

CITY OF WEST TORRENS



Notice of Committee Meeting

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

AUDIT GENERAL COMMITTEE

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

of the

CITY OF WEST TORRENS

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

on

TUESDAY, 8 OCTOBER 2019
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.

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

Cr Daniel Huggett

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 General Committee held on 13 August 2019 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 General Committee.

RECOMMENDATION

It is recommended to the Committee that it notes the one (1) open action which is currently in progress.

Introduction

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

Discussion

Two (2) actions arose from the 17 April 2019 meeting (**Attachment 1**). One of these actions was completed at the 13 August 2019 Committee meeting and the other is still under consideration by the Administration.

Conclusion

This report advises that there is one (1) open action still in progress.

Attachments

1. Open Actions Update as at 23 September 2019

Audit General Committee Open Actions

October 2019

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

	Target date	RO	Status		Meeting/s where item originally raised/reported	
			Actions taken	Status		
OPEN ACTIONS						
1	Arrange for the Manager Information Services to provide a presentation at a future meeting of the Audit General Committee on the current cyber security arrangements at the City of West Torrens.	August 2019	GMCR	A presentation will be provided by the Manager Information Services to the August 2019 Committee meeting.	Completed	April 2019
2	Consider bringing the planned Cyber Security Audit forward in the 2018-2022 Internal Audit Plan.	October 2019	PLSR	Rescheduling is under consideration. To be finalised after presentation from Manager Information Services to August 2019 Committee meeting.	In progress	April 2019

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 June 2019 and 1 October 2019.

RECOMMENDATION

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

Introduction

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

Discussion

The following reports were considered by Council/Council Committee between 8 August 2019 and 1 October 2019:

20 August 2019 - Council and Standing Committees

- Creditor Payments
- Credit Card Purchases - April to June 2019
- Register of Allowances and Benefits - 12 Months to 30 June 2019
- Mendelson Foundation Investment Performance 2018/19
- Investment Review 2018/19

3 September 2019 - Council and Standing Committees

- Revision of the 2019/20 Budget

17 September 2019 - Council and Standing Committees

- Creditor Payments
- Council Budget Report - Two Months to 31 August 2019

1 October 2019 - Council and Standing Committees

- Nil

Conclusion

This report lists finance related reports which were considered by Council between 8 August 2019 and 1 October 2019.

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 2019-2020 Annual Strategic Risk Review.

RECOMMENDATION

It is recommended to the Committee that the 2019-2020 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 that strategic risks are 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). Six-monthly Reviews are recognised as an important function in the identification, monitoring and controlling of current, new or emerging strategic risks.

Risk Framework

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

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

Strategic Risk Review

The strategic risk review processes, undertaken by the EMT, are outlined below:

	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 Committee 	<ul style="list-style-type: none"> Summary report with emphasis on material change presented to the Committee

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

2018-2019 Strategic Risks		2019-2020 Strategic Risks		Amendment
1	Business Practices	1	Business Practices	Descriptor modification
2	Workforce Management	2	Workforce Management	Descriptor modification
3	Effective WHS Management	3	Effective WHS Management	Descriptor modification
4	Stakeholder Relationships	4	Stakeholder Relationships	No change
5	Decision Making			Deleted and incorporated into Strategic Risk 1
6	Advice and Information	5	Advice and Information	Minor descriptor modification
7	Fraud and Corruption	6	Fraud, Corruption, Misconduct or Maladministration	Title change and descriptor modification
8	Information Technology Infrastructure and Services	7	Information Technology Infrastructure, Threat Protection and Management of Services	Title change and descriptor modification
9	Ineffective Business Continuity and Community Resilience	8	Business Continuity and Community Resilience	Minor title change and descriptor modification
10	Emergency Events	9	Emergency Events	Descriptor modification
11	Infrastructure Management	10	Infrastructure Management	No change
		11	Urban Densification	New strategic risk
		12	Waste 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	Advice and Information	Unlikely	Moderate	Moderate
6	Fraud, Corruption, Misconduct or Maladministration	Unlikely	Moderate	Moderate
7	Information Technology Infrastructure, Threat Protection and Management of Services	Unlikely	Major	Moderate
8	Business Continuity and Community Resilience	Moderate	Major	High
9	Emergency Events	Rare	Catastrophic	Moderate
10	Infrastructure Management	Unlikely	Major	Moderate
11	Urban Densification	Moderate	Moderate	Moderate
12	Waste 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.

An amendment has not yet been made to the risk rating of *Risk 9: Business Continuity and Community Resilience* and this risk rating remains at 'High'. However, significant time and resources have been spent in this area over the last 12 months resulting in a much more robust emergency framework and suite of internal emergency related documents. Extensive training has also occurred and a comprehensive assurance program has now been developed. It is expected that the residual risk rating for this strategic risk will decrease at the Mid-Year Strategic Risk Review to commence in January 2020.

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**) and evidence of these controls have been reviewed by a desktop process.

Emerging Risks

As a result of the strategic risk process, 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 4**.

2018-2019 Emerging Risks		2019-2020 Emerging Risks		Change Proposed
1	Infill Development/ PDI Implementation	1	Planning Development and Infrastructure Act (PDI)	Major amendment to title and descriptor
2	Financial Sustainability	2	Financial Management, Sustainability and Cost Shifting	Title change and broader descriptor
3	Waste, Recycling and Disposables Management			Has been reassessed as a realised strategic risk

Conclusion

The *2019-2020 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 two new strategic risks. All risks were subject to an extensive control verification process which involved meeting with the management team.

Attachments

1. **Risk Analysis Matrix**
2. **Consequence Descriptors Matrix**
3. **Strategic Risk Review 2019-2020 - Summary of Changes**
4. **Strategic Risk Review Report (under separate cover)**

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						
Catastrophic	Major	Moderate	Minor	Insignificant	LIKELIHOOD 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	Insignificant	Minor	Moderate	Major	Outstanding	
E	E	H	M	M		E	E	H	M	E	E
E	E	H	M	L		E	E	H	M	E	E
H	H	M	M	L		H	H	M	M	H	H
H	M	M	L	L		M	L	M	M	M	H
M	M	L	L	L	Rare	L	L	L	M	M	

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>≥ 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>≥ 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 2019/20

Summary of proposed changes

Current Strategic Risk				Proposed Strategic Risk			
Strategic Risk Issue : 1 <u>Business Practices</u> Descriptor : a) 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				Strategic Risk Issue : 1 <u>Business Practices</u> Descriptor : a) 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 b) Inefficient/ineffective practices, procedures or processes that allow for, contribute to or ultimately lead to poor decisions from Administration or Council that do not consider approved or established plans, and/or do not consider service delivery or reputation , and/or are based on political expediency			
				<u>Explanation of proposed change:</u> The risk issue and accompanying descriptor has been modified to include reference to decision making of administration and Council. This was a result of the decision to combine Risk 1 (Business Practices) and Risk 5 (Decision Making) as they share commonalities of purpose including a significant number of duplicated controls across both risks. A new expanded Descriptor reference has been included to reflect the impact of business practices on the decision making process. The Risk title and Initial Risk Rating have not changed.			
Initial Risk Rating				Initial Risk Rating			
Untreated Risk :	Likelihood : Likely	=	High	Untreated Risk :	Likelihood : Likely	=	High
	Consequence : Moderate				Consequence : Moderate		

Annual Strategic Risk Review 2019/20

Summary of proposed changes

Current Strategic Risk				Proposed Strategic Risk			
<p>Risk Issue : 2</p> <p><u>Workforce Management</u></p> <p>Descriptor :</p> <p>a) Inadequate management of staff leading to a reduced overall performance of the organisation.</p> <p>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.</p> <p>c) Resourcing limitations leading to current staff having the inability to undertake, continue or complete tasks as required</p>				<p>Risk Issue : 2</p> <p><u>Workforce Management</u></p> <p>Descriptor :</p> <p>a) Inadequate management of staff leading to a reduced overall performance of the organisation.</p> <p>b) Inability to attract or retain appropriately skilled staff, and/or lack of succession planning actions or programs leading to a loss of and/or lack of continuity of corporate knowledge and reduced organisational capability and capacity to achieve effective service delivery.</p> <p>c) Inadequate staff health, welfare or wellbeing programs that impact on staff satisfaction or performance and/or inhibit the successful creation and maintenance of a positive workplace culture.</p> <p>d) Resourcing limitations leading to current staff having the inability to undertake, continue or complete tasks as required</p>			
				<p><u>Explanation of proposed change:</u></p> <p>The risk descriptor been modified to include reference to succession planning as an identified significant issue that impacts upon short and long term workforce management planning. A clearly defined focus on staff health and welfare has also been included within this risk to highlight its importance to effective workforce management as well as a reference to a positive workplace culture.</p> <p>The Risk Title and Initial Risk Rating have not changed.</p>			
Initial Risk Rating				Initial Risk Rating			
Untreated Risk :	Likelihood : Likely	=	Extreme	Untreated Risk :	Likelihood : Likely	=	Extreme
	Consequence : Major				Consequence : Major		

Annual Strategic Risk Review 2019/20

Summary of proposed changes

Current Strategic Risk				Proposed Strategic Risk			
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.				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. b) Failure to plan, prepare or monitor WHS related industry trends and issues. <u>Explanation of proposed change:</u> The risk descriptor has been modified to reflect the move toward increased awareness of issues that may have long latency periods (such as class actions or other litigation resulting from historical actions or activities) and the importance of planning for and being aware of their potential impacts. The Risk Title and Initial Risk Rating have not changed.			
Initial Risk Rating				Initial Risk Rating			
Untreated Risk :	Likelihood : Unlikely	=	High	Untreated Risk :	Likelihood : Unlikely	=	High
	Consequence : Catastrophic				Consequence : Catastrophic		

Annual Strategic Risk Review 2019/20

Summary of proposed changes

Current Strategic Risk				Proposed Strategic Risk			
Risk Issue : 4. <u>Stakeholder Relationships</u> Descriptor : a) A breakdown in the effective working relationships between Council/Administration and relevant stakeholders leading to a loss of confidence in the CWT				Risk Issue : 4. <u>Stakeholder Relationships</u> Descriptor : a) A breakdown in the effective working relationships between Council/Administration and relevant stakeholders leading to a loss of confidence in the CWT (No changes)			
				<u>Explanation of proposed change:</u> There is no change to the Risk Title, Descriptor or Initial Risk Rating			
Initial Risk Rating				Initial Risk Rating			
Untreated Risk :	Likelihood : Likely	=	Extreme	Untreated Risk :	Likelihood : Likely	=	Extreme
	Consequence : Major				Consequence : Major		

Annual Strategic Risk Review 2019/20

Summary of proposed changes

Current Strategic Risk				Proposed Deletion of Strategic Risk (Combined with Risk 1)			
Risk Issue : 5 Decision Making 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.				Risk Issue : 5 Decision-Making 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 or decisions that are based on political expediency. 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			
				Explanation of proposed change: Risk Deleted - (Combined with Risk 1) Following a review of this risk it was decided that poor decision making was quite often a result/consequence of poor business practices. A review of the controls associated with this risk and with the risk relating to business practices found that most were duplicated across both risks. Therefore the risk issues, accompanying descriptor and controls within this risk have been removed as a separate item and the information contained combined with that contained in Risk 1.			
Initial Risk Rating				Initial Risk Rating			
Untreated Risk :	Likelihood : Likely	=	High	Untreated Risk :	Likelihood : Likely	=	High
	Consequence : Moderate				Consequence : Moderate		

Annual Strategic Risk Review 2019/20

Summary of proposed changes

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 and outcomes.</p> <p>b) Failure to properly secure information leading to its misuse or to breaches of privacy legislation.</p>				<p>Risk Issue : 6 5</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 privacylegislation.</p>			
				<p><u>Explanation of proposed change:</u></p> <p>The risk descriptor has been modified to broaden the reference from 'privacy legislation' to 'legislation' more generally.</p> <p>The Risk Title and Initial Risk Rating have not been changed although the Risk issue number has been updated.</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 2019/20

Summary of proposed changes

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, contractors, volunteers or Elected Members.</p>				<p>Risk Issue : 7-6</p> <p><u>Fraud ,and Corruption, Misconduct or Maladministration</u></p> <p>Descriptor :</p> <p>a) Inadequate systems, procedures and internal control frameworks that provide opportunities for fraud or corruption by Council staff, <i>contractors</i>, volunteers or Elected Members.</p> <p>b) Inadequate systems, procedures and internal control frameworks that provide opportunities for serious and systemic misconduct or maladministration by Council staff, contractors, volunteers or Elected Members.</p>			
				<p>Explanation of proposed change:</p> <p>The Risk Title and Descriptor has been updated to better reflect definitions referred to in ICAC documentation and contemporary sector descriptions.</p> <p>The Initial Risk Rating has not been changed although the Risk issue number has been updated.</p>			
Initial Risk Rating				Initial Risk Rating			
Untreated Risk :	Likelihood :	=	Extreme	Untreated Risk :	Likelihood :	=	Extreme
	Almost Certain				Almost Certain		
	Consequence :				Consequence :		
	Catastrophic				Catastrophic		

Annual Strategic Risk Review 2019/20

Summary of proposed changes

Current Strategic Risk				Proposed Strategic Risk			
<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>Risk Issue : 8- 7</p> <p>Information Technology Infrastructure, Threat Protection and Management of Services</p> <p>Descriptor :</p> <ul style="list-style-type: none"> a) 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. b) Inadequate protection from, response to, or management of, Cyber Security and associated threats to Council information, resources or assets c) Lack of preparation for or not capitalising on expected future technological capabilities or opportunities 			
				<p>Explanation of proposed change:</p> <p>The risk issue has been modified to include reference to the increasing prevalence of cybercrime as well as acknowledging the importance of being aware of the opportunities that continued advancement of technology provides.</p> <p>The Initial Risk Rating has not been changed although the Risk issue number has been updated.</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 2019/20

Summary of proposed changes

Current Strategic Risk	Proposed Strategic Risk
<p>Risk Issue : 9 <u>Ineffective Business Continuity and Community Resilience</u> Descriptor :</p> <ul style="list-style-type: none"> 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. 	<p>Risk Issue : 9 8 <u>Ineffective Business Continuity and Community Resilience</u> Descriptor :</p> <ul style="list-style-type: none"> 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 plan, prepare or take adequate and appropriate action to prevent impacts from an emergency event (including natural emergencies such as flooding and earthquake, as well as deliberate attacks such as terrorism, hostile vehicle attack in crowded places, cyber-crime, etc.) 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 e) Failure to plan for and monitor threats emerging as a result of climate change and other hazards identified via state or local zone emergency planning

Annual Strategic Risk Review 2019/20

Summary of proposed changes

				<p>Explanation of proposed change:</p> <p>The Risk has been amended to further clearly delineate the risks involved with activities prior to an emergency event as opposed to those that occur during and following the event itself. The planning for an event and mitigation steps taken sit more closely with ensuring robust continuity processes of the business and a well-trained prepared staff and a healthy and resilient community</p> <p>The Risk Descriptor has also been modified to include reference to the emerging threat of climate change as well as including reference to hazards outlined in state and zone emergency planning.</p> <p>The Initial Risk Rating has not been changed although the Risk issue number has been updated.</p>			
Initial Risk Rating				Initial Risk Rating			
Untreated Risk :	Likelihood : Likely	=	Extreme	Untreated Risk :	Likelihood : Likely	=	Extreme
	Consequence : Major				Consequence : Major		

Annual Strategic Risk Review 2019/20

Summary of proposed changes

Current Strategic Risk				Proposed Strategic Risk			
<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 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 respond to and meet the immediate needs of its community during or responding to an emergency incident.</p>				<p>Risk Issue: 10-9</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 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>c) 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.</p> <p>d) The inability to effectively respond or recover from an emergency event (including natural emergencies such as flooding and earthquake, as well as deliberate attacks such as terrorism, hostile vehicle attack in crowded places, cyber-crime, etc.) resulting in loss of key infrastructure/assets and/or ongoing danger to staff or our community.</p>			
				<p>Explanation of proposed change:</p> <p>The Risk Descriptor has been modified to outline the risks involved with responding to or recovering from an emergency event. This will allow a clearer delineation of controls across the two risks related to emergency management and is more in line with contemporary emergency management thinking that is moving from Preparation, Planning, Response and Recovery (PPRR) to Disaster Risk Reduction, Incident Operations and Recovery.</p> <p>The Initial Risk Rating has not been changed although the Risk issue number has been updated.</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 2019/20

Summary of proposed changes

Current Strategic Risk				Proposed Strategic Risk			
Risk Issue: 11 <u>Infrastructure Management</u> Descriptor : a) 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				Risk Issue: 11-10 <u>Infrastructure Management</u> Descriptor : a) 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 (No changes)			
				Explanation of proposed change: There is no change to the Risk Title, Descriptor or Initial Risk Rating			
Initial Risk Rating				Initial Risk Rating			
Untreated Risk :	Likelihood : Likely	=	Extreme	Untreated Risk :	Likelihood : Likely	=	Extreme
	Consequence : Major				Consequence : Major		

Annual Strategic Risk Review 2019/20

Summary of proposed changes

Proposed Strategic Risk		New
<p>Risk Issue: 11</p> <p><u>Urban Densification</u></p> <p>Descriptor :</p> <p>a) Failure to adequately plan for or implement appropriate systems, programs and process needed as a result of increased demand for and/or change in use of Council infrastructure and assets, services and resources caused by increased density of population and changing community landscape.</p> <p><u>Explanation of proposed change:</u></p> <p>This new Strategic risk (identified as part of an Emerging Risk in 2018 as Infill Development/PDI Implementation) is now realised due to reflect the increasing demands placed on Council through the move towards increasing infill and densification policies encouraged by the state government. It would be expected that with a growing population, with more people using services increased costs will be expected maintaining current infrastructure facilities and services.</p> <p>It is anticipated that pressure will increase on existing infrastructure including, footpaths, roads and reserves through increased use. Traffic, Parking and associated compliance issues have and will increase significantly. Development quite often allows for one vehicle provision with no allowance for multiple vehicles per household let alone visitors to multiple story properties. This will force more vehicles into public on street parking leading to increased local restrictions and increased compliance costs. The need for increased management of stormwater, particular in response to increased heavier downpours due to the impacts of climate change will present another possible cost and resource impost.</p> <p>Open space availability, both private and Council owned, will be limited which will require additional green infrastructure and greening programs to be implemented to counteract the urban heat island effect.</p> <p>It would be expected that with more people more waste be created but the difficulty of servicing these people in denser environments would increase. This will lead to increase costs not only for disposal but through developing more innovative methods of collection.</p> <p>Although there are significant challenges faced as the area becomes denser there are advantages and opportunities available. It would be expected that there would be an increase in the overall rate income as well as opportunities to promote a greater sense of community and inclusiveness as well as increased use of community facilities by the changing population.</p> <p>An initial risk rating of extreme is proposed due to both the likelihood and consequence being relatively significant. Using either the Reputational or Financial consequence descriptors (between 16-40% variation in revenue, or Negative Front Page story), one could expect that it be classified as a major consequence. Combined with significant state government resources being dedicated to planning changes designed to promote increased density that the likelihood would be likely or almost certain.</p> <p>A review of the revised risk rating is to occur following review of current controls.</p>		
Initial Risk Rating		
Untreated Risk :	Likelihood : Likely	= Extreme
	Consequence : Major	

Annual Strategic Risk Review 2019/20

Summary of proposed changes

Proposed Strategic Risk		New
<p>Risk Issue: .12</p> <p><u>Waste Management</u></p> <p>Descriptor :</p> <p>a) Failure to manage the collection and processing of waste leading to a loss of control over waste management costs and increased resources going to landfill</p> <p>b) Failure to implement appropriate plans, processes and systems to appropriately manage challenges and/ or capitalise on opportunities presented as a result of changing market conditions including a loss of competitiveness regarding waste management in the local government sector and broader economy.</p> <p>c) Failure to meet community expectations with regard to waste management</p> <p><u>Explanation of proposed change:</u></p> <p>This new Strategic risk (identified as an Emerging Risk in 2018) is now realised due to the strain on the Australian marketplace caused by the decision of China in 2018 to stop accepting import of 24 categories of solid waste and to place restrictions on the quality of recyclables accepted. This risk issue is separate to the financial/sustainability impacts of waste levies and other waste related cost shifting.</p> <p>This risk issue is compounded by additional factors of cost in relation to the ongoing continuity of service provision (including significant Levy rises), contractor availability, and community expectation of service delivery.</p> <p>Cost to council will significantly increase through landfill costs increasing as well as recyclable processing. This a cost that not only impacts council but what the general public pays to remove waste. This will lead to increased dumping due to the lack of willingness to pay these increased costs as well as the increased cost of development as these increases flow through to that sector. As these cost filter through to the wider community costs may also increase for other goods when procuring as company's factor in increased charges to their cost structures.</p> <p>An initial risk rating of High is proposed due to the consequence being significant from a financial standpoint but the possibly of the full impact of the risk being still in some doubt re possible state and federal government input/intervention and the possibility of potential market factors leading to potentially positive outcomes for resource use. With some doubt as to the full end impact it is proposed that the initial likelihood sit at a moderate level.</p> <p>There may be opportunities that do present themselves though, particularly in relation to CWT becoming a leader in reuse of recycled materials in the built form (roads/concrete paths play equipment etc). Other opportunities exist in how we collect waste and recycling and the messaging that we provide due to the community.</p> <p>A review of the revised risk rating is to occur following review of current controls.</p>		
Initial Risk Rating		
Untreated Risk :	Likelihood : Moderate	= High
	Consequence : Major	

Emerging Risks

Annual Strategic Risk Review 2019/20

Summary of proposed changes

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

Emerging Strategic Risk Issue: 1

Infill Development/ **Planning Development and Infrastructure Act (PDI)**

Risk Issue background :

This emerging risk title has been updated from 2018. The portion of the emerging risk relating to Urban Densification (previously 'Infill Development') has been realised as a Strategic Risk.

The full extent of the Planning Development and Infrastructure Act and related system is yet to be fully realised and as such, provides unknown complexities for Council Administration in the implementation of the new Act.

Further exploration of current and future issues as well as an update to the status of this emerging strategic risk will be undertaken during the review process and will be presented in the final report.

Initial Risk Rating

Untreated Risk :	Likelihood : Moderate	=	High
	Consequence : Major		

Emerging Strategic Risk Issue: 2

Financial Sustainability- **Management, Sustainability and Cost Shifting**

Risk Issue background :

This emerging risk is being maintained from the 2018 Annual Strategic Risk Review.

This emerging risk provides unknown complexities for Council Administration relating to the proposed introduction of Rate Capping as well as other government cost shifting measures and remains as an emerging risk in 2019 given the full extent of this risk has not yet been realised.

Further exploration of current and future issues as well as an update to the status of this emerging strategic risk will be undertaken during the review process and will be presented in the final report.

Initial Risk Rating

Untreated Risk :	Likelihood : Unlikely	=	Moderate
	Consequence : Major		

9.3 INTERNAL AUDIT

9.3.1 2019-2020 Internal Audit Program Update

Brief

This report presents the 2019-2020 Internal Audit Program Update.

RECOMMENDATION

It is recommended to the Committee that the 2019-2020 Internal Audit Program Update report be received

Introduction

An update report is provided to each ordinary meeting of Committee on the status of current Internal Audit Program.

Discussion

Below is a summary of the status of all planned audits contained in the 2019-2020 *Internal Audit Program* (Program) as at 23 September 2019. However, the full internal audit program update is attached for further information (**Attachment 1**).

Audit Status	Number
In Progress	4
Completed	3
Not Started	3
Total Audits Programmed (excluding staged audits)	10
Audit Status (Staged Audits)	Number
Staged Audits Complete	0
Staged Audits in Progress or Next Stage Not Started	2
Not yet commenced	1
Total Staged Audits	3
Total Audits	13

Audit Scopes

1. The *Plant and Equipment Maintenance* audit is currently underway. A scope has been approved and attached to this report for information (**Attachment 2**).
2. The *Work Zone Traffic Management* audit is currently underway. A scope has been approved and attached to this report for information (**Attachment 3**).

Conclusion

Overall ten (10) of the thirteen (13) remaining planned audits (77%) are in progress or completed.

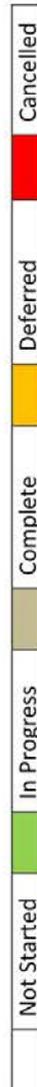
Attachments

1. 2019-2020 Internal Audit Program Update
2. Plant and Equipment Maintenance Internal Audit Scope
3. Work Zone Traffic Management Internal Audit Scope

Report as at 23 September 2019

2019/20 Internal Audit Program

Audit No.	Internal Audit	Audit Objectives	Due Date	Status	Comments
Status of 2018/19 Internal Audits (Carry Overs)					
Assurance Audits					
1	Fraud and Corruption	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.	October 2019	Completed	<ul style="list-style-type: none"> • Scope drafted and presented to the April 2019 Committee meeting. • Opening meeting was held in April 2019. • Interviews concluded • Closing meeting held 22 August 2019 • Completed October 2019
2	Information technology disaster recovery plan	A 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.	October 2019	Completed	<ul style="list-style-type: none"> • Scope drafted and presented to the June 2019 Committee meeting. • Opening meeting was held in July 2019. • Interviews concluded • Closing meeting held 5 September 2019 • Completed October 2019
3	Fulham Community Centre and Western Youth Centre	This audit seeks to provide assurance to Council that the financial positions of these two Centres are strong and sustainable as partnership agreement re-negotiations commence.	November 2019	In progress	<ul style="list-style-type: none"> • Scope drafted and presented to the August 2019 Committee meeting. • Fulham Community Centre opening meeting held 18 September 2019 • Fulham Community Centre audit completed October 2019 • Western Youth Centre opening meeting to be scheduled



Report as at 23 September 2019

2019/20 Internal Audit Program

Audit No.	Internal Audit	Audit Objectives	Due Date	Status	Comments
Third Party Audits (External)					
4	WHS/IIM KPI Audit against PSSI	An annual audit mandated by the Scheme.	November 2019	In progress	<ul style="list-style-type: none"> To be completed with WHS
5	Vic Roads Annual Audit	An annual Internal Audit which is mandated as part of the agreement with Vic Roads.	July 2019	Completed	<ul style="list-style-type: none"> Completed 30 July 2019
Facilitative Audits (Long term duration).					
6	Maintenance Plant and Equipment - Operational Sites	Stage 1 - Develop Solution Action Plan <ul style="list-style-type: none"> Completed in 2016 Stage 2 - Assurance Audit	March 2020	Stage 1 Complete Stage 2 In Progress	<ul style="list-style-type: none"> Stage 1 complete. The gap-analysis was presented to the July 2016 meeting of the Committee. Stage 2 of this Audit is currently being re-scoped to be more valuable and relevant to the organisation Audit Scope re-drafted and presented to the October 2019 Committee meeting.
7	Procurement Roadmap (Stage 5)	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.	February 2020	In Progress	<ul style="list-style-type: none"> Scope drafted and presented to the April 2019 Committee meeting. Opening meeting was held in April 2019. Interviews concluded Closing meeting held 30 July 2019 Management responses and strategy going forward to be workshopped with Procurement Steering Committee on 30 October 2019
Status of 2019/20 Internal Audits					

	Not Started		In Progress		Complete		Deferred		Cancelled
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2019/20 Internal Audit Program

Report as at 23 September 2019

Audit No.	Internal Audit	Audit Objectives	Due Date	Status	Comments
Staged Audits					
1	PDI Act and Regulations Implementation	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.	June 2020	Not Started	<ul style="list-style-type: none"> Delay in the implementation of the PDI Act and associated regulations and documents means the timing of this audit will need to be reviewed to ensure maximum value. At this stage it is still programmed to commence in the 2019-2020 year.
Assurance Audits					
2	Complaints Processes	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.	April 2020	Not Started	<ul style="list-style-type: none"> The commencement of the PID Act (replacing the Whistleblowers Act) has meant some changes to processes and procedures. This audit will be scoped after the audit team have participated in upcoming training to ensure the scope adequately reflects and acknowledges this Act.
Spot Audits					
3	Work Zone Traffic Management	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.	April 2020	In Progress	<ul style="list-style-type: none"> Audit Scope drafted and presented to the October 2019 Committee meeting.
Third Party Audits (External)					
4	Vic Roads Annual Audit	An annual Internal Audit which is mandated as part of the agreement with Vic Roads.	July 2020	Not Started	<ul style="list-style-type: none"> CWT will only be advised of this Audit in June of each year. Conclusion is generally 31 July of each year.
5	WHS/IM KPI Audit against PSSI	An annual audit mandated by the Scheme.	November 2019	Not Started	<ul style="list-style-type: none"> Have not yet been advised of start date

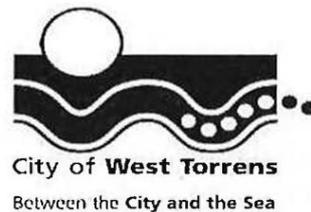
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2019/20 Internal Audit Program

Report as at 23 September 2019

Audit No.	Internal Audit	Audit Objectives	Due Date	Status	Comments
6	Volunteers Program	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.	February 2020	In Progress	<ul style="list-style-type: none"> • Scope drafted and presented to the August 2019 Committee meeting. • Opening meeting scheduled for 24 September 2019





FACILITATIVE AUDIT

Maintenance of Plant and Equipment - City Operations

Introduction

The approved 2018-2019 Internal Audit Program provides for an internal audit to review the effectiveness of the City of West Torrens' plant and equipment maintenance of City Operations. This audit is a carryover audit originally planned for the 2015-2016 Internal Audit Plan, and a portion of the original audit scope has been completed. A gap analysis was completed by Galpins in 2017 and extensive works have been completed by the City Operations, Work Health and Safety and Information Services teams to improve the operations of this area.

This audit seeks to complete the audit but due to the time elapsed and the body of works completed in this space, the scope has been redrafted to ensure the audit represents the best value for the organisation.

Audit Objectives

Although re-scoping an audit part way through a facilitative audit is not usual practice, the practices and procedures with regard to the maintenance of plant and equipment have changed so that the organisation is no longer operating at an immature level.

The scope of this audit will include:

- Progress of the 2014 KPI Audit non-conformance finding with particular focus on:
 - plant and equipment inspection checklists for vehicle and minor equipment
 - frequency tables for plant and equipment inspections and the rationale and justifications for these frequency tables
 - methods for reconciliation of plant and equipment checklists inspection including a comparison between vehicle and minor plant and inspection checklists
 - processes for recording faults and ongoing maintenance
- The efficacy and consistency of record keeping practices used for plant and equipment maintenance including repair information
- The risk assessment processes undertaken prior to plant and equipment purchase

- An evaluation of whether appropriate reporting of damaged/decommissioned plant or equipment is in place and whether faults are addressed and fixed prior to equipment being returned to service
- An evaluation of the efficacy of the plant and equipment replacement strategies in terms of the physical and/or financial needs of the organisation
- Compliance with the appropriate sections of the Administration Policy - WHS Plant and Equipment Safety relating to plant and equipment maintenance
- Compliance with the appropriate sections of the *Work Health and Safety Act 2012 (SA)* and associated Regulations relating to plant and equipment maintenance
- Compliance with the Vehicles (Fleet), Plant and Equipment Asset Management Plan

This scope excludes comments on any issues and findings contained within recent audits including, but not limited to, Stages 1-5 of the Procurement Audit and previous Hazard Management audit findings, unless discussed prior to the draft report with the relevant officers. This scope also excludes fleet maintenance.

Approach

In performing this audit, the following will be undertaken:

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

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

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

Risks

Potential risks associated with *Maintenance of Plant and Equipment -City Operations*, as identified by Internal Audit include, but are not limited to:

- Injury or death of staff or contractors in the workplace

- Failure of plant and equipment resources resulting in injury to staff or reduced service delivery.
-

Sign Off

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

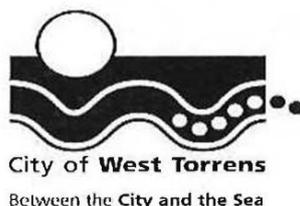
Signed



General Manager Business and
Community Services

Date

17/9/17



Internal Audit Scope

Work Zone Traffic Management

Introduction

The approved 2019-2020 Internal Audit Program provides for an internal audit to review the adequacy and effectiveness of the City of West Torrens' compliance with *Work Health and Safety Act 2012 (SA)* and associated regulations, the *Road Traffic Act 1961 (SA)*, Australian Standard 1742.3-2009 and the SA Standards for Workzone Traffic Management.

Audit Scope and Objectives

The objectives of the audit are to evaluate and report on the adequacy and effectiveness of Council's approach to work zone traffic management.

The scope of this audit will include:

- The level of compliance with the *Work Health and Safety Act 2012 (SA)* and associated regulations, the *Road Traffic Act 1961 (SA)*, Australian Standard 1742.3-2009 and the SA Standards for Workzone Traffic Management.
- The level of compliance with the *City of West Torrens Administration Policy - Work Zone Traffic Management*.
- Identified opportunities for the introduction of better practices and process improvement
- Field testing of the application of work zone traffic management practices conducted by work groups. This should include the placement of signage, accreditation of workers, and application of diagrams from the DPTI Field Guide.
- Field testing of the application of work zone traffic management practices conducted by contractors where the City of West Torrens remains the principal contractor and work zone traffic management is not the primary function of those contractors. This should include the placement of signage, accreditation of workers, and application of diagrams from the DPTI Field Guide.
- Documentation, training and record keeping processes undertaken by the City of West Torrens in regards to work zone traffic management

This scope excludes:

- Work site that are managed by businesses engaged for the dedicated purpose of traffic management.
- Work sites where the Principal Contractor is not the City of West Torrens,
- Contractor procurement including requests for quotes and tenders, specifications, responses, evaluation, contract award and induction processes.
- Comments on issues and findings contained within recent audits including, but not limited to the Contractor Management Audit and the 2018 Audit of Work

Work Zone Traffic Management Audit Scope

Zone Traffic Management, unless discussed prior to the draft report with the relevant officers.

Approach

In performing this audit, the following will be undertaken:

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

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

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

Risks

Potential risks associated with *Workzone Traffic Management* identified through Internal Audit include, but is not limited to:

- Non-compliance with the *Work Health Safety Act SA 2012*. Regulations, Standards or associated documentation resulting in:
 - investigation by an external agency
 - workplace injury/death/mutual liability claim
 - litigation
 - breach of employment and associated performance management
 - reputation damage
- Inadequate monitoring, follow up and reporting

Work Zone Traffic Management Audit Scope

General Administration

Opening meeting	March 2020
Commence fieldwork	March 2020
Draft report to Management	April 2020
Closing meeting and final report	April 2020

Sign Off

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

Signed



General Manager Business and Community Services

Date 14/11/19

9.3.2 Fraud and Corruption Internal Audit

Brief

This report presents the results of the Fraud and Corruption Internal Audit.

RECOMMENDATION

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

Introduction

Pursuant to the approved *Internal Audit Program 2018-2022*, the *Fraud and Corruption Audit* (Audit) was approved and commenced in April 2019. The Audit was undertaken in accordance with the approved audit scope to report on:

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

Following completion of the Audit, a draft internal audit report (Report) was issued to the Executive as well as relevant managers and 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 2019 (**Attachment 1**).

Internal Audit Findings

The Auditor's found that the City of West Torrens' (CWT) approach to managing the risk associated with fraud and corruption has a good level of compliance with legislation, policy and procedures.

