

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, 8 AUGUST 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 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****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 30 May 2017 be confirmed as a true and correct record.

6 COMMUNICATION BY THE CHAIRPERSON**7 PRESENTATIONS**

Nil

8 REPORTS OF THE CHIEF EXECUTIVE OFFICER

8.1 FINANCIAL REPORTING AND SUSTAINABILITY

8.1.1 Financial Reporting

Brief

This report lists those finance related reports which were considered by Council between 17 May 2017 and 01 August 2017.

RECOMMENDATION

It is recommended to the 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.

Discussion

The following reports were considered by Council/Council Committee between 17 May 2017 and 01 August 2017.

06 June 2017

- Nil

20 June 2017

- Creditor Payments
- Council Budget Report - Eleven Months to 31 May 2017

04 July 2017

- Adoption of the Budget and Annual Business Plan and Declaration of the Rates for 2017/18
- Fees and Charges Changes - Food Inspection Fees

18 July 2017

- Creditor Payments
- Property Leases
- Mendelson Financial Report June 2017

01 August 2017

- Nil

Conclusion

This report lists those finance related reports which were considered by Council between 17 May 2017 and 01 August 2017.

Attachments

Nil

8.2 INTERNAL CONTROLS AND RISK MANAGEMENT SYSTEMS

8.2.1 Gifts and Benefits Register 2016 -2017

Brief

This report presents those declarations made in accordance with the requirements of both the *Code of Conduct for Council Members* and the *Code of Conduct for Council Employees* for the period 1 July 2016 to 30 June 2017.

RECOMMENDATION

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

Introduction

The *Code of Conduct for Council Members* and the *Code of Conduct for Council Employees* both require that any gift or benefit that is valued at more than \$100 must be declared and recorded within a register. This register must be made available for inspection at the Civic Centre and on Council's website.

Elected Members and employees are encouraged to declare any gifts, benefits or hospitality received regardless of value and detail whether the gift, benefit or hospitality had been accepted or declined.

A summary of both the Elected Member and employee declarations for the period 1 July 2016 to 30 June 2017 are attached (**Attachments 1 and 2 respectively**).

Discussion

Elected Member Declarations

Ten (10) declarations were made by three (3) Elected Members during the 2016/17 financial year.

Of those declarations:

- Seven (7) gifts/benefits/offers of hospitality were accepted. Of these, four (4) were valued at \$100 or more.
- Three (3) offers of hospitality were declined; all of these offers were valued at more than \$150.

Employee Declarations

Twenty one (21) declarations were made by employees during the 2016/17 financial year. These declarations indicate:

- Thirteen (13) gifts/benefits/offers of hospitality were accepted. Of these, six (6) were valued at \$100 or more.
- Eight (8) gifts/benefits/offers of hospitality were declined. Of these one (1) was valued at \$5, one unknown and the other six (6) were valued over the \$100 threshold.

All Elected Member and employee declarations received conformed with the respective Code of Conduct requirements. However, there may be instances when gifts, benefits and/or offers of hospitality have been received and not declared.

In accordance with Council's resolution of May 2012, via the recommendation of the Audit and Risk Prescribed General Committee (the Committee), the Register is to be presented to the Committee on an annual basis in approximately August of each year dependent on the Committee's meeting schedule.

The Register is also publicly available on Council's website as per the requirement of both the *Code of Conduct for Council Members* and the *Code of Conduct for Council Employees*.

The information contained within the Register is updated within the first week of every month.

Conclusion

This report presents the City of West Torrens' Gifts and Benefits Register for 2016/17.

Attachments

- 1. Elected Member - Gifts, Benefits and Hospitality Register - 2016-2017**
- 2. Council Employees - Gifts, Benefits and Hospitality Register - 2016-2017**

| Elected Member - Gifts, Benefits and Hospitality Register - 2016-2017 | | | | | | | | | |
|---|-----------|------------------------------|--|----------------|------------------------------------|---|-----------------|--------------------------|-----------------------------------|
| No. | Month | Gift, Benefit or Hospitality | Description | Declared Value | Provided by | Has the Provider tendered in the last 12 Months | Reason for Gift | Recipient | Was the gift accepted or declined |
| 1 | July | | | | Nil Received in July 2016 | | | | |
| 2 | August | | | | Nil Received in August 2016 | | | | |
| 3 | September | Hospitality | SA AFL Medal Dinner | \$50 | SA AFL | No | Networking | Councillor Kym McKay | Accepted |
| 4 | September | Hospitality | Coffee Voucher | \$5 | Love on Cafe | No | Appreciation | Councillor Kym McKay | Accepted |
| 5 | October | | | | Nil Received in October 2016 | | | | |
| 6 | November | Hospitality | Breakfast | \$100 | Walter Brooke Architects | Yes | Networking | Mayor John Trainer | Accepted |
| 7 | December | Hospitality | Clipsal 500 corporate suite - networking for LG | \$150 | Hon Jay Weatherill MP, Premier | No | Networking | Mayor John Trainer | Declined |
| 8 | January | | | | Nil Received January 2017 | | | | |
| 9 | February | Hospitality | Mayor Trainer and guest to attend Adelaide Cup luncheon in Leilani Room, Morphettville Racecourse | \$300 | South Australian Jockey Club Board | No | Networking | Mayor John Trainer | Declined |
| 10 | February | Hospitality | 2 x complimentary tickets to Dinner Dance | \$50 | The Panrhodian Society 'Colossus' | No | Networking | Councillor Arthur Mangos | Accepted |
| 11 | March | | | | Nil received March 2017 | | | | |
| 12 | April | Hospitality | SAJC Board invitation to Mayor and Guest to Oaks Day luncheon, 6 May 2017 | \$420 | South Australian Jockey Club Board | No | Networking | Mayor John Trainer | Accepted |
| 13 | April | Hospitality | Mayor Trainer and guest attendance at Schweppes Oaks Day luncheon, Morphettville Racecourse | \$420 | South Australian Jockey Club Board | No | Networking | Mayor John Trainer | Accepted |
| 14 | May | Hospitality | Mayor Trainer and guest to attend Darley Goodwood Race Day in Leilani Room, Morphettville Racecourse | \$300 | South Australian Jockey Club Board | No | Networking | Mayor John Trainer | Declined |
| 15 | May | Hospitality | Hospitality at Power v Suns AFL game in Shanghai China | \$150 | Ausgold Mining | No | Networking | Councillor Arthur Mangos | Accepted |
| 16 | June | | | | Nil Received June 2017 | | | | |

| Council Employees - Gifts, Benefits and Hospitality Register - 2016-2017 | | | | | | | | | |
|--|-----------|------------------------------|--|----------------|---|---|-----------------|---|-----------------------------------|
| No. | Month | Gift, Benefit or Hospitality | Description | Declared Value | Provided by | Has the Provider tendered in the last 12 Months | Reason for Gift | Recipient | Was the gift accepted or declined |
| 1 | July | | | | Nil Received in July 2016 | | | | |
| 2 | August | | | | Nil Received in August 2016 | | | | |
| 3 | September | Hospitality | Self Insurers of South Australia Award Dinner - ticket to the event as their guest. | \$160 | LGA Workers Compensation Scheme | No | Appreciation | Tracey Ryan | Accepted |
| 4 | September | Gift | Assorted small cakes | \$30 | Love on Café | No | Appreciation | Ana Nevjestic | Accepted |
| 5 | September | Gift | Free Coffee Voucher | \$5 | LoveOn Café | No | Appreciation | Robyn Butterfield | Declined |
| 6 | September | Hospitality | SISA dinner ticket | \$160 | LGAWCS | No | Appreciation | Alison Holdstock | Accepted |
| 7 | September | Gift | Bottle of wine | \$40 | Ross Morris Strategic Partnerships University of South Australia North Terrace Adelaide | No | Appreciation | Claire McKay | Accepted |
| 8 | September | Hospitality | Attendance at the Morphettville racecourse for T Buss and guest for Programmed and Barkuma 'Race Day'. | \$200 | Programme Management | No | Networking | Terry Buss | Declined |
| 9 | October | Hospitality | Attendance at the Walter Brooke champagne breakfast, William Magarey Room, Adelaide Oval, to celebrate another successful year. | \$100 | Walter Brooke Architects | Yes | Appreciation | Terry Buss | Declined |
| 10 | November | | | | Nil Received in November 2016 | | | | |
| 11 | December | Gift | L'Occitane En Provence Christmas Gift Box | \$40 | Michele Zhuang Managing Director Australia Shandong General Business Association | No | Appreciation | Adriana Christopoulos | Accepted |
| 12 | December | Hospitality | Invitation to attend the Unley Gourmet Gala VIP Cocktail Function, Monday 16 January 2017 | \$50 | His Worship the Mayor of Unley, Lachlan Clyne (City of Unley) | No | Networking | Terry Buss | Accepted |
| 13 | December | Gift | Mixed gift basket of nibbles (nuts, crackers, sweets) | \$50 | Councillor Arthur Mangos | No | Appreciation | Office of the Mayor and CEO (Kathleen Allen) | Accepted |
| 14 | December | Gift | 6 bottles of sparkling wine | \$35 | Councillor George Demetriou | No | Appreciation | Executive / Office of the Mayor and CEO | Accepted |
| 15 | December | Gift | Bottle of Penfolds Club Tawny | \$12 | Councillor George Demetriou | No | Appreciation | Kathleen Allen | Accepted |
| 16 | December | Gift | Gift basket with food and wine | \$100 | Estia Health Aged Care Facility Mellor Ave Lockleys | No | Appreciation | Christine Inkster | Accepted |
| 17 | January | | | | Nil Received January 2017 | | | | |
| 18 | February | Hospitality | Invite for Terry Buss and Guest to attend 2017 UBET Adelaide Cup Luncheon from SAJC Chair and Board at Morphettville Racecourse on Monday 13 March 2017 | \$300 | SAJC Board | No | Networking | Terry Buss | Declined |

| | | | | | | | | | |
|----|----------|-------------|--|---------|--|-----|-------------------------|-----------------------|----------|
| 19 | February | Hospitality | Corporate Hospitality - Clipsal 500 Adelaide, Sat 4 March 2017 | Unknown | Nathan O'Neill Manager Director Unique Urban Built (UUB) | Yes | Networking | Dean Ottanelli | Declined |
| 20 | February | Gift | \$100 gift card for best costume at conference dinner | \$100 | Revenue Professionals SA | No | Competition/ Prize Draw | Kim Lennard | Accepted |
| 21 | March | Hospitality | Adelaide Festival Event - Rufus Wainwright concert tickets x2 and VIP drinks at the Riverbank Palais | \$230 | Will Papatolis, Lucesco Lighting | No | Networking | Angelo Catinari | Declined |
| 22 | April | Hospitality | CEO plus guest to attend Million Dollar Luncheon Schweppes Oaks Day, on Saturday 6 May 2017 | \$210pp | SAJC Board | No | Networking | Terry Buss | Declined |
| 23 | May | Hospitality | CEO and Guest to attend Darley Goodwood Race Day at Morphettville on Saturday 20 May in the Leilani Room | \$300 | SAJC Board | No | Networking | Terry Buss | Declined |
| 24 | May | Hospitality | Hospitality at Power v Suns AFL game in Shanghai China | \$150 | Ausgold Mining | No | Networking | Terry Buss | Accepted |
| 25 | May | Hospitality | Hospitality at Power v Suns AFL game in Shanghai China | \$150 | Ausgold Mining | No | Networking | Adriana Christopoulos | Accepted |
| 26 | June | | | | | | | | |

Nil Received June 2017

8.3 INTERNAL AUDIT

8.3.1 Internal Audit Recommendations and Actions Progress Report

Brief

This report presents progress against those internal audit recommendations that have been approved for actioning, as at 31 July 2017.

RECOMMENDATION

It is recommended to the Committee that the report be received.

Introduction

The Internal Audit Recommendation and Action Progress Report (Report) is presented to the Audit and Risk Committee (Committee) on approximately a six-monthly basis subject to the Committee meeting schedule. This Report details the status of all internal audit recommendations that have been assessed as being within residual risk tolerance level of moderate or below and that have been approved by the Executive for non-priority actioning (Actions) for monitoring purposes.

Discussion

The Report for the period 1 January 2017 to 31 July 2017 is attached (**Attachment 1**).

At the commencement of this review period, there were a total of (42) actions approved for non-priority actioning. The status of these actions is summarised in the table below:

| Status | Number |
|----------------------------|-----------|
| Not Started | 14 |
| In Progress | 18 |
| Complete | 10 |
| Total Actions | 42 |
| Outstanding Actions | 32 |

Completed Actions are shown as bronze in **Attachment 1** with those actions in-progress shown as yellow and those actions not started not shaded.

Of the forty two (42) open actions, ten (10) were completed, eighteen are in progress and fourteen (14) actions were not started with most relating to long term actions being aligned to the next policy review date (which could be within the next four/five years). Of the eighteen (18) actions in progress, nine (9) have exceeded/extended the original target date by greater than twelve months however, it is important to note that all of these actions are within the City of West Torrens' tolerance level and therefore non-completion of these actions results in no material impact on the risk exposure of the organisation.

Conclusion

The six monthly Internal Audit Recommendation Action Progress Report details the status of those forty two (42) internal audit recommendations that were approved for non-priority actioning of which twenty eight (67%) are either complete or in progress.

