled a questionnaire to obtain further information by way of interview with key Council staff members involved in the preparation of Section 12 Statements.
- 4.6 Interviews were conducted at the Council on 8 August 2017 with the staff identified in paragraph 4.2 above.
- 4.7 We reviewed and collated the information obtained from the interviews and the document review.

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- 4.8 A draft report was provided to the Council's management on 25 August 2017 setting out our findings and recommendations for Council's consideration.
- 4.9 The Audit has been undertaken on the basis of reporting on exceptions to compliance with the Act and Regulations. **Attachment B** sets out the non-compliances identified.
- 4.10 Observations as to good practice are also included in **Attachment A**.
- 4.11 Opportunities for improved practices and processes identified during the Audit are set out in **Attachment C**.
- 4.12 Council's exposure to risk was considered in accordance with Council's Risk Management Framework as it applies to administration of this legislation, and comments noted accordingly (low risk, moderate risk, high risk, extreme risk). The Audit was not undertaken as a general risk assessment.

## 5. Summary

- 5.1 The Audit concluded that Council has a good level of compliance with the Act and Regulations.
- 5.2 All required particulars were included in the Section 12 Statements reviewed, with only a few minor errors in references to legislation. This presents a low risk to Council.
- 5.3 Some non-compliances were evident in relation to the required details of building indemnity insurance and particulars of environment protection in Division 2 of the Statement. This presents a moderate level of risk to Council.
- 5.4 The Council Procedures and responses during staff interviews demonstrate that a consistent approach is expected of all staff in relation to processing and preparing Section 12 Statements to ensure that all required information held by Council (whether electronic or hard-copy) is included.
- 5.5 The online 'Pathway' system assists with tasking, workflow, adherence to timeframes and the automatic population of the majority of data required in the Section 12 Statements prepared.
- 5.6 Processes are in place (both paper and online) to ensure statutory timeframes are met. However, the Audit findings indicate that the 24 hour timeframe for some urgent requests is not being met and that Council's policy in relation to this is not in line with the Regulations.
- 5.7 The main risk to Council identified in the Audit relates to disclosure of additional information in Section 12 Statements that is not required to be provided under the Act or Regulations. See Annexure C table 3 for more information.
- 5.8 Although included as better practice / improvement recommendations, this additional disclosure presents a moderate to high level of risk to Council due to the risk of disclosing inaccurate or misleading information to applicants and potential claims that could arise from this. Council attracts a greater level of liability than if it were to only disclose that information required under the Act and Regulations.

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**6. Recommendations and opportunities for improved practices**

- 6.1 Our recommendations are set out in full in **Attachments A-C** and are summarised below:
- (a) Council should ensure that changes to the Regulations are regularly monitored and updated in Council's Section 12 Statement template;
  - (b) Council should consider our suggestions in relation to providing more specific detail of development approvals in relation to environmental particulars in Division 2 of the Section 12 Statement;
  - (c) Council should ensure that all required particulars in relation to Building Indemnity Insurance are collected from builders and included in the final Section 12 Statement (where relevant);
  - (d) Council should consider further automating the preparation and issuing of Section 12 Statements by having all required information received and stored electronically in the Pathway system – in order to reduce the likelihood of information oversight or error and decrease response time;
  - (e) Council should consider removing additional information identified in the Audit not required by the Act or Regulations to be disclosed in the Section 12 Statement to reduce the risk of providing inaccurate or misleading information.

**7. Auditors**

The Audit was undertaken by Isabella Dunning, Solicitor and James McEwen, Partner.

## Attachment A: Audit findings – good practice

The Audit has been undertaken on the basis of reporting exceptions to compliance. However, general observations made in respect of good practice adopted by the Council (demonstrating a good level of compliance with the Act and Regulations) are set out below.

Subject matter	Good practice
1: Council practices and procedures	<ul style="list-style-type: none"> <li>&gt; The <i>Section 12 Procedures and Checklist</i> document notes the different forms in which section 12 requests are received by Council and the appropriate programs to be checked daily by staff.</li> <li>&gt; Any hard copy section 12 requests are also sent to the two staff members and all requests are electronically 'tasked' to them.</li> <li>&gt; The 'e-Pathway' system that exists for conveyancers (once registered as users) to make section 12 requests and pay online is best practice. The 'instant' nature of this service and ability for the user to input all required details and pay online appears efficient and cost-effective.</li> <li>&gt; Search requests are categorised by hard-copy colour folder and flagged electronically in Pathway as 'urgent', 'standard' or 'rates certificate only' to ensure timeframes are met and required fees charged.</li> <li>&gt; Draft Section 12 Statements are prepared, reviewed and amended by hand before issuing the final document.</li> <li>&gt; The <i>Section 12 Procedures and Checklist</i> and <i>Section 7 Checklist</i> documents identify additional sources of information that are not stored electronically or automatically populated into Section 12 Statements to ensure all information held by Council in relation to each property is included. Draft statements are checked against these checklists.</li> <li>&gt; These checklists are amended as staff find additional information relevant to Section 12 Statements.</li> <li>&gt; No evidence was provided of any current complaints, investigations by an external agency and/or litigation in relation to the provision of a Section 12 Statement.</li> <li>&gt; An interview response noted a significant change in section 12 statement procedures since the 2008 civil suit concerning 6 Stirling Street, Marleston (failure to list DPA on Statement) – including a change in departmental responsibility, production of multi-page Section 12 Statements addressing all legislative requirements and introduction of the abovementioned checklists.</li> </ul>

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<b>2: Section 12 Statement – timeframe and fees</b>	<ul style="list-style-type: none"> <li>&gt; Standard request responded to by the following day – indicates prompt response time even for standard search (well within the eight (8) business day timeframe required by section 12(1)).</li> <li>&gt; Record of correct fees being calculated and charged for all Sample Files (including for multiple searches, titles and rates certificates in the one request – for Sample Files 1A and 1B).</li> </ul>
<b>3: Section 12 Statement – required particulars</b>	<ul style="list-style-type: none"> <li>&gt; All Sample Files contain all required Division 1 particulars in the Section 12 Statement.</li> <li>&gt; In response to the items that require Council to identify any section 42 conditions of a development authorisation that continue to apply to the land, and any repealed Act conditions, the applicable development assessment numbers are listed under that item and the Statement notes that copies of the development approvals are attached.</li> <li>&gt; All Sample Files identify building indemnity insurance as a required Division 2 particular in the Section 12 Statement.</li> <li>&gt; All Sample Files identify environment protection as a required Division 2 particular in the Section 12 Statement.</li> </ul>

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## Attachment B: Audit findings – non-compliances

1: Council practices and procedures	Risk Rating: Low				
	<i>Auditor</i> Low	<i>Descriptor</i> Reputation Organisational / customer impact	<i>Consequence</i> Minor	<i>Likelihood</i> Unlikely	<i>Summary</i> Low
	<i>Manager</i>	Reputation	Moderate	Rare	Low

Issues and Impact	Recommendation (corrective)	Management, Response and Responsibility	Target Date
<p>&gt; Response time for 'urgent' section 12 requests is not in line with the Regulations, which require the Section 12 Statement to be provided 'within 24 hours after receipt of the request'. The <i>Section 12 Procedures and Checklist</i> document notes that the response time is 24 hours, not including the day Council receives it.</p> <p>&gt; Sample Files 1A and 1B – urgent request – responded to outside 24 hour window (received 7 June mid-afternoon, provided 9 June mid-morning).</p>	<p>Procedure documents should reflect that 'urgent' section 12 requests are required by the Regulations to be responded to within 24 hours of receiving the request (ideally by email in all cases and by express post).</p>	<p>Recommendation was implemented during September 2017.</p>	<p>Complete</p>

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2: Section 12 Statement – required particulars		Risk Rating: Low				
Division 1 – Particulars of charges and prescribed encumbrances affecting the land		Auditor Low	Descriptor Reputation Organisational / customer impact	Consequence Insignificant	Likelihood Unlikely	Summary Low
		Manager	Reputation	Insignificant	Unlikely	Low
Issues and Impact		Recommendation (corrective)		Management, Response and Responsibility		Target Date
<p>&gt; In relation to the 'Housing Improvement Act 1940' item – the Section 12 Statement should refer specifically to a section 23 declaration and a part 7 notice or declaration. At present, no detail is provided.</p> <p>&gt; In relation to the 'Public and Environmental Health Act 1987 (repealed)' item – the Section 12 Statement incorrectly states the date as '1978'. Additionally, although it refers to the '1995 Regulations, it does not refer to the 2010 Regulations or note that these have been revoked.</p> <p>&gt; In relation to the 'Repealed Act conditions' item – the 'Building Act 1971 (repealed)' should also be included.</p> <p>&gt; In relation to the 'Fire and Emergency Services Act 2005' item – the Section 12 Statement should refer to the current section 105F and should note that sections 56 and 83 have been repealed.</p> <p>&gt; Item 11.1 of Council's Section 12 Statement refers to 'Notice or order concerning disease under Section 14 or 15 of the Fruit and Plant Protection Act 1992 (repealed)'. Council is not required to</p>		<p>&gt; Ensure changes to the Regulations in relation to the required particulars to be included are regularly monitored and updated in Council's Section 12 Statement template.</p> <p>&gt; Update the items identified in Council's Section 12 Statement template in accordance with the detail provided in the Regulations (eg correct dates, new sections, deletion of item 11.1). These are not substantive changes but are necessary to ensure accuracy and legislative compliance.</p>		Both recommendations implemented during September 2017.		Complete

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<p>provide information in relation to this under the Regulations. Land &amp; Biodiversity Services in DEWNR and Plant Health in PIRSA are the relevant authorities required to respond.</p> <p>&gt; Although outside the scope of this Audit, Council advised of a civil suit in 2008 that concerned 6 Stirling Street, Marleston and the failure to list a DPA on the Section 12 Statement. No further information was provided or reviewed for the purposes of this Audit.</p>			
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3: Section 12 Statement – required particulars		Risk Rating: Moderate				
Division 2 – Other particulars – matters affecting the land		Auditor Moderate	Descriptor Reputation Organisational / customer impact	Consequence Moderate	Likelihood Moderate	Summary Moderate
		Manager	Reputation	Moderate	Moderate	Moderate
Issues and Impact		Recommendation (corrective)		Management, Response and Responsibility		Target Date
<p>&gt; In Sample File 3 – the details provided in the Section 12 Statement in relation to building indemnity insurance were only partially compliant with the Regulations and did not include all required particulars (only included the development application number, the name of the insurer and the certificate number).</p> <p>&gt; In Sample Files 1A and 1B – a positive response is given in relation to environment particulars, however, the development approvals that relate to the commercial / industrial activity at the land or a change in land use are not listed or referred to in this item. The notes in the Regulations require that where Council answers 'Yes' in relation to environment particulars it 'will provide a description of the nature of each development approved in respect of the land'.</p>		<p>&gt; All required particulars in relation to building indemnity insurance, as set out in Schedule 1 to the Regulations, should be included in the final Statement. The required particulars are listed in Council's draft Section 12 Statements, but do not appear to be carried through into the final statement (eg Sample File 3).</p> <p>&gt; The interviews conducted in the Audit identified that the building indemnity insurance information populated in the Section 12 Statement from Pathway is dependent upon the detail provided by the relevant builder.</p> <p>&gt; Additionally, limited information was provided by builders for developments pre-2000. The Section 12 Procedures and Checklist document notes that this is something that needs to be checked for files involving development pre-2000 as the details will not automatically appear in Pathway.</p>		Recommendation Implemented during September 2017.		Complete
				Recommendation Implemented during September 2017.		Complete

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	<ul style="list-style-type: none"> <li>&gt; Council should take further steps to obtain all required information from builders in relation to building indemnity insurance.</li> <li>&gt; In relation to providing a description of the nature of each development for the required particulars of environmental protection, Council should list the development approval numbers that relate to the land on that page of the Section 12 Statement and should note that the DAs are attached (as it does for ongoing development conditions).</li> </ul>	As a safeguard CWT attach all relevant Decision Notification Forms. No action required.	No Action Required
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### Attachment C: Audit findings – opportunities for improved practices

During the Audit opportunities for improved practice were identified. These are summarised in the following table for the consideration of the Council.

1: Council practices and procedures		Risk Rating: Better Practice				
		<b>Auditor</b> Better practice / improvement	<b>Descriptor</b> Reputation Financial Organisational / customer impact	<b>Consequence</b> Minor	<b>Likelihood</b> Moderate	<b>Summary</b> Better practice / improvement
		<b>Manager</b>	Customer Impact	Not Applicable	Not Applicable	Better Practice

Issues and Impact	Recommendation (better practice / improvement)	Management, Response and Responsibility	Target Date
<ul style="list-style-type: none"><li>&gt; Receipt of section 12 requests from a variety of sources (online, different email addresses, post, fax) increases response time and risk of a request being missed.</li><li>&gt; Risk that 'urgent' timeframe would not be met if one or both staff members were absent (due to staff knowledge and the manual information gathering and review required). A third staff member is currently being trained in this area which will assist.</li><li>&gt; Information being stored both electronically and manually presents a risk of information being overlooked and increases response time for preparation of Section 12 Statements.</li><li>&gt; Reliance on checklist documents that must be followed for preparation of each Section 12</li></ul>	<ul style="list-style-type: none"><li>&gt; Encourage (or require) section 12 requests to be made online via Council's 'e-Pathway' system. Promotes efficiency and quicker response times. Would also save time for IT staff who are required to redact credit card details when searches are not paid for online.</li><li>&gt; All final Section 12 statements to be issued electronically (by email) to promote electronic requests and decrease response time (in addition to or instead of hard-copy by post, suggest express post is used for urgent requests).</li><li>&gt; Work towards all information required for Section 12 Statements being stored electronically in the one location to reduce the need for manual information gathering.</li></ul>	We are currently working with Information Services to explore better electronic integration/solutions. This is a better practice opportunity only and will be explored over approximately the next two years.	December 2019.

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<p>Statement presents a risk of information being overlooked and increases response time.</p>	<p>reduce the risk of information oversight and decrease response time.</p>		
<p>&gt; The current system relies heavily on accumulated staff knowledge in relation to types and storage of information (eg in relation to the old Thebarton files).</p> <p>&gt; The <i>Section 12 Procedures and Checklist</i> document notes the correct fees for urgent and standard section 12 requests as set out in the Regulations. However, the cost of each additional title is noted as \$22.80, whereas \$34.00 can be charged for each additional title where it is an urgent search.</p>	<p>&gt; Work towards all information required being automatically populated by the Pathway system into draft Section 12 Statements. Staff could then check the accuracy of the information. The more data within the system, the more useable and accurate it will be.</p>		
<p>eg Sample File 1A – extra titles charged at the standard rate of \$22.80 rather than the urgent rate of \$34.00.</p>	<p>&gt; Update <i>Section 12 Procedures and Checklist</i> document in relation to higher fee that can be charged for additional titles where part of an urgent request.</p>	<p>Checklist updated per recommendation during September 2017.</p>	<p>Complete</p>
<p>&gt; Draft / working documents associated with preparation of Section 12 Statements are not kept by Council, only the final statement is kept in online system. This exposes Council to risk if later allegations of error or failure to include particular information arise.</p>	<p>&gt; Retain draft / working documents used for preparation of Section 12 Statements for a time period in line with Council's general record-keeping policy. Ensure that a final copy of all Section 12 Statements is retained within Council's electronic system.</p>	<p>Practice implemented during September 2017.</p>	<p>Complete</p>
<p>&gt; Sample Files 1A and 1B did not include evidence of a draft Section 12 Statement having been prepared.</p>			
<p>&gt; Sample Files 2, 3 and 4 did not contain evidence that the final completed Section 12 Statement was scanned into Objective.</p>			
<p>&gt; Sample Files 2 and 4 – urgent requests – both returned by post the day after request received, not clear if express post used to ensure received within 24 hours. Sample File 4 requested Section</p>			

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12 Statement emailed as well – no evidence of this in documents provided.			
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2: Section 12 Statement – required particulars		Risk Rating: Better Practice			
	<b>Auditor</b> Better practice / improvement	<b>Descriptor</b> Reputation Organisational / customer impact	<b>Consequence</b> Insignificant	<b>Likelihood</b> Unlikely	<b>Summary</b> Better practice / improvement
	<b>Manager</b>	Reputation	Not Applicable	Not Applicable	Better Practice
Issues and Impact		Recommendation (better practice / improvement)		Management, Response and Responsibility	Target Date
> Council's Section 12 Statement template notes that all DAs that exist prior to 1993 are to be included in relation to the 'repealed Act conditions' and all DAs that exist post-1993 are to be included in relation to 'section 42 ongoing conditions'.	> This practice of providing all development approvals that exist in relation to the land with the Section 12 Statement does help to ensure that no information is missed and places the risk on the applicant (and ultimately the vendor) to determine which development approvals are relevant in relation to ongoing development conditions.	> From a risk management perspective, Council's current approach in relation to providing all DAs that exist in relation to the land with the Section 12 Statement is appropriate.		As a safe guard CWT attach all relevant decision notification forms to statements, assessed against the property without the application of personal judgement.	No Action Required
		> Requiring staff to review and only include those DAs that contain an ongoing condition of development, or relate to a commercial / industrial activity at the land, or a change in land use, would delay response time further and place greater risk on Council of providing misleading or incorrect information.		No action required.	
> It is not clear whether all of the DAs attached at the end of the Section 12 Statements are intended to relate to the Division 2 particulars of environment protection as well as the Division 1 ongoing conditions of development. At present, this presents a risk of an applicant later claiming that a Council has not sufficiently disclosed information that exists in relation to a change in land use or prior commercial / industrial use at the land.		> As noted earlier, Council should ensure that a full list of all DAs that exist for the land should also be included in relation to the required environmental particulars if a positive response is given (as is done at present for development conditions).			
		> Where certain DAs that exist in relation to the land are not included in the final Section 12 Statement (as in Sample File 4), Council should consider recording a response on the			

