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 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, 9 MAY 2023
at 6.00pm

Terry Buss PSM
Chief Executive Officer

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1 MEETING OPENED

1.1 Acknowledgement of Country

At the opening of the Audit General Committee Meeting, the Presiding Member will state:

"West Torrens City Council acknowledges that we are meeting on the traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past, present, and emerging. We recognise and respect their cultural heritage, beliefs and spiritual relationship with the land, sea, waterways and sky.

We acknowledge that they are of continuing importance to the Kaurna people living today."

1.2 Evacuation Procedures

1.3 Meeting Livestream

The Presiding Member will advise that:

"This meeting is being audio livestreamed for the benefit of members of the public who wish to listen to proceedings and the recording of this meeting will be available for playback via a link on Council's website."

2 PRESENT

3 APOLOGIES

4 DISCLOSURE STATEMENTS

Committee Members are required to:

1. Consider Section 74, 75 and 75A 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 75B and 75C of the *Local Government Act 1999*.

5 CONFIRMATION OF MINUTES

RECOMMENDATION

That the Minutes of the meeting of the Audit General Committee held on 28 February 2023 be confirmed as a true and correct record.

6 COMMUNICATION BY THE CHAIRPERSON

7   PRESENTATIONS

7.1   Governance Structure and Policy Framework of the City of West Torrens

Brief

At the request of the Audit General Committee, the Management Lead - LG Reform and Integrity is providing an overview of the Governance Structure and Policy Framework of the City of West Torrens.

RECOMMENDATION

The Committee recommends to Council that the *Governance Structure and Policy Framework of the City of West Torrens Presentation* be received.

Introduction

At the February 2023 meeting of the Audit General Committee, the Chief Executive Officer agreed to present a report to a future Committee meeting detailing the Governance Structure and Policy Framework of the City of West Torrens.

Discussion

The presentation will provide an overview of the Governance Structure and Policy Framework of the City of West Torrens.

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

Council has a well-defined decision-making structure and hierarchy which ensures that decisions are made in a transparent, open and accountable manner.

Attachments

Nil

7.2   Cyber Security Update

Brief

At the request of the Audit General Committee, the Manager Information Services and the Business Lead - IT Operations are providing an update on the state of cyber security at the City of West Torrens.

RECOMMENDATION

The Committee recommends to Council that the Cyber Security Update presentation be received.

Discussion

The presentation will comprise a recap on the status and activities reported to the Committee in 2022, an update on initiatives undertaken since September 2022 and an overview of current priorities and considerations

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 Cyber Security Update presentation is received and cyber security discussed.

Attachments

Nil

8 OUTSTANDING REPORTS/ACTIONS

8.1 Bi-Annual Internal Audit Recommendations and Actions Progress Report

Brief

This report presents the progress status of internal audit recommendations that have been approved for actioning, as at 18 April 2023.

RECOMMENDATION

It is recommended to the Committee that the *Bi-Annual Internal Audit Recommendations and Actions Progress Report* be noted.

Introduction

The *Internal Audit Recommendation and Action Progress Report* (Report) is presented to the Committee bi-annually, pursuant to the Audit General Committee's (Committee) Workplan and subject to the Committee's meeting schedule. This Report details the status of all internal audit recommendations that have been assessed and approved for actioning by the Executive.

**Please note that, at its 8 August 2017 meeting, the Committee resolved that a summary table format only, as depicted below, be provided to it twice yearly rather than a full detailed report.

Audit actions that fall outside of the CWT tolerance level (those findings noted as High or Extreme) are considered priority actions and must be actioned.

Audit actions with a residual risk tolerance level of moderate or below are considered non-priority actions for monitoring purposes and may or may not be actioned, dependent on cost and/or resourcing requirements.

Discussion

Since the last update (as at 26 September 2022), the following two (2) Audits have been completed and four (4) audit actions have been added to the Internal Audit Recommendation Register (Register).

The summary table, below, describes the status of audit actions during the review period:

| Status | Total no. of Actions | Internal Audit Ratings/ Level of Risk (September 2022 - April 2023) | | | | |
| | | Priority Action | | Non Priority Action** | | |
		Extreme	High	Moderate	Low	Better Practice
Not Started	0	-	-	-	-	-
In Progress (on Track)	34	-	-	11	1	22
In Progress (Delayed/Overdue) *	16	-	-	3	5	8
Complete / Closed	13	-	-	2	-	11
Total	**63**	**-**	**-**	**16**	**6**	**41**

Within the review period (September 2022 - April 2023), there were a total of 63 actions; none of which identified with priority actioning (i.e. no actions are currently identified as 'extreme' or 'high').

* In Progress (Delayed/ Overdue) identifies the audit action as having passed the implementation date proposed by management (inclusive of any approved extensions).

Non-priority actioning means the manager has considered those moderate, low and better practice recommendations and advised that they **may implement the recommendation at a later date subject to resources and budget. The discretion lies with the manager in terms of determining when, and if, the recommendations are actioned based on the defined criteria established for assessing the actioning of tolerated risks.

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 for its information 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 a perception that the overall number of recommendations presented to the Committee every six months appearing not to show a decrease over time, when this is not the case.

Overdue Actions

As of 18 April 2023, sixteen (16) actions are identified as overdue. None of the overdue actions identify as 'Priority' findings (i.e. High or Extreme Risks). As such, implementation of these actions are determined by the relevant manager dependent on the available resources and priorities.

There are three (3) 'flagged' actions identifying as 'moderate' which will identify as complete at the finalisation of the Stormwater Management Plan which has seen further delays to its completion date, as a result of the caretaker period in 2022. A consultation process has recently concluded and the Plan is awaiting final review and approval.

All flagged items are targeted for completed by the next meeting of the Audit General 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 bi-annual *Internal Audit Recommendation Action Progress Report,* details the status of 63 internal audit recommendations that were approved for actioning by the Executive, of which all are either in progress or complete.

Attachments

Nil

8.2 Open Actions Update

Brief

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

RECOMMENDATION

It is recommended to the Committee that it notes the status of twelve (12) actions arising from previous Committee meetings, as detailed in the report.

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

Of the current twelve (12) agreed actions, seven (7) of these actions are complete, four (4) are currently in progress and one (1) has not yet commenced.

Below summarises the status of these twelve (12) open actions:

Meeting Date	No. of Actions	Not Started	In Progress	Complete
9 August 2022	1			1
11 October 2022	2	1		1
28 February 2023	9		4	5
Totals	**12**	**1**	**4**	**7**

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 of the status of the current twelve (12) open actions, of which seven (7) of these actions are complete, four (4) are currently in progress and one (1) has not yet commenced.

Attachments

1. **Open Actions Update - April 2023**

Audit General Committee
Open Actions
April 2023

CEO = Chief Executive Officer
GMB&CS = General Manager Business & Community Services
GMC&C = General Manager Corporate & Compliance
GMUS = General Manager Urban Services
MLRI = Management Lead - LG Reform and Integrity
DCEO = Deputy Chief Executive Officer

		Target date	RO	Status – Actions taken	Status	Meeting/s where item originally raised/reported
OPEN ACTIONS						
1	Administration to present a report to the Audit General Committee to include the following actions in the Audit General Committee Work Plan: 1. Review of Draft Annual Business Plan and Budget; 2. Review of financial policy reviews; 3. Review of budget reviews; 4. Review of results of review of internal financial controls	February 2023	GMB&CS	Actions proposed for the Audit General Committee Work Plan were presented to the February 2023 Audit Committee meeting.	Complete	August 2022
2	Administration to present the findings of the Auditor-General's Kerbside Waste Management Services examination report, to the newly elected Council in 2023.	February 2023	MLRI	Findings from the Auditor-General's Kerbside Waste Management Services examination report were presented at the February 2023 Council Meeting.	Complete	October 2022
3	The 'Annual Strategic Risk Review report' be presented to the newly elected Council in 2023.	November 2023	MLRI	Annual Comprehensive Strategic Risk Review report to be presented at an appropriate 2023 Council Meeting, following the conclusion of the Comprehensive Strategic Risk Review report.	Not Started	October 2022
4	An update on the City of West Torrens' Cyber Security Action Plan be presented to the 11 April 2023 meeting of the Audit General Committee	April 2023	GMC&C	A presentation has been scheduled for the April 2023 Audit Committee meeting.	In Progress	February 2023

EMT = Executive Management Team
CEO = Chief Executive Officer
GMB&CS = General Manager Business & Community Services
GMC&C = General Manager Corporate & Compliance
GMUS = General Manager Urban Services
MLRI = Management Lead - LG Reform and Integrity
DCEO = Deputy Chief Executive Officer

Audit General Committee
Open Actions

April 2023

		Target date	RO	Status		Meeting/s where item originally raised/reported
				Actions taken	Status	
5	A review of the City of West Torrens' use of email policy be undertaken and an education session be provided as part of the City of West Torrens' employee induction program.	August 2023	GMC&C	New employees are required to undertake an online IT induction module which includes reading the 'IT and its use' Policy and completing a quiz on email use. The IT Policies and induction process are currently being reviewed to further strengthen this module.	In Progress	February 2023
6	An ongoing education program on Cyber Security be established.	August 2023	GMC&C	Information Services are considering options for an ongoing Cyber Security education program.	In Progress	February 2023
7	An annual cyber security audit be undertaken and be listed in the 2023-2026 Internal Audit Plan.	April 2023	MLRI	Annual cyber security audit identified on the 2023-24 and 2025-26 internal audit program schedule. An additional cyber security plan has been added to the 2024-25 Audit Program. This has resulted in a cyber-related audit to be conducted annually which will be reported as per current processes.	Complete	February 2023
8	Amend the headings of the Audit General Committee Work Plan 2023 (Work Plan) to detail and align with the functions of the Audit General Committee and distribute actions/ tasks under the headings.	April 2023	GMB&CS	The titles of the Audit General Committee Work Plan 2023 have been amended to reflect the functions and tasks of the Audit Committee pursuant to section 126 of the *Local Government Act 1999*.	Complete	February 2023
9	Add internal controls into the Work Plan and schedule timing of Control Track report	April 2023	GMB&CS	Internal controls have been added into the Work Plan and the Control Track report incorporated into the schedule.	Complete	February 2023

Audit General Committee
Open Actions

April 2023

EMT = Executive Management Team
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GMB&CS = General Manager Business & Community Services
GMC&C = General Manager Corporate & Compliance
GMUS = General Manager Urban Services
MLRI = Management Lead - LG Reform and Integrity
DCEO = Deputy Chief Executive Officer

		Target date	RO	Status		Meeting/s where item originally raised/reported
				Actions taken	Status	
10	Add the Budget Review and 'Budget and Annual Business Plan' into the Work Plan	April 2023	GMB&CS	The items related to Budget Reviews and the Budget Annual Business Plan have been incorporated into the Audit Committee Work Plan 2023.	Complete	February 2023
11	Amend the wording of the first action under Financial Reporting in the Work Plan so that it reads as follows: *'Review the Draft Budget and Annual Business Plan (10 Year Financial Plan)'*	April 2023	GMB&CS	Work Plan has been amended as per agreed action.	Complete	February 2023
12	Include the presentation on Governance and Policy Structure into the Work Plan prior to the next meeting of the Audit General Committee on 11 April 2023.	April 2023	GMB&CS	A presentation on the Governance and Policy Structure is scheduled for the April 2023 Audit Committee meeting and the presentation has been included on the Work Plan.	In Progress	February 2023

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 2 February 2023 and 21 March 2023.

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

21 February 2023 - Council Meeting

- Creditor Payments
- Council Budget Report - SEVEN Months to 31 January 2023
- Budget Review - December 2022

7 March 2023 - City Finance and Governance Standing Committee Meeting

- Fees and Charges 2023-24
- Register of Allowances and Benefits - 6 Months to 31 December 2022

21 March 2023 - Council Meeting

- Form of the Budget and Annual Business Plan 2023/24
- Creditor Payments
- Council Budget Report - EIGHT Months to 28 February 2023
- Brown Hill Keswick Creek Stormwater Project Capital and Operating Contributions

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 are no direct environmental impacts in relation to this report.

Conclusion

This report lists those finance related reports which were considered by Council between 2 February 2023 and 21 March 2023.

Attachments

Nil

9.2   INTERNAL CONTROLS AND RISK MANAGEMENT SYSTEMS

9.2.1   2022 - 2023 Mid-Year Strategic Risk Review

Brief

This report presents the results of the Mid-Year Strategic Risk Review for 2022 - 2023.

RECOMMENDATION

It is recommended to the Committee that the *2022 - 2023 Mid-Year Strategic Risk Review* report be noted.

Introduction

The approved City of West Torrens (CWT) Enterprise 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 risk review for the Committee's information.

Discussion

Strategic risks impact on the whole organisation rather than an individual department and as such, are directly managed by the Executive.

The Framework sets out the schedule for comprehensive strategic risk identification, analysis and valuation to occur annually and for a further mid-year review to occur six-monthly. The six-monthly review is recognised as an important function in the identification, monitoring and controlling of current, new or emerging risks.

The two scheduled reviews produce different outputs; the comprehensive review commences in July of each year (in order to account for end of financial year changes such as the new budget, annual reports, strategic plans and any resultant risk profile changes) and analyses all individual controls that assist to mitigate the identified risk. The second review commences in December/ January and is a less broad-reaching update, that seeks to ensure that risk definitions meet their objective, considers the currency of the risk ratings and reports on trends within the environment. Rarely does the mid-year review result in material change to the strategic risk profile.

Strategic Risk Review Process

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

Strategic Risks

As a result of the process on the previous page, the Executive has reviewed the organisation's strategic risks and verified that no changes are required at this time. A Strategic Risk Summary is attached to this report **(Attachment 1)**. This attachment provides a summary of the key considerations and environmental impacts for each strategic risk, regardless of whether a change is proposed.

An overview of the proposed amendments is below:

2022-2023 Strategic Risks		Proposed Amendments
1	Business Performance	
2	Workforce Management	
3	Fraud, Corruption, Misconduct and/or Maladministration	
4	IT Management and Cyber Security	
5	Emergency Management and Resilience	No change
6	Asset Management and Urban Form	
7	Waste and Recyclables Management	
8	Financial Sustainability	
9	Climate Adaptation	

Future Considerations

As part of the mid-year strategic risk review process, controls are not considered, although in each risk there has been relative movement, which will be identified in the annual Comprehensive Strategic Risk Review - commencing in July 2023.

The Comprehensive Strategic Risk review will also see the introduction of new risk management software providing opportunities to capture and present more detailed risk information for the Organisation, Council and the Committee.

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)**.

No changes to the strategic risks' overall residual risk ratings were identified during this review. An overview is presented below and further discussion can be found in **(Attachment 1)**.

