

CITY OF WEST TORRENS



Notice of Committee Meeting

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

AUDIT AND RISK PRESCRIBED COMMITTEE

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

of the

CITY OF WEST TORRENS

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

on

**TUESDAY, 9 OCTOBER 2018
at 6.00pm**

**Terry Buss PSM
Chief Executive Officer**

City of West Torrens Disclaimer

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

This meeting, and the reports considered herein, are subject to the provisions of Section 91A of the *Local Government (Elections) Act 1999* and Council's Election Period Caretaker Policy. The Act prohibits councils making designated decisions during the caretaker period. The caretaker period commenced on 18 September 2018 and continues to the conclusion of the election.

INDEX

1	Meeting Opened	1
	1.1 Evacuation Procedures	
2	Present	1
3	Apologies	1
4	Disclosure Statements	1
5	Confirmation of Minutes	1
6	Communication by the Chairperson	1
7	Presentations	1
	Nil	
8	Outstanding Reports/Actions	2
	8.1 Open Actions Update	2
9	Reports of the Chief Executive Officer	4
	9.1 Financial Reporting and Sustainability	4
	9.1.1 Financial Reporting	4
	9.2 Internal Controls and Risk Management Systems	5
	9.2.1 Annual Strategic Risk Review	5
	9.3 Internal Audit	136
	9.3.1 Service Centre Procedures and Systems Audit Report	136
	9.3.2 2017-2018 Internal Audit Program Update	153
	9.3.3 2018-2022 Internal Audit Plan.....	163
	9.4 External Audit	181
	9.4.1 BDO Audit Completion Report	181
	9.4.2 Annual Financial Statements - Year Ending 30 June 2018.....	208
	9.5 Committee Performance and Reporting	263
	Nil	
	9.6 New and Emerging Risks	263
	Nil	
10	Other Business	263
11	Confidential	263
	Nil	
12	Next Meeting	263
13	Meeting Close	263

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 Committee held on 14 August 2018 be confirmed as a true and correct record.

6 COMMUNICATION BY THE CHAIRPERSON**7 PRESENTATIONS**

Nil

8 OUTSTANDING REPORTS/ACTIONS

8.1 Open Actions Update

Brief

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

RECOMMENDATION

It is recommended to the Audit and Risk Committee that it notes the completion of the two actions that arose from the Committee's August 2018 meeting and therefore there are no 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

Two (2) actions arose from the 12 June 2018 meeting which have been completed. Consequently, as at 30 September 2018, there are no open actions (**Attachment 1**).

Conclusion

This report advises that all open actions from previous meetings have been completed.

Attachments

1. Open Actions Update 30 September 2018

Audit and Risk Committee Open Actions

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
PLSR = Program Leader Strategic Resilience

September 2018

	Target date	RO	Status		Meeting/s where item originally raised/reported
			Actions taken	Status	
OPEN ACTIONS					
COMPLETED ACTIONS					
1	August 2018	PLSR	The 2018-2019 Budget and Annual Business Plan has been provided in the agenda for the August Committee meeting.	Complete	June 2018
2	August 2018	PLSR / GMB&CS	A separate agenda item be included in each agenda with regards to new and emerging risks.	Complete	June 2018

9 REPORTS OF THE CHIEF EXECUTIVE OFFICER

9.1 FINANCIAL REPORTING AND SUSTAINABILITY

9.1.1 Financial Reporting

Brief

This report lists those finance related reports which were considered by Council between 8 August 2018 and 2 October 2018.

RECOMMENDATION

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

Introduction

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

Discussion

The following reports were considered by Council/Council Committee between 8 August 2018 and 2 October 2018

21 August 2018

- Creditor Payments
- Taxi Voucher Usage
- Elected Member Telephones
- Register of Allowances and Benefits - 12 Months to 30 June 2018
- Investment Review 2017/18
- Mendelson Foundation Investment Performance 2017/18
- Revision of the 2018/19 Budget

4 September 2018

- Nil

18 September 2018

- Early Rate Payment Incentives
- Creditor Payments
- Council Budget Report - TWO months to 31 August 2018
- Credit Card Purchases April - June 2018

2 October 2018

- Nil

Conclusion

This report lists finance related reports which were considered by Council between 8 August 2018 and 2 October 2018

Attachments

Nil

9.2 INTERNAL CONTROLS AND RISK MANAGEMENT SYSTEMS

9.2.1 Annual Strategic Risk Review

Brief

This report presents the results of the 2018-2019 Annual Strategic Risk Review.

RECOMMENDATION

It is recommended to the Committee that the 2018-2019 Annual Strategic Risk Review be received.

Introduction

As part of Council's risk management program, implemented in 2009, strategic risks are subject to both a comprehensive annual review as well as a mid-year review. This report seeks to present the review of the strategic risks and broadly highlight amendments to these risks.

Discussion

The City of West Torrens (CWT) *Administration Policy - Enterprise Risk Management Framework* provides that strategic risk identification, strategic risk analysis and strategic risk evaluation occur annually and reviewed six-monthly. Strategic risks are those risks that impact on the whole organisation rather than an individual department and so are managed by the Executive.

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

The format of the Review Report is different to that of previous years and is more informative. This is a result of a review of the structure and content and the ability to report directly from 'Interplan' which is the software product used by the organisation to assist in and document risk management processes. It also contains additional information i.e. links to operational risks.

Risk Framework

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

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

Strategic Risk Review

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

TABLE A: Executive Management Team - Strategic Risk Review Process

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

As a result of the process detailed in Table A, the EMT has reviewed the organisation's strategic risks which resulted in significant amendments to the strategic risks. A summary of these amendments can be found in the table below and a more comprehensive summary can be found in **Attachment 3**.

2017-2018 Strategic Risks		2018-2019 Strategic Risks		Amendment
1	The Business	1	Business Practices	Title change and minor descriptor modification
2	Staff	2	Workforce Management	Title change and additional descriptor
3	Serious Injury or Death	3	Effective WHS Management	Title change
4	The Council	4	Stakeholder Relationships	Title change and descriptor consolidation
5	Decision Making	5	Decision Making	Descriptor separation
6	Advice and Information	6	Advice and Information	Minor descriptor modification
7	Fraud and Corruption	7	Fraud and Corruption	Minor descriptor modification
8	Information Services	8	Information Technology Infrastructure and Services	Title change
9	Ineffective Organisational/Community Resilience	9	Ineffective Business Continuity and Community Resilience	Title change and major descriptor change
10	Flooding	10	Emergency Events	Title change and major descriptor change
		11	Infrastructure Management	New strategic risk

There are no changes to the overall residual risk ratings of the strategic risks as follows:

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

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

In the interim, the Executive's monitoring of Strategic Risk 9 - Ineffective Business Continuity and Community Resilience has been increased from 6 monthly to quarterly.

Control Verification Process

The strategic risk review ensures that thorough assessment of the controls associated with each risk is undertaken, at least annually, to determine whether each asserted control is *tangible or intangible* dependent on whether evidence of each asserted control is available. Controls have been provided for each risk (**Attachment 4**).

This evidence has been reviewed by desktop process and is available in hard or soft copy on request by Committee members.

Emerging Risks

As a result of the process detailed in Table A, the EMT reviewed the 'emerging risks' which are risks or issues which are currently on the horizon which may or may not have an impact on Council and which may or may not be within the control of the CWT. These have not been risk assessed at this point, generally because the risk is not concrete in nature, but will be monitored and risk assessed if they eventuate and are within the organisation's control. A summary of these amendments to the emerging strategic risks identified can be found in the table below and a more comprehensive summary can be found in **Attachment 3**

2017-2018 Emerging Risks		2018-2019 Emerging Risks		Change Proposed
1	Infill Development/ PDI Implementation	1	Infill Development/ PDI Implementation	Minor updates to descriptor and notes
2	Rate Capping	2	Financial Sustainability	Title change and broader descriptor
		3	Waste, Recycling and Disposables Management	New emerging strategic risk

Conclusion

The *2018-2019 Annual Strategic Risk Review* has been completed by the Executive Management Team and the outcomes of the Review are attached for information. The review resulted in a number of amendments to the strategic risks including the addition of a new strategic risk: Strategic Risk 11 - Infrastructure Management. All risks were subject to an extensive control verification process which involved meeting with the management team.

Attachments

1. **Risk Analysis Matrix**
2. **Consequences Descriptors Matrix**
3. **Strategic Risk Review Amendments Summary**
4. **2018/19 Annual Strategic Risk Review**

Risk Analysis Matrix – Level of Risk

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

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

Consequences Descriptors Matrix

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

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

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

Annual Strategic Risk Review 2018/19

Summary of Amendments

Current Strategic Risk				Proposed Strategic Risk			
Strategic Risk Issue: 1 <u>The Business</u> Descriptor : a) Inefficient/ineffective practices that may lead to increased costs, missed opportunities and/or community dissatisfaction with Council.				Strategic Risk Issue : 1 <u>Business Practices</u> Descriptor : a) Inefficient/ineffective practices, <i>procedures or processes</i> that may lead to increased costs, missed opportunities and/or community dissatisfaction with Council <i>and/or adverse external agency investigation findings</i>			
				<u>Explanation of proposed change:</u> The risk issue and accompanying descriptor has been modified to clearly demonstrate a focus on the procedures and processes of the business itself and include a reference to the issues raised leading to external investigation			
Initial Risk Rating				Initial Risk Rating			
Untreated Risk :	Likelihood : Likely	=	High	Untreated Risk :	Likelihood : Likely	=	High
	Consequence : Moderate				Consequence : Moderate		

Annual Strategic Risk Review 2018/19

Summary of Amendments

Current Strategic Risk				Proposed Strategic Risk			
Risk Issue: .2 <u>Staff</u> 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.				Risk Issue : 2 <u>Workforce Management</u> Descriptor : a) Inadequate management of staff leading to a reduced overall performance of the organisation. b) Inability to attract or retain appropriately skilled staff leading to a loss of corporate knowledge and reduced organisational capability and capacity to achieve effective service delivery. c) <i>Resourcing limitations leading to current staff having the inability to undertake, continue or complete tasks as required</i>			
				<u>Explanation of proposed change:</u> The risk issue and accompanying descriptor has been modified to include an issue identified during Operational Risk Review where current staff have been subject to increased workload due to delays in replacing staff, increase in elected member and community requests and increased statutory and regulatory requirements			
Initial Risk Rating				Initial Risk Rating			
Untreated Risk :	Likelihood : Likely	=	Extreme	Untreated Risk :	Likelihood : Likely	=	Extreme
	Consequence : Major				Consequence : Major		

Annual Strategic Risk Review 2018/19

Summary of Amendments

Current Strategic Risk				Proposed Strategic Risk			
Strategic Risk Issue: .3 <u>Serious Injury or Death</u> Descriptor : a) 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.				Risk Issue : 3 <u>Effective WHS Management</u> Descriptor : a) 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.			
				<u>Explanation of proposed change:</u> The risk issue has been modified to more closely align with contemporary work health and safety practice and nomenclature and the CWT Enterprise Risk Management Framework. There is no change to the descriptor itself.			
Initial Risk Rating				Initial Risk Rating			
Untreated Risk :	Likelihood : Unlikely	=	High	Untreated Risk :	Likelihood : Unlikely	=	High
	Consequence : Catastrophic				Consequence : Catastrophic		

Annual Strategic Risk Review 2018/19

Summary of Amendments

Current Strategic Risk				Proposed Strategic Risk			
Risk Issue: .4 <u>The Council</u> 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				Risk Issue : 4. <u>Stakeholder Relationships</u> Descriptor : a) <i>A breakdown in the effective working relationships between Council/Administration and relevant stakeholders leading to a loss of confidence in the CWT</i>			
				<u>Explanation of proposed change:</u> The risk issue and accompanying descriptor has been modified and consolidated to widen the definition of and recognise the various stakeholders that interact with the CWT and also to more closely align to the CWT Enterprise Risk Management Framework.			
Initial Risk Rating				Initial Risk Rating			
Untreated Risk :	Likelihood : Likely	=	Extreme	Untreated Risk :	Likelihood : Likely	=	Extreme
	Consequence : Major				Consequence : Major		

Annual Strategic Risk Review 2018/19

Summary of Amendments

Current Strategic Risk				Proposed Strategic Risk			
<p>Risk Issue : .5</p> <p>Decision Making</p> <p>Descriptor :</p> <p>a) Decisions made by Council that reverse or change direction from approved or established plans without considering the impacts on service delivery or reputation or decisions that are based on political expediency.</p> <p>b) Decisions made by the Administration that reverse or change direction from approved or established plans without considering the impacts on service delivery or reputation or decisions that are based on political expediency.</p>				<p>Risk Issue : 5</p> <p>Decision Making</p> <p>Descriptor :</p> <p>a) Decisions made by Council or the Administration that reverse or change direction from approved or established plans without considering the impacts on service delivery or reputation or decisions that are based on political expediency.</p> <p>b) Decisions made by the Council or the Administration that are based on political expediency. reverse or change direction from approved or established plans without considering the impacts on service delivery or reputation</p>			
				<p>Explanation of proposed change:</p> <p>The risk descriptor has been modified to more clearly delineate between the council and/or administration changing direction on issues that may be separate to those based on political expediency</p> <p>The risk issue has not been changed</p>			
Initial Risk Rating				Initial Risk Rating			
Untreated Risk :	Likelihood : Likely	=	High	Untreated Risk :	Likelihood : Likely	=	High
	Consequence : Moderate				Consequence : Moderate		

Annual Strategic Risk Review 2018/19

Summary of Amendments

Current Strategic Risk				Proposed Strategic Risk			
<p>Risk Issue: .6</p> <p><u>Advice and Information</u></p> <p>Descriptor :</p> <p>a) Failure to provide adequate, accurate and/or timely advice that leads to poor decision making.</p> <p>b) Failure to properly secure information leading to its misuse or to breaches of privacy principles.</p>				<p>Risk Issue : 6</p> <p><u>Advice and Information</u></p> <p>Descriptor :</p> <p>a) Failure to provide adequate, accurate and/or timely advice that leads to poor decision making and outcomes.</p> <p>b) Failure to properly secure information leading to its misuse or to breaches of privacy principles legislation.</p>			
				<p><u>Explanation of proposed change:</u></p> <p>The risk descriptor has been modified to provide further clarity around the outcome focus of the risk and broaden privacy principles to broader legislation.</p> <p>The risk issue has not been changed</p>			
Initial Risk Rating				Initial Risk Rating			
Untreated Risk :	Likelihood : Likely	=	High	Untreated Risk :	Likelihood : Likely	=	High
	Consequence : Moderate				Consequence : Moderate		

Annual Strategic Risk Review 2018/19

Summary of Amendments

Current Strategic Risk				Proposed Strategic Risk			
<p>Risk Issue: .7</p> <p><u>Fraud and Corruption</u></p> <p>Descriptor : Inadequate systems and procedures that provide opportunities for fraud or corruption by Council staff, volunteers or Elected Members.</p>				<p>Risk Issue : 7</p> <p><u>Fraud and Corruption</u></p> <p>Descriptor : Inadequate systems and procedures that provide opportunities for fraud or corruption by Council staff, contractors, volunteers or Elected Members.</p>			
				<p>Explanation of proposed change:</p> <p>The risk descriptor has been updated to include possible fraud or corruption by contractors.</p> <p>The risk issue has not been changed</p>			
Initial Risk Rating				Initial Risk Rating			
Untreated Risk :	Likelihood : Almost Certain	=	Extreme	Untreated Risk :	Likelihood : Almost Certain	=	Extreme
	Consequence : Catastrophic				Consequence : Catastrophic		

Annual Strategic Risk Review 2018/19

Summary of Amendments

Current Strategic Risk				Proposed Strategic Risk			
<p>Risk Issue: .8</p> <p>Information Services</p> <p>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.</p>				<p>Risk Issue : 8.</p> <p>Information Technology Infrastructure and Services</p> <p>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.</p>			
				<p>Explanation of proposed change:</p> <p>The risk issue has been modified to include reference to Information Technology Infrastructure in addition to software and services provided.</p> <p>There is no change to the risk descriptor itself.</p>			
Initial Risk Rating				Initial Risk Rating			
Untreated Risk :	Likelihood : Almost Certain	=	Extreme	Untreated Risk :	Likelihood : Almost Certain	=	Extreme
	Consequence : Major				Consequence : Major		

Annual Strategic Risk Review 2018/19

Summary of Amendments

Current Strategic Risk			Proposed Strategic Risk			
<p>Risk Issue: .9 <u>Ineffective Organisational/Community Resilience</u> Descriptor : a) The, inability to respond, recover, restore and resume business as usual during a business continuity event resulting in damage, long term interruption, or loss of key service centres (Civic, Depot, Library, Thebarton Community Centre) leading to the Council’s capacity to provide essential services being severely compromised, reduced in the long term or lost entirely. b) The inability to effectively Prepare, Prevent, Respond and/or Recover (PPRR) from an emergency event resulting in loss of key infrastructure/assets and/or ongoing danger to staff or our community. c)Ineffective communication with Emergency Control Agencies, Western Adelaide Emergency Management Committee member councils or Functional Support Group(s) resulting in inefficient response and recovery from an emergency hazard. d) Failure to adequately partner with the community and associated community services providers to build resilience programs resulting in delayed or missed opportunities for Council to respond to and meet the immediate needs of its community during or responding to an emergency incident. e) Deliberate attack with the aim of injuring the Council, its staff or community such as Terrorist attack, hostile vehicle attack at crowded places, cyber-crime etc. f) The inability of the organisation to meet the increasing demands being placed on Local Government by the State and LGA with regard to emergency management</p>			<p>Risk Issue : 9 <u>Ineffective Business Continuity and Community Resilience</u> Descriptor : a) The, inability to respond, recover, restore and resume business as usual during a business continuity event resulting in damage, long term interruption, or loss of key service centres (Civic, Depot, Library, Thebarton Community Centre) leading to the Council’s capacity to provide essential services being severely compromised, reduced in the long term or lost entirely. b) The inability to effectively Prepare, Prevent, Respond and/or Recover (PPRR) from an emergency event resulting in loss of key infrastructure/assets and/or ongoing danger to staff or our community. c)Ineffective communication with Emergency Control Agencies, Western Adelaide Emergency Management Committee member councils or Functional Support Group(s) resulting in inefficient response and recovery from an emergency hazard. d) Failure to adequately partner with the community and associated community services providers to build resilience programs resulting in delayed or missed opportunities for Council to respond to and meet the immediate needs of its community during or responding to an emergency incident. to prepare its community for disruptive events e)Deliberate attack with the aim of injuring the Council, its staff or community such as Terrorist attack, hostile vehicle attack at crowded places, cyber-crime etc. f) The inability of the organisation Failure to meet the increasing legislative demands being placed on Local Government by the State and LGA with regard to emergency management leading to increased dissatisfaction and not meeting the needs of the community.</p>			
<p>Initial Risk Rating</p>			<p>Initial Risk Rating</p>			
Untreated Risk :	Likelihood : Likely Consequence : Major	=	Untreated Risk :	Likelihood : Likely Consequence : Major	=	Extreme
<p>Explanation of proposed change: The risk issue and descriptor has been modified to clearly separate and identify the risk issues associated with planning for an event and the actual process of dealing with the event itself</p>						

Annual Strategic Risk Review 2018/19

Summary of Amendments

Current Strategic Risk				Proposed Strategic Risk			
<p>Risk Issue: .10</p> <p><u>Flooding</u></p> <p>Descriptor :</p> <p>a) Damage to private property, council facilities and/or community infrastructure as a result of catchment flood events</p>				<p>Risk Issue: 10</p> <p><u>Emergency Events</u></p> <p>Descriptor :</p> <p>a) Damage to private property, council facilities and/or community infrastructure as a result catchment flood of Emergency events that impact on the CWT.</p> <p>b) Ineffective communication with Emergency Control Agencies, Western Adelaide Emergency Management Committee member councils or Functional Support Group(s) resulting in inefficient response and recovery from an emergency hazard.</p> <p>c) Deliberate attack with the aim of injuring the Council, its staff or community such as Terrorist attack, hostile vehicle attack at crowded places, cyber-crime etc.</p> <p>d) Failure to adequately partner with the community and associated community services providers to build resilience programs resulting in delayed or missed opportunities for Council to respond to and meet the immediate needs of its community during or responding to an emergency incident.</p>			
				<p>Explanation of proposed change:</p> <p>The risk issue and descriptor has been modified to clearly separate and identify the risk issues associated with planning for an event and the actual process of dealing with the event itself.</p>			
Initial Risk Rating				Initial Risk Rating			
Untreated Risk :	Likelihood : Rare	=	Moderate	Untreated Risk :	Likelihood : Rare	=	Moderate
	Consequence : Catastrophic				Consequence : Catastrophic		

Annual Strategic Risk Review 2018/19

Summary of Amendments

Proposed Strategic Risk		New
<p>Risk Issue: .11</p> <p><u>Infrastructure Management</u></p> <p>Descriptor : <i>Failure to adequately maintain assets (including facilities and property) and infrastructure leading to increased costs , increased damage caused by deterioration or emergency events and increased damage to reputation</i></p> <p><u>Explanation of proposed change:</u></p> <p>This new risk has been introduced as Council is a significant owner of property and infrastructure across its local area with an increased role in its community as a result of transfer of responsibilities from State and Federal Governments.</p> <p>The Council exists to provide services to its community. Some of these services are provided by or related to infrastructure assets. Council is responsible for the community’s significant investment in assets that support Council’s core business of service delivery.</p> <p>Council is also responsible for long term provision and appropriate management of assets by determining and delivering sustainable levels of service to address the needs of residents, the wider community, future generations and the environment, implementing appropriate asset management strategies, including financial treatment, to safeguard community assets. This also involves meeting and surpassing legislative requirements for asset management.</p> <p>The <i>Local Government Act 1999</i> (SA) contains accountability measures to strengthen provisions that require councils to give careful attention to strategic planning in consultation with their communities. They add new obligations to undertake long term infrastructure, asset management and financial planning and impose new requirements to conduct annual consultation with ratepayers regarding their budgets, rating strategies and business plans.</p> <p>The initial Risk rating (risk issue assessed without control mitigation) has been suggested as Extreme based on the consequence and likelihood descriptors from the CWT Risk Framework. Using the Financial consequence descriptor and looking at a per event basis a loss of between \$100,000 and \$1M (Consequence Descriptor Major) may be experienced. The likelihood of the risk issue occurring would be considered Likely (75-95% chance of occurring) if there were no risk mitigation measures in place.</p> <p>A revised risk assessment to be conducted after consultation with Managers as potential risk control owners.</p>		
Initial Risk Rating		
Untreated Risk :	Likelihood : Likely	= Extreme
	Consequence : Major	

Annual Strategic Risk Review 2018/19

Summary of Amendments

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.

Annual Strategic Risk Review 2018/19

Summary of Amendments

Emerging Strategic Risk Issue: .1**Infill Development/ PDI Implementation****Descriptor :**

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

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

Known or potential local impacts include:

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

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

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

In the interim, a steering group of relevant members of the administration (jointly headed up by the General Manager Urban Services and the General Manager Business and Community Services) is meeting weekly 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 Act

Annual Strategic Risk Review 2018/19

Summary of Amendments

Explanation of proposed changes:

The emerging risk issue and accompanying descriptor has not changed significantly with only minor updates made to the descriptor to confirm progress and outline actions that have been taken since the last strategic risk review update.

A suggested initial risk rating is provided below based on the CWT Enterprise Risk Framework. The initial Risk rating (risk issue assessed without control mitigation) has been suggested as High based on the consequence and likelihood descriptors from the CWT Risk Framework. Using the Reputation/Relationships consequence descriptor and looking at a per event basis there is the possibility that failure to deal appropriately with this issue may lead to a negative front page story in the Messenger/Advertiser (Consequence Descriptor **Major**). The likelihood of the risk issue occurring would be considered **Moderate** (25-75% chance of occurring) if there were no risk mitigation measures in place.

Initial Risk Rating			
Untreated Risk :	Likelihood : Moderate	=	High
	Consequence : Major		

Activities associated with this issue

1. The Planning Development and Infrastructure Act has been proclaimed with staged commencement.
2. CWT will ensure that the impact of the resulting legislation/regulation is communicated to its community, together with clear statements about the origins/responsibilities for the changes once they are better known.
3. On-going updating of staff and Council will continue to ensure the organisation is informed and ready to implement required changes.
4. The Steering Group will continue to plan for the implementation of the impending changes and commencement of the Act.
5. The Project Officer will continue to manage the preparations and implementation of the PDI Act and associated changes to the systems and processes
6. Staff working collaboratively with DPTI staff on the implementation of the PDI Act with a PDI update report to Governance Committee meetings as appropriate.
- 7.
- 8.

Annual Strategic Risk Review 2018/19

Summary of Amendments

Emerging Strategic Risk Issue: .2**Rate capping/ Financial Sustainability****Risk Issue background :**

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

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

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

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

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

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

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

Annual Strategic Risk Review 2018/19

Summary of Amendments

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

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

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

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

Council is currently in a strong position with its 2018/19 budget again delivering a surplus operating result which will further sustain the city's financial position.

There are challenges to be faced across the local government sector and throughout the state and federal economies as a whole. The CWT will continue to monitor developments in this area and review its responses at a strategic level.

Future challenges

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

Explanation of proposed change:

With the election of the new Government in March 2018 that carried a policy of introducing rate capping this risk issue may become realised. The final form the legislation may take is still under consideration and as such the rate capping issue is still one that CWT is monitoring. In light of the possible implementation of legislation CWT has endeavoured to look at the broader issues relating to rate capping and what issues they may pose for CWT.

The Emerging Risk Issue has therefore been modified to expand its focus from rate capping to financial sustainability.

Initial Risk Rating			
Untreated Risk :	Likelihood : Unlikely	=	Moderate
	Consequence : Major		

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.

Annual Strategic Risk Review 2018/19

Summary of Amendments

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.
5.	Work undertaken to revisit and update asset data, including condition assessment information, particularly in relation to infrastructure assets - completed for Council's road and footpath network, and building assets, with work in progress on drainage and land improvements
6.	CWT has provided the LGA with a list of amendment priorities in regards to the proposed Rate Capping legislation
7.	CWT has provided the LGA with a list of concession priorities in regards to the proposed Rate Capping legislation
8.	

Annual Strategic Risk Review 2018/19

Summary of Amendments

Emerging Risk Issue: .3**Waste Recycling and Disposables Management****Risk Issue background :**

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

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

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

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

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

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

Explanation of proposed change:

This **NEW** emerging risk issue has been included in response to a series of issues impacting on the waste and recycling services sector including, waste and urban infill, the increased costs caused by the increased waste to landfill levy, and the uncertainty surrounding the sector due to China's decisions to ban or limit what it will accept from Australia with regards to waste and recyclables.

Annual Strategic Risk Review 2018/19

Summary of Amendments

The initial Risk rating (risk issue assessed without control mitigation) has been suggested as **Moderate** based on the consequence and likelihood descriptors from the CWT Risk Framework. Using the Financial consequence descriptor and looking at a per event basis a loss of between \$100,000 and \$1M (Consequence Descriptor **Major**) may be experienced. The likelihood of the risk issue occurring would be considered **Moderate** (25-75% chance of occurring) if there were no risk mitigation measures in place.

Initial Risk Rating			
Untreated Risk :	Likelihood : Unlikely	=	Moderate
	Consequence : Major		
Activities associated with this issue			
1. Waste working party established including Elected Members , Managers and key staff to investigate and plan council response to issues			
2. Consultant engaged to review Council kerbside 3 Bin waste and recycling services			



Strategic Risk Review

City of West Torrens - 2018-19 Annual Review

Table of Contents

INTRODUCTION	3
STR 1 BUSINESS PRACTICES.....	4
STR 2 WORKFORCE MANAGEMENT	12
STR 3 EFFECTIVE WHS MANAGEMENT	21
STR 4 STAKEHOLDER RELATIONSHIPS	30
STR 5 DECISION MAKING	38
STR 6 ADVICE AND INFORMATION	44
STR 7 FRAUD AND CORRUPTION	50
STR 8 INFORMATION TECHNOLOGY INFRASTRUCTURE AND SERVICES	63
STR 9 INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE	70
STR 10 EMERGENCY EVENTS.....	82
STR 11 INFRASTRUCTURE MANAGEMENT	89
STR 12 ESR1 Emerging Risk 1- Infill Development/PDI implementation.....	97
STR 13 ESR2 Emerging Risk 2 - Financial Sustainability.....	99
STR 14 ESR3 Emerging Risk 3 - Waste Recycling and Disposables Management.....	101
APPENDICES	102
Appendix 1 - Risk Analysis Matrix - Level of Risk	102
Appendix 2- Consequences Descriptors Matrix	103

INTRODUCTION

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

Risk Framework

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

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

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

Control Verification process

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

Emerging Risks

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

STR 1 BUSINESS PRACTICES

Primary Category: Reputation/Relationships
Responsible Officer: General Manager Business & Community Services

<u>Initial</u>		<u>Revised</u>	
Consequence	Moderate	Consequence	Moderate
Likelihood	Likely	Likelihood	Unlikely
Risk Rating	High	Risk Rating	Moderate

Effectiveness of Controls: Satisfactory

Descriptor:

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

Existing Controls:

- Adequate and well trained resources
- Continuous improvement through the Lean Thinking program
- Elected Member body is open to new initiatives
- Experienced and strong governance function
- Internal and External audit arrangements in situ
- Legislation/policies/procedures in situ
- Monthly reports to Council and bi-monthly to committees
- Organisation is transparent, open and accountable to the community
- Plans in situ - i.e. Asset Management Plan, Risk & Resilience Management Plan, 10 year Financial Plan, Strategic Plan etc
- Policy review regime monitored and managed
- Robust recruitment process ensures qualified staff, qualifications/ professional memberships or registration; confirmed and recorded on file
- Robust software systems in situ - i.e. Interplan/Objective etc.
- Strong, stable and experienced management team

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Risk Controls (Evidence Supporting Tangible Controls)

Adequate and well trained resources	
Control Owner:	Manager People and Culture
Risk Title:	BUSINESS PRACTICES
Evidence:	<ul style="list-style-type: none"> a. Administration Policy: Training and Development (Staff Learning and Development Plans) b. Performance Development Guidelines c. Training certificates registered in personnel files d. Use of EMS Pro to manage staff e. CWT intranet site containing Performance Development information
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A6406 b. https://objective.wtcc.sa.gov.au/id:A1270972/document/versions/published c. Access restricted but evidence confirmed d. A1984222 e. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Performance-Development?BestBetMatch=development%20plans 518d497d-73ec-4f94-a1e5-6f5c7addc57b a41fea20-512b-4ca8-90ba-af69a312174a en-AU
Continuous improvement through the Lean Thinking program	
Control Owner:	Program Leader Continuous Improvement
Risk Title:	BUSINESS PRACTICES
Evidence:	<ul style="list-style-type: none"> a. Lean Progress Report b. Past LEAN Projects - Truss project, Gnarly Project, Library Project, Depot completed c. Managers training completed d. Facilitators training June 2018 e. Lean Project "updating Policies" on Compass
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2137393 a. http://compass.wtcc.sa.gov.au/Content-areas/Lean-Thinking/Past-Projects b. A1810901 c. A2157355 d. A1225171
Elected Member body is open to new initiatives	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	BUSINESS PRACTICES
Evidence:	<ul style="list-style-type: none"> a. Sale of St Martins b. Thebarton Community Centre c. Sale of Brickworks d. Weigall Oval Masterplan e. Purchase of Royal Surf Lifesaving Building
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A782873 b. A376213 c. A1451887 - confidential d. A858888 e. A872466

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Experienced and strong governance function	
Control Owner:	Program Leader Governance
Risk Title:	BUSINESS PRACTICES
Evidence:	<ul style="list-style-type: none"> a. Governance function comprises of qualified high level staff. The General Manager has 15+ years' experience in governance and the Governance Officer has completed a Law Degree. b. GM Business and Community Services has 15+ years of service in the area of Governance - A305026 c. Reports presented to Council/Governance/Audit and Risk and Corporate Planning, Policy and Performance Committees d. Ombudsman's Confidential Audit found CWT were well within suggested limit for confidential items e. Elected Members Conflict of Interest Audit - 2018
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A1271437 (page 26) b. Confidential - Refer to Personnel File for Resume - GM Business and Community Services c. Confidential - Information on file (accessible by Exec) d. Id.11134 e. A1189744
Internal and External audit arrangements in situ	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	BUSINESS PRACTICES
Evidence:	<ul style="list-style-type: none"> a. BDO Audit Engagement Letter 18/19 b. Galpins engaged to undertake internal audit c. Internal Audit Plan 2015-2018. Outlining co-sourced approach to Internal Audit. d. Internal Audit program 2017/18 e. Wallmans engaged to undertake two legislative compliance audits per annum
Objective ID or Webpage:	<ul style="list-style-type: none"> a. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalmeetings/2018/agendas/agenda_audit_and_risk_committee_12_june_2018.pdf b. A770624 c. A1035935 d. Infocouncil D 10037 (InfoCouncil -2017-18 Internal Audit program) e. A2008258
Legislation/policies/procedures in situ	
Control Owner:	Program Leader Governance
Risk Title:	BUSINESS PRACTICES
Evidence:	<ul style="list-style-type: none"> a. Council policies available on the CWT website and Compass via policy HUB b. Administration policies available on Compass c. Statutory Policies are endorsed by Council (Endorsement of Code of Practice - March 2017) d. Policies provided to Executive for review and approval e. Council Policy review schedule approved and presented to Executive and CPPP quarterly
Objective ID or Webpage:	<ul style="list-style-type: none"> a. https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Policies_and_procedures b. Policy HUB - http://fusion.wtcc.sa.gov.au/policyHub/#findapolicy c. See 2018 Minutes - https://www.westtorrens.sa.gov.au/CWT/content/Council/Meetings/Agendas_and_Minutes d. A884881 e. Refer to Minutes of the 14 November 2017 Meeting - https://www.westtorrens.sa.gov.au/CWT/content/Council/Meetings/Agendas_and_Minutes

City of West Torrens	2018-19 Annual Strategic Risk Review
----------------------	--------------------------------------

Monthly reports to Council and bi-monthly to committees	
Control Owner:	Program Leader Governance
Risk Title:	BUSINESS PRACTICES
Evidence:	a. Agendas and Minutes available on website
Objective ID or Webpage:	a. http://www.westtorrens.sa.gov.au/Council/Meetings/Agendas_and_Minutes
Organisation is transparent, open and accountable to the community	
Control Owner:	Program Leader Governance
Risk Title:	BUSINESS PRACTICES
Evidence:	a. Public Consultation Policy b. Annual Report Confidential Items 2017-2018 Item 11.3 Governance Standing Committee adopted by Council at its 01 August 2017 Ordinary meeting c. Whistleblower process available for staff and public to report alleged wrong-doings d. Agendas and minutes publicly available e. Gifts and benefits register publically available f. Ombudsman's Report publicly available via the OmbudsmanSA website g. Elected Members Ordinary Returns publicly available h. Salary Register publicly available (Enterprise Bargaining Agreement) i. Informal gatherings open to the public - Refer to Informal Gatherings and Discussions Policy j. Complaints Policy available on CWT website k. Internal Review of Council Decisions Policy on website l. Community Consultation - Refer to Public Consultation Council Policy, and Public Consultation Policy m. Freedom of Information (FOI) Process n. Whistleblowers Policy
Objective ID or Webpage:	a. A8241 c. https://www.westtorrens.sa.gov.au/CWT/content/Council/Contact_Us/Whistleblowers d. https://www.westtorrens.sa.gov.au/CWT/content/Council/Meetings/Agendas_and_Minutes/Agendas_and_Minutes e. https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Registers_and_records f. http://www.ombudsman.sa.gov.au/publications/investigation-reports/ g. Note: Ordinary Returns Register can be viewed via the Kiosk at Customer Centre, or view a hardcopy at the Customer Service Centre desk h. http://www.saet.sa.gov.au/app/uploads/2017/06/IndustrialAwards_MunicipalSalariedOfficers.pdf i. A8632 j. https://www.westtorrens.sa.gov.au/CWT/content/Council/Make_a_complaint/Council_feedback_comments k. A8109 l. A8531 and A8241 m. https://www.westtorrens.sa.gov.au/CWT/content/Council/Contact_Us/Freedom_of_Information n. A5632

