

His Worship the Mayor  
Councillors  
CITY OF MARION

## NOTICE OF FINANCE AND AUDIT COMMITTEE MEETING

Council Chamber, Council Administration Centre  
245 Sturt Road, Sturt

Tuesday, 18 May 2021 at 02:00 PM

The CEO hereby gives Notice pursuant to the provisions under Section 83 of the Local Government Act 1999 that a Finance and Audit Committee meeting will be held.

A copy of the Agenda for this meeting is attached in accordance with Section 83 of the Act.

Meetings of the Council are open to the public and interested members of this community are welcome to attend. Access to the Council Chamber is via the main entrance to the Administration Centre on Sturt Road, Sturt.



Tony Harrison  
Chief Executive Officer



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**OPEN MEETING****KAURNA ACKNOWLEDGEMENT**

We acknowledge the Kurna people, the traditional custodians of this land and pay our respects to their elders past and present.

**COMMITTEE MEMBERS DECLARATION (if any)****CONFIRMATION OF MINUTES**

**Confirmation of the minutes for the Finance and Audit Committee Meeting held on 23 February 2021 and Special Finance and Audit Committee Meeting held on 13 April 2021**

**Originating Officer** Governance Officer - Angela Porter

**Corporate Manager** Manager Corporate Governance - Kate McKenzie

**Report Reference:** FAC210518R01

**RECOMMENDATION:**

**That the minutes arising from the Finance and Audit Committee Meeting held on 23 February 2021 and Special Finance and Audit Committee Meeting held on 13 April 2021 be taken as read and confirmed.**

**ATTACHMENTS:**

#	Attachment
1	FAC210223 - Final Minutes
2	SFAC210413 - Final Minutes



**FAC210223 - FINANCE AND AUDIT COMMITTEE MEETING**

**Tuesday, 23 February 2021 at 02:00 PM**

**Council Administration Centre, 245 Sturt Road, Sturt**



**PRESENT**

Emma Hinchey (Chair), David Papa (Via zoom), Nicolle Rantanen, Councillor Maggie Duncan

**In attendance**

Chief Executive Officer - Adrian Skull

General Manager Corporate Services - Sorana Dinmore

General Manager City Development - Iliia Houridis

General Manager City Services - Tony Lines

Manager Corporate Governance – Kate McKenzie

Acting Unit Manager Governance and Council Support – Victoria Moritz

Manager Finance – Ray Barnwell

Senior Procurement Specialist - Colin Heath

Manager Operations - Fiona Harvey

Unit Manager Risk – Sherie Walczak

Eric Beer - KPMG

Janet Burdon – KPMG

Heather Martens KPMG

Lee Girolamo - Deloitte

**OPEN MEETING**

The Chair opened the meeting at 02:01 PM

**KAURNA ACKNOWLEDGEMENT**

We acknowledge the Kaurna people, the traditional custodians of this land and pay our respects to their elders past and present.

**COMMITTEE MEMBERS DECLARATION (if any)**

The Chair asked if any Member wished to disclose an interest in relation to any item being considered at the meeting.

No interests were disclosed.

**CONFIRMATION OF MINUTES**

**Confirmation of the minutes for the Finance and Audit Committee Meeting held on 8 December 2020**  
**Report Reference: FAC210223R01**

**Moved Councillor Duncan, Seconded Ms Rantanen**

That the minutes arising from the Finance and Audit Committee Meeting held on 8 December 2020 be taken as read and confirmed.

**Carried Unanimously**

**BUSINESS ARISING**

**Business Arising Statement - February 2021**

**Report Reference: FAC210223R02**

**Moved Councillor Duncan, Seconded Ms Rantanen**

That the Finance and Audit Committee notes the report and the business arising statement. No further action is required on any item.

**Carried Unanimously**

**CONFIDENTIAL ITEMS**

**Cover Report - Service Review - Fleet Management and Maintenance - Report**

**Report Reference: FAC210223F01**

**Moved Councillor Duncan, Seconded Ms Rantanen**

That pursuant to Section 90(2) and (3)(a) and (d) of the *Local Government Act 1999*, the Finance and Audit Committee orders that all persons present, with the exception of the following persons: Adrian Skull - Chief Executive Officer, Tony Lines - General Manager City Services, Sorana Dinmore - General Manager Corporate Services, Iliia Houridis - General Manager City Development, Ray Barnwell - Manager Finance, Colin Heath - Senior Procurement Specialist, Fiona Harvey - Manager Operations, , Kate McKenzie - Manager Corporate Governance, Victor Moritz – Acting Unit Manager Governance and Council Support be excluded from the meeting as the Committee receives and considers information relating to the *Service Review – Fleet Management and Maintenance – Report*, upon the basis that the Committee is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to personnel matters and commercial information of a confidential nature.

**Carried Unanimously**

2.03 pm the meeting went into confidence.

**Moved Ms Rantanen, Seconded Councillor Duncan**

In accordance with Section 91(7) and (9) of the *Local Government Act 1999*, orders that this report,

the attachments and any minutes arising from this report having been considered in confidence under Section 90 (2) and (3)(a) and (d) of the Act, except when required to effect or comply with Council's resolution(s) regarding this matter, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2021.

**Carried Unanimously**

2.22 pm the meeting came out of confidence

**Cover Report - Internal Audit Contract**  
**Report Reference: FAC210223F02**

**Moved Councillor Duncan, Seconded Ms Rantanen**

That pursuant to Section 90(2) and (3)(d) of the Local Government Act 1999, the Finance and Audit Committee orders that all persons present, with the exception of the following persons: Adrian Skull - Chief Executive Officer, Iliia Houridis - General Manager City Development, Sorana Dinmore - General Manager Corporate Services, Tony Lines - General Manager City Services, Kate McKenzie - Manager Corporate Governance, Victoria Moritz - Acting Unit Manager Governance and Council Support, be excluded from the meeting as the Committee receives and considers information relating to the Internal Audit Contract, upon the basis that the Committee is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to the management of the contract.

**Carried Unanimously**

2.22pm the meeting went into confidence

**Moved Ms Rantanen, Seconded Councillor Duncan**

In accordance with Section 91(7) and (9) of the Local Government Act 1999, the Finance and Audit Committee orders that this report, and any minutes arising from this report, having been considered in confidence under Section 90 (2) and (3)(b)(i)(ii) of the Act, except when required to effect or comply with Council's resolution(s) regarding this matter, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting or until the new contract has been executed. This confidentiality order will be reviewed at the General Council Meeting in December 2021.

**Carried Unanimously**

2.26 pm the meeting came out of confidence

**REPORTS FOR DISCUSSION**

**2.26 pm Elected Member Report**  
**Report Reference: FAC210223R03**

Councillor Duncan provided a brief summary of the report. The Committee noted the economic stimulus grants and that City of Marion has applied for approximately \$13m of Grant funding.

The committee noted the report and made no further comments.

### **2.30 pm Corporate Risk Quarterly Report Report Reference: FAC210223R04**

The Unit Manager Risk advised the Committee that this report is the standard quarterly risks report. Risks are owned and updated by Management each quarter.

The Committee noted the report and made the following comments:

- The PESTLER environmental scan could be explained better.
- The LKCC risk be revisited to ensure the risk rating is adequate based on current circumstances.
- Risks IT004 and IT007 are different risks. IT004 relates to volume of work and current initiatives in the IT space, whilst IT007 relates to project management for the whole organisation and the implementation of a consistent project management methodology. The Committee noted that these risks may need rewording.
- Clarity was sought regarding when an observation in the environmental scan will be escalated to the risk registers. Management advised that this would occur through the Risk Working Group. The membership of this group is the Executive and Senior Managers who meet quarterly.
- Management should consider the escalating project / construction costs and availability of contractors to the risk register as there is evidence that this is increasing. There are examples where contractors aren't available, or prices have been more than anticipated.
- Risk MoP005 had increased due to increased reporting and an incident at the pool. The Committee noted that the pool has undergone upgrade and queried if this has caused the risk to the pool to increase. It was noted that the staff at the pool have undergone further training and staff numbers have increased to ensure Council is meeting the national guidelines and WHS requirements.
- IT008 is a new risk that has been added due to the Digital Transformation Project and the transition phase that the organisation is currently progressing through.
- Contractor Management (WHS) has been a high risk for some time. Resources have been allocated and recruitment is occurring.

The Committee indicated that there is not enough detail in the report which makes its difficult to understand why risks are being re-rated.

**Action: the committee requested that the next quarterly report have more detail to assist with why the risk had been re-rated. Can dates for treatments also be included.**

The chair sought leave of the meeting to amend the order of the agenda and bring forward the External Audit Engagement Report. Leave of the meeting was granted.

### **2.52 pm External Audit Engagement for the Year Ending 30 June 2021 Report Reference: FAC210223R08**

Lee Girolamo (Deloitte) entered the meeting and advised the Committee that the report sets out the Audit Plan for 2020/21. It was highlighted that the Plan is consistent with previous years and no significant new accounting standards needed to be applied. The focus will be on expenditure and internal controls. The impacts of COVID-19 will continue to be assessed. The final audit report will be reported back to the

Committee in October 2021.

It was noted that there has been significant IT change and IT procurement. The Committee recommended that this be reviewed as part of the audit.

**Moved Ms Rantanen, Seconded Mr Papa,**

That the Finance and Audit Committee:

1. Considers the outline of Deloitte's Audit Plan for the financial year ending 30 June 2021.
2. Notes the scope of the audit to be carried out by Deloitte for the year ending 30 June 2021.
3. Notes that the Chief Executive Officer will execute the acknowledgement of engagement letters.

**Carried Unanimously**

**3.02 pm Cybersecurity Self Assessment**

**Report Reference: FAC210223R05**

The General Manager Corporate Services provided an overview of the report. It was noted that the Chief Data Officer is commencing on the 9<sup>th</sup> March 2021 which is a collaboration position across the three partner councils. The tasks outlined within the Plan are allocated to current resources until the new resource starts.

The Committee provided general comments that this was a good piece of work to undertake and queried the following:

- How is the Cyber Security being rolled out and staff training undertaken? Management advised that the training isn't currently mandatory however it does form part of the induction for new staff. Consideration will be given to increasing the mandatory requirements
- Does the Plan have adequate resources to deliver between now and the end of June 2021? It was confirmed that the Plan currently had adequate resources however, the market for human resources in this space was very competitive meaning that this could change, and resourcing could become a risk.
- Action 10 – Network Security (pg 33 of agenda). This action indicated that a monthly check would occur. The Committee suggested that a monthly check may be too long and that a different process may be required with more regular checks.

The Committee also noted that the Business Continuity Plan and Recovery Strategies were being updated.

**Moved Ms Rantanen, Seconded Councillor Duncan**

**That the Finance and Audit Committee:**

1. **Note the cybersecurity self-assessment.**
2. **Note the first draft of the remediation action plan, to be further enhanced in collaboration with our partners at the Cities of Charles Sturt and Port Adelaide Enfield as well as through our partnership with the federal Australian Cyber Security Centre.**

**Carried Unanimously**

**3.13 pm Internal Audit Program 2020/21****- COVID-19 BCP Response Report****- Assurance Mapping Report****Report Reference: FAC210223R06**

Mr Eric Beer, Ms Janet Burdon and Ms Heather Martens from KPMG entered the meeting.

Business Continuity Plan and COVID-19 Response

Ms Burdon provided an overview of the report and acknowledged that the City of Marion managed the response well with early activation of the Incident Management Team (IMT). It was noted that the Business Impact Assessment was in the process of being updated and the work hadn't been completed when the pandemic hit meaning that the existing Plans weren't fully sufficient. However, the organisation managed the situation well on the existing Plans and the performance was good in comparison to some other KPMG clients.

The Committee noted the key findings related to working from home arrangement, IT procurement in an emergency, the BCP Framework and Recovery Strategies.

The Committee queried if Management was satisfied that no fraud had occurred as a result of COVID arrangements. It was noted that an ITT Asset Register has now been established regarding the allocation on equipment.

The Committee noted the report, indicated this was a thorough piece of work with good recommendations.

Assurance Mapping

Ms Martens provided an overview of the report highlighting that this work is an important first step to integrate assurance into risk management. Ms Martens acknowledged staff that had been involved as the review went across the whole council and a number of staff were involved.

A total of 19 risk areas were aggregated from the corporate risk register which included (at the time) 104 risks. Following from this work, a strategic risk register is required to be developed.

The Assurance Map reviewed the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> line of defense for each of the 19 risks. The review recommends that those risks without 3<sup>rd</sup> line assurance may be considered for further audit work.

The Committee noted that across the review, there was 39 improvement opportunities identified. Many of these related to items where 2<sup>nd</sup> and 3<sup>rd</sup> lines of assurance were low or absent.

The Committee suggested that it would be useful to have a matrix to understand how the risk ratings were applied. It was advised by KPMG that the ratings were a little subjective however, those marked red had limited or no assurance.

It was noted by the Committee that this work now needs to connect back to the risk register to ensure that assessment of the assurance is consistent across both.

The Committee made the following points:

- Risk 2 – Breach of core financial controls was solid however ensure that this risk is not over engineered with too many controls therefore making the processes inefficient.
- Risk 3 – failure to attract and retain existing and new businesses had no formal strategy in place however some work was occurring. There was also no 3<sup>rd</sup> line of assurance for this risk.
- Risk 5 - Contractor management required further work and should be considered as part of further audit work (particular for post contract awarding processes).
- Risk 8 – Failure to develop and maintain key relationship didn't have a 3<sup>rd</sup> line of assurance however the development of relationship maps is recommended.

- Risk 15 - The Digital Transformation Project was a large piece of work and no 3<sup>rd</sup> line of assurance has been undertaken. Due to the size, complexity and cost, this should be considered as part of future audit work.
- Risk 16 – Project management is connected to the discussions within the Risk Quarterly Report and this risk could be considered as part of future audit work.
- Risk 17 - Funding risks although reporting mechanisms are in place, the Committee suggested that a report to this Committee could be useful.

The Committee acknowledged the large body of work. It is a good working document for the risk team and management to be working with.

**Action – The Committee acknowledged that this work has aggregated a number of risks together and requested that a further report be considered regarding if the risks are acceptable within our risk framework and what is outside of tolerance.**

### **3.53pm Draft Annual Business Plan 2021-22 and Long Term Financial Plan Report Reference: FAC210223R07**

The Manager Finance provided an overview of the report noting that the parameters for the Annual Business Plan were presented to the Committee in December 2020. The Committee noted that the funding for the Asset Management Plans have now been incorporated into the Long Term Financial Plan (LTFP). Council has considered four rate models with rate increases from 0 – 1.5 %. These were discussed informally at the Elected Member Planning Day in January 2021. Although, Council has not made a decision, the draft plan is being prepared on the basis of a 1% rate increase (depending on the outcomes of the grant stimulus).

The Committee raised concerns regarding why the ABP and LTFP considers borrowings when the forecast indicates cash surpluses? Management advised that the objective is to use cash reserve first, in line with the City of Marion Treasury Management Policy. Borrowings for major projects is considered by Council particularly around intergenerational equity, however managements recommendation would be to utilise cash available first and borrow only where there is a requirement to do so.

The Committee indicated that it is difficult to justify any borrowings with large cash surplus and would not recommend that this is a sound approach for Council. It was noted that approximately \$20m of the surplus is retained for carryovers and this funding would reduce with the delivery of the capital works program. The Committee recommended that Council consider removing borrowings from its LTFP whilst the cash surplus is predicted to be high.

**Moved Ms Rantanen, Seconded Councillor Duncan,**

- 1. That the Committee noted the report and recommends to Council that consideration is given to removing borrowings from the Long Term Financial Plan, whilst there is large cash surplus forecast within the Plan.**

**Carried Unanimously**

**REPORTS FOR NOTING**

**Internal Audit Program - Implementation of Recommendations**

**Report Reference: FAC210223R09**

The Committee noted the report and requested that the risk rating be included. The Committee also queried if the recommendation for the Procure to Pay could be investigated as an add on to the existing software rather than waiting for a new system.

**Action: That risk ratings of Internal Audit recommendations be added to the table.**

**Service Review Program and Recommendations - Progress Update**

**Report Reference: FAC210223R10**

The Committee noted the report. It was highlighted that a concentrated effort from Management is being pursued to close out recommendations before the end of the financial year.

**WORKSHOP / PRESENTATION ITEMS – Nil**

**OTHER BUSINESS**

The Committee expressed its thanks and appreciation to Mr Skull for his contribution to the City of Marion. His leadership, responsiveness and feedback to the Committee has been greatly appreciated.

**MEETING CLOSURE**

Meeting Declared Closed at 04.21 PM

**CONFIRMED THIS 18TH DAY OF MAY 2021**

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**CHAIRPERSON**



**SFAC210413 - SPECIAL FINANCE AND AUDIT COMMITTEE MEETING**

**Tuesday, 13 April 2021 at 03:00 PM**

**Council Administration Centre, 245 Sturt Road, Sturt**



**PRESENT**

His Worship the Mayor Kris Hanna  
Emma Hinchey, David Papa, Nicolle Rantanen (via zoom)

**In Attendance**

Acting Chief Executive Officer – Sorana Dinmore  
General Manager City Development – Iliia Houridis (via zoom)  
Acting General Manager City Development – Greg Salmon  
Acting General Manager Corporate Services – Ray Barnwell  
Manager Corporate Governance – Kate McKenzie  
Project Director Urban Renewal – Sascha Frost  
Unit Manager Statutory Finance & Payroll - Andrew Doyle  
BRM Advisory - Michael Richardson  
Councillor Bruce Hull

**OPEN MEETING**

The Chair opened the meeting at 03:00 PM

**KAURNA ACKNOWLEDGEMENT**

We acknowledge the Kaurna people, the traditional custodians of this land and pay our respects to their elders past and present.

**COMMITTEE MEMBERS DECLARATION (if any)**

The Chair asked if any Member wished to disclose an interest in relation to any item being considered at the meeting.

Nil interests were disclosed.

**CONFIDENTIAL ITEMS**

**Cover Report – Edwardstown Urban Renewal Project – Prudential Report**

**Report Reference:** SFAC210413

**Moved Mr Papa**

**Seconded Ms Rantanen**

That pursuant to Section 90(2) and (3)(d)(i) and (ii) of the Local Government Act 1999, the Committee orders that all persons present, with the exception of the following persons: Acting Chief Executive Officer, General Manager City Development, Acting General Manager City Development, Acting General Manager Corporate Services, Manager Corporate Governance, Project Director Urban Renewal, Unit Manager Statutory Finance and Payroll, Michael Richardson - BRM Advisory, be excluded from the meeting as the Committee receives and considers information relating to Edwardstown Urban Renewal Project -- Prudential Report, upon the basis that the Committee is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to confidential commercial information including preliminary concept plans and financial figures.

**Carried Unanimously**

3.02 pm the meeting went into confidence.

**Moved Ms Rantanen**

**Seconded Mr Papa**

In accordance with Section 91(7) and (9) of the Local Government Act 1999, orders that this report, the attachments to this report and any minutes arising from this report having been considered in confidence under Section 90 (2) and (3) (d)(i) and (ii) of the Act, except when required to effect or comply with Council's resolution(s) regarding this matter, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2021.

**Carried Unanimously**

4.26 pm the meeting came out of confidence.

**OTHER BUSINESS – Nil**

**MEETING CLOSURE - Meeting Declared Closed at 04.26pm**

**CONFIRMED THIS 18TH DAY OF MAY 2021**

.....

**CHAIRPERSON**

**BUSINESS ARISING**

**Business Arising Statement - February 2021**

**Originating Officer** Governance Officer - Angela Porter

**Corporate Manager** Manager Corporate Governance - Kate McKenzie

**General Manager** General Manager City Services - Tony Lines

**Report Reference** FAC210223R02

**Confidential**

**REPORT OBJECTIVE**

The purpose of this report is to Review the Business Arising from previous meetings of the Finance and Audit Committee Meetings.