The Auditor also stated that there were no findings identified during the Audit sufficient enough to warrant any formal recommendations. However, the Audit did offer five (5) better practice opportunities. These opportunities for better practice have been reviewed by the Administration and responses have been provided in the attached Report (**Attachment 1**). As these are better practice suggestions with no risk associated with them, implementation progress updates will not be reported to the Committee.

Conclusion

The *Fraud and Corruption Internal Audit*, undertaken by Council's contract auditor, has been completed. The Audit found that the City of West Torrens' approach to managing the risk associated with fraud and corruption to have a good level of compliance with legislation, policy and procedures. As such, no recommendations were presented. However, the five (5) better practice suggestions will be considered and balanced against other priorities.

Attachments

1. Fraud and Corruption Internal Audit Report



City of West Torrens Fraud and Corruption Audit

Internal Audit Report

Audited By: Tim Muhlhausler

Draft Report Issued: 16/08/2019

Final Report Presented: 4/9/2019

Final Report Executive Management Approval: 17/9/2019

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1. EXECUTIVE SUMMARY

1.1 Background

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

1.2 Objectives and Scope

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

The scope of this audit included:

- The level of compliance with applicable laws, regulations, standards, Council and Administration policies and procedures.
- Identified opportunities for the introduction of better practices and process improvement.
- Adequacy and effectiveness of Council's control framework in regards to Strategic Risks identified in relation to fraud and corruption.
- Existence and effectiveness of methods for promoting awareness and educating employees and Elected Members on their duties to report and suspicions of fraud and corruption.
- Identification of areas within CWT potentially exposed to an extreme or high risk of fraud and corruption. This included but is not limited to the appropriate use of delegations and authorisations, appropriate use of Council resources and volunteer management.
- This scope excluded comments on any issues and findings contained within recent audits including, but not limited to, Stages 1-4 of the Procurement Audit or future procurement audits currently under review and previous Fraud and Corruption audit findings.

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1.3 Associated Risks

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

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

1.4 Scope Exclusions

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

1.5 Examples of Good Practice

There were many examples of good practice identified throughout the audit. These have been detailed within Part 2 of this report.

1.6 Key Findings and Recommendations

Overall, the audit found that there is a **good level of compliance** with applicable legislation, policy, procedure and/or internal controls in relation to fraud and corruption prevention and control.

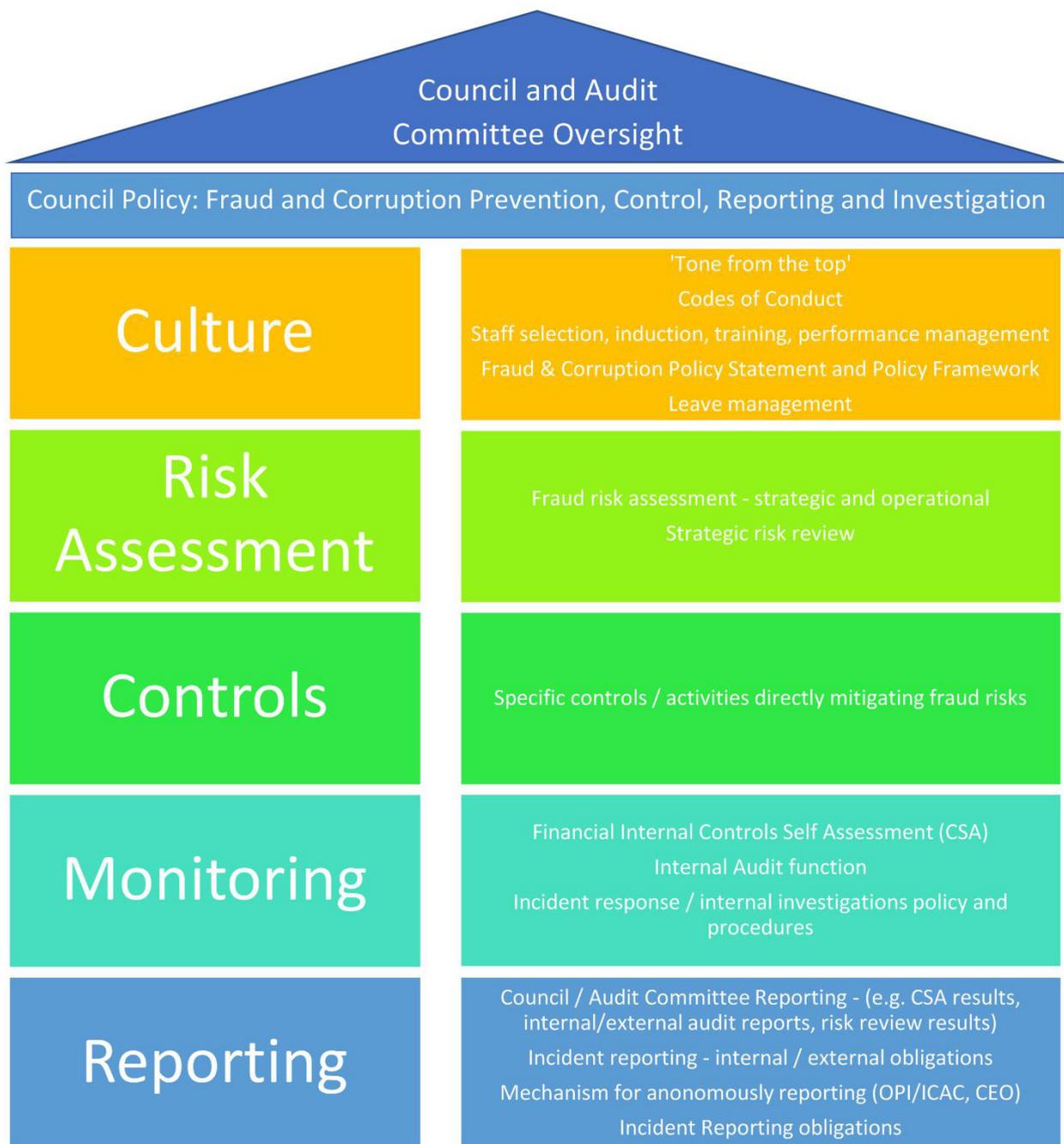
There were no findings or recommendations identified during the audit sufficient enough to warrant a formal recommendation in this report.

Rather, this report seeks to provide positive assurance to stakeholders regarding the nature and effectiveness of the fraud and corruption prevention and control framework by providing an overview of the framework in place, and details of the various components of the framework that exist within CWT. This detail is provided in Part 2 from over page.

Some opportunities for better practice have been identified for consideration by management. These are detailed in Appendix 2.

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2. Components of the CWT Fraud and Corruption Prevention and Control Framework



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2.1 Culture

Interviewees consistently spoke highly of the CWT culture and attitude towards fraud and corruption, risk management and internal control. These observations of positive culture have been mirrored in the general observations of the internal audit team across numerous internal audits conducted.

There are multiple components within CWT's Fraud and Corruption Prevention and Control Framework promoting an appropriate culture.

Policy and Codes of Conduct

The *CWT Council Policy: Fraud and Corruption Prevention, Control, Reporting and Investigation* sets the tone for fraud culture, stating:

“Council will not tolerate fraudulent or corrupt activity as evidenced by its commitment to:

- 1.1.1 uphold the principles of honesty, integrity and transparency and minimising the opportunity for fraudulent and/or corrupt acts to be undertaken by a person(s) against the City of West Torrens (CWT).*
- 1.1.2 prevent fraud and/or corruption against the CWT.*
- 1.1.3 ensure a robust operational environment through the adoption of controls that minimise the risk of fraudulent or corrupt acts being committed against it.*
- 1.1.4 protect its revenue, expenditure, resources and assets from any attempt by a person to gain, by deceit, financial or other benefits.*
- 1.1.5 foster and maintain the highest standards of ethical behaviour by establishing a culture that promotes a high degree of honesty and integrity where fraud and corruption is not tolerated.*
- 1.1.6 promote accountability as a key value of the CWT.*
- 1.1.7 detect and report cases of criminal behaviour, including fraud and corruption.”*

The Policy goes on further to articulate that fraudulent and/or corrupt acts against the CWT are unacceptable, will be reported and investigated, may constitute a criminal offence and may result in prosecution.

Other relevant policies in place include:

- *Administration Policy: Employee Gifts and Benefits*
 - *Administration Policy: Managing Performance, Misconduct and Inappropriate Behaviour; and*
 - *Council Policy: Whistleblowers (replaced by the PID Act on 1 July 2019).*
- Note: there is no PID related policy at this time - Governance has advised that one isn't necessary at this moment in time but they have drafted one should it be needed for later in the year.*

The CWT adopts mandatory Codes of Conduct for both employees and elected members that establish and commit staff, management and elected members to the ethical expectations of Council.

Staff selection, induction and training

Staff selection (including referee checks, relevant psychometric testing, probationary periods and criminal history checks for certain defined positions), induction and training are designed to include an appropriate focus on promoting fraud awareness and culture. A formal performance management program is also in place. All staff undertake ICAC training on induction, and staff at Team Leader level and above receive refresher ICAC training annually, and all elected members receive mandatory training. Additional staff training, including procurement

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and contract management training, includes a focus on fraud prevention controls within these processes and is delivered to positions with responsibilities in these activities.

Other stakeholder training

Fraud and Corruption / ICAC / OPI / Ombudsman awareness training is also provided to Elected Members and independent members of the Council Assessment Panel and the Audit Committee.

Decision making

The majority of major decisions are made in an open and transparent fashion, with Council and Committee meetings and informal gatherings held in public and information being made available to the community online including Council and Committee agendas and minutes, strategic and business plans, registers (e.g. elected member expenses, gifts and benefits) and via Freedom of Information applications.

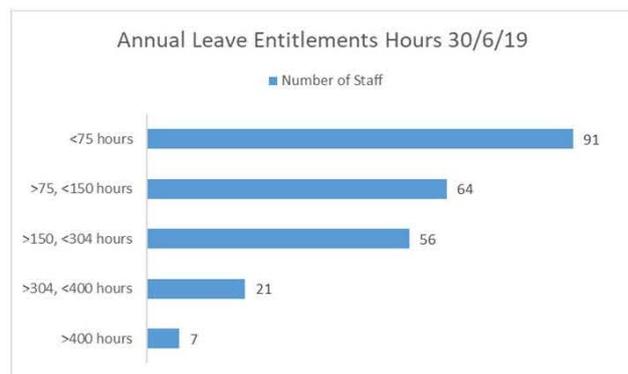
Operational decisions, particularly those involving significant discretion, are documented and supported by the delegations framework and segregation of duties through either the organisational hierarchy or the use of panels with independent membership.

CEO performance criteria

The criteria used to assess performance of the CEO do not unduly promote fraudulent / corrupt behaviour. Values promoted through the criteria that encourage a good fraud culture include driving a positive staff culture and safe working environment, positive relationships with stakeholders, and long term financial sustainability rather than short term surpluses.

Leave management

Ensuring that staff are taking regular leave is an important component of fraud prevention and detection. The following graph provides a breakdown of employee annual leave entitlements as at 30 June 2019:



Balances of greater than 304 hours (approximately two years of entitlement) are considered excessive. The majority of staff have balances of less than 304 hours. Staff with entitlements greater than 304 hours are concentrated mainly within teams operating from the Depot and in IT.

A departmental report listing excess leave balances is run automatically each quarter and distributed to the management team, and is also distributed to the relevant General Manager for information/action. Managers are required to develop an action plan for staff with excessive leave balances.

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2.2 Risk Assessment

CWT's risk management framework is among the most mature of all Councils in South Australia. Risk assessment activities include consideration of fraud risks.

The risk of fraud and corruption, defined as *"inadequate systems and procedures that provide opportunities for fraud or corruption by Council staff, contractors, volunteers or Elected Members"*, has been specifically identified as one of Council's key strategic risks. As with all of Council's key strategic risks, review of the risk is subject to a six-monthly strategic risk review including consideration of the internal controls in existence to mitigate the risk. The results of this strategic risk review are presented to the Audit Committee.

Managers across all Departments of Council perform operational risk reviews on an annual basis. The operational risk register identifies a number of specific fraud risks.

Risk assessments have been undertaken in establishing the internal financial controls program, and a number of fraud risks and related controls are included within the annual CSA monitoring process.

Specific fraud risks identified during interviews are detailed in Appendix 1

2.3 Controls

In accordance with the *CWT Administration Policy - Enterprise Risk Management Framework*, strategic and operational risk identification, risk analysis and risk evaluation occurs annually and is reviewed six-monthly. This review includes a desktop review of the effectiveness of the internal controls mitigating each risk. The latest mid-year strategic risk review concluded that controls mitigating the risk of fraud are satisfactory.

The CWT has identified specific controls designed to mitigate fraud within the Internal Financial Control Self Assessment program (CSA). The effectiveness and design of these controls are reviewed annually as part of the assessment program. Additional assurance over these controls is provided via the annual external audit opinion on internal financial controls, for which Council has consistently achieved a clean (unmodified) opinion.

A summary of internal controls addressing fraud risks identified during interviews is provided in Appendix 2, together with some opportunities for better practice.

2.4 Monitoring

A key mechanism for deterring and identifying fraud is the existence of effective internal and external reporting and investigation procedures, including the ability for anonymous reporting. The *CWT Council Policy: Fraud and Corruption Prevention, Control, Reporting and Investigation* CWT provides a good overview of the reporting obligations of staff and elected members to OPI, including guidance for anonymous reporting and links to directions and guidelines published by the Independent Commissioner Against Corruption (ICAC).

In addition, the Policy provides the further option and instructions for reporting concerns directly to the CEO, and places obligations on the CEO to investigate, report on and action these reports. A Confidential Whistleblowers email address for reporting purposes also exists.

Note: The PID Act has now replaced the whistleblowers provisions and directions and guidelines have been issued by the State Government with reference to this Act.

Council has an established out-sourced internal audit function. Fraud risks are considered as part of the scope development for all audits. A number of internal audits have focussed on fraud risks and controls identified in Appendix 1 and 2, including audits of procurement, contract management, staff recruitment, selection & probation, information security, logical security and delegations.

The Financial Internal Controls Self Assessment (CSA) program forms another key component of the CWT's fraud control monitoring. Controls directly mitigating fraud are specifically identified within the CSA and their effectiveness reviewed on an annual basis.

2.5 Reporting

As Public Officers, the CWT's Elected Members, Mayor and Audit Committee have responsibility for the prevention and detection of corruption, misconduct and maladministration.

Reporting to the Audit Committee and Council includes results of the six-monthly strategic risk review, Internal Financial Control Self Assessment process, internal audit reports and external audit results. Internal audit and external audit representatives regularly attend Audit Committee meetings.

The Gifts & Benefits register is published online, and demonstrates a good level of disclosure. Managers reported a good level of engagement with disclosing gifts and benefits, demonstrated by the volume of queries received from across Council regarding the need to disclose.

The *CWT Council Policy: Fraud and Corruption Prevention, Control, Reporting and Investigation* is reviewed and approved by Council periodically in line with predetermined review dates. The policy was last reviewed in September 2014, with the next review date scheduled for September 2019.

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APPENDIX 1: Specific fraud risks identified during interviews

Risk Description	City Assets	People & Culture	Strategy and Business	Community Services	City Development	Financial Services	Information Services	Office of Mayor and CEO	City Operations	City Property	Regulatory Services
Bias, related parties and / or personal gain in Procurement / Purchasing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Theft or excessive personal use of plant, equipment, fuel	✓			✓			✓		✓		
Theft or excessive personal use of motor vehicles									✓		
Misuse of sensitive information		✓		✓			✓	✓			✓
Bias in recruitment decisions		✓									
Bias in pay rate determinations		✓									
Overclaiming of hours worked by staff		✓							✓		
Overclaiming of mileage by volunteers				✓							
Misappropriation of funds						✓					
Bias in approval of grant applications				✓							
Bias in the approval of Development Consent					✓						
Bias in the waiver of fees / penalties					✓						✓

Note: the above table does not represent an exhaustive list of all fraud risks relevant to each department. Rather, it reflects the specific risks raised by Managers during interviews with internal audit

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APPENDIX 2: Summary of internal controls addressing risks identified during interviews

Risk Description	Summary of Key Controls	Opportunities for Better Practice
<p>Bias, related parties and / or personal gain in Procurement / Purchasing</p>	<p>A number of internal audits have been conducted over the procurement framework and controls. Detailed commentary on controls can be found in these reports. In summary, key controls include:</p> <ul style="list-style-type: none"> • Centre-led procurement model, offering central support and consistency in procurement processes • Delegations framework • Segregation of duties in procure-to-pay process • Procurement policy and framework, including requirements for competitive tender processes and evaluation procedures • Training • Gifts, benefits and hospitality policy and register (published online) • Credit card transactions register (published online quarterly) 	
<p>Theft or excessive personal use of plant, equipment, fuel</p>	<ul style="list-style-type: none"> • Physical security, including storage in locked facilities with restricted access (depot, Somerset Road house for community event P&E) • Stocktakes of depot P&E • CWT guidelines allow staff to borrow spare/backup items of equipment for personal use (reducing incentive for fraud). Details of who has borrowed equipment and when it is borrowed / returned are maintained. • Fuel cards (require pin number and odometer reading) • Fuel receipts required to be kept, reconciled to fuel card statements • Access to depot fuel requires scanning of a magnetic identifier and entering employee number and odometer reading – fuel will not be released if odometer reading is out of expected range • Fuel stocktakes 	<p>The Depot is located in a relatively new site, and not all physical security controls have been installed. Specifically, security cameras are not in place for the store where plant and equipment assets are kept. A project is currently underway to implement security cameras.</p> <p>Whilst a stocktake of community event P&E was undertaken approximately 12 months ago, these have not been regular and there is no formal rolling schedule of stocktakes for these items. Establishing a schedule of periodic stocktakes at set time intervals would be beneficial.</p> <p>Management Response</p> <p>The Resource Collection (community event P&E) has grown over the last 12 months and the need for a formal system of regular stocktake has already been identified and put in place, this includes recording of the value, purchase date and price, and the</p>

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Risk Description	Summary of Key Controls	Opportunities for Better Practice condition of the collection. It is also linked to the bookings system.
Theft or excessive personal use of motor vehicles	<ul style="list-style-type: none"> • Council Policy: Fleet Management • Motor vehicle fleet kept on Council premises • Vehicle booking system used by staff, available to authorised staff only. Staff are unable to modify booking information after the booking time has passed • Guidelines for personal use of PP&E allow for borrowing of 6x4 trailers, but no other 'registered' assets 	<p>No action to be taken.</p>
Misuse of sensitive information	<p>Separate internal audits of information security and logical security have been undertaken. Detailed commentary on controls can be found in these reports. In summary, key controls include:</p> <ul style="list-style-type: none"> • Delegations • ICT access restrictions, physical and cyber • Logical security controls, including 'Single Password' managed centrally by IT via Active Directory, centralised system access and application access managed by IT, with specific access within applications managed by system administrators within the business. • Audit trails logging system access maintained by IT • Physical security of sensitive documents (e.g. primary and ordinary returns kept in locked safe) • Freedom of information reviews conducted only by specifically trained staff, given temporary IT access as required • Codes of Conduct 	
Bias in recruitment decisions	<ul style="list-style-type: none"> • Administration Policy: Recruitment and Selection • All recruitment and selection decisions are made by a selection panel, including at least 1 person external to the immediate team • Reasons for selection decisions are documented, including details of all candidates interviewed 	

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Risk Description	Summary of Key Controls	Opportunities for Better Practice
	<ul style="list-style-type: none"> Managers must formally review vacant positions for ongoing need, and seek approval to fill all vacancies from the General Manager and CEO People and Culture team are required to ensure that all vacant positions are advertised on the CWT Intranet and that all employees are advised of the vacancy 	
Bias in staff pay-rate determinations	<ul style="list-style-type: none"> Staff paid in accordance with applicable Award / EB Payments in excess of award require General Manager approval, reviewed on a case-by-case basis Register of Salaries available to public for viewing at the Civic Centre Formal process for classification of new positions, outlined in the Classification Determination Policy 	<p>There is no documented policy or guidelines regarding the conditions / circumstances under which over award payments may be granted, nor the approval required (i.e. GM approval). Establishing more formal guidelines would provide greater transparency over the process.</p> <p><u>Management Response</u></p> <p>Recruitment decisions and the associated pay attributable to positions are at the sole discretion of the CEO. Above award payments occur very infrequently and as a result there is no appetite to develop a policy.</p> <p>No action to be taken.</p> <p>Biometric scanning options are being considered to minimise the opportunity for misuse of electronic clock cards (e.g. by scanning a colleague's card in their absence).</p> <p><u>Management Response</u></p> <p>Biometric scanners have recently been a factor in legal claims in Australia (see <i>Lee v Superior Wood Pty Ltd</i>). Although the CWT have investigated the use of these scanners and concluded that their cost could be accommodated, the legal requirements and ramifications of their use creates further risks to the organisation. The CWT are currently in the process of implementing a scanner for key fobs which work in a similar way to biometric scanner but do not require the use or storage of finger prints.</p>
Overclaiming of hours worked by staff	<ul style="list-style-type: none"> Electronic clock card system at depot Timesheet review by Managers/Team Leaders/Supervisors Overtime forms used, will not be processed unless approved 	

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Risk Description	Summary of Key Controls	Opportunities for Better Practice	Target date: 31 August 2020
<p>Overclaiming of mileage by volunteers</p>	<ul style="list-style-type: none"> Mileage claim forms are completed by volunteers and approved by CWT staff for payment in accordance with delegations. Forms include details of departure & destination locations, purpose of travel and odometer readings. Volunteer roles are task specific, providing clarity over which volunteers are reasonably expected to incur travel in performing Council duties. GM directive disallows close related parties of staff (e.g. husband, wife, children) from volunteering. 	<p>Responsibility: Manager City Operations</p> <p>There is scope to simplify claim mileage forms completed by volunteers. Currently, the forms require details of odometer readings, but these are not used by CWT for any purpose (e.g. not reconciled to expected readings or checked to the vehicle). Basic details of the departure & destination locations and purpose of travel would be adequate to determine the reasonableness of claims, and provide an audit trail to recalculate expected kilometres of travel if required.</p>	
		<p>Management Response</p> <p>The Volunteer Reimbursement Form already has sections for the volunteer to complete relating to departure and destination locations. This is considered sufficient to cover the opportunity for better practice.</p>	
<p>Misappropriation of funds</p>	<p>A number of controls are in place and reviewed via the CSA process. Examples of key controls include:</p> <ul style="list-style-type: none"> Segregation of duties in billing, receipting and banking Reconciliation of daily takings and bank / investment accounts Delegations framework Dual authorisation of banking transactions 	<p>No action to be taken.</p>	
<p>Bias in approval of grant applications</p>	<ul style="list-style-type: none"> Council Policy: Grants, Sponsorships and Donations Programs Online grant applications used, managed via 'Smarty Grants' system, providing transparency and consistency of process Delegations framework Grant recommendations made by Manager, Community Services are reviewed by 'City Advancement and Prosperity Committee' prior to approval by Council 		

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Risk Description	Summary of Key Controls	Opportunities for Better Practice
<p>Bias in the approval of development consent</p>	<ul style="list-style-type: none"> Grant recommendations, assessed against pre-determined eligibility criteria, reported to Council (with all applications attached) for approval High risk / value / planning consents are evaluated by the Council Assessment Panel (CAP), consisting of 4 independents and 1 Elected Member. Conflict of Interest declaration is a standing item on the CAP agenda. CAP members have a Code of Conduct and complete Ordinary Returns. For applications not being assessed by the CAP, these are allocated to Council Officer's by the Team Leader based on workload, capacity and independence considerations (where known) All assessing Officers are required to complete an annual Ordinary Return, maintained by Governance. Employment contracts for Council Officers include a "secondary employment" clause, disallowing conflicting roles (e.g. as a private certifier) within the Council area (among other restrictions). 	<p>Council Officers evaluating development consents are required to declare conflicts of interests (i.e. negative assurance), but are not required to specifically declare the absence of any conflicts (i.e. positive assurance).</p> <p>There is an opportunity to strengthen assurance by implementing a process for all development consent applications whereby upon being allocated a case by their Team Leader, the Officer is required to sign a confirmation that they do not have a conflict of interest.</p> <p>Management Response</p> <p>It is noted that the introduction of the PDI Act will impact on this opportunity for better practice due to the implementation of the ePlanning Portal from 1 July 2020 which will mean staff will be required to use an external system to manage the assessment of development applications which is managed by the Department of Planning, Transport and Infrastructure. However, until that time the system currently used to manage development applications, Pathway, has the capability to allow officers to confirm that no conflicts exist for each application they are assessing. Pathway will be amended to allow for this to occur.</p> <p>Target date: 31 January 2020</p> <p>Responsibility: Manager City Development</p>
<p>Bias in the waiver of fees, penalties</p>	<ul style="list-style-type: none"> Council Policy: Expiation Notice Decision Review Segregation of duties in approval of waivers, including EMs and s41 Committee members being prohibited from involvement in expiation notice reviews, or from hearing deputations regarding expiation notices. Delegations framework 	

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9.3.3 Information Technology Disaster Recovery Internal Audit

Brief

This report presents the results of the Information Technology Disaster Recovery Internal Audit.

RECOMMENDATION

It is recommended to the Committee that the Information Technology Disaster Recovery Internal Audit report be received.

Introduction

In accordance with the approved Internal Audit Program 2018-2022, the Information Technology Disaster Recovery Audit (Audit) was approved and commenced in April 2019 in accordance with the approved scope to report on the adequacy and effectiveness of Council's approach to Information Technology Disaster Recovery (ITDR) including:

- Adequacy and effectiveness of CWT's ITDR Plan;
- Alignment of ITDR with identified business risks and processes; and
- Integration of ITDR Plans with the overall business continuity and emergency response planning

Following completion of the Audit, a draft internal audit report (Report) was issued to the Executive and the relevant department 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 2019 (**Attachment 1**).

Internal Audit Findings

The auditor's found that the City of West Torrens' (CWT) approach to managing the risk associated with information technology disaster recovery was robust and compliant with legislation, policy and procedures.

Seven (7) Audit findings were made by the auditor of which two (2) attracted a moderate level of risk, and five (5) attracted a low level of risk. The Manager Information Services has agreed to these findings and made comments regarding the associated recommendations. All audit findings are within CWT's risk tolerance levels and are minor in nature and the cost of implementing the recommendations exceeds the benefits, therefore progress updates of each specific finding will not be reported to the Committee.

Conclusion

The Information Technology Disaster Recovery Internal Audit, undertaken by Council's contract auditor, has been completed. All Audit recommendations are within risk tolerance levels and the recommendations minor in nature.

Attachments

1. Information Technology Disaster Recovery Audit Report



City of West Torrens IT DR

Internal Audit Report

Audited By: Janna Burnham, Internal Audit Director Galpins
Jo Stewart-Rattray, Director of Information Security & IT Assurance BRM
Advisory
Anita Lau, Senior Internal Auditor Galpins

Draft Report Issued: 29 August 2019

Final Report Presented: 5 September 2019

Final Report Executive Management Approval: 17 September 2019

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1. EXECUTIVE SUMMARY

1.1 Background

The approved 2019-22 Internal Audit Program provides for an internal audit to review the City of West Torrens' (CWT) plan for information technology disaster recovery. CWT's business continuity and disaster recovery's core tenant is to quickly and seamlessly restore access to IT systems that is integral to the day to day operations.

Effective Information Technology Disaster Recovery (ITDR) ensures that the recovery of important IT systems occurs within expected timeframes to avoid disruption to important organisational services, as well as financial loss or reputational risks.

The ITDR Plan has been developed in accordance to the guidelines of *ISO/IEC 27031:2011 – Information technology – Security techniques – Guidelines for information and communication technology readiness for business continuity*.

The approved ITDR Plan (March 2019) identifies the minimum level of acceptable performance of the organisation and the IT infrastructure and resources that are required to achieve and sustain it. The plan underpins a number of strategic risks for the organisation and is strongly linked to business continuity, therefore it is important that the documentation cohesively responds/links to the associated risks and plans; whereby essential business processes (within the Business Continuity Plan) are captured within the IT services document (within the ITDR).

The audit further provides an opportunity to perform a health check on current processes and to identify, develop and implement improvement opportunities.

1.2 Objectives and Scope

The objectives of the audit were to evaluate and report on the adequacy and effectiveness of Council's approach ITDR, including;

- Effectiveness of the disaster recovery plan, and testing procedure;
- Identification of key IT systems and services supporting critical infrastructure; and
- Procedural awareness with the IT team in relation to ITDR.

In addition, the audit reviewed:

- Alignment of the ITDR with identified business risks and processes; and
- Integration of ITDR Plans with the overall business continuity and emergency response planning.

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

- Consideration of the plan, relevant policies and other related documentation in relation to ITDR, including:
 - IT Disaster Recovery Management Plan; and
 - Business Continuity Plan, Critical Functions.

- Assessment of the adequacy of the processes for recovering from a significant outage that has required invocation of the ITDR. This included:
 - Understanding of best practices; and
 - Review of disaster recovery guides for councils.

A list of documents reviewed, and staff interviewed is included in Appendix 1.

The scope excluded focus on the Council's emergency management and associated planning documentation.

1.3 Associated Risks

Potential risks associated with ITDR identified through IT risk assessment include, but are not limited to:

- Inability for City of West Torrens' IT infrastructure to withstand an interruption;
- Non-compliance or adherence to legislative, or governance requirements;
- Inadequate monitoring, follow up review and consultation of the Plan;
- Failure to incorporate essential business process requirements within the IT services document (and the ability to prioritise the IT service restoration);
- Failure to implement better practice; and
- Failure to capture the development/innovation opportunities resulting from exercising the ITDR Plan.

1.4 Examples of Good Practice

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

- ✓ The Information Technology (IT) team members, partially as a result of the length of their tenure, have a deep understanding of the information technology environment within the Council which supports the ITDR Plan.
- ✓ Strong team communication exists, which would be beneficial during any significant service disruption.
- ✓ System backup and recovery processes are robust. Backup system is set up and utilised with off-site replication and backup media storage.
- ✓ Disaster recovery facilities are offsite with a formal agreement in place with the City of Adelaide.
- ✓ Disaster recovery planning is effective for the *prevention* of potential disasters and minor interruptions are better addressed through the introduction of hyperconverged technology.
- ✓ The move to a hyperconverged platform ensures that IT systems can withstand *minor* interruptions to seamlessly restore access.

1.5 Key Findings and Recommendations

Overall, audit found that the CWT’s approach to managing the risk of disaster prevention to be robust and compliant with section 7(d) of the *Local Government Act 1999*. Strong controls are in place to manage failover and replication to the data centre located within the office at City of Adelaide. We have made a range of recommendations, however, and note that in some instances, although the impact of a potential event may be ‘catastrophic’, the rating of the recommendation is reduced due to a likelihood of ‘rare’.

A key area for improvement is the current reliance on the Civic Centre being available in case of emergency. Disaster recovery would currently be significantly delayed if this site was unavailable. Audit also identified a need to formally document some processes, to reduce the risk of what may occur as a result of a significant service interruption into the future. Currently, there is a reliance on the Information Systems teams’ significant intellectual property and tacit corporate knowledge that would be lost should these individuals leave CWT for any reason.

Such intellectual property and corporate knowledge should be harnessed and documented to ensure that this knowledge is not lost and that the processes can be repeated when necessary. For example, the detailed processes related to recovering systems and services should be documented so that they can be followed in case of a significant interruption.

