Notice of Committee Meeting

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

AUDIT AND RISK PRESCRIBED COMMITTEE
Members: Councillor S Rypp (Presiding Member),
Councillors: G Vlahos, R Haslam, E Moran, S Spadavecchia

of the

CITY OF WEST TORRENS

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

on

TUESDAY, 14 FEBRUARY 2017
at 6.00pm

Terry Buss
Chief Executive Officer

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1 MEETING OPENED

1.1 Evacuation Procedures

2 PRESENT

3 APOLOGIES

4 DISCLOSURE STATEMENTS

Committee Members are required to:

1. Consider Section 73 and 75 of the *Local Government Act 1999* and determine whether they have a conflict of interest in any matter to be considered in this Agenda; and

2. Disclose these interests in accordance with the requirements of Sections 74 and 75A of the *Local Government Act 1999*.

5 CONFIRMATION OF MINUTES

RECOMMENDATION

That the Minutes of the meeting of the Audit and Risk Prescribed Committee held on 17 October 2016 be confirmed as a true and correct record.

6 COMMUNICATION BY THE CHAIRPERSON

7 PRESENTATIONS

Nil

8 REPORTS OF THE CHIEF EXECUTIVE OFFICER

8.1 FINANCIAL REPORTING AND SUSTAINABILITY

8.1.1 Financial Reporting

Brief

This report lists those finance related reports which were considered by Council between 5 October 2016 and 7 February 2017.

RECOMMENDATION(S)

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

Introduction

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

Discussion

The following reports were considered by Council/Council Committee between 5 October 2016 and 7 February 2017.

18 October 2016
- Creditor Payments
- Council Budget Report - Three Months to 30 September 2016
- Mendelson Financial Report September 2016
- Property Leases

1 November 2016
- Financial Statements - Year Ended 30 June 2016
- Western Region Waste Management Authority - Financial Statements Year Ended 30 June 2016
- Mendelson Foundation - Financial Statements Year Ended 30 June 2016
- Budget v's Actual - Year Ended 30 June 2016

15 November 2016
- Creditor Payments
- Council Budget Report - Four Months to 31 October 2016
- Register of Allowances and Benefits - Three Months to 30 September 2016
- Elected Members Telephones
- Taxi Voucher usage
- Budget Review - September 2016

13 December 2016
- Form of the Council Budget and Annual Business Plan 2016/17
- Creditor Payments

17 January 2017
- Creditor Payments
- Property Leases
- Council Budget Report - Six Months to 31 December 2016
- Mendelson Financial Report December 2016

7 February 2017
- Fees and Charges 2017-18

Conclusion

This report lists those finance related reports which were considered by Council between 5 October 2016 and 7 February 2016.

Attachments

Nil

8.2 INTERNAL CONTROLS AND RISK MANAGEMENT SYSTEMS

8.2.1 2016 - 2017 Strategic Risk Mid Year Review

Brief

This report presents the outcomes of the mid-year strategic risk review 2016-17.

RECOMMENDATION(S)

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

Introduction

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

1. **The Business**
2. **Staff**
3. **Injury or Death**
4. **The Council**
5. **Decision Making**

6. **Advice and Information**
7. **Fraud and Corruption**
8. **Information Services**
9. **Service Centres**
10. **Flooding**

These risks have been subject to both an annual and mid-year review since 2009.

Discussion

The City of West Torrens (CWT) *Administration Policy - Risk Management Framework* provides that risk identification, risk analysis and risk evaluation occur annually and be subjected to a minor mid-year review.

As a result, the Executive Management Team (EMT) continues to undertake and report on its strategic risks at six-monthly intervals. The importance of strategic risk reviews (reviews) is acknowledged as a key control to monitor and control current, new or emerging strategic risks.

In undertaking these reviews, it has become apparent that 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 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.

Consequently, the EMT approaches each of these reviews differently. The process undertaken for each review is mapped and is attached **(Attachment 1)**. The table below details the key differences between the July and the January reviews:

Executive Management Team - Strategic Risk Review Process

	Annual Review	**Mid-Year Review**
Process	• EMT Workshop/Meeting • Risk Team meets with risk control owners (Managers)	• Review by Executive via email
Output	• Strategic Risk evidence folders updated	• Nil
Report	• Comprehensive report presented to the A&R Committee • Evidence folders updated and presented to the A&R Committee	• Summary report with emphasis on material change presented to the A&R Committee

2016-2017 Mid-Year Strategic Risk Review

The 2016-2017 mid-year strategic risk review, undertaken in accordance with the above process, has resulted in no material changes to CWT's strategic risk profile. Consequently, the strategic risk ratings remain the same as those presented to the Committee at its October 2016 meeting as follows:

2015-16 Strategic Risk - Residual Risk Ratings		
Risk	*Likelihood/Consequence*	*Residual Rating*
1. The Business	Likelihood = Unlikely Consequence = Moderate	Moderate
2. Staff	Likelihood = Unlikely Consequence = Major	Moderate
3. Serious Injury or Death	Likelihood = Rare Consequence = Catastrophic	Moderate
4. The Council	Likelihood = Unlikely Consequence = Major	Moderate
5. Decision Making	Likelihood = Unlikely Consequence = Major	Moderate
6. Advice and Information	Likelihood = Unlikely Consequence = Major	Moderate
7. Fraud and Corruption	Likelihood = Unlikely Consequence = Major	Moderate
8. Information Services	Likelihood = Unlikely Consequence = Moderate	Moderate
9. Service centres	Likelihood = Unlikely Consequence = Moderate	Moderate
10. Flooding	Likelihood = Unlikely Consequence = Major	Moderate

Below details the current status of those additional actions identified during the Annual Review:

2015-2016 Strategic Risk Mid-Year Review - Actions Status		
Risk	**Identified Actions**	**Action Status**
1. The Business	No additional actions identified	N/A
2. Staff	No additional actions identified	N/A
3. Serious Injury or Death	No additional actions identified	N/A
4. The Council	No additional actions identified	N/A
5. Decision Making	No additional actions identified	N/A
6. Advice and Information	No additional actions identified	N/A
7. Fraud and Corruption	No additional actions identified	N/A
8. Information Services	No additional actions identified	N/A
9. Service Centres	Commence the Emergency Management Plan	In progress
10. Flooding	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	On-going

The status of the two above emerging risks remains the same as follows:

1. Infill Development	Nil	Continue to Monitor
2. Rate Capping	Nil	Continue to Monitor

However, a slight change has been made to the context of the Rate Capping emerging risk given the Economic and Finance Parliamentary Committee has completed its examination into rate capping and released the findings. This does not change the status, however, of this emerging risk given the Liberal Party's announcement that they will take rate capping to the next State election.

The Mid-Year Strategic Risk Review is attached **(Attachment 2)**. Only minor changes have been required as a result of the review which are shown as track changes for ease of reference.

Conclusion

This report presents the 2016-2017 Strategic Risk Mid-Year Review. No material changes resulted from this Review.

Attachments

1.   **6 Monthly Strategic Risk Review Flowchart**
2.   **2016-17 Mid-Year Strategic Risk Review**

6 monthly (mid-year) Strategic Risk Review

Review Strategic Risk Profile

Were any new or emerging risks identified?

YES / NO

— NO → **Mid year Strategic Risk Review completed and reported to the Audit and Risk Committee as a completed open action item**

— YES → **Are the changes material? i.e. a new risk is discovered?**

YES / NO

— YES → **Follow the steps in section 8.5 for all new/emerging risks** → **Report detailing changes and evidence provided to the Audit and Risk Committee**

— NO → **Summary report presented to the Audit and Risk Committee**

Materiality guide

Material change: e.g. a new risk is discovered or significant change to internal control evidence (more than 25 per cent) or a shift up/down in the 'Level of Risk' assessment.

Non-material: Grammatical errors corrected, evidence improved or altered less than 25 per cent per strategic risk.

City of West Torrens

Between the **City and the Sea**

Strategic Risk
~~Annual~~
Mid-Year
Review
2016/17

Annual Review Approved	October 2016
Mid-Year Review Approved	February 2017

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Risk Issue	1. THE BUSINESS

Descriptor	Inefficient/ineffective practices that may lead to increased costs, missed opportunities and/or community dissatisfaction with Council.

Untreated Risk:	Likelihood: Likely	=	High
	Consequence: Moderate		

Existing Controls

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

Effectiveness of controls:	Satisfactory

REVISED RISK RATING:	Likelihood: Unlikely	=	Moderate
	Consequence: Moderate		

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Additional Solutions	Not required

Role of Executive	As this is a moderate risk, monitor and review six monthly

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EVIDENCE SUPPORTING TANGIBLE CONTROLS
RISK 1 - The Business:

Control	Evidence	Doc Set ID or Webpage
1. Continuous improvement through the Lean Thinking program. Lean is contained in each manager's PDP as a performance KPI	a. Lean Progress Report	a. Lean Project Register from Intranet
2. Internal and External audit arrangements in situ	a. BDO External Audit Plan b. Galpins engaged to undertake internal audit Internal Audit Plan 2015-2018 was approved April 2015 - Outlining co-sourced approach to Internal Audit	a. 3285579 b. 2982174 c. 2981263
3. Monthly reports to Council and bi-monthly to committees	a. Agendas and Minutes available on website	a. Council agendas and minutes on webpage
4. Policy review regime monitored and managed	a. Policy Review Schedule 2015 - 2016	a. 3333295
5. Strong governance function	a. Comprises 4 FTE including Team Leader, Governance (law degree), General Manager has 10+ years' experience in governance b. Personnel File c. Reports presented to Council/Governance/Audit and Risk and Corporate Planning, Policy and Performance Committees	a. Organisational chart on intranet General Manager Experience across Two Councils link to Marion Website 726604 (re Governance Manager) b. Information on file (accessible by Exec) but confidential c. Council agendas and minutes on webpage
6. Adequate and well trained resources	a. Staff Learning and Development Plans b. Performance Development Guidelines c. Training certificates registered in	a. 1181260 b. 3267375 PDP guidelines on Intranet c. Access restricted

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	personnel files	but evidence confirmed
7. Robust recruitment process ensures qualified staff, qualifications/professional memberships or registration; confirmed and recorded on file	a. HR Recruitment Tool Box available on the intranet which encompasses all relevant recruitment information including FAQs, policies, templates, forms, letters etc. b. Internal audit undertaken of recruitment process - good level of compliance and presented to February 2013 meeting of the Audit and Risk Committee	a. HR recruitment toolbox on the Intranet b. 1875107
8. Strong, stable and experienced management team	a. All managers accredited in risk management b. All managers have tertiary qualifications and experience c. All managers have to present on leadership at Manager's Forum (held monthly) d. Executive meets weekly e. Executive management team has comprised the same members for over 8 years	a. Certificates confirmed in personnel files/ECM b. Personnel files c. 3333313 d. 3096325 e. Personnel files/reports to Council/Annual Reports/ Organisational Chart
9. Organisation is transparent, open and accountable to the community	a. Public Consultation Policy. b. Annual Report Confidential Items 2015-2016 Item 17.4 Governance Standing Committee adopted by Council at its 16 August 2016 Ordinary meeting. c. Whistleblower process available for staff and public to report alleged wrong-doings	a. 2989134 Public consultation policy on Website b. Confidential Items Annual Report (report and minutes of Council meeting from Website August 2016) c. Whistleblowers Policy on CWT Website
10. Legislation/policies/procedures in situ	a. Council policies available on the CWT website and intranet	a. Council policies page on website Council policies on the Intranet

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	b. Administration policies available on Compass	b. All Administration Policies available on the Intranet
	c. Council policies presented to each meeting of the CPPP for review and recommendation to Council	c. Minutes of July 2016 CPPPP Committee
	d. Policies provided to Executive for review and approval. (Development Assesment Panel delegations Policy - Draft Review by PK 30 August 2016 doc)	d. 3321375
	e. Policy review schedule approved and presented to the CPPP	e. 2221754 Policy schedule contained in CPPPP agenda October 2014
11. Plans in situ - i.e. Asset Management Plan, Risk Management Plan, 10 year Financial Plan, Community Plan etc.	a. City of West Torrens Asset Management Plan- Footpaths	a. 1896482 Footpaths Infrastructure Asset Management Plan from Website
	b. City of West Torrens Asset Management Plan- Roads Infrastructure.	b. 1896484 Roads Infrastructure Asset Management Plan from Website
	c. City of West Torrens 10 year Financial Plan	c. 1256966 City of West Torrens 10 Year Financial Plan from website
	d. Towards 2025 Community Plan	d. 2233775 Community Plan on website
	e. Internal Audit Plan 2015-2018	e. 2982417
	f. Adopted Budget and Annual Business Plan 2016-2017	f. 3280758 Adopted Budget and Annual Business Plan on Website
12. Robust software systems in situ - i.e. Interplan/ECM etc	a. Software systems in place i.e. ECM, Interplan, Desktop, etc.	a.3285841
	b. Advent Manager Relian Sys for delegations software Quotation	b. 3096686

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13. Elected Member body is open to new initiatives	a. Sale of St Martins	a. 2991068
	b. Thebarton Community Centre	b.1149755
	c. Sale of Brickworks	c.1451887
	d. Weigall Oval masterplan	d.3286831

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Risk Issue	2. STAFF

Descriptor	a) Inadequate management of staff leading to a reduced overall performance of the organisation.
	b) Inability to attract or retain appropriately skilled staff leading to a loss of corporate knowledge and reduced organisational capability and capacity. to achieve effective service delivery.

Untreated Risk:	Likelihood: Likely	=	Extreme
	Consequence: Major		

Existing Controls

Tangible Controls (Evidence available)
1. Annual *Performance Development Plans* are implemented resulting in individual training plans.
2. Professional development programs in place e.g. Local Government Professionals SAGMA Professionals and Emerging Leaders Programs, LGPro Challenge etc.
3. All managers have undertaken formalised leadership training
4. Some traineeships/cadetships/work experience in place
5. Monthly reports provided to Executive on vacancies and overdue leave
6. Cultural Change and Development Program (FITCOR) in situ
7. Priority given to internal appointments when appropriate
8. Policies and procedures in place i.e. training and development
9. Retention strategies are in situ and conditions of employment and remuneration are attractive i.e. induction process, salary sacrifice arrangements, healthy lifestyle allowance, 48/52 arrangements, Enterprise Agreements
10. Managers' remuneration is packaged
11. Recruitment is undertaken via various media
12. Continuous improvement through LEAN thinking implemented
13. Classification review completed and being implemented for LGE Award employees
14. Recruitment and selection audit completed with a finding of a good level of compliance
15. Conditions of employment and remuneration are attractive
16. 64% of employees are under 50 with 26% under the age of 35
17. All departments have commenced documenting their processes via Lean/continuous improvement projects

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Intangible Controls (No evidence available but known to be in place)
1. Organisation taps into professional networks as part of recruitment process

Effectiveness of controls:	Satisfactory

Risk	Likelihood	Consequence	=	Revised Risk Rating
a)	Unlikely	Major		Moderate
b)	Unlikely	Major		Moderate
c)	Unlikely	Major		Moderate

OVERALL REVISED RISK RATING:	Likelihood: Unlikely	=	Moderate
	Consequence: Major		

Additional solutions	Nil

Role of Executive	As these risks are moderate risks, monitor and review six monthly

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RISK 2 - Staff
EVIDENCE SUPPORTING TANGIBLE CONTROLS

Control	Evidence	Doc Set Id/Webpage
1. Annual *Performance Development Plans* are implemented resulting in individual training plans	a. Performance Development Program	a. 3267375 PDP guidelines and templates on Intranet
2. Professional development programs in place e.g. Training and Development Policy Study Assistance Policy	a. Study Assistance Policy b. Training and Development Policy	a. 1094062 Administration Policy Study Assistance from Intranet b. 1181260 Administration Policy Training and Development From Intranet
3. Managers and staff have undertaken formalised leadership training	a. Proteus Launchpad Leadership training provided in 2010	a. 1387261 Certificates available in confidential personnel files.
4. Some traineeships/cadetships /work experience in place	a. Compliance trainee currently engaged via Maxima b. Training and Development Policy	a.3093295 b. 1181260 Training and Development Policy on Intranet
5. Monthly reports provided to Executive on vacancies and overdue leave	a. April 2015 Vacancy and Outstanding leave Report	a. 3098793
6. Cultural Change and Development Program (FITCOR)	a. Page on the intranet b. Job descriptions c. FITCOR committee Minutes/Notes d. FITCOR on website under employment and volunteering information page d.e. Consultant engaged and working with leadership team on refreshing and progressing FITCORE	a. Cultural development program on Intranet b. 3335972 c. 3308067 d. Employment and volunteering page on Website displaying FITCOR e .A1015831 - Email to Management Team - Cultural Change Initiative
7. Priority given to internal appointments if appropriate	a. City of West Torrens Administration Policy - Recruitment and Selection	a. 399442

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	b. Policy is available on Intranet	b. Recruitment and Selection Policy on Intranet
8. Policies and procedures in place i.e. training and development	a. Managing Performance Misconduct and Inappropriate Behaviour Policy	a. 3055162 Managing Performance Misconduct and Inappropriate Behaviour Policy on Intranet
	b. Salary Sacrifice Policy	b. 1265421 Salary Packaging Administration Policy on Intranet
	c. Training and Development Policy	c.1181260 Training and Development Policy on Intranet
	d. Code of Conduct for Council Employees	d. 2132464 Code of Conduct for Council Employees on Intranet
9. Retention strategies in place i.e. induction process, EAs in place	a. EBAs available ~~in Dataworks~~ on the intranet	~~a.2326708~~ a. Agreements & Awards
	b. Induction New Employee Checklist	b.1228134 Induction New Employees on Intranet

Your First 3 months City of West Torrens Induction Policy and checklists From Intranet |
| | c. Probationary Period Checklist | c.583197 Probation Period Checklist on Intranet

Your First 3 months City of West Torrens Induction Policy and checklists From Intranet |
| 10. Managers' remuneration package | a. Salary Register publically available | a. 3342176 Salary Register 2016

Publically available via Customer Service Kiosk |
11. Recruitment is undertaken via various media	a. Vacancies placed on Website	a. Vacancies Page on the CWT Internet
	b. Seek job website	b. Seek website
	c. Local Government Directory, Universities etc.	c. Careers in Council Local Government Association website
	d. Recruitment Toolbox	d. Recruitment Toolbox on CWT intranet

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	e. Managers Recruitment Checklist	e. 1187522 <u>Managers Recruitment Checklist on Intranet</u>
	f. Recruitment and Selection Policy	f. 399442 <u>Recruitment and Selection policy on Intranet</u>
12. Continuous improvement through LEAN thinking implemented	a. Past LEAN Projects - Truss project, Gnarly Project, Library Project, Depot projects completed	a. <u>Past Projects Lean-Thinking page on Intranet</u>
	b. Manager training completed	b. 2268981
	c. Facilitators training held in March 2015	c. 2977962
	d. Lean Project updating Policies on Intranet/Website	d. 3184577
	e. LEAN Project Register	e. <u>Lean Project Register on Intranet</u>
13. Classification review completed and being implemented for LGE Award employees	a. Local Government Employees Enterprise Agreement 2014	a. 2326708 <u>City Of West Torrens Local Government Employees Enterprise Agreement 2014 from Industrial Commission Website</u>
14. Recruitment and selection audit completed with a finding of a good level of compliance	a. Recruitment, Selection, Induction and Probation Process - Final Internal Audit Report	a. 1932900
15. Conditions of employment and remuneration are attractive	a. RDO's, Healthy Lifestyle incentives, Flexible leave arrangements	a. <u>Benefits and Conditions of employment page on Website</u>
16. Over 64% of employees are under the age of 50 and 26% under 35	a. Ageing Workforce Report	a. 3087728
17. All departments have commenced documenting their processes via Lean/continuous improvement projects	a. Past LEAN Projects - Truss project, Gnarly Project, Library Project, Depot completed	a. <u>Past Projects Lean-Thinking page on Intranet</u>
	b. Managers training completed	b. 2268981
	c. Facilitators training March 2015	c. 2977962
	d. Lean Project "updating Policies" on Intranet	d. 3184577

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	e. Lean Project Register	e. Lean Project Register on Intranet

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Risk Issue	3. SERIOUS INJURY OR DEATH

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.

Untreated Risk:	Likelihood: Unlikely	=	High
	Consequence: Catastrophic		

Existing Controls

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

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	adopted in November 2014. Training being rolled out.
18. 19.	Contractor management templates revised, implemented and available on the intranet
20.	WHS Calendar of Events outlines all corporate WHS training, including Emergency Evacuation
21.	Trained Emergency Evacuation Personnel
22.	Regular emergency evacuation drills undertaken
23.	Executive debrief following emergency drills
24.	Risk integrated with strategic and service planning

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

Effectiveness of controls:	Satisfactory

REVISED RISK RATING:	**Likelihood:** Rare	**=**	**Moderate**
	Consequence: Catastrophic		

Additional Solutions	Not required.

Role of Executive	As this is a moderate risk, monitor and review six monthly

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RISK 3 - Serious Injury or Death
EVIDENCE SUPPORTING TANGIBLE CONTROLS

Control	Evidence	Doc Set Id/Webpage
1. Policies, procedures and Safe Work/Operating procedures, Job Safety and Environmental Assessments in place and reviewed as required	a. WHS Policies available on the intranet b. Index of SOP's c. Policy review schedule d. SWP / SOP review schedule underway e. Job Safety Environment Analysis Register f. Example provided of JSEA -Cooling Tower Inspections from September 2015	a. WHS policies on intranet b. 1419845 Index of SOP's from Intranet c. 3333295 d. 2183894 e. 3100007 Document Register printed from ECM f. 3086153
2. Safework SA investigations have indicated no negligence by CWT	a. The historical outcome of three reported incidents found no negligence on the part of CWT	a. Confidential records in ECM but confirmed by GMB&CS
3. Legislation is monitored via weekly Government Gazette and provided to managers for implementation as required	a. Government Gazette reports distributed to relevant managers for information b. Legislative Progress Report to Council provides a monthly overview of proposed amendments and changes to legislation	a. 3085951 b. 3197707
4. Policies review schedule in situ. In addition, when legislation changes, affected policies are reviewed or developed	a. Policy review schedule b. WHS and IM Performance Dashboard Report Quarter 4 2015/2016	a. 3333295 CWT Corporate Planning Policy and Performance Committee Agenda 8 September 2015 b. WHS and IM Performance Dashboard link from Intranet
5. Spot visits to work sites Internal audits undertaken by supervisors	a. Part of normal day to day work – recorded and lodged into system	a. 3327352

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6. Internal Audits KPI audits and Workcover audits undertaken at regular intervals or adhoc	a. 2015-2018 Internal Audit Plan	a. 2982417
7. Advocacy sources	a. CHSP Advocacy Policy available on Compass	a. 1971464 CHSP advocacy policy on Intranet
8. Asset Management Plans in place and being implemented.	a. Asset Management Policy and Plan available on website	a. 459426 Asset Management policy on Website
9. WHS and IM Plan and associated programs approved and monitored	a. Updated to the WHS and IM Plan 2014-2017 (reviewed March 2016) b. CWT WHS and IM system	a. 2980694 b, CWT WHS and IM Management System from Intranet
10. Investigation, monitoring and reporting to the management team of specific incidences	a. All WHS accidents/incidents investigated. Reports to Exec and Steering Committee b. WHS and IM Performance Dashboard Report Quarter 4 - 2015-2016	a. 3324361 Minutes of WHS Steering Committee 25 August 2016 from Intranet b. WHS and IM Performance Dashboard Quarter four 2015 -2016 from Intranet
11. Major reports, or when there is a perceived significant issue, include risk assessment details	a. Council Report Agenda template prompts risk assessment	a.3331001
12. Customer requests priorities are escalated to managers	b. As detailed in the Customer Complaints policy which is available on CWT website	a. 1780634 Customer complaints policy on Website
13. Risk assessments undertaken for all major projects and new programs	a. Summer Festival 2016 Risk Management Plan b. City Assets Annual Service Plan for 2016/17	a.3237862 b. 3271870 City Assets Annual Service Plan for 2016/17 from Website
14. Risk training provided to all team leaders/supervisors/co-coordinators	a. Confirmation from Tafe SA that 9 Staff members have completed Risk Management Training in 2015	a. 3048179

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15. Refresher training for managers completed in August 2013	a. Risk Managers Refresher Training - Proposal 2013. Confirmation that training was carried out verified	a. Individual records confidential on personnel files but confirmed
16. Claims trends monitored and inform maintenance schedules	a. WHS and IM Performance Dashboard Report Quarter 4 2015-2016	a. WHS and IM dashboard report on Intranet
17. Contractor Management Policy reviewed with input from key staff stakeholders and adopted in November 2014. Training being rolled out	a. Contractor Management b. Attendance record Procurement and Contractor management training - Minor Works	a. 1234533 Administration Policy Contractor Management from Intranet b. 3113780
18. Contractor management templates revised, implemented and available on the intranet	a. Contractor Management Process available on the intranet (includes risk assessment, induction and monitoring requirements) b. Natural Environmental Guidelines for Works, Operations and Contractors c. The Procurement process available on intranet outlines RFQ schedules, contract conditions used to evaluate suitability of suppliers	a. Procurement page with templates and guidelines on intranet b. 2154120 Natural Environmental Guidelines for Works, Operations and Contractors on Intranet c. Procurement page with templates and guidelines on intranet
19. WHS Calendar of Events outlines all corporate WHS training, including Emergency Evacuation	a. 2016 WHS Calendar of Events	a. 3018698
20. Trained Emergency Evacuation Personnel	a. Emergency Evacuation Exercise from Bob May Workplace Emergency Training 28.06.16- Civic Centre b. Training attendance record from Bob May for Emergency Warden Training including attendance of Chief &	a. 3279765 b.3326634

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	Deputy Warden on 26/07/2016	
	c. Training attendance record - Bob May Workplace emergency training - Chief & Deputy Warden Training and Emergency Evacuation Procedures and Practical use of Portable Fire Extinguishers Training - 25/8/2015	c.3078262
	d. Training attendance record from Bob May for Fire Safety Training and Extinguisher Training on 25/8/2015	d.3075588
	e. Training attendance record for Emergency Evacuation Procedures and Practical use of Portable Fire Extinguishers Training Certificate of attendance -- 18/8/2015 and Certificates received for all attendees	e.3072357
21. Regular Emergency Evacuation Drills undertaken	a. Emergency Evacuation Exercise from Bob May Workplace Emergency Training 28.06.16- Civic Centre	a. 3279765
22. Executive debrief following emergency drills	a. Memo to Executive - Code Orange Emergency Evacuation 17 June 2015	a. 3038681
23. Risk integrated with Strategic and Service Planning	a. Risk included in the Integrated Annual Planning Cycle.	a. 3099774

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Risk Issue	4. THE COUNCIL

Descriptor	a) Breakdown in the effective working relationship between Elected Members. b) Breakdown in the effective working relationships between Elected Members and the Administration c) Breakdown in the effective working relationships between senior members of the Administration

Untreated Risk:	Likelihood: Likely	=	Extreme
	Consequence: Major		

Existing Controls

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

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Intangible Controls (No evidence available but known to be in place)
1.	Effective and regular formal and informal communication between the CEO and Mayor

Risk	Likelihood	Consequence	=	Revised Risk Rating
4a	Unlikely	Major		Moderate
4b	Unlikely	Major		Moderate
4c	Unlikely	Major		Moderate

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

Additional Solutions	Nil

Role of Executive	As this is a moderate risk, monitor the actions and review six monthly

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RISK 4 - The Council
EVIDENCE SUPPORTING TANGIBLE CONTROLS

Control	Evidence	Doc Set Id/Webpage
1. Mandatory Code of Conduct for Council Members has been enacted and includes mandated behaviours and associated penalties for non-compliance	a. The Code of Conduct for Council Members is available on the SA legislation webpage and Council's website b. Mandatory Code of Conduct for Council members as Gazzetted 29 Aug 2013	a. 2132493 Code of Conduct for Elected Members on Website b. Mandatory Code Of Conduct for Council Members as Gazetted 29 August 2013
2. Legislation in situ	a. Local Government Act 1999 b. Development Act 1993 c. Legislation covering your work page on the intranet	A Local Government Act 1999 from SA legislation website b..Development Act on Internet from SA Legislation website c. Page on intranet outlining legislation covering your work
3. Elected Member Induction completed	a. Good Governance Training was provided to Elected Members on 3 December 2014	a. 2307689
4. Commitment to positive working relationships, demonstrated through mechanisms such as pre-briefs, EM workshops, training sessions, joint EM/Staff social events	a. Elected Member Strategic Planning Event Survey 2015 b. Council Pre-brief flyer 16 August 2016	a. 2316314 b. 3307971
5. Training provided to staff on their roles and responsibilities	a. Induction sessions are provided to all new staff every quarter. Sessions address working relationships with the elected body	a. 3285655
6. Commitment to good management practice	a. Potential leaders currently participating in LG Professionals Challenge b. Up to 2 potential leaders participate in LG Professionals leadership training each year c. One manager per month provides a leadership learning session to the Managers Forum	a. 3127736 b. 3029393 ELP 3135971 PLP c. 3333313

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	d. Study Assistance Program.	d. 1094062 Study Assistance Administration Policy on Intranet
	e. LEAN Facilitation Guide	e. 3022589 Lean Facilitators Guide on Intranet
7. Effective and regular formal and informal communication between the CEO and Mayor (Effective communication processes in situ between Elected Members and the management team which is open, transparent, accessible and accountable)	a. EM briefings held fortnightly before every Council meeting – not decision making	a. 3191782
	b. Agenda Regional EM Workshop	b. 3061878
	c. Elected Members Planning Day agenda 2015	c. 2970326
8. Effective information provision	a. Survey undertaken in January 015 with Elected Members to determine their preferred communication/information provision mode	a. 2316314
	b. Information provided efficiently in various electronic mediums i.e. Dropbox, iPad, iPhones, extranet, email etc.	b. 3249497
	c. Pre-briefs and workshops	c. 3337531
	d. An Elected Member Strategic Planning Event Survey was distributed to EM on 23 January 2015	d. 2316314
9. Whistleblower processes in place	a. Policy reviewed Feb 2013 and available on compass.	a. 479795 Whistle-blowers policy on Website
	b. Separate/private email account wtccwhistleblowers@gmail.com accessed only by responsible officer is available for lodgment of whistleblowers complaints	b.3326410

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10. Mandatory Code of Conduct for Employees documents and stipulates the values, behaviours and conduct expected of staff	a. Code of Conduct for Council Employees available in hard copy, on State Govt legislation website and Council's webpage and the intranet	a. 2132464 Code of conduct for Council Employees Local Government Act 1999 Section 110 From Website * Code of Conduct for Council Employees Local Government Act 1999 from Website
11. Strategic direction documented and clearly articulated	a. Towards 2025 Community Plan	a. 2233775 Towards 2025 Community Plan from Website
	b. Strategic Directions Report	b.2227205 Vision 2025 Strategic Directions Report from Website
	c. Departmental Service plans i.e. Annual Service Plan-City Works 2016/17	c. 3271876
12. Ombudsman Act and Independent Commissioner Against Corruption Act provides for simpler reporting processes and greater investigation into misconduct	a. Reporting and Investigating Council Member Code of Conduct Complaints Policy is available of Council's website	a. 2236607 CWT Reporting and Investigating Council Member Code of Conduct Complaints from Website
	b. Ombudsman Act Legislation available on State Govt legislation webpage	b. Ombudsman's Act from SA Legislation website Independent Commissioner Against Corruption Act from SA Legislation website
	c. ICAC Directions and Guidelines	c. ICAC Directions and Guidelines
	d. Ombudsman SA Website	d. Ombudsman SA website
13. Onsite training made available to Elected Members which met the majority of the mandatory training requirements including Code of Conduct requirements and included roles and responsibilities	a. Financial Management Mandatory Training provided by John Comrie to Elected Members	a. 2982595
	b. Mandatory training register Financial Reporting and Management 2015	b. 2979499

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14. On-line mandatory training modules made available by the LGA to all Elected Members which includes roles and responsibilities	a. Email from GMOS to all Elected Members b. LGA website	a. 3078148 b. www.mylearning.lga.sa.gov.au and www.lga.sa.gov.au

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Risk Issue	5. DECISION MAKING

Descriptor	a) Decisions made by Council that reverse or change direction from approved or established plans without considering the impacts on service delivery or reputation or decisions that are based on political expediency. b) Decisions made by the Administration that reverse or change direction from approved or established plans without considering the impacts on service delivery or reputation or decisions that are based on political expediency.