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Plans in situ - i.e. Asset Management Plan, Risk & Resilience Management Plan, 10 year Financial Plan, Strategic Plan etc	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	BUSINESS PRACTICES
Evidence:	<ul style="list-style-type: none"> a. City of West Torrens Footpath Asset Management Plan 2017 b. City of West Torrens Roads Asset Management Plan 2017 c. City of West Torrens Buildings Asset Management Plan 2017 d. City of West Torrens Stormwater Asset Management Plan 2017 e. City of West Torrens Recreation & Open Space Asset Management Plan 2017 f. City of West Torrens 10 year Financial Plan g. Towards 2025 Community Plan (May 2017) h. Internal Audit Plan 2015 - 2018 i. Corporate Plan Framework - Lean Project Plan (Lean Project - Corporate Planning Process Improvements) j. Enterprise Risk and Resilience Management Plan 2018/19
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2128633 b. 2128634 c. A2128631 d. A2128635 e. A2128632 f. A2150467 g. https://indd.adobe.com/view/cdf238c2-6408-493c-b378-4e81069d4783 h. A1035935 i. A2203267 j. A2148709
Policy review regime monitored and managed	
Control Owner:	Program Leader Governance
Risk Title:	BUSINESS PRACTICES
Evidence:	<ul style="list-style-type: none"> a. Terms of Reference - Corporate Planning, Policy and Performance Committee b. Corporate Policy Hub c. Quarterly Report to Executive / Corporate Policy Planning and Performance Committee *
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A8458 b. Located within Intranet (Compass) - http://fusion.wtcc.sa.gov.au/policyHub/#findapolicy c. A2039613
Robust recruitment process ensures qualified staff, qualifications/ professional memberships or registration; confirmed and recorded on file	
Control Owner:	Manager People and Culture
Risk Title:	BUSINESS PRACTICES
Evidence:	<ul style="list-style-type: none"> a. HR Recruitment Tool Box available on the intranet which encompasses all relevant recruitment information including FAQs, policies, templates, forms, letters etc. b. Recruitment based on cultural values and behaviours
Objective ID or Webpage:	<ul style="list-style-type: none"> a. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Toolbox-Vacancies/Recruitment-toolbox b. https://www.westtorrens.sa.gov.au/CWT/content/Council/Employment_volunteering/Working_with_us/Our_culture

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Robust software systems in situ - i.e. Interplan/Objective etc.	
Control Owner:	Manager Information Services
Risk Title:	BUSINESS PRACTICES
Evidence:	a. Software systems in place i.e. ECM, Interplan, Desktop, etc. (Information Services Work Plan 2018-2019)
Objective ID or Webpage:	a. A2167197
Strong, stable and experienced management team	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	BUSINESS PRACTICES
Evidence:	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 fortnightly e. Executive management team has comprised the same members for over 8 years f. Professional Development for Managers
Objective ID or Webpage:	a. Certificates confirmed in personnel files/ECM b. Personnel files c. A894659 d. Confidential - access to copies of Agenda and Minutes via Executive Coordinator e. Personnel files/reports to Council/Annual Reports/ Organisational Chart f. A2084207

Operational Risk Links		
Risk Name	Responsible Officer	Initial Risk Rating
Failure to deliver a service to stakeholders or provide appropriate advice to Executive , Managers , Employees and members of the Public	Manager People and Culture	Moderate
Incorrect Cash handling at Service Desk	Manager People and Culture	Low
Insurance information/profiling is incorrect resulting in over payment of premiums, litigation or reputation damage	Manager Financial Services	Moderate
Poor event management	Executive Coordinator - Office of the Mayor and CEO	Moderate
Failure to deliver continuous improve objectives resulting in inefficient allocation of resources	Executive Coordinator - Office of the Mayor and CEO	Moderate
Failure to comply with legislative requirements (Agendas and Minutes)	Executive Coordinator - Office of the Mayor and CEO	Moderate
Providing incorrect advice to internal/external stakeholders or not responding in a timely manner	Executive Coordinator - Office of the Mayor and CEO	Moderate

City of West Torrens	2018-19 Annual Strategic Risk Review	
Working in an unsafe workplace resulting in injury or impact on staff wellbeing	Executive Coordinator - Office of the Mayor and CEO	Low
Misconduct or maladministration by public officers	Executive Coordinator - Office of the Mayor and CEO	Low
Non Collection of Kerbside Waste	Manager Regulatory Services	Moderate
Failure to conduct routine public health and food safety inspections within regulatory requirements resulting in harm to the public.	Manager Regulatory Services	Moderate
Objectives or activities compromise Staff safety health and well-being	Manager Regulatory Services	Moderate
Adverse publicity arising from fraudulent or corrupt activities by officers or people acting on behalf of community services	Manager Community Services	Moderate
Staff injury or illness resulting in negative impact on service delivery	Manager Community Services	Moderate
Mismanagement of volunteers resulting in failure to achieve objectives, reputation damage or litigation.	Manager Community Services	Moderate
Negative effects on clients from failure to deliver services	Manager Community Services	Moderate
Event mismanagement resulting in damage to reputation, injury or litigation	Manager Community Services	Low
Council Staff or Audit and Risk Committee Members have insufficient skills and expertise leading to failure to offer full value to the Council's oversight responsibilities or an ineffective risk, resilience and audit program	Program Leader Strategic Resilience	Moderate
Failure to deliver business objectives due to poor contractor or project management (i.e. tender process, contractor performance).	Manager City Operations	Moderate
Failure of plant and equipment resources resulting in injury to staff or reduced service delivery.	Manager City Operations	Moderate
Injury or death of staff or contractors in the workplace	Manager City Operations	Moderate
Existing infrastructure is poorly maintained resulting in deterioration and/or reduced service levels	Manager City Operations	Moderate
Unsafe and ineffective movement of people through the City due to inadequate road and path network	Manager City Assets	Moderate
Working in an unsafe workplace resulting in illness, death or injury of staff or contractors	Manager City Assets	Moderate
Failure to deliver business objectives due to poor contractor management (i.e. tender process, contractor performance).	Manager City Assets	Moderate
Event Management not meeting organisational objectives and/or compromising public safety	Manager Strategy and Business	Moderate
Integrity of Policy Framework is dependent on input from multiple stakeholders resulting in non compliant and non current policy framework	Manager Strategy and Business	Moderate
Failure to comply with legislative requirements	Manager Strategy and Business	Low
Misconduct or maladministration by public officers	Manager Strategy and Business	Low

City of West Torrens	2018-19 Annual Strategic Risk Review	
Sustainable Financial Management not achieved	Manager Financial Services	Moderate
Accounts Receivable - invoices inaccurately recorded or not at all	Manager Financial Services	Moderate
Accounts Payable - inappropriate allocation of funds	Manager Financial Services	Low
Statutory reporting not compliant	Manager Financial Services	Low
Asset register not accurately maintained	Manager Financial Services	Low
Loan register not accurately maintained	Manager Financial Services	Low
Tax liabilities inaccurately recorded	Manager Financial Services	Low
Failure to deliver business objectives due to poor contractor management (i.e. tender process, contractor performance).	Manager City Property	Moderate
Existing infrastructure and property assets are poorly maintained or sudden catastrophic failure occurs resulting in deterioration or inability to use asset and/or reduced service levels	Manager City Property	Moderate
Working in an unsafe workplace resulting in death or injury of staff or contractors	Manager City Property	Moderate
Safety and well being of staff both on and offsite	Manager City Development	Moderate

STR 2 WORKFORCE MANAGEMENT

Primary Category: People

Responsible Officer: General Manager Business & Community Services

<u>Initial</u>		<u>Revised</u>	
Consequence	Major	Consequence	Major
Likelihood	Likely	Likelihood	Unlikely
Risk Rating	Extreme	Risk Rating	Moderate

Effectiveness of Controls: Satisfactory

Descriptor:

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

Existing Controls

- All departments have commenced documenting their processes via Lean/continuous improvement projects
- All Managers and supervisors are trained/educated in leadership
- Annual Performance Development Plans are implemented resulting in individual training plans
- Conditions of employment and remuneration are attractive
- Continuous improvement through LEAN thinking implemented
- Cultural Change and Development Program (FITCORE) in situ
- Employee or Manager initiated classification review
- Existing Staff given the opportunity to apply for internal appointments or priority to undertake secondments if appropriate
- Managers' remuneration package
- Organisation taps into professional networks as part of recruitment process
- Over 64% of employees are under the age of 50 and 26% under 35

City of West Torrens

2018-19 Annual Strategic Risk Review

- Policies and procedures in place i.e. training and development
- Professional development programs in place e.g. Local Government Professionals SA Professional and Emerging Leaders Programs, LGPro Challenge Etc
- Recruitment is undertaken via various media
- Retention strategies in place i.e. induction process, EB's in place

City of West Torrens	2018-19 Annual Strategic Risk Review
----------------------	--------------------------------------

Risk Controls (Evidence Supporting Tangible Controls)

All departments have commenced documenting their processes via Lean/continuous improvement projects	
Control Owner:	Program Leader Continuous Improvement
Risk Title:	WORKFORCE MANAGEMENT
Evidence:	<ul style="list-style-type: none"> a. Past LEAN Projects - Truss project, Gnarly Project, Library Project, Depot completed b. Managers training completed c. Facilitators training June 2018 d. Lean Project "updating Policies" on Compass e. Lean Progress Report f. Annual Lean Plan
Objective ID or Webpage:	<ul style="list-style-type: none"> a. http://compass.wtcc.sa.gov.au/Content-areas/Lean-Thinking/Past-Projects b. A1810901 c. A2157355 d. A1225171 e. A2137393 f. A2137232
All Managers and supervisors are trained/educated in leadership	
Control Owner:	Manager People and Culture
Risk Title:	WORKFORCE MANAGEMENT
Evidence:	<ul style="list-style-type: none"> a. Leadership learning at Managers Forum b. Leadership Forum Agenda c. Leadership cultural behaviours d. Leader competency development in progress with Leadership Learning e. Leadership Program- Team Leaders and Coordinators
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2021083 Leadership learning presentation b. A2047365 Leadership Forum Agenda 14 Sept 2017 c. A2051438 d. A2051640 e. A2084207
Annual Performance Development Plans are implemented resulting in individual training plans	
Control Owner:	Manager People and Culture
Risk Title:	WORKFORCE MANAGEMENT
Evidence:	<ul style="list-style-type: none"> a. Employee Performance Development Program b. Corporate Leader Performance Development Plan c. PDP instruction guide/available information d. Corporate Training Plan template e. Induction process completed based on performance
Objective ID or Webpage:	<ul style="list-style-type: none"> a. PDP guidelines on Council Intranet 375 b. A1271064 c. PDP guidelines and templates on Intranet d. A2008095 e. A2053466

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Conditions of employment and remuneration are attractive	
Control Owner:	Manager People and Culture
Risk Title:	WORKFORCE MANAGEMENT
Evidence:	<ul style="list-style-type: none"> a. RDO's, Healthy Lifestyle incentives, Flexible leave arrangements b. Cultural Collaboration c. 24/7 Journey Insurance d. Enterprise Bargaining Agreement
Objective ID or Webpage:	<ul style="list-style-type: none"> a. https://www.westtorrens.sa.gov.au/CWT/content/Council/Employment_volunteering/Working_with_us b. A2194682 c. http://compass.wtcc.sa.gov.au/Lists/News-Listing/Journey-Injury-Insurance d. http://www.saet.sa.gov.au/app/uploads/2017/06/IndustrialAwards_MunicipalSalariedOfficers.pdf
Continuous improvement through LEAN thinking implemented	
Control Owner:	Program Leader Continuous Improvement
Risk Title:	WORKFORCE MANAGEMENT
Evidence:	<ul style="list-style-type: none"> a. Past LEAN Projects - Truss project, Gnarly Project, Library Project, Depot completed b. Managers training completed c. Facilitators training June 2018 d. Lean Project "updating Policies" on Compass e. Lean Progress Report f. Annual Lean Plan
Objective ID or Webpage:	<ul style="list-style-type: none"> a. http://compass.wtcc.sa.gov.au/Content-areas/Lean-Thinking/Past-Projects b. A1810901 c. A2157355 d. A1225171 e. A2137393 f. A2137232
Cultural Change and Development Program (FITCORE) in situ	
Control Owner:	Manager People and Culture
Risk Title:	WORKFORCE MANAGEMENT
Evidence:	<ul style="list-style-type: none"> a. Page on Compass b. Job descriptions - templates updated with cultural values c. FITCORE committee Minutes/Notes d. FITCORE on website under employment and volunteering information page e. Consultant engaged and working with leadership team on refreshing and progressing FITCORE f. Cultural launch event plan g. Cultural Collaborators
Objective ID or Webpage:	<ul style="list-style-type: none"> a. Cultural development program on Intranet b. A896870 c. A1764243 d. https://www.westtorrens.sa.gov.au/CWT/content/Council/Employment_volunteering/Current_vacancies e. A1015831 - Email to Management Team - Cultural Change Initiative f. A2049792 g. A2194682

City of West Torrens	2018-19 Annual Strategic Risk Review
----------------------	--------------------------------------

Employee or Manager initiated classification review	
Control Owner:	Manager People and Culture
Risk Title:	WORKFORCE MANAGEMENT
Evidence:	a. Administration Policy - Classification Review
Objective ID or Webpage:	a. https://fusion.wtcc.sa.gov.au/policyHub/serveFile.cfm?id=9
Existing Staff given the opportunity to apply for internal appointments or priority to undertake secondments if appropriate	
Control Owner:	Manager People and Culture
Risk Title:	WORKFORCE MANAGEMENT
Evidence:	a. City of West Torrens Administration Policy - Recruitment and Selection b. Policy is available on Intranet c. Internal expression of interest encouraged
Objective ID or Webpage:	a. A1966212 b. https://fusion.wtcc.sa.gov.au/policyHub/serveFile.cfm?id=58 c. http://fusion.wtcc.sa.gov.au/registerEngine/registers/hrdocs/serveFile.cfm?objectiveID=A1937645&pViewAsPDF=0 (Vacancy requisition form)
Managers' remuneration package	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	WORKFORCE MANAGEMENT
Evidence:	a. Salary Register publically available
Objective ID or Webpage:	a. Salary Register 2018 (A2199634) Publically available via Customer Service Kiosk
Organisation taps into professional networks as part of recruitment process	
Control Owner:	Manager People and Culture
Risk Title:	WORKFORCE MANAGEMENT
Evidence:	Intangible Control
Over 64% of employees are under the age of 50 and 26% under 35	
Control Owner:	Manager People and Culture
Risk Title:	WORKFORCE MANAGEMENT
Evidence:	a. Ageing Workforce Report
Objective ID or Webpage:	a. A1811807

City of West Torrens	2018-19 Annual Strategic Risk Review
----------------------	--------------------------------------

Policies and procedures in place i.e. training and development	
Control Owner:	Program Leader Governance
Risk Title:	WORKFORCE MANAGEMENT
Evidence:	<ul style="list-style-type: none"> a. Managing Performance Misconduct and Inappropriate Behaviour Policy b. Salary Packaging Policy c. Training and Development Policy d. Local Government (General) (Employee Code of Conduct) from 02 April 2018
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A8561 b. A6613 c. A6406 d. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/codes/code_of_conduct_for_employees_from_2_april_2018.pdf
Professional development programs in place e.g. Local Government Professionals SA Professional and Emerging Leaders Programs, LGPro Challenge Etc	
Control Owner:	Manager People and Culture
Risk Title:	WORKFORCE MANAGEMENT
Evidence:	<ul style="list-style-type: none"> a. Study Assistance Policy b. Training and Development Policy c. LG Professionals programs supported d. Participation in LG Management Challenges e. Leadership Program- Executive,Managers, Team Leaders and Coordinators
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A6303 b. A6406 c. A1961577 - Confidential - (Advice to staff member of successful expression of interest to professional leaders program) d. A2037493 e.A2084207
Recruitment is undertaken via various media	
Control Owner:	Manager People and Culture
Risk Title:	WORKFORCE MANAGEMENT
Evidence:	<ul style="list-style-type: none"> a. Vacancies placed on Website b. Seek job website c. Local Government Directory, Universities etc. d. Recruitment Toolbox e. Managers Recruitment Checklist f. Recruitment and Selection Policy
Objective ID or Webpage:	<ul style="list-style-type: none"> a. https://www.westtorrens.sa.gov.au/CWT/content/Council/Employment_and_volunteering b. A2198528 c. https://www.lga.sa.gov.au/careers d. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Toolbox-Vacancies e. A1266296 f. https://fusion.wtcc.sa.gov.au/policyHub/serveFile.cfm?id=58 g. A2198558

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Retention strategies in place i.e. induction process, EB's in place	
Control Owner:	Manager People and Culture
Risk Title:	WORKFORCE MANAGEMENT
Evidence:	a. EB Agreements available on Compass b. Induction New Employee Checklist c. Probationary Period Checklist d. Cultural change program/cultural collaborators e. Mentoring Program (Managers/Team Leaders)
Objective ID or Webpage:	a. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Agreements-amp-Awards?BestBetMatch=eb 518d497d-73ec-4f94-a1e5-6f5c7addc57b a41fea20-512b-4ca8-90ba-af69a312174a en-AU b. A1373294 Induction New Employees on Intranet c. A267473 Probation Period Checklist on Compass d. A2194682 e. A2182907

Operational Risk Links		
Risk Name	Responsible Officer	Initial Risk Rating
Failure to deliver a service to stakeholders or provide appropriate advice to Executive , Managers , Employees and members of the Public	Manager People and Culture	Moderate
Referral to an External Agency	Manager People and Culture	Moderate
Failure to deliver business objectives due to poor contractor or project management (i.e. tender process, contractor performance).	Manager City Operations	Moderate
Injury or death of staff or contractors in the workplace	Manager City Operations	Moderate
Existing infrastructure is poorly maintained resulting in deterioration and/or reduced service levels	Manager City Operations	Moderate
Failure of plant and equipment resources resulting in injury to staff or reduced service delivery.	Manager City Operations	Moderate
Injury or death of staff or contractors in the workplace	Manager City Operations	Moderate
Employee industrial action resulting in inability to provide critical services and or result in reputation damage	Manager City Operations	Low
Lack of supply of staff and/or access to appropriate skilled, trained and experienced workforce results in reduced service quality	Manager City Operations	Low
Unsafe and ineffective movement of people through the City due to inadequate road and path network	Manager City Assets	Moderate
Working in an unsafe workplace resulting in illness, death or injury of staff or contractors	Manager City Assets	Moderate
Failure to deliver business objectives due to poor contractor management (i.e. tender process, contractor performance).	Manager City Assets	Moderate
Staff injury or illness resulting in negative impact on service delivery	Manager Community Services	Moderate

City of West Torrens	2018-19 Annual Strategic Risk Review	
Negative effects on clients from failure to deliver services	Manager Community Services	Moderate
Loss of services to community due to loss of external funding.	Manager Community Services	Low
Accounts Receivable - invoices inaccurately recorded or not at all	Manager Financial Services	Moderate
Sustainable Financial Management not achieved	Manager Financial Services	Moderate
Tax liabilities inaccurately recorded	Manager Financial Services	Moderate
Pandemic/major illness (50% of staff absent for > 1 week)	Manager Financial Services	Low
Statutory reporting not compliant	Manager Financial Services	Low
Accounts Payable - inappropriate allocation of funds	Manager Financial Services	Low
Poor event management	Executive Coordinator - Office of the Mayor and CEO	Moderate
Providing incorrect advice to internal/external stakeholders or not responding in a timely manner	Executive Coordinator - Office of the Mayor and CEO	Moderate
Working in an unsafe workplace resulting in injury or impact on staff wellbeing	Executive Coordinator - Office of the Mayor and CEO	Low
Ineffective strategic partnerships resulting in missed opportunities to progress Council's objectives	Executive Coordinator - Office of the Mayor and CEO	Low
Misconduct or maladministration by public officers	Executive Coordinator - Office of the Mayor and CEO	Low
Failure to deliver business objectives due to poor contractor management (i.e. tender process, contractor performance).	Manager City Property	Moderate
Working in an unsafe workplace resulting in death or injury of staff or contractors	Manager City Property	Moderate
Existing infrastructure and property assets are poorly maintained or sudden catastrophic failure occurs resulting in deterioration or inability to use asset and/or reduced service levels	Manager City Property	Moderate
Failure to conduct routine public health and food safety inspections within regulatory requirements resulting in harm to the public.	Manager Regulatory Services	Moderate
Non Collection of Kerbside Waste	Manager Regulatory Services	Moderate

City of West Torrens	2018-19 Annual Strategic Risk Review	
Unacceptable behaviour from staff or contractors resulting in external investigation or litigation	Manager Regulatory Services	Moderate
Loss of staff members resulting in the inability to complete key tasks	Manager City Development	Moderate
Negative Community Reaction to Decisions	Manager City Development	Moderate
Insufficient resources (including staff capacity or capability) to deliver projects/tasks	Manager Strategy and Business	High
Ineffective strategic partnerships resulting in missed opportunities for City Strategy to progress Council's objectives	Manager Strategy and Business	Moderate
Event Management not meeting organisational objectives and/or compromising public safety	Manager Strategy and Business	Moderate
Developing plans that fail to meet community needs and aspirations	Manager Strategy and Business	Moderate
Developing Plans that fail to engage staff and Elected Members	Manager Strategy and Business	Moderate
Misconduct or maladministration by public officers	Manager Strategy and Business	Low
Providing incorrect advice to internal/external stakeholders	Manager Strategy and Business	Low

STR 3 EFFECTIVE WHS MANAGEMENT

Primary Category: WHS
Responsible Officer: General Manager Business & Community Services

<u>Initial</u>		<u>Revised</u>	
Consequence	Catastrophic	Consequence	Catastrophic
Likelihood	Unlikely	Likelihood	Rare
Risk Rating	High	Risk Rating	Moderate

Effectiveness of Controls: Satisfactory

Descriptor:

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

Existing Controls

- Advocacy sources available for employees and members of the public
- Annual Risk and Resilience Plan approved by the Executive
- Asset Management Plans in place and being implemented
- Claims trends monitored and inform maintenance schedules
- Contractor Management Policy reviewed with input from key staff stakeholders and adopted in November 2014 and reviewed again in August 2017. Training is ongoing
- Contractor management templates revised, implemented and available on the intranet
- Customer requests priorities and complaints are escalated to managers
- Executive debrief following emergency drills
- Internal audits KPI audits and Safework SA audits undertaken at regular intervals or adhoc
- Investigation, monitoring and reporting to the management team of specific incidences
- Legislation is monitored via weekly Government Gazette and provided to managers for implementation as required
- Major reports, or when there is a perceived significant issue, include risk assessment details
- No history of Safework SA prosecution or WHS offence
- Policies review schedule in situ. In addition, when legislation changes, affected policies are reviewed or developed
- Policies, procedures and Safe Work/Operating procedures, Job Safety and Environmental Assessments in place and reviewed as required

City of West Torrens

2018-19 Annual Strategic Risk Review

- Programs available to aid staff well being and/or prevent treat and rehabilitate injury
- Regular emergency evacuation drills undertaken
- Risk assessments undertaken for major projects, new programs and departmental operational risks
- Risk Management accreditation training undertaken by all new Managers
- Risk training provided to staff at team leaders/supervisors/co-coordinators level
- Spot visits to work sites by supervisors
- Trained Emergency Evacuation Personnel
- WHS and IM Plan and associated programs approved and monitored
- WHS Calendar of Events outlines all corporate WHS training, including Emergency Evacuation

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Risk Controls (Evidence Supporting Tangible Controls)

Advocacy sources available for employees and members of the public	
Control Owner:	Manager People and Culture
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. CHSP Advocacy Policy available on Compass b. EAP program available for employees for group or individual debrief
Objective ID or Webpage:	a. A1945943 b. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Employee-Assistance-Program?BestBetMatch=eap 518d497d-73ec-4f94-a1e5-6f5c7addc57b a41fea20-512b-4ca8-90ba-af69a312174a en-AU
Annual Risk and Resilience Plan approved by the Executive	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. Risk and Resilience Plan 2018/19 b. Risk and Resilience Plan 2017-2018 Quarterly update fourth quarter - June 2018
Objective ID or Webpage:	a.A2148709 b.A2148716
Asset Management Plans in place and being implemented	
Control Owner:	Manager City Assets
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. Asset Management Policy b. Asset Management Plan/s available on CWT website
Objective ID or Webpage:	a. https://fusion.wtcc.sa.gov.au/policyHub/serveFile.cfm?id=113 b. https://www.westtorrens.sa.gov.au/CWT/content/Council/Our_City/Community_Plan/Management_business_plans
Claims trends monitored and inform maintenance schedules	
Control Owner:	Manager People and Culture
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. WHS and IM Performance Dashboard Report Quarter 4 2017-2018
Objective ID or Webpage:	a. http://compass.wtcc.sa.gov.au/Content-areas/WHS/WHS-and-IM-Performance-Dashboard-Reports

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Contractor Management Policy reviewed with input from key staff stakeholders and adopted in November 2014 and reviewed again in August 2017. Training is ongoing	
Control Owner:	Manager People and Culture
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	<ul style="list-style-type: none"> a. Contractor Management Policy b. Training Plan and Training Analysis c. Internal Audit Scope - Contractor Management
Objective ID or Webpage:	<ul style="list-style-type: none"> a. https://fusion.wtcc.sa.gov.au/policyHub/serveFile.cfm?id=13 b. A2104154 c. A2110361
Contractor management templates revised, implemented and available on the intranet	
Control Owner:	Senior Strategic Procurement Officer
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	<ul style="list-style-type: none"> a. Contractor Management Process available on Compass (includes risk assessment, induction and monitoring requirements) b. Natural Environmental Guidelines for Works, Operations and Contractors c. The Procurement process available on Compass outlines RFQ schedules, contract conditions used to evaluate suitability of suppliers
Objective ID or Webpage:	<ul style="list-style-type: none"> a. http://compass.wtcc.sa.gov.au/Content-areas/Procurement/Contract-and-Contractor-Management-Process b. https://fusion.wtcc.sa.gov.au/policyHub/serveFile.cfm?id=47 c. http://compass.wtcc.sa.gov.au/Content-areas/Procurement/Procurement-Templates
Customer requests priorities and complaints are escalated to managers	
Control Owner:	Manager People and Culture
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. Customer Complaints policy available on CWT website
Objective ID or Webpage:	<ul style="list-style-type: none"> a. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/council_policies/customer_complaints_policy.pdf
Executive debrief following emergency drills	
Control Owner:	Manager People and Culture
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. Work Health Safety and Injury Management Performance Dashboard Quarter 4 2017-2018
Objective ID or Webpage:	<ul style="list-style-type: none"> a. https://objective.wtcc.sa.gov.au/id:A2183493/document/versions/published/renditions/Onscreen

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Internal audits KPI audits and Safework SA audits undertaken at regular intervals or adhoc	
Control Owner:	Manager People and Culture
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. 2015-2018 Internal Audit Plan b. 2018 LGAWCS KPI Audit Evaluation tool c. CWT WHS and IM Improvement Plan 2017-2020
Objective ID or Webpage:	a. A1035935 b. A2189040 c. https://objective.wtcc.sa.gov.au/id:A2139034/document/versions/published
Investigation, monitoring and reporting to the management team of specific incidences	
Control Owner:	Manager People and Culture
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. All WHS accidents/incidents investigated. Reports to Exec and Steering Committee b. WHS and IM Performance Dashboard Report Quarter 4 - 2017-2018
Objective ID or Webpage:	a. https://objective.wtcc.sa.gov.au/id:A2155676/document/versions/published b. http://compass.wtcc.sa.gov.au/Content-areas/WHS/WHS-and-IM-Performance-Dashboard-Reports
Legislation is monitored via weekly Government Gazette and provided to managers for implementation as required	
Control Owner:	Program Leader Governance
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. Government Gazettes distributed to relevant managers for information as soon as received b. Legislative Progress Report to Council provides a monthly overview of proposed amendments and changes to legislation which affects CWT processes/policy or practices
Objective ID or Webpage:	a. A2051472 b. InfoCouncil ID 11042
Major reports, or when there is a perceived significant issue, include risk assessment details	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. Risk Management Framework Administration Policy approved June 2017 b. Asset Management Plans updated 2017
Objective ID or Webpage:	a. http://compass.wtcc.sa.gov.au/Content-areas/Risk-Management/Risk-Management-Policy-Framework-Risk-Plan-and-Resilience-reporting b. https://www.westtorrens.sa.gov.au/CWT/content/Council/Our_City/Community_Plan/Management_business_plans
No history of Safework SA prosecution or WHS offence	
Control Owner:	Manager People and Culture
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. The historical outcome of three reported incidents found no negligence on the part of CWT
Objective ID or Webpage:	a. Confidential records in ECM but confirmed by GMB&CS

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Policies review schedule in situ. In addition, when legislation changes, affected policies are reviewed or developed	
Control Owner:	Manager People and Culture
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. Policy review Report 2017/2018 b. WHS and IM Performance Dashboard Report Quarter 4 2017/2018
Objective ID or Webpage:	a. A2128807 b. http://compass.wtcc.sa.gov.au/Content-areas/WHS/WHS-and-IM-Performance-Dashboard-Reports
Policies, procedures and Safe Work/Operating procedures, Job Safety and Environmental Assessments in place and reviewed as required	
Control Owner:	Manager People and Culture
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. WHS Policies available on Compass Policy Hub - index of policies b. Index of SOP's c. Policy review Report 2017/2018 d. SWP / SOP review schedule underway e. Job Safety Environment Analysis Register
Objective ID or Webpage:	a. http://fusion/policyHub/index.cfm?departmentid=1 b. http://fusion/registerEngine/registers/whsdocs/ c. A2128807 d. A855878 e. A1157321 Document Register printed from ECM
Programs available to aid staff well being and/or prevent treat and rehabilitate injury	
Control Owner:	Manager People and Culture
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. Employee Assistance Program b. Healthy Lifestyle bonus program c. Physiotherapy program d. Employee Health and Well Being Policy e. Skin Cancer Screenings f. Free vaccinations
Objective ID or Webpage:	a. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Employee-Assistance-Program b. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Benefits-and-Conditions/Healthy-lifestyle-incentives c. http://compass.wtcc.sa.gov.au/Lists/News-Listing/Council-funded-physiotherapy d. https://fusion.wtcc.sa.gov.au/policyHub/serveFile.cfm?id=201 e. A2203168 f. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Benefits-and-Conditions/Healthy-lifestyle-incentives

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Regular emergency evacuation drills undertaken	
Control Owner:	Manager People and Culture
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. Emergency Evacuation Exercise from Bob May Workplace Emergency Training 27.06.18- Civic Centre
Objective ID or Webpage:	a. A2170167
Risk assessments undertaken for major projects,new programs and departmental operational risks	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. Summer Festival 2018 Risk Management Plan b. City Property Operational Risk Register from Interplan
Objective ID or Webpage:	a. A2120355 b. A2200688
Risk Management accreditation training undertaken by all new Managers	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. Risk Management accreditation training undertaken by all new managers in February/ March 2015 with new manager/s included as appropriate in 2017 training b. Risk Management Refresher Training for Executive and managers facilitated by TAFE SA conducted 14 Nov 2017
Objective ID or Webpage:	a. Individual records confidential on personnel files but confirmed b.A2051693
Risk training provided to staff at team leaders/supervisors/co-coordinators level	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. Confirmation from Tafe SA that 8 Staff members have completed Risk Management Training held November 2017 b. Risk Management Refresher Training for Executive and managers facilitated by TAFE SA conducted 14 Nov 2017 c. Corporate Risk Induction d. Risk Identification Workshop
Objective ID or Webpage:	a. A2134550 b. A2051693 c. A2094730 d. A2050022

City of West Torrens	2018-19 Annual Strategic Risk Review
----------------------	--------------------------------------

Spot visits to work sites by supervisors	
Control Owner:	Manager City Operations
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. Part of normal day to day work – recorded and lodged into system b. Contractor Management Policy c. Contractor Site Monitoring checklist on Compass
Objective ID or Webpage:	a. A2092809 b. https://fusion.wtcc.sa.gov.au/policyHub/serveFile.cfm?id=13 c. http://compass.wtcc.sa.gov.au/Content-areas/Procurement/Procurement-Templates#
Trained Emergency Evacuation Personnel	
Control Owner:	Manager People and Culture
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. Emergency Evacuation Exercise from Bob May Workplace Emergency Training 27.06.18 - Civic Centre b. Emergency Warden Training attendance list for 29/11/2017 c. Training attendance record - Bob May Workplace emergency training - Chief & Deputy Warden Training 01/08/2017 d. Training attendance record for Emergency Evacuation Procedures and Practical use of Fire Extinguishers 29/11/2017
Objective ID or Webpage:	a. A2170167 b. A2181629 c. A2045742 d. A2802447
WHS and IM Plan and associated programs approved and monitored	
Control Owner:	Manager People and Culture
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. WHS and IM Plan 2017-2020 b. CWT WHS and IM system c. WHS Dashboard report Quarter 4 - 2017-18
Objective ID or Webpage:	a. https://objective.wtcc.sa.gov.au/id:A2139034/document/versions/published b. http://compass.wtcc.sa.gov.au/Content-areas/WHS/WHS-and-IM-Management-System c. http://compass.wtcc.sa.gov.au/Content-areas/WHS/WHS-and-IM-Performance-Dashboard-Reports
WHS Calendar of Events outlines all corporate WHS training, including Emergency Evacuation	
Control Owner:	Manager People and Culture
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. 2018 WHS Calendar of Events
Objective ID or Webpage:	a. http://fusion/registerEngine/registers/whscalevents_2018/

City of West Torrens		2018-19 Annual Strategic Risk Review	
Operational Risk Links			
Risk Name	Responsible Officer	Initial Risk Rating	
Failure of plant and equipment resources resulting in injury to staff or reduced service delivery.	Manager City Operations	Moderate	
Injury or death of staff or contractors in the workplace	Manager City Operations	Moderate	
Working in an unsafe workplace resulting in illness, death or injury of staff or contractors	Manager City Assets	Moderate	
Staff injury or illness resulting in negative impact on service delivery	Manager Community Services	Moderate	
Mismanagement of volunteers resulting in failure to achieve objectives, reputation damage or litigation.	Manager Community Services	Moderate	
Negative effects on clients from failure to deliver services	Manager Community Services	Moderate	
Unsafe and ineffective movement of people through the City due to inadequate road and path network	Manager City Assets	Moderate	
Providing incorrect advice to internal/external stakeholders or not responding in a timely manner	Executive Coordinator - Office of the Mayor and CEO	Moderate	
Working in an unsafe workplace resulting in injury or impact on staff wellbeing	Executive Coordinator - Office of the Mayor and CEO	Low	
Working in an unsafe workplace resulting in death or injury of staff or contractors	Manager City Property	Moderate	
Safety and well being of staff both on and offsite	Manager City Development	Moderate	
Failure to provide a safe workplace resulting in injury increased costs and reputation damage	Manager People and Culture	Moderate	
Objectives or activities compromise Staff safety health and well-being	Manager Regulatory Services	Moderate	

STR 4 STAKEHOLDER RELATIONSHIPS

Primary Category: Reputation/Relationships
Responsible Officer: General Manager Business & Community Services

<u>Initial</u>		<u>Revised</u>	
Consequence	Major	Consequence	Major
Likelihood	Likely	Likelihood	Unlikely
Risk Rating	Extreme	Risk Rating	Moderate

Effectiveness of Controls: Satisfactory

Descriptor

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

Existing Controls

- Commitment to good management practice
- Commitment to positive working relationships, demonstrated through mechanisms such as pre-briefs, EM workshops, training sessions, joint EM/Staff social events
- Effective and regular formal and informal communication between the CEO and Mayor
- Effective information provision
- ICAC oversight of conduct /maladministration/corruption
- Legislation in situ - ensuring officers are aware of legislative obligations which impact upon their area of responsibility
- Mandatory Code of Conduct for Council Members has been enacted and includes mandated behaviours and associated penalties for non-compliance
- Mandatory Code of Conduct for Employees documents and stipulates the values, behaviours and conduct expected of staff
- Mandatory Elected Member Induction completed
- Ombudsman Act and Independent Commissioner Against Corruption Act provides for simpler reporting processes and greater investigation into misconduct
- On-line mandatory training modules made available by the LGA to all Elected Members which includes roles and responsibilities

City of West Torrens**2018-19 Annual Strategic Risk Review**

- 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
- Strategic direction documented and clearly articulated
- Training provided to staff on their roles and responsibilities
- Whistleblower processes in place

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Risk Controls	(Evidence Supporting Tangible Controls)
----------------------	--

Commitment to good management practice	
Control Owner:	Manager People and Culture
Risk Title:	STAKEHOLDER RELATIONSHIPS
Evidence:	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 d. Study Assistance Program e. LEAN Facilitation Guide f. Customer Experience Framework
Objective ID or Webpage:	a. A2080753 b. A2083634 - Confidential - (Advice to staff member of successful expression of interest to professional leaders program) c. A2141783 Leadership learning presentation (forum schedule) d. A6303 e. A1078982 f. A2177189
Commitment to positive working relationships, demonstrated through mechanisms such as pre-briefs, EM workshops, training sessions, joint EM/Staff social events	
Control Owner:	Executive Coordinator - Office of the Mayor and CEO
Risk Title:	STAKEHOLDER RELATIONSHIPS
Evidence:	a. 2018 Elected Members Strategic Planning Workshop b. EM briefings/Informal gatherings held regularly before Council meetings - not decision making
Objective ID or Webpage:	a. A2130691 b. A2065713
Effective and regular formal and informal communication between the CEO and Mayor	
Control Owner:	Executive Coordinator - Office of the Mayor and CEO
Risk Title:	STAKEHOLDER RELATIONSHIPS
Evidence:	a. EM briefings/Informal gatherings held regularly before Council meetings – not decision making b. 2018 Elected Members Strategic Planning Workshop c. Informal Gatherings and Discussions Policy
Objective ID or Webpage:	a. A2065713 b. A2065713 c. https://fusion.wtcc.sa.gov.au/policyHub/serveFile.cfm?id=200

City of West Torrens	2018-19 Annual Strategic Risk Review
----------------------	--------------------------------------