**RECOMMENDATION**

**That the Finance and Audit Committee:**

- 1. Notes the report.**

**Attachment**

#	Attachment
1	Business arising statement - 18 May 2021

**CITY OF MARION**  
**BUSINESS ARISING FROM FINANCE AND AUDIT COMMITTEE MEETINGS**  
**AS AT 13 May 2021**



	<b>Date of Meeting</b>	<b>Item</b>	<b>Responsible</b>	<b>Due Date</b>	<b>Status</b>	<b>Completed / Revised Due Date</b>
1.	23 Feb 2021	<b>Corporate Risk Quarterly Report</b> The committee requested that the next quarterly report have more detail to assist with why the risk had been rerated. Can dates for treatments also be included	Manager Corporate Governance	June 2021	See report attached	completed
2.	23 Feb 2021	<b>Internal Audit – Assurance Map</b>  Action – The Committee acknowledged that this work has aggregated a number of risks together and requested that a further report be considered regarding if the risks are acceptable within our risk framework and what is outside of tolerance	Manager Corporate Governance	June 2021	Currently progressing with work – refer to the report on strategic risks	
3.	23 Feb 2021	<b>Internal Audit Recommendations</b>  Action: That risk ratings of Internal Audit recommendations be added to the table.	Manager Corporate Governance	June 2021	Currently working through he previous audits to have the risk ratings added in	

\* Completed items to be removed are shaded

<b>SCHEDULE OF MEETINGS 2021</b>			
<b>Day</b>	<b>Date</b>	<b>Time</b>	<b>Venue</b>
Tuesday	23 February 2021	2 pm – 5pm	Administration Centre
Tuesday	18 May 2021	2 pm – 5pm	Administration Centre
Tuesday	17 August 2021	4.00 – 6.00 pm Followed by 6.30 – 8.30 pm (Joint workshop with Council)	Administration Centre
Tuesday	12 October 2021	2 pm – 5pm	Administration Centre
Tuesday	14 December 2021	2 pm – 5pm	Administration Centre

**INDICATIVE AUDIT COMMITTEE WORK PROGRAM - 2021**  
**TUESDAY, 23 February 2021**

<b>Topic</b>	<b>Action</b>
Elected Member Report	Communication Report
Draft Annual Business Plan and Budget 2021/22 and Draft Long Term Financial Plan - Update	Review and Feedback
Internal Audit Program – Scopes, Reviews and Monitoring	Review and Feedback
Service Review Program - Scopes, Reviews and Monitoring	Review and Feedback
Quarterly Risk Report	Review and Feedback
External Audit Engagement Letter for the year ending June 2020	Review and Feedback
Internal Audit Contract Review	Recommendation to Council

**TUESDAY, 18 May 2021**

<b>Topic</b>	<b>Action</b>
Elected Member Report	Communication Report
Draft Annual Business Plan and Budget 2021/22 (after public consultation) & Draft Long Term Financial Plan	Review and Feedback
Internal Audit Program – Reviews and Monitoring	Review and Feedback
Service Review Program - Scopes, Reviews and Monitoring	Review and Feedback
Annual Report on Business Continuity	Review and Feedback
Annual Corporate Risk Profile & Strategic Risk Register	Review and Feedback
Quarterly Risk Reporting	Review and Feedback
Internal Audit Plan for 2021/22 & 2022/23	Review and Feedback

**TUESDAY, 17 August 2021 (Joint Workshop with Council)**

<b>Topic</b>	<b>Action</b>
Elected Member Report	Communication Report
Meeting with Internal auditors in camera	Seeking feedback from Auditors
Annual Review of HSE Program	Review and Feedback
Annual Insurance and Claims	Review and Feedback
Asset Valuations	Review and Feedback
Internal Audit Program – Scopes, Reviews and Monitoring	Review and Feedback
FAC Annual Report to Council	For discussion prior to October
Quarterly Risk Reporting	Review and Feedback
Service Review Program – Scopes, Reviews and Monitoring	Review and Feedback
Joint Workshop with Council (6.30pm onwards)	TBA

**TUESDAY, 12 October 2021**

<b>Topic</b>	<b>Action</b>
Elected Member Report	Communication Report
FAC Annual Report to Council 2020/21	Review and Recommendation to Council
Independence of Council's Auditor for the year end 30 June 2021	Review and Recommendation to Council
Audited Annual Financial Statements for the year end 30 June 2021	Review and Recommendation to Council
Investment Performance 2020/21	Noting
Debtors Report	Noting
Meeting with external auditors in camera	Seeking feedback from Auditors
Internal Audit Program – Scopes, Reviews and Monitoring	Review and Feedback
Asset Valuations	Review and Feedback
Quarterly Risk Reporting	Review and Feedback
Service Review Program - Scopes, Reviews and Monitoring	Review and Feedback

**Tuesday, 14 December 2021**

<b>Topic</b>	<b>Action</b>
Elected Member Report	Communication Report
Internal Audit Program – Scopes, Reviews and Monitoring	Review and Feedback
Service Review Program - Scopes, Reviews and Monitoring	Review and Feedback
Work Program and Meeting Schedule 2022	Review and Feedback
Ombudsman SA Annual Report 2020/21	Review and Feedback
Framework and Key Assumptions for preparation of 2022/23 ABP and LTFFP	Review and Feedback
Fraud and Corruption Annual Review	Review and Feedback

**CONFIDENTIAL ITEMS - Nil****REPORTS FOR DISCUSSION****Elected Member Report**

<b>Originating Officer</b>	Governance Officer - Victoria Moritz
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	General Manager City Services - Tony Lines
<b>Report Reference</b>	FAC210518R03

**Confidential** **REPORT OBJECTIVE**

Section 3.5 of the Finance and Audit Committee Terms of Reference states "*where the Council makes a decision relevant to the Finance and Audit Committees Terms of Reference, the Elected Member Representative will report the decision to the Audit Committee at the next Committee meeting and provide relevant context*".

**RECOMMENDATION****That the Finance and Audit Committee:**

- 1. Notes this report.**

**GENERAL ANALYSIS**

Since the last FAC meeting, Council has met five (5) times for General Council Meetings and once for a Special General Council Meeting. At these meetings, Council made the following decisions that relate to the Finance and Audit Committee Terms of Reference in chronological order. If the Committee wishes to discuss any of the items considered in confidence in further detail, the Committee will be required to move into confidence.

**23 February 2021 - General Council Meeting****2nd Budget Review 2020/21****Report Reference: GC210223R09**

Council adopted the revised budgeted statements including the Income Statement, Balance Sheet, Statement of Changes in Equity and Statement of Cash Flows.

**Confidential Items**

- Unsolicited Proposal**  
**Report Reference: GC210223F03**

### **9 March 2021 - General Council Meeting**

#### **Revitalisation of the Edwardstown Employment Precinct - 2021/22 Action Plan**

##### **Report Reference: GC210309R03**

The purpose of this report was to seek approval to continue with the Revitalisation of the Edwardstown Employment Precinct from an access, amenity and activation perspective.

Council endorsed a budget of \$277,500 including the Project Coordinator (1.0 FTE) to be included as part of the 2021/22 budget process.

#### **SWBMX - Funding Deed - Majors Road Access**

##### **Report Reference: GC210309R09**

Council granted approval for the execution of the Funding Deed between Council and the Minister for Infrastructure and Transport and to affix the Common Seal for the \$250,000 towards construction of access from Majors Road to the Sam Willoughby BMX Facility.

#### **Confidential Items**

- **Urban Renewal Opportunities**  
**Report Reference: GC210309F02**

### **23 March 2021 - General Council Meeting**

#### **Confidential Items**

- **Internal Audit Contract**  
**Report Reference: GC210323F02**
- **Edwardstown Soldiers Memorial Recreation Ground (ESMRG) 100 Percent Profit Share Model**  
**Report Reference: GC210323F05**

### **23 March 2021 - Special General Council Meeting**

#### **Confidential Items**

- **CEO Recruitment**  
**Report Reference: SGC210323F02**

### **27 April 2021 - General Council Meeting**

#### **Draft Annual Business Plan 2021/22 and Long Term Financial Plan for Public Consultation**

##### **Report Reference: GC210427R08**

The purpose of this report was to present the City of Marion Draft Annual Business Plan 2021-22 (ABP 2021-22) and Draft Long Term Financial Plan (LTFP) for Council's consideration and endorsement for public consultation. It was endorsed subject to changes identified by Council.

#### **By-law Review**

##### **Report Reference: GC210427R10**

Council endorsed the existing by-laws to be reviewed and re-made (with or without amendments and additions) and to create additional by-laws to manage:

- Noisy birds (e.g. rooster, goose, pheasant or peacock)
- Nuisance shopping trolleys in the community

**Confidential Items**

- **Edwardstown Urban Renewal Project - Prudential Report**  
**Report Reference: GC210427F04**
- **Edwardstown Soldiers Memorial Recreation Ground (ESMRG) 100 Percent Profit Share Model Revision**  
**Report Reference: GC210427F06**

**11 May 2021 - General Council Meeting****Public submissions on the Draft Annual Business Plan 2021/22****Report Reference GC210511R03**

Provided an opportunity for any public representations on the Draft Annual Business Plan 2021/22. There were no public submissions made at this time.

**Marion Outdoor Pool Review 2020/21 Season and Fee Reduction****Report Reference GC210511R14**

Endorsed an ongoing 30% reduction in entry fees for City of Marion residents and businesses for various entry passes to encourage and attract the residents of the City of Marion to attend the facility.

**Confidential Items**

- **Edwardstown Future Management Model**  
**Report Reference GC210511F02**

## Draft Annual Business Plan 2021-22 and Long Term Financial Plan Update

**Originating Officer** Unit Manager Statutory Finance and Payroll - Andrew Doyle

**Corporate Manager** Manager Finance - Ray Barnwell

**General Manager** General Manager Corporate Services - Sorana Dinmore

**Report Reference:** FAC210518R04

**Confidential Report**

### REPORT OBJECTIVE:

The purpose of this report is to provide the Finance and Audit Committee (FAC) with an update on the Draft Annual Business Plan (ABP) 2021-22 and Draft Long Term Financial Plan (LTFP) since the 23 February 2021 Finance and Audit Committee meeting (FAC210223R07).

This report also notes the participation and feedback to date from the community consultation period, due to close on 21 May 2021.

This report also highlights some minor changes in relation to the Corporate KPI's as follows:

- The removal of the Corporate KPI relating to Lost Time Injury Frequency rate.
- The addition of a Corporate KPI related to asset utilisation of council operated community and sports facilities.
- An amendment to the Asset Sustainability Ratio to the Asset Renewal Funding Ratio in line with Council's endorsed Asset Management Plans.
- An amendment to the Staff engagement KPI to include 'with at least 50% employee participation per senior leadership team department'.

The draft ABP 2021-22 currently forecasts a deficit of \$0.613m following the inclusion of new initiatives and service improvements outlined in this report. All remaining years of the LTFP are forecasting a surplus position ensuring Council is meeting its core 'Financial Sustainability' target maintaining, on average, a break-even or better funding (cash) position over the LTFP. The net surplus position currently forecast over the 10 years of the LTFP is \$5.821m.

**RECOMMENDATIONS:**

**That the Finance & Audit Committee:**

- 1. Notes the new initiatives and service improvements incorporated into the Draft ABP 2021-22 and Draft LTFP since its 23 February 2021 meeting.**
- 2. Provides feedback on the:**
  - **current iteration of the Draft ABP 2021-22 and Draft LTFP (Attachment 1)**
  - **updated organisational KPIs**
- 3. Notes the Community Consultation feedback received to date (Attachment 2)**

**DISCUSSION:**

Public consultation for the Draft ABP 2021-22 & LTFP (Attachment 1) is due to conclude on 21 May 2021. The Draft ABP and LTFP for public consultation has been developed based upon a proposed average rate increase of 1% for 2021-22 plus forecast growth of 1%. The average rates increase of 1% is forecast to be maintained for 2022-23, year two of the LTFP, with the remaining eight years of the LTFP gradually moving from a forecast average rate increase of 1.5% in year three down to a 1.3% average rate increase in years 8 to 10. This is forecast to provide a balanced or better funding (cash) position over the ten years of the LTFP.

The table below highlights the key steps remaining for the ABP 2021-22 and LTFP from this point. Please note that these dates may be subject to some alteration.

<b>KEY STAGES</b>	<b>DATE</b>	<b>MEETING</b>
Opportunity for the Finance and Audit Committee to provide feedback on the Draft 4YBP, ABP and LTFP and updated suite of KPI's	18 May 2021	Finance and Audit Committee
Council receives feedback/responses from community engagement	8 June 2021	General Council
Consider final draft of the ABP 2021-22 and LTFP	22 June 2021	General Council
Adopt ABP 2021-22 and LTFP	22 June 2021	General Council

## Changes to Corporate KPIs-

Following endorsement from Council at its meeting at on 27 April 2021 (GC210427R08) amendments have been made to the following corporate KPIs:

Lost time injury frequency rate - this corporate KPI has been removed but will continue to be reported on at the committee level.

Staff engagement - has been amended to further include 'with at least 50% employee participation per senior leadership team department'

Asset Sustainability Ratio - has been amended to 'Asset Renewal Funding Ratio' which is consistent with the asset management strategy and Asset Management Plans. The core target is between 90% to 110% which allows for expenditure fluctuations in this range consistent with maintaining the stretch target of 100% over the Asset Management and Long-Term Financial Plans.

A new KPI is included and its targets are detailed below. The full suite of KPI's can be found in section 8 – *Measuring our success* – of the Draft ABP 2021-22 (page 17).

Key Performance Indicator	Core Target	Stretch Target
Asset utilisation of sports and community venues	70-80% utilisation across venues (through the booking system)	Greater than 80% across venues (through the booking system)

## New initiatives incorporated into the draft ABP 2021-22 and LTFP

The table below shows the financial impact of new initiatives and service improvements now incorporated into the Draft ABP 2021-22.

Initiative	Funding Source	2021/22		
		2021/22	LTFP	Resolved
<b>Operating</b>				
Revitalisation Edwardstown Employment Precinct	Rates	277,500	once off	GC210309R03
Tree Management - Operating & Maintenance	Rates	317,661	ongoing	GC210323R07
<b>Total Operating Initiatives Loaded</b>		<b>595,161</b>		
<b>Capital</b>				
Tree Management - Water Trucks	Rates	370,000	once off	GC210323R07
Marion Golf Club	Grant/Loan	1,500,000	\$1.35m loan in 2022/23	\$3.35m total project, subject to additional Grant Funding of \$1.5m
State Heritage Coach House Restoration	Grant/Reserve	1,500,000	once off	GC210427R08
<b>Total Capital Initiatives Loaded</b>		<b>3,370,000</b>		
<b>Total Initiatives Loaded</b>		<b>3,965,161</b>		
Funded from Reserves		750,000		
Funded from Grants		2,250,000		
Funded from Rates		965,161		

The table above includes funding in 2021-22 of \$1.5m for the State Heritage Coach House restoration project. Council has been successful in attracting \$0.75m matching funding through the Local Government Infrastructure Partnership Program (LGIPP). Council's contribution of \$0.75m will be allocated from available cash reserves in Council's Asset Sustainability reserve fund for this project.

### Capital Works and Key Projects

The 2021-22 budget forecasts total capital expenditure of \$40.312m including \$19.783m renewal and \$20.529m new and upgrade. This will fund the completion, progression of key projects including:

- Completion of the Mitchell Park Sports and Community Centre Redevelopment
- Completion of BMX and Soccer facilities on Majors Road
- Completion of Skate Park and playground at Capella Reserve
- Progress the rebuild of the Coastal Walkway
- Progress the redevelopment of Tennis, Netball Courts and Open Space at Tarnham Road
- Commencement of a multi-year project at Marion Golf park (subject to grant funding outcomes)

### Movement in Council's Accounting Reserves

Council's 2020-21 budget forecasts the use of \$8.206m from Reserves. The following allocations are forecast for 2021-22 and beyond 2021-22

Forecast Transfers from Reserves for projects in 2021-22:

Coastal Walking Trail	\$1.247m
Soccer in the South	\$3.070m
Destination Playground Contribution	\$1.000m
State Heritage Coach House	\$0.750m
Other	\$0.080m
<b>Forecast Allocation for 2021-22</b>	<b>\$6.147m</b>

Forecast Transfers from Reserves beyond 2021-22:

Coastal Walking Trail	\$1.053m
MCC Plaza	\$1.200m (Subject to grant funding)
Alternative Water Supply	\$1.795m (Subject to grant funding)
Capella Reserve	\$0.716m
<b>Forecast Allocation beyond 2021-22</b>	<b>\$4.764m</b>

Following the forecast use of Reserves in 2020-21 (\$8.206m) and further allocations for 2021-22 and beyond (\$10.911m) Council is forecast to have the remaining balances available for future projects:

Asset Sustainability Reserve	\$0.460m	(excl \$2m set aside for Major Infrastructure Failure)
CFPP	\$0.577m	
Water Supply Business	\$0.019m	
Open Space Reserve	\$2.103m	
<b>Total Forecast Available Reserves</b>	<b>\$3.159m</b>	

### Public Consultation

Community consultation commenced from 30 April and concludes on 21 May 2021.

Attachment 2 outlines the Community Engagement approach and feedback received up to and including the 11 May 2021. A full report will be brought to General Council on 8 June outlining all feedback received on the Draft Annual Business Plan.

### ATTACHMENTS:

#	Attachment
1	Attachment 1 - Draft Annual Business Plan 2021-2022 Issued for Public Consultation
2	Attachment 2- Draft Annual Business Plan Community Consultation feedback

# City of Marion Annual Business Plan 2021-2022

Draft for Public Consultation



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## YOUR VOICE

The City of Marion is seeking your input and feedback regarding the Draft Annual Business Plan 2021-2022. This process provides you with the opportunity to have your say on the level of service and activities undertaken by the Council before the final budget is adopted.

Community consultation closes at 5:00pm on 21 May 2021.

Online submission forms are available on Council's community engagement website [makingmarion.com.au](https://makingmarion.com.au)

Written submissions are welcomed addressed to the following:

City of Marion  
PO BOX 21  
Oaklands Park SA 5046

Or

[council@marion.sa.gov.au](mailto:council@marion.sa.gov.au)

Verbal submissions may be made at the 11 May 2021 General Council meeting, which begins at 6:30pm.

At this meeting, members of the public may ask questions and make submissions in relation to the Draft Annual Business Plan for a period of one hour. Each speaker will be allocated a maximum of five minutes to make their submission.

If you wish to make a verbal submission to General Council, please contact:

Kate McKenzie  
Manager Governance  
Telephone: 08 8375 6600

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## ACKNOWLEDGEMENT OF COUNTRY

We acknowledge we are part of Kurna land and recognise the Kurna people as the traditional and continuing custodians of the land.

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## WELCOME

Welcome to the City of Marion's Draft Annual Business Plan 2021-2022.

This plan shows how Council proposes to spend its budget for the coming year, including maintaining more than \$1 billion of infrastructure.

We now invite you to provide feedback on this draft plan, including the projects and services it will provide. Your views will be considered by Council before it is finalised.

Council is proposing a 1 per cent average rate increase for the coming year (there will be a fluctuation due to changing property values that are outside of Council's control).

This continues our commitment to keeping rates low and follows a zero percent average rate increase last year to support our community and businesses through COVID-19.

Key projects the plan will deliver include:

- Completing the \$16.25m rebuild of Mitchell Park Sports and Community Centre
- Completing the \$13.05m BMX and soccer facility at Majors Road
- Completing the \$2.78m skate park and playground at Capella Reserve, Hallett Cove
- Starting the \$1.5m restoration of the historic Coach house and Pedestrian bridge replacement at Warriparinga
- Investing a further \$688,000 to support tree management initiatives
- Investing \$277,000 in revitalising the Edwardstown business precinct

Council has a number of projects submitted for consideration to the State Government that are currently awaiting grant outcomes, including the Tarnham Road Tennis and Netball facility, Hugh Johnson Reserve playground, Marion Golf Club and the Marion Cultural Centre Plaza.

Council welcomes your feedback during the community consultation process. We look forward to considering your comments at our General Council meeting on 8 June.