Untreated Risk:	Likelihood: Likely	=	High
	Consequence: Moderate		

Existing Controls

Tangible Controls (Evidence available)
1. Policy review regime monitored quarterly by the Executive
2. Audit arrangements in place (external and internal)
3. Strong governance and risk function
4. Robust recruitment process ensures qualified staff i.e. qualifications checked and references sought for preferred applicants to ensure the required competence of staff to make effective decisions and recorded on file
5. All reports to Council specify legislative requirements, policies or practices that apply or situations when a decision may be 'ultra-vires'
6. Elected Member body is open to new initiatives
7. Strong, stable and experienced executive management team
8. Transparent, open and accountable to the community
9. Legislation and policies in situ
10. Plans in situ - i.e. Asset Management, Risk, Financial and Strategic Plans
11. Robust software systems in situ - e.g. Interplan
12. CEO receives and delegates powers to make decisions
13. Meeting Action Progress Report provided each quarter to the CPPP/Council

Intangible Controls (No evidence available but known to be in place)
1. Adequate and well trained resources provided

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

Effectiveness of controls:	Satisfactory

OVERALL REVISED RISK RATING:	Likelihood: Unlikely	=	Moderate
	Consequence: Moderate		

Additional Solutions	Not required

Role of Executive	As this is a moderate risk, monitor and review six monthly

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RISK 5 - Decision Making
EVIDENCE SUPPORTING TANGIBLE CONTROLS

Control	Evidence	Doc Set Id/Webpage
1. Policy review regime monitored quarterly by the Executive	a. Policy schedule in place.	a. 3333295
2. Audit arrangements in place (external and internal).	a. BDO External Audit Plan 15/16	a. 3285579
	b. Galpins engaged to undertake internal audit.	b. 2982174
	c. Internal Audit Plan 2015-2018 was approved April 2015 -Outlining co-sourced approach to Internal Audit.	c. 2981263
3. Strong governance and risk function	a. Comprises 4.5 FTE including Team leader, Governance and Business Improvement (law degree)	a. 1748015 page 29
	b. Senior Strategic Procurement Officer and Program Leader Internal Audit and Risk	b. 1748015 pages 21, 29
	c. General Manager has 10+ governance experiences across two SA councils. Evidence of position from previous council	c. 1748015 pg 1

3099673

General Manager Experience across Two Councils link to Marion Council Website

726604 re Governance Manager 2008 |
| | d. All managers are accredited in risk management | d. 1130328 |
| | e. A number Team leaders and staff trained in risk management in 2015 | e. 3048179 |
| | f. Enterprise Risk Management policy reviewed and approved in May 2015, available on Council's webpage | f. 306044

CWT Enterprise Risk Management Policy from Councils website |

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		CWT Council and Standing Committee Minutes 12 May 2015
	g. Risk Management Framework approved and available on Intranet	g. 1127259 CWT Risk Management Framework from Councils intranet
	h. Good levels of compliance and controls of risk reviews. Galpins CWT Risk Management Controls Verification Internal Audit Report.	h.2982174
	i. Strategic Risk Review	i.3161237 Strategic Risk Review from Intranet
4. Robust recruitment process ensures qualified staff i.e. qualifications checked and references sought for preferred applicants to ensure the required competence of staff to make effective decisions and recorded on file	a. Recruitment toolbox available on Compass which steps out the process for recruitment b. Recruitment and selection internal audit completed and presented to Audit and Risk Committee in February 2013	a. Vacancies and recruitment toolbox on intranet b. 1875107 February 2013 Audit and Risk Committee Agenda
5. All reports to Council specify legislative requirements, policies or practices that apply or situations where a decision may be 'ultra-vires'	a. Revocation of Community Land Classification - Thebarton Report to Council	a. 2092804
6. Elected Member body is open to new initiatives.	a. Sale of St Martins b. Thebarton Community Centre c. Sale of Brickworks d. Weigall Oval masterplan	a. 2991068 b.1149755 c.1451887 d.1739683
7. Strong,stable and experienced executive management team	a. Executive team all holds tertiary qualifications b. Executive team has extensive management/executive experience	a. Information verified but not public information b. Resumes verified but confidential - experience at CWT

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	c. Executive team composition has been stable with only one change since 2008 and that role was absorbed within current executive team	c. 3114245 Email from CEO advising role absorbed into remaining execs
	d. as evidenced via annual reports on website	d. Annual Report on webpage
8. Transparent, open and accountable to the community	a. Annual Report Confidential Items 2015-2016, with Council invoking s90(3) a total of seven (7) times to discuss 1.30% of all business items presented to Council during the 2015/16 financial year	a. 3306582
	b. Freedom of Information available on CWT website	b.Freedom of Information page on website
	c. Whistleblowers information available on website with gmail address directed only to the responsible officer	c. Whistleblowers webpage
9. Legislation and policies in situ	a. Policy register	a. 3333295

City of West Torrens Intranet Policy Hub |
| | b. Legislative Progress Report to each Council meeting | b.197706 |
| | c. Reports refer to legislative requirements when relevant | c. 2002916 |
| | d. LGA Circulars | d.3238495

Local Government Circular Hoarding and Squalor resources now available |
| | e. Legislative Compliance Audits | e. 231350 |
| 10. Plans in situ - i.e. Asset Management, Risk, Financial and Strategic Plans | a. Towards 2025 Community Plan | a. 2233775

Towards 2025 Community Plan from Website |
| | b. Asset Management Policy reviewed in 2014 | b. 459426

Asset Management Policy on Website |

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	c. 2015-2018 Internal Audit Plan	c. 2982417
	d. Budget and annual business plan 2016/2017 incorporates the ten year financial plan	d. 3280758 Adopted budget and annual Business Plan 2016/17 from Website
11. Robust software systems in situ - e.g. Interplan	a. IT Work Plan 2016/2017	a. 3285841
12. CEO receives and delegates powers to make decisions	a. Development Assessment Panel Delegations Policy	a. 3325058 Development Assessment Panel Delegations Policy
	b. CEO Delegations Framework (publically available)	b. 3264356
	c. Sub-Delegations Framework - Revocations and instrument of sub delegations 2016	c. 3263326
	d. Delegations and Register of Interests Internal Audit	d. 3161200
13. Meeting Action Progress Report provided each quarter to the CPPP/Council	a. Meeting Action Progress Report	a. 3243654

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Risk Issue	6. ADVICE AND INFORMATION

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

Untreated Risk:	Likelihood: Likely	=	High
	Consequence: Moderate		

Existing Controls

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

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

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

Effectiveness of controls:	Satisfactory

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OVERALL REVISED RISK RATING:	Likelihood: Unlikely	=	Moderate
	Consequence: Moderate		

Additional Solutions	Not required

Role of Executive	As this is a moderate risk, monitor and review six monthly

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RISK 6 - Advice and Information
EVIDENCE SUPPORTING TANGIBLE CONTROLS

Control	Evidence	Doc Set Id/Webpage
1. Policies/procedures/delegations/authorisations approved	a. Review of delegations and authorisations approved by Council in April 2016	a. 3226236
	b. CEO Delegations Framework	b. 3226236 CEO and Sub-delegations endorsed by Council 7June 2016 Updated 26 July2016.
	c. Sub Delegations Framework - Revocations and Instruments of Subdelegations	c. 3264356
	d. Authorisations Register	d.3293538
	e. CEO Delegations Policy	e. 1223321 Delegations Policy CWT website
2. Legislative changes are distributed as they are received by Governance	a. Monthly legislative update reports provided to the Governance Committee	a.3197706 Progress Legislative Report to Meeting of Council Agenda from the Meeting of Council 02 August 2016
	b. Updated Acts provided to Ems in hard copy/ ~~Dropbox~~/Datanow or via email notification dependent on their preference	b.3164236 Email to Elected Members
	c. Staff advised of changes via email with recommendation that the changes can be accessed via legislation.sa.gov.au site	c. 3042654 ECM distribution of Government Gazette
	d. Legislative Reports to Council	d. 3197706 Progress Legislative Report to Meeting of Council 2 August 2016 link below Agenda from the Meeting of Council 02 August 2016
	e. Updated Acts that affect Council are reported to the Council	e. 3090074 Planning Development and Infrastructure Bill Introduction

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		Report.
		Council and Standing Committee Agenda 6 October 2015
	f. Executive is also advised by memo of changes to Acts if the affect Council	f. 3138680
	g. Governance distributes the Government Gazette to Managers and other staff on a weekly basis identifying updates to legislation as they affect the Council	g. 3060869 ECM distribution of Government Gazette
3. Government Gazettes distributed weekly by Governance	a. Government gazette updates provided to those managers for whom the updates are relevant	a. 3042654 ECM distribution of Government Gazette
4. Recruitment process to ensure qualified staff, qualifications/ professional memberships or registration; confirmed and recorded on file	a. Recruitment Tool Box	a. Recruitment toolbox on intranet
5. Referee checks undertaken and recorded	a. Recruitment and Selection Audit – good level of compliance	a. 1932900
	b. Reference Check Form	b. 583200 Reference check template from Recruitment toolbox on Intranet
	c. Recommendation Report	c. 583204 Interview Recommendation report from Recruitment Toolbox on Intranet
	d. Link to the Toolbox on Compass	d. Recruitment toolbox on Intranet
6. Criminal History checks undertaken if required by policy/position	a. Police Clearance Statutory Declaration Form	a.1791150 Police clearance Statutory Declaration on Intranet
	b. Police Clearance Administration Policy	b. 612613 Police Clearance Administration Policy on Intranet

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7. Training and training support provided	a. Study assistance program, individual training requirements identified via PDP process	a. Study Assistance Program link on Intranet Administration Policy Study Assistance on Intranet
	b. PDP Guidelines/processes	b.2225982 PDP guidelines from Intranet
	c. Performance Development Program	c.PDP program from Intranet
	d. Study Assistance Request Form	d.1107670 Study Assistance Request Form on Intranet
8. Supervision provided based on experience	a. Organisational Chart demonstrates reporting structure	a. 1748015 CWT Organisational Chart
9. Performance Development Plans	a. PDP	a. 1416219 PDP program from Intranet
10. High level of security in place associated with information storage and retrieval.	a. Workflows contained in ECM – Network access forms	a. confidential documents have secure folder status and are only able to be accessed by approved officers - GMBCS verified
	b. Workers compensation claims, industrial claims, etc.	b. confidential documents have secure folder status and are only able to be accessed by approved officers - GMBCS verified c. Network Access Removal Form
	c. Allocation of software administration Rights.	
11. Audits undertaken by IMU	a. ECM Subject Folder Security	a. 1710650
12. Delegations/authorisations reviewed regularly by the Council and Executive Management Team, particularly following changes to legislation	a. CEO Delegations Framework Review 2016	a. 3226236
13. Professional indemnity insurance in situ for staff	a Local Government Association Mutual Liability Scheme confirmation of membership	a. 3043535 (15/16) 3274805 16/17

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Risk Issue	7. FRAUD AND CORRUPTION

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

Untreated Risk:	Likelihood: Almost Certain	=	Extreme
	Consequence: Catastrophic		

Existing Controls

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

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

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

Effectiveness of controls:	Satisfactory

REVISED RISK RATING:	Likelihood: Unlikely	=	Moderate
	Consequence: Moderate		

Additional Solutions	Nil

Role of Executive	As this is a moderate risk, monitor the action items quarterly and review six monthly

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RISK 7 - Fraud and Corruption
EVIDENCE SUPPORTING TANGIBLE CONTROLS

Control	Evidence	Doc Set Id/Webpage
1. Policies/procedures, controls in place i.e. Fraud and Corruption Prevention, Control, Reporting and Investigating and Whistleblowers	a. Whistleblowers Policy b. Fraud and Corruption Prevention, Control Reporting and Investigation Policy c. Elected Members Gifts and Benefits Register	a. 479795 Whistleblowers Policy b. 496971 Fraud and Corruption Prevention, Control Reporting and Investigation Policy 3215860 Elected Members Gifts and Benefits Register
2. Internal and External Audits undertaken in accordance with plan	a. Fraud and Corruption Internal Audit completed in 2012. Actions arising from the audit in progress (as per report to Committee) b. Internal audits undertaken in line with 2015-2015 Internal Audit Plan c. 2014/15 Audited financial statements presented to October 2015 meeting of the Audit and Risk Prescribed General Committee d. Example audit - Local Government Act 1999 Procedures at Meetings and Access to meetings and documents Final Internal Audit Report	a. 1825596 b. 29811263 c. 3104981 d. 3049141
3. Implementation of ICAC and OPI with associated legislation	a. Reporting and Investigation Council Member Code of Conduct Complaints	a. 2236607 Reporting and Investigation Council Member code of conduct complaints
4. Confidential Whistleblowers email address for reporting purposes	a. Whistleblowers Policy and dedicated internet page b. Whistleblowers gmail address tested	a. 479795 Whistleblower Policy External Website b. 3326410
5. Mandatory Code of Conduct for Council Members (and independent members of the Audit and Risk Committee) in situ	a. Current Mandatory Code of Conduct for Elected Members available on website	a. 2132464 Code of Conduct for Council Members on Website

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		b. Gazzeted 29 Aug 2013	b. Mandatory Code Of Conduct for Council Members as Gazetted 29 August 2013
6.	Mandatory Code of Conduct for Council employees in situ	a. Code of Conduct for Council Employees is available on website, intranet and in hard copy booklet form which is provided to all employees

b. All staff are required to read, sign and return last page of Code of Conduct booklet to indicate they have read and understood the contents | a. 2132464

Mandatory Code of Conduct for Council Employees on webpage

b) All signed code of conduct signed returns are verified by Governance prior to inclusion in personnel file (confidential) |
7.	Mandatory DAP Code of Conduct in situ	a. DAP Code of Conduct is mandated via the Development Act 1993. Available on website	Code of Conduct for DAP and DAC Members
8.	Code of Conduct awareness training provided to all staff and Elected Members, ,DAP and Audit and Risk Independent Members	a. Audit Committee Member Induction training completed in February 2015 (powerpoint presentation from KelledyJones provided as evidence)	a. 2329388
9.	Legislation (LG Act, Criminal Law Consolidation Act, ICAC Act, Ombudsman Act strengthened etc)	a. Legislation in place.	a. Legislation SA Website
10.	Review and improve key workflow process to improve integrity	a. Reconstituted by Council in November 2014. Meets 5 times per annum	a. 2308754 Audit and Risk Committee terms of Reference

2300674 for Audit and Risk Prescribed General Committee Structure |
| 11. | Audit and Risk Committee established | a. Committee re-established on 1 December 2016

b. Audit and Risk Prescribed General Committee Terms of Reference developed approved by Council at its 18 October 2016 meetingafter 2014 General Elections and commenced December 2016 | a. 23087541862707 Audit and Risk Committee Terms of Reference

18 October 2016 Agenda PDF (112MB) and Minutes PDF (316KB)

18 October 2016 Council meeting agenda and minutes |

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12. Majority of processes are open and transparent	a. Code of Practice Access to Meetings	a. 591879 Code of Practice - Access to Meetings and Documents
13. Section 270 providing for the Internal Review of Council/Staff Decisions and complaints	a. Internal review of Council Decisions Policy reviewed and approved by Council in 2015	a. 306075 Internal Review of Council Decisions Policy
14. Ability for stakeholders to report complaints/concerns to multiple enquiry and investigation agencies i.e. ICAC/OPI/ Ombudsman/Minister/ SAPOL/Council	a. Provided for in ICAC Act. b. Documented in Customer Complaints Policy c. Reporting and Investigating Council Member Code of Conduct Complaints	a. Independent Commissioner Against Corruption Act 2012 b. 1780634 Customer Complaints Policy c. 2236607 CWT Code Reporting and investigating council member code of conduct complaints
15. Regular review of policies and procedures	a. Policy Review Schedule	a. 3333295
16. Notification process in place for changes to legislation	a. Distribution of Government Gazettes b. Progress Legislative Report	a. 3042654 b. 3197706
17. Council/Committee meetings held in public	a. Included in agendas and/or available on the web	a. CWT website - Agendas and Minutes page
18. Information is made available to the community in a range of forms (i.e. budget paper, council agenda)	a. FOI legislation enables access to certain information by external parties b. Website, social media council agendas etc.	a. Freedom of information page on website b. CWT Website
19. Regular consultation with the community in line with policy and legislation	a. Brownhill- Keswick Creek consultation b. Representation review consultation c. Public Consultation Policy	a. 3255666 b. 1997721 c. 2989134 Public Consultation Policy from CWT website
20. Governance Panel (LGA) operational	a. LGA mechanism. b. Reporting and Investigating Council Member Code of	a. Governance panel information on LGA website b. 2236607

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		Conduct Complaints.	Reporting and Investigating Council Member Code of Conduct Complaints
21.	Regular legislative compliance audits undertaken	a. Expiation Offences Act 1996 - in respect of parking control enforcement b. Liquor Licensing Act 1997 audit reports	a.2223448 Expiation Offences Act 1996 b 2223447 Liquor Licensing Act 1997
22.	Any complaint of fraud and corruption will be directed the OPI or SAPOL	a. Customer Complaints Policy – will be referred to OPI/ICAC for investigation now in place Fraud and Corruption Prevention, Control and Investigation Council Policy	a. 496971 Fraud and Corruption Prevention, Control and Investigation Council Policy on website
23.	Customer Complaints Policy in situ	a. Policy approved by Council in 2012- available on website	a. 1780634 Customer Complaints Policy on Website
24.	Internal Audit of fraud and corruption prevention and control completed by contract auditors - relevant actions being implemented as appropriate	a. Fraud and Corruption Prevention and Control Internal Audit presented to Aug 2012 meeting of the Committee	a. 1825596
25.	Internal audits undertaken across all aspects of the business and any irregularities reported	a. Fraud and Corruption Internal Audit completed in 2012. Actions arising from the audit in progress (as per report to Committee) b. Internal audits undertaken in line with. 2015-2016 Internal Audit Program c. Legislated external audits undertaken – PKF attended September Committee meeting to present results d. Local Government Act 1999 Procedures at Meetings and Access to meetings and documents Final Internal Audit Report	a. 1825596 b. 1738946 c. 3277260 d. 3049141
26.	External Audit undertaken and	a. BDO.Audit 2015/16 Annual Audit Plan and Interim	a. 3285579

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	Management Letter	
reported to the Audit and Risk Committee and Council in line with legislation	b. Local Government Act 1999 Procedures at Meetings and Access to meetings and documents Final Internal Audit Report	b. 3049141
	c. Audited Financial statements presented to Audit and Risk Committee October 2016	c. 3099613
27. Prudential reporting undertaken for required capital projects in accordance with legislation	a. Prudential Report Thebarton Precinct Community Facility.	a. 3020748
28. Strong internal controls including new Deloittes control tracking program	a. BDO audited statements 2014/15 confirms strong internal controls	a.3285579
	b. Risk Internal Control Verification Audit	b. 2982174
29. Fraud and Corruption/ICAC/OPI /Ombudsman awareness training provided to Elected Members, independent members of DAP and Audit and Risk Committee and all purchasers across the organisation	a. Fraud and Corruption Prevention Control Reporting and Investigation Policy	a. 496971 Fraud and Corruption Prevention Control Reporting and Investigation Policy on Website
	b. Staff attendance at Fraud and Corruption Awareness and Prevention Sessions 23 and 24 January 2013 (85 staff members)	b. 1948190
	c. Policy reviewed – training of decision making staff undertaken in February 2013	c. 1948190
30. Procurement Roadmap program currently being implemented to provide robust procurement processes including purchase interrogation	a. Procurement Roadmap Provided	a. Procurement page on Intranet
31. Revised Fraud Prevention, Control, Reporting and Investigating Council Policy, which	a. Fraud and Corruption Prevention, Control Reporting and Investigation Policy	a. 496971 Fraud and Corruption Prevention , Control Reporting and Investigation Policy on

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includes new reporting requirements to OPI, was presented to the August 2014 Policy Planning and Performance Committee and approved by Council at its 2 September 2014 meeting		Website
32. Training provided to Elected Members and independent members of the DAP and Audit and Risk Committee on new conflict of interest and informal gatherings provisions during 2016	a. Training Provided by Kelledy Jones 4 February 2016 conflicts of Interest and Informal gatherings Elected members b. Training provided for Audit and Risk Committee Kelledy Jones 17 March 2016	a. 3183250 b. 3204232

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Risk Issue	8. INFORMATION SERVICES

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.

Untreated Risk:	Likelihood: Almost Certain	=	Extreme
	Consequence: Major		

Existing Controls

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

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

Effectiveness of controls:	Satisfactory

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REVISED RISK RATING:	**Likelihood:** Unlikely	**=**	**Moderate**
	Consequence: Major		
Additional Solutions	Nil		

Role of Executive	As this is a moderate risk, monitor and review six monthly

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RISK 8 - Information Services
EVIDENCE SUPPORTING TANGIBLE CONTROLS

Control	Evidence	Doc Set Id/Webpage
1. Uninterrupted Power Supply (UPS)	a. Information Services Risk Evidence update as at October 2016	a. 3346474
	b. Annual Maintenance agreement with Computer Site Solutions	b. 3345144
	c. Annual maintenance reports from Computer Site Solutions re: Civic & Library UPS. (October 2014)	c. Library - 2265059 Civic - 2265058
2. Virtualised backup in situ	a. In July 2015 the DR equipment was removed from the Library datacentre and relocated into the Adelaide City Council's Pirie Street datacentre	a. 3009287 ACC CWT Rack Space and Optic Fibre Connectivity Agreement May 2015
3. Daily tapes back up	a. Backup jobs occur every weeknight / day or once a week including Enterprise, CWT Aftermail, Dataworks, Chris 21, etc. Back up tapes are recorded in an excel register	a. 2181917
4. Employing competent staff	a. All staff in IS are trained / qualified/experienced. Network - IS administrators required to complete VMware and Microsoft accredited training	a. Individual records confidential on personnel files but confirmed
5. Adequate funding levels established with resourcing meeting organizational need	a. Funding approved based on the IS workplan and is reviewed on a quarterly basis for currency	a. 3344996 IS Budget 2016-17
6. Replacement and upgrade programs in situ for hardware and software	a. Core software updated to keep the released versions within the range of supplier support products. Key business applications are typically updated annually.	a. 3099646 Software Applications - Support Profile - Feb 2014.pdf Also IS Strategic Plan and IS Roadmap 3113174, 3113175
7. Multiple layers of security in place	a. Proxy Server - Firewall is Threat Management Gateway	a. 3285841
	b. Evidence of the plans and execution exists in the Information Services	b. 3285841 Information Services Work Plan 2016/2017

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	budget and IS Work Plan documents in ECM and FinanceOne	3344996 IS Budget 2016-17
	c. Key performance indicators for IS service levels are identified and updated in Interplan	c. 3305160
	d. Logical Security Internal Audit Report	d. 2018645
	e. White Listing process established to prevent executables being run	e.3346439
8. Audits undertaken by specialist network security firms	a. 3 external audits in the last 6 years by CQR Consulting, including reviews of: • ICT Security. • Information access in Dataworks and Active Directory. • Virtualised architecture.	a. Logical Security Internal Audit Report ID 2018645, Invoice for IT Security review 1330814
	b. ICT Vulnerability assessment by CQR Consulting	b. 3340202
9. External specialist advice sought when required	a. CQR Consulting engaged to review security of the virtual environment	a. 1311793 & 3227993 CQR proposals Purchase Order 102313
10. Robust policies in situ for IT usage and dealing with terminated staff	a. Network Access and Removal form	a. Network Access Removal Form
	b. Information Technology and Its Use Policy	b. 305781 Information Technology and Its Use Policy
	c. As a double check, payroll provides IT with information on who has left WT employment as an additional check to capture when a network access change has not been submitted	c,. Confidential information verified by GM B&CS
11. Competitively remunerated to minimise malicious interference by staff	a. EBA -Remuneration reflects that of Local Government	a. 2326708
	b. Each year roles are considered during the Performance Development Process	b.3267375 PDP guidelines CWT intranet

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	c. In 2013 the IS Application Coordinator role was reclassified including comparison to similar roles in other councils such as Charles Sturt and Holdfast Bay	c. Information on file (accessible by Exec) but confidential
	d. In 2015 the Web Administrator role was reclassified based on comparison to other similar roles in Local and State Government. The following Councils provided comparative information: • Adelaide Hills Council • City of Burnside • City of Salisbury • City of Charles Sturt • City of Onkaparinga	d. Information on file (accessible by Exec) but confidential
12. Supportive work environment provided	a. EA, FITCOR	a. Employee Assistance Program Information on Intranet Fitcor Information Page on Intranet
	b. Information Services - Post 2015 Employee Opinion Survey - Action Plan	b. 3121728
13. Full restore of system approximately within seven minutes	a. Information Management Procedures and Standards	a. Information Management Procedures and Standards
14. IT Disaster Recovery (DR) Management Plan 2009	a. IT Disaster Recovery (DR) Management Plan October 2015	a. 3101265
15. CWT Business Continuity Plan 2015 approved	a. CWT Business Continuity Plan approved June 2015 - updated May 2016	a. 3267083
16. Business Continuity Plan tested November 2015 - retesting scheduled for 2016	a. BCP Training Engagement Letter -Deloitte June 2016	a 3288652

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Risk Issue	9. SERVICE CENTRES

Descriptor	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.