2022-2023 Strategic Risks		Likelihood x Consequence	Inherent Risk Rating	Revised Likelihood x Consequence	Revised Risk Rating
1	Business Performance	Likely x Moderate	High	Unlikely x Major	Moderate
2	Workforce Management	Likely x Major	Extreme	Unlikely x Major	Moderate
3	Fraud, Corruption, Misconduct and/or Maladministration	Almost Certain x Catastrophic	Extreme	Unlikely x Moderate	Moderate
4	IT Management and Cyber Security	Almost Certain x Major	Extreme	Unlikely x Major	Moderate
5	Emergency Management and Resilience	Likely x Major	Extreme	Moderate x Moderate	Moderate

6	Asset Management and Urban Form	Likely x Major	Extreme	Moderate x Moderate	Moderate
7	Waste and Recyclables Management	Moderate x Major	High	Unlikely x Major	Moderate
8	Financial Sustainability	Likely x Catastrophic	Extreme	Unlikely x Major	Moderate
9	Climate Adaptation	Likely x Catastrophic	Extreme	Unlikely x Major	Moderate

Emerging Risks

As a result of the strategic risk process, Executive reviews 'emerging risks', being those risks or issues which are currently on the horizon, which may or may not have an impact on Council and which may or may be out of the control of CWT. These risks are not risk assessed at this point, generally because the risk is not concrete in nature. However, when they are within the organisation's control, they will continue to be monitored and be subjected to a risk assessment if they eventuate.

Although no formal emerging risk has been added to this document, consideration has been provided and ongoing monitoring will continue around issues such as Local Government reform.

While it is recognised that COVID-19 continues to have an impact on CWT, the community and service providers have been able to adapt with the ongoing changing environment. Importantly, the Administration is now well experienced and prepared in the event of subsequent waves. This situation is continually monitored as to its impacts across all strategic risks with particular attention given to the impact on Strategic Risk Two - Workforce Management, Strategic Risk Five - Emergency Management and Resilience and Strategic Risk Eight - Financial Sustainability.

Risk Solutions/Actions

Residual risk ratings of 'High' or 'Extreme' are outside of the CWT'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 is currently no strategic risks with a residual risk level of 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 does not contain any direct environmental impacts, Strategic Risks five, six, seven and nine 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 2022-2023 Mid-Year Strategic Risk Review. No changes were proposed as part of this review cycle; however, environmental factors were highlighted which will be considered within the annual Comprehensive Strategic Risk Review commencing in July 2023.

Attachments

1. **Mid-Year Strategic Risk Review 2022-23 - Executive Summary Report**
2. **Risk Anaylsis Matrix**
3. **Consequences Descriptors Matrix**

CWT Mid-Year Strategic Risk Review 2022/2023 - Summary

EXECUTIVE SUMMARY

		City of West Torrens Strategic Risk 2022/23 (Mid-Year Profile); The table below summarises the individual profiles of the 2022/23 Strategic Risks. The comprehensive review over the following pages considers the currency of CWT's individual strategic risk profiles, the associated descriptors, as well as any change/s to the outlook as at 31 December 2022.			
1		**BUSINESS PERFORMANCE** This risk considers how CWT daily operation ensures its services and deliverables are efficient and effective. Overall this risk seeks to safeguard the continued business operation so that that CWT continues to speak to the notion of skilled workforce, consistency, innovation, good governance, strong relationships, collaboration and community being at the heart of its operation.	High	Moderate	Page 2
2		**WORKFORCE MANAGEMENT** This risk focuses on our human resources - specifically staffing and work, health and safety. It concentrates on the management of staff such as resource limitations; staff health, welfare or wellbeing programs; the systems and processes that address and/ or manager WHS issues.	Extreme	Moderate	Page 3
3		**FRAUD, CORRUPTION, MISCONDUCT AND/OR MALADMINISTRATION** This risk considers the systems, procedures and internal control frameworks that seek to reduce and eliminate opportunities for fraud or corruption and/ or serious and systemic misconduct or maladministration (by employees, contractors, volunteers or Elected Members).	Extreme	Moderate	Page 4
4		**IT MANAGEMENT AND CYBER SECURITY** This risk identifies with all things IT; focusing on IT damage, long-term interruption, losses of key business information/ systems and/ or associate stored data. It also represents Cyber Security and associated threats to Council information, resources and/ or assets and the ability for the organisation to capitalising on technological capabilities or opportunities.	Extreme	Moderate	Page 5
5		**EMERGENCY MANAGEMENT AND RESILIENCE** This strategic risk looks at CWT's ability to plan, prepare or take adequate and appropriate action to prevent impacts as well as aid response and recovery for emergency events, business continuity.	Extreme	Moderate	Page 6
6		**ASSET MANAGEMENT AND URBAN FORM** This risk identifies with all CWT owned assets and infrastructure. It considers the ongoing upkeep and life-cycle of our asset, as well as projects, technology, innovation and community expectation. The risk also unpacks ongoing changes in our urban environment/ landscape and the factors impacted by such change; such as trends and Government plans/ strategies relating to the inner metropolitan urban form and the need for effective stakeholder relationships.	Extreme	Moderate	Page 7
7		**WASTE AND RECYCLABLES MANAGEMENT** The continued management of waste involving collection and processing (including during emergency events), innovation in the market and community expectation all fit within this strategic risk.	High	Moderate	Page 9
8		**FINANCIAL SUSTAINABILITY** Variations in income and general cost management (or resulting increases in expenditure) caused through longer term societal/ community trends, changes to State Government policy, or emergency events.	Extreme	Moderate	Page 10
9		**CLIMATE ADAPTATION** Climate change present a significant financial risk to the Organisation and may have significant impacts on the asset rich environ in which the Council operates. There are a multitude of known and unknown risks associated with such a risk.	Extreme	Moderate	Page 11

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CWT Mid-Year Strategic Risk Review 2022/2023 - Summary

STRATEGIC RISK 1 -
BUSINESS PERFORMANCE

Community Plan Objective -

Organisational Strength

Prosperity

Description:

a) Inefficient/ ineffective practices, procedures, systems or processes that may lead to increased costs, missed opportunities or targets, a breakdown in working relationship between Council/ Administration and relevant stakeholders and/ or community dissatisfaction with Council, breaches of legislation and/ or adverse external agency investigation findings

b) Inefficient/ ineffective practices, procedures, systems or processes including the failure to provide adequate, accurate and/ or timely advice, that allows for, contributes to or ultimately leads to poor decisions or outcomes 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

c) Failure to produce service and performance outcomes or encourage continuous improvement and innovation leading to missed opportunities to provide increased services for or lower costs to the community

d) Failure to effectively engage with the community leading to an inability to meet community demands and/or failure of the City of West Torrens to be a desirable place to live, work and enjoy life.

Strategic Risk Status and Outlook

Current	Outlook
• COVID-19 Business as Usual/'back to normal' practices following the removal of all Government restrictions mid-2022 (noting that SA are currently in the midst of a fourth wave) • Local government reforms changing processes and procedures • Implications of shorter-term service plans on longer term planning options/opportunities • Capitalising on innovation and excellence in customer service provision including a customer experience program and measurement tools being introduced • State and Federal election in 2022 which provided a new government at each level with new priorities • New Elected Member body may identify with new priorities • Pressures on supply chain resulting in changes to deliverables	• Continuing legislative reform • Cost shifting to LG resulting in pressure on existing resources (particularly if identified as a legislative requirement) • Productivity Commission/ Commonwealth influences on Local Government • State Government's interest for Council amalgamations is no longer on the table following the rejection of the City of Mt Gambier / District Council of Grant plebiscite (which had been identified as a model for future Council mergers in the State) • ESG assessment under consideration

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CWT Mid-Year Strategic Risk Review 2022/2023 - Summary

STRATEGIC RISK 2 -
WORKFORCE MANAGEMENT

Community Plan Objective -

Organisational Strength

Description:

a) Inadequate management of, or engagement with, staff both on and off site, including working at home/ remotely, leading to a reduced overall performance of the organisation

b) Inability or lack of agility to modify systems and processes for those whose roles are impacted by changes in work processes or not considering the impact on staff of those accompanying changes in work processes

c) Inability to attract, upskill, retrain or retain appropriately skilled staff and/ or lack of succession planning leading to a loss of corporate knowledge, reduced organisational capability and capacity to achieve effective service delivery

d) Inadequate staff health, welfare or wellbeing programs or a misalignment in values that impact on staff satisfaction or performance and/ or inhibit the successful creation and maintenance of a positive workplace culture

e) Resourcing limitations leading to current staff having an inability to undertake, continue or complete tasks as required

f) An act or omission by the organisation (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

g) Failure to plan for, or appropriately introduce measures to address/ manage WHS issues associated with changes to work processes, including modification of currently performed tasks at current work locations and/ or issues and challenges and benefits experienced of increased use of electronic, remote and/ or home based working environments either caused by emergency events or societal and workplace changes

Strategic Risk Status and Outlook

Current	Outlook
• Resilient workforce but fatigued from 3 years of COVID-19, however the 'new normal' identifies with light at the end of the COVID-19 tunnel • Investing in workplace culture in the era post-COVID-19 • Recruitment and selection is a concern across all areas of the business (and is currently undergoing a continuous improvement review) • Low unemployment rate, skills shortages, wages vs inflation pressures, and fierce competition for benefits in labour market • Staff workload concerns (24 vacancies were reported as at May 2022; 38 vacancies are reported with active recruitment for 17 positions as at Nov 2022) • ALGA promotion of LG as an employer/ career path • Flexible Workplace Arrangements Policy now in situ providing more flexibility in workforce	• Cost shifting to local government resulting in pressure on existing resources • Ongoing difficulty in attracting suitable candidates in local government roles • Retirement and its impact on succession planning • Organisational wide review of position descriptions

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CWT Mid-Year Strategic Risk Review 2022/2023 - Summary

STRATEGIC RISK 3 -

FRAUD, CORRUPTION, MISCONDUCT AND/OR MALADMINISTRATION

Community Plan Objective -

Organisational Strength

Description:

a) Inadequate systems, procedures and internal control frameworks that provide opportunities for fraud, corruption, serious and systemic misconduct, and/ or maladministration by employees, contractors, volunteers or Elected Members

b) Failure to effectively respond to changes in legislation, compliance reports, audits, external inquiry agencies' recommendations and other statutory reports leading to systemic maladministration

Strategic Risk Status and Outlook

Current	Outlook
• Good governance through good systems, processes and procedures • Revised mandatory training standards for Elected Members have commenced • Local government reforms changing processes and procedures	• Stable but expectation of increased focus on local government from external agencies and changing community expectations

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CWT Mid-Year Strategic Risk Review 2022/2023 - Summary

STRATEGIC RISK 4 -

IT MANAGEMENT AND CYBER SECURITY

Community Plan Objective -

Organisational Strength

Community Life

Description:

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 or ineffective application of mitigation strategies to prevent or respond to cyber intrusion leading to misuse of information or data or to breaches of legislation

c) Lack of preparation for, poor identification of, or not capitalising on current or expected future technological capabilities or opportunities that will enable more efficient service provision to the organisation and to the community

d) Lack of planning or poor implementation of systems and processes leading to a lack of IT alignment or accessibility to support business needs

e) Failure to provide adequate training to meet the requirements of systems and cyber strategies to support staff and strengthen internal controls.

Strategic Risk Status and Outlook

Current	Outlook
• Continued and increasingly complex/sophisticated targeted cyber-attacks are occurring • IT infrastructure remains increasingly difficult to access/purchase due to the global unavailability of resources across the sector (e.g. lead times have blown out from 6-weeks to 6-months), noting that Apple products are currently an exception to this rule and are readily available. • The cost of IT infrastructure is significantly higher due to the limited supply and heightened demand within the sector • Increased staff confidence and awareness regarding phishing and cyber-crime due to increased training and promotion throughout 2022 • Ongoing concern regarding reliance on external systems (e.g. Planning Portal) with limited or no control over security, data, system etc. • LGRS and JLT identify the growing business interest and focus on cyber as a 'Top 3 Risk' • LG CEO's recently supported the Local Government Security Framework proposed by CyberCX and LGITSA • Asset data project commenced to improve data management across Council	• IT infrastructure is always vulnerable. Software is vulnerable from the date it is released (at all stages of the software life cycle there is ability for cyber-attacks to occur) • Global emphasis on digital integrity and data governance • Smarter, faster and more connected futures • Possible duplication of effort (e.g. Planning SA portal) • Project investigating asset data governance to improve data consistency, usability and accuracy to commence in 2023

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CWT Mid-Year Strategic Risk Review 2022/2023 - Summary

STRATEGIC RISK 5 - EMERGENCY MANAGEMENT AND RESILIENCE

Community Plan Objective -

Built Environment

Community Life

Organisational Strength

Description:

a) The inability to develop concise, specific, robust emergency management plans and/ or to plan, prepare or take adequate and appropriate action to prevent impacts from an emergency event or business continuity events leading to the CWT's capacity to provide essential services being either severely compromised, reduced in the long term or lost entirely

b) Failure to adequately prepare the community for, or appropriately consider, the ongoing impacts for an emergency event / incident

c) Failure to plan for and monitor threats emerging as a result of hazards identified via state or local zone emergency planning

d) The inability to effectively respond or recover from an emergency event/ incident resulting in loss of key infrastructure/ assets, loss of key staff, lack of access to council buildings or equipment and/ or the inability to offer critical services to the public and/ or prevent/ minimise/ mitigate ongoing danger to staff or our community

e) Failure to meet increasing legislative demands and adequately partner with the community, service providers, control agencies, committees or functional support groups leading to increased dissatisfaction and delayed or missed opportunities for Council to prepare its community for disruptive events or appropriately assist in the response to and recovery from an emergency event

Strategic Risk Status and Outlook

Current	Outlook
- Population are living with the COVID-19 pandemic (noting the recent concern for infectious cases as a result of the State's fourth wave) - Significant portion of population vaccinated - Participating in sector reviews of plans (i.e. Functional Support Group Plan, Zone Plan and State Plan) - Innovations continue to be achieved in service delivery - Full complement resources in Resilience team to assist in furthering resilience projects including partnerships with external agencies - Recent changes within LGA EM structure which has led to a change in understanding of the role of the Local Government Functional Support Group in the sector - The State currently has a Major Emergency declaration in place for the rising river and high-flow along the River Murray and Local Government Functional Support Group seek ongoing assistance for the Murray River flood	- Opportunities exist to work with the community; community expectations and community resilience has not yet been fully explored - Current La Nina has peaked with return to neutral values but negative Indian Ocean Diploe suggesting wetter weather - Uncertain structure of emergency management in local government with the review of the Local Government Functional Support Group

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CWT Mid-Year Strategic Risk Review 2022/2023 - Summary