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> It is not apparent why certain DAs were not included in the final Section 12 Statement for Sample File 4 (which related to an Old Thebarton development). Two DAs appeared in the draft Statement in relation to ongoing conditions of repealed Acts ('XOLD...' files).	file regarding this in the event of any later queries over the non-disclosure.	
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3: Section 12 Statement – additional information		Risk Rating: Better Practice				
		<b>Auditor</b> Better practice / improvement	<b>Descriptor</b> Reputation Relationships Financial Organisational / customer impact	<b>Consequence</b> Major	<b>Likelihood</b> Moderate	<b>Summary</b> Better practice / improvement
		<b>Manager</b>	Reputation	Not Applicable	Not Applicable	Better Practice
Issues and Impact		Recommendation (better practice / improvement)		Management, Response and Responsibility		Target Date
> On the covering page of the Section 12 Statement, there are some minor errors and omissions in legislative references.  > The Section 12 Statement notes that where the Council response is accompanied by an asterix this indicates that the enquirer should also expect a response from DPTI. We have reviewed the asterixed items and note that some do not require DPTI responses and that some additional items that do require DPTI responses have been missed. Providing this indication is not required by the Regulations and exposes Council to risk where the asterix included is not accurate.  > Page 2 of the Section 12 Statement refers to 'Council Easement' and 'Caveat' and requires a Council response. Council is not required to disclose information in relation to Council easements or caveats over the land. These are not a 'charge or prescribed encumbrance' over	> On the covering page, amend the reference from 'Table 1, Schedule 2' to 'Table 1, Schedule 3'.	Recommendation Implemented during September 2017.		Recommendation September 2017.		Complete
	> On the covering page, for the sake of completeness, Council should refer to the 'particulars of environment protection' in addition to building indemnity insurance pursuant to Schedule 1, Division 2 of the Regulations.	Recommendation implemented during September 2017.		Recommendation September 2017.		Complete
	> If Council wishes to retain the asterixes relating to DPTI responses, it should review the Section 12 template and ensure they are accurate.  We note that Council has received some inquiries in the past in relation to DPTI / Council responses from applicants, however, the onus at law remains on the applicant (and ultimately the vendor preparing the Form 1) to ensure they	This recommendation will be deferred to the Executive to decide on the course of action.		This recommendation will be deferred to the Executive to decide on the course of action.		March 2018

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<p>the land 'of which the council has the benefit' (pursuant to section 12(1)(a) of the Act).</p> <p>Both would be disclosed on the certificate of title and apparent to the applicant / vendor. Disclosing information in relation to either exposes Council to risk if the information is in any way inaccurate or incomplete.</p> <p>In particular, the word 'caveat' is very broad and could include caveats which are not related to Council in any way and which Council could not be expected to have knowledge of.</p> <p>&gt; Several additional pieces of information are included under the Development Plan heading at 4.1 of the Section 12 Statement and require a Council response. Namely:</p> <ul style="list-style-type: none"> <li>o whether the land is identified in the Development Plan as impacted by a 1 in 100 yr ARI Flood;</li> <li>o whether the land is aircraft noise affected; and</li> <li>o whether the land is designated as a contributory item.</li> </ul> <p>This information is not a 'charge or prescribed encumbrance' over the land 'of which the council has the benefit' and is thus not required to be disclosed by Council under the legislation.</p> <p>Moreover, this information would be apparent to a prospective purchaser from the Development Plan relating to the land.</p> <p>Providing this additional information exposes Council to greater risk of disclosing inaccurate or</p>	<p>receive all relevant information from other relevant authorities.</p> <p>&gt; Item 1.5 relating to 'Caveats' and Item 1.2 relating to 'Council Easements' should both be deleted.</p> <p>&gt; Council should consider removing the additional information provided in relation to the Development Plan items in the Section 12 Statement.</p> <p>&gt; If Council retains item 33.1 in its Section 12 Statement, it should at a minimum change the wording to reflect exactly the wording in section 12(1)(a) – namely, 'any charge or prescribed encumbrance over land within the council area of which the council has the benefit'.</p> <p>Council should then only respond specifically in relation to such charges or encumbrances of which it has the benefit.</p> <p>&gt; Council has drawn attention to the fact that the above additional information provided in the Section 12 Statement is available on the public record.</p> <p>We suggest Council should not duplicate this information and expose itself to the risk of disclosing inaccurate or misleading information.</p> <p>Doing so attracts greater liability for Council than is otherwise imposed under the Act and Regulations.</p>	<p>Recommendation September 2017.</p> <p>This recommendation will be deferred to the Executive to decide on the course of action.</p> <p>Recommendation September 2017.</p>	<p>Complete</p> <p>March 2018</p> <p>Complete</p>
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<p>misleading information, or disclosing information that a vendor is not otherwise required to disclose to a prospective purchaser.</p> <p>&gt; Item 33.1 in the Section 12 Statement states 'Charge of any kind affecting the land (not included in another item)' and requires a Council response. Again, this is not an item that Council is required to respond to under Schedule 3 of the Regulations.</p> <p>Section 12(1)(a) of the Act requires Council to disclose 'any charge or prescribed encumbrance over land within the council area of which the council has the benefit'.</p> <p>Ordinarily, to meet this obligation, a council would simply respond in relation to the prescribed items in Division 1 and Division 2 of Schedule 3 of the Regulations as discussed in Table 2 above. Item 33.1 would not generally be included in the Section 12 Statement.</p> <p>A positive response would be given for item 33.1 in the Property Interest Report ordered by the vendor of the land (provided by Land Services – SA Government) in relation to the land if there were any outstanding Council rates over 12 months, but this information is not required to be disclosed in the Section 12 Statement.</p> <p>The wording 'Charge of any kind', as appears in Council's Section 12 Statement, is also quite broad and goes beyond charges of which Council may have the benefit. This covers information that Council could not possibly have knowledge of and which Council is not in a position to respond 'Yes' or 'No' to.</p>	<p>For instance, if Council were to state that a particular interest in the land (eg a charge or caveat) does not exist, when one in fact does, or if Council were to provide information which differed from that provided in the Development Plan itself, this could have significant consequences.</p> <p>&gt; Ultimately, to demonstrate consistency and clear compliance with the legislation and to avoid the risk identified above, it is our recommendation that Council should not be providing any additional information in its Section 12 Statement outside of that required by the Act and Regulations.</p> <p>At a minimum, our comments above indicate our suggested amendments that could be made to Council's Section 12 Statement to reduce the risk associated with disclosing any additional information.</p> <p>&gt; It is worth noting that by disclosing additional information, as Council does at present, Council could create a legitimate expectation in future applicants that Council will continue to supply such additional information in relation to all Section 12 Statements. This could create issues if Council sought to change its policy regarding disclosure of this additional information.</p>	
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### 9.3.6 Hazard Register - WHS Controls Review Internal Audit

#### Brief

This report presents the results of the *Hazard Register - WHS Controls Review Internal Audit*.

#### RECOMMENDATION

It is recommended to the Audit and Risk Committee that the *Hazard Register - WHS Controls Review Internal Audit* report be received.

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#### Introduction

In accordance with the approved Internal Audit Program 2016-2017 and scope, the *Hazard Register - WHS Controls Review Internal Audit* (Audit) was undertaken by Council's contract auditor, Galpins, in conjunction Adelaide OHS Consultants (the Auditors). The objectives of the audit are to evaluate and report on:

- The adequacy, existence and veracity of current internal controls in addressing departmental hazard risks.
- The adequacy of staff consultation/participation in the hazard management process.
- The existence of any risk management control monitoring activities.
- The level of completeness of departmental hazard registers
- The level of compliance with the *Work Health and Safety Act and Regulations 2012*.
- Identified opportunities for the introduction of better practices and process improvement.

#### Discussion

The hazard management process of identifying, evaluating and controlling hazards is central to and a key deliverable of the management system supported by the Performance Standards for Self Insurers (PSSI). The purpose of the hazard register is to identify and record all known hazards within the workplace and ensure that controls are in place and appropriate to the level of risk so that the hazard may be reduced as low as practical.

The scope of the Audit included the sampling of those departmental hazards contained in each department's hazard register and review the:

- completeness and existence of hazard registers and associated risk assessments;
- processes and controls in place to ensure legitimacy; and
- linkage with the *City of West Torrens - Enterprise Risk Management Framework* through the use of the approved risk matrix.

Following completion of the Audit, a draft Internal Audit Report (Report) was issued to the Manager People and Culture (Acting) for comment and individual risk assessment during September 2017 with a closing meeting held to provide the acting manager with an opportunity to clarify Audit findings with the Auditor. The final report is attached (**Attachment 1**).

#### Internal Audit Findings

The Auditor's control risk rating assessed a **good level of compliance** with legislation, policy, procedure and generally accepted industry standards or better practice and this is supported with examples of good practice being identified in part 1.4 of the report.

Nine (9) audit findings were made, eight (8) findings were assessed by the auditor as attracting a moderate level of risk and one (1) finding was assessed with an 'operational risk' rating of high, albeit the overall finding by the auditor was 'moderate'. Consequently, the operational high risk action will be reviewed promptly by 31 December 2017 and education will occur at the CWT Leadership Forum to ensure that all members of the leadership team are aware of the process of escalating high residual risks to the Executive who can either stop work, apply/implement risk treatments or choose to accept and monitor the risk.

Of the eight (8) moderate risk findings, two (2) are complete while six (6) are within risk tolerance levels and are not subject to priority actioning but will be complete as part of the relevant review cycles ranging from December 2017 to August 2018.

## **Conclusion**

The *Hazard Register - WHS Controls Review Internal Audit*, undertaken by the contract auditor, is complete. One finding was identified by staff as 'high risk' and progress will be reviewed/reported to the Executive by December 2017. All other audit findings are within risk tolerance levels and the recommendations minor in nature, therefore progress updates will not be reported to the Committee.

## **Attachments**

### **1. Hazard Register - WHS Controls Review Internal Audit**



Accountants, Auditors & Business Consultants

# **City of West Torrens Hazard Register – WHS Controls Review**

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## **Internal Audit Report**

**Audited By:** Tim Muhlhausler, Contract Internal Auditor  
Adelaide OHS Consultants, Contract Internal Auditor

**Draft Report Issued:** May 2017

**Final Report Presented:**

**Final Report Executive Management Approval:**

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## 1. EXECUTIVE SUMMARY

### 1.1 Background

Galpins and Adelaide OHS Consultants (AOHSC) have undertaken a review of the Organisational Hazard Register - WHS Controls, as part of the approved Audit Program 2016-17. The audit encompassed review of City of West Torrens (CWT) documentation and interviews with a range of key stakeholders culminating in the development of a formal report and recommendations, with a view to continuous improvement and continuous conformance to legislative compliance.

The Performance Standards for Self-Insured Employers (PSSI) promote a business management system based on continuous improvement. The PSSI are viewed as an important component leading to the provision of a safe working environment for workers.

The CWT employs two methods to register hazards:

1. The Organisational Profile Hazard Register (Hazard Register) records all departmental tasks and the associated hazards, and
2. The WHS Organisational Corrective Action Register, which records additional corrective actions identified through numerous reporting lines.

The hazard management process of identifying, evaluating and controlling hazards is central to and a key deliverable of the management system supported by the PSSI. The purpose of the Hazard Register is to identify and record all known hazards within the workplace, ensure that controls are in place and appropriate to the level of risk so that the hazard may be reduced to as low as reasonably practicable.

It is recognised and acknowledged that the CWT WHS team has made significant progress in working with departments to identify, document and control workplace hazards. The audit verified the strength and existence of controls contained within the WHS Hazard Profile Register(s), and associated risk assessments. The audit was limited to review of the selected Hazard Registers.

### 1.2 Objectives and Scope

The objectives of the audit are to evaluate and report on:

- The adequacy, existence and veracity of current internal controls in addressing departmental hazard risks.
- The adequacy of staff consultation / participation in the hazard management process.
- The existence of any risk management control monitoring activities.
- The level of completeness of departmental hazard registers.
- The level of compliance with the Work Health and Safety Act and Regulations 2012.
- Identified opportunities for the introduction of better practices and process improvement required to achieve continuous conformance to legislative compliance.

The Scope of the audit was to undertake a review of, but not be limited to, the following:

- Sampling departmental hazards from each departments hazard register and review the:
  - Completeness and existence of hazard registers and associated risk assessments
  - Processes and controls in place to ensure legitimacy
  - Linkage with the Enterprise Risk Management Framework through the use of the risk matrix.

### 1.3 Associated Risks

Potential risks associated with the Review, as identified by Internal Audit include, but are not limited to:

- Non-adherence to the policy / legislation such as the WHS Act 2012 and Regulations and the Enterprise Risk Management Framework risk assessment matrix.
- Controls are found to be ineffective in mitigating risk resulting in:
  - Unsafe workplace / workplace injury
  - Failure to alert the CWT to extreme or high risks
  - Decisions based on inaccurate information
- Inadequate monitoring, follow-up and review of controls.

### 1.4 Examples of Good Practice

Internal controls / processes assessed as demonstrating good practice in mitigating risk included the following:

- ✓ The work undertaken by Simon McGuinness (WHS Advisor, City Works) in the development and deployment of hazard management initiatives.
- ✓ The close out of all Program Items as detailed in the WHS & IM Plan 2014-17 within the designated timeframe.
- ✓ The degree of rigour associated with (at a minimum) an annual review of the Departmental Hazard Registers as required by the CWT policy.
- ✓ The isolated worker communication system implemented by City Assets involving text messaging to ensure that staff are safe when working outside of normal hours.
- ✓ The Executive Management Team (EMT) being accountable for: understanding respective divisional hazards and ensuring appropriate resources and processes to eliminate or minimise WHS risks are in place.
- ✓ The EMT monitoring the WHS Organisational Corrective Action Register and enforcing the close out of items when required.
- ✓ All Managers interviewed during the audit had a clear understanding of the level of tolerable risk within the CWT; being moderate or low.

## 1.5 Key Findings and Recommendations

Overall City of West Torrens (CWT) policies and procedures were found to have a **good level of compliance** with legislation, policy, procedure and generally accepted industry standards or better practice.

Eleven (10) internal audit findings were identified during the course of this review, including one (1) high risk finding. These are summarised below, and details are provided in section 2 of this report.

Findings were rated in accordance with the CWT's Risk Management Framework, as follows:

- *Extreme risk* recommendations
- *High risk* recommendations
- *Moderate risk* recommendations
- *Low risk* recommendations
- *Better practice* or improvement recommendations

### Findings Summary Table

A summary of the internal audit findings is provided in the table below.

Finding and Recommendation/s - Risk Table	Extreme Risk	High Risk	Mod Risk	Low Risk	Better Practice
<b>2.1: Use of the Risk Matrix</b> The Qualitative Risk Analysis Matrix (risk matrix) referenced at 7.6 of the Risk Management Framework (RMF) is not consistently utilised across the business. <i>CWT should mandate the risk matrix that is to be utilised within the business.</i>			X		
<b>2.2: Content and completeness of the Hazard Register(s)</b> There is a high degree of variance in the content and completeness of the Hazard Registers across departments. Requirements of the Hazard Management Policy are limited to consultation and identification of hazards related to tasks and activities. <i>Managers and supervisors review the minimum required content and detail of the departmental Hazard Registers.</i>			X		

Finding and Recommendation/s - Risk Table	Extreme Risk	High Risk	Mod Risk	Low Risk	Better Practice
<b>2.3: Consultation in the development and review of Hazard Registers</b>  The Hazard Management Policy requires that workers and their Health and Safety Representative (HSR) must be consulted in the identification of workplace hazards. The degree of consultation varies markedly across the council. <i>CWT policy / documentation should clearly define the level of consultation that is required in terms of the development and review of Hazard Profile Registers.</i>			X		
<b>2.4: Review period for risk assessments</b>  The review period for risk assessments forming the basis for the Hazard Register(s) are determined to be five-yearly. This would appear to be excessive. <i>Review the maximum period between RA reviews to a maximum of 3-yearly (based on risk).</i>			X		
<b>2.5: Use and review of hazard management documentation</b>  There is a general lack of consistent understanding regarding which hazard management documentation is to be used e.g. SWMSs, JSEAs, SWPs or SOPs. <i>The CWT should review the range of hazard management documentation currently in use and mandate what is to be used and when.</i>			X		
<b>2.6: Corrective Action Register default settings</b>  The Corrective Action Register has been set up to automatically default to a "low" raw risk level once a new entry is added to the Register. <i>The default within the WHS Organisational Corrective Action Register is re-set to assign a high level of risk at the time the corrective action is recorded in the Corrective Action Register.</i>			X		



Finding and Recommendation/s - Risk Table	Extreme Risk	High Risk	Mod Risk	Low Risk	Better Practice
<b>2.7: Additional controls resulting from corrective actions</b>  There is no requirement (within the Hazard Management Policy) for the additional controls to be transferred from the Corrective Action Register to the relevant Hazard Profile Register. This leads to opportunities being lost in terms of further risk mitigation and control of workplace hazards. <i>CWT should clearly define the process where resultant controls are transferred to the respective Hazard Profile Register.</i>			X		
<b>2.8: Department specific findings - City Development</b>  The City Development Hazard Register rates the task / activity associated with Customer Contact - client service as high. CWT policy requires intervention of the Executive Management Team (EMT) for any task / activity with a residual risk rating of high or extreme. Evidence of an EMT direction to continue the high risk activity was not available to audit. <i>The relevant Manager seek (and document) a request for written approval from the Executive in line with the revised Hazard Management Policy. The request should seek immediate action and response to the request.</i>		X			
<b>2.9: Department specific findings – Environmental Health</b>  The “general risk assessment” for Environmental Health (Inspection of Cooling Towers) cites electrical / electrocutions as a high risk (raw risk rating). However, it has been re-rated as low with no controls identified. The JSEA is overdue for review, and identifies working at heights as a hazard which appears to be incorrect. <i>The relevant Manager review the general risk assessment in respect to Cooling Towers and respective Hazard Profile Register to incorporate the required controls.</i>  A residual risk has been classified as “Moderate – High”. <i>Review the risk rating and agree on the level of residual risk (high or moderate). If high; then additional controls will need to be considered to further mitigate the risk.</i>			X		

Section 2 of the report details the key findings and recommended actions proposed to be undertaken by management.