Untreated Risk:	Likelihood: Unlikely	=	Moderate
	Consequence: Major		

Existing Controls

Tangible Controls (Evidence available)
1. Organisation is insured via LGRS (unlimited insurance) which includes insurance for the operation of alternative service sites in a major business disruption
2. CWT is a member of the Western Zone Emergency Management Committee
3. Emergency procedures approved and in place
4. Evacuation drills undertaken on a regular basis with subsequent de-brief report to Executive
5. IS Disaster Recovery Plan documented and in place
6. Training program in place (fire, evacuation etc.)
7. EAP/Trauma counselling program in place
8. WHS&IM plan and programs, policies, procedures, standard operating guidelines (non-WHS) in place
9. Risk management program in place
10. Sturt Emergency Risk Management Plan developed with five southern adjoining Councils identified emergencies relating to CWT
11. Business continuity planning approved and tested in November 2015 2016, to be retested in 2016 2017
12. Alternative sites identified for the operation of a control centre in the event of a major business disruption
13. Funding provided in 2016-2017 budget to develop Emergency Management Plan

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

Effectiveness of controls:	Satisfactory

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REVISED RISK RATING:	Likelihood: Unlikely	=	**Moderate**
	Consequence: Moderate		

Additional Solutions	Commence the Emergency Management Plan

Role of Executive	As this is a moderate risk, monitor and review six monthly

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RISK 9 - Service Centres
EVIDENCE SUPPORTING TANGIBLE CONTROLS

Control	Evidence	Doc Set Id/Webpage
1. Organisation is insured via LGRS (unlimited insurance) which includes insurance for the operation of alternative service sites in a major business disruption	a. Level of insurance required reviewed annually with the LGRS	a. 3274805 Local government Asset Mutual Fund and Insurance Renewals 2016/2017
2. CWT is a member of the Western Zone Emergency Management Committee	a. CWT Member of the Western Zone Emergency Management Committee	a. 2974154
3. Emergency procedures approved and in place	a. Emergency procedures available on intranet and in hard copy.	a. 2239405 Emergency Procedures Manual Civic Environmental Health Compliance
4. Evacuation drills undertaken on a regular basis with subsequent de-brief report to Executive	a. Emergency Evacuation Drill held by Environmental Health on 05 July 2016	a. 3279755
5. IS Disaster Recovery Plan documented and in place	a. IS Disaster Recovery (DR) Management Plan October 2015 Plan	a. 3101265
6. Training program in place (fire, evacuation etc.)	a. Fire Wardens trained in all civic facilities - last training July 2015 b. Chief Fire Wardens and Deputy trained as per Emergency Procedures last training July 2015	a. 3085725 Emergency Wardens Civic Centre b. 3018460
7. EAP/Trauma counselling program in place	a. Information available to staff on the intranet and in a booklet form.	a.Employee assistance program from intranet
8. WHS&IM plan and programs, policies, procedures, standard operating guidelines (non WHS) in place	a. WHS & IM One System Occupational Health Safety, Welfare, and Injury Management Plan 2014-2017. b. SOPs/SWPs available on Intranet	a. WHS Policies and Procedures from Intranet WHS Page on Intranet WHS and IM Management System b. Safe Operating Procedures

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		Safe Work Procedures
	c. Administration Policy WHS and IM lead Policy	c. Administration Policy WHS and IM Lead Policy
	d. Administration Policy WHS and IM Planning	d.Administration Policy WHS and IM Planning
9. Risk management program in place	a. Risk management framework and policy on Intranet	a. Risk Management Framework

Enterprise risk Management Policy |
| 10. ~~Sturt Emergency Risk Management Plan developed with five southern adjoining Councils identified emergencies relating to CWT~~Western Zone Emergency Management Plan | a. ~~Western Zone Emergency Management Plan - developed by Western Zone Emergency Management Committee - approved by Minister/SEMC Emergency Procedures Manual- City of West Torrens. Superseded by NERAG – being developed by the WZEMC~~ | a. 3297246 Western Zone Emergency Management Plan |
| 11. Business continuity plan approved and tested in November 2015, to be retested in 2016. | a. Approved Business Continuity Plan

b. BCP Training Engagement Letter -Deloitte June 2016 | a.3100347 Business Continuity Plan

b. 3288652 |
| 12. Alternative sites identified for the operation of a control center in the event of a major business disruption | a. Replication of Production databases daily to the Disaster Recovery (DR) datacenter

b. Alternative site decisions available in the approved BCP.

c. Multiple sites to operate service centres as follows:

Civic Centre
165 Sir Donald Bradman Drive
Hilton 5033

Hamra Centre Library
1 Brooker Terrace
Hilton SA 5033

Cummins House
23 Sheoak Avenue
Novar Gardens 5033 | a. 3009287 ACC CWT Rack Space and Optic Fibre Connectivity Agreement May 2015:

b. 3100347 Business Continuity Plan pages 1 14-27

c. Website Contact Page |

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	Thebarton Community Centre Cnr Ashwin Parade and South Road, Torrensville SA 5031 Camden Community Centre 7 Carlisle Street, Camden Park SA 5038	
13. Funding provided in 2016-17 Budget to develop Emergency Management Plan	a. Budgeted in 2016-17	a. 3288649 City of West Torrens EMP Engagement Letter Draft June 2016

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Risk Issue	10. FLOODING

Descriptor	Damage to private property, council facilities and/or community infrastructure as a result catchment flood events

Untreated Risk:	Likelihood: Rare		
	Consequence: Catastrophic	=	Moderate

Existing Controls

Tangible Controls (Evidence available)
1. Working with/through Stormwater Management Authority on Brown Hill, Keswick and Sturt Creeks
2. Approval of the Brown Hill/Keswick Creeks Stormwater Plan Part A and Part B by all five councils and submitted to the Stormwater Management Authority in March 2016.
3. SES Emergency Management Plan
4. CWT Stormwater Plan
5. Mile End/Cowandilla Stormwater Outfall Project completed
6. Development Plan
7. Flood mapping and updating of the Development Plan/Development Plan amendments
8. Structural Mitigation works
9. Non-structural mitigation works e.g. Flood Safe program
10. Existing stormwater network
11. Regular routine maintenance
12. Asset Management Plan
13. Flood Alerts provided to Council
14. Remote sensor monitoring of creek levels
15. Section 30 Review
16. Bureau of Meteorology early warnings provided to Council
17. Specialised advice and designs sought
18. Development controlled in the Brown Hill/Keswick Creeks and River Torrens catchments
19. Flood response protocol

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20.	Whole of Catchment Management Plan
21.	Participating in the Western Region Climate Change Adaptation Plan
22. 23.	Continuation of long term stormwater upgrade works in the Lockleys area.

Intangible Controls (No evidence available but known to be in place)
1. Regular routine maintenance (side-entry pit) program

Effectiveness of controls:	**Satisfactory**

REVISED RISK RATING:	**Likelihood:** Rare	**=**	**Moderate**
	Consequence: Catastrophic		

Additional Solutions	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

Role of Executive	As this is a moderate risk, monitor and review six monthly

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RISK 10 - Flooding
EVIDENCE SUPPORTING TANGIBLE CONTROLS

Control	Evidence	Doc Set Id/Webpage
1. Working with/through Stormwater Management Authority on Brown Hill, Keswick and Sturt Creeks	a. CEO is a member BHKC Steering Committee	a. 3218231 Agenda from BHKC Steering Committee. 5/04/2016
	b. GM Urban Services is on the BHKC Technical Group.	b. 1796471 Agenda from BHKC Technical Group
	c. Working closely with the SMA in relation to the development of the BHKC Plan and its implementation	c. Report to Meeting of Council 2 June 2015 titled Brown Hill Keswick Creek project Stormwater Management Authority Notice. Council and Standing Committee Minutes 2 June 2015 from Website
	d. Both Part A and Part B of the plan both agreed by all five councils involved in the project	d. Part A approval given at Meeting of Council in at 21 August 2012 Meeting of Council 21 Aug 2012 meeting of Council minutes - approval of plan from Website Part B approval given at the Meeting of Council 15 September 2015 Minutes Meeting of Council and Standing Committee Minutes 15 September 2015 from Website
	e. Annual Business Plan Summary provides that $0.581 m contributed in 2016/17 to BHKC works	e. 2016/17 Annual Business Plan Summary from Website 2016/17 Adopted Budget and Annual Business Plan from Website
2. Approval of the Brown Hill/Keswick Creeks Stormwater Plan Part A and part B by all five councils and submitted to the Stormwater Management Authority in March 2016	a. Both Part A and Part B of the plan approved by all councils involved in the project	a. Part A approval given at 21 August 2012 Meeting of Council 21 Aug 2012 meeting of Council minutes - approval of plan Part B approval given at the Meeting of Council 15 September 2015 Minutes Meeting of Council and Standing Committee Minutes 15 September 2015

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3.	SES Emergency Management Plan	a. State Emergency Management Plan	a. State Emergency Management Plan from SA Government website.
4.	CWT Stormwater Plan	a. Development Plan West Torrens Council June 2015	a. 1896486 Stormwater Management Plan
5.	Mile End/Cowandilla Stormwater Outfall Project completed	a. Project completion documentation	a. 270859 re project Agenda Completion documentation available in Pathway
6.	Development Plan	a. Available on the website, two main defences: • Controls on new developments to minimise the impact of flooding; & • Incorporates flood mapping and is regularly updated b. Asset Plans updated in accordance with Section 30 of Development Act - Strategic directions report	a. 3285903 CWT Development Plan Flood Prone Areas Map b.2222753 Strategic Directions report 2014 minutes 26 August 2014
7.	Flood mapping and updating of the Development Plan/Development Plan amendments	a. Incorporating this control as part 3 to the Development Plan	a. Flood Prone Areas Map
8.	Structural Mitigation works	a. Internal audit report stormwater management confirms a good level of compliance with stormwater asset planning, management and maintenance	a. 2049265
9.	Non-structural mitigation works e.g. Flood Safe program	a. SES Flood Safe program funding agreement	a. 2216585
10.	Existing stormwater network	a. Existing drainage network is recorded in Conquest (Asset management software) b. Westmaps map example of drainage network under roads (Attached)	a. 3299295 Westmaps proxy stormwater network evidence.
11.	Regular routine maintenance	a. City Works undertake routine maintenance via customer requests in Pathway	a. 3299400 - Screen dump - customer requests for stormwater maintenance.

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12. Asset Management Plan	a. AMP is the tool to develop sustainable management of assets it documents the strategy for sustainable investment and its purpose is to maintain functionality of existing systems	a. Asset Management Plan
	b. Stormwater Infrastructure Asset Management Plan on the website	b. 1896486 Stormwater Infrastructure Management Plan
13. Flood Alerts provided to Council	a. Membership provides detailed flood/weather alerts provided to Council via DL email address evidenced in the BOM service level specification and flood warning correspondence	a. 3299424 Flood and weather warning folder in ECM (print screen) evidencing flood warning correspondence. BOM Service Level Specification for Flood Forecasting and Warning Services
14. Remote sensor monitoring of creek levels	a. Access to remote sensor data (monitoring of creek levels) evidence in BOM service level specification	a. BOM Service Level Specification for Flood Forecasting and Warning Services
15. Section 30 Review	a. Strategic Directions report	a. 2222753 Strategic Directions report 2014 minutes 26 August 2014
16. Bureau of Meteorology early warnings provided to Council	a. Membership provides detailed flood/weather alerts provided to Council via DL email address	a. 3299424 - Flood and weather warning folder in ECM (print screen) evidencing flood warning correspondence
17. Specialised advice and designs sought	a. Tonkins Engineering Services fee proposal - Shannon Ave, Stormwater Pump Station	a. 127451
	b. Tonkin Engineering fee proposal - Stormwater Asset Register	b. 1156553
	c. Correspondence - request for quote -GAP Watson Ave Netley 'design components'.	c. 1661398
	d. Chippendale Stormwater Pump Station upgrade	d.1486441
18. Development controlled in the Brown Hill/ Keswick Creeks and River Torrens catchments	a. CWT Development Plan	a. CWT Development Plan

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19. Flood Response Protocol	a. SWP Emergency response flooding	a. 486958
20. Whole of Catchment Management Plan	a. Initial Urban Stormwater Master Plan	a.237928
21. Participating in the Western Region Climate Change Adaptation Plan	a. Western Adelaide Region Change Adaptation Plan Project Team (Governance) Structure	a. 3038812
22. Continuation of long term stormwater upgrade works in the Lockleys area	a. Annual Business Plan Summary 2016/17	a. <u>2016/17 Annual Business Plan Summary on Website</u>

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SECTION 2 - EMERGING RISKS

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

Emerging Risk 1	Infill Development
Issue	The *Planning, Development and Infrastructure Bill* has been assented and will replace the *Development Act 1993* when it is fully commenced in approximately 2-3 years. This will result in amendments to the *Local Government Act 1999* and other legislation. The objects of the Planning and Infrastructure Amendment Act significantly alter the framework applied to land use planning in the state, whereby the current aim of orderly land use planning is to be superseded by the primary goal of enhancing the State's prosperity through a system that enables development and minimise local government's role in development assessment. 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 the assessment is not finalized 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 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. Training of staff and Elected Members has been undertaken and on-going monitoring of the planning and infrastructure environment is on-going. Once more information is available, a risk assessment can be undertaken. It is likely that there is little Council can do to minimise this risk. In the interim, a steering group of relevant members of the administration

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

Activities associated with this issue

1. The Expert Panel on Planning Reform process has 'informed' the proposed legislative changes. CWT participated in each of the three consultation/feedback processes managed by the Panel, without any discernible impact.

2. CWT will ensure that the impact of the resulting legislation/regulation is communicated to its community, together with clear statements about the origins/responsibilities for the changes once they are better known.

3. On-going updating of staff and Council will continue to ensure the organisation is informed and ready to implement required changes.

4. The Steering Group will continue to plan for the implementation of the impending changes and commencement of the Act.

5. The Project Officer will continue to manage the preparations and implementation of the PDI Act and associated changes to the systems and processes

Emerging Risk 2	Rate Capping

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

Risk of rate capping occurring

Likelihood	Consequence	=	Untreated Risk Rating
Unlikely	Major		Moderate

Activities associated with this issue

1. The City of West Torrens, along with many other councils, presented a submission to the Economic and Finance Committee of parliament.

2. The LGA has presented a submission to the Parliamentary Committee and issued media releases.

3. The LGA is monitoring progress of the Economic and Finance Committee and is expected to lobby to protect council interests.

4. The State Government has advised the media that rate capping is not a viable option.

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8.3   INTERNAL AUDIT

8.3.1   2016-17 Internal Audit Program Update

Brief

This report presents a status update of the *2016-17 Internal Audit Program*.

RECOMMENDATION(S)

It is recommended to the Audit and Risk Committee that the status update of the *2016-17 Internal Audit Program* be received.

Introduction

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

Discussion

This report summarises the status of all audits contained in the 2016-17 *Internal Audit Program* (the Program) to date as follows:

Audit Status	Number
Complete	7
In Progress	2
Due to Commence between Q3-Q4	3
Deferred / Rolled Over	0
Total Audits Programmed (excluding staged audits)	**12**
Cancelled	4

The *2016/17 Internal Audit Program* Report as at 30 September 2016 is attached **(Attachment 1)**.

Audits Completed
Seven (7) of the twelve (12) programmed audits, which do not include the four (4) staged/facilitative audits are complete. Three (3) audits have been completed since October 2016 (4 months):

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

Compliance Audits in Progress

1. Accounts Payable - this audit, undertaken by the contract internal auditor has been scoped and will commence during February 2017.

2. Staff Health and Safety - Internal Controls from the WHS Hazard Register - this audit, undertaken by the contract internal auditor, has been scoped and will commence during quarter 4, 2017.

Facilitative Audits Underway

A facilitative audit aims to add value by assisting stakeholder(s) to put improved governance mechanisms in place. This is an outcome driven audit, working with the stakeholder(s) to establish objectives and agreed outcomes via facilitation, advice and consultation.

The following two (2) audits are facilitative audits spanning multiple internal audit programs:

1. *Debtor Management* - this facilitative audit is in progress.
2. The *Maintenance of Plant and Equipment - City Works* - stage one is currently underway and an update is provided within this agenda.

*The gap analysis for both facilitative audits was completed and presented to the July 2016 Committee meeting.

Continuous (Staged) Audits Underway

A continuous audit is a larger audit with many interrelated components that may be segmented into key test stages to track and record assurance/completion and to add value throughout the project/activity over time.

The following two (2) audits are continuous audits spanning multiple internal audit programs:

1. *Internal Controls - Self-Assessment (ICSA)*
2. *Continuous Audit - Procurement Roadmap (CAPR)*

The ICSA audit is in progress.

Stage 1 of the CAPR audit is complete and was presented to the April 2015 meeting of the Committee while Stage 2 has yet to commence.

Audits Not Started

The following three (3) audits are yet to commence:

1. Section 7 Statements*
2. Food Act 2001*
3. Safety Data Sheets Management*

Note: The audits marked with an (*) are currently being scoped.

Audit Plan Progress

Seven (7) of the twelve (12) planned audits are complete (58%) while another two (2) audits are in progress. Therefore, excluding staged audits nine (9) of twelve (12) audits (75%) at the end of the second quarter of 2016-17 are either complete or in progress. Four (4) facilitative/continuous audits remain in progress with activity spanning over multiple internal audit programs.

Conclusion

This report presents a status update of the *2016-17 Internal Audit Program* and indicates that the program is on track.

Attachments

1. **2016/17 Internal Audit Program Update Report**
2. **BCP Test Event Summary Report**
3. **Accounts Payable Internal Audit Scope**
4. **Hazard Register - WHS Controls Internal Audit Scope**

2016/17 Internal Audit Program

Report as at 31 January 2017

Audit Number	Internal Audit	Audit Objectives	Quarter	Status	Comments
Status of 2015/16 Internal Audits Carried Forward					
1	Probity Audit - Sale of St Martins	High level probity review against the sale of St Martins Aged Care Facility	1	**Complete**	The audit, undertaken by the Contract Internal Auditor, is complete and the final report was presented to the 11 October 2016 meeting of the Committee.
2	Lease Management Review of Non-Compliances	The review will include, but not be limited to, the following: • Completeness and accuracy of the property lease and licence register. • Process and controls surrounding the management of lease and licences, new lease agreements and lease renewal (including determining terms and conditions of lease agreements). • Controls to ensure leases and licences are current and in existence for all eligible properties. • Lease and licence fee collection. • Sufficiency and adequacy of information flow between City Assets and Financial Services regarding lease terms and conditions, fees payable and debt recovery. • Progress/compliance against previous audit findings which were approved by management for implementation.	1	**Complete**	The audit, undertaken by the Contract Internal Auditor, is complete and the final report was presented to the 11 October 2016 meeting of the Committee.

Not Started	In Progress	Complete	Deferred	Cancelled

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2016/17 Internal Audit Program

Audit Number	Internal Audit	Audit Objectives	Quarter	Status	Comments
3	Event Management	• The review of two significant and one minor event across the organisation since July 2015. • Design, undertake and present the results of a stakeholder survey to measure current performance, strengths, weakness and opportunities to improve efficiency. • Identified opportunities for the introduction of better practices and process improvement	1	Complete	The audit, undertaken by the Contract Internal Auditor, is complete and the final report presented to the 14 February 2017 meeting of the Committee.

Status of 2016/17 Internal Audits

Assurance Audits

Audit Number	Internal Audit	Audit Objectives	Quarter	Status	Comments
4	Business Continuity Plan - Review and Exercise Event.	To assess the level of compliance with the: • A surprise mock event or scenario designed to test the effectiveness of the Business Continuity Plan (BCP) when dealing with the event/scenario.	1	Complete	The BCP exercise event was conducted by Deloitte on 03 November 2016. The exercise was aimed at familiarising the Management Team with the BCP. The management team were in attendance and assumed the role(s) of the executive. The surprise 'mock BCP event' was an ICT attack 'crypto locker' and a summary report is attached (**Attachment 2**). A minor review of BCP content occurred in tandem to the workshop.
5	Accounts Payable	• An appropriate approval process is in place and in line with the CEO sub-delegations and Administration Policy: Financial Authorities • Internal controls are assessed and operating effectively, including separation of duties	2	In Progress	Audit scope has been approved (**Attachment 3**) and this audit will be a co-sourced audit and commence during February 2017.

Not Started	In Progress	Complete	Deferred	Cancelled

2016/17 Internal Audit Program

Report as at 31 January 2017

Audit Number	Internal Audit	Audit Objectives	Quarter	Status	Comments
		• Expenditure registers are maintained where applicable, including the Local Government Act 1999 (s79 Register of allowances and benefits and s105 Register of remuneration, salaries and benefits) • Alignment with the Enterprise Risk Management Framework/operational risk register • Audit will also undertake data analysis of accounts payable data using data analytics software in order to analyse accounts payable data over an extended period.			
6	Security Audit	A twelve month audit designed to: • Undertake security vulnerability assessment • Consult on results/outcomes • 12 month access to 'BeSecuritySmart' security awareness videos • Audit and continuous improvement - conduct a secondary vulnerability assessment.	12 months	Part 1 Complete	The first the two scheduled 'vulnerability assessments' was completed by CQR Consulting during July 2016. A summary of the audit findings and Information Services post-review action was presented to the October 2016 meeting of the Committee.
Legislative Audits					
7	Section 7 Statements	• To be defined	4	Not Started	
8	Food Act 2001.	• To be defined	4	Not Started	
Third Party Audits					
9	Vic Roads Annual Audit	Self-assessment mandated as part of the agreement with Vic Roads	1	Complete	Program Leader Internal Audit and Risk completed this audit during August 2016.

	Not Started		In Progress		Complete		Deferred		Cancelled

2016/17 Internal Audit Program

Report as at 31 January 2017

Audit Number	Internal Audit	Audit Objectives	Quarter	Status	Comments
WHS Audits					

10	Hazard Register - WHS Controls Audit	The objectives of this audit are to evaluate and report on:
		
		• Audit will sample departmental hazards from the each departments hazard register and review the:
		  ○ completeness and existence of hazard registers and associated risk assessments
		  ○ processes and controls in place to ensure legitimacy
		  ○ linkage with the Enterprise Risk Management Framework through the use of the risk matrix.
			2	In progress	Audit scope has been been approved **(Attachment 4)**. This audit, to be undertaken by the contract internal auditor, has been re-negotiated to commence during quarter 4.

11	Safety Data Sheets (SDS) Management	• To be defined	3	Not Started	
12	Lease Royalties - Third Party Audit	To assess: • The accuracy of royalty payments made during the 2014/15 financial year. • Insurance and indemnity cover complies with the lease agreements.	1	Complete	The audit, undertaken by the Contract Internal Auditor, is complete and the final report presented to the 14 February 2017 meeting of the Committee.
Facilitative Audits (Long term duration).					
13	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:		In Progress	Phase 1 is in progress. The gap-analysis was presented to the July 2016 meeting of the Committee.

Not Started | In Progress | Complete | Deferred | Cancelled

2016/17 Internal Audit Program

Report as at 31 January 2017

Audit Number	Internal Audit	Audit Objectives	Quarter	Status	Comments
		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 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.			
14	Debtor Management	Stage 1: The objectives of the audit are to work with stakeholders to:		In Progress	Phase 1 is in progress. The gap-analysis was presented to the July 2016 meeting of the Committee.
		• Undertake a risk assessment against the process of debt management in its current state.			
		• Undertake high level benchmarking of			

Not Started	In Progress	Complete	Deferred	Cancelled

2016/17 Internal Audit Program

Report as at 31 January 2017

Audit Number	Internal Audit	Audit Objectives	Quarter	Status	Comments
		debt management policies and debt ratios within the local government sector to propose methodologies which are effective and efficient in managing debt. • To assess the current state of debt management and document a risk-based gap analysis which proposes findings for implementation. Stage 2: The objectives of the audit are to work with stakeholders to: • Develop debt management policy/methodology content including documenting the processes for debt escalation, recovery, waiver or write off. • Develop a technical specification to quote for services with reference to correcting those gaps and/or control weaknesses identified and/or review options available through pre-existing purchasing panels.			
Staged Audits (Long Term Audits)					
15	Continuous Audit - Procurement Roadmap (Stage 2).	Stage 2 objectives seek to assess the completeness of delivering procurement information, defining roles and responsibilities and the provision of procurement training. In addition, progress against the agreed actions identified in Stage 1 and the overall progress against the Roadmap will be assessed. **Intranet/Information availability - the audit**	Staged Audit	Stage 2 **Not Started**	

Not Started	In Progress	Complete	Deferred	Cancelled

2016/17 Internal Audit Program

Report as at 31 January 2017

Audit Number	Internal Audit	Audit Objectives	Quarter	Status	Comments
		will determine the: • level of consultation • ease of obtaining relevant procurement / contractor management information • sufficient evidence of probity of process (documentation and reporting) • availability of contracts documents and templates **Roles and responsibilities - the audit will assess the:** • Roles and responsibilities are available and understood • Sufficiency of training to undertake procurement activity in accordance with the procurement policy and using the procurement processes, contracts and templates.			
16	Internal Controls Self-Assessment	Stage one - propose a risk based approach to the financial internal control self-assessment for the approval of the Executive and subsequently negotiation with the external auditors. Stage one aims to reduce the number of controls requiring self-assessment and review.	Staged	In Progress	Internal Financial Control risk-based methodology draft report was presented to the Executive Management Team during January 2017. At this meeting approval was granted for Tim Muhlhausler, Galpins to engage BDO on this proposal. It is anticipated that if BDO approve the new methodology that it will be presented to the Audit and Risk Committee at its next meeting.

Not Started	In Progress	Complete	Deferred	Cancelled

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Business Continuity Plan Test Report

Business Continuity Plan (Plan)				
Plan Name	Business Continuity Plan			
Business Area	Management Team			
Plan Owner: GMBC&S	Pauline Koritsa			
Facilitated By: Deloitte & PLIAR	Bob Walker (Deloitte), Darryl Whicker (PLIA&R)			
Critical Management Team Director:	Joe Ielasi (simulated as acting CEO)			
Test Type (Select one)				
	Type 1 Self-Assessment Departmental/Divisional/Situational discussion stepping participants through each part of the Plan content. Respondent to articulate response measures in line with the Plan and review the veracity of the BCP sub-critical action plans.	Plan Test ✓	Plan Update ✓	Plan Development
	Type 2 Supervised walkthrough self-assessment Discussion stepping participants through each part of the Plan content. Respondent to articulate response measures in line with the Plan and demonstrate appropriate resilience measures are understood and in place.	**Describe Scenario:** It's 2pm 03 November 2016 and Information Services have reported an organisational network outage due to Crypto Locker.		
✓	**Type 3 Process or Plan Simulation** Plan teams perform planned activities in a simulated 'real life' environment.	**Describe Simulation:** This session is a whole of City of West Torrens interactive desktop simulation event. A single incident focus which the inter-relationships between functional departments. The Management Team are assuming the roles of the Critical Management Team.		
	Type 4 Full end-to-end simulation Full scale test under simulated 'real life' environment, including simulated contact with relevant stakeholders i.e. Emergency Services/Fire/SAPOL etc. **OR** Activation of Plan during actual disruptive event	**Describe Disruption:** •Incident noticed at 2pm - back-up files from 10pm previous evening. •Initial total network outage (phones, tablets and social media unaffected) - No emails •Can access building, manual receipting available •Potential loss of files and estimated fix minimum of 24 hours.		
What worked well?				
•Management team assumed the Critical Management Team responsibilities allowing for the acting Information Services Manager to be off-line so that they may continue investigations •Managers walked through the building to raise awareness of the scenario and gather information such as likely loss of work, potential impacts etc.				

- Regular debriefs bringing in experts (Information Services)
- Prepared CEO for press conference
- Facilitator continually updated the scenario and the management team were able to respond accordingly.

Areas for improvement?

- Overall knowledge and linking back to the BCP
- Better use of the Critical sub-plans

Lessons Learned?

- Although this is a scenario, BCP events can and will occur in real life
- Need to review the BCP (currently being combined with the EMP)
- Beneficial to mix-up the Critical Management Team to include managers and executive
- Difficulty responding in a real life example

Recommended Actions	Responsibility	Timeframe
1. Liaise with Managers to review sub-critical plans. To be actioned as part of the Emergency Management Plan development.	PLIA&R	March 2017

	Test report APPROVED	Approval Date	1/2/17
Name	ᒍ.ᐠᖶ	Position	Pauline Koritsa General Manager Business & Community Services

Internal Audit Scope

Accounts Payable Audit

Introduction

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

Council credit cards will be excluded from this audit because a review was undertaken in 2013 where the audit achieved a good level of compliance rating.

Audit Objectives

The organisation must ensure that internal controls are in place to support the accounts payable function and minimise the risk of error or fraud. The objectives of this audit are to evaluate and report on:

- The appropriateness of segregation of duties
- The pertinence of controls underpinning the Financial Internal Controls self-assessment and/or operational risk assessment
- The timeliness and accuracy of payments and approvals
- The level of compliance with the *A New Tax System (Goods and Services Tax) Act 1999* (GST)
- The adequacy of controls surrounding creditor set up, maintenance and validation
- The robustness of the process dealing with voided cheques or disputed payments
- Any identified opportunities for the introduction of better practices and process improvement

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

- An appropriate approval process is in place and in line with the CEO sub-delegations and Administration Policy: Financial Authorities
- Internal controls are assessed and operating effectively, including separation of duties
- Expenditure registers are maintained where applicable, including the Local Government Act 1999 (s79 Register of allowances and benefits and s105 Register of remuneration, salaries and benefits)

- Alignment with the Enterprise Risk Management Framework/operational risk register

- Audit will also undertake data analysis of accounts payable data using data analytics software in order to analyse accounts payable data over an extended period. Audit will assess accounts payable risks and review available data sets to determine suitable analytics to identify potential "red flags" in the data. Potential tests include:
  - Duplicate payments
  - Unusual payments (e.g. unusual timing, unusual payment patterns or amounts (e.g. round-dollar, just below procurement thresholds), unusual transaction descriptions)
  - Supplier master file pertinence (e.g. duplicate creditors, completeness of supplier details, invalid ABNs)
  - Purchase order pertinence (missing purchase orders, post-dated purchase orders)
  - Payments processed outside of payment terms
  - Matching of supplier data against the payroll database (e.g. matching bank account details and/or addresses)

The formula matching methodology will be made available and exportable in a manner so that the City of West Torrens can continue to undertake analytical audits using its own software.

Approach

The Program Leader Internal Audit and Risk will distribute the scope and overview of work to be performed with the management team prior to the commencement of testing.

A key component of the audit is to conduct interviews with key managers and staff to establish any issues, concerns or potential improvements. Field-testing may be undertaken to establish whether or not controls are in place and are effective in addressing extreme or high risks.

A review of available documentation such as legislation, policies, system charts, procedure manuals, performance reports etc will be undertaken. This is critical in supporting review comments and providing evidence to support audit conclusions.

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

Risks

Potential risks associated with *Accounts Payable* as identified by Internal Audit include, but are not limited to:
- Erroneous or fraudulent payment of invoices
- Duplicate or inaccurate payments
- Payments do not meet payment terms resulting in loss of discount or penalties being applied
- Unauthorised work undertaken by creditors
- Improper charge to incorrect accounts
- Unauthorised payments are made to non-existent creditors

- Qualified financial controls opinion resulting in reputation damage or restriction on supply and/or financing.

General Administration

This audit will be performed by Galpins.

Initial planning, interview and scoping commenced during November 2016 with fieldwork and reporting to commence by negotiation during quarter 2 of 2016-17. The audit shall identify findings specific for each CWT division/department as well as form an overall compliance rating.

A draft report should be completed for Management Comment by 31 January 2016 to allow for corrections of fact and management comments to be incorporated. The final report will be issued to the Executive Management Team for review.

Audit Findings and Recommendation Ratings

Compliance Rating

Audit must provide a compliance rating. Compliance ratings are classified as having a good level of compliance, a substantial level of compliance, a partial level of compliance or as being not compliant.