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

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

Findings Summary Table

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

Finding and Recommendation/s - Risk Table	Extreme Risk	High Risk	Mod Risk	Low Risk	Better Practice
2.1 The ITDR Plan needs to include further guidance to assist with recovery after disaster			✓		
2.2 Contractual Arrangements with City of Adelaide				✓	
2.3 Lack of planning for loss of Civic Centre site			✓		
2.4 A need to clearly agree disaster recovery processes with third party IT				✓	
2.5 A need to identify and agree of Key IT Systems and Services				✓	
2.6 Testing of DR Capability				✓	
2.7 A need to clarify who will invoke use of the ITDR Plan				✓	

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

2. INTERNAL AUDIT FINDINGS AND RECOMMENDATIONS

Risk Rating – Moderate				Likelihood
Auditor	Descriptor	Consequence	Management Response	Target Date
<p>2.1 The ITDR Plan needs to include further guidance to assist with recovery after disaster</p> <p>Issues and Impact</p> <p>The ITDR Plan in its current form is effective in the <i>prevention</i> of a disaster but would not be fully effective in assisting to <i>restore</i> services if a disaster or significant interruption occurs. The plan represents a solid framework but can also include further details of key steps that would be required in the case of a disaster, where a full system recovery is necessary.</p> <p>The ITDR Plan positively lists a range of external application providers to contact in case of emergency. It was reported that these suppliers would be repeatedly contacted until assistance is provided. There is opportunity to clarify the priority of which providers should be contacted in the first instance. There is also opportunity to update the plan to include generic company contact details, in addition to the specific names and mobile numbers already listed.</p> <p>The current ITDR Plan does not reference any communication plan with Council overall. In case of a disaster this may slow</p>	<p>Auditor Galpins</p> <p>Manager Chris James</p> <p>Descriptor Organisational/Customer Impact</p> <p>Consequence Catastrophic</p> <p>Management Response Recommendations 1-3: Our HCI active environment treats the CoWT and ACC IT infrastructure as one cluster. Data and processing occurs on both sites at the same time. HCI has improved our DR to cater for the loss of the CoWT site ie. The data and systems are still functioning on the ACC IT infrastructure. IT systems can now withstand very significant disruptions and our DR exposure is significantly reduced. However, if we lost all of the IT in both our CoWT datacenter and our "cloud" datacenter at ACC, then we may take 1-2 months to recover. The IT BC & DR Plan will be updated to include the following sections after the pending update to provide remote access to our ACC IT infrastructure is completed, namely:</p>	<p>Likelihood Rare</p> <p>Consequence Catastrophic</p> <p>Management Response Recommendations 1-3: Our HCI active environment treats the CoWT and ACC IT infrastructure as one cluster. Data and processing occurs on both sites at the same time. HCI has improved our DR to cater for the loss of the CoWT site ie. The data and systems are still functioning on the ACC IT infrastructure. IT systems can now withstand very significant disruptions and our DR exposure is significantly reduced. However, if we lost all of the IT in both our CoWT datacenter and our "cloud" datacenter at ACC, then we may take 1-2 months to recover. The IT BC & DR Plan will be updated to include the following sections after the pending update to provide remote access to our ACC IT infrastructure is completed, namely:</p>	<p>Target Date March 2020</p>	
<p>Recommendation/s</p> <p>The below recommendations outline details for consideration, to be included in the ITDR Plan.</p> <p>Recommendation 1</p> <p>Update the ITDR Plan to document the required processes for system recovery, alternatively reference process documents that assist with re-establishing systems and services. This will help to ensure that anyone assisting with recovery can adequately understand what they should do to recover Council's IT capabilities.</p> <p>Recommendation 2</p> <p>Update the ITDR plan to include further detail on processes required to contact external suppliers, including, but not limited to, prioritisation of those suppliers to contact in order of importance. Documentation would assist with ensuring suppliers have a clear understanding on how to assist with the restoration of systems.</p>	<p>Management Response Recommendations 1-3: Our HCI active environment treats the CoWT and ACC IT infrastructure as one cluster. Data and processing occurs on both sites at the same time. HCI has improved our DR to cater for the loss of the CoWT site ie. The data and systems are still functioning on the ACC IT infrastructure. IT systems can now withstand very significant disruptions and our DR exposure is significantly reduced. However, if we lost all of the IT in both our CoWT datacenter and our "cloud" datacenter at ACC, then we may take 1-2 months to recover. The IT BC & DR Plan will be updated to include the following sections after the pending update to provide remote access to our ACC IT infrastructure is completed, namely:</p>	<p>Likelihood Rare</p> <p>Consequence Major</p>	<p>Target Date March 2020</p>	

<p>the overall effectiveness of a Council-wide approach to recovery.</p> <p>There is a risk that lack of some granular details in the ITDR may mean that Council is delayed in adequately recovering from a disaster. The IT team reported an estimate of up to 8 weeks to recover systems after a significant disaster.</p>	<p>Recommendation 3</p> <p>Determine the process required to create an appropriate communications plan for IT and operations in case of a significant service interruption. The process may link to relevant processes such as the <i>CWT Emergency Management Operational Plan 2019</i>.</p>	<ul style="list-style-type: none"> • Use cases for re-establishing Systems and Services, including addressing who does what • Engaging External Suppliers, including supplier importance in the different use cases • Communications Plan, including consideration of the <i>CWT Emergency Management Operational Plan</i>. <p>The datacenter use cases are to include:</p> <ul style="list-style-type: none"> • loss of Civic and not ACC • loss of ACC and not CoWT • loss of Civic & ACC • loss of the Network Administrators.
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Risk Rating - Low		Descriptor	Consequence	Likelihood
Auditor	Organisational/Customer Impact	Organisational/Customer Impact	Moderate	Rare
Manager	Organisational/Customer Impact	Organisational/Customer Impact	Moderate	Rare
Recommendation/s	Management Response	Target Date		
<p>2.2 Contractual Arrangements with City of Adelaide</p> <p>Issues and Impact</p> <p>The <i>Rack Space Hire and Optic Fibre Connectivity Agreement</i> ('the Agreement') dated 25 May 2015 is in place for the hire of rack space and provision of optic fibre connectivity between City of West Torrens and the City of Adelaide.</p> <p>The <i>ISO/IEC 27031:2011</i> guidelines recommend that where possible, recovery systems and critical data should be physically separated from the operational site (section 7.2.2), which is the current practice within CWT. It further recommends for a 'warm site' for recovery (section 7.2.3 (b)), meaning an alternative work location to be used in case of emergency. The Agreement does not allow specifically for the use of the Pirie Street Data Centre as a 'warm site' for disaster recovery. There is a verbal offer from the City of Adelaide to facilitate IT staff only, for if and when a disaster occurs.</p> <p>Section 9 of the Agreement provides for access provisions relating to a CWT disaster recovery event, and clauses 13.2</p>	<p>Recommendation 4</p> <p>Formally agree a 'warm site' arrangement for a physical location base for Council's IT team should with the City of Adelaide in the <i>Rack Hire and Optic Fibre Connectivity Agreement</i>, we note the agreement is due for renewal and discussions are currently underway.</p> <p>We acknowledge the importance of the established relationships between the Councils and the recommendation is intended to compliment the relationship by formally establishing verbal agreements.</p> <p>Recommendation 5</p> <p>The <i>Rack Hire and Optic Fibre Connectivity Agreement</i> should be reviewed in its entirety in order to ensure that it is fit for purpose and that the following concerns are addressed:</p> <ul style="list-style-type: none"> • Clear provision for notification and communications plan between CWT and City of Adelaide, in the case of an 	<p>Our HCI active/active environment treats the CoWT and ACC IT infrastructure as one cluster. Data and processing occurs on both sites at the same time. Both sites are more "hot" than "warm".</p> <p>HCI has improved our DR to cater for the loss of the CoWT site ie. The data and systems are still functioning on the ACC IT infrastructure. IT systems can now withstand very significant disruptions and our DR exposure is significantly reduced.</p> <p>However, if we lost all of the IT in both our CoWT datacenter and our "cloud" datacenter at ACC, then we may take 1-2 months to recover.</p> <p>After the pending update to provide remote access to our ACC IT infrastructure is completed we will be able to re-assess where best to locate our IT staff in a disaster. It may be prudent to have a facility that accommodates IT in line with the CoWT Emergency Management initiative.</p>	<p>Rare</p>	<p>Rare</p>

<p>and 13.3 are provisions for if an emergency event occurs at the City of Adelaide Data Centre. Under these clauses, if relocation is required, the City of Adelaide will endeavor to give 30 days' notice. There is a need to include clauses within the Agreement that require for CWT's facilities to also be relocated if this occurs.</p> <p>The Agreement also outlines that the City of Adelaide may make emergency modifications and notice is not required to be provided to CWT. CWT should consider the addition of a notification clause within the Agreement which will allow CWT to use alternative arrangements when required.</p>	<p>emergency at the City of Adelaide Data Centre.</p> <ul style="list-style-type: none"> Business continuity considerations where a relocation to the City of Adelaide Data Centre is required. 	<p><i>Recommendation 4:</i> The Rack Hire and Optic Fibre Agreement is due for renewal before the 30th June 2020. Agreement to continue the arrangement for a further five years was obtained verbally in August, discussion of additional changes and pursuit of a revised written Agreement is in progress.</p> <p><i>Recommendation 5:</i> A review of provisions for notification and communications with CoWT in the event of an ACC disaster will be discussed and clarified during the next review of the Plan.</p>	<p>December 2019</p> <p>March 2020</p>
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Risk Rating - Moderate		Likelihood		
		Consequence	Likelihood	
Auditor		Organisational/Customer Impact	Catastrophic	Rare
Manager		Organisational/Customer Impact	Major	Rare
Issues and Impact		Recommendation/s	Management Response	Target Date
<p>2.3 Lack of planning for loss of Civic Centre site</p> <p>Council's disaster recovery planning is heavily reliant upon the availability of the 'hyperconverged platform'¹ to automatically failover² to the City of Adelaide Data Centre.</p> <p>In case of emergency, Council's arrangements currently require Council's Civic Centre site to be available. Council's systems cannot be accessed via a remote connection, it relies on direct connection to the CWT server or through the established optic-fibre connection from the Civic Centre to the City of Adelaide. We note this will remain the case until work is completed during the 2019/2020 budget year to allow access to CWT systems via a remote internet connection in the event of loss of the Civic Centre site.</p> <p>Given that the Civic Centre site is currently of pivotal importance to allow for failover to the City of Adelaide Data Centre, this represents a potential point of failure until the additional work can be completed to allow for access to CWT's system via a remote connection. Audit</p>		<p>Recommendation 6</p> <p>Redundancy is of paramount importance to disaster recovery. Therefore, it is recommended that the work required to allow connectivity to CWT systems via an internet connection be completed as a matter of priority.</p> <p>Recommendation 7</p> <p>Should the work required to allow connectivity to CWT systems via a remote connection be deprioritised, the reconfiguration steps required should be documented to allow for effective restorative of services.</p> <p>Recommendation 8</p> <p>To further ensure availability in event of a disaster, keep a current hard copy of the ITDR Plan at the Adelaide Data Centre site.</p>	<p>Recommendations 6:</p> <p>This work is budgeted and scheduled for delivery in 2019/2020.</p> <p>Recommendation 7:</p> <p>The next version of the Plan will address this recommendation.</p> <p>Recommendation 8:</p> <p>We already store hardcopies offsite but will put a copy in the rack at ACC.</p>	<p>March 2020</p> <p>March 2020</p> <p>March 2020</p>

¹ An active/active infrastructure where the service of the network is split over two locations working simultaneously. Where a minor interruption occurs at one location, the other location would increase to full capacity to service the entire infrastructure as a failover.

² 'Failover' is a technological term which means switching to a redundant or standby computer server, system, hardware component or network upon the failure or abnormal termination of the previously active application, server, system, hardware component, or network.

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<p>further notes that if the Civic Centre site is lost and recovery operations have to move to the City of Adelaide Data Centre, recovery will not commence for between 1 - 2 days to allow for configuration changes.</p> <p>Additionally, currently the ITDR Plan itself is in both hard and soft copy. The soft copy resides on local systems as well as the cloud (Objective Connect) and the hard copy can be found in the office of the Manager, Information Services as well as at his home. There is also opportunity to store the plan at the Adelaide Data Centre.</p> <p>There is a risk of significant and avoidable interruption or loss of the business systems should the Civic Centre become unavailable.</p>			
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Risk Rating - Low				Likelihood
Auditor	Descriptor	Consequence	Likelihood	
Galpins	Organisational/Customer Impact	Moderate	Rare	
Manager	Organisational/Customer Impact	Management Response	Target Date	
Chris James			Rare	
<p>2.4 A need to clearly agree disaster recovery processes with third party IT suppliers</p> <p>Issues and Impact</p> <p>Section 3.2 of the ITDR Plan outlines the contact details of suppliers, however, we understand there are not currently any clear arrangements with external suppliers – for them to assist in a disaster recovery event.</p> <p>The reported approach would be to keep calling suppliers until one was reached that would agree to assisting with the recovery process.</p> <p>Reliance is placed upon the use of ‘standardised systems’, which would allow vendor to recover them in case of a disaster without further granular documentation.</p> <p>There is a risk, where no clear arrangements and service level agreements are in place with external suppliers, that the time required to restore systems would be increased.</p>	<p>Recommendation/s</p> <p>Refer to <i>Recommendation 1</i></p> <p><i>Recommendation 9</i></p> <p>Establish/clarify formal agreements with external suppliers, particularly priority suppliers, to ensure that a clear process is in place for assistance in an event requiring disaster recovery. Clear service level agreement clauses should be agreed upon and added to the ITDR Plan to assist with efficiency when the plan is invoked.</p>	<p>Management Response</p> <p>Recommendation 9:</p> <p>We have SLAs in place with our key suppliers including 24x7x4 "Mission Critical" support with Dell EMC.</p> <p>The IT BC & DR Plan will be updated to include the following sections after the pending update to provide remote access to our ACC IT infrastructure is completed, namely:</p> <ul style="list-style-type: none"> • Use cases for re-establishing Systems and Services • Engaging External Suppliers • Communications Plan. 	<p>March 2020</p>	

Risk Rating - Low				Likelihood
Auditor	Descriptor	Consequence	Rare	
Galpins	Organisational/Customer Impact	Moderate		
Manager	Organisational/Customer Impact	Management Response	Target Date	
Chris James			Rare	
<p>2.5 A need to identify and agree of Key IT Systems and Services for recovery purposes</p> <p>Issues and Impact</p> <p>Section 3.2 of the ITDR Plan notes Council's core applications and section 9 outlines the criticality of each business system however, the plan does not reference the prioritisation of applications for recovery in line with business criticality.</p> <p>Further, audit note that the applications identified in the ITDR Plan differ from those identified in the Cyber Q and A document³ which was prepared two months after the ITDR Plan.</p> <p>The effectiveness of the ITDR plan could be improved by clearly prioritising Council's core applications for recovery. Prioritisation would allow for a more seamless recovery of applications in an event of a major disruption (ie worst case scenario) which requires full application restoration.</p> <p>Many of the systems shown in section 9 of the Plan have short acceptable outage windows. We understand that</p>	<p>Recommendation 10</p> <p>Prioritise core applications for disaster recovery purposes. Section 6.5 of ISO/IEC 270031:2011, recommends consultation and sign off with the business to ensure that assumptions made by the IT Team are validated.</p> <p>Recommendation 11</p> <p>Implement document control, as recommended in section 7.6.2 of ISO/IEC 270031:2011, to ensure only 'one version of the truth' is in place in relation to identified core applications.</p>	<p>Recommendation 10:</p> <p>Criticality has been renamed Business Priority and is based on the current management input.</p> <p>The management team will be engaged when the IT BC & DR Plan is reviewed and updated after the pending update to provide remote access to our ACC IT infrastructure is completed.</p> <p>Recommendation 11:</p> <p>The version control has been added on the front cover and only a few copies are circulated. The document is updated in our Objective ECM application where a comprehensive audit history is automatically recorded.</p> <p>No further action required.</p>	<p>March 2020</p> <p>Complete</p>	

³ This document was prepared as part of understanding applications susceptible to a cyber-attack.

<p>these systems would be compromised given the 1-2 day reconfiguration timeframe required if systems were to be recovered from the City of Adelaide Data Centre (refer to <i>Recommendation 6</i> and <i>Recommendation 7</i>).</p> <p>There is a risk that applications of high importance may not be restored as a first priority in a disaster without clear prioritisation.</p>			
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Risk Rating - Low				Likelihood
Auditor	Descriptor	Consequence	Likelihood	
Galpins	Organisational/Customer Impact	Insignificant	Unlikely	
Manager	Organisational/Customer Impact	Management Response	Target Date	
Chris James			Unlikely	
Recommendation/s				
<p>2.6 Testing of DR Capability</p> <p>Issues and Impact</p> <p>Testing of the hyperconverged platform product was undertaken prior to implementation in 2018. Testing in relation to the potential need to recover from a significant service interruption particularly where sites are lost did not form part of the testing plan.</p> <p>It was reported that no testing regarding recovery of applications has been completed since implementation of the hyper-converged infrastructure, as this involves some business disruption that has not been warranted. Audit notes, however, the testing of the failure of the witness⁴ site has been conducted with no reported impact on application availability.</p> <p>On the completion of the work to ensure that CWT applications and services can be accessed remotely where the CWT Civic Centre site is unavailable, full testing on the recovery of applications should be</p>	<p><i>Recommendation 12</i></p> <p>When configuration to allow for remote access to CWT's systems have been completed, a full recovery scenario testing plan should be created and undertaken to ensure the effectiveness of the ITDR Plan in the event of a significant interruption.</p> <p><i>Recommendation 13</i></p> <p>Perform periodic testing of disaster recovery arrangements/plans for scenarios that include the loss of one or more sites. This would be conducted after overall testing to complement ongoing better practice.</p>	<p>HCI has improved our DR to cater for the loss of the CoWT site ie. The data and systems are still functioning on the ACC IT infrastructure. IT systems can now withstand very significant disruptions and our DR exposure is significantly reduced.</p> <p>However, if we lost all of the IT in both our CoWT datacenter and our "cloud" datacenter at ACC, then we may take 1-2 months to recover.</p> <p>After the pending update to provide remote access to our ACC IT infrastructure is completed we will be reviewing and re-assessing the IT BC & DR Plan.</p> <p><i>Recommendation 12:</i></p> <p>A test plan that addresses different use cases will be developed and arrangements tested where practical after the IT BC & DR Plan is revised.</p>	<p>August 2020</p>	

⁴ The witness is the system that forms the quorum between the two locations of the hyper-converged infrastructure and is located at the CWT's depot. The witness' role is to validate the data coming from both sites.

<p>undertaken. This will help to ensure that recovery can occur as intended, and to identify lessons learned for use in case of a real disaster.</p> <p>There is a risk that disaster recovery may not occur as efficiently as possible if arrangements are not periodically tested.</p>		<p>Recommendation 13: The HCI active/active cluster provides monitoring and management of the cluster and is effectively self-testing the availability and recovery of IT in when less than two environments are lost. The test plan for the loss of both CoWT and ACC environments will be tested annually.</p>	<p>August 2020</p>
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Risk Rating - Low				Likelihood
Auditor	Descriptor	Consequence		Rare
Galpins	Organisational/Customer Impact	Moderate		
Manager	Organisational/Customer Impact	Moderate	Management Response	Target Date
Chris James				
<p>2.7 A need to clarify who will invoke use of the ITDR Plan</p> <p>Issues and Impact</p> <p>The ITDR Plan illustrates the roles/responsibilities of staff within the IT team in the case of a disaster, however it does not state who will give approval to invoke the Plan.</p> <p>Further, there is opportunity to clarify how ITDR Plan fits within the overall disaster recovery framework of Council.</p> <p>Without clear responsibility for who will invoke the ITDR Plan, there is a risk that there is delay in invoking the plan and commencing disaster recovery.</p>	<p>Refer to <i>Recommendation 3</i>.</p> <p><i>Recommendation 14</i></p> <p>Authority to invoke the ITDR Plan should be formalised in the documentation to ensure that appropriate approvals are sought and obtained prior to commencing the processes required to recover applications and services.</p>	<p><i>Recommendation 14</i></p> <p>The IT BC & DR Plan has been updated to identify the authority to invoke the plan.</p>	<p>Complete</p>	

Appendix 1: Documents reviewed and interviews conducted

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

- CWT Information Services Risk Summary (February 2019)
- CWT Strategic Risk Review 2018 -2019 Mid Year Review (Undated)
- CWT Operational Risk Review 2019-2019 Report (May 2019)
- CWT and City of Adelaide Rack Space Hire and Optic Fibre Agreement (May 2015)
- CWT IT Disaster Recovery Plan (March 2019)
- CWT Business Continuity Plan (Critical Functions section only) (Draft July 2019)
- Dell/CWT VxRail with Stretch Cluster Configuration Test Plan (October 2018)
- CWT Cybersecurity Q and A (July 2019)
- CWT Emergency Management Operational Plan (June 2019)
- CWT Emergency Framework 2019
- Information Technology and Its Use Administration Policy
- Remote Access and Network Security Administration Policy
- ISO/IEC 27031:2011 Information technology – Security techniques – Guidelines for Information and communication technology readiness for business continuity
- Disaster Recovery Guide for Councils
- Local Government Association of South Australia i-Responda framework (October 2014)
- Australian Disaster Resilience Handbook Collection – Handbook 2

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

- Manager Information Services: Chris James
- Network Administrator: Jason Bury
- Senior Network Administrator: Jesse Iannone

Appendix 2: CWT Risk Analysis Matrix – Level of Risk

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	L	L	L	L	M	M	H	E	E
E	E	H	M	M		L	L	L	L	L	M	M	H	E	E
H	H	M	M	M		L	L	L	L	L	M	M	H	E	E
H	M	M	L	L		L	L	L	L	L	M	M	H	E	E
M	M	L	L	L		L	L	L	L	L	M	M	H	E	E
Catastrophic	Major	Moderate	Minor	Insignificant	Scale	Insignificant	Minor	Moderate	Major	Outstanding	Insignificant	Minor	Moderate	Major	Outstanding

Appendix 3: Consequences of 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 services 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>
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, 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> <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>

9.4 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 2019.

RECOMMENDATION

It is recommended to the Committee that the 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 6 key sections:

1. Executive Summary
2. Areas of Audit Focus
3. Summary of misstatements
4. Internal control
5. Other reporting requirements
6. Appendices
 1. Proposed audit report
 2. Independence declaration
 3. 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 2019**



CITY OF WEST TORRENS

Annual completion report

YEAR ENDED 30 JUNE 2019





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Dear Audit Committee Members

We are pleased to present this report to the Audit Committee of City of West Torrens in relation to the 30 June 2019 annual audit.

As at the date of this report, we have substantially completed our audit and subject to the satisfactory resolution of the matters detailed in the executive summary, we expect to issue an unmodified audit report. We have set out in this document the significant matters arising from our audit. This summary covers those matters we believe to be material in the context of our work.

We look forward to the Audit Committee meeting on 8 October 2019 where we will have the opportunity to discuss this report.

Should you require clarification on any matter in this report before this date, please do not hesitate to contact me on +61 8 7324 6082

We would like to take this opportunity to extend our appreciation to management for their assistance and cooperation throughout the course of our audit.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Andrew Tickle'.

Andrew Tickle
Engagement Partner

Adelaide, 1 October 2019



EXECUTIVE SUMMARY

PURPOSE

The purpose of this report is to communicate significant matters arising from our audit to the Audit Committee. This report has been discussed with management.

SCOPE

Our audit was conducted in accordance with Australian Auditing Standards, the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 for the year ended 30 June 2019.

STATUS OF THE AUDIT

Our audit of the financial report is substantially complete. We expect to issue an unmodified audit report, subject to satisfactory completion of the following:

- ▶ Review of events subsequent to 30 June 2019
- ▶ Receipt of written management representation on various matters
- ▶ Receipt of formally adopted financial statements and agreement of these to the drafts provided to us to date

A draft of the proposed audit report is included at Appendix 1.

SUMMARY OF MISSTATEMENTS

We have not identified any misstatements during our audit.\

AREAS OF AUDIT FOCUS

Our audit procedures focused on areas that were considered to represent significant risks of material misstatement. These are outlined below:

- ▶ Revaluation, depreciation, useful lives and residual values of infrastructure, land and buildings
- ▶ Accounting treatment for items captured within Capital Work In Progress
- ▶ Accounting treatment for grant funding
- ▶ Management override of internal controls
- ▶ Accounting treatment and disclosure of amounts relating to the Council's interest in Brownhill Keswick Creek Stormwater Board

Refer to the next section of this report for further details on the significant risk areas and other areas focused on during the audit.

IT GENERAL CONTROL REVIEW

During the course of the audit, we utilised our internal IT Specialists to perform a review of the IT general control environment and relevant controls for our audit. Our review did not identify any significant issues or practices that pose additional risks to the audit.



AREAS OF AUDIT FOCUS

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. Our audit procedures focused on areas that were considered to represent risks of material misstatement.

We set out below the areas that were considered significant risks of material misstatement along with an outline of the work performed and a summary of findings.

REVALUATION, DEPRECIATION, USEFUL LIVES AND RESIDUAL VALUES OF INFRASTRUCTURE, LAND AND BUILDINGS		
Description	Audit work performed	Summary of findings
<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 in appropriate valuation methodologies, or incorrect underlying assumptions.</p>	<p>Council's assets have been revalued by Council's employees in conjunction with independent valuers. We have evaluated the competence, capability and objectivity of the independent valuers, obtained an understanding of their work, and evaluated its appropriateness.</p>	<p>We noted that the revaluation has resulted in a net increase in value of Council's assets by approximately \$66.2 mil, of which \$13.4 mil related to infrastructure assets and \$52.8mil related to land and buildings. The main reasons for the uplift are market appreciation for land and buildings and a positive reassessment of the conditions of the infrastructure assets by the independent valuers, compared to their depreciated position in the asset record.</p> <p>On the basis of the audit work performed, we are satisfied that the financial statements are presented fairly in relation to the revaluation of infrastructure assets, land & building.</p>



AREAS OF AUDIT FOCUS CONTINUED

ACCOUNTING TREATMENT AND DISCLOSURES OF AMOUNTS RELATING TO COUNCIL'S INTEREST BROWNHILL KESWICK CREEK STORMWATER BOARD

Description	Audit work performed	Summary of findings
<p>There is a potential risk in relation to the accounting treatment and disclosure of amounts relating to Council's interest in Brownhill Keswick Creek Stormwater Board, including any changes occurring during the year, may not be in accordance with Australian Accounting Standards.</p>	<p>We obtained the statutory financial statements for Brownhill Keswick Creek Stormwater Board for the year ended 30 June 2019 and City of West Torrens' calculation of their proportional interest, and compared this to the amounts and disclosures in the draft financial statements.</p>	<p>The arrangements for Brownhill Keswick Creek Stormwater Board are unique in the context of statutory authorities. The City of West Torrens is responsible for 49% of capital contributions and 20% of operating contributions.</p> <p>Capital contributions are treated as an investment in the authority with the amount capitalised on balance sheet. Operating contributions are expensed with a share of the profit or loss of the authority taken up in the books of the Council.</p> <p>We note a variance between capital contributions paid by Council compared to the amounts recorded by Brownhill Keswick Creek Stormwater Board. This is due to the required capital contribution for the first half of the 2020 financial year being invoiced by the authority on 30 June 2019. The City of West Torrens has not recorded this invoice in the 2019 financial year and we agree that this treatment does not materially misstate the financial statements of Council.</p>



AREAS OF AUDIT FOCUS CONTINUED

ACCOUNTING TREATMENT FOR ITEMS CAPTURED WITHIN CAPITAL WORK IN PROGRESS		
Description	Audit work performed	Summary of findings
<p>There is a risk that the accounting treatment of items captured within capital WIP may not be in accordance with Australian Accounting Standards.</p>	<p>We obtained the WIP schedule and reviewed in detail a sample of projects outstanding as at the end of the year to ensure they are likely to generate assets.</p> <p>We performed sample testing of assets transferred out of capital WIP to ensure that the categorisation and value allocated to assets are appropriate.</p>	<p>No exceptions were noted in relation to the accounting treatment of capital works in progress.</p>
ACCOUNTING TREATMENT FOR GRANT FUNDING		
Description	Audit work performed	Summary of findings
<p>There is a risk of error in the calculation of grant income recognised and deferred at year end by reference to grant agreements and Australian Accounting Standards.</p>	<p>We reviewed grant revenue recognition for consistency with Council's accounting policies and Australian Accounting Standards.</p> <p>We obtained a schedule of grant income recognised and deferred at year end. We selected a sample of grants and obtained the agreements to review in detail and ensure that they have been recognised in accordance with applicable accounting standards.</p>	<p>Note 1.3 draws attention to an amount of \$550,931 unutilised Financial Assistance Grants for the year ending 30 June 2019, received in advance during the year ended 30 June 2019. No exceptions were noted in this regard.</p>



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



UNCORRECTED MISSTATEMENTS

There are no uncorrected misstatements 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 \$58,000. Matters which are clearly trivial are regarded as clearly inconsequential when taken individually or in aggregate.

CORRECTED MISSTATEMENTS

No misstatements were identified during the course of our audit which have been corrected.



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.

INTERNAL CONTROL RISK ASSESSMENT

We have completed the testing of internal controls for the purpose of providing an audit opinion on Council's internal controls. Specifically that controls exercised by the Council in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are sufficient to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law.

Our assessment of internal controls is based on the criteria in the Better Practice Model - Financial Internal Control for South Australian Councils as issued by the Local Government Association of South Australia.

The Better Practice Model emphasises a risk based approach to internal financial controls. It states that a Council should design and implement internal financial controls activities and monitoring systems that prioritise extreme and high financial risk as identified by the Council's risk tolerance framework.

We have been advised by the management that no risk assessment is performed for this financial year. Instead, self-assessment is performed over all 'core controls' that are suggested per Better Practice Model.

For the purpose of our internal control audit opinion, we have performed our own risk assessment to identify the key financial risks facing the Council, determine the inherent risk level and evaluate core controls activities to address this risk. Based on this work, we have not noted any material exceptions that would lead to a qualification to the audit report on internal controls.



OTHER REPORTING REQUIREMENTS

INDEPENDENCE AND ETHICS

In conducting our audit, we have complied with the independence requirements of the *Local Government Act 1999*, the *Local Government (Financial Management) Regulations 2011* made under that Act and 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. The *Local Government Act 1999* requires the lead auditor to make a declaration to the directors regarding independence. We are in a position to make this declaration, a draft of which has been included at [Appendix 2](#).

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.

¹¹ City of West Torrens Annual completion report



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 2019, 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 2019 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.

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

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the annual reports of the Eastern Health Authority Inc; Eastern Waste Management Authority Inc; Highbury Landfill Authority; and ERA Water Inc for the year ended 30 June 2019.

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

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

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

12. City of West Torrens Annual completion report



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/ar4.pdf.

This description forms part of our auditor's report.

BDO Audit (SA) Pty Ltd

Andrew Tickle
Director

Adelaide, XX October 2019



APPENDIX 1 PROPOSED AUDIT REPORT CONTINUED

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

Opinion

We have undertaken a reasonable assurance engagement on the design and the operating effectiveness of controls established by the City of West Torrens ('the 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 2018 to 30 June 2019 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 2018 to 30 June 2019.

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 responsibilities for the internal controls

The Council is responsible for:

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

Our independence and quality control

We have complied with the 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.



APPENDIX 1 PROPOSED AUDIT REPORT CONTINUED

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.

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, XX October 2019



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 the City of West Torrens for the year ended 30 June 2019, I have maintained my independence in accordance with the requirements of APES 110 - Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

Andrew Tickle
Director

BDO Audit (SA) Pty Ltd
Adelaide, XX October 2019

APPENDIX 3 NEW DEVELOPMENTS

We wish to bring to your attention some upcoming changes in financial reporting which may cause significant changes to your future reported financial position and performance. We have provided an overview of the major changes below and would be happy to discuss the impact on your business and assist with transition where applicable.

AASB 16

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

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

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

Exceptions

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

Main implications

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

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



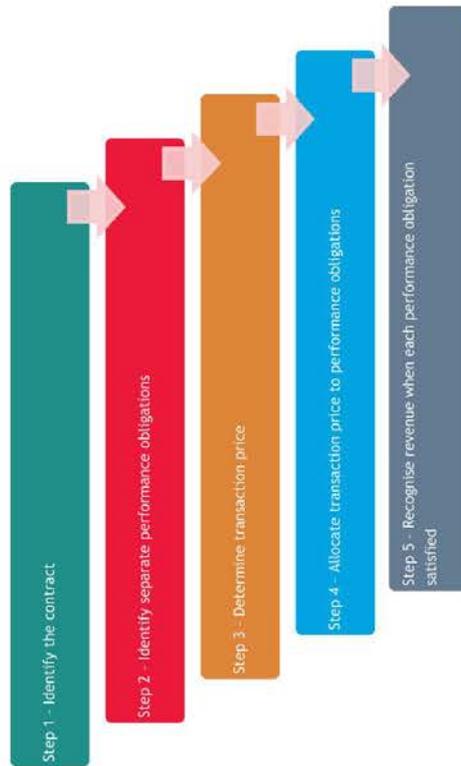
APPENDIX 3 NEW DEVELOPMENTS CONTINUED

AASB 15

The new revenue recognition standard, AASB 15 *Revenue from Contracts with Customers* is a result of a joint project of the International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB). It is effective for annual periods beginning on or after 1 January 2018, but application has been deferred by one year for not-for-profit entities. This new revenue standard will therefore apply for the first time to your 30 June 2020 year end and supersedes all existing revenue-related Accounting Standards and Interpretations.

REQUIREMENTS

The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under AASB 118 *Revenue*. Included in AASB 15 is a new 'Five Step Model' for recognising revenue. An overview is included:





APPENDIX 3 NEW DEVELOPMENTS CONTINUED

AASB 15 (CONTINUED)

The new revenue recognition standard, AASB 15 *Revenue from Contracts with Customers* is a result of a joint project of the International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB). It is effective for annual periods beginning on or after 1 January 2018, but application has been deferred by one year for not-for-profit entities. Early adoption is permitted.

Some of the key practical implications may result in:

- ▶ Unbundling of sales incentives from original sale;
- ▶ Mobilisation fees not being recognised as revenue;
- ▶ Changes to recognition of licence revenue;
- ▶ Financing taken into account when payments made in advance; and
- ▶ More in-depth analysis of new sales contracts / modification of sales contracts.

It is further anticipated there may be flow-on effects to other commercial areas such as, but not limited to:

- ▶ Bonuses based on profits;
- ▶ Deferred consideration based on profit/revenue; and
- ▶ Banking covenants.

While certain industries such as property, technology and licensors may be more affected than others, we urge you to start familiarising yourself with the detailed requirements of AASB 15 so that you can make necessary changes to long-term contracts and accounting systems prior to the effective date of the standard.

Due to the significance of the change to revenue recognition under AASB 15, BDO has released several short webcasts on each of the five steps in the 'Five Step Model'. Please refer to the links below for more information.

- ▶ Step 1: Identify the contract - [Watch web cast](#)
- ▶ Step 2: Identify separate performance obligations - [Watch web cast](#)
- ▶ Step 3: Determine transaction price - [Watch web cast](#)
- ▶ Step 4: Allocate transaction price to performance obligations - [Watch web cast](#)
- ▶ Step 5: Recognise revenue when each performance obligation satisfied - [Watch web cast](#)



APPENDIX 3 NEW DEVELOPMENTS CONTINUED

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.

REQUIREMENTS

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.
- ▶ 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.



APPENDIX 3 NEW DEVELOPMENTS CONTINUED

AASB 1058 (CONTINUED)

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.

Please contact Andrew Tickle to discuss any specific implementation issues.

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

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9.4.2 Annual Financial Statements - Year Ending 30 June 2019

Brief

This report proposes that the Audit General Committee review the annual financial statements of the Council for the year ended 30 June 2019 to ensure that they present fairly the state of affairs of the Council.

RECOMMENDATION

It is recommended to the 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 General 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 2019 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 General 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 John Woodward (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 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 Chelsea Aplin 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 5 November 2019 is then intended.

Discussion

Net Operating Surplus

The year to 30 June 2019 ended with Council showing a favourable net operating surplus before capital and other items of \$8,073 million as shown below:

	2019	2018
	\$'000	\$'000
Income	66,870	65,450
Less Expenditure	59,399	56,234
Operating Result	7,471	9,216
Add: Net Gain/(Loss) on Disposal	(759)	11
Amounts Received for New/		
Upgraded Assets	1,107	1,247
Physical Resources Donated	254	0
	8,073	10,474

Council's operating surplus ratio has fallen from 14 per cent to 11 per cent, ratios for the last five years being:

Financial Year	Operating Surplus Ratio
2014/15	10%
2015/16	6%
2016/17	17%
2017/18	14%
2018/19	11%

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 renewal funding 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 renewal funding ratio greater than 90 per cent but less than 110 per cent. This was substantially achieved in the five financial years to 2018/19, as shown in note 15 of the accounts, although 2017/18 was impacted by the one-off purchase of the new depot.

Financial Year	Asset Sustainability Ratio
2014/15	111%
2015/16	104%
2016/17	105%
2017/18	152%
2018/19	112%

Liquidity

Council's liquidity position remains strong, with the balance sheet and cash flow statements showing \$4.2m in cash and cash equivalents at year end (\$17.7m as at 30/06/2018). A catch-up of the expenditure slippage level of the Council largely contributed to this cash flow movement.

Other Matters

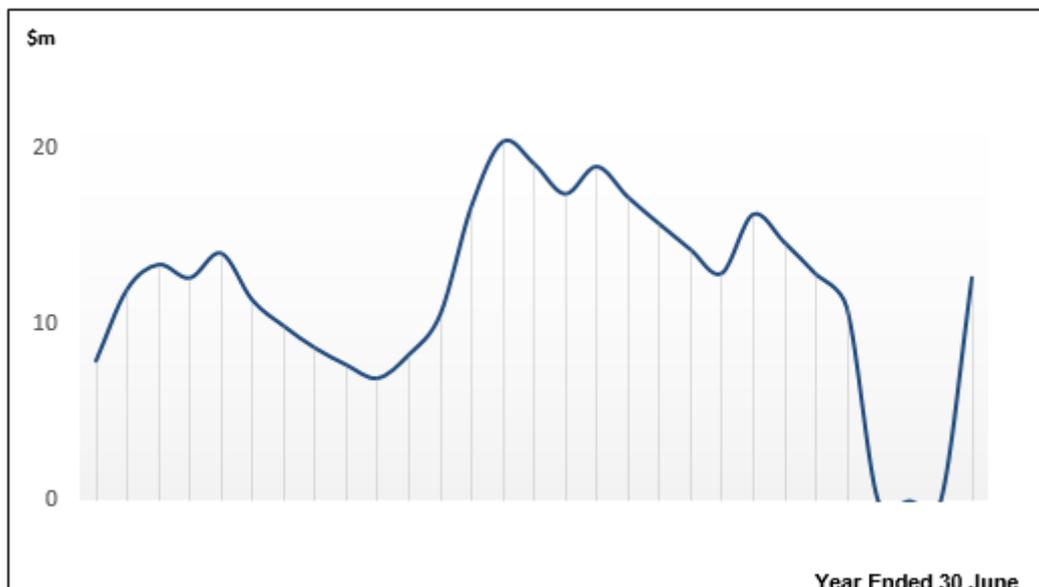
Other items of note include:

- 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 \$8.471 million to \$13,427 million, largely due to increased long term significant capital and capital works projects; including the redevelopment of Weigall, Apex/Lockleys Ovals, and the Torrensville Bowling Club, with these projects accounting for \$7.34 million alone.
- Land and building assets were revalued as at 30 June 2019, as highlighted in the Audit Completion report of BDO (refer separate agenda report).
- Depreciation expense increased by \$0.051 million or 0.4 per cent to \$12.566 million (refer note 3).
- Mendelson Foundation wealth increased by \$122,994 to \$1.577 million during the course of the year, a portfolio increase of 8.6 per cent (8.1 per cent in 2017/18).

