

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, 11 FEBRUARY 2020
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 John Woodward

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 8 October 2019 be confirmed as a true and correct record.

6 COMMUNICATION BY THE CHAIRPERSON**7 PRESENTATIONS****7.1 Assurance in Emergency Management**

Ms Liz Johnson, Program Leader Strategic Resilience of the City of West Torrens will be attending to present on Assurance in Emergency Management.

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 that currently there are no open actions to 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

One (1) action which arose from the 17 April 2019 meeting was still outstanding at the conclusion of the 2019 year (**Attachment 1**). This action has now been completed.

	Target date	RO	Status		Meeting/s where item originally raised
			Actions taken	Status	
1	October 2019	PLSR	Cyber security audit is currently planned within the next 18 months. Information Services has provided additional training to staff regarding cyber security measures and have also undertaken cyber security assessments in 2019.	Completed	April 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

Climate Impact Considerations

(Assessment of likely positive or negative implications of this decision will assist Council and the West Torrens Community to build resilience and adapt to the challenges created by a changing climate.)

There is no direct environmental impact in relation to this report.

Conclusion

This report advises that there are no open actions in progress.

Attachments

Nil

9 REPORTS OF THE CHIEF EXECUTIVE OFFICER

9.1 FINANCIAL REPORTING AND SUSTAINABILITY

9.1.1 Financial Reporting

Brief

This report lists those finance related reports which were considered by Council between 1 October 2019 and 31 January 2020.

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 1 October 2019 and 31 January 2020:

15 October 2019 - Council and Standing Committees

- Creditor Payments
- Property Leases
- Mendelson Financial Report September 2019
- Council Budget Report - Three Months to 30 September 2019

5 November 2019 - Council and Standing Committees

- Financial Statements - Year Ending 30 June 2019
- Brown Hill and Keswick Creek Stormwater Board Financial Statements for the Year Ending
- Budget versus Actual - Year Ended 30 June 2019

19 November 2019 - Council and Standing Committees

- Creditor Payments
- Credit Card Purchases - July to September 2019
- Register of Allowances and Benefits - 3 Months to 30 September 2019
- Council Budget Report - Four Months to 31 October 2019
- Budget Review - September 2019

26 November 2019 - City Facilities and Waste Recovery General Committee

- Nil

10 December 2019 - Council and Standing Committees

- Creditor Payments
- Debenture Loan Authorisation
- Form of the Council Budget and Annual Business Plan 2020/21

21 January 2020 - Council and Standing Committees

- Creditor Payments
- Property Leases
- Mendelson Financial Report December 2019
- Council Budget Report - SIX Months to 31 December 2019

Climate Impact Considerations

(Assessment of likely positive or negative implications of this decision will assist Council and the West Torrens Community to build resilience and adapt to the challenges created by a changing climate.)

There is no direct environmental impact in relation to this report.

Conclusion

This report lists finance related reports which were considered by Council between 1 October 2019 and 31 January 2020.

Attachments

Nil

9.2 INTERNAL CONTROLS AND RISK MANAGEMENT SYSTEMS

9.2.1 2019-2020 Mid-Year Strategic Risk Review

Brief

This report presents the results of the mid-year strategic risk review for 2019-2020.

RECOMMENDATION

It is recommended to the Committee that the *2019-2020 Mid-Year Strategic Risk Review* report be received.

Introduction

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

Discussion

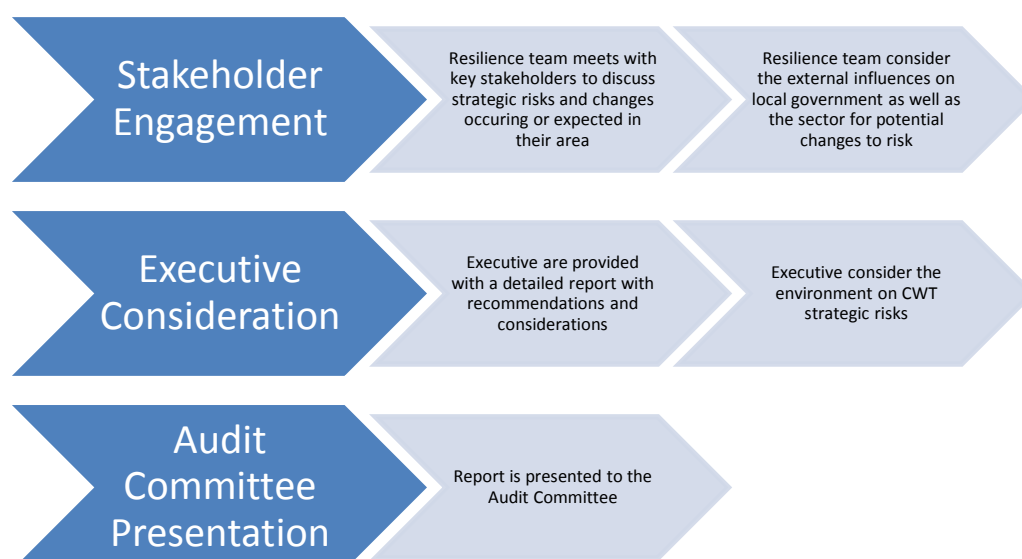
Strategic risks are those risks that impact on the whole organisation rather than an individual department. As such, they are directly managed by the Executive.

The Framework provides that strategic risk identification, strategic risk analysis and strategic risk evaluation occur annually and are reviewed six-monthly. The importance of six-monthly Reviews is recognised as an important function in the identification, monitoring and controlling of current, new or emerging strategic risks.

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

Strategic Risk Review Process

The process undertaken for this mid-year review is mapped below:



Strategic Risks

As a result of the process above, the Executive have reviewed the organisation's strategic risks, which are detailed below:

2019-2020 Strategic Risks	
1	Business Practices
2	Workforce Management
3	Effective WHS Management
4	Stakeholder Relationships
5	Advice and Information
6	Fraud, Corruption, Misconduct or Maladministration
7	Information Technology Infrastructure, Threat Protection and Management of Services
8	Business Continuity and Community Resilience
9	Emergency Events
10	Infrastructure Management
11	Urban Densification
12	Waste Management

No amendments were made to the 12 existing strategic risks at this review.

A Current Outlook and Summary of Proposed Changes is attached to this report (**Attachment 4**).

Risk Framework

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

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

They review resulted in one change to the overall residual risk ratings of the strategic risks as follows:

2019-2020 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

2019-2020 Strategic Risk		Likelihood	Consequence	Revised Risk Rating
8	Business Continuity and Community Resilience	Moderate	Moderate	Moderate
9	Emergency Events	Rare	Catastrophic	Moderate
10	Infrastructure Management	Unlikely	Major	Moderate
11	Urban Densification	Moderate	Moderate	Moderate
12	Waste Management	Unlikely	Moderate	Moderate

An amendment has been made to the risk rating of *Risk 8: Business Continuity and Community Resilience*. At the comprehensive strategic risk review in July, this risk remained at a 'High' risk rating but has now been revised down to a 'Moderate' risk rating. Significant work has been completed in this space to mitigate aspects of this risk impacting on the CWT. Further information and discussion can be found in **Attachment 4**.

Emerging Risks

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

The emerging risks are:

2019-2020 Emerging Strategic Risk	
1	Financial Management, Sustainability and Cost Shifting
2	Emerging Local Government Sector and Wider Community Issues

These emerging risks were subject to substantial review as part of the Comprehensive Strategic Risk Review process in July 2019 so no significant amendments were made at this review. They will be monitored continually and will be further reviewed in July 2020.

Notwithstanding this, since the Review was completed for the period 1 July to 30 December 2019, the 2019 Novel Coronavirus (2019-nCoV) has emerged as a potential risk to the ability of Council to provide services if it achieves pandemic levels. However this strategic risk review reviews Council's strategic risks for the period from 1 July 2019 to 31 December 2019 and so is not, and should not, be encompassed specifically within this review.

However, such a situation is contemplated in **Strategic Risk 2 - Workforce Management**, **Strategic Risk 3 - Effective WHS Management** and **Strategic Risk 8 - Business Continuity and Community Resilience** and is currently being monitored. Previous presentations by SA Health to the Western Zone Emergency Management Committee, of which Council's General Manager Business and Community Services is the Chair and the Program Leader Strategic Resilience is a member, has advised that the risk of pandemic in South Australia is low.

While not specifically focussed on the 2019(n-COV), SA Health's *Pandemic Influenza Plan* (Plan), which asserts it may also be applied to the management of other highly transmissible respiratory infections, articulates the State Government's strategy for minimising the health consequences of a pandemic that is likely to cause disruption to the SA health system and informs the whole of government measures intended to minimise adverse social and economic consequences associated with a human disease outbreak in South Australia. This Plan is available at:

https://www.sahealth.sa.gov.au/wps/wcm/connect/92b0e0804338c7cf8502ed8bf287c74e/SA%2BHealth%2BPandemic%2BInfluenza%2BPlan_v5.1_october2018.pdf?MOD=AJPERES&CACHE=NONE&CONTENTCACHE=NONE.

In addition, the SA Health has developed a sub-plan entitled "Infections Control for Pandemic Influenza" which is available at:

<https://www.sahealth.sa.gov.au/wps/wcm/connect/7b9d5d0048c6302a9cb8fd7577aa6b46/Infection%2BControl%2Bfor%2BPandemic%2BInfluenza%2Bsub%2Bplan%2B2015.pdf?MOD=AJPERES&CACHE=NONE&CONTENTCACHE=NONE>.

The Commonwealth's Pandemic Influenza page also contains a large amount of information with regard to preparing for pandemic. Of particular note is their National Framework for Communicable Disease Control: <https://www1.health.gov.au/internet/main/publishing.nsf/Content/ohp-nat-frame-communic-disease-control.htm#toc07>.

All of these documents and webpages support SA Health's assertion that the risk of pandemic in South Australia is low. However, rather than be complacent, the organisation will continue to monitor the situation and respond in accordance with advice from the relevant authorities.

Risk Solutions/Actions

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

There are currently no strategic risks which have been assessed as High or Extreme.

Climate Impact Considerations

(Assessment of likely positive or negative implications of this decision will assist Council and the West Torrens Community to build resilience and adapt to the challenges created by a changing climate.)

While the report in and of itself does not contain any direct environmental impacts, Strategic Risks 8, 9, 10, 11 and 12 articulate some of the measures in place to build resilience and/or mitigate the likelihood and consequences of and/or adapt to the changing climate.

Conclusion

This report presents the 2019-2020 Mid-Year Strategic Risk Review. No material changes resulted from this Review. The annual Comprehensive Strategic Risk Review will commence in July 2020.

Attachments

1. **2019-2020 Mid-Year Strategic Risk Review Report**
2. **Risk Matrix and Likelihood Descriptors**
3. **Risk Consequences Descriptors**
4. **Current Outlook and Summary of Proposed Changes Report**



Strategic Risk Review Report

City of West Torrens - 2019/20 Mid-Year Review

Print Date: 19-Nov-2019

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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.

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

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

Initial

Consequence	Moderate
Likelihood	Likely

Revised

Consequence	Moderate
Likelihood	Unlikely

Risk Rating	High
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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

Community Plan Links

Goal: A Vibrant City
Goal: An Engaged Community
Goal: A Well-Designed Built Environment
Goal: A Thriving Business Environment
Goal: Strong partnerships and working relationships
Goal: Leading governance and technology.
Goal: Proactive Asset Management
Goal: Sustainable Financial Management
Goal: Accessible and Reliable Transport Options

STR 2 WORKFORCE MANAGEMENT

Primary Category: People

Responsible Officer: General Manager Business and Community Services

Initial

Consequence	Major
Likelihood	Likely

Revised

Consequence	Major
Likelihood	Unlikely

Risk Rating	Extreme
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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 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 c positive workplace culture.
- d) Resourcing limitations leading to current staff having the inability to undertake, continue or complete tasks as required.

COMMUNITY PLAN LINKS

Goal: A Community That Embraces Diversity
Goal: Active, Healthy and Learning Communities
Goal: Strong partnerships and working relationships
Goal: Leading governance and technology.
Goal: Sustainable Financial Management

STR 3 EFFECTIVE WHS MANAGEMENT

Primary Category: WHS

Responsible Officer: General Manager Business and Community Services

Initial

Consequence	Catastrophic
Likelihood	Unlikely

Revised

Consequence	Catastrophic
Likelihood	Rare

Risk Rating	High
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Risk Rating	Moderate
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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.

COMMUNITY PLAN LINKS

Goal: Active, Healthy and Learning Communities

Goal: Strong partnerships and working relationships

Goal: Leading governance and technology.

STR 4 STAKEHOLDER RELATIONSHIPS

Primary Category: Reputation/Relationships

Responsible Officer: General Manager Business and Community Services

Initial

Consequence	Major
Likelihood	Likely

Revised

Consequence	Major
Likelihood	Unlikely

Risk Rating	Extreme
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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 in the CWT

COMMUNITY PLAN LINKS

Goal: A Vibrant City
Goal: An Engaged Community
Goal: A Community That Embraces Diversity
Goal: A Well-Designed Built Environment
Goal: A Thriving Business Environment
Goal: Active, Healthy and Learning Communities
Goal: Strong partnerships and working relationships
Goal: Leading governance and technology.
Goal: An Appealing and Valued Open Space Network
Goal: Accessible and Reliable Transport Options

STR 5 ADVICE AND INFORMATION

Primary Category: Reputation/Relationships

Responsible Officer: General Manager Business and Community Services

Initial

Consequence	Moderate
Likelihood	Likely

Revised

Consequence	Moderate
Likelihood	Unlikely

Risk Rating	High
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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.

COMMUNITY PLAN LINKS

Goal: A Vibrant City
Goal: An Engaged Community
Goal: A Thriving Business Environment
Goal: Strong partnerships and working relationships
Goal: Leading governance and technology.
Goal: Proactive Asset Management
Goal: Sustainable Financial Management

STR 6 FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION

Primary Category: Reputation/Relationships

Responsible Officer: General Manager Business and Community Services

Initial

Consequence	Catastrophic
Likelihood	Almost certain

Revised

Consequence	Moderate
Likelihood	Unlikely

Risk Rating	Extreme
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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.

COMMUNITY PLAN LINKS

Goal: A Thriving Business Environment

Goal: Strong partnerships and working relationships

Goal: Leading governance and technology.

Goal: Sustainable Financial Management

STR 7 INFORMATION TECHNOLOGY INFRASTRUCTURE, THREAT PROTECTION AND MANAGEMENT OF SERVICES

Primary Category: Organisation/Customer Impact

Responsible Officer: General Manager Business and Community Services

Initial

Consequence	Major
Likelihood	Almost certain

Revised

Consequence	Major
Likelihood	Unlikely

Risk Rating	Extreme
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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.

COMMUNITY PLAN LINKS

Goal: A Vibrant City
Goal: An Engaged Community
Goal: A Thriving Business Environment
Goal: Active, Healthy and Learning Communities
Goal: Leading governance and technology.
Goal: Proactive Asset Management
Goal: Sustainable Financial Management

STR 8 BUSINESS CONTINUITY AND COMMUNITY RESILIENCE

Primary Category: Organisation/Customer Impact

Responsible Officer: General Manager Business and Community Services

Initial

Consequence	Major
Likelihood	Likely

Revised

Consequence	Moderate Major
Likelihood	Moderate

Risk Rating	Extreme
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Risk Rating	High Moderate
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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

COMMUNITY PLAN LINKS

Goal: A Vibrant City
Goal: An Engaged Community
Goal: A Community That Embraces Diversity
Goal: Reduction of our Ecological Footprint
Goal: Active, Healthy and Learning Communities
Goal: Enhanced Natural Environment
Goal: Strong partnerships and working relationships

STR 9 EMERGENCY EVENTS

Primary Category: Organisation/Customer Impact

Responsible Officer: General Manager Business and Community Services

Initial

Consequence	Catastrophic
Likelihood	Rare

Revised

Consequence	Catastrophic
Likelihood	Rare

Risk Rating	Moderate
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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.

COMMUNITY PLAN LINKS

Goal: An Engaged Community
Goal: A Well-Designed Built Environment
Goal: Reduction of our Ecological Footprint
Goal: Active, Healthy and Learning Communities
Goal: Enhanced Natural Environment
Goal: Proactive Asset Management

STR 10 INFRASTRUCTURE MANAGEMENT

Primary Category: Budget/Financial

Responsible Officer: General Manager Business and Community Services

Initial

Consequence	Major
Likelihood	Likely

Revised

Consequence	Major
Likelihood	Unlikely

Risk Rating	Extreme
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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

COMMUNITY PLAN LINKS

Goal: A Vibrant City
Goal: A Well-Designed Built Environment
Goal: Proactive Asset Management
Goal: Sustainable Financial Management
Goal: Accessible and Reliable Transport Options

STR 11 URBAN DENSIFICATION

Primary Category: Organisation/Customer Impact

Responsible Officer: General Manager Business and Community Services

Initial

Consequence	Major
Likelihood	Likely

Revised

Consequence	Moderate
Likelihood	Moderate

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

Descriptor:

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.

COMMUNITY PLAN LINKS

Goal: A Vibrant City
Goal: An Engaged Community
Goal: A Well-Designed Built Environment
Goal: A Thriving Business Environment
Goal: Active, Healthy and Learning Communities
Goal: Enhanced Natural Environment
Goal: Strong partnerships and working relationships
Goal: Proactive Asset Management
Goal: An Appealing and Valued Open Space Network
Goal: Sustainable Financial Management
Goal: Accessible and Reliable Transport Options

STR 12 WASTE MANAGEMENT

Primary Category: Budget/Financial

Responsible Officer: General Manager Business and Community Services

Initial

Consequence	Major
Likelihood	Moderate

Revised

Consequence	Moderate
Likelihood	Unlikely

Risk Rating	High
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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.

COMMUNITY PLAN LINKS

Goal: An Engaged Community
Goal: Reduction of our Ecological Footprint
Goal: Enhanced Natural Environment
Goal: Strong partnerships and working relationships
Goal: Leading governance and technology.
Goal: Sustainable Financial Management

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

Primary Category: Reputation/Relationships

Responsible Officer: General Manager Business and Community Services

Initial

Consequence	Major
Likelihood	Moderate

Revised

Risk Rating

High

Descriptor:

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

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

Known or potential local impacts include:

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

It is difficult to yet know the full extent of the impacts of this Act until such time as the State Commission of Planning, design codes and procedures have been implemented and the Act commenced, it is expected that they will be broad reaching, have a financial/resource impact on the organisation and change development assessment as we know it. Policies and other documents are being released by the State Planning Commission for consultation with the most recent being the draft State Planning Policies which address the economic, environmental and social planning priorities for South Australia. Training of staff and Elected Members has been undertaken and on-going monitoring of the planning and infrastructure environment is continuing. Once more information is available, a full risk assessment can be undertaken. It is likely that there is little Council can do to minimise this risk.