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## 2. INTERNAL AUDIT FINDINGS AND RECOMMENDATIONS

Risk Rating - Moderate		Likelihood Moderate	
Auditor Galpins / Adelaide OHSC Manager	Descriptor WHS	Consequence Moderate	Likelihood Moderate
2.1: Use of the risk matrix		Moderate	Moderate
Issues and Impact	Recommendation/s	Management Response	Target Date
<p>The CWT has a tertiary level Risk Management Framework (RMF) focusing on operational and strategic risk that operates independently from the WHS hazard management system. Whilst there was an awareness of the RMF amongst those persons interviewed, the framework has little relevance in terms of the management of WHS within the CWT. Accordingly, the RMF has been revised to more effectively align the processes and methodology associated with organisational and strategic risk and WHS. The final draft is currently with the Executive for consideration and approval. This is seen as a positive move.</p> <p>The Qualitative Risk Analysis Matrix (risk matrix) referenced at 7.6 of the RMF is not consistently utilised across the business. As an example; the RMF risk matrix is utilised in the WHS Organisational Hazard Profile Register and the Corrective Action Register, but the matrix utilised in the Workplace Inspection Checklist, JSEA form and Hazard Report forms is different. There appears to be little control or oversight in terms of the risk matrix that is to be used across the various templates and forms used in conjunction with the Hazard Register. This has the potential to skew the raw and residual risk rating, leading to inconsistent results.</p>	<p>It is recommended that:</p> <ul style="list-style-type: none"> <li>• CWT mandate the risk matrix that is to be utilised within the business.</li> <li>• Incorporated within the Hazard Management Policy and further education in the RMF/Hazard Management integration will be required.</li> <li>• Managers and supervisors are to familiarise themselves with the Hazard Management Policy.</li> </ul>	<p>All WHS documents captured within the WHS Document Register (stored in the corporate document management system - Objective) contain the correct matrix.</p> <p>The WHS Coordinator/PLIA&amp;R to present the audit findings and re-educate the leadership team consisting of Executive Managers and Team Leaders at the March 2018 Leadership Forum on where to access WHS documents from and the importance of archiving old documents.</p>	March 2018

Risk Rating - Moderate		Consequence Moderate		Likelihood Moderate	
2.2: Content and completeness of the Hazard Register(s)	Auditor Galpins / Adelaide OHSC	Descript or WHS			
	Manager	WHS	Moderate	Moderate	Target Date
	Recommendation/s		Management Response		
	It is recommended that: <ul style="list-style-type: none"><li>• The organisation review the minimum required content and detail of the departmental Hazard Registers.</li><li>• Include the minimum content requirements within the Hazard Management Policy. As a minimum the Registers should contain: Tasks / activities, identified hazards / non-compliance, raw risk level, controls and residual risk level.</li><li>• Senior Managers receive training in their roles and responsibilities in relation to hazard management.</li><li>• Managers and supervisors are required to manage and review their respective Registers ensuring that the Register(s) truly represent all tasks / activities and identify all reasonably foreseeable hazards which may be a result of the type of tasks / activities their workers undertake (refer to item 6.2 of the Hazard Management Policy).</li><li>• Managers and supervisors receive further education in hazard management.</li></ul>		The hazard profile register was developed addressing legislative requirements. Staff consultation was also undertaken to ensure the layout addressed their operational needs, including the placement of the risk assessment as a reference link to the relevant activity. All the risk assessments contain the raw, initial and the controls. Therefore no further modifications to the hazard register is required.		
			However, in light of this finding a review was undertaken by the WHS Coordinator who acknowledged that the missing information occurred, but it was as a result of the transfer of data from ECM DataWorks to Objective.		
			This impacted on the manager's ability to accurately retrieve information. The Hazard Register has returned to its normal operation and has been verified to be operating as intended.		

Risk Rating – Moderate				
2.3: Consultation in the development and review of Hazard Registers	Auditor	Descriptor	Consequence	Likelihood
	Galpins / Adelaide OHSC Manager	WHS	Moderate	Moderate
Issues and Impact	Recommendation/s		Management Response	Target Date
<p>The Hazard Management Policy requires that workers and their Health and Safety Representative (HSR) must be consulted in the identification of workplace hazards. The degree of consultation varies markedly across the council, with some managers only consulting with nominated employees and others with all potentially affected employees.</p> <p>The requirement for consultation is both an organisational and legislated mandate. What is open to interpretation is the form that the consultation will take. Consulting with all potentially affected employees is arguably empowering, in addition to providing all employees with the opportunity to participate in the hazard management process. There is also the potential for a greater range of hazards / solutions to be identified.</p>	<p>It is recommended that:</p> <ul style="list-style-type: none"> <li>• CWT policy / documentation defines the level of consultation that is required in terms of the development and review of Hazard Profile Registers.</li> <li>• All affected employees are involved in the review process.</li> <li>• A record of consultation regarding review of Hazard Profile Registers is documented and maintained.</li> <li>•</li> </ul>		<p>Hazard Management Policy contains details of the evidence required to demonstrate consultation with staff. WHS Coordinator to review the consultation clause of the Hazard Management Policy.</p> <p>The minimum requirements for consulting and how to record evidence will be reaffirmed at the Leadership Forum in March 2018.</p>	March 2018



2.4: Review period for risk assessments	Risk Rating – Moderate			
	Auditor <i>Galpins / Adelaide OHSC</i>	Descriptor <i>WHS</i>	Consequence <i>Moderate</i>	Likelihood <i>Moderate</i>
	Manager	WHS	Moderate	Moderate
	Recommendation/s		Management Response	Target Date
<p><b>Issues and Impact</b></p> <p>The review period for risk assessments forming the basis for the Hazard Register(s) are determined to be five-yearly. This would appear to be excessive. In practice it is reported that review occurs more frequently.</p> <p>Departmental Hazard Registers are generally reviewed annually, as required. Some department managers adopt a more pro-active approach and review the Registers 6-monthly.</p> <p>However, minimum review periods are not consistent.</p> <p>Additionally, the utilisation of the organisational Calendar of Events (for flagging due dates for reviews) is not consistent.</p>	<p>It is recommended that:</p> <ul style="list-style-type: none"> <li>The stipulated review period for risk assessments (currently five years) be reviewed based on the assessed level of risk. It is suggested that 3-years be set as the maximum period between reviews.</li> <li>The Calendar of Events be more actively promoted as an effective tool for prompting review in lieu of an alternative passive system.</li> </ul>		<p>The Hazard Profile Register is reviewed annually, along with the associated risk assessments.</p> <p>The policy and templates will be amended to reflect this current practice of review. The Calendar of Events will be used to drive the hazard review process.</p>	December 2018

2.5: Use and review of hazard management documentation	Risk Rating – Moderate				
	Auditor	Descriptor	Consequence	Likelihood	
	Galpins / Adelaide OHSC	WHS	Moderate	Moderate	
	Manager	WHS	Moderate	Moderate	Target Date
Issues and Impact	Recommendation/s		Management Response		Target Date
<p>There is a general lack of consistent understanding in terms of review periods for documentation related to high risk work e.g. SWMS's and JSEA's. Additionally there is generally not a good understanding of when to utilise and or review a SWMS, JSEA, SWP or an SOP.</p> <p>There is little consistency in terms of the agreed templates used for hazard management with numerous examples of different risk matrices, risk assessments and SWP's being employed as part of the hazard management process.</p>	<p>It is recommended that:</p> <ul style="list-style-type: none"> <li>The CWT consider the best way(s) to clarify and resolve this issue. For example, this could involve clarification within the hazard management documentation, revised training or a note on the front page of forms explaining the forms purpose.</li> <li>The CWT periodically reviews the range of hazard management documentation currently in use and mandates what is to be used, with a view to achieving consistency and clarity.</li> </ul>		<p>The WHS and Injury Management Improvement Plan captures the work to be achieved in relation to the SOP/SWP consolidation and the undertaking of SWMS's for high risk work. The WHS document register has the JSEA template as due for review August 2017 and will be available via the WHS Register.</p> <p>Education to occur at the March 2018 Leadership Forum on the importance to:</p> <ul style="list-style-type: none"> <li>- access WHS documents from the WHS register</li> <li>- Remove/Archive old WHS documents</li> <li>- transfer existing WHS assessments to new templates at the time of review</li> </ul> <p>WHS Coordinator will review the documents provided at the next hazard register review to ensure correct/consistent information and templates.</p>		November 2018



2.6: Corrective Action Register default settings	Risk Rating – Moderate				
	Auditor <i>Galpins / Adelaide OHSC</i>	Descriptor <i>WHS</i>	Consequence <i>Moderate</i>	Likelihood <i>Moderate</i>	Target Date
	Manager	WHS	Moderate	Moderate	
	Recommendation/s		Management Response		
Issues and Impact					
<p>The CWT WHS Organisational Corrective Action Register has been set up to automatically default to a “low” raw risk rating for any new entry that is added to the Corrective Action Register.</p> <p>This has the potential to misrepresent the raw risk level and provide a false level of comfort on behalf of the business and the risk owner.</p> <p>Audit sighted some examples of entries within the Corrective Action Register with a “low” risk rating that appears potentially inappropriate, including an incident with a chainsaw and another involving exposed electrics in an area accessed by youth with the commentary “URGENT” within the text field of the register.</p>	<p>It is recommended that:</p> <ul style="list-style-type: none"><li>The default within the WHS Organisational Corrective Action Register is re-set to assign a high level of risk at the time the corrective action is recorded.</li></ul>		<p>Agree, with the recommendation being implemented.</p>	<p>Completed</p>	

Risk Rating – Moderate				
2.7: Additional controls resulting from corrective actions	Auditor	Descriptor	Consequence	Likelihood
	Galpins / Adelaide OHSC	WHS	Moderate	Moderate
	Manager	WHS	Moderate	Moderate
Issues and Impact	Recommendation/s		Management Response	Target Date
<p>The CWT Hazard Management Policy requires that findings of the risk assessment process must be recorded on the appropriate risk assessment form. The manager/supervisor must check that corrective action's resulting from the risk assessment are transferred to the WHS Organisational Corrective Action Register for monitoring and completion.</p> <p>Residual risk will remain after corrective action is taken if the risk is not eliminated.</p> <p>There is no requirement (within the Hazard Management Policy) for the additional controls to be transferred to the relevant Hazard Profile Register. This may lead to opportunities being lost in terms of identifying further risk mitigation and control of workplace hazards.</p>	<p>It is recommended that:</p> <ul style="list-style-type: none"> <li>A clearly defined process is introduced whereby resultant controls are transferred to the respective Hazard Profile Register. Where appropriate, the assigned level of residual risk may also need to be revised.</li> <li>Revise the Hazard Management Policy accordingly.</li> </ul>		<p>Agreed.</p> <p>WHS Coordinator to revise the Hazard Management Policy.</p>	<p>June 2018</p>

Risk Rating – High					
2.8: Department specific findings – City Development	Auditor	Descriptor	Consequence	Likelihood	
	Galpins / Adelaide OHSC	WHS	Major	Moderate	
	Manager	WHS	Major	Moderate	
Issues and Impact	Recommendation/s		Management Response	Target Date	
<p>The City Development Hazard Register rates the residual risk for the task / activity associated with “customer contact - client service” as high. CWT policy requires that any task / activity with a residual risk rating of high or extreme requires the intervention of the Executive Management Team (EMT). No evidence of an EMT decision to accept the high risk was available for audit. As a result, the task / activity has been allowed to continue despite the residual risk rating of “high” remaining in place.</p> <p>The Hazard Management Policy is silent on what should occur when high / extreme risks are identified prior to receiving direction from the EMT. It would be reasonable to expect that prior to the hazard being controlled to a level where the residual risk is moderate or low (or the elevated residual risk level being formally accepted by the EMT) that the task / activity will not continue.</p>	<p>It is recommended that:</p> <ul style="list-style-type: none"> <li>The relevant Manager / supervisor review this instance of high residual risk within City Development (in particular) and any other instances where this is currently the case.</li> <li>The relevant Manager seek (and document) a request for written approval from the Executive in line with the revised Hazard Management Policy. The request should seek immediate action and response to the request.</li> </ul>		<p>The relevant manager will be tasked to review this risk assessment.</p> <p>The WHS Coordinator &amp; PLIA&amp;R will document the process for escalation of high or extreme risks to the Executive and present to the March 2018 Leadership Forum.</p> <p>This will include the ability to stop the task until the Executive make a decision to better control the risk or to accept and monitor the risk.</p>	<p>December 2017</p> <p>March 2018</p>	

2.9: Department specific findings - Environmental Health	Risk Rating – Moderate				
	Auditor <i>Galpins / Adelaide OHSC</i>	Descriptor <i>WHS</i>	Consequence <i>Moderate</i>	Likelihood <i>Moderate</i>	Target Date
	Manager	WHS	Moderate	Moderate	
	Recommendation/s		Management Response		
Issues and Impact	It is recommended that the CWT: <ul style="list-style-type: none"><li>• The relevant Manager review the general risk assessment in respect to Cooling Towers and respective Hazard Profile Register to incorporate the required controls.</li><li>• The relevant Manager revise the respective JSEA as required in terms of the 12-month review period.</li><li>• If inspection of cooling towers is deemed to be high risk work, a SWMS is completed in lieu of a JSEA.</li></ul>		The relevant manager will be tasked to review this risk assessment within 30 days.		February 2018
<p><u>Inspection of cooling towers</u></p> <p>The “general risk assessment” for Environmental Health (Inspection of Cooling Towers) cites electrical / electrocutions as a high risk (raw risk rating). However it has been re-rated as low with no controls identified.</p> <p>Additionally, the JSEA identifies working at heights as a hazard. It was stated at the time of audit that this is not actually the case (apparently also confirmed by SafeWork SA). If working at heights is not an identified hazard, then the JSEA needs to be reviewed. However the identified hazard of working at heights (as it currently exists in the JSEA) has not been assessed in the body of the JSEA. The JSEA has also exceeded the 12-month review period. Additionally, work involving working at heights is deemed to be high risk (refer to the WCT Hazard Management Policy). High risk work requires a SWMS's to be developed, not a JSEA.</p>					

## 9.4 EXTERNAL AUDIT

### 9.4.1 BDO Audit Completion Report

#### Brief

This report presents the *Audit Completion Report* from Council's external auditors for the financial year ending 30 June 2017.

#### RECOMMENDATION

It is recommended to the Audit and Risk Committee that this report be received.

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#### Introduction

The external auditors have prepared their *Audit Completion Report* (**Attachment 1**) identifying the status and the findings of their audit of the City of West Torrens.

#### Discussion

The *Audit Completion Report* is provided in 5 key sections:

1. Audit Status
2. Key accounting and audit matters
3. Summary of misstatements
4. Internal control
5. Appendices
  - a. Proposed audit report
  - b. Independence declaration
  - c. Other communications
  - d. New developments

At the date of production of the *Audit Completion Report*, BDO anticipates issuing an unqualified opinion on the financial statements and internal controls.

#### Conclusion

This report presents the *Audit Completion Report* prepared by BDO.

#### Attachments

##### 1. BDO Audit Completion Report





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## AUDIT STATUS



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# AUDIT STATUS

We have set out in this document the significant matters arising from our audit for the year ended 30 June 2017. This summary covers those matters we believe to be material in the context of our work.

Our audit was conducted in accordance with Australian Auditing Standards, the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011, and is in the process of being completed.

Our audit will be concluded once we have completed the following outstanding audit procedures:

- Review of events subsequent to 30 June 2017
- Receipt of written management representations on various matters
- Receipt of formally adopted financial statements and agreement of these to the drafts provided to us to date

At the date of this completion report we anticipate issuing unqualified opinions on both the financial statements, and internal controls.



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# KEY ACCOUNTING AND AUDIT MATTERS





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# KEY ACCOUNTING AND AUDIT MATTERS

We have set out below the key accounting and audit matters that have arisen during the audit.

## Significant risks of material misstatement

Our audit procedures were focused on areas that are considered to represent significant risk of material misstatement. We identified the risk areas as part of our risk assessment procedures undertaken during the planning phase and continued to be alert for risks during the course of the audit. We set out below the significant risks identified along with our findings and conclusions.

### Revaluation, useful lives and residual values of infrastructure, land and buildings

Description	Findings and conclusion
Council's infrastructure, property and plant and equipment are carried at valuation. There is a risk that these balances are misstated as a result of the application of inappropriate valuation methodologies, or incorrect underlying assumptions.	This year infrastructure assets have been revalued by Council's employees in conjunction with an independent valuer. We have evaluated the competence, capability and objectivity of the independent valuer, obtained an understanding of their work, and evaluated its appropriateness. We note that the revaluation has resulted in a net increase in value of these assets of approximately \$56m, largely in relation to an uplift in the value of kerbs and footpaths/cycle tracks. Similar to prior year, the main reason for the uplift is a positive reassessment of the conditions of these assets by the independence valuer, compared to their depreciated position in the asset records.
	On the basis of these audit procedures we are satisfied that the financial statements are presented fairly in relation to the revaluation of infrastructure assets.