Yours faithfully,

*KRIS HANNA*

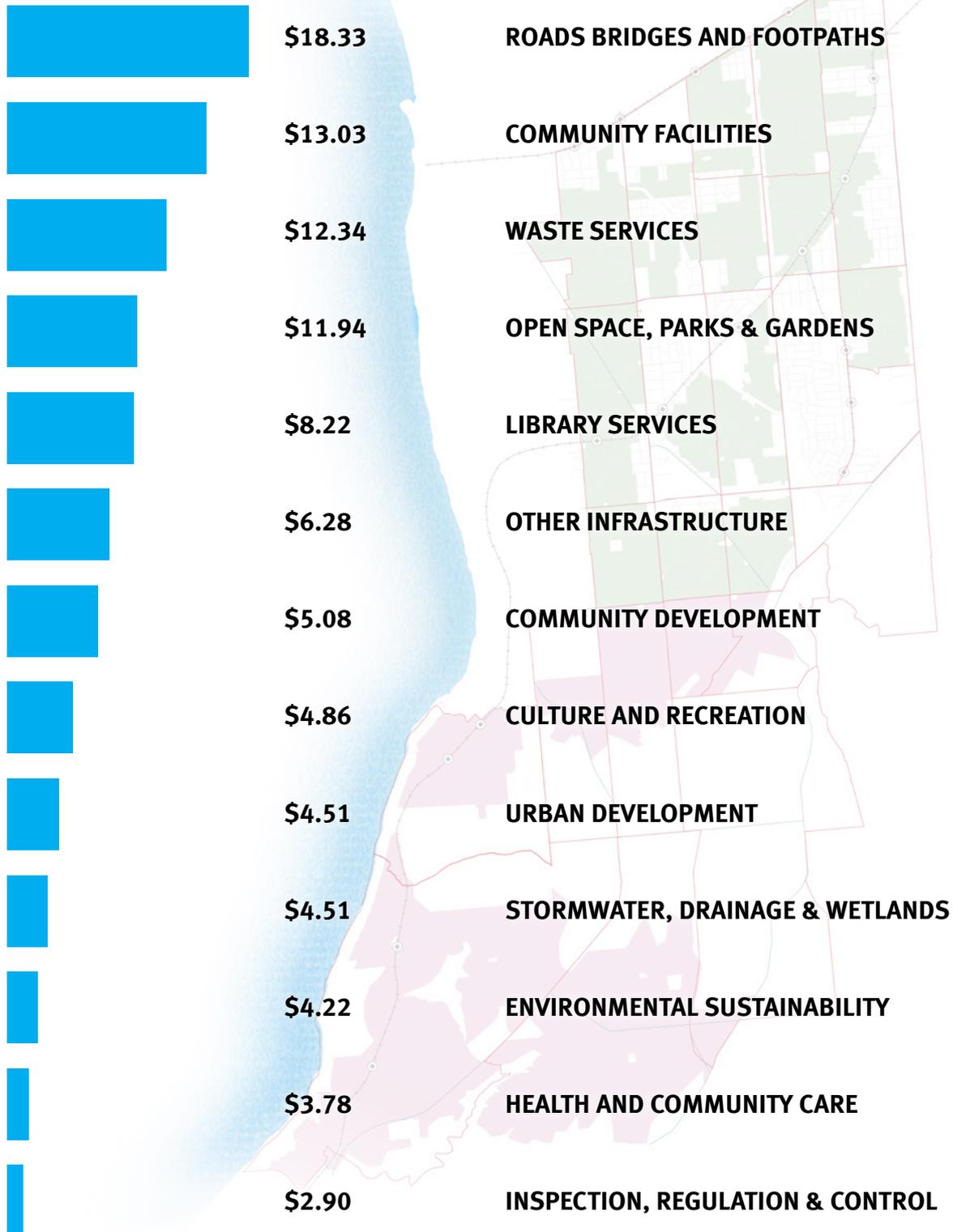
Kris Hanna  
Mayor



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# YOUR RATES AT A GLANCE

AMOUNTS SPENT PER ONE HUNDRED DOLLARS (\$100)



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## OVERVIEW

The Annual Business Plan 2021-2022 outlines the strategic projects, services and programs that we will aim to deliver in the coming financial year. Council has determined to undertake strategic initiatives outlined in the Four-Year Business Plan 2019-2023 to progress the community's aspirations in the City of Marion Community Vision - 'Towards 2040' and the goals in the 10-Year Strategic Plan 2019-2029.

Council is committed to delivering value to our ratepayers. Through a focus on prudent financial management and decision making, Council will continue to identify on-going savings. Funding secured from both the State and Federal Governments supports the delivery of new infrastructure. A strong efficiency focus has enabled us to support our community with a proposed 1% increase in the average rate for 2021-2022.

During 2021-2022, the City will continue to be improved through investment in the following initiatives:



Commissioned street art at Edwardstown, by Senman Creations.



### IMPROVING OUR STREETS

Council will invest \$2.8m to improve the character and functionality of streets, including new initiatives for tree management. Works include extra tree planting, investment in two water trucks and street upgrades.

Additional Federal funding of \$1.5m will also deliver a further two street upgrade projects along Sturt and Morphett roads.



### MITCHELL PARK SPORTS & COMMUNITY CENTRE REDEVELOPMENT

The \$16.25m redevelopment of the Mitchell Park Sports and Community Centre, which began in early 2021, is scheduled to be completed and opened in the first half of 2022. This redevelopment is supported with a \$5m grant from the Federal Government.

The new facility will include indoor and outdoor multipurpose sports courts, clubrooms, a neighbourhood centre and dog club.



### COASTAL WALKWAY

Council will continue to progress the rebuild of sections of the walkway. Construction of the boardwalk connecting Heron Way Reserve to the Field River mouth is scheduled to start in June 2021.

Council has committed \$2.44m with matched funding by the State Government to rebuild the sections over the next three years.



### EDWARDSTOWN EMPLOYMENT PRECINCT

Council is continuing to revitalise the Edwardstown business district to create jobs and attract investment. Work will include planting additional street trees to enhance the amenity, create public artwork and improve access and car parking.

Council has committed \$277,000 to the project.

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### CAPELLA RESERVE

Construction will continue on the \$2.78m upgrade of Capella Reserve. The Federal Government has committed \$1.29m toward the project.

The new precinct will include a youth plaza area, basketball court, new skate park, playground, BBQ and toilet facilities.



### NEW SOCCER & BMX FACILITIES

Work is well underway to construct the Sam Willoughby International BMX track and the Southern Soccer Facility in Glenthorne National Park. It is anticipated these will be completed by late 2021.

The Southern Soccer Facility includes three turf pitches, floodlighting, fencing, clubrooms, and car parking for over 200 vehicles. The Sam Willoughby International BMX track includes a UCI standard track, clubrooms, landscaping, entrance lane and car parking.

The combined projects total \$13.05m with the City of Marion contributing \$6.25m and the State Government \$6.05m. The City of Onkaparinga is also contributing \$0.75m towards the BMX track.



### REDEVELOP TENNIS & NETBALL COURTS - OPEN SPACE AT TARNHAM ROAD RESERVE

Council will replace four ageing tennis courts with four new courts that can be used for tennis and netball.

A shelter, toilet, and play equipment will also be installed. Work will cost approximately \$2m and is expected to commence in October 2021. (Subject to grant funding)



### LIVING KAURNA CULTURAL CENTRE COACH HOUSE RESTORATION

Significant restoration work will commence on the state heritage listed Coach House so that it can be used by the community as a venue and hall facility and further compliment the educational opportunities of the area's history. Two key pedestrian bridges within the Warriparinga area will also be replaced and integrate with the Sturt River Linear Park shared use path.

The \$1.5m project is jointly funded by the City of Marion and the State Government.



### MARION CULTURAL CENTRE PLAZA

Council plans to revitalise the civic space outside the Marion Cultural Centre library to create a destination place for the community to enjoy social, cultural and economic activities.

The \$3.4m project is subject to State Government Funding with Council seeking a jointly funded partnership. Funding announcements are expected in June 2021.



### LIGHTING UPGRADES

Council secured \$774,000 in Federal Government funding to upgrade lighting at Marion and Glandore ovals along with the Marion RSL bowls and tennis club.

The lighting will feature energy-efficient globes to reduce costs and carbon emissions.

Council will audit its sporting and community facilities to identify opportunities for further improvements.

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## OUR PURPOSE, VISION AND VALUES

**OUR PURPOSE** To improve our residents’ quality of life; continuously, smartly and efficiently  
(Why we exist)

**OUR COMMUNITY VISION** A community that is Liveable, Valuing Nature, Engaged, Prosperous, Innovative and Connected  
(What we want to become)

**OUR VALUES** With the community and safety at the forefront of everything we do, we value:

**Respect** - Treating everyone as we want to be treated, where all contributions are valued

**Integrity** - Fostering trust and honesty in all of our interactions

**Achievement** - Enhancing our knowledge and performance to reach our shared goals, while being dedicated to supporting one another

**Innovation** - Encouraging new ideas, and learning from our experience to do things better



The six themes of our Community Vision represent the shared values and aspirations guiding how our city develops, towards 2040. These outcomes are important for this community now and into the future:

### LIVEABLE

By 2040 our city will be well planned, safe and welcoming, with high quality and environmentally sensitive housing, and where cultural diversity, arts, heritage and healthy lifestyles are celebrated.

### VALUING NATURE

By 2040 our city will be deeply connected with nature to enhance people’s lives, while minimising the impact on the climate, and protecting the natural environment.

### ENGAGED

By 2040 our city will be a community where people are engaged, empowered to make decisions, and work together to build strong neighbourhoods.

### INNOVATIVE

By 2040 our city will be a leader in embracing and developing new ideas and technology to create a vibrant community with opportunities for all.

### PROSPEROUS

By 2040 our city will be a diverse and clean economy that attracts investment and jobs, and creates exports in sustainable business precincts while providing access to education and skills development.

### CONNECTED

By 2040 our city will be linked by a quality road, footpath and public transport network that brings people together socially, and harnesses technology to enable them to access services and facilities.

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## STRATEGIC MANAGEMENT FRAMEWORK

This Annual Business Plan 2021-2022 is an integral part of Council’s Strategic Management Framework that will enable strategic and operational plans, management systems and processes to work together to effectively deliver the Community Vision.



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## SIGNIFICANT INFLUENCES

In the development of the Annual Business Plan we undertake a review of our internal environment and broader external environment that includes political, economic, environmental, social and technological influences. This identifies key issues that help provide the context for the development of this plan.

The following broad trends impacting our city include:



### LOCAL GOVERNMENT REFORM

The Statutes Amendment (Local Government Review) Bill was introduced to Parliament in June 2020.

The reforms contained in the Bill include a new conduct management framework, an expansion of expert, and independent advice to councils on a range of critical financial and governance matters; modern approach to public consultation; and a range of improvements to regulation to reduce councils' costs.

The Bill is expected to pass in Parliament in April 2021.



### ENVIRONMENT

Council has set a target of becoming Carbon Neutral by 2030 for its own operations. Actions will include making its major events carbon neutral, switching to renewable energy and transitioning towards a zero emissions fleet.

Council will plant more trees in urban heat hot spots to cool the streets and improve the area for locals, visitors and investors.

Educational activities will seek to help residents, businesses build resilience and adapt to impacts of a changing climate. The Resilient South Regional Climate Partnership will continue.



### HEALTH, WELLBEING & SOCIAL ISOLATION

Reported public health data for the City of Marion highlights key lifestyle challenges including increased sedentary lifestyles, and insufficient levels of physical activity and participation. Almost one third of our city residents live alone, indicating the potential for social isolation (ABS data).

Council's focus on facilities and services that promote healthy lifestyles, community participation and well-being will positively impact our community.



### POPULATION CHANGES

The City of Marion population is forecast to grow by 10% over the next 10 years. Currently our population includes a higher number of residents aged over 60 compared to Greater Adelaide. To facilitate growth and changes in our community it is important to invest in our infrastructure to meet the needs of our community. A significant part of Council's annual spend is devoted to the repair, maintenance and upgrade of community assets.

Our endorsed Asset Management Plans ensure we continue to deliver agreed levels of service to our community.

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## ELECTIONS

State and Federal elections will occur in the 2021-2022 financial year. Council takes a proactive approach in lobbying and advocating support for projects that align with the vision for our community.

Council has a number of strategic objectives in the 4 Year Business Plan 2019-2023 that will be a focus for discussion with Government's as the election campaign commences.



## PLANNING SYSTEM REFORMS

The State Government has introduced the biggest changes to development laws in the past 25 years.

The change impacts how applications are lodged and assessed, and how development policy is formed and amended.

Council provided extensive feedback to the State Planning Commission during public consultations. Council acknowledged many positive elements.

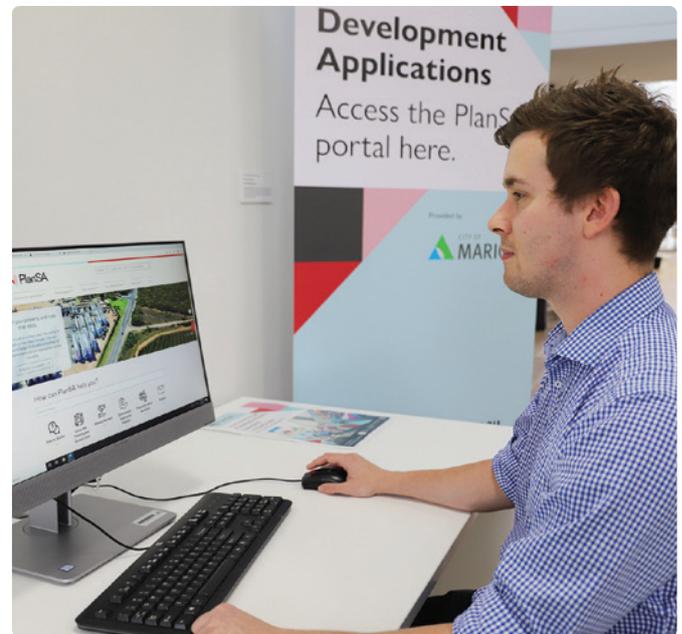
Twice Council fought- unsuccessfully- for the plan to take account of resident's concerns. Council sought to protect the north of the city from the worst impacts of urban infill, to allow appropriate development in the hilly and coastal areas, and improve design standards generally.



## COVID-19 RECOVERY

Council remains responsive to the latest guidance by SA Health and any restrictions imposed in order to help manage public health risk posed by COVID-19.

Additionally, it will support the roll out of vaccinations as required. Council has plans in place to continue delivering services should COVID-19 restrictions change.



## NORTH-SOUTH CORRIDOR

The Torrens to Darlington (T2D) section is the final piece of the North-South Corridor that will complete a 78km continuous traffic- light free connection between Gawler and Old Noarlunga, with links to the greater north freeways, Port Adelaide and airport precincts.

The T2D comprises of 10.5km of motorway from the River Torrens through to Darlington. A combination of tunnels, lowered and ground- level motorways, bridges and underpasses at key intersections will be built.

The State Government is leading key stakeholder engagement with community, business and technical design groups. Council will remain active in conversations with the State Government.



## PROJECT DELIVERY IMPACTS

Economic stimulus grants offered by the Federal and State Government has resulted in significant demand in the construction sector. The sector is currently facing a shortage of trades to deliver on work, increased pricing and shortages of materials through the supply chain that is resulting in delayed time frames.

Council is not immune to these impacts and will be proactive in engaging with suppliers and contractors, however it is expected that there may be impacts to the projected costs of projects and delivery schedules.

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## FRAMEWORK OF THE ANNUAL BUSINESS PLAN

The Annual Business Plan 2021-2022 has been prepared on the basis of a framework that aims to inform the community and hold the City of Marion accountable to its stakeholders. The key items in this framework are as follows:

- **SUPPORT THE ACHIEVEMENT OF THE CITY OF MARION'S STRATEGIC DIRECTIONS**



This Annual Business Plan has been reviewed against the Community Vision – Towards 2040 to ensure that Council's activities over the next 12 months make the best possible progress towards achieving the community's vision for the future City of Marion.

- **ADDRESS ISSUES ARISING AND OPPORTUNITIES IDENTIFIED FROM INTERNAL AUDIT REVIEWS, AND BUSINESS EXCELLENCE ASSESSMENTS**



Every year the Council undertakes a number of internal audits. These reviews and assessments have identified a number of key opportunities or requirements for the Council to improve its operations. This document includes the necessary resources to continue Council's independent review process and implement recommendations accordingly.

- **MAINTAIN, ON AVERAGE, A BREAK-EVEN OR POSITIVE FUNDING (CASH) POSITION OVER THE LONG TERM FINANCIAL PLAN**



With a primary focus on cash flow and ensuring the Council's asset renewal and upgrades are fully funded, this target is currently being met. To ensure ongoing financial sustainability, the Council monitors and reviews all its financial indicators together.

- **CONTINUE TO IMPROVE THE MAINTENANCE OF ASSETS IN ACCORDANCE WITH COUNCIL'S ASSET MANAGEMENT PLANS, WITH A PRIORITY ON MAINTENANCE BEFORE RENEWAL, AND RENEWAL BEFORE NEW WHEN IT IS COST EFFECTIVE TO DO SO**



The Annual Business Plan has been prepared taking into consideration individual Asset Management Plan requirements and outcomes of recent infrastructure audits. The City of Marion has a target of 90-110% for the annual Asset Renewal Ratio.

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**• REVIEW EXISTING SERVICES AND ASSETS TO ENSURE THEY MEET PRIORITISED COMMUNITY NEEDS**



The Council continues its rolling process of service reviews, aimed at maximising community value through continuously improving its operating efficiency and service performance to the community. This Annual Business Plan has been prepared based on continuing existing services, noting that a rolling program of review is being implemented.

Collaboration with other councils will continue to assist capacity building for shared strategic opportunities, Innovation and cost efficiencies and enables the ability to align processes and reduce duplication.

**• COUNCIL ONLY APPROVE NEW MAJOR PROJECTS WHERE IT HAS THE IDENTIFIED FUNDING CAPACITY TO DO SO**



Council debt is forecast to increase from \$4.6m to \$14.7m between 30 June 2021 and 30 June 2022. With consideration given to key financial indicators, Council has retained the funding capacity to consider additional strategic Major Projects and is currently investigating partnerships to aid the development of several initiatives.

These additional forecast borrowings in 2021-2022 relate to Council’s contribution towards the Mitchell Park Sports & Community Centre and are anticipated to reach its maximum of \$14.7m just prior to 30 June 2022 following the completion of this project. Any changes to the timing and scope of the capital projects may impact the funding required, and in turn the total requirement for borrowings currently factored into the 2021-2022 Annual Business Plan.

**• MAINTAIN COUNCIL’S POSITION FOR AN AVERAGE RESIDENTIAL RATE WHICH REMAINS AMONG THE LOWER RATING METROPOLITAN COUNCILS**



Comparative 2020-2021 data shows that Council’s average residential rate continues to remain among the lower rating metropolitan councils, with its current position ranking being the 5th lowest of 18 metropolitan councils.