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

Initial

Consequence	Major
Likelihood	Unlikely

Revised

Risk Rating **Moderate**

Descriptor:

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

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

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

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

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

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

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

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

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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

APPENDICES

Appendix 1 - Risk Analysis Matrix - Level of Risk

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

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

Appendix 2- Consequences Descriptors Matrix

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

Rating	Financial	Organisational/ Customer Impact	Reputation/ Relationships Damage	People	WHS
Insignificant	<p>≤ 5% reduction in revenue</p> <p>Theft or loss of up to \$2,000</p>	<p>Lack of response to customer request 3 days later than deadline</p> <p>Inability to provide service/s for 1 day</p> <p>External enquiry agency request for information</p>	Letters of complaint to general managers or managers	<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>	Letters of complaint to CEO/Mayor or letters to Messenger/Advertiser	<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>	Negative article in Messenger/Advertiser.	<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>

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

Risk Analysis Matrix – Level of Risk

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

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

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>	Letters of complaint to general managers or managers	<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>	Letters of complaint to CEO/Mayor or letters to Messenger/Advertiser	<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>	Negative article in Messenger/Advertiser.	<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>	Negative front page story in Messenger/Advertiser.	<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
		<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>
Catastrophic	<p>≥ 40% variation in expenditure/revenue.</p> <p>Theft or loss of >\$1m.</p>	<p>Inability to provide critical Council services (Waste, HAC, 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>

Mid - Year Strategic Risk Review 2019-2020**Current Outlook and Summary of Proposed Changes**

Page	Strategic Risk	Current Status	Outlook	Changes Proposed <i>*At this review</i>	Changes Proposed <i>*At comprehensive review</i>
2	1. Business Practices	Stable	Stable	✗	✓
3	2. Workforce Management	Stable	Stable	✗	✗
4	3. Effective WHS Management	Stable	Stable	✗	✗
4	4. Stakeholder Relationships	Stable	Stable	✗	✗
5	5. Advice and Information	Stable	Stable	✗	✓
5	6. Fraud ,Corruption, Misconduct or Maladministration	Stable	Stable	✗	✗
6	7. Information Technology Infrastructure, Threat Protection and Management of Services	Stable	Stable	✗	✗
7	8. Business Continuity and Community Resilience	Stable	Stable	✓	✗
8	9. Emergency Events	Stable	Stable	✗	✗
9	10. Infrastructure Management	Stable	Stable	✗	✗
10	11. Urban Densification	Volatile	Volatile	✗	✓
11	12. Waste Management	Unstable	Volatile	✗	✗
12	ER1. Planning, Development and Infrastructure Act	Uncertain	Uncertain	✗	✗
12	ER2. Financial Management, Sustainability and Cost Shifting	Instability	Uncertain	✗	✓
13	Emerging Local Government Sector and Wider Community Issues	Uncertain	Uncertain	✗	✓

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Current Outlook and Summary of Proposed Changes

Strategic Risk 1: Business Practices	Strategic Risk Status and Outlook
<p>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</p> <p>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</p>	<p>Current Environment</p> <ul style="list-style-type: none"> Stable
	<p>Outlook</p> <ul style="list-style-type: none"> Stable ICAC review regarding the City of Playford has provided further guidelines regarding multiple areas of council including management of policies and procedures, records management and human resources
<p>Key Considerations</p>	
<p>A suggestion was made by the Audit Committee to consider amalgamating Risk 1: Business Practices with Risk 5: Advice and Information. This suggestion was also proposed as part of the July 2019 Comprehensive Strategic Risk Review. It is proposed that this be considered at the July 2020 Comprehensive Strategic Risk Review given the significant discussion required regarding this amendment.</p>	
<p>Proposed Changes</p>	
<p>No change is currently proposed to this risk as part of this review</p>	

Mid - Year Strategic Risk Review 2019-2020

Current Outlook and Summary of Proposed Changes

Strategic Risk 2: Workforce Management	Strategic Risk Status and Outlook
<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>Current Environment</p> <ul style="list-style-type: none"> • Stable • Successful wellbeing programs continuing such as Physiotherapy and the introduction of massage services <p>Outlook</p> <ul style="list-style-type: none"> • Stable although some concerns regarding internal and external secondments and resulting workloads for remaining staff • Some members of the Executive and Managers approaching retirement - consideration may need to be given to succession planning strategies • Potential impacts on workforce management resulting from upcoming Enterprise Bargaining processes
Proposed Changes	
No change is currently proposed to this risk as part of this review	

Mid - Year Strategic Risk Review 2019-2020

Current Outlook and Summary of Proposed Changes

Strategic Risk 3: Effective WHS Management	Strategic Risk Status and Outlook
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.	Current Environment <ul style="list-style-type: none"> Stable but still challenges around hazard management including plant and equipment and WZTM Increased focus on information provision, consultation and training including induction processes Better reporting of incidents, injuries and hazards Volunteer program is now more structured in relation to WHS requirements leading to reduced risk
	Outlook <ul style="list-style-type: none"> Stable Continuing focus on WHS Induction, plant and equipment and on site safety checks
	Proposed Changes
No change is currently proposed to this risk as part of this review	

Strategic Risk 4: Stakeholder Relationships	Strategic Risk Status and Outlook
a) A breakdown in the effective working relationships between Council/Administration and relevant stakeholders leading to a loss of confidence in the CWT	Current Environment <ul style="list-style-type: none"> Stable - new Council members and structures in place approximately twelve months
	Outlook <ul style="list-style-type: none"> Stable although some concern regarding Local Government reforms which may significantly change the <i>Local Government Act 1999</i>. In particular the proposed changes to powers of mayors and determination of CEO remuneration.
	Proposed Changes
No change is currently proposed to this risk as part of this review	

Mid - Year Strategic Risk Review 2019-2020

Current Outlook and Summary of Proposed Changes

Strategic Risk 5: Advice and Information	Strategic Risk Status and Outlook
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	Current Environment <ul style="list-style-type: none"> Stable Outlook <ul style="list-style-type: none"> Stable Concerns that possible staff leave or internal/external secondment may lead to a possible knowledge gap or decrease the strength of corporate knowledge relating to information storage and flow
Key Considerations	
A suggestion was made by the Audit Committee to consider amalgamating Risk 1: Business Practices with Risk 5: Advice and Information. This suggestion was also proposed as part of the July 2019 Comprehensive Strategic Risk Review. It is proposed that this be considered at the July 2020 Comprehensive Strategic Risk Review given the significant discussion required regarding this amendment.	
Proposed Changes	
No change is currently proposed to this risk as part of this review	

Strategic Risk 6: Fraud ,Corruption, Misconduct or Maladministration	Strategic Risk Status and Outlook
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.	Current Environment <ul style="list-style-type: none"> Stable Outlook <ul style="list-style-type: none"> Stable ICAC review regarding the City of Playford has provided further guidelines regarding multiple areas of council including management of policies and procedures, records management and human resources
Proposed Changes	
No change is currently proposed to this risk as part of this review	

Mid - Year Strategic Risk Review 2019-2020

Current Outlook and Summary of Proposed Changes

Strategic Risk 7: Information Technology Infrastructure, Threat Protection and Management of Services	Strategic Risk Status and Outlook
<p>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.</p> <p>b) Inadequate protection from, response to, or management of, Cyber Security and associated threats to Council information, resources or assets</p> <p>c) Lack of preparation for or not capitalising on expected future technological capabilities or opportunities</p>	<p>Current Environment</p> <ul style="list-style-type: none"> Stable although volume and sophistication of cyber security attacks has increased particularly since LGA increased public awareness Quarantining doc and xls files (or deleting) prior to being received by user due to threats (links macros etc contained within them) - may lead to recommendation that those files are not accepted
	<p>Outlook</p> <ul style="list-style-type: none"> Stable Continuation of sophisticated cyber threats and phishing attempts Installing hardware to improve recoverability Reviewing IT Business Continuity plan
Proposed Changes	
No change is currently proposed to this risk as part of this review	

Mid - Year Strategic Risk Review 2019-2020

Current Outlook and Summary of Proposed Changes

Strategic Risk 8: Business Continuity and Community Resilience	Strategic Risk Status and Outlook
<p>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.</p> <p>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.</p> <p>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.</p> <p>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> <p>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</p>	<p>Current Environment</p> <ul style="list-style-type: none"> Stable- The Resilience Team has undertaken significant work in this area to reduce the possible risks identified in the descriptors
	<p>Outlook</p> <ul style="list-style-type: none"> Stable Continued opportunities to partner with the community and others in the Local Government sector Outputs provided as part of the Council Ready Program may assist sector knowledge and consistency of emergency planning
<p>Key Considerations</p>	
<p>Significant work has been completed in this space to mitigate aspects of this risk impacting on the CWT. Documentation including an updated Emergency Management Framework, Emergency Management Operations Plan, Business Continuity Plan and Flood and Extreme Storm Hazard Plan have been approved or presented to Executive for review. Training in emergency management (Iresponda) and testing of operational functions (BCP) has also been completed with information provided to the organisation and the wider community in relation to resilience presented via the Council website, forums as well as community and business events. The CWT also participated in a joint Zone earthquake exercise simulating the environment councils would need to operate in after a significant incident. However, consideration may be given the risk of threats and hazards emerging as a result of climate change, it still may be necessary to keep this risk rated as High for political or community based reasons.</p> <p>The revised risk rating is therefore suggested to be lowered to better reflect the actions of the organisation in relation to Business Continuity and Community Resilience and significant improvements that have occurred in 2019.</p>	
<p>Proposed Changes</p>	
<p>The revised consequence rating is proposed to decrease from Major to Moderate resulting in an overall revised risk rating of Moderate.</p>	

Mid - Year Strategic Risk Review 2019-2020

Current Outlook and Summary of Proposed Changes

Strategic Risk 9: Emergency Events	Strategic Risk Status and Outlook
<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) 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>Current Environment</p> <ul style="list-style-type: none"> • Stable • Recovery exercise undertaken with combined Northern and Western zones to increase understanding and collaboration <p>Outlook</p> <ul style="list-style-type: none"> • Stable • Hot and dry outlook provided for summer period • Increased bushfire fire risk (not impacting CWT) but focus of government and community may move further away from storms as we move further away from the 2016 blackout event
Proposed Changes	
No change is currently proposed to this risk as part of this review	

Mid - Year Strategic Risk Review 2019-2020

Current Outlook and Summary of Proposed Changes

Strategic Risk 10: Infrastructure Management	Strategic Risk Status and Outlook
<p>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</p>	<p>Current Environment</p> <ul style="list-style-type: none"> • Stable • A number of developments complete or staged progress underway including Apex Park, Camden, Lockleys and Weigall Ovals • Stormwater infrastructure works continues including formation of body relating to Keswick/Brownhill Creek and works regarding Stirling Street <p>Outlook</p> <ul style="list-style-type: none"> • Stable although Climate change adaptation and monitoring of changes a concern • Asset plans to be reviewed with increased focus on risk management • Possible third runway at Adelaide Airport may impact on West Beach basin • South Rd decision regarding possible options (Tunnel etc.) will impact on community and political landscape • Monitoring of Assets may become easier as connectivity increases across the Internet of things (IOT)
Proposed Changes	
No change is currently proposed to this risk as part of this review	

Mid - Year Strategic Risk Review 2019-2020

Current Outlook and Summary of Proposed Changes

Strategic Risk 11: Urban Densification	Strategic Risk Status and Outlook
<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>Current Environment</p> <ul style="list-style-type: none"> Continuing instability due to multiple unknowns including system and processes requirements regarding Planning Development and Infrastructure Act (PDI Act) Mapping completed of potential zone and block size changes to inform community Communication to community regarding proposed changes Increased Community and Elected Member concerns Steering committee regarding PDI Act has continued meeting
	<p>Outlook</p> <ul style="list-style-type: none"> Continuing instability Closely tied in with PDI (currently highlighted as an emerging Risk) May impact on other areas of council including increased waste management, and asset maintenance (including roads stormwater) costs Poor communication about and implementation of PDI changes (particularly at State Government level) may lead to increased concerns and shifting of blame
<p>Key Considerations</p>	
<p>No significant developments have been implemented as yet for the PDI Act which may impact on Strategic Risk 11: Urban Densification which is currently rated as a Moderate risk although the outlook is considered to be volatile.</p> <p>It is envisaged that this risk rating may require amendment in the July 2020 Comprehensive Strategic Risk Review. The emerging risk regarding the PDI (Emerging Risk 1) is also proposed for significant review in July 2020 due to this reason.</p>	
<p>Proposed Changes</p>	
<p>No change is currently proposed to this risk as part of this review</p>	

Mid - Year Strategic Risk Review 2019-2020

Current Outlook and Summary of Proposed Changes

Strategic Risk 12: Waste Management	Strategic Risk Status and Outlook
<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>Current Environment</p> <ul style="list-style-type: none"> • Some instability with changes occurring across the waste sector • Solo contact extension with CWT • Education and waste reduction a focus <p>Outlook</p> <ul style="list-style-type: none"> • Somewhat volatile • Waste levy increasing which may lead to consequences such as illegal dumping increases • Possible bans of single use plastics may lead to increase to organics contamination in short term • Increased costs in particular to recyclables • A number of large multi-unit complexes coming on line over the next twelve months leading to increased complexity of collection and possible increased costs
Proposed Changes	
No change is currently proposed to this risk as part of this review	

Mid - Year Strategic Risk Review 2019-2020

Current Outlook and Summary of Proposed Changes

Emerging Risk 1: Planning Development and Infrastructure Act (PDI)	Strategic Risk Status and Outlook
<p>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.</p>	<p>Current Environment</p> <ul style="list-style-type: none"> Continued uncertainty but not yet a fully realised risk as still not fully aware of all possible implications of changes Closely tied into Risk 11 regarding Urban Densification
	<p>Outlook</p> <ul style="list-style-type: none"> Continued uncertainty as 1 July 2020 implementation date approaches particularly around Electronic lodgement system availability
	<p>Proposed Changes</p> <p>No change is currently proposed to this emerging risk as part of this review</p>

Emerging Risk 2: Financial Management, Sustainability and Cost Shifting	Strategic Risk Status and Outlook
<p>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.</p>	<p>Current Environment</p> <ul style="list-style-type: none"> Some continuing instability Rate capping now unlikely
	<p>Outlook</p> <ul style="list-style-type: none"> Still some instability but not a fully realised risk as yet regarding multiple unknowns particularly around Local Government reforms including regarding possible changes to the role of audit committees There is some uncertainty in the economic outlook including around international trade tensions, domestic consumption, wage growth and interest rate changes
	<p>Proposed Changes</p> <p>No change is currently proposed to this emerging risk as part of this review</p>

Mid - Year Strategic Risk Review 2019-2020





Current Outlook and Summary of Proposed Changes



Emerging Local Government Sector and Wider Community Issues

Information provided above is presented as a guide to current sector and community trends and is designed to assist in informing the broader strategic risk review process. A full review of issues raised would be expected to occur during the full year strategic risk review. Issues noted may currently have varying levels of impact on the CWT or are covered in part by existing risks but are presented for information purposes and may, at a later stage, progress to separate emerging or realised risks.

Further information on the current risk environment, status and outlook as well as interpretation of emerging local government and wider community issues is available upon request.

Risk Issues	Status and Outlook
 <ul style="list-style-type: none"> Privacy and access to information/Information dissemination (Social Media in particular) 	<ul style="list-style-type: none"> Some movement towards more regulation in particular around responsibility for user generated content
 <ul style="list-style-type: none"> Increased statutory and regulatory requirements 	<ul style="list-style-type: none"> Identified as a sector wide issue. In particular in relation to an increasing focus on compliance and transparency
 <ul style="list-style-type: none"> Energy Policy 	<ul style="list-style-type: none"> Continued politically charged discussion around energy policy particularly around the economic impacts of change from current production towards renewable energy sources
 <ul style="list-style-type: none"> Climate Change 	<ul style="list-style-type: none"> Issue becoming increasingly political with changes in policy or practice involving potential significant community reaction or reputational risk. Also of concern are the potential impacts of the recommendations suggested as part of the Task Force on Climate related Financial Disclosures (TCFD) and any move towards common law responsibilities being applied to Local Government executives or elected bodies

9.3 INTERNAL AUDIT

9.3.1 2019-2020 Internal Audit Plan 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 17 January 2020. However, the full internal audit program update is attached for further information (**Attachment 1**).

Audit Status	Number
In Progress	3
Completed	2
Not Started	1
Total Audits Programmed (excluding staged audits)	6
Audit Status (Staged Audits)	Number
Staged Audits Complete	1
Staged Audits in Progress or Next Stage Not Started	1
Not yet commenced	1
Total Staged Audits	3
Total Audits	9

In addition to the planned audits, an unplanned audit was undertaken by the Construction Industry Training Board (CITB) into Council's payment of levies with regard to its own capital projects. The outcome of the audit, undertaken by the CITB's auditors, is contained in a report within this agenda.

Audit Scopes

1. The *Complaints Processes* audit is currently underway. A scope has been approved and attached to this report for information (**Attachment 2**).

Climate Impact Considerations

(Assessment of likely positive or negative implications of this decision will assist Council and the West Torrens Community to build resilience and adapt to the challenges created by a changing climate.)

There is no direct environmental impact in relation to this report.

Conclusion

Overall seven (7) of the nine (9) remaining planned audits (78%) are in progress or completed.

Attachments

- 1. 2019 to 2020 Internal Audit Program Update as at 17 January 2020**
- 2. Complaints and Complaints Processes Internal Audit Scope**

2019/20 Internal Audit Program

Report as at 17 January 2020

Audit No.	Internal Audit	Audit Objectives	Due Date	Status	Comments
Status of 2018/19 Internal Audits (Carry Overs)					
Assurance Audits					
1	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	Completed	<ul style="list-style-type: none"> Scope drafted and presented to the August 2019 Committee meeting. Fulham Community Centre Audit completed and report presented to the February 2020 Committee meeting. Western Youth Centre Audit completed and report presented to the February 2020 Committee meeting.
Facilitative Audits (Long term duration).					
2	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 Audit Scope re-drafted to be more valuable and relevant to the organisation and presented to the October 2019 Committee meeting. Opening meeting held on 28 November 2019. Interviews concluded and report is being drafted by Adelaide OHS Consultants.
3	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	Completed	<ul style="list-style-type: none"> Scope drafted and presented to the April 2019 Committee meeting. Opening meeting was held in April 2019. Closing meeting held 30 July 2019 Final report presented to the February 2020 Committee meeting.

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

Report as at 17 January 2020

Audit No.	Internal Audit	Audit Objectives	Due Date	Status	Comments
Status of 2019/20 Internal Audits					
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. No change in status of legislative implementation since last Committee meeting.
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	In Progress	<ul style="list-style-type: none"> Scope drafted and presented to the February 2020 Committee meeting.
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. Opening meeting scheduled for 11 February 2020
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.

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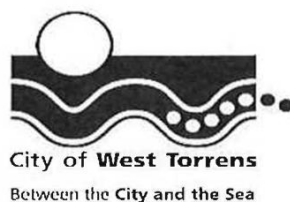
2019/20 Internal Audit Program

Report as at 17 January 2020

Audit No.	Internal Audit	Audit Objectives	Due Date	Status	Comments
5	WHS/IM KPI Audit against PSSI	An annual audit mandated by the Scheme.	November 2019	In Progress	<ul style="list-style-type: none"> Currently underway with Scheme
Facilitative Audits					
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	Completed	<ul style="list-style-type: none"> Scope drafted and presented to the August 2019 Committee meeting. Opening meeting held for 24 September 2019 Closing meeting held 19 December 2019 Final report presented to the February 2020 Committee meeting.

	Not Started	In Progress	Complete	Deferred	Cancelled
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Internal Audit Scope

Complaints and Complaints Processes

Introduction

Customer complaints are received and managed through various teams and processes at the City of West Torrens (CWT). Some complaints are quickly and easily resolved at the first point of contact, whilst others are more complicated and may contain multiple issues or stretch across multiple departments requiring additional resources, further time and investigation.

The effective management of complaints plays a role in allowing the CWT to achieve objectives, maintain a strong reputation, and provide enhanced and supportive services to community. Thus, it is essential that complaints are managed in a consistent, compliant and appropriate manner to ensure the most beneficial outcomes for the organisation and the customer.

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

Audit Scope and Objectives

The objectives of the audit are to determine whether there are effective controls (both in design and operation) in place which cover the recording and handling of complaints by the CWT. The audit also aims to ensure that these controls effectively manage customer expectations and meet legislative requirements. This audit will review customer complaints procedures and processes as well as the infrastructure and mechanisms that are in place across the organisation to deal with complaints, including adherence to policies, legislation and better practice.