Attachments

1. Internal Audit Recommendation and Action Progress Report

Internal Audit Recommendation and Action Progress Report

| | Recommendation | Management Response | Responsible Officer | Internal Audit Risk | CWT Risk | Target/ Review Date | Status Update 30 June 2017 |
|---|---|---|--------------------------|---------------------|-----------------|---|---|
| Asset Management | | | | | | | |
| 1. | <u>Updating of Unit Rates in Conquest</u> Request from Conquest the functionality to automatically upload in bulk Conquest "knowledge base" master file details such as unit rates, useful lives, etc. | Agree | Manager City Assets | Better Practice | Better Practice | Jun 2014 Mar 2016 Dec 2016 Dec 2017 | In Progress Still awaiting further advice from Conquest Solutions. To be looked at during next software upgrade. Timing yet to be advised |
| Building Inspection Agreed Action Report | | | | | | | |
| 2. | <u>Monitoring - owner-builder</u> inspections Targets and statistics related to inspections of building work not being undertaken by a licensed building work contractor are communicated to building inspectors | This information is currently generated, reviewed and reported six monthly. The Manager will communicate with the Information Technology Team to facilitate a monthly report, in-line with the timing of other inspection reports | Manager City Development | Better Practice | Better Practice | Feb 2015 Dec 2016 June 2017 Dec 2017 | In Progress An automated workflow is in the process of being built in partnership with the Information Services Department |
| 3. | <u>Inspection requirements</u> Remove this inspection requirement from the policy (i.e. remove from part 11 | Agree with recommendation, will include the recommendation at time of | Manager City Development | Better Practice | Better Practice | Mar 2018 | Not Started Policy scheduled for review March 2018 |

| | | |
|-------------|-------------|----------|
| Not Started | In Progress | Complete |
|-------------|-------------|----------|

Internal Audit Recommendation and Action Progress Report

| | Recommendation | Management Response | Responsible Officer | Internal Audit Risk | CWT Risk | Target/ Review Date | Status Update 30 June 2017 |
|----|--|--|--------------------------|---------------------|-----------------|--|--|
| | <p>"Appendix - Inspection Requirements Summary Table")</p> <p>Include this risk factor as a selection criteria in part 6.6.2 of the Building Inspection Policy.</p> | next Building Inspection Policy review | | | | | |
| 4. | <p><u>Inconsistencies between policy and practice</u></p> <p>These inconsistencies between policy and actual practice are reviewed with a view to either amending the policy, or confirming that the policy reads as intended and amending practice</p> | <p>The annual report, reports on the financial year, will include a recommendation to change the definition of year to financial year at time of next Building Inspection Policy review</p> <p>The second dot point is incorrect, re-inspections are recorded in the Pathway system but are not "counted" in the inspection statistics</p> | Manager City Development | Better Practice | Better Practice | Mar 2018 | <p>Not Started</p> <p>Policy scheduled for review March 2018</p> |
| 5. | <p><u>Recording Inspection Results</u></p> <p>Consideration is given to the use of tablet technology to record inspection results in real time.</p> <p>The cost-benefit of this technology would need to be carefully considered</p> | Currently trialling the use of tablets to enter inspection results directly into Pathway whilst performing inspections | Manager City Development | Better Practice | Better Practice | <p>Dec 2015</p> <p>Dec 2016</p> <p>June 2017</p> | <p>In Progress</p> <p>This workflow is in the process of being built in partnership with the Information Services Department and is</p> |

| | | |
|-------------|-------------|----------|
| Not Started | In Progress | Complete |
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Internal Audit Recommendation and Action Progress Report

| | Recommendation | Management Response | Responsible Officer | Internal Audit Risk | CWT Risk | Target/ Review Date | Status Update 30 June 2017 |
|----|--|--|----------------------------|---------------------|-----------------|---------------------|---|
| | | | | | | Dec 2017 | currently in the testing phase |
| | Credit Cards | | | | | | |
| 6. | <p><u>Issuing of Credit Cards</u></p> <p>This is monitored to ensure sufficient time to receive, read and understand the Bank (Credit) Card Conditions of Use occurs.</p> <p>Or</p> <p>The Bank (Credit) Card Conditions of Use requirement is modified to remove the requirement to 'read' and 'understand'. This requirement could be captured in a new bullet point to mandate an <u>agreement to comply with the requirements of the Bank Card Conditions of Use.</u></p> | <p>Consider modifying the requirement at next policy review.</p> <p>Assessed as Better Practice because ultimately the employee will be issued with the credit card terms and conditions when the card is presented.</p> <p>This is assessed as a low risk therefore tolerable with the recommendations being better practice in nature</p> <p>Actions. Consequently, the recommended actions are not subject to priority actioning.</p> | Manager Financial Services | Low | Better Practice | Oct 2017 | <p>Not Started</p> <p>No action considered necessary. To be considered at next policy review</p> |

| | | |
|-------------|-------------|----------|
| Not Started | In Progress | Complete |
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Internal Audit Recommendation and Action Progress Report

| | Recommendation | Management Response | Responsible Officer | Internal Audit Risk | CWT Risk | Target/ Review Date | Status Update 30 June 2017 |
|----|--|---|----------------------------------|---------------------|----------|---------------------|--|
| 7. | <p><u>Reconciliation of cardholder agreements with the Credit Card Register</u></p> <p>1. The special conditions listed on the Credit Card Register are reconciled against the individual card holder agreements and CEO approvals</p> <p>2. Where the conditions are incorrect the credit card register should be updated.</p> <p>Cardholder agreements are completed if substantial change to the Policy otherwise a 5 year cycle and when subsequent (up dated) authorisation is given to alter card conditions and or limits.</p> | <p>Consider implementing a new agreement each time a credit card expires and a new card is issued i.e. every 3 years. This will ensure reconciliation and currency of the credit card register.</p> <p>This is assessed as a low risk therefore tolerable with the recommendations being better practice in nature</p> <p>Actions. Consequently, the recommended actions are not subject to priority actioning.</p> | Manager Financial Services | Low | Low | Ongoing | <p>Not Started</p> <p>To consider at next policy review</p> |

| | | |
|-------------|-------------|----------|
| Not Started | In Progress | Complete |
|-------------|-------------|----------|

Internal Audit Recommendation and Action Progress Report

| | Recommendation | Management Response | Responsible Officer | Internal Audit Risk | CWT Risk | Target/ Review Date | Status Update 30 June 2017 |
|----|---|---|----------------------------|---------------------|-----------------|--|--|
| 8. | <p><u>Management of Information</u></p> <p>Consider improving the link between the Policy and the cardholder register by prescribing what information should be recorded.</p> <p>To facilitate s5.1.3 the register should include the DWX ID of, at a minimum, the current cardholder agreements. (Note - This information is largely available as part of the internal audit evidence).</p> <p>A consistent manner of ECM registration be applied with links to: Subject Index - Banking Matters (or consistent with recommendation 2.1) HR Employee Index - (Name of employee). Customer - CBA Credit Cards.</p> | <p>1. Consider modifying the requirement at next policy review.</p> <p>2. Successful implementation of recommendation 3 would eliminate the need to record DWX ID numbers.</p> <p>3. Roll-out a consistent approach to registration as new credit card agreements are entered into.</p> | Manager Financial Services | Better Practice | Better Practice | <p>1. Oct 2017</p> <p>2. N/A</p> <p>3. Ongoing</p> | <p>Not Started</p> <p>To consider at next policy review</p> |

| | | |
|-------------|-------------|----------|
| Not Started | In Progress | Complete |
|-------------|-------------|----------|

Internal Audit Recommendation and Action Progress Report

| Recommendation | Management Response | Responsible Officer | Internal Audit Risk | CWT Risk | Target/ Review Date | Status Update 30 June 2017 |
|---|---|----------------------------|---------------------|-----------------|---------------------|---|
| <p>9. <u>Cardholder Expenditure Summary (Distribution and Return).</u></p> <p>1. The Cardholder Expenditure Summary is modified to record, at a minimum, the date of authorisation. If this deadline is fundamental to good governance, then consideration is given to capturing all dates required to reconcile distribution/returns against Policy.</p> <p>2. Policy is either enforced to ensure compliance with the Policy or and perhaps <u>more appropriately</u>, this requirement is amended to a more achievable deadline.</p> <p>For example replacing the specific day measures with the term 'reasonable' and defining reasonable within the Policy.</p> | Consider modifying the requirement at next policy review. | Manager Financial Services | Better Practice | Better Practice | Oct 2017 | <p>Not Started</p> <p>To consider at next policy review.</p> |

| | | |
|-------------|-------------|----------|
| Not Started | In Progress | Complete |
|-------------|-------------|----------|

Internal Audit Recommendation and Action Progress Report

| | Recommendation | Management Response | Responsible Officer | Internal Audit Risk | CWT Risk | Target/ Review Date | Status Update 30 June 2017 |
|--------------------------------|--|--|----------------------------|---------------------|-----------------|------------------------------------|--|
| 10. | <u>Better Practice Recommendation Related to Policy</u> Various Better Practice Recommendations as outlined in the better practice table | Consider modifying the requirement at next policy review | Manager Financial Services | Better Practice | Better Practice | Oct 2017 | Not Started To consider at next policy review |
| Liquor Licence Act 1997 | | | | | | | |
| 11. | <u>Intervention by Council in proceedings before the licensing authority under Section 76 of the LL Act.</u> The Council amend its Liquor Licensing Policy to clarify: <ul style="list-style-type: none"> the broad nature of its power of intervention under Section 76A of the LL Act; the circumstances under which it will be exercised; and the situations where the Council will seek to gather and adduce evidence or make representations | At the time of the next Liquor Licensing Policy review, we will ensure that the recommendations are factored in. | Manager City Development | Moderate | Moderate | Nov 2016 June 2017 June 2018 | In Progress This policy is currently undergoing review in partnership with the Governance team, it has been suggested that it be placed on hold until the Planning, Development & Infrastructure Act commences and so that pending changes to the Liquor Licence Act can be considered Aspects of the PDI act are still to be regulated and their impacts to be |

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|-------------|-------------|----------|
| Not Started | In Progress | Complete |
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Internal Audit Recommendation and Action Progress Report

| Recommendation | Management Response | Responsible Officer | Internal Audit Risk | CWT Risk | Target/ Review Date | Status Update 30 June 2017 |
|---|---------------------|---------------------|---------------------|----------|---------------------|--|
| <p>in respect of questions before the authority.</p> <p>Such amendments should:</p> <ul style="list-style-type: none"> have regard to the requirements that the licensing authority must be satisfied of before granting a licence provided for in Sections 57, 60, 68 and 68 of the LL Act respectively; indicate the circumstances under which the Council will undertake internal consultation (i.e. with the Mayor, relevant Elected Members and Senior Staff) in respect of applications other than Limited Licence Applications; indicate the triggers that would require a report to be prepared for consideration by full Council; indicate the circumstances under which the Council will undertake external consultation with the | | | | | | considered. Related regulations are expected to be in place mid 2018. The due date has been modified to reflect this |

| | | |
|-------------|-------------|----------|
| Not Started | In Progress | Complete |
|-------------|-------------|----------|

Internal Audit Recommendation and Action Progress Report

| Recommendation | Management Response | Responsible Officer | Internal Audit Risk | CWT Risk | Target/ Review Date | Status Update 30 June 2017 |
|---|---------------------|---------------------|---------------------|----------|---------------------|-------------------------------|
| <p>community or other stakeholders in order to inform itself as to the matters listed in Sections 57, 60, 68 and 68 of the LL Act (where relevant) and the types of consultation that may be considered;</p> <ul style="list-style-type: none"> detail any external/internal evidence/record gathering activity that can/should be undertaken in respect of applications including review of the Council's development approval database and Local Government Act permit/approval database or attendance at premises for on-site inspections; confirm the Council's role in maintaining and pursuing objections before the licensing authority where appropriate planning, local government or its landlord consent is not provided with reference to the matters listed in Sections 57, 60, 68 and 68 of the LL Act; | | | | | | |

| | | |
|-------------|-------------|----------|
| Not Started | In Progress | Complete |
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Internal Audit Recommendation and Action Progress Report

| Recommendation | Management Response | Responsible Officer | Internal Audit Risk | CWT Risk | Target/ Review Date | Status Update 30 June 2017 |
|---|---|--------------------------|---------------------|----------|---|---|
| <ul style="list-style-type: none"> provide guidance to the Council's delegate as to when applications can be conciliated, or where applications must be pursued to full hearing/appeal. <p>Council could also develop a procedure and/or flow-chart to document its intervention processes under Section 76A of the LL Act instead of, or in addition to, making the suggested amendments to its Policy.</p> | | | | | | |
| <p>12. <u>Complaints about noise etc emanating from licensed premises.</u></p> <p>The Council amend its Liquor Licensing Policy to clarify:</p> <ul style="list-style-type: none"> the broad nature of its power of complaint under Section 106 of the LL Act; the circumstances under which it will be exercised. <p>Such amendments should:</p> | At the time of the next Liquor Licensing Policy review, we will ensure that the recommendations are factored in | Manager City Development | Moderate | Moderate | <p>Nov 2016</p> <p>June 2017</p> <p>June 2018</p> | <p>In Progress</p> <p>This policy is currently undergoing review in partnership with the Governance team, it has been suggested that it be placed on hold until the Planning, Development & Infrastructure Act commences and so that pending changes to the Liquor Licence Act can be considered</p> |

| | | |
|-------------|-------------|----------|
| Not Started | In Progress | Complete |
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Internal Audit Recommendation and Action Progress Report

| Recommendation | Management Response | Responsible Officer | Internal Audit Risk | CWT Risk | Target/ Review Date | Status Update 30 June 2017 |
|--|---------------------|---------------------|---------------------|----------|---------------------|---|
| <ul style="list-style-type: none"> have regard to the circumstances provided for in Section 106(1)(a) and (b) that activate the Council's power to make a complaint; provide for thresholds or indicia to assist in the determination as to whether a complaint should be made under the Section; provide for consultation with South Australia Police, as another authority with power to lay such a complaint; indicate the circumstances under which the Council will undertake internal consultation with senior staff or refer the matter to full Council before commencement; detail any external/internal evidence/record gathering activity that can/should be undertaken before a complaint is made; provide guidance to the Council's delegate as to when applications | | | | | | Aspects of the PDI act are still to be regulated and their impacts to be considered. Related regulations are expected to be in place mid 2018. The due date has been modified to reflect this |