Effective information provision	
Control Owner:	Program Leader Governance
Risk Title:	STAKEHOLDER RELATIONSHIPS
Evidence:	a. Survey undertaken in January 2015 with Elected Members to determine their preferred communication/information provision mode b. Information provided efficiently in various electronic mediums i.e. File Director, iPad, iPhones, extranet, email etc. c. EM briefings/Informal gatherings held regularly before Council meetings - not decision making d. 2018 Elected Members Strategic Planning Workshop
Objective ID or Webpage:	a. A1832144 b. A943497 c. A2065713 d. A2130691
ICAC oversight of conduct /maladministration/corruption	
Control Owner:	Program Leader Governance
Risk Title:	STAKEHOLDER RELATIONSHIPS
Evidence:	a. ICAC Directions and Guidelines b. OPI website
Objective ID or Webpage:	a. http://www.icac.sa.gov.au/content/directions-and-guidelines b. https://icac.sa.gov.au/opi
Legislation in situ - ensuring officers are aware of legislative obligations which impact upon their area of responsibility	
Control Owner:	Program Leader Governance
Risk Title:	STAKEHOLDER RELATIONSHIPS
Evidence:	a. Local Government Act 1999 b. Development Act 1993 c. Legislation covering your work page on Compass d. Legislative update report/PDI update report e. PDI Steering group in preparation for implementation of Planning Reform/PDI Act
Objective ID or Webpage:	a. https://www.legislation.sa.gov.au/LZ/C/A/Local%20Government%20Act%201999.aspx b. https://www.legislation.sa.gov.au/LZ/C/A/DEVELOPMENT%20ACT%201993.aspx c. http://compass.wtcc.sa.gov.au/Content-areas/Governance/Legislation-covering-your-work d. A2044664 Project Status report - PDI Engagement -update 4 e. A2039594 - Planning Reform Steering Committee (PDI Steering Act Committee) - Agenda 01 June 2018
Mandatory Code of Conduct for Council Members has been enacted and includes mandated behaviours and associated penalties for non-compliance	
Control Owner:	Program Leader Governance
Risk Title:	STAKEHOLDER RELATIONSHIPS
Evidence:	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 gazetted 29 Aug 2013 c. Elected Members Training and Nomination Register
Objective ID or Webpage:	a. A8353 b. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/codes/mandatory_code_of_conduct_for_council_elected_members.pdf c. A2189475

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Mandatory Code of Conduct for Employees documents and stipulates the values, behaviours and conduct expected of staff	
Control Owner:	Program Leader Governance
Risk Title:	STAKEHOLDER RELATIONSHIPS
Evidence:	a. Code of Conduct for Council Employees available on CWT webpage and Compass and State Govt legislation website (Update April 2018 focus on gifts and benefits)
Objective ID or Webpage:	a. https://www.legislation.sa.gov.au/LZ/V/R/2018/LOCAL%20GOVERNMENT%20(GENERAL)%20(EMPLOYEE%20CODE%20OF%20CONDUCT)%20VARIATION%20REGULATIONS%202018_43/2018.43.UN.PDF
Mandatory Elected Member Induction completed	
Control Owner:	Program Leader Governance
Risk Title:	STAKEHOLDER RELATIONSHIPS
Evidence:	a. Good Governance Training was provided to Elected Members on 3 December 2014 b. Elected Members Training and Development Policy
Objective ID or Webpage:	a. A1828027 b. https://fusion.wtcc.sa.gov.au/policyHub/serveFile.cfm?id=128
Ombudsman Act and Independent Commissioner Against Corruption Act provides for simpler reporting processes and greater investigation into misconduct	
Control Owner:	Program Leader Governance
Risk Title:	STAKEHOLDER RELATIONSHIPS
Evidence:	a. Reporting and Investigating Council Member Code of Conduct Complaints Policy is available on Council's website b. Ombudsman Act 1972 Legislation available on State Govt legislation webpage c. ICAC Directions and Guidelines d. Ombudsman SA Website e. OPI website f. Customer Complaints Policy
Objective ID or Webpage:	a. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/council_policies/reporting_and_investigating_council_member_code_of_conduct_complaints_council_policy.pdf b. https://www.legislation.sa.gov.au/LZ/C/A/OMBUDSMAN%20ACT%201972.aspx c. https://icac.sa.gov.au/directions-guidelines d. http://www.ombudsman.sa.gov.au/ e. https://icac.sa.gov.au/opi f. https://fusion.wtcc.sa.gov.au/policyHub/serveFile.cfm?id=120
On-line mandatory training modules made available by the LGA to all Elected Members which includes roles and responsibilities	
Control Owner:	Program Leader Governance
Risk Title:	STAKEHOLDER RELATIONSHIPS
Evidence:	a. Email from GMB&CS to all Elected Members b. LGA website c. EM conflict of Interest Training
Objective ID or Webpage:	a. A1137771 b. http://training.lga.sa.gov.au/index.cfm/courses-forums/elected-member-training/lga-training-standard/ c. A2139928

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

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	
Control Owner:	Program Leader Governance
Risk Title:	STAKEHOLDER RELATIONSHIPS
Evidence:	a. Financial Management Mandatory Training provided by John Comrie to Elected Members b. Mandatory training Financial Reporting and Management 2015 - attendance register
Objective ID or Webpage:	a. A1662942 b. A76760
Strategic direction documented and clearly articulated	
Control Owner:	Team Leader Strategy and Business
Risk Title:	STAKEHOLDER RELATIONSHIPS
Evidence:	a. Towards 2025 Community Plan review approved 2017 following public consultation b. Strategic Directions Report c. Departmental Service plans i.e. Strategy and Business Annual Service Plan 2018/19
Objective ID or Webpage:	a. https://indd.adobe.com/view/cdf238c2-6408-493c-b378-4e81069d4783 b. A1264863 c. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/external_website/service_plans/201819_annual_service_plans/strategy_and_business_annual_service_plan_201819.pdf
Training provided to staff on their roles and responsibilities	
Control Owner:	Program Leader Governance
Risk Title:	STAKEHOLDER RELATIONSHIPS
Evidence:	a. Corporate Governance Induction b. Corporate Induction process
Objective ID or Webpage:	a. A979345 b. http://fusion/hrInduction/index.cfm#employee
Whistleblower processes in place	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	STAKEHOLDER RELATIONSHIPS
Evidence:	a. Policy reviewed May 2016 and available on compass (Policy Hub). b. Separate/private email account wtccwhistleblowers@gmail.com accessed only by responsible officer is available for lodgement of whistleblowers complaints tested July 2018
Objective ID or Webpage:	a. https://fusion.wtcc.sa.gov.au/policyHub/serveFile.cfm?id=73 b. A2168364

City of West Torrens		2018-19 Annual Strategic Risk Review	
Operational Risk Links			
Risk Name	Responsible Officer	Initial Risk Rating	
Failure to deliver a service to stakeholders or provide appropriate advice to Executive, Managers, Employees and members of the Public	Manager People and Culture	Moderate	
Developing Plans that fail to engage staff and Elected Members	Manager Strategy and Business	Moderate	
Poor event management	Executive Coordinator - Office of the Mayor and CEO	Moderate	
Non Collection of Kerbside Waste	Manager Regulatory Services	Moderate	
Ineffective strategic partnerships resulting in missed opportunities to progress Council's objectives	Executive Coordinator - Office of the Mayor and CEO	Low	
Ineffective strategic partnerships resulting in missed opportunities for City Strategy to progress Council's objectives	Manager Strategy and Business	Moderate	
Failure of plant and equipment resources resulting in injury to staff or reduced service delivery.	Manager City Operations	Moderate	
Injury or death of staff or contractors in the workplace	Manager City Operations	Moderate	
Working in an unsafe workplace resulting in illness, death or injury of staff or contractors	Manager City Assets	Moderate	
Misconduct or maladministration by public officers	Manager Strategy and Business	Low	
Staff injury or illness resulting in negative impact on service delivery	Manager Community Services	Moderate	
Unsafe and ineffective movement of people through the City due to inadequate road and path network	Manager City Assets	Moderate	
Statutory reporting not compliant	Manager Financial Services	Low	
Failure to deliver business objectives due to poor contractor management (i.e. tender process, contractor performance).	Manager City Assets	Moderate	
Existing infrastructure and property assets are poorly maintained or sudden catastrophic failure occurs resulting in deterioration or inability to use asset and/or reduced service levels	Manager City Property	Moderate	
Accounts Payable - inappropriate allocation of funds	Manager Financial Services	Low	
Misconduct or maladministration by public officers	Executive Coordinator - Office of the Mayor and CEO	Low	
Accounts Receivable - invoices inaccurately recorded or not at all	Manager Financial Services	Moderate	

City of West Torrens	2018-19 Annual Strategic Risk Review	
Working in an unsafe workplace resulting in death or injury of staff or contractors	Manager City Property	Moderate
Negative effects on clients from failure to deliver services	Manager Community Services	Moderate
Loss of services to community due to loss of external funding.	Manager Community Services	Low
Developing plans that fail to meet community needs and aspirations	Manager Strategy and Business	Moderate
Existing infrastructure is poorly maintained resulting in deterioration and/or reduced service levels	Manager City Operations	Moderate
Providing incorrect advice to internal/external stakeholders	Manager Strategy and Business	Low
Providing incorrect advice to internal/external stakeholders or not responding in a timely manner	Executive Coordinator - Office of the Mayor and CEO	Moderate
Referral to an External Agency	Manager People and Culture	Moderate
Failure to deliver business objectives due to poor contractor management (i.e. tender process, contractor performance).	Manager City Property	Moderate
Tax liabilities inaccurately recorded	Manager Financial Services	Low
Event Management not meeting organisational objectives and/or compromising public safety	Manager Strategy and Business	Moderate
Negative Community Reaction to Decisions	Manager City Development	Moderate
Unacceptable behaviour from staff or contractors resulting in external investigation or litigation	Manager Regulatory Services	Moderate
Failure to deliver business objectives due to poor contractor or project management (i.e. tender process, contractor performance).	Manager City Operations	Moderate
Sustainable Financial Management not achieved	Manager Financial Services	Moderate

STR 5 DECISION MAKING

Primary Category: Reputation/Relationships
Responsible Officer: General Manager Business & Community Services

<u>Initial</u>		<u>Revised</u>	
Consequence	Moderate	Consequence	Moderate
Likelihood	Likely	Likelihood	Unlikely
Risk Rating	High	Risk Rating	Moderate

Effectiveness of Controls: Satisfactory

Descriptor

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

Existing Controls

- Adequate and well trained resources provided
- All reports to Council specify legislative requirements, policies or practices that apply or situations where a decision may be 'ultra-vires'
- Audit arrangements in place (external and internal)
- CEO receives and delegates powers to make decisions
- Elected Member body is open to new initiatives
- Legislation and policies in situ
- Meeting Action Progress Report provided each quarter to the CPPP/Council
- Plans in situ - i.e. Asset Management, Risk, Financial and Strategic Plans
- Policy review regime monitored quarterly by the Executive
- 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
- Robust software systems in situ - e.g. Interplan
- Strong governance and risk function
- Strong, stable and experienced executive management team
- Transparent, open and accountable to the community

City of West Torrens	2018-19 Annual Strategic Risk Review
----------------------	--------------------------------------

Risk Controls (Evidence Supporting Tangible Controls)

Adequate and well trained resources provided	
Control Owner:	Program Leader Governance
Risk Title:	DECISION MAKING
Evidence:	Intangible Control
All reports to Council specify legislative requirements, policies or practices that apply or situations where a decision may be 'ultra-vires'	
Control Owner:	Program Leader Governance
Risk Title:	DECISION MAKING
Evidence:	<ul style="list-style-type: none"> a. Local Government Election Signage (2016) b. Revocation of Community Land Classification - Thebarton Report to Council (December 2013)
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A957558 b. A1042272
Audit arrangements in place (external and internal)	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	DECISION MAKING
Evidence:	<ul style="list-style-type: none"> a. BDO Audit Engagement Letter 18/19 b. Galpins engaged to undertake internal audit c. Internal Audit Plan 2015-2018 was approved April 2015 - Outlining co-sourced approach to Internal Audit. d. Internal Audit Program 2017/18 e. Wallmans Lawyers engaged to undertake legislative compliance audits
Objective ID or Webpage:	<ul style="list-style-type: none"> a. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalmeetings/2018/agendas/agenda_audit_and_risk_committee_12_june_2018.pdf b. A770624 c. A1035935 d. ID 10037 (Infocouncil) -2017/18 Internal Audit program e. A2008258
CEO receives and delegates powers to make decisions	
Control Owner:	Program Leader Governance
Risk Title:	DECISION MAKING
Evidence:	<ul style="list-style-type: none"> a. Development Assessment Panel Delegations Policy (next review date 2021) b. CAP Delegations report c. CEO Delegations Framework and Sub-Delegations Framework is publically available d. Delegations and Register of Interests Internal Audit
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A8673 b. ID 10123 (Infocouncil) c. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/external_website/archived_documents/delegations_and_sub-delegations_framework_-_endorsed_by_council_2_may_2017.pdf d. A1208135

City of West Torrens	2018-19 Annual Strategic Risk Review
----------------------	--------------------------------------

Elected Member body is open to new initiatives.	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	DECISION MAKING
Evidence:	a. Sale of St Martins b. Thebarton Community Centre c. Sale of Brickworks d. Weigall Oval Masterplan
Objective ID or Webpage:	a. A782873 b. A376213 c. 1451887 - confidential d. A786260
Legislation and policies in situ	
Control Owner:	Program Leader Governance
Risk Title:	DECISION MAKING
Evidence:	a. Policy register (Policy HUB) b. Legislative Progress Report - presented Monthly c. Reports refer to legislative requirements when relevant d. LGA Circulars discussed in Exec e. Legislative Compliance Audits f. Government Gazette distributed weekly to relevant General Managers, Managers and key staff for Information g. PDI update report
Objective ID or Webpage:	a. refer to Policy HUB - http://fusion.wtcc.sa.gov.au/policyHub/index.cfm b. A2183031 c. A659870 d. A821620 (*Executive Management Team Minutes provided) e. A2008258 f. A122485 g. A2044664
Meeting Action Progress Report provided each quarter to the CPPP/Council	
Control Owner:	Program Leader Governance
Risk Title:	DECISION MAKING
Evidence:	a. Meeting Action Progress Report
Objective ID or Webpage:	a. A824559

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Plans in situ - i.e. Asset Management, Risk, Financial and Strategic Plans	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	DECISION MAKING
Evidence:	a. Towards 2025 Community Plan - reviewed and approved in 2017 following public consultation b. Asset Management Policy (2014) - due for review March 2019 c. 2015 - 2018 Internal Audit Plan d. Budget and annual business plan 2017/2018 incorporates the ten year financial plan
Objective ID or Webpage:	a. https://www.westtorrens.sa.gov.au/CWT/content/Council/Our_City/Community_Plan b. A5579 c. A1035935 d. https://www.westtorrens.sa.gov.au/CWT/content/Council/Your_Council/Financial_Reports
Policy review regime monitored quarterly by the Executive	
Control Owner:	Program Leader Governance
Risk Title:	DECISION MAKING
Evidence:	a. Policy Review Report 2017/2018
Objective ID or Webpage:	a. A2128807
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	
Control Owner:	Manager People and Culture
Risk Title:	DECISION MAKING
Evidence:	a. Recruitment toolbox available on Compass which steps out the process for recruitment b. Recruitment and Selection Policy
Objective ID or Webpage:	a. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Toolbox-Vacancies/Recruitment-toolbox b. https://fusion.wtcc.sa.gov.au/policyHub/serveFile.cfm?id=58
Robust software systems in situ - e.g. Interplan	
Control Owner:	Manager Information Services
Risk Title:	DECISION MAKING
Evidence:	a. Information Services Work Plan 2018-2019
Objective ID or Webpage:	a. A2167197

City of West Torrens	2018-19 Annual Strategic Risk Review
----------------------	--------------------------------------

Strong governance and risk function	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	DECISION MAKING
Evidence:	<ul style="list-style-type: none"> a. Governance function comprise suitably qualified high level staff b. Senior Strategic Procurement Officer and Program Leader Strategic Resilience (Risk and Audit) c. General Manager has 15+ years governance experience across two SA Councils. Evidence of position from previous council d. All managers are accredited in risk management -refresher training booked for November 2017 e. A number Team leaders and staff trained in risk management in 2015 (further training session occurred November 2017) f. Enterprise Risk Management policy reviewed and approved in June 2017, available on Council's webpage g. Risk Management Framework reviewed and approved June 2017 and available on CWT Intranet h. Good levels of compliance and controls of risk reviews. Galpins CWT Risk Management Controls Verification Internal Audit Report. i. Strategic Risk Review j. Risk Inductions
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A1271437 (page 26) b. A1271437 (pages 33, 26) c. A1271437 (page 1) and A305026 (re Governance Manager 2008) d. A2189364 e. A1752100 f. A5024 h. A770624 j. A2200542 / A2119305
Strong, stable and experienced executive management team	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	DECISION MAKING
Evidence:	<ul style="list-style-type: none"> a. Executive team all holds tertiary qualifications b. Executive team has extensive management/executive experience c. Executive team composition has been stable with only one change since 2008 and that role was absorbed within current executive team d. as evidenced via annual reports on website
Objective ID or Webpage:	<ul style="list-style-type: none"> a. Information verified but not public information b. Resumes verified but confidential - experience at CWT c. A1848414 - Email from CEO advising role absorbed into remaining exec's d. https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Annual_Reports

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Transparent, open and accountable to the community	
Control Owner:	Program Leader Governance
Risk Title:	DECISION MAKING
Evidence:	a. Annual Report Confidential Items 2016-2017 (see Minutes of Council Meeting held 01 August 2017) b. Freedom of Information available on CWT website c. Whistleblowers information available on website with Gmail address directed only to the responsible officer d. Council Policy - Internal Review Of Council Decisions e. Complaints Policy f. City of West Torrens Annual Report (Ombudsman's Investigations, number of Council Reviews and FOI Applications) - 04 September 2018
Objective ID or Webpage:	a. https://www.westtorrens.sa.gov.au/CWT/content/Council/Meetings/Agendas_and_Minutes (Refer Minutes of 01 August 2017) b. https://www.westtorrens.sa.gov.au/CWT/content/Council/Contact_Us/Freedom_of_Information c. https://www.westtorrens.sa.gov.au/CWT/content/Council/Contact_Us/Whistleblowers d. A5158 e. A8109 f. https://www.westtorrens.sa.gov.au/CWT/content/Council/Meetings/Agendas_and_Minutes (Refer Minutes of 04 September 2018)

Operational Risk Links		
Risk Name	Responsible Officer	Initial Risk Rating
Failure to deliver a service to stakeholders or provide appropriate advice to Executive , Managers , Employees and members of the Public	Manager People and Culture	Moderate
Misconduct or maladministration by public officers	Manager Strategy and Business	Low
Misconduct or maladministration by public officers	Executive Coordinator - Office of the Mayor and CEO	Low
Negative effects on clients from failure to deliver services	Manager Community Services	Moderate
Reduction in Council expenditure resulting in reduced expenditure on infrastructure assets and/or degraded asset management capability	Manager City Assets	Low
Providing incorrect advice to internal/external stakeholders or not responding in a timely manner	Executive Coordinator - Office of the Mayor and CEO	Moderate
Tax liabilities inaccurately recorded	Manager Financial Services	Low
Sustainable Financial Management not achieved	Manager Financial Services	Moderate

STR 6 ADVICE AND INFORMATION

Primary Category: Reputation/Relationships
Responsible Officer: General Manager Business & Community Services

<u>Initial</u>		<u>Revised</u>	
Consequence	Moderate	Consequence	Moderate
Likelihood	Likely	Likelihood	Unlikely
Risk Rating		Risk Rating	
High		Moderate	

Effectiveness of Controls: Satisfactory

Descriptor

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

Existing Controls

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

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Risk Controls (Evidence Supporting Tangible Controls)

Criminal History checks undertaken if required by policy/position	
Control Owner:	Manager People and Culture
Risk Title:	ADVICE AND INFORMATION
Evidence:	a. Licenses/ Qualifications/DCSI Clearance b. Criminal and Relevant History Screen - Administration Policy
Objective ID or Webpage:	a. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/recruitment/Other-Checks/Licenses-Clearances b. https://fusion.wtcc.sa.gov.au/policyHub/serveFile.cfm?id=50
Delegations/authorisations reviewed regularly by the Council and Executive Management Team, particularly following changes to legislation	
Control Owner:	Program Leader Governance
Risk Title:	ADVICE AND INFORMATION
Evidence:	a. Delegations Framework
Objective ID or Webpage:	a. A2157555
Government Gazettes distributed weekly by Governance	
Control Owner:	Program Leader Governance
Risk Title:	ADVICE AND INFORMATION
Evidence:	a. Government gazette distributed weekly to relevant General Managers, Managers and key staff for information
Objective ID or Webpage:	a. A2200770
High level of security in place associated with information storage and retrieval	
Control Owner:	Manager Information Services
Risk Title:	ADVICE AND INFORMATION
Evidence:	a. Workflows contained in Objective – Network access forms b. Workers compensation claims, industrial claims, etc. c. Allocation of software administration Rights.
Objective ID or Webpage:	a. confidential documents have secure folder status and are only able to be accessed by approved officers - GMBCS verified b. confidential documents have secure folder status and are only able to be accessed by approved officers - GMBCS verified c. A2203388

City of West Torrens	2018-19 Annual Strategic Risk Review
----------------------	--------------------------------------

Legislative changes are distributed as they are received by Governance	
Control Owner:	Program Leader Governance
Risk Title:	ADVICE AND INFORMATION
Evidence:	a. Updated Acts provided to EMs in hard copy/ /File Director or via email notification dependent on their preference b. Staff advised of changes via email with recommendation that the changes can be accessed via legislation.sa.gov.au site c. Legislative Progress Reports to Council once a month d. Updated Acts that affect Council are reported to the Council e. Executive is also advised by email/memo of changes to Acts if they affect Council f. Government gazette distributed weekly to relevant General Managers, Managers and key staff for information
Objective ID or Webpage:	a. A2139980 b. A2051465 c. Infocouncil ID 10888 - July 2018 d. A874738 e. A1191371 f. A2200770
Performance Development Plans	
Control Owner:	Manager People and Culture
Risk Title:	ADVICE AND INFORMATION
Evidence:	a. PDP
Objective ID or Webpage:	a. https://objective.wtcc.sa.gov.au/id:A2008095/document/versions/published
Policies/procedures/delegations/authorisations approved	
Control Owner:	Program Leader Governance
Risk Title:	ADVICE AND INFORMATION
Evidence:	a. Review of delegations and authorisations approved by Council in May 2017 b. Delegations Framework c. Authorisations Register d. Development Assessment Panel Delegations Policy e. Delegations under the Development Act 1993 approved by Council 7 August 2018
Objective ID or Webpage:	a. A922800 b. A2157555 c. A1843362 d. https://fusion.wtcc.sa.gov.au/policyHub/serveFile.cfm?id=203 e. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalmeetings/2018/agendas/agenda_council_and_standing_committees_7_august_2018.pdf

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Professional indemnity insurance in situ for staff via LGRS	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	ADVICE AND INFORMATION
Evidence:	a Local Government Association Mutual Liability Scheme confirmation of membership
Objective ID or Webpage:	a. A1747431 (15/16) A846674 16/17 2015462 17/18
Recruitment process to ensure qualified staff, qualifications/ professional memberships or registration; confirmed and recorded on file	
Control Owner:	Manager People and Culture
Risk Title:	ADVICE AND INFORMATION
Evidence:	a. Recruitment Tool Box
Objective ID or Webpage:	a. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Toolbox-Vacancies/Recruitment-toolbox
Referee checks undertaken and recorded	
Control Owner:	Manager People and Culture
Risk Title:	ADVICE AND INFORMATION
Evidence:	a. Reference Check Form b. Recommendation Report c. Link to the Toolbox on Compass d. Recruitment and Selection Policy
Objective ID or Webpage:	a. objdir://objective.wtcc.sa.gov.au:8443/document/view/vA2443441 b. objdir://objective.wtcc.sa.gov.au:8443/document/view/vA2472837 c. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Toolbox-Vacancies/Recruitment-toolbox d. https://fusion.wtcc.sa.gov.au/policyHub/serveFile.cfm?id=58
Supervision provided based on experience	
Control Owner:	Manager People and Culture
Risk Title:	ADVICE AND INFORMATION
Evidence:	a. Organisational Chart demonstrates reporting structure
Objective ID or Webpage:	a. https://objective.wtcc.sa.gov.au/id:A1271437/document/versions/published/renditions/Onscreen

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Training and training support provided	
Control Owner:	Manager People and Culture
Risk Title:	ADVICE AND INFORMATION
Evidence:	a. Study assistance program b. Individual training requirements identified via PDP process c. PDP Guidelines/processes d. Performance Development Program e. Study Assistance Request Form
Objective ID or Webpage:	a. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Benefits-and-Conditions/Study-Assistance b. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Performance-Development c. https://objective.wtcc.sa.gov.au/id:A1270972/document/versions/published d. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Performance-Development?BestBetMatch=pdp 518d497d-73ec-4f94-a1e5-6f5c7addc57b a41fea20-512b-4ca8-90ba-af69a312174a en-AU e. A1269874

Operational Risk Links		
Risk Name	Responsible Officer	Initial Risk Rating
Failure to deliver a service to stakeholders or provide appropriate advice to Executive , Managers , Employees and members of the Public	Manager People and Culture	Moderate
Council Staff or Audit and Risk Committee Members have insufficient skills and expertise leading to failure to offer full value to the Council's oversight responsibilities or an ineffective risk, resilience and audit program	Program Leader Strategic Resilience	Moderate
Failure to comply with legislative requirements (Agendas and Minutes)	Executive Coordinator - Office of the Mayor and CEO	Moderate
Misconduct or maladministration by public officers	Manager Strategy and Business	Low
Statutory reporting not compliant	Manager Financial Services	Low
Failure to comply with current and changes to Legislation and Policy including PDI Act and case law authority	Manager City Development	Moderate
Misconduct or maladministration by public officers	Executive Coordinator - Office of the Mayor and CEO	Low

City of West Torrens	2018-19 Annual Strategic Risk Review	
Negative effects on clients from failure to deliver services	Manager Community Services	Moderate
Integrity of Policy Framework is dependent on input from multiple stakeholders resulting in non compliant and non current policy framework	Manager Strategy and Business	Moderate
Providing incorrect advice to internal/external stakeholders	Manager Strategy and Business	Low
Providing incorrect advice to internal/external stakeholders or not responding in a timely manner	Executive Coordinator - Office of the Mayor and CEO	Moderate
Sustainable Financial Management not achieved	Manager Financial Services	Moderate

STR 7 FRAUD AND CORRUPTION

Primary Category: Reputation/Relationships
Responsible Officer: General Manager Business & Community Services

Initial

Consequence	Catastrophic
Likelihood	Almost certain

Risk Rating	Extreme
--------------------	---------

Revised

Consequence	Moderate
Likelihood	Unlikely

Risk Rating	Moderate
--------------------	----------

Effectiveness of Controls: Satisfactory

Descriptor:

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

Existing Controls

- Ability for stakeholders to report complaints/concerns to multiple enquiry and investigation agencies i.e. ICAC/OPI/ Ombudsman/Minister/SAPOL/Council
- Any complaint of fraud and corruption will be directed to the OPI or SAPOL
- Audit and Risk Committee established
- Code of Conduct awareness training provided to all staff and Elected Members, CAP and Audit and Risk Independent Members
- Confidential Whistleblowers email address for reporting purposes
- Council/Committee meetings/Informal gatherings held in public
- Customer Complaints Policy in situ
- External Audit undertaken and reported to the Audit and Risk Committee and Council in line with legislation
- Fraud and Corruption/ICAC/OPI/Ombudsman awareness training provided to Elected Members, independent members of CAP and Audit and Risk Committee and all purchasers across the organisation
- Fraud Prevention, Control, Reporting and Investigating Council Policy, which includes new reporting requirements to OPI
- Governance Panel (LGA) operational
- Implementation of ICAC and OPI with associated legislation

City of West Torrens

2018-19 Annual Strategic Risk Review

- Information is made available to the community in a range of forms (i.e. budget paper, council agenda) and via Freedom of Information Applications
- Internal and External Audits undertaken in accordance with plan
- Internal audits undertaken across all aspects of the business and any irregularities reported
- Legislation (LG Act, Criminal Law Consolidation Act, ICAC Act, Ombudsman Act strengthened etc.)
- Majority of processes are open and transparent
- Mandatory CAP Code of Conduct in situ
- Mandatory Code of Conduct for Council employees in situ
- Mandatory Code of Conduct for Council Members (and independent members of the Audit and Risk Committee) in situ
- Notification process in place for changes to legislation
- Policies/procedures, controls in place i.e. Fraud and Corruption Prevention, Control, Reporting and Investigating and Whistleblowers
- Procurement Roadmap program currently being implemented to provide robust procurement processes including purchase interrogation
- Prudential reporting undertaken for required capital projects in accordance with legislation
- Regular consultation with the community in line with policy and legislation
- Regular legislative compliance audits undertaken
- Regular review of policies and procedures
- Review and improve key workflow process to improve integrity
- Section 270 of the LG Act providing for the Internal Review of Council/Staff and Contractors decisions and complaints
- Strong internal controls including new Deloitte's control tracking program
- Training provided to Elected Members and independent members of the CAP and Audit and Risk Committee on new conflict of interest and informal gatherings provisions during 2016

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Risk Controls (Evidence Supporting Tangible Controls)

Ability for stakeholders to report complaints/concerns to multiple enquiry and investigation agencies i.e. ICAC/OPI/Ombudsman/Minister/SAPOL/Council	
Control Owner:	Program Leader Governance
Risk Title:	FRAUD AND CORRUPTION
Evidence:	<ul style="list-style-type: none"> a. Provided for in ICAC Act. b. Documented in Customer Complaints Policy c. Reporting and Investigating Council Member Code of Conduct Complaints Policy d. Fraud and Corruption Prevention, Control, Reporting and Investigation Policy e. Ombudsman Act 1972 (SA)
Objective ID or Webpage:	<ul style="list-style-type: none"> a. ICAC Act 2012 b. A8109 c. A8407 d. A5733 e. Ombudsman Act 1972 (SA)
Any complaint of fraud and corruption will be directed to the OPI or SAPOL	
Control Owner:	Program Leader Governance
Risk Title:	FRAUD AND CORRUPTION
Evidence:	<ul style="list-style-type: none"> a. Customer Complaints Policy – will be referred to OPI/ICAC for investigation b. Fraud and Corruption Prevention, Control and Investigation Council Policy c. ICAC Directions and Guidelines
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A8109 b. A5733 c. https://icac.sa.gov.au/sites/default/files/Directions_Guidelines_1.05_0.pdf
Audit and Risk Committee established	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	FRAUD AND CORRUPTION
Evidence:	<ul style="list-style-type: none"> a. Committee re-established on 1 December 2016 b. Audit and Risk Prescribed General Committee Terms of Reference approved by Council at its 18 October 2016 meeting and commenced December 2016
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A1266756 (Agenda) and A1276519 (Minutes) b. A8423 (Terms of Reference)

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Code of Conduct awareness training provided to all staff and Elected Members, CAP and Audit and Risk Independent Members	
Control Owner:	Program Leader Governance
Risk Title:	FRAUD AND CORRUPTION
Evidence:	<ul style="list-style-type: none"> a. Audit Committee Member Induction training completed in February 2015 (PowerPoint presentation from KelledyJones provided as evidence) b. Training provided to Leadership Forum members on Conflict of Interest provisions and the Code of Conduct in November 2017 c. Code of Conduct for Depot staff - June 2014 d. Confirmation of Code of Conduct training attendance for Elected Members - December 2015
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A1710846 b. A2063287 c. A1880246 d. A2139928
Confidential Whistleblowers email address for reporting purposes	
Control Owner:	General Manager Business & Community Services
Risk Title:	FRAUD AND CORRUPTION
Evidence:	<ul style="list-style-type: none"> a. Whistleblowers Policy b. Dedicated internet page c. Whistleblowers Gmail address tested
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A5632 b. https://www.westtorrens.sa.gov.au/CWT/content/Council/Contact_Us/Whistleblowers c. A2168364
Council/Committee meetings/Informal gatherings held in public	
Control Owner:	Program Leader Governance
Risk Title:	FRAUD AND CORRUPTION
Evidence:	<ul style="list-style-type: none"> a. Meeting dates and times available on the Council website b. Agendas and minutes available on the Council website c. Details of Informal gatherings available on Council website d. Informal gatherings must meet provisions of the Policy
Objective ID or Webpage:	<ul style="list-style-type: none"> a. https://www.westtorrens.sa.gov.au/CWT/content/Council/Meetings/Meeting_dates_times b. https://www.westtorrens.sa.gov.au/CWT/content/Council/Meetings/Agendas_and_Minutes c. https://www.westtorrens.sa.gov.au/CWT/content/Council/Meetings/Informal_gatherings d. A8632
Customer Complaints Policy in situ	
Control Owner:	Program Leader Governance
Risk Title:	FRAUD AND CORRUPTION
Evidence:	<ul style="list-style-type: none"> a. Policy first approved by Council in 2012 - available on website
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A8109

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

External Audit undertaken and reported to the Audit and Risk Committee and Council in line with legislation	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	FRAUD AND CORRUPTION
Evidence:	a. BDO Audit Engagement Letter 18/19 b. BDO Audit Completion Report and Audited Financial statements presented to Audit and Risk Committee October 2017
Objective ID or Webpage:	a. A2159318 b. A2054617
Fraud and Corruption/ICAC/OPI/Ombudsman awareness training provided to Elected Members, independent members of CAP and Audit and Risk Committee and all purchasers across the organisation	
Control Owner:	Program Leader Governance
Risk Title:	FRAUD AND CORRUPTION
Evidence:	a. Fraud and Corruption Prevention Control Reporting and Investigation Policy b. Managers attended 2017 ICAC training on how to conduct an investigation c. Annual ICAC Awareness training required to be undertaken by managers and team leaders across the organisation d. Confirmation of Elected Member training attendance
Objective ID or Webpage:	a. A5733 b. A2020683 c. A2074513 d. A2139928
Fraud Prevention, Control, Reporting and Investigating Council Policy, which includes new reporting requirements to OPI	
Control Owner:	Program Leader Governance
Risk Title:	FRAUD AND CORRUPTION
Evidence:	a. Fraud and Corruption Prevention, Control Reporting and Investigation Policy b. Minutes of 26 August 2014 Policy Planning and Performance Committee
Objective ID or Webpage:	a. A5733 b. A1274546
Governance Panel (LGA) operational	
Control Owner:	Program Leader Governance
Risk Title:	FRAUD AND CORRUPTION
Evidence:	a. Governance Panel is an independent resource available to Councils. LGA website contains information regarding the Panel b. Reporting and Investigating Council Member Code of Conduct Complaints.
Objective ID or Webpage:	a. https://www.lga.sa.gov.au/page.aspx?u=7063# b. A8407

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Implementation of ICAC and OPI with associated legislation	
Control Owner:	Program Leader Governance
Risk Title:	FRAUD AND CORRUPTION
Evidence:	<ul style="list-style-type: none"> a. Reporting and Investigation Council Member Code of Conduct Complaints b. Fraud and Corruption Prevention, Control, Reporting and Investigation Policy c. Whistleblowers Policy d. Dedicated internet page on Council website to Whistleblowers e. ICAC Directions and Guidelines
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A8407 b. A5733 c. A5632 d. https://www.westtorrens.sa.gov.au/CWT/content/Council/Contact_Us/Whistleblowers e. https://icac.sa.gov.au/sites/default/files/Directions_Guidelines_1.05_0.pdf
Information is made available to the community in a range of forms (i.e. budget paper, council agenda) and via Freedom of Information Applications	
Control Owner:	Program Leader Governance
Risk Title:	FRAUD AND CORRUPTION
Evidence:	<ul style="list-style-type: none"> a. FOI legislation enables access to certain information by external and internal parties b. Website c. Social media use and management policy d. FOI pages on CWT website
Objective ID or Webpage:	<ul style="list-style-type: none"> a. Freedom of Information Act 1991 (SA) b. https://www.westtorrens.sa.gov.au/CWT c. A8395 d. https://www.westtorrens.sa.gov.au/CWT/content/Council/Contact_Us/Freedom_of_Information
Internal and External Audits undertaken in accordance with plan	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	FRAUD AND CORRUPTION
Evidence:	<ul style="list-style-type: none"> a. Internal audits undertaken in line with 2015-2018 Internal Audit Plan b. 2017/2018 Audited financial statements presented to the Audit and Risk Prescribed General Committee c. Governance Framework (Elected Member Conflict of Interest) Internal Audit presented to the Committee (example of audit)
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A1035935 b. A2054617 c. A2177460

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Internal audits undertaken across all aspects of the business and any irregularities reported	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	FRAUD AND CORRUPTION
Evidence:	a. Internal audits undertaken in line with 2017-2018 Internal Audit Program b. Internal Control Self-Assessment 2017 c. Governance Framework (Elected Member Conflict of Interest) Internal Audit d. Information Fraud Internal Audit e. Community Consultation Internal Audit f. Legislated external audits undertaken – BDO attended October 2017 Committee meeting to present results
Objective ID or Webpage:	a. A1035935 b. A2052033 c. A2177460 d. A2126442 e. A2180516 f. A2016016
Legislation (LG Act, Criminal Law Consolidation Act, ICAC Act, Ombudsman Act strengthened etc.)	
Control Owner:	Program Leader Governance
Risk Title:	FRAUD AND CORRUPTION
Evidence:	a. Legislation in place.
Objective ID or Webpage:	a. https://www.legislation.sa.gov.au/index.aspx