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# KEY ACCOUNTING AND AUDIT MATTERS

## Accounting treatment of capital work in progress

Description	Findings and conclusion
There is a risk that the accounting treatment of items captured within Capital WIP may not be in accordance with Australian Accounting Standards.	<p>We have obtained the WIP schedule and reviewed in detail a sample of projects outstanding as at the end of the year to ensure they are likely to generate assets.</p> <p>We performed a sample testing of asset transfers out of Capital WIP to ensure that categorisation and value allocated of assets are appropriate and we have not noted any exceptions.</p>

## Management override of internal control

Description	Findings and conclusion
Australian Auditing Standards require that we presume there is a risk that management has the ability to manipulate accounting records and override controls that otherwise appear to be operating effectively.	<p>We have tested general journals posted during the year and at the end of the reporting period to consider whether they are appropriate. We considered accounting estimates for management biases or fraud. We sought to corroborate management explanations with independent supporting evidence whenever possible.</p> <p>There was no evidence of misstatement due to management override of controls.</p>



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## Related party disclosures

### Description

This is the first year that AASB 124 Related Party Disclosures has applied to the Council. Because the Council has not had to make these disclosures in the past, there is a risk of error in initial application of this accounting standard.

### Findings and conclusion

We have obtained an understanding of Council's processes for determining who are Key Management Personnel (KMP), and obtaining information regarding transactions with KMP. We have considered the completeness and accuracy of such information.

We have checked related party disclosures in the financial statements back to Council documentation and considered whether disclosure is appropriate based on the Accounting Standard and examples in the model financial statements.

We did not note any exceptions.





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# KEY ACCOUNTING AND AUDIT MATTERS

## New depot acquisition

On 13th June 2017, the Council has entered in a “Sale and Purchase of Land” contract to acquire a leasehold estate on James Melrose Road, Adelaide Airport for a consideration of \$7.75m (GST exclusive). As at the reporting date, the contract was conditional upon the completion of the numbers of under-leases associated with the properties. All these conditions were fulfilled subsequent to the year end and the settlement happened in September 2017.

This agreement is disclosed as part of capital commitments in the notes to the financial statements.

## Review of Council IT General Control

During the course of the audit our IT Specialist has been engaged to perform a review over the IT General Control environment and relevant controls for our audit. No exceptions have been noted by our IT Specialist that would indicate deficiencies in the ITGC controls relevant to the financial reporting process.



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# SUMMARY OF MISSTATEMENTS



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# SUMMARY OF MISSTATEMENTS

## Uncorrected misstatements

There were no uncorrected misstatements which were identified during the audit, and that were determined by management to be immaterial, both individually and in aggregate to the financial report taken as a whole.

Misstatements have not been included if they are considered to be clearly trivial which we have set at \$53,000 . Matters which are clearly trivial are regarded as clearly inconsequential when taken individually or in aggregate.

## Corrected misstatements

We have not identified any misstatements during the course of our audit which have been adjusted.

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# INTERNAL CONTROL



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# INTERNAL CONTROL

## Current year

We have a responsibility to provide an audit report in which we express a conclusion on the Council's compliance with Section 125 of the Local Government Act 1999 in relation to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law in all material respects.

In addition, in accordance with ASA 265 *Communicating Deficiencies in Internal Control to Those Charged with Governance and Management*, we are required to communicate in writing, any other significant deficiencies in internal control identified during the audit.

The standard defines a deficiency in internal control as follows:

1. A control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the interim financial report on a timely basis; or
2. A control necessary to prevent, or detect and correct, misstatements in the interim financial report on a timely basis is missing.

Significant deficiency in internal control means a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgement, is of sufficient importance to merit the attention of those charged with governance.

We intend providing an unqualified audit report in relation to compliance with Section 125 of the Local Government Act 1999. There were no matters identified in our testing of internal controls that were determined not to require qualification in our audit report but were of sufficient importance to merit the attention of those charged with governance.



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# APPENDIX 1

## Proposed audit reports

DRAFT INDEPENDENT AUDITOR'S REPORT  
TO THE PRINCIPAL MEMBER OF CITY OF WEST TORRENS

Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of City of West Torrens (the Council), which comprises the statement of financial position as at 30 June 2017, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the certification of the financial statements.

In our opinion the financial report of Council Name, presents fairly, in all material respects, the Council's financial position as at 30 June 2017 and its financial performance for the year ended on that date in accordance with Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Council's officers) Regulations 2011*.

### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the *Local Government Act 1999* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Local Government Act 1999*, which has been given to the Council, would be in the same terms if given to the Council as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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# APPENDIX 1

## Proposed audit report (continued)

Information Other than the Financial Report and Auditor's Report Thereon

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the special purpose financial report of the Max and Bette Mendelson Foundation.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report of the City of West Torrens, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Council's responsibility for the Financial Report

The Council's officers are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Council's officers) Regulations 2011* and for such internal control as the Council's officers determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Council's officers are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council's officers either intend to liquidate the Council or to cease operations, or has no realistic alternative but to do so.



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## Proposed audit report (continued)

### Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [http://www.auasb.gov.au/auditors\\_files/ar3.pdf](http://www.auasb.gov.au/auditors_files/ar3.pdf).

This description forms part of our auditor's report.

BDO Audit (SA) Pty Ltd

G K Edwards  
Director

Adelaide, XX Month 2017



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# APPENDIX 1

## Proposed audit report (continued)

### DRAFT INDEPENDENT ASSURANCE REPORT

#### ON THE INTERNAL CONTROLS OF CITY OF WEST TORRENS

##### Scope

We have undertaken a reasonable assurance engagement on the design and the operating effectiveness of controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, throughout the period 1 July 2016 to 30 June 2017 relevant to ensuring such transactions have been conducted properly and in accordance with law.

##### The Council's Responsibility for the Internal Controls

The Council is responsible for:

- a) the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities;
- b) identifying the control objectives;
- c) identifying the risks that threaten achievement of the control objectives;
- d) designing controls to mitigate those risks, so that those risks will not prevent achievement of the identified control objectives; and
- e) operating effectively the controls as designed throughout the period.

##### Our Independence and Quality Control

We have complied with the relevant ethical requirements relating to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. In accordance with Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements, BDO Audit (SA) Pty Ltd maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



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# APPENDIX 1

## Proposed audit report (continued)

### Assurance Practitioner's Responsibility

Our responsibility is to express an opinion on the suitability of the design to achieve the control objectives and operating effectiveness of controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3150 Assurance Engagements on Controls issued by the Auditing and Assurance Standards Board. That standard requires that we comply with relevant ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operated effectively throughout the period.

An assurance engagement to report on the design and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the control objectives and the operating effectiveness of controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that the controls are not suitably designed or the controls did not operate effectively. Our procedures included testing the operating effectiveness of those controls that we consider necessary to achieve the control objectives identified. An assurance engagement of this type also includes evaluating the suitability of the control objectives.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved and so fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on operating effectiveness of controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.



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## APPENDIX 1

## Proposed audit report (continued)

## Opinion

Our opinion has been formed on the basis of the matters outlined in this report.

In our opinion, in all material respects:

- a) the controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities were suitably designed to ensure such transactions have been conducted properly and in accordance with law; and
- b) the controls operated effectively as designed throughout the period from 1 July 2016 to 30 June 2017.

BDO Audit (SA) Pty Ltd

G K Edwards  
Director

Adelaide, XX Month 20XX



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# APPENDIX 2

## Auditor independence declaration

We set out below our draft Auditor independence declaration.

### CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of City of West Torrens for the year ended 30 June 2017, I have maintained my independence in accordance with the requirements of APES 110 - Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) Local Government (Financial Management) Regulations 2011.

G K Edwards  
Director

BDO Audit (SA) Pty Ltd  
Adelaide, XX Month 2017



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## APPENDIX 3

### Other communications

#### Ethics and independence matters

In conducting our audit, we have complied with the independence requirements of s290 of APES 110 *Code of Ethics for Professional Accountants*.

We have obtained independence declarations from all staff engaged in the audit. We also have policies and procedures in place to identify any threats to our independence, and to appropriately deal with and if relevant mitigate those risks.

We have not become aware of any issue that would cause any member of the engagement team, BDO or any BDO network firm to contravene any ethical requirement or any regulatory requirement that applies to the audit engagement.

BDO has not provided any other services during the audit to City of West Torrens.

#### Non-compliance with laws and regulations

We have made enquiries in relation to any non-compliance with laws and regulations during the course of our audit. We have not identified any instances of non-compliance with laws and regulations as a result of our enquiries.

#### Fraud

Management have confirmed that there were no matters of fraud identified for the period under audit, or subsequently. It should be noted that our audit is not designed to detect fraud however should instances of fraud come to our attention we will report them to you.

We have not identified any instances of fraud during the course of our audit.



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## APPENDIX 4

### New developments

Supplementing this report is a summary of the new and emerging developments that may impact you in future years. We have provided a brief overview of the major changes relevant to you in the table below. Our [Issues and Trends](#) page on our website also includes resources regarding new and emerging areas.

#### Impairment testing

AASB 2016-4 simplifies impairment testing for not-for-profit entities (NFPs) with specialised, non-cash-generating assets by clarifying that 'current replacement cost' in AASB 13 *Fair Value Measurement*, and 'depreciated replacement cost' used as a proxy for 'value in use (recoverable amount)' in AASB 136 *Impairment of Assets*, mean the same thing.

The amendments delete the concept of 'depreciated replacement cost' as a proxy for 'value in use' for entities with specialised, non-cash-generating assets measured using the 'cost model'. This means that recoverable amount for such assets must be determined using 'fair value less costs of disposal'. 'Fair value' will be determined by reference to 'current replacement cost' in AASB 13. The amendments also clarify that disposal costs can be ignored when determining 'fair value less costs of disposal' as these types of assets are rarely sold and disposal costs would be negligible.

Such assets measured using the fair value model are not required to perform impairment testing under AASB 136 because 'current replacement cost' under AASB 13 (used to measure fair value) is the same as what would be used to determine 'fair value less costs of disposal'.



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## APPENDIX 4

### New developments (continued)

#### AASB 16 - Leases

The new leases standard, AASB 16 *Leases* is effective for annual periods beginning on or after 1 January 2019 and early adoption is permitted.

This new leases standard, which mainly impacts lessees, will therefore apply for the first time to your 31 December 2019 year end and supersedes existing standard, AASB 117 *Leases*, as well as related Interpretations. Although the transition date for full retrospective restatement is 1 January 2018, there is an option of selecting 1 January 2019 as the transition date if the cumulative effect of initial application is recognised as a single entry in opening retained earnings on 1 January 2019 (cumulative catch up method) and additional disclosures are made.

The core principle of AASB 16 is that all assets and liabilities arising under lease contracts are recognised in the statement of financial position as right-of-use assets, with a corresponding lease liability, and an annual expense reflecting depreciation on the leased asset and interest expense, which will vary from period to period, depending on the outstanding balance of the lease liability (i.e. front-end loaded expense).

#### Exceptions

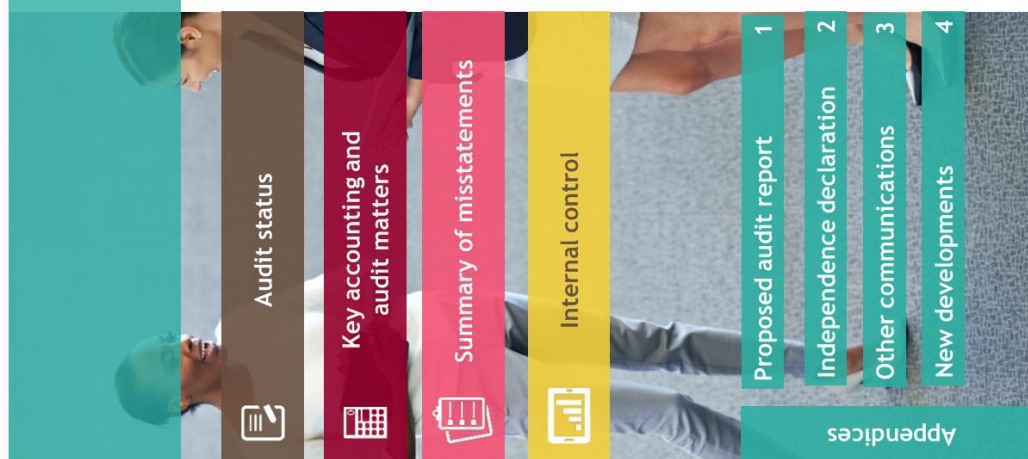
There are optional exceptions for short-term leases (i.e. where lease term is for a period of less than 12 months, including extension options), and low value leases (i.e. where the value, as new, is less than approximately US \$5,000).

#### Main implications

- There is no longer a distinction made between 'operating' and 'finance' leases, and no more straight-line expense for operating leases
- Non-cancellable lease payments are included when measuring the right-of-use asset, as well as payments for option periods which the entity is reasonably certain to exercise
- Contingent rentals (e.g. those linked to sales) are not capitalised into the right-of-use asset but are expensed in profit or loss when incurred.

For more information, please refer to BDO's [Need to Know](#) and Accounting News [article](#), as well as to the 'Leasing' section of our [Issues and Trends](#) page.

Please contact your partner to discuss implementation issues.



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## APPENDIX 4

### New developments (continued)

#### New income recognition standard - AASB 1058

On 20 December 2016, the Australian Accounting Standards Board issued the highly anticipated new standard dealing with income recognition, *AASB 1058 Income of Not-for-Profit Entities*, which applies to annual reporting periods ending on or after 1 January 2019. The application date of the new revenue recognition standard, *AASB 15 Revenue from Contracts with Customers* has also been deferred to 1 January 2019 for NFPs.

AASB 1058 establishes principles and guidance when accounting for:

- Transactions where the consideration given to acquire an asset is significantly less than its fair value, in order to enable the entity to further its objectives, and
- The receipt of volunteer services.

Various practical examples are contained in the illustrative examples that accompany AASB 1058, and Application Guidance has been added to AASB 15 *Revenue from Contracts with Customers* to enable NFPs to be able to apply AASB 15 in a not-for-profit context.

On initial recognition of an asset received by a NFP, any related amounts, including contributions by owners, liabilities or revenue, are to be recognised in accordance with other Australian Accounting Standards. This includes the additional new accounting standards, *AASB 15 Revenue from Contracts with Customers* and *AASB 16 Leases*.

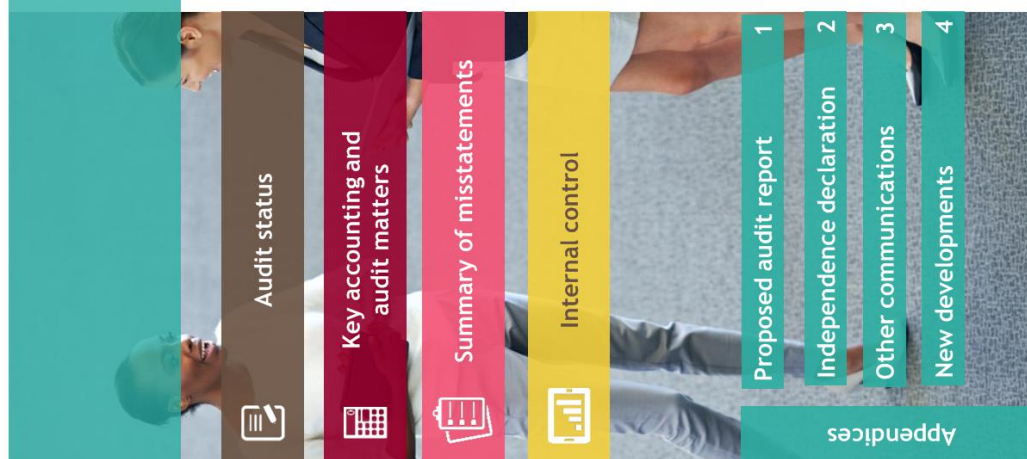
The combined operation of AASB 1058, AASB 15 and AASB 16 provides specific guidance for NFPs on the principles for recognising various forms of income. For example:

- If the consideration given, or to be given, by an NFP for an asset is significantly less than the fair value of the asset, AASB 1058 addresses the accounting for the difference
- When government grants are received under an enforceable agreement, and there are sufficiently specific performance obligations imposed on the NFP, the components of the grant that relates to those performance obligations would potentially be deferred until the obligations are satisfied
- If the performance obligations are not sufficiently specific, the NFP is potentially faced with recognising the grant upon receipt



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## APPENDIX 4

### New developments (continued)

#### New income recognition standard - AASB 1058 (continued)

- If the NFP acquired the right to use a property by way of a lease, and the fair value of the right to use the property is significantly greater than the consideration to be given (e.g. a peppercorn lease), the NFP potentially will be required to recognise income for the difference
- Certain government NFPs will be required to recognise the financial effect of volunteer services where the fair value of the services can be measured reliably, and the services would have been purchased if they had not been donated. This requirement is not mandatory for private sector NFP entities.

Key issues in implementing the new standard, together with other related amendments, will include:

- Determining the fair value of assets acquired, particularly where the transaction is on non-commercial terms
- Determining whether contracts for government grants contain sufficiently specific performance obligations to allow deferral of any component of the grants.

In implementing the new requirements, NFPs will also need to:

- Review all significant income streams to determine the impact on the financial report
- Consider the need to change accounting policies and internal financial reporting processes
- Consider the impact on reporting to stakeholders regarding the NFP's financial position and performance
- Ensure proper guidance is provided to boards and audit committees.



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We have prepared this report solely for the use of City of West Torrens. As you know, this report forms part of a continuing dialogue between the company and us and, therefore, it is not intended to include every matter, whether large or small, that has come to our attention. For this reason we believe that it would be inappropriate for this report to be made available to third parties and, if such a third party were to obtain a copy of this report without prior consent, we would not accept any responsibility for any reliance they may place on it.