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## CONTINUING AND IMPROVING SERVICE DELIVERY

All councils have responsibilities under the *Local Government Act 1999* and other relevant legislation to deliver services for the community. Council is committed to maintaining all services including, but not limited to:

ONGOING SERVICES	
Land use and development planning	Arts and cultural promotion and support
Development and building assessments	Library services
Facilitation of urban developments	Sports and recreation promotion and support
Local Government searches	Community capacity building and development
Business support services	Inspection, regulation and control
Environmental planning and leadership	Emergency planning and response
Biodiversity management	Community care
Waste services	Immunisation services
Water management	Public health planning
Infrastructure management	Urban activation & renewal
Community facilities management	Customer Experience
Reserves, parks and gardens management	Increased levels of tree planting annually
Community Transport	

ENABLING SERVICES	
Strategic management	Communications and marketing
Organisational excellence and innovation	Human resources and workforce planning
Strategic asset management	ICT & knowledge management
Financial management	Operational support
Governance support	Strategic Procurement



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## PROJECT PRIORITIES

In 2021-2022 the Council plans to commence or continue working on the following strategic initiatives, as outlined in our 4 Year 2019-2023 Business Plan, or through Council resolutions:

### CONTINUING INITIATIVES

CONTINUING INITIATIVES FROM PRIOR YEARS	KEY STRATEGIC THEME
Deliver the Southern Soccer Facility	Liveable
Continue to progress the redevelopment of four multi-purpose courts and open space at Tarnham Road Reserve	Liveable
Continue to expand the streetscape program to include arterial roads	Liveable
Deliver a UCI standard BMX facility in partnership with State Government and the City of Onkaparinga	Liveable
Continue to develop the City Property Strategic Asset Management Plan to meet community, sport and recreation needs	Liveable
Deliver the Mitchell Park Sport and Community facility	Liveable
Deliver Capella Reserve playground	Liveable
Review options for the Cove Sports and Community Club facilities	Liveable
Continue to identify options for recreational facilities at 262 Sturt Road	Liveable
Continue to progress the Marion Cultural Centre Plaza upgrade	Liveable
Implement the Coastal Climate Change Adaptation Plan	Valuing Nature
Implement the Energy Efficiency and Renewable Energy Plan	Valuing Nature
Continue the Coastal Walkway	Valuing Nature
Continue the roll out of the transformation of our business enterprise systems	Innovative
Implement the Social Media Strategy 2019-2023	Innovative
Continue to develop an on-line one-stop-shop for customers to enable easy access to information and transactions for council services, rates, registrations and events	Innovative
Continue to deliver the Disability Access and Inclusion Plan	Engaged
Continue to implement the 2019-2023 Reconciliation Action Plan	Engaged
Continue work to activate the Edwardstown Employment Precinct	Prosperous
Replace Marino Hall and surrounds	Connected

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**NEW PROJECTS COMMENCING IN 2021-2022**

<b>2021-2022 INITIATIVES</b>	<b>KEY STRATEGIC THEME</b>
Restoration of the Living Kaurua Cultural Centre Coach House and Bridges	Liveable
Lighting upgrades at Marion & Glandore Ovals, Marion RSL Bowling Club & Marion Tennis Club	Liveable
Marion Golf Park (subject to Grant Funding)	Liveable
Tree Management Initiatives	Valuing Nature
Marion Central Streetscapes Project- Diagonal and Sturt Roads	Connected
Developing and costing a plan for an animal pound for use by the City of Marion, preferably in collaboration with nearby Councils (noting that the RSPCA facility at Lonsdale may not be available to Council in the long term)	Excellence
Initiating and completing a Planning and Design Code Amendment for the Marion Road Corridor to substantially implement the changes proposed to Marion Road zoning which were included in Council's previous Housing Diversity Development Plan Amendment, noting that community consultation and Ministerial approval will be required	Prosperous
Initiating and completing a Planning and Design Code Amendment for the stables zoning area within Morphetville, noting community consultation and Ministerial approval will be required	Prosperous

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## ASSET MANAGEMENT

The City of Marion's Asset Management vision is:

**'To maintain the City of Marion's assets to agreed levels of service which maximise community value throughout an asset's life.'**

A significant portion of Council's annual spend is devoted to the operation, maintenance and renewal of public assets which deliver safe and sustainable services to the community. Council will continue to optimise our spending on these through better asset management to deliver current service levels in the most affordable and efficient way.

Council recognises that climate change is likely to affect asset life and functionality. We are exploring what we can do to build asset resilience in response to climate impacts.

## WE OWN AND MANAGE OVER \$1 BILLION OF ASSETS



Buildings and Structures



Transport



Stormwater



Water Treatment and Resources



Open Space



Coastal Walkway



Fleet, Plant and Equipment



Artworks, Culture and Heritage

Our assets enable the provision of services to the community and businesses for current and future generations. Assets plays a vital role in the local economy and on residents' quality of life.

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## MEASURING OUR SUCCESS

Monitoring performance is a critical element of strategic management. It is the mechanism for critically ensuring that the Council is contributing to the achievement of its objectives in both the Strategic Plan and the 4-Year Business Plan 2019-2023. Our Key Performance Indicator (KPI) dashboard for 2021-2022 (provided in the table below) takes account of these objectives.

KEY PERFORMANCE INDICATOR	CORE TARGET	STRETCH TARGET
Financial Sustainability	Council maintains, on average, a break-even or better funding (cash) position over the Long Term Financial Plan	Council maintains a break-even or positive cash funding position in delivering its Annual Budget
Delivery of agreed projects identified in the Annual Business Plan and the third year targets in the 4 year Plan	Greater than or equal to 95%	No stretch target
Total employee costs (including agency staff)	Less than or equal to 3% increase in actual employee costs (including agency staff) against prior year's actual costs – adjusted for Council endorsed changes to meet resourcing requirements	Less than or equal to 2% increase in actual employee costs (including agency staff) against prior year's actual costs – adjusted for Council endorsed changes to meet resourcing requirements
Overall satisfaction with Council's performance	Greater than or equal to 75% rated as satisfied or above	Greater than or equal to 85% rated as satisfied or above
Asset Renewal Funding Ratio  (A measure to assess that we are renewing or replacing non-financial assets in accordance with our future Asset Management renewal requirements)	Asset Renewal Funding Ratio between 90 and 110%	Asset Renewal Funding Ratio greater than or equal to 100%
Delivery of Council's capital works program	Greater than or equal to 85% delivery of Council's planned capital works program (adjusted for extraordinary items)	Greater than or equal to 90% delivery of Council's planned capital works program (adjusted for extraordinary items)
Staff engagement	Achievement of an overall employee pulse survey result of 75% based on 9 metrics (including Community, Values, Safety, Expectations, Valued, Empowerment, Development, Recognition, Happiness) with at least 50% employee participation per senior leadership team department	Achievement of an overall employee pulse survey result of 80% with at least 50% participation per senior leadership team department
Community engagement/communications	Project specific communications to the public should be timely and accurate	100%
Carbon Neutrality - carbon emissions footprint, measured against Council's endorsed Carbon Neutral Plan (applicable 2021/22 onwards)	Actual annual emissions less than the plan's annual target emissions	Actual annual emissions 5% less than the plan's annual target emissions
Asset utilisation of Sports and Community venues	70-80% utilisation across venues (through the booking system)	Greater than 80% across venues (through the booking system)

We will report on our progress against our 2021-2022 KPI's quarterly at Council meetings and in our 2021-2022 Annual Report.

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## FUNDING THE ANNUAL BUSINESS PLAN

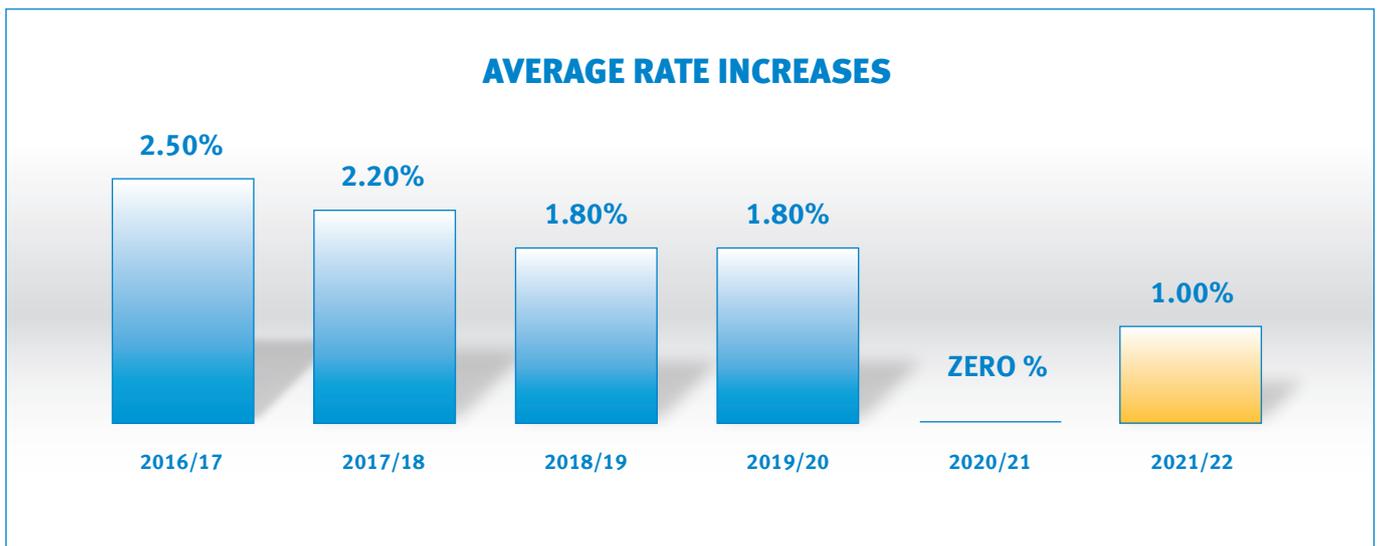
### YOUR RATES IN 2021-2022

The Annual Business Plan is based on a one percent increase in the average rate for the coming year. In setting rates for 2021-2022, Council has forecast the revenue required to meet the costs of delivering the services and projects that will be provided to the community in 2021-2022.

Rates account for 83% percent of Council’s operating revenue with other sources including fees, charges and grants. These revenues contribute to the necessary funding for planned capital renewal programs in 2021-2022.

While the average rate increase is one percent, it is to be noted that actual rates payable by a rate payer will vary according to individual property valuations, the attributed land use, and whether there has been any new development or capital improvement at the land.

Your feedback is valued, and Council is aware of the impact rate increases have on the community. We are continually looking for opportunities that allow this cost to be minimised, support our community during uncertain times and maintain the fiscal responsibility required of Council. On the back of a zero rate increase in 2020-2021 in consideration of COVID-19, Council has set a one per cent increase in the average rate for 2021-2022 as the most equitable position to achieve these requirements.

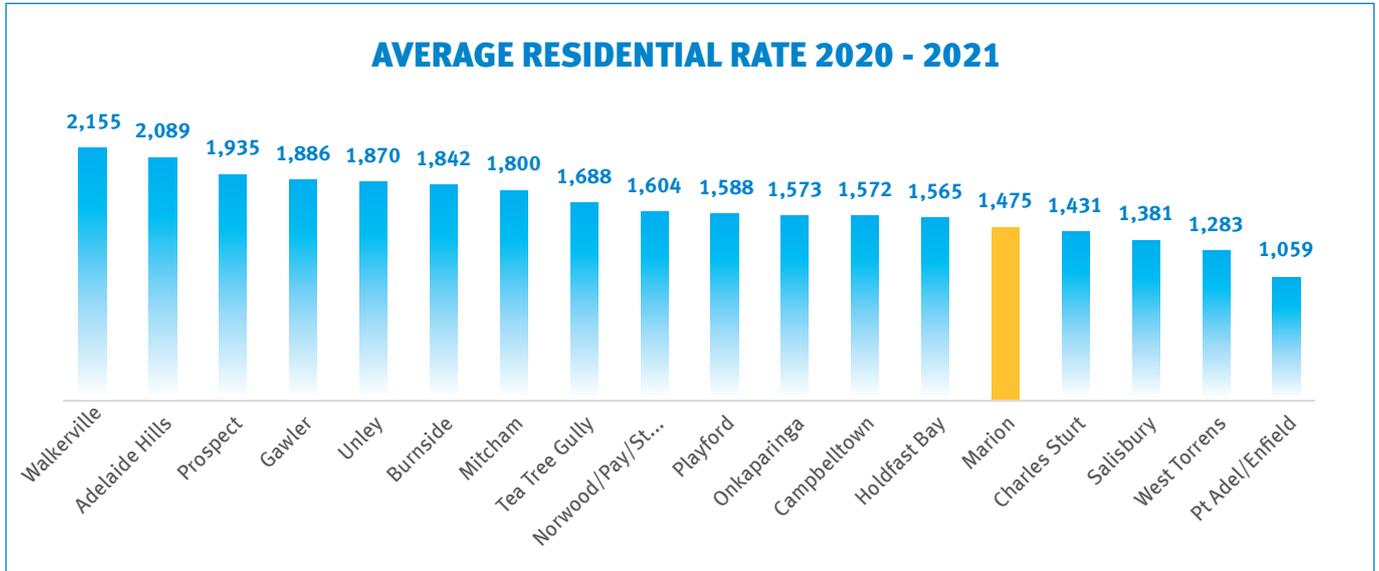


With changing community needs and other external influences impacting on the community, there is a need for Council to consider how to plan more effectively, both for the longer term and for an immediate community benefit. The rate increase is set at a level that provides confidence that services will be maintained and that a sufficient capital expenditure program is planned to maintain Council’s assets.

The outcomes of the community consultation, as well as a balance between achieving the strategic directions, maintaining services and assets, ensuring financial and environmental sustainability, supporting intergenerational equity and making provision for those in the community who are experiencing hardship, have been considered in setting the rate increase for the Annual Business Plan.

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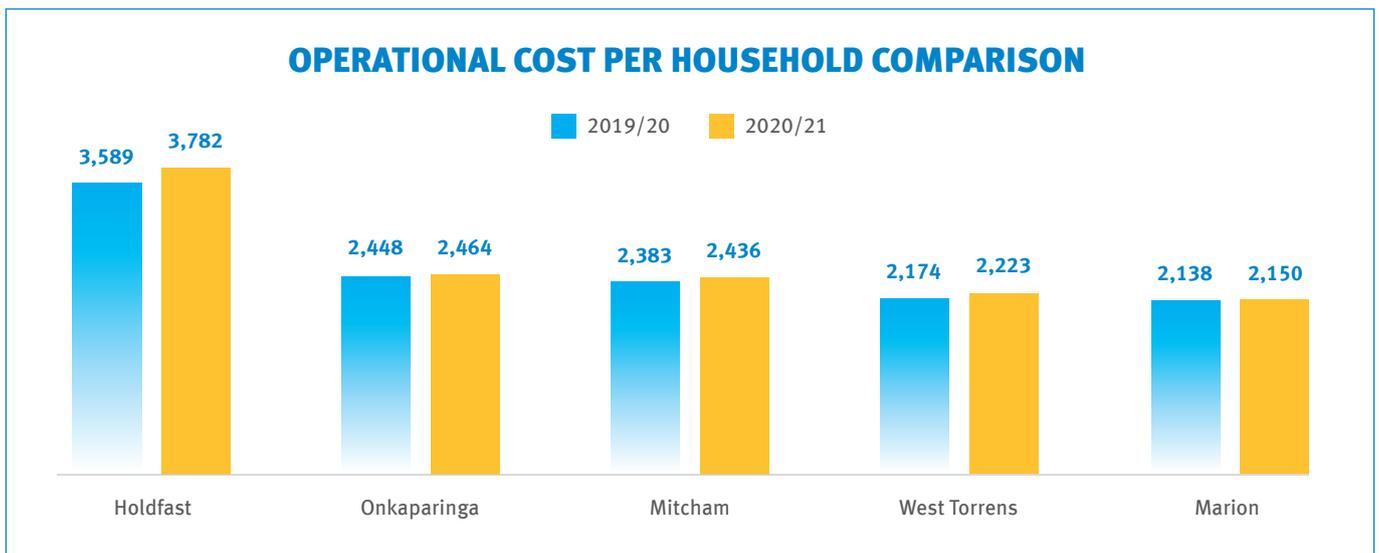
### COMPARATIVE RATING DATA



With a one percent increase, the City of Marion’s average residential rate is in line with Council’s ABP framework and set to remain among the lower rating metropolitan councils. In 2020-21 Council had the 5th lowest average metropolitan residential rate.

### OPERATIONAL COST PER HOUSEHOLD

Council’s primary benchmark is to compare its average residential rate against other metropolitan councils as shown in the ‘Average Residential Rate 2020-2021’ table above. The table below illustrates that Council’s operational costs per household compare favourably against those of our neighbouring councils. It should be noted that this does not take into account different councils’ service levels, infrastructure renewal requirements not reflected in operational costs, different sources of revenue including grants and user charges which may vary from council to council.



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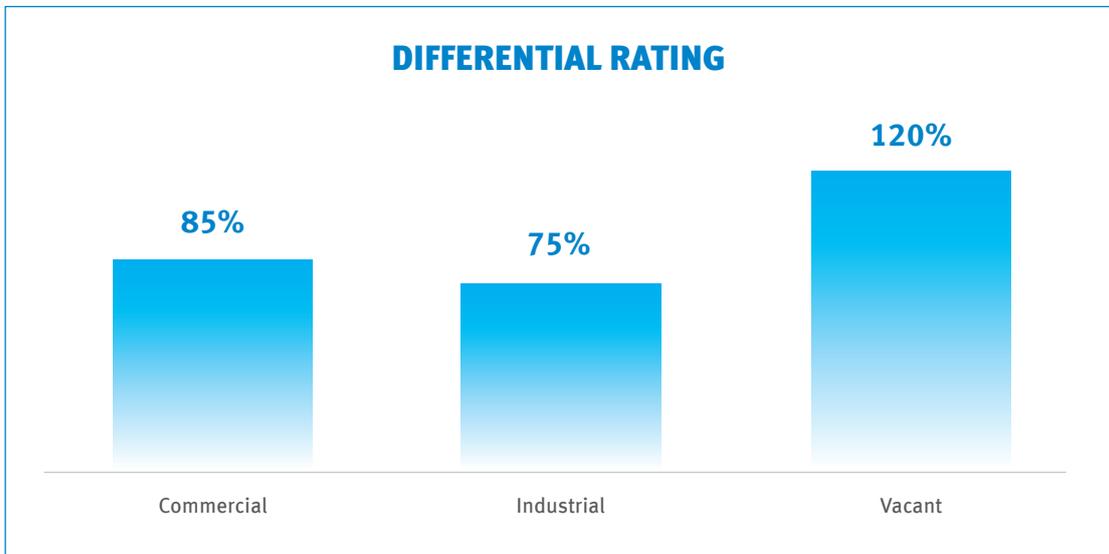
### DIFFERENTIAL RATING

Council currently derives 18% (2020-21: 18%) of its rate revenue from the Commercial (17%) and Industrial (1%) sectors. Commercial and Industrial users consume a greater proportion of Council resources than residential properties, particularly in regard to the use of roads, footpaths, traffic, parking, storm water drainage, public health and environment.

Council uses a differential rating system to raise revenue based on its Land Use to ensure a fair and equitable distribution of rates within the City of Marion.

The differential rate is charged in addition to the normal rate. In applying this approach, Council will take into consideration all prevailing economic conditions and changes and adjust its differential rates accordingly, to ensure an appropriate and fair equalisation of rates across all land use categories.

Differential rates to apply to land use are as follows:



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## BUDGETED INCOME STATEMENT

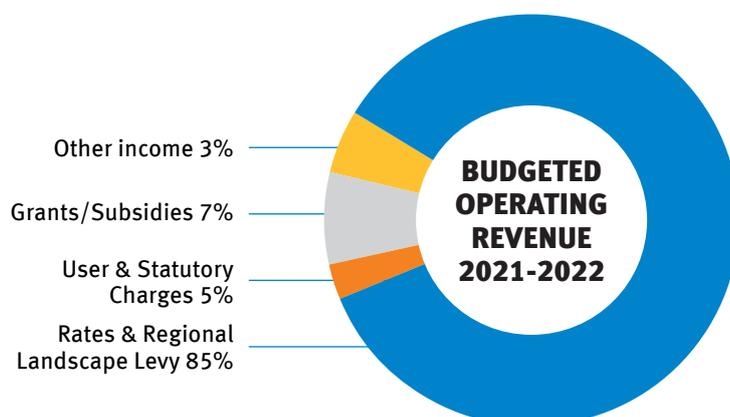
An operating surplus of \$5.414m before capital revenues is forecast for 2021-2022. The operating surplus is required to fund the renewal of existing infrastructure in accordance with Council's asset management plans and to fund construction of new assets to deliver services.