Recommended actions are classified as corrective where they relate directly to legislative, policy or procedural requirements and/or present an unacceptable level of risk to Council and improvement where they are in response to generally accepted industry standards or better practice.

Definitions are as classified in the table below.

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.

Control Risk Rating

Findings/issues are classified in accordance with a risk rating consistent with Council's 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

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   12 / 12 / 2016

City of West Torrens

Between the City and the Sea

Internal Audit Scope

Hazard register - WHS Controls Audit

Introduction

The approved Audit Program 2016-17 provides for an internal audit of *WHS Hazard Register - WHS Controls.* The Performance Standards for Self Insurers (PSSI) promotes a business management systems approach to WHS and are seen as an important component to the provision of a safe work environment for workers. The City of West Torrens (CWT) has two methods of registering hazards:

1. The Organisational Profile Hazard Register (hazard register) which records all departmental tasks and the associated hazards, and
2. WHS corrective actions (corrective actions) which record hazards identified through reports.

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

The WHS team have made significant progress in working with departments to identify, document and control workplace hazards and this audit will verify the strength and existence of controls contained within the WHS Hazard Profile Register, its sub and associated risk assessments. This audit will only review the hazard register.

Audit Objectives

The organisation must ensure a hazard management process that includes identification, evaluation and controls are in place. The objectives of this audit are to evaluate and report on:

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

Audit Scope
The objectives of the audit are to review, but not be limited to, the following:

- Audit will sample departmental hazards from the each departments hazard register and review the:
  - completeness and existence of hazard registers and associated risk assessments
  - processes and controls in place to ensure legitimacy
  - linkage with the Enterprise Risk Management Framework through the use of the risk matrix.

Approach

The Program Leader Internal Audit and Risk will distribute the scope and overview of work to be performed with the management team prior to the commencement of testing.

A key component of the audit is to conduct interviews with key managers and staff to establish any issues, concerns or potential improvements. Field-testing may be undertaken to establish whether or not controls are in place and are effective in addressing extreme or high risks.

A review of available documentation such as legislation, policies, procedures, performance reports, risk assessments, training and documentation etc. will be undertaken. This is critical in supporting review comments and providing evidence to support audit conclusions.

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

Risks

Potential risks associated with the Hazard Register - WHS Controls include as identified by Internal Audit include, but is not limited to:
- Non-adherence to the policy/legislation such as the *WHS Act 2012 and Regulations* and *Enterprise Risk Management Framework* risk assessment matrix.
- Controls are found to be ineffective in mitigating risk resulting in:
  - Unsafe workplace/workplace injury
  - failure to alert the CWT to extreme or high risks
  - decisions based on inaccurate information
- Inadequate monitoring, follow-up and review of controls.

General Administration

This audit will be performed by Galpins.

Initial planning, interview and scoping commenced during September 2016 with fieldwork and reporting to be conducted by negotiation during quarter 4 of 2016-17. The audit shall identify findings specific for each CWT division/department as well as form an overall compliance rating.

A draft report should be completed for management comment by 30 June 2017 to allow for corrections of fact and management comments to be incorporated. The final report will be issued to the Executive Management Team for review.

Audit Findings and Recommendation Ratings

Compliance Rating

Audit must provide a compliance rating. Compliance ratings are classified as having a good level of compliance, a substantial level of compliance, a partial level of compliance or as being not compliant.

Recommended actions are classified as corrective where they relate directly to legislative, policy or procedural requirements and/or present an unacceptable level of risk to Council and improvement where they are in response to generally accepted industry standards or better practice.

Definitions are as classified in the table below.

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.

Control Risk Rating

Findings/issues are classified in accordance with a risk rating consistent with Council's 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

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   12/ 12/ 2016

8.3.2   Event Management Audit

Brief

This report presents the results of the *Event Management Review internal audit.*

RECOMMENDATION(S)

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

Introduction

In accordance with the approved 2016/17 Internal Audit Program and Scope, an *Event Management Review internal audit* (the Audit) was undertaken by Council's contract internal auditor (the Auditor). The objectives of the audit were to evaluate and report on:

- Identified opportunities for better practices and process improvements based on a review of a sample of events run across the City of West Torrens (CWT) and discussions with a sample of staff with event management responsibilities.

Discussion

The audit was originally scoped to review two significant events and one minor event as well as to undertake a stakeholder survey to measure current performance, strengths, weaknesses and opportunities to improve efficiency. However, at the commencement of the audit a 'Lean' project was also 'in train' and staff engagement underway. Consequently, audit engaged the Program Leader Continuous Improvement to negotiate a new audit scope which prevented duplication of effort and which worked in partnership with Lean.

The audit scope was adjusted to evaluate a sample of events run across the CWT and hold discussions with a sample of staff with event management experience. It is intended that the audit findings are considered as part of the continuing Lean project. The CWT has not documented a corporate policy of event management or approved any specific methodology and as a result, audit was unable to assess compliance. Therefore, the audit reviewed current processes to assess any risk to CWT and to identify better practices and process improvement.

Following completion of the audit, a draft Audit Report (the Report) was issued to the Events Coordinator for comment and individual risk assessment during September 2016, the final report is attached.

Internal Audit Findings

Six (6) audit findings were made with all assessed by the auditor as attracting a moderate level of risk. Five (5) audit findings were agreed for actioning and the one (1) finding not being pursued was assessed by the General Manager Business and Community Services as being low risk and not requiring further action. This finding recommends accounting for internal staff costs in the preparation of event budgets. Doing so is not in line with CWT's current budget methodologies, however it was noted that the use of project codes to capture all costs related to any high value events will be considered.

As the findings are within risk tolerance levels and the recommendations are minor in nature they are not subject to priority actioning but will be complete as part of the relevant review cycles ranging from January 2018 to January 2019.

Conclusion

The *Event Management Review Internal Audit,* undertaken by the Contract Auditor, is complete. All audit findings are within risk tolerance levels and the recommendations minor in nature; they are not subject to priority actioning but will be completed as part of relevant review cycles ranging from January 2018 to January 2019.

Attachments

1. **Event Management Review Internal Audit**

Galpins

Accountants, Auditors & Business Consultants

City of West Torrens Event Management Review

Internal Audit Report

Audited By: Tim Muhlhausler, Contract Internal Auditor
              Thivya Mahendran, Contract Internal Auditor

Draft Report Issued: September 2016

Final Report Executive Management Approval: January 2017

Table of Contents

1. EXECUTIVE SUMMARY

1.1 Background

The approved Audit Program 2014-15 provides for an internal audit of Event management. Until recently the City of West Torrens (COWT) operated civic and community events in isolation with the responsibility for planning and executing events resting with individual departments/officers. COWT recognised that event management expertise was largely unavailable throughout the organisation and sort to improve corporate resources. Consequently, the Media and Events Department established a Promotion and Events Officer (PEO) position whose expertise event planners may use. As a result, significant traction in assisting stakeholders with event promotion and delivery has been achieved.

COWT has not documented a corporate policy on event management or approved any specific methodology; therefore audit is unable to assess compliance. Instead the purpose of this audit is to review some of the 2015-16 event management processes that occurred with a view to providing opportunities for better practice and risk mitigation.

1.2 Objectives and Scope

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

- Identified opportunities for better practices and process improvement based on review of a sample of events run across Council, and discussions with a sample of staff with event management responsibilities.

1.3 Associated Risks

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

- Failure to deliver quality events on time and within budget;
- Failure to manage event risks or hazards resulting in:
    - An injury to staff or public; or
    - Exposure to COWT to litigation/financial damages; or
    - Reputation damage; or
    - Poor participation levels

1.4 Examples of Good Practice

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

✓ Council has assigned clear responsibilities for events across the organisation, grouped into Large/Significant Events, Community Services Programs, Civic Events and External Community Events

✓ Council has employed a Promotion and Events Officer to assist with the running of large events and providing in-house expertise

✓ Council has commenced a Lean review of event management to improve the

3

Liability limited by a scheme approved under Professional Standards Legislation

> efficiency of the process
>
> ✓ Large events reviewed by Audit, specifically the Mock Crash and Summer Festival, have been well organised and supporting documentation for the events is of a good standard
>
> ✓ Post event evaluations are often done, and post event feedback forms are often used

1.5 Key Findings and Recommendations

COWT has not documented a corporate policy on event management or approved any specific methodology, therefore audit is unable to assess compliance. Instead, the purpose of this audit was to review some of the 2015 – 16 event management processes that occurred with a view to providing opportunities for better practice and risk mitigation.

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 COWT'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: Strategic oversight of events and event calendar			X		
2.2: Support for staff with responsibility for event management			X		
2.3: Budgeting for events			X		
2.4: Risk assessments and risk categorisation of events			X		
2.5: Use of in-house event management and WHS expertise			X		
2.6: Event management knowledge transfer			X		

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

4

2. INTERNAL AUDIT FINDINGS AND RECOMMENDATIONS

2.1: Strategic oversight of events and event calendar	Risk Rating - Moderate		
	Auditor	Descriptor Organisational / Customer	Likelihood Moderate
	Manager	Organisational / Customer	Moderate
		Consequence Moderate	Moderate
Issues and Impact	**Recommendation/s**	**Management Response**	**Target Date**
City of West Torrens (CWT) operates and maintains an extensive range of events across multiple Council departments. There is a lack of strategic oversight of events at a whole of Council level. There is minimal transparency over the calendar of events held across Council, causing an inability to critically assess the program of events as a whole to identify risks and opportunities. These may include, for example: • grouping of complimentary events targeting similar audiences or with similar themes, providing a better experience for the public and potential cost savings; • strategically reviewing the event calendar against Council's strategic objectives to identify any gaps / opportunities to introduce new events or alter existing events to better promote Council strategy; • identifying Council or 3rd party events with overlapping schedules targeting similar audiences that could be held at different times or combined as a single event; • identifying cases where multiple similar events are run by different departments that could be consolidated or cut to avoid duplication; • allowing for easier grouping of events into risk based categories, to facilitate risk assessments; and • providing improved lead-times for event management planning and advertising of events.	**Develop an event calendar** Council develops and maintains a centrally accessible calendar of all events held across Council. Each Department is given responsibility to update the calendar with their events. **Implement a strategic view of events as a whole** The calendar is used as a tool to facilitate a strategic approach to event delivery by Council, giving consideration to the complete program of events. The newly created Promotion and Events Officer position could be given some responsibility for the strategic review of the calendar to identify risks and opportunities to better allocate Council resources to events.	**Events Coordinator** Agree with the audit recommendations. An internal events calendar has been developed and is installed on the CWT intranet. This calendar currently includes corporate events, council meetings, WHS events and training opportunities. By the target date the calendar will be expanded to incorporate public events delivered by the Administration.	24 months

5

2.2: Support for staff with responsibility for event management

Risk Rating - Moderate			
Auditor	Descriptor	Consequence	Likelihood
Manager	Organisational / Customer / WHS	Moderate	Unlikely

Issues and Impact	Recommendation/s	Management Response	Target Date
Council has a decentralised approach to event management, with multiple departments having responsibility for running events. Audit supports this decentralised approach, as it ensures that the staff with the knowledge of and passion for the desired event outcomes are given responsibility to deliver the event. To work effectively, a decentralised approach must be supported by appropriate guidance, toolkits, training and available support networks. Until recently, Council has not had a comprehensive set of event management guidance or templates, and has not had a central point of contact available to support staff who are running events. As a result, the quality of event management has historically been largely a consequence of the individual staff involved, rather than the processes established within Council. Council has recently appointed a Promotion and Events Officer. This person now provides this central support mechanism, and has started developing a suite of guidance materials and templates for staff to refer to.	**Define risk-based categories for the grouping of events, and assign each event to a category** Risk-based event categories are defined. All events are assigned to these categories, which are then used to determine the nature and extent of documentation/other requirements to support event management and risk assessments. Appendix 1 and 2 provide further guidance for developing categories and requirements. **Completion of guidance material and templates** Using the risk-based event categories: • Minimum requirements are defined for each category including the nature and extent of documentation, risk assessment and staff training requirements. • an event management toolkit is developed to support compliance with these requirements, including relevant event management templates and checklists. The existence of these toolkits is communicated to all staff with event management responsibilities, they are made readily available in a central document management system, and their use is made mandatory.	Events Coordinator Agree with the audit recommendations. Risk based event categories will be defined by CWT. Appropriate systems and relevant documentation to be implemented by the target date.	12 months

2.3: Budgeting for events

Risk Rating – Moderate		
Auditor	Descriptor	Consequence
	Financial	Minor
Manager	Financial	Minor

Recommendation/s	Management Response	Target Date
Prepare complete budgets for events Event budgets include all directly attributable costs, including internal staff costs and internal recharges from other Departments.	**Events Coordinator** Agree with the audit recommendations. Administration to investigate a suitable methodology with relevant Managers.	24 months

Issues and Impact

Council often does not account for internal staff costs in the preparation of event budgets.

As a consequence, Council does not have a true understanding of the cost of running events. Staff time accounts for a significant portion of the cost of events, and excluding it from budgets gives an unrealistic indication of the cost to Council and ratepayers. Internal staff costs are a real cost to ratepayers, and the allocation of staff resources to events comes with an opportunity cost in that this time could be allocated to other Council functions. In addition, events are often held after hours or on weekends, resulting in additional overtime costs.

Accurate budgets provide the ability for Council to make effective decisions regarding events, such as whether to expand existing events, create new events, or outsource the running of events. They also provide a useful mechanism to inform post event reviews, including analysing the level of staff time committed and performance of event staff.

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2.4: Risk assessments and risk categorisation of events	Risk Rating – Moderate			
	Auditor	*Descriptor*	*Consequence*	*Likelihood*
	Manager	*WHS*	*Moderate*	*Unlikely*
		WHS	Moderate	Unlikely
Issues and Impact	**Recommendation/s**		**Management Response**	**Target Date**
The large events reviewed by Audit, including the Mock Crash and Summer Festival, had comprehensive risk assessments performed. Small – moderate size events run by Council and informally deemed "low risk" do not always have risk assessments performed, potentially exposing Council in the event of any incident. Whilst these events may be inherently low risk, they can still involve moderate – large groups of public citizens and must be managed properly, which requires an identification and management of the risks. The extent and frequency of these risk assessments can be scaled appropriately.	**Perform a risk assessment for all events** At a minimum, even for low risk events, Audit recommends a risk assessment is performed and reviewed annually, and following any significant change in circumstances or any incident / near miss. A standard template should be used for all risk assessments. Low – moderate risk events of a similar nature may be able to be grouped for risk assessment purposes (e.g. one risk assessment covering all citizenship ceremonies, one risk assessment covering all similar events run in the library).		**Events Coordinator** Agree with the audit recommendations. A risk assessment template has been drafted by the Media and Events Team and is in the process of being assessed by Management.	Risk assessments for Category 1 events to commence within 6 months, category 2 within 18 months and category 3 within 24 months (refer to Appendix 2 for definition of risk categories)

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Risk Rating – Moderate			
2.5: Use of In-house event management and WHS expertise	*Auditor*	*Descriptor*	*Likelihood*
			Unlikely
	Manager	*WHS*	*Consequence*
		WHS	*Moderate*
			Moderate
Issues and Impact	**Recommendation/s**		**Management Response**
Council has created a Promotion and Events Officer position, who is available to support staff with event management responsibilities. A central WHS contact is also available to assist with event management WHS issues or queries.	<u>Encourage increased use of in-house WHS and event management expertise</u>		**Events Coordinator**
	Council staff with event management responsibilities are encouraged to actively consult with the Event Coordinator and WHS team to provide guidance and advice in relation to event management, WHS and risk assessment requirements.		Agree with the audit recommendation.
The availability of these in-house resources is of great benefit to staff in supporting the effective running of events. To date, there has been only minimal use of these resources by staff.			Administration to embed checkpoints into templates and forms as they are developed.
Staff interviewed by Audit raised some potential WHS issues, that could be managed through increased collaboration with the WHS team. These included ideas for modifying the current incident management form to better facilitate the recording of incidents involving the general public (not just Council employees), and establishing improved check-in procedures for staff who are working outside of business hours on the delivery of events.			Key documents to be added to CWT intranet (under an events category)
			Review progress after 12 months.
			Target Date
			12 months

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Risk Rating – Moderate			
2.6: Event management knowledge transfer	**Auditor**	**Descriptor** Organisational / Customer	**Likelihood** Likely
	Manager	Organisational / Customer	Minor
			Consequence Minor
			Likelihood Likely

Issues and Impact	**Recommendation/s**	**Management Response**	**Target Date**
For some events reviewed by audit, there was a lack of documented procedures / processes (such as an event plan, checklists, run sheets, etc.) demonstrating how events had been organised and delivered.	**Consider knowledge transfer in the development of event management requirements**	**Events Coordinator**	12 months
	In developing guidelines and templates for event delivery (see finding 2.2), Council ensures that the required level of documentation is sufficient to support effective knowledge transfer.	Agree with the audit recommendations.	
This makes it difficult for any new staff who take on responsibility for the event in future. There are many factors to consider in the delivery of events, and without proper documentation and knowledge transfer the risk that important steps in the process will be missed is high.	Audit notes that work currently being undertaken by the Lean team to review the event management process will also assist with knowledge transfer.	Completed (sample) documents can be added to CWT intranet.	
A number of staff interviewed by Audit indicated that they did not receive any specific training regarding their event management responsibilities. Staff could potentially access external training through the PDP process, though this has not been the case in relation to events sampled by Audit.	**Provide training for staff responsible for running higher risk events**	WHS Team to deliver specialist training for staff working in the event space.	
	To support the rollout of guidance materials, provide specific event management and risk management training to staff responsible for running moderate to high risk events (see finding 2.2).		

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Appendix 1 – Factors to consider in establishing risk-based event categories

To categorise events is not a simple task and to do this the level of risk needs to be carefully thought through. The following factors are examples of things that should be considered in establishing risk-based categories for the classification of events (see finding 2.2). This list is not exhaustive – the specific risk factors for each event must be carefully identified and considered.

- Availability of alcohol (high risk factor)
- Number of attendees
- Council staff attendance at events (attendance by staff generally = decreased risk)
- Experience of staff / volunteers running the event
- Location of events (e.g. indoor vs outdoor, proximity to major roads, Council premises vs 3rd party premises)
- Frequency of events (e.g. ad-hoc vs regular events)
- Whether food is being served at the event, and the nature of this food
- Age profile of attendees (e.g. events involving minors = higher inherent risk)
- Involvement of 3rd parties (e.g. in planning or running of events)
- Existence of traffic management requirements
- Consideration of any past incidents at similar events
- Timing of the event (during normal business hours, after hours / weekends)
- Nature of activities and entertainment (e.g. skating, bouncy castles, water based events, other interactive entertainment or "moving parts" = higher risk)
- Event access control i.e. set venue with defined entry and exit points vs general venue area with open access or less control over patrons entering and leaving
- Degree of event structure (e.g. structured ceremony vs open festivals)
- Public transport requirements
- Timeframe available to plan the event (i.e. is there sufficient time to plan adequately?)
- Whether any other events (including 3rd party events) are being held at the same time that could affect the safety of attendees
- Possibility of drug use

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Appendix 2 – Example Guidance for the categorisation of events

Table 1 *"Categorisation of Events"* provides an example of a guide to categorising events into risk-based categories. To be classified in a category, the event should meet each of the criteria described in the applicable column.

Once a category has been selected, Table 2 *"Guidelines for Event Management Requirements"* provides guidance as to the tasks and documentation that the event organiser must complete.

Important note: These tables are provided as an example only. They are not intended to be applied as is to the City of West Torrens. The tables require tailoring to the City of West Torrens' specific needs and circumstances established for example via workshops with key stakeholders.

Table 1 – Categorisation of Events - Example

Guidelines	Category 3 Event	Category 2 Event		Category 1 Event		
	Small in-house events	Medium in-house events	Small - Medium external events or after hours internal events	Large in-house events	Large external events	Any other events that have been deemed a high risk
Nature of Event	Small in-house events	Medium in-house events	Small - Medium external events or after hours internal events	Large in-house events	Large external events	Any other events that have been deemed a high risk
Number of Attendees	Up to 50 attendees	50 – 300 attendees	50 - 300 attendees	300+ attendees	300+ attendees	N/A
Location	Run in or on Council controlled premises	Run in or on Council controlled premises	Run in or on non-Council controlled premises; or Run in or on Council controlled premises after hours	Run in or on Council controlled premises	Run in or on non-Council controlled premises	Can be anywhere, if other risk factors present. High risk location e.g. skate park, near water
Alcohol (If Yes, event should be classed as Category 3)	None - minimal	None - minimal	None - minimal	Could be Yes or No	Could be Yes or No	Could be Yes or No
Event Structure	Structured	Structured	Structured	Structured or unstructured	Structured or unstructured	Structured or unstructured
Other high risk factors (see Appendix 1)	None	None	None	Possible	Likely	Yes

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Table 2 – Guidelines for Event Management Requirements - Example

Requirements	Category 3 Event	Category 2 Event	Category 1 Event
Risk Assessment	Full risk assessment required One risk assessment may cover multiple, similar events Risk assessment reviewed annually, or following a significant change in circumstances or an incident	Full risk assessment required One risk assessment may cover multiple, similar events Risk assessment reviewed annually, or following a significant change in circumstances or an incident	Full, event specific risk assessment required each time event is run
Event Management Plan	Basic event details documented (e.g. time, place, staff responsible) Emergency planning is in place and managed by a competent staff member	Focused event management plan required (being a smaller scale version of the full event management plan)	Full event management plan required (including communication plan, traffic management plan, site maps, documented discussion with all relevant support services i.e. Police, SAMFS etc.)
Security	External security generally not required	Strongly consider the need for external security, subject to risk assessment	External security must be put in place
Budgeting	Direct external costs only	All internal and external event costs, including internal staff time and intra-council recharges	All internal and external event costs, including internal staff time and intra-council recharges Encourage utilisation of pre-qualified external contractors for competitive pricing
Pre / Post event meetings	Post event meetings mandatory if any incidents / near misses are reported Pre / post event meetings otherwise optional at the discretion of management	Pre and post event meetings strongly encouraged Post event meetings mandatory if any incidents / near misses are reported	Pre and post event meetings mandatory to improve future event organisation, and ensure coverage of all risk and organisational considerations
Approval for event to be held	Formal review and sign off of risk assessment by Department Manager prior to event	Formal review and sign off of risk assessment by Department Manager prior to event	Formal "go / no-go" decision by General Manager and Executive, including review of risk assessment
3rd Party use of Council facilities / premises	3rd party use generally not expected for category 3 events. Events may involve very low risk activities supervised by Council staff Induction in emergency evacuation must be supplied	A formal contract must be signed stating the full responsibilities of the hirer Training/induction in emergency evacuation and the position of fire extinguisher/s must be supplied and documented Hirer must be able to demonstrate suitable systems to competently manage the safety of all attendees OR must commit to compliance with City of West Torrens defined requirements for external hire (e.g. qualified first aid staff, assigned responsibility for safety, security requirements, etc. – checklist to be developed)	A formal contract must be signed stating the full responsibilities of the hirer Training/induction in emergency evacuation and the position of fire extinguisher/s must be supplied and documented Hirer must be able to demonstrate suitable systems to competently manage the safety of all attendees, and supply an event management plan for City of West Torrens Approval
Training for staff managing event	Risk management training at induction, with annual refresher training	Risk management training at induction, with annual refresher training	Risk management training at induction, with biennial refresher training Specific event management training at induction, with periodic refresher training

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8.3.3   Third Party Audit Lease Royalties

Brief

This report presents the results of the *Third Party Lease Royalties Internal Audit*

RECOMMENDATION(S)

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

Introduction

In accordance with the approved Internal Audit Program 2016-2017 and scope *Third Party - Lease Royalties Internal Audit* (the audit) was undertaken by the Contract Legal Auditor (the Auditor). The objectives of the audit were to evaluate and report on:

- The accuracy of royalty payments made by both Solo Resource Recovery Pty Ltd (Solo) and Weslo Holdings Pty Ltd (Weslo) during the 2014 – 15 financial year

- Compliance and accuracy of annual rent reviews undertaken consistent with the lease agreements

- Insurance and indemnity cover held by Solo and Weslo complies with the lease agreement as at the date of inspection.

Discussion

The audit scope focussed on the accuracy of lease rent and royalty payments made during the 2014-15 financial year for Solo and Weslo, therefore it is not subject to a compliance rating. The auditors reviewed a number of source documents to recalculate the rent and royalty payments as outlined on pages 4-5 of the report.

Following completion of the audit, a draft Audit Report (the Report) was issued to the Manager City Assets for comment and individual risk assessment during June 2016. This report was presented to the Executive and was subject to a correction of fact request.

The report was reviewed by Tim Muhlhausler (Galpins), amended accordingly and approved by the Executive **(Attachment 1)**.

Internal Audit Findings

Five (5) internal audit findings were made, three (3) internal audit findings were assessed by the auditor as attracting a moderate level of risk, one (1) as attracting a low level of risk and one (1) better practice opportunity was presented. All risk findings were agreed for actioning and the one (1) better practice opportunity will be pursued. As the findings are within risk tolerance levels and the recommendations are minor in nature, they are not subject to priority actioning but will be completed as part of the relevant review cycles ranging from July 2016 to 31 July 2017.

The Senior Property Asset Advisor is making considerable progress against the draft agreed actions, for example reconciliation of CPI adjustments is now occurring between the Property Advisor and Financial Services.

Conclusion

The *Third Party - Lease Royalties Internal Audit,* undertaken by the Contract Legal Auditor, is complete. All audit findings are within risk tolerance levels and the recommendations minor in nature, therefore progress updates will not be reported to the Committee.

Attachments

1.   **Third Party - Lease Royalties Internal Audit**

City of West Torrens
Third Party Audit - Lease Royalties

Internal Audit Report

Audited By: Luke Williams, Contract Internal Auditor
                  Pascal Marrot, Contract Internal Auditor

1st Draft Report Issued: 12/05/2016

2nd Draft Report Issued: 25/01/2017

Final Report Executive Management Approval: 31 January 2017

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1. EXECUTIVE SUMMARY

1.1 Background

The approved Audit Program 2015 – 18 provides for an internal audit of lease royalty agreements. The City of West Torrens, as the lessor, has lease agreements with the following companies:

- Solo Resource Recovery Pty Ltd (Solo)
- Weslo Holdings Pty Ltd (Weslo).

Both leases agree the payment of a fixed annual rent / fee as well as a royalty payment. The annual rent and royalty payments are subject to an annual adjustment in line with a relevant CPI indexation factor.

The audit has been conducted over both lease agreements to determine the material correctness and accuracy of the lessee's royalty calculations and remittances to council during the 2014 – 15 financial year.

1.2 Objectives and Scope

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

- The accuracy of royalty payments made by both Solo and Weslo during the 2014 – 15 financial year
- Compliance and accuracy of annual rent reviews undertaken consistent with the lease agreements
- Insurance and indemnity cover held by Solo and Weslo complies with the lease agreement as at the date of inspection.

The scope of the audit was to review, but not limited the following:

- Third party transactions, income and / or expenditure relevant to the calculation of royalty / rent payments
- The accuracy of royalty payments made during the 2014 – 15 financial year by performing recalculation and analytical procedures
- Insurance transactions, certificates and records.

1.3 Associated Risks

Potential risks associated with the Third Party Audit – Lease Royalties include but are not limited to:

- Council does not achieve the correct level of rent / royalty income
- Lease conditions are not being met
- Insurance / indemnity cover is not maintained to the required level exposing the City of West Torrens to undue risk

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1.4 Background information relevant to Solo lease

In order to recalculate the rent and royalty payments, we obtained a number of source documents as inputs. These included:

- **Australian Bureau of Statistics:** Transport equipment manufacturing CPI index from quarter ending December 2005 – September 2015. **See Appendix 1**

- **Lease agreement:** The lease agreement executed by Solo and the Council detailing the rent and royalty amounts and the annual review conditions

- **Weighbridge reports –** Detailed data provided by Solo with tonnages recorded at relevant waste and recycling sites. This data is captured in iWeigh and then imported into a Lotus notes application. Lotus is configured to calculate the royalty payments once the data from iWeigh is imported. This information is then copied into the royalty statements which are provided to the council

- **Royalty statements –** Statements detailing tonnages and royalty payments required to be invoiced by the Council to Solo for the relevant quarterly period

- **Council calculations –** Calculations provided by the Councils' Senior Property Assets Advisor for the rent and royalty components. We used these to check our own recalculations of the rent and royalties against those determined by the Council

- **Debtors reports –** Detailed report listing all amounts invoiced by the Council to Solo in order to verify the accuracy of rent charged.

As part of our review, we also noted two important dates outlined in the lease agreement with Solo. These are:

- The **'Commencement date'** – This being the 26th of June, when adjustments to rent and royalties are affected. This date also marks the anniversary of the commencement of the lease on the 26th June, 1998

- The **'Effective date'** – This being the 1/1/2007 when amendments to the existing contract became effective.

Our discussions with the Senior Property Assets Advisor indicated that the March CPI value is used to calculate the annual rent and royalty adjustments under the Solo lease.

Using the information noted above, we recalculated the CPI indexation factors, rent and royalty amounts, and compared the results to the councils' calculations, the royalty statements prepared by Solo and the debtor reports (amounts actually invoiced by the Council).

In addition, we compared the data recorded in the weighbridge reports and the royalty statements.

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1.5 Background information relevant to Weslo leases

In order to recalculate the rent and royalty payments, we again obtained a number of source documents as inputs. These included:

- **Australian Bureau of Statistics:** Adelaide All Groups CPI index from quarter ending March 2001 – March 2015. **See Appendix 1**

- **Lease agreements:** The lease agreement executed by Weslo and the Council detailing the rent and royalty amounts and the annual review conditions. There are two separate leases for the following properties:

  - **Thebarton Theatre**
  - **164 – 166 South Road, Thebarton**

- **Theatre hire statements –** Monthly statements detailing events booked at Thebarton Theatre, the gross fees and the royalty payment to be paid by Weslo to the Council. The monthly royalty payments are paid quarterly in arrears

- **Council calculations –** Calculations provided by the Councils' Senior Property Assets Advisor for the rent component for both properties. We used these to check our own recalculations of the rent against those determined by the Council

- **Debtors reports –** Detailed report listing all amounts invoiced by the Council to Weslo for the rent component for both properties in order to verify the accuracy of rent charged.