This may include, but is not limited to:

- How complaints are received, investigated and monitored.
- Evaluate whether responses to complaints (across the life cycle of a complaint) are appropriate - including multi issue or cross departmental complaints as well as anonymous and vexatious complaints
- Evaluate whether responses are issued within set timeframes and provide commentary as to whether these timeframes are appropriate with regard to better practice.
- Consideration of documentation and record keeping practices in relation to complaints management
- Detail whether corrective actions are implemented as a result of complaints or the analysis of complaint feedback

- The impact of technology on complaint handling at the CWT including the increase in community access to and use of social media
- Consistency of the above processes across the organisation
- Consideration of benchmarks against ISO10002 Customer Satisfaction and Complaints Handling or other Standards or Benchmarks deemed appropriate

This audit specifically excludes:

- Complaints and reporting procedures pursuant to the:
 - *Public Interest Disclosure Act 2018 (SA)*
 - *Ombudsman Act 1972 (SA)*
 - *Independent Commissioner Against Corruption Act 2012 (SA)*
- Complaints and disclosures pursuant to the *Reporting and Investigating Council Member Code of Conduct Complaints Policy* (i.e. complaints about the conduct of Elected Member)
- Complaints pursuant to the *Code of Conduct for Council Employees* or the *CWT Employee Code of Behaviour* (i.e. complaints about the conduct of Employees) including but not limited to internal complaints between departments and/or employees
- Any mentioned actions or activities contained within Clause 3.2 of the *Customer Complaints Policy*
- Comments and findings regarding customer management strategies, planning and operations in regards to the West Torrens Experience Program

Approach

In performing this audit, the following will be undertaken:

1. An opening meeting will be held with relevant managers where the Auditor will discuss the scope and overview of work to be performed prior to the commencement of testing.
2. Interviews will be conducted with managers and staff responsible for complaints management, to establish any issues, concerns or opportunities for improvements.
3. Testing for compliance with policies, procedures, plans, and other relevant documentation to ensure the effectiveness of the complaints management process.

The Audit is to be informed by relevant best industry documentation, better practice models and guidelines in relation to volunteering management including but not limited to the relevant ISO's and Standards.

The audit is to be assessed and findings/issues must be clarified 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 a failure to manage risk effectively as identified by Internal Audit include, but are not limited to:

- Non-compliance or adherence to legislative, or governance requirements
- Inadequate monitoring, follow-up, review and consultation
- Failure to implement better practice

General Administration

This audit will be performed by Galpins.

Opening meeting	TBA
Commence fieldwork	TBA
Draft report to Management	TBA
Closing meeting and final report	TBA

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 28/1/20

9.3.2 Fulham Community Centre Internal Audit

Brief

This report presents the results of the *Fulham Community Centre Internal Audit*.

RECOMMENDATION

It is recommended to the Committee that the Fulham Community Centre Internal Audit report be received.

Introduction

Partnership Agreements (Agreements) are contracts entered into between Council and various community centre organisations for these centres to provide services to the community on behalf of Council. Council expends approximately \$150,000 over three (3) years, per each of the three centre partnership agreements paid in quarterly instalments. This equates to a total of \$450,000 across all three centres over a three (3) year period.

All Agreements expired in 2019 and are currently, or have, being re-negotiated. This provided a unique opportunity to establish new risk based practices within these three agreements which included Council requiring an audit (Audit), to be completed by Council's contract internal auditor, Galpins, of each centre's financial sustainability along with an assessment of the of the achievement of the objectives and expected outcomes contained in the previous agreement given the current agreements have expired. One such agreement, with Fulham Community Centre (Centre) is currently being renegotiated.

As such, the required Audit was undertaken in September 2019 with the full co-operation of the Centre who facilitated the on-site component of the Audit, making all relevant documentation available and providing Galpins with read access to processes, bank statements and other requested information. The Audit sought to review:

- The financial position (assets and liabilities) of the Centre as at 30 June 2019; and of the financial performance of the Centre for the period 1 July 2017 to 30 June 2019.
- How Council funding has been expended and on what goods and services has it been expended.
- The accuracy of the financial information and associated projections of the Centre.
- The service levels required of the partnership agreements and assess the Centre's achievement of these outcomes and ability to achieve future agreed outcomes.
- The overall future viability and sustainability of the Centre.
- Whether the Centre is indebted to the ATO.
- The capacity of the Centre to meet the terms and conditions detailed in any applicable loan agreements, including its capacity to turn its financial performance.

Following completion of the Audit, a draft internal audit report (Report) was issued to the Executive. The final Report was provided to the Executive in October 2019 (**Attachment 1**).

Internal Audit Findings

The Auditors found four (4) reportable findings with associated recommendations. The Auditors found that the Centre's approach to managing its operations was suitable for an organisation of its size and nature. The Audit has indicated that the Fulham Community Centre's financial position and sustainability are sound, though strongly contingent on ongoing support from Council.

The Audit concluded that the Centre is currently meeting all the service outcomes outlined in their Agreement with the City of West Torrens and no risk ratings have been applied to this report or the findings.

Climate Impact Considerations

(Assessment of likely positive or negative implications of this decision will assist Council and the West Torrens Community to build resilience and adapt to the challenges created by a changing climate.)

There is no direct environmental impact in relation to this report.

Conclusion

The Audit of Fulham Community Centre has determined that the Centre's financial position and sustainability are sound, though strongly contingent on ongoing support from Council, and service outcomes can be achieved.

Attachments**1. Fulham Community Centre Audit Report**



City of West Torrens Fulham Community Centre Review

Internal Audit Report

Prepared By: Galpins

Draft Report Issued: 20/09/2019

Final Report Presented: 14/10/2019

Final Report Executive Management Approval: October 2019

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1. Executive Summary

1.1 Background

Fulham Community Centre is an independently operated, not for profit community centres located in the City of West Torrens. Built in 1971, the Fulham Community Centre offers an increasing variety of activities for the local community. The Centre provides a range of community services and programs and is a popular venue for groups to hire, providing an active and social meeting place.

The City of West Torrens (council) owns the building from which the centres operates and provide a range of support such as financial assistance and maintenance of building and grounds through partnership agreements inclusive of service outcomes.

1.2 Objectives and Scope

The Centre is currently in the process of renegotiating their respective partnership agreements with Council. Therefore, Council undertook a due diligence process to ensure the Centre's financial position and sustainability are sound and that service outcomes are achievable.

Given the City of West Torrens provides financial and in-kind assistance to the centre, there was a need to ensure the appropriate allocation and use of public funds and appropriate governance structures are in place. Galpins undertook a review as detailed below.

- Undertook a review of the financial position (assets and liabilities) of the Centre as at 30 June 2019; and of the financial performance of the Centre for the period 1 July 2017 to 30 June 2019.
- Determined how Council funding has been expended and on what goods and services has it been expended.
- Determined the accuracy of the financial information and associated projections of the Centre.
- Considered the service levels required of the partnership agreements and assessed the Centre's achievement of these outcomes and ability to achieve future agreed outcomes.
- Considered the overall future viability and sustainability of the Centre.
- Determined if the Centre is indebted to the ATO.
- Determined the capacity of the Centre to meet the terms and conditions detailed in any applicable loan agreements, including its capacity to turn its financial performance.

1.3 Methodology

The following elements were tested as a part of this review program, to form conclusions on the objectives.

The procedures performed do not constitute an audit in accordance with Australian Auditing Standards or a review in accordance with Australian Auditing Standards applicable to review engagements and, consequently, no assurance is expressed.

Key ratio analysis (for the past three years)

- Quick ratio
- Current Ratio
- Gross Profit margin
- Percentage of reliance on different revenue sources, to ensuring no over-reliance on unreliable sources.

Budgeting

Reviewed whether:

- A budget has been prepared.
- The budget indicates an expected surplus.
- The budget is monitored.
- Different income streams and/or service offerings are budgeted and monitored separately (where appropriate).

Cash

Reviewed whether:

- Bank accounts are regularly reconciled.
- Processes for invoicing, cash collection and banking are reasonable.

Grant income security

Reviewed whether:

- Signed funding agreements are in place for all major sources of grant income.
- Expiry dates for agreements extend beyond 12 months.

Rental income

Reviewed whether:

- Signed "use-of-centre" agreements exist with all customers.
- Customers are required, where relevant, to hold their own Public Liability Insurance.
- Customers are required to comply with WHS requirements.
- Reviewed average term/ expiry dates of agreements to assess reliability of income.

Asset ownership

- Understood fixed asset ownership at the Community Centre (i.e. land, buildings).

Liability limited by a scheme approved under Professional Standards Legislation

4

Accounts receivable

- Reviewed the average aging of accounts receivable to assess collectability.

Accounts payable

- Reviewed the ageing of accounts payable to ensure accounts are paid within payments terms.

Tax liabilities

Reviewed whether:

- PAYG payment is up to date.
- BAS lodgements are up to date (where applicable).
- Any outstanding Australian Tax Office liabilities are reflected in financial records.

Loans/ finance leases (if applicable)

Reviewed whether:

- All loans/ finance leases are recorded as liabilities in the financial records.
- Loan repayments are being made as and when they fall due.
- Loan/ finance lease agreements/ repayment schedules are maintained.

Employee entitlement management.

Reviewed whether:

- Appropriate records of employee entitlement balances are maintained, up-to-date and recorded as liabilities in financial records.
- Employee entitlement liabilities are cash-backed or supported by a liquidity management strategy.

Staff management

Reviewed whether:

- Appropriate timekeeping records are maintained for all staff.
- A signed contract is in place for all staff.
- All staff are paid in line with relevant Award rates.
- Superannuation is being paid correctly.

Volunteers

- Understood level of reliance on volunteers.

Service outcomes

Confirmed whether:

- Financial audits are undertaken.
- Board meetings are held, and minutes are maintained.
- An Annual Report is prepared.
- Reports and minutes exchanged with, or related to activities undertaken with, other Community Centres operating within the City of West Torrens are maintained.

2. Summary of Findings

Test	Conclusion	Detail of reportable findings	Recommendation
Key Ratio Analysis	No reportable findings		No recommendations
Budgeting	Reportable findings	<p>Fulham Community Centre does not prepare a budget for each financial year.</p> <p>As the Fulham Community Centre is a small not-for-profit organisation with fairly simple finances, it is not essential to prepare a budget. The coordinator and bookkeeper demonstrated a good awareness of the financial position, revenue and expenses that are anticipated to continue operations. As such, operating without a budget is not a significant concern.</p> <p>However, as the coordinator is accountable to the Board for the operations of the centre, it is better practise to prepare a budget for the upcoming financial year and perform regular variance analysis. This will provide the Board with a greater awareness of the financial position of the Centre and help them to determine if the centre's funds are expended as planned.</p>	<p>A simple budget is prepared annually by staff and approved by the Committee, and regular analysis of the budgeted vs actual results is undertaken and presented to the Committee. This will ensure that the Committee is aware of the Community Centre's current financial position, and expected future financial position.</p>
Cash	Reportable findings	<p>Bank reconciliations are presented to the Committee, however there is no evidence of independent review by staff.</p> <p>Currently, banking of cash occurs approximately on a 6-weekly basis.</p>	<p>Bank reconciliations are signed by both the preparer and an independent reviewer (e.g. Coordinator), to demonstrate that bank reconciliations are being reviewed.</p> <p>Banking is performed at least monthly to reduce the opportunity for theft / loss of funds.</p>
Grant Income Security	Reportable findings	There are currently no long-term Grant Agreements in place for Fulham Community Centre, all grants are received for ad-hoc one-off projects. The Centre is heavily reliant on Council support from the Partnership Agreement to be able to pay wages and continue operations.	No recommendations.

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Rental Income	Reportable findings	Historical agreements are in place, which are currently in the process of being updated. The new agreement template does not include Work Health and Safety (WHS) obligations.	The new template describes WHS obligations expected of renters (e.g. compliance with all WHS directions, signage, etc.) to explicitly clarify the WHS responsibilities of the renter.
Other Income	No reportable findings		
Asset Ownership	No reportable findings		
Accounts Receivable	No reportable findings		
Accounts Payable	No reportable findings		
Tax Liabilities	No reportable findings		
Loans/ Finance Leases	No reportable findings		
Employee Entitlement Management	No reportable findings		
Staff Management	No reportable findings		
Volunteers	No reportable findings		
Service Outcomes	No reportable findings		

3. Conclusion

Results of the tests performed, as detailed in section 1.3, indicate that the Fulham Community Centre's financial position and sustainability are sound, though strongly contingent on ongoing support from Council, and service outcomes can be achieved.

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4. Service Outcomes

4.1 Expenditure of Council Funds

Whilst the funds received as per the partnership agreement with the City of West Torrens are not explicitly allocated to specific expenditure items, the bulk of expenditure relates to salaries and wages and it is understood that Council funds are utilised to pay salaries and wages for the four staff members who are employed on a casual basis by the Fulham Community Centre. These four staff members are a Coordinator, Assistant Coordinator, Bookkeeper and Cleaner.

If the partnership agreement is terminated by the Council, the operations at the Fulham Community Centre may cease, as they will have insufficient funds to employ staff.

4.2 Achievement of Outcomes in the Service Agreement

The following table outlines the Service Outcomes required by the Service Agreement between Fulham Community Centre and the City of West Torrens.

Service Outcome	Evidence	Evidence present?	Comments
Fully audited financial statement(s) relating to the expenditure of Council's financial Contribution	Copy of latest audit report	✓	Fulham Community Centre undertakes a financial audit annually.
Copies of the relevant sections of the Board of Management's minutes and reports etc that refer specifically to the expenditure of Council's financial contribution	Copies of the board minutes for the last 12 months	✓	Board meetings are held and minutes are taken. Funds provided by the Council are used to pay wages to community centre employees.
A Copy of the Centre's Annual Report	Copy of the latest annual report	✓	Fulham Community Centre prepares an annual report which includes the Audit report, all the services that they offer, the chair person's Annual General Meeting (AGM) report, and AGM minutes for the previous year. The annual report is presented to the committee at the AGM.
Copies of reports and minutes exchanged with, or related to activities undertaken with, other community centres operating within the City of West Torrens.	Copies of meeting minutes and reports with activities undertaken with other community centres	Not applicable	This is not applicable because Fulham Community Centre did not perform any activities with other community centres within the City of West Torrens within the period reviewed.

Conclusion:

The Fulham Community Centre is currently meeting all the service outcomes outlined in their Service Agreement with the City of West Torrens.

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9.3.3 Western Youth Centre Internal Audit

Brief

This report presents the results of the Western Youth Centre Internal Audit.

RECOMMENDATION

It is recommended to the Committee that the Western Youth Centre Internal Audit report be received.

Introduction

Partnership Agreements (Agreements) are contracts entered into between the City of West Torrens (CWT) and various community centre organisations for these centres to provide services to the community on behalf of Council. Council expends approximately \$150,000 over three (3) years, per each of the three centre partnership agreements paid in quarterly instalments. This equates to a total of \$450,000 across all three centres over a three (3) year period.

All Agreements expired in 2019 and are currently, or have, being re-negotiated. This provided a unique opportunity to establish new risk based practices within these three agreements which included Council requiring an audit (Audit), to be completed by Council's contract internal auditor, Galpins, of each centre's financial sustainability along with an assessment of the achievement of the objectives and expected outcomes contained in the previous agreement given the current agreements have expired. One such agreement, with Western Youth Centre (Centre) is currently being renegotiated.

Due to lengthy negotiations with the Centre, following questions about Council's ability to undertake the Audit, the required Audit was undertaken somewhat later than Fulham Community Centre's Audit. However, the Audit was undertaken in November 2019 with the full co-operation of the Centre who facilitated the on-site component of the Audit, making all relevant documentation available and providing Galpins with read access to processes, bank statements and other requested information.

The Audit sought to review:

- The financial position (assets and liabilities) of the Centre as at 30 June 2019; and of the financial performance of the Centre for the period 1 July 2017 to 30 June 2019.
- How Council funding has been expended and on what goods and services has it been expended.
- The accuracy of the financial information and associated projections of the Centre.
- The service levels required of the partnership agreements and assess the Centre's achievement of these outcomes and ability to achieve future agreed outcomes.
- The overall future viability and sustainability of the Centre.
- Whether the Centre is indebted to the ATO.
- The capacity of the Centre to meet the terms and conditions detailed in any applicable loan agreements, including its capacity to turn its financial performance.

Following completion of the Audit, a draft internal audit report (Report) was issued to the Executive. The final Report was provided to the Executive in January 2020 (**Attachment 1**)

Internal Audit Findings

The Auditors found three (3) reportable findings with associated recommendations. The Auditors found that the Centre's financial position and sustainability are sound, though strongly contingent on ongoing support from Council, and service outcomes can be achieved.

A question was raised through the audit process that audited statements from the Centre were signed by the Secretary or Treasurer which had called into question the independence of this auditing process. However, Galpins have confirmed that the Centre and Kindergym statements that were prepared by the Secretary were signed off by an independent person. The Secretary has signed off some of the separate club statements but was not involved in the preparation or bookkeeping.

Galpins has concluded that the Centre is currently meeting all the service outcomes outlined in their Partnership Agreement with the City of West Torrens and no risk ratings have been applied to this report or the findings.

Climate Impact Considerations

(Assessment of likely positive or negative implications of this decision will assist Council and the West Torrens Community to build resilience and adapt to the challenges created by a changing climate.)

There is no direct environmental impact in relation to this report.

Conclusion

The Audit of Western Youth Centre has determined that the Centre's financial position and sustainability are sound, though strongly contingent on ongoing support from Council, and service outcomes can be achieved.

Attachments

1. Western Youth Centre Internal Audit Report



City of West Torrens Western Youth Centre Review

Internal Audit Report

Prepared By: Galpins

Draft Report Issued: 19/12/2019

Final Report Presented: 23/12/2019

Final Report Executive Management Approval: 20/1/2020

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1. Executive Summary

1.1 Background

The Western Youth Centre commenced operations in 1956 when a group of local citizens became concerned at the lack of sporting, cultural and recreational facilities for youth in the West Torrens area. The Centre now hosts a range of sporting disciplines including gymnastics, judo, table tennis and cricket.

The City of West Torrens (council) owns the building from which the centre operates and provides a range of support including financial assistance and maintenance of building and grounds through partnership agreements inclusive of service outcomes.

1.2 Objectives and Scope

The Centre is currently in the process of renegotiating their respective partnership agreements with Council. Therefore, Council undertook a due diligence process to ensure the Centre's financial position and sustainability are sound and that service outcomes are achievable.

Given the City of West Torrens provides financial and in-kind assistance to the centre, there was a need to ensure the appropriate allocation and use of public funds and appropriate governance structures are in place. Galpins undertook a review as detailed below.

- Undertook a review of the Statements of Receipts and Payments for of the Centre during the periods of 1 July 2016 to 30 June 2019.
- Considered the overall future viability and sustainability of the Centre, by reviewing key risk factors detailed in section 1.3 Methodology.
- Determined how Council funding has been expended and on what goods and services it has been expended.
- Considered the service levels required of the partnership agreements and assessed the Centre's achievement of these outcomes and ability to achieve future agreed outcomes.

1.3 Methodology

The following elements were tested as a part of this review program, to form conclusions on the objectives.

The procedures performed do not constitute an audit in accordance with Australian Auditing Standards or a review in accordance with Australian Auditing Standards applicable to review engagements and, consequently, no assurance is expressed.

Key ratio analysis (for the past three years)

- Compared Assets and Liabilities of the Community Centre to determine if sufficient Assets are in place to pay debts when they fall due.

Budgeting

Reviewed whether:

- A budget has been prepared.
- The budget indicates an expected surplus.
- The budget is monitored.
- Different income streams and/or service offerings are budgeted and monitored separately (where appropriate).

Cash

Reviewed whether:

- Bank accounts are regularly reconciled.
- Processes for invoicing, cash collection and banking are reasonable.

Grant income security

Reviewed whether:

- Signed funding agreements are in place for all major sources of grant income.
- Expiry dates for agreements extend beyond 12 months.

Rental income

Reviewed whether:

- Signed “use-of-centre” agreements exist with all customers.
- Customers are required, where relevant, to hold their own Public Liability Insurance.
- Customers are required to comply with WHS requirements.
- Reviewed average term/ expiry dates of agreements to assess reliability of income.

Asset ownership

- Understood fixed asset ownership at the Community Centre (i.e. land, buildings).

Accounts receivable

- Reviewed the average aging of accounts receivable to assess collectability.

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Accounts payable

- Reviewed the ageing of accounts payable to ensure accounts are paid within payments terms.

Tax liabilities

Reviewed whether:

- PAYG payment is up to date.
- BAS lodgements are up to date (where applicable).
- Any outstanding Australian Tax Office liabilities are reflected in financial records.

