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 GENERAL COMMITTEE

Members: Councillor J Woodward (Presiding Member),
Councillor J Wood, D Huggett
Independent Members: E Moran, A Rushbrook

of the

CITY OF WEST TORRENS

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

on

**WEDNESDAY, 17 APRIL 2019
at 6.00pm**

**Terry Buss PSM
Chief Executive Officer**

INDEX

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

Nil

6 COMMUNICATION BY THE CHAIRPERSON

7 PRESENTATIONS

Nil

8 OUTSTANDING REPORTS/ACTIONS

Nil

9   REPORTS OF THE CHIEF EXECUTIVE OFFICER

9.1   FINANCIAL REPORTING AND SUSTAINABILITY

9.1.1   Financial Reporting

Brief

This report lists those finance related reports which were considered by Council between 3 October 2018 and 22 March 2019.

RECOMMENDATION

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

Introduction

The Audit General Committee (Committee) is presented with a list, at each of its ordinary meetings, 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 3 October 2018 and 22 March 2019

16 October 2018
- Creditor Payments
- Property Leases
- Council Budget Report - Three Months to 30 September 2018
- Mendelson Financial Report September 2018

6 November 2018
- Community Grants - August 2018 to October 2018
- Financial Statements - Year Ended 30 June 2018
- Budget versus Actual - Year ended 30 June 2018
- Mendelson Foundation - Financial Statements to the Year Ended 30 June 2018

11 December 2018
- Creditor Payments
- Taxi Voucher Usage
- Elected Member Telephones
- Register of Allowances and Benefits - 3 Months to 30 September 2018
- Credit card Purchases - July to September 2018
- Form of the Council Budget and Annual Business Plan 2019/20
- Budget Review - September 2018

15 January 2019
- Proposed Lease to SA Badminton Association Inc.
- Community Grants - November 2018 to December 2018
- Residential Rainwater Tank and Rain Garden Rebates
- Creditor Payments
- Mendelson Financial Report December 2018
- Property Leases
- Council Budget Report - Six Months to 31 December 2018

5 February 2019
• Fees and Charges 2019/20

19 February 2019
• Creditor Payments
• Taxi Voucher Usage
• Elected Members telephones
• Register of Allowances and Benefits - 6 Months to 31 December 2018
• Council Budget Report - Seven Months to 31 January 2019
• Budget Review - December 2018
• Credit Card Purchases - October to December 2018

5 March 2019
• Nil

19 March 2019
• Debenture Loan Authorisation
• Creditor Payments
• Council Budget - Eight Months to 28 February 2019

Conclusion

This report lists finance related reports which were considered by Council between 3 October 2018 and 22 March 2019

Attachments

Nil

9.2   INTERNAL CONTROLS AND RISK MANAGEMENT SYSTEMS

9.2.1   2018-19 Mid Year Strategic Risk Review

Brief

This report presents the results of the mid-year strategic risk review.

RECOMMENDATION

It is recommended to the Committee that the mid-year strategic risk review be received.

Introduction

The approved City of West Torrens' Risk Management Framework (Framework), implemented in 2009, subjects its strategic risks register to both a comprehensive annual review as well as a mid-year review. In accordance with the Framework, this report presents the mid-year strategic risks review (**Attachment 1**).

Discussion

The Framework provides that strategic risk identification, strategic risk analysis and strategic risk evaluation occur annually and reviewed six-monthly. Strategic risks are those risks that impact on the whole organisation rather than and individual department. As such, they are directly managed by the Executive.

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

Each of the two scheduled reviews produce different outputs. The first review, a comprehensive review, commences in July of each year to account for end of financial year changes such as the new budget, annual reports, strategic plans and any resultant risk profile changes etc. The second review commences in December and is a quick update which, while it ensures any changes to the risk ratings, wording/formatting updates etc. are captured, rarely results in any material change to the strategic risk profile.

Strategic Risk Review Process

The process undertaken for each review is mapped and is attached. The table below details the key differences between the July and the January reviews:

TABLE A: Executive Management Team - Strategic Risk Review Process

	Annual Review	**Mid-Year Review**
Process	• EMT Workshop/Meeting/Email • Risk Team meets with risk control owners (Managers)	• Review by Executive via email
Output	• Strategic Risk Report generated	• Nil
Report	• Comprehensive report presented to the Audit Committee	• Summary report with emphasis on material change presented to the Audit Committee

Strategic Risks

As a result of the process detailed in Table A, the EMT has reviewed the organisation's strategic risks, which are detailed below:

	2018-2019 Strategic Risks
1	Business Practices
2	Workforce Management
3	Effective WHS Management
4	Stakeholder Relationships
5	Decision Making
6	Advice and Information
7	Fraud and Corruption
8	Information Technology Infrastructure and Services
9	Ineffective Business Continuity and Community Resilience
10	Emergency Events
11	Infrastructure Management

No amendments were made to the above 11 strategic risks at this review.

Risk Framework

The approved risk analysis matrix (Matrix), which forms part of the **AS/NZ ISO 31000** Risk Management (Standard), allocates a risk rating correlated against the likelihood (%) of a risk occurring and the potential subsequent consequence level **(Attachment 2)**.

To assist in the determination of the consequence level, risk consequence descriptors have been approved across a range of risk areas such as financial, reputation, people and WHS **(Attachment 3)**.

They review resulted in no changes to the overall residual risk ratings of the strategic risks as follows:

	2018-2019 Strategic Risk	Likelihood	Consequence	Revised Risk Rating
1	Business Practices	Unlikely	Moderate	Moderate
2	Workforce Management	Unlikely	Major	Moderate
3	Effective WHS Management	Rare	Catastrophic	Moderate
4	Stakeholder Relationships	Unlikely	Major	Moderate
5	Decision Making	Unlikely	Moderate	Moderate
6	Advice and Information	Unlikely	Moderate	Moderate
7	Fraud and Corruption	Unlikely	Major	Moderate
8	Information Technology Infrastructure and Services	Unlikely	Major	Moderate
9	Ineffective Business Continuity and Community Resilience	Moderate	Major	High
10	Emergency Events	Rare	Catastrophic	Moderate
11	Infrastructure Management	Unlikely	Moderate	Moderate

Emerging Risks

As a result of the process detailed in Table A, the EMT also reviewed the 'emerging risks' which are risks or issues which are currently on the horizon which may or may not have an impact on Council and which may or may not be within the control of the CWT. These have not been risk assessed at this point, given their lack of tangency and so are not concrete in nature, but continue to be monitored and risk assessed.

As part of the 2018 - 2019 mid-year Strategic Risk review, minor changes were made to the emerging risk descriptors to ensure currency and relevancy. These are highlighted using track changes in **Attachment 1**.

Risk Solutions/Actions

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

Below details the current status of those additional solutions/actions identified during the 2018 - 2019 Mid-Year Review:

2018-2019 Strategic Risk Mid-Year Review - Actions Status		
Risk	**Identified Actions**	**Action Status**
Business Practices	No additional actions identified	N/A
Workforce Management	No additional actions identified	N/A
Effective WHS Management	No additional actions identified	N/A
Stakeholder Relationships	No additional actions identified	N/A
Decision Making	No additional actions identified	N/A
Advice and Information	No additional actions identified	N/A
Fraud and Corruption	No additional actions identified	N/A
Information Technology Infrastructure and Services	No additional actions identified	N/A
Ineffective Business Continuity and Community Resilience	1. Continue the Crowded Places and Resilience Committee 2. Build organisational capability via appointment and training of Council Commander and Council Liaison Officers including training to commence in April. 3. Finalisation of the Emergency Management and Business Continuity Plan. 4. Emergency Management Framework and Operational Plan workshops with employees 5. Little Day Out - Emergency Planning event 6. Engagement of Red Cross for community resilience program	In progress

	7. Inclusion of resilience and preparedness in community plan revision process 8. BCP review (April-May) to be followed by BCP test in June.	
Emergency Events	1. Continue to implement the actions/findings arising from the Brownhill and Keswick Creeks Stormwater Management Plan 2. Continue to implement and use digital terrain mapping for the entire City 3. Continue to develop and implement a Flood Mapping Plan 4. Incident Management Team training 5. AdaptWest program of actions	On-going
Infrastructure Management	No additional actions identified	N/A

The status of the three emerging risks remains the same as follows:

Risk	Identified Actions	Action Status
1. Infill Development	Nil	Continue to Monitor
2. Rate Capping	Nil	Continue to Monitor
3. Waste Recycling and Disposables Management	Nil	Continue to Monitor

Conclusion

This report presents the 2018-2019 Strategic Risk Mid-Year Review. No material changes resulted from this Review. The annual comprehensive Strategic Risk Review will commence in July 2019.

Attachments

1. **Strategic Risks - Mid-Year Review 2018-2019**
2. **Risk Matrix**
3. **Consequence Descriptors**

City of West Torrens   2018-19 Mid-Year Strategic Risk Review

Strategic Risk Review

City of West Torrens - 2018-19 Mid-Year Review

| City of West Torrens | 2018-19 Mid-Year Strategic Risk Review |

Table of Contents

| City of West Torrens | 2018-19 Mid-Year Strategic Risk Review |

INTRODUCTION

The City of West Torrens (CWT) Administration Policy - Enterprise Risk Management Framework provides that strategic and operational risk identification, risk analysis and risk evaluation occurs annually and is reviewed six-monthly. As a result, the Executive Management Team (EMT) review and reports on its strategic risks at six-monthly intervals. This report documents the strategic risks applicable to the City of West Torrens, the controls in place to mitigate these risks, evidence of these controls and the appropriate risk ratings. In order to encourage a more robust risk culture, each strategic risk is linked to the relevant operational risks which have been identified by the Management Team.

Risk Framework

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

To assist in the determination of the consequence level, risk consequence descriptors have been developed across a range of risk areas such as financial, reputation, people and WHS.

The Risk Analysis Matrix (Appendix 1) and Consequence Descriptors (Appendix 2) have been provided as an appendices to this document.

Control Verification process

The strategic risk review ensures that thorough assessment of the controls associated with each risk is undertaken, at least annually, to determine whether each asserted control is tangible or intangible dependent on whether evidence of each asserted control is available. Controls have been provided for each risk within this document including a reference to documented evidence. The evidence collected has been reviewed by desktop process, involving the management team where required.

Emerging Risks

The CWT EMT -have also reviewed the 'emerging risks' which are risks or issues which are currently on the horizon which may or may not have an impact on Council and which may or may not be within the control of the CWT. These have not been fully risk assessed at this point, generally because the risk is not concrete in nature, but will be monitored and a full risk assessment completed if they eventuate and are within the organisation's control.

City of West Torrens | **2018-19 Mid-Year Strategic Risk Review**

STR 1 BUSINESS PRACTICES

Primary Category: Reputation/Relationships

Responsible Officer: General Manager Business & Community Services

Initial

Consequence	Moderate
Likelihood	Likely

Risk Rating	High

Revised

Consequence	Moderate
Likelihood	Unlikely

Risk Rating	Moderate

Effectiveness of Controls: Satisfactory

Descriptor:

Inefficient/ineffective practices, procedures or processes that may lead to increased costs, missed opportunities and/or community dissatisfaction with Council and/or adverse external agency investigation findings.

Page **4** of **22**

City of West Torrens	2018-19 Mid-Year Strategic Risk Review

STR 2 WORKFORCE MANAGEMENT

Primary Category: People

Responsible Officer: General Manager Business & Community Services

Initial

Consequence	Major
Likelihood	Likely

Risk Rating	Extreme

Revised

Consequence	Major
Likelihood	Unlikely

Risk Rating	Moderate

Effectiveness of Controls: Satisfactory

Descriptor:
a) Inadequate management of staff leading to a reduced overall performance of the organisation.
b) Inability to attract or retain appropriately skilled staff leading to a loss of corporate knowledge and reduced organisational capability and capacity to achieve effective service delivery.
c) Resourcing limitations leading to current staff having the inability to undertake, continue or complete tasks as required

City of West Torrens   **2018-19 Mid-Year Strategic Risk Review**

STR 3 EFFECTIVE WHS MANAGEMENT

Primary Category: WHS

Responsible Officer: General Manager Business & Community Services

Initial

Consequence	Catastrophic
Likelihood	Unlikely

Risk Rating	High

Revised

Consequence	Catastrophic
Likelihood	Rare

Risk Rating	Moderate

Effectiveness of Controls: Satisfactory

Descriptor:

An act or omission by Council (or its contractors) that contributes to the serious injury or death of an employee, contractor, visitor, client of a service, or member of the public.

Page **6** of **22**

City of West Torrens   **2018-19 Mid-Year Strategic Risk Review**

STR 4 STAKEHOLDER RELATIONSHIPS

Primary Category: Reputation/Relationships

Responsible Officer: General Manager Business & Community Services

Initial   **Revised**

Consequence	Major		Consequence	Major
Likelihood	Likely		Likelihood	Unlikely

Risk Rating	Extreme		Risk Rating	Moderate

Effectiveness of Controls: Satisfactory

Descriptor

a) A breakdown in the effective working relationships between Council/Administration and relevant stakeholders leading to a loss of confidence in the CWT

Page **7** of **22**

City of West Torrens   **2018-19 Mid-Year Strategic Risk Review**

STR 5 DECISION MAKING

Primary Category: Reputation/Relationships

Responsible Officer: General Manager Business & Community Services

Initial

Consequence	Moderate
Likelihood	Likely

Risk Rating	High

Revised

Consequence	Moderate
Likelihood	Unlikely

Risk Rating	Moderate

Effectiveness of Controls: Satisfactory

Descriptor

a) Decisions made by Council or the Administration that reverse or change direction from approved or established plans without considering the impacts on service delivery or reputation

b) Decisions made by the Council or the Administration that are based on political expediency.

Page **8** of **22**

City of West Torrens | **2018-19 Mid-Year Strategic Risk Review**

STR 6 ADVICE AND INFORMATION

Primary Category: Reputation/Relationships

Responsible Officer: General Manager Business & Community Services

Initial

Consequence	Moderate
Likelihood	Likely
Risk Rating	High

Revised

Consequence	Moderate
Likelihood	Unlikely
Risk Rating	Moderate

Effectiveness of Controls: Satisfactory

Descriptor

a) Failure to provide adequate, accurate and/or timely advice that leads to poor decision making and outcomes.
b) Failure to properly secure information leading to its misuse or to breaches of privacy legislation.

Page **9** of **22**

City of West Torrens

2018-19 Mid-Year Strategic Risk Review

STR 7 FRAUD AND CORRUPTION

Primary Category: Reputation/Relationships

Responsible Officer: General Manager Business & Community Services

Initial

Consequence	Catastrophic
Likelihood	Almost certain

Risk Rating	Extreme

Revised

Consequence	Moderate
Likelihood	Unlikely

Risk Rating	Moderate

Effectiveness of Controls: Satisfactory

Descriptor:

Inadequate systems and procedures that provide opportunities for fraud or corruption by Council staff, contractors, volunteers or Elected Members.

Page **10** of **22**

City of West Torrens

2018-19 Mid-Year Strategic Risk Review

STR 8 INFORMATION TECHNOLOGY INFRASTRUCTURE AND SERVICES

Primary Category: Organisation/Customer Impact

Responsible Officer: General Manager Business & Community Services

Initial

Consequence	Major
Likelihood	Almost certain

Risk Rating	Extreme

Revised

Consequence	Major
Likelihood	Unlikely

Risk Rating	Moderate

Effectiveness of Controls: Satisfactory

Descriptor:

Damage, long term interruption, or loss of key business information systems and/or the data stored within them, leading to the Council's capacity to provide essential services being severely compromised, reduced in the long term or lost entirely.

Page **11** of **22**

City of West Torrens   **2018-19 Mid-Year Strategic Risk Review**

STR 9 INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE

Primary Category: Organisation/Customer Impact

Responsible Officer: General Manager Business & Community Services

Initial

Consequence	Major
Likelihood	Likely

Risk Rating	Extreme

Revised

Consequence	Major
Likelihood	Moderate

Risk Rating	High

Effectiveness of Controls: Some Weaknesses

Descriptor:

a) The, inability to respond, recover, restore and resume business as usual during a business continuity event resulting in damage, long term interruption, or loss of key service centres (Civic, Depot, Library, Thebarton Community Centre) leading to the Council's capacity to provide essential services being severely compromised, reduced in the long term or lost entirely.

b) The inability to effectively Prepare, Prevent, Respond and/or Recover (PPRR) from an emergency event resulting in loss of key infrastructure/assets and/or ongoing danger to staff or our community.

c) Failure to adequately partner with the community and associated community services providers to build resilience programs resulting in delayed or missed opportunities for Council to prepare its community for disruptive events.

d) Failure to meet the increasing legislative demands being placed on Local Government with regard to emergency management leading to increased dissatisfaction and not meeting the needs of the community.

Page **12** of **22**

City of West Torrens   **2018-19 Mid-Year Strategic Risk Review**

STR 10 EMERGENCY EVENTS

Primary Category: Organisation/Customer Impact

Responsible Officer: General Manager Business & Community Services

Initial

Consequence	Catastrophic
Likelihood	Rare
Risk Rating	Moderate

Revised

Consequence	Catastrophic
Likelihood	Rare
Risk Rating	Moderate

Effectiveness of Controls: Satisfactory

Descriptor

a) Damage to private property, council facilities and/or community infrastructure as a result of Emergency Events that impact on the CWT.

b) Ineffective communication with Emergency Control Agencies, Western Adelaide Emergency Management Committee member councils or Functional Support Group(s) resulting in inefficient response and recovery from an emergency hazard.

c) Deliberate attack with the aim of injuring the Council, its staff or community such as Terrorist attack, hostile vehicle attack at crowded places, cyber-crime etc.

d) Failure to adequately partner with the community and associated community services providers to respond to and meet the immediate needs of its community during or responding to an emergency incident.

Page **13** of **22**

City of West Torrens   **2018-19 Mid-Year Strategic Risk Review**

STR 11 INFRASTRUCTURE MANAGEMENT

Primary Category: Budget/Financial

Responsible Officer: General Manager Business & Community Services

Initial

Consequence	Major
Likelihood	Likely
Risk Rating	Extreme

Revised

Consequence	Major
Likelihood	Unlikely
Risk Rating	Moderate

Effectiveness of Controls :   Satisfactory

Descriptor

Failure to adequately maintain assets (including facilities and property) and infrastructure leading to increased costs , increased damage caused by deterioration or emergency events and increased damage to reputation.

Page **14** of **22**

City of West Torrens   **2018-19 Mid-Year Strategic Risk Review**

ESR1 Emerging Risk 1- Infill Development/PDI implementation

Primary Category: Reputation/Relationships

Responsible Officer: General Manager Business & Community Services

Initial

Consequence	Major
Likelihood	Moderate
Risk Rating	High

Descriptor

The *Planning, Development and Infrastructure Act 2016* (SA) (Act) has been assented and will replace the *Development Act 1993* (SA) when it is fully commenced in approximately 2-3 years. This will also result in amendments to the *Local Government Act 1999* and other legislation. The objects of the Act significantly alter the framework applied to land use planning in the state, whereby the current aim of orderly land use planning is to be superseded by the primary goal of enhancing the State's prosperity through a system that enables development and minimise local government's role in development assessment.

The Act changes the way planning decisions are made in SA, including establishing a new, independent State Planning Commission, establishing a new Community Engagement Charter, delivering new planning tools for professionals and the public; and developing new, faster assessment pathways and a professional accreditation system.

Known or potential local impacts include:
- The move to facilitate, rather than control, increased building/development opportunities in all areas across the City of West Torrens, other than in designated character areas, for economic development purposes rather than focus on proper, orderly and efficient planning and development;
- elimination or minimisation of Council's rights to control development/building in its area
- exclusion of all but one Elected Member from membership of Council's or a regional development assessment panel
- the minimisation of public notification requirements and third party appeal rights associated with certain applications
- automatic approval of a development application if the assessment is not finalised within a specific timeframe
- ability for developers to encroach on community land without approval from Council
- ability for developers/State Government to see a co-contribution for certain required developments i.e. tramway installations
- significant cost to Council during implementation.

It is difficult to yet know the full extent of the impacts of this Act until such time as the State Commission of Planning, design codes and procedures have been implemented and the Act commenced, it is expected that they will be broad reaching, have a financial/resource impact on the organisation and change development assessment as we know it. Policies and other documents are being released by the State Planning Commission for consultation with the most recent being the draft State Planning Policies which address the economic, environmental and social planning priorities for South Australia.

Training of staff and Elected Members has been undertaken and on-going monitoring of the planning and infrastructure environment is continuing. Once more information is available, a full risk assessment can be undertaken. It is likely that there is little Council can do to minimise this risk.

In the interim, a steering group of relevant members of the administration (jointly headed up by the General Manager Urban Services and the General Manager Business and Community Services) is meeting ~~weekly~~ regularly to influence the legislation and design codes as well as preparing the organization for the commencement of the Act. The Manager Business and Strategy is taking the lead for the CWT's PDI Implementation project. ~~One of the urban policy planning positions have been reallocated~~

Page **15** of **22**

City of West Torrens   2018-19 Mid-Year Strategic Risk Review

~~to a PDI project officer role for a two year period, under the direction of the General Manager Business and Community Services,~~ to project manage the preparation for and implementation of the Act.

Activities associated with this issue:

- The Planning Development and Infrastructure Act has been proclaimed with staged commencement.
- CWT will ensure that the impact of the resulting legislation/regulation is communicated to its community, together with clear statements about the origins/responsibilities for the changes once they are better known.
- On-going updating of staff and Council will continue to ensure the organisation is informed and ready to implement required changes.
- The Steering Group will continue to plan for the implementation of the impending changes and commencement of the Act.
- The ~~Project Officer~~Manager Business and Strategy will continue to manage the preparations and implementation of the PDI Act and associated changes to the systems and processes.
- Staff working collaboratively with DPTI staff on the implementation of the PDI Act with a PDI update report to Governance Committee meetings as appropriate.
- Council has passed a resolution to create an infill development liaison group to seek information and encourage consultation regarding potential impacts
- E-planning portal fees have been paid but this system is not yet operational
- Final State Planning Policies are due for release by March 2019
- Draft Regulations are expected in 2019 which will significantly impact on the City of West Torrens
- Draft Planning and Design Code is expected for release in 2019.

Page **16** of **22**

City of West Torrens	2018-19 Mid-Year Strategic Risk Review

STR 13 ESR2 Emerging Risk 2- Financial Sustainability

Primary Category: Budget/Financial

Responsible Officer: General Manager Business & Community Services

Initial

Consequence	Major
Likelihood	Unlikely

Risk Rating	Moderate

Descriptor

Sustainability refers to Council's ability to manage its finances so it can meet spending commitments, both now and in the future, and ensure future generations of taxpayers do not face an unmanageable bill for services provided to the current generation. Numerous factors impact on a council's ability to maintain financial stability this includes, but is not limited to, rate capping.

A sustainability ratio which is greater than 90 per cent but less than 110 per cent is the benchmark used in local government. This has been achieved by CWT or is projected to be achieved in most years.

Legislation also requires Council to annually review its Long Term Financial Plan with consideration to the Annual Business Plan and associated Infrastructure and Asset Management Plans

Council is currently in a strong position with its 2018/19 budget again delivering a surplus operating result which will further sustain the city's financial position. There are challenges to be faced across the local government sector and throughout the state and federal economies as a whole. The CWT will continue to monitor developments in this area and review its responses at a strategic level. Future challenges

- Balancing the increasing community expectations and providing a broader range of community services with declining levels of funding.
- The fluctuating nature of Federal and State government funding and the shifting of responsibility for services to local councils from these levels of government without providing the necessary funds.
- Ageing community infrastructure which will need to be replaced, with significant expenditure looming in the next 10 to 20 years

With the election of the new Government in March 2018 that carried to the election a policy of introducing rate capping this risk issue may become realised in due course. Council resolved in March 2017 to oppose rate capping and with the recent introduction of the Local Government (Rates Oversight) Amendment Bill 2018 (Bill) to the House of Assembly on 20 June 2018, there is no new evidence or research to suggest that this is a good public policy position for local government or West Torrens to support. The Government holds the majority in the House of Assembly but does not hold a majority in the Legislative Council and as a result the Bill may be amended and subject to significant debate at this point. This Bill was adjourned at its second reading in the House of Assembly since 6 September 2018.

Despite any position that Council or the LGA resolves to take on the proposed legislation, ultimately the Parliament will make the decision about whether the legislation is passed, and in what form. As discussions and negotiations with the government, opposition and other parties may be required, the LGA has also asked councils to clearly specify the priority amendments and concessions they would ask the LGA to use best endeavours to achieve in any negotiations with political parties about the legislation. The final form this legislation may take is still under consideration and as such the rate capping issue is one that CWT is continually monitoring.

Page **17** of **22**

City of West Torrens	2018-19 Mid-Year Strategic Risk Review

The Administration has modelled the impact of rate capping on the CWT Long Term Financial Plan (LTFP) and assumed the rate cap being set at 2.5% which mirrors, for the most part, the annual rate increase proposed in our 10 year LTFP. Under this modelling, lost revenue over the 10 year forward estimates is anticipated to be $16.19 million and this loss is entirely accountable to the fact that the rate cap formula in the Bill does not take account of scenarios where capital improvements are made but the number of rateable properties remains the same.

Experience interstate and the LGA's research confirms there is overwhelming evidence that shows rate capping is not an effective public policy. On the basis of evidence that rate capping results in negative impacts on communities, and the absence of any evidence that it results in more efficient councils, the LGA and the majority of South Australian councils have consistently voted to oppose the introduction of rate capping in South Australia.

In light of the possible implementation of legislation CWT has endeavoured to look at the broader issues relating to rate capping and overall financial sustainability and what issues they may pose for CWT and as a result have broadened the scope of this emerging risk issue.

Local governments are responsible for the delivery of a broad range of services to the community, and their nature and range has grown considerably over the years. But while expenses go up, the ability of councils to increase their income is affected by declining grant funds, limited growth in user and statutory charges and a general reluctance to increase council rates. It is also a reluctance of this Council to over extend in terms of external finance in order to fund activities and as a result borrowings have decreased in response to declining income.

The community strongly supports CWT being maintained as a financially viable and sustainable Council with this receiving the strongest of all responses in a budget related Community Panel survey in December 2012 involving 181 respondents

Sustainability refers to Council's ability to manage its finances so it can meet spending commitments, both now and in the future, and ensure future generations of taxpayers do not face an unmanageable bill for services provided to the current generation.

A sustainability ratio which is greater than 90 per cent but less than 110 per cent is the benchmark used in local government. This has been achieved by CWT or is projected to be achieved in most years.

Legislation also requires Council to annually review its Long Term Financial Plan with consideration to the Annual Business Plan and associated Infrastructure and Asset Management Plans

Council is currently in a strong position with its 2018/19 budget again delivering a surplus operating result which will further sustain the city's financial position. There are challenges to be faced across the local government sector and throughout the state and federal economies as a whole. The CWT will continue to monitor developments in this area and review its responses at a strategic level. Future challenges

- Balancing the increasing community expectations and providing a broader range of community services with declining levels of funding.
- The fluctuating nature of Federal and State government funding and the shifting of responsibility for services to local councils from these levels of government without providing the necessary funds.
- Ageing community infrastructure which will need to be replaced, with significant expenditure looming in the next 10 to 20 years

Activities associated with this issue:

- The City of West Torrens, along with many other councils, presented a submission to the Economic and Finance Committee of parliament.
- The LGA has presented a submission to the Parliamentary Committee and issued media releases.
- The LGA is monitoring progress of the Economic and Finance Committee and is expected to lobby to protect council interests.
- Work undertaken to revisit and update asset data, including condition assessment information, particularly in relation to infrastructure assets - completed for Council's road and footpath network, and building assets, with work in progress on drainage and land improvements
- CWT has provided the LGA with a list of amendment priorities in regards to the proposed Rate Capping legislation
- CWT has provided the LGA with a list of concession priorities in regards to the proposed Rate Capping legislation

Page **18** of **22**

City of West Torrens   **2018-19 Mid-Year Strategic Risk Review**

STR 14 ESR3 Emerging Risk 3- Waste Recycling and Disposables Management

Primary Category: Budget/Financial

Responsible Officer: General Manager Business & Community Services

Initial

Consequence	Major
Likelihood	Unlikely

Risk Rating	Moderate

Descriptor

Councils are involved in the waste and recycling sector through a wide range of activities including; collection and disposal of household and small business waste; managing kerbside bin purchases; providing hard waste collection services to residents; providing e-waste recycling and other hazardous waste collections; and managing illegal dumping activities.

The ever increasing costs of waste management for Councils has been documented, and is partly due to the ever increasing rate of the State Government's Solid Waste Levy (SWL). Expenditure on waste management has almost doubled in a 10 year period and now represents a higher proportion of SA Council expenditure than ever before leading to waste management being one of the largest expenses for councils, with more than $191 million spent in 2015 / 2016.

In early 2018 China stopping accepting 24 categories of solid waste and placed restrictions on the quality of recyclables accepted placing stress on the Australian Waste and Recycling marketplace which has had significant impacts on Councils as providers of waste collection services. This has led to some significant stockpiling of recycling materials in some states.

CWT has significant protection in its current contract in relation to waste and recyclables management and maintains regular communication with its current contractor as well as monitoring market conditions. CWT is not expected to be impacted from a cost perspective in the short term but may potentially face the impacts of a significant increase in costs in the medium to longer term if market conditions remain the same.

There is also uncertainly around the ongoing viability of certain sections of the recycles market particularly in South Australia due its small market base although this is balanced against the South Australian market being quite mature in how items are separated at source particularity in relation to paper products which may encourage current providers to continue service and/or provide opportunities for new entrants into the marketplace or promote opportunities for new technologies to be developed.

This emerging risk is also impacted by the issues contained in emerging risk one with urban infill presenting difficulties with ongoing waste collection due to space requirements for standard collection services and may require Council to consider moving from the standard kerbside approach to looking to influencing design outcomes to ensure all relevant policy and operational considerations in regards to waste and recycling are addressed at the point of development. Due consideration will also need to be given to how future collection contracts may allow for flexibility to change the frequency and size of collection vehicles and the need for these services to be able to handle bulk bins from larger developments.

Activities associated with this issue:

- Waste working party established including Elected Members , Managers and key staff to investigate and plan council response to issues
- Consultant engaged to review Council kerbside 3 Bin waste and recycling services

City of West Torrens	2018-19 Mid-Year Strategic Risk Review

APPENDICES

Appendix 1 - Risk Analysis Matrix - Level of Risk

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

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

City of West Torrens   **2018-19 Mid-Year Strategic Risk Review**

Appendix 2- Consequences Descriptors Matrix

All risks to which the CWT is exposed are related to one or more of the following categories. When assessing the risk consequences for a particular risk against the category descriptors, the highest level of consequence should generally take precedence. The approved risk categories and consequence descriptors are detailed below;

Rating	Financial	Organisational/ Customer Impact	Reputation/ Relationships Damage	People	WHS
Insignificant	≤ 5% reduction in revenue Theft or loss of up to $2,000	Lack of response to customer request 3 days later than deadline Inability to provide service/s for 1 day External enquiry agency request for information	Letters of complaint to general managers or managers	≥ 10% staff turnover per year ≤ 10% non-availability or capability of staff at any one time	Bump, minor bruise, removal of splinters etc. requiring no treatment (report only) to staff members, Or To members of the public due to the actions/omissions of work undertaken by CWT.
Minor	Between 6 and 10% variation in expenditure/ revenue Theft or loss between $2001 to $30,000	Lack of response to customer request 5 week later than deadline Inability to provide a service for 2 working days Ombudsman/Ministerial investigation commenced.	Letters of complaint to CEO/Mayor or letters to Messenger/ Advertiser	≥ 15% staff turnover per year ≥ 15% non-availability or capability of staff at any one time	First aid treatment including; Hot cold treatment, removal of splinters, covering wounds, removal of foreign bodies in the eye using eye wash or cotton swab, administering non-prescription medication to staff members, Or To members of the public due to the actions/omissions of work undertaken by CWT, Or Incident where potential for minor injury may occur.
Moderate	Between 11 and 15% variation in expenditure/reven ue Theft or loss of between $30,001 and $100,000	Lack of response to customer request 10 working days later than deadline Inability to provide all services for more than 24 hours Inability to provide one service for ≥ 5 -days Ombudsman/Ministerial investigation finds systemic weaknesses in organisational processes ICAC investigation commenced	Negative article in Messenger/ Advertiser.	≥ 20% permanent staff turnover per year ≥ 20% non-availability or capability of staff at any one time	Medically treated injury requiring clinic or hospital treatment less than 24 hours duration, installing a drip or iv, physiotherapy as a cure, applying a cast , surgery, prescription drugs, stitching a wound to staff members Or To members of the public due to the actions/omissions of work undertaken by CWT Incident where potential for moderate injury may occur Notifiable incident to SafeWork SA or Office of the Technical Regulator (OTR) Category 1 - Breach of Duty for reckless conduct

Page **21** of **22**

| | City of West Torrens | | 2018-19 Mid-Year Strategic Risk Review | | |

Rating	Financial	Organisational/ Customer Impact	Reputation/ Relationships Damage	People	WHS
Major	Between 16 and 40% variation in expenditure/revenue Theft or loss of between $100,001 and $1m	Lack of response to customer request 20 working days later than deadline Inability to provide one service for ≥ 20 working days Inability to provide all services for ≥ 48 hours. Ombudsman/Ministerial review results in termination of staff/major changes to systems and processes Employee(s)/Elected Members charged with corruption and referred to DPP for prosecution	Negative front page story in Messenger/ Advertiser.	≥ 40% permanent staff turnover per year ≥ 40% non-availability or capability of staff at any one time	Major injury resulting in limb loss, electrocution, permanently disability, blindness to staff members Or To members of the public due to the actions/omissions of work undertaken by CWT Incident where potential for major injury may occur Notifiable incident to SafeWork SA or Office of the Technical Regulator (OTR) Category 2 Breach of Duty
Catastrophic	≥ 40% variation in expenditure/revenue. Theft or loss of >$1m.	Inability to provide critical Council services (Waste, HACC, dog attack response) for ≥ 5 working days. Ministerial abolition of Council. Employee(s)/Elected Member(s) found guilty of corruption.	Follow up stories in any media that extend the scope of concern.	≥ 50% permanent staff turnover per year ≥ 50% non-availability or capability of staff at any one time	The work related death of an employee. The death of a person due to CWT negligence. Notifiable incident to SafeWork SA or OTR). Category 3 - Breach of Duty.

Page **22** of **22**

Risk Analysis Matrix – Level of Risk

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

Enhance/Promote/Facilitate Positive Consequences

LIKELIHOOD	Insignificant	Minor	Moderate	Major	Outstanding
Almost Certain (> 95% chance of occurring)	M	M	H	E	E
Likely (75% - 95% chance of occurring)	L	M	H	E	E
Moderate (25% - 75% chance of occurring)	L	M	M	H	H
Unlikely (5% - 25% chance of occurring)	L	L	M	M	H
Rare (< 5% chance of occurring)	L	L	L	M	M

Prevent/Reduce/Manage Negative Consequences

LIKELIHOOD	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain (> 95% chance of occurring)	M	M	H	E	E
Likely (75% - 95% chance of occurring)	L	M	H	E	E
Moderate (25% - 75% chance of occurring)	L	M	M	H	H
Unlikely (5% - 25% chance of occurring)	L	L	M	M	H
Rare (< 5% chance of occurring)	L	L	L	M	M

Scale

Consequences Descriptors Matrix

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

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

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

9.2.2   Local Government Risk Services Evaluation 2018

Brief

This report presents the action plan resulting from the 2018 Local Government Risk Services Evaluation.

RECOMMENDATION

The Committee recommends to Council that this report be received.

Introduction

In August 2018, the Local Government Risk Services (LGRS) completed a risk evaluation (Evaluation) of the risk management program at the City of West Torrens (CWT). This Evaluation was held simultaneously with the Mutual Liability Scheme (WLS) and Workers Compensation Scheme (WCS) audit of the Work Health and Safety (WHS) program at the CWT. The Evaluation is held every two years but significant changes to the evaluation process have been recently implemented so that a comprehensive audit of the risk program is now conducted.

The Evaluation took three (3) days to complete with further follow up interviews, clarification and documentation required. It involved viewing evidence, assessing Council's response to the questions, and testing for effective system implementation.

Risk Management

The Evaluation included ensuring that the risk management program and systems:

- Identified Councils key risks arising from its activities/operations;
- Met legislative compliance requirements; and
- Met the Sector baselines for the areas of focus for the risk management systems.

Work Health and Safety

Work Health and Safety Systems were evaluated against selected elements from ReturnToWork SA's Performance Standards for Self-Insurers (PSSI). The PSSI consists of five inter-related standards, 23 elements and 55 sub elements. The 2018 WHS evaluation looked at eleven sub elements.

At the conclusion of the Evaluation, a report (**Attachment 1**) was presented and a closing meeting held, both of which did not offer any opportunities to amend information or any inaccuracies in the report.

Discussion

Risk Management

The following were mandatory areas of focus with regard to risk management:

- Risk Management System
- Roads and Footpaths
- Planning and Development Administration

As well as these mandatory areas of focus, the CWT had the option of selecting two areas (electives) from the following five options to have evaluated in relation to risk management:

- Playgrounds
- Event Management
- Volunteers
- Tree Management
- Procurement, Contracts, Tenders

The CWT selected Volunteers and Tree Management for the elective areas to assist determine the focus of those two programs across the coming year.

The report provided details of where the CWT had not met agreed sector baselines in areas of its risk management program. Sector baselines were determined by a group of council and LGRS representatives to determine what systems and processes would be expected to be in place in local government organisations. This sector baseline approach is not the methodology taken in the WHS evaluation component, nor is it based on the CWT risk framework.

As such, the Evaluation should not be seen as a main determinant of the effectiveness of risk management at CWT as each council operates different risk management systems, have differencing risk tolerances and different service levels based on the identified needs of the community and differing council budgets.

In summary, the Evaluation resulted in 19 of 24 sector baselines met (79%).

Area of Focus	Total # of sector baselines evaluated	Sector Baseline Met	Sector Baseline Not Yet Met
Risk Management Systems	6	6	0
Roads and Footpaths	8	5	3
Planning and Development Administration	3	3	0
Volunteers	4	3	1
Tree Management	3	2	1
Total	**24**	**19**	**5**

The next stage of the Evaluation required the CWT to take action in areas where the sector baseline has not been met as stated in the report. As such, an Action Plan detailing the actions required in order to meet sector baselines has been established and copied from the LGRS Evaluation Report (**Attachment 2**). It should be noted that in all instances where a sector baseline was not deemed as being met, plans, projects and structures were in place to work towards this as the Evaluation was being conducted. There is no obligation on any council to implement the actions but the successful completion of these actions is directly linked to a very small refund of monies paid to the MLS/WCS as a risk mitigation incentive program.

The Action Plan is divided into two sections:

1. Action Required - those actions required where the sector baseline have not been met (7 actions)
   *Please note: More than one action can be attributed to a sector baseline not being met.

2. Additional Actions - actions from the report for continuous improvement but sector baselines have been met (8 actions)

Progress will be monitored and facilitated by the Administration through current audit reporting processes. This progress is reported on in the Internal Audit Recommendations and Actions Progress Report contained within this agenda. However, the attachment to this report also contains an update regarding the progress of the actions.

Work Health Safety

The WHS component of the evaluation focused on four of the five standards within the ReturnToWork SA's Performance Standards for Self-Insurers (PSSI) looking at:

- Standard 1 - Commitment and policy
- Standard 3 - Implementation
- Standard 4 - Measurement and evaluation
- Standard 5 - Management systems review and improvement.

Within these areas of focus the evaluator audited eleven sub elements looking for evidence of:

- 1.2.1 Supporting policies and procedures
- 3.2.1 Training program
- 3.3.2 Accountability mechanisms
- 3.7.1 Contingency plans
- 3.8.1 Hazard management system
- 3.8.3 Hierarchy of control
- 3.8.5 WHS consideration (purchasing)
- 3.8.6 Contractor and volunteer management
- 3.9.1 Inspections and testing
- 4.1.1 Objectives, targets and performance indicators
- 5.3.1 Systems review and revision

The progress of the actions on the 2017-2020 WHS and Injury Management (IM) Improvement Plan are supported by the WHS and IM action plan monitored by the LGAWCS.