- Unspent funds carried forward have fallen from \$36.916 million to gross \$18.688 million, an amount that is heavily committed. Community hubs / ovals funding accounts for \$7,092,836 or 38.0 per cent of the carryover amount, with seven road reconstructions accounting for a further \$1,201,315 or 6.4 per cent of the amount (net of overheads). Carried forward funds since the year ended 30 June 2010 have been as follows:

Year Ended 30 June	Amount \$'000
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
2019	18,688

- 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 2019.
- Full cost attribution is reflected at note 12.
- Earlier in 2019 Council resumed borrowings with a loan for \$12.66 million taken to fund major capital works. It is expected that further loans, perhaps totalling around \$20 million, will be required in the coming year as major capital projects are completed. Council's indebtedness since 1991 is as follows:



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

Conclusion

This report proposes that the Audit General Committee review the annual financial statements of the Council for the year ended 30 June 2019 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 5 November 2019.

Attachments**1. Draft Financial Statements**

City of West Torrens

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2019



City of West Torrens

General Purpose Financial Statements for the year ended 30 June 2019

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City of West Torrens

General Purpose Financial Statements for the year ended 30 June 2019

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 2019 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 PSM
CHIEF EXECUTIVE OFFICER

Michael Coxon
MAYOR

Date:

City of West Torrens

General Purpose Financial Statements for the year ended 30 June 2019

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 2019.

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 2019

\$ '000	Notes	2019	2018
Income			
Rates Revenues	2a	57,858	55,466
Statutory Charges	2b	2,399	2,272
User Charges	2c	1,415	1,277
Grants, Subsidies and Contributions	2g	3,966	5,131
Investment Income	2d	493	629
Reimbursements	2e	340	320
Other Income	2f	356	355
Net Gain - Equity Accounted Council Businesses	19	43	-
Total Income		66,870	65,450
Expenses			
Employee Costs	3a	22,054	21,482
Materials, Contracts & Other Expenses	3b	24,678	22,237
Depreciation, Amortisation & Impairment	3c	12,566	12,515
Finance Costs	3d	101	-
Total Expenses		59,399	56,234
Operating Surplus / (Deficit)		7,471	9,216
Asset Disposal & Fair Value Adjustments	4	(759)	11
Amounts Received Specifically for New or Upgraded Assets	2g	1,107	1,247
Physical Resources Received Free of Charge	2i	254	-
Net Surplus / (Deficit) ¹		8,073	10,474
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	46,222	8,709
Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	9a	(174)	-
Total Other Comprehensive Income		46,048	8,709
Total Comprehensive Income		54,121	19,183

¹ Transferred to Statement of Changes in Equity

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

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City of West Torrens

Statement of Financial Position

as at 30 June 2019

\$ '000	Notes	2019	2018
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	4,203	17,718
Trade & Other Receivables	5b	3,761	2,107
Other Financial Assets	5c	1,414	1,240
Inventories	5d	31	25
Total Current Assets		9,409	21,090
Non-Current Assets			
Financial Assets	6a	147	-
Equity Accounted Investments in Council Businesses	6b	1,964	-
Infrastructure, Property, Plant & Equipment	7a	762,463	689,601
Other Non-Current Assets	6c	13,427	8,741
Total Non-Current Assets		778,001	698,342
TOTAL ASSETS		787,410	719,432
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	5,595	4,566
Borrowings	8b	640	-
Provisions	8c	4,264	4,144
Total Current Liabilities		10,499	8,710
Non-Current Liabilities			
Borrowings	8b	12,020	-
Provisions	8c	239	191
Total Non-Current Liabilities		12,259	191
TOTAL LIABILITIES		22,758	8,901
Net Assets		764,652	710,531
EQUITY			
Accumulated Surplus		107,245	76,322
Asset Revaluation Reserves	9a	640,068	594,020
Other Reserves	9b	17,339	40,189
Total Council Equity		764,652	710,531

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

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City of West Torrens

Statement of Changes in Equity

for the year ended 30 June 2019

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2019					
Balance at the end of previous reporting period		76,322	594,020	40,189	710,531
a. Net Surplus / (Deficit) for Year		8,073	-	-	8,073
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	46,222	-	46,222
- IPP&E Impairment (Expense) / Recoupments Offset to ARR	7a	-	(174)	-	(174)
Other Comprehensive Income		-	46,048	-	46,048
Total Comprehensive Income		8,073	46,048	-	54,121
c. Transfers between Reserves		22,850	-	(22,850)	-
Balance at the end of period		107,245	640,068	17,339	764,652
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

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

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City of West Torrens

Statement of Cash Flows for the year ended 30 June 2019

\$ '000	Notes	2019	2018
Cash Flows from Operating Activities			
Receipts			
Rates Receipts		57,690	55,488
Statutory Charges		2,407	2,329
User Charges		1,537	1,379
Grants, Subsidies and Contributions (operating purpose)		3,952	5,141
Investment Receipts		493	523
Reimbursements		362	338
Other Receipts		5,567	4,920
Payments			
Payments to Employees		(21,961)	(21,410)
Payments for Materials, Contracts & Other Expenses		(30,425)	(25,105)
Finance Payments		(101)	-
Net Cash provided by (or used in) Operating Activities	11b	19,521	23,603
Cash Flows from Investing Activities			
Receipts			
Amounts Received Specifically for New/Upgraded Assets		1,110	1,247
Sale of Replaced Assets		574	504
Distributions Received from Equity Accounted Council Businesses		43	-
Payments			
Expenditure on Renewal/Replacement of Assets		(14,646)	(19,482)
Expenditure on New/Upgraded Assets		(30,494)	(8,878)
Net Purchase of Investment Securities		(174)	3
Loans Made to Community Groups		(147)	-
Purchase of Interests in Equity Accounted Council Businesses		(1,964)	-
Net Cash provided by (or used in) Investing Activities		(45,698)	(26,606)
Cash Flows from Financing Activities			
Receipts			
Proceeds from Borrowings		12,660	-
Proceeds from Bonds & Deposits		2	14
Payments			
Nil			
Net Cash provided by (or used in) Financing Activities		12,662	14
Net Increase (Decrease) in Cash Held		(13,515)	(2,989)
plus: Cash & Cash Equivalents at beginning of period	11	17,718	20,707
Cash & Cash Equivalents at end of period	11	4,203	17,718
Additional Information:			
plus: Investments on hand - end of year	5a	1,414	1,240
Total Cash, Cash Equivalents & Investments		5,617	18,958

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

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City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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n/a - not applicable

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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 5th November 2019.

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
2016/17	\$3,323,628	\$1,766,928	+\$1,556,700
2017/18	\$2,655,441	\$991,628	+\$1,663,813
2018/19	\$1,623,252	\$2,174,183	+/- \$550,931

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

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

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for

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

6.2 Materiality

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

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

6.3 Subsequent Recognition

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

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

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

Plant, Furniture & Equipment

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

Building & Other Structures

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

Infrastructure

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

Other Assets

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

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

accrued over the period to which it relates, and is recorded as part of "Payables".

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

Weighted avg. discount rate 0.1% (2018, 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

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 2019

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.

AASB 7 Financial Instruments - Disclosures and AASB 9 Financial Instruments commenced from 1 July 2018 and have the effect that non-contractual receivables (e.g. rates & charges) are now treated as financial instruments. Although the disclosures made in Note 13 Financial Instruments have changed, there are no changes to the amounts disclosed.

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities, which will commence from 1 July 2019, affect the timing with which revenues, particularly special purpose grants, are recognised. Amounts received in relation to contracts with sufficiently specific performance obligations will in future only be recognised as these obligations are fulfilled. In these Statements, the sum of \$0 has been recognised as revenue, in accordance with the current Standards, but would in future be recorded as a liability "Amounts in Advance" until the performance obligations have been fulfilled.

AASB 16 Leases, which will commence from 1 July 2019, requires that the right of use conveyed by leasing contracts - except leases with a maximum term of 12 months and leases for non-material amounts - be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability.

As a result of the new accounting procedure, the following changes will be made to balance sheet amounts as at 1 July 2019:

Note Line Item	Change
IPP&E Right-of-Use Asset	\$19,924,142
Lease Liability	\$19,924,142

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 July 2019

- 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 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15, and AASB 2016-8. These Standards supersede the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

Identifiable impacts at the date of this report are:

Some grants received by the Council will be recognised as a liability, and subsequently recognised progressively as revenue as the Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.

Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants from the Federal Government and State Government for which there are no sufficiently specific performance obligations these are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.

Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of the Council's goods and services such that some revenue may need to be deferred to a later reporting period to the extent that the Council has received payment but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime).

Prepaid rates will not be recognised as revenue until the relevant rating period starts. Until that time these receipts will be recognised as a liability (unearned revenue). There will be no

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

impact upon the recognition of other fees and charges.

Based on Council's assessment, if Council had adopted the new standards in the current financial year it would have had the following impacts:

- Revenue decrease of \$311,620 due to deferral of grant funding, pre-paid rates, and other sales related revenue (based on the facts available to Council at the date of assessment).
- There would be an equal reduction in the reported equity as the reduced revenue will require an increase in recognition of contract liabilities, and statutory receivables.
- Net result would be lower on initial application as a result of decreased revenue. A range of new disclosures will also be required by the new standards in respect of the council's revenue.

Transition method

The Council intends to apply AASB 15, AASB 1058 and AASB 2016-8 initially on 1 July 2019, using the modified retrospective approach. The recognition and measurement principles of the standards will be retrospectively applied for the current year and prior year comparatives as though the standards had always applied, consistent with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The Council intends to apply the practical expedients available for the full retrospective method. Where revenue has been recognised in full under AASB 1004, prior to 1 July 2019, but where AASB 1058 would have required income to be recognised beyond that date, no adjustment is required. Further, Council is not required to restate income for completed contracts that start and complete within a financial year. This means where income under AASB 1004 was recognised in the comparative financial year (i.e. 2018/19), these also do not require restatement.

- AASB 16 Leases – The Council has assessed the impacts of the new standard that initial application of AASB 16 will have on its consolidated financial statements, however, the

actual impacts may differ as the new accounting policies are subject to change until the Council presents its first financial statements that include the date of initial application.

AASB 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

Leases in which the Council is a lessee

The Council will recognise new assets and liabilities for its operating leases of motor vehicles (see Note 17). The nature of expenses related to those leases will now change because the Council will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Council has recognised an operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

No significant impact is expected for the Council's finance leases.

Based on Council's assessment, it is expected that the first-time adoption of AASB 16 for the year ending 30 June 2020 will have the following impacts:

Leases in which the Group is a lessor

No significant impact is expected for other leases in which the Council is a lessor.

Peppercorn Leases

Council is the lessee of a number of Deed of Grant in Trust leases, for which no or little lease payments are made. These have been identified as peppercorn leases which are currently not recognised in Council's financial statements. Council does not intend to elect not to apply the

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

fair value measurement requirements to these leases until such time as this requirement is mandated.

Transition method

The Council intends to apply AASB 16 initially on 1 July 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting AASB 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 July 2019, with no restatement of comparative information.

The Council intends to apply the practical expedient for the definition of a lease on transition. This means that it will apply AASB 16 on transition only to contracts that were previously identified as leases applying AASB 117 Leases and Interpretation 4 Determining whether an Arrangement contains a Lease.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements.

The standards 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 2019

- AASB 15 Revenue from Contracts with Customers
- 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 1059 Service Concession Arrangements: Grantors
- AASB 1059 Service Concession Arrangements: Grantors (Appendix D)

- AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements
- AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059

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

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 2019

- 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 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement
- AASB 2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

- AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors

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 2019

Note 2. Income

\$ '000	Notes	2019	2018
(a). Rates Revenues			
General Rates			
General Rates		57,018	54,632
Less: Mandatory Rebates		(837)	(794)
Less: Discretionary Rebates, Remissions & Write Offs		(55)	(37)
Total General Rates		56,126	53,801
Other Rates (Including Service Charges)			
Natural Resource Management Levy		1,487	1,398
Total Other Rates		1,487	1,398
Other Charges			
Penalties for Late Payment		149	142
Legal & Other Costs Recovered		112	139
Total Other Charges		261	281
Less: Discretionary Rebates, Remissions & Write Offs		(16)	(14)
Total Rates Revenues		57,858	55,466
(b). Statutory Charges			
Development Act Fees		732	791
Animal Registration Fees & Fines		314	338
Parking Fines / Expiation Fees		1,243	1,049
Environmental Control Fines		8	5
Other Licences, Fees & Fines		52	40
Sundry		50	49
Total Statutory Charges		2,399	2,272
(c). User Charges			
Hall & Equipment Hire		191	193
Property Lease		807	637
Subsidies Received on Behalf of Users		4	11
Sundry		42	59
Cummins House		1	2
Waste royalties		92	97
Employee Contributions		139	124
Home Assistance		139	154
Total User Charges		1,415	1,277

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 2. Income (continued)

\$ '000	Notes	2019	2018
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		286	445
- Banks & Other		14	17
Market movement on investments		115	106
Dividend income including franking credits		78	61
Total Investment Income		493	629
(e). Reimbursements			
Roadworks		1	-
Private Works		69	54
Electricity & Gas		132	102
Insurance		18	18
Rates & Taxes		91	84
Employee Costs		4	6
Other		25	56
Total Reimbursements		340	320
(f). Other Income			
Insurance & Other Recoupments - Infrastructure, IPP&E		3	20
Rebates Received		188	166
Sundry		111	112
Fuel Tax Credits		34	37
Brownhill Keswick Creek Stormwater Project		-	-
Mendelson Scholarships		20	20
Total Other Income		356	355
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		1,107	1,247
Total Amounts Received Specifically for New or Upgraded Assets		1,107	1,247
Other Grants, Subsidies and Contributions		1,247	3,346
Untied - Financial Assistance Grant		1,250	882
Roads to Recovery		433	-
Home and Community Care Grant		510	482
Library and Communications		526	421
Total Other Grants, Subsidies and Contributions		3,966	5,131
Total Grants, Subsidies, Contributions		5,073	6,378

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

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 2. Income (continued)

\$ '000	Notes	2019	2018
(g). Grants, Subsidies, Contributions (continued)			
(i) Sources of grants			
Commonwealth Government		943	1,374
State Government		4,018	4,941
Other		112	63
Total		5,073	6,378
(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		1,191	1,667
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Roads Infrastructure		(10)	(40)
Other Environment		(40)	(25)
Parks & Gardens		-	(7)
Roads Sealed		(523)	(953)
Other Community Amenities		(618)	(642)
Subtotal		(1,191)	(1,667)
<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
Roads Sealed		1,063	523
Other Community Amenities		631	618
Other Environment		577	40
Subtotal		2,271	1,191
Unexpended at the close of this reporting period		2,271	1,191
Net increase (decrease) in assets subject to conditions in the current reporting period		1,080	(476)
(i). Physical Resources Received Free of Charge			
Roads, Bridges & Footpaths		96	-
Stormwater Drainage		158	-
Total Physical Resources Received Free of Charge		254	-

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 3. Expenses

\$ '000	Notes	2019	2018
(a). Employee Costs			
Salaries and Wages		19,742	18,884
Employee Leave Expense		434	499
Superannuation - Defined Contribution Plan Contributions	18	1,792	1,686
Workers' Compensation Insurance		500	557
Other		628	602
Less: Capitalised and Distributed Costs		(1,042)	(746)
Total Operating Employee Costs		22,054	21,482
Total Number of Employees (full time equivalent at end of reporting period)		225	224
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		25	24
Bad and Doubtful Debts		1	2
Elected Members' Expenses		439	433
Operating Lease Rentals - Non-Cancellable Leases	17		
- Minimum Lease Payments		519	728
Subtotal - Prescribed Expenses		984	1,187
(ii) Other Materials, Contracts and Expenses			
Contractors		9,576	8,634
Energy		680	591
Individually Significant Items		317	-
Maintenance		410	356
Legal Expenses		471	430
Levies Paid to Government - NRM levy		1,472	1,383
Levies - Other		239	233
Parts, Accessories & Consumables		627	562
Professional Services		1,887	1,630
Sundry		2,302	1,806
Materials		900	886
Insurance		777	778
Street lighting		1,007	957
Advertising & Marketing		352	300
Printing, Postage & Stationery		424	451
Software, Licensing & Maintenance		936	767
Water Rates		749	675
Memberships & Subscriptions		242	271
Partnership and Community Grants		326	340
Subtotal - Other Material, Contracts & Expenses		23,694	21,050
Total Materials, Contracts and Other Expenses		24,678	22,237
(iii) Individually significant items			
Library Resources		317	-

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 3. Expenses (continued)

\$ '000	Notes	2019	2018
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Land Improvements		842	741
Buildings & Other Structures		1,902	1,830
Infrastructure			
- Sealed Roads		4,102	5,767
- Kerb & Guttering		1,793	-
- Stormwater Drainage		1,385	1,391
- Other Transport		56	-
- Footways / Cycle Tracks		1,143	1,110
- Glenelg to Adelaide Pipeline		51	-
- Bridges		139	134
Plant & Equipment		906	882
Furniture & Fittings		421	382
Library Books		-	278
Subtotal		12,740	12,515
(ii) Impairment			
Nil			
Less: Impairment Expense Offset to Asset Revaluation Reserve	9	(174)	-
Total Depreciation, Amortisation and Impairment		12,566	12,515
(d). Finance Costs			
Interest on Loans		101	-
Total Finance Costs		101	-

Note 4. Asset Disposal & Fair Value Adjustments

Infrastructure, Property, Plant & Equipment

(i) Assets Renewed or Directly Replaced

Proceeds from Disposal		569	504
Less: Carrying Amount of Assets Sold		(708)	(494)
Gain (Loss) on Disposal		(139)	11
Fair Value Adjustments			
Revaluation Decrements Expensed		(620)	-
Total Fair Value Adjustments		(620)	-
Net Gain (Loss) on Disposal or Revaluation of Assets		(759)	11

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 5. Current Assets

\$ '000	Notes	2019	2018
(a). Cash & Cash Equivalents			
Cash on Hand at Bank		37	120
Deposits at Call		4,048	10,440
Short Term Deposits & Bills, etc.		-	7,000
Investment - Mendelson		118	158
Total Cash & Cash Equivalents		4,203	17,718
(b). Trade & Other Receivables			
Rates - General & Other		1,095	932
Council Rates Postponement Scheme		19	14
Accrued Revenues		8	26
Debtors - General		1,694	465
Other Levels of Government		21	-
GST Recoupment		918	670
Prepayments		6	-
Total Trade & Other Receivables		3,761	2,107
(c). Other Financial Assets (Investments)			
Shares in Listed Companies - Mendelson Foundation		1,414	996
Units in Managed Funds - Mendelson Foundation		-	244
Total Other Financial Assets (Investments)		1,414	1,240
Amounts included in other financial assets that are not expected to be received within 12 months of reporting date are disclosed in Note 13			
(d). Inventories			
Stores & Materials		31	25
Total Inventories		31	25

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 6. Non-Current Assets

\$ '000	Notes	2019	2018
(a). Financial Assets			
Receivables			
Loans to Community Organisations		147	-
Total Receivables		147	-
Total Financial Assets		147	-
(b). Equity Accounted Investments in Council Businesses			
Brownhill Keswick Creek Stormwater Project	19	1,964	-
Total Equity Accounted Investments in Council Businesses		1,964	-
(c). Other Non-Current Assets			
Capital Works-in-Progress		13,427	8,741
Total Other Non-Current Assets		13,427	8,741

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

\$ '000	Fair Value Level	as at 30/6/2018				Asset Movements during the Reporting Period										as at 30/6/2019					
		At Fair Value	At Cost	Accumulated Dep'n	Carrying Value	New / Upgrade	Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Impairment Loss (recognised in Equity) (Note 9)	WIP Transfers	Adjustments & Transfers	Donated assets	Revaluation Decrements to P&L (Note 4)	Revaluation Decrements to Equity (ARR) (Note 5)	Revaluation Increments to Equity (ARR) (Note 5)	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value	
		-	4,757	-	4,757	6,348	854	-	-	-	(2,607)	(695)	-	-	-	-	-	8,657	-	-	8,657
		-	3,984	-	3,984	3,595	853	-	-	-	(3,524)	(138)	-	-	-	23,420	-	4,770	-	-	4,770
	3	183,595	225	-	183,820	-	-	-	-	-	-	-	-	-	-	-	-	207,240	-	-	207,240
	2	35,775	-	-	35,775	-	-	-	-	-	-	-	-	-	16,206	-	-	51,981	-	-	51,981
	3	19,491	-	3,993	15,498	3,736	44	(842)	(73)	31	-	-	-	(111)	205	-	-	23,048	-	4,560	18,488
	2	123,611	-	75,541	48,070	4,061	2,257	(154)	(101)	2,547	172	-	-	(13,357)	13,180	-	-	127,898	-	59,508	68,390
	3	48,712	-	25,984	22,728	-	-	(258)	(258)	-	(240)	-	-	-	-	-	-	42,605	-	33,733	8,872
		204,967	-	91,347	113,620	246	6,752	-	-	3,175	-	54	-	(840)	12,156	-	-	232,359	-	101,298	131,061
		124,613	-	14,647	109,966	1,590	3,890	-	(1,793)	-	-	32	-	(3,900)	-	-	-	124,716	-	15,021	109,695
		130,449	-	56,942	73,507	6,431	193	-	(1,385)	165	-	158	-	(771)	-	-	-	136,431	-	58,133	78,298
		2,091	-	316	1,775	323	29	(56)	(56)	153	-	2	-	-	24	-	-	2,627	-	377	2,250
		78,906	-	13,751	65,155	1,362	1,062	-	(1,143)	-	-	8	-	(526)	923	-	-	81,779	-	14,938	66,841
		2,569	-	252	2,317	-	-	-	(51)	-	-	-	-	(70)	-	-	-	2,489	-	293	2,196
		12,283	-	3,522	8,761	7	-	-	(139)	-	-	-	-	-	121	-	-	12,462	-	3,712	8,750
		-	10,100	4,138	5,962	234	1,574	(545)	(906)	60	-	-	-	-	-	-	-	10,726	-	4,347	6,379
		-	7,902	6,223	1,679	14	759	(9)	(421)	-	-	-	-	-	-	-	-	8,637	-	6,615	2,022
		1,661	-	693	968	-	-	-	-	-	-	-	(620)	(348)	-	-	-	-	-	-	-
		988,723	26,968	297,349	698,342	27,947	18,267	(708)	(12,740)	(174)	-	254	(620)	(20,013)	66,235	-	-	1,045,635	32,790	302,535	775,890
		912,865	21,231	259,816	674,280	11,327	17,157	(484)	(12,515)	-	-	(123)	-	(3)	8,712	-	-	968,723	26,968	297,349	696,342

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 2019

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.

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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.

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City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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 Maloneys cannot provide a valuation an asset is valued at cost and indexed each year for CPI increases.
Roads Sealed	Formulated using Rawlinsons Australia Construction Handbook 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 2019 by Mitch Ekonomopoulos, AAPI, Certified Practising Valuer, of AssetVal Pty Ltd.

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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 2019 by Mitch Ekonomopoulos, AAPI, Certified Practising Valuer, of AssetVal Pty Ltd.

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 2019 by Mitch Ekonomopoulos, AAPI, Certified Practising Valuer, of AssetVal Pty Ltd.

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 2019.

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 2019.

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 2019.

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.

All other Assets

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

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 8. Liabilities

\$ '000	Notes	2019		2018	
		Current	Non Current	Current	Non Current
(a). Trade and Other Payables					
Goods & Services		4,353	-	3,191	-
Payments Received in Advance		196	-	104	-
Accrued Expenses - Employee Entitlements		464	-	430	-
Accrued Expenses - Other		481	-	740	-
Deposits, Retentions & Bonds		101	-	99	-
Other		-	-	2	-
Total Trade and Other Payables		5,595	-	4,566	-
(b). Borrowings					
Loans		640	12,020	-	-
Total Borrowings		640	12,020	-	-
All interest bearing liabilities are secured over the future revenues of the Council					
(c). Provisions					
Employee Entitlements (including oncosts)		4,264	239	4,144	191
Total Provisions		4,264	239	4,144	191

Note 9. Reserves

\$ '000	1/7/2018	Increments (Decrements)	Transfers	Impairments	30/6/2019
Land - Community	218,767	23,420	-	-	242,187
Land - Other	805	16,206	-	-	17,011
Land Improvements	2,279	94	-	(73)	2,300
Buildings & Other Structures	42,685	(177)	-	(101)	42,407
Infrastructure					
- Sealed Roads	199,280	11,316	-	-	210,596
- Kerb & Guttering	(1,935)	(3,990)	-	-	(5,925)
- Stormwater Drainage	54,802	(771)	-	-	54,031
- Other Transport	109	24	-	-	133
- Footways / Cycle Tracks	69,975	397	-	-	70,372
- Glenelg to Adelaide Pipeline	470	(70)	-	-	400
- Bridges	6,391	121	-	-	6,512
Plant & Equipment	44	-	-	-	44
Library Books	348	(348)	-	-	-
Total Asset Revaluation Reserve	594,020	46,222	-	(174)	640,068
Comparatives	585,311	8,709	-	-	594,020

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City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 9. Reserves

\$ '000	1/7/2018	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2019
(b). Other Reserves					
Development Reserve	928	2,613	-	-	3,541
Committed Expenditure Reserve	39,261	(25,465)	-	-	13,796
Urban Tree Fund Reserve	-	2	-	-	2
Total Other Reserves	40,189	(22,850)	-	-	17,339
Comparatives	37,740	2,449	-	-	40,189

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.

Urban Tree Fund Reserve

The Urban Tree Fund reserve is maintain or plant trees which will constitute significant trees under the Development Act.

Note 10. Assets Subject to Restrictions

\$ '000	Notes	2019	2018
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			
Mendelson Foundation		1,577	1,447
Total Cash & Financial Assets		1,577	1,447
Total Assets Subject to Externally Imposed Restrictions		1,577	1,447

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2019	2018
(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	4,203	17,718
Balances per Statement of Cash Flows		4,203	17,718
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		8,073	10,474
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		12,566	12,515
Fair Value Adjustments		620	-
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(43)	-
Non-Cash Asset Acquisitions		(254)	-
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(1,110)	(1,247)
Net (Gain) Loss on Disposals		134	(11)
Other		0	(106)
		19,986	21,625
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(1,654)	134
Net (Increase)/Decrease in Inventories		(6)	(14)
Net Increase/(Decrease) in Trade & Other Payables		1,027	1,585
Net Increase/(Decrease) in Unpaid Employee Benefits		168	273
Net Cash provided by (or used in) operations		19,521	23,603
(c). Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	2i	254	-
Amounts recognised in Income Statement		254	-
Total Non-Cash Financing & Investing Activities		254	-
(d). Financing Arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Corporate Credit Cards		105	105
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 2019

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 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018
\$ '000										
Business Undertakings	-	-	-	-	-	-	-	-	-	640,025
Community Services										
- Public Order & Safety	3	41	334	202	(331)	(161)	1	14	418	171
- Health Services	49	91	348	354	(299)	(263)	45	76	91	83
- Community Support	917	890	3,273	2,828	(2,356)	(1,938)	510	482	36,198	9,591
- Community Amenities	77	226	355	177	(278)	49	-	10	213	-
Culture										
- Library services	457	459	3,561	3,320	(3,104)	(2,861)	426	423	6,472	4,779
- Cultural services	230	92	1,677	1,242	(1,447)	(1,150)	-	-	14,169	19,677
Economic Development Environment										
- Waste Management	160	189	5,820	5,314	(5,660)	(5,125)	-	-	12,318	806
- Other Environment	1,546	1,448	9,559	9,835	(8,013)	(8,387)	12	78	80,493	267
Recreation	123	168	7,583	5,767	(7,460)	(5,599)	578	1,200	211,195	23,579
Regulatory Services	2,346	2,252	5,071	5,100	(2,725)	(2,848)	-	-	307	19
Transport & Communication	998	3,236	12,723	12,520	(11,725)	(9,284)	2,842	1,075	336,672	1,158
Plant Hire & Depot/Indirect	302	113	13	6	289	107	-	-	25,167	9,577
Unclassified Activities	-	-	-	-	-	-	-	-	5,452	-
Council Administration	59,662	56,245	8,583	9,334	51,079	46,911	660	1,774	33,319	9,700
Total Functions/Activities	66,870	65,450	59,399	56,234	7,471	9,216	5,073	5,131	787,410	719,432

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, 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 2019

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.

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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 1.85% and 2.25% (2018: 1.50% and 2.15%). Short term deposits have an average maturity of 60 days and an average interest rate of 2.10% (2018: 90 days and 2.04%).

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% (2018: 0.56%). 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 2019

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

Interest Bearing Borrowings

Accounting Policy:

Carried at the principal amounts. Interest is charged as an expense as it accrues.

Terms & Conditions:

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 3.80% and 3.80% (2018: n/a).

Carrying Amount:

Approximates fair value.

Liabilities

Finance Leases

Accounting Policy:

Accounted for in accordance with AASB 117.

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City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2019					
Financial Assets					
Cash & Equivalents	4,203	-	-	4,203	4,203
Receivables	1,849	-	-	1,849	1,849
Other Financial Assets	3,378	-	-	3,378	3,378
Total Financial Assets	9,430	-	-	9,430	9,430
Financial Liabilities					
Payables	5,595	-	-	5,595	5,595
Current Borrowings	640	-	-	640	640
Non-Current Borrowings	-	2,815	9,205	12,020	12,020
Total Financial Liabilities	6,235	2,815	9,205	18,255	18,255
2018					
Financial Assets					
Cash & Equivalents	17,718	-	-	17,718	17,718
Receivables	491	-	-	491	491
Other Financial Assets	1,240	-	-	1,240	1,240
Total Financial Assets	19,449	-	-	19,449	19,449
Financial Liabilities					
Payables	4,566	-	-	4,566	4,566
Total Financial Liabilities	4,566	-	-	4,566	4,566

The following interest rates were applicable to Council's Borrowings at balance date:

	30 June 2019		30 June 2018	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	3.80%	12,660		-
		12,660		-

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 13. Financial Instruments (continued)

\$ '000

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.

Note 14. Commitments for Expenditure

\$ '000

Notes

2019

2018

(a). Capital Commitments

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Land	6,199	20,308
Buildings	4,325	16,892
Plant & Equipment	424	500
	10,949	37,700

These expenditures are payable:

Not later than one year	10,949	37,700
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	10,949	37,700

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 14. Commitments for Expenditure (continued)

\$ '000	Notes	2019	2018
(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		78	104
Waste Management Services		20,843	10,235
Grants Funding (restricted)		2,191	1,191
Operational Expenditure		-	253
Information Technology Commitments		-	14
		<u>23,112</u>	<u>11,797</u>
These expenditures are payable:			
Not later than one year		5,489	6,057
Later than one year and not later than 5 years		17,623	5,740
Later than 5 years		-	-
		<u>23,112</u>	<u>11,797</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 2019

Note 15. Financial Indicators

\$ '000	Amounts	Indicator	Prior Periods	
	2019	2019	2018	2017

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	7,471			
Total Operating Income	66,870	11%	14%	17%

This ratio expresses the operating surplus as a percentage of total operating revenue.

2. Net Financial Liabilities Ratio

Net Financial Liabilities	13,233			
Total Operating Income	66,870	20%	(19%)	(26%)

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	10%	14%	17%
---	-----	-----	-----

Adjusted Net Financial Liabilities Ratio	20%	(19%)	(26%)
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3. Asset Renewal Funding Ratio

Net Asset Renewals	14,071			
Infrastructure & Asset Management Plan required expenditure	12,566	112%	152%	105%

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 2019

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>2017</td> <td>17%</td> </tr> <tr> <td>2018</td> <td>14%</td> </tr> <tr> <td>2019</td> <td>11%</td> </tr> </tbody> </table>	Year	Ratio %	2017	17%	2018	14%	2019	11%	<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 2018/19 Result</p> <p>2018/19 Ratio 11%</p> <p>The reduction in the surplus ratio in 2018/19 is due to no special road grants being received in 2018/19 compared to \$1.2m in 2017/18.</p>
Year	Ratio %									
2017	17%									
2018	14%									
2019	11%									
<p>2. Net Financial Liabilities Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>-26%</td> </tr> <tr> <td>2018</td> <td>-19%</td> </tr> <tr> <td>2019</td> <td>20%</td> </tr> </tbody> </table>	Year	Ratio %	2017	-26%	2018	-19%	2019	20%	<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 2018/19 Result</p> <p>2018/19 Ratio 20%</p> <p>With the introduction of our first loan liability in 3 years has moved our net financial liabilities ratio into the black, but at just 20% still shows a strong financial position.</p>
Year	Ratio %									
2017	-26%									
2018	-19%									
2019	20%									
<p>Adjusted Operating Surplus Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>17%</td> </tr> <tr> <td>2018</td> <td>14%</td> </tr> <tr> <td>2019</td> <td>10%</td> </tr> </tbody> </table>	Year	Ratio %	2017	17%	2018	14%	2019	10%	<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 2018/19 Result</p> <p>2018/19 Ratio 10%</p> <p>The adjusted operating surplus ratio reflects the real ratio, after removal of the advance payment of the 2019/2020 Financial Assistance Grant paid in June 2019.</p>
Year	Ratio %									
2017	17%									
2018	14%									
2019	10%									
<p>Adjusted Net Financial Liabilities Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>-26%</td> </tr> <tr> <td>2018</td> <td>-19%</td> </tr> <tr> <td>2019</td> <td>20%</td> </tr> </tbody> </table>	Year	Ratio %	2017	-26%	2018	-19%	2019	20%	<p>Purpose of Adjusted Net Financial Liabilities 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 2018/19 Result</p> <p>2018/19 Ratio 20%</p> <p>The adjusted Net Financial Liabilities Ratio reflects the real ratio, after removal of the advance payment of the 2019/2020 Financial Assistance Grant paid in June 2019.</p>
Year	Ratio %									
2017	-26%									
2018	-19%									
2019	20%									
<p>3. Asset Renewal Funding Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>105%</td> </tr> <tr> <td>2018</td> <td>152%</td> </tr> <tr> <td>2019</td> <td>112%</td> </tr> </tbody> </table>	Year	Ratio %	2017	105%	2018	152%	2019	112%	<p>Purpose of Asset Renewal Funding Ratio</p> <p>This indicator aims to determine if assets are being renewed and replaced in an optimal way</p>	<p>Commentary on 2018/19 Result</p> <p>2018/19 Ratio 112%</p> <p>Council continues to meet its annual obligations for the renewal of assets consistent with the Asset management Plans.</p>
Year	Ratio %									
2017	105%									
2018	152%									
2019	112%									

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 16. Uniform Presentation of Finances

\$ '000	2019	2018
<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	66,870	65,450
<i>less</i> Expenses	(59,399)	(56,234)
Operating Surplus / (Deficit)	7,471	9,216
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(14,646)	(19,482)
<i>add back</i> Depreciation, Amortisation and Impairment	12,566	12,515
<i>add back</i> Proceeds from Sale of Replaced Assets	574	504
Subtotal	(1,505)	(6,463)
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(30,494)	(8,878)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	1,110	1,247
Subtotal	(29,384)	(7,631)
Net Lending / (Borrowing) for Financial Year	(23,418)	(4,878)

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 17. Operating Leases

\$ '000	2019	2018
---------	------	------

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) Investment Property

Rentals received, and outgoings reimbursed, in relation to 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 Investment Property, are as follows:

Not later than one year	1,025	642
Later than one year and not later than 5 years	2,062	1,797
Later than 5 years	33	588
	<u>3,120</u>	<u>3,027</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 and other plant and equipment.