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| | <p>can be conciliated, or where applications must be pursued to full hearing/appeal;</p> <ul style="list-style-type: none"> indicate the types of orders or additional conditions that could be sought by the Council in order to resolve any conciliation or upon the finalisation of any hearing <p>Council could also develop a procedure and/or flow-chart to document its processes under Section 106 of the LL Act and the grounds under which complaints may be made.</p> | | | | | | |
| 13. | <p><u>Disciplinary action before the Court.</u></p> <p>The Council amend its Liquor Licensing Policy to clarify:</p> <ul style="list-style-type: none"> the nature of its power of complaint under Section 120 of the LL Act; the circumstances under which it will be exercised. <p>Such amendments should:</p> | At the time of the next Liquor Licensing Policy review, we will ensure that the recommendations are factored in | Manager City Development | Moderate | Moderate | <p>Nov 2016</p> <p>June 2017</p> <p>June 2018</p> | <p>In Progress</p> <p>This policy is currently undergoing review in partnership with the Governance team, it has been suggested that it be placed on hold until the Planning, Development & Infrastructure Act commences and so that pending changes to the</p> |

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| <ul style="list-style-type: none"> have regard to the relevant circumstances provided for in Section 119(1) (b)(ii), (b)(iii), (b)(iv), (b)(v), (b)(viii), (d)(ii), (d)(iii), (d)(iv) or (e) that activate the Council's power to make a complaint; provide for thresholds or indicia to assist in the determination as to whether a complaint should be made under the Section; provide for consultation with South Australia Police or the Commissioner, as other authorities with power to lay such a complaint; indicate the circumstances under which the Council will undertake internal consultation with senior staff or refer the matter to full Council before commencement; detail any external/internal evidence/record gathering activity | | | | | | <p>Liquor Licence Act can be considered</p> <p>Aspects of the PDI act are still to be regulated and their impacts to be considered. Related regulations are expected to be in place mid 2018. The due date has been modified to reflect this</p> |

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| | <p>that can/should be undertaken before a complaint is made;</p> <ul style="list-style-type: none"> indicate the types of orders or additional conditions that could be sought by the Council under Section 121 of the LL Act upon the finalisation of any hearing. <p>Council could also develop a procedure and/or flow-chart to document its processes under Section 120 of the LL Act and the grounds under which complaints may be made</p> | | | | | | |
| | Procurement Roadmap - Continuous Audit (Stage 1) | | | | | | |
| 14. | <p><u>Draft Procurement Policy</u></p> <p>Consider including a requirement in the draft procurement policy for acquisition plans to be developed prior to conducting a procurement exercise, for example for high risk and/or high value procurement. This may assist in ensuring that procurement is transparent, rigorously planned, scoped and approved prior to market approach.</p> <p>Inclusion of this requirement must be balanced against efficiency</p> | Agree with the recommendation, Acquisition strategies to be developed for high value procurements. It is anticipated a position will be implemented within 12 months | Senior Strategic Procurement Officer | Moderate | Moderate | Feb 2016 Oct 2020 | <p>Not Started</p> <p>Moderate risk. The recommendation will be considered during the next scheduled policy review</p> |

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| | considerations and CWT's other existing methods for approving procurement | | | | | | |
| | Property Lease and Licence Management Compliance Review | | | | | | |
| 15. | <p><u>Two lease and licence registers maintained</u></p> <p>Use of a single register, utilising an alternative Pathway module with increased functionality</p> <p>Council is currently investigating the use of the "licensing module" in Pathway, which has increased functionality including workflow management and automated notifications based on key dates. It is envisaged that this system could be used to send automated correspondence, such as:</p> <ul style="list-style-type: none"> reminders to lessees e.g. for insurance certificate renewal; letters to lessees e.g. for changes in rent/licence fees; emails to finance notifying CPI reviews. <p>This module will continue to interface with the Finance One system to generate invoices.</p> | <p>City Assets and Information Services are currently scoping up a project to utilise the existing Pathway Licensing functionality as the single lease and licence register. It is anticipated that the register will be functional by 1st July 2017</p> | Manager City Assets | Moderate | Moderate | <p>July 2017</p> <p>Dec 2017</p> | <p>In Progress</p> <p>Single register developed in Pathway and operational.</p> <p>Currently working with Information Services to automate notifications</p> |

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| | Audit supports the use of this new Pathway module, and the phasing-out of the Excel register as a primary register | | | | | | |
| 16. | <p><u>Informal systems for monitoring compliance with lease obligations</u></p> <p><u>Include details of all lease and license requirements in a single register</u></p> <p>Establishing a single lease and license register (see finding 2.1) and recording details of all lease and license obligations in this register will reduce the likelihood of requirements being overlooked.</p> <p><u>Establish automated reminders within Pathway for following up compliance with lease and license obligations</u></p> <p>The Pathway system could be set up to send automatic reminders to perform follow-up to relevant staff (see finding 2.1).</p> | <p>Pathway licencing module will allow for inbuilt workflows and escalation and may be customised for specific lease conditions.</p> <p>This recommendation will be actioned approximately six-months after project delivery</p> | Manager City Assets | Moderate | Moderate | Dec 2017 | <p>In Progress</p> <p>Single register developed in Pathway and operational.</p> <p>Automated reminders, including workflow to ensure evidence of lessee compliance are currently being developed in consultation with Information Services</p> |

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| | <p><u>Obtain evidence of lessee compliance with key obligations</u></p> <p>Evidence of compliance with key lease obligations, including certificates of currency for insurance, are obtained and filed</p> | | | | | | |
| 17. | <p><u>No formal, pro-active inspection of leased properties</u></p> <p><u>Introduce a formal, risk-based inspection program for leased properties</u></p> <p>Council considers re-introducing a pro-active inspection program for leased properties, utilising an inspection checklist that is tailored to leased properties.</p> <p>The inspection program should be risk based, prioritising more frequent inspections (e.g. annual) for higher risk properties such as those servicing the elderly, children or disabled.</p> <p><u>Enhance the inspection program with technology</u></p> | <p>A risk based inspection program will be established in conquest</p> | Manager City Assets | Low | Low | Dec 2019 | <p>In Progress</p> <p>Workflow developed and awaiting interface of mobile functionality</p> |

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| | <p>There are several opportunities to use technology to enhance the efficiency and effectiveness of the inspection program. These include:</p> <ul style="list-style-type: none"> Integrating the inspection program with the Conquest Asset Management System, linking inspections details with the building in the register. Setting up the Pathway/Conquest system to send automatic reminders to perform these inspections to relevant staff (see finding 2.1). <p>Loading the inspection checklist into a mobile phone/tablet-based app format</p> | | | | | | |
| 18. | <p><u>No agreement in place for use of the Kandahar House property</u></p> <p><u>Establish a written agreement for the use of Kandahar House</u></p> <p><u>Enter into a simple agreement with the historical society covering considerations such as allowable use</u></p> | A simple agreement will be developed by 30 June 2017 | Manager City Assets | Low | Low | <p>June 2017</p> <p>Jan 2018</p> | <p>In Progress</p> <p>A draft document has been prepared to enable discussion to proceed with the Historical Society</p> <p>Delivery to the Historical Society has been delayed</p> |

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| | of the facilities, maintenance obligations and insurance requirements | | | | | | as there may be a collocation of the two historical societies within the city |
| | Property Maintenance | | | | | | |
| 19. | <u>Planning and Prioritisation of Maintenance Work</u> A prioritised, proactive maintenance plan should be developed and documented, including methodology and reasoning for prioritisations. The GHD report is a suitable starting point for developing this plan. Consideration should be given to the need for additional short term resources to assist the Property Services team/Assets team to develop this plan. The use of technology to assist in the development of a maintenance plan, such as the 'Advanced Asset Management System' forecast in the Buildings Infrastructure Asset Management Plan 2012 should also be investigated. | Agree with recommendation, Moderate risk so implement prior to 01 July 2015. This gives 12 months of data to be analysed and incorporated into a preventative and reactive maintenance plan. | Manager City Works | Moderate | Moderate | Jul 2015 Ongoing from August 2015 Feb 2017 July 2017 | Complete Final program complete. Data to be analysed as part of WHS calendar of events |

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| 20. | <p><u>Tracking and Monitoring of Maintenance Work Performed</u></p> <p>To ensure that all requested maintenance is actioned, a process to review and action any outstanding requests in the Pathways system is implemented.</p> <p>Consideration should be given to utilising new technologies to track maintenance, as envisaged by the Buildings Infrastructure Asset Management Plan 2012.</p> | To be implemented at approximately six months after recommendation one 'planning and prioritising' works are complete. | Manager City Works | Moderate | Moderate | Ongoing from August 2016 Jan 2016 Dec 2016 July 2017 Dec 2017 | <p>In Progress</p> <p>Property coordinator commenced May 2017 Formalised processes now expected to be completed by December 2017</p> |

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| 21. | <u>Policies and Procedures</u> Procedural documentation to guide the Property Services team in ongoing property maintenance work is developed. | Agree with recommendation, Moderate risk so implement prior to 01 July 2015. Policies and procedures should feed into the preventative and reactive maintenance planning. | Manager City Works | Moderate | Moderate | Jul 2015 Dec 2015 Sept 2016 July 2017 Dec 2017 | In Progress Regular weekly meetings are scheduled to review all outstanding Property Services tasks Property coordinator commenced May 2017 Formalised processes now expected to be completed by December 2017 |
| 22. | <u>Policies and Procedures (sub-finding)</u> Review the Asset Management Policy. | Agree with recommendation, Moderate risk so implement prior to 01 July 2015. | Manager City Works | Moderate | Moderate | Mar 2019 | Not Started Finding is within risk tolerance therefore review at next scheduled policy review in March 2019. |
| 23. | <u>Checks of Contractors' Work</u> Implement a sample-based approach for checking whether contractors have done the work that they have been | Property Service staff will participate in the planned 'reference group' of the Procurement Road Map. Stage 1 - improved monitoring and inductions to occur by | Manager City Works | Moderate | Moderate | Dec 2014 Jun 2016 | Complete Checklist is being used to confirm monitoring and/or completion of works |

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| | <p>requested to do to an acceptable standard.</p> <p>This check is not intended to be onerous, but rather a small number of regular checks to provide assurance that contractors are fulfilling their obligations. As an indication, it could include 3-5 checks of each major contractor per quarter, with further checking if issues are identified. Results of the checks should be formally, but briefly, documented.</p> | <p>Dec 2014 and ensure usage of any new documents and templates.</p> <p>Stage 2 - performance monitoring to coincide with recommendation 2.2.</p> | | | | <p>Sept 2016</p> <p>July 2017</p> | |
| | Stormwater | | | | | | |
| 24. | <p><u>Risk Assessment and Prioritisation</u></p> <p>Council works towards a risk-based model for the prioritisation of maintenance, inspection and capital stormwater projects based on the model described in IPWEA Practice Note 5, supported by completion of the Catchment Management Plan.</p> | Agree with recommendation | Manager City Assets | Moderate | Moderate | <p>June 2016</p> <p>June 2017</p> <p>March 2018</p> | <p>In Progress</p> <p>Additional grant funding has been sourced to enable completion of the plan</p> <p>This plan will inform a risk based model to be developed</p> |

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| 25. | <u>Asset Management Plan</u> Future iterations of the Stormwater Asset Management Plan are improved utilising the Catchment Management Plan and risk-based prioritisation methodologies. | Agree with recommendation | Manager City Assets | Moderate | Moderate | Nov 2014 June 2016 June 2017 March 2018 | In Progress Additional grant funding has been sourced to enable completion of the plan This plan will inform a risk based model to be developed |
| 26. | <u>Maintenance Schedule</u> The maintenance schedule is documented. At a minimum, this should include documentation of: <ul style="list-style-type: none"> • Key principals e.g. "all side entry pits are cleared annually"; • Locations of all known problem areas, and the maintenance response to these. Consideration should be given to utilising new technologies to track maintenance. For example, scheduled maintenance locations could be mapped into GIS. Hand-held devices | Agree- this will be developed as a maintenance schedule/policy. | Manager City Works | Better Practice | Better Practice | June 2014 Jun 2016 Dec 2016 July 2017 Dec 2017 | In Progress Continuing discussions with Information Services and City Assets to develop inspection functionality with Conquest Asset Management System. Paper based system currently in operation |