Please find the WHS evaluation summary report in the attachments to this report (**Attachment 3**).

Conclusion

This report presents the action plan resulting from the *2018 Local Government Risk Services Evaluation*. Progress regarding the completion of the risk related actions will be monitored and facilitated by the Administration through current audit reporting processes. Progress of the WHS related actions will be monitored and facilitated by the Administration through the 2017-2020 WHS and Injury Management (IM) Improvement Plan.

Attachments

1. **LGRS MLSWCS 2018 Risk Evaluation Summary Report**
2. **LGRS Risk Evaluation 2018 - Risk Management Action Plan**
3. **WCS WHS Evaluation 2018 Summary**

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

2018 Risk Evaluation Summary Report

City of West Torrens

Date of Evaluation: 29-31 August 2018

Date Report Issued: 13th October 2018

Name of Evaluators: Jo Calliss & Cazz Nitschke

LGAWCS and LGAMLS Risk Evaluation 2018 Summary Report City of West Torrens V2.0
Issued: 13th October 2018

Local Government Risk Services (LGRS) have been specialist risk providers to Local Government in South Australia for over 40 years. Over this time, LGRS has developed a comprehensive range of services that deliver solutions to its Members regardless of whether it involves a self-insurance risk scheme, a traditional insurance product or a risk consultancy project.

As Local Government develops in South Australia, LGRS is working with the sector to develop and implement proactive systems and processes for risk management, claims management and insurance risk transfer.
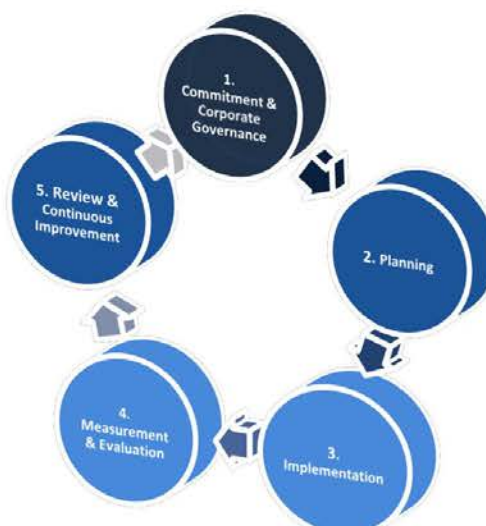
LGAWCS and LGAMLS Risk Evaluation 2018 Summary Report City of West Torrens V2.0
Issued: 13th October 2018

Risk Evaluation Overview

The LGAWCS and LGAMLS provide a Risk Evaluation service to their Members every two years. The aim of the Risk Evaluation process is to review each Member's risk management systems (including WHS and IM) against both LG Industry agreed Sector Baselines and other external requirements (e.g. RTWSA Performance Standards for Self-Insurer requirements and relevant legislation). The objective of the evaluation is to assist Members to recognise and share LG risk management excellence, identify where opportunities for system improvements exist and to work in partnership with them to implement identified improvements.

The Risk Evaluation in its current format was introduced in 2017. Please refer to the overview on the Members Centre for more information in relation to the structure and process.

The summary report is structured as follows:

- An Executive Overview, for both Risk and WHS/IM system aspects which briefly outlines the overall results of the evaluation and potential focus areas and recommended actions.

- A Results Table, which summarises the results for both Risk Management (RM) and Work, Health and Safety (WHS) and Injury Management (IM) components.

- The RM Evaluation Report, which includes the chosen evaluation scope, names of evaluators, summary of findings and specific recommendations for each evaluated question within the identified evaluation scope.

- The WHS and IM Evaluation Report, which includes the evaluation scope, names of evaluators, summary of findings and specific recommendations for each sub-element within the evaluation scope.

- A conclusion, which summarises where overall system trends and issues are occurring and what may be of assistance to progress Council forward.

LGAWCS and LGMLS Risk Evaluation 2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version. Printed copies are considered uncontrolled. Before using a printed copy, verify that it is the current version. T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 3 of 49

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

Contents

Contents

Executive Summary

Overview and Objective:

Every two years, the Local Government Mutual Liability and Workers Compensation Schemes conduct an evaluation of each Scheme Member's Risk Management, Work Health and Safety and Injury Management systems. The purpose of these evaluations is to test (within the scope of the evaluation):

a) How well the organisation's Risk Management systems meet Local Government sector established baselines and

b) The organisation's level of conformance with ReturnToWork SA's Performance Standards for Self-Insurers for Work Health and Safety and Injury Management systems.

Council should use this information in their management planning and review systems to drive further improvement to their Risk, Safety and Injury Management systems.

In addition to this, the results are collated and analysed to enable the Schemes to further assist the Local Government industry, either via sector wide programs or individual programs of targeted support.

This executive summary provides a brief overview of the results of the risk evaluation of City of West Torrens on 29th – 31st August 2018. The participation of Council representatives in the evaluation is a critical part of the evaluation process, is integral to the quality of the evaluation and is always greatly appreciated.

Executive management are encouraged to review the evaluation summary report in its entirety for further detail and recommendations.

The completed risk evaluation, WHS and IM tools that support these findings are available from your allocated Risk Consultant or WHSC. The tools and reports are also available in your Member documents on the Members Centre.

Summary of findings:

Risk Management

Within the risk management systems, there are three mandatory areas and two electives that Council chose to be evaluated against.

In evaluating the organisation's Risk Management systems, reference was made to sector baselines, being a minimum standard expected to be in place. Sector baselines were established by a consultative group that included membership from both metropolitan and regional Scheme Members. It is to be noted that the baselines are not all legislative requirements, but a set of minimum requirements that is expected within the Local Government sector. All the criteria within the defined sector baseline must be met in order for the sector baseline to be deemed as being met.

Council's results against the mandatory and elective question sets are as follows:

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 5 of 49

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

Overview of Results – Mandatory Areas

QUESTIONS	Total # of sector baselines evaluated	Sector Baseline Met	Sector Baseline Not Yet Met
Risk Management Systems	6	6	0
Roads and Footpaths	8	5	3
Planning and Development Administration	3	3	0

Specific Results and Improvement areas – Risk Management Systems

Q #	Risk Management Systems	Sector Baseline and opportunity for improvement	Baseline Met or Not Yet Met
1	Has Council endorsed a Risk Management System?	Endorsed, documented, maintained/-reviewed system for managing risk	Baseline met
1a	Has Council implemented a Risk Management System?	Evidence of implementation (training, etc.) in accordance with unique system requirement, key stakeholders have been made aware (Elected Members, Exec) *Potential opportunities for improvement:* *Interplan has capacity to record project risks however the project section is currently used for emergency management only.* *Strategic planning via CAMMs can be linked to Interplan, with the ability to link strategic risks and controls; this is an opportunity to further embed risk within Council's planning processes.* *There appeared to be limited application of positive risks & how to capitalise on positive consequences in risk assessments.*	Baseline met
1b	What does Council's Risk Management System consist of?	Documentation containing objectives, roles and responsibilities, risk management process: identification, assessment, evaluation, treatment, review, communication and reporting. Records management processes.	Baseline met
1c	Does Council have a Risk Register?	Register captures key areas (Emergency/BCP/Disaster Risks, WHS, Assets, Projects/Contracts/Procurement)	Baseline met
1d	Has training been identified and provided to all persons with responsibilities and accountabilities for risk management?	Training occurs in accordance with system requirements and is undertaken by both initial and refresher training sessions. *Potential opportunity for improvement:* *Include risk management training (as it applied to Council decision making) in training/induction program for newly elected Council in 2018/2019.*	Baseline met
1e	Which risks has Council identified via the risk management process as the top three risks, in order of priority?	Risk Register with prioritised risks	Baseline met

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 6 of 49

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

Specific Results and Improvement areas – Roads and Footpaths

Q #	Roads and Footpaths	Sector Baseline and opportunity for improvement	Baseline Met or Not Yet Met
2	Does Council have systems in place to authorise or permit 3rd party alterations to a public road (non-business purposes)?	Can Council demonstrate: • Criteria for the circumstances for the use of the permit are clearly defined • Public access to the permit • A defined and documented submission process • A process for assessment of lodged form • A process for response to applications, including dispute resolution • Trained staff to assess permit applications • Contingencies for staff absence • Record management procedures	Baseline met
2a	Does the authorisation process or permit consider structures and installations for their safety and suitability?	The permit considers safety and suitability of structures and installations, where they a) Unduly obstruct use of the road; or b) Unduly interfere with construction of the road; or c) Have an adverse effect on road safety	Baseline met
2b	Does the authorisation or permit include an indemnity from the applicant to the Council?	The permit includes: • Indemnity for the Council, its employees and/or agents against all actions, costs, claims and demands for injury, loss or damage arising out of any negligent act or omission of the applicant in relation to any activities under the authorisation arising out of breach of any condition attaching to the authorisation, and • Requirement for the applicant to take out and keep current (for the term of the application) a public liability policy of insurance to an appropriate level of cover per claim in respect of any negligent act or omission of the applicant in relation to any activities under the authorisation. assessment of lodged form	Baseline met

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 7 of 49

17 April 2019   Page 43

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

Q #	Roads and Footpaths	Sector Baseline and opportunity for improvement	Baseline Met or Not Yet Met
2c	Does Council have an asset management plan that covers the management and maintenance of roads and footpaths?	The plan includes: • Asset listing • Condition grading • Issue log including close out of action *Although there is a relationship between Long Term Financial Plan & renewal/replacement schedules, "flattening out" occurs & this is usually based on prioritising those in the worst condition, but may also be as a result of customer requests. Application of more formalised criteria would provide more transparency & consistency, should Council need to prioritise asset renewal/maintenance.* *KPIs relating to community and technical levels of service contained within the Asset Management Plan are not currently measured.* Potential opportunities for improvement: • *Incorporate additional criteria in Conquest to facilitate prioritisation of asset renewal/maintenance* • *Develop measurable KPIs (in line with levels of service in asset management plan) & implement monitoring/reporting mechanisms.*	Baseline met
2d	Does Council have an inspection and maintenance regime (or schedule) to inspect roads and footpaths?	The regime or schedule includes: • Road and footpath assessments • Consideration of roads which have been altered and reinstated *Although Council engages a contractor to undertake a 5 year audit for asset revaluation and there is an annual inspection to validate Conquest road prioritisation, there is no scheduled inspection regime at present. This will be formalised through development and endorsement of maintenance management plans.*	Baseline not yet met
2e	How does Council prioritise roads during scheduling of maintenance/repair?	The schedule considers the following when prioritising roads for maintenance or repair: • Reported faults/issues • Traffic volumes • Proximity to public amenities • Areas concentrated with vulnerable people such as elderly • Areas where frequent complaints arise (trend analysis)	Baseline met

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 8 of 49

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

Q #	Roads and Footpaths	Sector Baseline and opportunity for improvement	Baseline Met or Not Yet Met
2f	How does Council prioritise footpaths during scheduling of maintenance/repair?	The schedule considers the following when prioritising footpaths for maintenance or repair: • Reported faults/issues • Traffic volumes • Proximity to public amenities • Areas concentrated with vulnerable people such as elderly • Areas where frequent complaints arise (trend analysis) *Although asset management plan notes priority areas, this data is not yet stored in Conquest, so scheduled maintenance is based on condition rating and local knowledge of staff. Entry of risk scores & other prioritisation measures in Conquest would provide a more robust & transparent maintenance program that is consistent with the objectives of the asset management plan.* *Reactive maintenance is not yet prioritised; this is an area that is being looked at by the Coordinator Civil Works & Services and the civil maintenance team.*	Baseline not yet met
2g	If Council has Railway Interface/s, does Council fulfil its duties as a Road Manager?	Railway Interface Agreement completed and risk assessment conducted within 12 months of agreement being signed. *Interface agreement was drafted a number of years ago but not executed. A new tripartite agreement, (between WTCC, ARTC & Railway Commissioner) is currently being prepared. Risk assessment was not completed in previous draft.*	Baseline not yet met

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 9 of 49

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

Specific Results and Improvement areas – Planning and Development Administration

Q #	Planning and Development Administration	Sector Baseline and opportunity for improvement	Baseline Met or Not Yet Met
3	Does Council have systems in place to guide Planning and Development activities?	Can Council demonstrate: • Criteria for applications are clearly defined • Information is accessible to the public with a clear process for assessment and response including dispute resolution • Application process is accessible to the public (e.g. website) • A defined and documented submission process • Trained staff assess applications • Contingencies are in place for staff absence • Record management procedures are followed	Baseline met

3a	Are building surveyors/-inspectors, planners, planning officers or planning staff, who are employed or engaged by Council accredited to provide planning advice and access new development applications?	• Building surveyor: licenced via 'Surveyors Board SA'
		
		• Planner:
		  ○ Corporate membership of the Urban and Regional Planning Chapter of the Planning Institute of Australia Incorporated, or
		  ○ Such qualifications or experience in urban regional planning, environmental management or a related discipline as are in the opinion of the Minister appropriate (e.g. Cert IV in Local Government (Planning).
			Baseline met

3b	Does Council have a process in place to manage written complaints related to development applications and completed projects?	The complaints process: • Is defined and documented including escalation/appeal process under the Development Regulations S103 • Is accessible to the public (e.g. website) • Is assessed by trained staff • Includes a response in a timely fashion to the appropriate stakeholders (Complainant, Minister, etc.)	Baseline met

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 10 of 49

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

Elective Areas

Overview of Results – Electives

QUESTIONS	Total # of sector baselines evaluated	Sector Baseline Met	Sector Baseline Not Yet Met
Volunteers	4	3	1
Tree Management	3	2	1

Specific Results and Improvement areas – Volunteers

Q #	Volunteers	Sector Baseline and opportunity for improvement	Baseline Met or Not Yet Met
E3a	Does Council have systems in place for the management of volunteers?	Can Council demonstrate Volunteer policy or procedure setting out roles and responsibilities of each party, code of conduct, insurances (personal accident and motor vehicle), consultation and communication, records management process *Both policy (2102) and handbook (2013) are past due for review, with a new handbook being developed that should cover off on policy & process. Final endorsement is currently being sought from executive team & policy will be revoked following endorsement. Volunteer starter kit, (issued 2008 & last reviewed 2014) should also be reviewed to ensure consistency with new handbook.*	Baseline not yet met
E3b	Do these systems include central coordination to ensure consistent management of Volunteers across all areas of Council?	Records of • central screening and registration process (including criminal history assessments as required) • consultation and communication	Baseline met
E3c	Does Council identify training needs and provide training to volunteers?	Training records for • Risk Management and WHS policies and procedures • General organisational and site specific induction/training process • Skills assessment and skills matching • Emergency/First Aid procedures • Incident reporting procedures • Code of conduct/behaviour (general and specific) policy • Equal opportunity policy • Licences and competencies	Baseline met

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 11 of 49

17 April 2019   Page 47

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

Q #	Volunteers	Sector Baseline and opportunity for improvement	Baseline Met or Not Yet Met
E3d	Are volunteer activities or programs subject to existing risk management structures (approved activities with appropriate supervision)?	Records of • Volunteer activity defined • Hazard Register includes detail of volunteer activities • Risk Assessments conducted • Safe work arrangements implemented • Appropriate supervision and monitoring applied *Prior to creation of a new volunteer role, the Volunteer Role Creation procedure is used to ensure the program coordinators have thought of everything and from this, tthe role description is created, which is used to apply to management for a new volunteer program.* <u>Opportunity for improvement:</u> *Potential exists for the program as a whole to be risk assessed, prior to applying to management for a new volunteer program; this may consider risks & opportunities & potential impacts on paid employees, community & other stakeholders whether or not the program goes ahead as well as safety considerations.*	Baseline met

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 12 of 49

17 April 2019

Page 48

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

Overview of Results – Elective Areas – Tree Management

QUESTIONS	Total # of sector baselines evaluated	Sector Baseline Met	Sector Baseline Not Yet Met
Tree Management	3	2	1

Specific Results and Improvement areas – Tree Management

Q #	Tree Management	Sector Baseline and opportunity for improvement	Baseline Met or Not Met
E4a	Does Council have systems in place to manage existing and new trees?	Council can demonstrate a documented approach to Tree Management	Baseline met
E4b	Does the system provide a process for identifying, analysing, assessing, evaluating and treating risks related to trees during development & planning, planting, and maintenance?	Council can demonstrate policies or procedures for o assessing the appropriateness of species of tree for planting (protected status, purpose of tree, size/significance and location, soil, human activity, public safety, site restrictions, site requirements, pests, maintenance) o planting of trees on a road or community land including community consultation when establishing new trees o vegetation clearance on roads in accordance with DPTI Operational Instruction 20.1 o obtaining written, dated, specialist advice from persons with relevant qualifications and experience o addressing complaints and the issuing of an order with regard to trees on private property o identifying and managing protected trees o the implementation of a tree maintenance program o trained staff with documented responsibilities *Council have identified, through its Tree Strategy, the need to develop & implement:* • *a Tree Planting & Replacement Plan that prioritises planting in Council managed areas with low tree canopy coverage, considers tree species that are tolerant to changing climate and soil conditions & trials new species,* • *a tree planting assessment table and checklist to assist in selection of tree species & to inform the Tree planting & Replacement Plan.* • *A Tree Maintenance Plan* • *A Tree Risk Assessment procedure to minimise risk to public safety*	Baseline not yet met

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 13 of 49

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

Q #	Tree Management	Sector Baseline and opportunity for improvement	Baseline Met or Not Met
E4c	Has Council taken "reasonable action" in response to all tree requests regarding street trees in the last 24 months?	Can Council demonstrate that reasonable action was taken by a process of • written request received, outlining details of the problem • considering and assessing identified risk • in urban areas considering the protection of Significant and Regulated Trees (Development Regulations 1993, S6A) except in the case of an emergency • in applicable areas considering the protection of native vegetation (Native Vegetation Act 1991 S27) • in applicable areas considering conservation of native plants (National Parks and Wildlife Act 1972 Part 4) • seeking expert advice where appropriate • determination made • taking reasonable action and records • communicating action to requestor • maintain records and monitor as necessary	Baseline met

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 14 of 49

17 April 2019

Page 50

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

Work Health and Safety

Work Health and Safety Systems are evaluated against selected elements from ReturnToWork SA's Performance Standards for Self-Insurers (PSSI). The Performance Standards describe the WHS and IM management system requirements for self-insured organisations in South Australia. The Performance Standards are designed to provide organisations with the opportunity to demonstrate the presence of effective business management systems. The model consists of 5 inter-related standards, 23 elements and 55 sub elements.

The LGA is the group self-insurance licence holder for all Councils and Prescribed Bodies in South Australia. Self-insured employers (Councils and Prescribed Bodies) are required to design, implement and maintain WHS systems to meet the self-insurance requirements.

This year, the WHS evaluation scope has been reduced to focus on areas identified as still requiring improvement from the 2017 RTWSA evaluation and two elements from standard 4 and 5 that are focussed on monitoring, reporting, review and improvement of the WHS system.

RTWSA provides guidance in relation to the specific requirements of each sub-element and evaluators are trained in understanding and applying this guidance to determine if an organisation is conforming to the requirements. Assessment is provided in line with the published PSSI definitions for conformance, non-conformance and observation.

Council's results are as follows:

STANDARDS	Total sub elements evaluated	Conformance	Observation	Non-conformance
Standard 1- Commitment and Policy	1		1	
Standard 3 - Implementation	8	3	2	3
Standard 4 - Measurement & Evaluation	1			1 **CWT dispute this finding and have provided additional evidence to support conformance.**
Standard 5 - Management systems review and improvement	1		1	

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 15 of 49

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

Specific Results and Improvement areas – WHS Management Systems

Q #	Sub-element requirements	Summary of any identified issues and improvement required	Result
1.2.1	Supporting policies and procedures are in place?	Council has mapped their Council policies against LGAWCS One system policies and procedures. Majority of these are current, endorsed and available on council's intranet site. Council has a number of SWP (task) and SOP (plant) in place however are overdue for review. These are being addressed as part of project plan developed for depot relocation. It would be prudent of council to timeline these reviews and also ensure monitoring and reporting occurs, to address any further review issues.	Observation
3.2.1	A relevant Training program is in place and being implemented (relating to the TNA and subsequent plan and effective delivery thereof)	Council's training program features a policy, identified training needs register, WHS training plan, attendance notification and recording attendance, evaluation and reporting. Consultation with relevant managers is also considered in the process. Examples of each element of the training program ie policy, register, plan, attendance records and reporting, were viewed as supporting evidence.	Conformance
3.3.2	Accountability mechanisms are being used where relevant	Regular quarterly reporting to management team of WHS performance occurs with recommendations made accordingly to address overdue CAR actions, calendar events, etc. Records of management team meetings are retained, noting these recommendations and on occasion, additional comments made. Council are currently reviewing their performance process with a pilot program to be rolled out in September 2018. Previous process ceased in 2017. A draft position description has been prepared with WHS responsibilities assigned to workers and leadership positions. Council needs to determine how they will assess and measure and more importantly address any gaps in meeting these WHS responsibilities.	Non-Conformance

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 16 of 49

17 April 2019

Page 52

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

Q #	Sub-element requirements	Summary of any identified issues and improvement required	Result
3.7.1	The organisation must ensure contingency plans are periodically tested and/or evaluated to ensure an adequate response, if required.	Council has an emergency management system in place which includes a policy, completed risk assessments and emergency procedure manuals. In addition evacuation exercises are scheduled and completed with debriefs held. Issues identified are recorded in corrective actions register and reporting occurs. Evidence provided comprised 3 evacuation exercises conducted at Civic Centre (2018) and two depots: Marion Rd (2017) and Morphett Rd (2018). Generally Council's end to end system was covered. Recording and reporting could be tightened up and types of evacuations held to be broadened to ensure testing of other identified likely scenarios is undertaken. In addition to WHS emergency management, Council also has a Business Continuity Plan (BCP) in place. Desktop exercises have been held although not annually as per exercise timeframes set out in BCP. Furthermore, simulation exercises to be held each 2 years have not been conducted. However, council was engaged an external consultant to assist in this area.	Observation
3.8.1	Hazard management systems including identification, evaluation and control are in place.	Whilst council has a Hazard management policy and Hazard profile Register (task only) in place, the management of plant is a significant issue for council. Updating plant registers after purchasing, conducting regular reviews of plant registers, completing / reviewing plant risk assessments and ensuring additional controls, including SOP, are in place are some of the major gaps. Council has acknowledged this as an issue and plan to rectify as part of depot relocation plan. To ensure all issues are addressed, it would be advisable that a development / review schedule is put in place for risk assessments and, as applicable, SOPs. Furthermore regular monitoring and reporting to occur. Other elements of hazard management system eg chemicals, asbestos management, confined spaces, were not evaluated due to lack of evidence (initial and additional) and lack of time during evaluation.	Non-Conformance
3.8.3	Control measures are based on the hierarchy of control process	Although the evidence viewed indicates control measures are based on the hierarchy of control, it is difficult to determine if this is intentional or inadvertently.	Conformance

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 17 of 49

17 April 2019   Page 53

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

Q #	Sub-element requirements	Summary of any identified issues and improvement required	Result
3.8.5	Program(s) are in place to ensure an appropriate WHS consideration is given at the time of purchase, hire or lease of plant, equipment and substances.	*There are policies in place which cover the process for purchase of plant and chemicals including relevant forms required to be completed. Focus of the evaluation was the purchase of plant and interviews were conducted and pre-purchase documentation for woodchippers ×3, landcruiser cab chassis and desktop standing workstation viewed. It was evident that council's end to end process (pre-purchase, consultation, suppliers risk assessment, Council's plant risk assessment, SOP, SWP and training) is not always being adhered to.* *One example of chemical pre-purchase was viewed (with no follow-up) and again there are gaps compared to policy (request form, reporting and consultation).*	Non-Conformance
3.8.6	Contractor and volunteer management systems are in place to meet the organisations duty of care to all persons.	*Systems are in place for the management of volunteers and contractors. However suite of documents for volunteers is out of date. Monitoring / supervision, if undertaken, should be documented to support any performance measuring. Management of contractors for major capital works is managed well. Although some minor adjustments such as obtaining and assessing actual JSA / SWMS at tender stage could be considered. As with volunteers, monitoring, if undertaken, should be documented.*	Observation
3.9.1	That the implementation of relevant inspection and testing procedures are conducted by the relevant, competent person(s).	*Inspections and monitoring are being conducted as per Council's WHS Calendar of Events. The frequencies set out in WHS Hazard Management policy are being adhered to, issues identified are entered into CAR, regular reporting occurs and training has been provided. Legislated and system required inspections eg pressure vessels, testing and tagging, are occurring as per WHS Calendar of Events, records are maintained and for the best part competencies are held as part of contractor management system.*	Conformance
4.1.1.	The organisation must ensure planned objectives, targets and performance indicators for key elements of program(s) are maintained, and monitored and reported.	*Reporting and review parameters are set out in Council's WHS and IM Planning Policy. An annual review is required, as per policy, to determine actual performance against planned objectives, targets and performance indicators of WHS and IM Plan. Last review conducted was In December 2016 of previous plan. An annual review of the current plan has not been provided.*	Non-Conformance

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 18 of 49

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

Q #	Sub-element requirements	Summary of any identified issues and improvement required	Result
5.3.1	The organisation must ensure the system is reviewed and revised, if required, in line with current legislation, the workplace and work practices.	*Processes are in place for reviewing elements of the WHS system including WHS and IM Plan, policy reviews, legislative changes and changes to workplaces. There is a robust process for reviewing policies and with the relocation of council's depot, a comprehensive action plan has been developed. Whilst there is a policy to cover reviewing the WHS and IM Plan, the process is not necessarily fully applied. Legislative changes are reported via WHS Dashboard reports however unknown as to whether the changes applied to Council.*	Observation

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 19 of 49

17 April 2019   Page 55

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

Injury Management

The ReturnToWork SA's Injury Management Standards provide a framework from which a self-insured employer's exercise of its delegated powers and discretions can be evaluated. The Code of conduct for self-insured employers states the performance of the employer or self-insured employer will be measured against the Code and Injury management standards.

This year, the evaluation scope has been limited to only those IM sub-elements that sit under the revised Code of Conduct for Self-Insured Employers version 12 relevant to LGAWCS Members.

Whilst the IM Standards are measured by RTWSA at the LGAWCS level, the following sub-elements have been scoped and amended for the 2017 Risk Evaluation specifically for Scheme Members to meet their requirements in supporting the LGAWCS.

Council's results are as follows:

SUB-ELEMENT	Total no of sub elements	Conformance	Observation	Non-conformance
Standard 1.2 Resources	5	4	1	
Standard 1.6 Information provided to employees	2	2		
Standard 2.8 Early intervention, recovery and RTW	2	2		
Standard 4- Measurement, monitoring review	2	2		

Specific Results and Improvement areas – Injury Management Systems

Q #	Sub-element requirements	Summary of any identified issues and improvement required	Result
1.2.1	Documented job descriptions for all injury management personnel and where relevant management, supervisors and employees.	Job descriptions are in place for Internal Return to Work Coordinator and WHS Coordinator (contingency) noting appropriate roles for each. Viewed job description for Manager City Operations and Coordinator Horticulture Services which included applicable injury management responsibilities.	Conformance
1.2.2	Ensuring injury management personnel are competent to administer their role in a reasonable manner.	Internal RTW Coordinator and WHS Coordinator (contingency) have both attended Internal RTW/Claims Coordinator training (initial and refresher) and provided certificates to confirm attendance. Internal RTW Coordinator indicated that she guides managers, supervisors and coordinators through claim and return to work process. Formal training for this group has not as yet been provided however is to be scheduled for either later this year or early next year. (NB this was also identified in 2016 KPI Audit)	Observation

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 20 of 49

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

Q #	Sub-element requirements	Summary of any identified issues and improvement required	Result
1.2.3	Ensuring the allocation of resources is appropriate for the organisations type, volume and complexity of the case load.	Based on evidence provided as per WHS Dashboard reports (third quarter report 2017 – 2018 and fourth quarter report 2017 -2018) number of claims being managed, allocation of resources is adequate.	Conformance
1.2.4	Suitability of facilities and accommodation to ensure restricted access to information, including maintaining confidentiality during interaction with injured workers and service providers	Access to files (electronic and hardcopy) is restricted to Internal RTW Coordinator and office is used to conduct interviews and phone calls.	Conformance
1.2.5	A Scheme Member is required to appoint a return to work coordinator and ensure the person appointed to this role has successfully completed relevant LGAWCS training. Where this role becomes vacant, the Scheme Member is required to re-appoint an employee within 3 months and ensure the employee(s) appointed have received relevant LGAWCS training within 3 months of the appointment being made.	Internal RTW Coordinator received training within 3 months of appointment confirmed by provided copies of job description (August 2015) and training certificated (November 2015)	Conformance
1.6.1	How to report a work related injury	Council has adapted the LGAWCS Workplace Return to Work procedure and retitled WHS Injury Management and Return to Work policy. Section 6.1 covers reporting a work related injury/illness.	Conformance
1.6.2	The process for lodging a claim for compensation	Council has adapted the LGAWCS Workplace Return to Work procedure and retitled WHS Injury Management and Return to Work policy. Section 6.2 covers submission of a Workers Compensation Claim.	Conformance
2.8.5	Where a worker has not returned to pre-injury employment within 6 months from date of first incapacity and is not working to their full capacity, new or other employment options are considered for the worker by the Scheme Member in conjunction with the LGAWCS.	Council has adapted the LGAWCS Suitable Work procedure and combined into one policy titled WHS Injury Management and Return to Work policy. Section 6.6 covers suitable employment.	Conformance
2.8.6	Where a Scheme Member does not provide suitable employment to a former work injured employee the Scheme Member notifies and consults with the LGAWCS.	Council has adapted the LGAWCS Suitable Work procedure and combined into one policy titled WHS Injury Management and Return to Work policy. Section 6.6 covers suitable employment.	Conformance

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 21 of 49

17 April 2019   Page 57

**Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia**

LGRS

Q #	Sub-element requirements	Summary of any identified issues and improvement required	Result
4.1.1	Processes are in place that monitor, measure and review the effective implementation of the injury management system and where relevant, strategies to improve performance of the injury management system are identified.	*Reporting of Workers Compensation claims and Return to work information is via quarterly Dashboard reports. An overview of information about number of claims submitted for quarter, status of claims and types of claims is provided in addition to breakdown of open and closed claims including duration of claims, RTW outcomes and broken down by departments.*	Conformance
4.1.3	The Service Standards set out in Schedule 5, Part 2 of the Return to Work Act 2014 are in place.	*Council has incorporated LGAWCS Service Standards into their WHS Injury Management and Return to Work policy (under 7.4 Employer and LGAWCS Responsibilities). This policy is available to staff via Compass*	Conformance

Specific details of the identified gaps are available in the WHS System Evaluation Findings

tables in the WHS/IM report section of this summary report.

In order to progress to conformance in the sub elements where observation/s and non-conformance/s have been identified, it suggested that Council incorporates the recommendations into their Risk Evaluation action plan going forward.

CONCLUSION

Council has made excellent progress in developing its risk management systems and integrating risk management across the organisation. However there are some opportunities for improvement, (as noted above,) and these should be addressed in Council's next annual risk & resilience plan. Once the planned activities around planning (& responding to requests for) road & footpath maintenance and tree management are established & in place, Council should consider putting these initiatives forward for LGAMLS best practice awards.

In terms of its WHS systems, Council's is to be commended on its work in training systems development and implementation. Areas that Council should consider prioritising within its WHS planning process are:

- Accountability mechanisms, including performance development and reflecting responsibility for WHS in all position descriptions;

- Plant – including maintenance of registers, risk assessments and controls, (noting that depot relocation will be an opportune time to implement a development and review schedule for risk assessments and Safe Operating Procedures), pre-purchase consultation, competency assessment, etc.; and

- Hazard Management – consider reviewing implementation and effectiveness of hazardous work procedures to ensure that risks are being appropriately managed, in accordance with the procedures.

It is important with all aspects of the WHS system that ongoing monitoring, review, and updates occur to maintain currency and relevance to the organisation and workplaces.

*LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0*   *Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.*
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx   Page 22 of 49

Risk Management Report

The evaluation of the City of West Torrens risk management (RM) system included a review of existing documentation and meeting with employees in a range of work groups. Comments and recommendations, including action items will provide management with some suggested ways to improve their systems, however it may be appropriate to implement an alternative action and this is at the discretion of each individual organisation and their management team.

Summary of the evaluation scope

The Risk Management Evaluation considered the presence & degree of implementation of systems relating to:

- Risk Management Systems
- Planning & Development
- Roads & Footpaths
- Tree Management
- Volunteer Management

The scope did not extend to preparedness for legislative change, (in relation to planning & development in particular,) & Council should ensure it is actively reviewing & updating its policies, procedures & systems in anticipation of that change.

Employees and other workers involved in the evaluation process included:

- Liz Johnson – Program Leader Strategic Resilience
- Steven Thomson – Organisational Resilience Officer
- Rick Johnston – Coordinator Horticulture Services
- Joe Ielasi – Manager City Assets
- Sam Ktisti – Coordinator Civil Works & Services
- Bernadette Ward - Coordinator Asset Management
- Alvin Kong – Administration Officer City Assets
- Shannon Lopez – Community Development Officer
- Hannah Bateman, Manager City Development

Documentation Review

The review included reviewing policies, procedures and supporting documentation within the Council's risk management and organisational systems, as provided by Council employees prior to and during the evaluation.

Additional evidence provided after the evaluation will only be accepted as evidence for this evaluation if agreed by the evaluator or the Client (i.e. LGAWCS and LGAMLS management).

Physical Verification

The evaluation took place in its entirety at the Civic Centre, which involved the demonstration & interrogation of live systems to support the evidence provided prior to the evaluation.

Report Findings and Recommendations

Report findings and recommendations for each evaluation question are provided in the following table.

The findings and recommendations of this report should be used by Council for planning and continuous improvement of its risk management and organisational systems.

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 23 of 49

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

Risk Management Systems Evaluation Findings

Q #	Topic Area	Question and Findings Summary
1	Risk Management Systems	**Has Council endorsed a Risk Management System?** ***Finding: Baseline Met*** Council has an Enterprise Risk management Policy, which was first issued in 2002, with subsequent reviews in 2009 & 2015. Next review is due 2020 (5 years). Policy was approved by Executive 23/4/15 and Council 19/5/15. Enterprise Risk Management Framework – first issue 2009, last issue (version 3) 2017, next review due 2022 but is currently being reviewed to incorporate ISO310000. Framework is endorsed by Executive. Currency of documents confirmed via PolicyHUB, where all policies & procedures are maintained & accessible.
1a	Risk Management Systems	Has Council implemented a Risk Management System? ***Finding: Baseline Met*** Council has an endorsed Enterprise Risk Management Policy & Framework. Implementation of the policy and framework are supported by an annual Risk & Resilience Management Plan, which outlines key system maintenance and continuous improvement activities. A quarterly progress report is prepared to GM Business & Community Services, which is then presented to Executive. Reporting to Crowded Places & Organisational Resilience committee is being considered, (relevance & information needs being assessed.) Quarterly report to GM is a formality, as the team provides weekly/fortnightly informal updates, (e.g. emails, team meetings, catch-ups etc.) The annual strategic risk review workshop involves a comprehensive review of existing strategic risk descriptors and risk ratings as well as emerging risks. This process is documented with rationale & related activities included. The outcomes are reviewed by Executive & the Audit & Risk Committee. The mid-year review is a desktop exercise aimed at identifying changes to the risk profile. Council's Audit & Risk Committee Terms of Reference include review of Council's strategic risk profile, review of strategic risk management processes and management information processes as well as analysis & follow up of any internal or external audit report that raises significant risk management issues. Agenda and minutes for 13 February 2018 committee confirm consideration of mid-year Strategic Risk review. Annual operational risk reviews are initiated via an email to managers requesting they review their operational risks. Some more experienced managers do the review themselves, (as they have access to Interplan,) however others choose to do the review with the organisational resilience team or with their work teams, (facilitated by organisational resilience team). Risk controls are put in place to reduced risk level to moderate or low, or – where controls do not adequately reduce the risk – it is actively monitored by the general manager or CEO (in accordance with paragraphs 4.4 & 10.8 of the Enterprise Risk, Management Framework.) Controls are categorised, (e.g. process, internal audit, policy) and recorded under the relevant risk within Interplan to allow for monitoring, (which includes analysis of reliance on control types.) Organisational Resilience Officer meets with control owners to check controls & seek buy-in/ownership, suggestions, guidance & the good rapport between

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 24 of 49

Q #	Topic Area	Question and Findings Summary
		the Strategic/Organisational Resilience team & other interviewees was evident throughout the evaluation.
		Council's internal audit schedule is risk-based – operational risks with revised consequence ratings of catastrophic or major are addressed within the plan. Rationale is provided if internal audit has not been programmed, (e.g. previous audit results, spot-checking, etc.) Recommendations from audit reports are also prioritised according to level of risk. Audit outcomes & actions required are maintained in internal audit register, which provides links to original audit report & allows for managers to update progress, send reminders, generate reports, etc.
		Whilst the resilience team assist with project risk identification, the risks & treatment plans are maintained within project management plans &/or managed by the project team, depending on the size of the project. The resilience team provide more of an advisory role than a formalised process in this instance & tailor their approach according to individual needs. (For example, may suggest or assist with development of a checklist to make sure controls are in place.)
		Employee induction & training occurs – refer to 1(d).
		Risks are considered in the preparation of asset management plans, with critical risks & risk treatment plans incorporated into the plans sighted, (Stormwater, Roads, Footpaths). The sample of critical risks from the Stormwater asset management plan, (e.g. flooding, failed infrastructure,) were able to be located in the operational risk register and controls in the register corresponded with the plan. It is important that the linkage between asset management planning and risk is maintained, given Council's non-current asset base of approx. $670M.
		Procurement process has been centre-led, which notable improvement in the last 4 years, which was initiated from operational risk, (fraud & corruption). The process includes a procurement risk rating prior to initiating the procurement activity and at point of making recommendation, (examples were sighted for verge maintenance mowing and EMBCP testing). Recommendation report requires that risk identification and mitigation strategies are documented which, together with different levels of sign off, acts as a control. Procurement team do spot checks/mini audits to look for non-conformance with policy topics.
		Potential opportunities for improvement:
		Interplan has capacity to record project risks however the project section is currently used for emergency management only.
		Strategic planning via CAMMs can be linked to Interplan, with the ability to link strategic risks and controls; this is an opportunity to further embed risk within Council's planning processes.
		There appeared to be limited application of positive risks & how to capitalise on positive consequences in risk assessments.
1b	Risk Management Systems	What does Council's Risk Management System consist of?
		Finding: Baseline met
		Council has an endorsed Enterprise Risk Management Policy & Framework, which are supported by an annual Risk and Resilience Management Plan. Regular (quarterly) reporting occurs on progress against Risk & Resilience Management Plan and annual reviews of Operational & Strategic risks occur.
		Council's intranet includes a risk management page that provides policies, plans, guides tools & other information to assist with the application of its risk