The Adelaide Airport land rental expires in August 2048 and contains an option to extend for an additional 49 years.

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	553	500
Later than one year and not later than 5 years	2,178	1,980
Later than 5 years	17,194	13,365
	<u>19,925</u>	<u>15,845</u>

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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 2018/19; 9.50% in 2017/18). 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 2017/18) 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 2019 totalled \$1,792,346 (\$2017/18 \$1,686,083).

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 19. Interests in Other Entities

\$ '000

All joint ventures and associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

	Council's Share of Net Income		Council's Share of Net Assets	
	2019	2018	2019	2018
Joint Ventures	43	-	1,964	-
Total	43	-	1,964	-

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2019	2018
Brownhill and Keswick Creek Stormwater Board	Flood Mitigation	1,964	-
Total Carrying Amounts - Joint Ventures & Associates		1,964	-

Brownhill and Keswick Creek Stormwater Board

During the 2017/18 financial 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. The Board has been established to implement or oversee the construction of stormwater infrastructure for the purpose of implementation of the Brown Hill and Keswick Creeks Stormwater Management Plan (the Plan); oversee the maintenance and repair and /or renewal of stormwater infrastructure; oversee implementation of associated or related infrastructure works; hold stormwater infrastructure; implement other non infrastructure measures; provide a forum for the discussion and consideration of the constituent council's obligations and responsibilities under the Plan; and enter into agreements with constituent councils for the purpose of managing the Plan.

Other constituent councils include City of Adelaide, City of Burnside, City of Unley, and City of Mitcham.

(b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2019	2018	2019	2018	2019	2018
Brownhill and Keswick Creek Stormwater Board	20%	20%	49%	49%	20%	20%

(c) Movement in Investment in Joint Venture or Associate

	Brownhill and Keswick Creek Stormwater Board	
	2019	2018
Opening Balance	-	-
Share in Operating Result	43	-
New Capital Contributions	1,921	-
Council's Equity Share in the Joint Venture or Associate	1,964	-

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City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 19. Interests in Other Entities (continued)

\$ '000

(d) Summarised Financial Information of the Equity Accounted Business

Statement of Financial Position

	Brownhill and Keswick Creek Stormwater Board	
	2019	2018
Cash and Cash Equivalents	3,967	-
Other Current Assets	2,024	-
Non-Current Assets	3,209	-
Total Assets	9,200	-
Current Trade and Other Payables	3,053	-
Current Provisions	7	-
Total Liabilities	3,060	-
Net Assets	6,140	-

Statement of Comprehensive Income

	Brownhill and Keswick Creek Stormwater Board	
	2019	2018
Contributions from Constituent Councils	618	-
Interest Income	16	-
Total Income	634	-
Employee Costs	235	-
Materials, Contracts & Other Expenses	182	-
Depreciation, Amortisation and Impairment	2	-
Total Expenses	419	-
Operating Result	215	-

(e). Share of Joint Operations Expenditure Commitments

Expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

(i) Capital Expenditures Payable

	2019	2018
Not later than one year	169	-
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	169	-

(f). Transactions with Council

	2019	2018
Aggregate amount of transactions with Council - receipts from Council	1,921	-

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.

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City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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 2019, 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 Certification of Financial Statements as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 09/10/19.

Council is unaware of any material or significant "non adjusting events" that should be disclosed.

Note 23. Related Party Transactions

\$ '000	2019	2018
---------	------	------

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, 28 persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	1,451	1,426
Post-Employment Benefits	82	82
Total	1,533	1,508

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

City of West Torrens

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 24. Mendelson Foundation

\$ '000	2019	2018
<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>		
Financial Performance & Cash Flow Information		
Statement of Comprehensive Income - Mendelson Foundation		
INCOME		
Dividend Income including Franking Credits	68	61
Interest income	3	3
Fair Value Movement on Financial Assets	115	106
Council Contribution	20	20
	<u>206</u>	<u>190</u>
EXPENDITURE		
Scholarships	48	48
Fund Management	23	15
Member Emoluments	13	12
	<u>84</u>	<u>75</u>
CHANGE IN FOUNDATION WEALTH	<u>122</u>	<u>115</u>
Statement of Financial Position - Mendelson Foundation		
CURRENT ASSETS		
Cash & Cash Equivalents	152	203
Trade & Other Receivables	11	11
Units in Managed Funds	202	246
Shares in Listed Companies	1,212	987
Total Assets	<u>1,577</u>	<u>1,447</u>
LIABILITIES		
Current Liabilities	-	-
Non Current Liabilities	-	-
Total Liabilities	<u>-</u>	<u>-</u>
NET ASSETS	<u>1,577</u>	<u>1,447</u>
FOUNDATION WEALTH		
Accumulated Surplus	<u>1,577</u>	<u>1,447</u>

City of West Torrens

General Purpose Financial Statements for the year ended 30 June 2019

Auditor's Report - Financial Statements

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City of West Torrens

General Purpose Financial Statements for the year ended 30 June 2019

Auditor's Report - Financial Statements

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City of West Torrens

General Purpose Financial Statements for the year ended 30 June 2019

Auditor's Report - Internal Controls

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City of West Torrens

General Purpose Financial Statements for the year ended 30 June 2019

Auditor's Report - Internal Controls

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City of West Torrens

General Purpose Financial Statements for the year ended 30 June 2019

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 2019, the Council's Auditor, BDO Audit (SA) Pty Ltd. 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 PSM
CHIEF EXECUTIVE OFFICER

John Woodward
PRESIDING MEMBER, AUDIT COMMITTEE

Date:

9.5 COMMITTEE PERFORMANCE AND REPORTING

Nil

10 OTHER BUSINESS

11 CONFIDENTIAL

Nil

12 NEXT MEETING

11 February 2020, 6.00pm in the Mayor's Reception Room.

13 MEETING CLOSE

CITY OF WEST TORRENS



ATTACHMENT

UNDER SEPARATE COVER

Audit General Committee

8 October 2019

Item 9.2.1 - Annual Strategic Risk Review

Table of Contents

9.2.1 Annual Strategic Risk Review
Attachment 4 Strategic Risk Review Report 1



Strategic Risk Review Report

City of West Torrens - 2019/20 Annual Review

Print Date: 30-Sep-2019

INTRODUCTION

The City of West Torrens (CWT) Administration Policy – Enterprise Risk Management Framework provides that risk identification, risk analysis and risk evaluation occur annually and reviewed six monthly. As a result, the Executive Management Team (EMT) review and reports on its strategic risks at six-monthly intervals.

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.

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

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

Control Verification process

The strategic risk review ensures that through 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 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 organization's control.

STR 1 BUSINESS PRACTICES

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

<u>Initial</u>		<u>Revised</u>	
Consequence	Moderate	Consequence	Moderate
Likelihood	Likely	Likelihood	Unlikely

Risk Rating	High	Risk Rating	Moderate
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Effectiveness of Controls: Satisfactory

Descriptor:

- a) 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
- b) Inefficient/ineffective practices, procedures or processes that allow for, contribute to or ultimately lead to poor decisions from Administration or Council that do not consider approved or established plans, and/or do not consider service delivery or reputation , and/or are based on political expediency

Existing Controls:

- Adequate and well trained resources offers opportunities for continuous development and builds on the positive culture whereby CWT attracts and retains employees
- All reports to Council specify legislative requirements, policies or practices that apply or situations where a decision may be 'ultra-vires'
- Annual Performance Development Plans are implemented resulting in individual training plans
- Asset Management Plans are in place and being implemented
- CEO receives and delegates powers to make decisions
- Continuous improvement through the Lean Thinking program leading to efficient and standardised processes ensuring consistent service delivery
- Contract Management policies and procedures in place to ensure a standardised process for supplier engagement (as well as WHS risk mitigation awareness regarding contractor safety)
- Criminal History checks undertaken if required by policy/position to enable a thorough recruitment screening process of applicant
- Elected Member body is open to new initiatives
- Experienced and strong governance function leading to assurances that legal and ethical standing is maintained in the eyes of the wider community
- Internal and External audit arrangements in situ ensuring appropriate oversight to decisions, processes, policies and procedures
- Legislation/policies/procedures in situ to ensure that Council is compliant and not acting 'ultra vires'
- Meeting Action Progress Report provided each quarter to the CPPP/Council
- Monthly reports to Council and bi-monthly to committees
- Organisation is transparent, open and accountable to the community regarding decisions and actions
- 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 by Executive
- Robust recruitment process leading to streamlined, effective and cost efficient screening to fill vacancies
- Robust software systems in situ supporting access to timely and accurate information
- Strong Risk Function
- Strong, stable and experienced management team to ensure CWT have the capability to maintain modern and contemporary leadership
- Transparent, Open and Accountable decision making processes for the Community
- Well consulted Strategic Plan enabling an engaged and connected community

Risk Controls (Evidence Supporting Tangible Controls)

Adequate and well trained resources offers opportunities for continuous development and builds on the positive culture whereby CWT attracts and retains employees	
Control	Manager People and Culture
Owner:	
Risk Title:	BUSINESS PRACTICES
Evidence:	a. Administration Policy: Training and Development (Staff Learning and Development Plans) - 2016 b. Performance Partnering Development Program (Action Plan for staff use; and Guideline) - refer to 'HR Docs' on Compass c. Training certificates registered in personnel files d. Use of EMS Pro to proactively manage staff development e. Annual Budget 2019/2020 - Budget is allocated for mandatory training and development (i.e. CPR, first aid, etc) - refer to 'Corporate Training'

City of West Torrens	2019/20 Strategic Risk Review Report
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Objective a. A6406
ID or b. <http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Performance-Partnering-and-Development-Program-PPDP>
Webpage: Program-PPDP
 c. Access restricted but evidence confirmed
 d. A1984222
 e. A2333840
Control 4. Majority Effective
Strength
Rating:

All reports to Council specify legislative requirements, policies or practices that apply or situations where a decision may be 'ultra-vires'

Control Program Leader Governance
Owner:
Risk Title: BUSINESS PRACTICES
Evidence: a. All Council/Committee agendas will reference legislation. Refer to Advancement and Prosperity Committee Agendas
 b. Local Government Election Signage (2016)
 c. Revocation of Community Land Classification - Thebarton Report to Council (December 2013)
Objective a. https://www.westtorrens.sa.gov.au/CWT/content/Council/Meetings/Agendas_and_Minutes
ID or b. A957558
Webpage: c. A1042272
Control 4. Majority Effective
Strength
Rating:

Annual Performance Development Plans are implemented resulting in individual training plans

Control Manager People and Culture
Owner:
Risk Title: BUSINESS PRACTICES
Evidence: a. Employee Performance Partnering Development Program available on Compass (PPDP instruction guide and user template)
 b. Induction process aligns with CWT goals and objectives
 c. Performance Improvement Plans (for skill development and coaching)
Objective a. <http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Performance-Partnering-and-Development-Program-PPDP>
ID or Program-PPDP
Webpage: b. <http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Your-First-3-months/City-of-West-Torrens-Induction-policy-and-checklists>
 c. <http://fusion.wtcc.sa.gov.au/registerEngine/registers/hrdocs/index.cfm>
Control 4. Majority Effective
Strength
Rating:

Asset Management Plans are in place and being implemented

Control Manager City Assets
Owner:
Risk Title: BUSINESS PRACTICES
Risk Type: Strategic
Evidence: a. Asset Management Policy
 b. Asset Management Plan/s available on CWT website
 c. SOPs (work zone, traffic controls) on WHS Document Library
Objective a. <https://fusion.wtcc.sa.gov.au/policyHub/serveFile.cfm?id=113>

City of West Torrens	2019/20 Strategic Risk Review Report
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<p>ID or Webpage:</p> <p>Control Strength Rating:</p>	<p>b. https://www.westtorrens.sa.gov.au/CWT/content/Council/Our_City/Community_Plan/Management_business_plans http://fusion/registerEngine/registers/whsdocs/</p> <p>4. Majority Effective</p>
CEO receives and delegates powers to make decisions	
<p>Control Owner:</p> <p>Risk Title:</p> <p>Risk Type:</p> <p>Evidence:</p> <p>Objective ID or Webpage:</p> <p>Control Strength Rating:</p>	<p>Program Leader Governance</p> <p>BUSINESS PRACTICES</p> <p>Strategic</p> <p>a. Delegations Framework - 2018 b. CAP Delegations report c. CEO Delegations Framework and Sub-Delegations Framework is publicly available d. Delegations and Register of Interests Internal Audit</p> <p>a. A1997190 b. ID 10123 (Infocouncil) c. https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Registers_and_records (A1971823) d. A1208135</p> <p>3. Partially Effective</p>
Continuous improvement through the Lean Thinking program leading to efficient and standardised processes ensuring consistent service delivery	
<p>Control Owner:</p> <p>Risk Title:</p> <p>Risk Type:</p> <p>Evidence:</p> <p>Objective ID or Webpage:</p> <p>Control Strength Rating:</p>	<p>Program Leader Continuous Improvement</p> <p>BUSINESS PRACTICES</p> <p>Strategic</p> <p>a. Lean Progress Report b. Past LEAN Projects - e.g. Depot Mobilisation, Storm Management Process, Bank Guarantee Process, Customer Parking Complaints Process. c. Managers training completed 2016 (refresher training scheduled for 2019) d. Facilitators training June 2018 e. All new staff complete a Continuous Improvement/LEAN induction</p> <p>a. http://compass.wtcc.sa.gov.au/Content-areas/Lean-Thinking/Continuous-Improvement-Quarterly-Activity-Reports b. http://compass.wtcc.sa.gov.au/Content-areas/Lean-Thinking/Past-Projects c. A1810901 d. A2157355 e. A2257141</p> <p>4. Majority Effective</p>
Contract Management policies and procedures in place to ensure a standardised process for supplier engagement (as well as WHS risk mitigation awareness regarding contractor safety)	
<p>Control Owner:</p> <p>Risk Title:</p> <p>Risk Type:</p>	<p>Senior Strategic Procurement Officer</p> <p>BUSINESS PRACTICES</p> <p>Strategic</p>

City of West Torrens	2019/20 Strategic Risk Review Report
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Evidence: a. The Procurement process available on Compass outlines RFQ schedules, contract conditions used to evaluate suitability of suppliers

Objective ID or Webpage: a. <http://compass.wtcc.sa.gov.au/Content-areas/Procurement/Procurement-Templates>

Control Strength Rating: 4. Majority Effective

Criminal History checks undertaken if required by policy/position to enable a thorough recruitment screening process of applicant

Control Owner: Manager People and Culture

Risk Title: BUSINESS PRACTICES

Evidence: a. Licenses/ Qualifications/DCSI Clearance
b. Criminal and Relevant History Screening Policy - 2017

Objective ID or Webpage: a. <http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/recruitment/Other-Checks/Licenses-Clearances>
b. A1976585

Control Strength Rating: 5. Effective

Elected Member body is open to new initiatives

Control Owner: General Manager Business and Community Services

Risk Title: BUSINESS PRACTICES

Risk Type: Strategic

Evidence: a. Sale of St Martins
b. Thebarton Community Centre
c. Sale of Brickworks (ongoing)
d. Weigall Oval Masterplan
e. Purchase of Royal Surf Lifesaving Building
f. Masterplan for Kings Reserve

Objective ID or Webpage: a. A782873
b. A376213
c. 1451887 - confidential
d. A858888
e. A872466
f. A2032405

Control Strength Rating: 4. Majority Effective

Experienced and strong governance function leading to assurances that legal and ethical standing is maintained in the eyes of the wider community

Control Owner: Program Leader Governance

Risk Control Type: Strategic Risk Control

Risk Title: BUSINESS PRACTICES

City of West Torrens **2019/20 Strategic Risk Review Report**

Risk Type: Strategic

Evidence: a. Governance function comprises of qualified high level staff - e.g. General Manager has 15+ years' experience in governance, and the Program Leader Governance has Law Degree.
 b. Governance Reports presented to Council/Governance/Audit and Risk and Corporate Planning, Policy and Performance Committees (e.g. street renaming, boundary reform, legislative updates)
 c. Ombudsman's Confidential Audit found CWT were well within suggested limit for confidential items.
 d. Elected Members Conflict of Interest Audit - 2018
 e. Program Leader Governance closely monitors new/updated/amended State Government Legislation (relaying this information to appropriate Managers as required)
 f. Fraud and Corruption Audit - 2019

Objective ID or Webpage: a. A1271437 (page 26), A305026, Confidential - Refer to Personnel File for Resume - GM Business and Community Services and Program Leader Governance
 b. Confidential - Information on file (accessible by Exec)
 c. Id.11134
 d. A1189744
 e. A122485
 f. fA26407

Control Strength Rating: 5. Effective

Internal and External audit arrangements in situ ensuring appropriate oversight to decisions, processes, policies and procedures

Control Owner: Program Leader Strategic Resilience

Risk Title: BUSINESS PRACTICES

Evidence: a. BDO Contract for External Audit Services 2017-2022
 b. Galpins Contract for Internal Audit Services 2019-2021
 c. Internal Audit Plan 2019-2022. Outlining co-sourced approach to Internal Audit.

Objective ID or Webpage: a. A2067219
 b. A2300937
 c. A2233670

Control Strength Rating: 5. Effective

Legislation/policies/procedures in situ to ensure that Council is compliant and not acting 'ultra vires'

Control Owner: Program Leader Governance

Risk Title: BUSINESS PRACTICES

Evidence: a. Council policies available on the CWT website
 b. Administration policies available on Compass via the policy register (Policy Hub)
 c. Statutory Policies are endorsed by Council Advancement Committee (Endorsement of Employee Code of Conduct, 2018)
 d. Policies provided to Executive for review and approval
 e. Council Policy review schedule approved and presented to Executive and City Advancement and Prosperity Committee (quarterly)
 f. Reports refer to legislative requirements when relevant
 g. LGA Circulars discussed in Exec
 h. Legislative Compliance Audits
 i. Government Gazette distributed weekly to relevant General Managers, Managers and key staff for Information
 j. PDI update report

Objective ID or Webpage: a. https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Policies_and_procedures
 b. Policy HUB - <http://fusion.wtcc.sa.gov.au/policyHub>

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Webpage: 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 25 June 2019 Meeting - https://www.westtorrens.sa.gov.au/CWT/content/Council/Meetings/Agendas_and_Minutes
 f. A659870
 g. A821620 (*Executive Management Team Minutes provided)
 h. A2008258
 i. A122485
 j. A2044664

Control Strength Rating: 4. Majority Effective

Meeting Action Progress Report provided each quarter to the CPPP/Council

Control Owner: Executive Coordinator
Risk Title: BUSINESS PRACTICES
Evidence: a. Meeting Action Progress Report
Objective ID or Webpage: a. A824559

Control Strength Rating: 5. Effective

Monthly reports to Council and bi-monthly to committees

Control Owner: Executive Coordinator
Risk Title: BUSINESS PRACTICES
Risk Type: Strategic
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 regarding decisions and actions

Control Owner: Program Leader Governance
Risk Title: BUSINESS PRACTICES
Evidence: a. Public Consultation Policy
 b. Annual Report Confidential Items 2018-19 (Item 11.3 Governance Standing Committee)
 c. Training for all staff and Executive RE Public Interest Disclosure Act 2018 (currently under development for delivery November 2019)
 d. Agendas and minutes publicly available - see CWT Website
 e. Gifts and benefits register publicly available - see CWT Website
 f. Ombudsman's Report publicly available via the OmbudsmanSA website
 g. Elected Members Ordinary Returns publicly available - Register available on website
 h. Salary Register publically 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, administration Policy, (*new Framework for

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endorsement Sept 2019).
 m. Public Consultation requesting community feedback is regularly updated on CWT Website - e.g. Mellor Park 2019, Community Needs Survey 2019
 n. Freedom of Information (FOI) Process
 o. Public Interest Disclosure Act 2018

Objective a. A8241
ID or b. https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Annual_Reports
Webpage: c. A2309670
 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/Our_City/Have_your_say_community_consultations
 n. https://www.westtorrens.sa.gov.au/CWT/content/Council/Contact_Us/Freedom_of_Information
 o. <https://icac.sa.gov.au/pid-guidelines>

Control Strength Rating: 4. Majority Effective

Plans in situ - i.e. Asset Management Plan, Risk & Resilience Management Plan, 10 year Financial Plan, Strategic Plan etc

Control Owner: Manager Business and Strategy

Risk Title: BUSINESS PRACTICES

Evidence: 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 2019-2022
 i. Corporate Plan Framework - Lean Project Plan (Lean Project - Corporate Planning Process Improvements)
 j. Enterprise Risk and Resilience Management Plan 2019/20
 k. Asset Management Policy (2019)
 l. Budget and annual business plan 2017/2018 incorporates the ten year financial plan

Objective a. A2128633
ID or b. 2128634
Webpage: c. A2128631
 d. A2128635
 e. A2128632
 f. A2150467
 g. <https://indd.adobe.com/view/cdf238c2-6408-493c-b378-4e81069d4783>
 h. A2233670
 i. A2203267
 j. A2326149
 k. A5579
 l. https://www.westtorrens.sa.gov.au/CWT/content/Council/Your_Council/Financial_Reports

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Control Strength Rating:	4. Majority Effective
Policy review regime monitored and managed by Executive	
Control Owner:	Program Leader Governance
Risk Title:	BUSINESS PRACTICES
Risk Type:	Strategic
Evidence:	a. Terms of Reference - City Advancement and Prosperity Committee b. The CWT Policy register available on Compass provides data on policies and reporting - see Policy Hub. c. Quarterly Policy Review Report to Executive, and City Advancement and Prosperity Committee - 2019
Objective ID or Webpage:	a. A2252714 b. Register available on Intranet (Compass) - http://fusion.wtcc.sa.gov.au/policyHub/#findapolicy c. A2252454
Control Strength Rating:	4. Majority Effective
Robust recruitment process leading to streamlined, effective and cost efficient screening to fill vacancies	
Control Owner:	Manager People and Culture
Risk Title:	BUSINESS PRACTICES
Evidence:	a. HR Documents are available on Compass (i.e. recruitment information including FAQs, policies, templates, forms, letters etc) b. Recruitment and Selection Policy - 2018 c. Recruitment based on cultural values and behaviours d. Qualifications, professional memberships and registration are confirmed and recorded on file
Objective ID or Webpage:	a. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources b. A5472 c. https://www.westtorrens.sa.gov.au/CWT/content/Council/Employment_volunteering/Working_with_us/Our_culture d. Confidential - recorded on individual Personnel Files
Control Strength Rating:	4. Majority Effective
Robust software systems in situ supporting access to timely and accurate information	
Control Owner:	Manager Information Services
Risk Title:	BUSINESS PRACTICES
Evidence:	a. Refer to "Software - State of Play" published August 2019 b. The Information Services Plan 2019-2020 includes data capture and business intelligence improvement initiatives eg. Tree Management, Asset capture and BI. c. IT assets recorded in the Helpdesk system with information used to locate, budget, forecast and dispose of assets (e.g. improvement initiatives in 2019/2020 include helping to improve data quality and access to information)
Objective ID or Webpage:	a. Confidential - tabled at September Exec meeting b. A2274556 c. Sighted
Control Strength Rating:	5. Effective

Strong Risk Function	
<p>Control Owner: Program Leader Strategic Resilience</p> <p>Risk Title: BUSINESS PRACTICES</p> <p>Evidence:</p> <ul style="list-style-type: none"> a. Risk function comprise suitably qualified high level staff b. Program Leader Strategic Resilience (Risk and Audit) c. All managers are accredited in risk management - refresher training booked for November 2019 d. A number Team leaders and staff trained in risk management in 2015 (further training session occurred November 2017) e. Enterprise Risk Management policy reviewed and approved (2019), available on Council's webpage f. Risk Management Framework reviewed and approved and available on CWT Intranet g. Good levels of compliance and controls of risk reviews. Galpins (CWT Risk Management Controls Verification Internal Audit Report) h. Strategic Risk Review 2018/19 Report i. Quarterly Risk Inductions are provided to all new staff (or adhoc as required) j. LGRS Risk Evaluation Audit Report 2018 <p>Objective ID or Webpage:</p> <ul style="list-style-type: none"> a. Resumes verified (confidential) b. A1271437 (pages 33, 26) c. A2051693 and certificates available in confidential HR files d. A1752100 e. A5024 f. A2320271 g. A770624 h. A2208783 i. A2200542 / A2119305 j. A2234862 <p>Control Strength Rating: 5. Effective</p>	
Strong, stable and experienced management team to ensure CWT have the capability to maintain modern and contemporary leadership	
<p>Control Owner: Manager People and Culture</p> <p>Risk Title: BUSINESS PRACTICES</p> <p>Evidence:</p> <ul style="list-style-type: none"> a. Executive team have has extensive management/executive experience and hold tertiary qualifications. b. Executive management team has comprised the same members for over 8 years (refer to Annual Reports on website) c. All managers accredited in risk management d. All managers are required to present on leadership at Manager's Forum (held monthly) e. Executive management meets fortnightly f. Professional Development opportunities for Managers <p>Objective ID or Webpage:</p> <ul style="list-style-type: none"> a. Confidential - Confirmed within personnel files b. Personnel files/reports to Council/Annual Reports/ Organisational Chart c. Certificates confirmed in personnel files/ECM d. A894659 e. Confidential - access to copies of Agenda and Minutes via Executive Coordinator f. A2084207 <p>Control Strength Rating: 5. Effective</p>	

Transparent, Open and Accountable decision making processes for the Community	
Control Owner:	Program Leader Governance
Risk Title:	BUSINESS PRACTICES
Evidence:	a. Annual Report Confidential Items 2018-2019 (refer to Agenda of Council Meeting Sept 2019) b. Freedom of Information available on CWT website c. Public Interest Disclosure Act 2018 (PID) information available on CWT 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) - (refer to Agenda of Council Meeting Sept 2019) g. ICAC Training completed by GM Business and Community Services and Program Leader Governance (July 2019) h. All staff and Executive to undertake Public Interest Disclosure training - Nov 2019 i. Public Interest Disclosure Act 2018
Objective ID or	a. https://www.westtorrens.sa.gov.au/CWT/content/Council/Meetings/Agendas_and_Minutes (refer to Agenda of Council Meeting Sept 2019)
Webpage:	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/Public_Interest_Disclosure d. A5158 e. A8109 f. https://www.westtorrens.sa.gov.au/CWT/content/Council/Meetings/Agendas_and_Minutes (refer to Agenda of Council Meeting Sept 2019) g. Certificate of completion contained within Personnel file (Confidential) h. A2371603, A2371602, A2371601 i. https://icac.sa.gov.au/pid-guidelines
Control Strength Rating:	4. Majority Effective
Well consulted Strategic Plan enabling an engaged and connected community	
Control Owner:	Team Leader Strategy
Risk Title:	BUSINESS PRACTICES
Evidence:	a. Towards 2025 Community Plan review approved 2017 following public consultation (Review of current plan underway, due for completion Nov 2020) b. Departmental Service plans i.e. Strategy and Business Annual Service Plan 2019/20 c. Strategic and Corporate Plans available via the CWT Public Website (e.g. Disability Access and Inclusion Corporate Plan, Tree Strategy, Open Space and Public Place Plan)
Objective ID or	a. https://indd.adobe.com/view/cdf238c2-6408-493c-b378-4e81069d4783
Webpage:	b. https://www.westtorrens.sa.gov.au/CWT/content/Council/Our_City/Community_Plan/Service_plans c. https://www.westtorrens.sa.gov.au/CWT/content/Council/Our_City/Strategic_and_corporate_plans
Control Strength Rating:	4. Majority Effective

Operational Links		
Risk Name	Responsible Officer	Current Risk Rating
Failure to provide 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	Low
Poor event management	Executive Coordinator	Low
Non Collection of Kerbside Waste including street litter bins and illegal dumping	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
Council Staff or Audit 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 of plant and equipment resources resulting in injury to staff or reduced service delivery.	Manager City Operations	Moderate
Failure to deliver continuous improvement objectives resulting in inefficient allocation of resources	Executive Coordinator	Moderate
Injury or death of staff or contractors in the workplace	Manager City Operations	Moderate
Failure to comply with legislative requirements (Agendas and Minutes)	Executive Coordinator	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 Business and Strategy	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
Working in an unsafe workplace resulting in injury or impact on staff wellbeing	Executive Coordinator	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
Mismanagement of volunteers resulting in failure to achieve objectives, reputation damage or litigation.	Manager Community Services	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
Failure to conduct routine public health and food safety inspections within regulatory requirements resulting in harm to the public.	Manager Regulatory Services	Moderate
Misconduct or maladministration by public officers	Executive Coordinator	Low

Accounts Receivable - invoices inaccurately recorded or not at all	Manager Financial Services	Low
Working in an unsafe workplace resulting in death or injury of staff, visitors, tenants or contractors	Manager City Property	Moderate
Asset register not accurately maintained	Manager Financial Services	Low
Failure to comply with legislative requirements	Manager Business and Strategy	Low
Negative feedback and effects on clients from failure to deliver services or over expectation of clients of services provided	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 Business and Strategy	Moderate
Existing infrastructure is poorly maintained resulting in deterioration and increased hazards	Manager City Operations	Moderate
Loan register not accurately maintained	Manager Financial Services	Low
Safety and well being of staff both on and offsite	Manager City Development	Moderate
Providing incorrect advice to internal/external stakeholders or not responding in a timely manner	Executive Coordinator	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 mismanagement resulting in damage to reputation, injury or litigation	Manager Community Services	Low
Event Management not meeting organisational objectives and/or compromising public safety	Manager Business and Strategy	Moderate
Failure to deliver business objectives due to poor contractor or project management(i.e. tender process, contractor performance, contractor viability).	Manager City Operations	Moderate
Sustainable Financial Management not achieved	Manager Financial Services	Moderate
Objectives or activities that compromise Staff safety health and well-being	Manager Regulatory Services	Moderate

STR 2 WORKFORCE MANAGEMENT

Primary Category: People
Responsible Officer: General Manager Business and Community Services

<u>Initial</u>		<u>Revised</u>	
Consequence	Major	Consequence	Major
Likelihood	Likely	Likelihood	Unlikely

Risk Rating	Extreme	Risk Rating	Moderate
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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, and/or lack of succession planning actions or programs leading to a loss of and/or lac corporate knowledge and reduced organisational capability and capacity to achieve effective service delivery.
- c) Inadequate staff health, welfare or wellbeing programs that impact on staff satisfaction or performance and/or inhibit the successful creati positive workplace culture.
- d) Resourcing limitations leading to current staff having the inability to undertake, continue or complete tasks as required.