City of West Torrens	2018-19 Annual Strategic Risk Review
----------------------	--------------------------------------

Majority of processes are open and transparent	
Control Owner:	Program Leader Governance
Risk Title:	FRAUD AND CORRUPTION
Evidence:	<ul style="list-style-type: none"> a. Code of Practice Access to Meetings and Documents b. Public Consultation Policy c. Annual Report Confidential Items contained within Annual Report d. Whistleblower process available for staff and public to report alleged wrong-doings e. Agendas and minutes publically available f. Elected Member Gifts and benefits register publically available g. Ombudsman's Report publically available h. Elected Members Ordinary Returns publically available i. Salary Register publically available j. Public Roads Register k. Register of Delegations l. Employees Gifts and Benefits Register m. Register of Overseas and Interstate Travel n. Register of Credit and Debit Card Transactions
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A5875 b. A8531 c. A2203414 d. https://www.westtorrens.sa.gov.au/CWT/content/Council/Contact_Us/Whistleblowers e. https://www.westtorrens.sa.gov.au/CWT/content/Council/Meetings/Agendas_and_Minutes f. https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Registers_and_records g. Complaints lodged with the Ombudsman Report presented to 6 February 2018 Council meeting - A2101670 h. https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Registers_and_records i. https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Registers_and_records j. https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Registers_and_records k. https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Registers_and_records l. https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Registers_and_records m. https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Registers_and_records n. https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Registers_and_records
Mandatory CAP Code of Conduct in situ	
Control Owner:	Program Leader Governance
Risk Title:	FRAUD AND CORRUPTION
Evidence:	<ul style="list-style-type: none"> a. Code of Conduct - Assessment Panel Member is mandated via the Development Act 1993 b. Code of Conduct is available on website
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2062811 b. https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Policies_and_procedures?q=code&idx=cwtPolicies&p=0

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Mandatory Code of Conduct for Council employees in situ	
Control Owner:	Program Leader Governance
Risk Title:	FRAUD AND CORRUPTION
Evidence:	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
Objective ID or Webpage:	a. A2128406 b. All signed code of conduct signed returns are verified by Governance prior to inclusion in personnel file (confidential)
Mandatory Code of Conduct for Council Members (and independent members of the Audit and Risk Committee) in situ	
Control Owner:	Program Leader Governance
Risk Title:	FRAUD AND CORRUPTION
Evidence:	a. Current Mandatory Code of Conduct for Elected Members gazetted 29 Aug 2013 b. Code of Conduct available on website
Objective ID or Webpage:	a. A8353 b. https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Policies_and_procedures?q=code&idx=cwtPolicies&p=0
Notification process in place for changes to legislation	
Control Owner:	Program Leader Governance
Risk Title:	FRAUD AND CORRUPTION
Evidence:	a. Policy register (Policy HUB) b. Legislative Progress Report - presented Monthly c. Reports refer to legislative requirements when relevant d. LGA Circulars discussed in Exec e. Legislative Compliance Audits f. Government Gazette distributed weekly to relevant General Managers, Managers and key staff for Information g. PDI update report
Objective ID or Webpage:	a. refer to Policy HUB - http://fusion.wtcc.sa.gov.au/policyHub/index.cfm b. A2183031 c. A659870 d. A821620 (*Executive Management Team Minutes provided) e. A2008258 f. A122485 g. A2044664

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Policies/procedures, controls in place i.e. Fraud and Corruption Prevention, Control, Reporting and Investigating and Whistleblowers	
Control Owner:	Program Leader Governance
Risk Title:	FRAUD AND CORRUPTION
Evidence:	<ul style="list-style-type: none"> a. Whistleblowers Policy b. Fraud and Corruption Prevention, Control Reporting and Investigation Policy c. Elected Members Gifts and Benefits Register available publically d. Employees gifts and benefits register e. Governance induction f. Annual ICAC induction training for managers and team leaders
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A5632 b. A5733 c. https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Registers_and_records d. https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Registers_and_records e. Contained within confidential HR file f. A2067581
Procurement Roadmap program currently being implemented to provide robust procurement processes including purchase interrogation	
Control Owner:	Senior Strategic Procurement Officer
Risk Title:	FRAUD AND CORRUPTION
Evidence:	<ul style="list-style-type: none"> a. Procurement Roadmap
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2185435
Prudential reporting undertaken for required capital projects in accordance with legislation	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	FRAUD AND CORRUPTION
Evidence:	<ul style="list-style-type: none"> a. Prudential Report Thebarton Precinct Community Facility b. Prudential Report Manuel site c. Prudential report Weigal Oval
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A812091 b. Confidential but verified by GMB&CS c. A2056194
Regular consultation with the community in line with policy and legislation	
Control Owner:	Manager Strategy and Business
Risk Title:	FRAUD AND CORRUPTION
Evidence:	<ul style="list-style-type: none"> a. Public Consultation Policy b. By Law review consultation 2017 c. Community Engagement Strategy d. Community Consultation Audit
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A8531 b. A1994958 c. A1997734 d. A2180516

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Regular legislative compliance audits undertaken	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	FRAUD AND CORRUPTION
Evidence:	a. Food Act 2001 Internal Audit b. Land and Business (Sale and Conveyancing) Act 1994 Internal Audit c. Governance Framework (Elected Member Conflict of Interest) Internal Audit
Objective ID or Webpage:	a. A2052152 b. A2056192 c. A2177460
Regular review of policies and procedures	
Control Owner:	Program Leader Governance
Risk Title:	FRAUD AND CORRUPTION
Evidence:	a. Quarterly report to Executive and CPPP
Objective ID or Webpage:	a. A2069939
Review and improve key workflow process to improve integrity	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	FRAUD AND CORRUPTION
Evidence:	a. Audit and Risk Prescribed General Committee Reconstituted by Council in December 2016. Meets 5 times per annum b. Internal Audit Plan 2015-2018 was approved April 2015 outlining co-sourced approach to Internal Audit c. Lean Project Register d. Continuous Improvement Plan
Objective ID or Webpage:	a. A8423 b. A1035935 c. http://fusion/registerEngine/registers/lean/index.cfm d. A2137232
Section 270 of the LG Act providing for the Internal Review of Council/Staff and Contractors decisions and complaints	
Control Owner:	Program Leader Governance
Risk Title:	FRAUD AND CORRUPTION
Evidence:	a. Internal review of Council Decisions Policy reviewed and approved by Council in 2015 and reviewed March 2017 b. Customer Complaints Policy
Objective ID or Webpage:	a. A5158 b. A8109

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Strong internal controls including new Deloitte control tracking program	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	FRAUD AND CORRUPTION
Evidence:	a. BDO audited statements 2016/2017 confirms strong internal controls b. Risk Internal Control Verification Audit c. Risk Registers in Interplan - Strategic Risks and Operational Risks
Objective ID or Webpage:	a. A2054677 b. A770624 c. A2189387
Training provided to Elected Members and independent members of the CAP and Audit and Risk Committee on new conflict of interest and informal gatherings provisions during 2016	
Control Owner:	Program Leader Governance
Risk Title:	FRAUD AND CORRUPTION
Evidence:	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 by Kelledy Jones 17 March 2016
Objective ID or Webpage:	a. A1224391 b. A1778853

Operational Risk Links		
Risk Name	Responsible Officer	Initial Risk Rating
Failure to declare conflict of interest on development matters	Manager City Development	Low
Adverse publicity arising from fraudulent or corrupt activities by officers or people acting on behalf of community services	Manager Community Services	Moderate
Employee misconduct or maladministration resulting in staff termination and/or external investigation.	Manager City Property	Moderate
Failure to comply with legislative requirements (Agendas and Minutes)	Executive Coordinator - Office of the Mayor and CEO	Moderate
Misconduct or maladministration by public officers	Manager Strategy and Business	Low
Accounts Payable - inappropriate allocation of funds	Manager Financial Services	Low
Misconduct or maladministration by public officers	Executive Coordinator - Office of the Mayor and CEO	Low
Accounts Receivable - invoices inaccurately recorded or not at all	Manager Financial Services	Moderate

City of West Torrens	2018-19 Annual Strategic Risk Review	
Negative effects on clients from failure to deliver services	Manager Community Services	Moderate
Incorrect Cash handling at Service Desk	Manager People and Culture	Low
Providing incorrect advice to internal/external stakeholders	Manager Strategy and Business	Low
Failure to declare an Interest or a Conflict of Interest by Officers and Elected Members resulting in external agency enquiries	Executive Coordinator - Office of the Mayor and CEO	Low
Providing incorrect advice to internal/external stakeholders or not responding in a timely manner	Executive Coordinator - Office of the Mayor and CEO	Moderate
Tax liabilities inaccurately recorded	Manager Financial Services	Low
Legislative and policy non compliance resulting in increased costs or external investigation	Manager City Assets	Low
Unacceptable behaviour from staff or contractors resulting in external investigation or litigation	Manager Regulatory Services	Moderate
Employee misconduct or maladministration resulting in staff termination and/or external investigation.	Manager City Operations	Low

STR 8 INFORMATION TECHNOLOGY INFRASTRUCTURE AND SERVICES

Primary Category: Organisation/Customer Impact

Responsible Officer: General Manager Business & Community Services

<u>Initial</u>		<u>Revised</u>	
Consequence	Major	Consequence	Major
Likelihood	Almost certain	Likelihood	Unlikely
Risk Rating Extreme		Risk Rating Moderate	

Effectiveness of Controls: Satisfactory

Descriptor:

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

Existing Controls

- Adequate funding levels established with resourcing meeting organisational need
- Audits undertaken by specialist network security firms
- Business Continuity Plan tested November 2016
- Competitively remunerated to minimise malicious interference by staff
- CWT Business Continuity Plan 2015 approved - updated may 2016
- Daily tapes back up
- Employing competent staff
- External specialist advice sought when required
- Full restore of system approximately within seven minutes
- IT Disaster Recovery (DR) Management Plan 2009 -updated 2015 and 2018
- Mobile device management including the ability to present real time information
- Multiple layers of security in place
- Replacement and upgrade programs in situ for hardware and software
- Robust policies in situ for IT usage and dealing with terminated staff
- Supportive work environment provided
- Uninterrupted Power Supply (UPS)
- Virtualised backup in situ

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Risk Controls (Evidence Supporting Tangible Controls)

Adequate funding levels established with resourcing meeting organisational need	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE AND SERVICES
Evidence:	a. Funding approved based on the IS workplan and is reviewed on a quarterly basis for currency
Objective ID or Webpage:	a. A2201683 IT Budget for 2018/2019 a. A2201684 IM Budget for 2018/2019
Audits undertaken by specialist network security firms	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE AND SERVICES
Evidence:	a. 3 external audits in the last 6 years by CQR Consulting, including reviews of: <ul style="list-style-type: none"> • ICT Security. • Information access in Dataworks and Active Directory. • Virtualised architecture. b. ICT Vulnerability assessment by CQR Consulting c. ICT Vulnerability assessment by CQR Consulting - June 2018
Objective ID or Webpage:	a. Logical Security Internal Audit Report ID A946972 and Invoice for IT Security review A1601769 b. A1729130 c. A2202714
Business Continuity Plan tested November 2016	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE AND SERVICES
Evidence:	a. BCP Test Event held 03 November 2016 Training attendance Record
Objective ID or Webpage:	a A1927140

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Competitively remunerated to minimise malicious interference by staff	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE AND SERVICES
Evidence:	a. EBA -Remuneration reflects that of Local Government b. Each year roles are considered during the Performance Development Process 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 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: <ul style="list-style-type: none"> • Adelaide Hills Council • City of Burnside • City of Salisbury • City of Charles Sturt • City of Onkaparinga e. IT Application Support analysts reclassified in 2018 and reports to Mgr IS f. Network Administrator reclassified in 2018
Objective ID or Webpage:	a. A1707247 b.A2020418 c. Information on file (accessible by Exec) but confidential d.Information on file (accessible by Exec) but confidential e.Information on file (accessible by Exec) but confidential (CHRIS21) f. Information on file (accessible by Exec) but confidential(CHRIS21)
CWT Business Continuity Plan 2015 approved - updated may 2016	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE AND SERVICES
Evidence:	a. CWT Business Continuity Plan approved June 2015 - updated May 2016
Objective ID or Webpage:	a. A841099
Daily tapes back up	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE AND SERVICES
Evidence:	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
Objective ID or Webpage:	a. A1940623
Employing competent staff	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE AND SERVICES
Evidence:	a. All staff in IS are trained / qualified/experienced. Network - IS administrators required to complete VMware and Microsoft accredited training
Objective ID or Webpage:	a. Individual records confidential on personnel files but confirmed

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

External specialist advice sought when required	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE AND SERVICES
Evidence:	a. CQR Consulting engaged to review security of the virtual environment
Objective ID or Webpage:	a. A1594870 & A1807746 CQR proposals Purchase Order 102313
Full restore of system approximately within seven minutes	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE AND SERVICES
Evidence:	a. Information Management Procedures and Standards b. Information Services Annual Service Plan 2018-19
Objective ID or Webpage:	a. Information Confidential (but accessible to exec) b. A2178039
IT Disaster Recovery (DR) Management Plan 2009 -updated 2015 and 2018	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE AND SERVICES
Evidence:	a. IT Disaster Recovery (DR) Management Plan October 2018
Objective ID or Webpage:	a. A131059
Mobile device management including the ability to present real time information	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE AND SERVICES
Evidence:	a. Pathway customer request system allows information to be added and viewed in the field
Objective ID or Webpage:	a. A2051581

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Multiple layers of security in place	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE AND SERVICES
Evidence:	<ul style="list-style-type: none"> a. Proxy Server - Firewall is Threat Management Gateway b. Evidence of the plans and execution exists in the Information Services budget and IS Work Plan documents in ECM and FinanceOne c. Key performance indicators for IS service levels are identified and updated in Interplan d. Logical Security Internal Audit Report e. White Listing process established to prevent executables being run f. Annual maintenance support for Secureware (Palo Alto and Ironport)
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A1940654 b. A1940654 Information Services Work Plan 2016/2017 A2027753IS Budget 2017-18 c. A873770 d. A946972 e. A1039996 f. A2027753
Replacement and upgrade programs in situ for hardware and software	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE AND SERVICES
Evidence:	a. Core software updated to keep the released versions within the range of supplier support products. Key business applications are typically updated annually.
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A1799617 Software Applications - Support Profile - Feb 2014.pdf Also IS Strategic Plan and IS Roadmap A123213, A1828098
Robust policies in situ for IT usage and dealing with terminated staff	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE AND SERVICES
Evidence:	<ul style="list-style-type: none"> a. Network Access and Removal form b. 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
Objective ID or Webpage:	<ul style="list-style-type: none"> a. http://compass.wtcc.sa.gov.au/Content-areas/Information-Services/Network-access-request-forms/Network-access-removal-form b. A1975896 c. Confidential information verified by GMB&CS

City of West Torrens	2018-19 Annual Strategic Risk Review
----------------------	--------------------------------------

Supportive work environment provided	
Control Owner:	Manager People and Culture
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE AND SERVICES
Evidence:	a. Employee assistance program b. Fitcore cultural Development Program c. Information Services - Post 2015 Employee Opinion Survey - Action plan
Objective ID or Webpage:	a. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Employee-Assistance-Program b. http://compass.wtcc.sa.gov.au/Content-areas/CWT_Cultural_Dev/FITCORE c. A1270093
Uninterrupted Power Supply (UPS)	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE AND SERVICES
Evidence:	a. Information Services Risk Evidence Update as at August 2017 b. Annual Maintenance agreement with computer site solutions c. Annual Maintenance reports from Computer Site Solutions re Civic and Library UPS (October 2014) - Invoice from Computer Site Solutions for UPS maintenance Spe 16 to Aug 17
Objective ID or Webpage:	a. A2034362 b. A1723903 c. Information Confidential but available to Exec (Invoice SC8231 in Finance One)
Virtualised backup in situ	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE AND SERVICES
Evidence:	a. In July 2015 the DR equipment was removed from the Library datacentre and relocated into the Adelaide City Council's Pirie Street datacentre
Objective ID or Webpage:	a. A8018527 ACC CWT Rack Space and Optic Fibre Connectivity Agreement May 2015

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Operational Risk Links		
Risk Name	Responsible Officer	Initial Risk Rating
Failure to deliver a service to stakeholders or provide appropriate advice to Executive , Managers , Employees and members of the Public	Manager People and Culture	Moderate
Interruption or loss of business systems and/or cloud services	Manager Information Services	Moderate
Loss of the IT Datacentre	Manager Information Services	Moderate
Negative effects on clients from failure to deliver services	Manager Community Services	Moderate
Reduction in Council expenditure resulting in reduced expenditure on infrastructure assets and/or degraded asset management capability	Manager City Assets	Low
Failure of plant, equipment and facilities including offices and support systems	Manager Regulatory Services	Moderate

STR 9 INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE

Primary Category: Organisation/Customer Impact
Responsible Officer: General Manager Business & Community Services

Initial

Consequence	Major
Likelihood	Likely
Risk Rating Extreme	

Revised

Consequence	Major
Likelihood	Moderate
Risk Rating High	

Effectiveness of Controls: Some Weaknesses

Descriptor:

- a) The, inability to respond, recover, restore and resume business as usual during a business continuity event resulting in damage, long term interruption, or loss of key service centres (Civic, Depot, Library, Thebarton Community Centre) leading to the Council’s capacity to provide essential services being severely compromised, reduced in the long term or lost entirely.
- b) The inability to effectively Prepare, Prevent, Respond and/or Recover (PPRR) from an emergency event resulting in loss of key infrastructure/assets and/or ongoing danger to staff or our community.
- c) Failure to adequately partner with the community and associated community services providers to build resilience programs resulting in delayed or missed opportunities for Council to prepare its community for disruptive events.
- d) Failure to meet the increasing legislative demands being placed on Local Government with regard to emergency management leading to increased dissatisfaction and not meeting the needs of the community.

Existing Controls

- 2.5 FTE dedicated to risk management (includes emergency management)
- 2017/18 Annual Risk and Resilience Plan approved
- AdaptWest Action Plan (climate change adaptation plan) approved by three western regional councils and State has provided grant funding for a project officer to progress the implementation of the plan.
- Alternative sites identified for the operation of a control center in the event of a major business disruption
- Annual Risk and Resilience Plan has a community resilience focus
- Business Continuity Plan approved and tested
- Commonwealth's Hostile Vehicle Guidelines for Crowded Places guiding the mitigation of the consequences of such attacks
- Countering violent extremism taskforce appointed by the State

City of West Torrens

2018-19 Annual Strategic Risk Review

- Crowded Places and Organisational Resilience Committee formed with key internal staff
- CWT has approved the LGA's NDRP funding proposal to provide sector-wide emergency management project officers
- CWT is a member of the Western Adelaide Zone Emergency Management Committee
- CWT website contains information for the community regarding emergencies to develop resilience
- EAP/Trauma counselling program in place for group or individual debrief
- Emergency management assurance program includes Local Government
- Emergency Management Business Continuity Scenario Event undertaken regularly
- Emergency Management/Business Continuity Plan in Situ and developed with the business for the business (Staff Workshops)
- Emergency procedures documented and in place
- Emergency Risk Management Plan in Place for the Western Region (West Torrens, Charles Sturt, Port Adelaide Enfield, SAFECOM, SAPOL, SES, MFS)
- Enterprise Risk Framework requires an annual risk and resilience plan to be developed and approved by the Executive
- Evacuation drills undertaken on a regular basis with subsequent de-brief report to Executive
- Executive direction is that any further development of open space or buildings takes into account aesthetically pleasing design to mitigate potential threats to public safety
- Funding provided in Budget and Grants to develop Emergency Management Plan and associated testing program
- Hazard management plans in situ developed in conjunction with relevant departments and aligned with principles of Prevention, Preparedness Response and Recovery
- IS Disaster Recovery Plan documented and in place
- LG Functional Support Group is in Situ and mandated under the Fire and Emergency Services Act 2005, the Emergency Management Act 2004 and the State Emergency Management Plan
- Organisation is insured via LGRS (unlimited insurance) which includes insurance for the operation of alternative service sites in a major business disruption
- Participating in the Adapt West Climate Change Adaptation Plan
- Risk management program in place
- Section 30 Review
- Specialised advice and designs sought
- Training program in place (fire, evacuation etc.)
- Whole of Catchment Management Plan
- WHS&IM plan and programs, policies, procedures, standard operating guidelines (non WHS) in place

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Risk Controls (Evidence Supporting Tangible Controls)

2.5 FTE dedicated to risk management (includes emergency management)	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. Program Leader Strategic Resilience job description includes emergency management. b. Organisational Resilience Officer/s job description includes emergency management
Objective ID or Webpage:	a. A2131336 b. A2077833
2017/18 Annual Risk and Resilience Plan approved	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. 2018-2019 Approved Risk and Resilience Plan
Objective ID or Webpage:	a. A2148709
AdaptWest Action Plan (climate change adaptation plan) approved by three western regional councils and State has provided grant funding for a project officer to progress the implementation of the plan.	
Control Owner:	Team Leader Strategy and Business
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. Adaptwest successful grant application notification b. AdaptWest Climate Change Adaption Plan c. Appointment of AdaptWest Regional Coordinator
Objective ID or Webpage:	a. A2043621 b. A898855 c. A2133482
Alternative sites identified for the operation of a control center in the event of a major business disruption	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. Replication of Production databases daily to the Disaster Recovery (DR) datacentre b. ACC CWT Rack Space and Optic Fibre Connectivity Agreement May 2015 c. Alternative site decisions available in the approved Business Continuity Plan pages 1 14-27. d. BCP Testing occurred in 2016 and 2017 e. Multiple sites to operate service centres (stated in EMBCP Operations Plan).
Objective ID or Webpage:	a. A1940623 b. A801852 c. A1751574 d. A1810104 e. A1751574

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Annual Risk and Resilience Plan has a community resilience focus	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. 2018-2019 Risk and Resilience Plan
Objective ID or Webpage:	a. A2148709
Business Continuity Plan approved and tested	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. Approved Business Continuity Plan b. BCP Training Engagement Letter Deloitte June 2016 c. 2018-2019 Risk and Resilience Plan d. BCP Test Event 03 November 2017 - Training attendance Record e. EMBCP Presentation meeting - Training attendance Record
Objective ID or Webpage:	a. A1751574 b. A1810104 c. A2148709 d. 1927140 e. A2097827
Commonwealth's Hostile Vehicle Guidelines for Crowded Places guiding the mitigation of the consequences of such attacks	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. Australia's Strategy for protecting Crowded Places from Terrorism b. Hostile vehicle guidelines for Crowded Places
Objective ID or Webpage:	a. https://www.nationalsecurity.gov.au/Media-and-publications/Publications/Documents/Australias-Strategy-Protecting-Crowded-Places-Terrorism.pdf b. https://www.nationalsecurity.gov.au/Media-and-publications/Publications/Documents/hostile-vehicle-guidelines-crowded-places.pdf
Countering violent extremism taskforce appointed by the State	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. State Emergency Management Committee Preparedness and Prevention Fund 2017-18 b. Countering Violent Extremism information available on SAPOL website
Objective ID or Webpage:	a. A2038243 b. https://www.police.sa.gov.au/customise-content/homepage/latest-info-stories/countering-violent-extremism

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Crowded Places and Organisational Resilience Committee formed with key internal staff	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Risk Type:	Strategic
Evidence:	a. Terms of Reference b. Agenda
Objective ID or Webpage:	a. A2109488 b. A2133233
CWT has approved the LGA's NDRP funding proposal to provide sector-wide emergency management project officers	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. CWT approval for NDRP funding b. Council Ready Program in place at the LGA c. Council Ready Health Check process completed at the CWT
Objective ID or Webpage:	a. A2051119 b. A2199028 c. A2199098
CWT is a member of the Western Adelaide Zone Emergency Management Committee	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. CWT Member of the Western Zone Emergency Management Committee (WAZEMC). b. GMB&CS is the Chair of the WAZEMC and PLSR is member with the ORO as proxy. c. WAZEMC Plan
Objective ID or Webpage:	a. A2196408 b. A2168830 c. A2165827
CWT website contains information for the community regarding emergencies to develop resilience	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. CWT website
Objective ID or Webpage:	a. https://www.westtorrens.sa.gov.au/CWT/content/Council/Emergencies_disasters

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

EAP/Trauma counselling program in place for group or individual debrief	
Control Owner:	Manager People and Culture
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. Information available to staff on Compass intranet and in a booklet form. b. Employee Health and Wellbeing Policy
Objective ID or Webpage:	a. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Employee-Assistance-Program b. A8649
Emergency management assurance program includes Local Government	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. SA Emergency Assurance Framework - Local Government opportunity to comment b. Local Government Emergency Management Framework c. State Emergency Management Plan
Objective ID or Webpage:	a. A2051965 b. https://www.lga.sa.gov.au/webdata/resources/files/ECM_654417_v7_2017%20LG%20Emergency%20Management%20Framework%20pptm.pdf c. https://www.dpc.sa.gov.au/data/assets/pdf_file/0019/14905/SEMP_Part1_Overview.pdf
Emergency Management Business Continuity Scenario Event undertaken regularly	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. BCP test event 03 November 2016 - training attendance record
Objective ID or Webpage:	a. A1927140
Emergency Management/Business Continuity Plan in Situ and developed with the business for the business (Staff Workshops)	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. EMBCP workshops with key staff b. EMBCP Presentation attended by key staff c. Proposed amendments consolidated for EMBCP (Example feedback provided)
Objective ID or Webpage:	a. A2050022 b. A2097827 c. A2097824

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Emergency procedures documented and in place	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. Emergency plan procedures available on Compass and in hard copy. b. WHS Emergency Management Policy c. Emergency Evacuation Exercise from Bob May Workplace Emergency Training 27.06.18- Civic Centre
Objective ID or Webpage:	a. A2089775 b. A8579 c. A2170167
Emergency Risk Management Plan in Place for the Western Region (West Torrens, Charles Sturt, Port Adelaide Enfield, SAFECOM, SAPOL, SES, MFS)	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. Western Zone Emergency Management Plan - developed by Western Zone Emergency Management Committee - approved by Minister/SEMC
Objective ID or Webpage:	a. A2168811
Enterprise Risk Framework requires an annual risk and resilience plan to be developed and approved by the Executive	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. Enterprise Risk Management Framework b. 2018-2019 Approved Risk and Resilience Plan
Objective ID or Webpage:	a. A6366 b. A2148709
Evacuation drills undertaken on a regular basis with subsequent de-brief report to Executive	
Control Owner:	Manager People and Culture
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. Work Health Safety and Injury Management Performance Dashboard Quarter 4 2017-2018
Objective ID or Webpage:	a. https://objective.wtcc.sa.gov.au/id:A2183493/document/versions/published/renditions/Onscreen
Executive direction is that any further development of open space or buildings takes into account aesthetically pleasing design to mitigate potential threats to public safety	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. Executive Direction - New open spaces or buildings to mitigate potential threats to safety b. Crowded Places and Organisational Resilience Committee completed risk assessments on crowded and open spaces
Objective ID or Webpage:	a. A2049620 b. A2147450

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Funding provided in Budget and Grants to develop Emergency Management Plan and associated testing program	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	<ul style="list-style-type: none"> a. City of West Torrens EMP Engagement Letter Draft June 2016 b. EMBCP hazard risk assessments and plans completed c. EY Proposal for testing program
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A1810100 b. A2095061 c. A2180704
Hazard management plans in situ developed in conjunction with relevant departments and aligned with principles of Prevention, Preparedness Response and Recovery	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	<ul style="list-style-type: none"> a. Extreme Weather - Storm Hazard Plan b. Animal and Plant Disease Hazard Plan c. Earthquake Hazard Plan d. Escape of Hazardous Materials Hazard Plan e. Extreme Weather - Heat Hazard Plan f. Flood Hazard Plan g. Human Disease Hazard Plan h. Urban Fire Hazard Plan i. Urban Transport Incident Hazard Plan
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2127124 b. A2127122 c. A2127123 d. A2127129 e. A2127130 f. A2127127 g. A2127128 h. A2127125 i. A2127126
IS Disaster Recovery Plan documented and in place	
Control Owner:	Manager Information Services
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	<ul style="list-style-type: none"> a. IS Disaster Recovery (DR) Management Plan May 2018 Plan
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2149495

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

LG Functional Support Group is in Situ and mandated under the Fire and Emergency Services Act 2005, the Emergency Management Act 2004 and the State Emergency Management Plan	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	<ul style="list-style-type: none"> a. LG Functional Support Group Implementation program - Participating agency workshops b. LGA have commenced Council Ready program to perform health checks across the State c. CWT participated in Council Ready workshop with the LGA
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2023587 b. A2199028 c. A2199098
Local government now represented on the State Emergency Management Committee and in the State Emergency Centre	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	<ul style="list-style-type: none"> a. New State Emergency Management Plan launched 16 December 2016 - email from State Emergency Management Committee b. State Emergency Management Plan
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2023583 b. https://www.dpc.sa.gov.au/_data/assets/pdf_file/0019/14905/SEMP_Part1_Overview.pdf
Organisation is insured via LGRS (unlimited insurance) which includes insurance for the operation of alternative service sites in a major business disruption	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	<ul style="list-style-type: none"> a. Level of insurance required reviewed annually with the LGRS
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2015462
Participating in the Adapt West Climate Change Adaptation Plan	
Control Owner:	Team Leader Strategy and Business
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	<ul style="list-style-type: none"> a. Western Adelaide Region Change Adaptation Plan Project Team (Governance) Structure b. AdaptWest Regional Coordinator work plan c. Participation in Steering Committee
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A828725 b. A2178904 c. A1962188

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Risk management program in place	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. Risk management framework and policy on PolicyHUB b. Enterprise Risk Management Policy c. Enterprise Risk Management Framework d. Risk and Resilience Plan e. Dedicated and comprehensive risk management intranet pages on Compass f. Regular Quarterly updates to Executive regarding Risk and Resilience Plan
Objective ID or Webpage:	a. http://fusion.wtcc.sa.gov.au/policyHub/index.cfm b. A5024 c. A6366 d. A2148709 e. http://compass.wtcc.sa.gov.au/Content-areas/Risk-Management f. A2148716
Section 30 Review	
Control Owner:	Manager Strategy and Business
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. Strategic Directions report
Objective ID or Webpage:	a. A893241
Specialised advice and designs sought	
Control Owner:	Manager City Assets
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. Correspondence - request for quote -GAP Watson Ave Netley 'design components'. (2010) b. Chippendale Stormwater Pump Station upgrade (2010) c. Southfront Design -Dew St/Maria St Thebarton (2017)
Objective ID or Webpage:	a. A691353 b. A1647583 c. A2028779
Training program in place (fire, evacuation etc.)	
Control Owner:	Manager People and Culture
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. Fire Wardens trained in all civic facilities - last training July 2017 b. Chief Fire Wardens and Deputy trained as per Emergency Procedures last training August 2017 c. 2018 WHS Calendar of Events d. WHS and Injury Management Induction e. WHS Induction and Training Policy
Objective ID or Webpage:	a. A2030070 b. A2035142 c. http://fusion/registerEngine/registers/whscalevents_2018/ d. A1271176 e. A7292

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Whole of Catchment Management Plan	
Control Owner:	Manager City Assets
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. Initial Urban Stormwater Master Plan
Objective ID or Webpage:	a. A28501
WHS&IM plan and programs, policies, procedures, standard operating guidelines (non WHS) in place	
Control Owner:	Manager People and Culture
Risk Title:	INEFFECTIVE BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. WHS & IM One System b. Work Health Safety and Injury Management Improvement Plan 2017-2020 c. SOPs/SWPs available on Intranet d. Administration Policy WHS and IM lead Policy e. Administration Policy WHS and IM Planning
Objective ID or Webpage:	a. http://compass.wtcc.sa.gov.au/files/assets/intranet/ecm-files/work-health-safety/work-health-safety/1-whs_management_system_-_june_2015.ppt.pdf b. A2139034 c. http://fusion.wtcc.sa.gov.au/registerEngine/registers/whsdocs/ d. A1967971 e. A8392

Operational Risk Links

Risk Name	Responsible Officer	Initial Risk Rating
Failure to deliver a service to stakeholders or provide appropriate advice to Executive , Managers , Employees and members of the Public	Manager People and Culture	Moderate
Insurance information/profiling is incorrect resulting in over payment of premiums, litigation or reputation damage	Manager Financial Services	Moderate
Poor event management	Executive Coordinator - Office of the Mayor and CEO	Moderate
Non Collection of Kerbside Waste	Manager Regulatory Services	Moderate
Adverse publicity arising from fraudulent or corrupt activities by officers or people acting on behalf of community services	Manager Community Services	Moderate
Staff injury or illness resulting in negative impact on service delivery	Manager Community Services	Moderate
Pandemic/major illness (50% of staff absent for > 1 week)	Manager Financial Services	Low
Loss of the IT Datacentre	Manager Information Services	Moderate
Negative effects on clients from failure to deliver services	Manager Community Services	Moderate
Employee industrial action resulting in inability to provide critical services and or result in reputation damage	Manager City Operations	Low

City of West Torrens	2018-19 Annual Strategic Risk Review	
Negative Community Reaction to Decisions	Manager City Development	Moderate
Failure of plant, equipment and facilities including offices and support systems	Manager Regulatory Services	Moderate
Failure to provide a safe workplace resulting in injury increased costs and reputation damage	Manager People and Culture	Moderate
Objectives or activities compromise Staff safety health and well-being	Manager Regulatory Services	Moderate

STR 10 EMERGENCY EVENTS

Primary Category: Organisation/Customer Impact
 Responsible Officer: General Manager Business & Community Services

Initial		Revised	
Consequence	Catastrophic	Consequence	Catastrophic
Likelihood	Rare	Likelihood	Rare
Risk Rating	Moderate	Risk Rating	Moderate

Effectiveness of Controls: Satisfactory

Descriptor

- a) Damage to private property, council facilities and/or community infrastructure as a result of Emergency Events that impact on the CWT.
- b) Ineffective communication with Emergency Control Agencies, Western Adelaide Emergency Management Committee member councils or Functional Support Group(s) resulting in inefficient response and recovery from an emergency hazard.
- c) Deliberate attack with the aim of injuring the Council, its staff or community such as Terrorist attack, hostile vehicle attack at crowded places, cyber-crime etc.
- d) Failure to adequately partner with the community and associated community services providers to respond to and meet the immediate needs of its community during or responding to an emergency incident.