STRATEGIC RISK 6 -
ASSET MANAGEMENT AND URBAN FORM

Community Plan Objective -

Built Environment

Community Life

Environment and Sustainability

Description:

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

b) Failure to meet or consider the needs or changing expectations/priorities of the community, external agency infrastructure projects or changing government needs

c) Failure to consider how environmental, sustainability and climate change issues may impact on the asset or the asset impacting on those issues over the course of the life cycle of the asset

d) Failure to consider changes in technology/ innovation when planning for designing of or considering the life cycle of an asset

e) Failure to recognise trends, capitalise on opportunities, engage with the community and ongoing changes to inner metropolitan urban form and adequately plan for or implement appropriate systems, programs, resources and process or mitigation strategies 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

f) Failure to facilitate an effective working relationship with State Government resulting in lack of effective communication and missed opportunities to advocate on behalf of residents regarding changes in strategy or major infrastructure projects (e.g. the North-South Corridor)

g) Inability to appropriately manage sustainable growth in development whilst providing assurances that infill occurs in-line with CWT's ability to provide and maintain assets, infrastructure and services.

h) The inability to support the character and amenities of an area leading to poor community outcomes

Strategic Risk Status and Outlook

Current	Outlook
• Thebarton Oval Precinct redevelopment is of significant interest to the community • COVID-19 resulting timeline and cost issues for infrastructure projects (new projects will identify with significant delays) • Supply chains compromised and grant funding increases have seen pressure on resources • Significant redevelopment in the CWT area providing numerous opportunities and changing the future land use and amenity of the area. • Impact of the 22/23 federal budget - the quantity of government grants available and the 'amounts' that the grants offer may place pressure on current/scheduled projects • Currently experiencing La Nina climate which may place additional strain on some infrastructure	• Logistics and supply chain issues placing pressure on costs • Pressure on open space and key facilities, managing community expectations, changing community profile • Changing demographics and increasing urban density will put upward pressure on services and resources • Consideration for ongoing environmental impact • Change in population/diversity and potential service impacts eg. Waste • Opportunities to redesign space for current and future needs taking into account socio-economic as well as infrastructure requirements • Project investigating asset data governance to improve data consistency, usability and accuracy to commence in 2023

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CWT Mid-Year Strategic Risk Review 2022/2023 - Summary

• Ongoing challenges in educating the community regarding the role of Councils and the PDI • Asset data project commenced to improve data management across Council	

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CWT Mid-Year Strategic Risk Review 2022/2023 - Summary

STRATEGIC RISK 7 -
WASTE AND RECYCLABLES MANAGEMENT

Community Plan Objective -

Community Life

Environment and Sustainability

Description:

a) Failure to manage the collection and processing of waste and recyclables (including during emergency events) leading to a loss of control over waste management costs, public health concerns, amenity issues and increased resources going to landfill

b) Failure to implement or manage appropriate plans, processes, contracts and systems or consider sector innovation to appropriately manage challenges and/ or capitalise on opportunities presented as a result of changing market conditions including a loss of competitiveness regarding waste and recyclables management in the local government sector and broader economy

c) Failure to meet community expectations or appropriately educate the community with regard to waste and recyclables management

Strategic Risk Status and Outlook

Current	Outlook
• Final approval underway for CWT's ten year Waste And Resource Recovery Strategy and five year action plan to address increasing urban infill, identify opportunities to improve resource recovery and assist Council to transition to a circular economy • Major redevelopments such as West End Brewery site occurring impact on infrastructure to be considered (current and future) • Innovative opportunities being explored to reduce waste to landfill • Soft plastics recycling unavailable due to the collapse of Redcycle scheme leading to more waste. However, in terms of financial impact as red bin waste is charged on a weight basis, it is unlikely to significantly impact on the CWT budget • Waste program recently audited by the Auditor General with a positive outcome received • Three recycle management facilities are located in SA (two facilities having opened since the Visy fire in 2021); NAWMA (Northern Adelaide Waste Recycling Management Authority), SWRA (Southern Waste Recycling Authority), and CAWRA (Central Adelaide Waste Recycling Authority).	• Continuing changes in the waste sector will drive new and innovative practices • Increased costs in to recyclables and putrescibles • A continuation of large multi-unit complexes leading to increased complexity of collection (and possible increased costs) • Ongoing multifaceted links with climate adaptation and innovative environmental management

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CWT Mid-Year Strategic Risk Review 2022/2023 - Summary

STRATEGIC RISK 8 -

FINANCIAL SUSTAINABILITY

Community Plan Objective -

Prosperity

Organisational Strength

Description:

a) Failure to adequately plan, prepare and develop strategies to deal with variations in income caused through emergency events, longer term societal/ community trends or changes to Government policy or grants resulting in the inability to service short, medium or long term commitments leading to financial instability, the need to increase borrowings and ultimately lack of financial sustainability

b) Failure to manage costs, or increasing expenditure caused through emergency events, climate change, supply chain pressures, longer term societal/ community trends or changes to State Government policy leading to lowering of/ loss of service provision the need to increase borrowings and ultimately lack of financial sustainability

c) Failure to appropriately plan for economic disruption through increasing inflation, interest rates, etc. and incorrect assumptions in financial plans

Strategic Risk Status and Outlook

Current	Outlook
• Although CWT has a high level of financial sustainability there is some minor decrease in this level due to loans undertaken for important planned and necessary works	• Possible financial market instability due to regular fluctuations of the economic cycle and unforeseen shocks
• Short-term 1-yearly State Government funding for Library Services presents challenges for this important service	• Some maintenance costs are not tracked accurately leading to possible new risks of inefficiency, poor decision making, etc.
• The resulting COVID-19 global unavailability of resources has been acknowledged by the Organisation (leading to cost increases and longer lead times) for the acquisition of goods and services (e.g. IT and Depot purchases)	• Further uncertainty with regard to electricity prices • Projects underway to mitigate electricity prices and reduce reliance on electricity including street lighting
• Increasing interest rates affecting loans	• Inflation pressures expected over the next 6-12 months
• Increasing petrol prices, noting that this currently a known budgeted expense	
• Availability of resources and supply remains an issue - resulting in possibility of extended timeframes to projects	
• Increasing inflationary pressure which increases pressure on residents and ratepayers leading to additional hardship applications	
• Increases expected for electricity and gas prices or between 130% (peak) and 260% (off peak) putting increased pressure on budget going forward. Prices have been locked in until June 2023	

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CWT Mid-Year Strategic Risk Review 2022/2023 - Summary

STRATEGIC RISK 9 -

CLIMATE ADAPTATION

Community Plan Objective -

Community Life

Environment and Sustainability

Built Environment

Description:

a) Failure to acknowledge, monitor, plan, prepare, mitigate, respond, and adapt to the effects of short, medium and long term sustained change associated with climate projections or the impact of climate change

b) The inability to embed credible sustainability policies and plans, in the key focal areas of asset and infrastructure management and urban infill development.

c) Failure to identify with the costs, or increasing expenditure caused as a result of climate inaction leading to lowering/ loss of service provision and/ or the ability to manage assets

d) Failure to adequately prepare the community for, or appropriately consider, the ongoing impacts of climate change

Strategic Risk Status and Outlook

Current	Outlook
• In 2022, the newly elected Federal Government set the bar for a net-zero target by 2050, as well as an emissions target reduction of 43% on '2005 levels' by 2030 • Community Consultation has occurred and responses are being tabled for CWT's implementation/finalisation of the multi-year Climate Strategy • The State currently has a Major Emergency declaration in place for the rising river and high-flow along the River Murray	• On current climate warming trajectory, we will be seeing the impacts of a 1.5 degree rise within three Council cycles • Climate Council of Australia Ltd. in their 2022 paper 'Uninsurable Nation: Australia's most Climate Vulnerable Places' identify the ten most at risk federal electorates in Australia; Hindmarsh (SA) is identified in 10th place on this list, specifically noting that 15% of properties (around one in every seven properties) will be uninsurable within ten years

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Risk Analysis Matrix – Level of Risk

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

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

Consequences Descriptors Matrix

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

Rating	Financial	Organisational/ Customer Impact	Reputation Relationships	People	WHS
Moderate	Between 11 and 15% variation in expenditure/revenue

Theft or loss of between $30,001 and $100,000 | Lack of response to customer request 10 working days later than deadline

Inability to provide all services for more than 24 hours

Inability to provide one service for ≥ 5 -days

Ombudsman/Ministerial investigation finds systemic weaknesses in organisational processes

ICAC investigation commenced | Negative article in Messenger/Advertiser. | ≥ 20% permanent staff turnover per year

≥ 20% non-availability or capability of staff at any one time | Medically treated injury requiring clinic or hospital treatment less than 24 hours duration, installing a drip or iv, physiotherapy as a cure, applying a cast, surgery, prescription drugs, stitching a wound to staff members

Or

To members of the public due to the actions/omissions of work undertaken by CWT

Incident where potential for moderate injury may occur

Notifiable incident to SafeWork SA or Office of the Technical Regulator (OTR)

Category 1 - Breach of Duty for reckless conduct |
| Major | Between 16 and 40% variation in expenditure/revenue

Theft or loss of between $100,001 and $1m | Lack of response to customer request 20 working days later than deadline

Inability to provide one service for ≥ 20 working days

Inability to provide all services for ≥ 48 hours. | Negative front page story in Messenger/Advertiser. | ≥ 40% permanent staff turnover per year

≥ 40% non-availability or capability of staff at any one time | Major injury resulting in limb loss, electrocution, permanently disability, blindness to staff members

Or

To members of the public due to the actions/omissions of work undertaken by CWT |

Rating	Financial	Organisational/ Customer Impact	Reputation Relationships	People	WHS
		Ombudsman/Ministerial review results in termination of staff/major changes to systems and processes Employee(s)/Elected Members charged with corruption and referred to DPP for prosecution			Incident where potential for major injury may occur Notifiable incident to SafeWork SA or Office of the Technical Regulator (OTR) Category 2 Breach of Duty
Catastrophic	$\geq$ 40% variation in expenditure/revenue. Theft or loss of >$1m.	Inability to provide critical Council services (Waste, HACC, St Martins, dog attack response) for $\geq$ 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

9.2.2   Internal Financial Controls Assessment 2023

Brief

This report provides the results of the 2023 Internal Financial Controls Assessment.

RECOMMENDATION

It is recommended to the Committee that the *Internal Financial Controls Assessment 2023* report be received.

Introduction

Section 125 of the *Local Government Act 1999* (Act) provides that:

> *A council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the council's assets, and to secure (as far as possible) the accuracy and reliability of council records.*

Further section 126(4)(c) states that the functions of a council's Audit Committee include the review of internal controls.

The Audit General Committee (Committee) Terms of Reference provides (Clause 2) that the Committee is to review and comment on the adequacy of internal control, reporting and other financial management systems and practices of the Council on a regular basis.

The review of internal financial controls operates in tandem with the Operational Risk review which also considers financial based risks and forms an important aspect of the organisation's Risk Framework and external audit process.

Discussion

The annual self-assessment of Council's internal controls was carried out by the officers responsible for the daily application of those controls. The responsible officers were required to assess the effectiveness of 81 controls and then the controls were subsequently reviewed by their respective leaders, or the General Manager/Manager responsible for the internal control. It is noted that several controls extend across several portfolios and departments.

The controls for assessment were selected from the '*Better Practice Model – Internal Financial Controls for South Australian Councils 2017'* using a risk based approach developed by Galpins.

In 2022, Galpins again reviewed the controls selected and provided further assurance regarding this approach. Management of the self-assessment process is undertaken independently by the Strategic Resilience team with the following steps undertaken:

Step 1 – Assessment of Inherent Risks

The inherent risk ratings of 92 risks were reviewed by Financial Services and Strategic Resilience. From the review, 82 risks were rated extreme, 10 rated high, 0 rated moderate and 0 rated low.

Step 2 – Control Review and Assessment

All controls were reviewed and assessed as part of this process using the following rating scale:

1. Ineffective
2. Requires Significant Improvement
3. Partially Effective
4. Majority Effective
5. Effective

While 82 controls were assessed, they were often assessed and reviewed by multiple officers across multiple departments and business areas so that a complete picture of the control could be assessed. A summary of the review is attached to this report **(Attachment 1)**.

The average effectiveness of internal controls at Council has been assessed at 4.57 from a possible score of 5 using the Control Track tool. This compares to an average assessment result of 4.62 in the review of the internal controls showing that controls are being maintained at a high level. This is outlined in Attachment 1.

Average Assessor Rating

4.57

Average Reviewer Rating

4.62

Step 3 –Determine Residual Risk

The residual risk ratings of 92 risks were reviewed by Financial Services and Strategic Resilience. From the review, 0 risks were rated extreme, 0 rated high, 28 rated moderate and 64 rated low.

Step 4 – Determine Action Plans

One control was assessed as requiring significant improvement with the reviewer assessing the same control as being partially effective. This control relates to receipting where officers who create debtors invoices not having access to receipting payments and/or reversing receipt transactions. An action plan has been developed to address this internal control improvement. It is expected that this improvement will be completed by 30 June 2023.

Results of the self-assessment, including updates regarding the implementation of the control improvement, will be made available to the External Auditors who also undertake their own independent assessment of Council's internal control environment as part of providing their audit opinion on the effectiveness of Council's internal controls.

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 direct climate impact considerations as a result of this report.