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 25 of 49

Q #	Topic Area	Question and Findings Summary
		management framework – this was viewed during the evaluation to confirm accessibility and ease of use. Case studies are included to provide context and meaning to risk management; it is intended that – over time – Council examples will be used.
		Risk registers are in place and actively used & monitored.
1c	Risk Management Systems	Does Council have a Risk Register?
		Finding: Baseline met
		Council uses Interplan to record its strategic & operational risks, (the project tab is currently only used for emergency management – transferred from the emergency management risk register spreadsheet, which presents a number of scenarios that have been assessed against NERAG impact categories)
		Interplan provides organisation-wide visibility of, and access to, the risk profile & allows for recording of risk levels & prioritisation of treatments. It also has reporting functionality which provides for monitoring of controls and has the capacity to support Council's decision making & planning processes.
		Hazard profile register is maintained by WHS Coordinator/People & Culture Team. Refer to WHS evaluation for comments on adequacy & currency.
		Asset management risks & controls relate to broader operational risks, (verified by sampling stormwater asset management plan risks against risk register.)
1d	Risk Management Systems	Has training been identified and provided to all persons with responsibilities and accountabilities for risk management?
		Finding: Baseline met
		Risk induction power point presentation (August 2018) covers risk roles, responsibilities & process. Risk induction record was provided for Dec 2017; this is done every 3 months at maximum – will be more often if required, (e.g. as required for new starters). Human resources are notified of attendees and non-completion. Resilience team receive a weekly list of new-starters, who are added to Organisational Resilience Officer's spreadsheet, so that they are captured in the next risk induction.
		Visitors are given brief induction via Sine-in. Volunteer induction covers both hazard & incident reporting) & risk management - this was evidenced via Induction procedures checklist.
		Council has engaged TAFE to develop and deliver 2 day risk management training to new managers and team leaders; sighted evidence that this occurred in November 2017.
		Executive & manager refresher training is provided every 2 years, or as required, and was most recently facilitated by TAFE in November 2017. This is captured with the position management project as a mandatory requirement, also part of risk & resilience plan (verified via 2017 plan.)
		Council's Enterprise Risk Management Policy notes that Audit & Risk Committee members are responsible for reviewing Council's strategic risk profile, (which is reflected in Committee Terms of Reference); an awareness presentation was made to the committee in October 2017.
		Elected members do not receive training specific to Council's risk management framework, however risk is covered within Fraud & Corruption session, (last delivered 2013), strategic workshops (2016 & 2018) and in pre-briefs before Council meetings.
		Opportunity for improvement

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 26 of 49

Q #	Topic Area	Question and Findings Summary
		Include risk management training (as it applied to Council decision making) in training/induction program for newly elected Council in 2018/2019.
1e	Risk Management Systems	Which risks has Council identified via the risk management process as the top three operational risks, in order of priority?
		Finding: Baseline met
		Council has 11 strategic risks, with 3 emerging risks. Emerging risks tend to be things that Council doesn't know full extent of changes or the potential impact on Council – initial risk assessments are completed with available information to keep issues on Council's radar.
		Top three risks have been identified risk/consequence rating from strategic risk register. Identified as:
		• Ineffective business continuity & community resilience (residual risk high)
		• Effective WHS Management (consequence level)
		• Information Technology infrastructure & services (consequence level)
		Prioritisation occurs using a number of criteria, (i.e. where there is a high or extreme revised risk, high consequence levels &/or where there is a high reliance on controls.)
		Controls and their effectiveness are monitored.
2	Roads and Footpaths	Does Council have systems in place to authorise or permit 3rd party alterations to a public road (non-business purposes)?
		Finding: Baseline met
		Initial information provided related to placement of skip bin on verge, rather than the alterations defined in Section 221.
		Additional information was sought & provided, relating to driveway crossovers and stormwater service connections. Both applications, (together with further information & guidelines for applicants) are available on Council's website, along with instructions on how to lodge the application and fee payable.
		In the case of vehicular crossings, applicants are advised that, under no circumstances are they to remove trees from the verge; for stormwater service connections, they are advised not to damage tree root systems.
		Most vehicular crossings are in line with Development Approval and specifications are provided as conditions of approval. Both vehicular crossing and stormwater service connection applications include a site inspection – this process is tracked though Pathway by Administration Officer City Assets.
		Verges section on website clearly states that residents are not to plant trees on their verge, but should instead request that Council do so. For redeveloping a verge, residents are directed to contact Council.
		Delegations register provides the following people are able to issue a permit pursuant to S221, which provides contingency in the case of absences:
		• Chief Executive Officer,
		• General Manager Urban Services,
		• Manager City Assets,
		• Manager City Property,
		• Manager City Operations,
		• Manager Regulatory Services,

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 27 of 49

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

Q #	Topic Area	Question and Findings Summary
		• Traffic Engineer,
		• Coordinator Engineering Services,
		• Team Leader Compliance,
		• Senior Coordinator Civil Works and Services
		Although it is intended that approvals will primarily be signed off by Traffic Engineer, there is a new incumbent in the role and, at the time of the evaluation, the Manager City Assets was signing off on all approvals as interim measure, so as not to overwhelm with workload.
		Training is provided on the job, and is really about understanding the specifications and process.
		If a dispute in relation to decision arises, there is a Review of Council Decision process however this has not been required to date. In the first instance, applicants are given reasons for the decision and offered the opportunity to come back & try to resolve.
		Evidence was also provided that standards & conditions are monitored, in the form of a notice of non-compliant crossing place requiring applicant to rectify the crossing prior to further inspection in 30 days. Reminder is triggered by Pathway for Inspection (Techincal Office receives sys generated emil) advising due date – viewed evudence that inspections are occurring
		Operation Manual Local Government Act Section 221 (Driveway Crossing, Stormwater & Consumer Connection) contains specifications and relevant drawings. Standard detail drawings attached to each approval, along with original application & approved plans (if any). Sighted approval letter that includes conditions; these are monitored by Technical Officer.
		All records are retained in Objective – a new folder is created with name of property.
		Council are currently developing an online application form for this purpose.
2a	Roads and Footpaths	Does the authorisation process or permit consider structures and installations for their safety and suitability?
		Finding: Baseline met
		Application for vehicular crossing requires applicant to:
		• obtain information on the location of underground pipes and cables from communications, gas, water and electricity providers (DB4UDig)
		• maintain minimum 2.0 metre radius clear from the trunk of street trees
		• not move, alter or interfere with existing structures, e.g. trees, power poles, signs and services etc.
		• maintain a minimum distance of no less than 1.00 metre from a stobie pole
		• ensure that any alteration to the road does not interfere with or cause damage to or in any way affect the property of any other person
		Likewise, the stormwater service connection application requires applicants to:
		• obtain information on the location of underground pipes and cables from communications, gas, water and electricity providers (DB4UDig)
		• ensure that any alteration to the road does not interfere with or cause damage to or in any way affect the property of any other person

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 28 of 49

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

Q #	Topic Area	Question and Findings Summary
2b	Roads and Footpaths	Does the authorisation or permit include an indemnity from the applicant to the Council? ***Finding: Baseline met*** Both vehicular crossing and stormwater service connection applications include an indemnity from the applicant to Council & a requirement for the applicant to hold public liability insurance, as follows: • *To indemnify the Council, its servants and/or agents, against all actions, costs, claims and demands for injury, loss or damage arising out of any negligent act or omission of the applicant in relation to the alteration to the road, the granting of this authorisation and the general and special conditions contained herein and such indemnity shall be in addition to any statutory immunity in favour of the Council.* • *For the term of the authorisation, to take out and keep current a public liability policy of insurance to an appropriate level of cover per claim in respect of any negligent act or omission of the application relation to the alteration to the road or any activity arising out of or from the granting of this Authorisation by the Council.* Both applications also reinforce that Council is not liable for injury, damage or loss resulting from anything done under the permit, as per Section 221(5) of the Local Government Act, e.g. *The Council shall not accept responsibility for any damage or claims arising from the [works/laying of the service], or from the opening or breaking up of the footpath surface.*
2c	Roads and Footpaths	Does Council have an Infrastructure and Asset Management Plan that covers the management and maintenance of roads and footpaths? ***Finding: Baseline met*** Roads asset management plan and Footpath asset management plan (IPWEA template), both adopted by Council 12/12/2017 for a period of 10 years (previous versions 2008 & 2012). Roads plan covers surface (seal), pavement & kerb & gutter. Asset listing that sits behind plans is maintained in Conquests & includes condition rating/service levels; condition inspections occurred in 2011 & 2017. Process of prioritisation is manual process, as data is not yet populated within Conquest. Conquest does have the capacity to apply a risk score & priority ranking. Although there is a relationship between Long Term Financial Plan & renewal/replacement schedules, "flattening out" occurs & this is usually based on prioritising those in the worst condition, but may also be as a result of customer requests. Application of more formalised criteria would provide more transparency & consistency, should Council need to prioritise asset renewal/maintenance. Plans include community levels of service, (e.g. meets user requirements, to be measured by customer service requests) as well as technical levels of service (e.g. condition, safety, cost effectiveness – to be measured by average stage of life-cycle, non-compliances as % proactive/reactive work.) These are not currently measured – refer to maintenance management plan – action to develop and measure KPIs.

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 29 of 49

Q #	Topic Area	Question and Findings Summary
		Critical risks & treatments plans are discussed at 5.2 and interrogation of Interplan was able to demonstrate a linkage to these within operational/strategic risks.
		Opportunities for improvement:
		• *Incorporate additional criteria in Conquest to facilitate prioritisation of asset renewal/maintenance*
		• *Develop measurable KPIs (in line with levels of service in asset management plan) & implement monitoring/reporting mechanisms.*
2d	Roads and Footpaths	Does Council have an inspection and maintenance regime (or schedule) to inspect roads and footpaths?
		Finding: Baseline not yet met
		Currently, there is no formally established proactive inspection & maintenance regime for roads & footpaths. Maintenance management plans have been drafted for a number of asset categories, including roads & footpaths, which, when adopted, will formalise an inspection regime & provide guidance as to location and frequency of inspections. Maintenance management plans are intended to complement asset management plans by providing criteria and timeframes for scheduled and reactive maintenance, to prolong the useful life of each asset.
		Other than condition assessments for asset management plans, regular proactive inspections are not currently undertaken. 'Asset Identification and Data Collection/Condition Assessment for Footpath/Shared Path/ Kerb & Gutter Infrastructure Audit 2017' tender document describes attributes and criteria that were required to be considered by contractor in undertaking the 2017 condition assessment. An annual check is undertaken to validate data contained win Conquest, prior to allocation of budget.
		As a part of improvement plan, cyclic inspections will be set up in Conquest, based on criteria outline in asset management plan. Fusion (in house asset management application) is currently being rolled out to Field Services to allow them to use a tablet to record asset inspections. Integration with Pathway (customer requests) is under development.
		Manager City Assets is keen for Civil team to be more proactive (as per General maintenance team, who have a more planned approach to inspections, etc. for playgrounds) and is looking to roll-out similar processes to the Civil team.
		It is important through this transitional period that there is consultation & cooperation between Asset Management and Civil Works teams.
2e	Roads and Footpaths	How does Council prioritise ***roads*** during scheduling of maintenance/- repair?
		Finding: Baseline met
		Reference is made to service levels and demand drivers in the asset management plan for scheduling of proactive maintenance. Areas within the city are split into precincts (A, B, C) that are further broken down into smaller sections. Council has an annual maintenance budget & work is scheduled in line with road reseal/reinstatement program.
		For reactive work, customer requests are received via Pathway. Administration Officer City Assets receives requests & logs in Pathway, then checks whether current works are occurring or scheduled. Customer/complainant is given a request number to quote if they so they can call & check status at any time. Each request has a priority rating – 1 to 5 – trigger is dependent on issue – high risk will be priority 1 or 2.

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 30 of 49

Q #	Topic Area	Question and Findings Summary
		If maintenance, rather than capital, upon receipt of a Pathway request a scoper, (who is equipped with a tablet) undertakes a site inspection & if the work can be done immediately, it is completed by rapid response team (who are equipped with resources & are a multi-skilled workforce) and resident is advised of outcome. If unable to be attended to straight away, the scoper determines whether high, medium or low risk, takes photos, makes notes, and assigns action to team leader, who programs the work.
		When high risks are identified, the rest of street is scoped to identify defects, and a work order will be generated to address entire street. Low risk works have a longer response time – will look to forward plan to determine when planned maintenance is due & if not included in plan, will put forward for next capital works program.
		Use of technology has enabled more proactive maintenance from work crews identifying issues while out & about, rather than waiting for customer request.
2f	Roads and Footpaths	How does Council prioritise *footpaths* during scheduling of maintenance/-repair?
		Finding: Baseline not yet met
		New assets & upgrade/expansion of existing footpath assets are subject to a priority system which is ranked according to road hierarchy, land use and pedestrian generators, (such as whether kindergarten, schools, aged homes or bus stops are in the vicinity) – table 5.5.1. This data is not yet stored in Conquest, so scheduled maintenance tends to be based only on condition rating and local knowledge of staff.
		Appendix A of Footpath Asset Management Plan outlines maintenance response levels of service, however there was no evidence sighted that these are adhered to.
		Reactive maintenance is not yet prioritised; this is an area that is being looked at by the Coordinator Civil Works & Services and the civil maintenance tea, as reactive maintenance is a large portion of the team's workload. Civil Works & Services are currently developing works & plans based on audits from the asset team.
		Footpath Maintenance Management Plan (sits under Asset Management Plan) has been drafted and, once endorsed and implemented, will provide more rigour around scheduled & reactive maintenance.
		High visitation/usage locations intuitively get higher level of service, (e.g. library, community hubs, shopping centres, nursing homes, schools, high visibility,) and Coordinator Civil Works & Services is currently seeking feedback from crews (to get buy-in) on where focus areas & service levels should be.
		Looking to reinforce accountability & ownership (pride, reflection of work) within the workforce, whilst being mindful of evolving needs (& demographics) of residents.
2g	Roads and Footpaths	If Council has Railway Interface/s, does Council fulfil its duties as a Road Manager?
		Finding: Baseline not yet met
		Interface agreement was drafted a number of years ago but not executed. Recent correspondence indicates that a new tripartite agreement, (between WTCC, ARTC & Railway Commissioner) is being prepared. Risk assessment was not completed in previous draft.

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 31 of 49

Q #	Topic Area	Question and Findings Summary
		Council only has one tram-line crossing (Beckham), remainder are on DPTI roads.
3	Planning and Development Administration	Does Council have systems in place to guide Planning and Development activities?
		Finding: Baseline met
		Council has a development plan (consolidated July 2018) which guides over-arching development activities, including what needs approval, criteria for different types of development and zoning.
		Council's website has information available for applicants, including application forms, checklists and fees and fact sheets are on display in Council's customer service area.
		Development Applications may be received over front counter or by email. Development Technician checks to see whether application is complete and if enough information has been received, documents are scanned, paper file is created, process is commenced within Pathway and file is created within Objective (allocated DA number).
		Pathway provides the mechanism to track progress of the application, (including creation of invoice and sequential task prompts which correspond to the lodgement checklist) and provides an audit trail of all activity relating to the DA.
		Team leader allocates applications to a qualified planner, noting whether referrals and/or public notifications will be required, as well as any potential issues. Complex applications are generally allocated to a senior planner, but may be allocated to a mid-level planner as a development opportunity, in which case the team leader coaches through them through the process.
		Contingency arrangements for staff absence – planned (e.g. RDO roster)/unplanned Although there are specialised roles within the department, support staff are trained & able to assist. Planned absences are generally managed by use of RDO roster Contract staff are brought in to cover longer absences.
		Council has a building inspections policy which includes target inspection levels, enforcement & dispute resolution & liability. This is supported by inspection sheets that are completed by a Building Officer at different times through the building process.
3a	Planning and Development Administration	Are Building Surveyors, Inspectors, Planners, Planning Officers, or Planning staff who are employed or engaged by Council accredited to provide planning advice, and assess new development applications?
		Finding: Baseline met
		Position descriptions sighted include the following minimum qualification/ professional membership:
		Development Officer and Senior Development Officer:
		• Tertiary qualifications in Urban and Regional Planning or equivalent tertiary qualification.
		• Eligibility to join the Planning Institute of Australia in the Member or Associate Class.
		Development Officer – Building
		• Accreditation as a Limited Building Surveyor or Building Surveyor, by the Australian Institute of Building Surveyors.

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 32 of 49

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

Q #	Topic Area	Question and Findings Summary
		Team Leader Building • Tertiary qualifications in the field of building surveying • Accreditation as a Building Surveyor by the Australian Institute of Building • Surveyors. Development Technician • Tertiary qualifications in Urban and Regional Planning; or substantially completed tertiary qualifications in Urban and Regional Planning. Maintenance of CPD points is individually tracked, with training needs identified through Performance Development Process & team meetings; training forms are saved in personnel files. Team leader undertakes compliance monitoring & assessment of development officer skills, and allocates work/provides mentoring as required. All Council Assessment Panel reports are reviewed by Assessment Manager with a focus on quality and complexity. Details of panel consultancy service providers are accessible on the intranet, with details maintained in Objective. In order to be included on panel, insurances and qualifications are verified by Procurement; Governance verify qualifications prior to issue of delegated authority.
3b	Planning and Development Administration	Does Council have a process in place to manage written **complaints** related to development applications and completed projects? ***Finding: Baseline met*** Complaints policy – last approved March 2018 specifically excludes objections to a development application, however it does cover complaints relating to processes, procedures and customer service. Internal Review of Council Decisions Policy March 2017 excludes complaints made under Development Act (paragraph 3.4) Upon receipt of a complaint, a determination of the nature of the complaint is made, (i.e. whether process or decision) to decide which process or policy will fall under. Council's website (Development Assessment page) advises that appeals against decision may be made via the Environment, Resources and Development Court. Decision notification forms all include the applicants or respresentors rights of appeal. Court requires person who lodged appeal to notify Council, at which time a decision is made as to whether legal support will be required. If not, Team Leader & Planner will attend hearing, with compromised application referred back to Council Assessment Panel to make decision. The Panel meet monthly, and every endeavor is made to get it to next meeting; applicants are given timeframes to work towards to facilitate this. Whilst the appeals time frame is set by the Court, internally, staff work to complaints policy timeframes. Where risk of claim exists, Mutual Liability Scheme is given heads up, (has recently occurred) – General Managers/CEO made decision to refer.
E3A	Volunteers	Does Council have systems in place for the management of volunteers? ***Finding: Baseline not yet met*** Volunteer policy first issued 2001, last reviewed 2012, was due for review Aug 2017, however, during a review of Council's volunteer management systems, governance suggested that, instead of having a separate policy,

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 33 of 49

Q #	Topic Area	Question and Findings Summary
		the new handbook that is currently being developed should cover off on policy & process. *Final endorsement is currently being sought from executive team & policy will be revoked following endorsement.*
		Both Volunteer policy (2012) and handbook (2013) set out the roles and responsibilities of Council and the volunteer. Volunteer handbook issued in 2013 is currently under review (draft provided).
		Code of Conduct is Appendix C to Volunteer starter kit, (issued 2008 & last reviewed 2014). It was included in the 2013 version of the handbook but is simply cross-referenced in the new draft.
		Better Impact software is used to maintain Council's volunteer registrations, training, etc.
E3B	Volunteers	Do these systems include central coordination to ensure consistent management of Volunteers across all areas of Council?
		Finding: Baseline met
		Volunteer coordinator is central contact point for screening/registration process. Upon receipt of an application, Volunteer Coordinator does interview & sets up time for volunteers to come in & talk to the relevant program coordinator, test skills and assess general demeanor to determine suitability.
		Better Impact is used to track registration process, including receipt of relevant clearances, (which are outlined in the draft Volunteer Handbook and Volunteer Role Statements). This is checked via Induction procedures checklist.
		Volunteer role statements sighted were for Community Bus Driver, Community Meal Volunteer, Creche Volunteer, General Library Volunteer & Justice of the Peace Volunteer.
E3C	Volunteers	Does Council identify training needs and provide training to volunteers?
		Finding: Baseline met
		Corporate induction session provided, which includes WHS requirements (including hazard & incident reporting) & risk management - this was evidenced via Induction procedures checklist.
		Program induction specific to volunteer role & other training needs are identified & recorded at induction, (e.g. checklist includes child safe environments, first aid, manual handling as well as job specific skills testing such as bus driving under supervision of coordinator).
		Sighted general training offer outlining a range of training courses available to volunteers, including Child Safe Environments, Food Safety, Memory Loss & Challenging Behaviours, Fire Training.
		Details of training required/booked/completed & existing qualifications/licences, (including renewal/refresher dates) are maintained in Better Impact.
E3D	Volunteers	Are Volunteer activities or programs subject to existing risk management structures (approved activities with appropriate supervision)?
		Finding: Baseline met
		Role statements define volunteer activities & JSEAs relevant to each role are undertaken. Examples of JSEAs sighted included Creche volunteer, Toy Library volunteer, Community Bus Driver & Shopping Assistant.
		Prior to creation of a new volunteer role, the Volunteer Role Creation procedure is used to ensure the program coordinators have thought of

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 34 of 49

Q #	Topic Area	Question and Findings Summary
		everything and from this, the role description is created, which is used to apply to management for a new volunteer program. See comment below.
		In terms of supervision, some roles have program coordinators with them at all rimes, (e.g. children's programs); other roles may not have direct supervision but occasional supervision from coordinators. Bus drivers are required to have an annual driver assessment.
		Opportunity for improvement:
		Potential exists for the program as a whole to be risk assessed, prior to applying to management for a new volunteer program; this may consider risks & opportunities & potential impacts on paid employees, community & other stakeholders whether or not the program goes ahead as well as safety considerations.
E4A	Tree Management	Does Council have systems in place to manage existing and new trees?
		Finding: Baseline met
		Urban Tree Management Policy first issued May 2007, amended March 2008, due for review March 2014. This has recently been superseded by a Tree Strategy 2018-2025 which includes objectives & actions for the protection, expansion and maintenance of the urban forest as well as stakeholder engagement as well as polices relating to tree selection & planting, consultation, pruning & maintenance & management.
		The strategy considers risks of limb failure, disease & death of trees, damage to infrastructure & private property, loss of diversity & public safety & provides for a range of risk mitigation strategies.
		Council undertook public consultation and invited feedback on the Tree Strategy prior to its endorsement 7/8/2018.
E4B	Tree Management	Does the system provide a process for identifying, analysing, assessing, evaluating and treating risks related to trees during development & planning, planting, and maintenance?
		Finding: Baseline not yet met
		Regulated & significant trees are dealt with under the Development Act & Council considers reports (which incorporate risk assessment) from suitably qualified aborists.
		Council also seeks internal & external arborist advice regarding condition of trees and recommended actions for trees on Council land, (e.g. St Georges Avenue Reserve, Glandore).
		Council's website has good information about regulated and significant trees, including a description of what is considered regulated or significant, what approvals are required for damaging activities, penalties & the process for applying for development approval, (including application form & checklist).
		Specification for maintenance pruning (Tender 201600073 specification) includes required activities and standards. There is a 4 year program in place, (map provided.)
		Area to improve on – street tree pruning – specify L3 arborist undertake inspection of street tree, pruning is based on specification however if arborist identifies other failures outside of specification, work may done, (however the inspections are not currently documented).
		Where parks have larger trees that need arborist inspection –specialist arborist is engaged to provide in-tree inspection on each tree & make recommendations for maintenance or follow-up inspections. Maintenance is

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 35 of 49

Q #	Topic Area	Question and Findings Summary
		contracted out. Inspection tends to be ad-hoc – e.g. carols by candlelight, Richmond Oval, etc. is done annually but based on intuition rather than a formal program. Council will base its program on LG example but looking to further develop & refine.
		Council have identified, through its Tree Strategy, the need to develop & implement: • a Tree Planting & Replacement Plan that prioritises planting in Council managed areas with low tree canopy coverage, considers tree species that are tolerant to changing climate and soil conditions & trials new species, • a tree planting assessment table and checklist to assist in selection of tree species & to inform the Tree planting & Replacement Plan. • A Tree Maintenance Plan • A Tree Risk Assessment procedure to minimise risk to public safety
		Council plant approximately 600 trees per year and plan to increase this to 1,000 in the next couple of years. There is no plan for planting at the moment, however Council is involved with other LGs in trials (Treenet).
		Tree planting tends to be ad-hoc but is loosely based on road/footpath renewal strategy rather than stand-alone activity; provides opportunity full road & streetscape reconstruction, assess trees in street footpath, road, kerb, incorporate permeable paving, purpose built areas for planting, soil, irrigation, stormwater run-off (3 – 4 streets per year.)
		Council remove approximately 300 trees per year, with removal based on policy criteria – no programmed removal, tendency to manage hazard – looking to develop program. Main issues with street trees are footpath hazards (e.g. Queensland Box, White Cedar dropping fruits – slippery & roots causing footpath lifting.)
		All staff, (with exception of apprentice) have minimum L3 arboriculture qualifications, with exception of tree watering/mulching, which is documented in position description. Apprentice is currently working towards qualification.
E4C	Tree Management	Has Council taken "reasonable action" in response to all tree requests regarding street trees in the last 24 months? ***Finding: Baseline met*** Service centre receive customer requests via phone or social media – create tree related action in Pathway, which goes directly to work group leader aboriculture, who inspects issue and determines what action is to be taken, (based on policy). Work group leader directs task to work truck (pruning) electronically & sets priority within the system – map shows outstanding work requests, can see what's written in notes, priority, etc. Street technical officer arboriculture provides technical infomation to operations team – can assign within Pathway, (e.g. assess whether need to hydrovac to determine situation, as it is uncommon to seek outside advice for customer requests.) Although Council receives approximately 2,000 work requests a year, customer requests & storm damage have reduced significantly over past 4 years with the introduction of the tree pruning program, (just on to 2nd cycle). Dashboard reports are available within Pathway to monitor outstanding requests, reports are generated fortnightly to manager, which can be drilled down into to check status. Currently less than 50 requests outstanding, and

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 36 of 49

17 April 2019   Page 72

Q #	Topic Area	Question and Findings Summary
		issues with any of these are discussed at fortnightly horticulture team meetings.

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 37 of 49

17 April 2019   Page 73

WHS/IM Management Report

The evaluation of the City of West Torrens work, health and safety (WHS) management system and injury management (IM) processes, included a review of existing documentation and meeting with employees and other workers. Comments and recommendations, including action items will provide management with some suggested ways to improve their systems, however it may be appropriate to implement an alternative action and this is at the discretion of each individual organisation and their management team.

Summary of the evaluation scope

The scope of the evaluation process is an evaluation to:

- Test Council's WHS Management system conformance against the ReturnToWorkSA (RTWSA) Code of Conduct for Self Insured Employers and specifically nominated elements within the Performance Standards for Self Insurers.
- Provide recommendations to the evaluated Council with regard to closing out identified non-conformances, with the aim of assisting Councils to continuously improve their WHS management system and IM processes.

Employees and other workers involved in the evaluation process included:

- Tracy Ryan, WHS Coordinator
- Renea Everett, WHS Project Officer
- Deb Cann, Manager People and Culture
- Liz Johnson, Program Leader Strategic Resilience
- Steven Thomson, Organisational Resilience Officer
- Lio D'Amico, Coordinator Fleet Clean and Supp Service
- Celine Luya, Manager Community Services
- Baskar Kannappan, Project Engineers
- Kym Newton, Coordinator Property Services
- Alison Holdstock, Injury Management / Industrial Relations Coordinator
- Shannon Lopez, CDO Volunteers

Documentation Review

The review included reviewing policies, procedures and supporting documentation within the Council's RM, WHS and IM systems as provided by the Auditee prior to and during the evaluation.

Additional evidence provided after the evaluation will only be accepted as evidence for this evaluation if agreed by the evaluator or the Client (i.e. LGAWCS and LGAMLS management).

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 38 of 49

17 April 2019   Page 74

Physical Verification

The evaluation took place for the majority at the Civic Centre with visit to Hamra Centre.. Demonstration & interrogation of live systems to support the evidence provided prior to the evaluation was provided at the Civic Centre.

Report Findings and Recommendations

Report findings and recommendations for each evaluation question are provided in the following table (in a summary format) and in the audit tool (in more depth).

Further broader system recommendations are provided in the executive overview and conclusion.

It should be recognised that the findings of this report should be used for:

- Planning and continuous improvement by Council of their WHS and IM Systems

- Reviewing potential conformance levels with the RTWSA Performance Standards for Self Insurers.

WHS System Evaluation Findings

Q #	Sub-Element	Sub-Element Details and Findings Summary
2	1.2.1	**Evidence of policies and/or procedures to support the policy statement** *Council has demonstrated there are supporting policies in place and are available on council's intranet site. The policies have been mapped against the LGAWCS One System policies and procedures. A review schedule is in place with majority of policies current and only a small number pending (awaiting consultation, to be revoked or merged).* *There are SWP (task) and SOP (plant) in place and also available on council's Intranet site. Currently there are 133 SOP / SWP overdue for review. With the relocation of Council's depot, part of the developed project plan is assessing requirement for plant and equipment held. If still required, risk assessments and associated SWP / SOP will be reviewed. It was noted the overdue risk assessments have had reviews undertaken in the past. It would be ideal that council has this time lined out to enable monitoring and reporting.* *An **observation** is given as supporting policies and procedures are in place with majority of policies current and endorsed, however procedures (SWP I SOP) are currently overdue for review.* *Council may wish to consider the following suggestion for improvement:* • *Develop and implement a review schedule for SWP/sop and ensure monitoring and reporting occurs so review timelines are met.*
13	3.2.1	**The organisation must ensure a relevant training program is being implemented** *Council's training system consists of: a current WHS Induction and Training policy in place along with an Identified Training Needs register. Information in the register with a report run from payroll system is used to determine training requirements which is added to a WHS Training Plan. Consultation with relevant managers occurs and a budget set. Council uses intranet site to schedule training with outlook appointments sent to proposed attendees. Attendance sheet is signed by attendees with an evaluation form also completed. Comments from evaluations are recorded in WHS training contact sheet. Training outcomes are reported on quarterly basis to management team and Its committee. Examples of register, plan, attendance records and reporting were viewed as evidence to support.*

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 39 of 49

17 April 2019   Page 75

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

		Conformance is given.
14	3.3.2	**The organisation must ensure accountability mechanisms are being used when relevant**
		Reporting of WHS performance occurs on a quarterly basis via Dashboard reports prepared by WHS Coordinator. Recommendations to address overdue CARS, overdue calendar of event actions, etc. are made accordingly. These recommendations are generally noted by management team via their meeting minutes. This was evident by provided copies of management team meeting agendas and minutes where Dashboard reports were presented.
		Any amendments required for Council's WHS and IM Improvement Plan is made at the time of yearly system review. Any likely issues are flagged during meetings with program leads however no formal notes are taken for these meetings.
		A performance review / appraisal was in place however ceased in 2017 due to its complex nature. A new process is currently under development with a pilot program to be rolled out in September 2018.
		As per the PSSI expectations for this sub-element 'the organisation needs to demonstrate implementation of system defined accountability mechanisms used to hold individuals and groups accountable for meeting allocated WHS responsibilities. If council does not see performance appraisals as the appropriate vehicle for accountability mechanisms to be assessed / measured and address any deficiencies, council will need to find another way to facilitate this. In particular considering there are WHS responsibilities allocated to workers and leadership positions in position
		*A **non-conformance** is given as no evidence of accountability for allocated WHS responsibilities in position descriptions.*
		Council may wish to consider the following suggestions for improvement:
		• *Developing a process to assess, measure and address deficiencies of WHS responsibilities as allocated in position descriptions.*
18	3.7.1	**The organisation must ensure contingency plans are periodically tested and/or evaluated to ensure an adequate response, if required**
		A WHS Emergency management system exists with policy, emergency management risk assessments (identifying likely emergency scenarios), emergency procedure manuals, evacuations scheduled, debriefs and reporting in place. Any issues identified as a result of these evacuations are entered into corrective actions register. Documentation for Civic Centre and two depots (Marion Road and Morphett Road) viewed.
		Generally each exercise conducted contained the core elements of council's end to end system. Recording and reporting of exercises as per WHS Emergency Management policy could be tightened up. In addition, broadening the emergency exercises to include likely scenarios, as identified during risk assessment process, should be considered. This will ensure council are testing other contingencies to ensure adequate responses. Other contingency testing this sub-element considers is Business Continuity Plan (BCP). Council has a BCP in place which includes exercise time frames of annual desktop exercise and simulation exercise each 2 years. Evidence provided was two desktop exercises conducted in November 2016 and May 2018. There was no evidence that a simulation exercise had been programmed or completed. Council is currently working with external consultants to further develop their emergency management including delivery of training which will incorporate testing.
		*An **observation** is given as not all contingency plans are periodically tested.*
		Council may wish to consider the following suggestions as improvements:
		• *schedule testing of BCP, as set out in BCP, in WHS Calendar of events or similar scheduling tool*

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 40 of 49

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

		• broaden emergency evacuation exercises to include likely emergency scenarios as per risk assessments
19	3.8.1	**The organisation must ensure a hazard management process that includes identification, evaluation and control is in place** *A Hazard management policy is in place and current. A hazard profile register exists which captures tasks for each department. A small sample set (3) of task risk assessment were provided and viewed. Review dates / period not evident and apart from 1, unable to differentiate between controls.* *Plant registers for major and minor plant have been developed however risk assessment and applicable SOP details have not been included. Management of plant was discussed with WHS Coordinator which revealed some significant gaps: uncertain if all plant has been accounted for (registers not updated when plant purchased / reviewed periodically), risk assessments not completed / reviewed and additional controls such as SOP not developed / reviewed.* *A small sample set (3) of plant risk assessments provided and viewed. Unable to determine review date / period, residual risk ratings and if additional controls have been implemented. Sub-element 1.2. 1 has already highlighted a large number of SWP/SOP are overdue for review.* *Council is aware of this issue and aim to address via a plan which has been developed for the depot relocation. It would be prudent of Council to ensure a development / review schedule is developed and regularly reviewed, monitored and reported on so any issue can be addressed.* *Due to insufficient evidence provided (initial and additional) and lack of time during evaluation, no other elements of hazard management system were evaluated eg chemicals, asbestos management, confined spaces.* *A **non-conformance** is given due to an ineffective plant management system.* *However council may wish to consider the following suggestions for improvement:* • *Developing and implementing a plant management system which includes updating registers, development / review of risk assessments and associated documents ie SOPs, pre purchase process (3.8.5)*
19	3.8.3	**The organisation must ensure control measures are based on the hierarchical control process** *Although the evidence viewed indicates control measures are based on the hierarchy of control, it is difficult to determine if this is intentional or inadvertently.* *To this end a **conformance** is given.* *However council may wish to consider the following suggestions for improvement:* • *review risk assessment forms to capture applicable hierarchy of control for each control* • *rationale for utilising a particular control in preference to others (eg 'soft' option for a higher option) should be evident*
20	3.8.5	**The organisation must ensure program(s) are in place to ensure an appropriate WHS consideration is given at the time of purchase, hire or lease of plant, equipment and substances** *There are policies in place which cover the process for purchase of plant (WHS Plant and Equipment safety) and chemicals (WHS chemical management). Accompanying the former, there is also a pre purchase checklist for plant (provided as evidence) and the latter is a chemical request form (not provided as evidence). Focus of the evaluation was the pre-purchase process for plant. Based on interview conducted with Coordinator Fleet Clean and Supp Service and viewing the pre-purchase documentation provided as evidence for Bandit woodchippers × 3, Toyota Landcruiser Cab chassis and desktop*

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 41 of 49

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

		standing workstation, it is evident that Council's policy is not being adhered to in every situation. Whilst pre-purchase checklist is being completed, in most cases, it is not the current version and it is being completed after the tender process. Not evident that supplier's risk assessment is being obtained at time of purchase (all plant). Plant risk assessment completed by council is not always done (Bandit woodchippers purchased 2017, Toyota landcruiser and desktop standing workstation). Additionally only the Bandit Woodchipper purchased in 2016 had a SOP. Nil training records provided as evidence. In relation to the chemical purchase example (washing powder), there was no further follow up. Based on evidence provided there were gaps compared to the requirements in the policy (request form, reporting, and consultation). Council needs to ensure purchasing follows the end to end processes set out in the respective policies.
		A **non-conformance** is given as programs in place to ensure appropriate WHS consideration is given when purchasing plant and substances is not being adhered to.
		However council may wish to consider the following suggestions for improvement:
		• Ensure Council's policy relating to pre purchase of plant and chemicals is adhered to. If required, review and implement with key stakeholders.
21	3.8.6	**The organisation must ensure program(s) are in place to meet the organisation's duty of care for all persons in the workplace**
		Generally Council has policies and processes in place to meet their duty of care in relation to volunteers and contractors. A policy, manual, starter kit, handbook and role statements exist for the management of volunteers albeit some of these documents are overdue for review. Council uses 'Better Impact' to manage volunteer information. Unfortunately unable to view during evaluation due to illness of volunteer coordinator. Evidence of completed induction procedures checklists, for a number of volunteers, were provided along with driver assessments. JSEAs for some Volunteer activities (community Bus driver, crèche, shopping assistant and toy library) were provided. However Volunteer activities have not been included in Council's Hazard Profile Register. Also JSEA differs from previously viewed task risk assessment forms used for other council activities. Volunteers training needs analysis and training plan not provided as evidence or any supervision / monitoring records.
		Contractor management is covered by a policy, tender process for panel of contractors and capital works, hazard identification, inductions (corporate and site), obtaining site specific JSA / SWMS, 'Authority to work' permits and monitoring. Only solid evidence viewed was for recent West Thebarton Road upgrade. These projects are managed very well and safety is considered however primarily public safety and not necessarily WHS. This could be because contractors usually have site ownership. No evidence provided / viewed for contractors used by property services. However interview suggested monitoring is not always conducted.
		Observation is given as there are obvious systems in place for both volunteers and contractors. Based on evidence, volunteer management is stronger than contractor management. Council may wish to consider the following suggestions for improvement:
		• Update volunteer management suite of documents
		• Ensure during assessment of tenders, viewing actual JSA/SWMS form part of assessment in particular addresses hazard identification
		• Monitoring is undertaken, for both volunteers and contractors, and documented
		• Include volunteer activities in Council's Hazard Profile register and confirm template, including risk matrix.

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 42 of 49

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

23	3.9.1	**The organisation must ensure that the implementation of relevant inspection and testing procedures are conducted by the relevant, competent person(s)**
		Inspections and monitoring is being conducted as per Council's WHS calendar of events. Workplace inspections are undertaken according to the frequencies set out in Council's Hazard Management Policy (3 mths for depots, 6 mths for offices, library and community centres). Any issues identified are entered into CAR and reporting on status of inspections occurs on a quarterly basis via Dashboard reports. All staff have been identified as requiring training and not only receive this training but also ongoing on the job training.
		Legislated and system required inspections such as pressure vessels, slings / cables / harness checks, testing and tagging are also programmed into WHS calendar of events. Records are maintained of inspections and competencies are maintained as part of Council's contractor management a system (although only one record was viewed during evaluation).
		Conformance *is given*
		Council may wish to consider the following suggestion for improvement:
		• *Ensure competencies for those conducting inspections (workplace and other) are recorded either in training system (workers) or contractor management system.*
27	4.1.1	**The organisation ensures planned objectives, targets and performance indicators for key elements of program(s) are maintained and monitored**
		Council's WHS and IM Planning policy sets out reporting and review parameters for WHS and IM Plan. Quarterly reporting on progress and annual review to determine actual performance against planned objectives, targets and performance indicators of WHS and IM Plan are parameters stated in the policy.
		This sub element primarily focuses on objectives, targets and performance indicators are maintained and monitored and reported. WHS and IM Plan review from December 2016 was provided as evidence however this refers to previous WHS and IM plan. There is no evidence to confirm annual review of current WHS and IM Plan (Including objectives, targets and performance indicators) has been conducted.
		*A **non-conformance** is given.*
		Council may wish to consider the following suggestions for improvement:
		• *Ensure an annual review of WHS and IM plan (including objectives, targets and performance indicators) is conducted. Also document any discussion and outcomes agreed upon by Executive Management Team*
29	5.3.1	**The organisation ensures the system is reviewed and revised, if required, in line with current legislation, the workplace and work practices**
		Processes are in place to review elements of the system. WHS and IM planning policy covers review process and development of WHS and IM Plan. A review dated December 2016 was viewed as evidence and whilst it included some system elements, not all were included, as per policy. Additionally the annual review for 2017 had not been undertaken. When reviewing policies, council has a robust process in place consisting of an implementation plan. These plans start with consultation through to roll out to staff. Legislative changes are reported in quarterly Dashboard reports. The sample set of reports viewed whilst noted two legislative changes did not indicate if council had to implement any changes. A significant change for council is the relocation of their depot to a new location. A comprehensive action plan has been developed to tackle WHS considerations.
		Evidence indicates processes are in place for reviewing however application is not necessarily to the fullest across the organisation.
		*An **observation** is given.*

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 43 of 49

17 April 2019   Page 79

		• Ensure review and development of WHS and IM Plan is as per policy
		• Note any action to be taken by council for reported legislative changes
		• Ensure action plan for depot relocation is regularly reviewed, monitored and reported.