Loans/ finance leases (if applicable)

Reviewed whether:

- All loans/ finance leases are recorded as liabilities in the financial records.
- Loan repayments are being made as and when they fall due.
- Loan/ finance lease agreements/ repayment schedules are maintained.

Employee entitlement management.

Reviewed whether:

- Appropriate records of employee entitlement balances are maintained, up-to-date and recorded as liabilities in financial records.
- Employee entitlement liabilities are cash-backed or supported by a liquidity management strategy.

Staff management

Reviewed whether:

- Appropriate timekeeping records are maintained for all staff.
- A signed contract is in place for all staff.
- All staff are paid in line with relevant Award rates.
- Superannuation is being paid correctly.

Volunteers

- Understood level of reliance on volunteers.

Service outcomes

Confirmed whether:

- Financial audits are undertaken.
- Board meetings are held, and minutes are maintained.
- An Annual Report is prepared.
- Reports and minutes exchanged with, or related to activities undertaken with, other Community Centres operating within the City of West Torrens are maintained.

2. Summary of Findings

Test	Conclusion	Detail of reportable findings / Comments	Recommendation
Key Ratio Analysis Budgeting	No reportable findings Reportable findings	<p>Western Youth Centre does not prepare a budget for each financial year. As an alternative to a traditional budget, Western Youth Centre allocates funds to a number of savings accounts to cover anticipated future costs, including a special projects fund, building fund and long service leave fund.</p> <p>Income and related non-fixed expenses are unpredictable, making it challenging to prepare a meaningful budget. The Centre's cash balances are closely managed by the secretary, and discretionary expenditure and fees are adjusted as needed to maintain cash flow.</p> <p>As the Western Youth Centre is a small not-for-profit organisation with fairly simple finances, and in the context of the processes described above, it is not essential to prepare a budget. Therefore, operating without a budget is not a significant concern.</p> <p>As the secretary is accountable to the Management Committee for the operations of the centre, it is considered better practise to document the methodologies used to manage cash flow to ensure that the Committee is aware and comfortable with the approach, and that good practice continues in the event of staff changes.</p>	<p>Document and provide to the Management Committee the methodologies and principles used to manage cash flow, for example:</p> <ul style="list-style-type: none"> • the purpose of savings accounts, • process of determining amounts to be transferred into savings accounts, and • principles for monitoring cash balances • principles for the raising of membership fees and/or levies in the event of insufficient cash flows.
Cash	Reportable findings	Bank reconciliations are prepared by Western Youth Centre however they are not independently reviewed or presented to the Management Committee.	Present bank reconciliations to the Management Committee to ensure that they are being appropriately reviewed.

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Test	Conclusion	Detail of reportable findings / Comments	Recommendation
Grant Income Security	Reportable findings	There are currently no long-term Grant Agreements in place for Western Youth Centre. The Centre is heavily reliant on Council support from the Partnership Agreement to be able to pay wages and continue operations.	No recommendations.
Rental Income	Not applicable		
Other Income	No reportable findings	Other income of the Centre includes levies and membership fees from club members, and hall hire. There are no long term agreements in place, however as there is a long history of membership from a range of clubs' income is considered relatively secure.	
Asset Ownership	No reportable findings		
Accounts Receivable	No reportable findings		
Accounts Payable	No reportable findings		
Tax Liabilities	No reportable findings		
Loans/ Finance Leases	Not Applicable		
Employee Entitlement Management	No reportable findings		
Staff Management	No reportable findings		
Volunteers	No reportable findings		
Service Outcomes	No reportable findings		

3. Conclusion

Results of the tests performed, as detailed in section 1.3, indicate that the Western Youth Centre's financial position and sustainability are sound, though strongly contingent on ongoing support from Council, and service outcomes can be achieved.

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4. Service Outcomes

4.1 Expenditure of Council Funds

Whilst the funds received as per the partnership agreement with the City of West Torrens are not explicitly allocated to specific expenditure items, the bulk of expenditure relates to salaries and wages and it is understood that Council funds are utilised to pay a portion of salaries and wages for the two staff members who are employed by the Western Youth Centre. These two staff members are the secretary / treasurer and cleaner.

The Western Youth Centre is heavily reliant on Council funding to remain viable. If the partnership agreement is terminated by the Council, the operations at the Western Youth Centre may cease, as they will have insufficient funds to employ staff under the current operating model.

4.2 Achievement of Outcomes in the Service Agreement

The following table outlines the Service Outcomes required by the Service Agreement between Western Youth Centre and the City of West Torrens.

Service Outcome	Evidence	Evidence present?	Comments
Fully audited financial statement(s) relating to the expenditure of Council's financial Contribution	Copy of latest audit report	✓	Western Youth Centre undertakes a financial audit annually.
Copies of the relevant sections of the Board of Management's minutes and reports etc that refer specifically to the expenditure of Council's financial contribution	Copies of Committee minutes for the last 12 months	✓	Management Committee meetings are held, and minutes are taken. Funds provided by the Council are used to pay a portion of wages of the two Community Centre employees.
A Copy of the Centre's Annual Report	Copy of the latest annual report	✓	Western Youth Centre prepares an annual report which includes the President's and Treasurer's reports, Statement of Receipts and Payments for Western Youth Centre and all unincorporated club's reports.
Copies of reports and minutes exchanged with, or related to activities undertaken with, other community centres operating within the City of West Torrens.	Copies of meeting minutes and reports with activities undertaken with other community centres	Not applicable	This is not applicable because Western Youth Centre did not perform any activities with other community centres within the City of West Torrens within the period reviewed.

Conclusion:

The Western Youth Centre is currently meeting all the service outcomes outlined in their Service Agreement with the City of West Torrens.

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9.3.4 Volunteer Management Internal Audit

Brief

This report presents the results of the Volunteer Management Internal Audit.

RECOMMENDATION

It is recommended to the Committee that the Volunteer Management Internal report be received.

Introduction

Pursuant to the approved *Internal Audit Program 2018-2022*, the *Volunteer Management Internal Audit* (Audit) was approved and commenced in September 2019. The Audit was undertaken in accordance with the approved Audit scope to evaluate and report on the adequacy and effectiveness of Council's approach to its Volunteering Program. This included:

- Volunteer recruitment;
- Induction;
- Training;
- Information and support for the volunteer and volunteer coordinator;
- Management of difficulties or issues that may arise as a result of the volunteer placement; and
- Management of record keeping relating to volunteer management.

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 January 2020 (**Attachment 1**).

Internal Audit Findings

The Auditor's found that the City of West Torrens' (CWT) approach to managing the risk associated with the volunteers program is adequate. Further, CWT's documentation (including records, handbook and policies) demonstrated compliance with legislation and better practice principles applicable to the management of volunteers.

Five (5) Audit findings were made by the Auditor of which three (3) attracted a low level of risk and two (2) attracted better practice recommendations. The Administration has agreed to these findings and made comments regarding the associated recommendations. These opportunities and comments have been reviewed by the Administration and responses have been provided in the attached Report (**Attachment 1**). All Audit findings are within CWT's risk tolerance levels and are minor in nature however, the cost of implementing the recommendations exceeds the benefits and therefore progress updates of each specific finding will not be reported to the Committee.

Climate Impact Considerations

(Assessment of likely positive or negative implications of this decision will assist Council and the West Torrens Community to build resilience and adapt to the challenges created by a changing climate.)

There is no direct environmental impact in relation to this report.

Conclusion

The *Volunteer Management 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. Volunteer Management Internal Audit Report



City of West Torrens Volunteer Management Audit

Internal Audit Report

Audited By: Galpins

Draft Report v1.0 Issued: 17.12.2019

Final Report v1.0 Presented: 23.12.2019

Final Report Executive Management Approval:

Liability limited by a scheme approved under Professional Standards Legislation

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1. EXECUTIVE SUMMARY

1.1 Background

Volunteers add significant value to the City of West Torrens (CWT) by contributing time and energy to enhance existing services and programs. There are a variety of volunteering opportunities available at CWT, the organisation appreciates and values the efforts of its volunteers, recognising the unique role that they play in forging strong links in the local community.

The effective management of volunteers plays a role in allowing CWT to achieve objectives, maintain a strong reputation, and provide enhanced and supportive services within the community. Thus, it is essential that volunteers are managed in a consistent, compliant and appropriate manner to ensure the most beneficial outcomes for the organisation as well as providing appropriate developmental opportunities for the volunteer.

CWT as an organisation, has a number of responsibilities to its volunteer community including the requirements to ensure they are appropriately trained and inducted, work in a safe supportive environment and are appropriately supervised. Volunteers must act appropriately within agreed requirements when representing CWT.

The recently updated *CWT Volunteer Handbook (2019)*, *Volunteering in West Torrens (2019)*, as well as the *Administration Policy: Volunteers Policy (2012)* provides guidance on process and procedure regarding working with volunteers.

The approved Audit Program 2019-22 provides for an internal audit of the Volunteer program that allows for 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 CWT's approach to its Volunteering Program. This covered, volunteer recruitment, induction, and training, information and support for the volunteer and volunteer coordinator, management of difficulties or issues that may arise as a result of the volunteer placement, and the management of record keeping relating to volunteer management.

This audit reviewed the program procedures and infrastructure in place for ongoing direct services volunteer programs across the organisation, specifically in relation to compliance with relevant policies, processes, procedures, documentation and human resources systems and processes.

Scope Exclusions

This audit did not focus on findings detailed in CWT's recent Fraud and Corruption Audit.

1.3 Methodology

The audit:

- conducted interviews with stakeholders to establish issues, concerns and opportunities for improvement
- prepared and distributed a survey to active CWT volunteers for feedback regarding the effectiveness of CWT's approach to volunteer management (41 responses received)
- reviewed applicable procedures, policies and legislation relating to volunteer management and conducted testing to ensure compliance
- reviewed CWT's Volunteering Program practices against the *National Standards for Volunteering 2015*.

1.4 Associated Risks

Risks associated with volunteer management identified by Internal Audit included, but were not limited to:

- non-compliance or adherence to legislative, or governance requirements
- inadequate monitoring, follow-up, review and consultation
- failure to implement better practice
- failure to capture the development and/ or innovation opportunities resulting from volunteer suggestions.

1.5 Examples of Good Practice

- ✓ CWT has staff dedicated to the management of volunteers including a Volunteer Coordinator and Program Coordinators
- ✓ A Training Management Plan has been created and provides transparency as to when mandatory volunteer training sessions are required and when qualifications are due for renewal
- ✓ Volunteers receive an information pack when they express their interest for a role. The pack also includes volunteer opportunities outside of CWT but within the City of West Torrens community
- ✓ The Volunteer Coordinator and Project Coordinators have quarterly meetings to discuss their programs and these are seen as opportunities to share information and observations
- ✓ CWT acknowledges the volunteers' contribution through annual events such as Volunteer Week and the Christmas Lunch. Program Coordinators organise ad hoc morning teas, cards acknowledging milestones and verballing thanking volunteers within their programs

- ✓ 30 out of 41 volunteer respondents to our audit survey reported that they have regular communication with their Program Coordinators
- ✓ The Volunteer Coordinator organises training sessions for the Justices of Peace with the Royal Associations for the Justices of Peace to ensure the Justices of Peace are provided with the opportunity to receive training
- ✓ Interviewed volunteers reported they feel valued and respected by CWT.

1.6 Definitions

- *Volunteer Coordinator*: also known as the Community Development Officer, responsible for overseeing all volunteers engaged by the CWT
- *Program Coordinator*: runs different programs in CWT, with the help of volunteers. The Program Coordinator is responsible for the volunteers in their program.

1.7 Key Findings and Recommendations

Through the review of the Volunteer Handbook (which revoked the *Volunteers Policy (2012)*) and associated CWT's policies¹, Audit determined that CWT's overall approach to the management of volunteers (Volunteering Program) is adequate. Further, CWT's documentation (including records, handbook and policies) demonstrated compliance with legislation applicable to the management of volunteers.

Through sample testing and interviews,² Audit noted areas requiring improvement to increase efficiency and to ensure compliance with the processes documented within the Volunteer Handbook. Audit acknowledges that the Volunteer Handbook was updated in January 2019 and CWT is working to ensure all updates are implemented. Audit findings are rating as 'low' risk or better practice.

Audit compared CWT's current approach to managing the Volunteering Program against better practice principles³, and found overall compliance with these principles.

Throughout the audit process, there was consistent feedback that the Volunteer Coordinator has strengthened CWT's Volunteering Program. Audit noted a strong sense of respect and gratitude for the contributions and time given by the volunteers from interviewed CWT staff.

¹ Refer to Appendix 1 for reviewed documentation.

² Refer to Appendix 2 for list of individuals interviewed.

³ National Standards for Volunteering 2015

Findings Summary Table

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

Finding and Recommendation/s - Risk Table	Risk Rating ⁴
2.1 Improvements to maximise effectiveness in CWT's approach to volunteer management including consideration of: <ul style="list-style-type: none"> aligning the current practices of the Volunteering Program to CWT's human resources (HR) processes implementing training for Program Coordinators. 	LOW
2.2 Opportunity to strengthen annual 'catch ups' and exit processes by: <ul style="list-style-type: none"> implementing annual 'catch-ups' with volunteers considering formalising an exit process for volunteers. 	LOW
2.3 Comparing CWT's processes against better practices identified opportunities including: <ul style="list-style-type: none"> reviewing and defining roles and responsibilities for volunteer management considering formalising processes on reporting performance in the Volunteering Program to the Executive Team and other stakeholders. 	BETTER PRACTICE
2.4 A need for strategic clarity around volunteer management	LOW
2.5 Opportunities were identified for continuous improvement for the Volunteering Program including: <ul style="list-style-type: none"> finalisation of moving records/documents into Objective consideration of reviewing and understanding the key features of the 'Volunteer Squared' (V2) system consideration of strengthening the overall grievance process relating to volunteers. 	BETTER PRACTICE

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

⁴ Refer to Appendix 3.

2. INTERNAL AUDIT FINDINGS AND RECOMMENDATIONS

Risk Rating - Low		Consequence	Likelihood
Auditor	Descriptor		
Galpins	Reputational/People/WHs	Insignificant	Unlikely
Manager	People	Insignificant	Unlikely
Recommendation/s		Management Response	Target Date
<p>2.1 Improvements to maximise effectiveness in CWT's approach to volunteer management</p> <p>Issues and Impact</p> <p><i>Aligning volunteer management practices with human resources (HR) processes at CWT</i></p> <p>Audit identified five areas within the Volunteering Program that can be aligned to CWT's HR processes;</p> <ul style="list-style-type: none"> • <i>Process when creating new volunteer roles</i> <p>Volunteer activities are not intended to replace or remove work previously performed by paid employees⁵. Program Coordinators create new volunteer roles on an 'as need basis' with the guidance of the Volunteer Coordinator. These roles are subsequently reviewed by the General Manager of Community Services to determine the appropriateness of the role.</p> <ul style="list-style-type: none"> • <i>Implementing probation periods for volunteers</i> <p>The Volunteer Handbook 2018 sets the expectation of a probation period whereby the volunteer has a 'catch up' with the Program Coordinator after 3 months of volunteering. The intent of the catch up is to understand if the program is meeting the volunteer's expectations, and to assess if the volunteer is suitable for the program. This probation period is a formal opportunity for the volunteer to trial the role in a specified timeframe.</p>		<p>The CWT will develop a new process aligned with the existing HR processes for role creation, probation periods, inductions, conflicts and systems access.</p> <p>The systems and site access will also be reviewed as part of role descriptions and the Remote Access and Network Security Policy.</p> <p>Consideration is currently being given to the benefits of transferring the volunteer management function and resource to HR.</p>	December 2020

⁵ Refer to page 2, Volunteer Handbook 2018

<ul style="list-style-type: none"> • <i>Volunteer inductions</i> A Corporate Induction is completed first, by the Volunteer Coordinator and the Program Induction is given by the Program Coordinator. Two out of four Program Coordinators reported that they were unsure of their role for inductions. They would like clarification as to what information is provided by the Volunteer Coordinator initially and the expectations for the Program Induction. Clarity of roles and responsibilities around induction, and alignment with existing HR induction policy⁶ may increase the effectiveness of volunteer inductions. • <i>Declaration of conflicts of interest</i> Conflicts of interest between the Volunteer Coordinator/Program Coordinators and volunteers can arise. It is important that any current or perceived conflicts of interest are declared. <i>Restricting network access</i> Volunteers should not be allowed access to CWT's systems and restricted areas, unless an exception has been granted by the General Manager <u>Business and Community Services</u> (for example, a volunteer driver may require access to a restricted area to retrieve a CWT vehicle that is used for transportation). Reviews should be conducted to ensure volunteers are given correct access rights. <p>Consideration of aligning the current practices in these five areas of volunteer management may contribute to effectiveness of CWT's Volunteering Program. See Recommendation 1.</p>	Recommendation 2:
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⁶ Refer to Administration Policy Induction (2009)

<p>Training for internal staff in support of their roles as Program Coordinators</p> <p>Mandatory training and support documents are available to assist volunteers. It was reported that optional 'value add' training is being implemented in 2020 to enrich the Volunteer Program, and as part of continuous support and training to volunteers.</p> <p>Audit identified a need for training to support Program Coordinators, particularly when their role in CWT are not in management, to ensure they are supported in their Program Coordinator role. Two out of four Program Coordinators reported that they would like further information to assist in their role in managing volunteers. Examples included conflict management. See Recommendation 2.</p>	<p>Consider implementing training to Program Coordinators consisting of, but not limited to:</p> <ul style="list-style-type: none"> • roles and responsibilities of a Program Coordinator (i.e. probation and annual catch ups, initial point of contact for feedback/suggestions/grievances, etc) • conflict management • effective communication tools and how to deal with 'difficult' conversations • tracking and recording complaints in relation to volunteer grievances. <p><i>The intention of this recommendation is to provide Staff with tools and resources in the management of volunteers.</i></p>	<p>A training program for Program Coordinators will be implemented to include these topics based on existing HR processes.</p> <p>Consideration is currently being given to the benefits of transferring the volunteer management function and resource to HR.</p>	<p>December 2020</p>
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Risk Rating – Low		Likelihood	
Auditor	Descriptor	Consequence	Likelihood
Galpins	Organisational	Insignificant	Moderate
Manager	People	Insignificant	Moderate
Recommendation/s		Management Response	Target Date
<p>2.2 Opportunity to strengthen annual 'catch ups' and exit processes</p> <p>Issues and Impact</p> <p>Annual reviews with volunteers The Volunteer Handbook provides that Program Coordinators would meet with the volunteers on an annual basis. This is an opportunity to have dedicated time to discuss any suggestions, ideas or concerns. It was reported that annual reviews are not currently being conducted and there are concerns as to how volunteers would receive a review. Staff reported instances of volunteers who have provided their service for a long period of time and have a sense of ownership of their role and/or are not comfortable with change. The review is an opportunity for the Program Coordinator and/or Volunteer Coordinator to ascertain if the volunteer is suitable for the program and/or if other programs would be more suitable. See Recommendation 3.</p> <p>Exit process for a volunteer It was reported that CWT does not have a formal or consistent approach to exiting volunteers. There is a reluctance to exit volunteers as they are providing their time to assist CWT. However, there was one reported incident where a volunteer may not be physically capable of performing their role but is continuing to volunteer. CWT is minimising safety risks as a staff member is with the volunteer throughout the shift to assist the volunteer. The option of exiting a volunteer should not be viewed as a negative avenue but rather as a natural conclusion when an individual becomes unable to complete volunteering activities. See Recommendation 4.</p>		<p>Recommendation 3: Implement annual 'catch ups' with volunteers. CWT should consider a positive approach to the introduction of this change. The meeting should also be seen as a dedicated time with the volunteer to provide them with an opportunity to have their views heard and understand if the role is meeting both the volunteer's and CWT's expectations.</p> <p>Recommendation 4: Consider formalising an exit process for volunteers with the below considerations:</p> <ul style="list-style-type: none"> a volunteer's suitability for volunteering roles in CWT a volunteer's ability to independently carry out the duties of the role WHS safety considerations. <p><i>Audit notes that volunteer roles may form a part of an individual's identity and sensitivity should be shown when considering the exit process.</i></p>	<p>December 2020</p> <p>December 2020</p>