Conclusion

This report provides the results of the 2023 Internal Financial Controls Assessment

Attachments

1.   Control Track Controls Assessment 2023

2023 Assessment

Code	Description	Assessor	Assessor Reason		Reviewer	Reviewer Reason	

Strategic Financial Planning

Budgets

| STR-BUD-0009 | There is a process in place to review actual vs budget and significant variances investigated. | Chris Lapidge | A monthly budget v actual variance report is undertaken and reported to Council. In addition a budget review process is completed 3 times a year. Any significant variances are investigated and a budget adjustment is requested where required. A yearly budget v actual report is also produced and reported to Council once the financial year has closed. | 5 | Lisa Gilmartin | Managers review their budgets regularly, including 3 formal budget reviews each year to ensure pertinence and accuracy. Budget review recommendations then go to the Executive team for further review, before going up to Council for adoption. Additionally, a report analysing budget versus actual variances goes to Council each month. | 5 |
| STR-BUD-0009 | There is a process in place to review actual vs budget and significant variances investigated. | Leta Northcott | End of month reports are presented to Council. Also variances are reviewed as part of the budget review process. | 4 | Lisa Gilmartin | Managers review their budgets regularly, including 3 formal budget reviews each year to ensure pertinence and accuracy. Budget review recommendations then go to the Executive team for further review, before going up to Council for adoption. Additionally, a report analysing budget versus actual variances goes to Council each month. | 5 |

General Ledger

STR-GEN-0012	There is a process in place to review actual vs budget and significant variances investigated. Strategic Financial Planning - General Ledger	Lisa Gilmartin	Managers can review actuals to budgets throughout the year and are required to complete 3 formal budget reviews during the year which are reviewed by Executive and adopted by Council. This is undertaken as part of our legislative requirement to report Council a review of the financials (minimum of three times per annum).	5	Paul Della	Budgets against actuals are monitored monthly and more formally on a quarterly and annual basis.	5
STR-GEN-0012	There is a process in place to review actual vs budget and significant variances investigated. Strategic Financial Planning - General Ledger	Chris Lapidge	Managers informally review their budgets monthly, but do a formal review on a quarterly basis. Any significant variances require a explanation by the line manager. A monthly budget to actual variance report is sent to council (with the exception of July). An annual budget v actual report is presented to Council once the annual accounts have been finalised.	5	Lisa Gilmartin	Managers can review actuals to budgets throughout the year and are required to complete 3 formal budget reviews during the year which are reviewed by Executive and adopted by Council. This is in accordance with the financial reg's.	5
STR-GEN-0011	Reconciliation of all balance sheet accounts is completed in accordance with a schedule of review and/or procedure. Strategic Financial Planning - General Ledger	Chris Lapidge	Monthly and annual reconciliations are performed across the department to ensure accuracy and completeness. LGFA confirmations are downloaded monthly and reconciled with the general ledger and our separate investment register.	5	Lisa Gilmartin	Monthly and annual reconciliations are performed across the department to ensure accuracy and completeness.	5
STR-GEN-0010	Journal entry access is restricted to appropriately authorised personnel.	Chris Lapidge	Only selected and trained finance staff have access to posting journal entries within the general ledger system. The journal entry system module restricts access to unauthorised staff. The manual journal listing (journal register) is reviewed by the Manger Financial Services each month.	5	Lisa Gilmartin	Software program restricts access to authorised personnel for journal entries.	5

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2023 Assessment

Code	Description	Assessor	Score	Assessor Reason	Reviewer	Score	Reviewer Reason
STR-GEN-0008	Formal disaster recovery plan is in place and communicated to relevant staff.	Lisa Gilmartin	5	The Executive team check that the IT Business Continuity and Disaster Recovery Plan is in place and reviewed annually.	Paul Della	5	We have a comprehensive business continuity, recovery and contingency plan and infrastructure in place. Our active/active hyper converged infrastructure enables our systems to keep running if we "lose" our primary data-centre. Our Business Continuity, Recovery and Contingency Plan is reviewed annually and also when significant change occurs. Hard copies are also available offsite and soft copies also via an "offsite" Objective Connect share facility. The information has been communicated to IT, management and Executive staff.
STR-GEN-0008	Formal disaster recovery plan is in place and communicated to relevant staff.	Chris Lapidge	5	The Executive check that the IT Business Continuity and Disaster Recovery Plan is in place and reviewed annually. Staff are encouraged to be a part of the planning process.	Lisa Gilmartin	5	The Executive team check that the IT Business Continuity and Disaster Recovery Plan is in place and reviewed annually. Assess Control
STR-GEN-0008	Formal disaster recovery plan is in place and communicated to relevant staff.	Liz Johnson	4	Emergency plans are in place and regularly tested and reviewed with relevant teams. Multi year rolling assurance plan for all emergency plans is also in place. Regular audits conducted on ITDR.	Pauline Koritsa	4	
STR-GEN-0008	Formal disaster recovery plan is in place and communicated to relevant staff.	Christopher James	5	We have a comprehensive business continuity, recovery and contingency plan and infrastructure in place. Our active/active hyper converged infrastructure enables our systems to keep running if we "lose" our primary data-centre. Our Business Continuity, Recovery and Contingency Plan is reviewed annual and also when significant change occurs. Hard copies are also available offsite and soft copies also via an "offsite" Objective Connect share facility. The information has been communicated to IT, management and Executive staff.	Paul Della	5	Appropriate systems are in place in the event of a disaster and there is a comprehensive business continuity, recovery and contingency plan. Relevant staff have been communicated with about this matter.
STR-GEN-0007	Financial data is backed up and stored offsite.	Lisa Gilmartin	5	A comprehensive backup regime is conducted and information is also replicated to the offsite BC&DR facility in Pirie St. IT run systematic testing of this process.	Paul Della	5	Appropriate controls are in place.
STR-GEN-0007	Financial data is backed up and stored offsite.	Chris Lapidge	5	A comprehensive backup regime is conducted and information is also replicated to the offsite BC&DR facility in Pirie Street.	Lisa Gilmartin	5	Financial data is backed up, tested and mirrored regularly.
STR-GEN-0007	Financial data is backed up and stored offsite.	Christopher James	5	We have a comprehensive and detailed backup regime that includes disk backup in multiple sites and backup to tapes that are stored at a Grace storage facility. We conduct periodic test of restoring from our backups.	Paul Della	5	Appropriate controls are in place.
STR-GEN-0005	Amendments to the structure of the General Ledger framework and accounts are reviewed and approved by appropriately authorised personnel.	Lisa Gilmartin	5	Any changes are trialled in the software's development environment prior to rolling out to the live environment. Changes are done by the IT department.	Paul Della	5	Appropriate controls are in place.
STR-GEN-0005	Amendments to the structure of the General Ledger framework and accounts are reviewed and approved by appropriately authorised personnel.	Chris Lapidge	5	An annual review of the chart of accounts is performed at the start of the budgeting process. Any significant changes require approval from GM Corp and Reg and/or the executive team before they are implemented.	Lisa Gilmartin	5	General ledger framework and accounts can only be amended by authorised officers as setup in the software security profiles. Audit trails are maintained by the software.

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2023 Assessment

Code	Description	Assessor	☆	Assessor Reason	Reviewer	👍	Reviewer Reason
STR-GEN-0004	All major updates and changes to General Ledger finance system are authorised, tested and documented.	Lisa Gilmartin	5	Finance software (Tech1) only allow authorised users to post general ledger journals or maintain the framework of the accounts/structures. Additionally there is a review annually at the commencement of the budget process for appropriateness and approved by GM	Paul Della	5	As per The Manager Financial Services comments, appropriate controls are in place.
STR-GEN-0004	All major updates and changes to General Ledger finance system are authorised, tested and documented.	Chris Lapidge	5	Any changes are trialled in the software's development environment prior to rolling out to the live environment. Changes are done by qualified technicians within the IT department and/or software provider.	Lisa Gilmartin	5	All changes tested and authorised prior to release to live environment.
STR-GEN-0003	All journals, including manual entries, identify date posted, narration, author, journal and posting reference.	Chris Lapidge	5	Manual journal sheets are reviewed by the Manager Financial Services each month. The system automatically identifies time, date posted, narration, author & reference number in the audit trail. A journal register exists which contains date, journal number, brief description and initials of the poster.	Lisa Gilmartin	4	Journal sheets are reviewed by the manager Financial services each month and system identifies time, date posted, narration, author and reference number.
STR-GEN-0002	All balance sheet reconciliations are reviewed by a person other than the preparer at least annually. Strategic Financial Planning - General Ledger	Chris Lapidge	5	Balance sheet reconciliations are normally done on a monthly/quarterly basis. Each year a full reconciliation of all balance sheet and balancing accounts are completed, reviewed and stored in the 'End of Year' audit folder. The annual reconciliations are reviewed by our external auditors during the year end audit process.	Lisa Gilmartin	5	Annual reconciliations are completed and stored in the end of year folder.
STR-GEN-0001	Access to General Ledger maintenance is restricted to appropriately authorised personnel.	Chris Lapidge	5	Only authorised officers within the finance department and IT department can access General Ledger maintenance. Access is restricted by the system to non authorised users. Access will only be given to selected staff once internal training has been completed.	Lisa Gilmartin	5	Security controls in TechOne Financials ensures only authorised personnel can post general ledger journals.
Revenue							
Grants							
REV-GRA-0004	There is a process in place for the regular review of all grant income to monitor compliance with the terms of the grant.	Joseph Ielasi	5	Checklist are prepared against the grant conditions.	Angelo Catinari	4	
REV-GRA-0004	There is a process in place for the regular review of all grant income to monitor compliance with the terms of the grant.	Leta Northcott	4	Grant details and information are regularly reviewed as part of the reconciliation for the grant register.	Lisa Gilmartin	4	
Rates/Rate Rebates							
REV-RAT-0010	There is a rating policy in place that is reviewed annually that provides clear guidance on rating methodology and relevant rebates and remissions in line with legislation.	Kim Lennard	N/A	No Rating Policy currently exists, however all rating is done in line with the rating structure as provided in Chapter 10 of the Local Government Act	Lisa Gilmartin	4	Rating policy is not reviewed annually, but combined with a procedures manual, gives clear guidance on rating methodology.

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2023 Assessment

Code	Description	Assessor	☆	Assessor Reason	Reviewer	👍	Reviewer Reason
REV-RAT-0008	Rates are generated and tested for accuracy of calculation methodology prior to the rates billing run.	Kim Lennard	4	Multiple test runs are performed to ensure the rates generated is balanced to the rates modelling	Lisa Gilmartin	4	Rates are calculated via Pathway software, rates modelling software and an excel spreadsheet prior to rates billing run to ensure accuracy of calculations.
REV-RAT-0007	Rates are automatically generated by the rate system, including the calculation of rate rebates and other parameters as applicable.	Kim Lennard	4	All system settings are set up for an automated rates generation	Lisa Gilmartin	5	Valuations are reconciled and downloaded to excel for initial calculation of rates, and then when system generated calculations are performed they are cross referenced to the excel spread sheet. All relevant parameters are double checked prior to calculation and generation.
REV-RAT-0006	There is a Process in place to ensure that rates are collected in a timely manner and overdue rates are followed up.	Kim Lennard	4	There is a dedicated rates recovery officer to ensure overdue rates are followed up in a timely manner	Lisa Gilmartin	4	Standard process is followed each quarter to ensure overdue rates are followed through, with outstanding rates sent to debt collection when appropriate.
REV-RAT-0004	Annual valuation update is balanced prior to the generation of rates; all mismatches resolved prior to finalising rate generation.	Kim Lennard	4	Annual valuation is setup and balanced to ensure modelled rates revenue matches actual rate revenue	Lisa Gilmartin	5	Full reconciliation is performed by the Rates Coordinator prior to generation, and checked by Manager, Financial Services.
REV-RAT-0003	All software changes to rate modelling functionality fully tested and reviewed by relevant staff.	Kim Lennard	4	Multiple test runs are run to ensure modelling results match actual rates generated from software setup	Lisa Gilmartin	5	Software changes to rate modelling functionality is always tested in a test environment prior to running in the live environment.
REV-RAT-0002	All rate rebates and adjustments including write offs are appropriately authorised, with reference to Delegations of Authority and source documents.	Kim Lennard	4	All rate rebates and adjustments are approved by the appropriate delegated person and subsequent adjustments reported and checked by the Manager Financial Services	Lisa Gilmartin	4	Sub-delegation framework clearly identifies which officers have the authority to make rate rebate changes and write-off of interest and fines, including set limits as to how much an officer is authorised to write-off.
REV-RAT-0001	Access to the Property master file is restricted to appropriately designated personnel, with a process in place to ensure changes are in line with policies and procedures.	Kim Lennard	4	Changes to the property master file is controlled by one staff member and any changes by other rates officers is under the guidance of the Rates Coordinator.	Lisa Gilmartin	4	Pathway software restricts maintenance access to designated officers with the sub-delegation framework determining the financial limits to changes that an officer can make.
Receipting							
REV-REC-0005	Prior to and during the banking process, cash is stored securely at all times.	Ana Tennick	5	All cash and cheques are stored in lockable cash draw throughout the day/ or safe during high demand periods, and locked in safe overnight. Banking room where safe is located is also locked overnight.	Paul Della	5	Controls are in place but I would prefer to move to a cashless council in the future.
REV-REC-0004	Officers who create debtors invoices do not have access to receipting payments and/or reversing receipt transactions.	Leta Northcott	2	Currently officers who create debtors invoices do have access to receipting of payments and/or reversing receipt transactions. It is only staff in the finance department that have this access.	Lisa Gilmartin	3	Due to staff numbers and existing working hour arrangements there is currently this ability exists for minimal finance staff. This is supported via bank statement downloads however as another independent source.

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Code	Description	Assessor	☆	Assessor Reason	Reviewer	⟲	Reviewer Reason
REV-REC-0002	Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated. Revenue - Receipting	Leta Northcott	4	The bank reconciloiation is performed on a regular basis and then reviewed monthly by an independent reviewer. All discrepancies are investigated within a couple of days of them being identified.	Lisa Gilmartin	4	Periodical bank reconciliations completed with an independent reviewer required by system for finalisation.

Liabilities

Accounts Payable

Code	Description	Assessor	☆	Assessor Reason	Reviewer	⟲	Reviewer Reason
LIA-ACC-0013	Separation of Accounts Payable and Procurement duties.	Annette Gehlert	5		Lisa Gilmartin	5	Accounts payable officer does not have procurement authority, but its able to make minor changes if necessary between approved purchase order and invoice received.
LIA-ACC-0010	Records must be maintained of all payments with supporting documentation.	Annette Gehlert	5		Lisa Gilmartin	5	Both electronic and hard copy supporting evidence is maintained.
LIA-ACC-0007	Payments are verified to appropriate supporting documentation and are in line with Delegations of Authority.	Annette Gehlert	5		Lisa Gilmartin	5	Invoices are scanned into financial software and security controls within software assures approval is by authorised officer.
LIA-ACC-0006	Payments are endorsed by relevant staff separate to the preparer, who ensures that they are paid to the correct payee.	Chris Lapidge	5	A invoice check is completed prior to payment which ensures a physical invoice exists, the amount matches and the supplier is correct. This is done independent of the preparer. In order to release the suppliers funds, two authorised signatories are required. The accounts payable officer is unable to approve the release. Any invoices that are not approved electronically are checked by finance staff to ensure they contain an appropriate managers signature.	Lisa Gilmartin	5	Combined with automated workflows, final approval of payment is performed by two authorised signatories independent of the accounts payable process.
LIA-ACC-0003	Blank cheques to be held securely and access restricted to relevant staff.	Annette Gehlert	3	Blank cheques are kept in the safe within the strong room and accessible to key holders. Two keys in finance and one key in IMU which is available to all the staff in that department.	Lisa Gilmartin	4	Blank cheques are stored securely and next available cheque number confirmed at each cheque run.
LIA-ACC-0003	Blank cheques to be held securely and access restricted to relevant staff.	Chris Lapidge	5	Blank cheques are stored securely in our strongroom and the next available cheque number is confirmed at each cheque run. Only selected approved staff have access to the strongroom. Each cheque is required to be signed by 2 authorised bank signatories to disburse funds.	Lisa Gilmartin	4	Blank cheques are stored securely and next available cheque number confirmed at each cheque run.
LIA-ACC-0002	All invoices and payment requests are approved in accordance with relevant policies and/or Delegations of Authority.	Annette Gehlert	5		Lisa Gilmartin	5	Delegation of authority rules are applied to Tech1 Financials to ensure approval can only be made by authorised officers within their delegated authority. Software workflows ensures staff cannot exceed their authority limits.
LIA-ACC-0001	Access to the supplier masterfile is restricted to authorised staff	Annette Gehlert	4	Accessible to any staff member who has access to accounts payable officer profile in Tech1	Lisa Gilmartin	4	Tech1 Financials restricts access via security settings, with limited staff (Finance & IT) having access to the supplier masterfile. Any further restriction is not required.