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 44 of 49

17 April 2019   Page 80

Mutual Liability Scheme
Workers Compensation Scheme
Local Government Association
of South Australia

LGRS

IM System Evaluation Findings

Q #	Sub-Element	Sub-Element Details and Findings Summary
1	1.2.1	**Documented job descriptions for all injury management / RTW personnel and where *relevant* management, supervisors and employees.** *Job descriptions are in place for Internal Return to Work Coordinator and WHS Coordinator (contingency) noting appropriate roles for each. Viewed job description for Manager City Operations and Coordinator Horticulture Services which included applicable injury management responsibilities.* **Conformance** *is given.*
1	1.2.2	**Ensuring injury management personnel are competent to administer their role in a reasonable manner.** *Internal RTW Coordinator and WHS Coordinator (contingency) have both attended Internal RTW/Claims Coordinator training (initial and refresher) and provided certificates to confirm attendance. Internal RTW Coordinator indicated that she guides managers, supervisors and coordinators through claim and return to work process. Formal training for this group has not as yet been provided however is to be scheduled for either later this year or early next year. (NB this was also identified in 2016 KPI Audit)* *An **observation** is given.*
1	1.2.3	**Ensuring the allocation of resources is appropriate for the organisations type, volume and complexity of the case load.** *Based on evidence provided as per WHS Dashboard reports (third quarter report 2017 – 2018 and fourth quarter report 2017 -2018) number of claims being managed, allocation of resources is adequate.*
1	1.2.4	**Suitability of facilities and accommodation to ensure restricted access to information, including maintaining confidentiality during interaction with injured workers and service providers.** *Access to files (electronic and hardcopy) is restricted to Internal RTW Coordinator and office is used to conduct interviews and phone calls.* **Conformance** *is given*
1	1.2.5	**A Scheme Member is required to appoint a Return to Work Coordinator (IRC) and ensure the person appointed to this role has successfully completed relevant LGAWCS training. Where this role becomes vacant, the Scheme Member is required to re-appoint an employee within 3 months and ensure the employee(s) appointed have received relevant LGAWCS training within 3 months of the appointment being made.** *Internal RTW Coordinator received training within 3 months of appointment confirmed by provided copies of job description (August 2015) and training certificated (November 2015)* **Conformance** *is given*
2	1.6.1	**How to report a work related injury** *Council has adapted the LGAWCS Workplace Return to Work procedure and retitled WHS Injury Management and Return to Work policy. Section 6.1 covers reporting a work related injury/illness.* **Conformance** *is given*
2	1.6.2	**The process for lodging a claim for compensation**

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 45 of 49

		Council has adapted the LGAWCS Workplace Return to Work procedure and retitled WHS Injury Management and Return to Work policy. Section 6.2 covers submission of a Workers Compensation Claim. **Conformance** *is given*
3	2.8.5	**Where a worker has not returned to pre-injury employment within 6 months from date of first incapacity and is not working to their full capacity, new or other employment options are considered for the worker by the Scheme Member in conjunction with the LGAWCS.** *Council has adapted the LGAWCS Suitable Work procedure and combined into one policy titled WHS Injury Management and Return to Work policy. Section 6.6 covers suitable employment.* **Conformance** *is given*
3	2.8.6	**Where a Scheme Member does not provide suitable employment to a former work injured employee the Scheme Member notifies and consults with LGAWCS.** *Council has adapted the LGAWCS Suitable Work procedure and combined into one policy titled WHS Injury Management and Return to Work policy. Section 6.6 covers suitable employment.* **Conformance** *is given*
4	4.1.1	**Processes are in place that monitor, measure and review the effective implementation of the injury management system and where relevant, strategies to improve performance of the injury management system are identified.** *Reporting of Workers Compensation claims and Return to work information is via quarterly Dashboard reports. An overview of information about number of claims submitted for quarter, status of claims and types of claims is provided in addition to breakdown of open and closed claims including duration of claims, RTW outcomes and broken down by departments.* **Conformance** *is given*
4	4.1.3	**The Service Standards set out in Schedule 5, Part 2 of the Return to Work Act 2014 are in place.** *Council has incorporated LGAWCS Service Standards into their WHS Injury Management and Return to Work policy (under 7.4 Employer and LGAWCS Responsibilities). This policy is available to staff via Compass* **Conformance** *is given*

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 46 of 49

17 April 2019

Page 82

Conclusion

As discussed in the Executive Summary, Council has made excellent progress in developing its risk management systems and integrating risk management across the organisation. The opportunities for improvement and areas where the sector baseline is not yet met should be addressed in Council's next annual risk & resilience plan.

The projects currently under way in relation to tree management and maintenance management plans are excellent and employees involved are to be commended for their initiative in these areas. Once implemented, Council should consider nominating for LGAMLS best practice awards.

Whilst a lot of effort has been put into development and implementation of Council's WHS management systems, consideration should be given to prioritising the following activities within the WHS planning process:

- Accountability mechanisms, including performance development and reflecting responsibility for WHS in all position descriptions;
- Plant – including maintenance of registers, risk assessments and controls, (noting that depot relocation will be an opportune time to implement a development and review schedule for risk assessments and Safe Operating Procedures), pre-purchase consultation, competency assessment, etc.; and
- Hazard Management – consider reviewing implementation and effectiveness of hazardous work procedures to ensure that risks are being appropriately managed, in accordance with the procedures.

As with all systems, ongoing monitoring, review, and updates should occur to maintain currency and relevance to the organisation and workplaces.

Council should work with their Scheme nominated WHSC/Risk Consultant in developing a plan of system improvement actions for the coming 2 years. It should be stressed that this evaluation is a sampling process only and there may be high risk areas outside of the scope of the evaluation that may require addressing as well.

Finally, the evaluators would like to take this opportunity to thank everyone involved in the evaluation process, both for the preparation prior to the site visit and for the cooperation, assistance and hospitality throughout the evaluation.

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.0

Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.
T:\Tracey\West+Torrens_Risk_Evaluation_2018_Summary_Report_V2.0+docx.docx

Page 47 of 49

17 April 2019   Page 83

Contact

Stevie Sanders
WHS & Risk Manager
T: +61 (0)8 8235 6485
M: +61 (0) 429 904 262
Stevie.Sanders@jlta.com.au

LGRS a division of Jardine Lloyd Thompson Pty Ltd
ABN 69 009 098 864 AFS Licence 226827
Level 1, 148 Frome Street, Adelaide SA 5000
T: +61 8 8418 0288

www.lgrs.com.au

LGA Mutual Liabilities Scheme - 2018 Evaluation Summary Report

Strategic Resilience Action Plan

This summary report has been provided as a result of the LGA Mutual Liabilities Scheme review that took place in August 2018. This summary report provides a proposed action plan and activities for the Strategic Resilience Team and key stakeholders to complete prior to the next LGAMLS review in 2020.

Specific Results and Improvement Areas – Risk Management Systems

The LGAMLS review considered the presence and degree of implementation of systems relating to three mandatory requirements (Risk Management, Planning and Development, Roads and Footpaths) and two electives (Tree Management, Volunteer Management). Sector baselines were established by a consultative group (metro and regional scheme members) and refer to the minimum standard expectation within the Local Government Sector. All criteria must be met to fulfil the requirements of 'sector baseline met'. The opportunities for improvement and areas where the sector baseline is not yet met is addressed below and any actions noted to be completed will form part of the 2019/20 (and where appropriate) the 2020/21 annual risk and resilience plans.

An overview of the resulting review is tabled below;

QUESTIONS		Total # of sector baselines evaluated	Sector Baseline Met	Sector Baseline Not Yet Met
Mandatory 1:	Risk Management Systems	6	6	0
Mandatory 2:	Roads and Footpaths	8	5	3
Mandatory 3:	Planning and Development Administration	3	3	0
Elective 1:	Volunteer Management	4	3	1
Elective 2:	Tree Management	3	2	1
		24	19	5

The report made special comment suggesting that, following completion, Council consider nominating for LGAMLS best practice awards in relation to tree management projects, and maintenance management plans. In addition, employees involved were commended for their initiative in these areas.

The scope did not extend to preparedness for legislative change, (in relation to planning & development in particular) and the report noted that Council should ensure it is actively reviewing and updating its policies, procedures and systems in anticipation of that change.

Strategic Resilience Action Plans 2018-20

The Action Plan on the following pages outlines the improvements suggested within the LGAMLS summary report. Completion of the actionable items within Table 1 will ensure that the 2018 sector baseline is met. The additional actions outlined within Table 2 are non-compulsory improvement suggestions.

Strategic Resilience will schedule and monitor any items that remain incomplete as part of its annual risk and resilience plans in 2019/20 and 2020/21 to ensure completion of the outlined items prior to the 2020 review.

It is also noted that all activities across the suggested improvement areas proposed as part the action plan were in progress at the time of the 2018 evaluation and will continue as part of each departments continual improvement approach.

Please note that Item 3.7.1 (BCP testing) was reviewed as a component of WHS, however this item is owned by Strategic Resilience Team and therefore has been included within this summary report.

P a g e 1 | 3

Table 1: **ACTION REQUIRED** - 'Sector Baseline not yet met'

The following Result Areas were identified within the LGAMLS Review as 'Sector Baseline not yet met' and require the Strategic Resilience Team to monitor;

Ref.	Result Area	Improvement Area	Improvement Description	Responsible Officer	Progress	Due Date
2d.	Road and Footpath Inspections	Inspection / Maintenance Schedule	This will be formalised following endorsement of Maintenance Management Plans.	Joe Ielasi	In Progress	Dec 2019
2f.	Road and Footpath Prioritisation	Conquest	(Refer to 2c - Conquest) Consideration for a risk score and other prioritisation measures.	Joe Ielasi	In Progress	Dec 2019
2g.	Road Management	Railway Interface	New tripartite agreement (between WTCC, ARTC and Railway Commissioner) currently being prepared.	Joe Ielasi	In Progress	Dec 2019
E3a.	Volunteer Management	Volunteer Policy and Process	A new handbook is being developed to cover policy and process. Starter Kit to be reviewed for consistency with new handbook.	Celine Luya Emma Pursche Shannon Lopez	Complete	January 2019
E4b.	Tree Management	Tree Maintenance Plan	Tree planting and replacement plan (consider tree species that are tolerant to changing climate and soil conditions and trials new species.	(Peter Richardson) Rick Johnston Enio Trombetta	*(In Progress as part of Tree Strategy 2018-2025*	*June 2020*
		Tree Assessment	Tree planting assessment table (checklist to assist in selection of tree species and inform tree planting/replacement)	(Peter Richardson) Rick Johnston Enio Trombetta	*(In Progress as part of Tree Strategy 2018-2025*	*June 2020*
		Tree Risk Matrix	(Refer to E4b - Tree Assessment) Prioritisation template/procedure to minimise risk to public safety	(Peter Richardson) Rick Johnston Enio Trombetta	*(In Progress as part of Tree Strategy 2018-2025*	*June 2020*

Page 2|3

Table 2: **ADDITIONAL ACTIONS** - 'Sector Baseline Met' ('Improvement Suggestions')

The following Result Areas were identified within the LGAMLS Review as 'Sector Baseline Met'. Additional improvement suggestions were presented for the Strategic Resilience Team to consider actioning;

Ref.	Result Area	Improvement Area	Improvement Description	Responsible Officer	Progress	Due Date
1a.	Risk Management System	Interplan	Project Risks recorded within Interplan	Liz Johnson	In progress	June 2019
		Interplan	Strategic Risks linked within Interplan	Liz Johnson	Complete	Oct 2018
		Positive Risk	Embed positive risk and positive consequence into Organisational culture	Liz Johnson	In Progress - Ongoing discussion with Continuous Improvement Team. Item contained in Risk Plan 2018/19.	Jun 2019
1d.	Risk Management Training	Elected Members Risk Management Training	Risk Management training during induction program for newly elected Council in 2018/19	Liz Johnson	In Progress	March 2019
2c.	Road and Footpath Maintenance	Conquest	Build additional formalised criteria into conquest to enable prioritisation of asset renewal / maintenance	Joe Ielasi	In Progress	Dec 2019
		KPI's	Develop measurable KPI's (in line with levels of service in asset management plan) and implement monitoring / reporting mechanisms	Joe Ielasi	In Progress	Dec 2019
E3d.	Volunteer Roles and Responsibilities	New Volunteer Programming	New Council Programs to be risk assessed prior to recruitment phase (i.e. risks, opportunities, potential impacts on paid employees, community, other stakeholders, safety, etc)	Celine Luya Emma Pursche Shannon Lopez	In progress. Working with Strategic Risk RE Online Risk Assessment	June 2019
3.7.1	WHS	* BCP Testing	Ensure testing as per exercise timeframes within Plan.	Liz Johnson	In progress	June 2019

P a g e 3 | 3

LGA Workers Compensation Scheme - 2018 WHS Evaluation Summary Report

Work Health Safety Summary Action Plan

This report summaries the results from the evaluation conducted the LGA Workers Compensation Scheme (LGAWCS) in August 2018 and describes how CWT closeout items when they have been identified as non-conforming or when observations for additional improvements have been made.

Specific Results and Improvement Areas - WHS Safety System

Work Health and Safety Systems are evaluated against selected elements from ReturnToWork SA's Performance Standards for Self-Insurers (PSSI). The PSSI consists of five inter-related standards, 23 elements and 55 sub elements. The 2018 WHS evaluation looked at eleven sub elements.

An overview of the results can be found in the below table:

STANDARDS	Total sub elements evaluated	Conformance	Observation	Non-conformance
Standard 1- Commitment and Policy	1		1	
Standard 3 - Implementation	8	3	2	3
Standard 4 - Measurement & Evaluation	1	1		
Standard 5 - Management systems review and improvement	1		1	

Note: An observation is a conformance with a recommendation for additional improvement.

Main areas of focus

The LGAWCS report commended the Council on its work in training systems development and implementation of the training program and recommended three key areas for CWT to prioritise during the WHS action planning process which include:

- Accountability mechanisms including performance development and ensuring references of specific WHS responsibility is included in all position descriptions for monitoring and measurement;
- Plant – including maintenance of registers, risk assessments and controls, Safe Operating Procedures, pre-purchase consultation, competency assessment, etc.; and
- Hazard Management – consider reviewing implementation and effectiveness of hazardous work procedures to ensure that risks are being appropriately managed, in accordance with the procedures.

WHS and IM 2018 Action Plan

The annual CWT WHS action plan is developed in response to findings and recommendations of the identified non-conformances and observations made by the LGAWCS during the evaluation. The action plan supports the CWT 2017-2020 WHS and Injury Management (IM) Improvement Plan which is a strategic plan containing five programs:

Program 1 - WHS and IM Culture, Plan and Policy

Program 2 - Hazard Management

Program 3 - Contractor Management

Program 4 - Reporting Framework/Technology Systems Review

Program 5 - Effective Emergency Management

Program 6 - WHS and IM Management System Sustainability

Contained within the action plan is the additional WHS and IM work scheduled for completion up until 30 September of each year. The Executive Management Team provide final endorsement of the action plan prior to the LGAWCS for approval. Progress and closeout of the action plan is reported to each of the Executive and the LGAWCS monthly.

CWT receive an annual rebate from the LGAWCS which is dependent upon the percentage of actions closed out within the plan for the period leading up until 30 September of each year e.g. 50% completion equals 50% of the rebate. CWT have been consistent over the previous four years and has been successful in receiving a 100% rebate from a 100% closeout.

9.3   INTERNAL AUDIT

9.3.1   Internal Audit Plan 2018-2022

Brief

This report outlines the approved 2018-2022 Internal Audit Plan.

RECOMMENDATION

It is recommended to the Committee that the 2018 - 2022 Internal Audit Plan be noted.

Introduction

Since 2006, the organisation has benefitted from the establishment of a robust internal audit function. The 2018 - 2022 Internal Audit Plan (Plan) is a four year plan, developed using risk-based methodology, which aligns to the term of the Council and the term of the Audit General Committee (Committee). This Plan was presented to the 9 October 2018 meeting of the Committee and is currently being implemented.

This report outlines the Plan **(Attachment 1)**. The Plan also outlines the Annual Audit Program (Program) to be undertaken within each financial year throughout the life of the Plan.

Discussion

Planning Approach

Section 1 of the Plan outlines the risk methodology used in the development of the Plan and which is correlated to the organisational risks contained within the organisation's risk register.

As all risks contained within the risk register have a revised (residual) risk rating of moderate or low, the Risk Management Controls Verification Audit was undertaken in 2015 to determine the veracity of the controls asserted to be in situ for each risk which, in turn, gives rise to the revised (residual) risk rating. This audit verified that the stated controls are in place. Therefore, in the absence of any high risk activity, the Plan has been developed by prioritising those:

- risks with a revised risk level of 'Moderate' **and** which attract a revised risk rating consequence of 'catastrophic or major';
- risks that give rise to key triggers which may drive audit activity; or
- previous audit findings of non-compliance.

In addition, key triggers which may drive internal audits include:

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

It is acknowledged that some risks may not have been identified and/or appropriately assessed and changes to the Plan/Programs may be required from time to time to account for changes within the organisation and/or to ensure the focus of internal audit is responsive to the organisation current and emergent risks. The Plan has been designed with inherent flexibility to accommodate changes to each year's Program.

The Plan and Programs have been developed with the active engagement and consultation of the Executive and management teams.

Plan Content

The Plan contains nine (9) sections as follows:

Section 1 - Introduction
Section 2 - Internal Audit Type Descriptors
Section 3 - Organisational Risk Tolerance, Treatment and Responsibilities
Section 4 - Risks and Internal Audit Planning
Section 5 - Internal Audit Program Schedule 2018 - 2022
Section 6 - Internal Audit Program for 1 November 2018 to 30 June 2019
Section 7 - Internal Audit Program for 1 July 2019 to 30 June 2020
Section 8 - Internal Audit Program for 1 July 2020 to 30 June 2021
Section 9 - Internal Audit Program for 1 July 2021 to 30 November 2022

Resourcing

The internal audit function is co-sourced with the allocation of a 0.5 FTE to the Program Leader Strategic Resilience position which is complemented via the engagement of expert contract internal auditors to undertake assurance and legislative audits. Budgets will be determined each year in line with the audits proposed in the Plan.

While 'moderate' risks with a revised risk rating of 'catastrophic' may be subject to audit over the life of the Plan, resourcing does not allow for all 'moderate' risks with a revised risk consequence of 'major' to be audited over the same timeframe. These audits may either be carried forward into subsequent Plans or may be used to substitute those planned audits that are not able to be undertaken.

Implementation

While the four (4) year Plan is aligned to the term of the Council and subsequently the Committee, reporting will be aligned to the Program(s) contained within the Plan and updates will be provided to each future ordinary meeting of the Committee.

The Plan will be reviewed on an annual basis (commencing 30 June 2019) to ensure relevance, address scheduling issues and enable reprioritisation and/or the inclusion of any unforeseen risk activity or mandated audits.

Conclusion

The *Internal Audit Plan 2018 - 2022* and the Annual Audit Programs have been developed based on approved risk based methodology supported by the active engagement and consultation with the Executive and management teams. It is also recognised that changes to the Plan or Programs may be required from time to time to account for changes within the organisation and to ensure the focus of internal audit addresses the organisation current and emergent risks.

Progress update reporting against Annual Internal Audit Program(s) will be provided to each ordinary meeting of the Committee.

Attachments

1.   2018-2022 Internal Audit Plan

Internal Audit Plan

2018 - 2022

Page 1

Contents

Page 2

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 permanent internal resources 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 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 Enterprise 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.*
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 Enterprise Risk Framework (likelihood and consequence descriptors). Risked based methodology has been used in the development of this Plan which is encapsulated in the following documents:

- CWT Enterprise Risk Management Policy
- CWT Enterprise Risk Management Framework
- Strategic Risk Register
- Operational Risk Register
- Emergency Risk Register
- WHS Organisational Hazard Profile Register
- Organisational 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
- High dependence on internal controls
- 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 has 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 revised risk rating consequence of 'catastrophic or major', consideration of key triggers or by reviewing past findings of non-compliance.

Page 3

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

Page 4

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
Not Tolerated	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	• 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.	• 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	• Monitoring and reporting by the appropriate General Manager in the risk register. • High risks must be registered in the risk register. • High risks and outstanding actions must be reported to the Audit and Risk Committee.	• Quarterly updates to the Executive Team • 90 days to implement priority audit actions/recommendations, if possible

Tolerated	Moderate	Moderate and low level of risk is tolerable for both 'Strategic and Operational Risks'	Manager	CWT tolerates a moderate level of risk and as such:
				• Action is not required to further mitigate risk unless:
				  • benefit exceeds the cost of resources allocated
				  • there is a specific need
				  • the Action is in the Public Interest
					• Agreed actions are not subject to priority actioning
					• Agreed actions are managed internally
					• No timeframe for implementation

	Low		Manager	• 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	
	Better Practice	Better Practice Opportunity (when assessed accurately against the CWT Enterprise Risk Management Framework) does not accord any risk rating	Manager	No risk attached, therefore no requirement to action • Action is only required if benefit exceeds the cost of resources allocated	• Agreed actions are not subject to priority actioning • Agreed actions are managed internally • No timeframe for implementation

Page 5

4. Risks and Internal Audit Planning

The CWT's Operational Risk Register as at June 2018 has 82 Active Risks. This Risk Register is used to inform and prioritise scheduling of the Internal Audit Plan. Risk ratings are determined in line with processes and procedures in the Enterprise Risk Management Framework.

Operational risks which attract a ' catastrophic or major' revised level of consequence and operational risks which have a high or extreme reliance on controls form the highest level of risks documented and form the basis of this Plan. Internal audits are then scheduled based on these risks taking into account capacity, budget and previous audit schedules.

The table in sections 6 to 9 of this report contain the revised risk ratings for the operational risk most relevant to an audit scope. A legend of the abbreviations used in this table is below:

C	Consequence
Insig	Insignificant
Min	Minor
Mod	Moderate
Maj	Major
Cat	Catastrophic

Revised Risk Rating		
C	L	R
Maj	U/lik	Mod

L	Likelihood
Rare	Rare
U/lik	Unlikely
Mod	Moderate
Like	Likely
AlCer	Almost Certain

R	Rating
Low	Low
Mod	Moderate
High	High
Ext	Extreme

Page 6
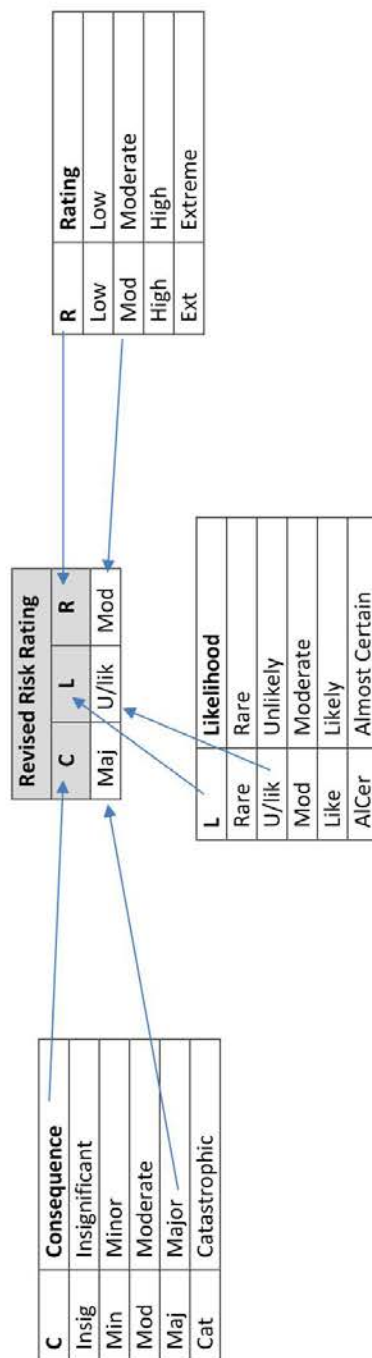
5. Internal Audit Program Schedule 2018-2022

2018/19 Internal Audit Program	2019/20 Internal Audit Program	2020/21 Internal Audit Program	2021/22 Internal Audit Program
Staged Audits			
Stage 5 Procurement Roadmap Audit	PDI Act and Regulations Implementation (Planning reform)	PDI Act and Regulations Implementation (Planning reform)	
Assurance Audits			
Fraud and Corruption	Complaints Processes	Flooding controls and prevention	Insurances
Information Technology Disaster Recovery Plans		Elected Member requests	Cyber Security (Information Security)
Legislative Compliance			
		Expiations, Fines and Enforcements - LG Act and Expiation of Offences Act	Local Nuisance and Litter Control Act 2016
Spot Audits			
Risk Management Program	Work Zone Traffic Management		
Third Party Audits			
Annual Vic Roads Audit	Annual Vic Roads Audit	Annual Vic Roads Audit	Annual Vic Roads Audit
		Dog and Cat Management Board Audit	
WHS Audits			
WHS/IM KPI Audit against PSSI	WHS/IM KPI Audit against PSSI	WHS/IM KPI Audit against PSSI	WHS/IM KPI Audit against PSSI
		WHS Training and Education	
Facilitative Audit			
Plant and Equipment Maintenance Audit (Carry over from 2017/2018 IAP)	Volunteers Program		Corporate Planning Framework - based on Lean project

Page 7

6. Internal Audit Program for 1 November 2018 to 30 June 2019

Ref	Internal Audit	Relevant Department(s)	Reason for Inclusion and Indicative scope	Link to Strategic Risk	Link to Operational Risk	Revised Risk Rating			Risk Descriptor	Resource
						C	L	R		
Carry Over										
1	Plant and Equipment Maintenance	City Operations	The Plant and Equipment Maintenance Audit will be carried over and re-scoped to provide assurance of the legislative compliance with relevant WHS legislation. Highlighted as a key risk across multiple departments 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. Effective WHS Management	Failure of plant and equipment resources resulting in injury to staff or reduced service delivery.	Maj	U/lik	Mod	WHS	Contract internal auditor
Staged Audits										
2	Procurement Roadmap (Stage 5)	Procurement	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. This Stage of the Audit seeks to review implementation of the previous audit recommendations as well as focus on the effectiveness of procurement processes throughout organisation.	1. Business Practices	Failure to follow procurement processes resulting in lack of probity and transparency and not achieving council outcomes such as value for money	Mod	Rare	Low	Financial Reputation	Contract internal auditor

Page 8

Assurance Audits

Ref	Internal Audit	Relevant Department(s)	Reason for Inclusion and Indicative scope	Link to Strategic Risk	Link to Operational Risk	Revised Risk Rating			Risk Descriptor	Resource
						C	L	R		
3	Fraud and Corruption	Organisation	Fraud and/or corruption has been highlighted as an area of concern by multiple departments as well as being an ongoing concern in the community. This audit will review the adequacy and effectiveness of Council's control framework to prevent and detect fraud, the existence and effectiveness of methods for promoting awareness and educating employees and Elected Members on their duties to report any suspicions of fraud and corruption, the Identification of areas within CWT potentially exposed to a high or moderate risk of fraud and corruption, the organisation's compliance with CWT policies as well as the sufficiency and adequacy of information reporting to Management.	7. Fraud and Corruption	Unacceptable behaviour from staff or contractors resulting in external investigation or litigation.	Maj	Rare	Mod	Reputation	Contract internal auditor
4	Information technology disaster recovery plans	Information Services	A surprise mock event to test whether the Information technology disaster recovery plans 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. This review will also seek to review the plan and make continuous improvement recommendations.	9. Ineffective Business Continuity and Community Resilience	Interruption or loss of business systems and/or cloud services	Maj	U/lik	Mod	Financial Reputation Organisation impact	Contract internal auditor

Spot Audits

Page 9

Ref	Internal Audit	Relevant Department(s)	Reason for Inclusion and Indicative scope	Link to Strategic Risk	Link to Operational Risk	Revised Risk Rating C	L	R	Risk Descriptor	Resource
5	Risk management program	Resilience	To ensure a robust and effective risk management program, this audit seeks to review performance of the Resilience team against requirements of the CWT's risk framework and associated plans.	9. Ineffective Business Continuity and Community Resilience	Council Staff or Audit and Risk Committee Members have insufficient skills and expertise leading to failure to offer full value to the Council's oversight responsibilities or an ineffective risk, resilience and audit program	Maj	Rare	Mod	Financial Reputation Organisation impact	Contract internal auditor
WHS Audits										
6	WHS/IM KPI Audit against PSSI	WHS	An annual audit mandated by the Scheme.	3. Effective WHS Management	Failure to provide a safe workplace resulting in injury increased costs and reputation damage	Maj	U/lik	Mod	3rd Party obligation	Internal WHS and Resilience Teams
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.	NA	NA	NA			3rd Party obligation	Internal Resilience Team

Page 10

7. Internal Audit Program for 1 July 2019 to 30 June 2020

Ref	Internal Audit	Relevant Department(s)	Reason for Inclusion and Indicative scope	Link to Strategic Risk	Link to Operational Risk	Revised Risk Rating			Risk Descriptor	Resource
						C	L	R		
Staged Audits										
1	PDI Act and Regulations Implementation	City Development	Infill development and planning reform have been emerging strategic risks for the CWT for some time and legislative compliance with PDI regulation has been a priority for the organisation. This audit will review the legislative compliance of the CWT development processes as well as provide an assurance audit on the supporting frameworks in place such as delegations, authorisation, policies, procedures and plans.	5. Decision making	Failure to comply with current and changes to Legislation and Policy including PDI Act and case law authority	Mod	Mod	Mod	Reputation	Contract internal auditor
Assurance Audits										
2	Complaints Processes	All	The risk of investigation from external authorities is a key risk highlighted across a number of different departments. The processes used to manage complaints are vital to ensure the community and stakeholders trust the organisation and further builds its reputation. Raising standards for handling complaints and reviewing council decisions involves embracing a complaint valuing culture as a core element of council business. This audit seeks to review the current complaints management systems and processes. The audit will also allow for continuous improvement identification and initiatives for implementation.	6. Advice and Information	Providing incorrect advice to internal/external stakeholders or not responding in a timely manner	Cat	Rare	Mod	Reputation Customer impact	Contract internal auditor
Spot Audits										

Page 11

Ref	Internal Audit	Relevant Department(s)	Reason for Inclusion and Indicative scope	Link to Strategic Risk	Link to Operational Risk	Revised Risk Rating			Risk Descriptor	Resource
						C	L	R		
3	Work Zone Traffic Management	City Operations WHS	A spot audit to assess whether City Operations work zone traffic management activities occur in line with legislation to ensure the safe movement of people throughout the city.	3. Effective WHS Management	Injury or death of staff or contractors in the workplace	Cat	Rare	Mod	WHS	Contract internal auditor
Third Party Audits										
4	Vic Roads Annual Audit	Regulatory Services	An annual Internal Audit which is mandated as part of the agreement with Vic Roads.	NA	NA	NA			3rd Party obligation	Internal Resilience Team
WHS Audits										
5	WHS/IM KPI Audit against PSSI	WHS	An annual audit mandated by the Scheme.	3. Effective WHS Management	Failure to provide a safe workplace resulting in injury increased costs and reputation damage	Maj	U/lik	Mod	3rd Party obligation	Internal WHS and Resilience Teams
Facilitative Audit										
6	Volunteers Program	Community Services	Volunteers comprise a significant population of the CWT workforce. It is essential that they are dealt with in a consistent, complaint and appropriate manner to ensure the most beneficial outcomes for all concerned. The mismanagement of volunteers resulting in failure to achieve objectives, reputation damage or litigation was identified by Community Services of attracting a revised consequence level of catastrophic. This audit will review the program procedures and infrastructures in place for ongoing, direct service volunteer programs across the CWT including compliance with relevant processes, procedures, documentation and human resources systems.	2. Workforce Management	Mismanagement of volunteers resulting in failure to achieve objectives, reputation damage or litigation.	Cat	Rare	Mod	Organisation impact Reputation WHS	Contract internal auditor

Page 12

8. Internal Audit Program for 1 July 2020 to 30 June 2021

Staged Audits

Ref	Internal Audit	Relevant Department(s)	Reason for Inclusion and Indicative scope	Link to Strategic Risk	Link to Operational Risk	Revised Risk Rating C	L	R	Risk Descriptor	Resource
1	PDI Act and Regulations Implementation	City Development	Continuing	5. Decision making	Failure to comply with current and changes to Legislation and Policy including PDI Act and case law authority	Mod	Mod	Mod	Reputation	Contract internal auditor

Assurance Audits

Ref	Internal Audit	Relevant Department(s)	Reason for Inclusion and Indicative scope	Link to Strategic Risk	Link to Operational Risk	Revised Risk Rating C	L	R	Risk Descriptor	Resource
2	Flooding controls and prevention	City Assets City Operations	This audit seeks to review the CWT Hazard Plan regarding flooding to assess the PPRR measures in place regarding flooding to ensure the city is appropriately prepared for flooding.	10. Emergency Events 11. Infrastructure Management	Flooding to existing communities and future developments resulting in loss or damage to property or injury	Maj	U/lik	Mod	Financial Reputation	Contract internal auditor
3	Elected member requests	All	The Office of the CEO and Mayor receive numerous requests from Elected Members but it is acknowledged that requests are provided to numerous departments directly. This audit seeks to review the process for ensuring elected member requests are dealt with in a timely, correct and appropriate manner given the risks identified regarding advice provision.	4. Stakeholder Relationships	Providing incorrect advice to internal/external stakeholders or not responding in a timely manner	Cat	Rare	Mod	Reputation	Contract internal auditor

Legislative Compliance Audits

Page 13

Ref	Internal Audit	Relevant Department(s)	Reason for Inclusion and Indicative scope	Link to Strategic Risk	Link to Operational Risk	Revised Risk Rating			Risk Descriptor	Resource
						C	L	R		
4	Expiation, Fines and Enforcements - Collecting fines	Regulatory Services Financial Services Community Services	A legislative compliance audit to be undertaken by a legal auditor reviewing CWT compliance with fine and expiation handling.	7. Fraud and Corruption	Unacceptable behaviour from staff or contractors resulting in external investigation or litigation				Reputation Financial	Contract internal auditor
Third Party Audits										
5	Vic Roads Annual Audit (Third Party Audit)	Regulatory Services	An annual Internal Audit which is mandated as part of the agreement with Vic Roads.	NA	NA	NA			3rd Party obligation	Internal Resilience Team
6	Dog and Cat Management Board	Regulatory Services	An annual Audit as required by the Dog and Cat Management Board.	NA	NA	NA			3rd Party obligation	External Audit
WHS Audits										
7	WHS/IM KPI Audit against PSSI	WHS	An annual audit mandated by the Scheme.	3. Effective WHS Management	Failure to provide a safe workplace resulting in injury increased costs and reputation damage	Maj	U/lik	Mod	3rd Party obligation	Internal WHS and Resilience Teams
8	WHS Training and Education	WHS	WHS training and education contribute to the overall WHS culture at the CWT. It has been highlighted in numerous WHS audits that this is an important factor in ensuring that WHS is an ongoing concern.	2. Workforce Management	Failure to provide a safe workplace resulting in injury increased costs and reputation damage	Maj	U/lik	Mod	WHS People	Contract internal auditor

Page 14

9. Internal Audit Program for 1 July 2021 to 30 November 2022

Assurance Audits

Ref	Internal Audit	Relevant Department(s)	Reason for Inclusion and Indicative scope	Link to Strategic Risk	Link to Operational Risk	Revised Risk Rating C	L	R	Risk Descriptor	Resource
1	Insurances	Financial Services	A risk identified by Financial Services highlighted the need for the organisation to hold appropriate insurance policies to ensure appropriate coverage in the event of a claim. This audit seeks to review the coverage provided by each insurance policies and identify potential gaps.	9. Ineffective Business Continuity and Community Resilience	Insurance information/profiling is incorrect resulting in over payment of premiums, litigation or reputation damage	Maj	U/lik	Mod	Financial	Contract internal auditor
2	Cyber Security	Information Services	With the level of hacking into corporate networks increasing at an alarming rate over the last decade, the security of information is an increasing risk to the CWT. The motivations of hackers can vary substantially. This audit seeks to identify gaps in the policies, procedures and practices within the CWT pertaining to information security and IT infrastructure as well as assessing the network architecture to evaluate whether the security supports risk tolerance levels and business objectives.	8. Information Technology Infrastructure and Services	Loss of the IT Datacentre	Maj	U/lik	Mod	Organisation impact	Contract internal auditor

Legislative Compliance Audits

Ref	Internal Audit	Relevant Department(s)	Reason for Inclusion and Indicative scope	Link to Strategic Risk	Link to Operational Risk	C	L	R	Risk Descriptor	Resource
3	Local Nuisance and Litter Control Act 2016	Regulatory Services	A legislative compliance audit to be undertaken by a legal auditor reviewing CWT compliance relating to the *Local Nuisance and Litter Control Act 2016*.	1. Business Practices	Failure to keep up to date with Legislative changes resulting in decision being overturned, litigation or negligence.	Cat	Rare	Mod	Financial Reputation	Contract internal auditor

Third Party Audits

Page 15

Ref	Internal Audit	Relevant Department(s)	Reason for Inclusion and Indicative scope	Link to Strategic Risk	Link to Operational Risk	Revised Risk Rating			Risk Descriptor	Resource
						C	L	R		
4	Vic Roads Annual Audit	Regulatory Services	An annual Internal Audit which is mandated as part of the agreement with Vic Roads.	NA	NA	NA			3rd Party obligation	Internal Auditor
WHS Audits										
5	WHS/IM KPI Audit against PSSI	WHS	An annual audit mandated by the Scheme.	3. Effective WHS Management	Failure to provide a safe workplace resulting in injury increased costs and reputation damage	Maj	U/lik	Mod	3rd Party obligation	Internal WHS and Resilience Teams
Facilitative Audit										
6	Corporate Planning Framework	City Strategy Financial Services	The objectives of the audit are to evaluate and report on the adequacy and effectiveness of the CWT's alignment of strategic planning processes and budget planning processes. This includes the processes used in developing strategic, budget and business plans, how they are aligned through to action and service planning processes. In addition, the audit will determine compliance with relevant policies.	5. Decision Making	Developing plans that fail to meet community needs and aspirations	Maj	Like	Ext	Organisation impact	Contract internal auditor

Page 16

9.3.2   2018-2019 Internal Audit Program Update

Brief

This report presents the 2018-2019 Internal Audit Program Update.

RECOMMENDATION

It is recommended to the Committee that the 2018-2019 Internal Audit Program Update report be received.

Introduction

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

Discussion

This report summarises the status of all planned audits contained in the 2018-19 *Internal Audit Program* (Program) as at 21 March 2019. The full internal audit program update is attached **(Attachment 1)**.

Audit Status	Number
In Progress	4
Completed	0
Not Started	1
Total Audits Programmed (excluding staged audits)	**5**
Audit Status (Staged Audits)	**Number**
Staged Audits Complete	0
Staged Audits in Progress or Next Stage Not Started	2
Total Staged Audits	**2**
Cancelled/Deferred	**0**
Total Audits	**7**

Audits in Progress

The following audits are in progress:

1. *Fraud and Corruption* audit is currently underway. A scope has been approved and attached to this report for information (**Attachment 2**).
2. *Information Technology Disaster Recovery* audit is currently underway. A scope is currently being drafted and will be presented to the June 2019 Committee meeting.
3. *Risk Management Program* audit currently underway. A scope has been approved and attached to this report for information (**Attachment 3**).
4. *WHS/IM KPI Audit* has commenced. This year's evaluation will focus on hazards and return to work procedures.

Audits Not Started

1. *VIC Roads Annual Audit* as not yet commenced. The third party will inform us when this is due to commence

Facilitative/Staged Audits in Progress

The following facilitative and staged audit will continue to be progressed with activity spanning over multiple internal audit programs:

1. *Maintenance of Plant and Equipment* - Stage 1 complete. Stage 2 commenced in July 2018. A working party meeting was held in June 2018 and an action plan has been developed. Stage 3 of the audit will commence in 2019.
2. *Continuous Audit - Procurement Roadmap (CAPR)* - Stage 5 is currently underway with a scope provided as an attachment to this report (**Attachment 4**).

Audits from 2015-2018 Internal Audit Plan

1. The *Contractor Management* audit is currently underway with a final report provided in this agenda.
2. *Work Zone Traffic Management* audit is currently underway with a final report provided in this agenda.
3. *Community Consultation* audit is currently underway with a final report provided in this agenda.
4. *Continuous Audit - Procurement Roadmap (CAPR)* - Stages 1, 2 and 3 complete. Stage 4 is currently underway with a final report provided in this agenda.