As part of our review, we also noted two important dates outlined in the lease agreements with Weslo for Thebarton Theatre and 164 -166 South road.

For Thebarton Theatre, these are:

- The **'Execution date'** – This being the 22/11/2008, the date when the contract was executed

- The **'Commencement date'** – This was not detailed separately and as such the commencement date is deemed to be the same as the execution date.

Our discussions with the Senior Property Assets Advisor indicated that the September CPI value is used to calculate the annual rent and royalty adjustments under the lease agreement for Thebarton Theatre.

For 164 – 166 South road, these are:

- The **'Execution date'** – This being the 01/07/2002, the date when the contract was executed

- The **'Commencement date'** – This is 01/07/2002 and is listed separately and specifically as the 'commencement date'.

Our discussions with the Senior Property Assets Advisor indicated that the June CPI value is used to calculate the annual rent and royalty adjustments under the lease agreement for 164 – 166 South Road. In addition, rent is payable in advance on the first day of each month.

Using the information noted above, we recalculated the CPI indexation factors and rents, and compared the results to the council calculations and the debtor reports (amounts actually invoiced by the Council)

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1.6 Key Findings and Recommendations

This internal audit focused on three main components of the lease agreements between Solo and COWT and Weslo and COWT as outlined in the scope above. The three components of the lease agreements under review included;

- Royalties
- Rent Reviews
- Insurance.

Weslo royalties

We reviewed the accuracy of royalty payments made by Weslo during the 2014 – 15 financial year. Specifically, these were royalties stemming from the Thebarton Theatre hire fees as stipulated in the lease agreement.

Our review consisted of obtaining the remittance statements submitted by Weslo to council and reconciling the royalty amounts recorded to the transaction listing and tax invoices provided to event promoters / managers.

Our review did not identify any reportable findings in relation to the royalties remitted back to council.

Solo royalties

Our review of the lease royalties under the Solo lease contract revealed incorrect application of royalty adjustments which led to inaccurate royalty payments. Specifically, there are differences in the royalty rate per tonne when comparing our calculations with those applied by Solo for the royalty payment calculation. *(Finding 2.2)*

This has resulted in inaccurate royalty payments. These inaccurate royalty payments exist across both the waste and recycling components.

Our recalculations using the tonnages recorded in the royalty statements and the recalculated CPI indexation revealed a total net underpayment of $2,963.59 for the 2014/15 financial year. The total royalties paid by Solo was $77,231.67 but it should have been $80,195.26.

This was up made of the following amounts for the 2 components:

- Waste: Total net under payment - $2,033.07
- Recycling: Total net under payment - $930.52.

Our review of the weighbridge reports (source data) and the royalty statements provided to Council identified variances in the tonnages recorded in the weighbridge reports to the tonnages recorded in the royalty statements. These variances exist across both the waste and recycling components. *(Finding 2.4)*

We also noted a process improvement opportunity in that the statements from Solo do not include any reference to the tonnage rate for waste or recyclables used in the royalty payment calculation. *(Finding 2.5)*

This renders the process of verifying the accuracy of royalty payments more difficult for the Council. Inclusion will assist in providing greater visibility of the calculation of royalty payments and the rates used.

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Rent Reviews

We reviewed the compliance and accuracy of annual rent reviews undertaken in accordance with the lease agreements. This included a review of the rent component under the lease agreements which revealed incorrect calculation of rent adjustments leading to inaccurate rental amounts being invoiced to Solo and Weslo. *(Findings 2.1 and 2.3)*

These inaccuracies stem largely from the fact that the lease agreements contain multiple important dates, complicating the determination of rent review timings and applicable CPI quarters for use in the calculations, and / or are not clear about the specific CPI indexation value to be used for adjustments.

Within council, different departments have each assumed different CPI quarters (March and June) in their calculations of the Solo rental adjustments. Galpins have performed recalculations for 2014/15 using both CPI rates, and have been unable to replicate the actual amounts billed to Solo using either of these rates. Estimates of potential undercharges to Solo range between $1,373 applying the June rates and $4,355 applying the March rates.

Variances also exist between internal calculations and actual amounts billed for the Thebarton Theatre rental (a potential undercharge of approximately $2,442.21) and minor variances for the 164 – 166 South Road property (approximately $50 for 2014/15).

Insurance requirements

We reviewed the Insurance and indemnity cover held by Solo and Weslo complies with the lease agreement as at the date of inspection which included the following;

Reviewing the lease agreements to determine the key insurance requirements stipulated and comparing the requirements to actual insurance policies held by Solo and Weslo. Our review did not identify any reportable findings in relation to the policies held and their coverage.

A table detailing the key insurance requirements is provided in **Appendix 3**.

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Findings Summary Table

A summary of the internal audit findings are summarised in the table below.

Finding and Recommendation/s - Risk Table	Extreme Risk	High Risk	Mod Risk	Low Risk	Better Practice
2.1 Adjustments to rent under the Solo lease agreement			✓		
2.2 Calculation of royalty payments under Solo lease agreement			✓		
2.3 Adjustments to rent under the Weslo lease agreement			✓		
2.4 Variances in tonnages recorded in weighbridge reports and royalty statements				✓	
2.5 References to tonnage rates in Solo statements					✓

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

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2. INTERNAL AUDIT FINDINGS AND RECOMMENDATIONS

2.1: Adjustments to rent under the Solo lease agreement

	Risk Rating - Moderate		
	Descriptor *Financial*	**Consequence** *Moderate*	**Likelihood** *Likely*
Auditor	*Manager*	*Moderate*	*Likely*
Recommendation/s		**Management Response**	**Target Date**

Issues and Impact

We reviewed the compliance and accuracy of annual rent reviews undertaken in accordance with the lease agreements. This included a review of the rent component under the lease agreements which revealed two issues leading to potentially inaccurate rental amounts being invoiced to Solo:

1) varying interpretations of the calculation of rent adjustments (specifically the CPI rate applicable to the rent adjustments); and

2) differences in the interpretation of the timing of annual rental adjustments.

These varying interpretations stem from the fact that the lease agreement with Solo is not explicit about the specific CPI indexation value or factor to be used for rent and royalty adjustments, and also the existence of multiple contract dates including the 'Commencement date' and 'Effective Date' (detailed in 1.4 above) increasing the complexity of the calculation.

Within council, different departments have each assumed different CPI rates and timings in their calculations.

CPI rates used

The Senior Property Assets Advisor indicated that the March quarter CPI is used to calculate the annual rent and

Recommendation/s

Improved internal review and approval

The Council should consider measures to ensure that calculations for rental adjustments are appropriately reviewed and approved prior to their application and issuing any invoices for the year ahead.

This may include:

- Reviewing and approving calculations of rental and royalty adjustments;
- Agreeing the recalculated rent and royalty adjustments with the lessee;
- Reconciling the annual rental amount invoiced by Finance to the rental adjustment amounts calculated by the Senior Property Advisor.

Management Response

2.1 a) Interim processes and proformas have been developed and agreed with Manager, Finance where finance will independently verify calculations made by City Assets staff prior to adjusting rentals and advising tenants.

(Refer to attachment 2.1)

2.1 b) Interim processes to become embedded and enhanced within new pathway licensing module.

With regard to incorrect timing for Solo, Council

Target Date

March 2017

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2.1: Adjustments to rent under the Solo lease agreement

	Risk Rating - Moderate		
Auditor	**Descriptor**	**Consequence**	**Likelihood**
Manager	*Financial*	*Moderate*	*Likely*

royalty adjustments under the Solo lease, this being the closest quarter for which CPI rates have been published by the ABS each year as at the 26 June "Commencement Date" when adjustments to rent and royalties are effected. The use of the March quarter CPI has been confirmed with Solo via an email in October 2015. In contrast, the Finance department have instead been using the June quarter CPI, consistent with advise provided in an email response received from Norman Waterhouse lawyers in 2008, based on the rationale that this is the closest quarter to the 26 June "Commencement Date".

Due to the ambiguity around which CPI rate to use, it is not possible to say with certainty whether the March rate, June rate, or some combination of the two should have been applied.

Timing of the application of rental adjustments

Amendments to the existing contract became effective on 1/1/2007 (the 'Effective Date'), whilst adjustments to rent were to continue to be effective from the first period following the 26th June 'Commencement Date' in accordance with the original contract.

The Senior Property Assets Advisor has calculated the rental amounts on the assumption that adjustments are applied to the September quarter rent payment each year, the July – September period being the first period following the 26th June. The amounts invoiced to Solo by the Finance Team have been based on the assumption that adjustments are applied to the March quarter rent payment, the January – March period being the first quarter following the 1 January 'Effective Date'.

Auditor / Manager:

Amend or redraft contract to clarify adjustment calculations

The council should consider amending or adding an addendum to the lease agreement that more explicitly details the calculation methodology for annual rent adjustments.

This should include the following:

- Prescribing the exact CPI index, or preferably the CPI series ID, to be used;
- Prescribing explicitly the correct quarterly index value used for CPI indexation;
- Gaining agreement with Solo and Weslo on the adjustment that will be applied to rent and royalty rates for year ahead.

Consequence / Moderate:

received legal advice indicating that the December Quarter CPI should be used, (Refer to attachment 2.1.2)

The Administration will confirm all commencement dates and adjustment dates and method of adjustment where an existing lease does not clearly indicate this.

Refer to attachment 2.3. All new leases entered into will clearly specify these criteria.

Likelihood:

31 July, 2017

Ongoing

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		Risk Rating - Moderate		
		Descriptor *Financial*	Consequence *Moderate*	Likelihood *Likely*
Auditor	*Manager*	*Financial*	*Moderate*	*Likely*
2.1: Adjustments to rent under the Solo lease agreement Galpins have performed recalculations for 2014/15 using both the March and June quarter CPI rate and applying increases to the September quarter. Using either of these rates, there are variances to the actual amounts billed to Solo with estimates of potential undercharges of $1,373 applying the June rates and $4,355 applying the March rates. In addition to the ambiguity in the agreement, the above variances highlight an absence of adequate communication between the Finance Department, Property Department and Solo to agree on a CPI consistent rate, agree on the timing of rate reviews, and review and agree on the calculation of amounts to be charged.				

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2.2: Calculation of royalty payments under Solo lease agreement

	Risk Rating - Moderate	
Likelihood *Likely*	**Consequence** *Minor*	**Descriptor** *Financial*
		Auditor / *Manager* *Financial*

Issues and Impact	Recommendation/s	Management Response	Target Date
Our review of the lease royalties under the Solo lease contract revealed incorrect application of royalty adjustments which led to inaccurate royalty payments. Specifically, there are differences in the royalty rate per tonne when comparing our calculations with those applied by Solo for the royalty payment calculation. This has resulted in inaccurate royalty payments. These inaccurate royalty payments exist across both the waste and recycling components.	**Further investigation** The Council should consider undertaking further investigation to confirm the extent of any incorrect application of royalty adjustments and the resulting impact on past royalty payments.	No further investigation to be undertaken.	Completed
Our recalculations using the tonnages recorded in the royalty statements and the recalculated CPI indexation revealed a total net underpayment of $2,963.59 for the 2014/15 financial year. This was up made of the following amounts for the 2 components: • Waste: Total net under payment - $2,033.07 • Recycling: Total net under payment - $930.52. Our recalculation of waste royalties is detailed in Appendix 2.	**Improved internal review** The Council should consider measures to confirm the accuracy of the royalty payments as detailed on the royalty payment statements remitted by Solo. This could include recalculation of the royalty payments prior to issuing any invoices.	Process developed, refer to 2.1a	Completed
Further investigation identified that differences in the royalty rate per tonne were due to the incorrect timing of CPI adjustments. Whilst amendments to the existing contract became effective on 1/1/2007, adjustments to royalties were to	**Agreement on adjustment to royalty rates** The council should calculate the adjustments to the royalty rate per tonne early in the financial year and gain agreement with Solo so that adjustments are correctly applied from the September quarter.	Agree, refer to 2.1a, (Refer attachment 2.1)	Completed

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2.2: Calculation of royalty payments under Solo lease agreement

	Risk Rating - Moderate		
	Descriptor Financial	Consequence Minor	Likelihood Likely
Auditor			
Manager	Financial	Minor	Likely
continue to be effective from the first period following the commencement date being the 26th June. Had adjustments been applied correctly, these would have taken affect for the September quarter royalty payment. Instead adjustments were applied from the 1st January or the March quarter royalty payment the following year. This incorrect timing of adjustments has been occurring since at least the 2008 / 2009 financial year.	Recover underpaid royalties

Following the confirmation of any further investigation, the Council should consider whether recovery of any unpaid royalties is warranted. | To recover Royalty underpayments for 15/16 only.

Invoice by 30 June, 2016. | 30 June 2016. |

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2.3: Adjustments to rent under the Weslo lease agreement

	Risk Rating - Moderate		
Auditor	Descriptor *Financial*	Consequence *Minor*	Likelihood *Likely*
Manager	*Financial*	*Minor*	*Likely*
Issues and Impact	**Recommendation/s**	**Management Response**	**Target Date**
As part of the review of the rent component for Weslo, we again reviewed the Senior Property Advisors' calculations and the amounts invoiced by the Council per debtor reports. Our review of rental adjustments for Weslo revealed two issues leading to potentially inaccurate rental amounts being invoiced: 1) Internal differences in the calculation of rent adjustments; and 2) incorrect interpretation of the timing of annual rental adjustments. **Calculation of rental adjustments for Thebarton Theatre** The rental amounts calculated by the Senior Property Advisor appear to be accurate, and have been based on the September CPI index value. This is consistent with the "CPI that has been published and is then current" as at the commencement date anniversary of 22 November as per the contract. The actual amounts invoiced by Council to Weslo do not agree with the Senior Property Advisor's calculations. For the 2014/15 financial year, the Council should have invoiced a total of $60,461.61 but Weslo were instead invoiced $58,019.40, a potential undercharge of $2,442.21.	Improved internal review and approval The Council should consider measures to ensure that calculations for rental adjustments are appropriately reviewed and approved prior to their application and issuing any invoices for the year ahead. This may include; • Reviewing and approving calculations of rental and royalty adjustments. • Agreeing the recalculated rent and royalty adjustments with the lessee. • Reconciling the annual rental amount invoiced by Finance to the rental adjustment amounts calculated by the Senior Property Advisor.	Refer to 2.1a Refer to attachment 2.1 With regard to incorrect calculations refer to Attachment 2.3	

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Risk Rating - Moderate		
Auditor	**Descriptor** *Financial*	**Consequence** *Minor*
Manager	Financial	Minor

Likelihood
Likely

Likely

2.3: Adjustments to rent under the Weslo lease agreement

Timing for the application of rental adjustments for Thebarton Theatre

Our review of the rent adjustments for Thebarton Theatre revealed that the timing of adjustments was not in accordance with the lease agreement.

The lease agreement stipulates that adjustments are to be made on each anniversary of the commencement date (i.e. 22 November). With rent payable in advance on the first day of each month, rent adjustments should therefore apply from 1 December each year.

Instead, rent adjustments have been incorrectly applied from 1 July each year since at least 2009. We note that a 1 July review date applies to the separate Weslo South Road agreement, which may be the cause of this confusion. We have not calculated the potential impact of this incorrect timing, as this is skewed by the fact that rental amounts calculated also appear to be incorrect (as discussed above).

As in the case of variances in rental amounts for the Solo lease discussed in 2.1 above, this scenario again highlights a need for improved communication between the Finance Department, Property Department and the Lessee (i.e. Weslo) to agree on the timing of rate reviews, and review and agree on the calculation of amounts to be charged.

Calculation of rental adjustments for 164 – 166 South Road

Our review of the rental adjustments found only minor variances of around $50 for 2014/15 between our

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Risk Rating - Moderate			
	Auditor	*Descriptor* *Financial*	*Consequence* *Minor*	*Likelihood* *Likely*
	Manager	Financial	Minor	Likely

2.3: Adjustments to rent under the Weslo lease agreement

calculations and amounts invoiced by Council.

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2.4: Variances in tonnages recorded in weighbridge reports and royalty statements provided by Solo

	Risk Rating - Low		
	Descriptor Financial	**Likelihood** Likely	**Consequence** Insignificant
	Auditor / **Manager**		
Issues and Impact	**Recommendation/s**	**Management Response**	**Target Date**
Our review of the lease royalties under the Solo lease agreement required that we review Solo's processes surrounding royalty payments. In summary, data from the weighbridge is captured through iWeigh. This data is then imported into a Lotus notes application which is configured to calculate the royalty payment to be made by Solo. Royalty statements detailing tonnages and royalty payment required to be invoiced is then sent to Council with an invoice subsequently raised. Our review of the weighbridge reports and the royalty statements provided to Council identified variances in the tonnages recorded in the weighbridge reports to the tonnages recorded in the royalty statements. These variances exist across both the waste and recycling components (see Appendix 2). We have not performed any scenario analysis or recalculated any royalty payments using the tonnages recorded in the weighbridge reports.	<ins>Further investigation</ins> Council considers undertaking further investigation to confirm the extent of any miscalculations and the resulting impact on past royalty payments. <ins>Submission of weigh bridge reports</ins> Request that Solo provides the weighbridge reports when submitting royalty payments. In addition, this should contain clear linkages between the tonnages recorded in the weighbridge reports and the royalty payment statements provided by Council.	The underpayment is not material (<2,000), we will seek to prevent future discrepancies by undertaking random checks. Random check to be undertaken once designated invoice received, coupled with on-going monitoring of collection trends.	Completed On-going

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2.5: Reference to tonnage rates in Solo statements

	Risk Rating – Better Practice		
	Auditor	*Descriptor*	*Likelihood*
		Manager	
Issues and Impact	**Recommendation/s**	**Management Response**	**Target Date**
The statements from Solo do not include any reference to the tonnage rate for waste or recyclables used in the royalty payment calculation. This renders the process of verifying the accuracy of royalty payments more difficult for the Council. Inclusion will assist in providing greater visibility of the calculation of royalty payments and the rates used.	Tonnage rates to be detailed The council should request Solo include the tonnage rate for waste or recyclables used in the royalty payment calculation. This will assist to provide greater visibility of the calculation of royalty payments and allow council to more easily confirm the accuracy of royalty payments.	Agee, proformas template developed by Council to be provided to Solo at the commencement of each billing year to be used. (Refer to attachment 2.6)	July 2016

Appendix 1   ABS CPI index tables

The tables below represent the Australian Bureau of Statistics CPI index tables used to recalculate the rent and royalty adjustments under the Solo and Weslo lease agreements.

Table 1: Transport equipment manufacturing CPI used for Solo lease agreement

Australian Bureau of Statistics: Transport equipment manufacturing CPI index from quarter ending March 2001 – March 2015					
Year	31 March	30 June	30 September	31 December	Annual
2015	108	108.2	111.6		
2014	105.8	105.4	105.1	106.4	105.675
2013	103.1	103.6	104.7	104.3	103.925
2012	99.2	100.3	100.7	102.2	100.6
2011	102.7	101	99.7	100.8	101.05
2010	100.9	101	101	100.9	100.95
2009	114.5*	109.1	107.2	100.9	107.925
2008	97.8	97.8	100.4	111.7*	101.925
2007	99.6	100.5	98.4	97.5	99
2006	95.8	98	99.1	99.7	98.15
2005				94.3	

* Please note this spike in the Transport Equipment Manufacturing CPI has been checked with the Australian Bureau of Statistics and is consistent with spikes in the oil price that significantly impacted this index at the time.

Table 2: Adelaide all groups CPI used for Weslo lease agreement

Australian Bureau of Statistics: Adelaide All Groups: CPI index from quarter ending December 2005 – September 2015					
Year	31 March	30 June	30 September	31 December	Annual
2015	106.3				26.575
2014	105.1	105.5	105.9	106.2	105.675
2013	102.1	102.3	103.7	104.4	103.125
2012	99.9	100.2	101.7	102.1	100.975
2011	98.1	99	100	100	99.275
2010	94.6	95.3	96.2	96.5	95.65
2009	92.2	92.7	93.7	94.1	93.175
2008	90.1	91.3	92.5	92.2	91.525
2007	86.3	87.3	88	88.9	87.625
2006	84.7	85.8	86.8	86.5	85.95
2005	82.2	82.7	83.6	83.9	83.1
2004	80.4	80.9	81.2	81.7	81.05
2003	78.7	78.6	79.2	79.6	79.025
2002	75	75.7	76.4	77.1	76.05
2001	73	73.6	73.7	74.4	73.675

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Appendix 2   Recalculation of recyclable royalties

The below tables represent the recalculation of recyclable royalties for the relevant quarterly statement periods. Variances to the calculations undertaken by audit have been highlighted in red. Variances calculated occurred when comparing weighbridge tonnages data to tonnages recorded in the royalty statements.

July 2014 – September 2014 recalculation: Recyclables

Recycling type (Royalty Statements)	Jul-14	Aug-14	Sep-14
Kerbside	2696.81	2158.96	2157.07
Scrap metal	47.68	54.5	51.21
Total	2744.49	2213.46	2208.28

Weighbridge Report (source data)	Jul-14	Aug-14	Sep-14
Kerbside	2372.55	2156.54	2156.09
Scrap metal	55.94	56.48	86.555
Total	2428.49	2213.02	2242.645
Variance	316.00	0.44	-34.365

Waste Category	Tonnage	Jul-14	Aug-14	Sep-14	Subtotals	Recalculated payment using 14/15 rate per tonne	Solo payment	Solo Rate	Required rate per tonne
Category 1	0 - 250	1000	1000	1250	3250		-	-	-
Category 2	250 - 700	1744.49	1213.46	958.28	3916.23	$14,203.36	$13,951.96	$3.56260	$3.6267954071
Subtotals		2744.49	2213.46	2208.28	7166.23	$ 14,203.36	$13951.96	-	-
Solo figures						$ 13,951.96			
Variation						$ 251.40	Potential Underpayment		

October 2014 – December 2014 recalculation: Recyclables

Recycling type (Royalty Statements)	Oct-14	Nov-14	Dec-14
Kerbside	2308.35	1991.52	2590.61
Scrap metal	93.58	53.37	54.02
Adjusted scrap	73.84	58.1	57.33
Total	2475.77	2102.99	2701.96

Weighbridge Report (source data)	Oct-14	Nov-14	Dec-14
Kerbside	2160.36	1991.52	2590.61
Scrap metal	48.87	58.28	66.75
Total	2209.23	2049.8	2657.36
Variance	266.54	53.19	44.6

Waste Category	Tonnage	Oct-14	Nov-14	Dec-14	Subtotals	Recalculated payment using 14/15 rate per tonne	Solo payment	Solo Rate	Required rate per tonne
Category 1	0 - 250	1000	1000	1250	3250		-	-	-
Category 2	250 - 700	1475.77	1102.99	1451.96	4030.72	$14,618.60	$14,391.90	$3.56260	$3.6267954071
Subtotals		2475.77	2102.99	2701.96	7280.72	$ 14,618.60	$14391.90	-	-
Solo figures						$ 14,391.90			
Variation						$ 226.70	Potential Underpayment		

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January 2015 – March 2015 recalculation: Recyclables

Recycling type (Royalty Statements)	Jan-15	Feb-15	Mar-15
Kerbside	2510.22	1943.13	2612.5
Scrap metal	65.96	57.7	58
Total	2576.18	2000.83	2670.50

Weighbridge Report (source data)	Jan-15	Feb-15	Mar-15
Kerbside	2466.22	1943.13	2117.16
Scrap metal	57.91	61.04	55.59
Total	2524.13	2004.17	2172.75
Variance	52.05	-3.34	497.75

Waste Category	Tonnage	Jan-15	Feb-15	Mar-15	Subtotals	Recalculated payment using 14/15 rate per tonne	Solo payment	Solo Rate	Required rate per tonne
Category 1	0 - 250	1000	1000	1250	3250		-	-	-
Category 2	250 - 700	1576.18	1000.83	1420.50	3997.51	$14,498.15	$14,241.54	$3.56260	$3.6267954071
Subtotals		2576.18	2000.83	2670.50	7247.51	$ 14,498.15	$14,241.54	-	-
Solo figures						$ 14,241.54	Potential		
Variation						$ 256.61	Underpayment		

April 2015 – June 2015 recalculation: Recyclables

Recycling type (Royalty Statements)	Apr-15	May-15	Jun-15
Kerbside	2240.8	1998.13	1875.11
Scrap metal	58.31	65.21	62.58
Total	2299.11	2063.34	1937.69

Weighbridge Report (source data)	Apr-15	May-15	Jun-15
Kerbside	2240.8	1930.37	2313.75
Scrap metal	67.93	62.45	55.59
Total	2308.73	1992.82	2369.34
Variance	-9.62	70.52	-431.65

Waste Category	Tonnage	Apr-15	May-15	Jun-15	Subtotals	Recalculated payment using 14/15 rate per tonne	Solo payment	Solo Rate	Required rate per tonne
Category 1	0 - 250	1000	1000	1250	3250		-	-	-
Category 2	250 - 700	1299.11	1063.34	687.69	3050.14	$11,062.23	$10866.43	$3.56260	$3.6267954071
Subtotals		2299.11	2063.34	1937.69	6300.14	$ 11,062.23	$10866.43	-	-
Solo figures						$ 10,866.43			
Variation						$ 195.80	Potential Underpayment		

Appendix 3   Insurance requirements table

The tables below summarises the key insurance requirements identified in the lease agreements.

	Insurance requirements per lease contracts					
Property	**Thebarton Theatre**		**Certificates of Title: Folio 676 and Folio 857**		**Adelaide waste and Recycling centre**	
Lease commencement date (Policy commencement)	21/11/2002	-	1/07/2008	-	26/06/1998	-
Lease Term	20 years	-	5 years	-	25 years	-
Site Improvements	Not Stated	N/a	Not Stated	N/a	Replacement value	✓
Building insurance	Not Stated	N/a	Not Stated	N/a	Replacement value	✓
Motor vehicle	N/a	N/a	N/a	N/a	Comprehensive for all vehicles used in providing services.	✓
Public risk insurance requirement (minimum)	$20,000,000	✓	$20,000,000	✓	$10,000,000 (Max $20,000,000)	✓
Workers Compensation	Not Stated	N/a	Not Stated	N/a	Personal accident and illness Policy, WorkCover	✓
Equipment	Replacement value	✓	Replacement value	✓	Not Stated	N/a

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8.3.4   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 December 2016.

RECOMMENDATION(S)

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

Introduction

The Internal Audit Recommendation and Action Progress Report (Report) is presented on a six-monthly basis to the Audit and Risk Committee (the Committee). 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 relevant manager for non-priority actioning (Actions).

Discussion

The Report for the period 1 July 2016 to 31 December 2016 is attached **(Attachment 1)**.

At the commencement of this review period, there were a total of (38) actions approved for non-priority actioning. The status of these actions is summarised in the table below:

Status	Number
Not Started	10
In Progress	22
Complete	6
Total Actions	**38**
Outstanding Actions	**32**

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

Six (06) of the total actions were completed with good progress being made against the twenty two (22) identified as 'in progress'. Of the ten (10) actions not started, all are long term actions which are aligned to the next policy review date (which could be within the next four/five years). Of the twenty two (22) actions in progress, eleven (11) have exceeded/extended the original target date by greater than twelve months however, it is important to note that all of these actions are within the City of West Torrens' tolerance level and therefore non-completion of these actions results in no material impact on the risk exposure of the organisation.

Conclusion

The six monthly Internal Audit Recommendation Action Progress Report details the status of those thirty eight (38) internal audit recommendations that were approved for non-priority actioning of which twenty eight (74%) are either complete or in progress.

Attachments

1.   **Internal Audit Recommendation and Action Progress Report**

Internal Audit Recommendation and Action Progress Report

	Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/Review Date	Status Update 31 December 2016
	Asset Management						
1.	**Updating of Unit Rates in Conquest** Request from Conquest the functionality to automatically upload in bulk Conquest "knowledge base" master file details such as unit rates, useful lives, etc.	Agree	Manager City Assets	Better Practice	Better Practice	~~Jun 2014~~ ~~Mar 2016~~ ~~Dec 2016~~ Dec 2017	**In Progress** Still awaiting further advice from Conquest Solutions. To be looked at during next software upgrade. Timing yet to be advised.
	Building Inspection Agreed Action Report						
2.	**Inspection follow ups** An inspection register for swimming pools is created and maintained. Details in the register should be sufficient to manage and monitor the inspection of swimming pools within statutory time frames, monitor timing and progress of follow up inspections, and facilitate the follow up of notifications not received (see finding 2.6).	With the next upgrade of Pathway we will be able to add a component to the inspections workflow that upon recording an "unsatisfactory" inspection, Pathway will automatically program a future inspection and then send email reminders that it is due	Manager City Development	Moderate	Moderate	2015 Dec 2016	**Complete** Pathway upgrade completed with relevant workflow added.
3.	**Monitoring - owner-builder** inspections Targets and statistics related to inspections of building work not being	This information is currently generated, reviewed and reported six monthly. The Manager will communicate	Manager City Development	Better Practice	Better Practice	~~Feb 2015~~ Dec	**In Progress** This workflow is in the process of being built in

Not Started | In Progress | Complete

Internal Audit Recommendation and Action Progress Report

	Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
	undertaken by a licensed building work contractor are communicated to building inspectors.	with the Information Technology Team to facilitate a monthly report, in-line with the timing of other inspection reports.				~~2016~~ June 2017	partnership with the Information Services Department.
4.	**Inspection requirements** Remove this inspection requirement from the policy (i.e. remove from part 11 "Appendix - Inspection Requirements Summary Table"). Include this risk factor as a selection criteria in part 6.6.2 of the Building Inspection Policy.	Agree with recommendation, will include the recommendation at time of next Building Inspection Policy review	Manager City Development	Better Practice	Better Practice	Mar 2018	**Not Started** Policy scheduled for review March 2018.
5.	**Inconsistencies between policy and practice** These inconsistencies between policy and actual practice are reviewed with a view to either amending the policy, or confirming that the policy reads as intended and amending practice.	The annual report, reports on the financial year, will include a recommendation to change the definition of year to financial year at time of next Building Inspection Policy review The second dot point is incorrect, re-inspections are recorded in the Pathway system but are not "counted" in the inspection statistics	Manager City Development	Better Practice	Better Practice	Mar 2018	**Not Started** Policy scheduled for review March 2018.