Existing Controls:

- 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 for non-management roles are fair and equitable
- Continuous Improvement through the Lean Thinking program leads to a more engaged and involved workforce, as well as an organisation of 'lean thinkers'
- Culture Change and Development Program (FITCORE) in situ
- Development opportunities and programs are in place for the ongoing development of staff (i.e. training and development)
- Employee or Manager initiated classification review providing opportunities for 2-way performance development
- Managers' remuneration package
- Recruitment and selection is undertaken via various media to ensure strong and diverse applicants for roles
- Retention and attraction strategies in place to maintain organisational knowledge, employee satisfaction, as well as add to a positive and motivated workforce
- Workforce is made up of a long tenure aged workforce

Risk Controls (Evidence Supporting Tangible Controls)

All Managers and supervisors are trained/educated in leadership	
<p>Control Owner: Manager People and Culture</p> <p>Risk Title: WORKFORCE MANAGEMENT</p> <p>Evidence: a. Leadership learning at Managers Forum b. Leadership Forum Agenda - June 2019 c. Leadership cultural behaviours d. Leader competency development in progress with Leadership Learning e. Leadership Program for Team Leaders and Coordinators - 2018</p> <p>Objective ID or Webpage: a. A2021083 Leadership learning presentation b. A2323062 c. A2051438 d. A2051640 e. A2183776</p> <p>Control Strength Rating: 4. Majority Effective</p>	
Annual Performance Development Plans are implemented resulting in individual training plans	
<p>Control Owner: Manager People and Culture</p> <p>Risk Title: WORKFORCE MANAGEMENT</p> <p>Evidence: a. Employee Performance Partnering Development Program available on Compass (PPDP instruction guide and user template) b. Induction process aligns with CWT goals and objectives c. Performance Improvement Plans (for skill development and coaching)</p> <p>Objective ID or Webpage: a. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Performance-Partnering-and-Development-Program-PPDP b. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Your-First-3-months/City-of-West-Torrens-Induction-policy-a c. http://fusion.wtcc.sa.gov.au/registerEngine/registers/hrdocs/index.cfm</p> <p>Control Strength Rating: 4. Majority Effective</p>	

Conditions of employment and remuneration for non-management roles are fair and equitable	
<p>Control Owner: Manager People and Culture</p> <p>Risk Title: WORKFORCE MANAGEMENT</p> <p>Evidence: a. Employee Benefits and Conditions (e.g. RDO's, Healthy Lifestyle incentives, Flexible leave arrangements, etc) b. Culture Values (FITCORE) c. 24/7 Journey Insurance (private and work related) d. Enterprise Bargaining Agreement</p> <p>Objective ID or Webpage: a. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Benefits-and-Conditions b. http://compass.wtcc.sa.gov.au/Content-areas/CWT_Cultural_Dev/FITCORE?BestBetMatch=fitcore 518d497d-73ec-4f94-a1e5-512b-4ca8-90ba-af69a312174a en-AU 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</p> <p>Control Strength Rating: 5. Effective</p>	
Continuous Improvement through the Lean Thinking program leads to a more engaged and involved workforce, as well as an organisation of 'lean thinkers'	
<p>Control Owner: Program Leader Continuous Improvement</p> <p>Risk Title: WORKFORCE MANAGEMENT</p> <p>Risk Type: Strategic</p> <p>Evidence: a. Past LEAN Projects - Depot Mobilisation, Storm Management Process, Bank Guarantee Process, Customer Parking Complaints Process b. Managers training completed 2016 (refresher training scheduled for 2019) c. Facilitators training June 2018 d. Lean Progress Report 2019 (identifying measures of improvement participation across the Organisation during 2018/19) e. Annual Lean Plan 18/19 f. New staff complete a Continuous Improvement/LEAN induction</p> <p>Objective ID or Webpage: a. http://compass.wtcc.sa.gov.au/Content-areas/Lean-Thinking/Past-Projects b. A1810901 c. A2157355 d. A2349599 e. http://compass.wtcc.sa.gov.au/Content-areas/Lean-Thinking/2019-Lean-Projects-and-Plans f. A2257141</p> <p>Control Strength Rating: 4. Majority Effective</p>	
Culture Change and Development Program (FITCORE) in situ	
<p>Control Owner: Manager People and Culture</p> <p>Risk Title: WORKFORCE MANAGEMENT</p> <p>Evidence: a. CWT Culture Values (FITCORE) on Compass b. Job description template inclusive of CWT's culture values c. Culture Collaborators Group (staff identified as Culture Leaders to promote the ideals of FITCORE) d. CWT Innovation Room</p> <p>Objective ID or Webpage: a. http://compass.wtcc.sa.gov.au/Content-areas/CWT_Cultural_Dev/FITCORE?BestBetMatch=fitcore 518d497d-73ec-4f94-a1e5-512b-4ca8-90ba-af69a312174a en-AU b. A2049683</p>	

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Control Strength Rating:	c. A2194682 d. Sighted 4. Majority Effective		
Development opportunities and programs are in place for the ongoing development of staff (i.e. training and development)			
Control Owner:	Manager People and Culture		
Risk Title:	WORKFORCE MANAGEMENT		
Evidence:	a. Training and Development Policy - 2016 b. Study Assistance Policy - 2015 c. LG Professionals programs supported d. Participation in LG Management Challenges e. Leadership Program- Executive, Managers, Team Leaders and Coordinators f. Local Government (General) (Employee Code of Conduct) from 02 April 2018 g. CWT Employee Code of Conduct - 2018		
Objective ID or Webpage:	a. A6406 b. A6303 c. A1961577 - Confidential - (Advice to staff member of successful expression of interest to professional leaders program) d. A2037493 e. A2084207 f. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/codes/code_of_conduct_for_employe g. A2128406		
Control Strength Rating:	5. Effective		
Employee or Manager initiated classification review providing opportunities for 2-way performance development			
Control Owner:	Manager People and Culture		
Risk Title:	WORKFORCE MANAGEMENT		
Evidence:	a. Classification Review - Administration Policy - 2018		
Objective ID or Webpage:	a. A5319		
Control Strength Rating:	5. Effective		
Managers' remuneration package			
Control Owner:	Manager People and Culture		
Risk Title:	WORKFORCE MANAGEMENT		
Evidence:	a. Salary Register publicly available (Publically available via Customer Service Kiosk) b. 24/7 Journey c. Healthy Lifestyle		
Objective ID or	a. Salary Register 2018 (A2199634) b. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Benefits-and-Conditions		

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Webpage: c. <http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Benefits-and-Conditions>

Control Strength Rating: 5. Effective

Recruitment and selection is undertaken via various media to ensure strong and diverse applicants for roles

Control Owner: Manager People and Culture

Risk Title: WORKFORCE MANAGEMENT

Evidence: a. Recruitment and Selection Administration Policy - 2018
 b. Performance Partnering Development Program (PPDP) identifies opportunities for identifying interest in alternate roles
 c. Vacancies placed on CWT Website
 d. Seek job website
 e. Local Government Directory, Universities etc.
 f. CWT Linked-in Strategy

Objective ID or a. A5472

b. <http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Performance-Partnering-and-Development-Program-PPDP>

Webpage: c. https://www.westtorrens.sa.gov.au/CWT/content/Council/Employment_and_volunteering
 d. A2198528
 e. A1266296
 f. A2198558

Control Strength Rating: 5. Effective

Retention and attraction strategies in place to maintain organisational knowledge, employee satisfaction, as well as add to a positive and motivated workforce

Control Owner: Manager People and Culture

Risk Title: WORKFORCE MANAGEMENT

Evidence: a. EB Agreements available on Compass
 b. Culture Values program/cultural collaborators
 c. Mentoring Program (Managers/Team Leaders)

Objective ID or a. <http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Agreements-amp-Awards>

b. A2194682
Webpage: c. A2182907

Control Strength Rating: 4. Majority Effective

Workforce is made up of a long tenure aged workforce

Control Owner: Manager People and Culture

Risk Title: WORKFORCE MANAGEMENT

Evidence: a. Ageing Workforce Report

Objective ID or a. A1811807

Webpage:

Control Strength Rating: 5. Effective

Operational Links		
Risk Name	Responsible Officer	Current Risk Rating
Failure to provide a service to stakeholders or provide appropriate advice to Executive, Managers, Employees and members of the Public	Manager People and Culture	Moderate
Lack of engagement, ownership and accountability of CWT culture values resulting in increased people management (inappropriate behaviour or conduct) or staff turnover	Manager People and Culture	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
Staff unavailability (due to factors such as injury/illness/resignations etc) resulting in the inability to complete projects/tasks	Manager Financial Services	Low
Working in an unsafe workplace resulting in injury or impact on staff wellbeing	Executive Coordinator	Moderate
Failure to deliver business objectives due to poor contractor management (i.e. tender process, contractor performance).	Manager City Assets	Moderate
Lack of skilled staff and/or access to appropriate skilled, trained and experienced workforce results in reduced service quality	Manager City Operations	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
Failure to conduct routine public health and food safety inspections within regulatory requirements resulting in harm to the public.	Manager Regulatory Services	Moderate
Working in an unsafe workplace resulting in death or injury of staff, visitors, tenants or contractors	Manager City Property	Moderate
Loss of staff members resulting in the inability to complete key tasks	Manager City Development	Moderate
Existing infrastructure is poorly maintained resulting in deterioration and increased hazards	Manager City Operations	Moderate
Failure to effectively manage workplace behaviour resulting in referral to an External Agency	Manager People and Culture	Moderate
Employee industrial action resulting in inability to provide critical services and or result in reputation damage	Manager City Operations	Low
Failure to deliver business objectives due to poor contractor management (i.e. tender process, contractor performance).	Manager City Property	Moderate
Insufficient resources (including staff capacity or capability) to deliver projects/tasks	Manager Business and Strategy	High
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, contractor viability).	Manager City Operations	Moderate

STR 3 EFFECTIVE WHS MANAGEMENT

Primary Category: WHS
Responsible Officer: General Manager Business and 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 the protection of employees (i.e. support workers and those working externally) as well as members of the public (e.g. vulnerable / elderly)
- Annual Risk and Resilience Plan approved by the Executive to support risk profile and base of WHS management
- Asset Management Plans in place that provide for the consideration of contractor safety as well as public safety
- Claims trends monitored and inform early intervention for WHS and injury management risk mitigation strategies
- Competent Emergency Evacuation personnel whom are well trained assist in contributing to a safe working environment whereby an orderly evacuation of the building takes place
- Contract Management policies and procedures in place to ensure a standardised process for supplier engagement (as well as WHS risk mitigation awareness regarding contractor safety)
- Investigation, monitoring and reporting to the Management Team of specific WHS incidents
- 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
- Mandatory staff safety obligations are outlined via policies, procedures and safe work/operating procedures, Job Safety and Environmental Assessments in offering a safe work environment
- 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
- Prioritised customer requests/complaints are escalated to managers
- Programs available to aid staff well being and/or prevent treat and rehabilitate injury
- Regular and ad-hoc WHS Audits
- Regular emergency evacuation drills are exercised and reviewed
- 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
- Site visits to work sites by supervisors to ensure that policies and procedures are being implemented correctly
- WHS and IM Plan and associated programs approved and monitored
- WHS Calendar of Events outlines all corporate WHS training, including Emergency Evacuation

Risk Controls (Evidence Supporting Tangible Controls)

Advocacy sources available for the protection of employees (i.e. support workers and those working externally) as well as members of the public (e.g. vulnerable / elderly)	
Control Owner:	Manager People and Culture
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. CHSP Advocacy Policy - 2018 - available on Compass b. EAP program available for employees for group or individual debrief
Objective ID or Webpage:	a. A8234 b. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Employee-Assistance-Program
Control Strength Rating:	5. Effective
Annual Risk and Resilience Plan approved by the Executive to support risk profile and base of WHS management	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	a. 2019-2020 Annual Risk and Resilience Plan

City of West Torrens	2019/20 Strategic Risk Review Report
<p>Objective ID or Webpage: a. A2330901</p> <p>Control Strength Rating: 4. Majority Effective</p>	
Asset Management Plans in place that provide for the consideration of contractor safety as well as public safety	
<p>Control Owner: Manager City Assets</p> <p>Risk Title: EFFECTIVE WHS MANAGEMENT</p> <p>Evidence: a. Asset Management Policy b. Asset Management Plan/s available on CWT website c. SOPs (work zone, traffic controls) d. WHS Contract Management documentation ensures consideration of contractor/public safety</p> <p>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 c. https://fusion.wtcc.sa.gov.au/processHub/index.cfm#findaprocess d. http://compass.wtcc.sa.gov.au/Content-areas/Procurement/Contract-and-Contractor-Management-Process</p> <p>Control Strength Rating: 4. Majority Effective</p>	
Claims trends monitored and inform early intervention for WHS and injury management risk mitigation strategies	
<p>Control Owner: Manager People and Culture</p> <p>Risk Title: EFFECTIVE WHS MANAGEMENT</p> <p>Evidence: a. WHS and IM Performance Dashboard Report Quarter 4 2017-2018</p> <p>Objective ID or Webpage: a. http://compass.wtcc.sa.gov.au/Content-areas/WHS/WHS-and-IM-Performance-Dashboard-Reports</p> <p>Control Strength Rating: 4. Majority Effective</p>	
Competent Emergency Evacuation personnel whom are well trained assist in contributing to a safe working environment whereby an orderly evacuation of the building takes place	
<p>Control Owner: Manager People and Culture</p> <p>Risk Title: EFFECTIVE WHS MANAGEMENT</p> <p>Evidence: a. Emergency Warden Training attendance list for 29/11/2017 b. Training attendance record - Bob May Workplace emergency training - Chief & Deputy Warden Training 01/08/2017 c. Training attendance record for Emergency Evacuation Procedures and Practical use of Fire Extinguishers 29/11/2017</p> <p>Objective ID or Webpage: a. A2181629 b. A2045742 c. A2802447</p> <p>Control Strength Rating: 5. Effective</p>	
Contract Management policies and procedures in place to ensure a standardised process for supplier engagement (as well as WHS risk mitigation awareness regarding contractor safety)	
<p>Control Owner: Manager People and Culture</p> <p>Risk Title: EFFECTIVE WHS MANAGEMENT</p> <p>Evidence: a. Contractor Management Policy (2017) available on Compass</p>	

City of West Torrens		2019/20 Strategic Risk Review Report	
Objective ID or Webpage:	<ul style="list-style-type: none"> b. Contract and Contractor Management Process - (includes risk assessment, induction and monitoring requirements) c. Contractor Induction Process d. Natural Environmental Guidelines for Works, Operations and Contractors 	Control Strength Rating:	4. Majority Effective
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A6460 b. http://compass.wtcc.sa.gov.au/Content-areas/Procurement/Contract-and-Contractor-Management-Process c. http://compass.wtcc.sa.gov.au/Content-areas/Procurement/Procurement-Templates/Contractor-Management d. https://fusion.wtcc.sa.gov.au/policyHub/serveFile.cfm?id=47 		
Investigation, monitoring and reporting to the Management Team of specific WHS incidents			
Control Owner:	Manager People and Culture	Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	<ul style="list-style-type: none"> a. All WHS accidents/incidents investigated. Reports to Exec and Steering Committee b. WHS and IM Performance Dashboard Report Quarter 4 - 2018/2019 c. Skytrust electronic reporting 		
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2361336 b. A2356711 c. https://skytrust.co/ 		
Control Strength Rating:	5. Effective		
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:	<ul style="list-style-type: none"> a. Government Gazettes distributed to relevant managers by Program Leader Governance for information as soon as received b. Legislative Progress Reports (monthly) to the City Advancement and Prosperity General Committee (providing an overview of proposed amendments and changes to legislation which affects CWT processes/policy or practices) - Refer to City Advancement and Prosperity General Committee Agenda 		
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2051472 b. https://www.westtorrens.sa.gov.au/CWT/content/Council/Meetings/Agendas_and_Minutes 		
Control Strength Rating:	5. Effective		
Major reports, or when there is a perceived significant issue, include risk assessment details			
Control Owner:	Work Health Safety Coordinator	Risk Title:	EFFECTIVE WHS MANAGEMENT
Evidence:	<ul style="list-style-type: none"> a. Risk Management Framework Administration Policy approved June 2019 b. Asset Management Plans updated 2017 		
Objective ID or Webpage:	<ul style="list-style-type: none"> a. https://objective.wtcc.sa.gov.au/id:A2320271/document/versions/published/renditions/Onscreen b. https://www.westtorrens.sa.gov.au/CWT/content/Council/Our_City/Community_Plan/Management_business_plans 		
Mandatory staff safety obligations are outlined via policies, procedures and safe work/operating procedures, Job Safety and Environmental Assessments in offering a safe work environment			
Control Owner:	Manager People and Culture	Risk Title:	EFFECTIVE WHS MANAGEMENT

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Evidence:	<ul style="list-style-type: none"> a. WHS Policies (endorsed by executive) are available via Compass - Refer to Policy Hub b. Index of Standard Operating Procedures - Refer to Compass c. Policy review Report 2018/2019 d. SWP / SOP review schedule underway e. Job Safety Environment analysis register f. WHS and IM Performance Dashboard Report Q4 - 2018/2019 		
Objective ID or Webpage:	<ul style="list-style-type: none"> a. http://fusion.wtcc.sa.gov.au/policyHub/#findapolicy b. http://fusion.wtcc.sa.gov.au/processHub/index.cfm c. A2259695 d. A855878 e. A1157321 f. A2356711 		
Control Strength Rating:	5. Effective		
No history of Safework SA prosecution or WHS offence			
Control Owner:	Work Health Safety Coordinator		
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		
Control Strength Rating:	5. Effective		
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:	<ul style="list-style-type: none"> a. Policy review Report 2018 b. WHS and IM Performance Dashboard Report Quarter 4 2018/2019 		
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2128807 b. http://compass.wtcc.sa.gov.au/Content-areas/WHS/WHS-and-IM-Performance-Dashboard-Reports 		
Control Strength Rating:	5. Effective		
Prioritised customer requests/complaints are escalated to managers			
Control Owner:	Manager People and Culture		
Risk Title:	EFFECTIVE WHS MANAGEMENT		
Evidence:	<ul style="list-style-type: none"> a. Customer Complaints Policy 2018 - available on CWT website b. Section 270 internal reviews (Refer to details within the LGA website - Complaints about Council) 		
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A8109 b. https://www.lga.sa.gov.au/complaints 		
Control Strength Rating:	5. Effective		
Programs available to aid staff wellbeing and/or prevent treat and rehabilitate injury			
Control Owner:	Manager People and Culture		
Risk Title:	EFFECTIVE WHS MANAGEMENT		
Evidence:	<ul style="list-style-type: none"> a. Employee Assistance Program for employees (for groups or individuals) b. Healthy Lifestyle bonus program - refer to Compass 		

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Objective ID or Webpage:	<ul style="list-style-type: none"> c. Early Intervention Physiotherapy program d. Early intervention Program for injured workers e. Employee Health and Well Being Policy f. Skin Cancer Screenings g. Free vaccinations 		
Control Strength Rating:	<ul style="list-style-type: none"> 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. A2021082 e. A8649 f. A2320424 g. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Benefits-and-Conditions/Healthy-lifestyle-incentives 		
Regular and ad-hoc WHS Audits			
Control Owner:	Manager People and Culture		
Risk Title:	EFFECTIVE WHS MANAGEMENT		
Evidence:	<ul style="list-style-type: none"> a. Internal Audit Plan - 2019-2022 b. LGRS WCS KPI Audit Evaluation tool - 2018 c. CWT WHS and IM Improvement Plan 2017-2020 		
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2233670 b. A2189040 c. https://objective.wtcc.sa.gov.au/id:A2139034/document/versions/published 		
Control Strength Rating:	5. Effective		
Regular emergency evacuation drills are exercised and reviewed			
Control Owner:	Manager People and Culture		
Risk Title:	EFFECTIVE WHS MANAGEMENT		
Evidence:	<ul style="list-style-type: none"> a. Emergency Evacuation Exercise from Bob May Workplace Emergency Training 27.06.18- Civic Centre b. Executive debrief following emergency drills - Refer to 'WHS and Injury Management Performance Dashboard - Quarter 4 2018-2019' 		
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2170167 b. http://compass.wtcc.sa.gov.au/Content-areas/WHS/WHS-and-IM-Performance-Dashboard-Reports 		
Control Strength Rating:	5. Effective		
Risk assessments undertaken for major projects, new programs and departmental operational risks			
Control Owner:	Program Leader Strategic Resilience		
Risk Title:	EFFECTIVE WHS MANAGEMENT		
Evidence:	<ul style="list-style-type: none"> a. Summer Festival 2018 Risk Management Plan b. Operational Risk Report from Operational/Departmental risks contained in Interplan c. Enterprise Risk Framework stating that projects must have risk assessments completed 		
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2120355 b. A2319998 c. A2320271 		
Control Strength Rating:	3. Partially Effective		

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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		
Control Strength Rating:	3. Partially Effective		
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		
Site visits to work sites by supervisors to ensure that policies and procedures are being implemented correctly			
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. Standardised Contractor Site Monitoring checklist on Compass d. Standardised Staff Inspection Checklist on Compass (i.e. WGL Tree Inspection Process) - also refer to Mobile Inspections (on mobile /tablet platform)		
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# d. https://cacoo.com/api/v1/diagrams/gJHIBzmPel1Bdefr.png?apiKey=iN0QdpmQnqRgMXhGpjiH&width=1600		
Control Strength Rating:	4. Majority Effective		
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 - 2018-2019		
Objective ID or Webpage:	a. A2139034 b. http://compass.wtcc.sa.gov.au/Content-areas/WHS/WHS-and-IM-Management-System c. A2356711		
Control Strength Rating:	5. Effective		

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Rating:			
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. WHS Calendar of Events (inc. Council Meetings, Training, and Policy Review dates)		
Objective ID or Webpage:	a. https://fusion.wtcc.sa.gov.au/calendar/index.cfm?fullscreen=1		
Control Strength	5. Effective		
Rating:			

Operational Links		
Risk Name	Responsible Officer	Current 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
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	Moderate
Mismanagement of volunteers resulting in failure to achieve objectives, reputation damage or litigation.	Manager Community Services	Moderate
Working in an unsafe workplace resulting in death or injury of staff, visitors, tenants or contractors	Manager City Property	Moderate
Negative feedback and effects on clients from failure to deliver services or over expectation of clients of services provided	Manager Community Services	Moderate
Safety and well being of staff both on and offsite	Manager City Development	Moderate
Providing incorrect advice to internal/external stakeholders or not responding in a timely manner	Executive Coordinator	Moderate
Injury/Illness or lack of availability of staff	Manager Information Services	Moderate
Failure to provide a safe workplace resulting in injury increased costs and reputation damage	Manager People and Culture	High
Objectives or activities that compromise Staff safety health and well-being	Manager Regulatory Services	Moderate

STR 4 STAKEHOLDER RELATIONSHIPS

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

<u>Initial</u>		<u>Revised</u>	
Consequence	Major	Consequence	Major
Likelihood	Likely	Likelihood	Unlikely

Risk Rating	Extreme	Risk Rating	Moderate
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Effectiveness of Controls: Satisfactory

Descriptor:

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

Existing Controls:

- Commitment to positive working relationships, demonstrated through mechanisms such as pre-briefs, EM workshops, training sessions, joint EM/Staff social events
- Commitment to professional development and good practice management for the progression of staff into successful future leaders
- Effective and regular formal and informal communication between the CEO and Mayor
- Effective information provision
- Legislation in situ - ensuring officers are aware of legislative obligations which impact upon their area of responsibility
- Mandatory Code of Conduct for Council Members enacted and includes mandated behaviours and associated penalties for non-compliance
- Mandatory training is provided to Elected Members at the commencement of appointment for understanding of roles and responsibilities, code of conduct, legislative overview, etc (i.e. induction , LGA roles and responsibilities, etc)
- Ombudsman Act and Independent Commissioner Against Corruption (ICAC) provide for reporting processes and greater investigation into misconduct / maladministration / corruption
- Public Interest Disclosure processes in development
- Strategic direction documented and clearly articulated
- The mandatory Code of Conduct for employees stipulates the expected values, behaviours and conduct of staff
- Training provided to staff on their roles and responsibilities

Risk Controls (Evidence Supporting Tangible Controls)

Commitment to positive working relationships, demonstrated through mechanisms such as pre-briefs, EM workshops, training sessions, joint EM/Staff social events
Control Executive Coordinator
Owner:

Risk Title: STAKEHOLDER RELATIONSHIPS

Evidence: a. 2019 Elected Members Strategic Planning Workshop
 b. EM briefings/Informal gatherings held regularly before Council meetings - not decision making - Council Informal Gatherings Register 2019

Objective ID or a. A2280150
 b. A2226088

Webpage:

Control Strength Rating: 5. Effective

Commitment to professional development and good practice management for the progression of staff into successful future leaders

Control Owner: Manager People and Culture

Risk Title: STAKEHOLDER RELATIONSHIPS

Risk Type: Strategic

Evidence: a. CWT participates annually in the LG Professionals Challenge for potential future leaders
 b. One manager per month provides a leadership learning session to the Managers Forum
 c. Study Assistance Program
 d. Customer Experience Framework

Objective ID or a. A2080753
 b. A2141783 Leadership learning presentation (forum schedule)

Webpage: c. A6303
 d. A2177189

Control Strength Rating: 5. Effective

Effective and regular formal and informal communication between the CEO and Mayor

Control Owner: Executive Coordinator

Risk Title: STAKEHOLDER RELATIONSHIPS

Evidence: a. EM briefings/Informal gatherings held regularly before Council meetings – not decision making - Council Informal Gatherings Register 2019
 b. 2019 Elected Members Strategic Planning Workshop
 c. Informal Gatherings and Discussions Policy

Objective ID or a. A22850150
 b. A2226088

Webpage: c. <https://fusion.wtcc.sa.gov.au/policyHub/serveFile.cfm?id=200>

Control Strength Rating: 5. Effective

Effective information provision

Control Owner: Executive Coordinator

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

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d. 2018 Elected Members Strategic Planning Workshop

Objective a. A1832144
ID or b. A943497
Webpage: c. A2065713
 d. A2130691

Legislation in situ - ensuring officers are aware of legislative obligations which impact upon their area of responsibility

Control Program Leader Governance
Owner:
Risk Title: STAKEHOLDER RELATIONSHIPS

Evidence: a. Local Government Act 1999
 b. Listing of legislation/Acts that cover CWT - refer to 'Legislation - covering your work' on Compass/intranet
 c. Planning Development and Infrastructure Act 2016
 d. Legislative update (e.g. report/PDI update report)

Objective a. <https://www.legislation.sa.gov.au/LZ/C/A/Local%20Government%20Act%201999.aspx>
ID or b. <http://compass.wtcc.sa.gov.au/Content-areas/Governance/Legislation-covering-your-work>
Webpage: c. <https://www.legislation.sa.gov.au/LZ/C/A/Planning%20Development%20and%20Infrastructure%20Act%202016.aspx>
 d. A2044664 Project Status report - PDI Engagement -update 4

Control 4. Majority Effective
Strength
Rating:

Mandatory Code of Conduct for Council Members enacted and includes mandated behaviours and associated penalties for non-compliance

Control Program Leader Governance
Owner:
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
 d. Elected Member Training records contained within individual Elected Member personnel (confidential) file

Objective a. A8353
ID or b. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/codes/mandatory_code_of_conduc
Webpage: c. A2189475
 d. Refer to confidential elected member personnel file

Control 4. Majority Effective
Strength
Rating:

Mandatory training is provided to Elected Members at the commencement of appointment for understanding of roles and responsibilities, code of conduct, legislative overview, etc (i.e. induction , LGA roles and responsibilities, etc)

Control Program Leader Governance
Owner:
Risk Title: STAKEHOLDER RELATIONSHIPS
Risk Type: Strategic

Evidence: a. CWT Induction was provided to Elected Members following election - 2019
 b. Elected Members Training and Development Policy
 c. Kelledy Jones provision of training materials to all Elected Members (for EM reference)
 d. LGA online training modules (refer to LGA website)
 e. Email from GM Business and Community Services to all Elected Members RE mandatory training attendance (May 2019)
 f. Elected Member conflict of Interest Training
 g. Financial Management Mandatory Training provided by John Comrie to Elected Members

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h. Mandatory training Financial Reporting and Management 2018-19 - attendance register

Objective a. Refer to elected member confidential personnel file for completed training record

ID or b. <https://fusion.wtcc.sa.gov.au/policyHub/serveFile.cfm?id=128>

Webpage: c. A2341016

d. <http://training.lga.sa.gov.au/index.cfm/courses-forums/elected-member-training/lga-training-standard/>

e. A2310478

f. A2139928

g. A1662942

h. A76760

Control 4. Majority Effective

Strength

Rating:

Ombudsman Act and Independent Commissioner Against Corruption (ICAC) provide for reporting processes and greater investigation into misconduct / maladministration / corruption

Control Program Leader Governance

Owner:

Risk Title: STAKEHOLDER RELATIONSHIPS

Evidence: a. ICAC Directions and Guidelines (i.e. necessitates the need to report obligations)

b. OPI website

c. Public Interest Disclosures Act 2018 (i.e. directions and guidelines for reporting obligations)

d. Reporting and Investigating Council Member Code of Conduct Complaints Policy is available on Council's website

e. Ombudsman Act 1972 Legislation available on State Govt legislation webpage

f. Ombudsman SA Website

g. Customer Complaints Policy

Objective a. <http://www.icac.sa.gov.au/content/directions-and-guidelines>

ID or b. <https://icac.sa.gov.au/opi>

Webpage: c. <https://www.legislation.sa.gov.au/LZ/C/A/PUBLIC%20INTEREST%20DISCLOSURE%20ACT%202018.aspx>

d. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/council_policies/reportin_g_and_investigating_council_member_code_of_conduct_complaints_council_policy.pdf

e. <https://www.legislation.sa.gov.au/LZ/C/A/OMBUDSMAN%20ACT%201972.aspx>

f. <http://www.ombudsman.sa.gov.au/>

g. <https://fusion.wtcc.sa.gov.au/policyHub/serveFile.cfm?id=120>

Control 5. Effective

Strength

Rating:

Public Interest Disclosure processes in development

Control Program Leader Governance

Owner:

Risk Title: STAKEHOLDER RELATIONSHIPS

Evidence: a. Separate/private email account accessed only by responsible officer is available for lodgment of complaints tested July 2019

b. PID Training for all staff (refer to Governance induction)

Objective a. A2168364

ID or b. A2371603, A2371602, A2371601

Webpage:

Control 3. Partially Effective

Strength

Rating:

Strategic direction documented and clearly articulated

Control Team Leader Strategy

Owner:

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Risk Title: STAKEHOLDER RELATIONSHIPS

Evidence: a. Towards 2025 Community Plan review approved 2017 following public consultation (Review of current plan underway, due for completion Nov 2020)
 b. Departmental Service plans i.e. Strategy and Business Annual Service Plan 2019/20
 c. Strategic and Corporate Plans available via the CWT Public Website (e.g. Disability Access and Inclusion Corporate Plan, Tree Strategy, Open Space and Public Place Plan)

Objective ID or Webpage: a. <https://indd.adobe.com/view/cdf238c2-6408-493c-b378-4e81069d4783>
 b. https://www.westtorrens.sa.gov.au/CWT/content/Council/Our_City/Community_Plan/Service_plans
 c. https://www.westtorrens.sa.gov.au/CWT/content/Council/Our_City/Strategic_and_corporate_plans

Control Strength Rating: 4. Majority Effective

The mandatory Code of Conduct for employees stipulates the expected values, behaviours and conduct 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
 b. Governance induction of all new staff members inclusive of CWT expectations regarding the Code of Conduct

Objective ID or Webpage: a.
 b. [https://www.legislation.sa.gov.au/LZ/V/R/2018/LOCAL%20GOVERNMENT%20\(GENERAL\)%20\(EMPLOYEE%20CODE%20OF%20CONDUCT\)](https://www.legislation.sa.gov.au/LZ/V/R/2018/LOCAL%20GOVERNMENT%20(GENERAL)%20(EMPLOYEE%20CODE%20OF%20CONDUCT))
 b. A2255841

Control Strength Rating: 3. Partially Effective

Training provided to staff on their roles and responsibilities

Control Owner: Program Leader Governance

Risk Title: STAKEHOLDER RELATIONSHIPS

Evidence: a. Governance Induction
 b. Induction process - including Public Interest Disclosure Act 2018

Objective ID or Webpage: a. A979345
 b. <http://fusion/hr/Induction/index.cfm#employee>

Control Strength Rating: 4. Majority Effective

Operational Links		
Risk Name	Responsible Officer	Current Risk Rating
Failure to provide a service to stakeholders or provide appropriate advice to Executive, Managers, Employees and members of the Public	Manager People and Culture	Moderate
Developing Strategic and Corporate Plans, Projects, Partnerships and Policy positions that fail to engage staff, Elected Members and key stakeholders	Manager Business and Strategy	Moderate
Poor event management	Executive Coordinator	Low
Non Collection of Kerbside Waste including street litter bins and illegal dumping	Manager Regulatory Services	Moderate
Ineffective strategic partnerships resulting in missed opportunities to progress Council's objectives	Executive Coordinator	Low
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 Business and Strategy	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	Low
Accounts Receivable - invoices inaccurately recorded or not at all	Manager Financial Services	Low
Working in an unsafe workplace resulting in death or injury of staff, visitors, tenants or contractors	Manager City Property	Moderate
Negative feedback and effects on clients from failure to deliver services or over expectation of clients of services provided	Manager Community Services	Moderate
Loss of services to community due to loss of external funding.	Manager Community Services	Moderate
Developing Strategic and Corporate Plans, Projects, Partnerships or Policy positions that fail to meet community needs and aspirations	Manager Business and Strategy	Moderate
Existing infrastructure is poorly maintained resulting in deterioration and increased hazards	Manager City Operations	Moderate

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Providing incorrect, incomplete or non timely advice to internal/external stakeholders	Manager Business and Strategy	Moderate	
Providing incorrect advice to internal/external stakeholders or not responding in a timely manner	Executive Coordinator	Moderate	
Failure to effectively manage workplace behaviour resulting in 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 Business and Strategy	Moderate	
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, contractor viability).	Manager City Operations	Moderate	
Sustainable Financial Management not achieved	Manager Financial Services	Moderate	

STR 5 ADVICE AND INFORMATION

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

<u>Initial</u>		<u>Revised</u>	
Consequence	Moderate	Consequence	Moderate
Likelihood	Likely	Likelihood	Unlikely

Risk Rating	High	Risk Rating	Moderate
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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 legislation.

Existing Controls:

- Criminal History checks undertaken if required by policy/position to enable a thorough recruitment screening process of applicant
- 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

Risk Controls (Evidence Supporting Tangible Controls)

Criminal History checks undertaken if required by policy/position to enable a thorough recruitment screening process of applicant	
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
Control Strength Rating:	5. Effective
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
Control Strength Rating:	3. Partially Effective
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
Control Strength Rating: 5. Effective

High level of security in place associated with information storage and retrieval

Control Owner: Manager Information Services
Risk Title: ADVICE AND INFORMATION
Evidence: a. Information Security audit - 2013
 b. Information Fraud audit - 2018
 c. User access and Application access is administered with auditable, digital workflows eg. Network Access requests
 d. Strong adherence to the IT SOE (Standard Operating Environment)
 e. No successful cybersecurity attacks in IT outage have occurred in the last 10 years
 f. Allocation of software administration Rights
Objective ID or Webpage: a. A946972
 b. A212442
 c. Confidential documents have secure folder status and are only able to be accessed by approved officers - GMBCS verified
 d. A5637
 e. Confirmed - Manager Information Services
 f. A2203388
Control Strength Rating: 5. Effective

Legislative changes are distributed as they are received by Governance

Control Owner: Program Leader Governance
Risk Title: ADVICE AND INFORMATION
Evidence: a. Staff advised of changes via email with recommendation that the changes can be accessed via legislation.sa.gov.au site
 b. Legislative Progress Reports to Council once a month
 c. Updated Acts that affect Council are reported to the Council
 d. Executive is also advised by email/memo of changes to Acts if they affect Council
 e. Government gazette distributed weekly to relevant General Managers, Managers and key staff for information
Objective ID or Webpage: a. A2051465
 b. Infocouncil ID 10888 - July 2018
 c. A874738
 d. A1191371
 e. A2200770
Control Strength Rating: 5. Effective

Performance Development Plans

Control Owner: Manager People and Culture
Risk Title: ADVICE AND INFORMATION

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<p>Evidence: a. PDP</p> <p>Objective ID or Webpage: a. https://objective.wtcc.sa.gov.au/id:A2008095/document/versions/published</p> <p>Control Strength Rating: 5. Effective</p>	Policies/procedures/delegations/authorisations approved
<p>Control Owner: Program Leader Governance</p> <p>Risk Title: ADVICE AND INFORMATION</p> <p>Evidence: a. Review of delegations and authorisations approved by Council in May 2017 b. Delegations Framework c. Authorisations Register d. Delegations under the Development Act 1993 approved by Council 7 August 2018</p> <p>Objective ID or Webpage: a. A922800 b. A2157555 c. A1843362 d. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalmeetings/2018/agendas/agenda_council_and_star</p> <p>Control Strength Rating: 3. Partially Effective</p>	Professional indemnity insurance in situ for staff via LGRS
<p>Control Owner: Manager Financial Services</p> <p>Risk Title: ADVICE AND INFORMATION</p> <p>Evidence: a Local Government Association Mutual Liability Scheme confirmation of membership</p> <p>Objective ID or Webpage: a. A1747431 (15/16) A846674 16/17 2015462 17/18</p> <p>Control Strength Rating: 5. Effective</p>	Recruitment process to ensure qualified staff, qualifications/ professional memberships or registration; confirmed and recorded on file
<p>Control Owner: Manager People and Culture</p> <p>Risk Title: ADVICE AND INFORMATION</p> <p>Evidence: a. Recruitment Tool Box</p> <p>Objective ID or Webpage: a. http://compass.wtcc.sa.gov.au/Content-areas/Human-Resources/Toolbox-Vacancies/Recruitment-toolbox</p> <p>Control Strength Rating: 5. Effective</p>	

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
Control Strength Rating:	5. Effective
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
Control Strength Rating:	5. Effective
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-7:6f5c7addc57b a41fea20-512b-4ca8-90ba-af69a312174a en-AU e. A1269874
Control Strength Rating:	5. Effective

Operational Links		
Risk Name	Responsible Officer	Current Risk Rating
Failure to provide 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 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	Moderate
Misconduct or maladministration by public officers	Manager Business and Strategy	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	Low
Negative feedback and effects on clients from failure to deliver services or over expectation of clients of services provided	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 Business and Strategy	Moderate
Providing incorrect, incomplete or non timely advice to internal/external stakeholders	Manager Business and Strategy	Moderate
Providing incorrect advice to internal/external stakeholders or not responding in a timely manner	Executive Coordinator	Moderate
Sustainable Financial Management not achieved	Manager Financial Services	Moderate

STR 6 FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION

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

<u>Initial</u>		<u>Revised</u>	
Consequence	Catastrophic	Consequence	Moderate
Likelihood	Almost certain	Likelihood	Unlikely

Risk Rating	Extreme	Risk Rating	Moderate
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Effectiveness of Controls: Satisfactory

Descriptor:

- a) Inadequate systems, procedures and internal control frameworks that provide opportunities for fraud or corruption by Council staff, contractors, volunteers or Elected Members.
- b) Inadequate systems, procedures and internal control frameworks that provide opportunities for serious and systemic misconduct or maladministration 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
- Audit General Committee established to provide oversight to the organisation
- Code of Conduct awareness training provided to all staff and Elected Members, CAP and Audit and Risk Independent Members
- Confidential Public Interest Disclosure (PID) 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
- Governance Panel (LGA) operational
- Implementation of ICAC and OPI with associated legislation
- 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 across all aspects of the organisation undertaken in accordance with Internal Audit Plan with full reports provided to the Audit Committee inclusive of irregularities
- 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
- Policies/procedures, controls in place i.e. Fraud and Corruption Prevention, Control, Reporting and Investigating and Whistleblowers
- Processes are open and transparent
- 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 community consultation in line with policy and legislation leading to open and transparent decision making
- Regular review of policies and procedures
- Review and improve key workflows through Internal Audit reviews 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 managed through effective software including Interplan and Control Track
- 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