Conclusion

Overall six (6) of the seven (7) planned audits (85%) are in progress.

Attachments

1. **2018-2019 Annual Internal Audit Plan Update as at 21 March 2019**
2. **Fraud and Corruption Audit Scope**
3. **Risk Management Audit Scope**
4. **Procurement Audit Scope**

2018/19 Internal Audit Program

Report as at 21 March 2019

Status of 2017/18 Internal Audits Carried Forward

Audit No.	Internal Audit	Audit Objectives	Quarter	Status	Comments
1	Traffic Management	A WHS/Legislative Compliance audit to determine whether CWT (or contractor) traffic management activities occur in line with legislation to ensure the safe movement of people throughout the city.	-	Complete	Final report was presented to the 9 April 2019 meeting of the Committee.
2	Contractor Management Audit	The purpose of this audit is to: 1. document progress against the 2012 audit findings and re-evaluate the overall compliance rating 2. establish policy compliance against the WHS Act and Regulations 3. report on departmental compliance against the current version of CWT Contractor Management Policy with emphasis on contractor induction, monitoring and evaluation. 4. report on compliance with the WHS aspects of contractor engagement as part of the procurement process, specifically the WHS information being provided and evaluated as part of the tender/quotation.	-	Complete	Final report was presented to the 9 April 2019 meeting of the Committee.
3	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.	-	Complete	Final report was presented to the 9 April 2019 meeting of the Committee.
4	Continuous Audit - Procurement Roadmap (Stage 4).	Stage 4 objectives seek to assess the procurement program including: • Non-compliance with the procurement policy	-	Stage 1 Complete Stages 2 & 3 Complete	Final report (Stage 4) was presented to the 9 April 2019 meeting of the Committee.

Not Started | In Progress | Complete | Deferred | Cancelled

2018/19 Internal Audit Program

Report as at 21 March 2019

Audit No.	Internal Audit	Audit Objectives	Quarter	Status	Comments
		• Loss of efficiency of resources and cost saving opportunities • Loss of contract protection, defensibility and probity issues resulting in external/internal investigation and/or negative financial controls Stage 4 also seeks to audit KPIS and metrics including spend analysis used in reporting.		**Stage 4 Complete**	
Status of 2018/19 Internal Audits					
Assurance Audits					
5	Fraud and Corruption	Fraud and/or corruption has been highlighted as an area of concern by multiple departments as well as being an ongoing concern in the community. This audit will review the adequacy and effectiveness of Council's control framework to prevent and detect fraud, the existence and effectiveness of methods for promoting awareness and educating employees and Elected Members on their duties to report any suspicions of fraud and corruption, the Identification of areas within CWT potentially exposed to a high or moderate risk of fraud and corruption, the organisation's compliance with CWT policies as well as the sufficiency and adequacy of information reporting to Management.	4	**In progress**	Scope has been drafted and is presented to the April 2019 Committee meeting. Opening meeting to be held in April 2019.
6	Information technology disaster recovery plans	A surprise mock event to test whether the Information technology disaster recovery plans 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. This review will also seek to review the plan and make continuous improvement recommendations.	4	**In progress**	Scope is currently being drafted. To be presented to the June 2019 Committee meeting.

Not Started   In Progress   Complete   Deferred   Cancelled

Page **2** of **4**

2018/19 Internal Audit Program

Report as at 21 March 2019

Audit No.	Internal Audit	Audit Objectives	Quarter	Status	Comments
Third Party Audits					
7	WHS/IM KPI Audit against PSSI	An annual audit mandated by the Scheme.	-	**In progress**	To be completed with WHS
8	Vic Roads Annual Audit	An annual Internal Audit which is mandated as part of the agreement with Vic Roads.	-	**Not started**	Have not yet been advised of commencement by third party.
Spot Audits					
9	Risk management program	To ensure a robust and effective risk management program, this audit seeks to review performance of the Resilience team against requirements of the CWT's risk framework and associated plans.	3	**In progress**	Scope has been drafted and is presented to the April 2019 Committee meeting. Opening meeting to be held in April 2019.
Facilitative Audits (Long term duration).					
10	Maintenance Plant and Equipment - Operational Sites	**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: **Gap Analysis (Internal Work Group)** • 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. **Outcomes (Internal Work Group)** The Audit objectives will be the benchmark from which to develop outcomes (solutions). The work	3	**Stage 1 Complete** **Stage 2 Not Started**	Stage 1 complete. The gap-analysis was presented to the July 2016 meeting of the Committee. Stage 2 of this Audit commenced in July 2018 and will need to be extensively re-scoped.

Not Started	In Progress	Complete	Deferred	Cancelled

2018/19 Internal Audit Program

Report as at 21 March 2019

Audit No.	Internal Audit	Audit Objectives	Quarter	Status	Comments
		group will design a project plan for management approval which identifies: • 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.			
11	Procurement Roadmap (Stage 5)	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. This Stage of the Audit seeks to review implementation of the previous audit recommendations as well as focus on the effectiveness of procurement processes throughout organisation.	3	In progress	Scope has been drafted and is presented to the April 2019 Committee meeting. Opening meeting to be held in April 2019.

Not Started	In Progress	Complete	Deferred	Cancelled

Page 4 of 4

City of West Torrens

Between the City and the Sea

Internal Audit Scope

Fraud and Corruption Audit

Introduction

The approved 2018-2019 Internal Audit Program provides for an internal audit to review the adequacy and effectiveness of the City of West Torrens' control framework to prevent and detect fraud.

Audit Scope and Objectives

The objectives of the audit are to evaluate and report on the adequacy and effectiveness of Council's control framework to prevent and detect fraud, the existence and effectiveness of methods for promoting awareness and educating employees and Elected Members on their duties to report any suspicions of fraud and corruption, the identification of areas within the City of West Torrens (CWT) potentially exposed to a high or moderate risk of fraud and corruption and the organisation's compliance with CWT policies.

The scope of this audit will include:

- The level of compliance with applicable laws, regulations, standards, Council and Administration policies and procedures.
- Identified opportunities for the introduction of better practices and process improvement
- Adequacy and effectiveness of Council's control framework in regards to Strategic Risks identified in relation to fraud and corruption.
- Existence and effectiveness of methods for promoting awareness and educating employees and Elected Members on their duties to report and suspicions of fraud and corruption.
- Identification of areas within CWT potentially exposed to an extreme or high risk of fraud and corruption. This may include but is not limited to the appropriate use of delegations and authorisations, appropriate use of Council resources and volunteer management.

This scope excludes comments on any issues and findings contained within recent audits including, but not limited to, Stages 1-4 of the Procurement Audit or future procurement audits currently under review and previous Fraud and Corruption audit findings, unless discussed prior to the draft report with the relevant officers.

Fraud and Corruption Audit Scope

Approach

In performing this audit, the following will be undertaken:

- An opening meeting will be held with relevant managers at which the Auditor will discuss the scope and overview of work to be performed prior to the commencement of testing.
- Interviews will be conducted with managers and staff with the responsibility of fraud and corruption control, to establish any issues, concerns or opportunities for improvements.
- Testing of key controls related to fraud and corruption control activities to assess and validate the operating effectiveness through:
    - Examining relevant legislation, policies, procedures and records governing fraud and corruption control processes
    - Field-testing to establish if controls are implemented that are effective in addressing risks.

The audit is to be assessed and findings /issues must be classified in accordance with a risk rating consistent with Council's Enterprise Risk Management Framework so that recommendations are reported as:

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

Risks

Potential risks associated with fraud and corruption control activities identified by Internal Audit include, but are not limited to:

- Non-compliance with the *Local Government Act 1999*, policies and strategies resulting in:
    - investigation by an external agency
    - fraud, corruption, misconduct and/or maladministration activities
    - litigation
    - reputation damage
- Inadequate monitoring, follow up and reporting.

Fraud and Corruption Audit Scope

General Administration

This audit will be performed by Galpins.

Opening meeting	April 2019
Commence fieldwork	April 2019
Draft report to Management	May 2019
Closing meeting and final report	June 2019

Sign Off

I have read the above Internal Audit Assignment Plan and I am satisfied the objectives and scope meet the expectations for this audit.

Signed

General Manager Business and Community Services

Date 1|4|19

City of **West Torrens**
Between the City and the Sea
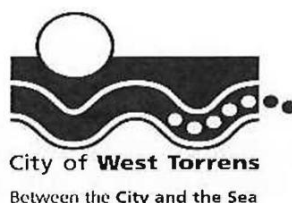
Internal Audit Scope

Risk Management

Introduction

The CWT devotes considerable time and resources to the management of risk with the aim of improving its decision-making, performance, transparency and accountability.

The CWT has an Enterprise Risk Management Policy and Framework that outlines its approach to managing risk. This Framework and Policy is currently under review.

In accordance with AS/NZS ISO 31000:2018 - *Risk management - guidelines,* CWT is committed to implementing appropriate strategies and processes that identify, analyse and manage the risks associated with its activities, as a means of minimising the impact of undesired and unexpected events on its business activities and to facilitate potential opportunities.

CWT currently evaluates risk across the organisation at a number of levels:

- Executive - Strategic Risk (eleven fully assessed and three emerging risks)
- Departmental -Operational Risk (eighty one risks across all departments)
- Staff -Project risks (new projects/tasks eg procurement/events etc).

The approved Audit Program 2019--22 provides for an internal audit of Risk Management that allows for an opportunity to perform a health check on current processes and to indentify, develop and implement improvement opportunities.

Audit Scope and Objectives

The objectives of the audit are to evaluate and report on the level of maturity of Risk Management across the City of West Torrens through the review of:

- Adequacy and efficacy of the current and proposed CWT Enterprise Risk Management Policy and Framework
- Application of and compliance with the CWT Risk Management Framework and its associated policies, guides and assessment tools used in Risk Assessment across the organisation
- Adequacy and efficacy of the current nominated Strategic and Operational Risks and associated controls, the processes involved to determine them and their relevance to the organisation and/or individual departments
- Effectiveness of the implementation and communication of risk management information across the organisation and its associated impact on organisational culture

- Identification of opportunities for CWT to further its commitment to risk management via activities such as benchmarking against best practice either sector wide or undertaking relevant certification (e.g. ISO 9001 Quality Management Systems)

Approach

The Program Leader Strategic Resilience will discuss the scope and overview of work to be performed with the General Manager Business and Community Services as well as the Contract Internal Auditor Galpins prior to the commencement of testing.

The key components of this audit are to:

1. Review available documentation e.g. legislation, policies, reports that relate to the implementation, monitoring and review of risk management across the CWT
2. Conduct interviews with a selected range of nominated key managers, staff and stakeholders to establish a snapshot of the organisations current risk culture as well as identifying any issues, concerns and potential improvements.

To assist with management of staff time and audit resources, with regard to Operational and Project Risk, a sample of staff and processes will be selected from across the organisation.

The Audit is to be informed by current CWT process and documentation as well as relevant best industry documentation, better practice models and guidelines in relation to risk management and maturity which may include but not be limited to:

- AS/NZS ISO 31000: 2018 Risk Management – Guidelines
- 2018 LGRS Risk Evaluation RM System documents including evaluator guidance and report as well as CWT's response and summary of actions
- CWT Risk Management Controls Verification Audit (2015)
- The Three Lines of Defence Model
- Various Best Practice Risk Maturity Models and metrics including consideration of but not limited to risk appetite, root cause management, risk ownership, continuous improvement and business resilience

It is important to note that as part of this Audit CWT is not seeking alternate risk methodology or presentation of a new framework, rather it is seeking to establish confidence in current process when reviewed against the current ISO and best practice.

The Audit is to be assessed using CWT approved Risk Management Framework and tools.

Risks

Potential risks associated with a failure to manage risk effectively as identified by Internal Audit include, but are not limited to:

- Non-compliance or adherence to legislative, or governance requirements.
- Ineffective management of risks and their associated consequences.
- Failure to mitigate risks.
- Inadequate monitoring, follow-up, review and consultation.

- Failure to implement/drive a risk based culture across the organisation.
- Failure to implement better practice.
- Failure to capture the development of opportunities or innovation involved resulting from risk management

General Administration

This audit will be performed by Galpins.

Opening meeting	March 2019
Commence fieldwork	March 2019
Draft report to Management	April 2019
Closing meeting and final report	May 2019

Sign Off

I have read the above Internal Audit Assignment Plan and I am satisfied the objectives and scope meet the expectations for this audit.

Signed

General Manager Business and Community Services

Date 2/4/19 .

City of West Torrens
Between the City and the Sea
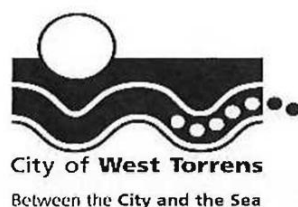
Internal Audit Scope

Procurement Audit

Introduction

The approved 2018-2019 Internal Audit Program provides for an internal audit to review the effectiveness of the City of West Torrens' procurement processes. Procurement processes and the Procurement Roadmap have been under constant audit since 2015.

This audit seeks to review procurement activities beyond procurement documentation and the pre-market and tender phases, instead, looking to review procurement activities conducted by the organisation outside the responsibilities of the Procurement team. These activities include procurement planning, quotation and market processes incorporating mid range spending using panels and pre qualified vendors., contract execution and management inclusive of variation management.

It is acknowledged that there are a wide breadth of procurement methods and there is no 'one size fits all' strategy to contract and variation management. Consequently, it is important to understand Council's best practice tendering, procurement practices and contract management to drive best value for money and efficiency whilst minimising any potential risks.

Audit Scope and Objectives

The objectives of the audit are to evaluate and report on the adequacy and effectiveness of Council's approach to procurement activities beyond those actions taken by the Procurement team.

The scope of this audit will include:

Procurement Planning

- Alignment of procurement planning processes to budget processes

Policy and Framework

- Quotation and tender processes undertaken by procurers and their compliance with policy
- Compliance of procurers to records management provisions
- Variation spending undertaken by procurers with particular review on the strength of existing policy provisions in regards to risk of this activity
- The delegated authority of officers to execute contracts, variations and approve recommendation reports
- Processes undertaken where:

Procurement Audit Scope

- o procurers have not used panel suppliers - where a panel exists; and/
  or
- o engaged suppliers on panels to undertake works
- A review of the competitive market approaches used on all level of spending
  where panels do and do not exist with reference to policy provisions.

This scope specifically excludes the bank guarantee and CITF Levy processes. This
scope also excludes comments on any issues and findings contained within recent
audits including, but not limited to, the Work Zone Traffic Management Audit,
Contractor Management Audit or Stages 1-4 of the Procurement Audit, unless
discussed prior to the draft report with the relevant officers.

Approach

In performing this audit, the following will be undertaken:

- An opening meeting will be held with relevant managers where the Auditor
  will discuss the scope and overview of work to be performed prior to the
  commencement of testing.
- Interviews will be conducted with managers and staff with the responsibility of
  procurement, to establish any issues, concerns or opportunities for
  improvements.
- Testing of key controls related to procurement activities to assess and
  validate the operating effectiveness through:
  - o Examining relevant policies, procedures and records governing
    procurement processes
  - o Field-testing to establish if controls are implemented that are effective
    in addressing risks.

The audit is to be assessed and findings /issues must be classified in accordance
with a risk rating consistent with Council's Enterprise Risk Management Framework
so that recommendations are reported as:

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

Risks

Potential risks associated with Procurement activities identified through Internal Audit
include, but are not limited to:

- Non-compliance with the *Local Government Act 1999*, policies and strategies
  resulting in:
  - o investigation by an external agency
  - o fraud, corruption, misconduct and/or maladministration
  - o litigation
  - o reputation damage
  - o Use of non-compliant contractor / supplier resulting in low quality work
- Inadequate monitoring, follow up and reporting.

Procurement Audit Scope

General Administration

This audit will be performed by Galpins.

Opening meeting	March 2019
Commence fieldwork	March 2019
Draft report to Management	April 2019
Closing meeting and final report	May 2019

Sign Off

I have read the above Internal Audit Assignment Plan and I am satisfied the objectives and scope meet the expectations for this audit.

Signed

General Manager Business and Community Services

Date 21 . 3 . 19

9.3.3   Community Consultation Audit

Brief

This report presents the results of the Community Consultation Internal Audit.

RECOMMENDATION

It is recommended to the Committee that the Community Consultation Audit report be received.

Introduction

In accordance with the approved *Internal Audit Program 2015-2018*, the *Community Consultation Audit* (Audit) was approved and commenced in March 2018 in accordance with the approved scope to report on:

- Consideration of framework, policies and procedures in relation to community consultation, not limited to:
    - *Council Policy: Public Consultation*
    - *Administration Policy: Public Consultation*
    - Draft *Community Engagement Strategy*
- Consideration of community consultation activities and strategies against the International Association for Public Participation (IAP2) model.
- Consideration of community consultation activities and strategies for plans, budgets and other documents legislatively requiring community consultation.
- Past community consultation strategies against the draft *Community Engagement Strategy* and *Council Policy: Public Consultation*
- Council's broader approach to preventing the risk of poor decision making based on inadequate community consultation
- The implications of recent common law decisions to current community consultation strategies with specific reference to *Coastal Ecology Protection Group Inc. & Ors v City of Charles Sturt* [2017] SASC 136 particularly with regard to the determination that councils should go beyond the legislative requirements when undertaking community consultation.

Following completion of the Audit, a draft internal audit report (Report) was issued to the Executive as well as various managers and relevant officers given the application of community consultation requirements across the organisation for comment and individual risk assessment with a closing meeting held to provide an opportunity to clarify audit findings with the Auditor. The final Report was provided to the Executive in July 2018 **(Attachment 1)**.

Internal Audit Findings

The Auditor's found that the City of West Torrens' (CWT) approach to managing the risk associated with community consultation is partially compliant with legislation, policy and procedure. It also found that the approach to community consultation is ad-hoc across the organisation, with different departments conducting consultation in different ways. However, the Auditors commented throughout the Audit that the engagement and commitment across the organisation to improve their consultation efforts was high.

Twelve (12) Audit findings were made by the auditor of which two (2) attracted a high level of risk, seven (7) attracted a moderate level of risk, two (2) attracted a low level of risk and one (1) was a better practice initiative. The Audit findings seek to promote a centre-led model of community engagement practices. This approach has been shown to be effective and popular across the Administration in areas such as Procurement, Governance, Media and Events and Work Health Safety (WHS). However, centre led models require additional resourcing and reallocation of workloads and hence why many functions have been absorbed into the day to day operations of a department with community consultation being one of these. Notwithstanding this, the Executive has recently agreed to refocus the community consultation processes into a centre led model which is currently underway.

All but two high risk audit findings are within CWT's risk tolerance levels. Consequently, the two high risk actions will be reviewed respectively and reported back to the Committee. These actions involve a register being developed and the Community Engagement Strategy document being finalised. This document is very close to completion and is awaiting the audit recommendations to be finalised. The remaining recommendations are minor in nature and the cost of implementing the recommendations exceeds the benefits, therefore progress updates will not be reported to the Committee.

Decision Making

The scope of this Audit did not delineate between those community consultation decisions made by the Council body and those made by the Administration. Generally, the concerns raised by the Auditors related to decisions made by Council and on occasions, these have been motions without notices that do not benefit from an associated report.

It is important to note that the Administration can advise the Elected Body on the required and/or preferred process when undertaking community consultation associated with a proposed activity but it cannot dictate what Council's decision should be. However, the Administration will continue to advise Council of the risks associated with not providing adequate time or resourcing to community consultation activities.

Strategic Planning

The Audit has highlighted a contradictory interpretation of the legislation between the Auditors and the Administration. The Administration is of the view that it has met the legislative requirements, with regard to consulting on asset service standards contained within various asset management plans, given they are consulted upon as part of the review of both the Community Plan and the Asset Management Plan. Further, the actions and projects are consulted on with the community as part of Council's annual business plan and budget process.

The auditors have disagreed with this interpretation and suggested that a community consultation strategy be implemented for each plan as required. The Administration will consider the Auditor's interpretation and review the process if necessary.

Conclusion

The *Community Consultation Internal Audit,* undertaken by Council's contract auditor, has been completed. Two findings were identified as 'high risk' and progress will be reviewed/reported to the Executive and Committee. All other Audit findings are within risk tolerance levels and the recommendations minor in nature, therefore progress updates will be reported to the Committee bi-annually.

Attachments

1. **Community Consultation Audit Report**

City of West Torrens Community Consultation

Internal Audit Report

Audited By: Tim Muhlhausler, Partner Galpins
Janna Burnham, Director Internal Audit, Galpins

Draft Report Issued: 25.05.2018

Final Report Presented: 18.6.18

Final Report Executive Management Approval:

Table of Contents

2

1. EXECUTIVE SUMMARY

1.1 Background

The approved 2017-18 Internal Audit Program provides for an internal audit to review the effectiveness of the City of West Torrens' community consultation when aligning and forming key business strategies. Public consultation constitutes one aspect of Council's decision-making process. In consulting with the public, Council seeks to ascertain the views, ideas and concerns of the community and stakeholders, therefore allowing for informed decisions to be made. The Local Government Act 1999 (SA) (the Act) provides basic requirements for local government in consulting and engagement with their communities.

It is acknowledged that there are a wide breadth of consultation methods and there is no 'one size fits all' strategy to suit each consultation activity. Consequently, it is important to understand Council's broader approach to minimising the risk of poor decision making based on inappropriate community consultation.

1.2 Objectives and Scope

The objectives of the audit were to evaluate and report on the adequacy and effectiveness of Council's approach to community consultation when aligning and forming key business strategies such as the Community Plan and associated corporate and departmental service plans.

This was achieved through a review of whether appropriate community consultation tools, methods and strategies are used including:

- Whether community consultation strategies reflect the scale, purpose and level of public interest in the Council's decision or project
- What principles have been considered in the design and implementation of community consultation activities
- Management and documentation of community consultation activities
- Handling and management of responses to community consultation activities and strategies

This audit included, but was not limited to, the following:

- Consideration of framework, policies and procedures in relation to community consultation, not limited to:
    - o Council Policy: Public Consultation
    - o Administration Policy: Public Consultation
    - o Draft Community Engagement Strategy
- Consideration of community consultation activities and strategies against the International Association for Public Participation (IAP2) model.
- Consideration of community consultation activities and strategies for plans, budgets and other documents legislatively requiring community consultation.

In addition, the audit reviewed:

- Past community consultation strategies against the draft Community Engagement Strategy and Council Policy: Public Consultation

3

- Council's broader approach to preventing the risk of poor decision making based on inadequate community consultation
- The implications of recent common law decisions to current community consultation strategies with specific reference to Coastal Ecology Protection Group Inc & Ors v City of Charles Sturt [2017] SASC 136.

A list of documents reviewed is included at Appendix 2.

Note – the Department of Planning, Transport and Infrastructure's *Community Engagement Charter* was published after this audit commenced. Review against this charter was excluded from the audit scope.

1.3 Associated Risks

Potential risks associated with community consultation identified through Internal Audit include, but are not limited to:

- Non-compliance with the Local Government Act 1999 (the Act), policies and strategies resulting in:
  - investigation by an external agency
  - fraud, corruption, misconduct and/or maladministration
  - litigation
  - reputation damage
- Inadequate monitoring, follow up and reporting.

4

1.4 Examples of Good Practice

Audit identified some internal controls / processes that demonstrate good practice in mitigating risk included the following:

- ✓ The Public Consultation policy is in place and references the consultation requirements set out in the Local Government Act 1999. It is due to be updated and this review will feed into any potential updates.

- ✓ Council's Media and Engagement Officer has relevant training in community consultation and part of her role is to assist council staff in their engagement with the community.

- ✓ A draft Community Engagement and Implementation Strategy has been prepared. It includes a framework with guidance for CWT staff to use when conducting community consultation. The Strategy includes considerably more guidance than has been previously been available via the *Administration Policy: Public Consultation*.

- ✓ Community consultation does occur and audit interviews identified that staff have a general awareness of 'minimum' legislative requirements such as publication of notices seeking feedback on a website and in newspapers.

- ✓ Evidence of more extensive consultation occurring for larger initiatives /projects that attract community interest – for example in regard to usage of the Weigall Oval and the new Kings Reserve Master Plan.

- ✓ Council has purchased a 'retro' caravan and staff take this to community events as a basis for engaging with the community

5

1.5 Key Findings and Recommendations

A 2017 Supreme Court decision against the City of Charles Sturt has highlighted the risks of inadequate community consultation for Council, particularly in terms of reputational damage, and damage to relations with the community.

The audit found a **partial level of compliance** with internal policy, administration procedure and the Act. The approach to community consultation is ad-hoc across Council, with different areas across the organisation conducting consultation in their own manner. Positively, however, we conducted 11 interviews with staff from across Council and found a universal awareness of the need to consult, and interest in improving on current practices.

Audit testing found that consultation does occur, however there were six instances of non-compliance with the Act that confirmed the acknowledgement from all interviewees that 'we could do it better'. The non-compliance was a result of lack of awareness and also some lack of planning – for example in giving enough time for feedback.

Council has a framework for community consultation in place, including a policy and a supporting administrative policy. A draft *Community Engagement and Implementation Strategy* has also been developed, and it is proposed that this more detailed strategy replace the administrative policy. This will give staff further guidance on how to conduct consultation. Audit has identified some opportunities for further strengthening this strategy, for example in relation to clarifying roles and responsibilities and developing supporting templates.

Council also has a Media and Engagement Officer, with responsibility for some media-related tasks and for assisting staff in consulting with the community. The majority of this staff member's time, however, is taken up working on media-related tasks. As at April 2018, the Officer had minimal involvement in four consultation activities year to date. This may be due to a lack of utilisation /invitations by officers to be involved in consultation activities. There is a need for management to confirm that this officer is able to spend time pursuing priorities in relation to community consultation, for example on promoting / educating / assisting with community consultation across Council.

Consultation for the Annual Business Plan and Budget was adequate, with consultation methods meeting minimum standards and reflecting the low scale of community interest in prior years. The consultation taken, however, for the Roads Asset Management Plan was not in line with legislative intent. Specifically, Audit found that consultation on service levels for the Plan was last undertaken in 2012.

Audit found six instances of legislative non-compliance, and was informed about a further two areas of non-compliance. There is a particular need for Council to clearly identify all legislative requirements for community consultation, and to educate staff on their specific responsibilities. This will help to ensure there are no gaps where officers are unaware of their responsibilities. For example, identify all strategic management plans where consultation is required and educate also on the consultation required for road closures, tree plantings and minimum consultation timeframes.

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

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

Findings Summary Table

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

Finding and Recommendation/s - Risk Table	Extreme Risk	High Risk	Mod Risk	Low Risk	Better Practice
2.1. A need to strengthen the framework in place for community consultation			✓		
2.2 Potential to run a Lean project on community consultation			✓		
2.3 Need for stronger definition of the priorities of the Media and Engagement Officer			✓		
2.4 Non-compliance with legislative requirements		✓			
2.5 Opportunity to clarify when consultation is required (above the Act's minimum requirements)			✓		
2.6 Opportunity to more clearly display consultation on the Website and to allow the public to 'opt in' to notifications			✓		
2.7 A need for consultation on asset performance standards		✓			
2.8 An obligation to clearly identify when community feedback is sought			✓		
2.9 Need to identify when repeat/ staged consultation may be required			✓		
2.10 Potential approval process for community consultation approaches					✓
2.11 Clarify expectations for using interpretation / translation services				✓	
2.12 Acknowledging receipt of input and 'closing the loop'				✓	

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

7

2. INTERNAL AUDIT FINDINGS AND RECOMMENDATIONS

2.1 Strengthening the framework for Community Consultation

Risk Rating - Moderate

	Auditor	Manager	Descriptor	Consequence	Likelihood
	Galpins	Manager Strategy and Business	Reputational	Major	Unlikely
			Reputational/ Organisation and Customer Impact	Major	Unlikely

Issues and Impact	Recommendation/s	Management Response	Target Date
Two key documents make up Council's framework for community consultation – *Council Policy: Public Consultation* (the Policy) and the *Administration Policy: Public Consultation*. The Policy was due for review in March 2018, and we understand that this review is underway. Results of this audit will also feed into any proposed policy changes. Audit consider the policy is sufficient and provides a broad commitment to consultation principles. The Policy is currently supported by *Administration Policy: Public Consultation*, and this includes some further detail to the Policy. The Media and Engagement Officer proposes that this be replaced with the draft *Community Engagement Implementation Strategy* (the Strategy). Audit found that the Strategy includes further useful guidance for conducting community consultation. It emphasises the use of consultation/engagement strategies commensurate with the size of the project and the opportunities for the community to influence decisions. We also identified some opportunities for strengthening the Strategy, including making it clearer about expected actions and making the role of the Media and Engagement Officer Clearer. There is also opportunity to include further guidance templates to assist CWT officers, for example a Community Feedback Report template and an example of an analysis / summary of feedback.	*Recommendation 1* Update the draft Community Engagement Implementation Strategy to more clearly: • give guidance/ principles around responsibilities for community consultation – for example which activities are required, strongly recommended or optional • explain instances where consultation should be conducted (for example, where not required by legislation – see Recommendation 4) • outline the circumstances when the Media and Engagement Officer should be notified of consultation • outline the role of the Media and Engagement Officer • include or link to further guidance templates – such as a Community Feedback Report, analysis of feedback template, and	The Community Engagement Implementation Strategy will be updated to include: • responsibilities in consultation activities • highlight when the Media and Engagement Officer should be notified based on project complexity or risk • outline the role of the Media and Engagement Officer • link to further guidance templates • guidance for consultation if a project may affect stakeholders outside of the CWT	August 2019

8

| This will help to reduce the risk of Council conducting consultation that does not meet the community's expectations. | • | offer guidance for consultation if a project may affect stakeholders outside of the CWT. |

9

Risk Rating - Moderate		
2.2 Potential Lean Project on Community Consultation	*Auditor* Galpins	*Descriptor* Reputational
	Manager Manager Strategy and Business	Reputational/ Organisation and Customer Impact
		Consequence Moderate
		Moderate
		Likelihood Unlikely
		Unlikely

Issues and Impact	Recommendation/s	Management Response	Target Date
During audit fieldwork, all 11 interviewees from across Council identified that stakeholder consultation 'could be done better', and that they would benefit from further guidance and understanding of how to conduct this consultation. There was also broad support for Council to strengthen the approaches in place for community consultation. This audit identifies areas to strengthen the approach to conducting community consultation, for example in the framework, roles and responsibilities and based on testing results. We also identified a need to engage with and educate staff based in operational roles about community consultation. This could be supplemented by the development of tools and templates that can be used to assist in the consultation process (see Recommendation 1). We understand that the CWT has a strong Lean program in place, aiming to maximise customer value whilst minimising waste. We consider that there is potential for community consultation to be considered as a Lean project. The project could aim to strengthen consultation processes, taking this audit's findings into consideration. The process could help to develop further guidance / templates for use.	*Recommendation 2* Consider implementing a Lean project on Community Consultation, with an emphasis on developing tools and templates to assist CWT officers in operational roles to conduct successful, and efficient consultation activities in a manner consistent with the CWT's expectations.	The CWT continuous improvement program (Lean) will consider this as a project for the next annual plan. The Media and Engagement Officer is currently developing tools and templates to assist CWT officers to conduct successful and efficient consultation activities. It is envisaged that these tools and templates will be freely available via the relevant Compass intranet page.	NA

10

2.3 Role of the Media and Engagement Officer

Risk Rating - Moderate			
Auditor *Galpins*	*Manager* Manager Strategy and Business	*Descriptor* *Reputational* Reputational/ Organisation and Customer Impact	*Likelihood* *Unlikely* Unlikely
		Consequence *Moderate* Moderate	

Issues and Impact	Recommendation/s	Management Response	Target Date
The current Administration Policy: Public Consultation outlines that *'Before undertaking public consultation with the broader community it is essential to engage the Media and Events Team within Business Services to ensure the maintenance of Council's professional standards. The Media and Events Team can assist with planning consultation events, corporate style as well as written and visual reference materials.'* This policy also outlines that *'A Communications Support Application form (available on the Intranet) should be lodged with Media and Events, or a preliminary meeting organised with them all to discuss all aspects of the planned consultation process…'* The Media and Engagement Officer is Council's resource for assisting with consultation. A discussion with this officer revealed that most of her time is spent dealing with media and social media requirements, and as at April 2018 she had been involved in only four instances of consultation (assistance with surveys) this year. This may be due to officers not requesting her involvement, or not being aware that she can assist with their consultation. There is opportunity for the Media and Engagement Officer to have a strategic approach to raising awareness of community consultation requirements throughout CWT. For example, identifying teams with large upcoming projects and supporting them to include adequate consultation in their project plans	*Recommendation 3* The Media and Engagement Officer develops a strategic approach for consultation activities to focus on each year. This approach could: • define the consultation activities and priorities that the Media and Engagement Officer will focus on for the year • identify large upcoming projects within Council over the year, and • map estimated timelines for the officer to proactively approach project teams to help them plan for and conduct sufficient, appropriate consultation.	The Media and Engagement Officer will meet with each department annually to develop an annual engagement plan of projects and activities requiring consultation.	October 2019

11

and budgets. Another area is to focus on promoting awareness of legislative obligations (see Recommendation 4).

Without support from a central resource to assist, educate and promote community consultation, there is a risk that these activities will not be performed, will not be considered in a strategic manner and / or will not be performed in a way that ensures sufficient, appropriate consultation is conducted.

12

Risk Rating - High

2.4 Non-Compliance with Legislative requirements	Auditor *Galpins*	Descriptor *Organisational*	Consequence *Moderate*	Likelihood *Likely*
	Manager Manager City Assets Manager Strategy and Business	Reputational/ Organisation and Customer Impact	Moderate	Likely

Issues and Impact	Recommendation/s	Management Response	Target Date
During testing and fieldwork, from a sample of nine instances of community consultation, Audit identified six instances of non-compliance with legislation (around engaging with community around service standards, prescribed minimum timeframes, putting notices in newspapers and planting of new trees- see Appendix 2 for further information). Service standards are further discussed in Section 2.8. Audit also identified some broader lack of awareness of legislative requirements for public consultation. For example, some responsible interviewees were unclear about obligations to consult around tree plantings and road closures / changes to road access as specified in the Act. There is a need for the CWT to clearly define its legislative engagement / consultation obligations, track these and make sure all areas across the organisation are made aware of their responsibilities. Without clear documentation and communication of Council's legislative requirements, there is risk of further non-compliance, as well as a risk of community dissatisfaction or backlash due to inadequate consultation.	*Recommendation 4* To ensure the CWT's compliance with legislation for community consultation: • develop a comprehensive register listing all instances where the CWT must conduct community consultation • communicate with / educate all relevant Council officers about their responsibilities for consultation, and • specifically ensure that Council complies with legislation for the planting of new trees and closure of roads / change in road access. This register should list all Strategic Management Plans where consultation is required as per Section 122 of the *Local Government Act 1999*.	Management seek to highlight that the parameters available to the Administration regarding community consultation and engagement are set by the Elected body. As a result, the Administration do not always have control over how consultation activities are undertaken. A register will be developed and placed on the relevant Compass intranet page. This register will list the legislatively required consultation as well as instances where additional consultation	August 2019

13

is recommended for best practice. This register will be referred to in the Strategy.

14

2.5 Clarifying when community consultation is required (above the Act's minimum requirements)

Risk Rating - Moderate				
Auditor *Galpins*	**Manager** *Manager Strategy and Business*	**Descriptor** *Reputational / Organisation and Customer Impact*	**Consequence** *Moderate*	**Likelihood** *Moderate*

Issues and Impact	Recommendation/s	Management Response	Target Date
Section 388 of the 2017 Supreme Court decision against the City of Charles Sturt in relation to public consultation noted that councils' public consultation policies *'may set out steps that the council will follow in cases involving council decision-making other than those where the Act requires the council [to formally consult]'.* S.390 of the decision further noted that **a Council's policy should be followed, even in instances where public consultation is not mandated by the Act:** *'there is no reason why the Act should not be construed consistently where public consultation is not mandated but a council adopts a public consultation policy which requires public consultation'.* The CWT's policy/draft strategy do not clearly outline when consultation should be conducted, except as per legislative requirements. Section 2.2 of the policy outlines: *'This policy may be used in circumstances not prescribed by legislation, when Council and/or management believe that formal public consultation is appropriate to the decision-making process.'* Audit interviewed 11 stakeholders through this audit and found that all spoke of conducting consultation in line with legislative requirements, with less awareness/discussion about when to consult for other activities. To minimise the risk of Council not conducting consultation in line with the intent of the Act, the policy and community expectations,	*Recommendation 5* Develop principles-based guidance for when community consultation is expected within the CWT, over and above minimum legislative standards. Even if not legally required, there will be instances where consultation is beneficial. For example, consultation may be recommended for: • changes to public spaces where there is high public usage such as playgrounds/ reserves • changes to streetscapes that do not involve tree planting, and • additional consultation above the minimum standards may be required when updating, for example, strategic management plans. This guidance may be included in the Community Engagement Implementation Strategy.	A sper comments above, the Administration are not always responsible for consultation strategies. Additional training and information sessions will be provided to the new Elected Council from November 2018. The Strategy will be updated to detail when community consultation should be considered over and above minimum legislative requirements.	September 2019 April 2019

15

there is a need to develop some clear guiding principles to help staff understand when consultation should occur. This guidance could also identify when consultation can go above the minimum standards of, for example, advertising on the website and in local newspapers.

16

Liability limited by a scheme approved under Professional Standards Legislation

2.6 Opportunity to more clearly display consultation on the Website and to allow the public to 'opt in' to notifications

Risk Rating - Moderate			
Auditor Galpins	**Descriptor** Reputational		**Likelihood** Unlikely
Manager Manager Strategy and Business	**Consequence** Moderate	Reputational/ Organisation and Customer Impact	
	Management Response		**Target Date**

Issues and Impact

Council's website is a key platform used to notify the community of opportunities to submit consultation, as required under section 50(4) of the LG Act 1999 and also referred to in the Policy.

Audit reviewed the website and found it difficult to clearly identify which consultation is happening across Council at the current point of time. There is more than one place on the website to find various bits of information about community consultation. A page entitled 'Have your say: community consultations' is in place; however this was difficult to find and at the time of the audit (mid-April), there were only three items listed on the website, with one item open for comment and two others including updates on closed consultations. The 'Council news' tab appears to be another page where updates about projects where community consultation may be / has been required can be published.

Audit tried to find notices about consultation via a search of the website and identified that there is opportunity to optimise website searches, to enable users to more easily find information. For example, searches for 'community consultation' and 'community engagement' provided over 900 results each, with the phrase 'feedback' returning 192 results. In addition:

- the 'community consultation' web page did not come up as a search result,
- search results could not be filtered from newest to oldest date.

Better practice is also to provide the community with an option to 'opt in' and be notified of areas where consultation is sought. This will mean that the

Recommendation/s

Recommendation 6

Strengthen the ability for members of the public to be notified about initiatives where Council is seeking feedback. This could be achieved by:

- developing functionality where the public can 'opt in' and be informed about initiatives where feedback is sought
- ensuring that all instances where consultation is sought (including large projects and smaller projects such as road refurbishments) are published in one location on the CWT website, and
- optimising the website search engine, so that a search for 'feedback', 'consultation' or similar phrases gives meaningful and recent examples of where feedback is sought.

Note- it is not intended that each of these options are implemented, but rather that action is taken improve public awareness of when consultation is sought.

Management Response

This recommendation has been based on the 'old' website. A new version of the CWT website was recently launched with improved functionality and searching data. The functionality to allow the public to opt-in will be investigated upon completion. The Media and Engagement Officer will also investigate the implementation of a Your Say webpage.

The ability of the CWT to develop functionality where the public can opt-in may be resource intensive and unsustainable. This may result in the costs of this development outweighing the value.

Target Date

July 2019

18

Council can more easily reach an interested audience when seeking feedback.

Liability limited by a scheme approved under Professional Standards Legislation

2.7 Consultation on asset performance standards

Risk Rating - High

	Auditor *Galpins*	Manager Manager City Assets Manager Strategy and Business	Descriptor *Reputational /* *Financial* Reputational/ Organisation and Customer Impact	Consequence *Moderate* Moderate	Likelihood *Likely* Likely

Issues and Impact

Council's asset management plans require community consultation on the expected 'levels of service' of assets.