Risk Rating – Better Practice					
2.3 Comparing CWT's processes against better practice	Auditor	Descriptor	Consequence	Likelihood	
	Galpins	N/A	N/A	N/A	
	Manager	N/A	N/A	N/A	
Issues and Impact	Recommendation/s				
For completeness, Galpins compared CWT's approach to volunteer management to the <i>National Standards for Volunteering Involvement 2015</i> issued by Volunteering Australia (the standards). This enabled benchmarking of the CWT's Volunteering Program.	Recommendation 5: Review and clearly define the roles and responsibilities for volunteer management between the Volunteer Coordinator and the Program Coordinators.				
Audit found two areas for improvement when compared against the standards outlined below:	Recommendation 6: Consider formalising processes on reporting performance of volunteer management to the Executive Team and other stakeholders (for example volunteers and staff).				
<ul style="list-style-type: none"> Responsibilities for leading and managing volunteer involvement are defined and supported. See Recommendation 5. The organisation's volunteer management performance is monitored and reported to the governing body, employees, volunteers and stakeholders. Audit notes that currently CWT provides updates to the Executive Team and volunteers/staff are updated by email regarding expected timelines for future changes. It was reported that this process is currently not formalised. See Recommendation 6. 	Reports are provided to Executive and Council regularly. No formal action to be taken. However, the reporting process will be updated in Volunteer Coordinator Manual.				
All other elements of volunteer management practices within CWT are in line with the standards. See Appendix 5 for further details of testing.	Consideration is currently being given to the benefits of transferring the volunteer management function and resource to HR.				
			Roles statements to be reviewed.	December 2020	Target Date

Risk Rating – Low					
2.4 A need for strategic clarity around volunteer management	Auditor	Descriptor	Consequence	Likelihood	
	Galpins	Organisational	Minor		
Issues and Impact The audit team worked to understand the strategy guiding CWT's Volunteering Program. There are approximately 120 individuals in volunteering roles within CWT-run programs. Through our review, the future intent for utilising volunteers was unclear. For example, whether CWT intends to continue with status quo, reduce volunteer numbers or grow volunteer programs over time. See Recommendation 7 .	Manager	Organisational	Minor	Unlikely	
	Recommendation/s		Management Response		Target Date
	Recommendation 7: Confirm CWT's ongoing strategic intentions for the Volunteering Program. Consideration should include, but not be limited to: <ul style="list-style-type: none"> • CWT's appetite to grow the Volunteering Program • creation of a Volunteering Strategy within CWT. 		Consideration will be given to increased emphasis on the volunteering program as part of the Community Plan which is currently under review.		December 2020

Risk Rating – Better Practice		Likelihood
Auditor	Descriptor	
Galpins	N/A	
Manager	N/A	N/A
Recommendation/s		Management Response
Issues and Impact		Target Date
<p>2.5 Opportunities identified for continuous improvement within the Volunteering Program</p> <p>Through interviews with stakeholders, Audit identified four opportunities for consideration with the view of continuous improvement of CWT's Volunteering Program.</p> <p>1. Finalising the process of moving records to Objective</p> <p>Volunteer records (for example induction forms, checklists, certifications) and documentation relating to the Volunteering Program was previously kept as a hard copy or in Dataworks. With Dataworks being replaced by Objective, most of the documentation was transferred successfully. Documents that were not able to be transferred are saved in the Community Development's R:/ drive and manual effort is required to move the documents to Objective. Further, some of the volunteer records are held as a hard copy and need to be scanned into Objective. The <i>State Records Act 1997</i> (the Act), promotes best practice by agencies in the management of official records⁷. Ensuring documents relating to CWT's Volunteer Program are easily retrievable from one system may ensure compliance with the Act. See Recommendation 8.</p> <p>2. Understanding and optimising the use of Volunteer Squared (V2) system</p> <p>The V2 system is currently used to input Volunteer information (name, contact details, emergency contact), for identifying required training for the programs that volunteers are volunteering in and for noting attendance at non-</p>		<p>This project is currently in progress and will be completed shortly.</p> <p>Consideration is currently being given to the benefits of transferring the volunteer management function and resource to HR.</p> <p>This recommendation will be considered with a cost benefit completed regarding ease of use and added value to each program.</p> <p>Consideration is currently being given to the benefits of transferring the volunteer management function and resource to HR.</p>
<p>Recommendation 8:</p> <p>Consider finalising the process of moving records/documents from the R Drive into Objective and scanning hard copies of records into Objective.</p> <p>Recommendation 9:</p> <p>Consider reviewing and understanding the key features of Volunteer Squared (V2), with the potential to implement additional features for volunteer management. Use of the below functions may be considered:</p> <ul style="list-style-type: none"> • utilisation of V2 to store current documentation (role statements, induction checklists, program support information etc) and Objective being used for archived documents • rosters of programs to provide visibility of volunteer staffing, particularly for the Volunteer Coordinator • electronic sign in and out sheet 		March 2020

⁷ Refer section 5 (1)(c) of the Act.

<p>mandatory volunteer sessions (for example, volunteer meetings). Audit considers that system features could be investigated to introduce further efficiencies/strength in the management of volunteers. Potential optimisation may include, but not be limited to:</p> <ul style="list-style-type: none"> • using V2 to store current documentation (role statements, induction checklists, program support information) and then using Objective to store archived documents • using roster functionality for programs, to provide transparency, particularly for the Volunteer Coordinator • ability to use as an electronic sign in and out sheet (4 out of 8 programs sampled did not have a sign in process) • automate prompts (i.e. email notification) when mandatory training is due. See Recommendation 9. 	<ul style="list-style-type: none"> • automated prompts/email notification for when mandatory training is due. <p>Recommendation 10: Consider reviewing grievance processes relating to volunteers.</p>	<p>The CWT will develop a new process aligned with the existing HR processes for grievances.</p> <p>Consideration is currently being given to the benefits of transferring the volunteer management function and resource to HR.</p>	December 2020
<p>3. Complaint handling process for volunteers</p> <p>It was reported that staff who receive complaints/concerns/grievances (complaints) from volunteers may be reluctant to provide written confirmation on the issue. Audit notes that there is a requirement to acknowledge complaints within certain timeframes and it was reported that this is adhered to. There is an opportunity to review the complaints handling process for volunteers, including training for complaints handling training (for example, reporting and tracking of complaints), refer to Recommendation 2.</p> <p>Complaints can be an important source of information and a prompt for improvement for any program. It may be beneficial to review the overall grievance process and its application to volunteers. See Recommendation 10.</p>			

Appendix 1 Documents Reviewed

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

- Volunteering at West Torrens 2018
- Volunteer Role Statements
- Volunteer Starter Kit Forms
- Volunteers Policy 2012
- General Training Offer
- West Torrens Risk Evaluation 2018 Summary Report
- Volunteer Handbook 2018
- Program Coordinator Induction Checklist
- Volunteer 2018 Survey Summary
- Volunteer Reimbursement
- Volunteer Role Creation Procedure
- Volunteer Manual
- Volunteer Management Training Plan April 2019
- National Standards for Volunteering 2015
- Volunteer Protection Act 2001
- Volunteer Application Form
- Signed WHS and Injury Management Lead Policy
- Induction Administration Policy
- Code of Behaviour Administration Policy
- Enterprise Risk Management Administration Policy
- Criminal and Relevant History Screening Administration Policy
- Employee Health and Wellbeing Policy
- Enterprise Risk Management Policy

Appendix 2 Names of interviewees

Staff interviewed

- Shannon Lopez: Community Development Officer
- Emma Purshe: Team Leader Community Development
- Celine Luya: Manager Community Services
- Hanna Jasinka: Collections Coordinator
- Josephone Gaskell: Youth and Children's Services
- Carly Wilks: Customer Services Coordinator
- Anne Pascoe: Team Leader Library
- Mel Williams: Children's Services Officer
- Lisa Barone: Library Administration Officer

Volunteers interviewed

- Brenton Gill: Volunteer Justice of Peace
- Giovanna Conti: Volunteer, Events Crew – Program Support

Appendix 3 CWT Risk Matrix

This section outlines the CWT's risk assessment matrix.

Likelihood Descriptors

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

Consequences Descriptors Matrix

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

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

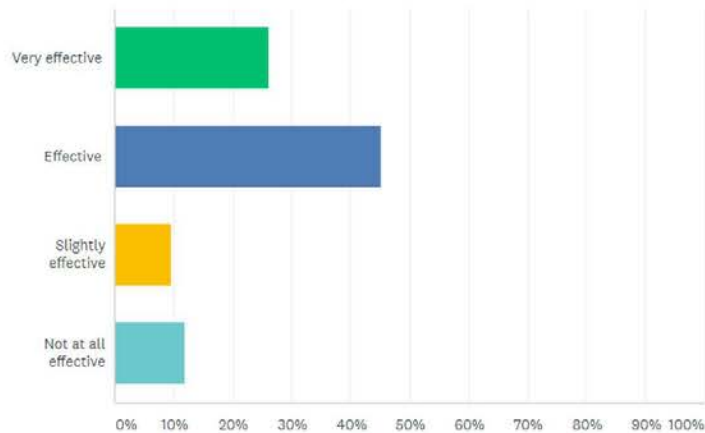
Risk Analysis Matrix – Level of Risk

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

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

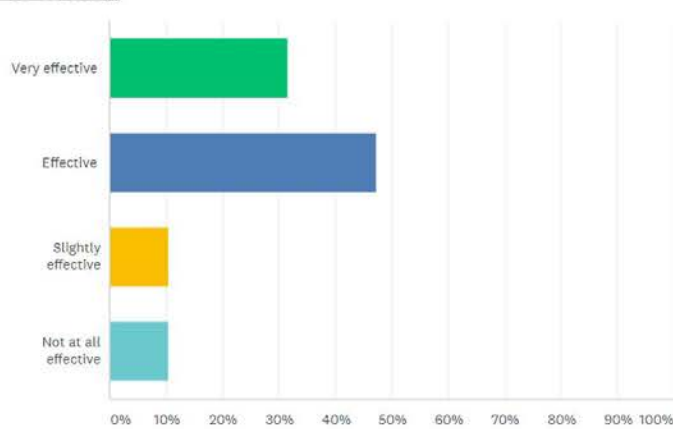
Appendix 4 Summary of Survey Responses

Effectiveness of Volunteer Induction

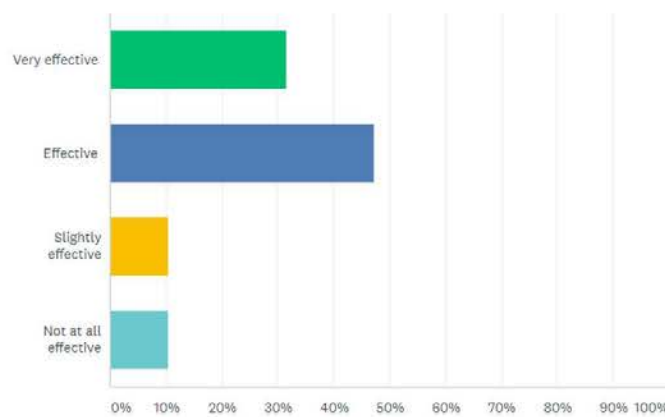


ANSWER CHOICES	RESPONSES	
Very effective	26.19%	11
Effective	45.24%	19
Slightly effective	9.52%	4
Not at all effective	11.90%	5
TOTAL		42

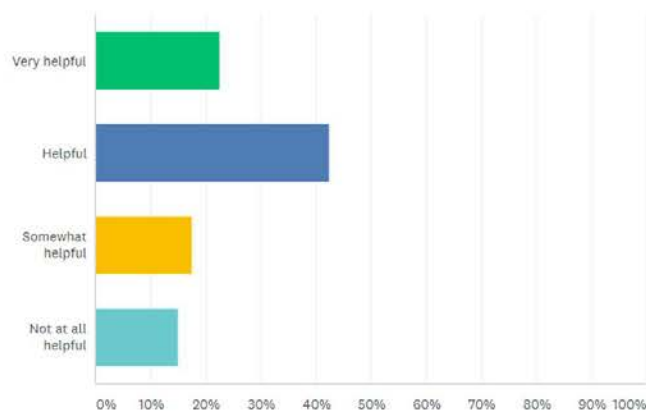
Effectiveness of Training



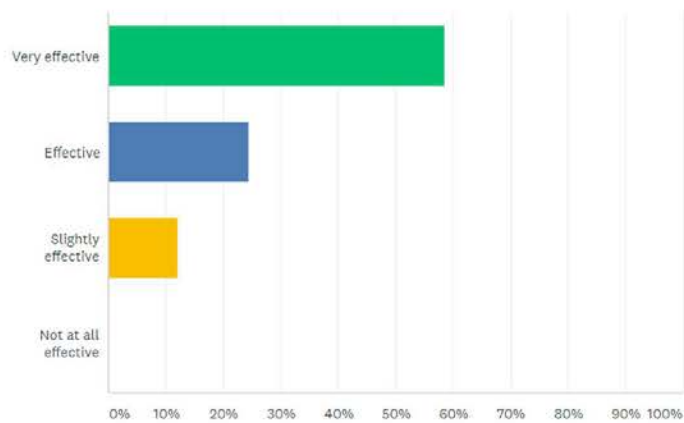
ANSWER CHOICES	RESPONSES	
Very effective	31.58%	12
Effective	47.37%	18
Slightly effective	10.53%	4
Not at all effective	10.53%	4
TOTAL		38

Effectiveness of Volunteer Handbook

ANSWER CHOICES	RESPONSES	
▼ Very effective	31.58%	12
▼ Effective	47.37%	18
▼ Slightly effective	10.53%	4
▼ Not at all effective	10.53%	4
TOTAL		38

Effectiveness of information and support provided to volunteers

ANSWER CHOICES	RESPONSES	
▼ Very helpful	22.50%	9
▼ Helpful	42.50%	17
▼ Somewhat helpful	17.50%	7
▼ Not at all helpful	15.00%	6
TOTAL		40

Effectiveness of difficulties/issues management (may be placement or otherwise)

ANSWER CHOICES	RESPONSES	
▼ Very effective	58.54%	24
▼ Effective	24.39%	10
▼ Slightly effective	12.20%	5
▼ Not at all effective	0.00%	0
TOTAL		41

Appendix 5 Comparison of CWT's practices in volunteer management with the National Standards for Volunteer 2015

The National Standards for Volunteer Involvement 2015 (Volunteer Australia)		Evidence that Volunteers at CWT comply with these Better Practices?	Is there a gap identified?
Leadership and Management	Responsibilities for leading and managing volunteer involvement are defined and supported.	The Volunteer Coordinator oversees all projects and all volunteers. The Project Coordinators are responsible for managing the volunteers in their programs. However, the role of the volunteer coordinator and the program coordinators are blurred when it comes to tasks such as volunteer induction. The Volunteer Coordinator's role is required to strategically manage the volunteer program. However, she has been required to get involved in the day to day activities of the volunteer program.	Opportunity for improvement identified. See Recommendation 5 .
	Policies and procedures applying to volunteers are communicated, understood, and implemented by all relevant staff across the organisation	The Volunteer Handbook, Volunteer Manual are availability to the volunteers and the staff at the CWT. This document is available on the CWT's website, and that is communicated on the first page of that document. Volunteers are informed about the policies and procedures at their induction with the volunteer coordinator and more specific information about the program they are volunteering for by the program coordinator.	No gaps identified
	The organisation's risk management processes are applied to the organisation's volunteer involvement	The Volunteer Manual includes a section that addresses risk management, this states that, <i>"Every volunteer role will need to have a risk analysis performed to ensure the highest level of safety. Your risk analysis will incorporate how you recruit, select and induct the volunteer into that position. All positions will need to have their own risk assessment on the general level and any new potential hazard must be assessed and added to the staff Hazard Register."</i>	No gaps identified
	Volunteer involvement records are maintained.	Volunteers are required to sign in and sign out when they attend and complete their shifts. Volunteer records are kept in Objective and V2. this includes their training documents, their inductions, role statements etc.	No gaps identified
	Processes are in place to manage relationships with partner agencies in collaborative volunteer activities.	Not applicable as there are no partner agencies with the CWT. However, the Volunteer Coordinator informs the current/ potential volunteers about Volunteer opportunities offered at other Volunteer agencies in the COWT CWT area	Not applicable for the City of West Torrens CWT
Commitment to Volunteer Involvement	The organisation publicly declares its intent, purpose and commitment to involving volunteers.	Purpose and commitment: Volunteers add value to our city by contributing time and energy to enhance existing services and programs. This assists with the delivery of the community's aspirations as detailed in the City of West Torrens 'Towards 2025' Community Plan.	No gaps identified

Liability limited by a scheme approved under Professional Standards Legislation

The National Standards for Volunteer Involvement 2015 (Volunteer Australia)		Evidence that Volunteers at CWT comply with these Better Practices?	Is there a gap identified?
Volunteer Roles		Intent: Volunteer activities are not intended to replace or remove work by paid employees. In undertaking volunteer work with the CWT there should be no expectation that this activity will be remunerated or lead to paid employment.	
	Volunteer involvement is planned and designed to contribute directly to the organisation purpose, goals and objectives	This [volunteering] assists with the delivery of the community's aspirations as detailed in the City of West Torrens 'Towards 2025' Community Plan. CWT appreciates and recognises the efforts of volunteers and the unique role they play in forging strong links in the local community. We are committed to ensuring that you have an enjoyable and safe volunteering experience.	No gaps identified
	Resources (including time, funds, equipment and technology) are allocated for volunteer involvement	Yes, volunteers are a separate budget line	No gaps identified
	Volunteer roles are designed to contribute to the organisation's purpose, goals and objectives.	Volunteers add value to our city by contributing time and energy to enhance existing services and programs. This assists with the delivery of the community's aspirations as detailed in the City of West Torrens 'Towards 2025' Community Plan.	No gaps identified
	Volunteer roles are appropriate for the community, service user or stakeholder groups with which the organisation works.	If volunteer roles need to be created, the staff must fill out a volunteer role creation form, it is separated into the prior to role creation and role creation. The prior to the role creation section evaluates the program needs, outlining rights and responsibilities etc.	No gaps identified
	Volunteer roles are defined, documented and communicated	Volunteer Role Statements for each volunteer role is present	No gaps identified
	Volunteer roles are reviewed with input from volunteers and employees.	This has been considered and included in the Volunteer Handbook. Staff's input is requested, and roles are reviewed every 2 years.	No gaps identified
Recruitment and Selection	If the organisation recruits volunteers, it uses planned approaches to attract volunteers with relevant interests, knowledge, skills or attributes.	The Volunteer Application has a section where the applicant can insert their skills, knowledge and experience. Followed by the sentence, "what type of volunteer activity do you wish to undertake (e.g. administration, library, driving, tutoring, work with aged clients)."	No gaps identified
	Potential volunteers are provided with relevant information about the organisation, the volunteer role	The Volunteers are required to fill in an application form before the commencement of their interview. Role descriptions are available as well.	No gaps identified

The National Standards for Volunteer Involvement 2015 (Volunteer Australia)		Evidence that Volunteers at CWT comply with these Better Practices?	Is there a gap identified?
	and the recruitment and selection process.		
	Volunteers are selected based on interest, knowledge, and skills or attributes relevant to the role, and consistent with anti-discrimination legislation.	The Volunteer Application has a section where the applicant can insert their skills, knowledge and experience. Followed by the sentence, "what type of volunteer activity do you wish to undertake (e.g. administration, library, driving, tutoring, work with aged clients)."	No gaps identified
	Screening processes are applied to volunteer roles that help maintain the safety and security of service users, employees, volunteers and the organisation.	Some volunteers who work with children/ in aged care and other jobs where this is a requirement are required to get a DCSI clearance and/or National Police Clearances.	No gaps identified
	Volunteers are provided with orientation relevant to their role and responsibility.	Role Specific Induction <ul style="list-style-type: none"> • Task descriptions and demonstrations • Familiarisation of tasks under supervision • WHS and Manual Handling issues specific to the role • Introduction to nearby volunteers and staff • Tour of the site • Information on where to store belongings. 	No gaps identified
Support and Development	Volunteers knowledge and skills are reviewed to identify support and development needs	The volunteers are required to include their training and qualifications in their application form that may be considered when offering the volunteer role. The volunteers are also asked about what sort of training or support that they would like in the next year	No gaps identified
	Volunteers knowledge and skill needs relevant to their roles are identified, and training and development opportunities are provided to meet these needs.	The Volunteer Manual includes a matrix that sets out the minimum training requirements for each role.	No gaps identified
	Changes to the involvement of a volunteer are undertaken fairly and consistently	Volunteer roles are currently not reviewed; however, their roles change with the changes in CWT/ changes to the program. Therefore, they introduce the changes to the volunteers and the program coordinators try to make them comfortable with the new change	No gaps identified
Workplace Safety and Wellbeing	Effective working relationships with employees, and between volunteers, are facilitated by the organisation	Volunteers are aware that they can go to their coordinators if they have any concerns. They are inducted by their program coordinator. The program coordinators try to greet their volunteers in passing or stop to have a 'chat' when possible	No gaps identified