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## 9.4.2 Annual Financial Statements - Year Ended 30 June 2017

### Brief

This report proposes that the Audit and Risk Committee review the annual financial statements of the Council for the year ended 30 June 2017 to ensure that they present fairly the state of affairs of the Council.

### RECOMMENDATION(S)

It is recommended to Audit and Risk Committee that:

1. In accordance with Regulation 22(5) of the *Local Government (Financial Management) Regulations 2011*, it be noted that a draft unsigned statement has been received from Geoff Edwards, Partner of BDO, certifying his independence.
2. In accordance with Section 126(4)(a) of the *Local Government Act 1999*, the annual financial statements as contained in **Attachment 1** to this report be reviewed, and on being satisfied that they present fairly the state of affairs of the Council, they be referred to BDO for finalisation and the provision of an independent audit opinion.
3. In accordance with Regulation 22(3) of the *Local Government (Financial Management) Regulations 2011*, the Chief Executive Officer and Presiding Member of the Audit and Risk Committee sign the statement contained in **Attachment 1** to this report certifying that the Council has not engaged BDO to provide any services outside of the scope of their function as external auditor.
4. It be recommended to Council that the Chief Executive Officer and Principal Member be authorised to certify the annual financial statements in their final form pursuant to the requirements of Regulation 14(g) of the *Local Government (Financial Management) Regulations 2011*.

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### Introduction

The annual financial statements for the year ended 30 June 2017 have been prepared in accordance with the requirements set out in the model financial statements pursuant to Regulation 13 of the *Local Government (Financial Management) Regulations 2011* (the Regulations) and, in accordance with the Regulations, must now be reviewed by the Audit and Risk Committee (Committee).

A key function of the Committee is to review the annual financial statements of the Council to ensure that they present fairly the state of affairs of the Council (Section 126(4)(a) of the *Local Government Act 1999* (Act)).

In order to facilitate an effective review, the following information is supplied:

1. In accordance with Section 127(1) of the Act, the draft financial statements for the City of West Torrens, shown as **Attachment 1** to this report and comprising:
  - A statement of comprehensive income;
  - A statement of financial position;
  - A statement of changes in equity;
  - A statement of cash flows; and
  - Appropriate notes and other explanatory documentation to be read in conjunction with these statements.

2. In accordance with Regulation 22(3), an unsigned statement by the Chief Executive Officer, Mr Terry Buss and the Presiding Member, Councillor Steven Rypp (contained in **Attachment 1**), certifying that the external auditor, Mr Geoff Edwards of BDO, is independent of the Council and has not been engaged by Council for any services outside of the scope of the external audit function as prescribed in the Act.

It is recommended that the Chief Executive Officer and presiding member of the Audit and Risk Prescribed General Committee sign the 'independence statement' following the review of the financial statements in discussion with the external auditor.

3. In accordance with Regulation 22(5), a draft unsigned statement by Mr Geoff Edwards of BDO certifying his independence (contained in **Attachment 1**).

The General Manager, Corporate and Regulatory and other finance staff will attend the meeting to answer any questions about the information provided. Mr Geoff Edwards and Ms Linh Dao will also be in attendance to brief the Committee and respond to questions as to the preliminary findings of the audit of the financial statements.

Following formal Committee consideration of these statements, they will be referred to BDO to be finalised and for a final independent audit opinion to be provided. Referral to Council on 7 November 2017 is then intended.

## Discussion

### Net Operating Surplus

The year to 30 June 2017 ended with Council showing a favourable net operating surplus before capital and other items of \$13.045 million as shown below:

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Income	64,556	58,551
Less Expenditure	53,405	55,056
	<hr/>	<hr/>
<b>Operating Result</b>	<b>11,151</b>	<b>3,495</b>
Add: Net Gain / (Loss) on Disposal	(52)	18,473
Amounts Received for New /		
Upgraded Assets	1,368	1,612
Physical Resources Donated	578	2,781
	<hr/>	<hr/>
<b>Net Surplus / (Deficit)</b>	<b>13,045</b>	<b>26,361</b>

Council's operating surplus ratio has increased from 6 per cent to 17 per cent, ratios for the last five years being:

<b>Financial Year</b>	<b>Operating Surplus Ratio</b>
2012/13	9%
2013/14	9%
2014/15	10%
2015/16	6%
2016/17	17%

LGA Information Paper 9 *Financial Indicators* (May 2015) suggests an operating break even position, or better, over any five year period, and an operating surplus ratio of between zero and 10 per cent as a long term target range.

### Sustainability

The asset sustainability ratio shows the extent to which capital expenditure on the renewal and replacement of assets matches the level proposed in Council's Infrastructure and Asset Management Plan. Achieving a break even result of 100 per cent or better demonstrates that the cost of consumption of assets in any one year is being met by current rates and current ratepayers.

LGA Information Paper 9 suggests an asset sustainability ratio greater than 90 per cent but less than 110 per cent. This was achieved in the five financial years to 2016/17, as shown in note 15 of the accounts.

<b>Financial Year</b>	<b>Asset Sustainability Ratio</b>
2012/13	102%
2013/14	103%
2014/15	111%
2015/16	104%
2016/17	105%

### Liquidity

Council's balance sheet and cash flow statement indicate a strong end of year cash flow position, with cash up from \$19.022m to \$20.707m. Three factors have largely contributed to the strength of Council's cash flow position:

- Proceeds from the sale of St Martins' aged care facility in 2015;
- Asset sale proceeds yet to be utilised; and
- Slippage on the capital expenditure program.

### Other Matters

Other items of note include:

- The most recently available full actuarial investigation conducted by the actuary for the Local Government Superannuation Scheme as at 30 June 2014, indicated that the defined benefit fund was in a satisfactory financial position, with advice provided that contribution levels at the time were adequate, but Council's contribution rates may need to change at a future point in time (refer note 18).
- Work in progress has decreased from \$4.518 million to \$3.720 million, largely due to completion of:

Part of Lockleys catchment drainage	\$ 2,332,505
Bio-Science precinct works	\$ 339,677

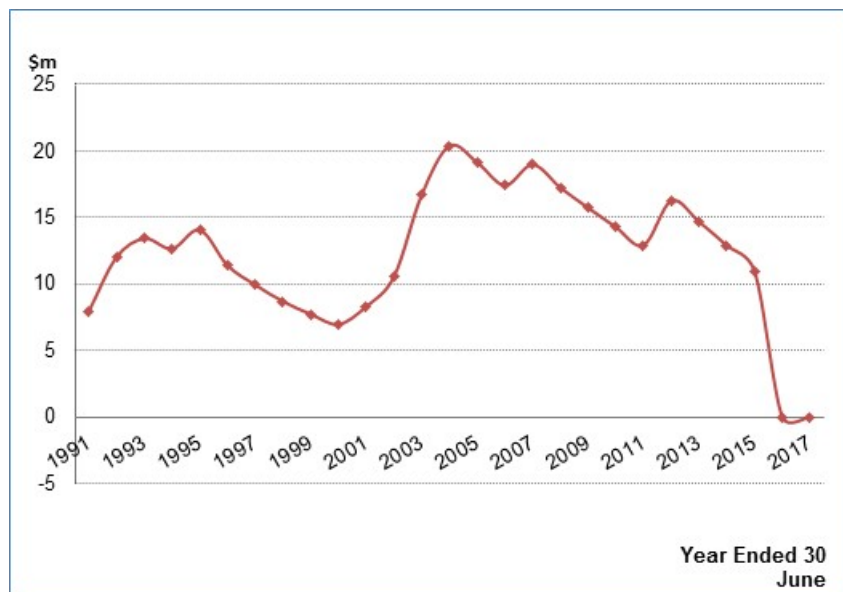
- Depreciation expense increased by \$1.035 million or 9.4 per cent to \$12.022 million (refer note 3).
- Mendelson Foundation wealth increased by \$126,039 to \$1.339 million during the course of the year, a portfolio increase of 10.4 per cent (a reduction of 4.9 per cent in 2015/16).



- Unspent funds carried forward have increased to \$24.838 million, with three projects (Lockleys drainage, purchase of a new depot and the Camden Oval upgrade) accounting for \$14.157 million or 57 per cent of the carryover amount. Carried forward funds since the year ended 30 June 2008 have been as follows:

Year Ended 30 June	Amount \$'000
2008	7,146
2009	9,992
2010	8,797
2011	10,930
2012	9,760
2013	8,754
2014	10,475
2015	11,396
2016	20,215
2017	24,838

- Notes comparing budget and actual expenditure and income for the year are excluded from the accounts, following changes to the *Local Government (Financial Management) Regulations 2011*, but these will be reported to Council in November 2017.
- Full cost attribution is reflected at note 12.
- With funds from the sale of St Martin's, the loan balance was fully paid out in 2016, with the trend since 1991 as follows:



An audit completion report from BDO will be tabled at the meeting.

## Conclusion

This report proposes that the Audit and Risk Committee review the annual financial statements of the Council for the year ended 30 June 2017 to ensure that they present fairly the state of affairs of the Council. It is intended that they be presented to Council for adoption on 7 November 2017.

## Attachments

### 1. Annual Financial Statements 2017

# City of West Torrens

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2017

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## City of West Torrens

### General Purpose Financial Statements for the year ended 30 June 2017

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## City of West Torrens

### General Purpose Financial Statements for the year ended 30 June 2017

### Certification of Financial Statements

**We have been authorised by the Council to certify the financial statements in their final form.**

**In our opinion:**

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2017 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.

---

Terry Joseph Buss  
**CHIEF EXECUTIVE OFFICER**

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John Trainer  
**MAYOR**

Date: dd Month 2017

## City of West Torrens

### General Purpose Financial Statements for the year ended 30 June 2017

### Understanding Council's Financial Statements

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#### Introduction

Each year, individual Local Governments across South Australia are required to present a set of audited Financial Statements to their Council and Community.

#### About the Certification of Financial Statements

The Financial Statements must be certified by the Chief Executive Officer and Mayor as "presenting a true & fair view" of the Council's financial results for the year, and ensuring both responsibility for and ownership of the Financial Statements across Council.

#### What you will find in the Statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2017.

The format of the Financial Statements is standard across all South Australian Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and the requirements as set down in the South Australia Model Financial Statements.

The Financial Statements incorporate 4 "primary" financial statements:

##### **1. A Statement of Comprehensive Income**

A summary of Council's financial performance for the year, listing all income & expenses.

##### **2. A Statement of Financial Position**

A 30 June snapshot of Council's financial position including its assets & liabilities.

##### **3. A Statement of Changes in Equity**

The overall change for the year (in dollars) of Council's "net wealth".

##### **4. A Statement of Cash Flows**

Indicates where Council's cash came from and where it was spent.

#### About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the 4 Primary Financial Statements.

#### About the Auditor's Reports

Council's Financial Statements are required to be audited by external accountants (that generally specialise in Local Government).

In South Australia, the Auditor provides an audit report, with an opinion on whether the Financial Statements present fairly the Council's financial performance and position.

#### About the Independence Certificates

Council's Financial Statements are also required to include signed Certificates by both the Council and the Auditors that the Council's Auditor has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

#### Who uses the Financial Statements?

The Financial Statements are publicly available documents and are used by (but not limited to) Councillors, Residents and Ratepayers, Employees, Suppliers, Contractors, Customers, the Local Government Association of South Australia, the SA Local Government Grants Commission, and Financiers including Banks and other Financial Institutions.

Under the *Local Government Act 1999* the Financial Statements must be made available at the principal office of the Council and on Council's website.



## City of West Torrens

Statement of Comprehensive Income  
for the year ended 30 June 2017

\$ '000	Notes	2017	2016
<b>Income</b>			
Rates Revenues	2a	53,634	51,254
Statutory Charges	2b	2,368	2,262
User Charges	2c	1,126	1,187
Grants, Subsidies and Contributions	2g	5,353	2,260
Investment Income	2d	744	598
Reimbursements	2e	274	303
Other Income	2f	1,057	679
Net Gain - Equity Accounted Council Businesses	19	-	8
<b>Total Income</b>		<b>64,556</b>	<b>58,551</b>
<b>Expenses</b>			
Employee Costs	3a	21,054	21,018
Materials, Contracts & Other Expenses	3b	20,329	21,440
Depreciation, Amortisation & Impairment	3c	12,022	10,987
Finance Costs	3d	-	1,611
<b>Total Expenses</b>		<b>53,405</b>	<b>55,056</b>
<b>Operating Surplus / (Deficit)</b>		<b>11,151</b>	<b>3,495</b>
Asset Disposal & Fair Value Adjustments	4	(52)	18,473
Amounts Received Specifically for New or Upgraded Assets	2g	1,368	1,612
Physical Resources Received Free of Charge	2i	578	2,781
<b>Net Surplus / (Deficit) <sup>1</sup></b>		<b>13,045</b>	<b>26,361</b>
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	52,986	45,277
<b>Total Other Comprehensive Income</b>		<b>52,986</b>	<b>45,277</b>
<b>Total Comprehensive Income</b>		<b>66,031</b>	<b>71,638</b>

<sup>1</sup> Transferred to Equity Statement

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

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## City of West Torrens

Statement of Financial Position  
as at 30 June 2017

\$ '000	Notes	2017	2016
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5a	20,707	19,022
Trade & Other Receivables	5b	2,241	2,612
Other Financial Assets	5c	1,137	994
Inventories	5d	11	12
<b>Total Current Assets</b>		<b>24,096</b>	<b>22,640</b>
<b>Non-Current Assets</b>			
Equity Accounted Investments in Council Businesses	6a	-	41
Infrastructure, Property, Plant & Equipment	7a	670,561	607,481
Other Non-Current Assets	6b	3,720	4,518
<b>Total Non-Current Assets</b>		<b>674,281</b>	<b>612,040</b>
<b>TOTAL ASSETS</b>		<b>698,377</b>	<b>634,680</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	2,967	5,248
Provisions	8c	3,847	3,815
<b>Total Current Liabilities</b>		<b>6,814</b>	<b>9,063</b>
<b>Non-Current Liabilities</b>			
Provisions	8c	215	300
<b>Total Non-Current Liabilities</b>		<b>215</b>	<b>300</b>
<b>TOTAL LIABILITIES</b>		<b>7,029</b>	<b>9,363</b>
<b>Net Assets</b>		<b>691,348</b>	<b>625,317</b>
<b>EQUITY</b>			
Accumulated Surplus		68,297	57,693
Asset Revaluation Reserves	9a	585,311	532,344
Other Reserves	9b	37,740	35,280
<b>Total Council Equity</b>		<b>691,348</b>	<b>625,317</b>

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

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## City of West Torrens

Statement of Changes in Equity  
for the year ended 30 June 2017

\$ '000		Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
	Notes				
<b>2017</b>					
<b>Balance at the end of previous reporting period</b>		57,693	532,344	35,280	<b>625,317</b>
<b>a. Net Surplus / (Deficit) for Year</b>		13,045	-	-	<b>13,045</b>
<b>b. Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	52,986	-	<b>52,986</b>
- Transfer to Accumulated Surplus on Sale of I,PP&E	9a	19	(19)	-	-
<b>Other Comprehensive Income</b>		19	52,967	-	<b>52,986</b>
<b>Total Comprehensive Income</b>		<b>13,064</b>	<b>52,967</b>	-	<b>66,031</b>
<b>c. Transfers between Reserves</b>		(2,460)	-	2,460	-
<b>Balance at the end of period</b>		<b>68,297</b>	<b>585,311</b>	<b>37,740</b>	<b>691,348</b>
<b>2016</b>					
<b>Balance at the end of previous reporting period</b>		45,761	487,728	20,190	<b>553,679</b>
<b>a. Net Surplus / (Deficit) for Year</b>		26,361	-	-	<b>26,361</b>
<b>b. Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	45,277	-	<b>45,277</b>
- Transfer to Accumulated Surplus on Sale of I,PP&E	9a	661	(661)	-	-
<b>Other Comprehensive Income</b>		661	44,616	-	<b>45,277</b>
<b>Total Comprehensive Income</b>		<b>27,022</b>	<b>44,616</b>	-	<b>71,638</b>
<b>c. Transfers between Reserves</b>		(15,090)	-	15,090	-
<b>Balance at the end of period</b>		<b>57,693</b>	<b>532,344</b>	<b>35,280</b>	<b>625,317</b>

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

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## City of West Torrens

Statement of Cash Flows  
for the year ended 30 June 2017

\$ '000	Notes	2017	2016
<b>Cash Flows from Operating Activities</b>			
<u>Receipts</u>			
Rates Receipts		53,543	51,049
Statutory Charges		2,427	2,488
User Charges		1,154	1,306
Grants, Subsidies and Contributions (operating purpose)		5,490	2,361
Investment Receipts		633	682
Reimbursements		288	333
Other Receipts		5,237	3,822
<u>Payments</u>			
Payments to Employees		(21,119)	(21,885)
Payments for Materials, Contracts & Other Expenses		(26,563)	(26,378)
Finance Payments		-	(1,611)
<b>Net Cash provided by (or used in) Operating Activities</b>	11b	<b>21,090</b>	<b>12,167</b>
<b>Cash Flows from Investing Activities</b>			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		1,368	1,612
Sale of Replaced Assets		724	634
Sale of Surplus Assets		1	45
Proceeds from Disposal of Business		-	14,210
Repayments of Loans by Community Groups		-	7
Distributions Received from Equity Accounted Council Businesses		41	-
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(13,296)	(12,080)
Expenditure on New/Upgraded Assets		(8,221)	(4,198)
Net Purchase of Investment Securities		(32)	-
Capital Contributed to Equity Accounted Council Businesses		-	(8)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(19,415)</b>	<b>222</b>
<b>Cash Flows from Financing Activities</b>			
<u>Receipts</u>			
Proceeds from Bonds & Deposits		10	-
<u>Payments</u>			
Repayments of Borrowings		-	(10,966)
Repayment of Finance Lease Liabilities		-	(37)
Repayment of Bonds & Deposits		-	(44)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>10</b>	<b>(11,047)</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>1,685</b>	<b>1,342</b>
plus: <b>Cash &amp; Cash Equivalents at beginning of period</b>	11	<b>19,022</b>	<b>17,680</b>
<b>Cash &amp; Cash Equivalents at end of period</b>	11	<b>20,707</b>	<b>19,022</b>
Additional Information:			
plus: <b>Investments on hand - end of year</b>	5c	<b>1,137</b>	<b>994</b>
<b>Total Cash, Cash Equivalents &amp; Investments</b>		<b>21,844</b>	<b>20,016</b>

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

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## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Contents of the Notes accompanying the Financial Statements

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## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 1 Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 7 November 2017

##### 1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

##### 1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

##### 1.4 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

#### 2 The Local Government Reporting Entity

The City of West Torrens is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 165 Sir Donald Bradman Drive. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

Other entities in which Council has an interest but does not control are reported in Note 19.