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, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
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)

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Objective a.
ID or <https://www.legislation.sa.gov.au/LZ/C/A/INDEPENDENT%20COMMISSIONER%20AGAINST%20CORRUPTION%20ACT%202012.aspx>
Webpage: b. A8109
 c. A8407
 d. A5733
 e. <https://www.legislation.sa.gov.au/LZ/C/A/OMBUDSMAN%20ACT%201972.aspx>
Control 4. Majority Effective
Strength
Rating:

Audit General Committee established to provide oversight to the organisation

Control Program Leader Strategic Resilience
Owner:
Risk Title: FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
Evidence: a. Committee re-established on 15 January 2019
 b. Audit General Committee Terms of Reference approved by Council at its 15 January 2019 meeting and commenced February 2019
Objective a. A2255782 (Agenda) and A2258266 (Minutes)
ID or b. A2258988 (Terms of Reference)
Webpage:
Control 4. Majority Effective
Strength
Rating:

Code of Conduct awareness training provided to all staff and Elected Members, CAP and Audit and Risk Independent Members

Control Program Leader Governance
Owner:
Risk Title: FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
Evidence: a. Audit Committee Member Induction training completed (PowerPoint presentation from KelliedyJones provided as evidence)
 b. Training provided to Leadership Forum members on Conflict of Interest provisions and the Code of Conduct in November 2017
Objective a. A1710846
ID or b. A2063287
Webpage:
Control 4. Majority Effective
Strength
Rating:

Confidential Public Interest Disclosure (PID) email address for reporting purposes

Control Program Leader Governance
Owner:
Risk Title: FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
Evidence: a. Dedicated internet page
 b. PID Gmail address tested
Objective a. <http://compass.wtcc.sa.gov.au/Content-areas/Governance>
ID or b. A2168364
Webpage:
Control 4. Majority Effective
Strength
Rating:

Council/Committee meetings/Informal gatherings held in public

Control Owner:	Program Leader Governance
Risk Title:	FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
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
Control Strength Rating:	5. Effective

Customer Complaints Policy in situ

Control Owner:	Program Leader Governance
Risk Title:	FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
Evidence:	a. Policy first approved by Council in 2012 - available on website
Objective ID or Webpage:	a. A8109
Control Strength Rating:	4. Majority Effective

External Audit undertaken and reported to the Audit and Risk Committee and Council in line with legislation

Control Owner:	Manager Financial Services
Risk Title:	FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
Evidence:	<ul style="list-style-type: none"> 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:	<ul style="list-style-type: none"> a. A2159318 b. A2054617
Control Strength Rating:	5. Effective

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, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
Evidence:	<ul style="list-style-type: none"> 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

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Objective a. A5733
ID or b. A2020683
Webpage: c. A2074513
 d. A2139928
Control 5. Effective
Strength
Rating:

Governance Panel (LGA) operational

Control Program Leader Governance
Owner:
Risk Title: FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
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 a. <https://www.lga.sa.gov.au/page.aspx?u=7063#>
ID or b. A8407
Webpage:
Control 4. Majority Effective
Strength
Rating:

Implementation of ICAC and OPI with associated legislation

Control Program Leader Governance
Owner:
Risk Title: FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
Evidence: a. Reporting and Investigation Council Member Code of Conduct Complaints
 b. Fraud and Corruption Prevention, Control, Reporting and Investigation Policy
 c. Dedicated internet page on Council website to Whistleblowers
 d. ICAC Directions and Guidelines
Objective a. A8407
ID or b. A5733
Webpage: c. https://www.westtorrens.sa.gov.au/CWT/content/Council/Contact_Us/Whistleblowers
 d. https://icac.sa.gov.au/sites/default/files/Directions_Guidelines_1.05_0.pdf
Control 5. Effective
Strength
Rating:

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 Program Leader Governance
Owner:
Risk Title: FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
Evidence: 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 a. Freedom of Information Act 1991 (SA)
ID or b. <https://www.westtorrens.sa.gov.au/CWT>
Webpage: c. A8395
 d. https://www.westtorrens.sa.gov.au/CWT/content/Council/Contact_Us/Freedom_of_Information
Control 5. Effective
Strength

Rating:	
Internal and External Audits across all aspects of the organisation undertaken in accordance with Internal Audit Plan with full reports provided to the Audit Committee inclusive of irregularities	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
Evidence:	a. Internal audits undertaken in line with Internal Audit Plan b. 2017/2018 Audited financial statements presented to the Audit and Risk Prescribed General Committee c. Community Consultation Internal Audit presented to the 17 April 2019 Audit Committee meeting (example of audit)
Objective ID or Webpage:	a. A2233670 b. A2054617 c. A2293423
Control Strength Rating:	4. Majority Effective
Mandatory Code of Conduct for Council employees in situ	
Control Owner:	Program Leader Governance
Risk Title:	FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
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
Objective ID or Webpage:	a. A2128406
Control Strength Rating:	5. Effective
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, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
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=1
Control Strength Rating:	5. Effective
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, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
Evidence:	a. Public Interest Disclosure (PID) Policy b. Fraud and Corruption Prevention, Control Reporting and Investigation Policy c. Elected Members Gifts and Benefits Register available publically

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d. Employees gifts and benefits register
 e. Governance induction
 f. Annual ICAC induction training for managers and team leaders

Objective ID or a. A5632
 b. A5733

Webpage: 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

Control Strength Rating: 5. Effective

Processes are open and transparent

Control Owner: Program Leader Governance

Risk Title: FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION

Evidence: a. Code of Practice Access to Meetings and Documents
 b. Public Consultation Policy
 c. Annual Report Confidential Items contained within Annual Report
 d. PID 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 a. A5875
 b. A8531

Webpage: 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_recordsg. Complaints lodged with the Ombudsman Report presented to 6 February 2018 Council meeting - A2101670h.
https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Registers_and_recordsi.
https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Registers_and_recordsj.
https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Registers_and_recordsk.
https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Registers_and_recordsl.
https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Registers_and_recordsm.
https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Registers_and_recordsn.
https://www.westtorrens.sa.gov.au/CWT/content/Council/Information/Registers_and_records

Control Strength Rating: 5. Effective

Procurement Roadmap program currently being implemented to provide robust procurement processes including purchase interrogation

Control Owner: Senior Strategic Procurement Officer

Risk Title: FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION

Evidence: a. Procurement 'Roadmap Program' (currently in year-4)
 b. Procurement Steering Committee - Terms of Reference
 c. Audit Reports undertaken since 2015 - e.g. Procurement Audit 2019; Contractor Management Audit 2018

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Objective a. A2185435
ID or b. A2019116
Webpage: c. A2284666 - Contractor Management
Control 4. Majority Effective
Strength
Rating:

Prudential reporting undertaken for required capital projects in accordance with legislation

Control Manager Financial Services
Owner:
Risk Title: FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
Evidence: a. Prudential Report Thebarton Precinct Community Facility
 b. Prudential Report Manuel site
 c. Prudential report Weigal Oval
Objective a. A812091
ID or b. Confidential but verified by GMB&CS
Webpage: c. A2056194

Regular community consultation in line with policy and legislation leading to open and transparent decision making

Control Manager Business and Strategy
Owner:
Risk Title: FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
Evidence: a. Public Consultation Administration Policy (2017)
 b. Public Consultation Council Policy (2018) and Framework (2019)
 c. By-Law review consultation 2017
 d. Community Engagement Strategy
 e. Community Consultation Audit 2018
 f. Fraud and Corruption Audit 2019
 g. Public Interest Disclosure Act 2018
 h. Community Consultation page on CWT public website
Objective a. A8241
ID or b. A8531
Webpage: c. A1994958
 d. A1997734
 e. A2180516
 f. fA26407
 g. <https://www.legislation.sa.gov.au/LZ/C/A/PUBLIC%20INTEREST%20DISCLOSURE%20ACT%202018.aspx>
 h. https://www.westtorrens.sa.gov.au/CWT/content/Council/Our_City/Have_your_say_community_consultations
Control 4. Majority Effective
Strength
Rating:

Regular review of policies and procedures

Control Program Leader Governance
Owner:
Risk Title: FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
Evidence: a. Quarterly report to Executive and to City Advancement and Prosperity Committee
Objective a. A2069939
ID or
Webpage:
Control 5. Effective
Strength

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Rating:	
Review and improve key workflows through Internal Audit reviews to improve integrity	
Control	Program Leader Strategic Resilience
Owner:	
Risk Title:	FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
Evidence:	a. Audit General Committee Reconstituted by Council in January 2019. Meets 5 times per annum b. Internal Audit Plan 2019-2022 was approved October 2018 outlining co-sourced approach to Internal Audit
Objective	a. A2258988
ID or	b. A2233670
Webpage:	
Control Strength	4. Majority Effective
Rating:	
Section 270 of the LG Act providing for the Internal Review of Council/Staff and Contractors decisions and complaints	
Control	Program Leader Governance
Owner:	
Risk Title:	FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
Evidence:	a. Internal review of Council Decisions Policy b. Customer Complaints Policy
Objective	a. A5158
ID or	b. A8109
Webpage:	
Control Strength	4. Majority Effective
Rating:	
Strong internal controls managed through effective software including Interplan and Control Track	
Control	Program Leader Strategic Resilience
Owner:	
Risk Title:	FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
Evidence:	a. BDO audited statements 2017/2018 confirms strong internal controls b. Risk Internal Control Verification Audit c. Risk Registers in Interplan - Strategic Risks d. Risk Registers in Interplan - Operational Risks
Objective	a. A2211929
ID or	b. A770624
Webpage:	c. A2312239 d. A2319998
Control Strength	4. Majority Effective
Rating:	
Training provided to Elected Members and independent members of the CAP and Audit and Risk Committee on new conflict of interest an informal gatherings provisions during 2016	
Control	Program Leader Governance
Owner:	
Risk Title:	FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION
Evidence:	a. Training Provided by Kellely 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 a. A1224391

ID or b. A1778853

Webpage:

Control 4. Majority Effective

Strength

Rating:

Operational Links		
Risk Name	Responsible Officer	Current Risk Rating
Failure to act as a Professional Officer	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	Moderate
Misconduct or maladministration by public officers	Manager Business and Strategy	Low
Accounts Payable - inappropriate allocation of funds	Manager Financial Services	Low
Misconduct or maladministration by public officers	Executive Coordinator	Low
Accounts Receivable - invoices inaccurately recorded or not at all	Manager Financial Services	Low
Negative feedback and effects on clients from failure to deliver services or over expectation of clients of services provided	Manager Community Services	Moderate
Providing incorrect, incomplete or non timely advice to internal/external stakeholders	Manager Business and Strategy	Moderate
Failure to declare an Interest or a Conflict of Interest by Officers and Elected Members resulting in external agency enquiries	Executive Coordinator	Low
Providing incorrect advice to internal/external stakeholders or not responding in a timely manner	Executive Coordinator	Moderate
Tax liabilities inaccurately recorded	Manager Financial Services	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 7 INFORMATION TECHNOLOGY INFRASTRUCTURE, THREAT PROTECTION AND MANAGEMENT OF SERVICES

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

<u>Initial</u>		<u>Revised</u>	
Consequence	Major	Consequence	Major
Likelihood	Almost certain	Likelihood	Unlikely

Risk Rating	Extreme	Risk Rating	Moderate
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Effectiveness of Controls: Satisfactory

Descriptor:

- a) 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.
- b) Inadequate protection from, response to, or management of, Cyber Security and associated threats to Council information, resources, or assets.
- c) Lack of preparation for or not capitalising on expected future technological capabilities or opportunities.

Existing Controls:

- Adequate funding levels established with resourcing meeting organisational need
- Audits undertaken by specialist network security firms
- Back-up of IT Systems information (including tape back-ups) to ensure recovery of critical data in the event of an outage
- Competitive remuneration to minimise malicious interference by staff
- CWT Business Continuity Plan approved and regularly updated and tested as per the CWT Emergency Management Assurance Framework
- External specialist IT advice sought when required to ensure currency of systems as well as practices/processes
- IT Business Continuity (BC) and Disaster Recovery (DR) Management Plan safeguards against the possible loss of critical data or systems (including the steps needed to restart, reconfigure and recover) in the event of an incident/outage
- Live processing and data on two sites concurrently (the CWT Civic data-centre and Adelaide City Council data-centre)
- Mobile device management including the ability to present real time information
- Multiple layers of IT security in place
- Qualified, competent, and experienced Information Services staff
- Replacement and upgrade programs in situ for hardware and software
- Robust policies in situ for IT usage (including processes for the removal of IT access for exiting staff)
- Supportive work environment provided
- Uninterrupted Power Supply (UPS)

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, THREAT PROTECTION AND MANAGEMENT OF SERVICES
Evidence:	a. Funding approved based on the IS workplan and is reviewed on a quarterly basis for currency (e.g. IT Budget for 2018/2019, and IM budget for 2018/2019). Where digital transformation of business processes and opportunities arise that requires additional IT resourcing, business cases are presented for Executive consideration.
Objective ID or Webpage:	a. A2202307 and A2201684
Control Strength Rating:	4. Majority Effective
Audits undertaken by specialist network security firms	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE, THREAT PROTECTION AND MANAGEMENT OF SERVICES
Evidence:	a. 3 external audits completed within the last 7 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 d. IT Business Continuity and Disaster Recovery Audit by Galpins - September 2019
Objective ID or Webpage:	a. Logical Security Internal Audit Report ID A946972, Invoice for IT Security review

	A1601769 b. A1729130 c. A2202714 d. A2362209 Control Strength Rating: 5. Effective
Back-up of IT Systems information (including tape back-ups) to ensure recovery of critical data in the event of an outage	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE, THREAT PROTECTION AND MANAGEMENT OF SERVICES
Evidence:	a. Backup jobs occur every weeknight or once a week to disk and/or tape. Back up tapes are recorded in an excel register and stored off-site. b. CWT installed Veeam back-up technology in October 2018
Objective ID or Webpage:	a. A1940623 b. A2209417
Control Strength Rating:	5. Effective
Competitive remuneration to minimise malicious interference by staff	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE, THREAT PROTECTION AND MANAGEMENT OF SERVICES
Evidence:	a. EBA - Remuneration reflects that of Local Government b. The IT Application Support analysts role was reclassified in 2018 and now reports to Manager IS c. The Network Administrator was reclassified in 2018 d. The IT Customer Support, Information Management - Team Leader, and GIS job descriptions are under review in 2019
Objective ID or Webpage:	a. A1707247 b. Information on file (accessible by Exec) but confidential (CHRIS21) c. Information on file (accessible by Exec) but confidential (CHRIS21) d. Information on file (accessible by Exec) but confidential (CHRIS21)
Control Strength Rating:	5. Effective
CWT Business Continuity Plan approved and regularly updated and tested as per the CWT Emergency Management Assurance Framework	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE, THREAT PROTECTION AND MANAGEMENT OF SERVICES
Evidence:	a. CWT Business Continuity Plan b. BCP Test Event held 03 November 2016 Training attendance Record c. Assurance plan detailing testing program
Objective ID or Webpage:	a. A841099 b. A1927140 c. A2302100
Control Strength Rating:	3. Partially Effective
External specialist IT advice sought when required to ensure currency of systems as well as practices/processes	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE, THREAT PROTECTION AND MANAGEMENT OF SERVICES

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Evidence:	<ul style="list-style-type: none"> a. Database administration skills are sourced externally b. CQR Consulting engaged to review security of the virtual environment c. Galpins Audit - IT Business Continuity and Disaster Recovery Management Plan - September 2019
Objective ID or Webpage:	<ul style="list-style-type: none"> a. Confirmed by Manager IS b. A1594870 & A1807746 CQR proposals. Purchase Order 102313 c. A2362209
Control Strength Rating:	5. Effective

IT Business Continuity (BC) and Disaster Recovery (DR) Management Plan safeguards against the possible loss of critical data or systems (including the steps needed to restart, reconfigure and recover) in the event of an incident/outage

Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE, THREAT PROTECTION AND MANAGEMENT OF SERVICES
Evidence:	<ul style="list-style-type: none"> a. Implementation and testing of Dell VxRail Hyper-converged Infrastructure active/active environment - October 2018 (i.e. "live" processing and data on two sites at the same time, the Civic data-centre and the Adelaide City Council data-centre) b. The Information Services Annual Service Plan 2019-20 includes improving access to the ACC IT hardware c. IT Business Continuity (BC) and Disaster Recovery (DR) Management Plan - September 2019 (update based on Dell hyper-converged VxRail solution) d. Galpins Audit - IT Disaster Recovery Audit - September 2019
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2209422 b. A2322953 c. A2266969 d. A2362209
Control Strength Rating:	5. Effective

Live processing and data on two sites concurrently (the CWT Civic data-centre and Adelaide City Council data-centre)

Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE, THREAT PROTECTION AND MANAGEMENT OF SERVICES
Evidence:	<ul style="list-style-type: none"> a. Information Services Annual Service Plan 2019-20 b. Dell VxRail Hyper-converged Infrastructure active/active environment installed and tested in October 2018.
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2231190 b. A2209422
Control Strength Rating:	4. Majority Effective

Mobile device management including the ability to present real time information

Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE, THREAT PROTECTION AND MANAGEMENT OF SERVICES
Evidence:	<ul style="list-style-type: none"> a. Pathway customer request system allows information to be added and viewed in the field b. CWT mobile workforce use tablet devices to access and update information in real-time in the field (Mobile Devices Policy - 2017) c. CWT has been using 'MobileIron' mobile device management platform since 2012 to control external access to our IT network and systems. (e.g. BYOD Access Agreement Form)
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2051581 b. A4849 c. A831090

Control Strength Rating:	5. Effective
Multiple layers of IT security in place	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE, THREAT PROTECTION AND MANAGEMENT OF SERVICES
Evidence:	<ul style="list-style-type: none"> a. Information Security audit - 2013 b. Information Fraud audit - 2018 c. User access and Application access is administered with auditable, digital workflows eg. Network Access requests d. Strong adherence to the IT SOE (Standard Operating Environment) e. No successful cybersecurity attacks in IT outage have occurred in the last 10 years f. whitelisting process established to prevent executables being run g. Presentation on Cybersecurity (update) to Audit General Committee - (Refer to Minutes for 13 August 2019 meeting)
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A946972 b. A212442 c. Confidential documents have secure folder status and are only able to be accessed by approved officers - GMBCS verified d. A5637 e. Confirmed - Manager IS f. A1039996 g. https://www.westtorrens.sa.gov.au/CWT/content/Council/Meetings/Agendas_and_Minutes
Control Strength Rating:	5. Effective
Qualified, competent, and experienced Information Services staff	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE, THREAT PROTECTION AND MANAGEMENT OF SERVICES
Evidence:	<ul style="list-style-type: none"> a. All staff in IS are trained, qualified, and experienced. b. Network - IS administrators required to complete VMware and Microsoft accredited training
Objective ID or Webpage:	<ul style="list-style-type: none"> a. Individual records confidential on personnel files but confirmed b. Individual records confidential on personnel files but confirmed
Control Strength Rating:	5. Effective
Replacement and upgrade programs in situ for hardware and software	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE, THREAT PROTECTION AND MANAGEMENT OF SERVICES
Evidence:	<ul style="list-style-type: none"> a. Core software updated to keep the released versions within the range of supplier support products. b. Key business applications updated annually (e.g. IS Strategic Plan 2019/2020 and IS Roadmap 2019/20). c. IT assets are barcoded and recorded in our Helpdesk system. The information is used for disposal and replacement. d. The document "Software - State of Play" was published in August 2019.
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A1799617 (Software Applications - Support Profile - Feb 2014) b. A2274556 (IS Strategic Plan 19/20), and A2274559 (IS Roadmap 19/20) c. Refer to Helpdesk system d. Confidential - presented to Exec August 2019

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Control Strength Rating:	5. Effective
Robust policies in situ for IT usage (including processes for the removal of IT access for exiting staff)	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE, THREAT PROTECTION AND MANAGEMENT OF SERVICES
Evidence:	<ul style="list-style-type: none"> a. Digital Network Access and Removal workflows b. Information Technology and Its Use Policy - 2019 c. As a double check, Payroll provides IT with information on who has left CWT employment (identifying where 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. A4678 c. Confidential information verified by GM B&CS
Control Strength Rating:	5. Effective
Supportive work environment provided	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE, THREAT PROTECTION AND MANAGEMENT OF SERVICES
Evidence:	<ul style="list-style-type: none"> a. Employee Assistance Program b. FITCORE Culture Values program c. Information Services - Post 2015 Employee Opinion Survey - Action Plan
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A8649 b. http://compass.wtcc.sa.gov.au/Content-areas/CWT_Cultural_Dev/FITCORE?BestBetMatch=fitcore 518d497d-73ec-4f94-a1e5-6f5c7addc57b a41fea20-512b-4ca8-90ba-af69a312174a en-AU c. A1270093
Control Strength Rating:	4. Majority Effective
Uninterrupted Power Supply (UPS)	
Control Owner:	Manager Information Services
Risk Title:	INFORMATION TECHNOLOGY INFRASTRUCTURE, THREAT PROTECTION AND MANAGEMENT OF SERVICES
Evidence:	<ul style="list-style-type: none"> a. Information Services Risk Evidence Update as at August 2017 b. Annual Maintenance agreement with Computer Site Solutions for over 10 years (Invoice from Computer Site Solutions for UPS maintenance - Sep 16 to Aug 17) c. Tender was run August 2019 for upgrade to Civic data-centre UPS; Civic data-centre UPS replacement - October 2019
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2034362 b. Information Confidential but available to Exec (Invoice SC8231 in Finance One) c. A2353618
Control Strength Rating:	5. Effective

Operational Links		
Risk Name	Responsible Officer	Current Risk Rating
Failure to provide 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/software and/or cloud services	Manager Information Services	Moderate
Damage to or loss of hardware (including loss of the IT Datacentre)	Manager Information Services	Moderate
Negative feedback and effects on clients from failure to deliver services or over expectation of clients of services provided	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 8 BUSINESS CONTINUITY AND COMMUNITY RESILIENCE

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

Initial		Revised	
Consequence	Major	Consequence	Major
Likelihood	Likely	Likelihood	Moderate

Risk Rating	Extreme	Risk Rating	High
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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 plan, prepare or take adequate and appropriate action to prevent impacts from an emergency event (including natural emergencies such as flooding and earthquake, as well as deliberate attacks such as terrorism, hostile vehicle attack in crowded places, cyber-crime, etc.) 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
- e) Failure to plan for and monitor threats emerging as a result of climate change and other hazards identified via state or local zone emergency planning

Existing Controls:

- 2.5 FTE dedicated to risk management including emergency management and resilience to ensure the organisation and community are best prepared for incidents and events
- Alternative sites identified for the operation of a Council Emergency Operations Centre as well as alternative working environments in the event of a major business disruption
- An evolving and improving approach to Information Technology Business Continuity (BC) and Disaster Recovery (DR) as business requirements and technology change
- Annual Risk and Resilience Plan is approved by the Executive and has a focus on community and organisational resilience
- Asset Management Plans
- CWT approved and actively participates in the LGA's Council Ready Program, an NDRP funded program to provide sector wide emergency management project officers
- CWT is a member of the Western Adelaide Zone Emergency Management Committee which encourages communication and inter-agency workflow
- 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 Plan in Place for the Western Region (West Torrens, Charles Sturt, Port Adelaide Enfield) involving SAFECOM, SAPOL, SES and MFS providing greater communication and planning between agencies
- Emergency Management suite of documents and plans prepared and developed with staff including Operations Plan and Business Continuity Plan
- Emergency safety training programs (inc.emergency evacuation drills) completed on a regular basis
- Enterprise Risk Framework requires an annual risk and resilience plan to be developed and approved by the 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
- Federal and State Government plans, strategies, guidelines and task forces in place to prevent, prepare, respond and recover from emergency event provide additional external support to CWT plans, strategies and actions
- 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
- 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 in order to better facilitate and coordinate resources of Local Government
- Local government now represented on the State Emergency Management Committee and in the State Emergency Centre to provide greater communication and resource sharing opportunities
- Organisation has established a Crowded Places and Organisational Resilience Committee comprising of broad variety of employees reviewing measures to improve the safety of crowded places and improve organisational resilience
- Organisation is insured via LGRS (unlimited insurance) which includes insurance for the operation of alternative service sites in a major business disruption
- Participation and commitment to the Western Adelaide Region Adaptwest Climate Change Adaptation Plan to ensure measures are taken to lessen the potential impacts of Climate Change
- Program Leader Strategic Resilience is a part of Major Projects Group to ensure measures are taken to ensure safety of Crowded Places and embed greater Organisational Resilience
- Risk management program in place to effectively monitor and manage all levels of risk to ensure a resilience organisation
- State Emergency management systems and procedures include Local Government leading to increased information flow and knowledge sharing
- Training and development of staff relating to emergency safety protocols and procedures for Local Government employees

- WHS&IM plan and programs, policies, procedures, standard operating guidelines (non WHS) in place

Risk Controls (Evidence Supporting Tangible Controls)	
2.5 FTE dedicated to risk management including emergency management and resilience to ensure the organisation and community are best prepared for incidents and events	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	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. A2131337 b. A2131342 and A2077833
Control Strength Rating:	5. Effective
Alternative sites identified for the operation of a Council Emergency Operations Centre as well as alternative working environments in the event of a major business disruption	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. Alternative site decisions available in the approved Business Continuity Plan b. BCP Testing occurred in 2016 and 2017
Objective ID or Webpage:	a. A1751574 b. A1810104
Control Strength Rating:	3. Partially Effective
An evolving and improving approach to Information Technology Business Continuity (BC) and Disaster Recovery (DR) as business requirements and technology change	
Control Owner:	Manager Information Services
Risk Title:	BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. IT Business Continuity (BC) and Disaster Recovery (DR) Management Plan - September 2019 b. Galpins Audit - September 2019
Objective ID or Webpage:	a. A2266969 b. A2362209
Control Strength Rating:	5. Effective
Annual Risk and Resilience Plan is approved by the Executive and has a focus on community and organisational resilience	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. 2019-2020 Annual Risk and Resilience Plan b. Plan approved by General Manager
Objective ID or Webpage:	a. A2330901 b. A2331046
Control Strength Rating:	4. Majority Effective

Asset Management Plans	
Control Owner:	Manager City Assets
Risk Title:	BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. CWT' Asset Management Plan is the strategic document that oversees the sustainable management and investment in assets, while 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. https://www.westtorrens.sa.gov.au/CWT/content/Council/Our_City/Strategic_and_corporate_plans b. A2080323 c. A2080410 d. A2080563 e. A2080325 f. A2080564 g. A2080406
Control Strength Rating:	4. Majority Effective
CWT approved and actively participates in the LGA's Council Ready Program, an NDRP funded program to provide sector wide emergency management project officers	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	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. A2257259
Control Strength Rating:	5. Effective
CWT is a member of the Western Adelaide Zone Emergency Management Committee which encourages communication and inter-agency workflow	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	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. A2233367 c. A2165827
Control Strength Rating:	4. Majority Effective
CWT website contains information for the community regarding emergencies to develop resilience	
Control Owner:	Program Leader Strategic Resilience

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Risk Title:	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	
Control Strength Rating:	3. Partially Effective	
EAP/Trauma counselling program in place for group or individual debrief		
Control Owner:	Manager People and Culture	
Risk Title:	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	
Control Strength Rating:	5. Effective	
Emergency Management Plan in Place for the Western Region (West Torrens, Charles Sturt, Port Adelaide Enfield) involving SAFECOM, SAPOL, SES and MFS providing greater communication and planning between agencies		
Control Owner:	Program Leader Strategic Resilience	
Risk Title:	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	
Control Strength Rating:	4. Majority Effective	
Emergency Management suite of documents and plans prepared and developed with staff including Operations Plan and Business Continuity Plan		
Control Owner:	Program Leader Strategic Resilience	
Risk Title:	BUSINESS CONTINUITY AND COMMUNITY RESILIENCE	
Evidence:	a. Approved Business Continuity Plan b. Annual Risk and Resilience Plan contains BCP review and testing c. EMBCP workshops with key staff d. EMBCP Presentation attended by key staff e. Proposed amendments consolidated for EMBCP (Example feedback provided) f. EMBCP reviewed by EY to ensure consistency and best practice g. City of West Torrens EMP Engagement Letter Draft June 2016 h. EMBCP hazard risk assessments and plans completed i. EY Proposal for testing program	
Objective ID or Webpage:	a. A1751574 b. A2330901 c. A2050022 d. A2097827 e. A2097824 f. A2214845 g. A1810100 h. A2095061 i. A2180704	

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Control Strength Rating:	4. Majority Effective
Emergency safety training programs (inc.emergency evacuation drills) completed on a regular basis	
Control Owner:	Manager People and Culture
Risk Title:	BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	<ul style="list-style-type: none"> a. Work Health Safety and Injury Management Performance Dashboard Quarter 4 2018-2019 b. Fire Wardens trained in all civic facilities c. Chief Fire Wardens and Deputy trained as per Emergency Procedures d. WHS Calendar of Events inclusive of scheduled evacuation drills and WHS training opportunities e. WHS and Injury Management Induction f. WHS Induction and Training Policy - 2015
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2356711 b. A2030070 c. A2035142 d. https://fusion.wtcc.sa.gov.au/calendar/index.cfm?fullscreen=1 e. A1271176 f. A8586
Control Strength Rating:	5. Effective
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:	BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	<ul style="list-style-type: none"> a. Enterprise Risk Management Framework b. Approved Risk and Resilience Plan
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2320271 b. A2330901
Control Strength Rating:	4. Majority Effective
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:	BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	<ul style="list-style-type: none"> 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 c. Strategic Resilience inclusion on Major Projects Group to ensure focus is given to crowded places
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2049620 b. A2147450 c. A2318344
Control Strength Rating:	4. Majority Effective
Federal and State Government plans, strategies, guidelines and task forces in place to prevent, prepare, respond and recover from emergency event provide additional external support to CWT plans, strategies and actions	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	<ul style="list-style-type: none"> a. Australia's Strategy for protecting Crowded Places from Terrorism

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Objective ID or Webpage: b. Commonwealth's Hostile Vehicle Guidelines for Crowded Places guiding the mitigation of the consequences of such attacks -
 c. Countering Violent Extremism information available on Home Affairs website
 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>
 c. [https://www.homeaffairs.gov.au/about-us/our-portfolios/national-security/countering-extremism-and-terrorism/countering-violent-extremism-\(cve\)](https://www.homeaffairs.gov.au/about-us/our-portfolios/national-security/countering-extremism-and-terrorism/countering-violent-extremism-(cve))

Control Strength Rating: 4. Majority Effective

Funding provided in Budget and Grants to develop Emergency Management Plan and associated testing program

Control Owner: Program Leader Strategic Resilience
Risk Title: BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence: 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: 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: BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence: 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: a. A2127124
 b. A2127122
 c. A2127123
 d. A2127129
 e. A2127130
 f. A2127127
 g. A2127128
 h. A2127125
 i. A2127126

Control Strength Rating: 2. Requires Significant Improvement

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 in order to better facilitate and coordinate resources of Local Government

Control Owner: Program Leader Strategic Resilience
Risk Title: BUSINESS CONTINUITY AND COMMUNITY RESILIENCE

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Evidence:	a. LG Functional Support Group Implementation program - Participating agency workshops b. Information notices received and acted upon as required	
Objective ID or Webpage:	a. A2023587 b. A2334881	
Control Strength Rating:	4. Majority Effective	
Local government now represented on the State Emergency Management Committee and in the State Emergency Centre to provide greater communication and resource sharing opportunities		
Control Owner:	Program Leader Strategic Resilience	
Risk Title:	BUSINESS CONTINUITY AND COMMUNITY RESILIENCE	
Evidence:	a. State Emergency Management Plan	
Objective ID or Webpage:	a. https://dpc.sa.gov.au/responsibilities/security-and-emergency-management/state-emergency-management-plan	
Control Strength Rating:	4. Majority Effective	
Organisation has established a Crowded Places and Organisational Resilience Committee comprising of broad variety of employees reviewing measures to improve the safety of crowded places and improve organisational resilience		
Control Owner:	Program Leader Strategic Resilience	
Risk Title:	BUSINESS CONTINUITY AND COMMUNITY RESILIENCE	
Evidence:	a. Terms of Reference	
Objective ID or Webpage:	a. A2109488	
Control Strength Rating:	3. Partially Effective	
Organisation is insured via LGRS (unlimited insurance) which includes insurance for the operation of alternative service sites in a major business disruption		
Control Owner:	Manager Financial Services	
Risk Title:	BUSINESS CONTINUITY AND COMMUNITY RESILIENCE	
Evidence:	a. Level of insurance required reviewed annually with the LGRS	
Objective ID or Webpage:	a. A2015462	
Control Strength Rating:	5. Effective	
Participation and commitment to the Western Adelaide Region Adaptwest Climate Change Adaptation Plan to ensure measures are taken to lessen the potential impacts of Climate Change		
Control Owner:	Team Leader Strategy	
Risk Title:	BUSINESS CONTINUITY AND COMMUNITY RESILIENCE	
Evidence:	a. AdaptWest Climate Change Adaption Plan 2016 (approved by three Western Regional Councils). b. AdaptWest Completed Project (Urban heat mapping 2017; Smart irrigation trial) c. Funding Submission: National Disaster Resilience Program Grant Funding for Residential Building Retrofit for Climate Adaptation Project with The Energy Project d. CWT funded Project Officer 2019/20 (through internal budget) to implement the plan e. Western Adelaide Region Change Adaptation Plan Project Team (Governance) Structure f. Participation in AdaptWest Working Group - monthly (AdaptWest Regional Coordinator and project officer representative from CWT, CCS and PAE)	

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Objective ID or Webpage:	g. Participation in AdaptWest Steering Group - quarterly meetings (comprising of Executive and Management, reps from CWT, CCS and PAE, and Working Group Members) h. AdaptWest Regional Coordinator work plan i. AdaptWest 3-year Action Plan - approved by Exec August 2019 j. Adaptwest successful grant application notification for the appointment of the AdaptWest Regional Coordinator.
Control Strength Rating:	a. A898855 b. Urban heat mapping (A2039923), Smart irrigation trial (fA21126), c. A205053 d. fA25053 e. A2278871 f. fA24559 g. fA24559 h. A2178904 i. A2357336 j. A2043621, A2133482 and A2269850 3. Partially Effective
Program Leader Strategic Resilience is a part of Major Projects Group to ensure measures are taken to ensure safety of Crowded Places and embed greater Organisational Resilience	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. Terms of Reference b. Agenda
Objective ID or Webpage:	a. A2318344 b. A2313272
Control Strength Rating:	4. Majority Effective
Risk management program in place to effectively monitor and manage all levels of risk to ensure a resilience organisation	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. Enterprise Risk Management Policy available on website and PolicyHUB b. Enterprise Risk Management Framework available on PolicyHUB c. Annual Risk and Resilience Plan d. Dedicated and comprehensive risk management intranet pages on Compass e. LGRS Risk Evaluation Audit Report 2018
Objective ID or Webpage:	a. A5024 b. A2320271 c. A2330901 d. http://compass.wtcc.sa.gov.au/Content-areas/Resilience e. A2190221
Control Strength Rating:	4. Majority Effective
State Emergency management systems and procedures include Local Government leading to increased information flow and knowledge sharing	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	BUSINESS CONTINUITY AND COMMUNITY RESILIENCE
Evidence:	a. Local Government Emergency Management Framework

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<p>Objective ID or Webpage:</p> <p>Control Strength Rating:</p>	<p>b. State Emergency Management Plan</p> <p>a. https://www.lga.sa.gov.au/contentFile.aspx?filename=2017%20LGA%20Framework%201807.pdf b. https://dpc.sa.gov.au/responsibilities/security-and-emergency-management/state-emergency-management-plan</p> <p>4. Majority Effective</p>
Training and development of staff relating to emergency safety protocols and procedures for Local Government employees	
<p>Control Owner:</p> <p>Risk Title:</p> <p>Evidence:</p> <p>Objective ID or Webpage:</p> <p>Control Strength Rating:</p>	<p>Program Leader Strategic Resilience</p> <p>BUSINESS CONTINUITY AND COMMUNITY RESILIENCE</p> <p>a. LGA i-Responda training completed for all Depot Staff and other key stakeholders - November 2018 b. LGA 'Flooding and Fast Moving Water' training completed by all depot staff and other key stakeholders - March 2019 (e.g. 19 March calendar appointment)</p> <p>a. A2278715 b. A2366003</p> <p>4. Majority Effective</p>
WHS&IM plan and programs, policies, procedures, standard operating guidelines (non WHS) in place	
<p>Control Owner:</p> <p>Risk Title:</p> <p>Evidence:</p> <p>Objective ID or Webpage:</p> <p>Control Strength Rating:</p>	<p>Manager People and Culture</p> <p>BUSINESS CONTINUITY AND COMMUNITY RESILIENCE</p> <p>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 - 2019 e. Administration Policy - WHS and IM Planning - 2019</p> <p>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</p> <p>5. Effective</p>

Operational Links		
Risk Name	Responsible Officer	Current Risk Rating
Failure to provide 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	Low
Poor event management	Executive Coordinator	Low
Non Collection of Kerbside Waste including street litter bins and illegal dumping	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
Staff unavailability (due to factors such as injury/illness/resignations etc) resulting in the inability to complete projects/tasks	Manager Financial Services	Low
Damage to or loss of hardware (including loss of the IT Datacentre)	Manager Information Services	Moderate
Negative feedback and effects on clients from failure to deliver services or over expectation of clients of services provided	Manager Community Services	Moderate
Employee industrial action resulting in inability to provide critical services and or result in reputation damage	Manager City Operations	Low
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	High
Objectives or activities that compromise Staff safety health and well-being	Manager Regulatory Services	Moderate

STR 9 EMERGENCY EVENTS

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

<u>Initial</u>		<u>Revised</u>	
Consequence	Catastrophic	Consequence	Catastrophic
Likelihood	Rare	Likelihood	Rare

Risk Rating	Moderate	Risk Rating	Moderate
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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) 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.
- d) The inability to effectively respond or recover from an emergency event (including natural emergencies such as flooding and earthquake, as well as deliberate attacks such as terrorism, hostile vehicle attack in crowded places, cyber-crime, etc.) resulting in loss of key infrastructure/ assets and/or ongoing danger to staff or our community.