Liability limited by a scheme approved under Professional Standards Legislation

The National Standards for Volunteer Involvement 2015 (Volunteer Australia)		Evidence that Volunteers at CWT comply with these Better Practices?	Is there a gap identified?
Volunteer Recognition	Processes are in place to protect the health and safety of volunteers in their capacity as volunteers	Work Health and Safety including first aid and emergency procedures; relevant WHS policies and insurance are discussed in the Volunteer's Induction. "All volunteers will undertake a specific Work Healthy Safety induction before commencing their role."	No gaps identified
	Volunteers have access to complaints and grievance procedures	Yes, it is included in Part 4 of the Volunteer Manual	No gaps identified
	The governing body and employees understand how volunteers benefit the organisation, service users and the community	A volunteer lunch is hosted by the Community Development Officer every July and December. The Volunteers who have been volunteering for a long period of time are recognised in front of all the volunteers and the Mayor attends this event as well.	No gaps identified
	Volunteers are informed about how their contributions benefit the organisation, service users and the community.	A speech is given by the mayor at the Volunteer Lunch to acknowledge the work done by the volunteers, they are provided with gifts and tokens when they reach milestones with their service and volunteers with long service get to stand at the front so they will receive recognition. A survey is sent before and after the lunch to obtain feedback from the volunteers on the lunch.	No gaps identified
	The organisation regularly acknowledges contributions made by volunteers and the positive impact on the organisation, service users and the community.	Yes, Volunteers are recognised at Volunteer Week, the Volunteer Parade for Volunteer Week, the Christmas Lunch and by supervisors when possible at the end of their shifts	No gaps identified
Quality management and	Volunteer acknowledgement is appropriate to the volunteer role and respectful of cultural values and perspectives	COWT acknowledges that their volunteers are from different cultural backgrounds, and they are acknowledged with respect to their backgrounds. E.g. it was reported that the JP who was from a different cultural background and the customer thought that they were being rude to the customer.	No gaps identified
	Policies and procedures are implemented to effectively guide all aspects of volunteer involvement.	The COWT has a; Volunteering at West Torrens booklet Volunteer Starter Kit Forms Volunteers Policy Volunteer Handbook Volunteer Role Creation procedure & Volunteer manual.	No gaps identified

continuous improvement	The National Standards for Volunteer Involvement 2015 (Volunteer Australia)	Evidence that Volunteers at CWT comply with these Better Practices?	Is there a gap identified?
	Volunteer involvement is regularly reviewed in line with the organisation's evaluation and quality management frameworks	Yes, this is assessed by the supervisors	No gaps identified
	The organisation's performance with volunteer involvement is monitored and reported to the governing body, employees, volunteers and stakeholders.	Volunteers are regularly updated about the changes/ upcoming events in the Volunteering space via email. Reports are sent to Executive with updates on the Volunteer programs on a quarterly basis. There is no documented process in place, therefore there is opportunity to formally document this process.	Opportunity for improvement identified. See Recommendation 6.
	Opportunities are available for volunteers to provide feedback on the organisation's volunteer involvement and relevant areas of the organisation's work.	Yes, a Volunteer Program Survey is sent out to the volunteers to obtain feedback about their volunteer experience	No gaps identified

9.3.5 Procurement Roadmap Continuous Audit - Stage 5

Brief

This report presents the results of Stage 5 of the Procurement Roadmap Continuous Internal Audit.

RECOMMENDATION

It is recommended to the Committee that the Procurement Roadmap Continuous Internal Audit - Stage 5 report be received.

Introduction

Procurement in the CWT is a centre led function in that the Procurement Team is responsible for establishing policy, procedures, systems and processes to assist the delegates within the organisation to procure in a way that is compliant with legislation, policies and procedures, provides value for money and is transparent, accountable, fair, equitable and sufficiently robust to withstand external scrutiny. It is important to note that the Procurement Team does not undertake purchasing on behalf of the organisation, rather, that rests with the appropriate delegate.

As such, it was important to undertake a staged audit to determine the gaps in the organisation's procurement processes. Four of these stages have been completed with stage 5 included in the approved *Internal Audit Program 2018-2022*.

Consequently, *Stage 5 of the Procurement Roadmap Continuous Internal Audit (Audit)* was approved and commenced in April 2019. The Audit was undertaken in accordance with the approved Audit scope to evaluate and report on the adequacy and effectiveness of Council's approach to procurement activities beyond those actions taken by the Procurement team.

The scope of this audit included:

Procurement Planning

- Alignment of procurement planning processes to budget processes

Policy and Framework

- Quotation and tender processes undertaken by procurers and their compliance with policy
- Compliance of procurers to records management provisions
- Variation spending undertaken by procurers with particular review on the strength of existing policy provisions in regard to risk of this activity
- The delegated authority of officers to execute contracts, variations and approve recommendation reports
- Processes undertaken where:
 - procurers had not used panel suppliers - where a panel exists; and/or
 - engaged suppliers on panels to undertake works
- A review of the competitive market approaches used on all level of spending where panels do and do not exist with reference to policy provisions.

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

Internal Audit Findings

The Auditor's found that the City of West Torrens' (CWT) approach to managing the risk associated with procurement activities has a partial level of compliance with Council's procurement policy and procedures.

Nine (9) Audit findings were made by the auditor of which five (5) attracted a high level of risk, three (3) attracted a moderate level of risk and one (1) attracted better practice recommendations.

The Administration has agreed to these findings and made comments regarding the associated recommendations. These opportunities and comments have been reviewed by the Administration and responses have been provided in the attached Report (**Attachment 1**).

The five (5) high risk findings are outside of tolerance levels and progress regarding their action will be monitored and provided to the Executive and Audit Committee on a regular basis.

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

Climate Impact Considerations

(Assessment of likely positive or negative implications of this decision will assist Council and the West Torrens Community to build resilience and adapt to the challenges created by a changing climate.)

There is no direct environmental impact in relation to this report.

Conclusion

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

Attachments

1. Procurement (Stage 5) Internal Audit Report



City of West Torrens Procurement Audit Stage 5

Internal Audit Report

Audited By: Galpins

Draft Report v1.0 Issued: 12.07.2019

Revised Draft Report v2.0 Issued: 14.07.2019

Final Report v1.0 Presented: 12.08.19

Final Report Executive Management Approval:

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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 effectiveness of the City of West Torrens' procurement processes. Procurement processes and the Procurement Roadmap have been under constant audit since 2015.

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

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

1.2 Objectives and Scope

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

The scope of this audit included:

Procurement Planning

- Alignment of procurement planning processes to budget processes

Policy and Framework

- Quotation and tender processes undertaken by procurers and their compliance with policy
- Compliance of procurers to records management provisions
- Variation spending undertaken by procurers with particular review on the strength of existing policy provisions in regard to risk of this activity
- The delegated authority of officers to execute contracts, variations and approve recommendation reports
- Processes undertaken where:
 - procurers had not used panel suppliers - where a panel exists; and/or
 - engaged suppliers on panels to undertake works
- A review of the competitive market approaches used on all level of spending where panels do and do not exist with reference to policy provisions.

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

The audit period tested was for procurement from October 2018 to March 2019.

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1.3 Associated Risks

Potential risks associated with Procurement activities identified through Internal Audit included, but were 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
 - litigation
 - reputation damage
 - use of non-compliant contractor / supplier resulting in low quality work
- Inadequate monitoring, follow up and reporting.

1.4 Examples of Good Practice

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

- ✓ Consistent feedback that the Senior Strategic Procurement Officer/team and procurement tools/templates are helpful and assist staff when conducting procurement activities.
- ✓ All tested financial expenditure processed through the Tech1 system was approved by a delegate.
- ✓ Appropriate Procurement Recommendation Reports were in place for all three high value procurement tested, demonstrating accountability of the procurement decision.
- ✓ Overall procurement is monitored by the Senior Strategic Procurement Officer. We observed one instance where this officer was proactively monitoring procurement with a supplier that was not part of a relevant panel (discussed further in the report body). As a result, the procuring officer was instructed by management to discontinue use of that supplier until the supplier provided sufficient documentation to join the panel. This demonstrates a strong control around procurement.
- ✓ The Senior Strategic Procurement Officer has worked to develop Procurement Plans with Business Units throughout Council. This represents better practice and helps to ensure that procurement is adequately planned, conducted in line with requirements and conducted in a proactive manner.
- ✓ Consistent reported awareness of the importance of budget management and the need for procurement to occur from within approved budget amounts.

1.5 Key Findings and Recommendations

Through testing of 18 instances of procurement¹ and interviews with 11 staff², the audit identified a **partial level of compliance** with Council's procurement policy and procedures. In most Business Units, full compliance was achieved, and in the City Property team there is a need to ensure ongoing compliance with Council's procurement requirements.

Audit testing identified that in 4 of 11 relevant instances (3 from the City Property team), contracts were signed by delegates without appropriate financial delegation. In each of these instances, a Purchase Recommendation³ was also signed by the CEO – indicating approval of the intended purchase prior to contracting. Council had become independently aware of this issue and is working to resolve this.

Testing also identified three instances (in City Property) where the procurement method used was not in line with the total value of spend. In these cases, purchase occurred via separate small value purchase orders, meaning that appropriate procurement processes for the larger total value of the purchases were not followed.

In 1 additional instance, spend with a contractor for the 6-month audit period was \$147,000. The trend this would likely have exceeded \$200,000 – we consider a contract should have been established for this procurement.

Council's Procurement Team continue to support staff from across the organisation to procure in a proactive, defensible way. The audit found widespread awareness and use of key tools such as the Purchase Recommendation Report. All interviewed staff that use internal 'panel' arrangements reported that these were useful and help with procuring efficiently/effectively.

Findings Summary Table

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

Finding and Recommendation/s - Risk Table	Risk Rating
<p>2.1 A need to strengthen guidance about variation spending. Variations of over \$430,000 identified during 6-month audit period.</p> <p>Recommendation 1: Clarify Council's approach to variations and expectations regarding whether approvals can be provided based on the value of the variation, or if they must be in line with the value of total cumulative spend should inform the approval delegate required. Council should also develop a plan to ensure that variations and contingency spending have appropriate oversight and transparency.</p> <p><i>We note that a requirement to have delegate approval of variations for total spend may create bottlenecks for staff waiting for approvals, this recommendation should be considered in the context of operational need.</i></p>	High risk
<p>2.2 Inappropriate contract execution by delegates without appropriate financial delegation. Four identified instances of contracts being signed by staff without delegation.</p> <p>Recommendation 2: Ensure that only delegates with appropriate levels of authorisation enter into/amend/approve contracts on behalf of Council.</p>	High risk
<p>2.3 A need for stronger governance/oversight over cumulative spend with suppliers. Three instances identified where suppliers were engaged via purchase order, however by total spend value indicated stronger procurement processes should have been used.</p> <p>Recommendation 3: Remind staff across Council of the importance of considering total value when deciding on the procurement method to be used.</p>	High risk

¹ Details of audit sample are included in Appendix 2.

² Interviewee list is included in Appendix 3.

³ Purchase Recommendations are internal documents that summarise the procurement approach, the preferred supplier and total planned cost. They are signed to indicate approval to proceed/expend funds.

Finding and Recommendation/s - Risk Table	Risk Rating
Work with teams that were identified as non-compliant with Council Policy: Procurement to ensure that future procurement activities are conducted in line with total expected spend value. This can include promoting awareness of exemption reports to be used as required.	
<p>2.4 Breaches of policy requirements occurred.</p> <p>Recommendation 4:</p> <p>Work directly with the teams responsible for procurement activities with identified non-compliance with the Procurement Policy to further educate about Council's procurement requirements. This should cover:</p> <ul style="list-style-type: none"> • the need to obtain appropriate quotations when procuring • the need to use panel providers, where a panel is in place • the need to adequately record evaluation/recommendation of a successful supplier • the use of exemption forms as required, • consequences for ongoing non-compliance with the Policy. 	High risk
<p>2.5 In one instance, contingency amounts were included in total contract value.</p> <p>Recommendation 5: Update the <i>Administration Policy: Procurement</i> to clarify that contract contingency amounts are not to be included in executed contracts with suppliers. Conduct education/ awareness raising of this requirement with relevant staff.</p>	High risk
<p>2.6 There is a need to ensure that complete/ appropriate contracts are in place.</p> <p>Recommendation 6: Implement controls to ensure that only complete/rigorous contracts are executed with suppliers, to ensure that contracts include all key information. Controls may include:</p> <ul style="list-style-type: none"> • mandating the use of standard terms and conditions • requiring teams to seek Procurement approval before entering into contracts developed by third parties • requiring contracts, particularly those of high value, to be approved by Procurement, or • having Procurement develop contracts, particularly high value contracts. <p>Agreed changes should be included in the next Policy update.</p>	Mod Risk
<p>2.7 Opportunity to further strengthen information included in Procurement Plans</p> <p>Recommendation 7: The Executive Team to remind staff of the importance of including complete and accurate information in Procurement Plans.</p>	Mod Risk
<p>2.8 A need to ensure compliance with records management provisions</p> <p>Recommendation 8: Continue work with the Procurement Steering Committee to clarify internal requirements in relation to where procurement records must be filed within the Objective system. Ensure that there is a clear understanding of these requirements.</p>	Mod Risk
<p>2.9 Opportunity to simplify procurement risk assessments.</p> <p>Recommendation 9: Review pre-procurement risk-assessment requirements and then consider whether the subsequent mandated procurement risk assessments are required. If not, remove these from future updates of the <i>Administration Policy: Procurement</i>.</p> <p><i>Note: This recommendation is intended to flag an area of the policy that is not implemented by the organisation, and to identify one method of potentially reducing administrative burden.</i></p>	Better Practice

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 - High				
<i>Auditor</i> <i>Galpins</i>	<i>Descriptor</i> <i>Financial / Organisational</i>	<i>Consequence</i> <i>Major</i>	<i>Likelihood</i> <i>Moderate</i>	
2.1 Guidance about Variation spending	<i>Manager</i> <i>Financial / Organisational</i>	<i>Major</i>	<i>Moderate</i>	
Issues and Impact	Recommendation/s	Management Response	Target Date	
<p>Variations to contracts/agreements occur when additional funds are needed to complete agreed works/goods/services. This can for example occur in construction projects due to changes of scope and latent conditions. Audit found a need for stronger guidance of the requirements around variations within Council.</p> <p>Council's Centre-Led Procurement Team do not have oversight of variations. Variations can only be identified via discussion with contract owners and/or reviews of invoices where the word 'variation' is mentioned.</p> <p>We therefore reviewed all invoices relevant to each audit sample item, and identified 5 of the 18 sample items where contractors invoiced one or more variations. The total value of variations was \$433,739 during the audit period October 2018 – March 2019, over 15 separate invoices. Each specific variation was approved within financial delegations.</p> <p>We interviewed 11 staff and asked about the variation process they use. Of these:</p> <ul style="list-style-type: none"> the 5 interviewed staff with delegations commented that they would and/or do approve variations if they are within approved budgeted funds 5 staff without delegations commented that they would seek their manager's approval of any required variations 1 staff member had not dealt with a variation at all, and would ask for assistance as required. 	<p><i>Recommendation 1</i></p> <p>Clarify Council's approach to variations and expectations regarding whether approvals can be provided based on the value of the variation, or if they must be in line with the value of total cumulative spend should inform the approval delegate required. Council should also develop a plan to ensure that variations have appropriate oversight and transparency.</p> <p><i>We note that a requirement to have delegate approval of variations for total spend may create bottlenecks for staff waiting for approvals, this recommendation should also be considered in the context of operational need.</i></p>	<p>Council's approach to variations and the variation management process will be strengthened and updated in the Procurement Policy.</p>	<p>July 2020</p>	

<p>No staff mentioned reviewing whether the contract value had been exceeded/total delegation had been exceeded before approving variations. The transparent/appropriate approval of spend is important. We note, however, that all staff interviewed explained that variations would only be approved if within budgeted funds.</p> <p>The <i>Administration Policy: Procurement</i> includes high-level detail about the expected process for variations. In s.6.9.1 it notes:</p> <p><i>"If a variation to a contract results in an increase to the contract sum, the variation must be approved in accordance with the staff member's delegation. If the amount of the variation exceeds the staff member's delegation, the variation must be referred to the officer with the appropriate delegation."</i></p> <p>This section of policy is unclear as it does not clearly state whether the total cumulative value of spend is to be considered.</p> <p>Internal Audit consider that variations should be approved with a consideration of total cumulative contract spend. This is in line with better practice and can help to avoid incidences where total variation amounts, spent in small batches, create significant additional spend that is not transparent or subject to clear approval. There is opportunity to strengthen the policy guidance in relation to variations, and to improve awareness/understanding of Council's requirements in this area.</p> <p><i>As the policy is silent on the procedure for variations, there is a risk to Council's ability to comply with financial delegations and/or to demonstrate accountability in relation to variation spend, without clear guidance around these variations.</i> We note that variations were raised in Stage 1 of this Procurement Audit and are included in the 2019-2020 Procurement Roadmap – planned review of policy suite.</p>			
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Risk Rating - High						
Auditor Galpins	Descriptor Financial Reputation	Consequence Major		Likelihood Moderate		
	Manager	Financial Reputation	Major	Moderate		
2.2 Contract execution outside of delegation						
Issues and Impact						
<p>The <i>Administration Policy: Procurement</i> outlines that contracts must be in place for spending over \$200,000, and can be used for lower-value spending.</p> <p>Galpins tested 11 instances (See Appendix 5) where contracts were in place to assess whether sign-off was by a delegate, and identified 4 cases where contracts were signed by a delegate without appropriate financial delegation:</p> <ul style="list-style-type: none">Three of these contracts⁴ involved spending above \$200,000. We note that, in each of these instances, Procurement Recommendation reports were appropriately signed by the CEO. The value of one contract, however [REDACTED] exceeded the Procurement Recommendation by \$50,000. We understand that there was a time delay between the Procurement Recommendation and the contract signing however consider that the value in Procurement Recommendation should match what is in the contract.1 instance [REDACTED] where the contract extension was signed incorrectly by the Senior Strategic Procurement Officer (a delegate without appropriate financial delegation). The initial contract was executed by a delegate. <p>In one additional instance [REDACTED] we consider a contract should have been in place (this is now in place).</p> <p>Delegates without appropriate financial delegation entering into contracts on behalf of Council represents a breach of s.37 of the Local Government Act 1999. In addition, there is a risk that this delegate without the appropriate financial delegation approval means that contracts are not valid and/or that there is a lack of adequate governance/oversight over new spending commitments.</p>		<p><i>Recommendation 2</i></p> <p>Ensure that only delegates with appropriate levels of authorisation enter into/amend/approve contracts on behalf of Council.</p>			<p>Management Response</p> <p>This historical practice has now been reviewed and processes have been amended to ensure this does not occur again. An email has been sent out to all appropriate staff informing and explaining to them the requirements and limitations of their delegations. Procurement are now developing all contracts and as a result, all signature blocks are double checked at this point. Procurement also perform an internal 'double check' as contracts are returned to Procurement. Procurement are also working with IT on a business intelligence solution to this issue.</p> <p>Delegations are also reviewed and reissued regularly. Therefore, no additional action will be taken at this time</p>	<p>Target Date</p> <p>NA</p>

⁴ With Camco, Knox and Romaldi.