Budgeted Income Statement	2nd Review	Budget	Variance \$'000
	2020 – 2021 \$'000	2021 – 2022 \$'000	
<b>Operating Revenue</b>			
Rates - General	78,108	79,673	1,565
Rates - Regional Landscape Levy *	2,024	2,020	(4)
Statutory Charges	2,168	2,106	(62)
User Charges	2,556	2,827	271
Grants/Subsidies	8,011	6,726	(1,285)
Investment Income	504	347	(157)
Reimbursements	1,263	1,222	(41)
Other Revenue	1,520	538	(982)
Share of Profit/(Loss) Regional Subsidiaries	365	365	-
<b>Total Operating Revenue</b>	<b>96,519</b>	<b>95,824</b>	<b>(695)</b>
<b>Operating Expenditure</b>			
Employee Costs	37,973	39,213	1,240
Contractor Services	27,775	21,468	(6,307)
Materials	5,474	4,935	(539)
Finance Charges	322	254	(68)
Depreciation	15,708	16,000	292
Other Expenses	9,037	8,540	(497)
<b>Total Operating Expenditure</b>	<b>96,289</b>	<b>90,410</b>	<b>(5,879)</b>
<b>Operating Surplus/(Deficit) before Capital Revenues</b>	<b>230</b>	<b>5,414</b>	<b>5,184</b>
Capital Grants and Contributions	5,871	1,500	(4,371)
<b>Net Surplus/(Deficit)</b>	<b>6,101</b>	<b>6,914</b>	<b>813</b>

\* Note: The Regional Landscape Levy is collected by Council on behalf of the Green Adelaide Board.

## OPERATING REVENUE

The main source of income for Council is rate revenue; making up just over 83% (85% including Regional Landscape Levy) of total revenue in 2021-2022, with other sources being government regulated fees for statutory services, diminishing levels of untied federal grant monies, as well as other grants from the State and Federal government.



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## GENERAL RATES

Council's revenue in 2021-2022 includes \$79.673m to be raised in general rates. The budget has been developed on the basis of a one percent average rate increase (excluding new developments and capital improvements). In setting rates for 2021-2022, Council has forecast the revenue required to meet the costs of delivering the services and projects to be provided to the community in 2021-2022.

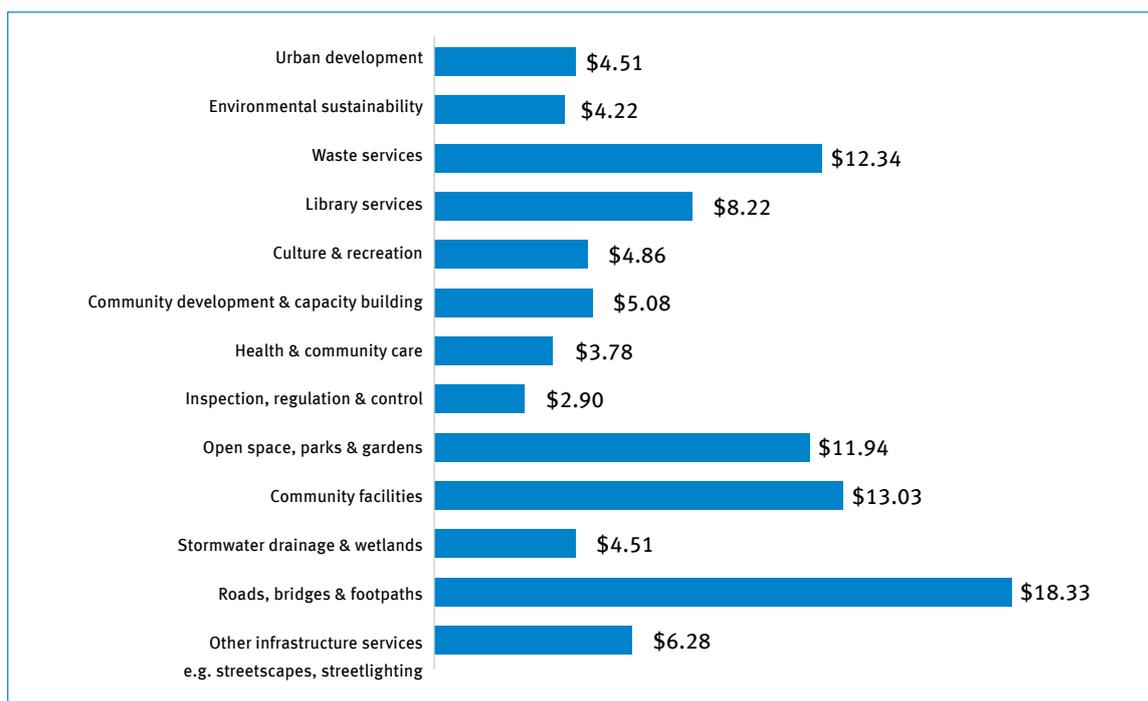
Growth for new developments and capital improvements is forecast at 1% for 2021-2022. This predominantly is the result of new housing in Marion and property improvements, as reported by the Valuer General. The revenue created by this growth will cover the increased costs of servicing a growing community, which includes the requirement to maintain and provide for the replacement of infrastructure such as stormwater drainage and transport networks.

## OTHER SOURCES OF REVENUE

- User Charges set by Council – Relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include charges for the use of Council's community facilities, swimming pool admission and the like.
- Statutory Charges set by State Government – Relate mainly to fees and fines levied in accordance with legislation and include development application fees, health act registrations and parking fines.
- Grants and Subsidies – Grants include all monies received from State and Federal sources for the purpose of funding the delivery of Council's services to ratepayers and for the funding of the capital works program.

## OPERATING EXPENDITURE

Council's operating expenses are forecast to decrease to \$90.41m in 2021-2022. The following graph shows a breakdown of operating expenditure across Council services for every \$100 spent:



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## **EMPLOYEE COSTS**

Employees are responsible for the provision of Council's key services, including the ongoing maintenance of open space areas, libraries, neighbourhood centres, the Marion Outdoor Pool, urban development, health and community care. Employees are either directly employed by Council, or indirectly through an employment agency (i.e. agency staff) where temporary workforce requirements have arisen through seasonal demand or short-term vacancies of existing positions.

Employee costs are forecast to increase by \$1.24m primarily because of increases stemming from existing Enterprise Agreements provisions, increases to the Superannuation Guarantee Contribution, additional staffing resources for Councils endorsed initiatives including Urban Renewal, Edwardstown Activation and Tree Management initiatives.

A reduction of \$0.5m has been incorporated into the budget to allow for positions that may be temporarily vacant during the year.

## **CONTRACTOR SERVICES**

Contractor services relate mainly to the provision of Council services by external providers. Council uses contractors to assist in the provision of major services such as waste collection, and also where specialist services or advice is required, where it is not warranted for Council to have permanent in-house resources. A decrease of \$6.3m (22.7%) is forecast in the 2021-2022 budget which relates to project expenditure in 2020-2021 including 'Digital Transformation', 'Footpath Blitz' and multiple grant funded projects.

## **MATERIALS**

Council's Materials budget includes utilities, products utilised in the delivery of community services and maintenance of Council's infrastructure, open space, and other assets, as well as fuel for the fleet of vehicles used to deliver services. A decrease of \$0.539m (9.8%) in materials is forecast in the 2021-2022 budget. This relates primarily to a \$0.330m reduction in minor digital equipment purchases.

## **OTHER EXPENSES**

Other Expenses have decreased by \$0.497m (5.4%) stemming primarily from the once off contribution towards the proposed Destination Playground in 2020-2021.

## **CAPITAL REVENUE**

### **CAPITAL GRANTS AND CONTRIBUTIONS**

Council has incorporated \$1.5m in capital grants and contributions towards new capital works planned in 2021-2022 being sought to assist funding the Marion Golf Club upgrades.

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### BUDGETED CAPITAL EXPENDITURE

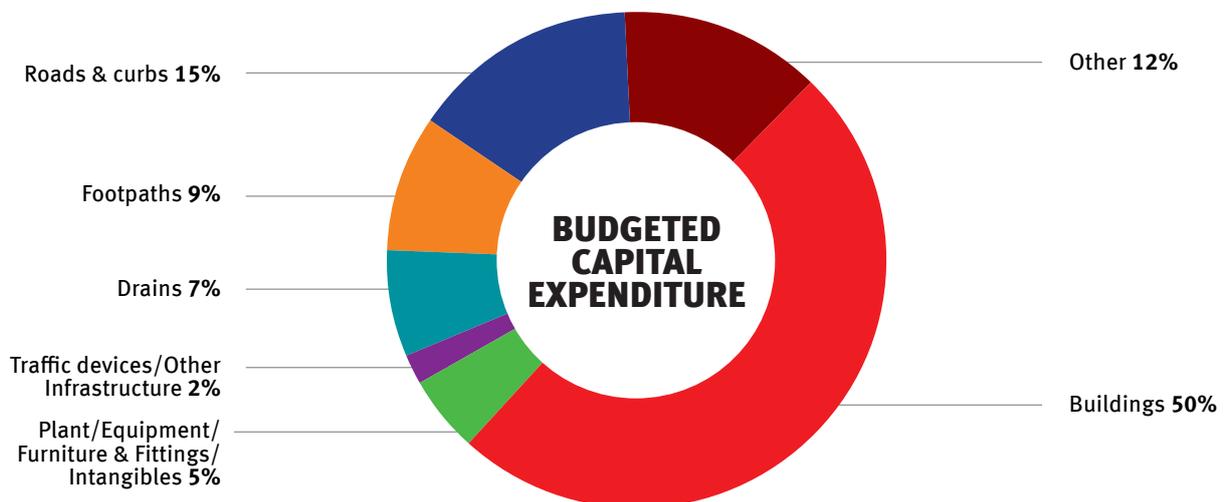
The 2021-22 Budgeted Statement of Capital Expenditure forecasts total capital expenditure of \$40.312m including \$19.783m renewal and \$20.529m new and upgrade.

The following table summarises Council’s planned Capital Works Program for 2021-2022:

Capital Expenditure	2nd Review	Budget
	2020 – 2021 \$'000	2021 – 2022 \$'000
Land	-	-
Buildings	23,199	20,258
Infrastructure:		
Roads & Kerbs	8,211	5,935
Drains	1,424	2,900
Footpaths	2,183	3,470
Traffic Control Devices	544	645
Other Infrastructure	4,398	2,947
Plant and Equipment	1,178	1,721
Furniture and Fittings	202	208
Other	7,815	2,228
Intangibles	41	-
<b>Total Capital expenditure</b>	<b>49,195</b>	<b>40,312</b>
Represented By:		
Capital Expenditure		
Assets - Renewal	11,373	19,783
Assets - New	37,822	20,529
	<b>49,195</b>	<b>40,312</b>

Funding for key capital projects included in the 2021-2022 budget includes Mitchell Park Sport and Community Club (11.0m), Southern Region Soccer Facility (\$3.07m), Coastal Walking Trail (\$2.4m) an the State Heritage Coach House and Bridge (\$1.5m).

The reduction in Other Capital Expenditure relates to the Sam Willoughby UCI BMX Track nearing completion.



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## FINANCING THE BUDGET

Financing the budget refers to the use of borrowings or available cash balances to meet any shortfall between expenditure (both operating and capital) and revenue

Net Lending/(Borrowing)	2nd Review	Budget
	2020 – 2021 \$'000	2021 – 2022 \$'000
Operating Surplus/Deficit before Capital Amounts	230	5,414
less: Net Outlay on Existing Assets		
Capital expenditure on asset renewal/replacement	19,204	19,782
less Depreciation/Ammortisation	(15,708)	(16,000)
	<b>3,496</b>	<b>3,782</b>
less: Net Outlay on New/Upgrade Assets		
Capital expenditure on New & Upgrade Assets	27,993	20,529
less Capital Grants	(5,871)	(1,500)
	<b>22,122</b>	<b>19,029</b>
Adjustments		
(Gain)/loss on disposal of assets	-	-
Share of Equity - Regional Subsidiaries	(365)	(365)
	<b>(365)</b>	<b>(365)</b>
<b>Net funding increase/(decrease)</b>	<b>(25,753)</b>	<b>(17,762)</b>

The table above identifies the Council's net funding result. Council's budget for 2021-2022 is expected to result in a net decrease in funding of \$17.762m.

Financing transactions associated with accommodating the expected net lending result in 2021-2022 are as follows:

Financing Transactions	2nd Review	Budget
	2020 – 2021 \$'000	2021 – 2022 \$'000
New Borrowings	-	10,920
less: Repayment of Principal on Borrowings	(1,245)	(827)
less: Increase/(Decrease) in Cash & Investments		
Transfers from/(to) Reserves	27,047	7,056
Cash Drawdowns/(Investment)	(49)	613
<b>Equals: Financing Transactions</b>	<b>25,753</b>	<b>17,762</b>

Council's Long Term Financial Plan includes an allowance for borrowings of up to \$10.92m for the Mitchell Park Sporting and Community Centre. Council's borrowings are projected to peak at \$14.7 m in 2021-2022, with its Debt Servicing Ratio peaking at 2.5% in 2023-2024 against a maximum target of 5.0% and its Net Financial Liabilities ratio reaching 17.5% in 2021-2022 against a target of up to 50%.

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## FINANCIAL RATIOS

To assist Council in meeting its objective of financial sustainability a series of financial indicators endorsed by the Local Government Association are provided. Where a Council target has not been adopted, the recommended Local Government Association (LGA) target has been used. The following table details these financial indicators and whether or not the prescribed target has been achieved over the three years up to the end of 2021-2022.

Ratio	Council Target	2021-2022 Budget	3 Year Average
Operating Surplus	0% - 10%	5.65%	6.23%
Asset Sustainability/Renewal	90% - 110%	100%	90.87%
Asset Consumption	80% - 100%	80.71%	81.52%
Net Financial Liabilities	0% - 50%	13.52%	-18.80%
Debt Servicing	0% - 5%	1.13%	1.45%

All key financial ratios are forecast to be within their targeted ranges for the 2021-2022 year.

Operating Surplus - this ratio expresses the operating surplus as a percentage of total operating revenue.

The Asset Renewal Funding Ratio indicates whether Council is renewing or replacing assets at the rate of consumption. Council's long term target of 100% ensures that Council aims to invest adequately in maintaining its asset base.

The Asset Consumption Ratio measures the written down value of the non-current assets of the Council as a percentage of their replacement cost. This ratio remains relatively constant with the level of asset renewal expenditure forecast in 2021-2022.

The Net Financial Liabilities Ratio indicates the extent to which the net financial liabilities of the Council can be met by the Council's total operating revenue. With the consumption of cash on significant capital works and major projects in 2021 and 2022 along with loan funding forecast to increase during 2021-2022, the Net Financial Liabilities Ratio is projected to come within Council's target range in 2021-2022.

The Debt Servicing Ratio measures the total annual loan principal and interest repayments as a percentage of total income for the year. This ratio identifies Council's ability to service its debt obligations from operating revenues. The ratio is anticipated to increase slightly with the new loan repayments in 2021-2022 but remains in the lower end of the targeted bandwidth for this ratio.

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## APPENDIX 1. CAPITAL WORKS PROGRAM

STREETSCAPE PROGRAM 2021/22		
Road Name	Suburb	Ward
Diagonal Road	Oaklands Park	Warracowie
Sturt Road	Seacombe Gardens	Warracowie
Alawoona Avenue	Mitchell Park	Warriparinga
Messines Avenue	Edwardstown	Woodlands

*\* Please note capital works programs are subject to change*

OPEN SPACE & RECREATION WORKS PROGRAM 2021/22			
Location	Suburb	Ward	Description
<b>Playground Implementation Program</b>			
McConnell Avenue Reserve (East)	Marino	Coastal	Irrigation works and improvement to recreation facilities
Nimboya Road Reserve	Marino	Coastal	Drink fountain and scooter track
Westcliff Court Reserve	Marino	Coastal	Bench seat
Cowra Crescent Reserve	Parkholme	Mullawirra	Irrigation works
Hendrie Street Reserve	Parkholme	Mullawirra	Irrigation works
Hume Street Reserve	Seaview Downs	Southern Hills	Minor reserve upgrade
Eurelia Road Reserve	Sheidow Park	Southern Hills	Drink fountain
Hallett Close Reserve	Sheidow Park	Southern Hills	Irrigation works
Hugh Johnson Reserve	Sheidow Park	Southern Hills	Playground, reserve and irrigation works (subject to grant funding)
Lander Road Reserve	Sheidow Park	Southern Hills	Minor reserve upgrade including pathway
Barton Drive Reserve	Trott Park	Southern Hills	Drink fountain
Wistow Crescent Reserve	Trott Park	Southern Hills	Playground, reserve and irrigation works
Oaklands Recreation Plaza	Oaklands Park	Warracowie	Minor works
Ramsay Avenue Reserve	Seacombe Gardens	Warracowie	Reserve and Irrigation works
Oakleigh Road Reserve	Marion	Warriparinga	Minor reserve upgrade including nature play elements
Mitchell Park Oval/Reserve	Mitchell Park	Warriparinga	Irrigation works
Peterson Avenue Reserve	Mitchell Park	Warriparinga	Playground, reserve and irrigation
Brolga Place Reserve	Sturt	Warriparinga	Minor reserve works including court upgrade and barbeque
Yapinga Street Reserve	South Plympton	Woodlands	Minor playground works
<b>Tennis &amp; Netball Courts</b>			
Council is currently finalising the program of works for 2021-2022			
<i>* Please note capital works programs are subject to change</i>			

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PROPERTY/BUILDING WORKS PROGRAM 2021/22			
Location	Suburb	Ward	Description
Capella Oval	Hallett Cove	Coastal	Cricket Matting
Hallett Cove Beach Tennis Club	Hallett Cove	Coastal	Replace pergola
Perry Barr Farm Shearing Shed	Hallett Cove	Coastal	Replace roof & flooring
Koorana Gym	Morphettville	Mullawirra	External toilet and air conditioning to gym
Marion Leisure & Fitness	Morphettville	Mullawirra	Upgrade kitchen and storage, redesign entrance and toilet
Morphettville Park Football Club	Morphettville	Mullawirra	Netting & fencing along boundary
Morphettville Park Tennis Club	Morphettville	Mullawirra	Redevelop courts
Marion Outdoor Pool	Park Holme	Mullawirra	Switchboard upgrade, rubber softfall around fitness equipment
Park Holme Library	Park Holme	Mullawirra	Render external walls
Plympton Sports Club	Plympton Park	Mullawirra	Stormwater, car parking and fencing
Cove Netball Club	Hallett Cove	Southern Hills	Toilet refurbishment, external painting, bridge between courts
Cove Soccer	O'Halloran Hill	Southern Hills	Storage Shed
Trott Park Neighbourhood Centre	Trott Park	Southern Hills	Upgrade entrance and reception
Marion Community House	Warradale	Warracowie	Toilet and kitchen upgrade
Cooinda	Sturt	Warriparinga	Upgrade entrance and reception
Council Administration Building	Sturt	Warriparinga	Accommodation refit
Marion Bowling Club	Marion	Warriparinga	Roof and wall repairs, toilet upgrade designs
Marion RSL	Marion	Warriparinga	Carpet & ceiling renewal
Cosgrove Hall	Clovelly Park	Woodlands	Resurface court
Glandore Oval	Glandore	Woodlands	Memorial gardens relocation and netting
Glandore Neighbourhood Centre	Glandore	Woodlands	Community gardens kitchen and disability toilet upgrade
Glandore Neighbourhood Centre Naldera Building	Glandore	Woodlands	Air conditioning
Various	Various	Various	CCTV renewal of cameras across Council building

\* Please note capital works programs are subject to change

TRAFFIC DEVICES PROGRAM 2021/22			
Location	Suburb	Ward	Description
River Parade	Hallett Cove	Coastal	Indented parking bay
29 The Esplanade	Hallett Cove	Coastal	Entrance and path
Mitchell Street	Glengowrie	Mullawirra	Paved parking bays
Park Terrace	Plympton Park	Mullawirra	Parking bay
Lander Road & Young Street	Sheidow Park	Southern Hills	Junction upgrade
Railway Terrace	Warradale	Warracowie	Audit treatments
Seacombe Road	Seacombe Heights	Warriparinga	Indented bus bay
Marion Road	Sturt	Warriparinga	Pedestrian walk
Collins Avenue	Ascot Park	Woodlands	Indented parking bay