Audit specifically reviewed the *Roads Asset Management Plan* (October 2017) and found that this plan references the importance of community consultation and 'agreed expected community levels of service' (section 3.4), however customer satisfaction was last gauged via a survey from the University of South Australia in 2012. The plan also notes some feedback from elected members.

Section 122(6) of the Local Government Act outlines that:
'A council must adopt a process or processes to ensure that members of the public are given a reasonable opportunity to be involved in the development and review of its strategic management plans.'

We consider that the elapsed timeframe since seeking community feedback is not in keeping with the expectations of s.122(6) of the Act.

Recommendation/s	Management Response	Target Date
Recommendation 7 Ensure that adequate community consultation occurs when updating Council's asset management plans.	Currently asset service levels are consulted on during the Community Plan processes which then form a part of asset management plans. Projects and activities regarding these assets are then consulted upon annually through the Annual Budget and Business Plan. The Executive will consider the need to review this process.	June 2019
	The Community Engagement Strategy will provide guidance on community engagement activities on projects requiring strategic plans.	September 2019

19

2.8 Obligation to clearly demonstrate when community feedback is sought

Risk Rating - Moderate		
Auditor *Galpins*	Descriptor *Reputational*	Likelihood *Unlikely*
Manager Manager Strategy and Business	Reputational/ Organisation & Customer Impact	Unlikely
Recommendation/s	Consequence *Moderate*	Consequence Moderate

Issues and Impact

Audit tested a sample of nine instances of public consultation and noted three instances where notification was given of a change, rather than a clear invitation to provide feedback as required under legislation.

For example, an example is in relation to road reconstruction – Alexander Ave and Marleston Ave Roundabout. A letter sent April 2017 provides advance notice of road works, advising that 'works will be conducted in two stages'...

In another example, in an initial November 2012 letter sent to residents about tree removal in George St was a notification only, with no feedback sought. It stated:

The City of West Torrens will be replacing the street trees along George Street from South Road through to Dew Street... Council will be replacing the current London Plane Trees (Platanus x acerifolia) with Water Gums (Tristaniopsis laurina)... [1]

A final example was in relation to notification of a name change of Aldridge Terrace in Marleston. hese letters did not indicate any option for consultation. From interviews, Audit understand that letters / notification to residents can be phrased in a way to discourage feedback, and this letter is one example.

Recommendation/s

Recommendation 8

Consider developing template letters for sending to the community when feedback is sought for Council projects.

In addition, remind staff that notifications provided to residents regarding Council projects / initiatives where consultation is required should clearly state that feedback is sought, provide contact details and explanation of how feedback can be given. A failure to invite feedback may be a breach of the *Local Government Act 1999*.

Management Response

The activities in this finding and approvals referenced in this finding were as a result of a Council decision. The Administration did not approve this decision and were not responsible for the subsequent actions to enact it as directed. Additional training and information sessions will be provided to the new Elected Council from November 2018 regarding their responsibilities regarding community consultation to ensure more robust decision making processes are enacted.

A template will also be developed to assist in consultation activities. This template will be placed on the relevant Compass intranet page.

Target Date

September 2019

August 2019

---

[1] We note that subsequent to this letter, feedback was sought from the community living on George St. Due to Council decisions outside of the Administration's control, the timeframe on implementing changes to George St was extended. Subsequent consultation, for example, was conducted in 2016, with further letters being sent in 2017.

20

Liability limited by a scheme approved under Professional Standards Legislation

Under the Act, consultation is required regarding any planting of new trees. Furthermore, s.1.2 of Council's Public Consultation policy notes that 'Council aims to be open, accountable and responsible for the community that it serves'. Audit considers that consultation in relation to potentially sensitive changes to streetscapes are an example of an activity where adequate consultation needs to occur, rather than simply issuing notifications of a decision.

21

2.9 Identify when repeat consultation may be required

Risk Rating - Moderate			
Auditor *Galpins*	**Manager** Manager Strategy and Business	**Descriptor** *Reputational*	**Likelihood** *Unlikely*
		Reputational/ Organisation and Customer Impact	Unlikely
		Consequence *Moderate*	
		Moderate	

Issues and Impact

Recommendation 9

Audit tested one instance (outlined below) where repeat consultation was required but documentation showed that this was not initially planned for. When upgrading the Oakmont Crescent Reserve in Novar Gardens, Council wrote to residents in April and September 2015 seeking feedback on a draft plan. There was a high rate of feedback received.

Subsequently, Council amended its plan and notified residents. A May 2016 letter noted that *"Council is planning to undertake the [revised] works...early in the new financial year... Enclosed for your reference is the concept plan..."*

There was no option for further feedback or consultation offered in the May 2016 letter. However, residents were not satisfied with the updated plan and further consultation was required. A final plan was agreed in July 2017, following rounds of further consultation (including a meeting).

To avoid instances where the community perceives that consultation has been inadequate, it is important for the CWT's staff to understand when repeat consultation may be required – and to consider planning for this.

Recommendation/s	Consequence Moderate	Target Date
Strengthen guidance about when ongoing / staged consultation may be appropriate to ensure that it is undertaken in a planned, proactive manner.	**Management Response**	
In particular, this may be appropriate in areas where the change is traditionally contentious – for example in relation to tree removal, and when time has lapsed between the original consultation and the ability for Council to action changes.	As per the recommendation in 2.6 above, the activities in this funding and approvals referenced in this finding were as a result of a Council decision. Additional training and information sessions will be provided to the new Elected Council from November 2018 regarding their responsibilities regarding community consultation to ensure more robust decision making processes are enacted.	September 2019
Engage with Council staff to educate about instances when repeat / ongoing consultation around proposed changes may be appropriate.	The Strategy will be updated to detail when staged and ongoing community consultation should be considered.	July 2019
We note that Council played a role in decision-making for this project that was outside of the Administration's control. The intent of this recommendation is to prompt consideration of instances where repeat consultation may be required.	The tools and templates current under development also state where and when Executive approval and input is required.	
	Training or workshops will be offered to teams requiring further information and assistance in	August 2019

22

community engagement. Ongoing advice will be provided. Additional training and information sessions will be provided to the new Elected Council from November 2018 regarding their responsibilities regarding community consultation to ensure more robust decision making processes are enacted.

23

Risk Rating – Better Practice			
2.10 Potential approval process of community consultation approaches	*Auditor* *Galpins*	*Descriptor* *Organisational/* *Customer*	*Consequence* *n/a*	*Likelihood* *n/a*
	Manager Manager Strategy and Business	Organisation and Customer Impact	NA	NA
Issues and Impact	**Recommendation/s**		**Management Response**	**Target Date**
During audit testing, we obtained an example 'Community Engagement Approach' for the West Beach Road Integrated Streetscape Project. The CWT are conducting this project in conjunction with the City of Charles Sturt. This document clearly outlines the proposed approach for community consultation, including a clear explanation of the scope of the project, aspects where the community can have influence on a project, proposed timeframes and proposed resources. There is scope for the CWT to require that a formal Community Engagement Approach be developed and approved by the CEO for projects that are assessed as high risk and / or of high community interest. In light of recent legal action taken against the City of Charles Sturt in relation to community consultation, there may be benefit in ensuring that high-level approval is sought for high risk/value/visibility projects.	*Recommendation 10* Consider implementing an approval process for proposed approaches to community consultation. This may be approved by Council and/or the CEO. This approval process may be used for projects assessed as high risk and / or of high community interest. *The intent of this recommendation is not to mandate an approval process, but to ensure that Council has appropriate senior consideration of consultation activities for higher risk projects, therefore reducing the risk of litigation as per recent City of Charles Sturt experience.*		The tools and templates current under development state where and when Executive approval and input is required. The Strategy will outline where Council/ Executive approval is required. The approval process will also be considered as part of the Corporate Planning Framework Lean project which is currently underway to review how plans are developed within the CWT.	August 2019

24

2.11 Clarify expectations for using interpretation / translation services

Risk Rating - Low		
Auditor *Galpins*	**Manager** Manager Strategy and Business	
	Descriptor *Reputational*	Reputational/ Organisation and Customer Impact
	Consequence *Minor*	Minor
	Likelihood *Unlikely*	Unlikely

Issues and Impact

Section 4.3.4 of the Policy outlines:

'To cater for diverse cultural backgrounds it may be necessary to provide printed material in languages other than English, or make provision for interpretation and/or translation services.

This may include the inclusion of such notices in other relevant print media read by the target group(s).

Community members with a disability may also require a different method or type of communication.'

During testing of consultation, and searching the Objective records management system for evidence of consultation, Audit identified no instances of the use of translation / interpretation services. In addition, we understand that the use of these services may be costly.

The approach to making material available to people experiencing social disadvantage may also be an area for further consideration – for example by making printed material readily available for review.

There is opportunity for Council to further clarify when interpretation services, translation services or alternative methods of communication may be appropriate.

Recommendation/s

Recommendation 11

To ensure that community consultation can reach all parts of the community as needed, clarify under what circumstances it is expected for staff to:

- provide materials in languages other than English,
- make material available offline (i.e. not on the Internet); and/or
- make provision for interpretation services, translation services or other communication appropriate to people with a disability.

Management Response	**Target Date**
The Strategy has been updated to include these recommendations.	Complete

25

Risk Rating - Moderate

				Likelihood *Moderate*
	Auditor *Galpins*	*Descriptor* *Reputational*	*Consequence* *Moderate*	Moderate
2.12 Acknowledging receipt of input and 'closing the loop'	*Manager* Manager Strategy and Business	Reputational/ Organisation and Customer Impact	Moderate	

Issues and Impact	Recommendation/s	Management Response	Target Date
The audit tested whether stakeholder feedback was acknowledged, and whether Council actively 'closed the loop' and kept community members up to date with how their feedback had influenced a project / program of work. Feedback and 'closing the loop' is important as a way to make the public feel that their input has been considered. It is an element of the administration policy and the International Association for Public Participation (IAP2) model. We identified one instance of a letter being written to give residents an update to how a project had changed post-feedback, however in this instance residents required further changes (Oakmont Cr Reserve). We found only one other instance from nine sample items where Council worked to 'close the loop'. Without being informed of how their feedback has been used, there is a risk that the community may become disengaged / disillusioned with the consultation process.	*Recommendation 12* Remind Council staff of the importance of 'closing the loop' and giving feedback where appropriate to the community about how their feedback has influenced the project. It may be possible to ask staff to put reminders in their calendars to ensure that this happens. Consider providing examples/templates to demonstrate to staff how to provide adequate feedback.	Management seeks to clarify that there is no legislative requirement to 'close the loop' with regards to community engagement. Further, with resource limitations, it is often difficult to do so. However, the Administration will continue to provide ongoing advice and responses in relevant circumstances of this follow up loop. The Strategy has been updated to include these recommendations.	Complete

Appendix 1: CWT Risk Matrix

This section outlines the CWT's risk assessment matrix.

Likelihood Descriptors

RATING	% Chance of Occurring	DESCRIPTION OF LIKELIHOOD
Almost Certain	>95%	Will almost certainly occur
Likely	75-95%	Very likely to occur
Moderate	25-75%	Medium chance of occurring
Unlikely	5-25%	Possible, though unlikely, to occur
Rare	<5%	Remote possibility of occurring

Consequences Descriptors Matrix

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

27

Rating	Financial	Organisational/ Customer Impact	Reputation Relationships	People	WHS
Moderate	Between 11 and 15% variation in expenditure/revenue Theft or loss of between $30,001 and $100,000	Lack of response to customer request 10 working days later than deadline Inability to provide all services for more than 24 hours Inability to provide one service for ≥ 5 -days Ombudsman/Ministerial investigation finds systemic weaknesses in organisational processes ICAC investigation commenced	Negative article in Messenger/Advertiser.	≥ 20% permanent staff turnover per year ≥ 20% non-availability or capability of staff at any one time	Medically treated injury requiring clinic or hospital treatment less than 24 hours duration, installing a drip or iv, physiotherapy as a cure, applying a cast , surgery, prescription drugs, stitching a wound to staff members Or To members of the public due to the actions/omissions of work undertaken by CWT Incident where potential for moderate injury may occur Notifiable incident to SafeWork SA or Office of the Technical Regulator (OTR) Category 1 - Breach of Duty for reckless conduct
Major	Between 16 and 40% variation in expenditure/revenue Theft or loss of between $100,001 and $1m	Lack of response to customer request 20 working days later than deadline Inability to provide one service for ≥ 20 working days Inability to provide all services for ≥ 48 hours. Ombudsman/Ministerial review results in termination of staff/major changes to systems and processes Employee(s)/Elected Members charged with corruption and referred to DPP for prosecution	Negative front page story in Messenger/Advertiser.	≥ 40% permanent staff turnover per year ≥ 40% non-availability or capability of staff at any one time	Major injury resulting in limb loss, electrocution, permanently disability, blindness to staff members Or To members of the public due to the actions/omissions of work undertaken by CWT Incident where potential for major injury may occur Notifiable incident to SafeWork SA or Office of the Technical Regulator (OTR) Category 2 Breach of Duty
Catastrophic	≥ 40% variation in expenditure/revenue. Theft or loss of >$1m.	Inability to provide critical Council services (Waste, HACC, St Martins, dog attack response) for ≥ 5 working days Ministerial abolition of Council Employee(s)/Elected Member(s) found guilty of corruption	Follow up stories in any media that extend the scope of concern.	≥ 50% permanent staff turnover per year ≥ 50% non-availability or capability of staff at any one time	The work related death of an employee The death of a person due to CWT negligence Notifiable incident to SafeWork SA or OTR) Category 3 Breach of Duty

28

Risk Analysis Matrix – Level of Risk

When assessing risk, the likelihood and consequence are correlated using the risk matrix detailed below.

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

29

Appendix 2: Summary of Identified Non-Compliance

Project/Program	Details of legislative non-compliance	Management Response
Roads Asset Management Plan 2017	This plan references the importance of community consultation and 'agreed expected community levels of service' (section 3.4), however customer satisfaction was last gauged via a survey from the University of South Australia in 2012. Section 122(6) of the Local Government Act outlines that: A council must adopt a process or processes to ensure that members of the public are given a reasonable opportunity to be involved in the development and review of its strategic management plans.	Maintenance and construction works are identified and are listed on and consulted upon as part of the Annual Budget and Business Plan. The CWT takes a best practice approach beyond the norm of other councils and lists each project in this Annual Budget and Business Plan. This Plan is then extensively consulted on as part of legislative requirement and better practice.
George Street (trees)	Initial letter notified people that the trees would be replaced. No consultation/feedback sought as per s50.4 of the Act.	As per the management response for Finding 2.8 above, the Administration were not responsible for the decisions made with regards to the actions for this project. The Administration has no control to direct the Elected Body towards another decision, practice or outcome. The Administration were not able to consult or seek feedback as per this finding as it was not determined necessary by the Council.
Road reconstruction - Alexander Ave & Marleston Ave Roundabout	Legislation requires under s.223 that '(1) If a council proposes to grant an authorisation or permit— (a) that would result in any part of a road being fenced, enclosed or partitioned so as to impede the passage of traffic to a material degree...the council must, before granting the authorisation or permit, follow the relevant steps set out in its public consultation policy.'. Testing identified that the letter sent to the community was notification only, no feedback sought. *'Works will start within the next couple of weeks'.*	These works were completed by Council employees and as a result permits are not required. As no permits are required to be issued, no consultation needs to occur in accordance with s223. This section is not applicable in this instance.
Britton St road reconstruction and verge development offer	Letter sent to residents, allowed less than 21 days for residents to respond. (14 days allowed only).	Maintenance and construction works are identified and are listed on and consulted upon as part of the Annual Budget and Business Plan. The CWT takes a best practice approach beyond the norm of other councils and lists each project in this Annual Budget and Business Plan. This Plan is then extensively consulted on as part of

30

		legislative requirement and better practice.
Aldridge Tce Marleston	Allowed for 15 days response only (the Act requires 21 days) In addition, consultation was sought only on the type of tree to use to replace ones being cut down.	Maintenance and construction works are identified and are listed on and consulted upon as part of the Annual Budget and Business Plan. The CWT takes a best practice approach beyond the norm of other councils and lists each project in this Annual Budget and Business Plan. This Plan is then extensively consulted on as part of legislative requirement and better practice.
Oakmont Crescent, Novar Gardens	Only 16 days allowed for response to initial letter. Details of the initiative did not get published in a newsletter as per s.50(4) of the Act.	Maintenance and construction works are identified and are listed on and consulted upon as part of the Annual Budget and Business Plan. The CWT takes a best practice approach beyond the norm of other councils and lists each project in this Annual Budget and Business Plan. This Plan is then extensively consulted on as part of legislative requirement and better practice.

31

Appendix 3: Key comments from Supreme Court Decision *Coastal Ecology Protection Group Inc & Ors v City of Charles Sturt.*

This appendix outlines some key comments from the 21 September 2017 Supreme Court Decision against the City of Charles Sturt.

Audit Interpretation	Reference from the Decision
It is expected that a council comply with its public consultation policy. The Act intends for councils to take further steps in consultation than the minimum outlined in section 50(4) of the Act.	s.382 If it had been the legislative intention to confine the obligation of a council to consult to those steps prescribed in specific provisions of the Act, the legislature would have adopted the obvious drafting technique of simply requiring a council to take the prescribed steps rather than imposing an indirect requirement that it follow the steps set out in its public consultation policy and that its policy require those steps s.383...the Act evinces a clear intention that councils should be accountable [to following their public consultation policies]
Council must ensure that it follows relevant steps in its public consultation policy before adopting a Management Plan, otherwise it can be seen as unlawful.	s.385 On the proper construction of sections 50 and 197 [of the Act], the Council before adopting the Management Plan was required to follow the relevant steps set out in its public consultation policy and not just the steps prescribed by the Act.
Council must ensure that it follows relevant steps in its public consultation policy, even when consultation is not specifically mandated by legislation	S.390 of the decision further noted that 'If as I have concluded in cases where the Act mandates public consultation a council is required to follow all steps set out in its public consultation policy and not just the steps prescribed by the Act, there is no reason why the Act should not be construed consistently where public consultation is not mandated but a council adopts a public consultation policy which requires public consultation. The considerations addressed above leading to the interpretation that a council is required to follow all steps set out in its public consultation policy when minimum requirements are prescribed apply also when a council adopts a public consultation policy in respect of decisions not addressed by the Act.
The requirement to comply with all steps of the consultation policy, even for consultation not mandated by the Act.	s.413 If the Council intended to exclude the application of the Consultation Policy where the Act imposes a requirement, the Consultation Policy would have said so expressly rather than in the elliptical manner suggested by the Council... 418 On the proper construction of the Consultation Policy, the Council is required to comply with its provisions in respect of the Management Plan Decision and the Path Decisions and the requirement for compliance is not confined to taking the steps mandated by subsection 50(4) of the Act in respect of the Management Plan decision.

32

Appendix 4: Documents reviewed

The list below identifies key documentation reviewed as a part of this internal audit:

- Community Consultation Policy
- Administration Policy – Public Consultation
- CWT Draft Community Engagement Strategy
- Supreme Court Decision – Coastal Ecology Protection Group vs City of Charles Sturt
- IAP2 Community Engagement Model
- IAP2 Quality Assurance Standard 2015
- IAP2 Public Participation Spectrum
- Local Government Act 1999
- Review of CWT website
- Information about specific engagement:
    - Alexander Avenue and Marleston Ave Roundabout
    - Aldridge Ave
    - West Thebarton/Phillips Street
    - Kings Reserve
    - George Street upgrade stage 2
    - Budget and Business Plan review
    - Roads Asset Management Plan 2017
    - Oakmont Crescent Reserve
    - Development Plan
    - Britton St road reconstruction and verge development offer

33

9.3.4   Workzone Traffic Management Audit Report

Brief

This report presents the results of the Workzone Traffic Management Internal Audit.

RECOMMENDATION

It is recommended to the Committee that the Workzone Traffic Management Audit report be received.

Introduction

In accordance with the approved *Internal Audit Program 2015-2018*, the *Workzone Traffic Management Audit* (Audit) was approved and commenced in January 2018. The scope of the Audit was to report on:

- The adequacy and effectiveness of the City of West Torrens' (CWT) approach to Workzone Traffic Management.

- CWT compliance with:

   o *South Australian Work Health and Safety Act* and associated regulations 2012
   o South Australian *Road Traffic Act 1961*, *Road Traffic (Miscellaneous) Regulations 2014* and South Australian Road Rules under the *Road Traffic Act 1961*
   o Australian Standard 1742.3 2009 Manual of uniform traffic control devices Part 3: Traffic control for works on roads
   o South Australian Standards for Workzone Traffic Management Version 3 2014.

- Any identified opportunities for the introduction of better practices and process improvement and by whom.

Following completion of the Audit, a draft internal audit report (Report) was issued to the Executive as well as various managers and relevant officers for comment and individual risk assessment with a closing meeting held to provide an opportunity to clarify audit findings with the Auditor. The final Report was provided to the Executive in June 2018 **(Attachment 1)**.

Internal Audit Findings

The Audit found that the CWT's approach to managing the risks associated with workzone traffic management is partially compliant with legislation, policy and procedure. Further, the auditors determined that there is a high degree of inconsistency in the understanding between work groups relating to South Australian legislation, AS1742.3 requirements and the conditions under which people are permitted to work on roads.

Eight (8) Audit findings were made by the auditor of which all attracted a high level of risk.

The final Report **(Attachment 1)** contains feedback and commentary regarding each of the findings recommendations. However, below details commentary by the Administration in relation to broader themes and statements made in this Report, outside of these findings and which is important for the Committee to give regard to when reading the Audit report.

Documentation and Policies

The Report mentions the lack of documentation, including the *Workzone Traffic Management Policy* and supporting documentation, that was not made available to the auditors at the time of the Audit. The CWT has a *Work Zone Traffic Management Policy,* which was last reviewed and approved on 8 October 2015, was provided to the auditors after the conclusion of the Audit following discussions with the auditor regarding the lack of policy relevant to the Audit.

<u>Work Zone Traffic Management Approach</u>

While it was expected that this Audit, being a work zone traffic management specific audit, would identify whether the organisation's work zone traffic management activities are compliant with its policy and legislation, the findings and subsequent recommendations contained in the Audit do not indicate if the actions taken by officers are compliant.

This includes, but is not limited to, whether required signage was correct or if the person responsible for setting up and taking down of the work zone traffic management signs held an authorised officer's ticket which they keep with them at all time. As such, the Audit appears to have missed the opportunity to test some of the basic fundamental elements relating to work zone traffic management and it has not informed the organisation as to whether assessed staff are compliant with policy and/or legislation.

<u>Work Zone Traffic Management Policy</u>

Appendix 1 of the Audit Report relates to 'Comments and observations regarding the Administration Policy: Work Zone Traffic Management'. This section of the Report was written and included after the Audit had concluded. Attaching comments in an appendix does not give the City of West Torrens an opportunity to comment. Statements have also been made by the auditors in a way that does not provide reference to whether the activities observed during the Audit were being carried out in line with the policy requirements. However, consideration will be given to the policy amendments required at the next review.

Commentary

Since the Audit, a number of meetings and discussions have been held with the auditor to resolve some of the concerns associated with the methodology used by the auditor which includes the undertaking of the Audit without reference to relevant material nor the seeking out of the material. However, these issues remain unresolved and so the Audit is presented with significant comments from the Administration countering some of the findings.

Conclusion

The *Work Zone Traffic Management Internal Audit,* undertaken by Council's contract auditor has been completed. Eight (8) Audit findings were made by the auditor of which all attracted a high level of risk. The Administration has raised a number of concerns with the auditors regarding the conduct and resulting in ostensibly uninformed findings of the Audit. However, as these matters continue to remain unresolved, the Audit report is presented to the Committee for its information.

As the findings attracted a high risk rating, updates on the implementation of the associated recommendations will be reported to the Committee on a regular basis. *Work Zone Traffic Management* will also be considered in a follow up audit to be conducted in 2021-2022 as per the 2019-2022 Internal Audit Plan.

Attachments

1.   Work Zone Traffic Management Internal Audit Report

**City of West Torrens
Work Zone Traffic Management –
Compliance Review**

Internal Audit Report

Audited By:	Tim Muhlhausler, Contract Internal Auditor
	Adelaide OHS Consultants, Contract Internal Auditor
Draft Report Issued:	Version 1 08/05/2018
	Version 2 18/02/2019
Final Report Presented:	
Final Report Executive Management Approval:	

Contents

1. EXECUTIVE SUMMARY

1.1. Background

As part of the approved 2017-18 Internal Audit Program, Galpins with the assistance of Adelaide OHS Consultants (AOHSC) were appointed to undertake an internal audit to review the City of West Torrens' (CWT) compliance with the Workzone Traffic Management (WZTM) practice requirements under the South Australian Work Health and Safety Act and Regulations 2012, the South Australian Road Traffic Act 1961, Road Traffic (Miscellaneous) Regulations 2014 and South Australian Road Rules under the Road Traffic Act 1961, Australian Standard 1742.3 2009 Manual of uniform traffic control devices Part 3: Traffic control for works on roads and the South Australian Standards for Workzone Traffic Management Version 3 2014.

The City of West Torrens and its contractors undertake a variety of works ranging from mowing and edging the median strip and verges on Sir Donald Bradman Drive (DPTI Road) to conducting works on or directly adjacent to council roads.

There is a myriad of hazards and risks associated with works being conducted on or directly adjacent to roads ranging from;

- workers having to be positioned on or within close proximity of a road
- the use of plant and equipment in or around the works
- road users travelling through or around the work area
- environmental aspects.

It was initially determined, in order to obtain a generalised overview of the current WZTM practices being conducted, that the audit would encompass a sampling of four (4) to six (6) internal work teams and four (4) to six (6) external work teams (contractors) to cover the various departments identified as requiring WZTM practices i.e. horticulture, trees, civil, maintenance and cleansing.

Due to weather impacts, the relocation of the depot and other unforeseen circumstances, the original audit scope was unable to be met. Instead, in-depth review of two (2) internal work groups and two (2) external work groups (contractors) was achievable and provided a sizable amount of consistent observations to allow the findings to reflect both current and potential risks and non-compliances with legislative requirements, WZTM practices, road rules and applicable standards as noted. In addition, all relevant Work Group Leaders were contacted and discussions were held in relation to how their teams managed WZTM.

The audit findings have been derived from meetings with key stakeholders, documentation provided, assessment of compliance of the supplied documentation with relevant legislation and standards and the implementation of the procedures and associated processes into the relevant tasks. Additionally, monitoring and reviewing requirements, training records, record management and field testing were examined to establish evidence of compliance.

The CWT has an *Administration Policy: Work Zone Traffic Management* in place, outlining the principals of managing WZTM. It is noteworthy that this policy was not made available to Internal Audit until after all audit fieldwork had been completed, and was not referenced by any interviewees during the conduct of fieldwork.

1.2. Objectives

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

- The adequacy and effectiveness of the Council's approach to Workzone Traffic Management
- CWT compliance with:
  - South Australian Work Health and Safety Act and associated regulations 2012
  - South Australian Road Traffic Act 1961, Road Traffic (Miscellaneous) Regulations 2014 and South Australian Road Rules under the Road Traffic Act 1961
  - Road Traffic Act 1961
  - Australian Standard 1742.3 2009 Manual of uniform traffic control devices Part 3: Traffic control for works on roads
  - South Australian Standards for Workzone Traffic Management Version 3 2014.
- Any identified opportunities for the introduction of better practices and process improvement and by whom.

1.3. Associated Risks

Potential risks associated with Workzone Traffic Management, as identified by the internal audit include, but are not limited to:

- Non-compliance to the South Australian Work Health and Safety Act 2012 resulting in:
  - An investigation by an external agency
  - A workplace injury / death / mutual liability claim
  - Litigation
  - Breach of employment and associated performance management
  - Reputation damage

- Lack of documented evidence to support current practice resulting in
  - Being unable to substantiate and provide evidence to the regulator
  - Not demonstrating CWT due-diligence duties as required under the Act
  - Fines / breach of duty etc.

- Inadequate monitoring, follow-up and reporting.

1.4. Examples of Good Practice

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

✓ A Work Zone Traffic Management Policy exists, supported by a central suite of tools and templates

✓ Mandated three yearly WZTM refresher training is provided to staff

✓ Workers' positive attitude and willingness to meet compliance

✓ The move to an electronic on–site system including use of tablets

✓ Working with a supplier to develop applications to assist in managing WZTM

✓ The openness of Work Group Leaders to embrace continuous improvement and change

1.5. Key Findings and Recommendations

Overall, the audit identified a **partial level of compliance** with legislation, policy, procedure and generally accepted industry standards or better practice.

CWT has a strong policy framework, which if applied consistently and supported by appropriately trained and qualified staff will ensure Work zone Traffic Management (WZTM) activities are undertaken in an appropriate manner. The findings of this audit suggest that the level of compliance with the policy framework and supporting tools requires improvement, and this report offers a number of suggestions to improve compliance.

Six (6) internal audit findings were identified during the course of this review. These are summarised below, and details are provided in section 2 of this report.

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

- *Extreme risk* recommendations
- *High risk* recommendations
- *Moderate risk* recommendations
- *Low risk* recommendations

1.6. Risk Ratings

The following table, taken from the COWT Enterprise Risk Management Framework, has been used to rate each of the findings.

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

1.7. Findings Summary Table

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

Finding and Recommendation/s - Risk Table	Extreme Risk	High Risk	Mod Risk	Low Risk
2.1.1. Legal Requirements There is a high degree of inconsistency in the understanding between work groups relating to the South Australian legislative, AS1742.3 and CWT Policy requirements. *Recommendation 1* In addition to the Policy, a Traffic Management Plan and associated documentation is developed to meet legal* and CWT requirements. The plan should detail how the risks associated with workers, pedestrians, plant and vehicle traffic are being managed as well as incorporating roles, responsibilities and the requirement for monitoring and review. * Legal references include: • *Manual of Legal Responsibilities and Technical Requirements for Traffic Control Devices* • *SA Standard for Workzone Traffic Management*		X		
2.1.2. Roles and Responsibilities The vast majority of Daily Work Sheets sighted by audit were unsigned. *Recommendation 2* Authorised officers are to sign off on all Daily Work Sheets.		X		

Finding and Recommendation/s - Risk Table	Extreme Risk	High Risk	Mod Risk	Low Risk
Recommendation 3 The Daily Work Sheet process is reviewed to ensure that all responsible parties are aware of their responsibility for sign off, and signed copies of forms are retained on file in the record management system.				
2.1.3. Risk Management For the works reviewed by Internal Audit, there was no Traffic Management Plan or other document to reflect the CWT's risk management requirements relating to WZTM. SWMS could not be located by interviewees for any WZTM processes. *Recommendation 4* Conduct a WZTM risk analysis to identify the hazards likely to arise and establish suitable controls. *It is recommended that the same risk matrix is used throughout the CWT to ensure a uniform approach.* *Recommendation 5* SWMS are developed as required. *Recommendation 6* A risk assessment sheet / job safety pre-record sheet template that meets requirements is developed and used by all work groups conducting WZTM.		X		
2.1.4. Reporting and Record Requirements A number of gaps were noted in procedures and documentation related to mandatory reporting requirements in the standard. *Recommendation 7* All forms and other WZTM documentation is to be sourced from the WHS document register to ensure that only approved and current templates are in use. *Recommendation 8* When relevant, Contractor requirements to provide WZTM documentation to CWT (as defined in engagement contracts) are complied with. *Recommendation 9* Consideration is given to having a section within the Workzone Traffic Management Daily Record Sheet to capture hazards and near misses.		X		

Liability limited by a scheme approved under Professional Standards Legislation   Page 7

2.2.1. Internal Site – Trees The job safety sheet that was being utilised to identify hazards did not capture all hazards on the site. The WZTM Daily Work Sheet did not capture the approximate distances for the signage. Supervisor had not signed off the WZTM Daily Work Sheet. Identified hazards discussed during daily site-specific pre-start meetings are not always documented. Documentation within the WHS folder was out of date. *Recommendation 10* Any additional site-specific hazards identified during pre-start meetings are documented in the JSA. *Recommendation 11* Documentation within the WHS folder is reviewed and updated to reflect CWT, legislative and standard requirements.		X		
2.2.2. Internal Site – Horticulture There was no appropriate site-specific risk assessment to support WZTM being conducted. A number of issues were noted during the site inspection (see 2.2.2 for detail). *Recommendation 12* A comprehensive task-based risk assessment to be conducted by a competent person for mowing operations, including determination of tasks being conducted, documentation of risk assessments and development of JSA's. In the case of mowing the verge consideration should be given to cyclists using the bicycle lane. *Recommendation 13* Review the current processes to determine if there is a safer way for loading the lawn mower without travelling on a public road.		X		
2.2.3. External Contractor – Contractor 1 A number of issues were noted during the site inspection (see 2.2.3 for detail) including: No WZTM documentation was available on site. No formalised procedures for accidents and incidents. No evidence of risk assessment or SWMS being prepared. *Recommendation 14* CWT requirements for WZTM are defined, documented and distributed to all relevant contractors and Work Group Leaders. These requirements should include: • identification and communication to contractors of WZTM documentation requirements prior to contractors beginning contract		X		

Liability limited by a scheme approved under Professional Standards Legislation   Page 8

• review of contracts to ensure that they stipulate that all contractors are to manage their work site • checklist/s to assist Work Group Leaders and / or Council representatives to assess contractor's compliance The requirements are supported by: • training / provision of information to Work Group Leaders and / or Council representatives that manage contractors on mandatory requirements; and • a monitoring and audit regime.				
2.2.4. External Contractor – Contractor 2 A number of issues were noted during the site inspection (see 2.2.4 for detail) including: WZTM Daily Worksheet (Form C23) was non-compliant. A Traffic Management Plan was not developed. Uncertainty around process and responsibilities for road closures. Recommendation: As per Recommendation 14 above.		X		

2. INTERNAL AUDIT FINDINGS AND RECOMMENDATIONS

2.1. WZTM practices under the Road Traffic Act 1961 and AS1742.3 – 2009

2.1.1. Legal Requirements	Risk Rating - High			
	Auditor *Galpins / Adelaide OHSC*	*Descriptor* *WHS*	*Consequence* *Moderate*	*Likelihood* *Likely*
	Manager	WHS	Moderate	Likely
Issues and Impact	Recommendation/s		Management Response	Target Date
The CWT has an *Administration Policy: Work Zone Traffic Management* in place, outlining the principals of managing WZTM. This policy was not made available to Internal Audit until after audit fieldwork had been completed. During our fieldwork, Internal Audit queried interviewees regarding the policies and procedures relevant to their WZTM duties, and the WZTM Policy was not referenced. This lack of awareness of the Policy creates a degree of ambiguity, and this has resulted in adhoc methods and assumptions being made by responsible / delegated parties. It was evident across interviews with various personnel with WZTM responsibilities (Work Group Leaders, workers and contractors) that there is a high degree of inconsistency in the understanding between work groups relating to the South Australian legislative, AS1742.3 and CWT Policy requirements and the conditions under which people are permitted to work on roads. To varying degrees, this included some lack of understanding regarding the legal requirements for working on roads under control of local government. Audit also observed a lack of clarity regarding the CWT's internal processes (see finding 2.2.4 re road closure requirements for an example of this).	*Recommendation 1* In addition to the Policy, a Traffic Management Plan and associated documentation is developed to meet legal and CWT requirements. The plan should detail how the risks associated with workers, pedestrians, plant and vehicle traffic are being managed as well as incorporating roles, responsibilities and the requirement for monitoring and review. * Legal references include: • Manual of Legal Responsibilities and Technical Requirements for Traffic Control Devices • SA Standard for Workzone Traffic Management		A Traffic Management Plan is required under the CWT WZTM Policy. City Operations now use a specially designed app called Assign IT which allows users to pin point their traffic management activities and create a plan. All workers performing WZTM activities and using Assign IT have been accredited in WZTM by DPTI accredited trainers. Legal requirements are built into Assign IT indicating to users if an action is non-compliant with standards and legislation. These actions feed into a WZTM plan which is then stored on this system, accessible remotely by the Manager City Operations. This app can also be used by contractors. Once developed, the plan can then be amended as hazards arise or in response to environmental changes. The Manager City Operations will create monthly reports from Assign IT and work through a random sample of plans and activities. The Manager City Operations will also review the WZTM policy with workgroup leaders to ensure understanding and compliance at team meetings.	October 2019

2.1.2. Roles and Responsibilities

Risk Rating - High		
Auditor Galpins / Adelaide OHSC	**Descriptor** WHS	**Likelihood** Likely
Consequence Moderate		
Moderate	WHS	Likely
Management Response		**Target Date** October 2019

Issues and Impact

The authorised officer (WZTM ticket holder) has the responsibility for authorising traffic management schemes (via a Daily Work Sheet). The Supervisor/WGL or Coordinator then signs off once the WZTM sheet has been completed and submitted as a 'double check' that the sheets are actually being done out in the field.

The vast majority of Daily Work Sheets sighted by audit were unsigned. In one instance, an alternate, non-CWT approved form was used. This creates a risk that CWT and their workers could be seen as working to unauthorised documentation, leaving CWT exposed should an accident occur.

Additionally, Internal Audit spoke to CWT Work Group Leaders who were under the impression that they had responsibility for authorising the Daily Work Sheets, and expressed concern that they are physically unable to attend each site and therefore cannot sign off on the documentation.

Recommendation/s

Recommendation 2

Authorised officers are to sign off on all Daily Work Sheets.

Recommendation 3

The Daily Work Sheet process is reviewed to ensure that all responsible parties are aware of their responsibility for sign off, and signed copies of forms are retained on file in the record management system.

Management Response

In the instance referred to by the auditors, poor process was followed and will be corrected in accordance with the recommendations and management responses.

Assign IT allows the Manager City Operations to regularly perform desktop audits of WZTM activities including appropriate user access and sign off. These desktop audits will be reviewed with workgroup leaders in team meetings.

Assign IT has the capability to store WZTM activities and plans for seven (7) years. However, the Manager City Operations will work with the CWT Information Management unit to ensure this information is transferred to the CWT records management system on a regular basis.

2.1.3. Risk Management	Risk Rating -High		Likelihood Moderate
	Auditor Galpins / Adelaide OHSC	Descriptor WHS	Consequence Catastrophic	Target Date
	Manager	WHS	Moderate	
Issues and Impact	Recommendation/s	Management Response	
For the works reviewed by Internal Audit, there was no Traffic Management Plan or other document to reflect the CWT's risk management requirements relating to WZTM. The SA WZTM Standard and AS1742.3 provides guidance and the minimum requirements for works being conducted, including an analysis being conducted of the hazards likely to arise during works on roads including the set-up, operation, change and removal of a traffic guidance scheme, followed by the determination of appropriate measures to mitigate those risks. Audit found no evidence of such an analysis being conducted. This analysis should be used as a tool to ensure that uniformity consists in the WZTM areas throughout the CWT, and be referred to when developing the Safe Work Method Statements (SWMS). SWMS could not be located by interviewees for any WZTM processes to reflect legislative Work Health and Safety Regulations 2012, Regulation 291 and AS1742.3 requirements for the works being conducted. Audit notes that the requirement had been identified internally and SWMS are planned to be developed. The two (2) internal work teams are currently utilising their own versions of a risk assessment / Job Safety record sheet to assess the risks prior to each job. 1. The Job Safety Pre-Record Sheet (Tree Department) has no risk matrix, does not notate control measures to be used, has no worker sign off section to show that the consultation process has been conducted for the worksite and does not meet	*Recommendation 4* Conduct a WZTM risk analysis to identify the hazards likely to arise and establish suitable controls. *It is recommended that the same risk matrix is used throughout the CWT to ensure a uniform approach.* *Recommendation 5* SWMS are used as required. *Recommendation 6* A risk assessment sheet / job safety pre-record sheet template that meets requirements is developed and used by all work groups conducting WZTM. *Note: recommendations related specifically to management and monitoring of contractors have been excluded pending the upcoming internal audit of contractor management.* *See also Recommendation 1 re Traffic Management Plan development*	The Work Zone Traffic Management Policy does contain the risk assessment procedure for accredited officers. However, a refresher training session will be conducted with relevant officers to assist in a more consistent application. SWMS templates have been developed and will continue to be used where required. SWMS templates are available in the WHS document register. Training has been provided to relevant officers regarding the use and development of these templates. As per the Work Zone Traffic Management Policy, the responsibilities for risk assessment for WZTM activities is clearly defined. The Job Safety Pre-Record Sheet (Tree Department) which was sighted by the auditor and which was found to be non-compliant is one that was removed, archived and replaced several years ago (with a compliant one) A compliant Job Safety Pre-Record sheet template has is available in the WHS document register. Mobile technology is now available for most City Operations officers. Ipads ensure that only the approved WHS documents are available through the	October 2019 Ongoing October 2019

the risk assessment requirements as referenced in the standard.	WHS document register. Further training and document review will be provided in team meetings to ensure that documents used are compliant.
2. The Risk Assessment Sheet (Horticulture) is pre-filled, has no worker sign off section to show that the consultation process has been conducted for the worksite and does not meet the risk assessment requirements as referenced in the standard.	City Operations do use a Take-5 booklet for risk assessments but this does not have a specific WZTM focus. Consideration will be given to amending this booklet to include reference to WZTM.
	A refresher training session will be conducted with relevant officers to assist in a more consistent application.
	The JSA the arboriculture team has used previously was not within the WHS Document Register and was insufficient. The arboriculture team are currently trialing a JSA specific to the hazards they are exposed to which following the consultation process will be made into an electronic form with can be used out in the field and uploaded automatically into the electronic records system. This JSA contains the risk matrix described within the *Enterprise Risk Management Framework Policy*.