Existing Controls

- After hours services response roster for City Operations
- Bureau of Meteorology early warnings including flood warnings provided to Council
- Code red and blue alerts received and acted upon as required
- Development controlled in the Brown Hill/ Keswick Creeks and River Torrens catchments
- Emergency Management Plans in situ
- Existing stormwater network
- Flood Response Protocol
- Food inspections, pest/ mosquito controls and notifiable disease communication protocols in place
- General Manager Business and Community Services has been appointed as Council Commander and Program Leader Strategic Resilience has been appointed as Council Liaison Officer
- Hazard management plans in situ developed in conjunction with relevant departments and aligned with principles of Prevention, Preparedness Response and Recovery

City of West Torrens

2018-19 Annual Strategic Risk Review

- Information regarding Telecross is provided to vulnerable residents
- LGFSG Information notices received and acted upon as required
- Non-structural mitigation works e.g. Flood Safe program
- Protocols in place to cancel preorganised events
- Remote sensor monitoring of creek levels
- Resources available to attend to emergency events
- Temporary relief centres available (Library) during emergency events
- Western Adelaide Zone Emergency Management Committee (WAZEMC) identifies key hazards (risks) for the western region

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Risk Controls (Evidence Supporting Tangible Controls)	
After hours services response roster for City Operations	
Control Owner:	Manager City Operations
Risk Title:	EMERGENCY EVENTS
Evidence:	a. After hours staff roster - City Operations
Objective ID or Webpage:	a. A2185251
Bureau of Meteorology early warnings including flood warnings provided to Council	
Control Owner:	Manager City Assets
Risk Title:	EMERGENCY EVENTS
Evidence:	a. Membership provides detailed flood/weather alerts provided to Council via DL email address
Objective ID or Webpage:	a. A2197797
Code red and blue alerts received and acted upon as required	
Control Owner:	General Manager Business & Community Services
Risk Title:	EMERGENCY EVENTS
Evidence:	a. Code Red Local Activation Plan
Objective ID or Webpage:	a. A2203413
Development controlled in the Brown Hill/ Keswick Creeks and River Torrens catchments	
Control Owner:	Manager City Development
Risk Title:	EMERGENCY EVENTS
Evidence:	a. CWT Development Plan
Objective ID or Webpage:	a. http://www.dpti.sa.gov.au/data/assets/pdf_file/0011/250022/West Torrens Council Development Plan.pdf
Emergency Management Plans in situ	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	EMERGENCY EVENTS
Evidence:	a. State Emergency Management Plan b. CWT Emergency Management Framework c. CWT Emergency Management Operations Plan d. CWT Business Continuity Plan e. WAZEMC Emergency Management Plan
Objective ID or Webpage:	a. https://www.dpc.sa.gov.au/data/assets/pdf_file/0019/14905/SEMP Part1 Overview.pdf b. A2126605 c. A2126754 d. A2127120 e. A2165827

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Existing stormwater network	
Control Owner:	Manager City Assets
Risk Title:	EMERGENCY EVENTS
Evidence:	a. Existing drainage network is recorded in Conquest (Asset management software) b. Westmaps map example of drainage network under roads
Objective ID or Webpage:	a. Screenshot b. A994213
Flood Response Protocol	
Control Owner:	Manager City Operations
Risk Title:	EMERGENCY EVENTS
Evidence:	a. SWP Emergency response flooding
Objective ID or Webpage:	a. A248309
Food inspections, pest/ mosquito controls and notifiable disease communication protocols in place	
Control Owner:	Manager Regulatory Services
Risk Title:	EMERGENCY EVENTS
Evidence:	a. Environmental Health Australia Tool - EHO Training and Induction in SA
Objective ID or Webpage:	a. A1681338
General Manager Business and Community Services has been appointed as Council Commander and Program Leader Strategic Resilience has been appointed as Council Liaison Officer	
Control Owner:	General Manager Business & Community Services
Risk Title:	EMERGENCY EVENTS
Evidence:	a. Instrument of Appointment - Council Commander b. Instrument of Appointment - Council Liaison Officer
Objective ID or Webpage:	a. A2091762 b. A2099301

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Hazard management plans in situ developed in conjunction with relevant departments and aligned with principles of Prevention, Preparedness Response and Recovery	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	EMERGENCY EVENTS
Evidence:	<ul style="list-style-type: none"> a. Extreme Weather - Storm Hazard Plan b. Animal and Plan Disease Hazard Plan c. Earthquake Hazard Plan d. Escape of Hazardous Materials Hazard Plan e. Extreme Weather - Heat Hazard Plan f. Flood Hazard Plan g. Human Disease Hazard Plan h. Urban Fire Hazard Plan i. Urban Transport Incident Hazard Plan
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2127124 b. A2127122 c. A2127123 d. A2127129 e. A2127130 f. A2127127 g. A2127128 h. A2127125 i. A2127126
Information regarding Telecross is provided to vulnerable residents	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	EMERGENCY EVENTS
Evidence:	a. Telecross information provided on website
Objective ID or Webpage:	<ul style="list-style-type: none"> a. https://www.westtorrens.sa.gov.au/CWT/content/Council/Emergencies_disasters/Council_services_during_a_heat_wave
LGFSG Information notices received and acted upon as required	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	EMERGENCY EVENTS
Evidence:	a. Heat warning and bushfire risk notice
Objective ID or Webpage:	a. A2111770
Non-structural mitigation works e.g. Flood Safe program	
Control Owner:	Manager City Operations
Risk Title:	EMERGENCY EVENTS
Evidence:	<ul style="list-style-type: none"> a. SES Flood Safe program funding agreement b. LGA iResponda training provided to Executive and Managers
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A1851314 b. A2166582

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Protocols in place to cancel preorganised events	
Control Owner:	Manager Strategy and Business
Risk Title:	EMERGENCY EVENTS
Evidence:	a. Event cancellation protocols
Objective ID or Webpage:	a. A2098203
Remote sensor monitoring of creek levels	
Control Owner:	Manager City Assets
Risk Title:	EMERGENCY EVENTS
Evidence:	a. Access to remote sensor data (monitoring of creek levels) evidence in BOM service level specification
Objective ID or Webpage:	a. A2093947
Resources available to attend to emergency events	
Control Owner:	Manager City Operations
Risk Title:	EMERGENCY EVENTS
Evidence:	a. Executive and managers trained in iResponda
Objective ID or Webpage:	a. A2166582
Temporary relief centres available (Library) during emergency events	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	EMERGENCY EVENTS
Evidence:	a. Library location available on CWT website
Objective ID or Webpage:	a. https://www.westtorrens.sa.gov.au/CWT/content/Council/Emergencies_disasters/Council_services_during_a_heat_wave
Western Adelaide Zone Emergency Management Committee (WAZEMC) identifies key hazards (risks) for the western region	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	EMERGENCY EVENTS
Evidence:	a. WAZEMC Emergency Management Plan b. WAZEMC Extreme Storm Risk Management Report
Objective ID or Webpage:	a. A2165827 b. A1908527

City of West Torrens	2018-19 Annual Strategic Risk Review
----------------------	--------------------------------------

Operational Risk Links		
Risk Name	Responsible Officer	Initial Risk Rating
Insurance information/profiling is incorrect resulting in over payment of premiums, litigation or reputation damage	Manager Financial Services	Moderate
Non Collection of Kerbside Waste	Manager Regulatory Services	Moderate
Interruption or loss of business systems and/or cloud services	Manager Information Services	Moderate
Injury or death of staff or contractors in the workplace	Manager City Operations	Moderate
Working in an unsafe workplace resulting in illness, death or injury of staff or contractors	Manager City Assets	Moderate
Staff injury or illness resulting in negative impact on service delivery	Manager Community Services	Moderate
Pandemic/major illness (50% of staff absent for > 1 week)	Manager Financial Services	Low
Unsafe and ineffective movement of people through the City due to inadequate road and path network	Manager City Assets	Moderate
Working in an unsafe workplace resulting in injury or impact on staff wellbeing	Executive Coordinator - Office of the Mayor and CEO	Low
Existing infrastructure and property assets are poorly maintained or sudden catastrophic failure occurs resulting in deterioration or inability to use asset and/or reduced service levels	Manager City Property	Moderate
Loss of the IT Datacentre	Manager Information Services	Moderate
Working in an unsafe workplace resulting in death or injury of staff or contractors	Manager City Property	Moderate
Negative effects on clients from failure to deliver services	Manager Community Services	Moderate
Existing infrastructure is poorly maintained resulting in deterioration and/or reduced service levels	Manager City Operations	Moderate
Providing incorrect advice to internal/external stakeholders or not responding in a timely manner	Executive Coordinator - Office of the Mayor and CEO	Moderate
Aging and damaged assets - The ability to use the asset is compromised or not available - (Aging assets -Gradual and assets run beyond life cycle, Damaged Assets - Happens suddenly)	Manager City Assets	Moderate
Failure of plant, equipment and facilities including offices and support systems	Manager Regulatory Services	Moderate
Objectives or activities compromise Staff safety health and well-being	Manager Regulatory Services	Moderate

STR 11 INFRASTRUCTURE MANAGEMENT

Primary Category: Budget/Financial
Responsible Officer: General Manager Business & Community Services

Initial

Consequence	Major
Likelihood	Likely
Risk Rating	Extreme

Revised

Consequence	Major
Likelihood	Unlikely
Risk Rating	Moderate

Effectiveness of Controls : Satisfactory

Descriptor

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

Existing Controls

- 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
- Approval of Asset Management Plans
- Commitment by all Councils involved in Brownhill/Keswick creeks to form a Regional subsidiary to implement the Stormwater Management Plan
- Condition Audits for Infrastructure Assets
- Conquest (Asset Management System) includes the capability to list assets, capture data, program and record inspections and link to mobile, customer request and graphical information systems
- Continuation of long term stormwater upgrade works in the Lockleys area
- CWT Stormwater Plan
- CWT Transport Strategy considers the future traffic and parking demands in the arterial and local road networks over the next 20 years.
- Dedicated City Property Department to oversee CWT properties maintenance and leases
- Development of Maintenance Management Plans
- Lockleys Stormwater duplication
- Long Term Financial Plan identifies maintenance and capital expenditure
- Master Plans produced for significant developments

City of West Torrens

2018-19 Annual Strategic Risk Review

- Mobile device management includes the ability to present real time information (inspections etc)
- Regular routine maintenance
- Regular routine maintenance (side-entry pit) program
- Structural Mitigation works
- Working with/through Stormwater Management Authority on Brown Hill, Keswick and Sturt Creeks

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Risk Controls (Evidence Supporting Tangible Controls)

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	
Control Owner:	Manager City Assets
Risk Title:	INFRASTRUCTURE MANAGEMENT
Evidence:	a. Both Part A of the plan approved by all councils involved in the project b. Part B of the plan approved by all councils involved in the project
Objective ID or Webpage:	a. A1272463 b. A5322
Approval of Asset Management Plans	
Control Owner:	Manager City Assets
Risk Title:	INFRASTRUCTURE MANAGEMENT
Evidence:	a. AMP is the tool to develop sustainable management of assets it documents the strategy for sustainable investment and its purpose is to maintain functionality of existing systems b. CWT Buildings Asset Management Plan 2017 c. CWT Footpath Asset Management Plan 2017 d. CWT Recreation & Open Space Asset Management Plan 2017 e. CWT Roads Asset Management Plan 2017 f. CWT Stormwater Asset Management Plan 2017 g. CWT Vehicles (Fleet) Plant and Equipment Asset Management Plan 2017
Objective ID or Webpage:	a. A2695b. https://www.westtorrens.sa.gov.au/CWT/content/Council/Our City/Community Plan/Management business plans b. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/external_website/management_plans/cwt_buildings_asset_management_plan_2017.pdf c. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/external_website/management_plans/cwt_footpath_asset_management_plan_2017.pdf d. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/external_website/management_plans/cwt_recreation_open_space_asset_management_plan_2017.pdf e. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/external_website/management_plans/cwt_roads_asset_management_plan_2017.pdf f. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/external_website/management_plans/cwt_stormwater_asset_management_plan_2017.pdf g. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/external_website/management_plans/cwt_vehicles_fleet_plant_equipment_asset_management_plan_2017.pdf
Commitment by all Councils involved in Brownhill/Keswick creeks to form a Regional subsidiary to implement the Stormwater Management Plan	
Control Owner:	Manager City Assets
Risk Title:	INFRASTRUCTURE MANAGEMENT
Evidence:	a. Brownhill Keswick Creek Stormwater Project - Steering Group Minutes - 15 June 2018 b. Brown Hill Keswick Creek Stormwater project execution plan c. Brownhill Keswick Creek Stormwater Project -Steering Group -minutes - 29 September 2017
Objective ID or Webpage:	a. A2159714 b. A2104280 c. A2053057

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Condition Audits for Infrastructure Assets	
Control Owner:	Manager City Assets
Risk Title:	INFRASTRUCTURE MANAGEMENT
Evidence:	a. Bridges and Footbridges Audit b. Roads and Kerb and Gutter Audit c. PPS Stormwater Audit
Objective ID or Webpage:	a. 1962411 b. A1104538 c. A2134398
Conquest (Asset Management System) includes the capability to list assets, capture data, program and record inspections and link to mobile, customer request and graphical information systems	
Control Owner:	Manager City Assets
Risk Title:	INFRASTRUCTURE MANAGEMENT
Evidence:	a. Conquest -Pathway link for Asset Inspection b. Conquest Inspection data c. Conquest link to (GIS) Graphical Information Systems d. Conquest Asset Inspection options
Objective ID or Webpage:	a. A2203882 b. A2203892 c. A2203894 d. A2203895
Continuation of long term stormwater upgrade works in the Lockleys area	
Control Owner:	Manager City Assets
Risk Title:	INFRASTRUCTURE MANAGEMENT
Evidence:	a. Annual Business Plan Summary 2017/18
Objective ID or Webpage:	a. A2019843
CWT Stormwater Plan	
Control Owner:	Manager City Assets
Risk Title:	INFRASTRUCTURE MANAGEMENT
Evidence:	a. Development Plan West Torrens Council b. CWT Stormwater Asset Management Plan c. Lower Sturt Catchment Management Plan
Objective ID or Webpage:	a. http://www.dpti.sa.gov.au/_data/assets/pdf_file/0011/250022/West_Torrens_Council_Development_Plan.pdf b. A2128635 c. A1149969

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

CWT Transport Strategy considers the future traffic and parking demands in the arterial and local road networks over the next 20 years.	
Control Owner:	Manager City Assets
Risk Title:	INFRASTRUCTURE MANAGEMENT
Risk Type:	Strategic
Evidence:	a. Transport Strategy - Transportation for the next generation 2025
Objective ID or Webpage:	a. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/external_website/management_plans/transport_strategy.pdf
Dedicated City Property Department to oversee CWT properties maintenance and leases	
Control Owner:	Manager City Property
Risk Title:	INFRASTRUCTURE MANAGEMENT
Evidence:	a. Organisational chart
Objective ID or Webpage:	a. A1271437
Development of Maintenance Management Plans	
Control Owner:	Manager City Assets
Risk Title:	INFRASTRUCTURE MANAGEMENT
Evidence:	a. Recreation and Open Space Maintenance Management Plan (draft).
Objective ID or Webpage:	a. A2203871
Lockleys Stormwater duplication	
Control Owner:	Manager City Assets
Risk Title:	INFRASTRUCTURE MANAGEMENT
Evidence:	a. Stormwater Infrastructure Plans Project documentation for Lockleys Stormwater duplication - Rutland Ave and Clyde Ave Lockleys
Objective ID or Webpage:	a. A858848
Long Term Financial Plan identifies maintenance and capital expenditure	
Control Owner:	Manager City Assets
Risk Title:	INFRASTRUCTURE MANAGEMENT
Evidence:	a. Budget and Annual Business Plan
Objective ID or Webpage:	a. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/external_website/management_plans/summary_budget_and_annual_business_plan_2018-19.pdf

City of West Torrens	2018-19 Annual Strategic Risk Review
-----------------------------	---

Master Plans produced for significant developments	
Control Owner:	Manager City Assets
Risk Title:	INFRASTRUCTURE MANAGEMENT
Evidence:	a. Apex Park Masterplan b. Weigall Oval Stage 1 Masterplan
Objective ID or Webpage:	a. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/external_website/management_plans/apex_park_masterplan.pdf b. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/external_website/master_plans/weigall_oval_stage_1_masterplan.pdf
Mobile device management includes the ability to present real time information (inspections etc)	
Control Owner:	Manager Information Services
Risk Title:	INFRASTRUCTURE MANAGEMENT
Evidence:	a. Pathway customer request system allows information to be added and viewed in the field
Objective ID or Webpage:	a. A2051581
Regular routine maintenance	
Control Owner:	Manager City Operations
Risk Title:	INFRASTRUCTURE MANAGEMENT
Evidence:	a. City Operations undertake routine maintenance via customer requests in Pathway
Objective ID or Webpage:	a.A2203507 (Sign repair)
Regular routine maintenance (side-entry pit) program	
Control Owner:	Manager City Operations
Risk Title:	INFRASTRUCTURE MANAGEMENT
Evidence:	a. Regular maintenance of side entry pits from customer requests lodged in Pathway
Objective ID or Webpage:	a. A2203329
Structural Mitigation works	
Control Owner:	Manager City Assets
Risk Title:	INFRASTRUCTURE MANAGEMENT
Evidence:	a. West Beach Flood Wall
Objective ID or Webpage:	a.A2183277

City of West Torrens	2018-19 Annual Strategic Risk Review
----------------------	--------------------------------------

Working with/through Stormwater Management Authority on Brown Hill, Keswick and Sturt Creeks	
Control Owner:	Manager City Assets
Risk Title:	INFRASTRUCTURE MANAGEMENT
Evidence:	<ul style="list-style-type: none"> a. CEO is a member BHKC Steering Committee b. GM Urban Services is on the BHKC Technical Group. c. Working closely with the SMA in relation to the development of the BHKC Plan and its implementation d. Both Part A and Part B of the plan both agreed by all five councils involved in the project e. Annual Budget and Business Plan Summary provides contributions in 2018-2019 to BHKC works f. Draft BHKC - Project execution Plan
Objective ID or Webpage:	<ul style="list-style-type: none"> a. Brownhill Keswick Creek Stormwater Project - Steering Group Minutes - 15 June 2018 b. A1512827 c. A344815 d. A1272463 and A5322 e. https://www.westtorrens.sa.gov.au/CWT/content/Council/Our_City/Community_Plan/Management_business_plans#downloads f. A2199006

City of West Torrens	2018-19 Annual Strategic Risk Review
----------------------	--------------------------------------

Operational Risk Links		
Risk Name	Responsible Officer	Initial Risk Rating
Failure to deliver a service to stakeholders or provide appropriate advice to Executive, Managers, Employees and members of the Public	Manager People and Culture	Moderate
Insurance information/profiling is incorrect resulting in over payment of premiums, litigation or reputation damage	Manager Financial Services	Moderate
Failure of plant and equipment resources resulting in injury to staff or reduced service delivery.	Manager City Operations	Moderate
Unsafe and ineffective movement of people through the City due to inadequate road and path network	Manager City Assets	Moderate
Existing infrastructure and property assets are poorly maintained or sudden catastrophic failure occurs resulting in deterioration or inability to use asset and/or reduced service levels	Manager City Property	Moderate
Asset register not accurately maintained	Manager Financial Services	Low
Existing infrastructure is poorly maintained resulting in deterioration and/or reduced service levels	Manager City Operations	Moderate
Reduction in Council expenditure resulting in reduced expenditure on infrastructure assets and/or degraded asset management capability	Manager City Assets	Low
Aging and damaged assets - The ability to use the asset is compromised or not available - (Aging assets - Gradual and assets run beyond life cycle, Damaged Assets - Happens suddenly)	Manager City Assets	Moderate
Sustainable Financial Management not achieved	Manager Financial Services	Moderate
Failure of plant, equipment and facilities including offices and support systems	Manager Regulatory Services	Moderate

STR 12 ESR1 Emerging Risk 1- Infill Development/PDI implementation

Primary Category: Reputation/Relationships
Responsible Officer: General Manager Business & Community Services

Initial

Consequence	Major
Likelihood	Moderate
Risk Rating	High

Descriptor

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

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

Known or potential local impacts include:

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

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

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

In the interim, a steering group of relevant members of the administration (jointly headed up by the General Manager Urban Services and the General Manager Business and Community Services) is meeting weekly 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 Act.

Activities associated with this issue:

- The Planning Development and Infrastructure Act has been proclaimed with staged commencement.
- CWT will ensure that the impact of the resulting legislation/regulation is communicated to its community, together with clear statements about the origins/responsibilities for the changes once they are better known.
- On-going updating of staff and Council will continue to ensure the organisation is informed and ready to implement required changes.
- The Steering Group will continue to plan for the implementation of the impending changes and commencement of the Act.
- The Project Officer will continue to manage the preparations and implementation of the PDI Act and associated changes to the systems and processes.
- Staff working collaboratively with DPTI staff on the implementation of the PDI Act with a PDI update report to Governance Committee meetings as appropriate.

STR 13 ESR2 Emerging Risk 2- Financial Sustainability

Primary Category: Budget/Financial
Responsible Officer: General Manager Business & Community Services

Initial

Consequence	Major
Likelihood	Unlikely
Risk Rating	Moderate

Descriptor

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

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

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

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

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

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

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

City of West Torrens

2018-19 Annual Strategic Risk Review

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

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

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

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

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

Activities associated with this issue:

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

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

Primary Category: Budget/Financial
Responsible Officer: General Manager Business & Community Services

Initial

Consequence	Major
Likelihood	Unlikely
Risk Rating	Moderate

Descriptor

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

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

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

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

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

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

Activities associated with this issue:

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

City of West Torrens	2018-19 Annual Strategic Risk Review
----------------------	--------------------------------------

APPENDICES

Appendix 1 - Risk Analysis Matrix - Level of Risk

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

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

City of West Torrens	2018-19 Annual Strategic Risk Review
----------------------	--------------------------------------

Appendix 2- Consequences Descriptors Matrix

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

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

City of West Torrens	2018-19 Annual Strategic Risk Review
----------------------	--------------------------------------

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

9.3 INTERNAL AUDIT

9.3.1 Service Centre Procedures and Systems Audit Report

Brief

This report presents the results of the Service Centre Procedures and Systems Internal Audit.

RECOMMENDATION

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

Introduction

In accordance with the approved *Internal Audit Program 2015-2018*, the *Service Centre Procedures and Systems Audit* (Audit) was approved and commenced in August 2018 in accordance with the approved scope to report on:

- use of questionnaire procedures to ensure consistent provision of information contained in Pathway, a local government IT system used to manage land, property, regulatory services and revenue
- use of Service Centre templates
- message protocols, and;
- Service Centre KPIs.

The Audit also aimed to review error reports and identify opportunities for the introduction of better practices and process improvements.

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

Internal Audit Findings

The Auditor's found that the City of West Torrens' (CWT) approach to managing the risk relating to Service Centre Procedures and Systems are compliant with the organisation's intent for the provision of effective information flow. The Auditor highlighted that there is a strong focus on continuous improvement and innovation within the Service Centre, with the example given relating to a focus on identifying better practice from other Local Government and corporate service centres.

Six (6) Audit findings were made by the auditor of which three (3) attracted a low level of risk, and three (3) highlighted better practice findings.

All Audit findings are within CWT's risk tolerance levels. The recommendations are minor in nature and the cost of implementing the recommendations exceeds the benefits, therefore progress updates will not be reported to the Committee.

Conclusion

The *Service Centre procedures and Systems Internal Audit*, undertaken by Council's contract auditor has been completed. Six (6) audit findings were made all of which are within CWT's risk tolerance levels. As such, the Administration will implement the recommendations only if the benefit of doing so exceeds the costs of resource allocation.

Attachments

1. Service Centre Procedures and Systems Internal Audit



City of West Torrens Service Centre Procedures and Systems Audit

Internal Audit Report

Audited By: Tim Muhlhausler, Partner Galpins
Janna Burnham, Director Internal Audit Galpins
Elliot Raboy, Auditor Galpins
Suhara Gunawardena, Auditor Galpins

Draft Report Issued: 13 September 2018

Final Report Presented: 25 September 2018

Final Report Executive Management Approval:

Liability limited by a scheme approved under Professional Standards Legislation

Table of Contents

1. EXECUTIVE SUMMARY	3
1.1 Background	3
1.2 Objectives and Scope.....	3
1.3 Associated Risks	3
1.4 Scope Exclusions	4
1.5 Examples of Good Practice	4
1.6 Key Findings and Recommendations	5
2. INTERNAL AUDIT FINDINGS AND RECOMMENDATIONS	7
2.1 Opportunity to proactively update Pathway questionnaires	7
2.2 Opportunity to ensure further compliance with message protocols.....	8
2.3 A need to develop new KPIs to measure Service Centre performance	9
2.4 Potential to improve email responsiveness	10
2.5 Opportunity to develop a customer service charter	11
2.6 Improving availability of support information for customers	12
Appendix 1: CWT Risk Matrix.....	13
Appendix 2: Documents reviewed, and interviews conducted	16

1. EXECUTIVE SUMMARY

1.1 Background

The approved 2017-18 Internal Audit Program provided for a spot audit to test the alignment of information provided by the Service Centre with CWT's protocols, scripting, team agreements and stakeholder expectations.

The audit represented a large body of work in a sensitive environment. To help promote participation in the audit process, and to ensure that findings are accepted and implemented, this audit has therefore been refocused as a facilitative audit to ensure the strength of the controls currently in place is tested to ensure a robust process.

1.2 Objectives and Scope

The objectives of the audit were to evaluate and report on the adequacy and effectiveness of Service Centre protocols, scripting and team agreements in providing customer service and meeting stakeholder expectations.

The audit specifically evaluated and reported on compliance with:

- use of questionnaire procedures to ensure consistent provision of information contained in Pathway, a local government IT system used to manage land, property, regulatory services and revenue
- use of Service Centre templates
- message protocols, and
- Service Centre KPIs.

The audit also aimed to review error reports, and to identify opportunities for the introduction of better practices and process improvements.

1.3 Associated Risks

Potential risks associated with Service Centre Procedures and Systems include, but are not limited to:

- inappropriate advice provided to Executive, Managers, Employees and Members of the Public resulting in:
 - negative publicity and reputation damage
 - potential of financial implications for CWT
 - liability – professional advice
 - reputational damage of both CWT and the department
 - potential to cause an accident and/injury
- general lack of documented evidence to support current practice, and
- inadequate monitoring, follow up and reporting.

1.4 Scope Exclusions

The audit specifically excluded assessment of the following:

- Customer complaints
- Requests for service
- Provision of information and customer service activities outside of the Service Centre
- Requests for information received by the CWT via email unless received by the Service Centre.

These elements are planned to be reviewed in a subsequent audit in 2018-19.

1.5 Examples of Good Practice

Internal controls / processes assessed as being effective in addressing service centre risks included the following:

- ✓ Mandatory questionnaire procedures are included in the Pathway system and must be completed when the Service Centre use Pathway requests, ensuring that all required information is provided.
- ✓ The recent introduction of the new Touchpoint system has facilitated easier management of phone calls.
- ✓ Introduction of a "Live Chat" facility and other customer friendly functionality such as automatic call back service.
- ✓ Email and SMS messages have standard templates that can be used for common customer interactions, which provide consistent messaging to internal and external users.
- ✓ A process to monitor Service Centre team member performance has been implemented and includes meetings to discuss performance, provide training and ensure ongoing development and improvement in the team.
- ✓ Service Centre managers meet with other Council departments to improve the Customer Service unit's image and to foster communication.
- ✓ Team have attended external training called Frontline Entrepreneur, which from audit interviews conducted appears to have helped improve motivation in their roles and fostered new ideas to improve their service.
- ✓ Cross training and multiskilling initiatives between the Service Centre and City of West Torrens Library to ensure greater availability for external users of the Service Centre.

1.6 Key Findings and Recommendations

The Service Centre, on the whole, has systems and processes in place which enable it to provide adequate and effective information flow to internal and external users. The audit found **compliance** with Council’s intent for the Service Centre to provide effective information flow. *Note – we found there is no current policy in place to use as a basis for assessing compliance, however this will be developed after completion of the Customer Experience Framework.*

The Service Centre team appear to be motivated and enthusiastic about a suite of recent improvements in relation to their customer service approach (as identified via the ‘Frontline Entrepreneur’ training) and systems, as well as about new initiatives that are being explored. From our meetings with Service Centre managers there appears to be a strong focus on continuous improvement and innovation, for example with a focus on identifying better practices from other local government and corporate service centres.

We evaluated the Service Centre in accordance with the audit scope. All the findings were rated as a “low” risk, with three additional “Better Practice” findings.

Findings Summary Table

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

Finding and Recommendation/s - Risk Table	Ext Risk	High Risk	Mod Risk	Low Risk	Better Practice
2.1 Opportunity to proactively update Pathway questionnaires. <u>Recommendation 1</u> Provide regular opportunities for each of the Council business units to update/provide feedback on Pathway questionnaires that relate to their work.				✓	
2.2 Opportunity to ensure further compliance with message protocols. <u>Recommendation 2</u> Remind Customer Service Officers to double check the completeness of the customer’s contact details and issue description before sending messages to internal staff members. <u>Recommendation 3</u> Remind Service Centre Officers to ensure they take a message if a customer requests to speak with a City Development Officer who is unavailable.				✓	
2.3 A need to develop new KPIs to measure Service Centre performance. <u>Recommendation 4</u> Develop and implement new KPIs to be more aligned to the goals of the Service Centre.				✓	

Finding and Recommendation/s - Risk Table	Ext Risk	High Risk	Mod Risk	Low Risk	Better Practice
<p><u>Recommendation 5</u></p> <p>Consider implementing a survey to measure internal customer satisfaction and to gather feedback around potential improvements.</p>					
<p>2.4 Potential to improve email responsiveness</p> <p><u>Recommendation 6</u></p> <p>Evaluate whether the customer experience would be improved by having all external customer emails directed initially through the Service Centre.</p>					✓
<p>2.5 Opportunity to develop a customer service charter</p> <p><u>Recommendation 7</u></p> <p>Develop and implement a Customer Service Policy and Charter.</p>					✓
<p>2.6 Improving availability of support information for customers</p> <p><u>Recommendation 8</u></p> <p>Continue with initiatives to implement a knowledge library for the Service Centre.</p> <p><u>Recommendation 9</u></p> <p>Implement a self-help portal or frequently asked question page on the CWT website that is updated regularly.</p>					✓

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

2. INTERNAL AUDIT FINDINGS AND RECOMMENDATIONS

2.1 Opportunity to proactively update Pathway questionnaires		Risk Rating - Low		Likelihood <i>Unlikely</i>	
		Auditor <i>Galpins Manager</i>	Descriptor <i>Reputation</i>		Consequence <i>Minor</i>
Issues and Impact		Recommendation/s		Management Response	Target Date
<p>The audit scope required a review of questionnaire procedures to ensure consistent provision of information was being contained in Pathway. Pathway is a local-government specific software system used by the Service Centre team to create, monitor and progress requests across the organisation.</p> <p>Feedback was provided by the Service Centre Team and internal users that some questionnaires on the Pathway system need to be updated as some questions may be either duplications, redundant, or require additional information. For example, a questionnaire for animal management related to lost dog requests requires the address where a found dog is located. Compliance Officers prefer that Customer Service Officers (CSOs) detail the address where the dog was found. For example, if a dog is being held at a veterinarian, understanding the 'found' location is also important to help determine which Council is responsible for working with the lost dog.</p> <p>We understand that each Council department 'owns' the questions in Pathway, and that the Service Centre relies on their input and feedback to be informed if questions need to be updated. The Service Centre can play a role in facilitating these updates.</p> <p>Questionnaires that do not request complete and relevant information may be time consuming for internal and external users and lead to frustration towards the Service Centre and Council.</p>		<p><u>Recommendation 1</u> Provide regular opportunities for each Council business units to update/provide feedback on Pathway questionnaires that relate to their work.</p>		<p>Management are in agreement with the outlined recommendation.</p> <p>Business Units are responsible for providing updates and/or feedback to Service Centre with regard to Pathway questionnaires.</p> <p>The Service Centre requires business units to provide them with the information required to manage the service requests. Through the induction process all new employees are communicated about the importance to provide feedback if they identify any gaps.</p> <p>Senior Customer Service Officer to remind stakeholders to review their Pathway questionnaires every six months for currency and completeness.</p>	March 2019

	Risk Rating - Low		Likelihood <i>Unlikely</i>
	Auditor <i>Galpins</i> Manager	Descriptor <i>Reputation</i>	
2.2 Opportunity to ensure further compliance with message protocols			
Issues and Impact	<p>The audit scope required a review of the adequacy and effectiveness of the Service Centre's message protocols. The Service Centre takes messages from customers for staff members. There are no specific protocols in place for taking messages, however there is some guidance outlining principles for taking messages.</p> <p>It is important that the Service Centre provides complete information in messages. The audit tested the completeness of the messages/information provided by the Service Centre to staff via emails and SMS. From a sample of 15 emails and 12 SMS messages we found that, in all instances, there was sufficient information included.</p> <p>We also interviewed six internal staff members regarding the completeness of messages they receive from the Service Centre. Three interviewees stated that some internal messages / emails received can be incomplete. This creates potential for staff members to have difficulties in returning customer calls and in resolving customer issues.</p> <p>Another interviewee mentioned that the Service Centre is very proactive in connecting callers to Development Officers. However, there is a preferred protocol within City Development to take a message if the specific Development Officer requested is unavailable. Development Officers can only comment on their own specific caseload, and therefore must take a message if a caller is asking about a matter being handled by a colleague. This creates double-handling of calls and may create customer frustration.</p> <p>We note that the Service Centre has a quality assurance process in place and works with staff to improve service quality.</p>	<p>Management are in agreement with the outlined recommendations.</p> <p>Management state that this is not a team wide issue, it is a performance based issue and are aware of the individuals that need to improve in the areas highlighted. Management will continue to address the individual staff members regarding these recommendations using their existing processes which includes QMS, Feedback Reports, one on ones and PDP process.</p>	<p>N/A</p>
Recommendation/s	<p><u>Recommendation 2</u> Remind Customer Service Officers to double check the completeness of the customer's contact details and issue description before sending messages to internal staff members.</p> <p><u>Recommendation 3</u> Remind Service Centre Officers to ensure they take a message if a customer requests to speak with a City Development Officer who is unavailable.</p>		
Target Date			

Risk Rating - Low		Likelihood Unlikely
Auditor Galpins	Descriptor Organisational/ Customer Impact	Consequence Insignificant
Manager	Recommendation/s	Management Response
Issues and Impact	Target Date	
<p>2.3 A need to develop new KPIs to measure Service Centre performance</p> <p>The audit scope required a review of the adequacy and effectiveness of the Service Centre KPIs.</p> <p>We identified that the Service Centre measures compliance with their KPIs and report on these to Council regularly. KPIs relate to call handling and performance.</p> <p>We also identified that, because the Service Centre have proactively implemented new approaches to assisting customers (in particular "Live Chat" and social media responses), the existing KPIs do not capture performance across the full range of services provided.</p> <p>We acknowledge that the Service Centre have been proactively researching new KPIs to measure team performance. Without accurate KPIs for the Service Centre, team improvements or changes in performance cannot be accurately monitored or measured.</p> <p>One additional potential measure of performance may include a measure of internal customer satisfaction. Internal feedback can be useful to help identify practical improvements to service, these may also impact upon the quality of service provided to customers.</p>	<p><u>Recommendation 4</u></p> <p>Develop and implement new KPIs to be more aligned to the goals of the Service Centre.</p> <p><u>Recommendation 5</u></p> <p>Consider implementing a survey to measure internal customer satisfaction and to gather feedback around potential improvements.</p>	<p>Management are in agreement with the outlined recommendations.</p> <p>Management will continue to build upon work already undertaken to investigate, develop and implement improvement measures for the Service Centre.</p>
	March 2019	

Risk Rating – Better Practice		Likelihood	
			Auditor <i>Galpins</i>
Manager		Target Date	
Issues and Impact	Recommendation/s	Management Response	Target Date
<p>2.4 Potential to improve email responsiveness</p> <p>The audit scope required any identified opportunities for the introduction of better practice and process improvement to be reported.</p> <p>Audit were made aware that the Service Centre team do not receive emails directly from the CWT website. External customers send email requests to csu@wtcc.sa.gov.au which are forwarded through to the Information Management Unit (IMU). These emails are not initially handled by the Service Centre (email address is servicecentre@wtcc.sa.gov.au).</p> <p>Audit are aware of an instance where an external customer waited five (5) weeks for a response to their initial email. Two weeks prior to the response, the customer had lodged a formal complaint.</p> <p>During our audit, we noted the transparency of the approach adopted by the Service Centre, for example in monitoring the speed and completeness of responses to customers. It appears that emails may be actioned in a consistent and timely manner if directed to the Service Centre in the first instance. We have not confirmed whether a similar performance focus is in place in other units, however understand this is in place only for the Service Centre.</p> <p>It is important to note that we have not consulted with the IMU as a part of this audit, and that any action in this space would need to be taken in conjunction with that team.</p> <p>Delays in customer responses can cause reputational risks.</p>	<p><u>Recommendation 6</u></p> <p>Evaluate whether the customer experience would be improved by having all external customer emails directed initially through the Service Centre.</p>	<p>Management are in agreement with the outlined recommendation.</p> <p>Management are working with Lean to investigate options to provide the true Omni Channel communication experience with all Customers, whereby Council provides a single-source of response to the Customer.</p> <p>Management will be interested to highlight the outcome of the Lean Project investigation within the follow-up audit.</p>	<p>March 2019</p>

Risk Rating – Better Practice		Consequence		Likelihood	
		Auditor Galpins	Descriptor Reputation/ Relationships Damage		n/a
2.5 Opportunity to develop a customer service charter		Manager			Target Date
<p>Issues and Impact</p> <p>In our review of better practice opportunities, we compared the Service Centre's operations against available relevant better practice, including the key customer service principles as outlined in the Customer Service Good Practice Guide (SA Govt, 2007) and against relevant customer service principles from the Information Technology Infrastructure Library (ITIL).</p> <p>One key better practice principle is to have a customer service charter. A customer service charter sets out what type of service customers should expect and what they should do if those expectations are not met. It also can be used as a guide by service centres to guide their public commitments. The Service Centre does not have a customer service charter. In addition, there is not currently a relevant customer service policy in place.</p> <p>The Service Centre team are aware of the need for an updated policy and potentially a customer service charter, and they consider this will be developed after the new Customer Experience Framework has been finalised. Having no customer service policy/charter may mean that customers are not aware of the obligations of the Service Centre and their rights as a customer.</p>		<p>Recommendation/s</p> <p><u>Recommendation 7</u> Develop and implement a Customer Service Policy and Charter.</p>	<p>Management Response</p> <p>Management are in agreement with the outlined recommendation.</p> <p>A framework and strategy (inclusive of a policy) is currently in progress, and will be followed-up with the creation of a Customer Service Charter if this is determined as required.</p> <p>Management have also noted that the best practice guidelines that were utilized are over 11 years old and ITIL is an Information Technology help desk which is significantly different to our environment.</p> <p><i>Audit response: we understand that the guideline is from 2007, however believe the principles are still relevant. In an attempt to also refer to more recent better practice, we utilised relevant principles (not IT-related principles) from ITIL. ITIL for example is used by IT helpdesks.</i></p>	n/a	March 2019

Risk Rating – Better Practice		Likelihood
<p>2.6 Improving availability of support information for customers</p>		<p>n/a</p>
<p>Issues and Impact</p> <p>In our review of better practice opportunities, we identified 'maintaining up to date support information' as a key better practice principle. This means promoting current, accurate information to users in a timely manner.</p> <p>A common tool used by service centres to help staff find and provide current information to customers is a 'knowledge library'. A dedicated knowledge library aims to capture and sort knowledge to support quick decision making. The Service Centre currently uses the Objective system as a knowledge library. Objective has limitations as a knowledge library, most notably in its searching capabilities. Objective is primarily a document management system and searching for information can be time consuming. This impacts on the length of time taken to answer queries.</p> <p>We note that the Service Centre are currently exploring options to implement a knowledge library.</p> <p>Our final observation in regard to better practice opportunities was to introduce a self-help portal or "Frequently Asked Questions" page to the CWT public website, to offer 24-hour customer access. Customers may find it difficult to access information from the website and may not have access to the Service Centre or webchat during working hours. A self-help portal may improve the service offering to customers, potentially reducing call numbers and web chat volume.</p> <p>We note that the Service Centre is interested in implementing a Customer Relationship Management (CRM) system. A CRM captures information about customer interaction, and can be used to build a profile of overall customer interactions with an organisation. This may potentially be used to improve the customer experience, however this was not specifically assessed as a part of the audit.</p>		<p>Manager</p>
<p>Recommendation/s</p> <p><u>Recommendation 8</u> Continue with initiatives to implement a knowledge library for the Service Centre.</p> <p><u>Recommendation 9</u> Implement a self-help portal or frequently asked question page on the CWT website that is updated regularly.</p>		<p>Management are in agreement with the outlined recommendations.</p> <p>Management have an existing knowledge library but will continue to investigate opportunities to improve, as well as a self-help portal or chat bots to manage out of hour enquiries.</p> <p>As highlighted within the 'issues and impact' statement, Management are interested in exploring options for Customer Relationship Management Software to manage customer data.</p>
<p>Target Date</p> <p>March 2019</p>		<p>March 2019</p>

Appendix 1: CWT Risk Matrix

This section outlines the CWT’s risk assessment matrix.