\* Please note capital works programs are subject to change

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## ROAD RESEAL PROGRAM 2021/22

Road Name	Suburb	Ward	From	To
Columbia Crescent	Hallett Cove	Coastal	Grand Central Avenue	Mayflower Crescent
The Cove Road	Hallett Cove	Coastal	Barossa Crescent Nth	South Ave
The Cove Road	Hallett Cove	Coastal	Kurnabinna Terrace	Pindee Street
The Cove Road	Marino	Coastal	Allen St	Jervois Terrace
High Street	Seacliff Park	Coastal	Arthur Street	Hill Street
Cliff Street	Glengowrie	Mullawirra	Gillespie Street	City Boundary Hb
Agars Avenue	Morphettville	Mullawirra	Bray Street	Austral Terrace
Quinn Street	Morphettville	Mullawirra	Regan Avenue	Cobham Avenue
Regan Avenue	Morphettville	Mullawirra	Dpti Split	Quinn Street
Rosedale Avenue	Morphettville	Mullawirra	Oaklands Road	Radstock Street
Bowaka Street	Park Holme	Mullawirra	Cungena Avenue	Condada Avenue
Hill Street	Plympton Park	Mullawirra	Bray Street	Aldridge Avenue
Ralli Street	Plympton Park	Mullawirra	Bray Street	Aldridge Avenue
Tarranna Avenue	Plympton Park	Mullawirra	Ross Street	Mulcra Avenue
Basten Avenue	Seaview Downs	Southern Hills	Penong Street	Davenport Terrace
Eyre Street	Seaview Downs	Southern Hills	Seacombe Road	Gawler Street
Wangary Terrace	Seaview Downs	Southern Hills	Seacombe Road	Cadell Street
Warunda Avenue	Seaview Downs	Southern Hills	Seacombe Road	Cadell Street
Hutt Close	Sheidow Park	Southern Hills	Lonsdale Road	End
Railway Court	Sheidow Park	Southern Hills	William Webb Drive	End
Scullin Crescent	Sheidow Park	Southern Hills	Barton Drive	Cul-De-Sac
William Webb Drive	Sheidow Park	Southern Hills	Railway Court	Steamranger Drive
Adams Road	Trott Park	Southern Hills	Whiteley Drive West	Dickerson Crescent
Adams Road	Trott Park	Southern Hills	Scarvel Avenue	Cassab Court
Chifley Crescent	Trott Park	Southern Hills	Barton Drive	End
Hele Court	Trott Park	Southern Hills	Heysen Drive	Strutt Court
Bassi Street	Marion	Warracowie	Pethick Terrace	Minchinbury Terrace
The Parade	Marion	Warracowie	Tait Avenue	Dead End
Albany Crescent	Oaklands Park	Warracowie	Johnstone Road	Crew Street
Boyle Street	Oaklands Park	Warracowie	Finniss Street	George Street
Johnstone Road	Oaklands Park	Warracowie	Masters Avenue	Perrin Street
Gerogeri Street	Seacombe Gardens	Warracowie	Seacombe Road	White Crescent
Russell Avenue	Seacombe Gardens	Warracowie	Ramsay Avenue	Wilga Street
Russell Court	Seacombe Gardens	Warracowie	Russell Avenue	End
Buckingham Avenue	Warradale	Warracowie	Oaklands Road	Cedar Avenue
Lindley Avenue	Warradale	Warracowie	Balmoral Avenue	Bowker Street
Pine Avenue	Warradale	Warracowie	Diagonal Road	Morphett Road
Celtic Avenue	Clovelly Park	Warriparinga	Walker Avenue	Winsor Avenue
Finniss Street	Marion	Warriparinga	Richman Street	Sturt Road
Moreland Avenue	Mitchell Park	Warriparinga	Quick Road	Waterman Terrace
Waterman Terrace	Mitchell Park	Warriparinga	Marion Road	Sampson Road
Waterman Terrace	Mitchell Park	Warriparinga	Geraldine Avenue	Dead End
Woodland Road	Mitchell Park	Warriparinga	Bradley Grove Southern End	Handley Avenue
Braeside Avenue	Seacombe Heights	Warriparinga	Seacombe Road	Truscott Avenue
Glen Street	Seacombe Heights	Warriparinga	Braeside Avenue	Crystal Street
Miller Street	Sturt	Warriparinga	Seacombe Road	Vardon Street
Birch Crescent	Tonsley	Warriparinga	Sturt Road	Ash Avenue
Mimosa Terrace	Tonsley	Warriparinga	Dit South Road	Ash Avenue
De Laine Avenue	Edwardstown	Woodlands	Railway Terrace	Macklin Street
Messines Avenue	Edwardstown	Woodlands	South Road	Castle Street
Towers Terrace	Edwardstown	Woodlands	Wheaton Street	Castle Street
Woodlands Terrace	Edwardstown	Woodlands	Kenilworth Avenue	Adelaide Terrace
Walter Avenue	Mitchell Park	Woodlands	Daws Road	Thirza Avenue
Chitral Terrace	South Plympton	Woodlands	Cross Road	Castle Street
Pleasant Avenue	South Plympton	Woodlands	Winifred Avenue	Brinkworth Street

\* Please note capital works programs are subject to change

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## KERB &amp; WATER TABLE PROGRAM 2021/22

Road Name	Suburb	Ward	From	To
Antonia Circuit	Hallett Cove	Coastal	Aroona Road	End
California Avenue	Hallett Cove	Coastal	Falcon Street	Medway Street
Camille Street	Hallett Cove	Coastal	Gingko Street	Apollo Drive
Columbia Crescent	Hallett Cove	Coastal	Mayflower Crescent	End
Koomooloo Crescent	Hallett Cove	Coastal	Caprice Street North	Caprice Street South
Lorita Crescent	Hallett Cove	Coastal	Apollo Drive	Gingko Street
Marie Close	Hallett Cove	Coastal	Lorita Crescent	End
Medway Street	Hallett Cove	Coastal	Pavana Avenue	Serica Street
Third Street	Hallett Cove	Coastal	South Avenue	Central Avenue
Tornado Avenue	Hallett Cove	Coastal	Dutchman Drive	Cul-de-sac
Vim Street	Hallett Cove	Coastal	Columbia Crescent	Mayflower Crescent
Newland Avenue	Marino	Coastal	Bakewell Crescent	Frank Street
Elder Terrace	Glengowie	Mullawirra	Maxwell Terrace	Fisk Avenue
Dennis Avenue	Morphettville	Mullawirra	Dennis Avenue	Cobham Avenue
Don Terrace	Morphettville	Mullawirra	Bray Street	Austral Terrace
Wallage Avenue	Morphettville	Mullawirra	Clifton Avenue	Dennis Terrace
Weroona Avenue	Park Holme	Mullawirra	Marion Road	Mulcra Avenue
Hawker Avenue	Plympton Park	Mullawirra	Blackler Avenue	Park Terrace
Swinburne Avenue	Plympton Park	Mullawirra	Milton Avenue	Shakespeare Avenue
Kiah Crescent	Sheidow Park	Southern Hills	Westall Way	Amaroo Road
Grieve Court	Trott Park	Southern Hills	Hele Court	Cul-de-sac
Strutt Court	Trott Park	Southern Hills	Hele Court	Cul-de-sac
Bessie Street	Dover Gardens	Warracowie	Laurence Street	Vinall Street
Hope Street	Dover Gardens	Warracowie	Scarborough Terrace	Branksome Terrace
Abbeville Terrace	Marion	Warracowie	Beauford Avenue	Tait Avenue
Abbeville Terrace	Marion	Warracowie	Bassi Street	Fiscom Street
Doreen Street	Oaklands Park	Warracowie	Milton Street	End
Jewell Street	Oaklands Park	Warracowie	Milton Street	Barry Road
Cedar Avenue	Warradale	Warracowie	Diagonal Road	Soho Street
Gardiner Avenue	Warradale	Warracowie	Lincoln Avenue	Struan Avenue
Railway Terrace	Warradale	Warracowie	Diagonal Road	First Avenue
Railway Terrace	Warradale	Warracowie	Third Avenue	Sixth Avenue
Bassi Street	Marion	Warriparinga	Pethick Terrace	Abbeville Terrace
Moreland Avenue	Mitchell Park	Warriparinga	Quick Road	Waterman Terrace
Waterman Terrace	Mitchell Park	Warriparinga	Lodge Street	Geraldine Avenue
Alpine Road	Seacombe Heights	Warriparinga	Cul-de-sac North	Denton Street
Dorian Avenue	Seacombe Heights	Warriparinga	Seacombe Crescent	End
Darlington Street	Sturt	Warriparinga	Diagonal Road	Moss Street
Duncan Street	Sturt	Warriparinga	Tay Road	Carlow Street
Myer Road	Sturt	Warriparinga	Tay Road	Cul-de-sac
Miller Street	Sturt	Warriparinga	Vardon Street	Diagonal Road
Albert Street	Ascot Park	Woodlands	Charles Street	West Street
Fifth Avenue	Ascot Park	Woodlands	Aroona Road	End
Coongie Avenue	Edwardstown	Woodlands	Conmurra Avenue	Konando Street
Furness Avenue	Edwardstown	Woodlands	South Road	Russell Terrace
Hyman Avenue	Edwardstown	Woodlands	Towers Terrace	Railway Terrace
Waverley Avenue	Edwardstown	Woodlands	Dunorlan Road	Woodland Avenue
Victoria Street	Glandore	Woodlands	Churchill Avenue	Malwa Street
John Street	South Plympton	Woodlands	Vincent Street	Fourth Avenue
William Street	South Plympton	Woodlands	Marion Road	Laurence Street

\* Please note capital works programs are subject to change

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<b>RESIDENTIAL FOOTPATH PROGRAM 2021/22</b>		
<b>Road Name</b>	<b>Suburb</b>	<b>Ward</b>
Proactive footpath works	Various	Various
Fryer Street	Hallett Cove	Coastal
South Avenue	Hallett Cove	Coastal
Oval Road	Hallett Cove	Coastal
Pavana Court	Hallett Cove	Coastal
Sheidow Place	Hallett Cove	Coastal
Stern Close	Hallett Cove	Coastal
Second Avenue	Hallett Cove	Coastal
Third Avenue	Hallett Cove	Coastal
Esplanade	Marino	Coastal
Newland Avenue	Marino	Coastal
Kappler Court	Glengowrie	Mullawirra
Majors Road	O'Halloran Hill	Southern Hills
Keen Avenue	Seaview Downs	Southern Hills
Spode Court	Trott Park	Southern Hills
Calauria Crescent	Trott Park	Southern Hills
Walkley Avenue	Warradale	Warracowie
Quick Road	Mitchell Park	Warriparinga
Crystal Street	Seacombe Heights	Warriparinga
The Parkway	Sturt	Warriparinga

\* Please note capital works programs are subject to change

<b>STORMWATER DRAINAGE PROGRAM 2021/22</b>		
<b>Road Name</b>	<b>Suburb</b>	<b>Ward</b>
Santana Court	Hallett Cove	Coastal
Lucretia Way Dam	Hallett Cove	Coastal
Cadell Street	Seaview Downs	Southern Hills
Berrima Street	Sheidow Park	Southern Hills
Shetland Avenue	Marion	Warriparinga
Coolah Terrace	Marion	Warriparinga
English Avenue	Clovelly Park	Woodlands

\* Please note capital works programs are subject to change

<b>OTHER INFRASTRUCTURE PROGRAM 2021/22</b>		
<b>Details</b>	<b>Suburb</b>	<b>Ward</b>
Bus Shelters	Various	Various
DDA Kerb Ramp upgrades	Various	Various
Signage	Various	Various
Lighting	Various	Various

## APPENDIX 2. RATING POLICY

### RATING

#### (1) VALUATION METHODOLOGY AND ADOPTION

Council uses Capital Value as the basis for valuing land within the Council area. Capital Value is the value of the land and all of the improvements on the land. The Council also continues to adopt the capital valuations distributed by the Valuer-General.

(SEE ANNEXURE 1)

#### (2) DIFFERENTIAL GENERAL RATES

All land within a council area, except for land specifically exempt under section 147 (2) of the Act is rateable. The Act provides for a council to raise revenue through a general rate, which applies to all rateable land, or through differential general rates, which differentially apply to classes of rateable land. Council uses a differential rating system to raise revenue based upon Land Use to ensure a fair and equitable distribution of rates within the City of Marion. In applying this approach Council will take into consideration all prevailing economic conditions and changes and adjust its differential rates accordingly, to ensure an appropriate and fair equalisation of rates across all land use categories.

The differential general rate Land Use categories are as follows:

- Category 1 Residential
- Category 2 Commercial – Shop
- Category 3 Commercial – Office
- Category 4 Commercial – Other
- Category 5 Industrial – Light
- Category 6 Industrial – Other
- Category 7 Primary Production
- Category 8 Vacant
- Category 9 Other

These differential rates will be used to determine the rates in the dollar for all properties within the City of Marion area for the financial year. These rates will be specified in Council's rate declaration for each financial year.

(SEE ANNEXURE 1)

#### (3) MINIMUM RATE

A minimum amount payable by way of general rates is determined to apply to the whole of an allotment (including land under a separate lease or licence) and only one minimum amount is payable in respect of two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier.

The Minimum Rate to apply to properties within the City of Marion will be detailed in Council's rate declaration for each financial year.

(SEE ANNEXURE 1)

**(4) SERVICE CHARGE**

The Council has decided not to impose any service charges for this financial year.

**(5) REGIONAL LANDSCAPE LEVY (FORMERLY NATURAL RESOURCES MANAGEMENT LEVY)**

The Council, under the Landscape South Australia Act 2019, is required to collect this levy. It does so by imposing a separate rate for all rateable properties within the Council area.

For each financial year, the levy for each property will be determined by the total capital valuation within the City of Marion. The calculation is as follows;

- Total Capital Value divided by the Total Amount Required, (set for the financial year by the Green Adelaide Board) determines an appropriate rate in the dollar, this rate in the dollar will then be adopted to each property.

**(SEE ANNEXURE 1)**

**(6) PAYMENT OF RATES**

The Council has determined that payment of rates for the 2021-2022 financial year will be by four instalments, due on 1 September 2021, 1 December 2021, 1 March 2022 and 1 June 2022. However, the total amount of rates may be paid in full at any time.

Council has determined that rates may be paid by the following methods;

- Australia Post – Post Office, Telephone or Internet
- Bpay – Telephone or internet payments
- Centrepay – Deductions directly from Centrelink deductions
- Direct Debit – Direct from either a Cheque or Savings account
- Eservices – Direct through the Council's Internet system
- In person - At Council Offices
- By Mail - Locked Bag 1 Oaklands Park SA 5046

**(7) LATE PAYMENT OF RATES**

Council imposes an initial penalty (a fine) of 2% as prescribed under the Act on any instalment that is received late. A prescribed interest rate (which includes the amount of any previous unpaid fine and interest) will apply on the expiration of each month that a balance remains unpaid.

When the Council receives a payment in respect of overdue rates, the money received is applied in the order set out below, in accordance with Section 183 of the Act,

- First – to satisfy any costs awarded in connection with court proceedings;
- Second – to satisfy any interest costs;
- Third – in payment of any fines imposed;
- Fourth – in payment of rates, in chronological order (starting with the oldest account first).

**(SEE ANNEXURE 1)**

## **(8) REBATES AND POSTPONEMENT OF RATES**

### **(8.1) RATE REBATE POLICY**

Refer to the Rate Rebate Policy attached.

### **(8.2) RATE CAPPING**

Section 166 (1) (l) (ii) of the Act provides for the discretionary rebate of rates where, among other things, there has been a rapid change in valuations.

Council will provide relief against a substantial increase in rates payable on residential land due to large increases in capital value by applying a rebate (capping) of general rates to eligible ratepayers.

For the current financial year, the rate cap is set at 12% with a \$20 minimum and a \$200 maximum (excluding new or improved properties) for ratepayers who meet the Qualifying Criteria set out below:

Qualifying Criteria:

- The property is the owner's principal place of residence.
- The property has not had more than \$20,000 of improvements.
- The property value has not increased due to zoning changes.
- The land use for rating purposes has not changed since 1st July of the previous financial year.
- The property has not sold since the 1st January of the previous financial year.

Rate capping will be applied automatically to properties that can be readily identified as being eligible. Where this rebate is not applied automatically, ratepayers who consider they could be eligible for rate capping may apply in writing to Council. Applications will be assessed against the eligible criteria. Only applications for the current financial year will be accepted and must be received in the current financial year.

### **(8.3) RESIDENTIAL CONSTRUCTION ON VACANT LAND**

Under Section 166 (1) (a) of the Act, and for the purpose of securing the proper development of the area, a discretionary rebate of general rates for the 2021-2022 financial year will be granted in respect of an assessment classed as vacant land by the Council, where:

- The principal ratepayer of the assessment applies to the Council for the rebate prior to 30 June 2022, and
- The footings have been poured on the property by 30 June 2022

The amount of the rebate will be the difference between the general rate in the dollar applicable to Vacant land, and the general rate in the dollar applicable to Residential land. This is calculated by the number of days remaining between 1 July 2021 and 30 June 2022 from the date footings are poured for a residence on the land. Minimum Rate is still applicable.

### **(8.4) POSTPONEMENT OF RATES – HARDSHIP**

Section 182 of The Act permits the Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates they may submit an application in writing to the Council's Team Leader Rating Services. The Council treats such inquiries confidentially.

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## **COVID-19 PROVISION**

Ratepayers experiencing financial difficulties and are unable to meet standard payment arrangements due to COVID-19 can contact Council to discuss alternative payment options.

### **(8.5) POSTPONEMENT OF RATES – SENIORS**

An application may be made to Council by ratepayers who meet the criteria required for qualification for the postponement under Section 182A of The Act. (see Annexure 1 for criteria)

### **(9) SALE OF LAND FOR NON-PAYMENT OF RATES**

The Act provides that a council may sell any property where the rates have been in arrears for three years or more. Council is required to notify the owner of the land of its intention to sell the land, provide the owners with details of the outstanding amounts, and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month. Except in extraordinary circumstances, the Council enforces the sale of land for arrears of rates.

### **(10) CONCESSIONS COST OF LIVING CONCESSION**

Pensioners, low-income earners and self-funded retirees holding a Commonwealth Seniors Health Card can receive up to \$200 per year. Eligibility includes pensioners and low-income earners who are tenants.

For further information contact the Concessions Hotline on 1800 307 758.

## **RATE REBATES**

### **(1) POLICY STATEMENT**

Council has decided to adopt a Rate Rebate Policy for all rateable land within the Council's area which is applied in accordance with Sections 159 to 166 of the Act. This Policy will assist the Council as a decision making function and is intended to provide guidance to the community as to the matters that the Council will take into account in deciding an application for a rebate.

The Policy also sets out the type of land use for which the Council must grant a mandatory rebate of rates and the percentage amount applicable, and those types of land use where the Council has the ability to grant a discretionary rebate of rates. Rebates will only be available when the applicant satisfies the requirements under both the Act and, where appropriate, the requirements of this Policy.

### **(2) MANDATORY REBATES**

Mandatory rate rebates will be granted by Council at the prescribed rate in accordance with Sections 159 to 165 of The Act.

- S160 – Health Services 100% Rebate
- S161 – Community Services (Including Housing Associations) 75% Rebate
- S162 – Religious Purposes 100% Rebate
- S163 – Public Cemeteries 100% Rebate
- S164 – Royal Zoological Society of SA 100% Rebate
- S165 – Educational Purposes 75% Rebate

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Where the Council is satisfied from its own records, or from other sources, that a person or body meets the necessary criteria for a mandatory rate rebate, the Council will grant the rebate accordingly. Where the Council is not satisfied based on the information in its possession or otherwise does not hold relevant information, it will require the person or body to lodge an application in accordance with this Policy.

Where a person or body is entitled to mandatory rate rebate of 75% only, the Council may increase the rebate up to a further 25%. The Council may grant this further 25% rebate on application.

Where an application is made to the Council for a rebate of up to a further 25%, the application will be determined and written notice will be provided to the applicant of its determination of that application.