2.1.4. Reporting and Record Requirements	Risk Rating - High		
	Auditor Galpins / Adelaide OHSC	**Descriptor**	**Likelihood** Likely
	Manager	**WHS**	**Moderate**
			Likely
Issues and Impact	**Recommendation/s**	**Management Response**	**Target Date**
Records may be required to be supplied as evidence in both legal proceedings and to demonstrate CWT's compliance with legislative requirements. Consequently, where records have not been produced, kept or retained for designated periods CWT will be unable to establish pre-existing health, site, or work conditions nor demonstrate compliance. The following issues were noted in relation to WZTM reporting and record keeping requirements. *Hazard and Near Miss Reporting* Based on interviews, the majority of workers and Work Group Leaders appear unlikely to report near misses. Feedback included "they happen on a daily occurrence and are a part of the job" and "if we had to report everything we would not get the job done". *Traffic Guidance Scheme Records* The two internal work groups are utilising the CWT WZTM Daily Work Sheet to capture the Traffic Guidance Scheme Records required. There is, however, no consistency between the two templates with one work sheet requiring additional information to be captured and a different matrix. Neither of these documents met the requirements as stipulated within AS1742.3. It is also a mandated requirement that records are kept on site at all times. *Documentation requirements for contractors* CWT requires copies of WZTM records / documentation from their contractors. These records were inconsistently obtained.	*Recommendation 7* All forms and other WZTM documentation is to be sourced from the WHS document register to ensure that only approved and current templates are in use. *Recommendation 8* When relevant, Contractor requirements to provide WZTM documentation to CWT (as defined in engagement contracts) are complied with.	Mobile technology is now available for most City Operations officers. Ipads ensure that only the approved WHS documents are available through the WHS library. Further training and document review will be provided in team meetings to ensure that documents used are compliant. Assign IT also has the capacity to store all traffic management plans and their subsequent iterations and amendments indefinitely. Further, the Manager City Operations will ensure that all records are to be submitted to Admin for processing. Administration processes are in place. This will be reinforced by training and adhoc spot checks. The WZTM Daily Work Sheets sighted by the auditor found to be non-complaint were removed, archived and replaced. Compliant WZTM Daily Work Sheets are available in the WHS document register. WZTM documents are requested during contractor induction as part of this process and checklist. Manager City Operations will review this process with relevant officers in team meetings as a means of continuous training. This process will also be reviewed with the WHS Business Partner when appointed.	October 2019 October 2019

Liability limited by a scheme approved under Professional Standards Legislation   Page 14

		October 2019
Recommendation 9	The CWT does have an Accident/Near Miss Report Form. In future this will be managed by Sky Trust. It is not feasible for the organization to have a separate Accident/Near Miss Report form/ section for WZTM on this Record Sheet as it will be a duplication of process leading to inconsistencies.	
Consideration is given to having a section within the Workzone Traffic Management Daily Record Sheet to capture hazards and near misses.		
	Additional training will be provided to all workers regarding the Accident/Near Miss Report Form.	
	Assign IT has the capacity to store all traffic management plans including all amendments. This app also has the ability to note as to why changes were made to plans.	

2.2. WZTM Site Visit Findings

It should be noted that all Work Group Leaders, workers and contractors were open and honest and were more than happy to disclose their experiences and understandings of requirements.

2.2.1. Internal Site - Trees	Risk Rating – High		
	Auditor Galpins / Adelaide OHSC	Descriptor WHS	Consequence Moderate	Likelihood Likely
	Manager	WHS	Moderate	Likely
Issues and Impact	Recommendation/s		Management Response	Target Date
We made the following observations during our site inspection: • The job safety sheet that was being utilised to identify hazards did not capture all hazards on the site. • The WZTM Daily Work Sheet did not capture the approximate distances for the signage. • The Supervisor had not signed off the WZTM Daily Work Sheet. *Note: it is a minimum mandated requirement that the name of the person authorising (supervisor) the setting up, changing and/or removal of the scheme is recorded on the Daily Work Sheet. Incomplete mandated documentation has the potential to leave CWT and their workers being seen as working to unauthorised documentation.*	*Recommendation 10* Any additional site-specific hazards identified during pre-start meetings are documented in the JSA.		Site specific hazards identified in pre-start meetings are documented in the Take 5 booklet. The Manager City Operations will work with workgroup leaders to review this process as a means of continuous training to ensure this occurs and the booklet is scanned into the CWT records management system. The Manager City Operations will also investigate placing the Take 5 booklet onto an iPad with automatic entry into the document management system.	October 2019
• Daily site-specific pre-start meetings are held, during which identified hazards are discussed, but are not always documented. • All documentation within the WHS folder that was on site was out of date.	*Recommendation 11* Documentation within the WHS folder is reviewed and updated to reflect CWT, legislative and standard requirements. *See also Recommendation 3 re Daily Work Sheet process* *See also Recommendation 7 re update of the job safety sheet / risk assessment*		Mobile technology is now available for most City Operations officers. Ipads ensure that only the approved WHS documents are available through the WHS library. Further training and document review will be provided in team meetings to ensure that documents used are compliant.	October 2019

2.2.2. Internal Site – Horticulture Sir Donald Bradman Drive	Auditor *Galpins / Adelaide OHSC*	Descriptor *WHS*	Consequence *Catastrophic*	Likelihood *Moderate*
Risk Rating - High				
	Manager	**WHS**	**Moderate**	**Likely**
Issues and Impact	**Recommendation/s**		**Management Response**	**Target Date**
We made the following observations during our site inspection: • There was no appropriate site-specific risk assessment to support WZTM being conducted. • Instead, workers relied on their knowledge and experience rather than a documented risk assessment and mitigation strategies. Mowing Verge • "Worker ahead" and "decrease speed" signage was sighted at the beginning of the work zone. Use of the designated bicycle lane is the only other control used to manage WZTM risks. • The lawn mower operator was sighted operating approx. 1km into the work zone and he was working alone. The lawn mower had no rear vision mirrors to check what was coming from behind, the operator was wearing ear muffs to restrict noise and vehicles were sighted travelling faster than stipulated on the signage. • To mow the edge of the verge the lawn mower was protruding in the bike lane and the operator did not consistently check to see if any cyclists were approaching from behind or if any vehicles were in close vicinity of the lane. • No comprehensive task-based risk assessment has been conducted to determine if the level of risk, in conducting the task in the current way, is acceptable to CWT.	*Recommendation 12* A comprehensive task based risk assessment to be conducted by a competent person for mowing operations, including determination of tasks being conducted, documentation of risk assessments and development of JSA's. In the case of mowing the verge consideration should be given to cyclists using the bicycle lane. *Recommendation 13* Review the current processes to determine if there is a safer way for loading the lawn mower without travelling on a public road.		In this instance described by the auditor, the operator was not following correct process. The Manager City Operations will review the risk assessment and supporting WHS/WZTM documentation with the relevant officer and team as a form of continuous training. The Manager City Operations and relevant officers will review the SOP if required. Training will be provided to the relevant officers and teams.	October 2019 October 2019

Mowing Median Strip

- The risk assessment on the WZTM Daily Record Sheet had two permit numbers identifying two defined locations however only one risk assessment form was provided. The risk assessment had been pre-filled, did not identify any of the site hazards for either location and had not been signed off by the Supervisor.
- The lawnmower was sighted driving across the road within close proximity of the airport road corner (to be loaded on to the trailer) with no traffic controls in place. Had the lawn mower stalled and a car come around the corner it would be highly probable that an impact would occur.

2.2.3. External Contractor – Contractor 1

	Risk Rating - High		
Auditor *Galpins / Adelaide OHSC*	**Descriptor** *WHS*	**Consequence** *Moderate*	**Likelihood** *Likely*
Manager	WHS	Moderate	Likely
Recommendation/s		**Management Response**	**Target Date**

Issues and Impact

We made the following observations during our site inspection:

- Work Group Leaders were unaware of COWT requirements regarding what documentation the contractors were required to have, the standard it needs to meet or what is to be available on site.
- No WZTM documentation was available on site e.g. Traffic Guidance Scheme, WZTM Daily Work Sheet. This is a mandated requirement.
- No formalised procedures for accidents and incidents were in place aside from "just call the boss".
- There was no evidence of risk assessments being conducted or SWMS being prepared.

Recommendation/s

Recommendation 14

CWT requirements for WZTM are defined, documented and distributed to all relevant contractors and Work Group Leaders. These requirements should include:

- identification and communication to contractors of WZTM documentation requirements prior to contractors beginning contract
- review of contracts to ensure that they stipulate that all contractors are to manage their work site
- checklist/s to assist Work Group Leaders and / or Council representatives to assess contractor's compliance

The requirements are supported by:

- training / provision of information to Work Group Leaders and / or Council representatives that manage contractors on mandatory requirements; and
- a monitoring and audit regime.

See also Recommendation 9 re provision of WZTM documentation by contractors to CWT (as defined in engagement contracts)

Management Response

All officers responsible for WZTM activities are accredited by DPTI accredited trainers. The CWT meets all legislative requirements in this area.

Additional training will be delivered and continuous training provided as part of regular team meetings (as discussed above) to ensure WZTM is well versed by relevant officers.

Checklists and associated documentation, beyond that which exists in the contractor induction checklist, will be reviewed with the WHS Business Partner when appointed.

Contracts already currently state that contractors are to manage their worksites. No action will be taken in terms of this component of the recommendation.

Contractors will continue to be monitored in accordance with the Contractor Management Policy which includes a monitoring and audit regime.

Target Date

October 2019

2.2.4. External Contractor – Contractor 2	Risk Rating – High		
	Auditor *Galpins / Adelaide OHSC*	Descriptor *WHS*	Consequence *Moderate*	Likelihood *Likely*
	Manager	WHS	Moderate	Target Date
Issues and Impact	**Recommendation/s**		**Management Response**	
We made the following observations during our site inspection:	• As per recommendations in 2.2.3 above		As per the responses to 2.2.3 above.	
• As above in finding 2.2.3, contractor requirements are currently unclear.			In this instance the form used by the contractor as their WZTM Daily Worksheet was not a form approved or used by the CWT. The CWT does not control the documentation used by contractors. Consideration of the appropriateness of contractor's WHS documentation has been provided as part of the Contractor Management audit which was conducted concurrently to this audit.	
• WZTM Daily Worksheet (Form C23) was non-compliant with legislation and was not completed correctly. The traffic guidance scheme documentation was visibly old and faded and required updating.				
• A Traffic Management Plan was not developed for the contract and supplied to CWT.				
• During our inspection, workers in an SA Water truck arrived on site, parked in the middle of the designated and signed work area and decided to eat lunch. The CWT Site Manager was unsure of his responsibilities for managing this situation. As the CWT Work Group Leader was also unsure of requirements, Adelaide OHSC spoke to SA Water and advised them that they are required to communicate with the contractor managing the site. The CWT Work Group Leader recommended that the road to be closed, however, when questioned about council requirements for road closures he was of the understanding there was not any as he has just closed the roads as required without council permit previously.				
• A risk assessment was unable to be sighted to determine if it had been conducted prior to installation of the WZTM. A risk assessment should have identified that at a minimum the road be closed and only local traffic permitted.				

Liability limited by a scheme approved under Professional Standards Legislation   Page 20

Appendix 1 – Comments and observations regarding the *Administration Policy: Work Zone Traffic Management*

Internal Audit performed a high-level review of the *Administration Policy: Work Zone Traffic Management* against good practice principals and requirements of legislation. The following comments and observations have been provided for consideration at the next Policy review in the interests of continuous improvement.

- On the first page the "SA Standards for Workzone Traffic Management 2012" needs to be updated to reference version 3, 2014
- Section 4.14 - SWMS is a legal requirement for High Risk Construction activities - the CWT should determine that their SWP meets the specific requirements of a SWMS
- Section 4.18 & 4.19 – Update to include centre plots and grass verges
- Section 6.1.5 – Consider changing the current wording of 'any high risk construction work' to 'any high risk work' (this will include, for example, lawn mowing on Sir Donald Bradman Drive)
- Section 6.4 – No mention of a permit being required for a CWT road
- Section 6.6.7 – Clarify that existing signage is to be covered until the WZTM is removed
- Section 6.7.2 – The WZTM Daily Record Sheets sighted by Internal Audit did not include all of the information required by the Policy
- The policy provides no direction to workers or contractors on how to manage speeding or dangerous behaviour by frustrated traffic

9.3.5   Procurement Roadmap Continuous Audit - Stage 4

Brief

This report presents the results of Stage 4 of the Procurement Roadmap Continuous Internal Audit.

RECOMMENDATION

It is recommended to the Committee that the Procurement Roadmap Continuous Internal Audit - Stage 4 report be received.

Introduction

In accordance with the approved *Internal Audit Program 2015-2018*, the *Continuous Audit - Procurement Roadmap* (Audit) was approved and commenced in January 2015 to report on:

- the adequacy of documents, templates, policies etc. in providing legal protection and probity of process;
- assurance at key milestones that procurement activity complies with procurement and contractor management policies;
- the adequacy of internal controls to address the risk associated with procurement activity;
- opportunities for the introduction of better practices and process improvement throughout the life of the City of West Torrens Procurement Roadmap Program (the Program); and
- the management and resolution of the PMMS findings that form the basis of the Program.

This continuous/rolling audit was planned to be undertaken at each of the four key stages of the Program to add value to each of its upcoming stages. Stage 1 was completed in 2015. Stages 2 and 3 were completed in early 2018. This report presents the report from the fourth and final stage of the Audit.

Discussion

The scope of stage 4 of the Audit aimed to confirm that the:

- Recommendations from stages 1, 2 and 3 of the Audit were being implemented;
- A strong an robust procurement audit and review program was in place to mitigate risks; and
- KPIs and metrics being used by the procurement team are effective and accurate.

The Audit was undertaken during 2018 by Council's contract internal auditor (Auditor).

Following completion of the Audit, a draft internal audit report (Report) was issued to the Senior Strategic Procurement Officer and Manager Strategy and Business for comment and individual risk assessment with a closing meeting held to provide an opportunity to clarify audit findings with the Auditor. The final report was provided to the Executive in January 2019 **(Attachment 1)**.

A follow up procurement audit is planned for the 2019-2022 Internal Audit Plan to ensure any gaps are being addressed.

Internal Audit Findings

The auditor found that the organisation is making strong progress towards implementing the Roadmap, in particular through the development of a rigorous procurement framework that meets stakeholder needs. While several opportunities for improvement were identified, the Audit emphasises the strength of the overall procurement framework and Roadmap.

Five (5) internal audit findings were identified in this Audit. However, two (2) of these findings replaced findings from stage 1 of the Audit with more relevant conclusions. One (1) finding attracted a risk rating of high and will be reviewed promptly and reported back to the Committee at its next meeting.

While the organisation tolerates moderate and low risk, the proposed recommendations add value to the Program. Consequently, all recommendations will be actioned. However, given the level of residual risk is within risk tolerance levels and the recommendations are of a minor nature, they are not subject to priority actioning at this point but those that already form part of the Roadmap will be actioned over the next six to twelve months.

Conclusion

All stages of the *Continuous Audit - Procurement Roadmap Program* has been undertaken by Council's contract internal auditor and are now complete. The Audit found that the organisation has made good progress towards implementing its Procurement Roadmap. In particular, it found that the procurement framework meets stakeholder needs, ICAC principles and is likely to be robust enough to withstand an ICAC investigation.

Attachments

1.   **Procurement Roadmap Program Report - Stage 4**

Galpins

City of West Torrens

Continuous Internal Audit

Procurement Roadmap – Stage 4 (Final)

November 2018

Prepared by: Galpins Accountants Auditors and Business Consultants

Liability limited by a scheme approved under Professional Standards Legislation

Galpins

Table of Contents

Galpins

1. Executive Summary

1.1 Background

The City of West Torrens (Council) has been implementing a Procurement Roadmap Program (the Program) since 2015, aimed at improving Council's procurement framework and rigour. Initially sponsored by the Local Government Association (LGA), the Roadmap Program aims to help councils identify opportunities to save money and to also improve procurement efficiency. CWT had a list of actions to implement as part of its Program.

As per the latest published annual report, in 2016-17, Council spent over $46 million on procurement activities. This represents a significant proportion of Council's income. Spend occurred across all areas of the business and with over 1100 different vendors. Council has a Senior Strategic Procurement Officer who plays an important role in promoting a consistent approach to procurement across Council, in working across departments to obtain buying power / discounts for bulk purchases, ensuring probity by helping staff to follow appropriate processes, and ensuring that appropriate contracts are used.

This particular report is the third and final report in a series of three audits (covering four 'stages' of the Procurement Roadmap). The scope of the audit was to review each stage of the Program as it was completed, and this report is for Stage 4 of the continuous audit. Stage 1 of the audit was finalised in April 2015, and due to a lack of resources in the Procurement Team, there was subsequently a three-year gap between audits. Stages 2 and 3 were reviewed concurrently and that audit was finalised in January 2018.

1.2 Audit Objectives

This continuous audit was conducted in three instalments (covering four 'stages' of the Procurement Roadmap), with the aim to evaluate and report on:

- the adequacy of documents, templates and policies in providing legal protection and probity of process

- assurance at key milestones that procurement activity undertaken complies with procurement policies[1]

- the adequacy of internal controls to address the risks associated with procurement activity

- opportunities for the introduction of better practices and process improvement throughout the life of the Program, and

- management and resolution of the findings of the PMMS[2] Procurement Roadmap Program.

---

[1] We note that contractor management was originally also included in the scope, however this was subsequently audited in a separate audit. Contractor management is also not the responsibility of the Procurement Team.

[2] PMMS is a private consulting organisation with a procurement specialisation. It facilitated the LGA's Roadmap Program.

Galpins

1.3   Audit Approach

This Stage 4 of the audit involved assessment of the:

- adequacy of coverage and/or improvement opportunities in relation to the Audit Plan, and

- validity of Key Performance Indicators (KPIs), metrics and spend data analysis.

The audit also:

- aimed to identify opportunities to improve practice

- reviewed overall progress in implementing recommendations from the previous two parts of this audit, and

- reviewed progress against the original PMMS Procurement Roadmap action items.

A summary of documentation reviewed, and interviews conducted is at Appendix 1.

Galpins

1.4   Summary of Results

CWT has made significant progress in implementing the Procurement Roadmap. Since the last audit instalment in January 2018, there has been particular progress in achieving Roadmap targets in relation to staff education, development of Panel contracts, and generating/using Council-wide 'category' spend analysis to better identify spending trends and related areas for strengthened procurement practice. The Senior Strategic Procurement Officer has an action plan of items and can demonstrate clear progress in implementing these.

We identified a **partial level of compliance** with procurement policy and procedures. This rating is not a reflection on the efforts of the Procurement Team, but is based on staff compliance as assessed though our testing results from stages 2 and 3 of this audit, as well as through recent compliance 'spot check' audits conducted by the Procurement Team.

Although there has been a strong education and awareness-raising campaign with staff about procurement, audit testing results indicate that there is a culture of 'getting it done' without fulfilling all procurement steps, and that there is opportunity for implementing a consequence/stronger governance mechanism to help ensure staff compliance with key procurement requirements. This may help to reduce risks in relation to probity, contract dispute and the ability to achieve value for money.

A summary of the audit findings is below.

Audit scope element	Audit's assessment
Implementation of Stage 1 audit recommendations	🟡 5 of 7 recommendations have been implemented. Outstanding recommendations relate to the requirement to develop acquisition plans for high risk/value procurement, and strengthened guidance in relation to contract variations/contingency funding.
Implementation of Stages 2 and 3 audit recommendations	🟡 4 of 6 recommendations have been implemented, and two are in progress. Outstanding recommendations relate to implementing a process to regularly remind contract managers of contract management requirements and to implementing all Stage 1 recommendations.
Coverage of Procurement in upcoming Audit Plan	🟢 Adequate coverage, including one planned internal audit and ongoing compliance spot checks.
Adequacy of KPIs and metrics to support decision making	🟢 A suite of KPIs has been developed to support decision making. These are yet to be reported on, however have now been approved. Audit found opportunities to streamline these KPIs.
Overall Procurement Roadmap implementation	🟡 All 'Phase 1' Roadmap elements are complete. Two 'Phase 2' actions are not yet complete, relating to reduction of invoice numbers and standard procurement plans. Two 'Phase 3' actions are underway, relating to standard contract management and supplier education.

KEY: 🟢 Strong progress.   🟡 Progress underway, opportunities for improvement exist   🔴 Significant work required

Note - we re-reviewed those recommendations where we previously found that opportunities for improvement still existed and/or significant work was still required.

Galpins

2. Findings

2.1.   Implementation of Previous Audit Recommendations

This section summarises the results of testing whether the recommendations from the previous two audits (the first covering Stage 1 of the Procurement Roadmap and the second covering Stages 2 and 3) have been implemented. Two recommendations in relation to contingency funding and variations are incomplete.

Review of Stage 1 Recommendations that were outstanding as at Stage 2/3 audit[3]

Stage 1 Recommendation	Response & due date	Completed?
1. 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. Inclusion of this requirement must be balanced against efficiency considerations and CWT's other existing methods for approving procurement.	Agree with the recommendation. February 2016	Not implemented. The current Administration Policy refers to factors to consider during an acquisition (e.g. value, risk) however does not require an acquisition plan to be developed. An optional Acquisition Plan template is available. The Senior Strategic Procurement Officer aims to create a rigorous planning framework to assist officers with planning and to avoid wastage. The Officer has drafted a 'project planning framework' and this has been included for further discussion at an upcoming Steering Committee. Audit considers there is strong value in procurement planning, and understand the Procurement Officer's approach. See Recommendation 1.
3. To strengthen the CWT's draft procurement policy, consider: • including guidance on contract variations, and • including guidance on use of contingency funding.	... Agree with including guidance on variations/ contingencies in policy. 'As a low risk, this will be considered within the next 12 months.' (from April 2015)	Partially implemented. The Administration Policy mentions contingency funding only. It also notes '*If a variation to a contract results in an increase to the contract sum, the variation must be approved in accordance with the staff member's delegation. If the amount of the variation exceeds the staff member's delegation, the variation must be referred to the officer with the appropriate delegation.*' It is unclear whether additional approval is required if the total spend is over a staff member's delegation, or just if the actual variation is over the delegation. Better practice is for additional approval if the cumulative value of spend exceeds a staff member's delegation. This helps avoid excess unplanned spend. The intent of this recommendation is still valid. See Recommendation 2.
5. To ensure the ongoing engagement of stakeholders with the Procurement Roadmap, provide regular (for example, bi-monthly or quarterly) updates to Steering Group and Reference Group members about progress towards achieving the roadmap.	To ensure efficient allocation of staff resources across the organisation, meetings are held as required when there are issues to discuss.	Ongoing and completed.

[3] A summary of implemented Stage 1 Recommendations is in Appendix 2.

Galpins

City of West Torrens

The table on the previous page shows that two of the Stage 1 report recommendations have **not** been implemented to date. Audit consider that there is still potential benefit in implementing the intent of these recommendations. To aid in administrative management of these recommendations, we consider that the **previous audit recommendations should be closed**, and the following two updated recommendations be implemented.

Recommendation 1	Strengthen the required planning steps in relation to high value/risk procurement activities. For example:				
	▪ clearly define the need for strong planning activities (including with examples of poorly planned activities and related consequences to time/cost/quality),				
	▪ clearly define the roles and responsibilities for strategic procurement/project planning (seek strategic input in this process)				
	▪ outline clear planning requirements (for example in a checklist), and				
	▪ support this approach with targeted training.				
Rating (Auditor)	High	Likelihood	Moderate	Consequence/ Descriptor	Major Financial
Rating (CWT)	High	Likelihood	Moderate	Consequence/ Descriptor	Major / Financial
Response	The CWT has a draft acquisition plan to be tabled at the next appropriate steering committee meeting. If approved it will then be reflected in the appropriate Procurement policies.				
Target Date	January 2020				

Recommendation 2	To strengthen the CWT's approach to procurement and transparency around the use of contract variations and contingency funding, amend the Administration Policy to include guidance on:				
	▪ contract variations, and				
	▪ how to plan for / use contingency funding.				
Rating (Auditor)	Moderate	Likelihood	Moderate	Consequence/ Descriptor	Moderate Financial/Reputation
Rating (CWT)	Moderate	Likelihood	Moderate	Consequence/ Descriptor	Moderate Financial/Reputation
Response	This will be incorporated at the next policy review due in 2020. Review due to commence by the Procurement team in February 2019 as per the Procurement work plan.				
Target Date	July 2020				

Galpins

Review of Stage 2/3 audit Recommendations

This section summarises the results of testing whether the recommendations from Stage 2 and 3 of this continuous audit have been completed. Overall, four of six recommendations have been completed and two partially completed.

Stage 2 and 3 Recommendation	Response and due date	Completed?
1. Review the outstanding recommendations from the Stage 1 Procurement Roadmap continuous audit, and work to implement these.	Accepted. Six to twelve months from date of audit (latest December 2018).	Partially complete. Discussion included from page 6.
2. Continue providing regular training and reminders to CWT staff about the importance of filing all key procurement documentation in the Objective system. This will facilitate Council's ability to demonstrate probity and appropriate process in procurement activities.	Accepted. Six to twelve months from date of audit (latest December 2018).	Complete. Training strategy and plan implemented.
3. Educate CWT staff responsible for procuring goods and services about the mandatory risk assessment process required to be undertaken before conducting procurement exercises. This education could be included as a part of the formal procurement training program, and as part of ongoing one on one interactions with staff.	Accepted. Six to twelve months from date of audit (latest December 2018).	Complete. Information provided during training, specifically related to risk assessments in the procurement process (not general risk).
4. Implement a process to check the adequacy of record keeping for a sample of procurement activities each quarter. Report on results to the Executive team. This process is aimed to help promote a 'tone from the top' that encourages organisation-wide compliance.	Accepted. Six to twelve months from date of audit (latest December 2018).	Complete.
5. Research and implement a process that regularly reminds contract managers of deliverables / key monitoring actions as a part of managing their contracts.	Accepted. Six to twelve months from date of audit (latest December 2018).	In progress. Manual reminders occur, with potential for system generated reminders. See discussion below.
6. Ensure that the role of the Senior Strategic Procurement Officer remains dedicated to strengthening the procurement function across CWT.	Accepted. Six to twelve months from date of audit (latest December 2018).	Complete. The Officer reported primarily working on procurement activities.

The table above shows that two of the recommendations from the Stage 2 and 3 report have not been fully implemented to date. One of these relates to implementation of the original Stage 1 recommendations and these are discussed from page 6.

There is still potential benefit in implementing Recommendation 5 from the Stage 2 and 3 report. See further discussion over page.

Galpins

City of West Torrens

> **Stage 2 & 3 Report, Recommendation 5** was to *Research and implement a process that regularly reminds contract managers of deliverables / key monitoring actions as a part of managing their contracts.*

We understand that, currently, the Senior Strategic Procurement Officer and supporting team member have a role in reminding contract managers about their responsibilities as part of managing their contracts. The CWT procurement model is centre-led, however, and not centralised. This means that the Procurement Team are not responsible for ensuring the appropriateness of contract management activities.

The Senior Procurement Officer reported that she is researching the implementation of system functionality to automate reminders to contract managers. The system being researched is 'Skytrust'.

This audit did not include assessment of the merits of system solutions, however we consider that potential automation of contract management reminders may assist the CWT in helping to ensure that contracts are managed fully, reducing potential risk of non-compliance with key policies/requirements.

Recommendation 3	Further research and consider system solutions that can be used to automate reminders and support CWT's responsible persons in monitoring the key actions/deliverables required from the contracts that they manage.				
Rating (Auditor)	Moderate	Likelihood	Moderate	Consequence/ Descriptor	Minor Reputation/ Financial
Rating (CWT)	Moderate	Likelihood	Moderate	Consequence/ Descriptor	Minor Reputation/ Financial
Response	Investigations continuing into features of systems.				
Target Date	February 2019				

Galpins

2.2.   Coverage of Procurement in the Audit Plan

The audit scope required an assessment of the adequacy of procurement coverage in the Audit Plan. Auditing and promoting compliance with the procurement policy can reduce related risks, for example in relation to probity, loss of cost saving opportunities and loss of contract protection.

We found that the upcoming four-year Audit Plan includes one audit in relation to procurement. It is identified as the 'Stage 5' procurement audit.

In addition, we understand that the Senior Procurement Officer plans to continue implementing spot checks of compliance against procurement requirements. This involves checking documentation to confirm whether staff members have complied with key procurement requirements. We viewed evidence that two separate compliance reviews (covering 31 separate procurement activities) have occurred to date in 2018. We consider that this is an important process to promote strong procurement practices across Council.

Audit noted that the Senior Procurement Officer has some lack of authority to persuade staff to comply with procurement requirements. She uses a model to work in partnership with staff, which is appropriate for her role. The results of her spot check audits, however, demonstrate the need for a governance mechanism that can help to drive change following these audits. Audit consider that it may be useful for the Steering Committee to appoint a senior person to be responsible for following up on spot-check non-compliance and promote compliance with procurement requirements.

Recommendation 4	The Procurement Roadmap Steering Committee implement a governance structure/ responsible person that follows up on results of internal 'spot check' audits and works with staff to achieve compliance/promote ongoing compliance in future activities.				
Rating (Auditor)	High	Likelihood	Moderate	Consequence/ Descriptor	Major Reputation/ Financial
Rating (CWT)	Moderate	Likelihood	Moderate	Consequence/ Descriptor	Moderate Reputation/ Financial
Response	Spot checks are carried out on a regular basis by the Procurement team in a continuous improvement and relationship building capacity. Where findings of non-compliance are evident and not resolved, these will be added to the Internal Audit Register. This register is monitored by the Resilience team and provided to the Executive and Audit Committee where appropriate.				
Target Date	June 2019				

Galpins

2.3.   Key Performance Indicators (KPIs)

The audit scope required an assessment of procurement-related KPIs, metrics and spend data analysis. The scope also required assessment of whether these KPIs are valid, and for identification of any opportunities for improvement.

Strong KPIs, metrics and related spend data can enable management to make effective decisions, for example in targeting areas to generate savings. Audit found that:

- Draft procurement KPIs were approved at the June 2018 Procurement Roadmap Steering Committee.

- The Information Services team have assisted capture of 'category' spend information from the Tech1 financial system. This information is now used to analyse whole of Council spend and to inform strategic procurement activities. For example, it enables identification of high value areas for focus and use of panels, such as the use of temporary and trainee staff.

  o a final report of 2017-18 data is to be presented to the Steering Committee when the year's data is available.

- Procurement provide a 'Procurement Executive Update' or 'quarterly update' report at different intervals (September, November and December 2017, June 18), to inform the executive/key personnel about procurement activities.

These activities appear to be sufficient and in entirety to mean that procurement-related reporting is valid and sufficient.

Assessment of Procurement KPIs: Potential to streamline

There are 13 KPIs in place regarding procurement at CWT. Audit reviewed that the procurement KPIs are valid, and aimed to identify opportunities for improvement. We found that the KPIs are valid, and represent positive practice for the function. Each KPI includes a 'target or success indicator' to measure success. It is also positive that the KPIs include both financial and non-financial indicators. A copy of the KPIs are included in Appendix 3.

Galpins

We also identified that:

- These KPIs are extensive and include 13 different areas to report on, for example:
  - 'Few addendums or additional information required to be given to tenderers'
  - 'Contract register is an accurate reflection of all current and expired contracts and projects of Council'.

KPI reporting is key to help in managing business, and to measuring the success in relation to strategy/objectives. We note that, at a whole of business level, between four and ten KPI measures are commonly used.[4] We consider that, although the current procurement measures are useful, there may be value in reporting on only those key KPIs that give management a strong indication of performance. This may help to reduce information load for managers and reduce the risk that key messages are diluted. Additional reports / papers on procurement activities can also be reported on separately on an as-needs basis.

Recommendation 5	Consider reducing the number of KPIs in place in relation to procurement, and reporting on the most key activities only. This may help to provide a succinct picture of performance in relation to procurement activities and reduce the risk that key messages are diluted. The KPIs can be supplemented by additional reporting on an as-needs basis.				
Rating (Auditor)	Low	Likelihood	Low	Consequence/ Descriptor	Low Organisational
Rating (CWT)	Low	Likelihood	Low	Consequence/ Descriptor	Low Organisational
Response	KPIs to be reviewed and incorporated as part of the next Procurement Audit.				
Target Date	January 2020				

---

[4] Information from various sources including: Balanced Scorecard Institute: https://www.balancedscorecard.org/ ; PriceWaterHouse Coopers, *200,7 Guide to key performance indicators*; Austin, Robert D, 1996, Measuring and Managing Performance in Organizations. Also, Kaplan, RS, and Norton, DP, 1996, *Using the Balanced Scorecard as a Strategic Management System*

City of West Torrens

Galpins

2.4. Progress in implementing Procurement Roadmap Recommendations

This section includes a summary of progress in implementing phases of the Procurement Roadmap.

Phase 1: 0-6 months — Structure, Team Establishment, Docs & Training	Assessment of progress	Phase 2: 6-12 months — Contract Establishment, Planning & Processes	Assessment of progress	Phase 3: 12-24 months — Supplier Engagement, Strategic & Contract Management	Assessment of progress
Build Procurement Roadmap into Council Strategy	✓ Procurement included in the Annual Service Plan, activities toward 'spending rationalisation' mentioned in the Community Plan.	**Prepare new priority contract establishment program**	✓ Intent of this recommendation is being implemented. Some priority contracts established &others identified / planned – e.g. for temporary staff, minor works.	**Explore opportunities for multi-year budgeted contracts**	✓ Priority contracts are identified in Procurement Plan.
Confirm Centre-led procurement model and new roles and responsibilities	✓	**Undertake review of procurement planning processes**	✓ Procurement Plan process implemented with business units.	**Develop corporate procurement KPIs and targets**	✓
Develop business case for Procurement Resources	✓ Procurement Officer in place	**Develop annual procurement plan**	✓	**Develop a compliance and audit plan**	✓
Establish Procurement Steering Group	✓	**Implement targeted program to reduce invoice numbers & transaction costs**	Not yet begun. See discussion below.	**Develop and implement contract standard management processes**	Underway. There is a need to clearly identify the responsible person for action. Discussion p.15.
Introduce standard documentation / templates	✓	**Develop & implement standard project procurement plans**	Underway. Project Management Framework has been drafted with an aim to guide procurement planning. See p.8.	**Develop supplier education program to assist local businesses**	Not yet begun. Planned for March 2019.

City of West Torrens

Galpins

Phase 1: 0-6 months Structure, Team Establishment, Docs & Training	Assessment of progress	Phase 2: 6-12 months Contract Establishment, Planning & Processes	Assessment of progress	Phase 3: 12-24 months Supplier Engagement, Strategic & Contract Management	Assessment of progress
Develop central doc management responsibilities and intranet procurement portal	✓			Develop on-going procurement training program	✓
Develop and hold awareness training	✓			Develop and implement cost savings tracking register	✓
Prepare detailed spend data report	✓ category spend data established.				

The Senior Strategic Procurement Officer showed clear focus on implementing actions from the Procurement Roadmap. She has an action plan in place, and tracks and reports progress against this action plan. The table above shows that we identified four areas where action was underway and/or not yet begun. Further discussion in relation to two areas – reduction of invoice numbers and implementing standard contract management processes, is included from below.

Reducing Invoice numbers

The Senior Procurement Officer reported there is internal difficulty in checking that contractors have delivered work as per their contract. She believes that more structured invoicing can help promote transparency and assist responsible persons to check that works have been completed. Audit viewed that a works request system has been implemented to assist with this aim, hosted via the Compass intranet site.

The Procurement team aim for increased transparency and contractor performance before reducing invoicing numbers, with an intent to work on reducing invoice numbers in subsequent years. Audit consider that this is reasonable and make no recommendations in relation to this finding.

Internal Audit – November 2018

Procurement Roadmap – Stage 4 (Final)
Page 14

Galpins

Developing and implementing standard contract management processes

The Procurement Roadmap included a goal to develop and implement standard contract management processes. The Senior Procurement Officer reported that action against this is underway. The Procurement function do not have responsibility for contract management, however can provide some guidance about key oversight requirements. Audit consider that contract management should be considered for inclusion in the upcoming 'Stage 5' of the continuous Procurement Audit.

We note that contractor management has been the subject of a separate recent internal audit, with a focus on WHS compliance, contractor induction and monitoring. The Procurement Team were a stakeholder in this audit, however were not the primary audit client as they are not involved in managing contractors as they provide work to Council.

Galpins

Appendix 1: Documentation Reviewed / Interviews Conducted

Key documentation reviewed as a part of this engagement is listed below. Further documentation was also reviewed, this list is high-level for ease of reading and understanding the scope of assessment conducted:

- Draft Project Management Framework
- Evidence of compliance spot checks conducted by Procurement team
- Key Procurement Indicators
- Procurement Roadmap
- Procurement Administration Policy
- Procurement Policy
- Procurement Roadmap Action Plan 2017
- Procurement monthly status reports
- Procurement Quarterly Progress Reports
- Procurement Roadmap Steering Committee meeting minutes and agendas
- Savings and Benefits Register
- Training Plan and Training Analysis
- Training and Development Strategy

In addition, interviews were held with:

- Robyn Cusick, Senior Strategic Procurement Officer
- Liz Johnson, Program Leader Strategic Resilience (re planned audit coverage of procurement)

Procurement Roadmap – Stage 4 (Final)

Page 16   Internal Audit – November 2018

Galpins

Appendix 2: Completed Stage 1 Audit Recommendations

Detail of implementation of audit recommendations.

Stage 1 Recommendation	Response and due date	Implemented?
2. Clarify or strengthen requirements in the draft procurement policy around documentation and approval requirements when exemptions from the policy are required in approaching the market. For example, what approval (if any) is required when officers wish to: • enter into direct negotiation with a supplier instead of releasing a Request for Tender • obtain a reduced number of quotes than the standard • use an alternative procurement method than that identified in the policy. This will assist in demonstrating probity in line with ICAC requirements.	Agree with the recommendation. Need to determine appropriate mechanism for implementing so as to minimise the administrative effort. September 2015	Complete.
4. Develop procedural guidelines for staff on how to conduct the tendering process. This will ensure strong probity in tendering activities and help to avoid a situation where the organisation is unable to support a tender decision.	Agree with the recommendation. Process is the subject of a continuous improvement project including electronic tendering options. 30 September 2015 to determine desired solution	Complete. Procedural guidance on the Compass procurement website.
6. Publish the CWT's terms and conditions for low value purchases on an internet site. Include a link to this site on all Purchase Orders. Remind staff of the importance of providing suppliers with a complete listing of terms and conditions.	Agree with the recommendation, this is low risk when assessed against the CWT Risk Matrix (likelihood & consequence) and will be actioned within twelve months. March 2016	Complete. This step was achieved, but Audit found that the link on the web site has been removed. We note that testing identified that terms and conditions are automatically attached to purchase orders. The intent of this recommendation has been achieved.