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| | could then be used by maintenance staff to confirm completion of a maintenance task in real time, which would then be updated automatically onto the GIS map. | | | | | | |
| | Unclaimed Goods | | | | | | |
| 27. | <p><u>There is no current written policy or SOG to clarify the procedures to be observed by Council staff in relation to managing dead animals on roads.</u></p> <p>A formal policy document be prepared that addresses the process to be followed where notification is received of a dead animal on a road. The document should specify the circumstances where an animal is 'bagged and tagged' and the steps to be taken to identify and notify the owner of the animal (wherever possible). If Council staff are not expected to search for a microchip (on the basis that this is undertaken by AWL staff upon collection of the carcass) this should also be stipulated in the document. The existence of this policy document will ensure a</p> | Agree - Policy will be developed | Manager City Works | Better Practice | Better Practice | Sep 2013 Feb 2014 Oct 2015 Jun 2016 Dec 2016 July 2017 Sept 2017 | In Progress New processes have been trialled and are now in place. Formal documentation to be completed |

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| | consistent approach by all staff and will assist in 'up-skilling' new depot employees. | | | | | | |
| | Public Health Act 2011 | | | | | | |
| 28. | <u>Regional public health plan</u> Ensure that the next revision of the Public Health Plan includes information about all plans, policies and strategies determined to be appropriate by the Minister. | The next review will consider and included reference to all the plans, policies and strategies determined to be appropriate by the Minister at pages 100-101 of the State Public Health Act. | Manager City Strategy | Low | Low | Dec 2016 July 2018 | Not Started The review of the Public Health Plan is subject to resources available. The plan is not due for statutory review and therefore may be delayed until the following year |
| 29. | <u>Register of high risk manufactured water systems</u> The register should be updated so that it contains the information required by the Legionella Regulations. The Council could provide training to officers on information to be recorded on registration of High Risk Manufactured Water Systems and keeping the register | The register will be updated in line with the recommendation at the registration period commencing October 2016 | Manager Regulatory Services | Low | Low | Oct -2016 June 2017 | Complete Completed as per recommendation |

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| 30. | <u>Register of wastewater works approvals</u> Establish a register of wastewater works approvals. | City of West Torrens has one (1) waste water approval. A register will be developed in the most practical format. | Manager Regulatory Services | Low | Better Practice | Sept 2016 June 2017 | Complete Pathway licensing module developed to register and waste water approvals in accordance with Regulation 27 |
| 31. | <u>Immediate closure of a pool to the public</u> Officers' awareness of circumstances in which pools should be closed to the public could be raised by amending the Council's <i>Standard Operating Guideline: Receipt of complaints and routine inspection of swimming pools, spas and hydrotherapy facilities</i> to include reference to the Council's power to issue a notice securing compliance with the General Regulations and the circumstances in which a pool owner or operator must immediately close a pool to the public. | SOG will be updated in line with the recommendation. | Manager Regulatory Services | Better Practice | Better Practice | Sept 2016 June 2017 | Complete SOG reviewed May 2017 |

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| 32. | <u>Responses to Legionella detection</u> Improvement in Council's process documentation could include amending the <i>Standard Operating Guidelines: Registration and inspection of High Risk Manufactured Water Systems</i> to reflect the control strategies for cooling and warm water systems set out the Legionella Regulations and Legionella Guidelines. | Better practice opportunity only, the SOG will be reviewed for clarity at its next scheduled review | Manager Regulatory Services | Better Practice | Better Practice | Dec 2017 | Complete SOG review finalised April 2017 |
| 33. | <u>Event Management</u> <u>Strategic oversight of events and event calendar</u> <u>Develop an event calendar</u> Council develops and maintains a centrally accessible calendar of all events held across Council. Each Department is given responsibility to update the calendar with their events <u>Implement a strategic view of events as a whole</u> The calendar is used as a tool to facilitate a strategic approach to event | Agree with the audit recommendations. An internal events calendar has been developed and is installed on the CWT intranet. This calendar currently includes corporate events, council meetings, WHS events and training opportunities By the target date the calendar will be expanded to incorporate public events | Events Coordinator | Moderate | Moderate | Jan 2019 | In Progress Events Coordinator has collated data for development of a centralised calendar |

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| delivery by Council, giving consideration to the complete program of events. The newly created Promotion and Events Officer position could be given some responsibility for the strategic review of the calendar to identify risks and opportunities to better allocate Council resources to events | delivered by the Administration | | | | | |
| 34. <u>Support for staff with responsibility for event management</u> <u>Define risk-based categories for the grouping of events, and assign each event to a category</u> Risk-based event categories are defined. All events are assigned to these categories, which are then used to determine the nature and extent of documentation/other requirements to support event management and risk assessments. | Agree with the audit recommendations. Risk based event categories will be defined by CWT. Appropriate systems and relevant documentation to be implemented by the target date. | Events Coordinator | Moderate | Moderate | Jan 2018 | Not Started |
| <u>Completion of guidance material and templates</u> | | | | | | |

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| | <p>Using the risk-based event categories:</p> <ul style="list-style-type: none"> Minimum requirements are defined for each category including the nature and extent of documentation, risk assessment and staff training requirements. an event management toolkit is developed to support compliance with these requirements, including relevant event management templates and checklists. <p>The existence of these toolkits is communicated to all staff with event management responsibilities, they are made readily available in a central document management system, and their use is made mandatory.</p> | | | | | | |
| 35. | <p><u>Budgeting for events</u></p> <p><u>Prepare complete budgets for events</u></p> <p>Event budgets include all directly attributable costs, including internal staff costs and internal recharges from other Departments.</p> | <p>Agree with the audit recommendations</p> <p>Administration to investigate a suitable methodology with relevant Managers</p> | Events Coordinator | Moderate | Moderate | Jan 2019 | Not Started |

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| 36. | <p><u>Risk Assessments and risk categorisation of events</u></p> <p><u>Perform a risk assessment for all events</u></p> <p>At a minimum, even for low risk events, Audit recommends a risk assessment is performed and reviewed annually, and following any significant change in circumstances or any incident / near miss. A standard template should be used for all risk assessments.</p> <p>Low – moderate risk events of a similar nature may be able to be grouped for risk assessment purposes (e.g. one risk assessment covering all citizenship ceremonies, one risk assessment covering all similar events run in the library).</p> | <p>Agree with the audit recommendations</p> <p>A risk assessment template has been drafted by the Media and Events Team and is in the process of being assessed by Management</p> | Events Coordinator | Moderate | Moderate | <p>Cat 1 events July 2017</p> <p>Cat 2 events July 2018</p> <p>Cat 3 events Jan 2019</p> | <p>In Progress</p> <p>Events guide is nearing completion which includes sections on Risk Assessment. Further consultation to occur with Councils Risk team regarding Risk Assessments for different categories.</p> |
| 37. | <p><u>Use of In-house event management and WHS expertise</u></p> <p><u>Encourage increased use of in-house WHS and event management expertise</u></p> | <p>Agree with the audit recommendation.</p> <p>Administration to embed checkpoints into templates and forms as they are developed.</p> | Events Coordinator | Moderate | Moderate | Jan 2019 | Not Started |

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| | Council staff with event management responsibilities are encouraged to actively consult with the Event Coordinator and WHS team to provide guidance and advice in relation to event management, WHS and risk assessment requirements | Key documents to be added to CWT intranet (under an events category) Review progress after 12 months. | | | | | |
| 38. | <u>Event management knowledge transfer</u> Consider knowledge transfer in the development of event management requirements In developing guidelines and templates for event delivery, Council ensures that the required level of documentation is sufficient to support effective knowledge transfer Audit notes that work currently being undertaken by the Lean team to review the event management process will also assist with knowledge transfer. | Agree with the audit recommendations. Completed (sample) documents can be added to CWT intranet. WHS Team to deliver specialist training for staff working in the event space. | Events Coordinator | Moderate | Moderate | Jan 2018 | Not Started |

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| | <p><u>Provide training for staff responsible for running higher risk events</u></p> <p>To support the rollout of guidance materials, provide specific event management and risk management training to staff responsible for running moderate to high risk events</p> | | | | | | |
| | <p>Lease Royalties</p> <p><u>Adjustments to rent under the Solo lease agreement</u></p> <p><u>Improved internal review and approval</u></p> <p>The Council should consider measures to ensure that calculations for rental adjustments are appropriately reviewed and approved prior to their application and issuing any invoices for the year ahead.</p> <p>This may include:</p> | <p>a) Interim processes and proformas have been developed and agreed with Manager, Finance where finance will independently verify calculations made by City Assets staff prior to adjusting rentals and advising tenants.</p> <p>b) Interim processes to become embedded and enhanced within new pathway licensing module.</p> | Manager City Assets | Moderate | Moderate | March 2017 | <p>Complete</p> <p>A process has been implemented which involves calculation of the rental at the nominated times (usually on lease anniversary) by the Senior Property Assets Advisor and checking by the Revenue Accountant prior to any adjustments being verified by the debtors officer</p> |

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| Recommendation | Management Response | Responsible Officer | Internal Audit Risk | CWT Risk | Target/ Review Date | Status Update 30 June 2017 |
|---|---|---------------------|---------------------|----------|---------------------|---|
| <ul style="list-style-type: none"> Reviewing and approving calculations of rental and royalty adjustments; Agreeing the recalculated rent and royalty adjustments with the lessee; Reconciling the annual rental amount invoiced by Finance to the rental adjustment amounts calculated by the Senior Property Advisor | <p>With regard to incorrect timing for Solo, Council received legal advice indicating that the December Quarter CPI should be used,</p> <p>The Administration will confirm all commencement dates and adjustment dates and method of adjustment where an existing lease does not clearly indicate this.</p> | | | | | This process is utilised for all lease adjustments/ reviews by CPI |
| <p><u>Amend or redraft contract to clarify adjustment calculations</u></p> <p>The council should consider amending or adding an addendum to the lease agreement that more explicitly details the calculation methodology for annual rent adjustments.</p> <p>This should include the following:</p> <ul style="list-style-type: none"> Prescribing the exact CPI index, or preferably the CPI series ID, to be used; | <p>All new leases entered into will clearly specify these criteria clearly specify these criteria.</p> | | | | 31 July 2017 | Redraft not considered - matter clarified with lessee |
| | | | | | On-going | All new lease/license contracts clearly specify when and how adjustments to lease/license fees are to be made Advice of all adjustments to lease/license fees is now communicated to the lessee/licencee following calculation by the Senior |

| | | |
|-------------|-------------|----------|
| Not Started | In Progress | Complete |
|-------------|-------------|----------|

Internal Audit Recommendation and Action Progress Report

| | Recommendation | Management Response | Responsible Officer | Internal Audit Risk | CWT Risk | Target/ Review Date | Status Update 30 June 2017 |
|-----|--|---|---------------------|---------------------|----------|---------------------|---|
| | <ul style="list-style-type: none"> Prescribing explicitly the correct quarterly index value used for CPI indexation; Gaining agreement with Solo and Weslo on the adjustment that will be applied to rent and royalty rates for year ahead. | | | | | | Property Assets Advisor and verification by the Revenue Accountant |
| 40. | <p><u>Calculation of royalty payments under Solo lease agreement</u></p> <p><u>Recover underpaid royalties</u></p> <p>Following the confirmation of any further investigation, the Council should consider whether recovery of any unpaid royalties is warranted.</p> | <p>To recover Royalty underpayments for 15/16 only Invoice by 30 June, 2016</p> | Manager City Assets | Moderate | Moderate | 30 June 2016 | <p>Complete</p> <p>Matter has been discussed and action confirmed</p> |
| 41. | <p><u>Adjustments to rent under the Weslo lease agreement</u></p> <p>Improved internal review and approval</p> <p>The Council should consider measures to ensure that calculations for rental adjustments are appropriately reviewed and approved prior to their application</p> | <p>Interim processes and proformas have been developed and agreed with Manager, Finance where finance will independently verify calculations made by City Assets staff prior to</p> | Manager City Assets | Moderate | Moderate | March 2017 | <p>Complete</p> <p>A process has now been implemented whereby a calculation is undertaken by the Senior property Assets Advisor and then verified by the Revenue</p> |

| | | |
|-------------|-------------|----------|
| Not Started | In Progress | Complete |
|-------------|-------------|----------|

Internal Audit Recommendation and Action Progress Report

| | Recommendation | Management Response | Responsible Officer | Internal Audit Risk | CWT Risk | Target/ Review Date | Status Update 30 June 2017 |
|-----|---|--|------------------------|---------------------|-----------------|---------------------|--|
| | and issuing any invoices for the year ahead. This may include; <ul style="list-style-type: none"> • Reviewing and approving calculations of rental and royalty adjustments. • Agreeing the recalculated rent and royalty adjustments with the lessee. • Reconciling the annual rental amount invoiced by Finance to the rental adjustment amounts calculated by the Senior Property Advisor | adjusting rentals and advising tenants. | | | | | Accountant prior to any adjustment being processed |
| 42. | <u>Reference to tonnage rates in Solo statements</u> Tonnage rates to be detailed The council should request Solo include the tonnage rate for waste or recyclables used in the royalty payment calculation. | Agree, proformas template developed by Council to be provided to Solo at the commencement of each billing year to be used. | Manager City Assets | Better Practice | Better Practice | July 2016 | Complete Solo have been instructed to define the tonnage rates that are used in the calculation and these are now provided |

| | | |
|-------------|-------------|----------|
| Not Started | In Progress | Complete |
|-------------|-------------|----------|

Internal Audit Recommendation and Action Progress Report

| | Recommendation | Management Response | Responsible Officer | Internal Audit Risk | CWT Risk | Target/ Review Date | Status Update 30 June 2017 |
|--|--|---------------------|---------------------|---------------------|----------|---------------------|----------------------------|
| | This will assist to provide greater visibility of the calculation of royalty payments and allow council to more easily confirm the accuracy of royalty payments. | | | | | | |

| | | |
|-------------|-------------|----------|
| Not Started | In Progress | Complete |
|-------------|-------------|----------|

8.3.2 2016 - 2017 Internal Audit Program Final Update

Brief

This report presents the final 2016/17 Internal Audit Program Update.