#### 3 Income Recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

In recent years the payment of untied financial assistance grants has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Difference
2014/15	\$2,736,942	\$1,795,598	+\$941,344
2015/16	\$839,796	\$1,781,140	- \$941,344
2016/17	\$3,323,628	\$1,766,928	+\$1,556,700

## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies (continued)

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

#### 4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1999. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

#### 5 Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential.

#### 6 Infrastructure, Property, Plant & Equipment

##### 6.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

##### 6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$2,000
Other Plant & Equipment	\$2,000
Buildings	\$10,000
Infrastructure	\$10,000

##### 6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

##### 6.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.



## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies (continued)

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are listed below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

##### *Plant, Furniture & Equipment*

Furniture, Equipment and Fittings	2 to 50 years
Plant and Equipment	2 to 30 years

##### *Building & Other Structures*

Buildings and Components	10 to 100 years
Other Structures	10 to 100 years

##### *Infrastructure*

Land Improvements including	
Park and Other Structures	10 to 80 years
Sealed Roads – Surface	15 to 50 years
Sealed Roads – Structure	55 to 80 years
Other Transport	10 to 70 years
Footpaths, Kerb, Gutter and Cycle Tracks	10 to 80 years
Stormwater	25 to 100 years
Glenelg to Adelaide Pipeline	50 years
Bridges	35 to 100 years

##### *Other Assets*

Library Resources	2 to 7 years
Artworks	80 to 100 years

#### 6.5 Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed for impairment whenever events or

changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

#### 6.6 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

#### 7 Payables

##### 7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

##### 7.2 Payments Received in Advance & Deposits

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

#### 8 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies (continued)

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

#### 9 Employee Benefits

##### 9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

Weighted avg. discount rate 0.1% (2016, 0.2%)

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

##### 9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

#### 10 Leases

Lease arrangements have been accounted for in accordance with Australian Accounting Standard AASB 117.

In respect of finance leases, where Council substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class, and are amortised to expense over the period during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

#### 11 Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 19.

#### 12 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

#### 13 New accounting standards and UIG interpretations

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for



## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies (continued)

the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

The City of West Torrens has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

This year Council has applied AASB 124 Related Party Disclosures for the first time. As a result Council has disclosed more information about related parties and transactions with those related parties. This information is presented in Note 23.

Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are not likely to have a material impact on the financial statements.

As at the date of authorisation of the financial statements, the standards and interpretations listed below were in issue but not yet effective.

##### **Effective for annual reporting periods beginning on or after 1 January 2017**

- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities*
- AASB 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities*

##### **Effective for annual reporting periods beginning on or after 13 February 2017**

- AASB 2017-2 *Amendments to Australian Accounting Standards - Further Annual Improvements 2014- 16 Cycle*

##### **Effective for annual reporting periods beginning on or after 13 December 2017**

- AASB 2017-1 *Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*

##### **Effective for annual reporting periods beginning on or after 1 January 2018**

- AASB 9 *Financial Instruments (December 2009)*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part E)*
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)AASB 1057 Application of Australian Accounting Standards*
- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*
- AASB 2016-6 *Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts*



## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies (continued)

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##### **Effective for annual reporting periods beginning on or after 1 January 2019**

- AASB 16 *Leases*
- AASB 16 *Leases (Appendix D)*
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*

#### **14 Comparative Figures**

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

#### **15 Disclaimer**

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 2. Income

\$ '000	Notes	2017	2016
<b>(a). Rates Revenues</b>			
<b>General Rates</b>			
General Rates		52,956	50,612
Less: Mandatory Rebates		(753)	(683)
Less: Discretionary Rebates, Remissions & Write Offs		(29)	(72)
<b>Total General Rates</b>		<b>52,174</b>	<b>49,857</b>
<b>Other Rates (Including Service Charges)</b>			
Natural Resource Management Levy		1,274	1,240
<b>Total Other Rates</b>		<b>1,274</b>	<b>1,240</b>
<b>Other Charges</b>			
Penalties for Late Payment		145	120
Legal & Other Costs Recovered		56	51
<b>Total Other Charges</b>		<b>201</b>	<b>171</b>
Less: Discretionary Rebates, Remissions & Write Offs		(15)	(14)
<b>Total Rates Revenues</b>		<b>53,634</b>	<b>51,254</b>
<b>(b). Statutory Charges</b>			
Development Act Fees		828	746
Animal Registration Fees & Fines		284	302
Parking Fines / Expiation Fees		1,162	1,123
Environmental Control Fines		7	5
Other Licences, Fees & Fines		43	39
Sundry		44	47
<b>Total Statutory Charges</b>		<b>2,368</b>	<b>2,262</b>
<b>(c). User Charges</b>			
Hall & Equipment Hire		99	108
Property Lease		548	473
Subsidies Received on Behalf of Users		40	47
Sundry		64	60
Cummins House		19	30
Waste royalties		121	104
Employee Contributions		127	174
Road Permits		-	78
Home Assistance		108	-
Other		-	113
<b>Total User Charges</b>		<b>1,126</b>	<b>1,187</b>

## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 2. Income (continued)

\$ '000	Notes	2017	2016
<b>(d). Investment Income</b>			
Interest on Investments			
- Local Government Finance Authority		526	503
- Banks & Other		37	109
Market movement on investments		119	(76)
Dividend income including franking credits		62	62
<b>Total Investment Income</b>		<b>744</b>	<b>598</b>
<b>(e). Reimbursements</b>			
Roadworks		7	11
Private Works		44	13
Joint Undertakings		-	20
Electricity & Gas		102	82
Insurance		18	24
Rates & Taxes		81	94
Employee Costs		2	32
Other		20	27
<b>Total Reimbursements</b>		<b>274</b>	<b>303</b>
<b>(f). Other Income</b>			
Insurance & Other Recoupments - Infrastructure, IPP&E		121	6
Rebates Received		497	428
Sundry		165	112
Donations		-	32
Fuel Tax Credits		35	33
Airport Stormwater Contribution		50	50
Mendelson Scholarships		20	18
Open Space Contributions		169	-
<b>Total Other Income</b>		<b>1,057</b>	<b>679</b>
<b>(g). Grants, Subsidies, Contributions</b>			
Amounts Received Specifically for New or Upgraded Assets		1,368	1,612
Other Grants, Subsidies and Contributions		2,682	766
Untied - Financial Assistance Grant		1,779	597
Home and Community Care Grant		476	502
Library and Communications		416	395
<b>Total Grants, Subsidies, Contributions</b>		<b>6,721</b>	<b>3,872</b>

The functions to which these grants relate are shown in Note 12.

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## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 2. Income (continued)

\$ '000	Notes	2017	2016
(g). Grants, Subsidies, Contributions (continued)			
(i) Sources of grants			
Commonwealth Government		1,491	2,752
State Government		5,161	1,112
Other		69	8
<b>Total</b>		<b>6,721</b>	<b>3,872</b>
(h). Conditions Over Grants & Contributions			
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:			
<b>Unexpended at the close of the previous reporting period</b>		<b>569</b>	<b>977</b>
Less:			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Immunisation & Preventive Health		(14)	(51)
Health Services		-	(60)
Other Environment		(146)	(13)
Parks & Gardens		(128)	-
Roads Sealed		-	(836)
Governance		(281)	-
Other Community Support		-	(17)
<b>Subtotal</b>		<b>(569)</b>	<b>(977)</b>
Plus:			
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Roads Infrastructure		40	14
Parks & Gardens		7	146
Roads Sealed		953	128
Other Community Amenities		642	-
Other Environment		25	281
<b>Subtotal</b>		<b>1,667</b>	<b>569</b>
<b>Unexpended at the close of this reporting period</b>		<b>1,667</b>	<b>569</b>
<b>Net increase (decrease) in assets subject to conditions in the current reporting period</b>		<b>1,098</b>	<b>(408)</b>

## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 2. Income (continued)

\$ '000	Notes	2017	2016
<b>(i). Physical Resources Received Free of Charge</b>			
Land & Improvements		27	-
Roads, Bridges & Footpaths		365	2,275
Stormwater Drainage		153	132
Buildings & Structures		-	374
Sports Facilities		33	-
<b>Total Physical Resources Received Free of Charge</b>		<b>578</b>	<b>2,781</b>

#### Note 3. Expenses

<b>(a). Employee Costs</b>			
Salaries and Wages		18,138	18,198
Employee Leave Expense		392	486
Superannuation - Defined Contribution Plan Contributions	18	1,651	1,608
Workers' Compensation Insurance		893	841
Other		733	643
Less: Capitalised and Distributed Costs		(753)	(758)
<b>Total Operating Employee Costs</b>		<b>21,054</b>	<b>21,018</b>
<b>Total Number of Employees (full time equivalent at end of reporting period)</b>			
		221	214

#### (b). Materials, Contracts and Other Expenses

##### (i) Prescribed Expenses

Auditor's Remuneration			
- Auditing the Financial Reports		24	25
Bad and Doubtful Debts		1	8
Elected Members' Expenses		439	437
Operating Lease Rentals - Non-Cancellable Leases	17		
- Minimum Lease Payments		12	134
<b>Subtotal - Prescribed Expenses</b>		<b>476</b>	<b>604</b>



## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 3. Expenses (continued)

\$ '000	Notes	2017	2016
(b). Materials, Contracts and Other Expenses (continued)			
(ii) Other Materials, Contracts and Expenses			
Contractors		8,350	8,495
Energy		497	477
Maintenance		350	378
Legal Expenses		303	390
Levies Paid to Government - NRM levy		1,260	1,225
Levies - Other		209	179
Parts, Accessories & Consumables		544	523
Professional Services		1,475	1,189
Sundry		1,919	1,961
Materials		847	801
Insurance		811	931
Street lighting		855	857
Aged care facility - sundry		14	20
Brown Hill Keswick Creek Project		-	908
Advertising & Marketing		298	298
Printing, Postage & Stationery		435	425
Software, Licensing & Maintenance		927	835
Water Rates		542	741
Memberships & Subscriptions		217	203
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>		<b>19,853</b>	<b>20,836</b>
<b>Total Materials, Contracts and Other Expenses</b>		<b>20,329</b>	<b>21,440</b>
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Land Improvements		599	507
Buildings & Other Structures		1,671	1,616
Infrastructure			
- Sealed Roads		5,567	4,750
- Stormwater Drainage		1,492	1,370
- Other Transport		-	30
- Footways / Cycle Tracks		1,060	998
- Glenelg to Adelaide Pipeline		-	49
- Bridges		130	119
Plant & Equipment		865	836
Furniture & Fittings		377	374
Library Books		261	282
Leased Assets - IT		-	56
<b>Subtotal</b>		<b>12,022</b>	<b>10,987</b>
(ii) Impairment			
Nil			
<b>Total Depreciation, Amortisation and Impairment</b>		<b>12,022</b>	<b>10,987</b>

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## City of West Torrens

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

## Note 3. Expenses (continued)

\$ '000	Notes	2017	2016
(d). Finance Costs			
Interest on Loans		-	1,611
Total Finance Costs		-	1,611

## Note 4. Asset Disposal &amp; Fair Value Adjustments

## Infrastructure, Property, Plant &amp; Equipment

## (i) Assets Renewed or Directly Replaced

Proceeds from Disposal	724	634
Less: Carrying Amount of Assets Sold	(776)	(673)
Gain (Loss) on Disposal	(52)	(39)

## (ii) Assets Surplus to Requirements

Proceeds from Disposal	1	45
Less: Carrying Amount of Assets Sold	(1)	-
Gain (Loss) on Disposal	-	45

## Disposal of Business

Consideration received	-	31,354
Less: Carrying Amount of Assets Sold	-	(12,887)
Gain (Loss) on Disposal	-	18,467

Net Gain (Loss) on Disposal or Revaluation of Assets	(52)	18,473
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## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 5. Current Assets

\$ '000	Notes	2017	2016
<b>(a). Cash &amp; Cash Equivalents</b>			
Cash on Hand at Bank		245	2,583
Deposits at Call		1,747	3,743
Short Term Deposits & Bills, etc.		18,559	12,500
Investment - Mendelson		156	196
<b>Total Cash &amp; Cash Equivalents</b>		<b>20,707</b>	<b>19,022</b>
<b>(b). Trade &amp; Other Receivables</b>			
Rates - General & Other		953	864
Council Rates Postponement Scheme		15	13
Accrued Revenues		116	103
Debtors - General		560	1,034
GST Recoupment		591	596
Prepayments		6	2
<b>Total Trade &amp; Other Receivables</b>		<b>2,241</b>	<b>2,612</b>
<b>(c). Other Financial Assets (Investments)</b>			
Shares in Listed Companies - Mendelson Foundation		901	781
Units in Managed Funds - Mendelson Foundation		236	213
<b>Total Other Financial Assets (Investments)</b>		<b>1,137</b>	<b>994</b>
Amounts included in other financial assets that are not expected to be received within 12 months of reporting date are disclosed in Note 13			
<b>(d). Inventories</b>			
Stores & Materials		11	12
<b>Total Inventories</b>		<b>11</b>	<b>12</b>

#### Note 6. Non-Current Assets

<b>(a). Equity Accounted Investments in Council Businesses</b>			
Western Region Waste Management Authority	19	-	41
<b>Total Equity Accounted Investments in Council Businesses</b>		<b>-</b>	<b>41</b>
<b>(b). Other Non-Current Assets</b>			
Capital Works-in-Progress		3,720	4,518
<b>Total Other Non-Current Assets</b>		<b>3,720</b>	<b>4,518</b>

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## City of West Torrens

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

## Note 7a (i). Infrastructure, Property, Plant &amp; Equipment

\$ '000	Fair Value Level	as at 30/6/2016					Asset Movements during the Reporting Period								as at 30/6/2017				
		At Fair Value	At Cost	Accumulated		Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	WIP Transfers	Adjustments & Transfers	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated		Carrying Value
				Dep'n	Impairment		New / Upgrade	Renewals									Dep'n	Impairment	
Capital Work in Progress		-	4,518	-	-	4,518	3,188	-	-	-	(3,943)	(43)	-	-	-	3,720	-	-	3,720
Land - Community	3	183,481	-	-	-	183,481	98	-	-	-	16	-	-	-	183,595	-	-	-	183,595
Land - Other	2	35,775	-	-	-	35,775	-	-	-	-	-	-	-	-	35,775	-	-	-	35,775
Land Improvements	3	11,589	2,064	2,673	-	10,980	-	3,107	-	(599)	50	-	-	134	16,926	-	3,254	-	13,672
Buildings & Other Structures	2	92,485	-	53,995	-	38,490	2,718	-	-	(1,378)	533	-	-	-	95,700	-	55,337	-	40,363
Buildings & Other Structures Infrastructure	3	47,807	-	25,425	-	22,382	926	-	(21)	(293)	-	-	-	-	48,712	-	25,718	-	22,994
- Sealed Roads		296,087	8,053	124,094	-	180,046	1,835	4,967	-	(5,523)	688	-	-	34,539	310,046	-	93,494	-	216,552
- Stormwater Drainage		121,134	974	49,280	-	72,828	995	-	-	(1,443)	2,449	-	(3,066)	-	127,014	-	55,251	-	71,763
- Other Transport		1,695	-	218	-	1,477	188	-	(20)	(44)	-	-	-	23	1,882	-	258	-	1,624
- Footways / Cycle Tracks		72,691	1,729	31,351	-	43,069	-	1,228	-	(1,060)	23	-	-	21,248	77,054	-	12,546	-	64,508
- Glenelg to Adelaide Pipeline		2,424	-	155	-	2,269	150	-	-	(49)	-	-	(25)	-	2,546	-	201	-	2,345
- Bridges		10,712	807	3,113	-	8,406	206	-	-	(130)	2	-	-	133	11,912	-	3,295	-	8,617
Plant & Equipment		-	9,554	3,751	-	5,803	56	1,512	(684)	(865)	132	-	-	-	-	9,838	3,884	-	5,954
Furniture & Fittings		-	7,237	5,710	-	1,527	461	183	(29)	(367)	50	-	-	-	-	7,673	5,848	-	1,825
Library Books		1,705	-	767	-	938	-	320	(23)	(261)	-	-	-	-	1,703	-	729	-	974
Leased Assets - IT		-	181	171	-	10	-	-	-	(10)	-	-	-	-	-	-	-	-	-
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>		<b>877,585</b>	<b>35,117</b>	<b>300,703</b>	<b>-</b>	<b>611,999</b>	<b>10,821</b>	<b>11,317</b>	<b>(777)</b>	<b>(12,022)</b>	<b>-</b>	<b>(43)</b>	<b>(3,091)</b>	<b>56,077</b>	<b>912,865</b>	<b>21,231</b>	<b>259,815</b>	<b>-</b>	<b>674,281</b>
<b>Comparatives</b>		<b>850,013</b>	<b>33,880</b>	<b>324,784</b>	<b>-</b>	<b>559,109</b>	<b>8,450</b>	<b>11,779</b>	<b>(673)</b>	<b>(10,987)</b>	<b>-</b>	<b>(957)</b>	<b>(56)</b>	<b>45,333</b>	<b>877,585</b>	<b>35,117</b>	<b>300,703</b>	<b>-</b>	<b>611,999</b>



## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

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\$ '000

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##### Valuation of Assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

##### Information on Valuations

Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

There is no known market for these buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.



## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$ '000

##### Valuation of Assets (continued)

##### Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

Upon revaluation, the current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 Fair Value Measurement: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, current replacement cost is taken to be the fair value.

##### Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use.

##### Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

##### Valuation Techniques used to derive Level 2 Fair Values recognised in the Financial Statements

The following table sets out the valuation techniques used to measure fair value within Level 2, including a description of the significant inputs used.

Description	Valuation approach and inputs used
Land - Other	Direct comparison of the market evidence approach. This method seeks to determine the current value of an asset by reference to recent comparable transactions involving the sale of similar assets. The valuation is based on price per square metre.
Buildings & Other Structures - Market Approach	The valuation of each Building under this scenario has been undertaken utilising the Direct Comparison Method of valuation by reference to market data and the subsequent apportionment of the Land and Structural Components.
Buildings & Other Structures - Income Approach	The valuation of Buildings under this scenario has been undertaken by reference to actual or imputed income and capitalised at market rates.
Buildings & Other Structures - Cost Approach	The calculated value is based on Replacement Cost data sourced from the Maloney Field Services' Replacement Cost Database and / or Rawlinsons Australia Construction Handbook 2017. Under this valuation scenario the all-inclusive rate per square metre has been provided to comply with the requirement for Disclosure.
Land - Community	Market Approach The valuation of Community Land has been undertaken utilising the Market Approach, more specifically the Direct Comparison Method of Valuation by reference to comparable market data and subsequently adjusted to reflect the level of risk associated with alienating the Land to make it available for disposal.

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## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$ '000

##### Valuation of Assets (continued)

Buildings & Other Structures	The calculated value is based on Replacement Cost data sourced from the Maloney Field Services' Replacement Cost Database and / or Rawlinsons Australia Construction Handbook 2017. Under this valuation scenario the all-inclusive rate per square metre has been provided to comply with the requirement for Disclosure. The unique nature of such Buildings and Structures and the lack of definitive valuation inputs requires that we inform users of this information that the valuation may vary from the generally acceptable range of +/- 10%.
Land Improvements	The valuation is Replacement Cost data sourced from the Maloney Field Services' Replacement Cost Database. Alternatively when Maloneys cannot provide a valuation an asset is valued at cost and indexed each year for CPI increases.
Roads Sealed	Formulated using Rawlinsons Australia Construction Handbook 2017 data and recent schedule of rates as provided by tendered works. This is subject to an independent condition audit by an industry expert every 5 years. Annual CPI increases are applied each year thereafter.
Other Transport	Asset is valued at cost and indexed each year following for CPI increases.
Footways / Cycle Tracks	Formulated using Rawlinsons Australia Construction Handbook 2017 data and recent schedule of rates as provided by tendered works. Alternatively where unit rate application is not applicable asset is valued at cost and indexed each year following for CPI increases. This is subject to an independent condition audit by industry expert every 5 years.
Stormwater	Formulated using Rawlinsons Australia Construction Handbook 2017 data and recent schedule of rates as provided by tendered works. Alternatively where unit rate application is not applicable asset is valued at cost and indexed each year following for CPI increases.
Glenelg to Adelaide Pipeline	Formulated using Rawlinsons Australia Construction Handbook 2017 data and recent schedule of rates as provided by tendered works. Alternatively where unit rate application is not applicable asset is valued at cost and indexed each year following for CPI increases.
Bridges	This is subject to an independent condition audit by industry expert every 5 years. This is subject to annual CPI increases for each year following.

## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

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\$ '000

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##### Valuation of Assets (continued)

##### Land & Land Improvements

Council being of the opinion that it is not possible to attribute a value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

Land is valued at written down replacement cost. Independent valuations of land and land improvements were determined at 30 June 2014 by Peta Mantzarapis, B Bus Property (Valuation) AAPI, Certified Practising Valuer, of Maloney Field Services.

##### Buildings & Other Structures

Buildings and other structures are initially recognised on the cost basis.

Independent valuations of buildings and other structures were determined on the 30 June 2014 by Peta Mantzarapis, B Bus Property (Valuation) AAPI, Certified Practising Valuer, of Maloney Field Services.

Buildings and other structures are then valued at written down replacement costs.

##### Infrastructure

Infrastructure assets are measured based on periodic valuations by external independent valuers less, where applicable, any accumulated depreciation and impairment losses. Any additions made during the periods between revaluations are carried at cost.

Land improvements are valued at written down replacement cost. Independent valuations of land and land improvements were determined at 30 June 2014 by Peta Mantzarapis, B Bus Property (Valuation) AAPI, Certified Practising Valuer, of Maloney Field Services.

Valuations on roads sealed assets were determined by Mr Joseph Ielasi, Dip Civil Eng, in conjunction with Mr Norman Biggs, BEc, ASA, and Calibre Consulting Pty Ltd for the year ended 30 June 2017.

Valuations on footways and cycle tracks were determined by Mr Joseph Ielasi, Dip Civil Eng, in conjunction with Mr Norman Biggs, BEc, ASA, and Calibre Consulting Pty Ltd for the year ended 30 June 2017.

Valuations on stormwater and Glenelg to Adelaide pipeline were determined by Mr Joseph Ielasi, Dip Civil Eng, in conjunction with Mr Norman Biggs BEc, ASA for the year ended 30 June 2017.

Independent valuations of bridges were determined on the 30 June 2015 by Paul Allen, B Eng, Certified Practising Engineer, of Kellogg Brown & Root. Bridges are then valued at written down replacement costs.

##### Plant & Equipment, Furniture & Fittings

Council has elected to recognise these assets on the cost basis.

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## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$ '000

##### Valuation of Assets (continued)

##### Library Resources

Library resources are valued at written down current cost. Library resources are measured at valuation as at 30 June 2017 undertaken by library staff. Any accumulated depreciation at the date of revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

##### All other Assets

Pursuant to Council's election, these assets are recognised on the cost basis.

#### Note 8. Liabilities

		2017	2017	2016	2016
\$ '000	Notes	Current	Non Current	Current	Non Current
<b>(a). Trade and Other Payables</b>					
Goods & Services		1,600	-	4,392	-
Payments Received in Advance		104	-	97	-
Accrued Expenses - Employee Entitlements		480	-	345	-
Accrued Expenses - Other		696	-	338	-
Deposits, Retentions & Bonds		85	-	75	-
Other		2	-	1	-
<b>Total Trade and Other Payables</b>		<b>2,967</b>	<b>-</b>	<b>5,248</b>	<b>-</b>

##### (b). Borrowings

Nil

##### (c). Provisions

Employee Entitlements (including oncosts)	3,847	215	3,815	300
<b>Total Provisions</b>	<b>3,847</b>	<b>215</b>	<b>3,815</b>	<b>300</b>



## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 9. Reserves

\$ '000	1/7/2016	Increments (Decrements)	Transfers	Impairments	30/6/2017
<b>(a). Asset Revaluation Reserve</b>					
Land - Community	218,767	-	-	-	218,767
Land - Other	805	-	-	-	805
Land Improvements	2,010	134	-	-	2,144
Buildings & Other Structures	42,685	-	-	-	42,685
Infrastructure					
- Sealed Roads	155,685	34,539	-	-	190,224
- Stormwater Drainage	57,388	(3,066)	-	-	54,322
- Other Transport	43	23	-	-	66
- Footways / Cycle Tracks	48,046	21,248	-	-	69,294
- Glenelg to Adelaide Pipeline	472	(25)	-	-	447
- Bridges	6,029	133	-	-	6,162
Plant & Equipment	44	-	-	-	44
Library Books	370	-	(19)	-	351
<b>Total Asset Revaluation Reserve</b>	<b>532,344</b>	<b>52,986</b>	<b>(19)</b>	<b>-</b>	<b>585,311</b>
<b>Comparatives</b>	<b>487,727</b>	<b>45,277</b>	<b>(660)</b>	<b>-</b>	<b>532,344</b>

\$ '000	1/7/2016	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2017
<b>(b). Other Reserves</b>					
Development Reserve	10,667	(750)	-	-	9,917
Committed Expenditure Reserve	24,613	3,210	-	-	27,823
<b>Total Other Reserves</b>	<b>35,280</b>	<b>2,460</b>	<b>-</b>	<b>-</b>	<b>37,740</b>
<b>Comparatives</b>	<b>20,190</b>	<b>16,205</b>	<b>(1,115)</b>	<b>-</b>	<b>35,280</b>

#### PURPOSES OF RESERVES

##### Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

##### Development Reserve

The development reserve largely holds funds from the sale of assets and is used for developmental purposes.

##### Committed Expenditure Reserve

The committed expenditure reserve holds unspent funds being carried forward to 2017/18 for capital and operational purposes.



## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 10. Assets Subject to Restrictions

\$ '000	Notes	2017	2016
The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.			
<b>Cash &amp; Financial Assets</b>			
Open Space Contributions		169	-
Mendelson Foundation		1,339	1,213
<b>Total Cash &amp; Financial Assets</b>		<b>1,508</b>	<b>1,213</b>
<b>Total Assets Subject to Externally Imposed Restrictions</b>		<b>1,508</b>	<b>1,213</b>

Mendelson Foundation funds are restricted to the Trust Deed (see Note 24).

#### Note 11. Reconciliation to Statement of Cash Flows

##### (a). Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Total Cash & Equivalent Assets	5	20,707	19,022
<b>Balances per Statement of Cash Flows</b>		<b>20,707</b>	<b>19,022</b>

##### (b). Reconciliation of Change in Net Assets to Cash from Operating Activities

<b>Net Surplus/(Deficit)</b>	<b>13,045</b>	<b>26,361</b>
Non-Cash Items in Income Statements		
Depreciation, Amortisation & Impairment	12,022	10,987
Equity Movements in Equity Accounted Investments (Increase)/Decrease	-	(8)
Non-Cash Asset Acquisitions	(578)	(2,781)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)	(1,368)	(1,612)
Net (Gain) Loss on Disposals	52	(18,473)
Other	(111)	84
	<b>23,062</b>	<b>14,558</b>
<b>Add (Less): Changes in Net Current Assets</b>		
Net (Increase)/Decrease in Receivables	371	(528)
Net (Increase)/Decrease in Inventories	1	(1)
Net Increase/(Decrease) in Trade & Other Payables	(2,291)	(3,224)
Net Increase/(Decrease) in Unpaid Employee Benefits	(53)	1,362
<b>Net Cash provided by (or used in) operations</b>	<b>21,090</b>	<b>12,167</b>

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## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 11. Reconciliation to Statement of Cash Flows (continued)

\$ '000	Notes	2017	2016
<b>(c). Non-Cash Financing and Investing Activities</b>			
<b>Acquisition of assets by means of:</b>			
- Physical Resources Received Free of Charge	2i	578	2,781
<b>Amounts recognised in Income Statement</b>		<b>578</b>	<b>2,781</b>
<b>Total Non-Cash Financing &amp; Investing Activities</b>		<b>578</b>	<b>2,781</b>

#### (d). Disposal of Business

During 2016, St Martins was sold. Aggregate details of this transaction are:

Disposal Price	-	14,100
Price adjustment	-	769
Interest on escrow accounts	-	52
Transaction costs	-	(711)
<b>Cash consideration</b>	-	<b>14,210</b>
<b>Assets and liabilities held at disposal date:</b>		
Property, Plant & Equipment	-	12,176
Employee entitlement	-	(641)
Other payables	-	(15)
Bond liabilities	-	(15,777)
	-	<b>(4,257)</b>
<b>Net (loss)/gain on disposal</b>	-	<b>18,467</b>
<b>Net cash received</b>	-	<b>14,210</b>

#### (e). Financing Arrangements

**Unrestricted access was available at balance date to the following lines of credit:**

Corporate Credit Cards	110	117
LGFA Cash Advance Debenture Facility	5,000	5,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

## City of West Torrens

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

## Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016
<b>\$ '000</b>										
<b>Business Undertakings</b>										
<b>Community Services</b>										
- Public Order & Safety	3	26	194	233	(191)	(207)	-	-	-	299
- Health Services	70	104	344	357	(274)	(253)	30	11	-	92
- Community Support	614	808	2,492	2,585	(1,878)	(1,777)	476	502	-	29,054
- Community Amenities	18	-	124	136	(106)	(136)	-	-	-	231
<b>Culture</b>										
- Library services	452	432	3,148	3,311	(2,696)	(2,879)	416	395	973	4,024
- Cultural services	110	193	937	871	(827)	(678)	-	-	-	22,173
<b>Economic Development</b>										
<b>Environment</b>										
- Waste Management	188	194	5,145	4,813	(4,957)	(4,619)	-	-	-	10,565
- Other Environment	1,367	1,261	9,466	9,573	(8,099)	(8,312)	30	159	74,108	87,465
<b>Recreation</b>	280	226	5,184	5,531	(4,904)	(5,305)	-	300	197,267	193,179
<b>Regulatory Services</b>	2,368	2,269	4,800	4,798	(2,432)	(2,529)	-	-	-	124
<b>Transport &amp; Communication</b>	2,554	1,798	12,448	12,616	(9,894)	(10,818)	2,562	268	291,301	238,179
<b>Plant Hire &amp; Depot/Indirect</b>	-	40	3	-	(3)	40	-	-	5,954	3,913
<b>Unclassified Activities</b>	-	3	-	-	-	3	-	-	-	2,667
<b>Council Administration</b>	56,532	51,107	8,994	10,094	47,538	41,013	1,814	625	-	42,715
<b>Total Functions/Activities</b>	<b>64,556</b>	<b>58,543</b>	<b>53,405</b>	<b>55,056</b>	<b>11,151</b>	<b>3,487</b>	<b>5,353</b>	<b>2,260</b>	<b>698,377</b>	<b>634,680</b>

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, net gain (loss) from joint ventures & associated entities, amounts received specifically for new or upgraded assets and physical resources received free of charge.

## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 12b. Components of Functions

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\$ '000

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The activities relating to Council functions are as follows:

##### COMMUNITY SERVICES

Public Order and Safety, Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control – Health, Immunisation, Nursing Homes, Preventive Health Services, Other Health Services, Community Support, Elderly Citizens Facilities, Home Assistance Scheme, Other Services for the Aged and Disabled, Child Care Centres, Children and Youth Services, Community Assistance, Community Transport, Family and Neighbourhood Support, Other Community Support, Community Amenities, Bus Shelters, Cemeteries / Crematoria, Public Conveniences, Car Parking – non-fee-paying, Telecommunications Networks, and Other Community Amenities.

##### CULTURE

Library Services, Mobile Libraries and Housebound Services, Static Libraries, Other Library Services, Cultural Services, Cultural Venues, Heritage, Museums and Art Galleries, and Other Cultural Services.

##### ECONOMIC DEVELOPMENT

Employment Creation Programs, Regional Development, Support to Local Businesses, Tourism, and Other Economic Development.

##### ENVIRONMENT

Agricultural Services, Agricultural Water, Animal/Plant Boards, Landcare, Other Agricultural Services, Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management, Other Environment, Coastal Protection, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Natural Resource Management Levy, and Other Environment.

##### RECREATION

Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor, and Other Recreation.

##### REGULATORY SERVICES

Dog and Cat Control, Building Control, Town Planning, Clean Air/Pollution Control, Litter Control, Health Inspection, Parking Control, and Other Regulatory Services.

##### TRANSPORT

Bridges, Bus Service, Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), and Other Transport.

##### COUNCIL ADMINISTRATION

Governance, Administration n.e.c., Elected Members, Organisational, Support Services, Accounting/Finance, Payroll, Housing for Council Employees, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Customer Service, Other Support Services, Revenues, LGGC – General Purpose, and Separate and Special Rates.



## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 13. Financial Instruments

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\$ '000

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##### Recognised Financial Instruments

##### Bank, Deposits at Call, Short Term Deposits

##### Accounting Policy:

Carried at lower of cost and net realisable value; Interest is recognised when earned.

##### Terms & Conditions:

Deposits are returning fixed interest rates between 1.75% and 2.55% (2016: 2.37% and 2.66%). Short term deposits have an average maturity of 99 days and an average interest rate of 2.26% (2016: 132 days and 2.55%).

##### Carrying Amount:

Approximates fair value due to the short term to maturity.

##### Receivables

##### Rates & Associated Charges

(including legals & penalties for late payment)

Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.

##### Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

##### Terms & Conditions:

Secured over the subject land, arrears attract interest of 0.58% (2016: 0.60%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

##### Carrying Amount:

Approximates fair value (after deduction of any allowance).

##### Receivables

##### Fees & Other Charges

##### Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

##### Terms & Conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

##### Carrying Amount:

Approximates fair value (after deduction of any allowance).



## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 13. Financial Instruments (continued)

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\$ '000

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#### Recognised Financial Instruments

##### Receivables

##### Other Levels of Government

##### Accounting Policy:

Carried at nominal value.

##### Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

##### Carrying Amount:

Approximates fair value.