### **(3) DISCRETIONARY REBATES**

A discretionary rate rebate may be granted by the Council, at its absolute discretion, up to and including 100% relief to any cases pursuant to Section 166 of the Act.

Any persons or bodies seeking a discretionary rebate, will be required to submit an application form to the Council and provide to the Council such information as stipulated on the application form and any other information that the Council may reasonably require.

### **(4) APPLICATION**

The Council will inform the community of the provisions for rate rebate under the Act by the inclusion of an advert in the local newspaper each year.

Application forms may be obtained from the Council office located at 245 Sturt Road, Sturt.

The Council will advise an applicant for a rebate of its determination of that application in due course, after receiving the application and receiving all information requested by the Council. The advice will state –

- if the application has been granted, the amount of the rebate; or
- if the application has not been granted, the reasons why.

### **(5) IN REGARDS TO PRESCRIBED DISCRETIONARY RATE REBATES THE COUNCIL WILL TAKE INTO ACCOUNT, IN ACCORDANCE WITH SECTION 166(1A) OF THE ACT, THE FOLLOWING MATTERS –**

- The nature and extent of Council services provided in respect of the land for which the rebate is sought, in comparison to similar services provided elsewhere in the Council area;
- The community need that is being met by activities carried out on the land for which the rebate is sought; and the extent to which activities carried out on the land, for which the rebate is sought, provides assistance or relief to disadvantaged persons; and
- Such other matters as the Council considers relevant.

### **(6) THE COUNCIL MAY TAKE INTO ACCOUNT OTHER MATTERS CONSIDERED RELEVANT BY THE COUNCIL INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING–**

- Why there is a need for financial assistance through a rebate;
- The level of rebate (percentage and dollar amount) being sought and why it is appropriate;
- The extent of financial assistance, if any, being provided to the applicant and/or in respect of the land by Commonwealth or State agencies;
- Whether the applicant has made/intends to make applications to another Council;
- Whether, and if so to what extent, the applicant is or will be providing a service within the Council area;

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- Whether the applicant is a public sector body, a private not for profit body or a private for profit body;
- Whether there are any relevant historical considerations that may be relevant for all or any part of the current Council term;
- The desirability of granting a rebate for more than one year;
- Consideration of the full financial consequences of the rebate for the Council;
- The time the application is received;
- The availability of any community grant to the person or body making the application;
- Whether the applicant is in receipt of a community grant; and
- Any other matters and policies of the Council, which the Council considers relevant.

All persons or bodies wishing to apply to the Council for a discretionary rebate of rates must do so on or before 1 May in that financial year for which the rebate is sought.

- The Council may grant a rebate of rates on such conditions as the Council thinks fit.
- The Council may, for proper cause, determine that an entitlement to a rebate of rates under the Act no longer applies.
- Where an entitlement to a rebate of rates ceases or no longer applies during the course of a financial year, the Council is entitled to recover rates, or rates at the increased level (as the case may be), proportionate to the remaining part of the financial year.

It is an offence for a person or body to make a false or misleading statement or representation in an application, or to provide false or misleading information or evidence in support of an application made (or purporting to be made) under the Act.

The maximum penalty for this offence is \$5,000.

If a person or body has the benefit of a rebate of rates and the grounds on which the rebate has been granted cease to exist, the person or body must immediately inform the Council of that fact and (whether or not the Council is so informed) the entitlement to a rebate ceases. If a person or body fails to do so that person or body is guilty of an offence.

The maximum penalty for this offence is \$5,000.

## **(7) DELEGATION**

The Council has delegated its power, pursuant to Section 44 of the Act to determine applications and to grant a discretionary rebate of rates, to the Chief Executive Officer on the condition that the discretionary rebate is not more than \$5,000.

The Council has delegated its power, pursuant to Section 44 of the Act to determine applications and to grant a discretionary rebate of rates, to the Chief Executive Officer subject to the following condition:

- Where the discretionary rate is not more than \$5,000.

## **(8) REVIEW OF REBATE**

A person or a body aggrieved by a determination of the Council in respect of an application for a rebate may, within 14 days of the date of the notice of determination, seek a review of that decision in accordance with the Council's Internal Review of Council Decisions Policy.

## **(9) COMMUNITY GRANTS**

If an application for a rebate is unsuccessful, the Council has an absolute discretion to then treat the application as one for a community grant and to determine it in accordance with the Council's Community Grants Policy.

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## (10) AVAILABILITY OF POLICY DOCUMENTS

Policy documents are available for inspection at the Council offices and on the website at [www.marion.sa.gov.au](http://www.marion.sa.gov.au). Persons may obtain a copy of any Policy document upon payment of the fee set by the Council.

### DISCLAIMER

A rate cannot be challenged on the basis of non-compliance with this Policy and must be paid in accordance with the required payment provisions.

Where a ratepayer believes that the Council has failed to properly apply this Policy they should raise the matter with the Council. In the first instance contact the Council's Team Leader – Rating Services on 8375 6617 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they should write to the Chief Executive Officer, City of Marion, PO Box 21, Oaklands Park, SA 5046

### ANNEXURE 1

#### 1. VALUATION METHODOLOGY AND ADOPTION

Under the Act, the Council may adopt one of three valuation methodologies to value the properties in its area.

They are:

- Capital Value – the value of the land and all of the improvements on the land.
- Site Value – the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements.
- Annual Value – a valuation of the rental potential of the property.

The Council considers that the Capital Value method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth;
- Property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property, provides the best indicator of overall property value;
- The distribution of property values throughout the Council area is such that few residential ratepayers will pay significantly more than the average rate per property.

Any ratepayer dissatisfied with the valuation made by the Valuer General may object in writing to the Valuer General within 60 days of receiving a rate notice, explaining the basis for the objection. This is provided that ratepayer has not:

- (a) previously received a notice of this valuation under the Act, in which case the objection period is 60 days from the receipt of the first notice; or
- (b) previously raised an objection to that valuation.

The 60 day objection period may be extended by the Valuer-General where it can be shown there is reasonable cause to do so.

It is important to note that the lodgement of an objection does not change the payment of rates or the due date.



## 2. DIFFERENTIAL GENERAL RATES

All land within a council area, except for land specifically exempt (e.g. crown land, council occupied land and other land prescribed under the Act – refer to Section 147), is rateable. The Act provides for a council to raise revenue for the broad purposes of the Council through the imposition of a single general rate or through differential general rates that apply to all rateable properties within the council area.

Following a review of rating options available under the Act during the 2002/2003 financial year, the Council consulted extensively with the community on this issue and concluded that a differential rating system would improve the equity in rate distribution across the community. The review included a comparison of rating methods and rates by land use within the Adelaide metropolitan area.

Differential general rates are based on Land Use as determined in the Local Government (General) Regulations 2013 under the Act. If a ratepayer believes that a particular property has been wrongly classified by the Council as to its land use, then they may object (to the Council) to that land use within 60 days of being notified. A ratepayer may discuss the matter with a Rates Officer, on 8375 6600 in the first instance. The Council will provide, on request, a copy of Section 156 of the Act which sets out the rights and obligations of ratepayers in respect of objections to a land use.

An objection to the land use:

- Must be in writing
- Must set out-
  - The grounds of the objection; and
  - The land use (being a land use being used by the Council as a differentiating factor) that should, in the objector's opinion, have been attributed to the land; and
- Must be made within 60 days after the objector receives notice of the particular land use to which the objection relates.
- This 60 day objection period may be extended where it can be shown there is reasonable cause to do so.

The Council may then decide the objection as it sees fit and notify the ratepayer. A ratepayer also has the right to appeal against the Council's decision to the Land and Valuation Court. It is important to note that the lodgement of an objection does not change payment of rates or the due date.

## 3. MINIMUM RATE

The reasons for imposing a minimum amount payable by way of general rates are:

- The Council considers it appropriate that all rateable properties make a contribution to the cost of administering the Council's activities;
- The Council considers it appropriate that all rateable properties make a contribution to the cost of creating and maintaining the physical infrastructure that supports each property.

No more than 35% of properties will be subject to the minimum amount.

## 4. REGIONAL LANDSCAPE LEVY (FORMERLY THE NATURAL RESOURCE MANAGEMENT LEVY)

It is important to note that Council is required to collect this levy under the Landscape South Australia Act 2019 and operates as a revenue collector for the Green Adelaide Board in this regard. It does not retain this revenue or determine how the revenue is spent.

For further information visit <https://landscape.sa.gov.au/>

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## 5. LATE PAYMENT OF RATES

Under the Act, the Council applies penalties (fines and interest) to arrears of rates (i.e. rates which are not paid on or before the due date). The Council issues a final notice for payment of rates when rates are overdue i.e. unpaid by the due date. If rates remain unpaid more than 21 days after the issue of the final notice then the Council may refer the debt to a debt collection agency for collection. This may result in legal proceedings with costs on-charged to the ratepayer.

The Council has adopted a policy to assist ratepayers experiencing difficulty in making their rate payment by the due date. The Council will consider approving extended payment provisions or, in circumstances where hardship can be demonstrated, deferring the payment of rates.

The Council may be prepared to remit penalties (fines and interest) for late payment of rates where ratepayers can demonstrate hardship or sufficient other reason for late payment.

All applications for remissions must be in writing, addressed to: Rating Services Section, City of Marion, PO Box 21, Oaklands Park, SA 5046.

## 6. DISCRETIONARY REBATE

The Act requires the Council to rebate the rates payable on certain land ('mandatory rebates'). The Act, at section 166, also empowers the Council to grant discretionary rebates of rates of up to 100% of the rates and/or charges payable. The Council, in considering discretionary rebates, must balance the benefits of providing rebates, with the impact that such rebates have on its overall income (and hence upon the general ratepayer base). To promote the transparency of this process the Council has adopted a Rate Rebate Policy. A copy of this Policy is available at the Council offices or on Council's website at [www.marion.sa.gov.au](http://www.marion.sa.gov.au).

## 7. POSTPONEMENT OF RATES – SENIORS

The following criteria must be satisfied before the postponement is granted.

- The person is a prescribed ratepayer, or the spouse of a prescribed ratepayer;
- A prescribed ratepayer means the holder of a current State Seniors Card or a person eligible to hold such a card who has applied but is yet to be issued with a card.
- Rates are payable on the principal place of residence.
- The land is owned by the prescribed ratepayer, or the prescribed ratepayer and his or her spouse, and no other person has an interest, as owner, in the land.
- Any current mortgage over the property which was registered prior to 25 January 2007 will be no more than 50% of the Valuer-General's capital value of the property.

An application must be made in the prescribed manner and form and be accompanied by such information as the Council may require. Any rates which are postponed will become due and payable when:

- The title to the land is transferred to another person; or
- There is failure to comply with a condition of postponement. A minimum amount of \$500 of the annual rates must be paid.

An entitlement to a remission will be applied to the proportion of the rates that has not been postponed, unless notice to the contrary is received in writing from the owner.

Interest will accrue on the amount postponed at the prescribed rate per month, under the Act until the amount is paid.

Should the entitlement to a postponement cease to exist, the owner of the land must inform the Council in writing, unless the rates and any interest have been paid in full.

## APPENDIX 3. LONG TERM FINANCIAL PLAN

City of Marion 10 Year Financial Plan for the Years ending 30 June 2031 BUDGET SUMMARY - GENERAL FUND Scenario: LTFP 2021-2031 Draft ABP Model											
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>											
Rates	81,693	83,337	85,420	87,556	89,659	91,813	94,019	96,186	98,403	100,672	
Statutory Charges	2,106	2,138	2,180	2,235	2,291	2,348	2,407	2,467	2,528	2,592	
User Charges	2,827	2,869	2,926	3,000	3,075	3,152	3,230	3,311	3,394	3,479	
Grants, Subsidies and Contributions	6,726	6,013	6,133	6,287	6,444	6,605	6,770	6,939	7,113	7,290	
Investment Income	347	376	383	400	434	443	527	588	684	754	
Reimbursements	1,222	1,172	1,195	1,225	1,256	1,287	1,319	1,352	1,386	1,421	
Other Income	538	541	544	549	553	558	562	567	572	577	
Net gain - equity accounted Council businesses	365	-	-	-	-	-	-	-	-	-	
<b>TOTAL INCOME</b>	<b>95,824</b>	<b>96,445</b>	<b>98,783</b>	<b>101,251</b>	<b>103,712</b>	<b>106,205</b>	<b>108,835</b>	<b>111,410</b>	<b>114,080</b>	<b>116,784</b>	
<b>EXPENSES</b>											
Employee Costs	39,213	40,101	41,173	42,173	43,315	44,311	45,330	46,373	47,440	48,531	
Materials, Contracts & Other Expenses	34,943	35,324	34,911	35,647	36,536	38,092	38,381	39,136	40,060	41,061	
Depreciation, Amortisation & Impairment	16,000	16,640	17,306	17,998	18,718	19,466	20,245	21,055	21,897	22,773	
Finance Costs	254	493	449	373	322	269	214	157	104	68	
<b>TOTAL EXPENSES</b>	<b>90,410</b>	<b>92,558</b>	<b>93,839</b>	<b>96,191</b>	<b>98,891</b>	<b>102,140</b>	<b>104,171</b>	<b>106,721</b>	<b>109,501</b>	<b>112,433</b>	
<b>Operating Surplus</b>	<b>5,414</b>	<b>3,888</b>	<b>4,944</b>	<b>5,060</b>	<b>4,821</b>	<b>4,065</b>	<b>4,664</b>	<b>4,689</b>	<b>4,579</b>	<b>4,351</b>	
<b>Operating Surplus Ratio</b>	<b>5.65%</b>	<b>4.03%</b>	<b>5.01%</b>	<b>5.00%</b>	<b>4.65%</b>	<b>3.83%</b>	<b>4.29%</b>	<b>4.21%</b>	<b>4.01%</b>	<b>3.73%</b>	
Amounts Received Specifically for New or Upgraded Assets	1,500	-	-	-	-	-	-	-	-	-	
<b>Net Surplus / (Deficit) for the Year</b>	<b>6,914</b>	<b>3,888</b>	<b>4,944</b>	<b>5,060</b>	<b>4,821</b>	<b>4,065</b>	<b>4,664</b>	<b>4,689</b>	<b>4,579</b>	<b>4,351</b>	
<b>CAPITAL (Balance Sheet) and Reserve Movements</b>											
Capital Expenditure	(40,312)	(20,243)	(19,133)	(20,209)	(21,530)	(21,247)	(22,404)	(23,058)	(23,736)	(24,230)	
Loan Repayments (External)	(827)	(1,841)	(2,040)	(1,450)	(1,501)	(1,554)	(1,609)	(1,666)	(1,304)	(1,340)	
New Loan Borrowings (External)	10,920	1,350	-	-	-	-	-	-	-	-	
Net Transfers (to)/from Reserves	7,056	580	(383)	(383)	(383)	(283)	(283)	(283)	(283)	(283)	
<b>TOTAL CAPITAL (Balance Sheet) and Reserve Movements</b>	<b>(23,162)</b>	<b>(20,154)</b>	<b>(21,556)</b>	<b>(22,042)</b>	<b>(23,413)</b>	<b>(23,083)</b>	<b>(24,295)</b>	<b>(25,007)</b>	<b>(25,323)</b>	<b>(25,852)</b>	
<b>Net Result (including Depreciation &amp; Other non-cash items)</b>	<b>(16,248)</b>	<b>(16,267)</b>	<b>(16,611)</b>	<b>(16,982)</b>	<b>(18,593)</b>	<b>(19,018)</b>	<b>(19,632)</b>	<b>(20,317)</b>	<b>(20,744)</b>	<b>(21,501)</b>	
Add back Depreciation Expense (non-cash)	16,000	16,640	17,306	17,998	18,718	19,466	20,245	21,055	21,897	22,773	
Less Other Income (non-cash)	(365)	-	-	-	-	-	-	-	-	-	
<b>Cash Budget Surplus</b>	<b>(613)</b>	<b>373</b>	<b>694</b>	<b>1,016</b>	<b>125</b>	<b>449</b>	<b>614</b>	<b>738</b>	<b>1,153</b>	<b>1,272</b>	

The proposed average rate increase for 2021-2022 is below current Adelaide CPI of 1.2%

## Background

Councils are, in accordance with the requirements of the Local Government Act, required to develop Annual Business Plans and a budget for the ensuing financial year.

The Draft Annual Business Plan 2021-22 was endorsed by Council and its 27 April 2021 meeting and community consultation commenced from 30 April to 21 May 2021.

The feedback provided is from the 30 April up to 5pm on 11 May. The full consultation feedback will be provided to General Council at its 8 June 2021 meeting.

## Purpose of the Community engagement

- Inform interested stakeholders and the broader community about the Draft Annual Business plan and how Council proposes to spend its budget for the ensuing year.
- Communicate the community engagement period and provide opportunities for the community to participate in the engagement on Making Marion

## Community Engagement techniques

- Making Marion engagement page to provide a copy of the Draft Plan and a series of questions to identify community sentiment of the plan
- Making Marion e-newsletter to promote the engagement
- Promotion via the City of Marion website
- A video featuring the Mayor outlining the engagement was promoted on Making Marion and social media
- Hard copy distribution of the plan and libraries and administration offices
- Social media updates through LinkedIn and Facebook
- City Limits newsletter Issue #67 in April 2021 promoting the engagement
- Public notice published in *The Advertiser* on 6 May 2021 promoting the engagement
- Verbal submission at the 11 May General Council meeting (no attendees)
- Communication to the Deputy Chief Public Health officer, Flinders Medical Centre and the Local Health networks as required under Section 51(13) of the *South Australian Public Health Act 2011*

## Community feedback

- **168** people visited the Making Marion page
- **56** people were 'informed' by clicking through further to content on the page
- **14** people provided a submission to the survey on Making Marion
- **2333** people were notified as subscriber's to Making Marion newsletter
- **5000** people were notified in the Open for Business e-news
- **313** City of Marion registered volunteers were advised
- Attendees at the Quarterly meeting of the Southern Business Mentoring group were informed and encouraged to promote with business clients

## Social media posts

On 26 May City of Marion posted a paid sponsored post to promote the Draft Annual Business Plan with 268 people viewing the page and 0 comments on the post as at 11 May.

## Community Sentiment

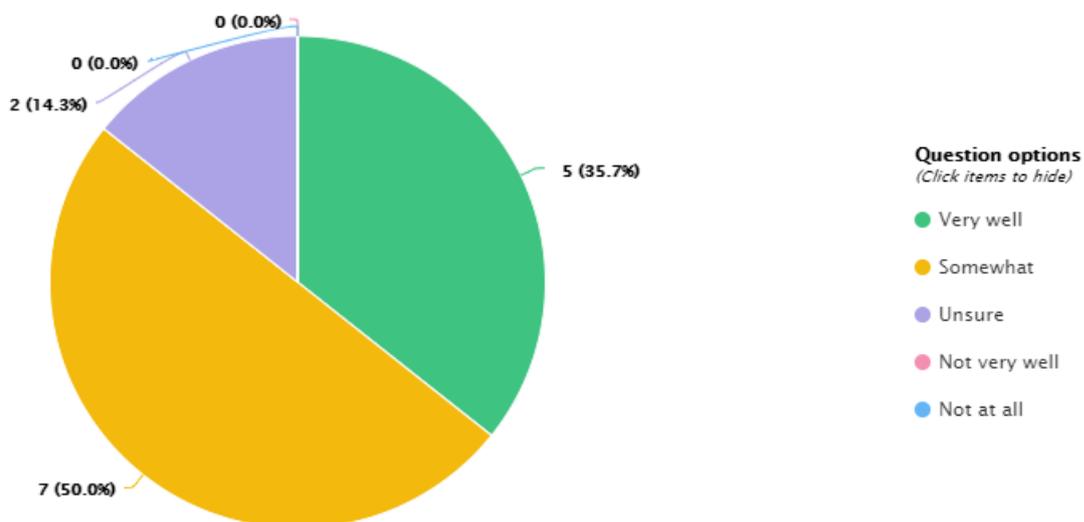
Overall **42.9%** of respondents were either happy or very happy with the plan. **50%** of respondents were neutral, **7.1%** of respondents indicated they were unhappy. 14 respondents participated in the survey.