RECOMMENDATION

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

Introduction

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

Discussion

This report summarises the final status of all audits contained in the 2016-17 *Internal Audit Program* (the Program) as at 30 July 2017 as follows:

| Audit Status | Number |
|--|-----------|
| Complete | 7 |
| In Progress | 0 |
| Rolled Over | 4 |
| Total Audits Programmed (excluding staged audits) | 11 |
| Cancelled/Deferred | 1 |
| Staged Audits Complete | 1 |
| Staged Audits in Progress | 3 |

**The planned Contractor Management Audit is deferred, planned to be reinstated into the 2017-18 Internal Audit Program in order to allow sufficient time to implement the proposed new Contractor Management Policy prior to auditing.*

Audits Completed

Seven (7) of the twelve (12) programmed audits and one (1) of the four (4) staged/facilitative audits are complete. Therefore, eight (8) audits were completed during 2016-17 as follows:

| No. | Audit Description | Meeting Presented |
|-----|--|-------------------|
| 1. | Probity Audit | October 2016 |
| 2. | Lease and Licence Management | October 2016 |
| 3. | Third party audit - Vic Roads | Not Applicable |
| 4. | Security Vulnerability Assessment - Part 1 | October 2016 |
| 5. | Event Management | February 2017 |
| 6. | Lease Royalties - Third Party Audit | February 2017 |
| 7. | Business Continuity Plan - Review and Exercise Event | February 2017 |
| 8. | Internal Financial Control Review | May 2017 |

Compliance Audits in Progress

The following audits are in progress as at 30 July 2017 and will be rolled-over to be completed during quarter 1 of the 2017-2018 Internal Audit Program.

1. **Accounts Payable** - this audit has been undertaken by the contract internal auditor. The report has been drafted and is currently awaiting management comment.
2. **Staff Health and Safety - Internal Controls** from the WHS Hazard Register - this audit has been undertaken by the contract internal auditor. The report has been drafted and is currently subject to Executive review.
3. **Section 7 Statements** - this audit, undertaken by the contract legal auditor, is in progress.
4. **Food Act 2001** - this audit has been undertaken by the contract internal auditor. The report has been drafted and is currently awaiting management comment.

Compliance Audits Deferred

1. **Contractor Management Audit** - this audit, to be undertaken by the contract internal auditor was part of the 2017-18 Internal Audit Program but was bought forward to the 2016-17 audit program. Audit recently discovered the existence of another (improved) contractor management policy which aims to improve gaps in the existing policy. In light of this new information it was decided to implement the policy first and to continue the Contractor Management audit as originally planned during quarter 2 of 2017-18 in order to allow sufficient time for the policy implementation and training.

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)

Conclusion

Seven (7) of the planned eleven (11) 63% of audits are complete as at 30 July 2017. Of the remaining four audits in progress three (3) have progressed to the draft report stage and awaiting management review while one (1) remains in progress. The three that have progressed to the draft report stage are expected to be completed by the end of August 2017 and will be provided to the next Committee meeting for notation. All four (4) audits in progress will be carried forward to the first quarter of the 2017-18 Internal Audit Program.

The three (3) remaining facilitative/staged audits have work spanning multiple audit programs and will continue to be updated as part of the 2017-18 Internal Audit Program.

Attachments

Nil

8.3.3 Annual Internal Audit Program 2017/18

Brief

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

RECOMMENDATION

It is recommended to the Audit and Risk Committee that it receives the Internal Audit Program for 2017/18.

Introduction

The 2015-2018 Internal Audit Plan (Plan) was received by the Audit and Risk Committee (the Committee) in April 2015.

The Plan was prepared using risk based methodology, in accordance with the *Administration Policy - Risk Management Framework* and is reviewed on an annual basis. This review results in the development of an **Annual Internal Audit Program (Program)**.

The Plan has been subject to its annual review and the 2017/18 Internal Audit Program (Program) is presented to the Committee for its information (**Attachment 1**) and the approved Internal Audit Plan 2015 - 2018 is attached (**Attachment 2**) for reference.

Discussion

Proposed 2017/18 Internal Audit Program

The co-sourced distribution of the internal audit function between the Program Leader Internal Audit and Risk and Council's contract internal auditors (Galpins and Willman's Lawyers) will continue with the 2017/18 audit budget resources as follows:

- 0.5 FTE - Program Leader Internal Audit
- \$60,000 - contract internal assurance audits
- \$12,000 - legislative compliance audits

In addition to the use of risk based methodology, the Program has been developed with these resources in mind as well as consideration being given to previous audits. Previous Internal Audit Programs have provided for a minimum of six (6) assurance audits and two (2) legislative audits and spot audits completed by the Program Leader Internal Audit as required.

2016/17 Internal Audits Rolled Over (In Progress).

Four (4) Audits, excluding facilitative or staged audits, are in progress and have been rolled-over to the 2017/18 Program as follows:

1. Accounts Payable (Draft report issued)
2. Hazard Register - Controls Review (Draft report issued)
3. Land and Building Sale and Conveyancing Act 2010 - Section 7 Statements (Draft report issued)
4. Food Act 2001

2017/18 Internal Audit Program

The following ten (10) audits, excluding facilitative or staged audits are scheduled in the Plan for 2017/18 and so have been included in the Program as follows:

1. Business Continuity and Emergency Management Plan - Annual exercise and review
2. Budget Planning and Strategic Planning Alignment
3. Community Consultation
4. Information Fraud
5. Governance Framework - Compliance with the Local Government Act
6. VicRoads Annual Audit (Complete)
7. Service Centre Procedures and Systems
8. Cash Handling (Staff and Social Benefit)
9. Traffic Management
10. Contractor Management

Facilitative or Staged Audits

The following three (3) facilitative/staged audits are in place to be undertaken over multiple audit programs:

- Continuous Audit Procurement Roadmap (Stage 1 Complete)
- Maintenance Plant and Equipment (Operational Sites)
- Debtor Management

2017/18 Internal Audits Cancelled

At the July 2016 meeting of the Committee, the administration agreed to review the Plan with a view of reducing the number of audits so that the Plan is achievable. That resulted in four (4) audits being removed from the 2016/17 Audit Program and the following one (1) audit not included in the 2017/18 Audit Program:

1. Media Management Strategy
Currently the City of West Torrens doesn't have a comprehensive media strategy but rather a Council policy which was endorsed by Council on 17 May 2016. The Policy has strong internal controls requiring the CEO to authorise any social media site prior to launch and also to approve delegates to implement, update, monitor, moderate and respond to comments on behalf of Council.

The purpose of the policy is to promote council events, information, projects, and programs, to undertake consultation and to respond to questions. This audit is cancelled because many aspects of the policy will be covered in the scheduled broader Community Consultation audit.

Conclusion

This report presents the 2017/18 Internal Audit Program comprising 14 assurance audits. This is an extensive list of audits given the allocated resources, however (4) of the fourteen (14) audits are currently in progress with three draft reports being issued and one (1) audit is complete. Three (3) additional audits are continuous/facilitative which span multiple audit programs which are reported on in addition to the assurance audits, and so while extensive, it is considered that the Program is achievable.






Attachments

1. **Approved Internal Audit Program 2017-2018**
2. **Approved Internal Audit Plan 2015-2018**

2017/18 Internal Audit Program

Report as at 17 July 2017

| Audit Number | Internal Audit | Audit Objectives | Quarter | Status | Comments |
|--|--|---|---------|-------------|--|
| Status of 2016/17 Internal Audits Carried Forward | | | | | |
| 1 | Land and Building (Sale and Conveyancing) Act 2010 Section 12 Statements | <p>The objectives of the review are to evaluate and report on the level of compliance with the:</p> <ul style="list-style-type: none"> • <i>Land and Building (Sale and Conveyancing) Act 1994</i> • <i>(Sale and Conveyancing) Regulations 2010</i> (the Regulations) • Opportunities for the introduction of better practices and process improvement | 1 | In Progress | The audit, undertaken by the Contract Legal Auditor, is in progress. An opening meeting was held during May 2017, data collection and interviews are underway. |
| 2 | Food Act 2001. | <p>The objectives of the review are to evaluate and report on the level of compliance with the:</p> <ul style="list-style-type: none"> • <i>South Australian Food Act 2001</i> • <i>South Australian Food Regulations 2002</i> • <i>Australian Food Safety Standards</i> • Opportunities for the introduction of better practices and process improvement | 1 | In Progress | The audit, undertaken by the Contract Legal Auditor, is in progress. An opening meeting was held during May 2017, data collection and interviews are underway. |
| Status of 2017/18 Internal Audits | | | | | |
| Assurance Audits | | | | | |
| 3 | 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 | |
| 4 | Budget Planning and Strategic Planning Alignment | An audit to provide assurance whether the budgeting process is aligned with the | 3 | Not Started | |

| | | | | |
|---|---|---|---|---|
|  |  |  |  |  |
| Not Started | In Progress | Complete | Deferred | Cancelled |

Report as at 17 July 2017

2017/18 Internal Audit Program

| Audit Number | Internal Audit | Audit Objectives | Quarter | Status | Comments |
|---------------------------|--|--|---------|-------------|---|
| | | organisations strategic objectives (Community Plan) and obligations under the Local Government Act, 1999 & CWT Policies. | | | |
| 5 | Community Consultation | An audit designed to determine the effectiveness of community consultation when aligning and forming key business strategies such as the Community Plan and associated corporate and departmental service plans. | 2 | Not Started | |
| 6 | Information Fraud | 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 | |
| 7 | Media Management Strategy | REMOVE FROM THE Program | | Not Started | |
| Legislative Audits | | | | | |
| 8 | 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 | |
| Third Party Audits | | | | | |
| 9 | Vic Roads Annual Audit | Self-assessment mandated as part of the agreement with Vic Roads | 1 | In Progress | Program Leader Internal Audit and Risk completed this audit during August 2016. |
| Spot Audits | | | | | |
| 10 | Contact 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 | |
| 11 | Cash Handling (Staff and Social Benefit) | Spot audit to determine the adequacy of controls when handling cash across multiple | 3 | Not Started | Program Leader Internal Audit and Risk completed this audit during August 2016. |

| | | | | | |
|--|-------------|-------------|----------|----------|-----------|
| | Not Started | In Progress | Complete | Deferred | Cancelled |
|--|-------------|-------------|----------|----------|-----------|

2017/18 Internal Audit Program

Report as at 17 July 2017

| Audit Number | Internal Audit | Audit Objectives | Quarter | Status | Comments |
|--|-----------------------------|---|---------|--------------------|--|
| WHS Audits | | | | | |
| 12 | Traffic Management | <p>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.</p> <p>The purpose of this audit is to:</p> <ol style="list-style-type: none"> document progress against the 2012 audit findings and re-evaluate the overall compliance rating establish policy compliance against the WHS Act and Regulations report on departmental compliance against the current version of CWT Contractor Management Policy with emphasis on contractor induction, monitoring and evaluation. 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. | 2 | Not Started | <p>A contractor management audit occurred in 2012, issuing a compliance rating of non-compliant.</p> <p>A review audit was scheduled in the next Internal Audit Plan, but will be brought forward to align with the WHS policy review update.</p> <p>The audit scope is approved (Attachment 4) and will be undertaken by the Contract Internal Auditor, supported by Adelaide OHS Consultants.</p> |
| 13 (new) | Contractor Management Audit | | 2 | In Progress | |
| Facilitative Audits (Long term duration). | | | | | |

| | Not Started | In Progress | Complete | Deferred | Cancelled |
|--|-------------|-------------|----------|----------|-----------|
| | | | | | |

Report as at 17 July 2017

2017/18 Internal Audit Program

| Audit Number | Internal Audit | Audit Objectives | Quarter | Status | Comments |
|--------------|---|--|---------|-------------|---|
| | Maintenance Plant and Equipment - Operational Sites | <p>Stage 1 - Develop Solution Action Plan 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:</p> <p>Gap Analysis (Internal Work Group)</p> <ul style="list-style-type: none"> • What should be done; • What is currently being done; • Significant differences between 'what should' and 'what is' being done; • Assess the current residual risk in respect of continuing to operate in the current state. <p>Outcomes (Internal Work Group) 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"> • Proposed solutions against the relevant audit objective(s); • An implementation plan which assigns roles, responsibilities, deliverables and timeframes; • A future risk assessment reflective of the proposed solution. | | In Progress | Phase 1 is in progress. The gap-analysis was presented to the July 2016 meeting of the Committee. |

| | | | | | |
|--------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Not Started | In Progress | Complete | Deferred | | Cancelled |

2017/18 Internal Audit Program

Report as at 17 July 2017

| Audit Number | Internal Audit | Audit Objectives | Quarter | Status | Comments |
|---|---|--|---------|------------------------|----------|
| Staged Audits (Long Term Audits) | | | | | |
| | 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>Intranet/information availability - the audit will determine the:</p> <ul style="list-style-type: none"> • level of consultation • ease of obtaining relevant procurement / contractor management information • sufficient evidence of probity of process (documentation and reporting) • availability of contracts documents and templates <p>Roles and responsibilities - the audit will assess the:</p> <ul style="list-style-type: none"> • Roles and responsibilities are available and understood • Sufficiency of training to undertake procurement activity in accordance with the procurement policy and using the procurement processes, contracts and templates. | 2 | Stage 2 Not Started | |

| | | | | | |
|--|-------------|-------------|----------|----------|-----------|
| | Not Started | In Progress | Complete | Deferred | Cancelled |
|--|-------------|-------------|----------|----------|-----------|

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Internal Audit Plan

2015 - 2018

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| | |
|---------------------------------|--|
| Substantial level of compliance | There is a substantial level of compliance with legislation, policy, procedure and/or internal controls. |
| Good level of compliance | There is a good level of compliance with legislation, policy, procedure and/or internal controls. |

In addition, internal audit aims to provide examples of good practice, to add value by recommending better practice opportunities and correct assessment of risk levels against the CWT Risk Framework (likelihood and consequence descriptors). Risk based methodology has been used in the development of this Plan which is encapsulated in the following documents:

- CWT Risk Management Policy
- CWT Risk Management Framework
- Strategic Risk Register
- Operational Risk Register
- WHS Organisational Hazard Profile Register
- Organisation Risk Tolerance, Treatment and Responsibilities (**Section 3**).