Financial Governance

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Code	Description	★	Assessor	Assessor Reason	Reviewer	👍	Reviewer Reason
Governance							
FIG-GOV-0004	There is a process to ensure staff are aware of policies and procedures referenced in the Better Practice Model.	4	Chris Lapidge	All policies are publicly available on the policy hub on our intranet. As policies are reviewed, staff are made aware of changes via compass (our online notice board). Relevant staff are contacted when policies that directly relate to their position are due for renewal.	Lisa Gilmartin	4	
FIG-GOV-0004	There is a process to ensure staff are aware of policies and procedures referenced in the Better Practice Model.	4	Liz Johnson	All policies are available on the PolicyHUB with reviews being conducted with relevant teams as required.	Pauline Koritsa	4	
FIG-GOV-0003	There is a process in place to ensure all policies and procedures referenced in the Better Practice Model are reviewed for appropriateness and relevance.	5	Chris Lapidge	A periodic review of policies is undertaken when required (every 5 years or prior to that time if there's legislative change).	Lisa Gilmartin	5	Governance send out reminders whenever a policy is due for review and maintains a register of all Council policies.
FIG-GOV-0003	There is a process in place to ensure all policies and procedures referenced in the Better Practice Model are reviewed for appropriateness and relevance.	5	Liz Johnson	All policies are on a 5 year review cycle unless review is required earlier. Policies are tracked through PolicyHUB	Pauline Koritsa	5	
FIG-GOV-0002	There is a process in place for staff to be made aware of the Code of Conduct and Conflict of Interest.	5	Chris Lapidge	All staff are aware of the code of conduct. A copy is given to new staff upon commencement of employment. Regular emails and intranet updates are circulated. All policies are available on Compass (intranet).	Lisa Gilmartin	5	
FIG-GOV-0002	There is a process in place for staff to be made aware of the Code of Conduct and Conflict of Interest.	5	Liz Johnson	Code of Conduct and Conflict of interest as well as other behavioural standards are available via the moodle during induction training. Relevant policies are also available on PolicyHUB.	Pauline Koritsa	5	
FIG-GOV-0001	Delegations of authority referenced in the Better Practice Model are reviewed for appropriateness, with changes approved as required.	5	Chris Lapidge	An annual review is undertaken of financial delegations within our sub delegation framework and replicated within our finance software. Any changes are notified by governance and updated in our finance software as they occur. Positions and their Tech 1 profiles are reviewed each month using the 'named user allocation' report.	Lisa Gilmartin	4	All financial delegations in our financial software are updated whenever we are aware of the delegation framework is updated.
FIG-GOV-0001	Delegations of authority referenced in the Better Practice Model are reviewed for appropriateness, with changes approved as required.	4	Liz Johnson	Delegations are reviewed annually and approved by Council and CEO as appropriate.	Pauline Koritsa	4	
External Services							
Contracting							
EXT-CON-0005	There is a contract management process in place throughout the term of the contract to ensure that supplier/contractor meet their obligations.	4	Dean Ottanelli		Angelo Catinari	4	

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Code	Description	Assessor	☆	Assessor Reason	Reviewer	👍	Reviewer Reason
External Services							
Contracting							
EXT-CON-0005	There is a contract management process in place throughout the term of the contract to ensure that supplier/contractor meet their obligations.	Joseph Ielasi	5	Project Managers maintain contracts through regular meetings containing the project requirements and are recorded with minutes of the meeting.	Angelo Catinari	4	
EXT-CON-0005	There is a contract management process in place throughout the term of the contract to ensure that supplier/contractor meet their obligations.	Christopher James	5	Contract arrangements are reviewed at least twice a year, including prior to renewal dates and during the annual budget and work planning processes. A software Register and a SaaS Register are maintained and over 20 times per year to maintain a current view and future consideration of the software contracts and SaaS subscriptions. We maintain an IT Asset Register to manage the life cycle of our hardware assets and contract arrangements. The Information Services Operational Risks Register and IT Business Continuity is also reviewed multiple times during the year including consideration of Suppliers and contracts.	Paul Della	5	Appropriate controls are in place.
EXT-CON-0005	There is a contract management process in place throughout the term of the contract to ensure that supplier/contractor meet their obligations.	Sam Ktisti	4	On the projects we have delivered and worked on we ensure that the contractor/ supplier has met their obligations as we undertake a walk through att the end of a project and undertake regular daily site inspections that are recorded.	Angelo Catinari	4	
EXT-CON-0003	The selection panel is made up of appropriate personnel who have declared any relevant conflict of interest to ensure that informed and objective decision is made when selecting contractors.	Dean Ottanelli	5		Angelo Catinari	5	
EXT-CON-0003	The selection panel is made up of appropriate personnel who have declared any relevant conflict of interest to ensure that informed and objective decision is made when selecting contractors.	Joseph Ielasi	5	Tender recommendations forms are completed by a panel of relevant staff.	Angelo Catinari	5	
EXT-CON-0003	The selection panel is made up of appropriate personnel who have declared any relevant conflict of interest to ensure that informed and objective decision is made when selecting contractors.	Mel Buiatti	5		Pauline Koritsa	5	

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Code	Description	Assessor	Rating	Assessor Reason	Reviewer	Rating	Reviewer Reason
EXT-CON-0003	The selection panel is made up of appropriate personnel who have declared any relevant conflict of interest to ensure that informed and objective decision is made when selecting contractors.	Sam Ktisti	5	There is a robust system of assessment and then consultation with the relevant stakeholders before a contractor is selected. There is detailed criteria that all contractors have to meet before they are signed up.	Angelo Catinari	5	
EXT-CON-0002	Tender Documents are kept securely.	Dean Ottanelli	5		Angelo Catinari	5	
EXT-CON-0002	Tender Documents are kept securely.	Joseph Ielasi	5	Tenders are kept secure through our vendor panel system.	Angelo Catinari	5	
EXT-CON-0002	Tender Documents are kept securely.	Lisa Gilmartin	5	Adequate controls in place to ensure tender documents are kept securely, including the use of electronic tender box process.	Paul Della	5	Tender documents are kept under lock and key with only certain people having access to them.
EXT-CON-0002	Tender Documents are kept securely.	Mel Buiatti	4		Pauline Koritsa	4	
EXT-CON-0002	Tender Documents are kept securely.	Sam Ktisti	4	We expect that tender documents are kept with Procurement/ Finance department and we have a copy that is used for the period of the contract. After the contract is completed the contracts we may have a destroyed or filed with the relevant paperwork.	Angelo Catinari	5	
EXT-CON-0001	Council maintains a current contract register.	Mel Buiatti	4		Pauline Koritsa	4	
Expenses							
Credit Cards							
EXP-CRE-0006	There is a process in place to ensure credit card limits and usage is reviewed for operational efficiency.	Leta Northcott	3	There currently is not a particular process in place to ensure the credit card limits and usage is reviewed. If there is an operational requirement to review a card holders limits, this generally has either come from the card holder themselves or from their manager. Then the authorisations required are followed through.	Lisa Gilmartin	4	Periodic reviews should be completed to ensure aligns with sub delegation framework. Moving to online management to ensure card limits are responsive and maintainable by relevant finance person, however the card is set up with limitations on certain areas of purchasing, eg travel for most. Reports to council on a quarterly basis in detail on credit card purchases.
EXP-CRE-0004	Credit card holders sign a declaration confirming compliance with Council policy and procedures prior to the Credit Card being released.	Leta Northcott	4	Credit card holders are required to sign a declaration as part of their application to have a credit card. The process has now been moved to be an online form with attached workflow.	Lisa Gilmartin	4	Accurate
EXP-CRE-0003	Cardholders must check their statement to ensure all transactions are correct and identify any transactions of a personal nature which must be reimbursed to Council.	Annette Gehlert	5		Lisa Gilmartin	5	All cardholders review their monthly statements, complete a declaration and sign off on the expenditure with documentary evidence where appropriate.

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Code	Description	Assessor	☆	Assessor Reason	Reviewer	👍		Reviewer Reason
EXP-CRE-0002	Cardholders are advised in the policy and procedures that improper use of the credit card, such as purchases of a personal nature, may result in disciplinary action in accordance with the Code of Conduct.	Leta Northcott	4	In applying to be a cardholder, the application process includes the signoff of the policy and procedures. The application process has now also been moved to be an online application with the workflow sign off.	Lisa Gilmartin		5	The credit card policy has recently being reviewed. CWT credit card policy outlines what is considered improper use of credit cards and the penalties associated. Each cardholder must sign a declaration accepting the conditions of the policy. A monthly report is sent to Exec outlining any breaches of the policy
Payroll								
EXP-PAY-0020	There is a process to ensure the total of payment summaries for the year is reconciled to the general ledger and payroll and is appropriately reviewed.	Vanessa Motley	4	At EOY payroll do not reconcile the payroll to the GL. We do upload the GL every fortnight and reconcile certain accounts such as parental leave and work cover. If we see something not right when we upload or reconcile our accounts we investigate with the Finance Coordinator.	Lisa Gilmartin		5	STP has introduced additional controls to ensure reconciliation. This is also typically reviewed by external auditors as well during their visits.
EXP-PAY-0019	There is a process to ensure employees are made inactive in payroll records upon termination.	Vanessa Motley	5	Once we terminate an employee record a notification is sent out to Information Services. If we delete the termination a notification is also sent to them and they will ask why this was done. The termination in Chiris21 means no payments will go through for this employee unless payroll specifically enter something in and that only works if it is within the same pay.	Lisa Gilmartin		5	Employees are entered in the Termination screen in Chris21. This notifies all users they are terminated. On termination of employment a flag is set within Chris21 which highlights the date of termination.
EXP-PAY-0018	There is a process to ensure an independent review of proposed payroll payments by authorised staff.	Chris Lapidge	5	Fortnightly payroll reports are checked and reconciled with the bank file by two employees who are not involved in the preparation of the payroll data prior to the release of funds. Payroll reports are setup to display any variation from the previous fortnight to highlight any changes.	Lisa Gilmartin		5	Bank approval of the payment of the payroll is completed in line with the Financial Authorities Administration Policy by two authorised officers external to payroll.
EXP-PAY-0017	There is a process to ensure all overtime is verified and approved by relevant appropriate staff.	Vanessa Motley	4	No timesheet is actioned without it being authorised. Payroll have a great understanding of which positions have financial delegation in order to sign off on timesheets. If someone has signed it that we don't believe has authority we question it and have at times sent them back requesting they go up in delegation.	Lisa Gilmartin		5	Payroll do and will return overtime forms where not compliant and appropriately authorised. Overtime is not processed unless it has been approved, signature is required on overtime form.
EXP-PAY-0016	There is a process in place to ensure termination payments comply with relevant policies, procedures and legislation.	Vanessa Motley	5	We have termination spreadsheets which are used to calculate payments. They have been created using legislation and payment rules from the ATO and our EBA. We also have a third party system for termination payments which is managed by that company who updated all legislation as it comes into effect. We use both systems to calculate payments. All termination pays are checked by another payroll employee too.	Lisa Gilmartin		5	A termination spreadsheet has been developed to assist in ensuring calculations are correct, combined with a strong internal knowledge of staff calculating the terminations payments. Additionally, software has been purchased to act as a cross check with the linkage to the ATO to ensure correct legislation and rates are being applied.
EXP-PAY-0013	The payment of the payroll is authorised by appropriate staff not involved in the preparation of the payroll.	Vanessa Motley	5	the payroll is processed, prepared and reconciled by payroll who also create the bank file, tax file and super file and all fortnightly checking reports. It is sent to Finance Coordinator and Manager Financial Services to check who then release the EFT files. Finance Coordinator and Manager Financial Services do not enter any data in the system so are independent of the process.	Lisa Gilmartin		5	Bank approval of the payment of payroll is completed in line with the Financial Authorities Administration Policy, by staff external to the payroll officers.

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Code	Description	Assessor	☆	Assessor Reason	Reviewer	👍	Reviewer Reason
EXP-PAY-0012	The payment for the payroll must be reconciled to a system generated report detailing amount and employee prior to payment.	Vanessa Motley	5	We have a number of reports which detail what employees are paid prior to payments made which are authorised by the Finance Coordinator and Manager Financial Services. All timesheets/allowances are checked back to the source documents by payroll, then we have reports such as the PLD which shows everything being paid for every employee which is checked by payroll. We then produce reports detailing hours, gross amounts, super, deductions, exceptions which is sent to Finance Coordinator and Manager for sign off before bank file is authorised.	Lisa Gilmartin	5	As well as call back by the two payroll employees, various reports are produced during the payment process that can assist to identify any abnormalities that occur. Additionally Finance Coordinator and Finance Manager sign off on these reports, including a report which has new employees listed and included.
EXP-PAY-0010	The ability to access, modify or transfer information contained in the payroll master files is restricted to authorised staff.	Vanessa Motley	5	Access is restricted based on position. The Payroll Coordinator determines what access level someone would need and what screens they can access. The system is also restricted so that someone may view a screen but not delete or add a new one.	Lisa Gilmartin	5	Access to authorised staff controlled by payroll software. Application of different profiles have been created which limit the information certain users can see and access.
EXP-PAY-0009	Relevant staff are required to complete timesheets and/or leave forms, authorise them and have approved by the relevant supervisor.	Vanessa Motley	5	Employees are a mix of auto paid and timesheet paid. Auto paid only submit timesheets for Overtime and additional hours, which is signed by their T/L or Manager. Timesheet paid employees have all their hours signed off by their T/L or Manager on their timesheet. Leave requests are all applied for via iChirs which is workflowed to their T/L or Manager for approval.	Lisa Gilmartin	5	Timesheets are signed by employee and authorised by manager/supervisor, and leave applications are input via iChris, which has built in authorisation requirements.
EXP-PAY-0008	Payroll system generates audit reports detailing all payroll changes and there is a process in place to ensure all changes are reviewed and verified against source documents.	Vanessa Motley	5	Each source document is actioned by one payroll employee, it is then placed in a checking folder. The other payroll employee will then check the work. Everything is always checked by another person who did not action it. Every fortnight variance reports are run and checked too which high light changes from one fortnight to the next. These are run for Gross amounts, deductions & employee super.	Lisa Gilmartin	5	All changes are entered by one payroll officer and reviewed by a second officer to ensure accuracy of changes. Both officers will sign and date information is entered and checked.
EXP-PAY-0007	Payroll is periodically reconciled to the General Ledger accounts.	Chris Lapidge	5	Reconciliations occur each fortnight of the payroll clearing account 95-731 by the payroll department, with full reconciliation occurring as part of year end process. Any variances are investigated and resolved.	Lisa Gilmartin	5	Reconciliation of the payroll control accounts is performed periodically.
EXP-PAY-0005	Employee records to include employment details and/or contract terms and conditions, authorisations for payroll deductions and leave entitlements.	Vanessa Motley	5	Contracts and all payroll related information such as deductions, LSL, allowances, medical certificates are kept in Objective. the contract detailing terms and conditions along with signed code of conduct are also kept in objective. leave entitlements are listed in our EB documents and Leave Policy.	Lisa Gilmartin	5	All employee details required to set up an employee will be entered by one person in payroll and checked by another. Contract letters and authorisation documents are payroll's source documents to change or create employee details.
EXP-PAY-0003	All payroll deductions must be approved by the relevant employee.	Vanessa Motley	5	Payroll deductions are only actioned if we receive authority from the employee to do so. It needs to be in writing, either hard copy or email. It is then stored in their Payroll Objective folder.	Lisa Gilmartin	5	Payroll require employees to email or complete a deduction form to allow changes or to create new deductions.