Not Started   In Progress   Complete

Internal Audit Recommendation and Action Progress Report

	Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
6.	**Recording Inspection Results** Consideration is given to the use of tablet technology to record inspection results in real time. The cost-benefit of this technology would need to be carefully considered.	Currently trialling the use of tablets to enter inspection results directly into Pathway whilst performing inspections	Manager City Development	Better Practice	Better Practice	~~Dec 2015~~ ~~Dec 2046~~ June 2017	**In Progress** This workflow is in the process of being built in partnership with the Information Services Department.
	Credit Cards						
7.	**Issuing of Credit Cards** This is monitored to ensure sufficient time to receive, read and understand the Bank (Credit) Card Conditions of Use occurs. Or The Bank (Credit) Card Conditions of Use requirement is modified to remove the requirement to 'read' and 'understand'. This requirement could be captured in a new bullet point to mandate an agreement to comply with the requirements of the Bank Card	Consider modifying the requirement at next policy review. Assessed as Better Practice because ultimately the employee will be issued with the credit card terms and conditions when the card is presented. This is assessed as a low risk therefore tolerable with the recommendations being better practice in nature Actions. Consequently, the	Manager Financial Services	Low	Better Practice	Oct 2017	**Not Started** No action considered necessary. To be considered at next policy review.

Not Started | In Progress | Complete

Internal Audit Recommendation and Action Progress Report

	Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
	Conditions of Use.	recommended actions are not subject to priority actioning.					
8.	**Reconciliation of cardholder agreements with the Credit Card Register** 1. The special conditions listed on the Credit Card Register are reconciled against the individual card holder agreements and CEO approvals 2. Where the conditions are incorrect the credit card register should be updated. Cardholder agreements are completed if substantial change to the Policy otherwise a 5 year cycle and when subsequent (up dated) authorisation is given to alter card conditions and or limits.	Consider implementing a new agreement each time a credit card expires and a new card is issued i.e. every 3 years. This will ensure reconciliation and currency of the credit card register. This is assessed as a low risk therefore tolerable with the recommendations being better practice in nature Actions. Consequently, the recommended actions are not subject to priority actioning.	Manager Financial Services	Low	Low	Ongoing	**Not Started** To consider at next policy review.

Not Started | In Progress | Complete

Internal Audit Recommendation and Action Progress Report

	Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
9.	**Management of Information**	1. Consider modifying the requirement at next policy review.	Manager Financial Services	Better Practice	Better Practice	1. Oct 2017	**Not Started** To consider at next policy review.
	Consider improving the link between the Policy and the cardholder register by prescribing what information should be recorded.						
	To facilitate s5.1.3 the register should include the DWX ID of, at a minimum, the current cardholder agreements. (Note - This information is largely available as part of the internal audit evidence).	2. Successful implementation of recommendation 3 would eliminate the need to record DWX ID numbers.				2. N/A	
	A consistent manner of ECM registration be applied with links to: Subject Index - Banking Matters (or consistent with recommendation 2.1) HR Employee Index - (Name of employee). Customer - CBA Credit Cards.	3. Roll-out a consistent approach to registration as new credit card agreements are entered into.				3. Ongoing	

Not Started	In Progress	Complete

Internal Audit Recommendation and Action Progress Report

	Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
10.	**Cardholder Expenditure Summary (Distribution and Return).** 1. The Cardholder Expenditure Summary is modified to record, at a minimum, the date of authorisation. If this deadline is fundamental to good governance, then consideration is given to capturing all dates required to reconcile distribution/returns against Policy. 2. Policy is either enforced to ensure compliance with the Policy or and perhaps more appropriately, this requirement is amended to a more achievable deadline. For example replacing the specific day measures with the term 'reasonable' and defining reasonable within the Policy.	Consider modifying the requirement at next policy review.	Manager Financial Services	Better Practice	Better Practice	Oct 2017	**Not Started** To consider at next policy review.

Not Started	In Progress	Complete

Internal Audit Recommendation and Action Progress Report

	Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/Review Date	Status Update 31 December 2016
11.	**Better Practice Recommendation Related to Policy** Various Better Practice Recommendations as outlined in the better practice table	Consider modifying the requirement at next policy review.	Manager Financial Services	Better Practice	Better Practice	Oct 2017	**Not Started** To consider at next policy review.
12.	**Liquor Licence Act 1997** **Intervention by Council in proceedings before the licensing authority under Section 76 of the LL Act.** The Council amend its Liquor Licensing Policy to clarify: • the broad nature of its power of intervention under Section 76A of the LL Act; • the circumstances under which it will be exercised; and • the situations where the Council will seek to gather and adduce evidence or make representations	At the time of the next Liquor Licencing Policy review, we will ensure that the recommendations are factored in.	Manager City Development	Moderate	Moderate	Nov 2016 June 2017	**In Progress** This policy is currently undergoing review in partnership with the Governance team, it has been suggested that it be placed on hold until the Planning, Development & Infrastructure Act commences and so that pending changes to the Liquor Licence Act can be considered.

Not Started | In Progress | Complete

Internal Audit Recommendation and Action Progress Report

Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
in respect of questions before the authority. Such amendments should: • have regard to the requirements that the licensing authority must be satisfied of before granting a licence provided for in Sections 57, 60, 68 and 68 of the LL Act respectively; • indicate the circumstances under which the Council will undertake internal consultation (i.e. with the Mayor, relevant Elected Members and Senior Staff) in respect of applications other than Limited Licence Applications; • indicate the triggers that would require a report to be prepared for consideration by full Council; • indicate the circumstances under which the Council will undertake external consultation with the community or other stakeholders in						

Not Started | In Progress | Complete

Internal Audit Recommendation and Action Progress Report

Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
order to inform itself as to the matters listed in Sections 57, 60, 68 and 68 of the LL Act (where relevant) and the types of consultation that may be considered; • detail any external/internal evidence/record gathering activity that can/should be undertaken in respect of applications including review of the Council's development approval database and Local Government Act permit/approval database or attendance at premises for on-site inspections; • confirm the Council's role in maintaining and pursuing objections before the licensing authority where appropriate planning, local government or its landlord consent is not provided with reference to the matters listed in Sections 57, 60, 68 and 68 of the LL Act; • provide guidance to the Council's delegate as to when applications						

Not Started　　In Progress　　Complete

Internal Audit Recommendation and Action Progress Report

Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
can be conciliated, or where applications must be pursued to full hearing/appeal. Council could also develop a procedure and/or flow-chart to document its intervention processes under Section 76A of the LL Act instead of, or in addition to, making the suggested amendments to its Policy.						
13. **Complaints about noise etc emanating from licensed premises.** The Council amend its Liquor Licensing Policy to clarify: • the broad nature of its power of complaint under Section 106 of the LL Act; • the circumstances under which it will be exercised. Such amendments should: • have regard to the circumstances provided for in Section 106(1)(a)	At the time of the next Liquor Licencing Policy review, we will ensure that the recommendations are factored in.	Manager City Development	Moderate	Moderate	~~Nov 2016~~ June 2017	**In Progress** This policy is currently undergoing review in partnership with the Governance team, it has been suggested that it be placed on hold until the Planning, Development & Infrastructure Act commences and so that pending changes to the Liquor Licence Act can be considered.

Not Started　　In Progress　　Complete

Internal Audit Recommendation and Action Progress Report

Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
and (b) that activate the Council's power to make a complaint; • provide for thresholds or indicia to assist in the determination as to whether a complaint should be made under the Section; • provide for consultation with South Australia Police, as another authority with power to lay such a complaint; • indicate the circumstances under which the Council will undertake internal consultation with senior staff or refer the matter to full Council before commencement; • detail any external/internal evidence/record gathering activity that can/should be undertaken before a complaint is made; • provide guidance to the Council's delegate as to when applications can be conciliated, or where applications must be pursued to full						

Not Started | In Progress | Complete

Internal Audit Recommendation and Action Progress Report

	Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
	hearing/appeal; • indicate the types of orders or additional conditions that could be sought by the Council in order to resolve any conciliation or upon the finalisation of any hearing Council could also develop a procedure and/or flow-chart to document its processes under Section 106 of the LL Act and the grounds under which complaints may be made.						
14.	**Disciplinary action before the Court.** The Council amend its Liquor Licensing Policy to clarify: • the nature of its power of complaint under Section 120 of the LL Act; • the circumstances under which it will be exercised. Such amendments should:	At the time of the next Liquor Licencing Policy review, we will ensure that the recommendations are factored in.	Manager City Development	Moderate	Moderate	~~Nov 2016~~ June 2017	**In Progress** This policy is currently undergoing review in partnership with the Governance team, it has been suggested that it be placed on hold until the Planning, Development & Infrastructure Act commences and so that pending changes to the Liquor Licence Act can be considered.

Not Started | In Progress | Complete

Internal Audit Recommendation and Action Progress Report

Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
• have regard to the relevant circumstances provided for in Section 119(1) (b)(ii), b(iii), (b)(iv), (b)(v), (b)(viii), (d)(ii), (d)(iiv), (d)(iv) or (e) that activate the Council's power to make a complaint; • provide for thresholds or indicia to assist in the determination as to whether a complaint should be made under the Section; • provide for consultation with South Australia Police or the Commissioner, as other authorities with power to lay such a complaint; • indicate the circumstances under which the Council will undertake internal consultation with senior staff or refer the matter to full Council before commencement; • detail any external/internal evidence/record gathering activity that can/should be undertaken before a complaint is made;						

Not Started   In Progress   Complete

Internal Audit Recommendation and Action Progress Report

Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
• indicate the types of orders or additional conditions that could be sought by the Council under Section 121 of the LL Act upon the finalisation of any hearing. Council could also develop a procedure and/or flow-chart to document its processes under Section 120 of the LL Act and the grounds under which complaints may be made.						
Procurement Roadmap - Continuous Audit (Stage 1)						
15. Draft Procurement Policy 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	Agree with the recommendation, Acquisition strategies to be developed for high value procurements. It is anticipated a position will be implemented within 12 months.	Senior Strategic Procurement Officer	Moderate	Moderate	Feb 2016 Oct 2020	**Not Started** Moderate risk. The recommendation will be considered during the next scheduled policy review.

Not Started | In Progress | Complete

Internal Audit Recommendation and Action Progress Report

Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
procurement.						
16. Draft Procurement Policy 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 • etc. 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.	Senior Strategic Procurement Officer	Moderate	Moderate	Sept 2015 Dec 2016	**Complete** Exception to policy request form created and available on the Intranet.

Not Started	In Progress	Complete

Internal Audit Recommendation and Action Progress Report

	Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/Review Date	Status Update 31 December 2016
17.	**Purchase Orders** 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.	Senior Strategic Procurement Officer	Moderate	Low	~~Mar 2016~~ Dec 2016	**Complete** Purchase Order general terms and conditions, along with most commonly used contracts are available for suppliers on CWT website.
	Property Lease and Licence Management Compliance Review						
18.	**Two lease and license registers maintained** Use of a single register, utilising an alternative Pathway module with increased functionality Council is currently investigating the	City Assets and Information Services are currently scoping up a project to utilise the existing Pathway Licencing functionality as the single lease and licence register. It is anticipated that the register will	Manager City Assets	Moderate	Moderate	July 2017	**In Progress** Initial scoping meeting held with Information Services (IS) Applications Support Officer who is currently developing the

Not Started | In Progress | Complete

Internal Audit Recommendation and Action Progress Report

Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/Review Date	Status Update 31 December 2016
use of the "licensing module" in Pathway, which has increased workflow functionality including automated management and automated notifications based on key dates. It is envisaged that this system could be used to send automated correspondence, such as: • reminders to lessees e.g. for insurance certificate renewal; • letters to lessees e.g. for changes in rent/license fees; • emails to finance notifying CPI reviews. This module will continue to interface with the Finance One system to generate invoices. Audit supports the use of this new Pathway module, and the phasing-out of the Excel register as a primary register.	be functional by 1st July 2017.					scoping document for licencing module in Pathway. IS are also undertaking discussions with Financial Services regarding their requirements.
19. Informal systems for monitoring compliance with lease obligations Include details of all lease and license requirements in a single register Establishing a single lease and license	Pathway licencing module will allow for inbuilt workflows and escalation and may be customised for specific lease conditions. This recommendation will be	Manager City Assets	Moderate	Moderate	31 Dec 2017	In Progress Have discussed implementation of system to track this using Conquest with Coordinator Asset Management

Not Started   In Progress   Complete

Internal Audit Recommendation and Action Progress Report

Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
register (see finding 2.1) and recording details of all lease and license obligations in this register will reduce the likelihood of requirements being overlooked.

Establish automated reminders within Pathway for following up compliance with lease and license obligations

The Pathway system could be set up to send automatic reminders to perform follow-up to relevant staff (see finding 2.1).

Obtain evidence of lessee compliance with key obligations

Evidence of compliance with key lease obligations, including certificates of currency for insurance, are obtained and filed. | actioned approximately six-months after project delivery. | | | | | Draft inspection workflows in Conquest have been developed. Process/draft workflows to be further refined following meeting with Property Officer(s). |
| 20. No formal, pro-active inspection of leased properties

Introduce a formal, risk-based inspection program for leased properties

Council considers re-introducing a pro- | A risk based inspection program will be established in conquest. | Manager City Assets | Low | Low | Dec 2019 | In Progress

Have discussed implementation of system to track this using Conquest with Coordinator Asset Management. Draft inspection workflows |

Not Started	In Progress	Complete	

Internal Audit Recommendation and Action Progress Report

Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
active inspection program for leased properties, utilising an inspection checklist that is tailored to leased properties. The inspection program should be risk based, prioritising more frequent inspections (e.g. annual) for higher risk properties such as those servicing the elderly, children or disabled. <u>Enhance the inspection program with technology</u> There are several opportunities to use technology to enhance the efficiency and effectiveness of the inspection program. These include: • Integrating the inspection program with the Conquest Asset Management System, linking inspections details with the building in the register. • Setting up the Pathway/Conquest system to send automatic reminders to perform these inspections to relevant staff (see finding 2.1).						in Conquest have been developed. Process/draft workflows to be further refined following meeting with Property Officer(s).

Not Started   In Progress   Complete

Internal Audit Recommendation and Action Progress Report

Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
Loading the inspection checklist into a mobile phone/tablet-based app format.						
21. No agreement in place for use of the Kandahar House property Establish a written agreement for the use of Kandahar House Enter into a simple agreement with the historical society covering considerations such as allowable use of the facilities, maintenance obligations and insurance requirements.	A simple agreement will be developed by 30 June 2017.	Manager City Assets	Low	Low	June 2017	**In Progress** Draft documentation is in process of development.
Property Maintenance						
22. Planning and Prioritisation of Maintenance Work A prioritised, proactive maintenance plan should be developed and documented, including methodology and reasoning for prioritisations. The GHD report is a suitable starting point for developing this plan. Consideration should be given to the need for additional short term resources to assist the Property Services team/Assets team to develop this plan.	Agree with recommendation, Moderate risk so implement prior to 01 July 2015. This gives 12 months of data to be analysed and incorporated into a preventative and reactive maintenance plan.	Manager City Works	Moderate	Moderate	~~Jul 2015~~ ~~Ongoing from August 2015~~ ~~Feb 2017~~ July 2017	**In Progress** Planned maintenance has occurred in stages following completion of the Minor Building Works and Trades Panel procurement process. Preventative Maintenance programs for Air Conditioning, Automatic doors, Test and Tag complete with final program Fire Service

Not Started   In Progress   Complete

Internal Audit Recommendation and Action Progress Report

Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
The use of technology to assist in the development of a maintenance plan, such as the 'Advanced Asset Management System' forecast in the Buildings Infrastructure Asset Management Plan 2012 should also be investigated.						Equipment underway. Programs include service agreements with contractors

Once final item in program complete (Dec 2016) data to be analysed and incorporated into ongoing preventative and reactive maintenance plan

Preventative maintenance programs have been arranged for Air Conditioning, Test/Tag of Electrical Appliances, Automatic Doors, and Fire Compliance

The current vacancy of Coordinator (Property Services) role has prevented the completion of this task - the data analysis and the finalisation of preventative and reactive maintenance plan. The appointment is |

Not Started | In Progress | Complete

Internal Audit Recommendation and Action Progress Report

Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
23. **Tracking and Monitoring of Maintenance Work Performed** To ensure that all requested maintenance is actioned, a process to review and action any outstanding requests in the Pathways system is implemented. Consideration should be given to utilising new technologies to track maintenance, as envisaged by the Buildings Infrastructure Asset Management Plan 2012.	To be implemented at approximately six months after recommendation one 'planning and prioritising' works are complete.	Manager City Works	Moderate	Moderate	~~Ongoing from August 2015~~ ~~Jan 2016~~ Dec 2016 July 2017	**In Progress** Pathway dashboard is now being used to monitor and control overdue property requests Formalised process to be fully documented and implemented once key data from "planning and prioritising" works is analysed The current vacancy of Coordinator (Property Services) role has prevented the completion of this task - the data analysis and the finalisation of preventative and reactive maintenance plan. The appointment is expected to occur in the next few months and this task can be finalised before the 30 June 2017

Not Started | In Progress | Complete

Internal Audit Recommendation and Action Progress Report

Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
						expected to occur in the next few months and this task can be finalised before the 30 June 2017.
24. **Policies and Procedures** Procedural documentation to guide the Property Services team in ongoing property maintenance work is developed.	Agree with recommendation, Moderate risk so implement prior to 01 July 2015. Policies and procedures should feed into the preventative and reactive maintenance planning.	Manager City Works	Moderate	Moderate	Jul 2015 Dec 2015 Sept 2016 July 2017	**In Progress** City Works Manager/Property team meetings held monthly with discussion of ongoing property maintenance work documented and recorded in ECM Procedural documentation to be developed to feed into preventative and reactive maintenance planning The current vacancy of Coordinator (Property Services) role has prevented the completion of this task - the data analysis and the finalisation of preventative and reactive maintenance

Not Started   In Progress   Complete

Internal Audit Recommendation and Action Progress Report

	Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/Review Date	Status Update 31 December 2016
							plan. The appointment is expected to occur in the next few months and this task can be finalised before the 30 June 2017.
25.	**Policies and Procedures (sub-finding)** Review the Asset Management Policy.	Agree with recommendation, Moderate risk so implement prior to 01 July 2015.	Manager City Works	Moderate	Moderate	Mar 2019	**Not Started** Finding is within risk tolerance therefore review at next scheduled policy review in March 2019.
26.	**Checks of Contractors' Work** Implement a sample-based approach for checking whether contractors have done the work that they have been requested to do to an acceptable standard.	Property Service staff will participate in the planned 'reference group' of the Procurement Road Map. Stage 1 - improved monitoring and inductions to occur by Dec 2014 and ensure usage of any	Manager City Works	Moderate	Moderate	~~Dec 2014~~ ~~Jun 2016~~	**In Progress** The Procurement Panel for Minor Building Works and Trades Panel is complete and has resulted in new contractor

Not Started   In Progress   Complete

Internal Audit Recommendation and Action Progress Report

Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
This check is not intended to be onerous, but rather a small number of regular checks to provide assurance that contractors are fulfilling their obligations. As an indication, it could include 3-5 checks of each major contractor per quarter, with further checking if issues are identified. Results of the checks should be formally, but briefly, documented.	new documents and templates.

Stage 2 - performance monitoring to coincide with recommendation 2.2. | | | | Sept 2016

July 2017 | contracts and inductions.

Checks currently performed on presentation of invoice and completion of works.

The procurement monitoring process is to be followed with all new contractors including use of procurement monitoring documentation.

The current vacancy of Coordinator (Property Services) role has prevented the completion of this task - the data analysis and the finalisation of preventative and reactive maintenance plan.   The appointment is expected to occur in the next few months and this task can be finalised before the 30 June 2017. |

Not Started | In Progress | Complete

Internal Audit Recommendation and Action Progress Report

	Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/Review Date	Status Update 31 December 2016
Stormwater							
27.	**Risk Assessment and Prioritisation** Council works towards a risk-based model for the prioritisation of maintenance, inspection and capital stormwater projects based on the model described in IPWEA Practice Note 5, supported by completion of the Catchmment Management Plan.	Agree with recommendation	Manager City Assets	Moderate	Moderate	~~June 2016~~ June 2017	**In Progress** City Wide Stormwater Catchment Plan consultancy has been awarded and is now underway.
28.	**Asset Management Plan** Future iterations of the Stormwater Asset Management Plan are improved utilising the Catchment Management Plan and risk-based prioritisation methodologies.	Agree with recommendation	Manager City Assets	Moderate	Moderate	~~Nov 2014~~ ~~June 2016~~ June 2017	**In Progress** City Wide Stormwater Catchment Plan consultancy has been awarded and is now underway.
29.	**Maintenance Schedule** The maintenance schedule is documented. At a minimum, this should include documentation of: • Key principals e.g. "all side entry pits are cleared annually";	Agree- this will be developed as a maintenance schedule/policy.	Manager City Works	Better Practice	Better Practice	~~June 2014~~ ~~Jun 2016~~	**In Progress** Side entry pit documentation is recorded in Graphical Information System (GIS).

Not Started | In Progress | Complete

Internal Audit Recommendation and Action Progress Report

Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
• Locations of all known problem areas, and the maintenance response to these. Consideration should be given to utilising new technologies to track maintenance. For example, scheduled maintenance locations could be mapped into GIS. Hand-held devices could then be used by maintenance staff to confirm completion of a maintenance task in real time, which would then be updated automatically onto the GIS map.					~~Dec 2016~~ July 2017	Discussions to be held with IS and City Assets to develop inspection functionality within Conquest Asset Management System Continual development with IS and City Assets for an electronic solution. Paper based system currently in operation.
Unclaimed Goods						
30. **There is no current written policy or SOG to clarify the procedures to be observed by Council staff in relation to managing dead animals on roads.** A formal policy document be prepared that addresses the process to be followed where notification is received of a dead animal on a road. The document should specify the circumstances where an animal is *'bagged and tagged'* and the steps to	Agree - Policy will be developed	Manager City Works	Better Practice	Better Practice	~~Sep 2013~~ ~~Feb 2014~~ ~~Oct 2015~~ ~~Jun 2016~~	**In Progress** This is a better practice opportunity and as such other operational works take priority. Further work on a draft policy is to be undertaken following completion of trial process for updating animal register information in Pathway.

Not Started   In Progress   Complete

Internal Audit Recommendation and Action Progress Report

Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
be taken to identify and notify the owner of the animal (wherever possible). If Council staff are not expected to search for a microchip (on the basis that this in undertaken by AWL staff upon collection of the carcass) this should also be stipulated in the document. The existence of this policy document will ensure a consistent approach by all staff and will assist in 'up-skilling' new depot employees.					Dec 2016 July 2017	New policy to be developed.
31. **The Council does not maintain a register of dead animals that are 'bagged and tagged'.** Whilst it is recognised that records are kept of each animal *'bagged and tagged'* by way of a copy of the duplicate tag, it is recommended the Council maintains an electronic register in its record keeping system, of these animals. Doing so will assist staff (whether it be staff from the depot or CSD) to more efficiently respond to requests from members of the public who may be searching for a lost pet.	City Works will review its record keeping and discuss process of possible electronic copy.	Manager City Works	Better Practice	Better Practice	~~30/09/20 13~~ ~~Feb 2014~~ ~~Oct 2015~~ ~~Jun 2016~~ Sept 2016	**Complete** New process to be trialled with City Works admin staff uploading information from hard copy register into Pathway including description of animals. This will include creating a new request where none exists.

Not Started   In Progress   Complete

Internal Audit Recommendation and Action Progress Report

	Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
	Public Health Act 2011						
32.	**Regional public health plan** Ensure that the next revision of the Public Health Plan includes information about all plans, policies and strategies determined to be appropriate by the Minister.	The next review will consider and included reference to all the plans, policies and strategies determined to be appropriate by the Minister at pages 100-101 of the State Public Health Act.	Manager City Strategy	Low	Low	~~Dec 2016~~ July 2018	**Not Started** A review of the Public Health Plan has not yet occurred. It will be included in the 2017/18 Service Plan for City Strategy, timed to follow the release of updated Census information in April 2017. At the point of undertaking the review the relevance of the documents determined to be appropriate by the Minister at pages 100-101 of the State Public Health Plan will need to be further considered as some conclude 2016.
33.	**Register of high risk manufactured water systems** The register should be updated so that it contains the information required by the Legionella Regulations. The Council could provide training to officers on information to be recorded	The register will be updated in line with the recommendation at the registration period commencing October 2016	Manager Regulatory Services	Low	Low	~~Oct 2016~~ June 2017	**In Progress** Substantial progress made this period to capture any missing information from HRMWS details in Pathway.

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

Internal Audit Recommendation and Action Progress Report

	Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
	on registration of High Risk Manufactured Water Systems and keeping the register						
34.	**Register of wastewater works approvals** Establish a register of wastewater works approvals.	City of West Torrens has one (1) waste water approval. A register will be developed in the most practical format.	Manager Regulatory Services	Low	Better Practice	Sept 2016 June 2017	**In Progress** Determining most practical format with IS to comply with Regulation 27 of the SA Public Health (Wastewater) Regulations.
35.	**Immediate closure of a pool to the public** Officers' awareness of circumstances in which pools should be closed to the public could be raised by amending the Council's *Standard Operating Guideline: Receipt of complaints and routine inspection of swimming pools, spas and hydrotherapy facilities* to include reference to the Council's power to issue a notice securing compliance with the General Regulations and the circumstances in which a pool owner or operator must immediately close a pool to the public.	SOG will be updated in line with the recommendation.	Manager Regulatory Services	Better Practice	Better Practice	Sept 2016 June 2017	**In Progress** SOG scheduled to be reviewed.

Not Started | In Progress | Complete

Internal Audit Recommendation and Action Progress Report

	Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
36.	**Application of the Pools Inspection Guideline** Process improvements could be achieved by ensuring that officers conducting pools inspections receive refresher training on the Pools Inspection Guideline if required and refer the guideline when conducting inspections.	Training will occur as part of the next SOG review. The introduction of mobile technology now requires all fields to be completed as mandatory	Manager Regulatory Services	Better Practice	Better Practice	Sept 2016	**Complete** Officers attended Pool Inspection Refresher Training on 28 November 2016. Guidelines referenced in the SOG. Requirements of guidelines contained in mobile technology swimming pool inspection module. All fields are mandatory so requires officers to assess/inspect. Copies of guidelines are available for officers.
37.	**Responses to Legionella detection** Improvement in Council's process documentation could include amending the *Standard Operating Guidelines: Registration and inspection of High Risk Manufactured Water Systems* to reflect the control strategies for cooling and warm water systems set out the Legionella Regulations and Legionella Guidelines.	Better practice opportunity only, the SOG will be reviewed for clarity at its next scheduled review	Manager Regulatory Services	Better Practice	Better Practice	Dec 2017	**In Progress** Review of SOGs has commenced. Control strategies and timelines as prescribed by the Legionella Regulations are contained in the SOG.

Not Started | In Progress | Complete

Internal Audit Recommendation and Action Progress Report

	Recommendation	Management Response	Responsible Officer	Internal Audit Risk	CWT Risk	Target/ Review Date	Status Update 31 December 2016
38.	**Legionella notice templates** If the Council receives a report of the results of microbiological testing which indicates the presence of Legionella in excess of the limits prescribed in regulation 17(1) and 17(2), rather than issuing a notice in the form of the Council's template, the Council should provide a report of the results to the owner of the premises on which the cooling or warm water system is located. Council may wish to develop a standard form or letter accompanying the report setting out the steps the owner is required to take under regulation 17 and the penalty for failing to comply with that regulation	The form will be reviewed/amended prior to the next round of cooling tower audits.	Manager Regulatory Services	Better Practice	Better Practice	October 2016	**Complete** Reviewed Notice. Regulation 17(1) and 17(2), requires the owner of the premises on which the cooling or warm water system is located to notify Council if a report of the results of microbiological testing which indicates the presence of Legionella in excess of the limits prescribed. The Notice sets out the steps the owner is required to take under regulation 17 (link to guideline and regulations contained in Notice) and the penalty for failing to comply with that regulation is also included in the Notice. SOG requires Council to provide a copy of the report of the results of microbiological testing to the owner.

Not Started | In Progress | Complete

8.4   EXTERNAL AUDIT

8.4.1   Australian Aged Care Quality Agency's Audit of the City of West Torrens' Community Home Support Programme

Brief

This report details the outcome of the recent quality review of the Commonwealth funded Community Home Support Programme by the Australian Aged Care Quality Agency.

RECOMMENDATION(S)

It is recommended to the Audit and Risk Committee that the report be received and notes that Council achieved all 18 required outcomes of the 2017 Quality Review of its Commonwealth Home Support Program undertaken by the Aged Care Quality Agency.

Introduction

Council delivers a Commonwealth funded Community Home Support Programme (CHSP) for those of its residents over the age of 65. As such, CHSP is subject to a 'Quality Review' (Review) at least once every three years by the Australian Aged Care Quality Agency (Agency), on behalf of the Commonwealth Government. The Review measures CHSP's compliance with the Home Care Standards set out in the Quality of Care Principals 2014. Three (3) standards are assessed, comprising eighteen (18) outcomes expected by the Commonwealth.

Discussion

The most recent Review occurred, on-site, between 10 and 11 January 2017.

The Review included interviews with 12 CHSP clients, 3 carers of CHSP clients, site visits along with an assessment of the relevant and extensive documentation and processes required to be in situ within those agencies operating CHSP.