Galpins

City of West Torrens

Stage 1 Recommendation	Response and due date	Implemented?
7. Consider revising the current draft Purchasing, Tendering and the Sale and Disposal of Assets policy to either: • include more detailed guidelines sale or disposal of assets, in line with the LGA Guide Policy for Disposal of Land and Assets, or • remove the section on the sale or disposal to a separate new policy. If a new policy is created to cover the sale and disposal of assets, this should cover key elements/principles in line with the LGA Guide Policy for Disposal of Land and Assets.	Agree with the recommendation to remove the sale and disposal and create a separate policy. October 2015.	Complete

Procurement Roadmap – Stage 4 (Final)

Page 18

Internal Audit – November 2018

Galpins

Appendix 3: Procurement KPIs

KPI	Metric	Target or success indicator
Contract register is accurately maintained.	Contract register is an accurate reflection of all current and expired contracts and projects of council.	Contract register is fully compliant for audit. Management of contract expiry, efficiencies and timeliness in approaching the market
Delivery model - most effective model utilised to deliver outcome, not selected for convenience or least risk.	Appropriate model is selected for each procurement	Selected delivery model provides best outcome for council and supports good commercial practice eg finished on time, price and value for money, local employment, local supply of goods or services
Increased use of panel contracts, prequalified or preferred contractors	Number of procurement transactions using prequalified panel contractors	% per annum or increased % per annum of panel contracts available % or number of actual transactions using panel contracts increases.
	Reduced cost per transaction or contract. *Determine a % saving for efficiencies in using prequalified. Deloitte's 3.6% efficiency* or an agreed assumption saving amount per transaction/invoice and cost per tender creation	Calculated annual savings in efficiencies using panel purchases. Reduced costs to contractors submitting tenders Number of prequalified suppliers
Increased use of local contractors	Number of procurement transactions using local contractors	% per annum or increased % per annum of local contractors winning contracts Value of economic stimulus to local economy Value of local goods supplied Fair competition between suppliers, weighted award criteria for small local business
Reduced cost per low value transaction	Reduced number of invoices, increased number of electronic payments*. Need to consider the introduction of work orders and the increased IFC	Comparative reduction to baseline in low value invoices. Comparative increase to baseline in electronic payments

Galpins

City of West Torrens

Clear project objective and specifications created for all approaches to market. Unclear objectives are a driver for increased pricing. Consistent information given to all suppliers	Few addendums or additional information required to be given to tenderers.	Reduced % addendums per annum
Clear project objective and specifications created for all approaches to market. Tenderers choose not to respond to ambiguous specs.	All tenderers provide a response for select tenders and quotes; a suitable number of responses are achieved in open tender.	100% responses in select tenders/quotes. Suitable # of responses in open market tendering Improved supplier performance
Clear project objective and specifications created for all approaches to market. Tenderers choose not to respond to ambiguous specs. Reduced competition impacts price	Price is not inflated to cover increased risk due to lack of clarity.	Tendered prices reflect budget/ABP
Staff involved in procurement are adequately trained and understand procurement requirements	Sound governance throughout the procurement process; reduced risk for council	All required documentation is completed and filed correctly in Objective. No financial risk, WHS or internal audit non conformances Current annual training plan Staff training records reflect business requirements
Manage spend data categories	Identify top 20 spend categories and develop panel contracts, identify local opportunity for participation or new business	Sustainably reduce time and costs associated with regular purchasing (develop agreed efficiency %...3.6% as per Deloitte's?) Improved probity around low value, high volume spends (reduced reputational risk) Improved opportunity for local business to win work Remove unnecessary costs associated with bidding for contractors Number of suppliers
Procurement Policy meets business needs	Solid governance and transparent guidelines, directs procurement activities and performance	High awareness across Council of procurement obligations with clear directions and responsibilities. Compliant, best practice delivery of ABP projects and services

Galpins

City of West Torrens

| Develop and use an Annual Procurement Plan | All approved planned procurement is completed on time and on budget | Annual business plan goals are met.

Fewer 'rollover' projects - monies spent in relevant financial year.

Procurement undertaken in the time specified to suppliers

Improved processes, relationships and aligned spend between business units |
| --- | --- | --- |

9.3.6 Contractor Management Audit Report

Brief

This report presents the results of the Contractor Management Internal Audit.

RECOMMENDATION

It is recommended to the Committee that the Contractor Management Audit report be received.

Introduction

In accordance with the approved *Internal Audit Program 2015-2018*, the *Contractor Management Audit* (Audit) was approved and commenced in January 2018. The scope of the audit was to report on the level of compliance of the overall contractor management activity against the requirements of the *Work Health and Safety Act 2012* (SA), associated Regulations and Policy in order to identify any existing gaps and to identify opportunities for the introduction of better practices and process improvement.

Following completion of the Audit, a draft internal audit report (Report) was issued to the Executive as well as various managers and relevant officers for comment and individual risk assessment with a closing meeting held to provide an opportunity to clarify audit findings with the Auditor. The final Report was provided to the Executive in March 2019 **(Attachment 1)**.

Internal Audit Findings

The Audit found that the City of West Torrens' (CWT) approach to managing the risk of contractor management is partially compliant with legislation, policy and procedure. While the City of West Torrens (CWT) has a strong policy framework, which if applied consistently and supported by appropriately trained and qualified staff will ensure Contractor Management activities are undertaken in an appropriate manner, the findings of this Audit suggest that the level of compliance with the policy framework and supporting tools requires improvement. As such, this report offers a number of suggestions to improve compliance.

Eleven (11) Audit findings were made by the auditor of which all attracted a moderate level of risk. All of these findings are within the CWT's risk tolerance levels and consequently any action taken to progress these findings will be reported back to this Committee on a bi-annual basis. However, many of the findings will be actioned in line with the recommendations and/or management responses found in the report. Two of the findings have had their risk ratings revised by the Administration from moderate to high. This better reflects the procurement value related risk. The recommendations associated with these findings will be managed and reported back to the Committee.

Conclusion

The *Contractor Management Internal Audit,* undertaken by Council's contract auditor, has been completed. While the Auditor's findings are within risk tolerance levels and the recommendations minor in nature, two of the Auditor's findings and respective risk ratings were assessed by the Administration as high and therefore outside of tolerance levels. So, while the progress of those nine (9) moderate findings will be reported to the Committee on a bi-annual basis, progress on implementing the actions to mitigate those two high findings will be reported back to the Committee on a regular basis.

Attachments

1.   Contractor Management Audit Report

City of West Torrens Contractor Management – Compliance Review

Internal Audit Report

Audited By:	Tim Muhlhausler, Contract Internal Auditor
	Adelaide OHS Consultants, Contract Internal Auditor
Draft Report Issued:	13/08/2018
Final Report Presented:	
Final Report Executive Management Approval:	

Contents

1. EXECUTIVE SUMMARY

1.1. Background

As part of the approved 2017-18 Internal Audit Program, Galpins with the assistance of Adelaide OHS Consultants (AOHSC) were appointed to undertake an internal audit to review the City of West Torrens' (CWT) compliance with its own internal Contractor Management processes and alignment of these processes with Legislative requirements.

1.2. Objective

The objectives of the audit were to evaluate and report on:
- The level of compliance of contractor management activity (from low risk, to extreme risk and including principal contractors) against requirements of the WHS Act and Regulations and the CWT Contractor Management Policy thereby identifying gaps and subsequent opportunities for improvements in CWT policy, process and practice.
- This includes internal Council compliance with its own Contractor Management processes, Council Contractor Management process compliance with Legislative requirements and site based activity compliance with Council internal processes and Legislative compliance.

The scope also called for an Assessment of evidence of closure of the 2012 Galpins Audit findings. A significant system review and update of procurement & contractor management processes has been undertaken by CWT in the 2017-18 period, and this is viewed to have addressed the issues identified in the 2012 Audit. Given the significance of changes undertaken, alignment to specific findings of the 2012 audit are not considered relevant.

1.3. Associated Risks

- Engagement of Contractors for Council works, up to and including extreme risk works.
- Assessment of risks for Contractors, Council workers, members of the public and the City of West Torrens (reputational risk, financial risk and level of legislative compliance/non-compliance).

1.4. Examples of Good Practice

Internal controls / processes assessed as demonstrating good practice in mitigating risk included the following:
- ✓ A Contractor Management Policy exists, supported by a central suite of tools and templates
- ✓ A significant amount of work has been undertaken in regards to the review and modification of procurement processes, contractor management processes and training of Management teams in the updated processes.
- ✓ A 'Training Plan and Training Analysis' has been developed, detailing training needs for staff across Council in Procurement and Contractor Management.
- ✓ The Council has introduced 'Procurement Training' as part of the Council's standard induction processes. This will assist in maintaining compliance with the Council's updated procurement requirements.
- ✓ There exists a good degree of embedding of the Council's procurement processes into day to day operations.
- ✓ The majority of Council personnel have a sound knowledge of the Council's procurement processes, under which Contractors are engaged.

✓ There exists a good degree of knowledge amongst CWT staff surrounding risk management processes.

1.5. Key Findings and Recommendations

Overall, the audit identified a partial level of compliance with legislation, policy, procedure and generally accepted industry standards or better practice.

CWT has a strong policy framework, which if applied consistently and supported by appropriately trained and qualified staff will ensure Contractor Management activities are undertaken in an appropriate manner. The findings of this audit suggest that the level of compliance with the policy framework and supporting tools requires improvement, and this report offers a number of suggestions to improve compliance.

Eleven (11) internal audit findings were identified during the course of this review. These are summarised below, and details are provided in section 2 of this report.

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

- *Extreme risk* recommendations
- *High risk* recommendations
- *Moderate risk* recommendations
- *Low risk* recommendations

1.6. Risk Ratings

The following table, taken from the CWT Enterprise Risk Management Framework, has been used to rate each of the findings.

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

1.7. Findings Summary Table

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

Finding and Recommendation/s - Risk Table	Extreme Risk	High Risk	Mod Risk	Low Risk
2.1.1. Risk Management - Statutory Reporting The 'Administration Policy- Contractor Management' defines what constitutes a 'Notifiable Incident', consistent with the SA Work Health and Safety Act, 2012. The interview process identified inconsistent understanding amongst CWT staff as to what constitutes a Notifiable Incident. *Recommendation 1* CWT reviews requirements for refresher training regarding the identification and reporting of Notifiable Incidents, with the aim of ensuring personnel tasked with using this Policy are fully conversant with the requirements surrounding Notifiable Incidents.			X	
2.1.2. Risk Management - Response to WHS Risks The CWT uses a number of processes to manage risk, including the use of the 'Contractor Performance Evaluation Checklist', used to assess 'Medium to Extreme' risk. From the checklist, it is not clear how hazards and risks are classified and prioritised. Terminology in the checklist does not align with the CWT Administration Policy ('Enterprise Risk Management Framework'), further clouding the determination of responses to identified risk levels. *Recommendation 2* CWT reviews requirements regarding management of WHS risk, with the aim of eliminating risk so far as is reasonably practicable. This review should include consideration of: • the use of consistent terminology between tools used to assess WHS risk and the CWT Administration Policy ('Enterprise Risk Management Framework') • specifying when identified WHS risks will require works to be stopped – this could be achieved by including WHS-specific guidance within part 10.8 "Responses to Level of Risk" of the CWT Administration Policy ('Enterprise Risk Management Framework') • implementing mechanisms (e.g. refresher training, internal spot checks) ensuring that required competencies of CWT personnel with responsibility for completing the Contractor Performance Evaluation Checklist (when assessing onsite WHS risks and hazards) are understood and monitored.			X	

2.1.3. Risk Management - Policy Requirements for the Elimination of Risk There is no explicit requirement in the CWT Council Policy ('Enterprise Risk Management') to eliminate (as opposed to reducing) high or extreme-rated risks to health and safety so far as is reasonably practicable, as is required by the WHS Act & Regulations. *Recommendation 3* CWT enhances the Council Policy ('Enterprise Risk Management') requirements regarding management of WHS risk, to emphasise compliance with WHS Act & Regulations requirements to eliminate high or extreme-rated risks to health and safety so far as is reasonably practicable.			X	
2.1.4. Risk Management - Worksite Hazards There is no formal communication process to ensure contractors are made aware of known hazardous addresses. *Recommendation 4* CWT considers the introduction of a process for CWT staff to communicate known hazardous sites to contractors engaged by CWT.			X	
3.1.1. Policy Compliance - 'Request for Quote' process The CWT 'Request for Quote / Tender' template requires the CWT representative to identify a number of different hazards associated with works being tendered for, and document control processes to be used to manage these hazards, in the 'Hazard identification and Proposed Control Measures' section. It is evident that the CWT initial hazard identification process is not being undertaken on all contracted works. *Recommendation 5* CWT introduces a process to ensure that the 'Hazard identification and Proposed Control Measures' section of the 'Request for Quote' document is completed for all quoted works.			X	
3.1.2. Policy Compliance - Site Activities The CWT requires Project Managers to attend sites to monitor contractor WHS performance. The Contractor Management Policy indicates monitoring frequency and compliance documents to be used. In practice, there is no one uniform process for conducting site visits used by all CWT personnel. The process of visiting sites is conducted to varying timeframes and to differing levels of effectiveness. *Recommendation 6* CWT undertakes a review of site verification processes and enforces the uniform process referred to in Council Policy to verify the level of contractor compliance onsite.			X	

3.1.3. Policy Compliance - Contractor Verification Contrary to intended process and policy requirements, Council Representatives often placed a large degree of reliance on the Procurement Team verifying the adequacy of Contractor compliance with CWT's WHS requirements. *Recommendation 7* Monitoring and accountability mechanisms are introduced to confirm Council Representatives perform their responsibilities to ensure Contractors provide CWT with documentation evidencing compliance with CWT's WHS requirements.			X	
3.1.4. Policy Compliance - Authority to Work The CWT has in place an 'Authority to Work' process, which allows the issuing of an 'Authority to Work Permit' for Contractors who meet CWT's Contractor Management requirements. It is evident that not all CWT personnel are using this process. *Recommendation 8* CWT considers implementing a process to review the use of the Authority To Work (ATW) process amongst CWT personnel, and considers educational / reminder communications to CWT personnel surrounding the use of the ATW process.			X	
3.1.5. Policy Compliance – Superintendent Activity 1 The CWT engages external Superintendents to manage Contractors on large scale ($1 million+) and high risk projects. Superintendents are tasked with using the CWT's 'Contractor Performance Evaluation Checklist (Medium to Extreme Risk)'. However, this form is not currently used by all Superintendents. *Recommendation 9* CWT considers introducing the requirement for external Superintendents to use only CWT-approved checklists and processes when managing Contractors.			X	
3.1.6. Policy Compliance - Superintendent Activity 2 It is not evident to what degree Council Representatives / Superintendents' WHS knowledge is assessed prior to them being assigned to a project. *Recommendation 10* CWT introduces a requirement to assess the WHS knowledge of externally appointed Superintendents prior to engagement on CWT projects. *Recommendation 11* CWT implements mechanisms (e.g. refresher training, internal spot checks) ensuring that required competencies of CWT personnel with responsibility for overseeing contracted work are understood and monitored.			X	

Liability limited by a scheme approved under Professional Standards Legislation   Page 7

3.1.7. Policy Compliance - Use of WHS Resources The WHS Team is available to assist staff in the management of WHS risk on any project. Outside of the requirement to advise the WHS Team of notifiable incidents, there are no criteria for when it is mandatory to consult with the WHS Team. *Recommendation 12* CWT considers introducing criteria for engaging with the WHS Team to advise on WHS risks, for example for all high and extreme risk projects.			X	

2. INTERNAL AUDIT FINDINGS AND RECOMMENDATIONS

2.1. WHS practices under the WHS Act & Regulations.

2.1.1. Risk Management - Statutory Reporting	Risk Rating - MODERATE		
	Auditor *Tim Muhlhausler (Galpins) / Adelaide OHSC*	**Descriptor** *WHS*	**Consequence** *Moderate*	**Likelihood** *Unlikely*
	Manager	**WHS**	**Moderate**	**unlikely**
Issues and Impact	**Recommendation/s**		**Management Response**	**Target Date**
The CWT uses a number of processes to manage risk, including the use of the 'Administration Policy-Contractor Management'. This Policy applies to the 'Person Conducting a Business or Undertaking' (PCBU) i.e. CWT, all workers who engage contractors and contractors engaged to undertake works for CWT.

This document defines the requirements surrounding the classification of 'Notifiable Incidents' in sections *4.17 Notifiable Incident and 6.18 Notifiable and dangerous incidents.*

The interview process identified inconsistent understanding amongst CWT staff as to what constitutes a Notifiable Incident.

This exposes the CWT to the risk of potential breaches of the WHS Act, surrounding the reporting of Notifiable Incidents. | *Recommendation 1*
CWT reviews requirements for refresher training regarding the identification and reporting of Notifiable Incidents, with the aim of ensuring personnel tasked with using this Policy are fully conversant with the requirements surrounding Notifiable Incidents.

.

. | | Where contracts engaged a contractor as the Principal Contractor, a process exists where the contractor must inform the CWT of a notifiable incident within 24 hours. CWT officers have had training in both contractor management and notifiable incidents in recent times. | NA |

Page 9

2.1.2. Risk Management - Response to WHS Risks

Risk Rating - MODERATE

		Auditor Tim Muhlhausler (Galpins) / Adelaide OHSC	*Descriptor* WHS	*Consequence* Moderate	*Likelihood* Moderate
		Manager	**WHS**	**Management Response**	**Target Date**
			WHS	Moderate	Moderate

Issues and Impact	Recommendation/s	Management Response	Target Date
The CWT uses a number of processes to manage risk, including the use of the 'Contractor Performance Evaluation Checklist', used to assess 'Medium to Extreme' risk. This document requires the CWT representative to complete a question set and determine if the Contractor's overall performance is 'compliant', 'substantially compliant', 'partially compliant', or 'non-compliant'. When using this document, it is not clear how hazards and risks are classified and prioritised. An example is the 'Partially Compliant' rating, which is defined as: *'Some safety practices acceptable and most JSEA hazards controlled. Actions to be agreed, documented & followed up.'.* There is no weighting given to safety practice control measures, only that 'some' are acceptable and some are not, and no weighting given to JSEA hazard control measures, only that 'some' level of compliance is acceptable. A 'Partially Compliant' rating would also not require works to be stopped (and issues rectified), but only for 'actions to be agreed, documented and followed up'. Additionally, there is no timeframe designated for follow up of the implementation of corrective actions, or any responsibility assigned to specific personnel to follow up on corrective actions. The use of compliant', 'substantially compliant', 'partially compliant', or 'non-compliant' ratings does not align to terminology in the CWT Administration Policy	*Recommendation 2* CWT reviews requirements regarding management of WHS risk, with the aim of eliminating risk so far as is reasonably practicable. This review should include consideration of: • the use of consistent terminology between tools used to assess WHS risk and the CWT Administration Policy ('Enterprise Risk Management Framework') • specifying when identified WHS risks will require works to be stopped – this could be achieved by including WHS-specific guidance within part 10.8 "Responses to Level of Risk" of the CWT Administration Policy ('Enterprise Risk Management Framework') • implementing mechanisms (e.g. refresher training, internal spot checks) ensuring that required competencies of CWT personnel with responsibility for completing the Contractor Performance Evaluation Checklist (when assessing onsite WHS risks and hazards) are understood and monitored.	A review of the Framework is currently underway and consideration will be given to the implementation of this recommendation. Risk training will be considered as part of the 2019-2020 Risk and Resilience Plan.	October 2019

('Enterprise Risk Management Framework'), further clouding the determination of responses to identified risk levels.

It is also not clear what competencies CWT personnel require to be able to adequately assess WHS risks and hazards onsite, when using the Contractor Performance Evaluation Checklist.

Liability limited by a scheme approved under Professional Standards Legislation   Page 11

2.1.3. Risk Management - Policy Requirements for the Elimination of Risk

Risk Rating - MODERATE

	Auditor	Descriptor	Likelihood
	Tim Muhlhausler (Galpins) / Adelaide OHSC	*WHS*	*Unlikely*
	Manager	**WHS**	**Unlikely**
			Target Date
			October 2019

Issues and Impact	Recommendation/s	Consequence *Major* / Management Response
The CWT Council Policy ('Enterprise Risk Management') defines the requirement to manage and control risk. Section 5.3.9 of the policy requires *"Regularly reviewing exposure to all forms of risk to reduce them as far as reasonably practical or achievable"*. Further, section 5.6 of the document states: *"Residual risks that are identified as high or extreme will be reported to Council via the departmental service plans on a quarterly basis and monitored through the Audit and Risk Committee"*. There is no requirement in the Policy to eliminate (as opposed to reducing) high or extreme-rated risks to health and safety so far as is reasonably practicable, as is required by the WHS Act & Regulations. The concept of elimination of risk is an important principle in WHS risk management, as under the legislation the elimination of risk i.e. to stop work when high or extreme risk is identified may be the only acceptable course of action. As such, it is considered important that this concept is emphasised in Council's risk management guidance.	*Recommendation 3* CWT enhances the Council Policy ('Enterprise Risk Management') requirements regarding management of WHS risk, to emphasise compliance with WHS Act & Regulations requirements to eliminate high or extreme-rated risks to health and safety so far as is reasonably practicable.	**Major** **Management Response** A review of the Policy is currently underway and consideration will be given to the implementation of this recommendation.

2.1.4. Risk Management - Worksite Hazards

	Risk Rating - MODERATE		Likelihood Moderate
	Auditor Tim Muhlhausler (Galpins) / Adelaide OHSC		Consequence Moderate
			Moderate
	Manager	Descriptor WHS	Target Date
Issues and Impact	Recommendation/s	WHS	Management Response
From time to time, Council staff and contractors may be required to attend and enter premises and public areas reported as potentially being at risk of presenting a health hazard to occupiers, neighbouring premises, or members of the public. Examples of this are aggressive members of the public, or aggressive animals being present at sites.

Council maintains an internal database in Pathway to flag potentially hazardous addresses.

Knowledge of hazardous sites is shared internally via notifications within pathway, informal communications at staff meetings and through general conversation amongst members.

However, there is no formal communication process to ensure contractors are made aware of known hazardous addresses. | *Recommendation 4*

CWT considers the introduction of a process for CWT staff to communicate known hazardous sites to contractors engaged by CWT. | | Prior to awarding a contract, contractors are notified of site specific hazardous through risk assessments as part of the RFQ/RFT processes.

This is also reinforced in the start up meetings with the contractors where various forms and checklist are used to prompt contactor managers. This includes the Project Start Up Meeting Checklist, the Initial Contractor Site Walk Through Checklist (Induction) and the Contract Hazard Identification Form.

Should any other hazards become known during a contract period, they are discussed and minuted in site meetings.

These processes will be reinforced in team meetings with relevant officers. | NA |

Liability limited by a scheme approved under Professional Standards Legislation   Page 13

3. INTERNAL AUDIT FINDINGS AND RECOMMENDATIONS

3.1. Departmental compliance against CWT's Contractor Management Policies (including contractor induction, monitoring and evaluation).

3.1.1. Policy Compliance - 'Request for Quote' process	Risk Rating - MODERATE				
	Auditor *Tim Muhlhausler (Galpins) / Adelaide OHSC*	**Descriptor** *WHS*	**Consequence** *Moderate*		**Likelihood** *Moderate*
	Manager	**WHS**	**Moderate**		**Moderate**
Issues and Impact	**Recommendation/s**		**Management Response**		**Target Date**
The CWT 'Request for Quote / Tender' template requires the CWT representative to identify a number of different hazards associated with works being tendered for, and document control processes to be used to manage these hazards, in the 'Hazard identification and Proposed Control Measures' section. Examples of hazards expected to be identified include 'working at heights', 'noise' and 'asbestos' hazards. These hazards are then to be communicated to any Contractors tendering for works and the Contractors are expected to provide applicable JSA/SWMS documents to assist the Contractor to manage the identified hazards. However, it is evident that the CWT initial hazard identification process is not being undertaken on all contracted works. There appears to be a degree of misunderstanding amongst CWT staff surrounding the use of this document. One example of this is an assumption by some staff that Section 6.1.4 of the *Administration Policy: Contractor Management* (the requirement to record known hazard/risk information relating to the proposed work and provide this to contractors as part of the tendering process) applies to expenditure of over $10,000 only. This interpretation is not an accurate reflection of the contents of the Policy. Misunderstanding of the requirements of the Policy has the potential to expose CWT to the risk of non-conformance with the Procurement Policy whilst managing council works.	*Recommendation 5* CWT introduces a process to ensure that the 'Hazard identification and Proposed Control Measures' section of the 'Request for Quote' document is completed for all quoted works.		Hazard identification and proposed control measures will now be completed at induction and at site walk through with the relevant contractor. Known site hazards will be completed in the specifications section of the RFQ/RFT document. Training may be provided if required for relevant officers,		October 2019

3.1.2. Policy Compliance - Site Activities

Risk Rating - MODERATE

	Auditor Tim Muhlhausler (Galpins) / Adelaide OHSC	**Descriptor** WHS	**Consequence** Moderate	**Likelihood** Moderate
	Manager	WHS	Moderate	Moderate
Issues and Impact	**Recommendation/s**		**Management Response**	**Target Date**
The CWT requires Project Managers to attend sites to monitor contractor WHS performance. The Contractor Management Policy indicates monitoring frequency and compliance documents to be used. In practice, there is no one uniform process for conducting site visits used by all CWT personnel. The process of visiting sites is conducted to varying timeframes and to differing levels of effectiveness. Examples include: • A number of Project Managers attending sites on an 'ad-hoc' basis, a number of Project Managers attending sites two (2) times per day and further Project Managers attending sites 'every few weeks'. • Some CWT Contract Supervisors using the 'Contractor Site Monitoring Checklist'. This requires an assessment of the Contractor's work processes for compliance against CWT's HSE requirements. • The 'Contractor Performance Evaluation Checklist (Medium to Extreme Risk)', was not used by all Council representatives. • Varying degrees of inspections undertaken by CWT staff. An example is some staff will verify licenses and competencies (High Risk Work licenses, White Cards), some staff will focus on documentation (SWMS, JSEA's) and some staff will query Contractors on emergency procedures.	*Recommendation 6* CWT undertakes a review of site verification processes and enforces the uniform process referred to in Council Policy to verify the level of contractor compliance onsite.		Process to be reviewed with relevant officers and training to be provided at team meetings. This process may not be relevant where the CWT is not the principal contractor. In this case, the CWT attends regular, generally weekly, site meetings to discuss safety, issues and incidents.	October 2019

3.1.3. Policy Compliance - Contractor Verification	**Risk Rating - MODERATE**		
	Auditor Tim Muhlhausler (Galpins) / Adelaide OHSC	*Descriptor* WHS	*Likelihood* Moderate
	Manager	WHS	Moderate
Issues and Impact	**Recommendation/s**	**Consequence** Moderate	**Consequence** Moderate
		Management Response	**Target Date**
The responsibility for verifying Contractor compliance with CWT's WHS requirements, prior to Contractors being engaged on CWT sites, rests with the Council Representative managing the contract. The WHS Team acts in a consultative function to assist the evaluation of WHS documentation.

In contrast to the above, Council Representatives often placed a large degree of reliance on the Procurement Team verifying the adequacy of Contractor compliance with CWT's WHS requirements.

There exists a common assumption amongst Council Representatives that - if a Contractor has been engaged by CWT - the Contractor has met the Procurement Team's requirements. As such, some Council Representatives assumed they had no further responsibility for the verification process. | *Recommendation 7*

Monitoring and accountability mechanisms are introduced to confirm Council Representatives perform their responsibilities to ensure Contractors provide CWT with documentation evidencing compliance with CWT's WHS requirements. | This is included in the evaluation process (for large tenders) but also in the induction process for contractors. This process will be reviewed with relevant officers and will be considered in line with recommendations from the WHS Business Partner when appointed. | October 2019 |

Liability limited by a scheme approved under Professional Standards Legislation   Page 16

3.1.4. Policy Compliance - Authority to Work

Risk Rating - MODERATE

Auditor	Descriptor	Consequence	Likelihood
Tim Muhlhausler (Galpins) / Adelaide OHSC	WHS	Moderate	Moderate
Manager	**WHS**	**Moderate**	**Moderate**

Issues and Impact	Recommendation/s	Management Response	Target Date
The CWT has in place a comprehensive 'Authority to Work' (ATW) process, the use of which is detailed in the Council's WHS Contractor Management Policy'. The ATW process has been implemented to allow onsite personnel to ensure all of the relevant documentation has been submitted by the Contractor and the initial induction has been completed, prior to the commencement of work. The Authority to Work (ATW) Permit is required to be issued by the Council representative overseeing the contractor for all moderate to extreme rated work. However, it is evident that not all CWT personnel are using this process.	*Recommendation 8* CWT considers implementing a process to review the use of the Authority To Work (ATW) process amongst CWT personnel, and considers educational / reminder communications to CWT personnel surrounding the use of the ATW process.	The authority to work is not provided to contractors unless all relevant documentation has been received. However, further training will be provided if necessary to relevant officers.	NA

3.1.5. Policy Compliance - External Superintendent Activity 1

Risk Rating - MODERATE			
Auditor *Tim Muhlhausler (Galpins) / Adelaide OHSC*		**Descriptor** *WHS*	**Likelihood** *Moderate*
Manager		**WHS**	**Moderate**
Issues and Impact	**Recommendation/s**	**Consequence** *Moderate* **Major**	**Target Date**
The CWT engages external Superintendents to manage Contractors on large scale ($1 million+) and high risk projects. The Superintendents are tasked with all aspects of onsite management of Contractors engaged by the Council, including tracking of Contractor non-conformances with CWT processes. For this task, Superintendents are tasked with using the CWT's 'Contractor Performance Evaluation Checklist (Medium to Extreme Risk)'. However, this form is not currently used by all Superintendents.	*Recommendation 9* CWT considers introducing the requirement for external Superintendents to use only CWT-approved checklists and processes when managing Contractors.	**Management Response** The CWT will place a clause in the relevant RFQ/RFT documents, where required, when engaging an external Superintendent regarding the use of approved CWT documentation to manage contractors. When engaging a superintendent, the quality of the contractors documentation will be evaluated against CWT contractor management requirements as well as the skills, knowledge and experience of the contractor.	October 2019

3.1.6. Policy Compliance - Superintendent Activity 2	Risk Rating - MODERATE				
	Auditor *Tim Muhlhausler (Galpins) / Adelaide OHSC*		Descriptor *WHS*	Likelihood *Moderate*	
	Manager		WHS	Consequence *Moderate*	
				Major	Moderate
Issues and Impact	Recommendation/s			Management Response	Target Date
The CWT engages both internal Council Representatives and external Superintendents to manage Contractors on large scale ($1 million+) and high risk projects. The Council Representatives / Superintendents are assigned specific WHS responsibilities, including the verification of currency and suitability of SWMS documentation on these projects. However, it is not evident to what degree Council Representatives / Superintendents' WHS knowledge is assessed, prior to them being assigned to the project. There is no evidence of the WHS knowledge of externally-engaged Superintendents being assessed by CWT prior to engagement.	*Recommendation 10* CWT introduces a requirement to assess the WHS knowledge of externally appointed Superintendents prior to engagement on CWT projects.			The skills and experience of external superintendents as a whole (not just WHS understanding) is reviewed and considered in the engagement process. This will be considered in line with the quality of the contractors documentation will be evaluated against CWT contractor management requirements. Relevant officers will engaged the WHS Business Partner where required.	October 2019
	Recommendation 11 CWT implements mechanisms (e.g. refresher training, internal spot checks) ensuring that required competencies of CWT personnel with responsibility for overseeing contracted work are understood and monitored.			Monthly reporting to be developed regarding inspections and online forms to be reviewed to ensure greater use and compliance. This will also be discussed in team meetings by relevant managers. Internal desktop auditing of a contract/contractor is commencing 2019 with findings reported back through to the Executive Management Team.	October 2019

3.1.7. Policy Compliance - Use of WHS Resources

Risk Rating - MODERATE

	Descriptor	Consequence	Likelihood
Auditor *Tim Muhlhausler (Galpins) / Adelaide OHSC*	*WHS*	*Moderate*	*Moderate*
Manager	**WHS**	**Moderate**	**Moderate**
Recommendation/s		**Management Response**	**Target Date**
Recommendation 12 CWT considers introducing criteria for engaging with the WHS Team to advise on WHS risks, for example for all high and extreme risk projects.		Process to be considered on appointment of the WHS Business Partner.	October 2019

Issues and Impact

The WHS Team is available to assist staff in the management of WHS risk on any project. Outside of the requirement to advise the WHS Team of notifiable incidents, there are no criteria for when it is mandatory to consult with the WHS Team.

9.3.7 Dog and Cat Managment Board 2017/2018 Financial Audit

Brief

This report presents the results of the Dog and Cat Management 2017/2018 Financial Audit.

RECOMMENDATION

It is recommended to the Committee that the Dog and Cat Management 2017/2018 Financial Audit be received.

Introduction

The Dog and Cat Management Board (Board) is required, under the *Dog and Cat Management Act 1995* (Act), to undertake statutory compliance audits at each South Australian council. From 1 July 2014, the Board mandated that an annual financial audit occur at each council to evaluate each council's compliance with their financial obligations under the Act

Discussion

The Board recently completed the 2017/2018 financial audit (Audit) of the City of West Torrens (CWT) in accordance with s26(3), s26(4), s26(5) and s26(7) of the Act. The Audit confirmed that the CWT is fulfilling its financial obligations under the Act. **(Attachment 1)**.The final report from the Board is presented in a check list format for information **(Attachment 2)**.

Conclusion

The 2017/2018 financial audit undertaken by the Dog and Cat Management Board verifies the full compliance, by the City of West Torrens, with the financial obligations under the *Dog and Cat Management Act 1995*. As a result further reporting to the Committee is not required.

Attachments

1. **Letter from the Dog and Cat Management Board confirming CWT is fulfilling financial obligations**
2. **CWT Dog and Cat Management Financial Audit 2017 2018 Checklist**

Government of South Australia

Dog and Cat Management Board

GPO Box 1047
Adelaide SA 5001

Ph: 08 8124 4962
Fax: 08 8124 4648

ABN 48 100 971 189

www.dogandcatboard.com.au

26 February 2019

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

Dear Mr Buss,

RE: DOG AND CAT MANAGEMENT 2017/2018 FINANCIAL AUDIT

The Dog and Cat Management Board recently undertook a 2017/2018 financial audit of the City of West Torrens in relation to Sections 26 (3), (4), (5) and (7) of the *Dog and Cat Management Act 1995*.

We are pleased to confirm the City of West Torrens is fulfilling its financial obligations under the Act.

I encourage you to contact Elizabeth Allen on (08) 8124 4962 or at elizabeth.allen@sa.gov.au if you have any questions in relation to the finance audit process or outcomes.

Yours sincerely,

Elizabeth Allen
Dog and Cat Management Board

RECEIVED - CWT IM

- 5 MAR 2019
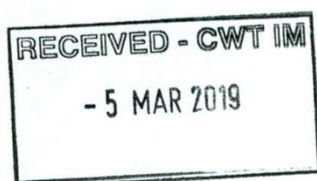
Finance Audit and Form 26 – Audit Checklist

Name of Council:	WEST TORRENS
Name of officer completing audit:	Elizabeth Allen
Date audit commenced:	14/12/2018

Checklist of Supporting documentation required:

End of Year (actual) income and expenditure report - extract from Council's finance database	☒
- Endorsed by Council Finance officer	☒
Summary of relevant expiation revenue collected – extract from Council's finance database	☒
- Endorsed by Council Finance officer	☒
Schedule of fees relating to dog registration, as approved by Council	☒

Legislative requirements	Audit process	Checklist	Comments

s26 (3) Money received by a council under this Act must be expended in the administration or enforcement of the provisions of this Act relating to dogs.	Money received under the Act includes:
	  ○ fees for the provision of extracts from registers kept under the Act
	  ○ fees approved by the Minister,
	      ▪ for the registration of dogs and businesses
	      ▪ for the late payment of registration fees
	      ▪ for meeting any other requirements imposed on Councils under the Act.
	
	Expenditure may include (for example):
	  ○ wages and apportionment of time for staff (e.g. AMO and administration staff)
	  ○ building space used for dog management and relevant staff
	  ○ vehicle used for dog management and relevant staff
	
	The EOY Income and Expenditure report from Council's finance database should provide a clear breakdown of relevant income and expenditure and the amounts should match those reported on Form 26.
	
	Total expenditure is reviewed against total income to ascertain whether monies received have been expended in the administration and enforcement of the Act.
	
	If relevant expenditure is LESS than income and the discrepancy must be documented* and explained, and any carry forward identified.
	
	*For example, the Council may have expended less monies than received, but this may be due to monies being carried forward for a pending animal management related project or similar. Full details should be provided.
		☒ The income amounts reported on the Form 26 submission matches the End of Year (actual) income and expenditure report and Expiation revenue summary
		
		☒ The expenditure amounts reported on the Form 26 submission matches the End of Year (actual) income and expenditure report
		
		☒ End of Year (actual) income and expenditure report indicates that all monies received under the Act were expended on dog related provisions	

s26(4) Each council must keep separate accounts of money received under this Act and of money expended in the administration and enforcement of the provisions of this Act relating to dogs.	The extracts from Council's finance database should clearly indicate that monies expended and received under the Act are maintained in accounts separate from other Council revenue and expenditure.	☒ End of Year (actual) income and expenditure report indicates that all monies received under the Act were maintained in a separate account	

Legislative requirements	Audit process	Checklist	Comments
s26(5) A council must pay into the Fund the percentage fixed by regulation of the dog registration fees received by the council.	The amount payable by Councils into the Dog and Cat Management Fund is based on a percentage of the following: - Dog Registration fees - Dog registration transfers - Replacement dog registration discs These amounts are reported on Form 26 under 'Total amount received from dog registration fee income' and will be verified against the amounts on the EOY Income and Expenditure report provided from council's finance database. NB. The percentage payable into the Fund is calculated automatically via the online form.	☒ The "Dog Registration Fee" income amount reported on the Form 26 submission matches the End of Year (actual) income and expenditure report and Expiation revenue summary Note that the percentage payable to the fund will be calculated automatically	

9.3.8   Bi-Annual 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 March 2019.

RECOMMENDATION

It is recommended to the Committee that the Internal Audit Recommendations and Actions Progress Report be received.

Introduction

The *Internal Audit Recommendation and Action Progress Report* (Report) is presented to the Committee bi-annually, subject to the Committee's 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

At its 8 August 2017 meeting, the Committee recommended to Council, and Council subsequently resolved:

> '*That the Internal Audit Recommendations and Actions Progress Report, being* **Attachment 1** *to the Agenda report, be replaced in future reports with a summary table.*'

Consequently the summary table describing the status of approved actions is provided below. The table covers the period 31 July 2018 to 31 March 2019.

Status	Number	Internal Audit Ratings - Level of Risk				
		Extreme	**High**	**Moderate**	**Low**	**Better Practice**
Not Started	2			1	1	
In Progress	37			22	5	10
Complete	21			13	2	6
Total Actions	60			36	8	16
Outstanding Actions	39			23	6	10

At the commencement of this review period, there were a total of sixty (60) actions approved for non-priority actioning.

Of the sixty (60) open actions:

- Twenty One (21) were completed;
- Thirty Seven (37) are in progress; and
- Two (2) actions were not started with one relating to long term actions being aligned to the next policy review date (which could be within the next five years) and the other awaiting review/release of state government documentation/plans.

Of the thirty seven (37) actions in progress, twenty one (21) 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 bi-annual *Internal Audit Recommendation Action Progress Report* details the status of those sixty (60) internal audit recommendations that were approved for non-priority actioning of which fifty eight (96.66%) are either complete or in progress.

Attachments

Nil

9.4   EXTERNAL AUDIT

Nil

9.5   COMMITTEE PERFORMANCE AND REPORTING

Nil

10   OTHER BUSINESS

11   CONFIDENTIAL

Nil

12   NEXT MEETING

11 June 2019, 6.00pm in the Mayor's Reception Room.

13   MEETING CLOSE