In addition, internal audit considers key triggers that may alter the risk attributed to a particular business function. Key triggers that may drive internal audits are outlined below:

- Change in internal controls/risk rating
- Changes in legislation/key staff
- Past fraud/litigation or high risk of fraud/litigation
- Industry trends/benchmarking
- Results from previous audits/Requests for assurance

Internal audit recently completed an 'Operational Risk and Internal Controls' Internal Audit designed to verify the strength and existence of the internal controls that underpin operational risk management. This audit found a good level of compliance, indicating that at the time of the audit the CWT does not have any residual risks (risks after controls applied) above a 'Moderate' level of risk. Therefore, in the absence of any high risk activity, the Plan has been developed by prioritising revised risk level of 'Moderate' and which attract a

1. Introduction

The Institute of Internal Auditors (IIA) defines Internal Auditing as an 'independent, objective assurance and consulting activity designed to add value and improve an organisation's operations'.

The City of West Torrens (CWT) operates a co-sourced internal audit function, allocating 0.5 full time equivalent (FTE) to an Internal Auditor role, complimented with an annual budget used to engage expert contract internal auditors to undertake assurance and legislative audits. Internal audit is designed to help the organisation achieve its objectives by providing independent assurance on the effectiveness of risk management, internal control and governance processes. The Internal Audit Plan (the Plan) is a four (4) year audit plan which is aligned to the term of Council and the Audit and Risk Prescribed General Committee. The categories of audit undertaken at the CWT include:

- Assurance Audits
- Continuous Audits
- Legislative Compliance Audits
- Spot Audits (Operational and Work Health and Safety).
- Facilitative Audits
- Third Party Audits

These are detailed further in **Section 2** of the Plan.

Audit Recommendations and Findings

Internal audits measure compliance with legislation, policy and/or internal controls by assigning an overall compliance rating (explained below). In addition, audits provide recommendations to improve/strengthen compliance which attach a level of risk consistent with the CWT Risk Management Framework.

| | |
|-----------------------------|---|
| Non-compliant | There is no evidence of compliance with legislation, policy, procedure and/or internal controls. |
| Partial level of compliance | There is partial evidence of compliance with legislation, policy, procedure and/or internal controls. |

revised risk rating consequence of 'catastrophic or major', consideration of key triggers or by reviewing past findings of non-compliance.

2. Internal Audit Type Descriptors

| Types | Description | Format | Measure |
|-------------------------------|--|---|---|
| Assurance Audit | When mature practices are present, comprehensive testing will occur to determine assurance of an objective being met and/or if risk is being mitigated. | • Traditional report | • Compliance Rating |
| Legislative Compliance | Determine compliance of a function against relevant legislation. | • Legislative Compliance Report | • Legislative Compliance |
| Facilitative Audits | When immature practices are present, a facilitative audit aims to add value by assisting the stakeholder to put governance mechanisms in place. An outcome driven audit working with the stakeholder through facilitation, advice and consultation to establish objectives and agreed outcomes. | • Summary report • Workshop | • Agreed outcomes • KPI's • Improvements • Risk |
| Spot Audits | Small scale targeted audit to provide assurance on whether a particular objective/policy is being achieved. | • Summary Report | • Compliance Rating |
| WHS Audits | Assurance and/or compliance auditing targeted specifically at WHS policy. | • Traditional Report | • Compliance Rating |
| Continuous Audits | A larger audit with many interrelated components that may be segmented into key test stages of a large project/activity, to track and record assurance/completion and to add value throughout the project/activity over time. | • Summary report at key stages | • Completion • Compliance Rating • Improvements |
| Third Party Audits | 1, When the right to audit is established by contract or legislation, the third party service provider and/or sub-contractor may be audited against the contract for the provision of services comprising, cost, quality, safety and/or performance; or 2, When the right to audit is established by contract or legislation, the third party may seek to audit the City of West Torrens in relation to the provision of services, cost, quality, safety and/or performance. Examples include WorkCover, LGAWCS, Dog and Cat Management Board and Vic Roads audits. | • Summary report • Compliance Report | • Compliance with: • Contract conditions • KPI's • Specification's • Price schedules • WHS performance |

3. Organisational Risk Tolerance, Treatment and Responsibilities.

| Level of Residual Risk | Organisational Tolerance for Strategic and Operational Risk's and/or Agreed Audit Actions | Responsible | Actions | Timeframe |
|------------------------|---|---------------|---|--|
| Extreme | Extreme level of risk is not tolerable. CWT will implement immediate measures to mitigate extreme risks using an ALARP (as low as reasonably practical) approach. | CEO/Executive | <ul style="list-style-type: none"> If risk cannot be immediately reduced within tolerance level, the risk issue and controls will be monitored by the Executive. Must be registered in the risk register. The risk and outstanding actions must be reported to the Audit and Risk Committee. | <ul style="list-style-type: none"> Monthly updates to/by the Executive 30 days to implement priority audit actions/recommendations, if possible |
| High | High level of risk is not tolerable; CWT will implement immediate measures to mitigate high risks using an ALARP approach. | Executive | <ul style="list-style-type: none"> Monitoring and reporting by the appropriate General Manager High risks must be registered in the risk register. High risks and outstanding actions must be reported to the Audit and Risk Committee. | <ul style="list-style-type: none"> Quarterly updates to the Executive Team 90 days to implement priority audit actions/recommendations, if possible |
| Moderate | Moderate and low level of risk is tolerable for both 'Strategic and Operational Risks' | Manager | <ul style="list-style-type: none"> CWT tolerates a moderate level of risk and as such: Action is not required to further mitigate risk unless: <ul style="list-style-type: none"> benefit exceeds the cost of resources allocated there is a specific need the Action is in the Public Interest Internal Audit will maintain a log of agreed actions to be updated six-monthly and if relevant, registered in the risk register. Internal monitoring by the relevant departmental manager | <ul style="list-style-type: none"> Agreed actions are not subject to priority actioning Agreed actions are managed internally No timeframe for implementation |
| Low | | Manager | | |
| Better Practice | Better Practice Opportunity (when assessed accurately against the CWT Risk Management Framework) does not accord any risk rating | Manager | <ul style="list-style-type: none"> No risk attached, therefore no requirement to action Action is only required if benefit exceeds the cost of resources allocated | <ul style="list-style-type: none"> Agreed actions are not subject to priority actioning Agreed actions are managed internally No timeframe for implementation |
| Not Tolerated | | CEO | | |
| | | Executive | | |
| Tolerated | | Manager | | |
| | | Manager | | |
| | | Manager | | |

4. Risk by Consequence Level

The CWT's Operational Risk Register as at January 2015 has 104 Active Risks. The following table (sorted by division then alphabetically by department) lists those 29 risks that are assessed as having a revised risk rating of 'Moderate' which attract a 'catastrophic or major' level of consequence. These risks form the highest level of risks documented and form the basis of this Plan. The table below indicates those risks, per division, included in the plan based on a consequence rating of catastrophic or major and provides an indication of audit scheduling. The risk number does not denote a hierarchical risk order.

| No. | Risk | Department | Revised Consequence Level | Programme | Rationale |
|--|---|------------------------------------|---------------------------|-------------------|---|
| Organisational Support | | | | | |
| 1 | Failure to gain buy-in from organisation's procurers resulting in failure to deliver the Procurement Roadmap. | Organisational Support | Major | 2014/15 - ongoing | Continuous Audit - Procurement Roadmap commenced 2014/15 and is ongoing. |
| Corporate and Regulatory Services | | | | | |
| 2 | Accounts Payable - inappropriate allocation of funds | Financial Services | Major | 2016/17 | Accounts Payable Audit |
| 3 | Inaccurate payroll records | Financial Services | Major | Not Programmed | Last audited in 2011 finding a good level of compliance. |
| 4 | Incorrect rate valuations | Financial Services | Major | Not programmed | Rate valuations uploaded each year, part of External Audit. |
| 5 | Poor Investments | Financial Services | Major | Not programmed | Council Policy: Investments - appropriately limits investment to low risk activity such as bank bills, treasury notes or institutions covered by a Commonwealth Government Guarantee. |
| 6 | Sustainable Financial Management not achieved | Financial Services | Catastrophic | 2017/18 | Budget Planning and Strategy Audit. Financial Statements externally audited. |
| 7 | Failure to deliver a service for both internal and external customers | Human Resources and Service Centre | Major | 2017/18 | Spot audit of Service Centre procedure and systems. |
| 8 | Non-Compliant WHS Safety Management System | Human Resources and Service Centre | Major | 2016/17 | BCP mock event audit. |
| 9 | Loss of IT Datacentre | Information Services | Major | 2016/17 | WHS Document Management Contractor Management |
| | | | | 2017/18 | Contractor Management - Compliance with Policy/Review of Non-Compliances |
| | | | | Not Programmed | Logical Security Internal Audit was completed during 2012 finding a good level of compliance. |

| No. | Risk | Department | Revised Consequence Level | Programme | Rationale |
|---------------------------------|--|----------------------|---------------------------|--------------------|---|
| 10 | Malicious software and viruses from external and internal sources | Information Services | Major | Not Programmed | Logical Security Internal Audit was completed during 2012 finding a good level of compliance. |
| 11 | Failure to conduct routine public health and food safety inspections within regulatory requirements | Regulatory Services | Catastrophic | 2016/17 | Food safety and audit inspections audit. |
| 12 | Failure to keep up to date with legislative changes | Regulatory Services | Major | 2015/16 | Comprehensive Health Act Legislative Audit. |
| 13 | Fraud and Corruption | Regulatory Services | Major | Not Programmed | Fraud & Corruption was last audited in 2012 finding a good level of compliance |
| 14 | Inappropriate/incorrect vaccine administered | Regulatory Services | Catastrophic | 2015/16 | Spot Audit - Immunisation Services. |
| 15 | Non Collection of kerbside waste | Regulatory Services | Major | Not programmed | Long standing relationship with contractor. Likelihood of non-collection of waste the scale required to result in in major consequence is remote. |
| Strategy & Community | | | | | |
| 16 | Inappropriate access to information | City Development | Major | 2015/16 2017/18 | Internal Audit network drives audit. Information Fraud internal audit. |
| 17 | Failure to comply with legislative requirements | City Strategy | Major | Not Programmed | Walking through scenarios with the Manager City Strategy, legislative breach is unlikely to give risk to 'Major' consequences. |
| 18 | Adverse publicity arising from fraudulent or corrupt activities by officers or people acting on behalf of the organisation | Community Services | Major | Not Programmed | Fraud & Corruption was last audited in 2012 Finding a good level of compliance. |
| 19 | Injury, death, trauma to staff or customers at the workplace caused by violence &/or aggression | Community Services | Major | 2015/16 | Staff Health and Safety Internal Controls from the Operational Risk Register. |
| 20 | Death of a resident due to poor care or inappropriate equipment | St Martins | Catastrophic | 2015/16 | Staff Health and Safety Internal Controls from the Operational Risk Register. |
| 21 | Diminished financial health of the facility with no requirement for council to provide additional funding | St Martins | Major | 2016/17 2017/18 | Accommodation Bond Compliance audit. Budget Planning and Strategic Planning Alignment. |
| 22 | Employee exposure to an armed robbery from drugs and/or cash | St Martins | Catastrophic | 2015/16 | Staff Health and Safety Internal Controls from the Operational Risk Register. |
| 23 | Incident resulting in employee workplace injury, trauma or death | St Martins | Major | 2015/16 | Staff Health and Safety Internal Controls from the Operational Risk Register. |

| No. | Risk | Department | Revised Consequence Level | Programme | Rationale |
|-----------------------|---|-------------|---------------------------------|----------------|---|
| 24 | Loss of accreditation | St Martins | Catastrophic | 2016/17 | Legislative Audit Accommodation Bond Compliance |
| 25 | Unmotivated and dissatisfied workforce | St Martins | Major | Not Programmed | Independent Staff Survey (second survey) was undertaken in March 2015. |
| Urban Services | | | | | |
| 26 | Poor footpath assets | City Assets | Major | Not Programmed | Footpath Inspections audit completed 2013/14 finding a good level of compliance |
| 27 | Workplace injury | City Assets | Major | 2015/16 | Staff Health and Safety Internal Controls from the Operational Risk Register. |
| 28 | Death or injury of employees or contract resulting from an unsafe workplace | City Works | Major | 2015/16 | Staff Health and Safety Internal Controls from the Operational Risk Register. |
| 29 | Failure to provide planned level of service | City Works | Major | Not Programmed | Consideration for future Plans as a possible efficiency audit. |