Following conclusion of the Review, the Agency has presented its final report to the Responsible Officer (General Manager Business and Community Services). The Review found that the City of West Torrens met all eighteen (18) expected outcomes and recommended two minor improvement processes which are currently in train.

The Australian Aged Care Quality Review Report is attached **(Attachment 1)**.

Conclusion

CWT has met all eighteen (18) expected outcomes and this ensures that existing funding arrangements continue. Staff to be commended on their efforts in achieving this result.

Attachments

1.   **Final Quality Review Report - Community Home Support Packages**

Australian Government

Australian Aged Care Quality Agency

Final Quality Review Report

Provider name:	City of West Torrens
Service name:	City of West Torrens - HILTON
Location:	165 Sir Donald Bradman Drive, HILTON SA 5033
Quality Agency ID:	600158

Report approved:	31 January 2017
Approved by:	Virginia Matthews Acting State Director

Final Quality Review Report

About this report

This is the Final quality review report for the quality review conducted at City of West Torrens - HILTON. The report includes assessment against the Home Care Standards. A copy of the report has been sent to the Department of Health.

The quality review included the following services:

CHSP:

- CHSP - Domestic Assistance, 4-23P1NQG, 165 Sir Donald Bradman Drive, HILTON SA 5033

- CHSP - Home Maintenance, 4-23P1NRT, 165 Sir Donald Bradman Drive, HILTON SA 5033

- CHSP - Home Modifications, 4-23P1NSM, 165 Sir Donald Bradman Drive, HILTON SA 5033

- CHSP - Social Support - Individual, 4-23P1NVC, 165 Sir Donald Bradman Drive, HILTON SA 5033

- CHSP - Social Support - Group, 4-27JIDMZ, Plympton Centre, 34 Long Street, PLYMPTON SA 5038

Summary of findings

The service meets 18 out of 18 expected outcomes of the Home Care Standards.

The quality review for your service is complete.

Next activity arrangements:

We plan to conduct your next quality review in 2020.

Process undertaken and information considered:

This report took the following into account:

a. Interim Quality Review Report dated 13 January 2017

Introduction

This report documents the performance of the service against each of the expected outcomes of the Home Care Standards as set out in the Quality of Care Principles 2014 based on the assessment conducted during the quality review.

Each service is required to undergo a quality review at least once every three years.

A quality review team appointed by the Quality Agency conducted the quality review from 10 January 2017 to 11 January 2017.

The quality review was conducted in accordance with the Quality Agency Principles 2013 and the Accountability Principles 2014.

Team leader: Sylvia Brideoake

Name of service: City of West Torrens - HILTON   RPT-ACC-0082 v14.5
Date of quality review: 10 January 2017 to 11 January 2017   SENSITIVE
                                                                        Page 3 of 15

Audit trail

Interviews	Number	Interviews	Number
Manager community services	1	Care recipients	12
Team leader Community development	1	Carers representatives (CHSP)	3
Home support services coordinator	1	Home support workers	5
Home support service officers	2	Home support maintenance officer	1
Sampled documents	**Number**	**Sampled documents**	**Number**
CHSP care recipient/carer files	5		

Other documents reviewed

- Annual report
- Brokerage agreements
- Business plan
- Care recipient information pack
- Client satisfaction survey
- Code of conduct
- Commonwealth home support program (CHSP) continuous improvement action plan 2016 and 2017
- Community services annual plan
- Criminal history screening and police check processes and registers
- Disability access and inclusion action plan
- Fees, charges and fee waiver reduction applications
- Grant agreement
- Hazard form
- Individual home support worker rosters
- Induction processes
- Job descriptions
- Manager Home Support monthly activity report
- Non responses processes
- Money handling processes
- Organisation charts
- Recruitment processes
- Self-assessment
- Service user handbook, including User rights and responsibilities and complaints information

- Staff health and wellbeing handbook
- Staff training plan
- Training completed documentation
- Various brochures, pamphlets and booklets
- Various meeting minutes and agendas
- Various policies and procedures
- Various registers; chemical and hazardous substances, plant and equipment, risk, incident and accident and feedback
- Web site
- WHS injury management plan
- Work Health and Safety (WHS) and Incident Management (IM) system
- Work inspection checklist

Observations

- Activity equipment
- Community centre venue and kitchen
- Evacuation procedure on display
- Fire safety equipment
- Hand washing information on display
- Office environment
- Social support venue
- Staff handling telephone enquiries

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The *Statement of reasons* below details the findings of the quality review and may reference information provided to demonstrate the service's performance against each expected outcome within the Standards. Performance against the expected outcomes within each Standard are rated as either:

- Met, or
- Not met.

If you have received 'Not met' findings, the Statement of reasons will identify why the expected outcome was Not Met. Use this information to revise your Plan for Continuous Improvement to show how you will make improvements to meet all of the Standards.

Statement of reasons

Standard 1: Effective management
Principle:
The service provider demonstrates effective management processes based on a continuous improvement approach to service management, planning and delivery.

Expected outcome 1.1 – Corporate governance	Met

The expected outcome requires that "the service provider has implemented corporate governance processes that are accountable to stakeholders".

The City of West Torrens (the council) provides home support to its constituents through the Commonwealth Home Support Programme (CHSP). Services provided include domestic assistance, home maintenance, home modifications, social support individual and group. The council services between 1500 to 2000 care recipients annually. The majority of care recipients receive single, one off maintenance, gardening and gutter cleaning or short term cleaning services. However, approximately 250 to 200 care recipients are in receipt of ongoing services. Services are provided through a mix of council home support workers and maintenance officers, assisted by a small group of volunteer and some brokerage services.

Reasons for findings for CHSP service(s):

The council has implemented corporate governance processes that are accountable to stakeholders. The council is governed by the Local Government Act 1999. The Chief Executive Officer (CEO) and General managers have delegations and clear lines of responsibilities in accordance with the council's decision making framework. The organisational charts demonstrate reporting and management lines. Strategic and business plans guide staff and regular meetings disseminate information from management level and assist in decision making. Monthly home support activity reports are provided to management and council. Education is provided to management and councillors, all employees and council members undertake an annual performance development plan and sign a code of conduct. The goals and vision of the City of West Torrens are contained in the 'Community Plan – Towards 2025'. Staff interviewed said communication between management structures was formal but at events staff and council mixed freely and facilitate good relationships which assist in getting work done. Care recipients interviewed understood the council structure.

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Expected outcome 1.2 – Regulatory compliance	Met

The expected outcome requires that "the service provider has systems in place to identify and ensure compliance with funded program guidelines, relevant legislation, regulatory requirements and professional standards".

Reasons for findings for CHSP service(s):

The council has systems in place to identify and implement relevant guidelines, legislation and regulatory requirements. The council's Governance department monitors compliance and informs relative program areas of any changes. Policies and procedures are regularly reviewed and updated to reflect any changes. Membership of the Local Government Association (LGA) professional groups, appropriate industry bodies and government department email communications are reviewed and appropriate changes planned, implemented and communicated across the council. The Manager community services is responsible for implementing changes relevant to CHSP. Staff police clearances are current; these processes have recently been reviewed to ensure all staff obtain clearances relevant to each position. The service provider is currently using My Aged Care for inbound and outbound referrals. Contracts are in place for brokered organisations and contract compliance is monitored through meetings with the Manager community services and Home support coordinator. Other monitoring systems include document review, meetings and audits. Results show changes to regulations and legislation is discussed at all levels of the council. Staff interviewed gave examples of regulatory and programme changes that have impacts on their role. Care recipients and representatives interviewed said they receive information from council through mail outs, staff and printed material displayed in the library and community centre.

Expected outcome 1.3 – Information management systems	Met

The expected outcome requires that "the service provider has effective information management systems in place".

Reasons for findings for CHSP service(s):

There are effective information systems in place which comply with relevant legislative record storage and disposal requirements. Care recipients' information is managed using the Alchemy Service Management System (SMS) and hard copy information is stored in secure cabinets. Other documents are managed following relevant requirements using the Objective system. All systems are password protected and access levels are linked to roles undertaken by each user and their login. Relevant meetings are held at all levels and minuted. Policies and procedures are available to staff. Regular home support worker meetings provide information and training. Specific care recipient support needs are provided to home care workers through support plans. Information management systems are monitored through document review processes, minutes, electronic data systems audits and security checks. Results show documents have recently been reviewed and updated. All system are managed through an IT Department and information backed up off site. Staff interviewed stated they had access to sufficient and appropriate information. Care recipients and representatives interviewed said they are confident their information is stored appropriately and they receive information regarding accessing their information.

Expected outcome 1.4 – Community understanding and engagement	Met

The expected outcome requires that "the service provider understands and engages with the community in which it operates and reflects this in service planning and development".

Reasons for findings for CHSP service(s):

The council understands and engages with the community in which it operates and this is reflected in service and council planning. The council gathers information from a variety of sources, including local government and the Australian Bureau of Statistics, to gain information about the demographics of the population in the council area. This information influences council planning and decisions and contributes to the formation for their strategic management plan and 'Community Plan - Towards 2025'. The Manager, Home support coordinator and service officers attend local networking meetings to gather information for service planning. Meetings include Local Government Professionals Community Managers Network, Western Linkages, Multicultural Aged Care, Hoarding and Squalor and network meetings with the Regional assessment service. Community understanding is monitored through community surveys, meetings, discussions with brokered agencies and feedback. Results show programs are adjusted to suit the needs and requests of care recipients. Staff interviewed discussed their understanding of the community and the meeting they attended. Care recipients and representatives interviewed said they have opportunities to provide feedback about the programs and activities.

Expected outcome 1.5 – Continuous improvement	Met

The expected outcome requires that "the service provider actively pursues and demonstrates continuous improvement in all aspects of service management and delivery".

Reasons for findings for CHSP service(s):

The council actively pursues and demonstrates continuous improvement in all aspects of service management and delivery. An overarching improvement register 'Lean thinking register' is in place for council. Community services also have a continuous improvement document and improvement processes are implemented. Multiple mechanisms are used to identify improvements, including feedback systems, surveys, meetings, staff suggestions, discussions with brokered services and planning days. Improvements are discussed at the community services and home support meetings and action item records are used to monitor completion. Individual improvements are evaluated and reported through meetings to staff, management and stakeholders. Meeting minutes show improvements are documented and discussed. Staff interviewed said they are able to make suggestions, which are considered for implementation. Care recipients and representatives interviewed said they feel comfortable giving ideas and suggestions.

Examples of continuous improvement include:

- At the Home support worker meeting in September 2016 it was suggested by one of the support workers that if applicable the first name of the care recipients' spouse or partner be included on their service plan. Support workers are sometimes not introduced and this small addition allows for a more friendly approach on arrival without having to ask the question.

- When reviewing the information requirements of care recipients the Home support coordinator identified the need the for a new Home Support booklet. A colourful new booklet has been produced and was distributed in September 2016. It lists and

Expected outcome 1.5 – Continuous improvement	Met

describes all the service provided by the council and also includes information about My Aged Care with a space to include the care recipients' My Care Age reference and ID number on the last page. This booklet is also available in Greek and Italian. A feedback and evaluation process will be conducted when social services return in the middle of January 2017.

- It has been identified by the Home support coordinator that older care recipients who may have issues with overgrown weeds etc. are receiving notices and fines. It was suggested that the home support program area be notified prior to issues accelerating for the care recipient. If the care recipient is over 65, information can be provided to them about services available through the CHSP. Weed spraying, slashing and removal of green waste can be accessed and notices and fines prevented. This initiative is in the planning stage.

Expected outcome 1.6 – Risk management	Met

The expected outcome requires that "the service provider is actively working to identify and address potential risk, to ensure the safety of service users, staff and the organisation".

Reasons for findings for CHSP service(s):

The council is actively working to identify and address potential risks, to ensure safety of service users and stakeholders. Council risk procedures identify the responsible roles for managing specific risks and actions. Council emergency and disaster management documents are in place. Hazards and incidents are managed by the council Workplace Health and Safety steering committee and risks associated with the program are managed by the Manager community services. A workshop to discuss the hazards of extreme weather and flood was held 9 November 2016. Program documents include task risk assessments, corrective action registers, care recipient home risk assessments, standard operating procedures and safety data sheets. Policies and procedures are available to identify risks and guide staff. Information about risks relating to individual care recipients is shared between the service provider and brokered agencies. Monitoring of risk occurs through meetings, annual review of the risk management framework, discussion with brokered agencies, WHS reporting and staff meetings. Results show risks are identified and discussed at meetings across all levels of the council. Staff interviewed confirmed they are aware of safety and risks processes and reporting relevant to their roles. Care recipients and representatives interviewed confirmed risk assessments are done and care recipients feel safe during service delivery.

Expected outcome 1.7 – Human resource management	Met

The expected outcome requires that "the service provider manages human resources to ensure that adequate numbers of appropriately skilled and trained staff/volunteers are available for the safe delivery of care and services to service users".

Reasons for findings for CHSP service(s):

The council manages human resources to ensure adequate numbers of appropriate skilled and trained staff are available for safe delivery of services. Human resource (HR) policies and procedures are in place for advertising, recruitment, induction and training of staff. Program staff receive mandatory training and additional training is discussed, when required. Brokerage contracts stipulate the minimum training, qualification and police clearance requirements. Monitoring of brokerage staff occurs through feedback and

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Expected outcome 1.7 – Human resource management	Met

regular discussion with brokerage liaisons. Monitoring of internal staff occurs through feedback, meetings and generally performance discussions. Results show staff and management are able to identify training needs and action is taken for additional training. Staff interviewed generally confirmed all training is completed and relevant. Care recipients and representatives interviewed said staff are well trained, know their roles and are very respectful.

Additional information

- Annual Performance and professional development processes for ongoing staff have not been consistently applied. This was discussed with management who agreed. The Manager community service informed the team there have been many changes to management staff. The Manager community service commenced on 5 December 2016. The personal development program is being reviewed and the community service team is having a planning day next week to review and define role descriptions. Once this has been completed a timetable will be developed to catch up staff reviews. In the interim, the Home support coordinator said that home support worker training needs are being identified at staff meetings.

Expected outcome 1.8 – Physical resources	Met

The expected outcome requires that "the service provider manages physical resources to ensure the safe delivery of care and services to service users and organisation personnel".

Reasons for findings for CHSP service(s):

Physical resources are managed to ensure the safe delivery of services. The council has policies and procedures for the management and maintenance of council buildings, equipment, vehicles and other property. Regular WHS inspections are completed for sites and buildings; actions resulting from the inspections are monitored by the WHS steering committee. External contractors are employed to complete maintenance work which cannot be completed by council staff. Fire equipment testing and electrical testing and tagging are up-to-date. Monitoring of physical resources occurs through inspections, feedback, meetings and reports. Results show the environment and equipment is maintained and managed. Staff interviewed described how they are provided with vacuum cleaners and RCD units which are regularly tested, and how they report maintenance requirements. Care recipients and representatives said the venues suit the activities the care recipients like to participate in and equipment is maintained.

Standard 2: Appropriate access and service delivery
Principle:
Each service user (and prospective service user) has access to services and service users receive appropriate services that are planned, delivered and evaluated in partnership with themselves and/or their representative.

Expected outcome 2.1 – Service access	Met

The expected outcome requires that "service user's access to services is based on consultation with the service user (and/or their representative), equity, consideration of available resources and program eligibility".

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Expected outcome 2.1 – Service access	Met

Reasons for findings for CHSP service(s):

Care recipients' access to services is based on consultation, equity, consideration of available resources and program eligibility. Care recipients access services through other council services, family referral, referrals from other agencies and My Aged Care. Potential care recipients are provided with a care recipient information booklet which contains information about services available, fees, rights and responsibilities and complaints processes; they are then directed and assisted through the My Aged Care process. The Home support coordinator initiated a mail out to all current care recipients last year with information about the My Aged Care process. Planning is in process to conduct an information session this year targeting care recipients, GPs and hospital discharge planners informing them of the My Aged Care process. When care recipients and family make contact via telephone, staff provide verbal information about services available and associated fees. Monitoring processes include assessments and surveys. Results show care recipients are able to access services in an equitable manner. Staff interviewed confirmed they discuss fees, rights and responsibilities with care recipients prior to commencement of services. Care recipients interviewed said they are informed about the services offered and understand the costs involved prior to service.

Expected outcome 2.2 – Assessment	Met

The expected outcome requires that "each service user participates in an assessment appropriate to the complexity of their needs and with consideration of their cultural and linguistic diversity".

Reasons for findings for CHSP service(s):

The service provider has a system to ensure each care recipient participates in an assessment appropriate to the complexity of their needs and with consideration of their cultural and linguistic diversity. An assessment process is available to instruct staff on the assessment process. During the assessment process, appropriately skilled staff discuss with care recipients their needs, preferences and goals, taking into consideration and building on to the information from My Aged Care and the RAS. The assessment process is monitored through ongoing progress notes, reassessments, satisfaction surveys, meetings and discussions with brokered agencies. Results show care recipients' needs are documented and assessment information is passed to brokered agencies. Staff interviewed confirmed assessments reflect care recipient needs. Care recipients and representatives interviewed stated services and activities are discussed and considered during the assessment process.

Expected outcome 2.3 – Care plan development and delivery	Met

The expected outcome requires that "each service user and/or their representative, participates in the development of a care/service plan that is based on assessed needs and is provided with the care and/or services described in their plan".

Reasons for findings for CHSP service(s):

The service has a process that confirms each care recipient or representative participates in the development of a support plan based on assessed needs and is provided with services described in their plan. Support plans document care recipients' specific goals, choices and decisions. Support plans are accessible to appropriate staff and brokered agencies. Care recipients receiving one off services, including spring cleans, home

Expected outcome 2.3 – Care plan development and delivery	Met

maintenance and garden clean ups have a new assessment and support plan developed for each episode. Progress notes are regularly entered in care recipients' files. The folders containing lists of care recipients attending social support at the community centres has been updated to include other relevant information for each care recipient, including next of kin, mobility, medical and dietary needs, allergies and like and dislikes. Support plans and delivery are monitored through feedback forms, meetings with brokered agencies and home support workers and service satisfaction surveys. Results show support needs are met in the prescribed manner. Staff interviewed stated support plans contain sufficient information and direction to provide the agreed services. Care recipients and representatives interviewed said they participate in the development of support plans and their input is respected.

Expected outcome 2.4 – Service user reassessment	Met

The expected outcome requires that "each service user's needs are monitored and regularly reassessed taking into account any relevant program guidelines and in accordance with the complexity of the service user's needs. Each service users' care/service plans are reviewed in consultation with them".

Reasons for findings for CHSP service(s):

The council has a system to ensure each care recipient's need is monitored and regularly reassessed taking into account any relevant program guidelines. Reassessments are conducted regularly and more frequently if the care recipient's needs changes. Staff report care recipient changes as they occur, progress notes are maintained and support plans updated as required. Care recipients said they are asked to provide feedback after social support activities. Monitoring occurs through meetings, file notes, audits and satisfaction surveys. Results show reassessments occur regularly and as required. Staff said support plans and goals change following reassessment and when they report issues. Care recipients and representatives said ongoing discussions take place around services provided and activities offered at social support centres.

Expected outcome 2.5 – Service user referral	Met

The expected outcome requires that "the service provider refers service users (and/or their representatives) to other providers as appropriate".

Reasons for findings for CHSP service(s):

The council has a process to refer care recipients to other providers as appropriate. Assessment and care recipient service requests identify referral needs and show interactions with other health professionals. Referrals are made in consultation with care recipients and representatives using My Aged Care. Changes to service requests are actioned, recorded and communicated to staff. Care recipient files confirm referrals to My Aged Care and allied health professionals. Results show referrals are documented and consistent with assessed needs and requests. The referral process is monitored through satisfaction surveys, feedback and discussion at meetings. Staff interviewed confirmed their use of My Aged Care. Care recipients and representatives interviewed said they receive information about other services and referrals are made, when requested.

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Standard 3: Service user rights and responsibilities

Principle:

Each service user (and/or their representative) is provided with information to assist them to make service choices and has the right (and responsibility) to be consulted and respected. Service users (and/or their representative) have access to complaints and advocacy information and processes and their privacy and confidentiality and right to independence is respected.

Expected outcome 3.1 – Information provision	Met

The expected outcome requires that "each service user, or prospective service user, is provided with information (initially and on an ongoing basis) in a format appropriate to their needs to assist them to make service choices and gain an understanding of the services available to them and their rights and responsibilities".

Reasons for findings for CHSP service(s):

The council provides prospective and current care recipients with appropriate information about the services available. Care recipients are provided with an information pack, which includes the council's CHSP care recipient information booklet containing information about programs and services provided, privacy and confidentiality, complaints, advocacy and fees. Other information included in the pack is the Charter of care recipients' rights and responsibilities, external complaints processes and My Aged Care information for future reference. Resources regarding services available are discussed with new care recipients. Ongoing information is provided through verbal discussions, brochures, mail outs and the council's internet site. Special needs groups are identified, and information and support is provided in appropriate formats and languages. Monitoring processes include feedback, complaints and information brochure reviews. Staff interviewed confirmed they provide the information pack to care recipients. Care recipients and representatives interviewed said they received information on commencement of services and have ongoing access to activity programs and brochures relating to services available through the council.

Expected outcome 3.2 – Privacy and confidentiality	Met

The expected outcome requires that "each service user's right to privacy, dignity and confidentiality is respected including in the collection, use and disclosure of personal information".

Reasons for findings for CHSP service(s):

Each care recipient's right to privacy, dignity and confidentiality is respected, including collection, use and disclosure of personal information. Privacy, confidentiality and access to policies and procedures guides staff in managing care recipient information. All care recipient information is stored in SMS using secure passwords. Only the relevant staff are able to access SMS and all previous user passwords are revoked. Staff are aware of privacy and confidentiality requirements through code of conduct, initial orientation and ongoing training. Care files contain information disclosure statements and care recipients are also advised of privacy and confidentiality verbally. Monitoring processes include feedback, meetings and surveys. Results show care recipients have provided consent to share information. Staff interviewed confirmed they received training on privacy, dignity and confidentiality, sign codes of conduct and described how they maintain care recipient privacy. Care recipients and representatives interviewed said staff respect their privacy and dignity at all times.

Expected outcome 3.2 – Privacy and confidentiality	Met

Expected outcome 3.3 – Complaints and service user feedback	Met
The expected outcome requires that "complaints and service user feedback are dealt with fairly, promptly, confidentially and without retribution".	
Reasons for findings for CHSP service(s): Complaints, compliments and feedback are dealt with fairly, promptly, confidentially and without retribution. Complaints processes are in place for council and program feedback. Communication of feedback between brokered and council programs staff ensures complaints are addressed promptly and by the appropriate party. Complaints are recorded in Events in SMS and acted upon depending on the severity of the complaint. Compliments are communicated to relevant staff. Information brochures about internal and external complaints are available to care recipients. Feedback from care recipients is also sought through regular surveys and feedback forms which can be submitted anonymously. The Manager community services views the complaint log and analyses informally. The Manager home support is looking at reviewing this process as soon as she has settled into her role. Feedback is also monitored through surveys, progress notes, reports and discussions with brokered agencies. The Events register shows complaints are addressed promptly. Staff interviewed discussed their understanding of their responsibilities in relation to feedback. Care recipients and representatives interviewed said they do not always provide feedback, however, feel comfortable giving feedback, if they choose to.	

Expected outcome 3.4 – Advocacy	Met
The expected outcome requires that "each service user's (and/or their representative's) choice of advocate is respected by the service provider and the service provider will, if required, assist the service user (and/or their representative) to access an advocate".	
Reasons for findings for CHSP service(s): Care recipients' choice of advocate is respected and the service provider will, if required, assist care recipients and/or their representatives to access advocacy services. During assessment, care recipients are asked if they would like an advocate, friend or family member with them. Next of kin, advocate or emergency contact information is listed on the care recipients' service details form. Advocacy information is provided in the care recipient information booklet and brochures are available from the library and community centres. ARAS has been invited to speak at centre activities and staff training. Monitoring processes include surveys and feedback. Results show care recipient advocate information is recorded in the care plan details forms. Staff interviewed said they understand and follow advocacy processes. Care recipients and representatives interviewed said they received information and presentations about advocacy and felt comfortable identifying if they wanted an advocate.	

Expected outcome 3.5 – Independence	Met
The expected outcome requires that "the independence of service users is supported, fostered and encouraged".	
Reasons for findings for CHSP service(s):	

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Expected outcome 3.5 – Independence	Met
Care recipients' independence is supported, fostered and encouraged. Support plans include goals for regaining and maintaining independence. Care recipients are encouraged to exercise choice by incorporating care recipient suggestions in social activities and outings. Activities encourage regular exercise and continued community involvement. The home maintenance, modification and domestic assistance programs enable care recipients to continue to live in their homes. Short term intervention programs allow care recipients to recuperate after a health episode and assist carers with short term extra support in the form of cleaning or garden clean ups. The council, through the library operates an independent living equipment load centre. People living in the area can borrow equipment on the library cards for short term use and to try for suitability. Monitoring processes include reassessment, surveys and feedback. Results include changes to activities and referrals made to other service providers. Staff interviewed described ways they encourage care recipients' independence. Care recipients interviewed said the services they receive allow them to remain in their homes and connected to their community.	

8.4.2   2016 LGAWCS KPI Evaluation

Brief

This report presents the outcome of the Local Government Association Workers Compensation Scheme KPI Evaluation undertaken in November 2016

RECOMMENDATION(S)

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

Introduction

The Local Government Association Workers Compensation Scheme (LGAWCS) conducted an evaluation on the City of West Torrens' (CWT) work health safety (WHS) and injury management system from 7 to 9 November 2016.

Discussion

As the holder of the self-insurers licence for the Local Government Association (LGA), the LGAWCS undertakes an annual evaluation of all councils.

The evaluation scope for 2016 covered 11 sub-elements across Standards 1 to 5 from the WHS component from the Return to Work Performance Standards for Self-Insurers (PSSI). In addition the evaluation covered 14 sub-elements from the injury management component of the PSSI. The injury management component was a desktop evaluation against content of existing CWT policies. The elements evaluated are not known to councils until early October.

The organisation received the following outcomes:

Work Health Safety	**Return to Work / Injury Management**
7 Conformances	7 Conformances
1 Conformances with an Observation	2 Conformances with an Observation
3 Non Conformances	5 Non Conformances

Below is a summary of the outcomes from the 2016 evaluation.

WHS: Performance Standards for Self-Insurers

WHS Sub Elements Assessed	2012	2013	2014	2015	2016
1.2.1 - Supporting policies and procedures are in place	NC		C	O	O
2.1.1 - Legislative compliance is addressed as part of the system	O	Audit By-pass Granted by LGAWCS	O	C	NC
2.1.2 - The organisation's system must ensure employees or their representatives directly affected by the implementation of WHS plans are consulted when the plans are being formulated	C		C	N/A	N/A
2.1.3 - The organisation's system must ensure programs have objectives, targets and performance indicators where relevant	NC		C	N/A	N/A

WHS Sub Elements Assessed	2012	2013	2014	2015	2016
2.3.1 - The organisation must ensure appropriate training requirements have been identified	NC		NC	N/A	**N/A**
2.3.2 - The organisation must ensure training plan(s) (training needs analysis, schedule, policies, procedures records etc.) have been developed	NC		NC	N/A	**N/A**
3.2.1 - The organisation must ensure that a relevant training program is being implemented	NC		NC	NC	**C**
3.3.1 - The organisation must ensure defined responsibilities are communicated to relevant employees	N/A		N/A	O	**N/A**
3.3.2 - The organisation must ensure accountability mechanisms are being used when relevant.	N/A		N/A	C	**C**
3.7.1 - The organisation must ensure contingency plans are periodically tested and/or evaluated to ensure an adequate response, if required.	N/A		N/A	N/A	**C**
3.8.1 - The organisation must ensure a hazard management process that includes identification, evaluation and control is in place	NC		NC	NC	**NC**
3.8.6 - The organisation must ensure program(s) (in this context programs means policies and procedures) are in place to meet the organisation's duty of care for all persons in the workplace**.**	NC		NC	NC	**NC**
3.8.7 - The organisation must ensure programs (policies and procedures) are in place to ensure work related injury/illness and incidents are investigated and action taken when relevant	NC		C	O	**C**
3.11.1 - The organisation must ensure the relevant level of reporting, records and/or documentation is maintained to support the system programs and legislative compliance	NC		C	C	**C**
3.12.1 - The organisation must ensure program(s) of documentation control for identification and/or currency of essential documents are in place and maintained	O		O	N/A	**N/A**
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.	N/A		N/A	N/A	**C**
4.2.1 - The organisation must ensure programmed internal audits are performed objectively by competent personnel to ensure performance of systems and programs and employees directly affected by the results, or their representatives, are consulted.	N/A		N/A	NC	**N/A**
5.1.1 - The organisation must ensure it reviews the scope and content of the policy statement and supporting policies/procedures in consultation with employees or their representatives to ensure continued suitability and effectiveness.	N/A		N/A	C	**N/A**

The 2013 column spans: Audit By-pass Granted by LGAWCS

WHS Sub Elements Assessed	2012	2013	2014	2015	2016
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.	N/A		N/A	N/A	**C**

C = Conformance   **NC = Non-conformance**   **O = Observation**   **N/A = Not Assessed**

To close out the observations and non-conformances, the evaluator has provided the following suggested recommendations:

Sub-element(s)	O/NC	Recommendation(s)
1.2.1 Policies and Procedures	**O**	**1.2.1 Auditors comment**: Not all of the WHS Policies are within their current review period; however there is a schedule in place for this to occur.
2.1.1 Legislative compliance is addressed as part of the system.	**NC**	**2.1.1 Auditor comment:** The main gap identified is in relation to the legislative requirements in confined space management (the requirement for a confined space register and risk assessments). There is also an opportunity for improvement with regards to asbestos management (including asbestos registers)
3.8.1 Hazard Identification, Evaluation and Control	**NC**	**Auditor comment:** Risk assessments need to be conducted and existing associated safe operating procedures reviewed in order of priority. Emergency plans/procedures are to be documented in operating procedures (contingency/rescue arrangements) for identified high risk work activities and hazardous chemical management. As referred to previously (in sub-element 2.1.1), work needs to occur for confined space and asbestos management.
3.8.6 Visitor, Volunteer and Contractor Management	**NC**	**Auditor comment:** Ensure that the WHS Contractor Management Policy is reviewed to capture the necessary documentation required during the tender process (e.g. SWMS requirements, principal contractor requirements etc.) There are some good examples of contractor monitoring occurring however it needs to be undertaken and documented across the organisation by all council representatives.