Existing Controls:

- Emergency Management suite of documents and plans prepared and developed with staff including Operations Plan, Hazard Plans and Business Continuity Plan
- Code red and blue alerts received and acted upon as required to ensure community are well prepared and aware of response protocols for extreme weather
- Emergency Response Protocol for emergency preparedness and response (e.g. Flood / Storm)
- 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 in order to better manage emergency events
- Information regarding Telecross is provided to vulnerable residents
- Knowledge and training relating to depot knowledge for emergency preparedness e.g. Flood Safe program
- LGFSG Information notices received and acted upon as required to ensure greater cross agency communication and resource sharing
- New developments are controlled in the Brown Hill/ Keswick Creeks and River Torrens catchments
- Notifications of weather warnings/creek monitoring is directed to identified staff for decision making relating to weather events
- Protocols in place to cancel preorganised Council events (e.g. weather related cancellations)
- Robust plans and procedures for assets ensure well considered preparation for flooding events
- Temporary centres available (Library) during emergency events to provide refuge
- Western Adelaide Zone Emergency Management Committee (WAZEMC) identifies key hazards (risks) for the western region

Risk Controls (Evidence Supporting Tangible Controls)

Emergency Management suite of documents and plans prepared and developed with staff including Operations Plan, Hazard Plans and Business Continuity Plan	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	EMERGENCY EVENTS
Evidence:	<ul style="list-style-type: none"> 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 f. Extreme Weather - Storm Hazard Plan g. Animal and Plan Disease Hazard Plan h. Earthquake Hazard Plan i. Escape of Hazardous Materials Hazard Plan j. Extreme Weather - Heat Hazard Plan k. Flood Hazard Plan l. Human Disease Hazard Plan m. Urban Fire Hazard Plan n. Urban Transport Incident Hazard Plan
Objective ID or Webpage:	<ul style="list-style-type: none"> a. https://dpc.sa.gov.au/responsibilities/security-and-emergency-management/state-emergency-management-plan b. A2346599 c. A2257320 d. A2127120 e. A2165827 f. A2127124 g. A2127122 h. A2127123

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Control Strength Rating:	<ul style="list-style-type: none"> i. A2127129 j. A2127130 k. A2127127 l. A2127128 m. A2127125 n. A2127126 <p>4. Majority Effective</p>		
Code red and blue alerts received and acted upon as required to ensure community are well prepared and aware of response protocols for extreme weather			
Control Owner:	Program Leader Strategic Resilience		
Risk Title:	EMERGENCY EVENTS		
Evidence:	<ul style="list-style-type: none"> a. Code Red Alert - 25 February to 2 March 2019 b. Code Blue Alert - 12 July 2019 		
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A2274478 b. A2334925 		
Control Strength Rating:	5. Effective		
Emergency Response Protocol for emergency preparedness and response (e.g. Flood / Storm)			
Control Owner:	Manager City Operations		
Risk Title:	EMERGENCY EVENTS		
Evidence:	<ul style="list-style-type: none"> a. 'Storm Mode' procedure (for both Storm and Flooding call-out response) - see 'Storm Mode' flowchart via compass a. After hours staff roster - City Operations c. General SOP's (e.g. Rapid Response Process) 		
Objective ID or Webpage:	<ul style="list-style-type: none"> a. https://cacao.com/api/v1/diagrams/FVjDxtmQXJzOzyIS.png?apiKey=iN0QdpmQnqRgMXhGpjiH&width=1600 b. A2185251 c. https://cacao.com/api/v1/diagrams/3GsKUJe9evW9BS98.png?apiKey=iN0QdpmQnqRgMXhGpjiH&width=1600 		
Control Strength Rating:	5. Effective		
Food inspections, pest/ mosquito controls and notifiable disease communication protocols in place			
Control Owner:	Manager Regulatory Services		
Risk Title:	EMERGENCY EVENTS		
Evidence:	<ul style="list-style-type: none"> a. Environmental Health Australia Tool - EHO Training and Induction in SA 		
Objective ID or Webpage:	<ul style="list-style-type: none"> a. A1681338 		
Control Strength Rating:	5. Effective		
General Manager Business and Community Services has been appointed as Council Commander and Program Leader Strategic Resilience has been appointed as Council Liaison Officer in order to better manage emergency events			
Control	Program Leader Strategic Resilience		

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Owner:			
Risk Title:	EMERGENCY EVENTS		
Evidence:	a. Instrument of Appointment - Council Commander b. Instrument of Appointment - Council Liaison Officer c. Program Leader and GM have completed Council Commander and Local Government Liaison Officer training		
Objective ID or Webpage:	a. A2091762 b. A2099301 c. Sighted and in confidential HR folder		
Control Strength Rating:	4. Majority Effective		
Information regarding Telecross is provided to vulnerable residents			
Control Owner:	Manager Community Services		
Risk Title:	EMERGENCY EVENTS		
Evidence:	a. Telecross information provided on website		
Objective ID or Webpage:	a. https://www.westtorrens.sa.gov.au/CWT/content/Council/Emergencies_disasters/Council_services_during_a_heat_wave		
Control Strength Rating:	4. Majority Effective		
Knowledge and training relating to depot knowledge for emergency preparedness e.g. Flood Safe program			
Control Owner:	Manager City Operations		
Risk Title:	EMERGENCY EVENTS		
Evidence:	a. SES Flood Safe program funding agreement b. LGA iResponda training for all Depot Staff and key staff - November 2019 c. Executive and Managers trained in i-Responda d. LGA emergency safety module 'Flooding and Fast Moving Water' training completed by Depot staff and key staff - March 2019		
Objective ID or Webpage:	a. A1851314 b. A2228154 c. A2166582 d. A2278715		
Control Strength Rating:	5. Effective		
LGFSG Information notices received and acted upon as required to ensure greater cross agency communication and resource sharing			
Control Owner:	Program Leader Strategic Resilience		
Risk Title:	EMERGENCY EVENTS		
Evidence:	a. Information notices received and acted upon as required		
Objective ID or Webpage:	a. A2334881		
Control Strength Rating:	4. Majority Effective		

New developments are 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 - 2018b. Planning Development and Infrastructure Act 2016
Objective ID or Webpage:	a. http://www.dpti.sa.gov.au/__data/assets/pdf_file/0011/250022/West_Torrens_Council_Development_Plan.pdf . https://www.legislation.sa.gov.au/LZ/C/A/Planning%20Development%20and%20Infrastructure%20Act%202016.aspx
Control Strength Rating:	5. Effective
Notifications of weather warnings/creek monitoring is directed to identified staff for decision making relating to weather events	
Control Owner:	Manager City Assets
Risk Title:	EMERGENCY EVENTS
Evidence:	a. Bureau of Meteorology early warnings / alerts (including flood warnings) provided to Council Membership via Council DL email address - floodwarnings@wtcc.sa.gov.au b. Remote sensor monitoring of creek levels - Access to remote sensor data (monitoring of creek levels) evidence in BOM service level specification
Objective ID or Webpage:	a. A2364642 b. A2364642
Control Strength Rating:	5. Effective
Protocols in place to cancel preorganised Council events (e.g. weather related cancellations)	
Control Owner:	Manager Business and Strategy
Risk Title:	EMERGENCY EVENTS
Evidence:	a. Event cancellation protocols
Objective ID or Webpage:	a. A2098203
Control Strength Rating:	4. Majority Effective
Robust plans and procedures for assets ensure well considered preparation for flooding events	
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 c. Asset Management Plans (e.g. building, roads, footpath)
Objective ID or Webpage:	a. (Refer to CWT asset management software Conquest) b. A994213 c. A2080323, A2080325, A2080410
Control Strength Rating:	4. Majority Effective

Rating:	
Temporary centres available (Library) during emergency events to provide refuge	
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
Control Strength Rating:	3. Partially Effective
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
Control Strength Rating:	4. Majority Effective

Operational Links		
Risk Name	Responsible Officer	Current Risk Rating
Insurance information/profiling is incorrect resulting in over payment of premiums, litigation or reputation damage	Manager Financial Services	Low
Non Collection of Kerbside Waste including street litter bins and illegal dumping	Manager Regulatory Services	Moderate
Interruption or loss of business systems/software 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
Staff unavailability (due to factors such as injury/illness/resignations etc) resulting in the inability to complete projects/tasks	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	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
Damage to or loss of hardware (including loss of the IT Datacentre)	Manager Information Services	Moderate
Working in an unsafe workplace resulting in death or injury of staff, visitors, tenants or contractors	Manager City Property	Moderate
Negative feedback and effects on clients from failure to deliver services or over expectation of clients of services provided	Manager Community Services	Moderate
Existing infrastructure is poorly maintained resulting in deterioration and increased hazards	Manager City Operations	Moderate
Providing incorrect advice to internal/external stakeholders or not responding in a timely manner	Executive Coordinator	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 that compromise Staff safety health and well-being	Manager Regulatory Services	Moderate

STR 10 INFRASTRUCTURE MANAGEMENT

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

Initial		Revised	
Consequence	Major	Consequence	Major
Likelihood	Likely	Likelihood	Unlikely

Risk Rating	Extreme	Risk Rating	Moderate
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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:

- Adhoc maintenance requests as initiated from Customer Requests
- Asset Management Plans
- Capital Works programs and Maintenance Budgets
- '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
- Dedicated City Property Department that oversee all CWT property maintenance and leasing requirements ensuring that infrastructure is appropriately managed
- Future Planning for CWT assets ensuring long term consideration for infrastructure
- IT Asset Management systems include capabilities to forecast, budget, source, implement and dispose of assets
- Long Term Financial Plans (identifying Asset Management expenditure)
- Master Plans produced for significant developments to ensure thorough consideration for the new asset
- Member of networks and committees that allow for robust planning for creeks and rivers
- Mobile device management includes the ability to present real time information (inspections etc)
- Regular contact and participation in Member networks regarding Plans and Planning to connect with other professionals

Risk Controls (Evidence Supporting Tangible Controls)

Adhoc maintenance requests as initiated from Customer Requests	
Control Owner:	Manager City Operations
Risk Title:	INFRASTRUCTURE MANAGEMENT

Evidence: a. City Operations undertake adhoc maintenance via customer requests in Pathway
Objective a. A2203507 (Sign repair)
ID or Webpage:
Control 5. Effective
Strength Rating:

Asset Management Plans

Control Manager City Assets
Owner:
Risk Title: INFRASTRUCTURE MANAGEMENT
Evidence: a. CWT' Asset Management Plan is the strategic document that oversees the sustainable management and investment in assets. 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
 h. CWT Development Plan - July 2018
 i. Development of Maintenance Management Plans (i.e. Recreation and Open Space Maintenance Management Plan)
Objective a. https://www.westtorrens.sa.gov.au/CWT/content/Council/Our_City/Strategic_and_corporate_plans
ID or b. A2080323
Webpage: c. A2080410
 d. A2080563
 e. A2080325
 f. A2080564
 g. A2080406
 h. https://www.dpti.sa.gov.au/__data/assets/pdf_file/0011/250022/West_Torrens_Council_Development_Plan.pdf
 i. A2080563
Control 4. Majority Effective
Strength Rating:

Capital Works programs and Maintenance Budgets

Control Manager City Assets
Owner:
Risk Title: INFRASTRUCTURE MANAGEMENT
Evidence: a. Infrastructure Project Plans (e.g. refer to documentation for Lockleys Stormwater duplication - Rutland Ave and Clyde Ave Lockleys)
Objective a. A858848
ID or Webpage:
Control 5. Effective
Strength Rating:

'Condition Audits' for Infrastructure Assets

Control Manager City Assets
Owner:
Risk Title: INFRASTRUCTURE MANAGEMENT

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Evidence: a. Bridges and Footbridges Audit
 b. Roads and Kerb and Gutter Audit
 c. Stormwater and underground SWA Audit
 d. Routine Inspection roll-out as per Asset Management Plans

Objective a.1962411

ID or b. A1104538

Webpage: c. A2134398

d. https://www.westtorrens.sa.gov.au/CWT/content/Council/Our_City/Strategic_and_corporate_plans

Control 5. Effective

Strength

Rating:

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 Manager City Assets

Owner:

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 a.A2203882

ID or b.A2203892

Webpage: c. A2203894

d.A2203895

Control 5. Effective

Strength

Rating:

Dedicated City Property Department that oversee all CWT property maintenance and leasing requirements ensuring that infrastructure is appropriately managed

Control Manager City Property

Owner:

Risk Title: INFRASTRUCTURE MANAGEMENT

Evidence: a. Organisational chart
 b. Building Asset Management Plan in place
 c. GHD Building Asset Audits guide the budget indicator RE 10-year Asset Plans
 d. Capital Operational Budget developed annually (Annual Business Plan prioritises infrastructure for maintenance and informs ma

Objective a. A1271437

ID or b. https://www.westtorrens.sa.gov.au/CWT/content/Council/Our_City/Strategic_and_corporate_plans

Webpage: c. A2102483

d. https://www.westtorrens.sa.gov.au/CWT/content/Council/Our_City/Strategic_and_corporate_plans

Control 5. Effective

Strength

Rating:

Future Planning for CWT assets ensuring long term consideration for infrastructure

Control Manager City Assets

Owner:

Risk Title: INFRASTRUCTURE MANAGEMENT

Evidence: a. Transport Strategy (i.e. Transportation for the next generation 2025. CWT Transport Strategy considers the future traffic and parking demands in the arterial and local road networks over the next 20 years.

b. Mitigation Works (e.g. West Beach Flood Wall)

Objective ID or Webpage: a. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/external_website/management_pl
b. A2183277

Control Strength Rating: 5. Effective

IT Asset Management systems include capabilities to forecast, budget, source, implement and dispose of ass

Control Owner: Manager Information Services

Risk Title: INFRASTRUCTURE MANAGEMENT

Evidence: a. IT assets are recorded in our Helpdesk system. The information is used for asset forecasting, budgeting, disposal and replacement.
b. The "Software - State of Play" was published in August 2019. It includes profiling our IT infrastructure.

Objective ID or Webpage: a. Refer to Helpdesk system
b. Confidential - Tabled at Exec meeting August 2019

Control Strength Rating: 5. Effective

Long Term Financial Plans (identifying Asset Management expenditure)

Control Owner: Manager City Assets

Risk Title: INFRASTRUCTURE MANAGEMENT

Evidence: a. Budget and Annual Business Plan 2019/2020

Objective ID or Webpage: a. https://www.westtorrens.sa.gov.au/CWT/content/Council/Our_City/Strategic_and_corporate_plans#downloads

Control Strength Rating: 5. Effective

Master Plans produced for significant developments to ensure thorough consideration for the new asset

Control Owner: Manager City Assets

Risk Title: INFRASTRUCTURE MANAGEMENT

Evidence: a. Apex Park Masterplan
b. Weigall Oval Stage 1 Masterplan
c. Kings Reserve and Thebarton Oval

Objective ID or Webpage: a. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/external_website/management_pl
b.
c. https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/external_website/master_plans/weig
c. A2169436

Control Strength Rating: 5. Effective

Member of networks and committees that allow for robust planning for creeks and rivers

Control Owner: Manager City Assets

Risk Title: INFRASTRUCTURE MANAGEMENT

Evidence: a. CEO is a member Brown Hill Keswick Creek (BHKC) Steering Committee
 b. GM Urban Services is on the BHKC Technical Group Brownhill Keswick Creek Stormwater Project - Steering Group Minutes - 15 June 2018
 c. Working closely with the SMA in relation to the development and implementation of the BHKC Plan
 d. Committee member - Sturt Creek Catchment Plans

Objective ID or Webpage: a. Brownhill Keswick Creek Stormwater Project - Steering Group Minutes - 15 June 2018
 b. A1512827
 c. A344815
 d. A1149969

Control Strength Rating: 4. Majority Effective

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
 b. Middleware Platform delivers real-time information to workforce via mobile devices

Objective ID or Webpage: a. A2051581
 b. Non tangible evidence

Control Strength Rating: 4. Majority Effective

Regular contact and participation in Member networks regarding Plans and Planning to connect with other professionals

Control Owner: Manager City Assets

Risk Title: INFRASTRUCTURE MANAGEMENT

Evidence: a. Annual Budget and Business Plan Summary provides contributions to BHKC works (2018-2019) - Commitment by all Councils involved in Brownhill/Keswick creeks to form a Regional subsidiary to implement the Stormwater Management Plan
 b. Approval of the Brown Hill/Keswick Creeks Stormwater Plan Part A and part B by all five councils - March 2016. Submitted to the Stormwater Management Authority in March 2016
 c. Lower Sturt Catchment Management Plan
 d. BHKC Stormwater project execution plan
 e. Brown Hill Keswick Creek (BHKC) Plan - March 2016
 f. River Torrens Linear Park Strategic Integrated Asset Management Plan

Objective ID or Webpage: a. A2333840
 b. A1272463 and A5322
 c. A1149969
 d. <https://bhkcstormwater.com.au/>
 e. <https://bhkcstormwater.com.au/wp-content/uploads/2016/03/bhkc20160311d-smp-figures.pdf>
 f. A1768103

Control Strength Rating: 4. Majority Effective

Operational Links		
Risk Name	Responsible Officer	Current Risk Rating
Failure to provide 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	Low
Failure of plant and equipment resources resulting in injury to staff or reduced service delivery.	Manager City Operations	Moderate
Flooding to existing communities and future developments resulting in loss or damage to property or injury	Manager City Assets	High
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 increased hazards	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 11 URBAN DENSIFICATION

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

<u>Initial</u>		<u>Revised</u>	
Consequence	Major	Consequence	Moderate
Likelihood	Likely	Likelihood	Moderate

Risk Rating	Extreme	Risk Rating	Moderate
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Effectiveness of Controls: Some Weaknesses

Descriptor:

a) Failure to adequately plan for or implement appropriate systems, programs and process needed as a result of increased demand for and/or change in use of Council infrastructure and assets, services and resources caused by increased density of population and changing community landscape.

Existing Controls:

- CWT provides feedback and commentary regarding legislative updates and requests for submissions
- Dedicated Strategy team to develop CWt strategies, plans and submissions
- Notification process in place for changes to legislation
- Plans, Policies and Strategies in situ providing guidance on decision making and infrastructure
- Regular contact and participation in networking and relevant associations/working parties to connect with other local government professional

Risk Controls (Evidence Supporting Tangible Controls)

CWT provides feedback and commentary regarding legislative updates and requests for submissions	
Control Owner:	Manager Business and Strategy
Risk Title:	URBAN DENSIFICATION
Evidence:	a. State Planning Policy Response b. Aircraft Noise c. Adelaide Airport Masterplan d. Public Safety Areas Response
Objective ID or Webpage:	a. A2241270 b. A1654638 c. A2224638 d. A219098
Control Strength Rating:	4. Majority Effective
Dedicated Strategy team to develop CWT strategies, plans and submissions	
Control Owner:	Manager Business and Strategy
Risk Title:	URBAN DENSIFICATION
Evidence:	a. Organisational chart
Objective ID or Webpage:	a. A1271437
Control Strength Rating:	5. Effective
Notification process in place for changes to legislation	
Control Owner:	Program Leader Governance
Risk Title:	URBAN DENSIFICATION
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	a. refer to Policy HUB - http://fusion.wtcc.sa.gov.au/policyHub/index.cfm

ID or b. A2183031
Webpage: c. A659870
 d. A821620 (*Executive Management Team Minutes provided)
 e. A2008258
 f. A122485
 g. A2044664
Control Strength Rating: 5. Effective

Plans, Policies and Strategies in situ providing guidance on decision making and infrastructure

Control Owner: Manager Business and Strategy
Risk Title: URBAN DENSIFICATION
Evidence: a. Transport Strategy
 b. Asset Management Plans
 c. Development Plan Amendments
 d. Open Space Strategy and Plans
 e. 30 year Plan for Greater Adelaide
 f. PDI Act
 g. Sale and Disposal of Assets Policy
Objective a.
ID or https://www.westtorrens.sa.gov.au/files/sharedassets/public/objective_digitalpublications/external_website/management_plans
Webpage: b. https://www.westtorrens.sa.gov.au/CWT/content/Council/Our_City/Strategic_and_corporate_plans
 c. https://www.dpti.sa.gov.au/__data/assets/pdf_file/0011/250022/West_Torrens_Council_Development_Plan.pdf
 d. A2080563
 e. https://livingadelaide.sa.gov.au/__data/assets/pdf_file/0003/319809/The_30-Year_Plan_for_Greater_Adelaide.pdf
 f. <https://www.legislation.sa.gov.au/LZ/C/A/PLANNING%20DEVELOPMENT%20AND%20INFRASTRUCTURE%20ACT%202016.aspx>
 g. A8554
Control Strength Rating: 5. Effective

Regular contact and participation in networking and relevant associations/working parties to connect with other local government professional

Control Owner: Team Leader Strategy
Risk Title: URBAN DENSIFICATION
Evidence: a. Inner Rim Planners Group
 b. Planning Reform Committee
 c. Regular contact with DPTI Transition Manager
Objective a. A1734448
ID or b. A2348364
Webpage: c. A2370823
Control Strength Rating: 3. Partially Effective

Operational Links		
Risk Name	Responsible Officer	Current Risk Rating
Community Reaction to Decisions	Manager City Development	Moderate
Failure to comply with current and changes to legislation and policy including PDI Act and case law authority	Manager City Development	Moderate
Failure to act professionally as a public officer	Manager City Development	Low
Hybrid development assessment process and records management systems resulting in the inability to locate information or process applications efficiently	Manager City Development	Moderate
Developing strategic and corporate plans, projects, partnerships and policy positions that fail to engage staff, Elected Members and key stakeholders	Manager Business and Strategy	Moderate
Failure to comply with legislative requirements	Manager Business and Strategy	Low
Developing strategic and corporate plans, projects, partnerships and policy positions that fail to meet community needs and aspirations	Manager Business and Strategy	Moderate
Aging and damaged assets - the ability to use the asset is compromised or not available	Manager City Assets	Moderate
Unsafe or ineffective movement of people through the City due to inadequate road and path network	Manager City Assets	Moderate

STR 12 WASTE MANAGEMENT

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

<u>Initial</u>		<u>Revised</u>	
Consequence	Major	Consequence	Moderate
Likelihood	Moderate	Likelihood	Unlikely

Risk Rating	High	Risk Rating	Moderate
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Effectiveness of Controls: Satisfactory

Descriptor:

- a) Failure to manage the collection and processing of waste leading to a loss of control over waste management costs and increased resources going to landfill.
- b) Failure to implement appropriate plans, processes and systems to appropriately manage challenges and/ or capitalise on opportunities presented as a result of changing market conditions including a loss of competitiveness regarding waste management in the local government sector and broader economy.
- c) Failure to meet community expectations with regard to waste management.

Existing Controls:

- Actions of the waste team are determined by the Annual Service Plan
- Consultants engaged where required to add value to process reviews and contract negotiations
- CWT Business Continuity Plan identifies Waste management as a critical function
- CWT has strong contracts and supplier relationships to appropriate manage market changes
- CWT provides feedback and commentary regarding legislative update and requests for submission
- Dedicated Waste Management team
- Grant funding applications and identified and applied for where possible to improve waste solutions across the council area
- Notification process in place for changes to legislation
- Pathway processes in place for City Assets to refer waste management issues to Waste Team regarding development Applications
- Regular contact and participation in networking and relevant associations/working parties to connect with other local government waste professionals
- Strong education programs in place for customers to reduce waste
- Waste Management has a dedicated Strategic Action within the 2025 Community Plan
- Waste Minimisation and Recycling Services Policy is in place to guide waste practices in the area
- Waste team actively engage with Events team to provide waste improvement ideas for events hosted in the CWT area
- Waste Team are developing strong networks within Council to encourage and influence others to improve their waste options / opportunities within their Work Plans
- Waste team completes regular annual reporting to the EPA as well as inspections and audits of waste facilities

Risk Controls (Evidence Supporting Tangible Controls)

Actions of the waste team are determined by the Annual Service Plan	
Control Owner:	Manager Regulatory Services
Risk Title:	WASTE MANAGEMENT
Evidence:	a. Regulatory Services Annual Service Plan 2019-2020
Objective ID or Webpage:	a. 2362960
Control Strength Rating:	5. Effective
Consultants engaged where required to add value to process reviews and contract negotiations	
Control Owner:	Manager Regulatory Services
Risk Title:	WASTE MANAGEMENT
Evidence:	a. Consultant invited to quote as required
Objective ID or Webpage:	a. A2103944
CWT Business Continuity Plan identifies Waste management as a critical function	
Control Owner:	Program Leader Strategic Resilience
Risk Title:	WASTE MANAGEMENT
Evidence:	a. Business Continuity Plan
Objective ID or Webpage:	a. A1751574
Control Strength Rating:	4. Majority Effective

CWT has strong contracts and supplier relationships to appropriate manage market changes	
Control Owner:	Manager Regulatory Services
Risk Title:	WASTE MANAGEMENT
Evidence:	a. CWT has renegotiated a 5 year Contract with Solo Waste Delivery (2019-2024) which includes a range of improvement and inclusions including costs and variations b. Bi-monthly performance reviews occur with contractor (Solo) - see agendas c. Long term relationship with Solo as waste supplier
Objective ID or Webpage:	a. A2310548 b. A2311827 c. A3101596
Control Strength Rating:	5. Effective
CWT provides feedback and commentary regarding legislative update and requests for submission	
Control Owner:	Manager Regulatory Services
Risk Title:	WASTE MANAGEMENT
Evidence:	a. Container Deposit Legislation Submission b. Single Use Plastics Submission
Objective ID or Webpage:	a. A2223746 b. A2273560
Control Strength Rating:	5. Effective
Dedicated Waste Management team	
Control Owner:	Manager Regulatory Services
Risk Title:	WASTE MANAGEMENT
Evidence:	a. Organisational Chart
Objective ID or Webpage:	a. A1271437
Control Strength Rating:	4. Majority Effective
Grant funding applications and identified and applied for where possible to improve waste solutions across the council area	
Control Owner:	Manager Regulatory Services
Risk Title:	WASTE MANAGEMENT
Evidence:	a. GISA Food Organics Recycling Incentive Grant Application
Objective ID or Webpage:	a. A2272885
Control Strength Rating:	4. Majority Effective
Notification process in place for changes to legislation	
Control Owner:	Program Leader Governance
Risk Title:	WASTE MANAGEMENT
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

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	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 Control Strength Rating: 5. Effective
Pathway processes in place for City Assets to refer waste management issues to Waste Team regarding development Applications	
Control Owner:	Manager Regulatory Services
Risk Title:	WASTE MANAGEMENT
Evidence:	a. Pathway workflows
Objective ID or Webpage:	a. Confirmed in Pathway
Control Strength Rating:	4. Majority Effective
Regular contact and participation in networking and relevant associations/working parties to connect with other local government waste professionals	
Control Owner:	Manager Regulatory Services
Risk Title:	WASTE MANAGEMENT
Evidence:	a. Attendance at the bi-monthly 'Waste Working Party' (City Facilities and Waste Recovery General Committee) b. Waste Management Resource Recovery Association of Australia (monthly meeting agendas and minutes) c. Members of Australian Organics Recycling Association Ltd. (AORA) d. Member of the Waste Educators Group (monthly meetings)
Objective ID or Webpage:	a. A2347851 b. A2330163 c. A2370803 d. A2337692
Control Strength Rating:	5. Effective
Strong education programs in place for customers to reduce waste	
Control Owner:	Manager Regulatory Services
Risk Title:	WASTE MANAGEMENT
Evidence:	a. Ongoing education program to defer waste away from landfill b. Ongoing participation in National Recycling Week c. Manual Bin audits regularly performed d. Partnerships with local groups including Waste Free Westies e. Website contains significant information regarding waste
Objective ID or Webpage:	a. A2268033 b. A2347851 c. A2162044 and A2267067 d. A2367831 e. https://www.westtorrens.sa.gov.au/CWT/content/Waste_and_recycling/Waste_to_landfill_bin
Control Strength Rating:	4. Majority Effective

Waste Management has a dedicated Strategic Action within the 2025 Community Plan	
Control Owner:	Manager Business and Strategy
Risk Title:	WASTE MANAGEMENT
Evidence:	a. Towards 2025 Community Plan
Objective ID or Webpage:	a. https://indd.adobe.com/view/cdf238c2-6408-493c-b378-4e81069d4783
Control Strength Rating:	4. Majority Effective
Waste Minimisation and Recycling Services Policy is in place to guide waste practices in the area	
Control Owner:	Manager Regulatory Services
Risk Title:	WASTE MANAGEMENT
Risk Type:	Strategic
Evidence:	a. Waste Minimisation and Recycling Services Policy
Objective ID or Webpage:	a. A5554
Control Strength Rating:	5. Effective
Waste team actively engage with Events team to provide waste improvement ideas for events hosted in the CWT area	
Control Owner:	Manager Regulatory Services
Risk Title:	WASTE MANAGEMENT
Evidence:	a. Organisation of bins for Japanese Festival b. Organisation of bins for event at Torrensville Bowling Club
Objective ID or Webpage:	a. A2300355 b. A2336558
Control Strength Rating:	4. Majority Effective
Waste Team are developing strong networks within Council to encourage and influence others to improve their waste options / opportunities within their Work Plans	
Control Owner:	Manager Regulatory Services
Risk Title:	WASTE MANAGEMENT
Risk Type:	Strategic
Evidence:	a. Waste team worked with City Operations to introduce compostable dog tidy bags
Objective ID or Webpage:	A. 2353596
Control Strength Rating:	4. Majority Effective
Waste team completes regular annual reporting to the EPA as well as inspections and audits of waste facilities	
Control Owner:	Manager Regulatory Services
Risk Title:	WASTE MANAGEMENT
Evidence:	a. Request for Annual Recycling Reports for EPA
Objective ID or Webpage:	a. A2351744
Control Strength Rating:	3. Partially Effective

Operational Links		
Risk Name	Responsible Officer	Current Risk Rating
Failure to conduct routine public health and food safety inspections within regulatory requirements resulting in harm to the public	Manager Regulatory Services	Moderate
Failure to facilitate the reduction of waste production and disposal leading to increased waste to landfill and increased costs to council	Manager Regulatory Services	Low
Non collection of kerbside waste including street litter bins and illegal dumping	Manager Regulatory Services	Moderate
Developing strategic and corporate plans, projects, partnerships and policy positions that fail to engage staff, Elected Members and key stakeholders	Manager Business and Strategy	Moderate
Developing strategic and corporate plans, projects, partnerships and policy positions that fail to meet community needs and aspirations	Manager Business and Strategy	Moderate
Unsafe or ineffective movement of people through the City due to inadequate road and path network	Manager City Assets	Moderate

STR 13 ESR1 Emerging Risk 1- Planning Development and Infrastructure Act (PDI)

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

<u>Initial</u>		<u>Revised</u>	
Consequence	Major		
Likelihood	Moderate		

Risk Rating	High
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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 regularly to influence the legislation and design codes as well as preparing the organization for the commencement of the Act. The Manager Business and Strategy is

taking the lead for the CWT's PDI Implementation project 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 Manager Business and Strategy will continue to manage the preparations and implementation of the PDI Act and associated changes to the systems and processes.
- Staff working collaboratively with DPTI staff on the implementation of the PDI Act with a PDI update report to Governance Committee meetings as appropriate.
- Council has passed a resolution to create an infill development liaison group to seek information and encourage consultation regarding potential impacts
- E-planning portal fees have been paid but this system is not yet operational
- Final State Planning Policies are due for release by March 2019
- Draft Regulations are expected in 2019 which will significantly impact on the City of West Torrens
- Draft Planning and Design Code is being released in three consecutive phases, moving from less complex to more complex planning environments between now and 1 July 2020. This approach will allow the Commission to minimise risk and apply key learnings along the way, adjusting the deployment approach as required.

The three implementation phases are outlined below:

Phase one (mid-2019): Code introduced to the outback (land not within a council area)

Phase two (late-2019): Code introduced to rural councils with small towns and settlements

Phase three (mid-2020): Code introduced to urban councils and councils with regional towns and cities

By 1 July 2020, the full Code will be in effect across the entire state and made available to all South Australians via the SA Planning Portal.

STR 14 ESR2 Emerging Risk 2 - Financial Management, Sustainability and Cost Shifting

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

<u>Initial</u>		<u>Revised</u>
Consequence	Major	
Likelihood	Unlikely	

Risk Rating	Moderate
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Descriptor:

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

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

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

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

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

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

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

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.

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

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