5. Internal Audit Program Schedule 2014-2018

| 2014/15 Internal Audit Program Carry-Over Turf and Irrigation | 2015/16 Internal Audit Program | 2016/17 Internal Audit Program | 2017/18 Internal Audit Program |
|--|---|---|--|
| Staged Audits | | | |
| Procurement Roadmap | Procurement Roadmap | Procurement Roadmap | |
| | Internal Controls Self-Assessment (Stage 1) | Internal Controls Self-Assessment (Stage 2) | Internal Controls Self-Assessment (Stage 3) |
| Assurance Audits | | | |
| Community Services Event Management | Elected member payments and expenses | Risk Management - Compliance with Risk Management Framework | Governance Framework - Compliance with the Local Government Act. |
| Delegations, Authorisations and Register of Interests | Network Drives - Records Management | BCP - Review and Exercise Event | Budget Planning and Strategic Planning Alignment |
| | Maintenance Plant & Equipment (City Works & St Martins) | Food Audits -Food Safety Inspection Program | Community Consultation |
| | Lease Management (review of non-compliances) | Accounts Payable | Information Fraud |
| | | PDP Program, corporate and business unit training plans | Media Management Strategy |
| Legislative Compliance | | | |
| Local Government Act - Procedures at meetings | Comprehensive – SA Public Health Act, 2011 | Accommodation Bond Compliance | Traffic Management |
| Roads Opening and Closing Act | | Section 7 Statements | |
| Spot Audits | | | |
| | Thebarton Community Centre - Conditions of use and debtor receipting | Immunisation Service | Service Centre Procedures and Systems |
| | | | Cash Handling (Staff and Social benefit). |
| Third Party Audits | | | |
| Annual Vic Roads Audit | Annual Vic Roads Audit | Annual Vic Roads Audit | Annual Vic Roads Audit |
| | Lease Royalties | Lease Royalties | |
| WHS Audits | | | |
| | Staff Health and Safety Internal Controls from the Operational Risk Register. | Work Health Safety Document Management | Contractor Management - Compliance with Policy / review of non-compliances |
| | | Safety Data Sheet Management | |
| Facilitative Audit | | | |
| | Debt Management | | |

6. Internal Audit Program for 1 July 2014 to 30 June 2015

| Ref | Internal Audit Review and Indicative scope | Relevant Department(s) | Reason for Inclusion | Link to Strategic Risk | Risk Descriptor | Resource |
|-------------------------|---|------------------------|---|--|----------------------|---------------------------|
| Carry Over | | | | | | |
| 1 | Turf and Irrigation Audit | All | The Turf and Irrigation Audit will be re-scoped to provide assurance of the metrics used in CWT's water saving initiatives and to provide assurance as to whether the City Works water usage conforms to the CWT's water saving strategies. | 1, The Business | Reputation | Contract internal auditor |
| Staged Audits | | | | | | |
| 2 | Procurement Roadmap | All | The CWT Procurement function was identified in 2013 by PMMS (now Arc Blue) as being 'Emergent' in being it operated a fragmented and decentralised procurement model in which many gaps were identified. Since then CWT has embarked on its Procurement Roadmap Program (The Program). A staged audit to track, test and record assurance and completion of key stages of the Program is considered important in ensuring full compliance with the Program. | 1, The Business | Financial Reputation | Contract internal auditor |
| Assurance Audits | | | | | | |
| 3 | Community Services Event Management | Community Services | Identified in the operational risk register with a raw risk rating of extreme due to catastrophic consequences. Audit will review the Community Services event management process from event design, planning, risk assessment and delivery. Audit may also test compliance with the media policy and efficiency opportunities in partnering with the Media and Events team. | 1, The Business 3.Serious Injury or Death | Customer Impact/WHs | Contract internal auditor |
| 4 | Delegations, Authorisations and register of interests | Governance/All | Controls to ensure people are not operating outside of delegations and authorisations. Existence, completeness and accuracy of delegations register and process. | 2. Staff 4. The Council 5. Decision Making | Reputation | Contract internal auditor |

| Legislative Compliance Audits | | | | | | | | | |
|--------------------------------------|---------------------------------|------------------------|--|--------------------------------------|----------------------------------|------------------|--|--|--|
| 5 | LGA Act procedures at meetings. | Organisational Support | Legislative Compliance Audit to assess compliance with Chapter 6 of the Local Government Act 1999 and associated regulations and codes. A timely compliance check following the swearing in of the newly elected Council. | 4.The Council 5. Decision making | Reputation | Legal Contractor | | | |
| 6 | Roads Opening and Closing Act | City Assets | Legislative Compliance Audit to assess compliance with the Roads Opening and Closing Act 1991 and regulations when dealing with opening, closing, sale and/or deregulation of a road. CWT has sold two parcels of road and is currently considering sale/transfer of roadways in Washington Street and Main Street Lockleys. | 5. Decision Making 4. The Council | Financial Reputation | Legal Contractor | | | |
| Third Party Audits | | | | | | | | | |
| 7 | Vic Roads Annual Audit | Regulatory Services | An annual Internal Audit which is mandated as part of the agreement with Vic Roads. | 8.Information Services | 3 rd Party obligation | Internal Auditor | | | |

7. Internal Audit Program for 1 July 2015 to 30 June 2016

| Ref | Internal Audit Review and Indicative scope | Relevant Department(s) | Reason for Inclusion | Link to Strategic Risk | Risk Descriptor | Resource |
|-------------------------|--|---|--|---|----------------------------|---------------------------|
| Staged Audits | | | | | | |
| 1 | Procurement Roadmap | Procurement | Continuing | 1. The Business | Financial Reputation | Contract internal auditor |
| 2 | Internal Controls Self-Assessment | Financial Services | The CWT's external auditors provide an opinion on the effectiveness of CWT's internal controls. To facilitate this CWT undertakes regular self-assessments of internal controls, however self-assessment lacks independence. This audit will be staged over multiple years to undertake sample/performance testing of core controls and will provide independent assessment of the effectiveness ratings and efficiency of the process of self-assessment reviews. | 5. Decision Making 1. The Business | Financial Reputation | Co-Sourced |
| Assurance Audits | | | | | | |
| 3 | Elected Member Payments and Expenses | The Council, Governance, Financial Services | Following the 2014 Council Election audit will review compliance with the Council Policy: Elected Members Allowances, Facilities, Support and Benefits Policy and the Local Government Act and associated Members Allowances and Benefits Regulations. Correct allocation of allowance increases to ensure adequate monitoring, reporting, transparency and public defensibility. | 4. The Council 7. Fraud and Corruption | Financial Reputation | Contract internal auditor |
| 4 | Network Drives Records Management | All | Highlighted as a key risk across multiple departments ranging from revised consequence levels of major to minor this audit aims to provide assurance that departmental information is being managed in accordance with administration policies and guides. A departmental desktop audit designed to provide assurance and highlight any area's for improvement. | 1. The Business 5. Decision Making 7. Fraud and Corruption 8. Information Services | Reputation Customer Impact | Co-Sourced |

| | | | | | | |
|--------------------------------------|--|--|---|--|----------------------------------|---------------------------|
| 5 | Maintenance Plant and Equipment - Operational Sites. | City Works St Martins Community Services | Highlighted as a key risk across multiple departments ranging from revised consequence levels of catastrophic (St Martins) to minor this audit aims to provide assurance that plant and equipment is being appropriately maintained and that controls are in place to ensure the safety of staff/public at various CWT sites. | 3. Serious Injury or Death | WHS | Contract internal auditor |
| 6 | Lease Management Review of Non-Compliances | City Assets | A lease and licence management audit was undertaken during 2011/12 which found the control environment was lacking structure and supporting documentation. In current terms this amounts to a finding of non-compliance. Consequently, audit findings were agreed to by management. A minor audit will be undertaken to assess progress against the audit actions and re-assess the current compliance level. | 5. Decision Making 7. Fraud and Corruption 8. Information Services | Financial Reputation | Contract internal auditor |
| Legislative Compliance Audits | | | | | | |
| 7 | Comprehensive – SA Public Health Act, 2011 | Regulatory Services | Major Changes to the Health Act were made progressively from 2011. In response to these changes, CWT's Regulatory Services departments have continually adapted its practices to ensure continued compliance with the legislation. This is a comprehensive legislative compliance audit across various functions of Regulatory Services business. | 1. The Business | | Legal Contractor |
| Spot Audits | | | | | | |
| 8 | Thebarton Community Centre - Conditions of use and debtor receipting | Community Services | Spot audit to determine the adequacy of processes to ensure compliance with Thebarton Community Centre - Terms and Conditions of Hire and debtor receipting (classification, transactions and deposits) and appropriateness of fees and charges to ensure cost minimisation. | 1. The Business | WHS Reputation | Internal Auditor |
| Third Party Audits | | | | | | |
| 9 | Vic Roads Annual Audit | Regulatory Services | An annual Internal Audit which is mandated as part of the agreement with Vic Roads. | 8. Information Services | 3 rd Party obligation | Internal Auditor |

| | | | | | | |
|---------------------------|---|--------------------|--|-----------------|-----------|---------------------------|
| 10 | Lease Royalties | City Assets | Independent assurance audit of third parties activities to ensure accurate calculation and remittance of royalties/payments to CWT, in line with the lease agreement. | 1.The Business | Financial | Contract internal auditor |
| WHS Audits | | | | | | |
| 11 | Staff Health and Safety Internal Controls from the Operational Risk Register. | All Departments | Various risks addressing staff safety have been identified in the Operational Risk Register including City Works, City Assets, St Martins, Community Services and City Development. Four of these departments have assessed revised consequence levels of 'Major'. Audit to assess rationale for risk consequence classification and 'walk through' to determine appropriateness/existence of controls in place. | 2. Staff | WHS | Contract internal auditor |
| Facilitative Audit | | | | | | |
| 12 | Debt Management | Financial Services | Debt Collection was identified during discussion with the Manager Financial Services as being a function lacking the rigorous controls usually associated with financial functions. Identified as a core control as part of the Better Practice Financial Model but not considered mandatory as part of the local government financial management regulations the requirement of debt collection management is unclear. An opportunity for Internal Audit to add value by working with the stakeholder to facilitate advice and consultation to establish policy, internal controls, objectives and agreed outcomes. | 1. The Business | Financial | Co-sourced |