The findings from the evaluation were presented to the Executive Management Team and work has commenced to capture the suggested recommendations identified in the evaluation report within the organisation's Work Health Safety and Injury Management Plan 2017-2020.

Return to Work / Injury Management (RTW/IM): Performance Standards for Self-Insurers

RTW/IM Sub Elements Assessed	2016
1.2.1 - Documented job descriptions for injury management personnel and where relevant management, supervisors and employees.	**C**
1.2.2 - Ensuring injury management personnel are competent to administer their role in a reasonable manner	**C**
1.2.3 - Ensuring the allocation of resources is appropriate for the organisations type, volume and complexity of the case load.	**C**

RTW/IM Sub Elements Assessed	2016
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.	**C**
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.	**C**
1.6.1 - How to report a work related injury	**C**
1.6.2 - The process for lodging a claim for compensation	**NC**
1.6.3 - Location of Claim Forms	**O**
1.6.6 - Overview of the early intervention and return to work process	**C**
1.6.7 - Injured worker rights and responsibilities	**NC**
1.6.8 - Rights and responsibilities of the employer	**NC**
1.6.9 - Complaints management processes	**O**
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.	**NC**
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.	**NC**

C = Conformance   NC = Non-conformance   O = Observation   N/A = Not Assessed

To close out the observations and non-conformances, the evaluator has provided the following suggested recommendations:

Sub-element(s)	O/NC	Recommendation(s)
1.6.2 The process for lodging a claim for compensation	**NC**	**1.6.2 Auditors comment**: There is a deficiency with respect to the timeframe in which the LGAWCS are provided new claims kits which should be amended in the IM and RTW Policy.
1.6.3 Location of Claim Forms	**O**	**1.6.3 Auditor comment:** It is recommended that the location on the Intranet and that a hard copy is also available from the Internal RTW Coordinators office is detailed within the policy
1.6.7 Injured worker rights and responsibilities	**NC**	**1.6.7 Auditor comment:** It is recommended that the 14x worker rights as detailed within the LGAWCS Model Workplace RTW Procedure are inserted within Council's policy.
1.6.8 Rights and responsibilities of the employer	**NC**	**1.6.8 Auditor comment:** Service Standards are to be included in the Policy.

1.6.9 Complaints management processes	O	**1.6.9 Auditor comment:** It is not clear how CWT Policy will handle complaints whereby in question is not in relation to a LGAWCS service but more so a Council role or function. In addition to this, the right of an injured worker to make a complaint to the State Ombudsman in relation to claims and RTW service delivery should be summarised with the contact details.
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.	NC	**2.8.5 Auditor comment: CWT Policy** fails to fully address the following scenarios that are addressed within the LGAWCS Model Policy- Suitable Employment: 1. New or other employment option review pursuant to Section 25(10) of the Return to Work Act 2014 2. Inquiries from RTWSA concerning a review / retention of a work injured employee 3. Proposed termination of an existing work injured employee It will be important that the critical timeframes are stated within the Model Policy are implemented.
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.	NC	**2.8.6 Auditor comment:** The current CWT Policy does not address the requirements of Sections 18(4), (5) and 15(2) of the RTW Act 2014 for former work injured employee. It is noted that these requirements are specific to 'former' work injured employees and as such consideration to this fact may wish to be undertaken when implementing the new process

The findings and resulting actions identified throughout the RTW/IM evaluation have been addressed during the recent review of the Injury Management and Return to Work Policy and it is envisaged that this will result in full conformance.

Overall, the results of the 2016 LGAWCS KPI Evaluation **(Attachment 1)** acknowledged that the organisation had continued to show good progress towards developing the WHS and IM Management system and that a move to conformance in a number of areas in a short time.

Conclusion

Full details of the 2016 LGAWCS KPI WHS and IM Evaluation is provided to committee members as an attachment to this report.

Attachments

1.   **KPI Audit Summary Report**

Local Government Association
Workers Compensation Scheme

Version No:	1.0
Issue Date	16-12-2016
Review Date	N/A

2016
Local Government Association Workers Compensation Scheme
KPI (WHS/RTW) Audit Summary Report
City of West Torrens

CLIENT: **LGAWCS**

AUDITEE: **CITY OF WEST TORRENS**

AUDIT OBJECTIVE/S:

To complete an annual audit of LGAWCS membership Councils and test conformance against the ReturnToWorkSA (RTWSA) Code of Conduct for Self Insured Employers and specifically nominated elements within the Performance Standards for Self Insurers.

Also, to provide recommendations to the audited Councils with regard to closing out identified non-conformances, with the aim of assisting those Councils to continuously improve their WHS management systems and any required Council RTW/IM processes.

AUDIT SCOPE:

Work Health Safety: The audit scope in 2016 covered nine sub-elements from Standards 1-5 and one sub-element each from Standards 4 & 5 selected by LGAWCS.

Return to Work / Injury Management: The audit scope in 2016 covered fourteen sub-elements selected by LGAWCS.

The audit was completed over Monday 7th to Wednesday 9th November 2016.

NAME OF AUDITOR/S: Colleen Green

Report Provided By:

Colleen Green
WHS Consultant
Metro One

On: 16/12/2016

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2016 KPI audit tool -
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Attachment 2   West Torrens Audit Tool – RTW/IM Audit Tool with Auditors Comments

2016 IM RTW KPI
Audit Tool with Audito

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INTRODUCTION

Colleen Green (WHS Consultant, Metro One), on behalf of the Local Government Association Workers Compensation Scheme (LGAWCS), conducted an audit of the City of West Torrens's WHS Management Systems and RTW/IM Systems on Monday 7th to Wednesday 9th November 2016. Matt Barton (Team Leader – Claims) assisted with the RTW/IM component of this audit.

The objective of the annual KPI Audit is:

- To complete an annual audit of LGAWCS Councils and test conformance against the ReturnToWorkSA Code of Conduct for Self Insured Employers and specifically nominated elements within the Performance Standards for Self Insurers.
- Also, to provide recommendations to the audited Councils with regard to closing out identified non-conformances, with the aim of assisting those Councils to continuously improve their WHS management systems and any required Council IM processes.

The scope of the 2016 audit involved (11) sub-elements of the PSSI for WHS and (14) sub-elements for RTW/IM.

A timeframe of three days was allocated for the audit completion, and the site/s visited and degree of testing and sampling that occurred is outlined below:

- Review of selected sub-elements and system documentation;
- Review of completed inspections, tests, reports and templates;
- Interrogation of system tools (e.g. spread sheets, registers), to test whether they are being used and meet the system requirements;
- Worksite visit to the Depot; and
- Discussion (and clarification) of particular elements with employees.

The following (WHS) sub-elements of the PSSI were allocated by LGAWCS for completion:

1.2.1	Supporting policies and procedures are in place
2.1.1	Legislative compliance is addressed as part of the system
3.2.1	A relevant Training program is in place and being implemented (relating to the TNA and subsequent plan and effective delivery thereof)
3.3.2	Accountability mechanisms are being used where relevant
3.7.1	The organisation must ensure contingency plans are periodically tested and/or evaluated to ensure an adequate response, if required.
3.8.1	Hazard management systems including identification, evaluation and control are in place
3.8.6	Contractor and volunteer management systems are in place to meet the organisations duty of care to all persons
3.8.7	Work related injury/illness and accidents/Incidents are investigated and action taken where relevant

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3.11.1	Appropriate reporting, records and documentation to support system programs and legislative compliance (this includes notifiable incidents)
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.
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.

And the following aspects of Councils' return to work / injury management systems:

1.2.1	Documented job descriptions for injury management personnel and where relevant management, supervisors and employees
1.2.2	Ensuring injury management personnel are competent to administer their role in a reasonable manner.
1.2.3	Ensuring the allocation of resources is appropriate for the organisations type, volume and complexity of the case load
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.
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.
1.6.1	How to report a work related injury
1.6.2	The process for lodging a claim for compensation
1.6.3	Location of claim forms
1.6.6	Overview of the early intervention and return to work process
1.6.7	Injured worker rights and responsibilities
1.6.8	Rights and responsibilities of the employer
1.6.9	Complaints management processes
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.
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.

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1. METHODOLOGY

The audit of the specified components of The City of West Torrens's WHS Management System and RTW/IM processes included a review of existing documentation and meeting with Council employees. Comments and recommendations, including action items will provide management with some suggested ways to improve their WHS and Injury Management systems. It may be appropriate to implement an alternative action and this is at the discretion of each individual organisation and their management team.

Employee's involved in the audit process included:

- Tracey Ryan: WHS Coordinator
- Renea Everett: WHS Project Officer
- Simon McGuinness: WHS Advisor
- Baskar Kannappan: Civil Engineer
- Leigh Pedder: City Works Administration Officer
- Jeff Dinham: Work Group Leader Landscape
- Sue Curran: Manager Community Services (Acting)
- Anne Pascoe: Team Leader Community Development
- Shannon Lopez: Community Development Officer Volunteers
- Alison Holdstock: Injury Management Coordinator

A closing meeting outlining the audit findings was provided on Wednesday 9th November 2016 with:

- Terry Buss: Chief Executive Officer
- Bill Ross: General Manager Corporate and Regulatory
- Evelyn Pollard: Manager People and Culture
- Tracey Ryan: WHS Coordinator

Documentation Review

The review included reviewing policies, procedures and supporting documentation within the Council's WHS & RTW/IM Management Systems.

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

- Planning and continuous improvement by Council of their Work Health, Safety, and Injury Management Systems

- Conformance with the RTWSA Performance Standards for Self Insurer

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2. AUDIT FINDINGS

The City of West Torrens is still in the process of developing and implementing its WHS management system. A considerable amount of work has been, and is being, undertaken, and this audit lacked time to consider fully all WHS management activities that have been adopted.

Overall the City of West Torrens demonstrated compliance in the following system areas: policies and procedures in place; training program in place; accountability mechanisms being used; contingency plans in place and tested; work related incidents reported, investigated and action taken where relevant; appropriate reporting, records and documentation to support system programs and legislative compliance; objectives, targets and performance indicators are maintained, monitored and reported, as well as WHS system review, which were all sufficiently developed to merit a conforming evaluation. Work has also progressed on improving systems around legislative compliance, hazard management and volunteer management.

There are some other areas that still require additional work in order to move to a point of conformance with legislative requirements and the PSSI, however the majority of these have already been identified and measures are being put in place to address them. Some examples include: legislative compliance, hazard management and contractor management systems.

The work that has been undertaken is starting to get the City of West Torrens on the right track to achieving system compliance and is also starting to give a better structure for a planned and programmed approach to keeping your workers safe.

During the audit process, information and suggestions were provided to assist the City of West Torrens progressing forward.

The final results are as follows for the WHS Audit Component:

Conformance	Conformance with an Observation	Non-Conformance
7	1	3

Sub-element	Sub-element details	Result
1.2.1	Supporting policies and procedures are in place	C with O
2.1.1	Legislative compliance is addressed as part of the system	NC
3.2.1	A relevant Training program is in place and being implemented (relating to the TNA and subsequent plan and effective delivery thereof)	C
3.3.2	Accountability mechanisms are being used where relevant	C
3.7.1	The organisation must ensure contingency plans are periodically tested and/or evaluated to ensure an adequate response, if required.	C
3.8.1	Hazard management systems including identification, evaluation and control are in place.	NC
3.8.6	Contractor and volunteer management systems are in place to meet the	NC

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Sub-element	Sub-element details	Result
	organisations duty of care to all person's	
3.8.7	Work related injury/illness and accidents/Incidents are investigated and action taken where relevant.	C
3.11.1	Appropriate reporting, records and documentation to support system programs and legislative compliance (this includes notifiable incidents)	C
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.	C
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.	C

The final results are as follows for the RTW/IM Audit Component:

Conformance	Conformance with an Observation	Non-Conformance
7	2	5

Sub-element	Sub-element details	Result
1.2.1	Documented job descriptions for injury management personnel and where relevant management, supervisors and employees.	C
1.2.2	Ensuring injury management personnel are competent to administer their role in a reasonable manner.	C
1.2.3	Ensuring the allocation of resources is appropriate for the organisations type, volume and complexity of the case load.	C
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.	C
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.	C
1.6.1	How to report a work related injury	C
1.6.2	The process for lodging a claim for compensation	NC
1.6.3	Location of claim forms	C with O

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Sub-element	Sub-element details	Result
1.6.6	Overview of the early intervention and return to work process	C
1.6.7	Injured worker rights and responsibilities	NC
1.6.8	Rights and responsibilities of the employer	NC
1.6.9	Complaints management processes	C with O
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.	NC
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.	NC

Further details of the non-conformances and observations are detailed on the following page of this document.

The non-conformances rating is for critical areas where legislative and/or system compliance has not been met and the City of West Torrens and its staff face some degree of risk.

With respect to the elements provided with an observation rating, this should be viewed with the caveat that this audit looked at samples of documentation in a very limited timeframe for examination of detail and with no ability to confirm compliance against site activities. The City of West Torrens should also consider further analysis because the required outcome of the sub-element is occurring but improvements should be considered.

With respect to the sub-elements provided with a conformance rating, the system requirements were met with detailed evidence provided.

Further detailed information is contained within the WHS KPI Audit Tool Audit Tool embedded within this report (Attachment 1).

With regards to the RTW/IM component of the KPI Audit, further detailed information is contained within the RTW/IM Audit Tool embedded within this report (Attachment 2).

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4. SUMMARY OF NON-CONFORMANCES

The following table sets out a summary of the WHS evaluation findings:

1.2.1 Q1	Supporting policies and procedures are in place	The WHSMS includes a range of Policies, Safe Operating Procedures, Forms and Templates. Not all of the documentation is within their current review period; however there is a schedule in place for this to occur. The underlying system is in place for this to occur.	O
2.1.1 Q3	Legislative compliance is addressed as part of the system.	There are some fantastic processes in place for the management of legislative change as well as managing legislative inspection/testing requirements (included within the Calendar of Events). The main gap identified here is around the legislative requirements with regards to Confined Space Management (the requirement for a confined space register and risk assessments). A register developed in 2005 which contains risk assessments was found in the records management system; however this does not appear to meet current legislation. Since this register was developed there have been changes to legislation including the WHS Act & Regulations 2012, AS 2865-2009 and the Model Code of Practice for Confined Space February 2016. The WHS Regulations specify the requirements for managing confined space in the organisation. Given the changes to legislation, it could not be determined that the CWT is complying with WHS Regulation 66 (5) "The PCBU must ensure that a risk assessment under this regulation is reviewed and revised as necessary by a competent person to reflect any review and revision of control measures under Chapter 3 Part 1". The current 'reviewed' register Confined Space Register (reviewed in November 2015) does not meet legislative requirements. There was no evidence of any confined space risk assessments within this register (requirement under with WHS Regulation 66 (2). Further to this, there was no evidence of any of the subsequent requirements related to regulations 66 (3) "The person must ensure that a risk assessment conducted under sub-regulation (2) is recorded in writing" and regulation 66 (4) "For the purposes of sub-regulations (1) and (2), the person conducting a business or undertaking must have regard to all relevant matters, including the following: a) whether the work can be carried out without the need to enter the confined space;	NC

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		b) the nature of the confined space; c) if the hazard is associated with the concentration of oxygen or the concentration of airborne contaminants in the confined space—any change that may occur in that concentration; d) the work required to be carried out in the confined space, the range of methods by which the work can be carried out and the proposed method of working; e) the type of emergency procedures, including rescue procedures, required." Further information to assist with Confined Space Management can be found in the WHS Regulations (Regulations 65 through to 77) and the Model Code of Practice, Confined Spaces, February 2016. There is also an opportunity for improvement with regards to Asbestos Management, in particular Asbestos Management Plans (fairly generic document / doesn't make reference to or document the locations of asbestos register locations) and the follow up of the recommendations documented within the asbestos registers. Further detail on this has been captured in the Auditors Comments contained within the WHS KPI Audit Tool (embedded in this summary report) to assist the City of West Torrens when identifying future work on legislative compliance.	
3.8.1 Q19	Hazard management systems including identification, evaluation and control are in place.	This is a very large sub-element and is the sub-element with the most amount of work involved. There has been some great work undertaken in this area including the following: • The regular high risk construction work activities have been identified and SWMS templates have been developed; • All high risk SWPs now have been reviewed in line with the risk assessments; • There is a schedule of high risk plant/equipment (relating to SOP's) that has been developed. All high risk plant/equipment on this register has been risk assessed. SOP's related to the plant/equipment have been identified and updated in line with the plant risk assessments; • A current status of the plant and activities for all the medium and low risk activities has also been developed to further continue the work that has been started.	NC

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		There was evidence of a lot of effort/work that has occurred, and is occurring in the hazard management area. The building of a system is extremely time consuming, especially when you are engaging and educating the workforce, and the effort put in will benefit the City of West Torrens in the future.	
		Obviously there is still work to do, including risk assessments and associated operating and work procedures which need to be reviewed in priority order, including consideration of where there are requirements for emergency plans/procedures to be documented in operating procedures (contingency/rescue arrangements) for identified high risk work activities, hazardous chemical management and as mentioned previously (in sub-element 2.1.1), work on confined space management.	
		Having said this, the City of West Torrens appears to be on the right path.	
		Further detail on hazard management has been captured in the Auditors Comments contained within the WHS KPI Audit Tool (embedded in this summary report) to assist the City of West Torrens when identifying future work on their hazard management system.	
3.8.6 Q21	Contractor and volunteer management systems are in place to meet the organisations duty of care to all person's	There appears to be a fairly robust system in place to manage volunteers across the organisation as is the process for the management of agency staff.	NC
		With regards to Contractor Management – there was evidence of some really good work undertaken in relation to the development of some tools and templates. There does appear to be some gaps in the system that will need some further work in order to see conformance in this area.	
		The WHS Contractor Management Policy only starts from the monitoring of the contract. This Policy does not appear to refer to the specific requirements that should be captured/identified as being needed in the tender documentation (e.g. SWMS requirements, principal contractor requirements etc.) and therefore this could mean that there may be gaps in the process once a contractor has been engaged.	
		There is a Procurement Process in place where some of the 'pre-monitoring' components are covered. There appears to be a 'disconnect' between the two processes (pre and post contract engagement).	
		As mentioned, a lot of good work appears to have been undertaken with regards to Contractor Management and this	

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		work needs to continue in order to continue to improve the process and ensure it is meeting legislative and PSSI requirements. Further detail on contractor management has been captured in the Auditors Comments contained within the WHS KPI Audit Tool (embedded in this summary report) to assist the City of West Torrens when identifying future work on their contractor management system.	

The following table sets out a summary of the RTW/IM evaluation findings:

1.6.2	The process for lodging a claim for compensation	Section 6.2 of the WHS Workers Compensation & Rehabilitation Policy outlines the process for employee's who wish to lodge a workers compensation claim. It is noted that primarily the details within this process are similar to that of the LGAWCS Model Workplace Return to Work Procedure, however there is a deficiency with respect to the timeframe in which the LGAWCS are provided new claims kits. It is a requirement that all new claims on receipt from the injured employee are forwarded to the LGAWCS within 24 hours. It is noted at Section 6.2.4 that all relevant documentation will be forwarded within two working days of receipt. In addition to this, at Section 6.2.2 the manager for the injured worker is allowed up to 1 working day to forward the completed kit to the IM & Insurance Officer. As such, the procedure can allow for up to three working days to elapse from time worker provides the claims kit to the time it is submitted to the LGAWCS.	**NC**
1.6.3	Location of Claim Forms	Auditor was unable to identify within the WHS Workers Compensation & Rehabilitation Policy the details as to where claim forms / IM kits are located should a worker wish to make a claim. It is recommended that the location on the Intranet and that a hard copy is also available from the Internal RTW Coordinators office is detailed within the policy.	**C with O**
1.6.7	Injured worker rights and responsibilities	Section 7.2 of the WHS Injury Management & Return to Work Policy sets out the injured worker's responsibilities. In review of the worker's responsibilities as stated at 7.2.1 in comparison to the LGAWCS Model Workplace RTW Procedure it has been identified that responsibilities for a worker within this policy are not the full responsibilities list detailed under the Model Workplace RTW Procedure. It is recommended that this list is revisited and updated. In relation to worker rights the auditor was unable to locate a list within the WHS Workers Compensation & Rehabilitation	**NC**

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		Policy that outlined these. It is recommended that the 14x worker rights as detailed within the Model Workplace RTW Procedure are inserted within Council's policy.	
1.6.8	Rights and responsibilities of the employer	Section 7.1 of the WHS Injury Management & RTW Policy sets out the manager's responsibilities. In addition to this, at 7.3 further responsibilities that are undertaken by the Injury Management & Insurance Officer are detailed. It is noted that the Service Standards as outlined within the LGAWCS Model Workplace RTW Procedure are not stated within Council's policy. Whilst the Back on the Job published by the LGAWCS does state these standards it is important that Council's policy also states them as the standards are legislated and cover how both the LGAWCS with Council will approach an injured worker's claim and return to work.	NC
1.6.9	Complaints management processes	Section 6.11 of the WHS Workers Compensation & Rehabilitation Policy outlines the complaints process should an injured worker wish to make a complaint about the handling of their Recovery / RTW. The policy primarily refers users to the LGAWCS' Complaint Resolution process as outlined within the Back on the Job Booklet. Whilst the necessary details are contained within this separate document published by the LGAWCS it is not clear how this policy will handle complaints whereby in question is not in relation to a LGAWCS service but more so a Council role or function. In addition to this, the right of an injured worker to make a complaint to the State Ombudsman in relation to claims and RTW service delivery should be summarised with the contact details referred back to in the Back on the Job Booklet.	C with O
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	Section 6.6 of the WHS Workers Compensation & Rehabilitation Policy sets out how Council will manage permanent / long term restrictions. Whilst, this is somewhat related to the 6 month review required where a worker is not at full capacity, it fails to fully address the following scenarios that are addressed within the Model LGAWCS Suitable Employment: 1. New or other employment option review pursuant to Section 25(10) of the Return to Work Act 2014 2. Inquiries from RTWSA concerning a review / retention of a work injured employee 3. Proposed termination of an existing work injured employee Whilst it is a matter for Council to determine whether to adopt the Model Procedure as a separate document or to embed	NC

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Local Government Association Workers Compensation Scheme

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	conjunction with the LGAWCS.	the process steps into a revised WHS Workers Compensation & Rehabilitation Policy, it will be important that the critical timeframes are stated within the Model Procedure are implemented.	
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.	It is noted that the WHS Workers Compensation & Rehabilitation Policy does not address the requirements of Sections 18(4), (5) and 15(2) of the RTW Act 2014 for former work injured employee. It is recommended that the Model LGAWCS Re-employment Procedure is reviewed which addresses these requirements and implemented accordingly. As per the comments stated above for Standard 2.8.5 it will be important that Council implements the necessary timeframes and considers whether these process steps are contained within the revised WHS Workers Compensation & Rehabilitation Policy or as a standalone policy. It is noted that these requirements are specific to 'former' work injured employees and as such consideration to this fact may wish to be undertaken when implementing the new process.	NC

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5.   CONCLUSION

I would like to thank all those involved in the City of West Torrens's KPI Audit. It has been a positive experience with all staff and management involved keen to put forward what they are doing in relation to the organisation's WHS management systems.

Please note that audit findings can only be provided against the evidence presented at the time and within the audit scope. As part of the audit scope, I conducted a desktop review of evidence provided against the KPI audit checklist, and requested additional records and information based on the initial evidence provided, followed by some testing of implementation via staff and management interviews and a site visit to the Depot. The timeframe provided for on-site and document review was only three days and hence this can only be a sampling process. I did extend the document review timeframe by another day to review the evidence provided, prior to my audit visit and there were additional days following the audit to work on the RTW/IM component of the audit.

The commitment from the WHS Coordinator has meant that the City of West Torrens is developing a WHS Management System that is being built to a high level. Further work on the development /review in relation to operational and work procedures as well as the continuation of the work being done in hazard management should place Council in a strong position to ensure the health and safety of their workers.

As you are aware, the KPI audit process changed in 2012, to encourage members to feel able to respond freely without the concern that it may impact on their penalty rebate bonus from the LGAWCS. The responses from the KPI audit should enable members to build an action plan to address the non-conformances and observations for the systematic close out of these actions. The close out of these actions within the agreed action plan, then form the basis of the WHS component of the penalty rebate (paid in 2017 for the 2015 KPI audit – enabling Councils to have nearly a year to close out their identified audit issues).

Whilst it may appear that you have numerous non-conformances and observations, I also recognise that significant system build and improvement is occurring, and providing that the City of West Torrens continues with the current level of engagement, the system should mature and progress to a compliant level.

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6. COMMENTS AND RECOMMENDATIONS

The KPI Audit indicates that the City of West Torrens's WHSMS system is still at an implementation stage, moving to a stage of continuous improvement, based on the sub-elements evaluated.

It is recognised that a significant amount of work has been completed by the City of West Torrens over the last 12 months on the development/setting up of the framework of the WHS Management System and commencing the embedding of this system across the organisation. The focus for the City of West Torrens moving forward, needs to be building upon this work and systematically working through the non-conforming areas whilst still maintaining the conforming areas. You need to look at where you can improve the way you are doing things (especially from an administrative perspective) so this can free up some time to continue the work on improving your WHSMS.

In line with this, it is recommended that focus should be applied to the following areas:

- Continuation of building on the system elements such as:
  - Supporting policies and procedures - continuation of the review CWT policies in line the schedule;
  - Legislative Compliance - particularly the work needed on confined space management and the identified improvements with regards to asbestos management;
  - Hazard Management - including the review of risk assessments and associated operating and work procedures (in priority order), inclusion of emergency procedure requirements (contingency/rescue arrangements) in operational documentation (SOP's / SWP's) for identified high risk activities (particularly legislated activities), hazardous chemical management and as mentioned previously confined space management;
  - Contractor management – continuation of the identified work in this area to align the pre and post contract engagement processes, ensuring both legislative and PSSI requirements are met.

There are also some recommendations with regards to the RTW/IM component of the audit and it is recommended that these be addressed through a procedural review in this area.

This audit only focusses on some elements of the WHSMS however, so it is recommended that the audit findings are considered as part of the organisation's planning and management review processes, (in line with the OS planning and program development core component requirements) to identify priorities and programs relevant to the City of West Torrens.

I have provided some additional detail and recommendations as part of the audit findings in the KPI Audit Tools which are embedded in this report.

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I am looking forward to working closely with the City of West Torrens moving forward to ensure that a planned and prioritised approach is undertaken, in addressing the corrective actions required. This may assist Council to plan out how to move forward in a way that will provide the best approach for building a system in line with your resources and assist with the setting of a programmed body of work for the next 10 months that is achievable, addresses the issues in a systematic way and enables you to achieve the best possible rebate return in line with corrective actions completed.

Please note that KPI action plans need to be submitted for review by the end of January 2017 to address the issues identified in the audit (in a systemic way). RTW/IM audit actions can be included in the same KPI action plan as the WHSMS actions. If you are unclear on how this is to be undertaken or need examples of formats and structures, I am available to assist in drafting the KPI Audit Action Plan in order to meet the criteria that is required for approval of these plans and to ensure that the action plans are appropriate for closing out the identified issues in a prioritised, structured and systemic way.

N.B THE ABOVE ARE RECOMMENDATIONS ONLY. THE RESPONSIBILITY SITS WITH COUNCIL TO IDENTIFY SYSTEMIC CORRECTIVE ACTIONS THAT ADDRESS THE NON-CONFORMANCE AND MEET THEIR BUSINESS NEEDS

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8.5 COMMITTEE PERFORMANCE AND REPORTING

Nil

9   OUTSTANDING REPORTS/ACTIONS

9.1   Open Actions Update

Brief

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

RECOMMENDATION(S)

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

Introduction

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

Discussion

This report provides an update of the current status of open actions **(Attachment 1)**. Of the two (2) outstanding actions, one (1) is complete; one (1) is in progress while audit and IT investigates ways to customise/automate the open actions report.

Conclusion

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

Attachments

1.   Open Actions Update Report as at 31 January 2017

Audit and Risk Committee
Open actions

January 2017

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

		Target date	RO	Status – Actions taken	Status	Meeting/s where item originally raised/reported
OPEN ACTIONS						
1	**Agreed Actions** The CEO agreed to report back to the next meeting of the Committee on which actions contained in the 'Internal Audit Recommendation and Actions Report' are able to be deleted on the basis they are within tolerance levels and not being progressed.	~~Oct 2016~~ June 2017	PLIA&R	Information Services are assisting audit to automate this report. It is important that audit findings are not simply withdrawn from all reporting but rather that reports are able to be customised based on an agreed criteria such as: level of risk, overdue escalations, per department etc. and that those long term actions, such as for policy reviews can be reported closer to the policy review schedule.	In Progress	Jul 2016
COMPLETED ACTIONS						
2	**Self-Assessment** Self-assessment of the Committee to be undertaken each year. Self-assessment sheets to be provided to the Committee members in Sept 2016.	Oct 2016	GMB&CS/ PLIA&R	Insufficient responses were received to prepare the self-assessment report. In addition, the Committee membership has changed with two new elected members appointed to the Committee.	Complete	Annual requirement

1

10   OTHER BUSINESS

Nil

11   CONFIDENTIAL

Nil

12   NEXT MEETING

11 April 2017, 6.00pm in the Mayor's Reception Room.

13   MEETING CLOSE