Risk Rating - High					
2.3 Governance/oversight over cumulative spend with suppliers	Auditor Gapins	Descriptor Financial Reputation	Consequence Major	Likelihood Moderate	
	Manager	Financial Reputation	Major	Moderate	
Issues and Impact	Recommendation/s	Management Response		Target Date	
<p>The Council Policy: Procurement provides clear guidance that procurement must be based on total value:</p> <p>5.6. Procurement Process</p> <p>5.6.1 The procurement process and documentation required depends on the total value of the procurement and the residual risk rating, resulting from a risk assessment of the purchase.</p> <p>5.6.2 The value of the procurement will be determined from the total cost over the proposed length of the contract which will include all ancillary costs such as maintenance purchase or support agreements procured at the same time.</p> <p>5.6.2.1 The values in clauses 5.7 of this policy are based on total value calculated under this clause.</p> <p>5.6.3 Procurement activities must not be split into smaller components in order to avoid the competitive process and documentation requirements.</p> <p>In 3 instances selected within our sample, suppliers were engaged via purchase order, however the cumulative value of spend indicated that stronger processes should have been in place to ensure that the most transparent/competitive and cost-effective procurement was being used. Each of these instances was for procurement from the City Property team. Within the limited six-month audit time period (October 18-March 2019), repetitive purchase order spend occurred with the following suppliers outside of a contract:</p>	<p>Recommendation 3</p> <p>Remind staff across Council of the importance of considering total value when deciding on the procurement method to be used.</p> <p>Work with teams that were identified as non-compliant with <i>Council Policy</i>: Procurement to ensure that future procurement activities are conducted in line with total expected spend value. This can include promoting awareness of exemption reports to be used as required.</p>	<p>Procurement have been working with teams to ensure policy compliance and improvements have been seen through ongoing internal audit.</p> <p>Council's approach to cumulative spend with suppliers will be strengthened and updated in the Procurement Policy.</p>		July 2020	

<p>- [REDACTED] total expended value \$69,982 for 'drain cleaning', with a lack of clear description of spend⁵</p> <ul style="list-style-type: none"> o 23 separate invoices received during this period for [REDACTED] under the \$10,000 delegation limit of the internal approver. We note that [REDACTED] submitted 26 additional invoices during this period for services other than our chosen sample item of [REDACTED] <p>- [REDACTED] total expended value of \$147,672.80.</p> <ul style="list-style-type: none"> o 2 separate invoices within the audit time period. [REDACTED] is now included in a Panel arrangement. <p>- [REDACTED] total expended value \$57,322.</p> <ul style="list-style-type: none"> o 5 separate invoices submitted to reach this sum. o Staff reported that this was reactive work in relation to EPA requests for contaminated site remediation. <p>Where procurement is split into smaller components, there are risks that inappropriate spending may occur, that there is a lack of appropriate transparency/oversight of high-value spending and that Council may be subject to reputational damage due to a perceived lack of transparency.</p>		
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⁵ We note that the staff member procuring via [REDACTED] has been directed to discontinue use of this supplier until [REDACTED] have provided sufficient documentation to be included in the relevant Panel. This action was in train before the commencement of this audit. Over \$299,000 was expended on [REDACTED] in 2017-18. This expenditure was reported to be reactive work based on [REDACTED]

Risk Rating - High				
2.4 Breaches of policy requirements occurred	Auditor Galpins	Descriptor Financial/Reputation	Consequence Major	Likelihood Moderate
	Manager	Financial/Reputation	Major	Moderate
Issues and Impact	Recommendation/s		Management Response	Target Date
<p>The <i>Administration Policy: Procurement</i> outlines the different market approaches that procurers need to comply with for different levels of spending.</p> <p>Galpins tested 3 suppliers with spending above \$200,000. Documentation was in place to support procurement with each successful supplier, with the exception of contract documentation (see Section 2.2).</p> <p>We also tested 8 instances of procurement valued between \$50,000-200,000. Findings (exception basis) included:</p> <ul style="list-style-type: none"> 4 instances where there were not a minimum of 3 quotes on file: for [REDACTED] [REDACTED] As noted in Section 2.2, we understand that [REDACTED] were shortlisted to be on a Minor Build Panel after an EOJ process in 2018, however this Panel was not established until after the [REDACTED] commenced. For the 4 procurement instances above, no Evaluation Plan/Procurement Recommendation could be provided to demonstrate how the successful supplier was chosen. We note that the [REDACTED] procurement was for supply of a [REDACTED] unit. A Procurement Recommendation was prepared for the purchase of the [REDACTED] however the [REDACTED] (value \$79,728) was not subject to separate quotes/assessment. We were informed that there is a sole supplier in SA [REDACTED] 	<p>Recommendation 4</p> <p>Work directly with the teams responsible for procurement activities with identified non-compliance with the Procurement Policy to further educate about Council's procurement requirements. This should cover:</p> <ul style="list-style-type: none"> the need to obtain appropriate quotations when procuring the need to use panel providers, where a panel is in place the need to adequately record evaluation/recommendation of a successful supplier the use of exemption forms as required, consequences for ongoing non-compliance with the Policy. 		<p>Management believes that forms and completed templates in many of the identified circumstances existed but were not able to be provided at the time of the audit.</p> <p>Templates are available to document reasons for not obtaining the required number of quotes and these should be completed in these instances. Procurement will continue to advise teams of these templates and educate in their use.</p> <p>Procurement will focus on procurement values of \$50k-\$200k and will complete a 'tip sheet' to assist teams in meeting their procurement responsibilities.</p>	July 2020

[REDACTED] is further discussed in the previous section.
 7 Over \$57,000 spent during audit period of October 2018 – March 2019 for [REDACTED] works, over 5 separate purchase orders. The team engaging [REDACTED] advised that they are specialist and that there is a lack of competition for these services.

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<p>for [REDACTED] however consider that this should have been clearly noted. See Recommendation 2.</p> <p>Galpins tested 2 suppliers with spending between \$10,000-\$50,000. Of these:</p> <ul style="list-style-type: none"> • Sufficient documentation was kept in relation to quotes for [REDACTED] however it was unclear why the successful supplier [REDACTED] was chosen as they did not appear to have the strongest proposal. We understand that they were chosen to maintain consistency with previous [REDACTED] however this was not evident from supporting documentation. • Documentation for the other supplier [REDACTED] was not included in the records management system, 1 quote was obtained (in line with requirements for a panel provider under \$50,000). There was opportunity to more clearly detail why this provider was successful. See Recommendation 2. <p>Galpins tested 5 suppliers with spending between \$2,000-\$10,000. Sufficient documentation was in place to justify four of these procurement purchases. For the remaining supplier, [REDACTED] we were not provided with evidence that a quote was provided prior to work being conducted, as per policy requirements. See Recommendation 2.</p> <p>There is a risk that, if procurement processes are not adequately followed, then Council will be unable to adequately and transparently justify spending decisions, which may attract further investigation and/or negative media attention.</p>	
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Risk Rating - High				
Auditor Galpins	Descriptor Financial / Reputation		Consequence Major	Likelihood Moderate
	Manager	Financial / Reputation		
Recommendation/s			Management Response	Target Date
Recommendation 5 Update the <i>Administration Policy: Procurement</i> to clarify that contract contingency amounts are not to be included in executed contracts with suppliers. Conduct education/awareness raising of this requirement with relevant staff.			Council's approach to managing contingencies will be strengthened and updated in the Procurement Policy.	July 2020

2.5 Contingency amounts included in total contract value		
Issues and Impact		
We identified one instance, in relation to the redevelopment of [REDACTED] where the signed contract amount was <u>inclusive</u> of contingency funding. A summary of arrangements is below:		
Procurement Rec	Contract	Total payable
Approved for \$3.75m + GST* * included contingency monies, unspecified amount	Approved for \$3.75m + GST^ *contingency amounts included within this contract (not kept separate)	Contract amounts up to total \$3.75m + Additional contingency (internal audit identified \$299,387 paid in 6 month period)
<p>^The signed contract amount varied from that approved; we understand there was a considerable time delay between the Procurement Recommendation and contract signing however consider approved and contract values should match.</p> <p>The diagram above demonstrates that CWT has not kept approved contingency funding separate. CWT potentially has and/or will pay over and above approved amounts by paying contingency requirements separately. We note that we do not have evidence of the exact amount of contingency</p>		

<p>funding, but a common contingency amount is 10% (potentially \$375,000 in this case).</p> <p>Better practice is for contingency funding to be kept separate, to fund variations as required. 'Provisional sums' may also be included in contracts, with clear explanation for their use.</p> <p>There is a risk that CWT may pay additional amounts for contingencies above approved/agreed total project spend (contract + contingency).</p> <p>We note that, these findings relate to 1 contract from the City Property team only. This recommendation has been rated as 'high' as a reflection of the non-compliance findings identified in audit testing in relation to the City Property team's procurement. This creates a likelihood of 'moderate'.</p>			
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2.6 A need to ensure complete/ appropriate contracts in place	Risk Rating - Moderate				Likelihood Unlikely
	Auditor Galpins	Descriptor Financial / Reputation	Consequence Major		
	Manager	Financial / Reputation	Major		
Issues and Impact	Recommendation/s		Management Response		Target Date
<p>We identified 1 instance, in relation to the redevelopment of [REDACTED] where the signed contract appeared incomplete, with a lack of schedules detailing the work that [REDACTED] was specifically required to complete. There is a need to ensure that contracts clearly state contractors' obligations.</p> <p>In another instance, Council signed a contractor's [REDACTED] contract template. This contract, signed March 2018 in relation to [REDACTED] included terms and conditions limiting [REDACTED] liability period and limiting the extent of liability 'for any breach of a condition or warranty' to supplying the services again, or payment of the cost of having the Services supplied again. Audit understand that [REDACTED] is now part of Council's Consultancy and Professional Services Panel. The Panel contract includes a stricter liability clause:</p> <p><i>10.1 The Consultant must indemnify the Council and its employees, officers and consultants against all claims, demands, expenses, loss or damage in respect of loss or damage to any property, or the death of or personal injury to any person, caused or contributed to by the Consultant...</i></p> <p>This information is included as an example of the importance of ensuring that appropriate Council contracts are agreed to, and/or that there is appropriate scrutiny over any externally drafted contracts that Council must agree to. The consistent use of standard clauses in relation to indemnity, insurance, non-performance, termination, force majeure and dispute resolution are important and can be relied upon in cases of ambiguity or dispute.</p> <p>If inappropriate contracts are signed, there is a risk that Council is unable to require appropriate contractor performance/lacks protection in the event that an incident occurs.</p>	<p>Recommendation 6</p> <p>Implement controls to ensure that only complete/rigorous contracts are executed with suppliers, to ensure that contracts include all key information. Controls may include:</p> <ul style="list-style-type: none">mandating the use of standard terms and conditionsrequiring teams to seek Procurement approval before entering into contracts developed by third partiesrequiring contracts, particularly those of high value, to be approved by Procurement, orhaving Procurement develop contracts, particularly high value contracts. <p>Agreed changes should be included in the next Policy update.</p>		<p>Procurement have been working with teams to ensure policy compliance and improvements have been seen through ongoing internal audit.</p> <p>All contracts are now developed or received by procurement prior to execution, further ensuring policy compliance. The Procurement Policy will be amended to reflect this process.</p> <p>Council's approach to managing contracts will be strengthened and updated in the Procurement Policy. Training will be provided to teams regarding any significant changes to processes.</p>		July 2020

2.7 Opportunity to strengthen information included in Procurement Plans		Risk Rating - Moderate			
		Auditor Galpins	Descriptor Financial	Consequence Moderate	Likelihood Moderate
		Manager	Financial	Moderate	Moderate
Issues and Impact		Recommendation/s		Management Response	Target Date
<p>The audit scope required a review of alignment of procurement planning processes to budget processes. Council's Procurement team work with Business Units to establish Procurement Plans, with the intent of identifying procurement needs for each year. Audit was advised that these plans 'must' align to Business Unit budgets.</p> <p>All 11 interviewees reported that they budget for procurement one year in advance when preparing their annual budget, with the exception of larger unplanned spends. Procurement Plans were in place for all Business Units that managed a contract chosen for audit testing. To achieve this objective we tested whether the value of Procurement Plans aligned to budgets by testing the value of 11 approved contracts and identified:</p> <ul style="list-style-type: none"> In 2 of 11 tested instances, tested spend was not included in the relevant Procurement Plan or could not be identified as belonging to an item listed in the Plan. These were [redacted] and [redacted] In 8 of 11 instances, tested spend and/or relevant large projects were included in the relevant Business Unit's plan. Out of these: <ul style="list-style-type: none"> In 2 instances, the value of the procurement was not defined/outlined. In 1 additional instance, the amount spent during the test period October 2018- March 2019 was already over the value included in the Plan [redacted] 1 instance was appropriately not included in the relevant Plan, this was for a short-term staffing secondment required to fill a vacancy [redacted] <p>We understand that procurement planning is not a precise science, and that it may be difficult to forecast all procurement needs. However, to help ensure rigorous procurement practices across Council, and to reduce the risk of rushed procurement activities, it is better practice to ensure that detail is included where possible. Detail of testing is included in Appendix 4.</p>		<p>Recommendation 7</p> <p>The Executive Team to remind staff of the importance of including complete and accurate information in Procurement Plans.</p>		<p>In response to the identified instance regarding the [redacted] the reason for the engagement of [redacted] and [redacted] were due to an EPA order. Therefore, these works were unforeseen and required fast action.</p> <p>Executive to reiterate to staff that procurement plans are to include expected expenditure and all associated detail.</p>	June 2020

2.8 A need to ensure compliance with records management provisions	Risk Rating - Moderate				
	Auditor	Descriptor	Consequence	Likelihood	
	Galpins	Reputational	Moderate	Unlikely	
	Manager	Reputational	Moderate	Unlikely	
Issues and Impact	Recommendation/s	Management Response	Target Date		
<p>Staff members are required to store official procurement records in 'Objective', in folders set up by the Procurement Team, so that documentation is conveniently located and easy to find.</p> <p>Audit held meetings with 11 staff and both tested/received feedback on recordkeeping processes. Results include:</p> <ul style="list-style-type: none">• six interviewees appeared to maintain records as required• two interviewees reported storing procurement files in 'project folders'• one interviewee maintained some records on email, with an intention of filing in Objective, however reported he had not yet found the time• one additional interviewee couldn't find the requested documentation on the day of the audit, but sent it through after the audit, indicating that records were stored on email or hardcopy• one interviewee kept files as hardcopies in physical folders, however reported also storing records in Objective (Audit found this documentation to be incomplete). <p>The results above indicate ongoing need to strengthen record keeping for procurement related files. Strong records help to demonstrate the accountability and integrity of procurement decisions. <i>We note that the Procurement Roadmap Steering Committee has recently commenced work/discussion about clarifying recordkeeping requirements.</i></p> <p>A lack of clear recordkeeping creates a risk that Council may not be able to adequately demonstrate the integrity and accountability of procurement decisions.</p>	<p><i>Recommendation 8</i></p> <p>Continue work with the Procurement Steering Committee to clarify internal requirements in relation to where procurement records must be filed within the Objective system. Ensure that there is a clear understanding of these requirements.</p>	<p>The Objective files for procurement documents are clear and training has occurred. When procurement activities form only one part of a project's records, an alias can be created in the procurement folders. Procurement team to work with each individual team to determine requirements and new process. Procurement are also working with IT on a business intelligence solution to this issue.</p> <p>Procurement will complete a 'tip sheet' to assist teams in meeting their procurement responsibilities.</p>	July 2020		

Risk Rating – Better Practice				
2.9 Opportunity to simplify procurement risk assessments	Auditor <i>Galpins</i>	Descriptor <i>Organisational</i>	Consequence <i>Minor (positive – efficiency gain)</i>	Likelihood <i>Unlikely (positive)</i>
	Manager	Organisational	Minor	Unlikely
	Recommendation/s		Management Response	Target Date
<p>Issues and Impact</p> <p>Section 5.1.2 of Council's Administration Policy: Procurement, Risk Management, outlines that:</p> <p><i>The risks associated with any procurement must be identified, assessed and controlled in accordance with CWT's Administration Policy - Enterprise Risk Management Framework.</i></p> <p><i>An initial risk assessment must be conducted early in the procurement process prior to developing the market documents. The risk assessment must be reviewed at key stages of the process to ensure that identified risks are being managed and any new risks are identified. This is particularly important in managing CWT's WHS Act obligations.</i></p> <p><u>No interviewee</u> could provide evidence that a risk assessment was conducted before they procured goods/services. Instead, interviewees were most aware of procurement value ranges and tied their activities to this. All interviewees also reported consideration of risk as an intuitive practice.</p> <p>We understand and support that risk assessments should occur pre-procurement, to assess the risk of the goods/services being produced. Risk assessments are an important element of a strong governance framework. There is opportunity to review the risk framework that surrounds procurement and to determine whether formal additional procurement risk-assessments are in the interest of efficient administration.</p>	<p><i>Recommendation 9</i></p> <p>Review pre-procurement risk-assessment requirements and then consider whether the subsequent mandated procurement risk assessments are required. If not, remove these from future updates of the Administration Policy: Procurement.</p> <p><i>Note: This recommendation is intended to flag an area of the policy that is not implemented by the organisation, and to identify one method of potentially reducing administrative burden.</i></p>		<p>The requirement in Policy for separate procurement to be completed will be removed as this is detailed in the Procurement Recommendation Report.</p>	July 2020

Appendix 1 CWT Risk Matrix

This section outlines the CWT's risk assessment matrix.

Likelihood Descriptors

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

Consequences Descriptors Matrix

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

Liability limited by a scheme approved under Professional Standards Legislation

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

Risk Analysis Matrix – Level of Risk

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

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

Appendix 2 Documents Reviewed and Audit Sample

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

Policies and Procedures

- Council's Contract Register
- Procurement Council Policy 2015
- Procurement Administrative policy
- Sale and Disposal of Assets Council Policy 2015
- Terms and Conditions of purchase
- Delegations and Sub-delegations framework

Procurement Plans

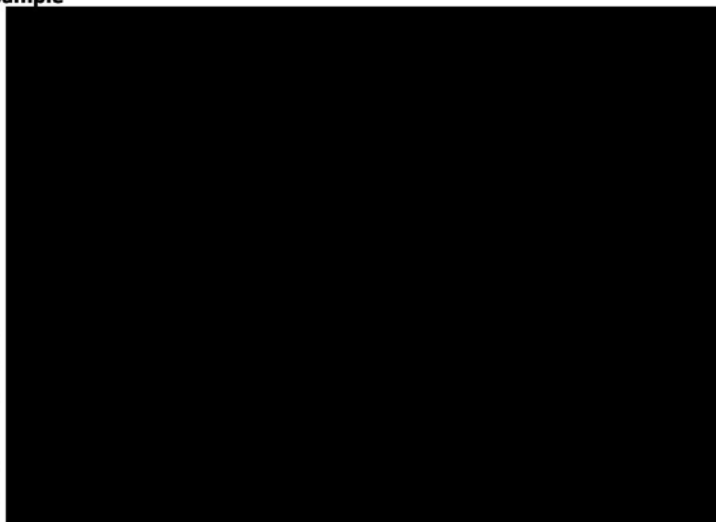
- 2018-19 Procurement Plan – Regulatory Services
- 2018-19 Procurement Plan – People and Culture
- 2018-19 Procurement Plan – Strategy
- 2018-19 Procurement Plan – Information Services
- 2018-19 Procurement Plan – Community Services
- 2018-19 Procurement Plan – City Operations
- 2018-19 Procurement Plan – City Property
- 2018-19 Procurement Plan – City Development
- 2018-19 Procurement Plan – City Assets

Documentation for each supplier in the Sample

- Request for Tender/ Request for Quote
- Purchase Recommendation
- Evaluation summary
- Executed Contract
- Invoice for a selected project
- Purchase Orders for a selected project

Audit Sample

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.
- 13.
- 14.
- 15.