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Code	Description	Assessor		Assessor Reason	Reviewer		Reviewer Reason
EXP-PAY-0001	Access to the payroll deduction listing is restricted to authorised staff.	Vanessa Motley	5	Access to the payroll system is restricted to certain people and positions. Within that restriction it is locked down further by limiting the screens that people can see.	Lisa Gilmartin	5	Access is for authorised officers only, set up in Chris21 security levels, once approved by Manager and Finance.
Purchasing and Procurement							
EXP-PUR-0008	There is a process in place to ensure all invoices for payment are matched to relevant source documents such as purchase orders where applicable and are in line with Procurement Policy guidelines.	Annette Gehlert	4		Lisa Gilmartin	4	
EXP-PUR-0005	Employees must ensure all purchases are in accordance with Council's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies.	Annette Gehlert	4		Lisa Gilmartin	4	A majority of time purchase orders are raised, and each month an exception report is produced and provided to the Exec team to review any non-conformance. Council policy allows for disciplinary action if required.
EXP-PUR-0004	Employees must ensure all purchase orders are issued in accordance with Council's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies	Annette Gehlert	3	Not all staff who make purchases that require orders, under the policy, are doing so.	Lisa Gilmartin	4	A majority of time purchase orders are raised, and each month an exception report is produced and provided to the Exec team to review and address any non-conformance. Council policy allows for disciplinary action if appropriate.
EXP-PUR-0003	Council has a Procurement Policy that provides direction on acceptable methods and the process for procurement activities to ensure transparency and value for money within a consistent framework, with consideration of any potential conflicts of interest.	Mel Buiatti	4		Pauline Koritsa	4	
Assets							
Banking							
ASS-BAN-0005	There is a process in place to ensure all cash, blank cheques and/or cheque signing machine are adequately safeguarded.	Leta Northcott	4	Cash and blank cheques are kept in the safe when they are not being used.	Lisa Gilmartin	5	Customer Service cash is held in a safe with the customer service department with limited access to area via swipe cards. Blank cheques and main petty cash float is held in safe within Strongroom in Financial services dept, with key access limitations.
ASS-BAN-0005	There is a process in place to ensure all cash, blank cheques and/or cheque signing machine are adequately safeguarded.	Ana Tennick	4	All cash and cheques are stored in safe in banking room that is locked overnight.	Paul Della	4	I would prefer to move to a cashless council at some time in the future.

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Code	Description	Assessor	☆	Assessor Reason	Reviewer	👍	Reviewer Reason
ASS-BAN-0004	There is a process in place to ensure all cash collected is adequately recorded and banked regularly.	Leta Northcott	4	Cash collected and adequately recorded is completed by customer service points within the organisation (ie Library, Community Centres, Service Centre). Banking is picked up by a security service on a daily basis and any banking for that day is dropped off at a branch of the bank. The bank reconciliation is completed on an almost daily basis and allows for any discrepancies to be picked up in a timely manner.	Lisa Gilmartin	5	Customer service organises the daily banking and Finance reconciles daily amounts deposited with receipts in Pathway (Receipting system). The segregation of duties leads to an effective control. Finance investigates any variances and informs the customer service team leader/manager who investigates.
ASS-BAN-0004	There is a process in place to ensure all cash collected is adequately recorded and banked regularly.	Ana Tennick	4	Pathway summary and excel spreadsheet utilised to record and match all incoming cash, cheques and money orders, then checked and proofed by another team member. Cash is sealed on the same day and cheques the following day once details confirmed with finance department.	Paul Della	4	My preference would be to remove all cash from Council's premises in the future.
ASS-BAN-0003	Cash transfers between bank accounts and investment bodies are undertaken by appropriate staff. Assets - Banking	Leta Northcott	5	Transfers between bank accounts can only be undertaken by authorised staff.	Lisa Gilmartin	5	2 signatories are required for internal CBA transfer transactions. LGFA transfers are only between our CBA Main account and LGFA which are both reconciled monthly and signed off by the manager. Only authorised users have the ability to contact LGFA to request transfers.
ASS-BAN-0002	Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated. Assets - Banking	Leta Northcott	5	The bank reconciliation is completed on an almost daily basis and independently reviewed on a monthly basis. The bank reconciliation itself is actually completed in two sections, the first through a spreadsheet and the second through the finance system.	Lisa Gilmartin	5	An official bank reconciliation is done monthly after all outstanding transactions have been identified and investigated. The bank reconciliation is approved by a person other than the individual who completed the reconciliation. In addition an informal bank reconciliation is completed daily as the bank transactions are imported into our finance software (Tech 1).
ASS-BAN-0001	Access to EFT Banking system is restricted to appropriately designated personnel.	Leta Northcott	4	Access to the EFT Banking system is restricted by user set up. Only users who are authorised have access. Granting access comes from a review of the employees' job and what tasks they are expected to undertake.	Lisa Gilmartin	5	EFT banking requires 2 signatories to release funds. Only selected finance staff have a bank login with authorisation to upload and approve transactions. The same user cannot both upload and approve an EFT file. The list is updated regularly to ensure only active staff have access.

Debtors

Code	Description	Assessor	☆	Assessor Reason	Reviewer	👍	Reviewer Reason
ASS-DEB-0010	Relevant staff reviews debtors ageing profile on a regular basis and investigates any outstanding items, and considers provisions for doubtful debts.	Leta Northcott	3	Debtors ageing profile is reviewed on a regular basis and outstanding items are investigated including contact, where appropriate, with the debtor and supplying of statements and copies of outstanding invoices. Currently we are looking to have a debt management policy written to provide structure and processes around what the debt collection process is.	Lisa Gilmartin	4	Managers are sent reports each month and are required to review outstanding debtors, and advise if any need to proceed to debt collection. Long term outstanding debts are typically minimal.
ASS-DEB-0009	Records of bad debt write-offs should be maintained.	Leta Northcott	4	Bad debt write off are maintained.	Lisa Gilmartin	4	At least once a year a list of bad debts are sent to the CEO for write off approval. Finance maintains a list of previously written off amounts in the year end folders.

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Code	Description		Assessor	Assessor Reason		Reviewer		Reviewer Reason
ASS-DEB-0004	Debtor's reconciliation is performed on a regular basis to the General Ledger and reviewed by an appropriate person.	4	Leta Northcott	Both Rates and Sundry debtor accounts are reviewed regularly. Further the control accounts between Pathway and Tech One are reviewed to be in balance as part of the end of day process.		Lisa Gilmartin	4	Daily reconciliation done, with any discrepancies investigated and resolved.
ASS-DEB-0003	Bad debt write-offs and movements in the provision for doubtful debts for Sundry Debtors are processed in accordance with delegations of authority and Local Government Act.	4	Leta Northcott	All bad debt write offs and movements are reviewed and processed through the appropriate delegations.		Lisa Gilmartin	4	Bad debt writeoffs are to be approved by the CEO, and General manager Business and Community Services (in limited circumstances), this is inline with appropriate delegations set out in the sub delegation framework and in accordance with the LG Act.
ASS-DEB-0001	Access to the debtor's master file is restricted to appropriately designated personnel and is reviewed by relevant staff for accuracy and on-going pertinence.	4	Leta Northcott	Access to the debtor's master file is restricted to only users who are required to set up a new debtor or modify current debtor details.		Lisa Gilmartin	4	

Fixed Assets

Code	Description		Assessor	Assessor Reason		Reviewer		Reviewer Reason
ASS-FIX-0014	There is a process in place for the verification of fixed assets which is reconciled to the FAR.	5	Marco Pietrobon			Joseph Ielasi	5	There is a process in place for the verification of fixed assets which is reconciled to the FAR.
ASS-FIX-0014	There is a process in place for the verification of fixed assets which is reconciled to the FAR.	5	Mei Liu	Asset reconciliation is performed at least monthly and by yearly it reconciled to F1 and Asset register.		Lisa Gilmartin	5	Independent revaluations are generally performed every 5 years, with different asset types performed each year to stagger the work load. This includes all infrastructure asset types and land and buildings.
ASS-FIX-0013	Relevant staff review useful lives, residuals, valuations, depreciation methodology and test for impairment as required by Accounting Standards and legislation to ensure that methods used are still appropriate and significant changes are incorporated into Asset Management Plans.	5	Marco Pietrobon			Joseph Ielasi	5	Relevant staff review useful lives, residuals, valuations, depreciation methodology and test for impairment as required by Accounting Standards and legislation to ensure that methods used are still appropriate and significant changes are incorporated into Asset Management Plans. Periodically reviewed by external personnel.

Assets

Fixed Assets

Code	Description		Assessor	Assessor Reason		Reviewer		Reviewer Reason
ASS-FIX-0011	Reconciliation of fixed assets to the General Ledger is performed in accordance with schedule of review or procedure.	5	Marco Pietrobon			Joseph Ielasi	5	Reconciliation of fixed assets to the General Ledger is performed in accordance with schedule of review or procedure.
ASS-FIX-0011	Reconciliation of fixed assets to the General Ledger is performed in accordance with schedule of review or procedure.	5	Mei Liu	Asset reconciliation is performed at least monthly and by yearly it reconciled to F1 and Asset register.		Lisa Gilmartin	5	Part of year end process with substantial documentation stored in year end folders.

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2023 Assessment

Code	Description	Assessor	☆	Assessor Reason	Reviewer	👍	Reviewer Reason
ASS-FIX-0009	Maintenance of the fixed asset register is limited to appropriate staff with consideration to segregation of duties.	Marco Pietrobon	5		Joseph Ielasi	5	field mobility applications have been developed to limit to appropriate staff
ASS-FIX-0007	Depreciation charges are calculated in accordance with the asset accounting policy and compliant with relevant accounting standards, including the useful life, depreciation method and residual values.	Marco Pietrobon	5		Joseph Ielasi	5	Depreciation charges are reviewed by external auditors for compliance and useful lives are periodically reviewed.
ASS-FIX-0005	Asset register calculations are reviewed for accuracy.	Marco Pietrobon	5		Joseph Ielasi	5	Annual reconciliation of the asset register is undertaken and vetted by external auditors.
ASS-FIX-0004	Asset Management Plans for all major asset classes are adopted and reviewed by Council as required by the Local Government Act 1999.	Joseph Ielasi	5	Adopted Plans have been established for all major asset classes.	Angelo Catinari	5	
ASS-FIX-0002	Asset maintenance is planned and monitored with relevant staff in accordance with the Asset Management Plans	Joseph Ielasi	4	field mobility devices with workflows containing relevant actions for undertaking works has been established for most asset classes.	Angelo Catinari	4	
ASS-FIX-0001	All fixed asset acquisitions and disposals are approved in accordance with Delegation of Authority and relevant Procurement and Fixed Asset Policies.	Marco Pietrobon	5		Joseph Ielasi	5	Annual tenders are undertaken for acquisitions of assets and approved by management.
Project Costing							
ASS-PRO-0003	Processes are in place for establishing and changing project scope and budgets with approvals in accordance with Delegations of Authority.	Dean Ottanelli	5		Angelo Catinari	4	
ASS-PRO-0003	Processes are in place for establishing and changing project scope and budgets with approvals in accordance with Delegations of Authority.	Joseph Ielasi	5	project scopes and budget changes are undertaken via a management budget review.	Angelo Catinari	4	
ASS-PRO-0003	Processes are in place for establishing and changing project scope and budgets with approvals in accordance with Delegations of Authority.	Sam Ktisti	4	Where the scope of the project has changed, this is recorded and communicated to all stakeholders. Project Officer will keep a record of any variations and seek sign off by the Manager for any increases in costs.	Angelo Catinari	4	
ASS-PRO-0001	Actual project costs are regularly compared to budgets; significant variances are investigated by appropriate staff.	Dean Ottanelli	5		Angelo Catinari	4	
ASS-PRO-0001	Actual project costs are regularly compared to budgets; significant variances are investigated by appropriate staff.	Joseph Ielasi	5	Projects are regularly reviewed at budget review time and significant variances are reviewed by management.	Angelo Catinari	5	

ControlTrack

2023 Assessment

Code	Description	Assessor	☆	Assessor Reason	Reviewer	👍	Reviewer Reason
ASS-PRO-0001	Actual project costs are regularly compared to budgets; significant variances are investigated by appropriate staff.	Sam Ktisti	5	Projects are delivered with the supervision of Project Engineers who keep a record of the actual project costs v budgeted costs. These are reported to the manager operations for review and interrogation.	Angelo Catinari	4	

9.3   INTERNAL AUDIT

9.3.1   Audit General Committee Work Plan Update

Brief

This report presents the February to October 2023 Annual Work Plan Update of the Audit General Committee.

RECOMMENDATION

It is recommended to the Committee that the *Audit General Committee Work Plan Update* report be received.

Introduction

This report presents an update on the Audit General Committee Work Plan, which is presented to each meeting of the Committee.

Discussion

The Work Plan identifies the actions and time lines of the work of the Committee for the period February to October 2023, being the conclusion of the current term of the Committee. It is included as a standing report in each of the Committee's agenda at the request of the Committee.