Likelihood Descriptors

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

Consequences Descriptors Matrix

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

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

Risk Analysis Matrix – Level of Risk

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

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

Appendix 2: Documents reviewed, and interviews conducted

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

- Customer Service Good Practice Guide, Reform Commission Government of South Australia 2007
- Brochure- Customer Service Charter ENG Adelaide City Council
- Pathway Questionnaires
- Service Centre Templates
 - Live Chat Templates
 - Email Templates
 - SMS Templates
- City of Adelaide Customer Service Strategy
- Live Chat Customer Service Officer Guide
- Customer Service Expectations Guidelines
- Customer Service Social Media user guides
- Questionnaires for documented workflow processes
- Customer Service Centre Coaching and Monitoring report
- Performance Feedback examples
- City of West Torrens Templates for Service Centre Touchpoint emails
- Service Centre Emails Standards/ Guide
- City of West Torrens Council Policy Social Media Use and Management
- City of West Torrens Executive Standard for Customer Interactions
- Information Technology Infrastructure Library (ITIL), version 3, 2007
- City of West Torrens Administration Policy: Customer Experience Policy (no date or version provided)

As a part of this engagement, the following staff were interviewed:

- Team Leader Service Centre: Christine Inkster
- Senior Customer Service Officer: Brittany Forshaw
- Manager People and Culture: Deb Cann
- Customer Service Officer: Serena Helps
- Customer Service Officer: Dot Vanson
- Planning Officer: Amelia DeRuvo
- Electoral Officer: Nicole Durovic
- Rates Coordinator: Kim Lennard
- IT Support Officer: Gary Dodd
- Media and Engagement Officer: Mel Rymill- Butcher
- Team Leader Strategy in City Strategy: Rebecca Perkin
- Senior Development Officer: Josh Banks
- Community Services Officer: Ildiko Boczne Szivos

9.3.2 2017-2018 Internal Audit Program Update

Brief

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

RECOMMENDATION

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

Introduction

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

Discussion

This report summarises the status of all planned audits contained in the 2017-18 *Internal Audit Program* (Program) as at 30 September 2018. The full internal audit program update is attached (**Attachment 1**).

Summary

Audit Status	Number
In Progress	3
Completed	9
Not Started	1
Total Audits Programmed (excluding staged audits)	13
Audit Status (Staged Audits)	Number
Staged Audits Complete	0
Staged Audits in Progress or Next Stage Not Started	2
Total Staged Audits	2
Cancelled/Deferred	3
Total Audits	18

Audits in Progress

The following audit is in progress:

1. The *Contractor Management* audit is currently underway. A draft report has been received and will be presented to the first meeting of the Committee in 2019.
2. Work Zone Traffic Management audit is currently underway. A draft report has been received and will be presented to the first meeting of the Committee in 2019.
3. Community Consultation audit is currently underway. A draft report has been received and will be presented to the first meeting of the Committee in 2019.

Audits Completed

The following audits have been completed as at 30 September 2018:

1. Accounts Payable
2. Hazard register - WHS Controls
3. Land and Building (Sale and Conveyancing) Act 2010 (Section 12 Statements)
4. Food Act 2001
5. Information Fraud
6. Vic Roads Annual Audit
7. Internal Audit Recommendations
8. Governance Framework (Elected Member Conflict of Interest)
9. Service Centre Procedures and Systems

Audits Not Started

The following audit has not yet commenced:

1. *Business Continuity and Emergency Management Plan (Review and Exercise Event)* - A provider has been selected to provide initial training and a testing program for the organisation regarding its resilience capabilities. The CWT Emergency Management and Business Continuity Plan is undergoing final review to ensure correlation with the recently released LGA's Emergency Management Plan and so the audit is delayed. In addition, the Western Zone Emergency Management Committee is developing an exercise across the zone. Consequently, the exercise event detailed in the Internal Audit Plan is proposed in late 2018 or early 2019.

Facilitative/Staged Audits in Progress

The following two (2) facilitative and staged audits will continue to be progressed with activity spanning over multiple internal audit programs:

1. *Maintenance of Plant and Equipment* - Stage 1 complete. Stage 2 commenced in July 2018. A working party meeting was held in June 2018 and an action plan has been developed. Stage 3 of the audit will commence in January 2019.
2. *Continuous Audit - Procurement Roadmap (CAPR)* - Stages 1, 2 and 3 complete. Stage 4 is in progress. A report will be presented to the first meeting of the Committee in 2019.

Audits Cancelled

The Committee recommended that the following audits be cancelled:

1. *Cash Handling Spot Audit* was cancelled at the recommendation of the Audit Committee.
2. *Budget Planning and Strategic Planning Alignment Audit* was cancelled at the recommendation of the Audit Committee.
3. *Stage 2 - Debtor Management Staged Audit*

Conclusion

Following the cancellation of three (3) audits from the 2017-18 Internal Audit Program, nine (9) of the remaining planned fifteen (15) audits are complete as at the end of the fourth quarter.

Of the remaining six (6) audits, five (5) are in progress and one (1) has not started.

Overall fourteen (14) of the remaining fifteen (15) audits (93%) are either complete or in progress.

Attachments**1. Internal Audit Program 2017-2018 Update as at September 2018**

2017/18 Internal Audit Program

Report as at 30 September 2018

Audit No.	Internal Audit	Audit Objectives	Quarter	Status	Comments
Status of 2016/17 Internal Audits Carried Forward					
1	Accounts Payable	<ul style="list-style-type: none"> 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 <p>Audit will also undertake data analysis of accounts payable data using data analytics software in order to analyse accounts payable data over an extended period.</p>	1	Completed	Final report was presented to the 10 October 2017 meeting of the Committee.
2	Hazard Register - WHS Controls	<p>The objectives of this audit are to evaluate and report on:</p> <ul style="list-style-type: none"> Audit will sample departmental hazards from the each departments hazard register and review the: <ul style="list-style-type: none"> completeness and existence of hazard registers and associated risk assessments processes and controls in place to ensure legitimacy linkage with the Enterprise Risk Management Framework through the use of the risk matrix. 	1	Completed	Final report is presented to the 10 October 2017 meeting of the Committee

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

Report as at 30 September 2018

2017/18 Internal Audit Program

Audit No.	Internal Audit	Audit Objectives	Quarter	Status	Comments
3	Land and Building (Sale and Conveyancing) Act 2010 Section 12 Statements	The objectives of the review are to evaluate and report on the level of compliance with the: <ul style="list-style-type: none"> Land and Building (Sale and Conveyancing) Act 1994 (Sale and Conveyancing) Regulations 2010 (the Regulations) Opportunities for the introduction of better practices and process improvement 	1	Completed	Final report was presented to the 10 October 2017 meeting of the Committee
4	Food Act 2001	The objectives of the review are to evaluate and report on the level of compliance with the: <ul style="list-style-type: none"> South Australian Food Act 2001 South Australian Food Regulations 2002 Australian Food Safety Standards Opportunities for the introduction of better practices and process improvement 	1	Completed	Final report was presented to the 10 October 2017 meeting of the Committee
Status of 2017/18 Internal Audits					
Assurance Audits					
5	Business Continuity and Emergency Management Plan - Review and Exercise Event.	A surprise mock event or scenario designed to test the effectiveness and/or raise awareness of the Business Continuity Emergency Management Plan (BCP).	4	Not Started	Exercise event proposed in late 2018.
6	Budget Planning and Strategic Planning Alignment	An audit to provide assurance whether the budgeting process is aligned with the organisations strategic objectives (Community Plan) and obligations under the Local Government Act, 1999 & CWT Policies.	3	Cancelled	Cancelled as per Committee recommendation.
7	Community Consultation	An audit designed to determine the effectiveness of community consultation when aligning and forming key business strategies such as the Community Plan and associated corporate and departmental service plans.	2	In Progress	A draft report has been received and is being reviewed by the Executive Management team. A report will be presented to the first meeting of the Committee in 2019.

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

2017/18 Internal Audit Program

Report as at 30 September 2018

Audit No.	Internal Audit	Audit Objectives	Quarter	Status	Comments
8	Information Fraud	This organisation manages information of a confidential and commercially sensitive nature. This audit will test the robustness of the process of allocating and revoking information privileges.	2	Completed	Final report was presented to the 10 April 2018 meeting of the Committee.
Legislative Audits					
9	Governance Framework - Compliance with the Local Government Act.	An audit to determine whether the organisation is meeting its governance obligations under the Local Government Act, 1999.	4	Completed	Final report is presented to the 14 August 2018 meeting of the Committee
Third Party Audits					
10	Vic Roads Annual Audit	Self-assessment mandated as part of the agreement with Vic Roads	1	Completed	The Enterprise Risk Officer completed this audit during July 2017.
Spot Audits					
11	Service Centre Procedures and Systems	This audit will test the provision of information form the Contact Centre aligns with the CWT telephone protocols, scripting, team agreements and stakeholder expectations.	3	Completed	Final report presented to the 9 October 2018 meeting of the Committee
12	Internal Audit Recommendations	An annual audit designed to provide assurance that the agreed audit findings actions are being completed consistent with the original action.	3	Completed	The purpose of this audit is to verify that internal audit recommendations which are agreed for actioning (agreed actions) are completed in line with the auditor's recommendation. Rather than undertake a specific audit, the internal auditor will align a verification process against the existing six-monthly agreed action report. At the time of the report, each completed agreed action will be verified against the intent of the original audit recommendation and/or against

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

Report as at 30 September 2018

2017/18 Internal Audit Program

Audit No.	Internal Audit	Audit Objectives	Quarter	Status	Comments
-	Cash Handling	Spot audit to determine the adequacy of controls when handling cash across multiple sites. This audit relates to cash transactions that are not part of CWT core business or approved Fees and Charges such as drink/food sales, vending machines, fund raising, vending machines, business casual day etc.	-	Cancelled	<p>alternative measures which appropriately mitigate risk.</p> <p>An internal auditors statement of verification will be included as part of the Agreed Action Report.</p> <p>Cancelled at the suggestion of the Audit Committee.</p>
WHS Audits					
13	Traffic Management	A WHS/Legislative Compliance audit to determine whether CWT (or contractor) traffic management activities occur in line with legislation to ensure the safe movement of people throughout the city.	2	In Progress	A draft report has been received and is being reviewed by the Executive Management team. A report will be presented to the first meeting of the Committee in 2019.
14	Contractor Management Audit	<p>The purpose of this audit is to:</p> <ol style="list-style-type: none"> 1. document progress against the 2012 audit findings and re-evaluate the overall compliance rating 2. establish policy compliance against the WHS Act and Regulations 3. report on departmental compliance against the current version of CWT Contractor Management Policy with emphasis on contractor induction, monitoring and evaluation. 4. report on compliance with the WHS aspects of contractor engagement as part of the procurement process, specifically the WHS information being provided and evaluated as part of the tender/quotation. 	2	In Progress	A draft report has been received and is being reviewed by the Executive Management team. A report will be presented to the first meeting of the Committee in 2019.

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

Report as at 30 September 2018

2017/18 Internal Audit Program

Audit No.	Internal Audit	Audit Objectives	Quarter	Status	Comments
		<ul style="list-style-type: none"> Undertake a risk assessment against the process of debt management in its current state. Undertake high level benchmarking of debt management policies and debt ratios within the local government sector to propose methodologies which are effective and efficient in managing debt. To assess the current state of debt management and document a risk-based gap analysis which proposes findings for implementation. <p>Stage 2: The objectives of the audit are to work with stakeholders to:</p> <ul style="list-style-type: none"> 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. 			
17	Continuous Audit - Procurement Roadmap (Stage 2).	<p>Stage 4 objectives seek to assess the procurement program including:</p> <ul style="list-style-type: none"> Non-compliance with the procurement policy Loss of efficiency of resources and cost saving opportunities Loss of contract protection, defensibility and probity issues resulting in external/internal investigation and/or negative financial controls 	2	<p>Stage 1 Complete</p> <p>Stages 2 & 3 Complete</p> <p>Stage 4 In Progress</p>	<p>Stage 4 commenced in September 2018. A report will be presented to the first meeting of the Committee in 2019.</p>

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

2017/18 Internal Audit Program

Report as at 30 September 2018

Audit No.	Internal Audit	Audit Objectives	Quarter	Status	Comments
		Stage 4 also seeks to audit KPIS and metrics including spend analysis used in reporting.			

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

9.3.3 2018-2022 Internal Audit Plan

Brief

This report presents the 2018 - 2022 Internal Audit Plan.

RECOMMENDATION

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

Introduction

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

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

Discussion

Planning Approach

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

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

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

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

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

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

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

Plan Content

The Plan contains nine (9) sections as follows:

Section 1 - Introduction

Section 2 - Internal Audit Type Descriptors

Section 3 - Organisational Risk Tolerance, Treatment and Responsibilities

Section 4 - Risks and Internal Audit Planning

Section 5 - Internal Audit Program Schedule 2018 - 2022

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

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

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

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

Resourcing

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

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

Implementation

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

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

Conclusion

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

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

Attachments

1. 2018 - 2022 Internal Audit Plan



Internal Audit Plan

2018 - 2022

Contents

1. Introduction 3

2. Internal Audit Type Descriptors 4

3. Organisational Risk Tolerance, Treatment and Responsibilities 5

4. Risks and Internal Audit Planning 6

5. Internal Audit Program Schedule 2018-2022 7

6. Internal Audit Program for 1 November 2018 to 30 June 2019 8

7. Internal Audit Program for 1 July 2019 to 30 June 2020 11

8. Internal Audit Program for 1 July 2020 to 30 June 2021 13

9. Internal Audit Program for 1 July 2021 to 30 November 2022 15

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

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

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

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

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

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

1. Introduction

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

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

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

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

Audit Recommendations and Findings

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

<i>Non-compliant</i>	<i>There is no evidence of compliance with legislation, policy, procedure and/or internal controls.</i>
<i>Partial level of compliance</i>	<i>There is partial evidence of compliance with legislation, policy, procedure and/or internal controls.</i>
<i>Substantial level of compliance</i>	<i>There is a substantial level of compliance with legislation, policy, procedure and/or internal controls.</i>

2. Internal Audit Type Descriptors

Types	Description	Format	Measure
Assurance Audit	When mature practices are present, comprehensive testing will occur to determine assurance of an objective being met and/or if risk is being mitigated.	• Traditional report	• Compliance Rating
Legislative Compliance	Determine compliance of a function against relevant legislation.	• Legislative Compliance Report	• Legislative Compliance
Facilitative Audits	When immature practices are present, a facilitative audit aims to add value by assisting the stakeholder to put governance mechanisms in place. An outcome driven audit working with the stakeholder through facilitation, advice and consultation to establish objectives and agreed outcomes.	• Summary report • Workshop	• Agreed outcomes • KPI's • Improvements • Risk
Spot Audits	Small scale targeted audit to provide assurance on whether a particular objective/policy is being achieved.	• Summary Report	• Compliance Rating
WHS Audits	Assurance and/or compliance auditing targeted specifically at WHS policy.	• Traditional Report	• Compliance Rating
Continuous Audits	A larger audit with many interrelated components that may be segmented into key test stages of a large project/activity, to track and record assurance/completion and to add value throughout the project/activity over time.	• Summary report at key stages	• Completion • Compliance Rating • Improvements
Third Party Audits	<ol style="list-style-type: none"> When the right to audit is established by contract or legislation, the third party service provider and/or sub-contractor may be audited against the contract for the provision of services comprising, cost, quality, safety and/or performance; or When the right to audit is established by contract or legislation, the third party may seek to audit the City of West Torrens in relation to the provision of services, cost, quality, safety and/or performance. Examples include WorkCover, LGAWCS, Dog and Cat Management Board and Vic Roads audits. 	• Summary report • Compliance Report	• Compliance with: • Contract conditions • KPI's • Specification's • Price schedules • WHS performance

3. Organisational Risk Tolerance, Treatment and Responsibilities.

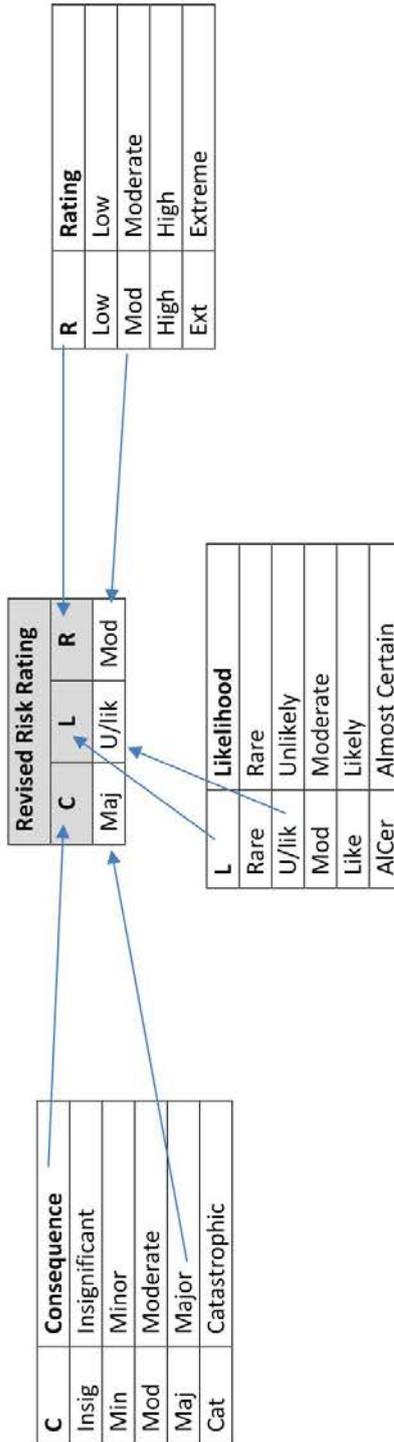
Level of Residual Risk	Organisational Tolerance for Strategic and Operational Risk's and/or Agreed Audit Actions	Responsible	Actions	Timeframe
Extreme Not Tolerated	Extreme level of risk is not tolerable. CWT will implement immediate measures to mitigate extreme risks using an ALARP (as low as reasonably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

4. Risks and Internal Audit Planning

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

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

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



5. Internal Audit Program Schedule 2018-2022

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

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

Ref	Internal Audit	Relevant Department(s)	Reason for Inclusion and Indicative scope	Link to Strategic Risk	Link to Operational Risk	Revised Risk Rating			Risk Descriptor	Resource
						C	L	R		
Carry Over										
1	Plant and Equipment Maintenance	City Operations	The Plant and Equipment Maintenance Audit will be carried over and re-scoped to provide assurance of the legislative compliance with relevant WHS legislation. Highlighted as a key risk across multiple departments this audit aims to provide assurance that plant and equipment is being appropriately maintained and that controls are in place to ensure the safety of staff/public at various CWT sites.	3. Effective WHS Management	Failure of plant and equipment resources resulting in injury to staff or reduced service delivery.	Maj	U/lik	Mod	WHS	Contract internal auditor
Staged Audits										
2	Procurement Roadmap (Stage 5)	Procurement	The CWT Procurement function was identified in 2013 by PMMS (now Arc Blue) as being 'Emergent' in being it operated a fragmented and decentralised procurement model in which many gaps were identified. Since then CWT has embarked on its Procurement Roadmap Program (The Program). A staged audit to track, test and record assurance and completion of key stages of the Program is considered important in ensuring full compliance with the Program. This Stage of the Audit seeks to review implementation of the previous audit recommendations as well as focus on the effectiveness of procurement processes throughout organisation.	1. Business Practices	Failure to follow procurement processes resulting in lack of probity and transparency and not achieving council outcomes such as value for money	Mod	Rare	Low	Financial Reputation	Contract internal auditor

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

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

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

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

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

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

Ref	Internal Audit	Relevant Department(s)	Reason for Inclusion and Indicative scope	Link to Strategic Risk	Link to Operational Risk	Revised Risk Rating			Risk Descriptor	Resource
						C	L	R		
Staged Audits										
1	PDI Act and Regulations Implementation	City Development	Continuing	5. Decision making	Failure to comply with current and changes to Legislation and Policy including PDI Act and case law authority	Mod	Mod	Mod	Reputation	Contract internal auditor
Assurance Audits										
2	Flooding controls and prevention	City Assets City Operations	This audit seeks to review the CWT Hazard Plan regarding flooding to assess the PPRR measures in place regarding flooding to ensure the city is appropriately prepared for flooding.	10. Emergency Events 11. Infrastructure Management	Flooding to existing communities and future developments resulting in loss or damage to property or injury	Maj	U/lik	Mod	Financial Reputation	Contract internal auditor
3	Elected member requests	All	The Office of the CEO and Mayor receive numerous requests from Elected Members but it is acknowledged that requests are provided to numerous departments directly. This audit seeks to review the process for ensuring elected member requests are dealt with in a timely, correct and appropriate manner given the risks identified regarding advice provision.	4. Stakeholder Relationships	Providing incorrect advice to internal/external stakeholders or not responding in a timely manner	Cat	Rare	Mod	Reputation	Contract internal auditor
Legislative Compliance Audits										

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

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

Ref	Internal Audit	Relevant Department(s)	Reason for Inclusion and Indicative scope	Link to Strategic Risk	Link to Operational Risk	Revised Risk Rating			Risk Descriptor	Resource
						C	L	R		
Assurance Audits										
1	Insurances	Financial Services	A risk identified by Financial Services highlighted the need for the organisation to hold appropriate insurance policies to ensure appropriate coverage in the event of a claim. This audit seeks to review the coverage provided by each insurance policies and identify potential gaps.	9. Ineffective Business Continuity and Community Resilience	Insurance information/profiling is incorrect resulting in over payment of premiums, litigation or reputation damage	Maj	U/lik	Mod	Financial	Contract internal auditor
2	Cyber Security	Information Services	With the level of hacking into corporate networks increasing at an alarming rate over the last decade, the security of information is an increasing risk to the CWT. The motivations of hackers can vary substantially. This audit seeks to identify gaps in the policies, procedures and practices within the CWT pertaining to information security and IT infrastructure as well as assessing the network architecture to evaluate whether the security supports risk tolerance levels and business objectives.	8. Information Technology Infrastructure and Services	Loss of the IT Datacentre	Maj	U/lik	Mod	Organisation impact	Contract internal auditor
Legislative Compliance Audits										
3	Local Nuisance and Litter Control Act 2016	Regulatory Services	A legislative compliance audit to be undertaken by a legal auditor reviewing CWT compliance relating to the <i>Local Nuisance and Litter Control Act 2016</i> .	1. Business Practices	Failure to keep up to date with Legislative changes resulting in decision being overturned, litigation or negligence.	Cat	Rare	Mod	Financial Reputation	Contract internal auditor
Third Party Audits										

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

9.4 EXTERNAL AUDIT

9.4.1 BDO Audit Completion Report

Brief

This report presents the *Audit Completion Report* from Council's external auditors for the financial year ending 30 June 2018.

RECOMMENDATION

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

Introduction

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

Discussion

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

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

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

Conclusion

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

Attachments

1. BDO Audit Completion Report



PREVIOUS

NEXT

Appendices	
Proposed audit report	1
Independence declaration	2
Other communications	3
New developments	4
Internal control	
Summary of misstatements	
Key accounting and audit matters	
Audit status	

KEY CONTACTS



Andrew Tickle
 Engagement Partner
 Tel: +61 8 7324 6082
 andrew.tickle@bdo.com.au



Linh Dao
 Engagement Manager
 Tel: +61 8 7324 6147
 linh.dao@bdo.com.au



▶ NEXT

PREVIOUS ▶

AUDIT STATUS



PREVIOUS

NEXT

- Appendices
- 1 Proposed audit report
- 2 Independence declaration
- 3 Other communications
- 4 New developments
- Internal control
- Summary of misstatements
- Key accounting and audit matters
- Audit status

AUDIT STATUS

We have set out in this document the significant matters arising from our audit for the year ended 30 June 2018. This summary covers those matters we believe to be material in the context of our work.

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

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

- Review of events subsequent to 30 June 2018;
- Review of final draft of Council’s financial statements;
- Receipt of written management representations on various matters;
- Receipt of formally adopted financial statements and agreement of these to the drafts provided to us to date.

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

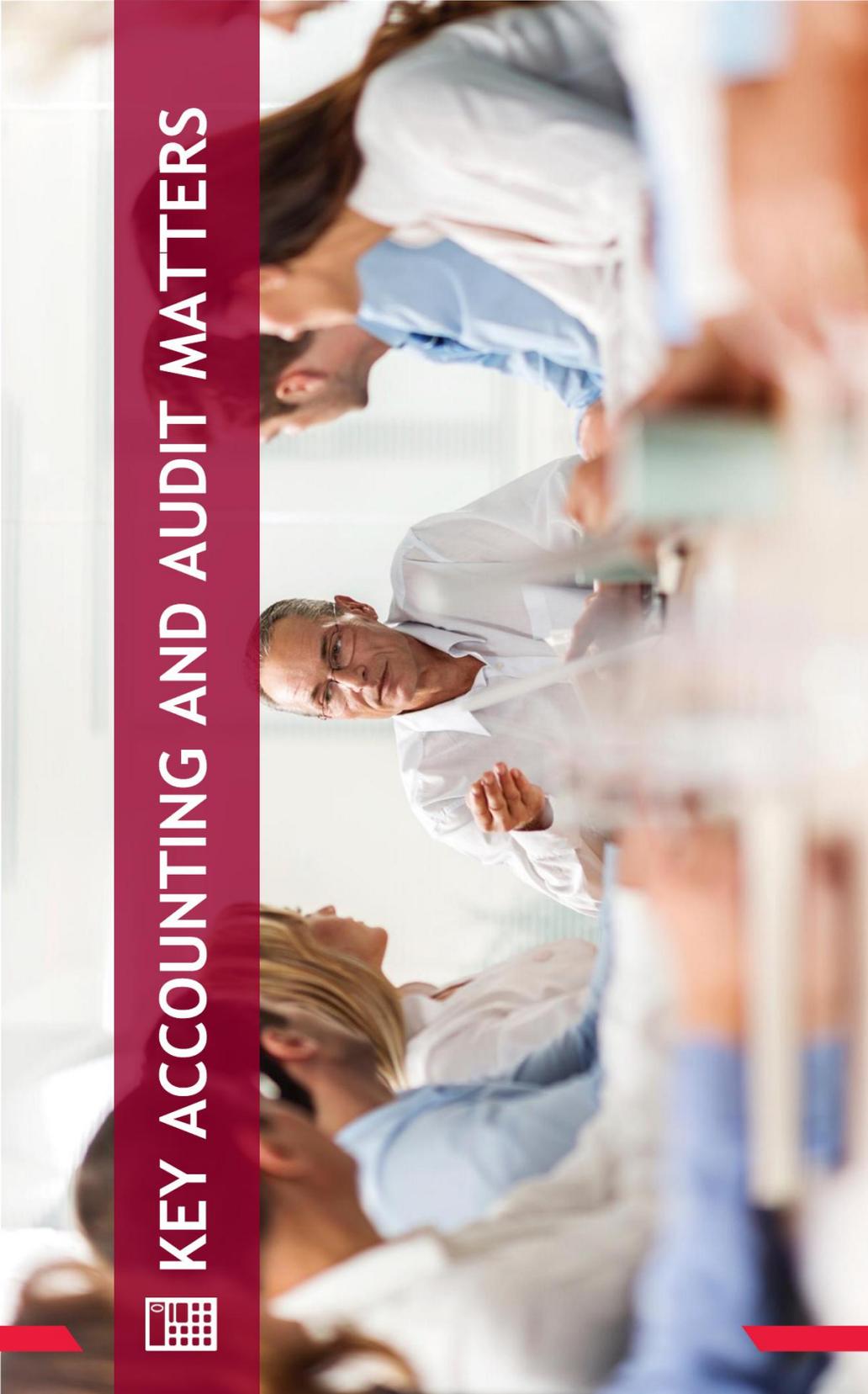


▶ NEXT

◀ PREVIOUS



KEY ACCOUNTING AND AUDIT MATTERS



PREVIOUS

NEXT

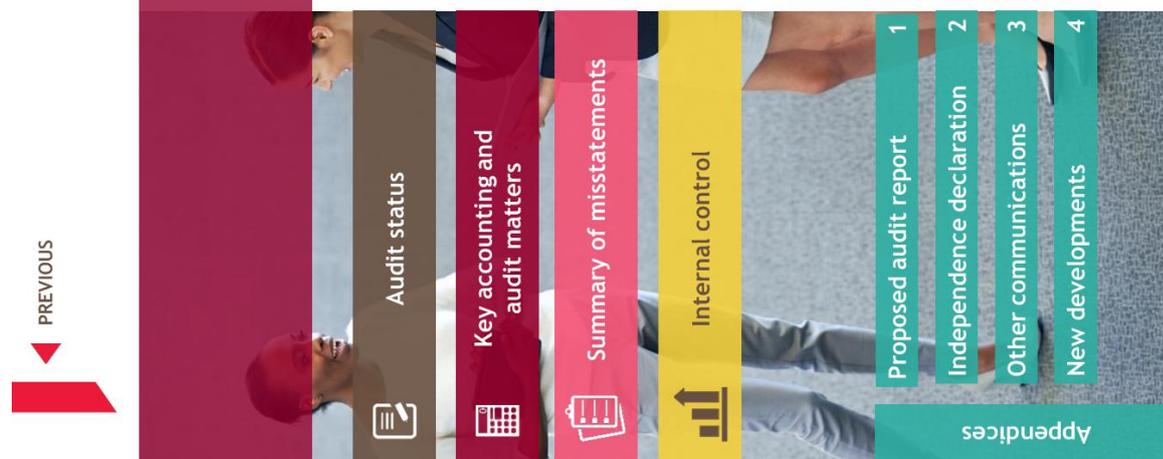
KEY ACCOUNTING AND AUDIT MATTERS

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

Significant risks of material misstatement

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

Revaluation, depreciation, useful lives and residual values of Infrastructure, Property, Plant & Equipment	Findings and conclusion
<p>Description</p> <p>Council's infrastructure, property, plant and equipment are carried at valuation. There is a risk that these balances are misstated as a result of the application of inappropriate valuation methodologies, or incorrect underlying assumptions.</p>	<p>This year Council's assets have been revalued by Council's employees in conjunction with independent valuer. We have evaluated the competence, capability and objectivity of the independent valuer, obtained an understanding of their work, and evaluated its appropriateness. We note that the revaluation has resulted in a net increase in value of these assets of approximately \$8.7m, largely in relation to infrastructure assets. This revaluation increment is lower than that recorded in 2017. The main reason for this is that a condition audit was not undertaken as part of this valuation, with the focus solely on unit rates.</p> <p>On the basis of these audit procedures, we are satisfied that the financial statements are presented fairly in relation to the revaluation of infrastructure assets.</p>



PREVIOUS

NEXT

KEY ACCOUNTING AND AUDIT MATTERS

Accounting treatment of capital work in progress

Description

There is a risk that the accounting treatment of items captured within capital WIP may not be in accordance with Australian Accounting Standards.

Findings and conclusion

We have obtained the WIP Schedule and reviewed in detail a sample of projects outstanding as at the end of the year to ensure they are likely to generate assets.

We performed a sample testing of asset transfers out of Capital WIP to ensure that categorisation and value allocated of assets are appropriate and we have not noted any exceptions.

Management override of internal control

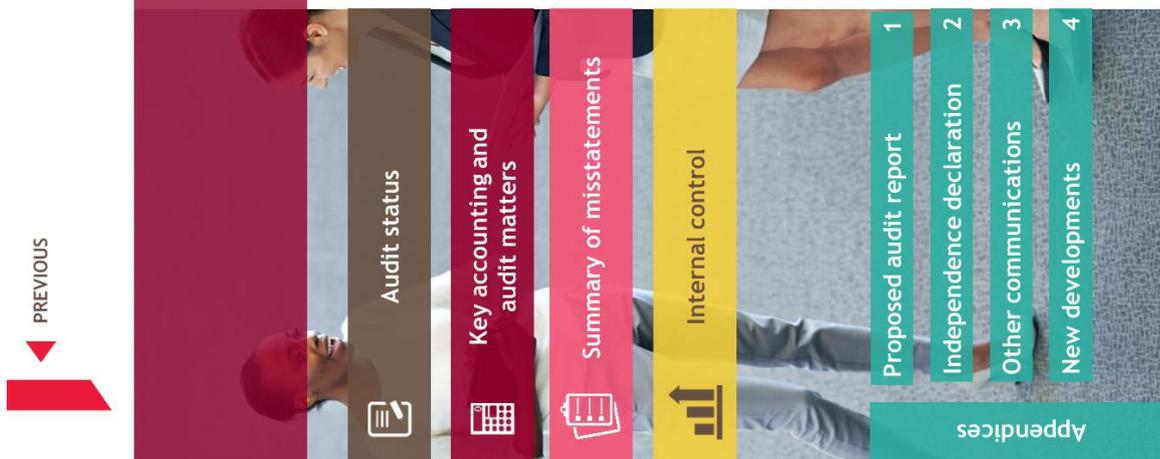
Description

Australian Auditing Standards require that we presume there is a risk that management has the ability to manipulate accounting records and override controls that otherwise appear to be operating effectively.

Findings and conclusion

We have tested general journals posted during the year and at the end of the reporting period to consider whether they are appropriate. We considered accounting estimates for management biases or fraud. We sought to corroborate management explanations with independent supporting evidence whenever possible.

There was no evidence of misstatement due to management override of controls.



PREVIOUS

NEXT

KEY ACCOUNTING AND REVIEW MATTERS

New depot acquisition

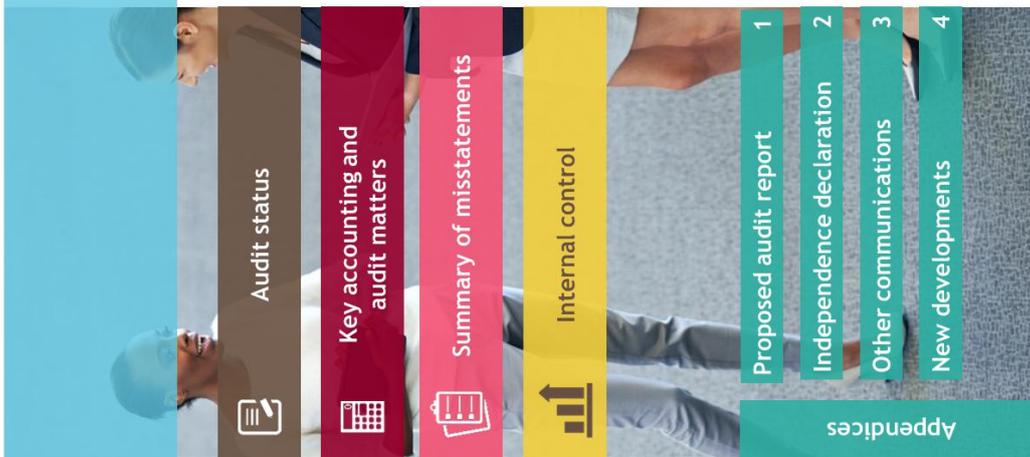
As reported in the prior year, the Council entered into a 'Sale and purchase of Land' contract to acquire a leasehold estate on James Melrose Road, Adelaide Airport for a consideration of \$7.75m (GST exclusive). The contract was conditional upon the completion of a number of under-leases associated with the properties. All these conditions were fulfilled during the year and the settlement occurred in September 2017. Subsequently, an independent valuation was conducted and the fair value of the leasehold estate has been recognised in the financial statements for the year 30 June 2018. We have performed our work over these and noted no exception.

The land associated is leased by Council. This is currently accounted for as operating lease through the profit and loss and in Note 17 Operating Leases appropriately. We expect that these arrangement will have a material impact on Council's financial statements on the adoption of new accounting standard AASB 16 Leases. We have discussed the potential impact with the management and will continue to discuss the implementation issue with the management.

Accounting for Council's interest in Brown Hill and Keswick Creeks Stormwater Board

During the year, the Brown Hill and Keswick Creeks Stormwater Board (the 'Regional Subsidiary') was established with Council holding an equity interest. An unaudited draft financial statement of the Regional Subsidiary was received late in the audit process. Given the circumstances, the management assessed that there is insufficient reliable information to account for this investment in the Council's financials for the year ended 30 June 2018.