- 16. Intermethod: Community Needs Analysis
- 17. Southfront: DA Review Secondment
- 18. TPNK Compliance Officers: Temp Compliance Staff Reg Support Officers

Appendix 3 Staff members interviewed

- Nerissa Nicholson: Team Leader, Creative Services
- Lio D'Amico: Coordinator Fleet Cleansing and Support Services
- Sam Ktisti: Coordinator Civil Works and Services
- Rick Johnston: Coordinator Horticulture Services
- Celine Luya: Manager Community Services
- Deb Cann: Manager People and Culture
- Amy Bruckman: Environment Sustainability Officer
- Dean Ottanelli: Manager City Property
- Teresa Desteno
- Joe Iselai: Manager City Assets
- Robyn Butterfield: Manager Regulatory Services

Appendix 4 Testing of Planned Value in Procurement Plan vs Contract Value

Business Unit	Relevant contract from sample	Included in Procurement Plan?	Does Procurement Plan value align to contract value?
Strategy	Native Plant Giveaway	Yes	Yes (less actually spent).
Community Services	PJ & Sons Building Maintenance Home Support Services	Yes	Set overall budget in place (spent across multiple contractors). OK.
City Property (Dean Ottanelli)	G-Force (Star Theatre)	Star Theatre project is in Plan. OK.	No, but the value for overall project may include other contractors' work. OK.
	Romaldi (Lockleys Upgrade)	Lockleys Upgrade project. OK.	No, but the value for overall project higher and therefore may include other contractors' work. OK.
	Camco (Apex Park)	Apex Park project in the plan.	Value is \$2million in Plan for 2018-19. Contract with Camco \$3.750m. Total spent in from Oct 18-March 19, specifically on Apex Park, was already \$2.1m.
	Total Construction Surveys (surveying)	No.	No.
	Tonkin (Deeds Rd contaminated site)	No.	No.

Appendix 5 Testing: Execution of Contracts by Delegation

The table below shows the contracts executed by a staff member outside of delegation, and one instance where a contract was not in place but Internal Audit considers there should have been. Note – this table does not include contractors from the audit's overall sample where no contract was in place (Purchase Order used).

Contractor	Contract Value	Signed by	Within delegation?	Standard CWT contract used?
	\$3,700,000.00	Manager City Property	x (limit \$200,000)	X
	Contract not in place (value \$147k for 6 month period tested)	n/a	No contract, however based upon 6 month spend trend identified in testing, we consider value would have exceeded \$200,000 and that a contract should be in place.	n/a
	\$ 53,754.00	General Manager Business and Community Services	✓	✓
	n/a Panel agreement	GM Urban Services	✓	✓
	\$ 524,154.70	Manager City Assets	x (limit \$200,000)	✓
	\$48,384.20	GM Corporate and Regulatory Services	✓	✓
	\$220,000	CEO	✓	✓
	\$ 50,000	General Manager Business and Community Services (extension signed by Senior Strategic Procurement Officer)	Main contract ✓ Extension of contract – x	✓
	\$ 6,300,000	Manager City Property	x (limit \$200,000)	X
	n/a Panel agreement	General Manager Business and Community Services	✓	✓
	\$ 9,350	A/GM Business and Community Services	✓	✓

TNPK Staff	\$ 64,252.00	General Manager Corporate and Regulatory Services	✓	✓
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9.3.6 Bi-Annual Internal Audit Recommendations and Actions Progress Report

Brief

This report presents progress against those internal audit recommendations that have been approved for actioning, as at 20 January 2020.

RECOMMENDATION

It is recommended to the Committee that the Internal Audit Recommendations and Actions Progress Report be received.

Introduction

The *Internal Audit Recommendation and Action Progress Report* (Report) is presented to the Committee bi-annually, subject to the Committee's meeting schedule. This Report details the status of all internal audit recommendations that have been assessed and that have been approved for actioning by the Executive. Those actions which were assessed as being within residual risk tolerance level of moderate or below are considered non-priority actions for monitoring purposes. Those actions which fall outside CWT tolerance level (those findings noted as High or Extreme) are considered priority actions

Discussion

The summary table describing the status of approved actions is provided below.

		Internal Audit Ratings - Level of Risk				
		Priority Actioning		Non Priority Actioning		
Status	Number	Extreme	High	Moderate	Low	Better Practice
Not Started	12	0	0	6	5	1
In Progress	37	0	7	9	7	14
Complete	41	0	4	17	3	17
Total Actions	90	0	11	32	15	32
Outstanding Actions	49	0	7	15	12	15

At the commencement of this review period, there were a total of ninety (90) actions approved with seventy nine (79) of these actions deemed for non-priority actioning.

Of the Ninety (90) open actions:

- Forty One (41) were completed;
- Thirty Seven (37) are in progress; and
- Twelve (12) actions were not started with some of those relating to long term actions being aligned to the next policy review date (which could be within the next five years), or awaiting other dependent actions to be completed or appropriate resourcing to become available.

It is noted that the number of approved actions fluctuates across meeting cycles as the number of audits and associated recommendations presented to the committee varies given the ongoing nature of the Internal Audit Plan. This may mean that although a significant number of recommendations are completed new recommendations continually replace them. This may lead to the overall number of recommendations presented to the committee each six months appearing to not show a decrease over time.

Priority Actions

At the Committee's 13 August 2019 meeting, thirteen (13) findings across four (4) separate audits were noted to be High Risk. As of 20 January 2020, there were seven (7) findings across three (3) separate audits noted to be High Risk still to be completed. It is expected the remaining Seven (7) findings across three (3) separate audits will be completed prior to the next bi annual audit recommendations update to the committee in August.

A summary of the current progress against these findings is noted below. Although it is noted that actions associated with these high risk recommendations are overdue, these actions are currently underway and are nearing completion. The audit findings noted may involve multiple recommendations, some parts of which may be complete, which cannot be closed off in their entirety at this time.

Community Consultation Internal Audit

Findings	Due Date	Status/Update
2.4 Non Compliance with Legislative requirements	31/08/2019	Complete
2.7 Consultation on Asset Performance standards	30/09/2019	In Progress - awaiting completion and approval of Consultation Framework - expected February 2020

Contractor Management Internal Audit

Findings	Due Date	Status/Update
3.1.6 Policy Compliance - External Superintendent Activity 2	31/10/2019	In Progress - Multiple aspects to overall recommendation. Most complete awaiting confirmation of preferred reporting to Executive

Workzone Traffic Management Internal Audit

Findings	Due Date	Status/Update
2.1.1 Legal Requirements	31/10/2019	Complete
2.1.2 Roles and Responsibilities	31/10/2019	Complete
2.1.3 Risk Management	31/10/2019	In Progress - Awaiting completion of staff training rollout
2.1.4 Reporting and Record Requirements	31/10/2019	In Progress Awaiting completion of staff training rollout
2.2.1 Internal Site - Trees	31/10/2019	In Progress - Awaiting completion of staff training rollout
2.2.2 Internal Site - Horticulture Sir Donald Bradman Drive	31/10/2019	Complete
2.2.3 External Contractor - Contractor 1	31/10/2019	In Progress - Awaiting completion of staff training rollout
2.2.4 External Contractor - Contractor 2	31/10/2019	In Progress - Awaiting completion of staff training rollout

Climate Impact Considerations

(Assessment of likely positive or negative implications of this decision will assist Council and the West Torrens Community to build resilience and adapt to the challenges created by a changing climate.)

There is no direct environmental impact in relation to this report.

Conclusion

The bi-annual *Internal Audit Recommendation Action Progress Report* details the status of those ninety (90) internal audit recommendations that were approved for actioning of which seventy eight (86.66%) are either complete or in progress.

The information is presented in a summary table format as per the decision of the 8 August 2017 Audit Committee meeting.

Attachments

Nil

9.4 EXTERNAL AUDIT

9.4.1 Construction Industry Training Board External Audit

Brief

This report presents the results of the Construction Industry Training Board External Audit.

RECOMMENDATION

It is recommended to the Committee that the Construction Industry Training Board External Audit report be received.

Introduction

Section 24(1) of the *Construction Industry Training Fund Act 1993* (Act) prescribes that the project owner in respect of any building or construction work, with an estimated cost that is in excess of \$40,000, is liable to pay the Construction Industry Training Board (CITB) a levy known colloquially as the CITF levy.

Section 24(2) prescribes that a project owner must pay the levy to the CITB or a collection agency before obtaining building approval for the relevant building or construction work or if not building approval is required, before commencing that building or construction work. While s24(3) states that a local council must not give building approval (consent) in respect of any building or construction work unless it is satisfied that the appropriate CITB levy has been paid, or has determined that no levy is payable, before a building approval is given. This includes Council's own capital projects.

The CITB administers the application of the Act and, in that capacity, in 2018 appointed Pitcher Partners Accountants Auditors and Advisors (Pitcher Partners) to conduct an investigation (Audit) into the City of West Torrens' *'building approval process and the council's own capital projects and levy payments required for the 2017-2018 financial year'*. Specifically, the Audit sought to review Council's compliance with Section 24(3) of the Act for the 2017-18 financial year.

As such, Pitcher Partners recently completed this Audit which was the first of such Audits undertaken at the City of West Torrens. At this point, it is unclear how often these Audits will take place or when they will occur.

The Audit Findings report was received from Pitcher Partners in October 2019. Consequently, this report presents those findings.

Discussion

The Audit examined two separate components being:

- Building Approvals; and
- Council Building and Construction Work;

463 building applications, assessed by Council were provided to Pitcher Partners. From these, Pitcher Partners selected two samples to determine whether the building approvals had been granted before the CITF levy was paid.

One (1) of these samples was found to be non-compliant with s24(3) of the Act. This was in relation to DA211/1433/2017 - "demolition of existing office and associated structures" at 69 Mooringe Ave, Plympton. It is important to note that this was a project undertaken by a private developer and not one of Council's capital projects nor was it on Council land.

When this omission was brought to its attention by Pitcher Partners, the Administration contacted the applicant and sought a copy of the CITB levy receipt. The applicant paid the CITB levy and provided evidence of payment to Council which was forwarded to Pitcher Partners. It is noted that the applicant paid a higher levy than required based on a higher construction cost than originally advised which likely occurred as the applicant may have provided the full project cost which is generally more than just the proposed cost of building works.

Although Pitcher Partners findings suggest it was unclear whether the payment was for the demolition or for subsequent works, the CITB levy receipt clearly states that the levy was for demolition works and no subsequent works have been approved or undertaken on site **(Attachment 4)**.

Consequently, the Audit found that Council is not fulfilling its obligations pursuant to s24(3) of the Act. The Completion Letter and Final Report are presented to the Committee for its information **(Attachments 1 and 2)**.

Subsequent Actions

In response to the findings of this Audit, albeit the final report was not received until October 2019, the CITB was advised on 18 December 2018 that the following two corrective actions had been undertaken to rectify the issue **(Attachment 3)**:

1. Internal systems and procedures within corporate systems were updated, including but not limited to Pathway, to ensure Building Rules Assessment processes have incorporated Construction Industry Training Fund Levy requirements; and
2. Training was provided to all officers that undertake building assessments in Construction Industry Training Fund Levy requirements.

It should be noted that plans, projects and structures were being implemented, with regard to making the statutory levy process more robust, at the same time as the Audit was being conducted.

Climate Impact Considerations

(Assessment of likely positive or negative implications of this decision will assist Council and the West Torrens Community to build resilience and adapt to the challenges created by a changing climate.)

There is no direct environmental impact in relation to this report.

Conclusion

Pitcher Partners recently completed an audit on behalf of the Construction Industry Training Board. The associated corrective actions were identified and implemented and no further corrective actions are required.

Attachments

1. **Construction Industry Training Board Audit Completion Letter**
2. **Construction Industry Training Board Audit Report**
3. **Confirmation to Pitcher Partners regarding CITB Levy Receipt**
4. **Acknowledgement Letter sent to Construction Industry Training Board**



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**REPORT OF AUDIT FINDINGS TO THE
CONSTRUCTION INDUSTRY TRAINING BOARD**
Dated: 6 October 2019

DETAILS OF PROJECT

CITB Audit No: 1477/19
Council Name: City of West Torrens
Audit Description: 2017-2018 Financial Year Compliance with Section 24 of CITF Act

FINDINGS / COMMENTS

Based on the questionnaire, there is a system in place by the Council to ensure that the CITF levy has been paid prior to granting the building approval. The Council requires the applicant to provide proof of CITF levy payment along with the building approval application. The same process and requirement are applied to each stage for developments that occur in stages. The Council has also advised that there is a system in place to assess if the estimated project value disclosed is accurate and reasonable. The officers will question the applicant and request for further evidence if the estimated project value is not within a common value range.

There were two samples selected for testing to determine whether the building approvals had been granted before the CITF levy was paid, as summarised below.

Project ID	Project Value Declared	Levy payable based on declared value	Levy Paid	Variance	Levy Payment Date	Building Approval Date
543542	\$200,000 revised down to \$150,000	\$375	\$375	-	10/12/2017	27/02/2018
558739	Originally \$125,000 with subsequent value of \$739,180	\$1,847	\$1,847	-	22/11/2018	18/12/2017

The CITF levy of Project ID 543542 has been paid prior to the building approvals being granted.

The Development application for Project ID 558738 was lodged with Council on 22/11/2017 for the demolition and earthworks at an estimated value of \$125,000. We note, the development approval was provided on 18 December 2017, however no evidence of CITF levy Payment for this stage was provided to Audit. A CITF levy was paid on the 22/11/2018 on a value of \$739,180, however it was not clear whether this included the demolition and earthworks or was for subsequent works on the site.

OPINION

Based on the samples selected, the Council has not complied with Section 24 of the Construction Industry Training Fund Act, 1993, for Project ID 558739 as there was no evidence provided to Audit of a CITF levy being paid before development approval of the demolition and earthworks.

PITCHER PARTNERS

J GOUSKOS, PRINCIPAL
DULY AUTHORISED OFFICER OF THE CITF ACT 1993

An independent South Australian Partnership
The Pitcher Partners SA Partnership ABN 63 157 542 737
Level 1, 100 Hutt Street, Adelaide SA 5000
Liability limited by a scheme approved under Professional Standards Legislation

Pitcher Partners is an association of independent firms
Melbourne | Sydney | Perth | Adelaide | Brisbane | Newcastle
An independent member of Baker Tilly International



Construction Industry Training Board
ABN 39 817 133 546
Level 1, 5 Greenhill Road
Wayville SA 5034
PO Box 1227
Unley SA 5061

P: 08 8172 9500
F: 08 8172 9501
E: citb@citb.org.au
www.citb.org.au
  

2 December 2019

Terry Buss
City of West Torrens
165 Sir Donald Bradman Drive
Hilton SA 5033

Dear Terry

Construction Industry Training Fund Act 1993 (the Act)

We have received a report from Pitcher Partners who have been engaged by the Construction Industry Training Board to perform audits on building and construction activity for compliance with the Act.

The report relates to compliance with Section 24 (3) of the Act for the 2017-18 financial year.

24—Liability of project owner to pay levy

... (3) A local council must not give a building approval in respect of any building or construction work unless satisfied—

- (a) that the appropriate levy has been paid; or
- (b) that no levy is payable.

... **building approval** in respect of building or construction work, means provisional building rules consent under section 33(1)(b) of the Development Act 1993;

Attached is a copy of the audit report for your information. The audit has concluded that the City of West Torrens has not complied with the Act.

One of the sample projects selected had not had a levy paid prior to building approval being granted. Please review Council procedures to ensure that appropriate levy payment documentation is obtained prior to building approval. Fines and penalties are available under the Act and may be applied in future.

Thank you for your cooperation with the auditors and the Board in this matter.

If you have any questions, please contact John Morgan on 8172 9500.

Yours faithfully

Marie Paterson
Chief Executive Officer

Enc: Copy of the Audit Report

1 N:\Finance & Admin\Compliance\Audit\Audit files 1453-1566 2018-19\1477-19 PP City of West Torrens Approvals 2017-18\CITB audit completion letter.docx

Supporting the SA Building and Construction Industry and Workforce

Liz Johnson

From: Steven Thomson
Sent: Monday, 26 November 2018 1:33 PM
To: 'Jim Gouskos'
Cc: Liz Johnson; Hannah Bateman
Subject: City of West Torrens : Audit of Building Approvals and Audit of Council Building and Construction Work - Additional Information
Attachments: DA 1433 2017 sample information request.pdf

Hi Jim,

Thank you for your patience while I sought the further information requested.

Please find attached the additional information regarding the sample DA 211/1433/2017.

Once again my apologies for the delay due to difficulties with document retrieval.

The CWT Building Team have also taken the opportunity provided by the CITB audit to review its practices in relation to the payment of the CITB levy in accordance with the processes previously provided.

Regards

Steven Thomson
Organisational Resilience Officer
City of West Torrens
165 Sir Donald Bradman Drive
Hilton SA 5033

Phone: 8416 6206
Email: sthomson@wtcc.sa.gov.au



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Payment Summary

Receipt Number	123565
Number of Projects Paid	1
Total Levy Due This Transaction	\$ 1,847.00
Amount Paid	\$ 1,847.00
Date Paid	22/11/2018
Total Balance Outstanding	\$ 0.00
Payment Type	Bank Deposit / Funds Transfer

Project ID	Project Address	Project Owner	Levy Due	Amount Paid
558739-1	[Redacted]	[Redacted]	\$ 1,847.00	\$ 1,847.00



CITB

ABN 39 817 133 546
 phone 08 8172 9500 fax 08 8172 9501
 5 Greenhill Road, Wayville SA 5034
 PO Box 1227, Unley SA 5061
 e-mail citb@citb.org.au
 www.citb.org.au

Payment Receipt

Project ID 558739-1

Project Details

Project Name / Identifier
Project Address

Estimated Start Date 03/12/2018

Estimated End Date 31/05/2019

Project Description demolition of existing structures, remediation of site and bulk earthworks

Actual Completion Date

Project Type Other

Local Council City of West Torrens

Project Value \$ 739,180.00

Project Owner

Customer ID 360197

Address

Phone

Mobile

Fax

Email Address

Receipt Details

Levy Amount Due This Transaction \$ 1,847.00

Levy Amount Paid This Transaction \$ 1,847.00

Date Paid 22/11/2018

Please note: The actual levy amount payable is exempt from GST under Section 81-5 of A New Tax System (Goods and Services Tax Act) 1999. Tax invoices will not be issued as there is no entitlement to input tax credits arising from payment of the levy.

THANK YOU FOR YOUR CONTRIBUTION TO THE SA CONSTRUCTION INDUSTRY

The Construction Industry Training Board (CITB) was created at the request of the SA building and construction industry and is established by an Act of Parliament known as The Construction Industry Training Fund Act 1993.

In accordance with the Act, the operations of the CITB are funded by a levy of 0.25% on SA building and construction work over \$40,000.

The Levy is invested into the SA building and construction industry through financial apprentice support, up-skilling of construction workers and research to support industry. This creates and maintains a highly skilled workforce promoting high standards of health and safety and fosters a training culture of life long learning.

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Tel: 08 8416 6333
Email: csu@wtcc.sa.gov.au
SMS: 0429 205 943
Web: westtorrens.sa.gov.au



18 December 2019

Marie Paterson
Chief Executive Officer
PO Box 1227
UNLEY SA 5061

Dear Marie

Acknowledgement of Construction Industry Training Fund Act 1993 Audit

We have received your report from Pitcher Partners with accompanying letter dated 2 December 2019.

In response to the findings of this audit, the City of West Torrens has taken the following actions:

1. Updated internal systems and procedures within corporate systems including but not limited to Pathway to ensure Building Rules Assessment processes have incorporated Construction Industry Training Fund Levy requirements; and
2. Completed training for all officers that undertake building assessments in Construction Industry Training Fund Levy requirements.

If you have any further questions, please contact Hannah Bateman on 8416 6321.

Yours faithfully

Terry Buss PSM
Chief Executive Officer

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9.5 COMMITTEE PERFORMANCE AND REPORTING

Nil

10 OTHER BUSINESS

11 CONFIDENTIAL

Nil

12 NEXT MEETING

14 April 2020, 6.00pm in the Mayor's Reception Room.

13 MEETING CLOSE