8. Internal Audit Program for 1 July 2016 to 30 June 2017

| Ref | Internal Audit Review and Indicative scope | Relevant Department(s) | Reason for Inclusion | Link to Strategic Risk | Risk Descriptor | Resource |
|-------------------------|---|--|---|--|-----------------------------|---------------------------|
| Staged Audits | | | | | | |
| 1 | Procurement Roadmap | Procurement | Continuing | 1, The Business | Financial Reputation | Contract internal auditor |
| 2 | Internal Controls Self-Assessment | Financial Services | Continuing | 5. Decision Making 1. The Business | Financial Reputation | Co-Sourced |
| Assurance Audits | | | | | | |
| 3 | Risk Management - Compliance with the Risk Management Framework (Operational Risks) | All | Risk underpins Internal Audit activity. A CWT department wide audit against to determine compliance with the risk framework for the identification, recording, monitoring, assessment and revision of operational risk. This audit will assess compliance and form an opinion on the maturity level of Operational Risk Management. | | All | Contract internal auditor |
| 4 | BCP Review and Staged Event | All | A surprise mock event to test whether the BCP is an effective tool/control to mitigate the effects of an unknown event and/or disaster. The nature of the event and timing will be in consultation with the Executive. | To be decided | To be decided | Contract internal auditor |
| 5 | Food Audits - Safety Inspection Program | Regulatory Services (Environmental Health) | Identified in the Operational Risk Register as having a revised risk consequence of catastrophic. Audit to determine compliance with the food inspection program including mandatory food safety audits benchmarked against the SA Health Risk Rating Scheme for vulnerable populations. | | Reputation WHS | Contract internal auditor |
| 6 | Accounts Payable | Finance | Identified in the Operational Risk Register as attracting a revised risk consequence level of major. An audit to compliance with legislation, policies and procedures and to provide assurance as to the accuracy of records. Recent changes to invoice scanning and payment will be reviewed. | 2. Staff 7. Fraud and Corruption 8. Information Services | Financial Reputation People | Contract internal auditor |

| | | | | | | |
|--------------------------------------|---|-------------------------|--|----------------------------|----------------------|---------------------------|
| 7 | PDP Program, Corporate and Business Unit Training Plans | All Department Managers | Training needs analysis and corporate training plan has been regularly identified as a non-conformance in the external WHS audits. In addition, a key finding of the 2015 Operational Risk Internal Audit identified confusion when identifying staff training as an internal control. This audit will review the development and progress against departmental training plans developed as part of the PDP. | 2. Staff | People | Co-Sourced |
| Legislative Compliance Audits | | | | | | |
| 8 | Accommodation Bond Compliance | | A Legislative Compliance Audit to be undertaken by a legal auditor with aged care experience to determine whether Accommodation Bonds, associated interest and refunds are held/applied in accordance with legislation. | 1. The Business | Financial Reputation | Legal Contractor |
| 9 | Section 7 Statements | City Development | Significant changes to the Land Sales & Conveyancing Act occurred during 2014, resulting in procedural review. | 6. Advice and Information | Customer Impact | Contract internal auditor |
| Spot Audits | | | | | | |
| 10 | Immunisation Service | Health | Spot audit to test compliance with Standard Operating Procedures and/or Policy and to determine whether the internal controls for staff and patient safety are existing. | 3. Serious Injury or Death | Customer impact WHS | Internal Auditor |
| Third Party Audits | | | | | | |
| 12 | Vic Roads Annual Audit (Third Party Audit) | Regulatory Services | An annual Internal Audit which is mandated as part of the agreement with Vic Roads. | 1. The Business | Financial | Internal Auditor |
| 13 | Lease Royalties | City Assets | Independent assurance audit of third parties activities to ensure accurate calculation and remittance of royalties/payments to Council, in line with the lease agreement. | 1. The Business | Financial | Contract internal auditor |
| WHS Audits | | | | | | |
| 14 | Work Health Safety Document Management | All | This was a gap identified in the 2014 LGWC KPI Audit with actions being captured in Key Program 2 of the WHS and IM Plan 2014-2017. Spot audit across all WHS documents captured in ECM to determine progress/compliance against the plan. | 3. Serious Injury or Death | WHS | Internal Auditor |

| | | | | | | |
|----|------------------------------------|-----|--|----------------------------|-----|------------------|
| 15 | Safety Data Sheet (SDS) Management | All | Spot audit across various departments to review chemicals listed in Chem-Alert are appropriately purchased, stored and managed in accordance with the relevant WHS policy. | 3. Serious Injury or Death | WHS | Internal Auditor |
|----|------------------------------------|-----|--|----------------------------|-----|------------------|

9. Internal Audit Program for 1 July 2017 to 30 June 2018

| Ref | Internal Audit Review and Indicative scope | Relevant Department(s) | Reason for Inclusion | Strategic Risk Link | Resource |
|-------------------------|---|----------------------------------|--|---------------------------------------|---------------------------|
| Staged Audits | | | | | |
| 1 | Internal Controls Self-Assessment | Financial Services | Continuing | 5. Decision Making 1. The Business | Co-Sourced |
| Assurance Audits | | | | | |
| 2 | Governance Framework - Compliance with Local Government Act | | Governance is an Integral function and control to ensure the organisation meets its legislated obligations. An assurance audit designed to test the robustness of the Governance Framework and determine compliance with the Local Government Act. | 1. The Business 5. Decision Making | Contract internal auditor |
| 3 | Budget Planning and Strategic Planning Alignment | City Strategy/Financial Services | An audit to provide assurance that the budgeting process is aligned to the organisations strategic objectives and its obligations under the Local Government Act. In addition, the audit will determine compliance with relevant policies. | 5. Decision Making | Co-Sourced |
| 4 | Community Consultation | City Strategy | An audit designed to determine the effectiveness of community consultation when aligning and forming key business strategies such as the Community Plan and associated corporate and departmental service plans. | 5. Decision Making | Contract internal auditor |
| 5 | Information Fraud | Information Services All | The organisation manages information of a confidential and commercially sensitive nature. Managers and employees as part of their function at times are privy to information outside of their normal duties or classification level such as an administrator for a software program or temporarily for Freedom of Information Officer to | 7. Fraud and Corruption | Co-Sourced |

| | | | | | | | |
|--------------------------------------|--|--|--|---|----------------------------------|---|--|
| | | | undertake a report. This audit will test the robustness of the process to allocating information privileges. | | | | |
| 6 | Media Management Strategy | | A Media and Events business unit was established in 2014 and for the first time led the CWT to embark on Social Media. Audit will review the department policies/objectives and risks to test if they are being adequately managed or achieved. | 1. The Business | Reputation | Contract internal auditor | |
| Legislative Compliance Audits | | | | | | | |
| 7 | Traffic Management | City Assets City Works | A Legislative Compliance audit to assess whether City Assets/City Works traffic management activities occur in line with legislation to ensure the safe movement of people throughout the city. | 3. Serious Injury or Death | WHS | Contract internal auditor | |
| Spot Audits | | | | | | | |
| 8 | Service Centre Procedures and Systems. | Service Centre | The Service Centre is a critical function which facilitates information flow to internal and external customers and where possible operates as a one stop shop finalising customer enquiries to completion. This provides benefit to the customer and enables internal business units to allocate greater resources to their operation(s). This audit will test the provision of information from the service centre aligns with CWT protocols, scripting, team agreements and stakeholder expectations. | 1. The Business | 8 | Inappropriate Advice provided by Service Centre - KPI's and Scripting | |
| 9 | Cash Handling (staff and social benefit) | HR & Service Centre City Works St Martins Library | Spot audit to determine the adequacy of controls when handling cash across multiple sites. This audit relates to cash transactions that are not part of CWT core business or approved Fees and Charges such as drink/food sales, vending machines, fund raising, vending machines, business casual day etc. | 1, The Business 3, Serious Injury or Death | Financial Reputation | Internal Auditor | |
| Third Party Audits | | | | | | | |
| 10 | Vic Roads Annual Audit | Regulatory Services | An annual Internal Audit which is mandated as part of the agreement with Vic Roads. | 8. Information Services | 3 rd Party obligation | Internal Auditor | |
| WHS Audits | | | | | | | |
| 11 | Contractor Management - Compliance with Policy/Review of Non-Compliances | | A Contractor Management Audit was undertaken in 2013 which was assessed by the Contract Internal Auditor to be non-compliant when assessed against the Contractor Management Policy. A new policy has been developed, | 1. The Business 3. Serious Injury or Death | WHS | Contract internal auditor | |

| | | | | | | |
|--|--|--|--|--|--|--|
| | | | | partially assessed as part of the Continuous Audit Procurement Roadmap. This audit will be substantial testing to determine compliance against the policy. | | |
|--|--|--|--|--|--|--|

8.4 EXTERNAL AUDIT

Nil

8.5 COMMITTEE PERFORMANCE AND REPORTING

8.5.1 Audit and Risk Prescribed General Committee 2016/17 Annual Report

Brief

This report presents the Annual Report of the Audit and Risk Prescribed General Committee for the 2016/17 financial year.

RECOMMENDATION

It is recommended to the Committee that the Audit and Risk Prescribed General Committee 2016/17 Annual Report be reviewed and approved for presentation to the 5 September 2017 meeting of Council.

Introduction

At its 26 June 2012 meeting, the Audit and Risk Committee (Committee) recommended and Council subsequently resolved that:

1. An Annual Report for the Audit and Risk Committee be presented to Council in September of each year, detailing the activities of the Committee during the preceding financial year.
2. The independent members of the Audit and Risk Committee be requested to attend the Council meeting at which the Committee's Annual Report is presented to respond to any questions or queries the Elected Council may have.
3. This draft Annual Report be presented to the Committee for adoption in August of each year prior to its presentation to Council.

This report acts as the Annual Report of the Committee in line with this resolution.

Discussion

Audit and Risk Committee Membership

Each Committee is established for a four year term which is aligned to the term of Council. Elected Members to the Committee are appointed for a two year term while independent members are appointed for a four year term.

During the 2016/17 financial year, the term of the Elected Members appointed following the 2104 Council elections concluded.

Consequently, for the period 1 July 2016 to 9 December 2016, the Committee comprised the following Members:

- Cr A Mangos (Presiding Member from 1 July 2016 to 30 November 2016)
- Cr J Woodward (Elected Member from 1 July 2016 to 30 November 2016)
- Mr R Haslam (independent member)
- Ms E Moran (independent member)
- Mr S Spadavecchia (independent member)

Council subsequently appointed Cr Rypp and Cr Vlahos to the Committee from 1 December 2016 to the expiry of the term of Council. Consequently, for the period 1 December 2016 to 30 June 2016, the Committee comprised the following Members:

- Cr S Rypp (Presiding Member)
- Cr G Vlahos (Elected Member)
- Mr R Haslam (independent member)
- Ms E Moran (independent member)
- Mr S Spadavecchia (independent member)

Meetings and Attendance

The Committee met on four occasions during the 2016/17 financial year as follows:

1. 20 July 2016
2. 17 October 2016
3. 14 February 2017
4. 30 May 2017

Attendance at the Committee is detailed below:

| Committee Member | Number of Meetings Eligible to Attend | Number of Meetings Attended |
|---|--|------------------------------------|
| Cr A Mangos (Presiding Member - former) | 2 | 2 |
| Cr J Woodward (Elected Member - former) | 2 | 2 |
| Cr S Rypp (Presiding Member - current) | 1 | 1 |
| Cr G Vlahos (Elected Member - current) | 2 | 2 |
| Mr R Haslam (Independent member) | 4 | 4 |
| Ms E Moran (Independent member) | 4 | 4 |
| Mr S Spadavecchia (Independent member) | 4 | 3 |

In accordance with s126(4)(a) of the *Local Government Act 1999*, a key function of the Committee is to review the annual financial statements of the Council. This occurred at the 17 October 2016 2015 meeting of the Committee.

In addition, the other substantive issues dealt with by the Committee during the course of the year were:

- The review of the annual audit plan and interim management letter in relation to the 2015/16 external audit.
- The review of the Council annual financial statements (Statements) for the year ended 30 June 2016 and subsequent recommendation to Council to approve the Statements.
- Review of the Auditor's internal control opinion
- Notation of the Internal Audit Program 2016-17 including its risk based methodology.
- Review of the Internal Financial Control Monitoring Risk Based Methodology to be applied to the 2016/17 Internal Financial Control Self-Assessment.
- Recommended to the Council that it undertake a Probity Audit of Sale of St Martins.

- The notation of internal audit reports and the monitoring of the implementation, by management, of recommendations made.
- The review of external audit findings and the monitoring of the implementation, by management, of recommendations made.
- The review of key assumptions and considerations as part of the 2016/17 Budget process.
- The notation of the Council and Employee Register of Gifts, Benefits and Hospitality.
- The notation of the 2015-16 annual and mid-year review of the organisation's Strategic Risks.
- The Committee's annual self-evaluation and annual report 2015-16.
- Presentation of the Committee's Annual Report to Council to the 6 September 2016 meeting of Council by Mr S Spadavecchia on behalf of the Committee.

Training/Presentations

Kelley Jones Lawyers facilitated training to Committee Members on the role of the Committee and confidentiality provisions. In addition, Members attended a presentation on the *Local Government Association's 'Insurance and Indemnity Arrangements: Report to Council's*.

Conclusion

This report presents a summary of the activities of the Committee for the 2016/17 financial year.

Several years ago, the then independent members to the Committee initiated a process whereby one or more Members attend a Council meeting to present the Committee's annual report in person. It should be noted, however, that no sitting fee applies for this attendance and presentation.

Attachments

Nil

9 OUTSTANDING REPORTS/ACTIONS

9.1 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(S)

It is recommended to the 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 three (3) outstanding actions, one (1) is complete and two (2) open actions are progressing. Of the two (2) open actions, one (1) relates to a risk workshop which is scheduled to occur on the 8th August 2017 and one (1) is progressing with an information technology solution currently being trialled.

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

Aug 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 | Agreed Actions The CEO agreed to report back to the next meeting of the Committee on which actions contained in the 'Internal Audit Recommendation and Actions Report' are able to be deleted on the basis they are within tolerance levels and not being progressed. | Oct-2016 Aug 2017 | PLIA&R | Information Services are assisting audit to automate this report. It is important that audit findings are not simply withdrawn from all reporting but rather that reports are able to be customised based on an agreed criteria such as: level of risk, overdue escalations, per department etc. and that those long term actions, such as for policy reviews can be reported closer to the policy review schedule. | In Progress Jul 2016 |
| 2 | Risk Workshop 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&CS | Workshop/Presentation prepared and scheduled to be delivered on 08 August 2017. | In Progress May 2017 |
| COMPLETED ACTIONS | | | | | |
| 3 | Internal Audit Plan/Program The Chief Executive Officer agreed to provide the 2016-2017 Internal Audit Program and 2015-2018 Internal Audit Plan to Members. | Jun 2017 | GMB&CS | Reports sent to new members of the Committee on 02 June 2017. | Complete May 2017 |

10 OTHER BUSINESS

Nil

11 CONFIDENTIAL

Nil

12 NEXT MEETING

10 October 2017, 6.00pm in the Mayor's Reception Room.

13 MEETING CLOSE