We have reviewed the draft financial and concurred with this assessment and the disclosure made to the Council's financials. We have also assessed the likelihood of the impact being material to Council for the year ended 30 June 2018 to be low.



▶ NEXT

◀ PREVIOUS

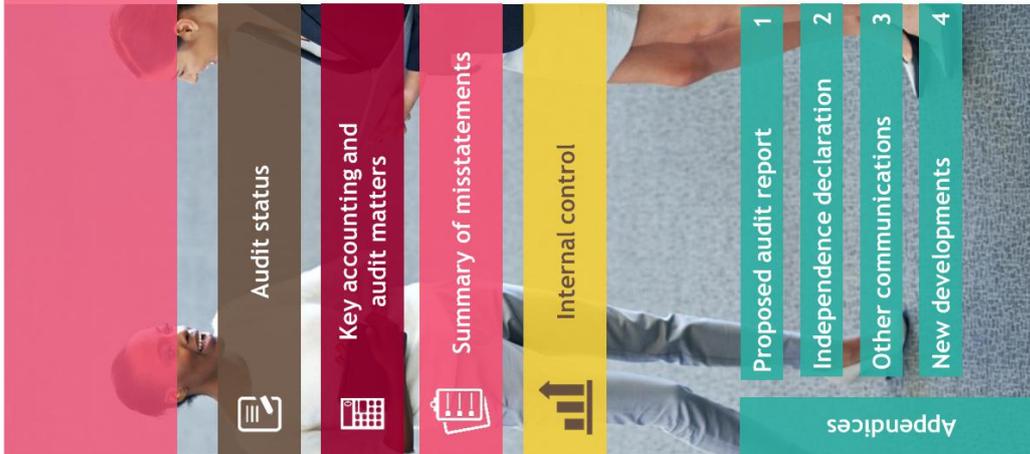


SUMMARY OF MISSTATEMENTS



PREVIOUS

NEXT



SUMMARY OF MISSTATEMENTS

Uncorrected misstatements

There is no uncorrected misstatement which we have identified during the audit. Misstatements have not been included if they are considered to be clearly trivial which we have set at \$56,000 . Matters which are clearly trivial are regarded as clearly inconsequential when taken individually or in aggregate.

The concept of clearly trivial is introduced in Auditing Standard ASA 450 *Evaluation of Misstatements Identified during the Audit*.

Further to the numeric definition, we also consider all misstatements based on their criteria or circumstances. This means that if we were to detect a misstatement below \$56,000 but of significance due to the criteria or circumstance we would report these misstatements to Council.

All misstatements, if any, are discussed with management, regardless of dollar value, throughout the audit process.

Corrected misstatements

We identified the following misstatement during the course of our audit which has been corrected:

Description	Assets	(Liabilities)	Reserves	(Profit)/Loss
Understatement of capital work invoices received post balance date that were not accounted for.	\$439,467	\$439,467	-	-
Net effect of corrected misstatements	\$439,467	\$439,467	-	-



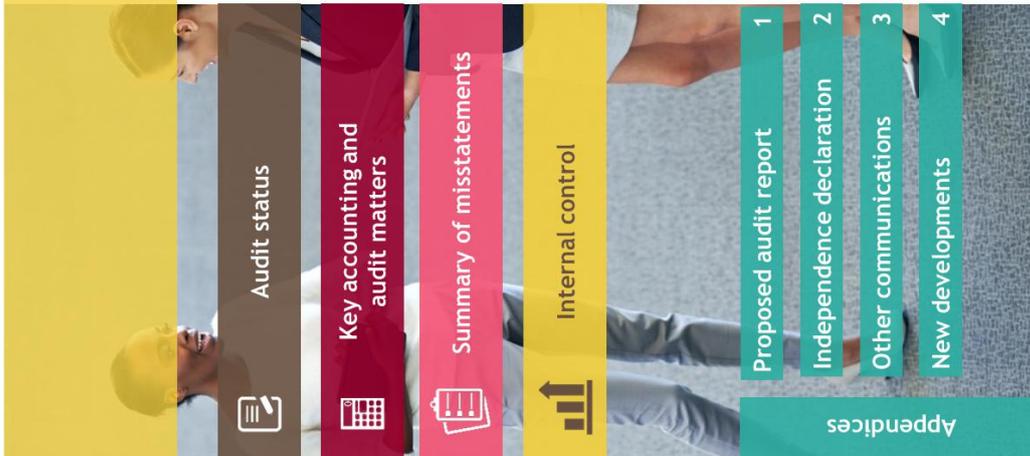
▶ NEXT

◀ PREVIOUS



PREVIOUS

NEXT



INTERNAL CONTROL

Current year

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

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

The standard defines a deficiency in internal control as follows:

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

Significant deficiency in internal control means a deficiency or combination of deficiencies in internal control that, in the auditor’s professional judgement, is of sufficient importance to merit the attention of those charged with governance. There are no significant deficiencies identified in internal controls during the course of the Council audits.

We intend providing an unqualified audit report in relation to compliance with Section 125 of the Local Government Act 1999. Details of matters identified in our testing of internal controls that were determined not to require qualification in our audit report are set out below.



▶ NEXT

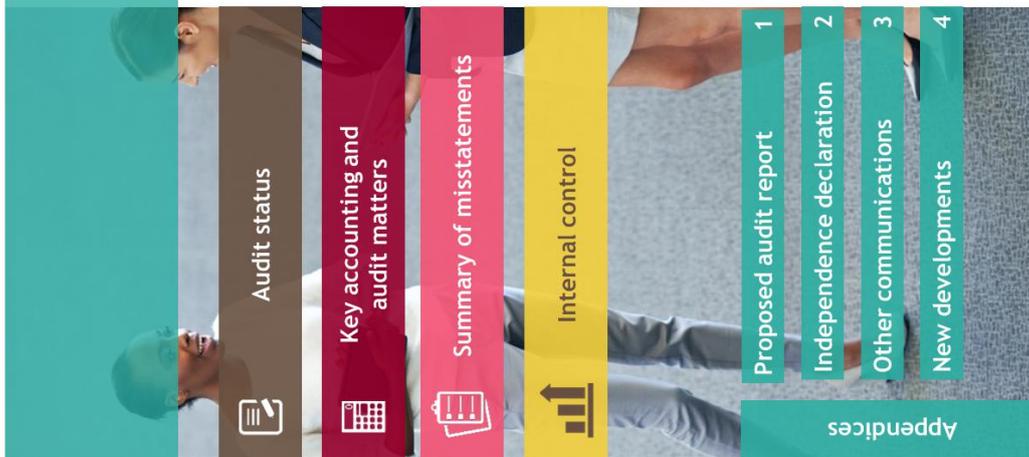


◀ PREVIOUS



PREVIOUS

NEXT



APPENDIX 1

Proposed audit report

INDEPENDENT AUDITOR'S REPORT
TO THE PRINCIPAL MEMBER OF CITY OF WEST TORRENS
Report on the Audit of the Financial Report

Opinion

We have audited the financial report of City of West Torrens (the Council), which comprises the statement of financial position as at 30 June 2018, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the certification of the financial statements.

In our opinion the financial report of City of West Torrens, presents fairly, in all material respects, the Council's financial position as at 30 June 2018 and its financial performance for the year ended on that date in accordance with Australian Accounting Standards, the Local Government Act 1999, and the Local Government (Financial Management) Regulations 2011.

Basis for opinion

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

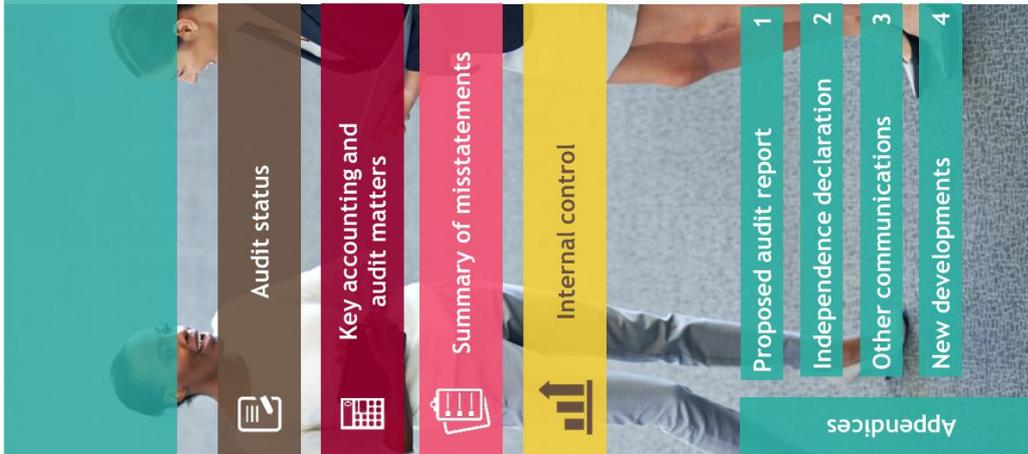
We confirm that the independence declaration required by the Local Government Act 1999, which has been given to the Council, would be in the same terms if given to the Council as at the time of this auditor's report.

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



PREVIOUS

NEXT



APPENDIX 1

Proposed audit report (continued)

Council's responsibility for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

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

This description forms part of our auditor's report.

BDO Audit (SA) Pty Ltd

Andrew Tickle
Director

Adelaide, 28 September 2018



PREVIOUS

NEXT

Appendices	
Proposed audit report	1
Independence declaration	2
Other communications	3
New developments	4
Internal control	
Summary of misstatements	
Key accounting and audit matters	
Audit status	

APPENDIX 1

Proposed audit report (continued)

DRAFT INDEPENDENT ASSURANCE REPORT
ON THE INTERNAL CONTROLS OF CITY OF WEST TORRENS

Opinion

We have undertaken a reasonable assurance engagement on the design and the operating effectiveness of controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, throughout the period 1 July 2017 to 30 June 2018 relevant to ensuring such transactions have been conducted properly and in accordance with law.

In our opinion, in all material respects:

- a) The controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities were suitably designed to ensure such transactions have been conducted properly and in accordance with law; and
- b) The controls operated effectively as designed throughout the period from 1 July 2017 to 30 June 2018.

Basis for opinion

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3150 Assurance Engagements on Controls issued by the Auditing and Assurance Standards Board.

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

The Council's Responsibility for the Internal Controls

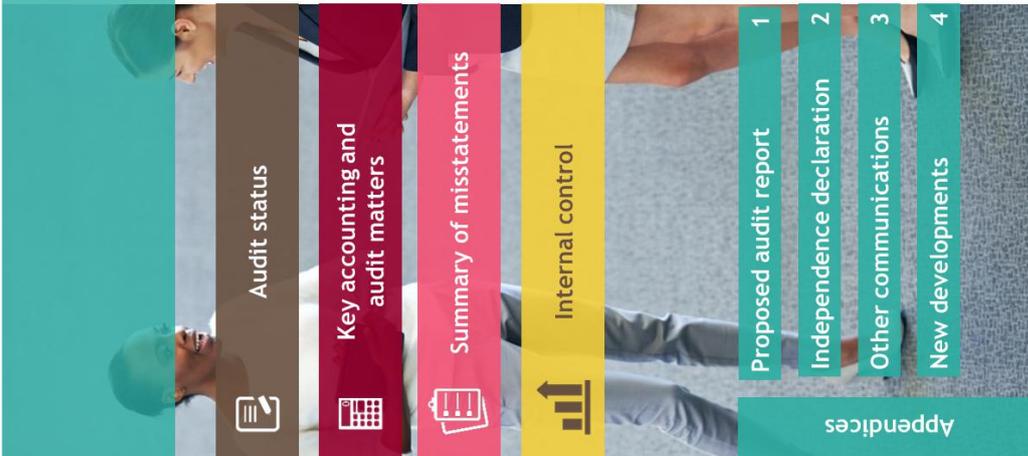
The Council is responsible for:

- a) the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities;
- b) identifying the control objectives;



PREVIOUS

NEXT



APPENDIX 1

Proposed audit report (continued)

- a) identifying the risks that threaten achievement of the control objectives;
- b) designing controls to mitigate those risks, so that those risks will not prevent achievement of the identified control objectives; and
- c) operating effectively the controls as designed throughout the period.

Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements in undertaking this assurance engagement. Assurance practitioner’s responsibilities

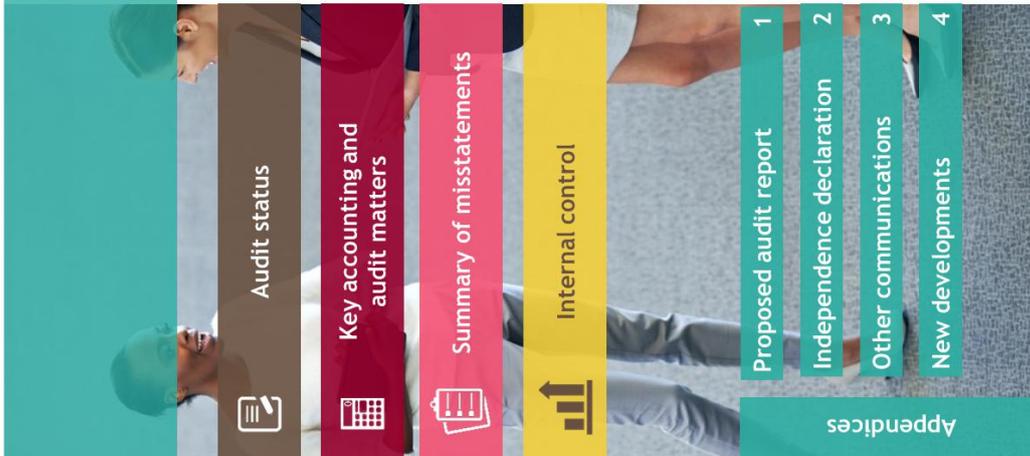
Our responsibility is to express an opinion, in all material respects, on the suitability of the design to achieve the control objectives and the operating effectiveness of controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities. ASAE 3150 requires that we plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operated effectively throughout the period.

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



PREVIOUS

NEXT



APPENDIX 1

Proposed audit report (continued)

Limitations of controls

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

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

BDO Audit (SA) Pty Ltd

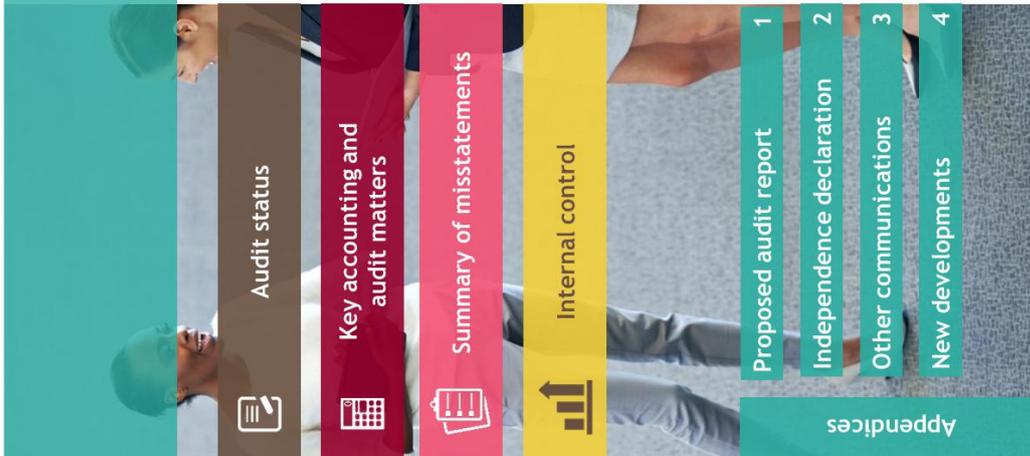
Andrew Tickle
Director

Adelaide, 28 September 2018



PREVIOUS

NEXT



APPENDIX 2

Auditor independence declaration

We set out below our draft Auditor independence declaration.

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of City of West Torrens for the year ended 30 June 2018, I have maintained my independence in accordance with the requirement of APES 110 - Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

Andrew Tickle
Director

BDO Audit (SA) Pty Ltd
Adelaide, XX September 2018



PREVIOUS

NEXT

Appendices	
1	Proposed audit report
2	Independence declaration
3	Other communications
4	New developments
	Internal control
	Summary of misstatements
	Key accounting and audit matters
	Audit status

APPENDIX 3

Other communications

Ethics and independence matters

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

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

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

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

Non-compliance with laws and regulations

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

We have not identified any reportable matters during the course of our audit.

Fraud

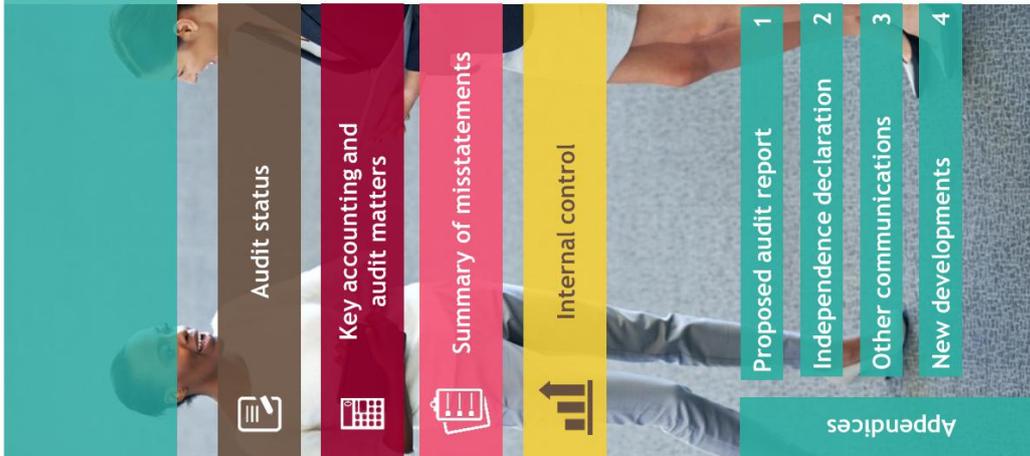
Management have confirmed that there were no matters of fraud identified for the period under audit, or subsequently. It should be noted that our audit is not designed to detect fraud however should instances of fraud come to our attention we will report them to you.

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



PREVIOUS

NEXT



APPENDIX 4

New developments

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

Impairment testing

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

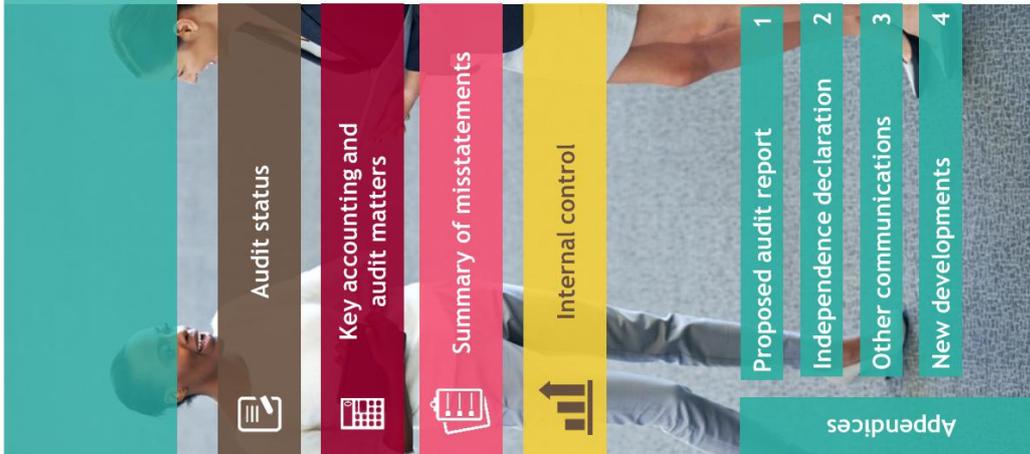
The amendments delete the concept of ‘depreciated replacement cost’ as a proxy for ‘value in use’ for entities with specialised, non-cash-generating assets measured using the ‘cost model’. This means that recoverable amount for such assets must be determined using ‘fair value less costs of disposal’.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

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



PREVIOUS

NEXT



APPENDIX 4

New developments (continued)

New income recognition standard - AASB 1058

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

AASB 1058 establishes principles and guidance when accounting for:

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

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

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

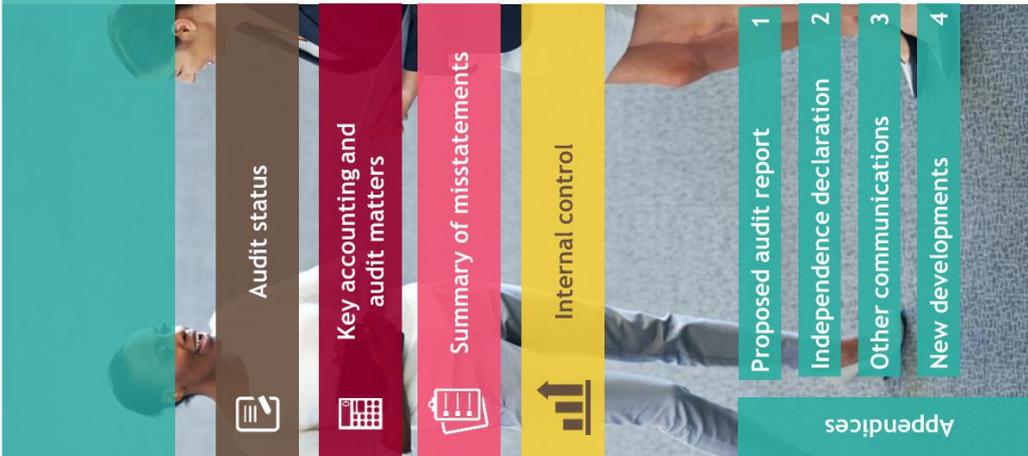
The combined operation of AASB 1058, AASB 15 and AASB 16 provides specific guidance for NFPs on the principles for recognising various forms of income. For example:

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



PREVIOUS

NEXT



APPENDIX 4

New developments (continued)

New income recognition standard - AASB 1058 (continued)

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

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

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

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

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



PREVIOUS

NEXT

Appendices	
Proposed audit report	1
Independence declaration	2
Other communications	3
New developments	4
Internal control	
Summary of misstatements	
Key accounting and audit matters	
Audit status	

APPENDIX 4

New developments (continued)

AASB 9 - Financial instruments

The financial instrument standard, AASB 9 *Financial Instruments* was issued as a complete standard in Australia in December 2014. It is effective for annual periods beginning on or after 1 January 2018 and early adoption is permitted. The main requirements of AASB 9 are summarised below.

Classification and measurement

Financial assets will either be measured at amortised cost, fair value through other comprehensive income (FVTOCI), or fair value through profit or loss (FVTPL). They can only be measured at amortised cost or at FVTOCI if certain restrictive conditions are met. Otherwise they must be measured at FVTPL. Equity instruments will always be measured at fair value and, if not held for trading, there is an irrevocable election to present gains/losses on OCI. Dividends will be recognised in profit or loss.

Impairment

AASB 9 contains new impairment requirements based on an ‘expected loss’ model rather than the current ‘incurred loss’ model.

There is a complex three stage model for recognising impairment losses for financial institutions as well as corporates with intercompany loans:

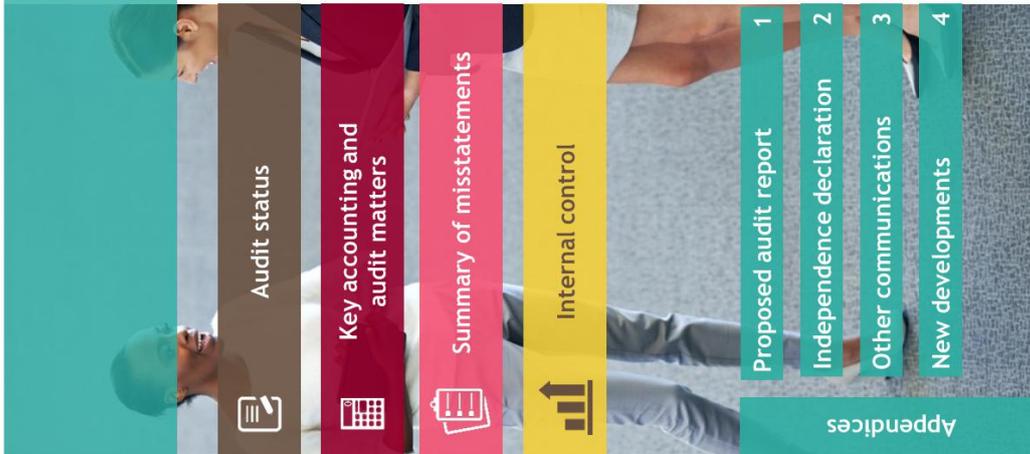
- Stage 1: Recognise the next 12 month’s expected credit losses on financial assets
- Stage 2: Recognise lifetime expected credit losses if there has been a significant credit deterioration
- Stage 3: Recognise lifetime expected credit losses and recognise interest revenue on the net carrying amount (gross amount less the provision amount) if the incurred loss triggers in AASB 139 have been met.

A simplified impairment model applies to trade receivables and lease receivables.



PREVIOUS

NEXT



APPENDIX 4

AASB 16 How does it impact you?

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

This new leases standard, which mainly impacts lessees, will therefore apply for the first time to your 30 June 2020 year end and supersedes existing standard, AASB 117 *Leases*, as well as related Interpretations. Although the transition date for full retrospective restatement is 1 January 2018, there is an option of selecting 1 January 2019 as the transition date if the cumulative effect of initial application is recognised as a single entry in opening retained earnings on 1 January 2019 (cumulative catch up method) and additional disclosures are made.

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

Exceptions

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

Main implications

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

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

Please contact your partner to discuss implementation issues.



PREVIOUS

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

BDO Audit (SA) Pty Ltd ABN 33 161 379 086 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (SA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees.

www.bdo.com.au



9.4.2 Annual Financial Statements - Year Ending 30 June 2018

Brief

This report proposes that the Audit and Risk Committee review the annual financial statements of the Council for the year ended 30 June 2018 to ensure that they present fairly the state of affairs of the Council.

RECOMMENDATION(S)

It is recommended to Audit and Risk Committee that:

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

Introduction

The annual financial statements for the year ended 30 June 2018 have been prepared in accordance with the requirements set out in the model financial statements pursuant to Regulation 13 of the *Local Government (Financial Management) Regulations 2011* (the Regulations) and, in accordance with the Regulations, must now be reviewed by the Audit and Risk Committee (Committee).

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

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

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

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

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

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

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

Following formal Committee consideration of these statements, they will be referred to BDO to be finalised and for a final independent audit opinion to be provided. Referral to Council on 6 November 2018 is then intended.

Discussion

Net Operating Surplus

The year to 30 June 2018 ended with Council showing a favourable net operating surplus before capital and other items of \$10.474 million as shown below:

	2018	2017
	\$'000	\$'000
Income	65,450	64,556
Less Expenditure	56,234	53,405
	<hr/>	
Operating Result	9,216	11,151
Add: Net Gain / (Loss) on Disposal	11	(52)
Amounts Received for New /		
Upgraded Assets	1,247	1,368
Physical Resources Donated	0	578
	<hr/>	
Net Surplus / (Deficit)	10,474	13,045
	<hr/> <hr/>	

Council's operating surplus ratio has fallen from 17 per cent to 14 per cent, ratios for the last five years being:

Financial Year	Operating Surplus Ratio
2013/14	9%
2014/15	10%
2015/16	6%
2016/17	17%
2017/18	14%

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

Sustainability

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

LGA Information Paper 9 suggests an asset sustainability ratio greater than 90 per cent but less than 110 per cent. This was substantially achieved in the five financial years to 2017/18, as shown in note 15 of the accounts, although 2017/18 has been impacted by the one-off purchase of the new depot.

Financial Year	Asset Sustainability Ratio
2013/14	103%
2014/15	111%
2015/16	104%
2016/17	105%
2017/18	152%

Liquidity

Council's balance sheet and cash flow statement indicate a strong end of year cash flow position, with cash down from \$20.707m to \$17.719m. Two factors have largely contributed to the strength of Council's cash flow position:

- Asset sale proceeds yet to be utilised; and
- Slippage on the capital expenditure program.

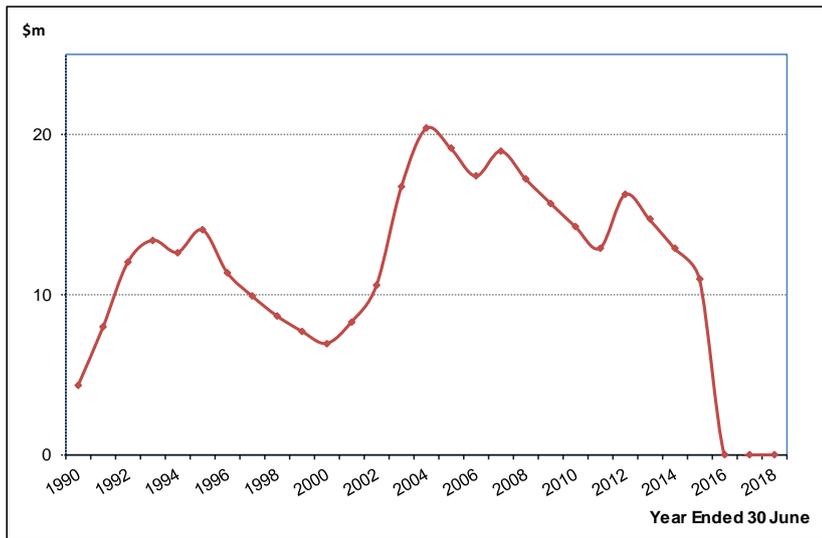
Other Matters

Other items of note include:

- The most recently available full actuarial investigation conducted by the actuary for the Local Government Superannuation Scheme as at 30 June 2017, indicated that the defined benefit fund was in a satisfactory financial position, with advice provided that contribution levels at the time were adequate, but Council's contribution rates may need to change at a future point in time (refer note 18).
- Work in progress has increased from \$3.720 million to \$8.741 million, largely due to increased long term significant capital and capital works projects; including the redevelopment of Weigall, Camden and Apex/Lockleys Ovals, along with purchase of the new depot, with these projects accounting for over \$2.9 million alone.
- Depreciation expense increased by \$0.493 million or 4.1 per cent to \$12.515 million (refer note 3).
- Mendelson Foundation wealth increased by \$108,077 to \$1.447 million during the course of the year, a portfolio increase of 8.1 per cent (10.4 per cent in 2016/17).
- Unspent funds carried forward have increased to \$36.916 million, an amount that is heavily committed. Community hubs funding accounts net for \$13,583,375 or 37.2 per cent of the carryover amount, with Lockleys drainage and seven road reconstructions accounting for a further \$14,061,181 or 38.6 per cent of the carryover amount (net of overheads). Carried forward funds since the year ended 30 June 2008 have been as follows:

Year Ended 30 June	Amount \$'000
2009	9,992
2010	8,797
2011	10,930
2012	9,760
2013	8,754
2014	10,475
2015	11,396
2016	20,215
2017	24,838
2018	36,916

- Notes comparing budget and actual expenditure and income for the year are excluded from the accounts, following changes to the *Local Government (Financial Management) Regulations 2011*, but these will be reported to Council in November 2018.
- Full cost attribution is reflected at note 12.
- With funds from the sale of St Martin's, the loan balance was fully paid out in 2016, with the trend since 1991 as below. Council is expecting sizeable borrowings to occur when carryovers funds are spent over the next year or so, which could be in the vicinity of \$20 million.



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

Conclusion

This report proposes that the Audit and Risk Committee review the annual financial statements of the Council for the year ended 30 June 2018 to ensure that they present fairly the state of affairs of the Council. It is intended that they be presented to Council for adoption on 6 November 2018.

Attachments

- 1. Audited Draft Financial Statements**

City of West Torrens

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2018



City of West Torrens

General Purpose Financial Statements for the year ended 30 June 2018

Contents	Page
1. Council Certificate	2
2. Understanding Council's Financial Statements	3
3. Primary Financial Statements:	
- Statement of Comprehensive Income	4
- Statement of Financial Position	5
- Statement of Changes in Equity	6
- Statement of Cash Flows	7
4. Notes to the Financial Statements	8
5. Independent Auditor's Report - Financial Statements	44
6. Independent Auditor's Report - Internal Controls	46
7. Certificates of Audit Independence	
- Council Certificate of Audit Independence	48
- Audit Certificate of Audit Independence	49

City of West Torrens

General Purpose Financial Statements for the year ended 30 June 2018

Certification of Financial Statements

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

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2018 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.

Terry Joseph Buss
CHIEF EXECUTIVE OFFICER

John Trainer
MAYOR

Date: October 2018

City of West Torrens

General Purpose Financial Statements for the year ended 30 June 2018

Understanding Council's Financial Statements

Introduction

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

About the Certification of Financial Statements

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

What you will find in the Statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2018.

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

The Financial Statements incorporate 4 "primary" financial statements:

1. A Statement of Comprehensive Income

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

2. A Balance Sheet

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

3. A Statement of Changes in Equity

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

4. A Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

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

About the Independence Certificates

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

Who uses the Financial Statements?

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

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

City of West Torrens

Statement of Comprehensive Income
for the year ended 30 June 2018

\$ '000	Notes	2018	2017
Income			
Rates Revenues	2a	55,466	53,634
Statutory Charges	2b	2,272	2,368
User Charges	2c	1,277	1,126
Grants, Subsidies and Contributions	2g	5,131	5,353
Investment Income	2d	629	744
Reimbursements	2e	320	274
Other Income	2f	355	1,057
Total Income		65,450	64,556
Expenses			
Employee Costs	3a	21,482	21,054
Materials, Contracts & Other Expenses	3b	22,237	20,329
Depreciation, Amortisation & Impairment	3c	12,515	12,022
Total Expenses		56,234	53,405
Operating Surplus / (Deficit)		9,216	11,151
Asset Disposal & Fair Value Adjustments	4	11	(52)
Amounts Received Specifically for New or Upgraded Assets	2g	1,247	1,368
Physical Resources Received Free of Charge	2i	-	578
Net Surplus / (Deficit) ¹		10,474	13,045
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	8,709	52,986
Total Other Comprehensive Income		8,709	52,986
Total Comprehensive Income		19,183	66,031

¹ Transferred to Statement of Changes in Equity

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

page 4

City of West Torrens

Statement of Financial Position
as at 30 June 2018

\$ '000	Notes	2018	2017
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	17,719	20,707
Trade & Other Receivables	5b	2,107	2,241
Other Financial Assets	5c	1,240	1,137
Inventories	5d	25	11
Total Current Assets		21,091	24,096
Non-Current Assets			
Infrastructure, Property, Plant & Equipment	7a	689,601	670,561
Other Non-Current Assets	6a	8,741	3,720
Total Non-Current Assets		698,342	674,281
TOTAL ASSETS		719,432	698,377
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	4,566	2,967
Provisions	8c	4,144	3,847
Total Current Liabilities		8,710	6,814
Non-Current Liabilities			
Provisions	8c	191	215
Total Non-Current Liabilities		191	215
TOTAL LIABILITIES		8,901	7,029
Net Assets		710,531	691,348
EQUITY			
Accumulated Surplus		76,322	68,297
Asset Revaluation Reserves	9a	594,020	585,311
Other Reserves	9b	40,189	37,740
Total Council Equity		710,531	691,348

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

page 5

City of West Torrens

Statement of Changes in Equity
for the year ended 30 June 2018

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2018					
Balance at the end of previous reporting period		68,297	585,311	37,740	691,348
a. Net Surplus / (Deficit) for Year		10,474	-	-	10,474
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	8,709	-	8,709
Other Comprehensive Income		-	8,709	-	8,709
Total Comprehensive Income		10,474	8,709	-	19,183
c. Transfers between Reserves		(2,449)	-	2,449	-
Balance at the end of period		76,322	594,020	40,189	710,531
2017					
Balance at the end of previous reporting period		57,693	532,344	35,280	625,317
a. Net Surplus / (Deficit) for Year		13,045	-	-	13,045
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	52,986	-	52,986
- Transfer to Accumulated Surplus on Sale of I,PP&E	9a	19	(19)	-	-
Other Comprehensive Income		19	52,967	-	52,986
Total Comprehensive Income		13,064	52,967	-	66,031
c. Transfers between Reserves		(2,460)	-	2,460	-
Balance at the end of period		68,297	585,311	37,740	691,348

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

page 6

City of West Torrens

Statement of Cash Flows
for the year ended 30 June 2018

\$ '000	Notes	2018	2017
Cash Flows from Operating Activities			
<u>Receipts</u>			
Rates Receipts		55,488	53,543
Statutory Charges		2,329	2,427
User Charges		1,379	1,154
Grants, Subsidies and Contributions (operating purpose)		5,141	5,490
Investment Receipts		523	633
Reimbursements		338	288
Other Receipts		4,920	5,237
<u>Payments</u>			
Payments to Employees		(21,410)	(21,119)
Payments for Materials, Contracts & Other Expenses		(25,105)	(26,563)
Net Cash provided by (or used in) Operating Activities	11b	23,603	21,090
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		1,247	1,368
Sale of Replaced Assets		504	724
Sale of Surplus Assets		-	1
Distributions Received from Equity Accounted Council Businesses		-	41
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(19,482)	(13,296)
Expenditure on New/Upgraded Assets		(8,878)	(8,221)
Net Purchase of Investment Securities		3	(32)
Net Cash provided by (or used in) Investing Activities		(26,606)	(19,415)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Bonds & Deposits		14	10
<u>Payments</u>			
Nil			
Net Cash provided by (or used in) Financing Activities		14	10
Net Increase (Decrease) in Cash Held		(2,989)	1,685
plus: Cash & Cash Equivalents at beginning of period	11	20,707	19,022
Cash & Cash Equivalents at end of period	11	17,719	20,707
Additional Information:			
plus: Investments on hand - end of year	5a	1,240	1,137
Total Cash, Cash Equivalents & Investments		18,959	21,844

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

page 7

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Significant Accounting Policies	9
2	Income	15
3	Expenses	18
4	Asset Disposal & Fair Value Adjustments	20
	Current Assets	
5a	Cash & Cash Equivalents	20
5b	Trade & Other Receivables	20
5c	Other Financial Assets (Investments)	20
5d	Inventories	21
	Non-Current Assets	
6a	Other Non-Current Assets	21
	Fixed Assets	
7a (i)	Infrastructure, Property, Plant & Equipment	22
7a (ii)	Investment Property	22 n/a
7b	Valuation of Infrastructure, Property, Plant & Equipment	23
	Liabilities	
8a	Trade & Other Payables	27
8b	Borrowings	27
8c	Provisions	27
	Reserves	
9a	Asset Revaluation Reserve	27
9b	Other Reserves	28
10	Assets Subject to Restrictions	28
11	Reconciliation to Statement of Cashflows	29
12a	Functions	30
12b	Components of Functions	31
13	Financial Instruments	32
14	Commitments for Expenditure	35
15	Financial Indicators	36
16	Uniform Presentation of Finances	38
17	Operating Leases	39
18	Superannuation	40
19	Interests in Other Entities	41
20	Non Current Assets Held for Sale & Discontinued Operations	41 n/a
21	Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet	41 n/a
22	Events After the Balance Sheet Date	41
23	Related Party Transactions	42

Additional Council Disclosures

24	Mendelson Foundation	43
----	----------------------	----

n/a - not applicable

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies

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

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 6 November 2018.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

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

1.4 Rounding

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

2 The Local Government Reporting Entity

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

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

3 Income Recognition

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

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

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

	Cash Payment Received	Annual Allocation	Difference
2015/16	\$839,796	\$1,781,140	-\$941,344
2016/17	\$3,323,628	\$1,766,928	+\$1,556,700
2017/18	\$2,655,441	\$991,628	+\$1,663,813

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted

City of West Torrens

Notes to and forming part of the Financial Statements

for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

compared to those that would have been reported had the grants been paid in the year to which they were allocated.