The actions detailed on the Work Plan are those contained within the Audit General Committee's Terms of Reference and are aligned with the UK Financial Reporting Council Corporate Governance Code (FRC Code).

It is important to note that the actions and timeframes contained in the Work Plan are indicative only, given the various changes and unexpected events that occur throughout each year.

In addition to this report, the following reports are presented in respect of the Work Plan:

- Audit General Committee Work Plan Update
- Open Actions Update
- Financial Reporting
- 2023 - 2024 Internal Audit Program Update
- 2022 - 2023 Mid-Year Strategic Risk Review
- Bi-Annual Internal Audit Recommendations and Actions Progress Report
- Governance Structure and Policy Framework of the City of West Torrens
- Internal Financial Controls Assessment 2023

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

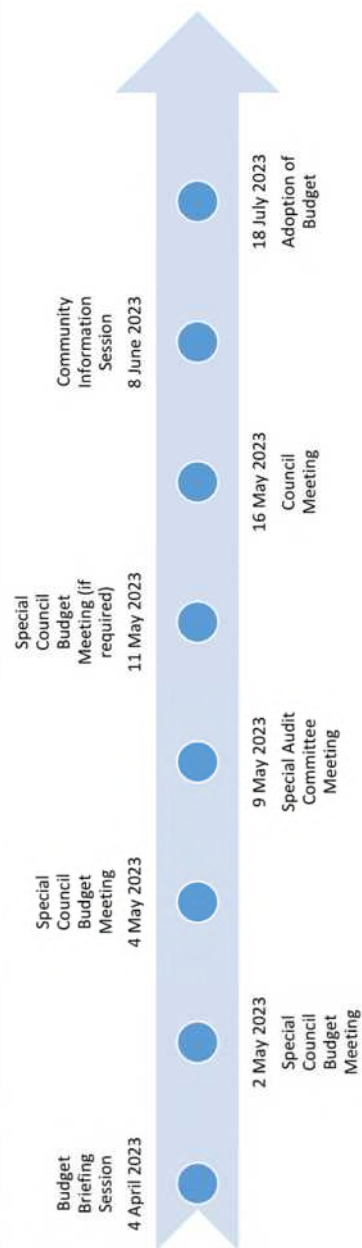This report presents the Audit General Committee Work Plan February to October 2023.

Attachments

1.   Audit General Committee Work Plan 2023

Audit General Committee Work Plan 2023

LG Act Reference	Action	Feb-23	Apr-23	May-23	Jun-23	Aug-23	Oct-23	Frequency	ToR Reference
Section 126(4)(a)	**Review Annual Financial Statements**								
	Review Statutory Financial Statements							Annually	Obj. 2
Section 126(4)(ab)	**Propose and provide information relevant to Council's Strategic Management Plan and Annual Business Plan**								
	Review the Draft Budget and Annual Business Plan (10 year Financial Plan)							Annually	Obj. 2
Section 126(4)(ac)	**Propose, Review and Exercise Powers under Section 130A**							As required	Obj. 2
Section 126(4)(b)	**Liaise with Council's Auditor**								
	External Auditors present external audit findings							Annually	Obj. 2
	Receive Internal audit reports							As required	Obj. 2
Section 126(4)(c)	**Review the adequacy of the accounting, internal control, reporting and other financial management systems and practices**								Obj. 2
	Receive internal financial controls (Control Track) report							Annually	Obj. 2
	Receive Strategic Risk Reviews							Biannually	Obj. 2
	Review Committee's Annual Work Plan							Each meeting	NA
	Open Actions Update							Each meeting	NA
	Status update of Internal Audit Plan 2023-2026							As required	Obj. 2
	Receive Financial Reports Summary							Each meeting	NA
	Consider budget review							As required	Obj. 2
	Presentation on Governance and Policy Structure							Once off	NA
	Progress on outstanding Audit Recommendations							Biannually	Obj. 2

Key Budget Dates

- 4 April 2023 — Budget Briefing Session
- 2 May 2023 — Special Council Budget Meeting
- 4 May 2023 — Special Council Budget Meeting
- 9 May 2023 — Special Audit Committee Meeting
- 11 May 2023 — Special Council Budget Meeting (if required)
- 16 May 2023 — Council Meeting
- 8 June 2023 — Community Information Session
- 18 July 2023 — Adoption of Budget

9.3.2   2023 - 2024 Internal Audit Program Update

Brief

This report presents the final 2023 - 2024 Internal Audit Program Update.

RECOMMENDATION

It is recommended to the Committee that the *2023 - 2024 Internal Audit Program Update* report be noted.

Introduction

At its 28 February 2023 meeting, the Audit General Committee (Committee) noted the Audit Plan (Plan) for February 2023 - November 2026.

Each year, the Plan is extrapolated into an annual Internal Audit Program (Program) with an update on the current status of the Program, presented to each meeting of the Committee.

*Note: The first Program of the Plan covers the sixteen (16) months from its commencement in February 2023 to 30 June 2024.

Discussion

Below is a summary of the current status of all planned audits contained in the 2023 - 2024 Program, as at 1 April 2023. There are currently eight audits yet to commence, however the full Program update is attached for further information **(Attachment 1)**.

Audit Status	23/24 Audits	Total
In Progress	2	2
Completed	-	-
Not yet commenced	8	8
Deferred / Cancelled	-	-
New Audits Added	-	-
Total Audits Programmed	**10**	**10**

In the last 7 weeks, i.e. since February 2023, two (2) audit have commenced with one of these awaiting provision of the final report as the audit itself has concluded. The remaining eight (8) audits have been scheduled over the remaining 14 months of the Program.

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

As of 1 February 2023, ten (10) audits have been scheduled. Two (2) audits are in progress and eight (8) new audits are yet to be commenced.

Attachments

1. **Internal Audit Program Update 2023 - 2024**

2023/24 Internal Audit Program

Report as at 1 April 2023

Audit No.	Internal Audit	Audit Objectives	Due Date	Status	Comments
Status of 2023/2024 Internal Audits					
Assurance Audits					
1	Cyber Security	This audit seeks to review the implementation of controls and projects as a result of the Cyber CX Report presented to the Executive and Audit Committee in 2022.	May 2024	Not Started	
2	Fraud and Corruption	This audit will review the adequacy and effectiveness of Council's control framework to prevent and detect fraud, the existence and effectiveness of methods for promoting awareness and educating employees and Elected Members on their duties to report any suspicions of fraud and corruption.	December 2023	Not Started	
Legislative Compliance					
3	Local Government Reform	With the largest reform to the local government sector in several years, this audit seeks to review the implementation of the LG Reform at the CWT.	June 2023	In Progress	This audit is currently in progress. An Auditor has been engaged and an opening meeting has been scheduled for 6 April 2023.
Spot Audits					
4	Procurement	To ensure a strong and compliant procurement program, this spot audit seeks to review a sample of processes completed in 21/22 and evaluate compliance against the *Council Policy - Procurement* and the *Administration Policy - Procurement*.	February 2024	Not Started	
Third Party Audits					
5	VicRoads Audit	To review CWT compliance with the Information Protection Agreement.	February 2023	In Progress	Additional unplanned external audit, regarding VicRoads data protection. Information has been provided for compliance purposes and an audit meeting was held on 17 March 2023; a report from VicRoads is expected in due course.

Not Started	In Progress	Complete	Deferred	Cancelled

2023/24 Internal Audit Program

Report as at 1 April 2023

Audit No.	Internal Audit	Audit Objectives	Due Date	Status	Comments
6	VicRoads Audit	An annual Internal Audit which is mandated as part of the agreement with Vic Roads.	July 2023	Not Started	
7	Service SA Audit	An annual Internal Audit which is mandated as part of the agreement with Service SA.	August 2023	Not Started	
8	QLD Roads Audit	An annual Internal Audit which is mandated as part of the agreement with QLD Roads.	September 2023	Not Started	
9	LGAMLS/ WCS Risk and WHS Evaluation	A risk evaluation is completed by the Scheme. The areas reviewed vary each evaluation.	September 2023	Not Started	
WHS Audits					
10	Working alone and in isolation	This audit seeks to review the procedures related to workers who are required to work in isolated circumstances.	April 2024	Not Started	

	Not Started		In Progress		Complete		Deferred		Cancelled

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

9.4EXTERNAL AUDIT

Nil

9.5COMMITTEE PERFORMANCE AND REPORTING

9.5.1Governance Structure and Policy Framework of the City of West Torrens

Brief

This report provides a broad overview of the Governance Structure and Policy Framework of the City of West Torrens.

RECOMMENDATION

It is recommended to the Committee that the *Governance Structure and Policy Framework of the City of West Torrens* report be received.
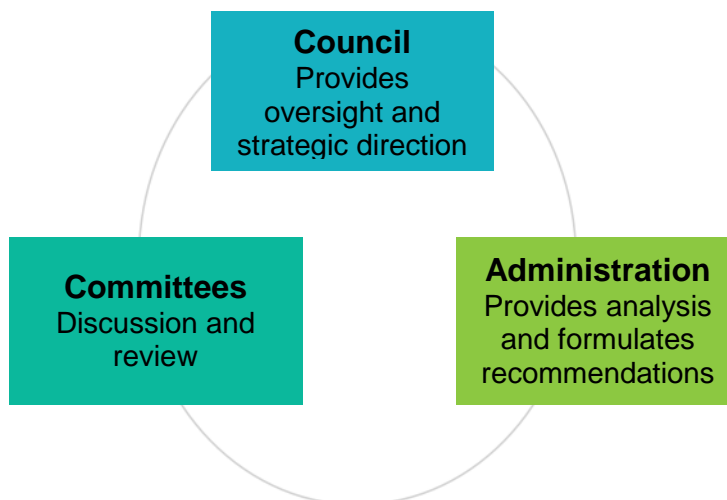
Introduction

At the February 2023 meeting of the Committee, the CEO agreed to present a report to a future Committee meeting detailing the Governance structure and Policy Framework of the City of West Torrens.

Discussion

The City of West Torrens (CWT) has a well-defined decision making structure, as depicted, with Council being the overarching decision making entity supported by several Committees, none of which are decision making entities in their own right.

This structure is designed to ensure that decisions are made in a transparent and accountable manner, and that the needs and priorities of the community are reflected in the decisions made by Council.

Council
Provides oversight and strategic direction

Committees
Discussion and review

Administration
Provides analysis and formulates recommendations

Council

As legally required, Council meets monthly to make informed decisions on behalf of the community. These meetings are open to the public and provide an opportunity for members of the community to address Council on any matter that falls within its jurisdiction. The functions of Council, pursuant to section 7 of the *Local government Act 1999* (Act) are:

- to plan at the local and regional level for the development and future requirements of its area;

- to provide services and facilities that benefit its area, its ratepayers and residents, and visitors to its area;

- to determine the appropriate financial contribution to be made by ratepayers to the resources of Council;

- to provide for the welfare, well-being and interests of individuals and groups within its community;

- to take measures to protect its area from natural and other hazards and to mitigate the effects of such hazards;

- to manage, develop, protect, restore, enhance and conserve the environment in an ecologically sustainable manner, and to improve amenity;
- to provide infrastructure for its community and for development within its area (including infrastructure that helps to protect any part of the local or broader community from any hazard or other event, or that assists in the management of any area);

- to promote its area and to provide an attractive climate and locations for the development of business, commerce, industry and tourism;

- to establish or support organisations or programs that benefit people in its area or local government generally;

- to manage and, if appropriate, develop, public areas vested in, or occupied by, the council;

- to manage, improve and develop resources available to Council; and

- to undertake other functions and activities conferred by or under an Act.

Council also has the power to delegate certain functions and powers to committees and officers, and may also establish advisory committees to provide advice and recommendations on specific matters.

Council meetings are presided over by the Principal Member (Mayor). The Presiding Member of a Council meeting has a casting vote rather than a deliberative vote i.e. the Presiding Member only votes in the event of tied vote. Council has also appointed a Deputy Mayor as well as a Deputy to the Deputy Mayor. The Deputy Mayor acts on behalf of the Mayor when the Mayor is unavailable, including at Council Meetings, while the Deputy to the Deputy Mayor acts when the Deputy Mayor is unable to act on behalf of the Mayor.

Quorums for Council meetings are all half the members plus one, being 8 for West Torrens.

Committees of Council

Committees of Council are established pursuant to s41 of the *Local Government Act 1999* (Act) to address specific issues and responsibilities of Council. Council appoints the members and the Presiding Member of each committee.

Committees are responsible for discussing and reviewing items of business, as per the relevant Committee's Terms of Reference. Standing Committees have no delegated authority i.e. no decision making powers. As such, they are only able to consider matters within their remit and make recommendations to Council.

The Presiding Member of a Council Committee has a deliberative vote (they must vote). However, for ease of practice they are considered to have voted in the affirmative unless stated to the contrary at the meeting.

While there is no difference in law, Council has designated two terms to differentiate its committees, being Standing Committees and General Committees. Standing Committees are committees of the whole i.e. they comprise all members of Council, while the membership of General Committees does not comprise all members of Council. Quorums for Committees are all half the members plus one i.e. the quorum for a Committee comprising four (4) members is three (3).

Remit of Committees

Council approves the remit of every Committee it establishes. This includes the approval of a set of Terms of Reference which are unique to each Committee. In other words, there is no overlap in the responsibilities and objectives of each Committee, regardless of whether it is a Standing or General Committee.

Similarly, no Committee can undertake the work of another Committee nor can items be presented to more than one Committee unless the recommendation to one or both Committees is 'that the information be received'.

These two categories of committees which operate at the City of West Torrens are explained below:

Standing Committees

Council has established four (4) Standing Committees. Each committee has a different set of objectives aimed at assisting Council in exercising due care, diligence and skill in discharging its oversight and monitoring responsibilities.

These Standing Committees and primary focus areas are:

1.	City Advancement and Prosperity Standing Committee	• Economic development • Grants, events and awards • Strategic land use and planning matters
2.	City Finance and Governance Standing Committee	• Financial reporting • Budget and annual business plan • Policies
3.	City Services and Climate Adaptation Standing Committee	• Environmental sustainability and climate adaptation • Stormwater and flood mitigation • Capital works • Aged, library and youth services • Compliance matters
4.	City Facilities and Waste Recovery Standing Committee	• Open space, recreation and community hubs • Property disposal and acquisition • Building and facilities management • Waste management and resource recovery

Council
- City Advancement and Prosperity Committee
  - City Finance and Governance Committee
    - City Services and Climate Adaptation Committee
      - City Facilities and Waste Recovery Committee
- Audit Committee
  - CEO Performance Review Committee
    - CAP

General Committees

General committees have been established to meet legislative requirements. These committees operate in the same way as standing committees but not all Elected Members or the Mayor comprise membership of the committees.