##### Liabilities

##### Creditors and Accruals

##### Accounting Policy:

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

##### Terms & Conditions:

Liabilities are normally settled on 30 day terms.

##### Carrying Amount:

Approximates fair value.

##### Liabilities

##### Interest Bearing Borrowings

##### Accounting Policy:

Carried at the principal amounts. Interest is charged as an expense as it accrues.

##### Terms & Conditions:

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable) rates.

##### Carrying Amount:

Approximates fair value.

##### Liabilities

##### Finance Leases

##### Accounting Policy:

Accounted for in accordance with AASB 117.

## City of West Torrens

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

## Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2017</b>					
<b>Financial Assets</b>					
Cash & Equivalents	20,707	-	-	20,707	20,707
Receivables	1,282	-	-	1,282	676
Other Financial Assets	1,137	-	-	1,137	1,137
<b>Total Financial Assets</b>	<b>23,126</b>	<b>-</b>	<b>-</b>	<b>23,126</b>	<b>22,520</b>
<b>Financial Liabilities</b>					
Payables	1,792	-	-	1,792	2,967
<b>Total Financial Liabilities</b>	<b>1,792</b>	<b>-</b>	<b>-</b>	<b>1,792</b>	<b>2,967</b>
<b>2016</b>					
<b>Financial Assets</b>					
Cash & Equivalents	19,021	-	-	19,021	19,022
Receivables	1,776	-	-	1,776	1,746
Other Financial Assets	994	-	-	994	1,035
<b>Total Financial Assets</b>	<b>21,791</b>	<b>-</b>	<b>-</b>	<b>21,791</b>	<b>21,803</b>
<b>Financial Liabilities</b>					
Payables	4,564	-	-	4,564	4,564
<b>Total Financial Liabilities</b>	<b>4,564</b>	<b>-</b>	<b>-</b>	<b>4,564</b>	<b>4,564</b>

The following interest rates were applicable to Council's Borrowings at balance date:

	30 June 2017		30 June 2016	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	n/a	-	6.06%	-
		-		-

**Net Fair Value**

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council (except for Mendelson Foundation).

## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 13. Financial Instruments (continued)

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\$ '000

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##### Risk Exposures

**Credit Risk** represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

**Market Risk** is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market (except for Mendelson Foundation listed shares), and hence neither market risk nor **currency risk** apply.

**Liquidity Risk** is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

**Interest Rate Risk** is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 14. Commitments for Expenditure

\$ '000	Notes	2017	2016
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##### (a). Capital Commitments

##### Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Land	7,250	9,742
Buildings	17,305	10,083
Plant & Equipment	283	390
	<b>24,838</b>	<b>20,215</b>

##### These expenditures are payable:

Not later than one year	24,838	20,215
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<b>24,838</b>	<b>20,215</b>

##### (b). Other Expenditure Commitments

##### Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

Audit Services	18	43
Waste Management Services	12,620	10,440
Grants Funding (restricted)	1,575	369
Operational Expenditure	219	436
Information Technology Commitments	22	30
Other Contractual Agreements	-	18
	<b>14,454</b>	<b>11,336</b>

##### These expenditures are payable:

Not later than one year	6,035	4,553
Later than one year and not later than 5 years	8,419	6,783
Later than 5 years	-	-
	<b>14,454</b>	<b>11,336</b>

##### (c). Finance Lease Commitments

Council has no Finance Leases.

## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 15. Financial Indicators

	Amounts	Indicator	Prior Periods	
\$ '000	2017	2017	2016	2015

These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

#### 1. Operating Surplus Ratio

Operating Surplus	11,151	17%	6%	10%
Total Operating Revenue	64,556			

This ratio expresses the operating surplus as a percentage of total operating revenue.

#### 1a. Adjusted Operating Surplus Ratio

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year.

9,594	15%	6%	9%
64,556			

#### 2. Net Financial Liabilities Ratio

Net Financial Liabilities	(17,056)	(26%)	(23%)	28%
Total Operating Revenue	64,556			

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

#### 3. Asset Sustainability Ratio

Net Asset Renewals	12,572	105%	104%	111%
Infrastructure & Asset Management Plan required expenditure	12,022			

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.



## City of West Torrens

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

## Note 15. Financial Indicators - Graphs (continued)

<p><b>1. Operating Surplus Ratio</b></p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2015</td><td>10%</td></tr><tr><td>2016</td><td>6%</td></tr><tr><td>2017</td><td>17%</td></tr></table>	Year	Ratio %	2015	10%	2016	6%	2017	17%	<p><b>Purpose of Operating Surplus Ratio</b></p> <p>This indicator is to determine the percentage the operating revenue varies from operating expenditure</p>	<p><b>Commentary on 2016/17 Result</b></p> <table><tr><td><b>2016/17 Ratio</b></td><td><b>17%</b></td></tr></table> <p>The increased surplus ratio in 2016/17 is reflective of the one-off item being two quarters of the 2017/18 Financial Assistance Grant being paid in advance in 2016/17 .</p>	<b>2016/17 Ratio</b>	<b>17%</b>
Year	Ratio %											
2015	10%											
2016	6%											
2017	17%											
<b>2016/17 Ratio</b>	<b>17%</b>											
<p><b>1a. Adjusted Operating Surplus Ratio</b></p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2015</td><td>9%</td></tr><tr><td>2016</td><td>6%</td></tr><tr><td>2017</td><td>15%</td></tr></table>	Year	Ratio %	2015	9%	2016	6%	2017	15%	<p><b>Purpose of Adjusted Operating Surplus Ratio</b></p> <p>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</p>	<p><b>Commentary on 2016/17 Result</b></p> <table><tr><td><b>2016/17 Ratio</b></td><td><b>15%</b></td></tr></table> <p>The adjusted operating surplus ratio reflects the real ratio, after removal of the advance payment of the 2017/18 Financial Assistance Grant paid in June 2017.</p>	<b>2016/17 Ratio</b>	<b>15%</b>
Year	Ratio %											
2015	9%											
2016	6%											
2017	15%											
<b>2016/17 Ratio</b>	<b>15%</b>											
<p><b>2. Net Financial Liabilities Ratio</b></p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2015</td><td>28%</td></tr><tr><td>2016</td><td>-23%</td></tr><tr><td>2017</td><td>-26%</td></tr></table>	Year	Ratio %	2015	28%	2016	-23%	2017	-26%	<p><b>Purpose of Net Financial Liabilities Ratio</b></p> <p>This indicator shows the significance of the net amount owed to others, compared to operating revenue</p>	<p><b>Commentary on 2016/17 Result</b></p> <table><tr><td><b>2016/17 Ratio</b></td><td><b>-26%</b></td></tr></table> <p>The payout of all loans in 2015/16 has resulted in a strong financial position.</p>	<b>2016/17 Ratio</b>	<b>-26%</b>
Year	Ratio %											
2015	28%											
2016	-23%											
2017	-26%											
<b>2016/17 Ratio</b>	<b>-26%</b>											
<p><b>3. Asset Sustainability Ratio</b></p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2015</td><td>111%</td></tr><tr><td>2016</td><td>104%</td></tr><tr><td>2017</td><td>105%</td></tr></table>	Year	Ratio %	2015	111%	2016	104%	2017	105%	<p><b>Purpose of Asset Sustainability Ratio</b></p> <p>This indicator aims to determine if assets are being renewed and replaced in an optimal way</p>	<p><b>Commentary on 2016/17 Result</b></p> <table><tr><td><b>2016/17 Ratio</b></td><td><b>105%</b></td></tr></table> <p>Council continues to meet its annual obligations for the renewal of assets consistant with the Asset Management Plans.</p>	<b>2016/17 Ratio</b>	<b>105%</b>
Year	Ratio %											
2015	111%											
2016	104%											
2017	105%											
<b>2016/17 Ratio</b>	<b>105%</b>											

## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 16. Uniform Presentation of Finances

\$ '000	2017	2016
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	64,556	58,551
less Expenses	(53,405)	(55,056)
<b>Operating Surplus / (Deficit)</b>	<b>11,151</b>	<b>3,495</b>
<b>less Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	13,296	12,080
less Depreciation, Amortisation and Impairment	(12,022)	(10,987)
less Proceeds from Sale of Business	-	(14,210)
less Proceeds from Sale of Replaced Assets	(724)	(634)
<b>Subtotal</b>	<b>550</b>	<b>(13,751)</b>
<b>less Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	8,221	4,198
less Amounts Received Specifically for New and Upgraded Assets	(1,368)	(1,612)
less Proceeds from Sale of Surplus Assets (including Investment Property & Real Estate Developments)	(1)	(45)
<b>Subtotal</b>	<b>6,852</b>	<b>2,541</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>3,749</b>	<b>14,705</b>

## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 17. Operating Leases

\$ '000	2017	2016
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##### Leases Providing Revenue to the Council

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 2.

##### (i) Non-Investment Property

Rentals received, and outgoings reimbursed, in relation to Non-Investment Property are also disclosed in Note 2. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable

##### Leases commitments under all non-cancellable lease agreements, including those relating to Non-Investment Property, are as follows:

Not later than one year	583	606
Later than one year and not later than 5 years	1,786	1,939
Later than 5 years	676	1,026
	<u>3,045</u>	<u>3,571</u>

##### (ii) Lease Payment Commitments of Council

Council has entered into non-cancellable operating leases for various items of computer and other plant and equipment.

No contingent rentals were paid during the current or previous reporting periods.

No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease return or acquire the equipment leased

No lease contains any escalation clause

##### Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

Not later than one year	19	12
Later than one year and not later than 5 years	5	1
Later than 5 years	-	-
	<u>24</u>	<u>13</u>



## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 18. Superannuation

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\$ '000

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The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

##### **Accumulation only Members**

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2016/17; 9.50% in 2015/16). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

##### **Salarylink (Defined Benefit Fund) Members**

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2015/16) of "superannuation" salary.

In addition, Council makes a separate contribution of 3.2% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2014. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

##### **Contributions to Other Superannuation Schemes**

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

Superannuation contributions paid by council for 12 months to 30 June 2017 totalled \$1,650,732 (2015/16 \$1,608,463).

## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 19. Interests in Other Entities

\$ '000

**All joint ventures and associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.**

	Council's Share of Net Income		Council's Share of Net Assets	
	2017	2016	2017	2016
Joint Ventures	-	8	-	41
Total	-	8	-	41

#### (i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

##### (a) Carrying Amounts

Name of Entity	Principal Activity	2017	2016
Western Region Waste Management Authority	Remediation Site	-	41
<b>Total Carrying Amounts - Joint Ventures &amp; Associates</b>		<b>-</b>	<b>41</b>

##### **Western Region Waste Management Authority**

The Western Region Waste Management Authority (WRWMA) operated a waste landfill site on Garden Island on behalf of four councils, including the City of West Torrens, until February 2001. Remediation of the site was required of the Authority and this included the supply of clay and soil, revegetation, environmental monitoring and a installation of a gas extraction system.

The WRWMA was formally wound up by Minister Brock, pursuant to Schedule 2, Clause 33 of the Local Government Act, 1999 and notification was placed in the Government Gazette on 7 July 2016.

The West Torrens Council share of WRWMA liabilities was 23.93 per cent of the surplus in prior financial years.

The WRWMA was obligated under an EPA agreement to rehabilitate Garden Island to (1) rectify any ground water contamination and (2) rectify any air contamination should gas burners fail to control gas emissions. These risks were considered in the actuarial review, but no provision was considered necessary under AASB 137 Provisions, Contingent Liabilities and Contingent Assets requirements.

##### (b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2017	2016	2017	2016	2017	2016
Western Region Waste Management Authority	0%	24%	0%	24%	0%	29%



## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 19. Interests in Other Entities (continued)

\$ '000

##### (c) Movement in Investment in Joint Venture or Associate

	Western Region Waste Management Authority	
	2017	2016
Opening Balance	41	33
Share in Operating Result	-	8
Adjustments to Equity	(41)	-
<b>Council's Equity Share in the Joint Venture or Associate</b>	<b>-</b>	<b>41</b>

##### (d) Summarised Financial Information of the Equity Accounted Business

###### Statement of Financial Position

	Western Region Waste Management Authority	
	2017	2016
Cash and Cash Equivalents	-	307
<b>Total Assets</b>	<b>-</b>	<b>307</b>
Current Trade and Other Payables	-	136
<b>Total Liabilities</b>	<b>-</b>	<b>136</b>
<b>Net Assets</b>	<b>-</b>	<b>171</b>

###### Statement of Comprehensive Income

	Western Region Waste Management Authority	
	2017	2016
Interest Income	-	5
<b>Total Income</b>	<b>-</b>	<b>5</b>
Materials, Contracts & Other Expenses	-	(27)
<b>Total Expenses</b>	<b>-</b>	<b>(27)</b>
<b>Operating Result</b>	<b>-</b>	<b>32</b>

##### (ii) INDIVIDUALLY IMMATERIAL COUNCIL BUSINESSES

Council did not have any individually immaterial businesses

##### (iii) UNCONSOLIDATED STRUCTURED ENTITIES

Council has no Unconsolidated Structured Entities

#### Note 20. Non-Current Assets Held for Sale & Discontinued Operations

Council does not have any Non-Current Assets Held for Sale or any Discontinued Operations

## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 21. Contingencies & Assets/Liabilities Not Recognised in the Statement of Financial Position

Council has no contingencies nor any assets or liabilities not recognised in the Statement of Financial Position.

#### Note 22. Events After the Statement of Financial Position Date

Events that occur after the reporting date of 30 June 2017, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is dd/mm/yy.

**Council is unaware of any material or significant "non adjusting events" that should be disclosed.**

#### Note 23. Related Party Transactions

\$ '000	2017
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##### Key Management Personnel

##### Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the *Local Government Act 1999*. In all, 20 persons were paid the following total compensation:

##### The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	1,391
Post-Employment Benefits	86
Long-Term Benefits	-
Termination Benefits	-
<b>Total</b>	<b>1,477</b>

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

##### Receipts from Key Management Personnel:

Key Management Personnel did not make any payments to Council other than as ratepayers or residents.

##### Other Related Parties:

Key Management Personnel did not make any other material related party transactions.

## City of West Torrens

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 24. Mendelson Foundation

\$ '000	2017	2016
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The Max and Bette Mendelson Foundation is a charitable fund established in 1996 under a Deed of Charitable Trust, and it is dedicated in perpetuity to the promotion and encouragement of education in conjunction with South Australian universities. Foundation funds were bequeathed to the City of West Torrens under the terms of the Trust Deed.

#### Financial Performance & Cash Flow Information

##### Statement of Comprehensive Income - Mendelson Foundation

###### INCOME

Dividend Income including Franking Credits	62	61
Interest income	4	4
Fair Value Movement on Financial Assets	119	(76)
Council Contribution	20	18
	<u>205</u>	<u>7</u>

###### EXPENDITURE

Scholarships	48	39
Fund Management	12	11
Member Emoluments	19	19
	<u>79</u>	<u>69</u>
<b>CHANGE IN FOUNDATION WEALTH</b>	<u>126</u>	<u>(62)</u>

##### Statement of Financial Position - Mendelson Foundation

###### CURRENT ASSETS

Cash & Cash Equivalents	194	213
Trade & Other Receivables	8	6
Units in Managed Funds	236	213
Shares in Listed Companies	901	781
<b>Total Assets</b>	<u>1,339</u>	<u>1,213</u>

###### LIABILITIES

Current Liabilities	-	-
Non Current Liabilities	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>

###### NET ASSETS

	<u>1,339</u>	<u>1,213</u>
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###### FOUNDATION WEALTH

Accumulated Surplus	<u>1,339</u>	<u>1,213</u>
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## City of West Torrens

### General Purpose Financial Statements for the year ended 30 June 2017

### Auditor's Report - Financial Statements

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## City of West Torrens

### General Purpose Financial Statements for the year ended 30 June 2017

### Auditor's Report - Financial Statements

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## City of West Torrens

### General Purpose Financial Statements for the year ended 30 June 2017

### Auditor's Report - Internal Controls

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## City of West Torrens

### General Purpose Financial Statements for the year ended 30 June 2017

### Auditor's Report - Internal Controls

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## City of West Torrens

### General Purpose Financial Statements for the year ended 30 June 2017

### Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of West Torrens for the year ended 30 June 2017, the Council's Auditor, BDO Audit Partnership has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

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Terry Joseph Buss  
**CHIEF EXECUTIVE OFFICER**

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Steven Rypp  
**PRESIDING MEMBER, AUDIT COMMITTEE**

Date: dd Month 2017



## **9.5 COMMITTEE PERFORMANCE AND REPORTING**

Nil

## **10 OTHER BUSINESS**



## **11 CONFIDENTIAL**

### **11.1 External Audit Tender Evaluation**

#### **Reason for Confidentiality**

The Audit and Risk Committee is satisfied that, pursuant to Section 90(3)(k) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this agenda item is information relating to tenders for the provision of statutory audit services to the Council.

#### **RECOMMENDATION**

It is recommended to Audit and Risk Committee that:

1. Pursuant to Section 90(2) of the *Local Government Act 1999*, the Audit and Risk Committee orders, that the public, with the exception of the Chief Executive Officer, members of the Executive and Management Teams in attendance at the meeting, and meeting secretariat staff, be excluded from attendance at so much of the meeting as is necessary to receive, discuss and consider in confidence, information contained within the confidential report Item External Audit Tender Evaluation, attachments and any associated documentation submitted by the Chief Executive Officer, specifically on the basis of the provisions of Section 90(3)(k) because the information to be received, discussed or considered in relation to this item is information relating to the tenders received for the provision of statutory audit services to the City of West Torrens.
2. At the completion of the confidential session the meeting be re-opened to the public.

## **12 NEXT MEETING**

13 February 2018, 6.00pm in the Mayor's Reception Room.

## **13 MEETING CLOSE**