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

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the

assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

6.2 Materiality

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

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

6.3 Subsequent Recognition

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

6.4 Depreciation of Non-Current Assets

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

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

Major depreciation periods for each class of asset are listed below. Depreciation periods for

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Plant, Furniture & Equipment

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

Building & Other Structures

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

Infrastructure

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

Other Assets

Library Resources	2 to 7 years
Artworks	80 to 100 years

6.5 Impairment

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

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

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

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

6.6 Borrowing Costs

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

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

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

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

Weighted avg. discount rate 0.1% (2017, 0.1%)

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

9.2 Superannuation

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

10 Leases

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

In respect of finance leases, where Council substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class and are amortised to expense over the period

during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

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

11 Equity Accounted Council Businesses

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

12 GST Implications

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

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

13 New accounting standards and UIG interpretations

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

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

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective.

The standards that are expected to have a material impact upon Council's future financial statements are:

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

- AASB 9 *Financial Instruments* This replaces AASB 139 *Financial Instruments: Recognition and Measurement*, and addresses the classification, measurement and disclosure of financial assets and liabilities.

The standard introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses. Based on assessments to date, council expects a small increase to impairment losses however the standard is not expected to have a material impact overall.

- AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities* and AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*

AASB 15 will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of Interpretations.

provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 *Contributions*. Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

Council is still reviewing the way that income is measured and recognised to identify whether there will be any material impact arising from these standards.

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

- AASB 16 *Leases*

Council has some leases that are not in the Statement of Financial Position. These will need to be included when this standard comes into effect. A lease liability will initially be measured at the present value of the lease payments to be made over the lease term. A corresponding right-of-use asset will also be recognised over the lease term.

The standards are not expected to have a material impact upon Council's future financial statements are:

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

- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*
- AASB 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities*

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

- AASB 9 *Financial Instruments*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part E)*
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*
- AASB 2016-6 *Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts*
- AASB 2017-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 4*

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

- AASB 16 *Leases*
- AASB 16 *Leases (Appendix D)*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 1058 *Income of Not-for-Profit Entities (Appendix D)*
- AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*
- AASB 2017-4 *Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments*
- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 1059 *Service Concession Arrangements: Grantors (Appendix D)*

Effective for annual reporting periods beginning on or after 1 January 2021

- AASB 17 *Insurance Contracts*

- AASB 17 *Insurance Contracts (Appendix D)*

14 Comparative Figures

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

15 Disclaimer

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

City of West Torrens

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 2. Income

\$ '000	Notes	2018	2017
(a). Rates Revenues			
General Rates			
General Rates		54,632	52,956
Less: Mandatory Rebates		(794)	(753)
Less: Discretionary Rebates, Remissions & Write Offs		(37)	(29)
Total General Rates		53,801	52,174
Other Rates (Including Service Charges)			
Natural Resource Management Levy		1,398	1,274
Total Other Rates		1,398	1,274
Other Charges			
Penalties for Late Payment		142	145
Legal & Other Costs Recovered		139	56
Total Other Charges		281	201
Less: Discretionary Rebates, Remissions & Write Offs		(14)	(15)
Total Rates Revenues		55,466	53,634
(b). Statutory Charges			
Development Act Fees		791	828
Animal Registration Fees & Fines		338	284
Parking Fines / Expiation Fees		1,049	1,162
Environmental Control Fines		5	7
Other Licences, Fees & Fines		40	43
Sundry		49	44
Total Statutory Charges		2,272	2,368
(c). User Charges			
Hall & Equipment Hire		193	99
Property Lease		637	548
Subsidies Received on Behalf of Users		11	40
Sundry		59	64
Cummins House		2	19
Waste royalties		97	121
Employee Contributions		124	127
Home Assistance		154	108
Total User Charges		1,277	1,126

City of West Torrens

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 2. Income (continued)

\$ '000	Notes	2018	2017
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		445	526
- Banks & Other		17	37
Market movement on investments		106	119
Dividend income including franking credits		61	62
Total Investment Income		629	744
(e). Reimbursements			
Roadworks		-	7
Private Works		54	44
Electricity & Gas		102	102
Insurance		18	18
Rates & Taxes		84	81
Employee Costs		6	2
Other		56	20
Total Reimbursements		320	274
(f). Other Income			
Insurance & Other Recoupments - Infrastructure, IPP&E		20	121
Rebates Received		166	497
Sundry		112	165
Fuel Tax Credits		37	35
Airport Stormwater Contribution		-	50
Mendelson Scholarships		20	20
Open Space Contributions		-	169
Total Other Income		355	1,057
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		1,247	1,368
Total Amounts Received Specifically for New or Upgraded Assets		1,247	1,368
Other Grants, Subsidies and Contributions		3,346	2,682
Untied - Financial Assistance Grant		882	1,779
Home and Community Care Grant		482	476
Library and Communications		421	416
Total Other Grants, Subsidies and Contributions		5,131	5,353
Total Grants, Subsidies, Contributions		6,378	6,721

City of West Torrens

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 2. Income (continued)

\$ '000	Notes	2018	2017
(g). Grants, Subsidies, Contributions (continued)			
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		1,374	1,491
State Government		4,941	5,161
Other		62	69
Total		6,378	6,721
(h). Conditions over Grants & Contributions			
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:			
Unexpended at the close of the previous reporting period		1,667	569
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Roads Infrastructure		(40)	-
Immunisation & Preventive Health		-	(14)
Other Environment		(25)	(146)
Parks & Gardens		(7)	(128)
Roads Sealed		(953)	-
Governance		-	(281)
Other Community Amenities		(642)	-
Subtotal		(1,667)	(569)
<i>Plus:</i>			
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Roads Infrastructure		10	40
Parks & Gardens		-	7
Roads Sealed		523	953
Other Community Amenities		618	642
Other Environment		40	25
Subtotal		1,191	1,667
Unexpended at the close of this reporting period		1,191	1,667
Net increase (decrease) in assets subject to conditions in the current reporting period		(476)	1,098

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 2. Income (continued)

\$ '000	Notes	2018	2017
(i). Physical Resources Received Free of Charge			
Land & Improvements		-	27
Roads, Bridges & Footpaths		-	365
Stormwater Drainage		-	153
Sports Facilities		-	33
Total Physical Resources Received Free of Charge		-	578

Note 3. Expenses

(a). Employee Costs			
Salaries and Wages		18,884	18,138
Employee Leave Expense		499	392
Superannuation - Defined Contribution Plan Contributions	18	1,686	1,651
Workers' Compensation Insurance		557	893
Other		602	733
Less: Capitalised and Distributed Costs		(746)	(753)
Total Operating Employee Costs		21,482	21,054
Total Number of Employees (full time equivalent at end of reporting period)		224	221
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		24	24
Bad and Doubtful Debts		2	1
Elected Members' Expenses		433	439
Operating Lease Rentals - Non-Cancellable Leases	17		
- Minimum Lease Payments		728	12
Subtotal - Prescribed Expenses		1,187	476

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 3. Expenses (continued)

\$ '000	Notes	2018	2017
(b). Materials, Contracts and Other Expenses (continued)			
(ii) Other Materials, Contracts and Expenses			
Contractors		8,634	8,350
Energy		591	497
Maintenance		356	350
Legal Expenses		430	303
Levies Paid to Government - NRM levy		1,383	1,260
Levies - Other		233	209
Parts, Accessories & Consumables		562	544
Professional Services		1,630	1,475
Sundry		2,146	1,919
Materials		886	847
Insurance		778	811
Street lighting		957	855
Aged care facility - sundry		-	14
Advertising & Marketing		300	298
Printing, Postage & Stationery		451	435
Software, Licensing & Maintenance		767	927
Water Rates		675	542
Memberships & Subscriptions		271	217
Subtotal - Other Material, Contracts & Expenses		21,050	19,853
Total Materials, Contracts and Other Expenses		22,237	20,329
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Land Improvements		741	599
Buildings & Other Structures		1,830	1,671
Infrastructure			
- Sealed Roads		5,767	5,567
- Stormwater Drainage		1,391	1,492
- Footways / Cycle Tracks		1,110	1,060
- Bridges		134	130
Plant & Equipment		882	865
Furniture & Fittings		382	377
Library Books		278	261
Subtotal		12,515	12,022
(ii) Impairment			
Nil			
Total Depreciation, Amortisation and Impairment		12,515	12,022

City of West Torrens

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 4. Asset Disposal & Fair Value Adjustments

\$ '000	Notes	2018	2017
Infrastructure, Property, Plant & Equipment			
(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		504	724
Less: Carrying Amount of Assets Sold		(494)	(776)
Gain (Loss) on Disposal		11	(52)
(ii) Assets Surplus to Requirements			
Proceeds from Disposal		-	1
Less: Carrying Amount of Assets Sold		-	(1)
Gain (Loss) on Disposal		-	-
Net Gain (Loss) on Disposal or Revaluation of Assets		11	(52)

Note 5. Current Assets

(a). Cash & Cash Equivalents

Cash on Hand at Bank	120	245
Deposits at Call	10,441	1,747
Short Term Deposits & Bills, etc.	7,000	18,559
Investment - Mendelson	158	156
Total Cash & Cash Equivalents	17,719	20,707

(b). Trade & Other Receivables

Rates - General & Other	932	953
Council Rates Postponement Scheme	14	15
Accrued Revenues	26	116
Debtors - General	465	560
GST Recoupment	670	591
Prepayments	-	6
Total Trade & Other Receivables	2,107	2,241

(c). Other Financial Assets (Investments)

Shares in Listed Companies - Mendelson Foundation	996	901
Units in Managed Funds - Mendelson Foundation	244	236
Total Other Financial Assets (Investments)	1,240	1,137

Amounts included in other financial assets that are not expected to be received within 12 months of reporting date are disclosed in Note 13

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 5. Current Assets (continued)

\$ '000	Notes	2018	2017
(d). Inventories			
Stores & Materials		25	11
Total Inventories		25	11

Note 6. Non-Current Assets

(a). Other Non-Current Assets			
Capital Works-in-Progress		8,741	3,720
Total Other Non-Current Assets		8,741	3,720

City of West Torrens

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

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

\$ '000	Fair Value Level	as at 30/6/2017				Asset Movements during the Reporting Period								as at 30/6/2018					
		At Fair Value	At Cost	Accumulated		Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	WIP Transfers	Adjustments & Transfers	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated		Carrying Value
				Dep'n	Impairment		New / Upgrade	Renewals									Dep'n	Impairment	
Capital Work in Progress		-	3,720	-	-	3,720	6,557	1,148	-	-	(2,561)	(123)	-	-	-	8,741	-	-	8,741
Land - Community	3	183,595	-	-	-	183,595	225	-	-	-	-	-	-	-	183,595	225	-	-	183,820
Land - Other	2	35,775	-	-	-	35,775	-	-	-	-	-	-	-	-	35,775	-	-	-	35,775
Land Improvements	3	16,926	-	3,254	-	13,672	2,188	98	-	(741)	146	-	135	-	19,491	-	3,993	-	15,498
Buildings & Other Structures	2	95,700	-	55,337	-	40,363	1,045	8,127	-	(1,566)	101	-	-	-	123,611	-	75,541	-	48,070
Buildings & Other Structures Infrastructure	3	48,712	-	25,719	-	22,993	-	-	-	(264)	-	-	-	-	48,712	-	25,984	-	22,728
- Sealed Roads		185,208	-	80,144	-	105,064	134	3,202	-	(3,935)	99	-	9,056	204,967	-	91,347	-	113,620	
- Kerb & Guttering		124,838	-	13,350	-	111,488	-	2,195	-	(1,782)	-	-	(1,935)	124,613	-	14,647	-	109,966	
- Stormwater Drainage		127,014	-	55,251	-	71,763	375	94	-	(1,340)	2,135	-	480	130,449	-	56,942	-	73,507	
- Other Transport		1,882	-	258	-	1,624	83	-	-	(50)	75	-	43	2,091	-	316	-	1,775	
- Footways / Cycle Tracks		77,054	-	12,546	-	64,508	381	695	-	(1,110)	-	-	681	78,906	-	13,751	-	65,155	
- Glenelg to Adelaide Pipeline		2,546	-	201	-	2,345	-	-	-	(51)	-	-	23	2,569	-	252	-	2,317	
- Bridges		11,912	-	3,295	-	8,617	49	-	-	(134)	-	-	229	12,283	-	3,522	-	8,761	
Plant & Equipment		-	9,838	3,884	-	5,954	164	1,186	(465)	(882)	5	-	-	-	10,100	4,138	-	5,962	
Furniture & Fittings		-	7,673	5,848	-	1,825	126	112	(2)	(382)	-	-	-	-	7,902	6,223	-	1,679	
Library Books		1,703	-	729	-	974	-	300	(27)	(278)	-	-	(3)	1,661	-	693	-	967	
Total Infrastructure, Property, Plant & Equipment		912,865	21,231	259,816	-	674,280	11,327	17,157	(494)	(12,515)	-	(123)	(3)	8,712	968,723	26,968	297,349	-	698,342
Comparatives		877,585	35,117	300,703	-	611,999	10,821	11,317	(777)	(12,022)	-	(43)	(3,091)	56,077	912,865	21,231	259,816	-	674,280

Note 7a (ii). Investment Property

Nil

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

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

\$ '000

Valuation of Assets

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

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

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

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

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

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

Information on Valuations

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

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

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

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

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

page 23

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

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

\$ '000

Valuation of Assets (continued)

Other Information

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

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

Highest and best use

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

Transition to AASB 13 - Fair Value Measurement

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

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

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

Description	Valuation approach and inputs used
Land - Other	Direct comparison of the market evidence approach. This method seeks to determine the current value of an asset by reference to recent comparable transactions involving the sale of similar assets. The valuation is based on price per square metre.
Buildings & Other Structures - Market Approach	The valuation of each Building under this scenario has been undertaken utilising the Direct Comparison Method of valuation by reference to market data and the subsequent apportionment of the Land and Structural Components.
Buildings & Other Structures - Income Approach	The valuation of Buildings under this scenario has been undertaken by reference to actual or imputed income and capitalised at market rates.
Buildings & Other Structures - Cost Approach	The calculated value is based on Replacement Cost data sourced from the Maloney Field Services' Replacement Cost Database and / or Rawlinsons Australia Construction Handbook 2018. Under this valuation scenario the all-inclusive rate per square metre has been provided to comply with the requirement for Disclosure.
Land - Community	Market Approach The valuation of Community Land has been undertaken utilising the Market Approach, more specifically the Direct Comparison Method of Valuation by reference to comparable market data and subsequently adjusted to reflect the level of risk associated with alienating the Land to make it available for disposal.

page 24

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

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

\$ '000

Valuation of Assets (continued)

Description	Valuation approach and inputs used
Buildings & Other Structures	The calculated value is based on Replacement Cost data sourced from the Maloney Field Services' Replacement Cost Database and / or Rawlinsons Australia Construction Handbook 2018. Under this valuation scenario the all-inclusive rate per square metre has been provided to comply with the requirement for Disclosure. The unique nature of such Buildings and Structures and the lack of definitive valuation inputs requires that we inform users of this information that the valuation may vary from the generally acceptable range of +/- 10%.
Land Improvements	The valuation is Replacement Cost data sourced from the Maloney Field Services' Replacement Cost Database. Alternatively when Maloney's cannot provide a valuation an asset is valued at cost and indexed each year for CPI increases.
Roads Sealed	Formulated using Rawlinsons Australia Construction Handbook 2018 data and recent schedule of rates as provided by tendered works. This is subject to an independent condition audit by an industry expert every 5 years. Annual CPI increases are applied each year thereafter.
Other Transport	Asset is valued at cost and indexed each year following for CPI increases.
Footways / Cycle Tracks	Formulated using Rawlinsons Australia Construction Handbook 2018 data and recent schedule of rates as provided by tendered works. Alternatively where unit rate application is not applicable asset is valued at cost and indexed each year following for CPI increases. This is subject to an independent condition audit by industry expert every 5 years.
Stormwater	Formulated using Rawlinsons Australia Construction Handbook 2018 data and recent schedule of rates as provided by tendered works. Alternatively where unit rate application is not applicable asset is valued at cost and indexed each year following for CPI increases.
Glenelg to Adelaide Pipeline	Formulated using Rawlinsons Australia Construction Handbook 2017 data and recent schedule of rates as provided by tendered works. Alternatively where unit rate application is not applicable asset is valued at cost and indexed each year following for CPI increases.
Bridges	This is subject to an independent condition audit by industry expert every 5 years. This is subject to annual CPI increases for each year following.

Land & Land Improvements

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

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

page 25

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

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

\$ '000

Valuation of Assets (continued)

Buildings & Other Structures

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

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

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

Infrastructure

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

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

Valuations on roads sealed assets were determined by Mr Joseph Ielasi, Dip Civil Eng, in conjunction with Mr Norman Biggs, BEc, ASA, and Calibre Consulting Pty Ltd for the year ended 30 June 2018.

Valuations on footways and cycle tracks were determined by Mr Joseph Ielasi, Dip Civil Eng, in conjunction with Mr Norman Biggs, BEc, ASA, and Calibre Consulting Pty Ltd for the year ended 30 June 2018.

Valuations on stormwater and Glenelg to Adelaide pipeline were determined by Mr Joseph Ielasi, Dip Civil Eng, in conjunction with Mr Norman Biggs BEc, ASA for the year ended 30 June 2018.

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

Plant & Equipment

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

Library Resources

Library resources are valued at written down current cost. Library resources are measured at valuation as at 30 June 2018 undertaken by library staff. Any accumulated depreciation at the date of revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

All other Assets

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

page 26

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 8. Liabilities

\$ '000	Notes	2018		2017	
		Current	Non Current	Current	Non Current
(a). Trade and Other Payables					
Goods & Services		3,191	-	1,600	-
Payments Received in Advance		104	-	104	-
Accrued Expenses - Employee Entitlements		430	-	480	-
Accrued Expenses - Other		740	-	696	-
Deposits, Retentions & Bonds		99	-	85	-
Other		2	-	2	-
Total Trade and Other Payables		4,566	-	2,967	-

(b). Borrowings

Nil

(c). Provisions

Employee Entitlements (including oncosts)	4,144	191	3,847	215
Total Provisions	4,144	191	3,847	215

Note 9. Reserves

\$ '000	1/7/2017	Increments (Decrements)	Transfers	Impairments	30/6/2018
(a). Asset Revaluation Reserve					
Land - Community	218,767	-	-	-	218,767
Land - Other	805	-	-	-	805
Land Improvements	2,144	135	-	-	2,279
Buildings & Other Structures	42,685	-	-	-	42,685
Infrastructure					
- Sealed Roads	190,224	9,056	-	-	199,280
- Kerb & Guttering	-	(1,935)	-	-	(1,935)
- Stormwater Drainage	54,322	480	-	-	54,802
- Other Transport	66	43	-	-	109
- Footways / Cycle Tracks	69,294	681	-	-	69,975
- Glenelg to Adelaide Pipeline	447	23	-	-	470
- Bridges	6,162	229	-	-	6,391
Plant & Equipment	44	-	-	-	44
Library Books	351	(3)	-	-	348
Total Asset Revaluation Reserve	585,311	8,709	-	-	594,020
Comparatives	532,344	52,986	(19)	-	585,311

page 27

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 9. Reserves

\$ '000	1/7/2017	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2018
(b). Other Reserves					
Development Reserve	9,917	(8,989)	-	-	928
Committed Expenditure Reserve	27,823	11,438	-	-	39,261
Total Other Reserves	37,740	2,449	-	-	40,189
Comparatives	35,280	2,460	-	-	37,740

PURPOSES OF RESERVES

Asset Revaluation Reserves

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

Development Reserve

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

Committed Expenditure Reserve

The committed expenditure reserve holds unspent funds being carried forward to 2018/19 for capital and operational purposes.

Note 10. Assets Subject to Restrictions

\$ '000	Notes	2018	2017
The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.			
Cash & Financial Assets			
Unexpended amounts received from Federal Government			
Open Space Contributions		-	169
Mendelson Foundation		1,447	1,339
Total Cash & Financial Assets		1,447	1,508
Total Assets Subject to Externally Imposed Restrictions		1,447	1,508

2017: Mendelson Foundation funds are restricted to the Trust Deed (see Note 24).

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2018	2017
(a). Reconciliation of Cash			
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Total Cash & Equivalent Assets	5	17,719	20,707
Less: Short-Term Borrowings	8	-	-
Balances per Statement of Cash Flows		17,719	20,707
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		10,474	13,045
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		12,515	12,022
Non-Cash Asset Acquisitions		-	(578)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(1,247)	(1,368)
Net (Gain) Loss on Disposals		(11)	52
Other		(106)	(111)
		21,625	23,062
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		134	371
Net (Increase)/Decrease in Inventories		(14)	1
Net Increase/(Decrease) in Trade & Other Payables		1,585	(2,291)
Net Increase/(Decrease) in Unpaid Employee Benefits		273	(53)
Net Cash provided by (or used in) operations		23,603	21,090
(c). Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	2i	-	578
Amounts recognised in Income Statement		-	578
Total Non-Cash Financing & Investing Activities		-	578
(d). Financing Arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Corporate Credit Cards		105	110
LGFA Cash Advance Debenture Facility		5,000	5,000
The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.			

City of West Torrens

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017
\$ '000										
Business Undertakings	-	-	-	-	-	-	-	-	-	640,025
Community Services										
- Public Order & Safety	41	3	202	194	(161)	(191)	14	-	171	-
- Health Services	91	70	354	344	(263)	(274)	76	30	83	-
- Community Support	890	614	2,828	2,492	(1,938)	(1,878)	482	476	9,591	-
- Community Amenities	226	18	177	124	49	(106)	10	-	-	-
Culture										
- Library services	459	452	3,320	3,148	(2,861)	(2,696)	423	416	4,779	973
- Cultural services	92	110	1,242	937	(1,150)	(827)	-	-	19,677	-
Economic Development										
Environment										
- Waste Management	189	188	5,314	5,145	(5,125)	(4,957)	-	-	806	-
- Other Environment	1,448	1,367	9,835	9,466	(8,387)	(8,099)	78	30	267	74,108
Recreation	168	280	5,767	5,184	(5,599)	(4,904)	1,200	-	23,579	197,267
Regulatory Services	2,252	2,368	5,100	4,800	(2,848)	(2,432)	-	-	19	-
Transport & Communication	3,236	2,554	12,520	12,448	(9,284)	(9,894)	1,075	2,562	1,158	291,301
Plant Hire & Depot/Indirect	113	-	6	3	107	(3)	-	-	9,577	5,954
Council Administration	56,245	56,532	9,334	8,994	46,911	47,538	1,774	1,814	9,700	-
Total Functions/Activities	65,450	64,556	56,234	53,405	9,216	11,151	5,131	5,353	719,432	698,377

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

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 12b. Components of Functions

\$ '000

The activities relating to Council functions are as follows:

COMMUNITY SERVICES

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

CULTURE

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

ECONOMIC DEVELOPMENT

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

ENVIRONMENT

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

RECREATION

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

REGULATORY SERVICES

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

TRANSPORT

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

COUNCIL ADMINISTRATION

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

page 31

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 13. Financial Instruments

\$ '000

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

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

Terms & Conditions:

Deposits are returning fixed interest rates between 1.50% and 2.15% (2017: 1.75% and 2.55%). Short term deposits have an average maturity of 90 days and an average interest rate of 2.04% (2017: 99 days and 2.26%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Rates & Associated Charges

(including legals & penalties for late payment)

Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 0.55% (2017: 0.58%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Fees & Other Charges

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

Receivables

Other Levels of Government

Accounting Policy:

Carried at nominal value.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

Carrying Amount:

Approximates fair value.

Receivables

Retirement Home Contributions

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Liabilities

Creditors and Accruals

Accounting Policy:

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities

Finance Leases

Accounting Policy:

Accounted for in accordance with AASB 117.

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2018					
Financial Assets					
Cash & Equivalents	17,718	-	-	17,718	17,719
Receivables	1,174	-	-	1,174	491
Other Financial Assets	1,240	-	-	1,240	1,240
Total Financial Assets	20,132	-	-	20,132	19,450
Financial Liabilities					
Payables	3,396	-	-	3,396	4,566
Total Financial Liabilities	3,396	-	-	3,396	4,566
2017					
Financial Assets					
Cash & Equivalents	20,707	-	-	20,707	20,707
Receivables	1,282	-	-	1,282	676
Other Financial Assets	1,137	-	-	1,137	1,137
Total Financial Assets	23,126	-	-	23,126	22,520
Financial Liabilities					
Payables	1,792	-	-	1,792	2,967
Total Financial Liabilities	1,792	-	-	1,792	2,967

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 14. Commitments for Expenditure

\$ '000	Notes	2018	2017
(a). Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Land		20,308	7,250
Buildings		16,892	17,305
Plant & Equipment		500	283
		<u>37,700</u>	<u>24,838</u>
These expenditures are payable:			
Not later than one year		37,700	24,838
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
		<u>37,700</u>	<u>24,838</u>
(b). Other Expenditure Commitments			
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		104	18
Waste Management Services		10,235	12,620
Grants Funding (restricted)		1,191	1,575
Operational Expenditure		253	219
Information Technology Commitments		14	22
		<u>11,797</u>	<u>14,454</u>
These expenditures are payable:			
Not later than one year		6,056	6,035
Later than one year and not later than 5 years		5,740	8,419
Later than 5 years		-	-
		<u>11,797</u>	<u>14,454</u>
(c). Finance Lease Commitments			
Council has no Finance Leases.			

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 15. Financial Indicators

\$ '000	Amounts	Indicator	Prior Periods	
	2018	2018	2017	2016

These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

1. Operating Surplus Ratio

Operating Surplus	9,216			
Total Operating Income	65,450	14%	17%	6%

This ratio expresses the operating surplus as a percentage of total operating revenue.

2. Net Financial Liabilities Ratio

Net Financial Liabilities	(12,165)			
Total Operating Income	65,450	(19%)	(26%)	(23%)

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

Adjustments to Ratios

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.

Adjusted Operating Surplus Ratio		14%	17%	6%
---	--	-----	-----	----

3. Asset Sustainability Ratio

Net Asset Renewals	18,978			
Infrastructure & Asset Management Plan required expenditure	12,515	152%	105%	104%

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

City of West Torrens

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 15. Financial Indicators - Graphs (continued)

<p>1. Operating Surplus Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>6%</td> </tr> <tr> <td>2017</td> <td>17%</td> </tr> <tr> <td>2018</td> <td>14%</td> </tr> </tbody> </table>	Year	Ratio %	2016	6%	2017	17%	2018	14%	<p>Purpose of Operating Surplus Ratio</p> <p>This indicator is to determine the percentage the operating revenue varies from operating expenditure</p>	<p>Commentary on 2017/18 Result</p> <p>2017/18 Ratio 14%</p> <p>The reduction in surplus ratio in 2017/18 is reflective of the reduced local government rebate reimbursement and Financial Assistance Grant being paid in advance in 2017/18.</p>
Year	Ratio %									
2016	6%									
2017	17%									
2018	14%									
<p>2. Net Financial Liabilities Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>-23%</td> </tr> <tr> <td>2017</td> <td>-26%</td> </tr> <tr> <td>2018</td> <td>-19%</td> </tr> </tbody> </table>	Year	Ratio %	2016	-23%	2017	-26%	2018	-19%	<p>Purpose of Net Financial Liabilities Ratio</p> <p>This indicator shows the significance of the net amount owed to others, compared to operating revenue</p>	<p>Commentary on 2017/18 Result</p> <p>2017/18 Ratio -19%</p> <p>The payout of all loans in 2015/16 has resulted in a strong financial position.</p>
Year	Ratio %									
2016	-23%									
2017	-26%									
2018	-19%									
<p>Adjusted Operating Surplus Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>6%</td> </tr> <tr> <td>2017</td> <td>17%</td> </tr> <tr> <td>2018</td> <td>14%</td> </tr> </tbody> </table>	Year	Ratio %	2016	6%	2017	17%	2018	14%	<p>Purpose of Adjusted Operating Surplus Ratio</p> <p>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</p>	<p>Commentary on 2017/18 Result</p> <p>2017/18 Ratio 14%</p> <p>The adjusted operating surplus ratio reflects the real ratio, after removal of the advance payment of the 2018/19 Financial Assistance Grant paid in June 2018.</p>
Year	Ratio %									
2016	6%									
2017	17%									
2018	14%									
<p>3. Asset Sustainability Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>104%</td> </tr> <tr> <td>2017</td> <td>105%</td> </tr> <tr> <td>2018</td> <td>152%</td> </tr> </tbody> </table>	Year	Ratio %	2016	104%	2017	105%	2018	152%	<p>Purpose of Asset Sustainability Ratio</p> <p>This indicator aims to determine if assets are being renewed and replaced in an optimal way</p>	<p>Commentary on 2017/18 Result</p> <p>2017/18 Ratio 152%</p> <p>Council continues to meet its annual obligations for the renewal of assets consistent with the Asset Management Plans. 2017/18 ratio has increased dramatically with the depot relocation.</p>
Year	Ratio %									
2016	104%									
2017	105%									
2018	152%									

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 16. Uniform Presentation of Finances

\$ '000	2018	2017
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	65,450	64,556
less Expenses	(56,234)	(53,405)
Operating Surplus / (Deficit)	9,216	11,151
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(19,482)	(13,296)
<i>add back</i> Depreciation, Amortisation and Impairment	12,515	12,022
<i>add back</i> Proceeds from Sale of Replaced Assets	504	724
Subtotal	(6,463)	(550)
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(8,878)	(8,221)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	1,247	1,368
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	-	1
Subtotal	(7,631)	(6,852)
Net Lending / (Borrowing) for Financial Year	(4,878)	3,749

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 17. Operating Leases

\$ '000	2018	2017
---------	------	------

Leases Providing Revenue to the Council

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 2.

(i) Non-Investment Property

Rentals received, and outgoings reimbursed, in relation to Non-Investment Property are also disclosed in Note 2. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable.

Leases commitments under all non-cancellable lease agreements, including those relating to Non-Investment Property, are as follows:

Not later than one year	642	583
Later than one year and not later than 5 years	1,797	1,786
Later than 5 years	588	676
	<u>3,027</u>	<u>3,045</u>

(ii) Lease Payment Commitments of Council

Council has entered into non-cancellable operating leases for various items including land rental from Adelaide Airport housing a new depot, computer and other plant and equipment.

The Adelaide Airport land rental expires in August 2048 and contains a option to extend for an additional 49 years of lease.

Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease return or acquire the equipment leased

Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

Not later than one year	500	19
Later than one year and not later than 5 years	1,980	5
Later than 5 years	13,365	-
	<u>15,845</u>	<u>24</u>

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 18. Superannuation

\$ '000

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2017/18; 9.50% in 2016/17). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2016/17) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2017. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

Superannuation contributions paid by council for 12 months to 30 June 2018 totalled \$1,686,083 (2016/17 \$1,650,732).

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 19. Interests in Other Entities

\$ '000

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Brownhill and Keswick Creek Stormwater Board

During the year, the Brown Hill and Keswick Creeks Stormwater Board (the 'Regional Subsidiary') was established and City of West Torrens has 49% Equitable Interest and 20% Operating Expenses Interest in this. A draft financial statement of the Regional Subsidiary became available just recently though this is not audited. Given the circumstances, the management assessed that there is insufficient reliable information to account for this investment in the Council's financials for the year ended 30 June 2018.

(b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2018	2017	2018	2017	2018	2017
Brownhill and Keswick Creek Stormwater Board	20%	0%	49%	0%	20%	0%

Note 20. Non-Current Assets Held for Sale & Discontinued Operations

Council does not have any Non-Current Assets Held for Sale or any Discontinued Operations

Note 21. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

Council has no contingencies nor any assets or liabilities not recognised in the Statement of Financial Position.

Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2018, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 10/10/18.

Council is unaware of any material or significant "non adjusting events" that should be disclosed.

page 41

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 23. Related Party Transactions

\$ '000	2018	2017
---------	------	------

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 19 persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	1,426	1,391
Post-Employment Benefits	82	86
Total	1,508	1,477

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

Other Related Parties:

2017: Key Management Personnel did not make any other material related party transactions.

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 24. Mendelson Foundation

\$ '000	2018	2017
<p>The Max and Bette Mendelson Foundation is a charitable fund established in 1996 under a Deed of Charitable Trust, and it is dedicated in perpetuity to the promotion and encouragement of education in conjunction with South Australian universities. Foundation funds were bequeathed to the City of West Torrens under the terms of the Trust Deed.</p>		
<p>Financial Performance & Cash Flow Information</p>		
<p>Statement of Comprehensive Income - Mendelson Foundation</p>		
<p>INCOME</p>		
Dividend Income including Franking Credits	61	62
Interest income	3	4
Fair Value Movement on Financial Assets	106	119
Council Contribution	20	20
	190	205
<p>EXPENDITURE</p>		
Scholarships	48	48
Fund Management	15	12
Member Emoluments	12	19
	75	79
CHANGE IN FOUNDATION WEALTH	115	126
<p>Statement of Financial Position - Mendelson Foundation</p>		
<p>CURRENT ASSETS</p>		
Cash & Cash Equivalents	203	194
Trade & Other Receivables	11	8
Units in Managed Funds	246	236
Shares in Listed Companies	987	901
Total Assets	1,447	1,339
<p>LIABILITIES</p>		
Current Liabilities	-	-
Non Current Liabilities	-	-
Total Liabilities	-	-
NET ASSETS	1,447	1,339
<p>FOUNDATION WEALTH</p>		
Accumulated Surplus	1,447	1,339

City of West Torrens

General Purpose Financial Statements
for the year ended 30 June 2018

Auditor's Report - Financial Statements

This page has been left blank for insertion of the Audit Report

City of West Torrens

General Purpose Financial Statements
for the year ended 30 June 2018

Auditor's Report - Financial Statements

This page has been left blank for insertion of the Audit Report

City of West Torrens

General Purpose Financial Statements for the year ended 30 June 2018

Auditor's Report - Internal Controls

This page has been left blank for insertion of the Audit Report

City of West Torrens

General Purpose Financial Statements for the year ended 30 June 2018

Auditor's Report - Internal Controls

This page has been left blank for insertion of the Audit Report

City of West Torrens

General Purpose Financial Statements for the year ended 30 June 2018

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of West Torrens for the year ended 30 June 2018, the Council's Auditor, BDO Audit Partnership has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

Terry Joseph Buss
CHIEF EXECUTIVE OFFICER

Steven Rypp
PRESIDING MEMBER, AUDIT COMMITTEE

Date: October 2018

9.5 COMMITTEE PERFORMANCE AND REPORTING

Nil

9.6 NEW AND EMERGING RISKS

Nil

10 OTHER BUSINESS

11 CONFIDENTIAL

Nil

12 NEXT MEETING

TBA, 6.30pm in the Mayor's Reception Room.

13 MEETING CLOSE