The two (2) general committees are:

1.	Audit General Committee	• Pursuant to s126 of the Act
2.	Chief Executive Officer's (CEO) Performance Review Committee	• Pursuant to s102A of the Act, review performance of CEO annually

Other

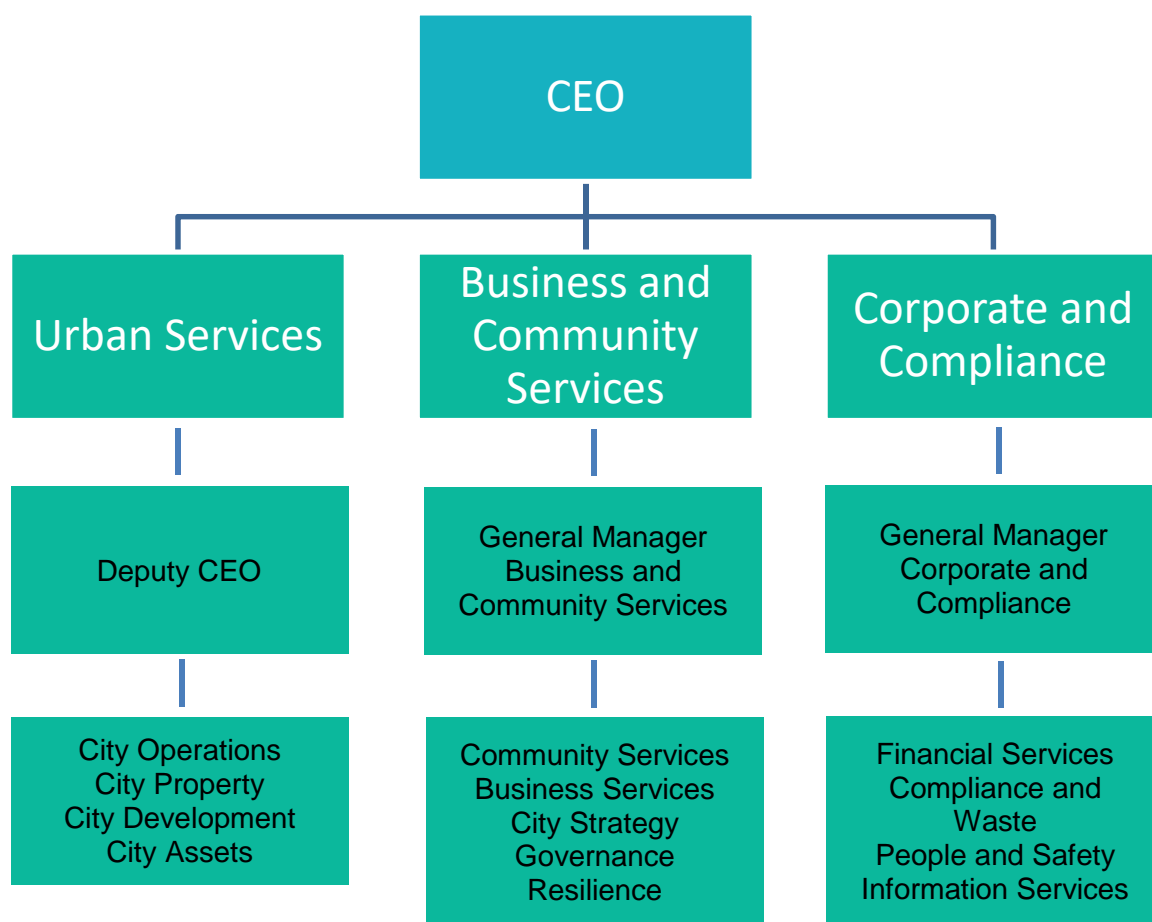|		
1.	Council Assessment Panel (CAP)	• Pursuant to s83 of the *Planning, Development and Infrastructure Act 2016,* the members of this Committee are appointed by Council.

Access to Council and/or Committee Meetings

Council is required to ensure that all Council and s41 Committee meetings are open to the public. The only time the public can be excluded from a meeting is when Council (or the Committee) resolves to impose a confidential order on an item of business, pursuant to s90 of the Act. The Chief Executive Officer has the ability to apply a confidential order on an item of business from the period that the agenda, which contains that item, is publicly released. This prevents Elected Members or Independent Members of a Council Committee from disclosing the confidential documentation or information to others.

Administration

The Administration is led by the Chief Executive Officer (CEO). The CEO is the **only** officer appointed and employed by Council. The role of the CEO, pursuant to s99 of the Act includes:

• to ensure that the policies and lawful decisions of the council are implemented in a timely and efficient manner;

• to undertake responsibility for the day-to-day operations and affairs of Council;

• to provide advice and reports to the council on the exercise and performance of its powers and functions under this or any other Act;

• to co-ordinate proposals for consideration by the council for developing objectives, policies and programs for the area;

• to provide information to the council to assist the council to assess performance against its strategic management plans;

• to ensure that timely and accurate information about council policies and programs is regularly provided to the council's community, and to ensure that appropriate and prompt responses are given to specific requests for information made to Council;

- to ensure that the assets and resources of the council are properly managed and maintained;

- to ensure that records required under this or another Act are properly kept and maintained;

- to give effect to the principles of human resource management prescribed by this Act and to apply proper management practices; and

- to exercise, perform or discharge other powers, functions or duties conferred on the chief executive officer by or under this or other Acts, and to perform other functions lawfully directed by Council.

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                          │     CEO      │
                          └──────┬───────┘
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  ┌───────────────┐      ┌───────────────┐      ┌──────────────────┐
  │ Urban Services│      │  Business and │      │  Corporate and   │
  │               │      │   Community   │      │   Compliance     │
  │               │      │   Services    │      │                  │
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  │               │      │General Manager│      │ General Manager  │
  │  Deputy CEO   │      │ Business and  │      │  Corporate and   │
  │               │      │   Community   │      │   Compliance     │
  │               │      │   Services    │      │                  │
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  │City Operations│      │Community Svcs │      │Financial Services│
  │ City Property │      │Business Svcs  │      │ Compliance and   │
  │City Development│     │ City Strategy │      │     Waste        │
  │  City Assets  │      │  Governance   │      │People and Safety │
  │               │      │  Resilience   │      │Information Svcs   │
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Policy Framework

The CWT has approximately 150 policy documents comprising Council policies, Administrative policies, By laws, Codes and Terms of Reference. A list of the relevant documents is attached **(Attachment 1)**. All policies are subject to a scheduled review at least once every five (5) years unless a review is triggered earlier i.e. if legislation changes or if legislation requires an earlier review. Each division is responsible for policies within their remit but the Policy Framework itself is managed by the Governance unit.

Following endorsement by the Executive, Council policies/codes are provided to the City Finance and Governance Standing Committee (CFG Committee) for review, discussion and subsequent recommendation to Council. Council then considers the recommendation and the policy and determines whether to approve it or not.

Terms of Reference (ToRs), statutory policies and By-laws are presently directly to Council, even if they are presented to the Finance and Governance Standing Committee for its recommendation(s). Administration policies i.e. WHS policies, are reviewed and approved by the Executive.

The general review process is depicted on the following page.
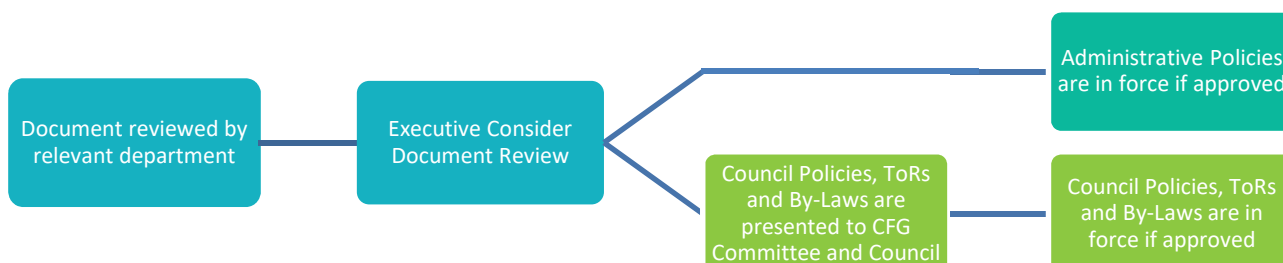
The Policy Framework will be presented to Members during a visual presentation to be held at the meeting at which this report is presented.

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 are no direct impacts to climate as a result of this report.

Conclusion

In conclusion, Council has a well-defined decision-making structure and hierarchy which ensures that decisions are made in a transparent, open and accountable manner. Council, standing committees, subcommittees, and advisory committees work together synergistically to ensure that the needs and priorities of the community are reflected in the decisions made by Council. The open and transparent decision-making process provides opportunities for the community to engage with Council and have their say on matters that affect them.

Attachments

1.   **List of Policies, Codes, By Laws and Terms of Reference**

City of West Torrens Policies, Codes, Terms of Reference

As at April 2023

Policies

Advertising on Council Land and Related Public Infrastructure Policy

Animal Nuisance Complaints Policy

Annual Budget Policy

Asset Management Policy

Asset Naming Policy

Attendance at South Australian Industrial Relations Commission Policy

Behavioural Management Policy

Building and Swimming Pool Inspection Administration Policy

Building and Swimming Pool Inspection Council Policy

Business Casual Days Policy

Capitalisation of Assets Policy

Children and Vulnerable Persons' Safety Policy

Children, Young and Vulnerable Peoples' Safety Policy

Classification Review Policy

Conference Attendance by Employees Policy

Corporate Wardrobe Administration Policy

Correspondence Policy

Council Assessment Panel Policy: Review of a Decision of Assessment Manager

Council Initiated Code Amendments Council Policy

Council Reception Room - Richmond Oval Policy

COVID-19 Rates Financial Hardship Policy

Credit Cards Policy

Criminal and Relevant History Screening Policy

Customer Complaints Policy

Disposal of Computer and Related Equipment Policy

Driver's Licence Fee Reimbursement Policy

Elected Member - Recognition of Service Policy

Elected Member Gifts, Benefits and Hospitality Reporting Policy

Elected Members Allowances, Facilities, Support and Benefits Policy

Elected Members Professional Development Policy

Elected Members Records Management Policy

Elections Period Caretaker Policy

Employee Gifts and Benefits Policy

Employee Health and Wellbeing

Employee Records Policy

Enforcement Policy

Enterprise Risk Management Framework

Enterprise Risk Management Policy

Entertainment Expenditure Policy

Expiation Notice Decision Review

Financial Authorities Policy

Flags Policy

Fleet Management Administration Policy

Fleet Management Policy

Flexible Working Arrangements Policy

Food Act Inspections and Auditing Fees Policy

Found Property Policy

Fraud and Corruption Prevention, Reporting and Investigation Policy

Graffiti Management Policy

Grants, Sponsorship and Donations Program Policy

Higher Duties Policy

Impoundment of Vehicles Policy

Income Protection Cover Policy

Induction Policy

Information Technology and Its Use Policy

Internal Review of Council Decisions Policy

Investment Policy

Leave Policy

Libraries Policy

Managing Non Work Related Illness or Injury Policy

Managing Performance, Misconduct and Inappropriate Behaviour Policy

Memorials Policy

Mendelson Foundation Investments Policy

Mendelson Foundation Support Policy

Mobile Closed Circuit Television Policy

Mobile Devices Policy

Mobile Food Vendors Policy

Natural Environment Guidelines for Works, Operations and Contractors Policy

Natural Environment Policy

Operating Procedures at Building Fire Safety Committee

Order Making Policy

Privately Funded Planning and Design Code Amendments Policy

Probation Review and Determination Policy

Procedures at Council Assessment Panel Meetings

Procurement Administration Policy

Procurement Council Policy

Provision of Council Gifts Policy

Prudential Management Policy

Public Comment Policy

Public Consultation Council Policy

Public Consultation During COVID-19 Policy

Public Consultation Administration Policy

Public Interest Disclosure Council Policy

Purchased Leave Policy

Rate Rebates, Remissions and Postponement Policy

Recognition of 25 Years of Service Policy

Recruitment and Selection Policy

Remote Access and Network Security Policy

Residential Parking Permits and Exemptions Policy

Return from Parental Leave Policy

Revaluation of Assets Policy

Review of an Employment Decision - Employee Initiated Policy

Salary Packaging Policy

Sale and Disposal of Assets Policy

Social Media Use and Management Policy

Special Leave Without Pay Policy

Staff Functions and Catering Policy

Study Assistance Policy

Talking Points Policy

Training and Development Policy

Treasury (Debt Management) Policy

Tree Management Policy

Use of Public Footpaths and Roads for Business Purposes Policy

Verge Management Policy

Waste Minimisation and Recycling Services Policy

WHS and IM Planning, Monitoring and Review Policy

WHS and Injury Management Lead Policy

WHS Asbestos Management Policy

WHS Chemical Management Policy

WHS Confined Space Policy

WHS Consultation and Responsibilities Policy

WHS Contractor Management Policy

WHS Document Management Policy

WHS Drug and Alcohol Policy

WHS Electrical Safety Policy

WHS Emergency Plan Policy

WHS Excavation and Trenching Policy

WHS First Aid Policy

WHS Hazard Management Policy

WHS Hazard Management Policy

WHS Hazardous Manual Tasks

WHS Hot Work (including Welding) Policy

WHS Inclement Weather Policy

WHS Induction and Training Policy

WHS Injury Management and Return To Work

WHS Injury/Incident Reporting and Investigation Policy

WHS Isolation, Lockout and Tag Out Policy

WHS Managing Aggressive Violent Threatening Behaviour Policy

WHS Plant and Equipment Safety Policy

WHS Prevention of Falls Policy

WHS Vaccination (COVID-19) Policy

WHS Working Alone or in Isolation Policy

Working from home during a Declared Emergency

Workzone Traffic Management Policy

By-Laws

By Law 1 - Permits and Penalties

By Law 2 - Local Government Land

By Law 3 - Roads

By Law 4 - Moveable Signs

By Law 5 - Dogs

Terms of Reference

Audit General Committee Terms of Reference

Building Fire Safety Committee Terms of Reference

Chief Executive Officer's Performance Review Committee Terms of Reference

City Advancement and Prosperity Standing Committee Terms of Reference

City Facilities and Waste Recovery Standing Committee Terms of Reference

City Finance and Governance Standing Committee Terms of Reference

City Services and Climate Adaptation Standing Committee Terms of Reference

Council Assessment Panel - Terms of Reference

Codes

Code of Conduct - Assessment Panel Members

Code of Practice - Access to Meetings and Documents

Code of Practice - Procedures at Meetings

Employee Code of Behaviour

10   OTHER BUSINESS

11   CONFIDENTIAL

Nil

12   NEXT MEETING

Tuesday 13 June 2023, 6.00pm.

13   MEETING CLOSE