**A summary of key community feedback and responses (verbatim) is provided here.**

### 1. Tell us what you are most excited about in this year's plan?

- Playground at Capella Reserve
- All projects worthwhile
- A reasonable rate increase
- Coastal walkways and the new soccer and BMX track
- BMX and soccer facilities at Glenthorne and Skate Park and playground at Capella and the tree management initiative. I greatly support any initiative which provides for children in particular youth/young teenagers
- Skate Park at Hallett Cove, Soccer and BMX facility at Glenthorne Park
- New upgrades of sporting facilities and open spaces
- The Fairford Coach house and footbridge restorations and the focus on additional trees
- Valuing Nature
- A potentially low rates increase
- Improve the FUNCTIONALITY of streets and progressing the Coastal walkway
- The growth in youth outdoor leisure activities eg outdoor work areas integrated into playgrounds

### 2. How well do you think the priorities in the business plan meet our community vision?



### 3. Tell us what you think we could improve?

Community comments	Key themes
- <i>"BMX and soccer facility doesn't match with the idea of a national park. Waste of money."</i>	Major projects
- <i>"Seems very sport-heavy this year- hopefully heritage and libraries will get more of a go next year."</i>	Major projects
- <i>"Balance the growth in youth activities for older persons eg. Outdoor work out areas integrated into playgrounds."</i>	Open Space
- <i>"General street maintenance- in my street there are several very old trees which overhang my house and my neighbours and constantly drop small nuts/leaves/lots of bark which fill up the street gutters and block water drainage--- on windy days the debris from one major tree blocks my house gutters and I'm constantly having to check gutters on that side of the house---If I clean the gutters myself it's dangerous on the ladder but if I get someone into to do it, its' expensive as it has to be done several times a year- the tree is not that attractive anyway."</i>	Trees
- <i>"I am aware that the Council has a plan for Greening Marion and I would like to hear about this plan in more detail, one thing council could improve is the amount of concrete within our suburbs, which can increase total heating and lead to greater temperatures; which I believe is a serious issue which needs genuine design expertise, to avoid our future being even more concrete central. One concern I have is that more urban development is going ahead, without prior infrastructure like trees and vegetation, more walking and bike paths, and generally more useable open space. Why is this happening in the year 2021? It is great to have open wetlands and parks, but it is confusing to then see that housing developments are being approved, which will result in less open space, more high density housing, more traffic, and possibly less security. Wouldn't it be more earth friendly to design low-medium density housing, which is built within an open space inclusive of a park, walking track, bike track, outdoor fitness, dog walking etc... without extensive roads and footpaths - maybe even having some projects for carless families or singles - relying on public transport, train or bus or bike etc etc... it seems to me that these so called urban projects are cramming more houses into smaller lots, and increasing vehicles not decreasing them, to the detriment of the vision of "valuing nature"."</i>	Environment-urban heat, Urban infill
- <i>"1. More consideration in the tree planting program. E.g. The type and size. There are trees that affect power lines, cause footpath, vehicle, kerb and road damage and impact on resident's properties. Leaves that block drains and overhang roads. No trees should be higher than the power lines or home roof height and should be of a type to minimise the above. Having water trucks watering footpath trees on days on</i>	Tree Management, Parking, Shopping Trolley's

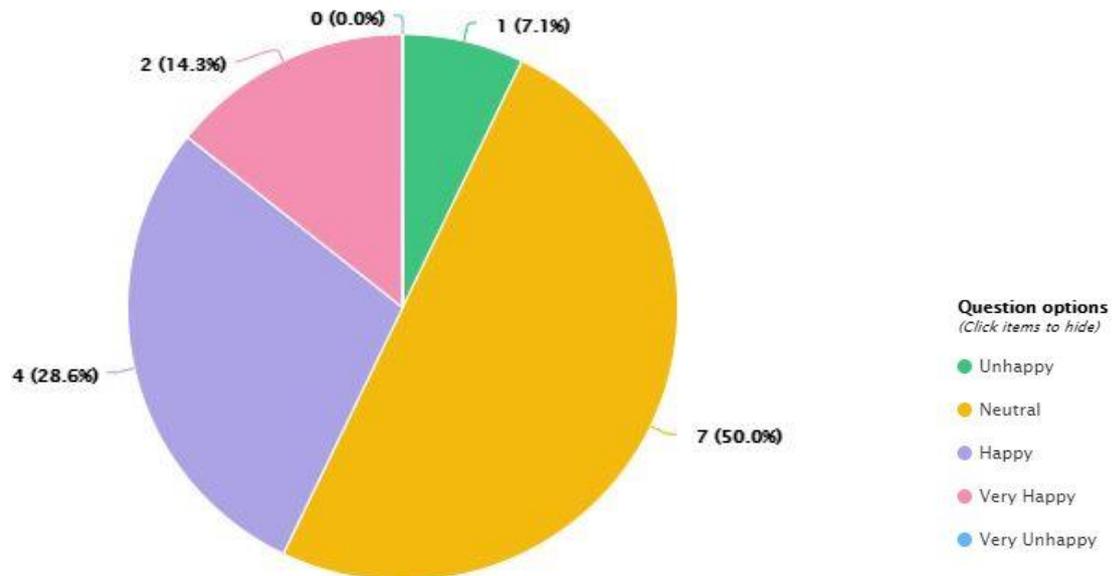
## COMMUNITY CONSULTATION FEEDBACK ON THE DRAFT ANNUAL BUSINESS PLAN 2021-22

Community comments	Key themes
<p><i>or after heavy rains is silly and needs better planning. Then there are street sweepers, tree trimmers, and drain cleaners to pay for. When there are storms and... heavy winds, the majority of problems are trees falling on homes, cars and fences. All because of the wrong height, type and placement. Emergency services are called, power is cut, Insurance claims made. etc.etc 2. Because of allowing higher density living, something needs to be done urgently with street parking. Narrow blocks=single garage often with 2 or more cars=cars parking in streets= congestion on roads and limited access. Then the only option is to stop parking on one side of these streets. Then where do they park? Cars parked in the street are more likely to be stolen or vandalised. 3. Shopping trolleys. Aldi has the answer. Why is it that the same people can take a trolley from Marion and walk all the way up or down Morphett Road, along Sturt Road either way etc. time and time again and no-one does anything about it? Another Council cost we can't afford. Time to fine these theives. I don't think there would be many Aldi Trolleys. I haven't seen any."</i></p>	
<p><i>- "The Council needs to improve its direct communication with residents: ie, through the establishment of a (preferably monthly) e-newsletter. Residents currently receive scant news of MCC activities. An initiative for investigation should be catered for in the business plan."</i></p>	Communication to residents
<p><i>- "I didn't see any mention of improving or upgrading playgrounds in the southern area!?"</i></p>	Open Space
<p><i>- "Bike ways"</i></p>	Bike Paths
<p><i>- "Hallett Cove to Seacliff boardwalk"</i></p>	Coastal Walkway
<p><i>- "Public toilets in small shopping centres"</i></p>	Toilets
<p><i>- "A review of dog noise controls because dog ownership has increased in recent years but controls appear to be from an age of fewer dogs when the noise from dogs was not such an issue. Maintenance of existing council trees and action to get residents to keep the full width of footpaths clear of vegetation from their properties. We walk the streets a lot and find that on main roads a lot of trees get bits knocked off by vehicles rather than being pruned under a maintenance plan. In addition we encounter a lot of properties where the vegetation along the footpaths is not being pruned thereby partially obstructing the footpath and in some cases sight lines for road users at road junctions."</i></p>	Dog Management, Tree Management
<p><i>Footpaths!! 'Reported public health data for the City of Marion highlights key lifestyle challenges increased sedentary lifestyles, and insufficient levels of physical activity and participation.' Well, from my experience as a resident who likes to WALK everywhere as much as possible, walking the footpaths of Warracowie Ward is a real challenge. Too many dangerously uneven, too many householders allow their garden trees/bushes,hedges to encroach on the footpath until there is barely space to walk between the gardens and the overgrown street trees. My husband and I have both received nasty facial scratches from this situation. 2) The Council's policy on barking dogs. Please keep up with the changing times!!! Houses are built closer together these days; back gardens are smaller; and dog-owning has increased exponentially. So far, however, dog-owners are still the minority yet if a non-dog-owner is constantly being annoyed by neighbouring dogs, the process involved in actually getting</i></p>	Footpaths, Tree Management, Dog Management

## COMMUNITY CONSULTATION FEEDBACK ON THE DRAFT ANNUAL BUSINESS PLAN 2021-22

Community comments	Key themes
<i>anything done about it puts the onus straight back onto the sufferer, NOT the owner or the Council.</i>	

4. Overall, are you happy with the projects and services that will be delivered this financial year?



## 5. Other comments

Community comments	Key themes
<i>-“No more rate increases”</i>	Rates
<i>-“I’m glad about the focus on the environment, and that needs to continue and grow”</i>	Environment
<i>“I am excited but also have questions about top level concerns that our communities don’t have the resources they need to protect themselves against volatile and severe temperature variances eg our homes are not designed to minimise heat and cold, therefore the residents rely more on artificial heating and cooling, which has a high cost. Could the council work more closely with building industry to look at design risk etc design which does not allow for these temperature variations which are not currently being adequately considered therefore adding to health and wellbeing risks for the general population. Also where residents need to rely more on electricity for their heating and cooling needs, we are contributing to climate change. So it is a vicious circle, and one where I believe residents want real answers and solutions to the growing issue of “a treeless society”. What is council doing to redress the gap between concrete and natural green vegetation including historic trees and forests and protected wetlands.”</i>	Environment-temperatures
<i>-“Valuing nature is one of the top issues, including more trees, more canopies, more shade, more open space and less traffic and hence less pollution but council needs to drive the change from high density while allowing the same number of vehicles to a vehicle free model, where the residents use public transport instead. Over all these ideas and comments, I would like to hear the Council’s Plan to manage housing developments, as well as other areas like infrastructure, business and industry ie an overall plan, but mostly my area of interest is housing, housing design, and impact on quality of life. Is there a council guideline which outlines the need for the concerns I have mentioned?”</i>	Urban infill & planning policy
<i>-“The Council embarked on a policy of planting large numbers of street trees, which is fine but I’d question how much thought has gone into the positioning of trees. I’ve found that when exiting from side streets on to main roads often the visibility has been reduced, particularly in being able to see cyclists close to the kerb. In combination with stobie poles, the view has become concrete and tree foliage. Elsewhere a number of trees have been planted close together within a short distance from each other.”</i>	Tree management, Kerbs

## COMMUNITY CONSULTATION FEEDBACK ON THE DRAFT ANNUAL BUSINESS PLAN 2021-22

<i>Planting street trees is NOT always good or helpful; it is increasingly making road junctions dangerous. I suggest Council members should drive around as many road junctions as possible and not how many times their view of approaching traffic is blocked by kerbside trees stretching into the distance, which often necessitates pushing further out into the road to gain a clear view. The situation is even more dangerous when a cycle lane is present- kerbside trees make it impossible to see a cyclist approaching.</i>	Tree management
<i>- "Please address the shopping trolley issues. I still see lots of them in the streets. It has to be an impost on the supermarket or shopping trolleys with wheels that lock up if they leave the perimeter of the shopping centre. You don't see Aldi trolleys in the streets as they have to be paid for to use!"</i>	Shopping Trolley's
<i>- "Need for pavement improvement for aged"</i>	Footpaths
<i>- "Australia is over-Governed. We as residents and businesses have to worry about Federal Govt. State Govt. and Local Govt. There is an enormous amount of high salaries, bonuses, Super etc. to pay to thousands and thousands of Staff, Councils and Politicians. Marion alone has budgeted for over \$50 million this coming financial year. Multiply this with all the other Councils, State and Federal Govts. and it's mind boggling. Council Chambers, Govt. buildings and infrastructure is some of the most expensive and upper end valued assets. I find it totally wrong and unreasonable and getting worse."</i>	Operating expenditure
<i>- "The now common habit of referring to 'Council'- by dropping the definite article- instead of 'The Council' is sooo paternalistic: akin to "Doctor will see you now, dear.." If it's the case that the highest elected bodies in the country call themselves The Senate and The House of Representatives, and in South Australia we have The legislative Council and The House of Assembly: surely local governments should include the definite article when referring to The Council."</i>	Other

**Statements made on Social media**

One response was received on LinkedIn

<b>Comment 1 (LinkedIn post)</b>
<i>"Follow in the City of Onkaparinga's leadership model. And make a recycling centre. Or will you be using theirs? Would be great to finally fix this recycling issue around the country. @scottmorrison even suggested that Erin Thompson contact all the councils in Australia to show them how it's done. Did that happen? If it did, why not add that to your list of projects? If indeed you are not going to use the City of Onkaparinga's facility."</i>

**No responses were received on Facebook.**

## Annual Business Continuity Management Program

<b>Originating Officer</b>	Unit Manager Risk - Sherie Walczak
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	General Manager City Services - Tony Lines
<b>Report Reference</b>	FAC210518R05

**Confidential**

### REPORT OBJECTIVE

The objective of this report is to provide the Finance and Audit Committee (FAC) with an overview of the Business Continuity Management Program in 2020-21 in accordance with the FAC's Terms of Reference to provide "*effective management of risk and the protection of Council assets*" and to provide assurance of the continued implementation of effective business continuity management initiatives across the organisation.

### EXECUTIVE SUMMARY

The Business Continuity Management (BCM) Program is reported annually and was last presented to the Finance and Audit Committee at its meeting held on 19 May 2020 (FAC200519R07).

This report provides an overview of the initiatives undertaken through the Program in 2020-21 to ensure that disruptive events are managed in accordance with the BCM Framework.

The Program aims to build organisational maturity through capacity building, testing of key controls plus continual improvement of systems and documentation. Our response to the worldwide pandemic COVID-19, replaced the usual training provided through proactive business continuity exercises as this provided the opportunity for real life testing and capability building.

### RECOMMENDATION

**That the Finance and Audit Committee:**

- 1. Notes the report and provides feedback.**

### BACKGROUND

COVID-19 was declared a world-wide pandemic on 11 March 2021, and the Business Continuity Plan (BCP) was formally activated on 16 March 2021, however the Incident Management Team (IMT) had been meeting informally to monitor the unfolding situation for a number of weeks prior.

COVID-19 significantly affected local government's ability to deliver traditional services to the community. The City of Marion was able to respond quickly and efficiently to the unprecedented business emergency through the IMT, which was guided by the BCP. The BCP proved to be a well-entrenched document and enabled the IMT to be quickly assembled with each member being fully aware of their roles and responsibilities, allowing them to focus on the response to the unfolding pandemic. The primary objectives of the IMT were to continue serving the community safely, ensuring the safety and job security of staff and proactive transparent communications to our community and our people.

## DISCUSSION

### **Serving the community safely**

The Emergency Management Directions required the organisation to evaluate how we offer the community the services that they value most and provide them engagement and connectedness with others during a time of extended lockdown.

Neighbourhood Centres and Libraries pivoted their service provision to include more online models – almost 100 sessions with 3,000 attendees were delivered - utilising Facebook groups and google classrooms, the local community TV channel; streaming author talks, conducting online chats, and providing over the phone tutoring enabled crash courses to improve our community's digital literacy. Streaming platforms have changed the way many of our customer consume entertainment. Recognising a need to meet these changing expectations, Kanopy was introduced just in time for the COVID-19 lockdown to offer a Netflix-style experience for our customers to stream movies, documentaries, foreign films, and classic cinema for free. We also supported the popularity of eBooks and eAudiobooks with 48,331 eBooks and 17,176 eAudiobooks borrowed from March to November 2020.

Personalised door-to-door services were also offered, 9,000 frozen meals and 1,000s of library books were delivered by staff and our wonderful volunteers to the homes of the most vulnerable residents in our community.

Library service staff also provided support to our internal teams who were experiencing pressure points such as 2,900 wellbeing phone calls to the elderly and vulnerable. Along with support at the help desk for the IT team as we all embarked on the digital transformation and worked from home.

\$25k of targeted community development money was provided to specific projects that supported local community groups in need and also assisted “the show must go on” streaming program at the Marion Cultural Centre Theatre. As a result, the Marion Cultural Centre pivoted from live shows to live stream and modified their business to provide additional services for the benefit of our local and wider communities. The new service model, dubbed “the show must go on” online theatre, ran from April to August 2020 and offered 76 online events/initiatives including indigenous cultural workshops, cultural cooking, reconciliation week events, Refugee week presentation, cooking sessions, 65+ general fitness sessions, 65+ Tai Chi sessions, art and craft workshops, music workshops, dance workshops, music performances and community group presentations.

The program's success is evident through a global reach totalling 200,537 and 66,460 views.

Live streamed events and a hybrid of both in-house and live streams are now here for the longer term. New equipment was required to be purchased however a new income stream has been cemented into our operations as our new normal.

### **Ensuring the safety and job security of staff**

The wellbeing of employees was paramount. Among the initiatives were mobilisation of working from home, virtual wellbeing motivation and virtual stretch sessions for those who had 'zoomed' for too long. Frontline staff were supported through physical distancing measures.

Key decisions, strategic initiatives, and outcomes of the IMT were:

- Everyone kept their jobs
- IT systems and Customer Service phones upgraded to enable work from home
- Those who could, were equipped to work from home quickly
- Staff were supported with wellbeing zoom sessions with a mind coach and personal trainer
- Extension of the Employee Assistance Program

Opportunities were also encouraged for staff to be redeployed to support the Local Government Functional Support Group which enabled further capability building and knowledge sharing.

### **Proactive transparent communications**

Underpinning the response was a comprehensive communications plan which kept our employees and community engaged, informed, and reassured during the uncertainty.

To communicate the pivoted/new services, Council's website became the single source of truth to the community for latest information about the organisation's local response. Dedicated pages outlining the status of services and facilities were constantly updated while links were provided to health authorities.

The website was supported by Council's various social media platforms, which were used to create original content (such as daily positive news stories) as well as sharing official health messaging and information with our 11k online community. Online videos were created from the Mayor, delivering a personal and reassuring message to the community.

Not everyone has access to digital technology. To overcome this, a tri-weekly radio segment was created on community radio Coast FM to impart information, while adverts were placed in The Advertiser. The City Limits community magazine, which is delivered to 43,000 households three times a year, was reconfigured to provide a greater information focus to residents.

A comprehensive IMT communications plan was developed for our employees to keep them well, engaged and provide prompt updates as decisions were being made, which included Employee Pulse Surveys, COVID-19 info page on the intranet, Watercooler daily newsletter, CEO video messages and staff meetings, letters of acknowledgement and thanks posted to all staff, personal phone calls to outdoor workers, branding of 'our new now'. 'Our New Now' branded transition info packs were provided when staff returned to the office and 'Our New Now' branded Cleaning Kits placed in all work areas.

## **DOCUMENTATION REVIEW**

During the COVID-19 response, the IMT recognised the importance of Recovery which also highlighted a gap in our existing documentation. To address this, the Community Emergency Management Plan was updated, and a specific Recovery Plan was developed (both endorsed by IMT) which then informed specific action plans.

## **EXTERNAL EVALUATION**

KPMG was engaged to undertake an audit of the COVID-19 response "Business Continuity Plan and COVID-19 Response Audit", reported to FAC at its meeting in February (FAC210223R06). The audit report acknowledged that the CoM handled the crisis well, the IMT was activated early and that appropriate risk and impact assessments were performed.

The report identified five findings and two potential improvement opportunity, as outlined below:

- F1 Existing Business Continuity Framework needs to be updated to reflect pandemic planning and recovery strategy strategies
- F2 Agree protocols for fast-tracked procurement of IT infrastructure during business continuity events
- F3 Confirm and update the required technological capabilities for remote working in the Recovery Strategies
- F4 BCP documentation has not been updated to record specifics on recovery response activities
- F5 Update existing recovery strategy documentation to reflect the manual processes (and changes implemented) as a result of COVID-19
  
- PIO1 Potential changes to consider regarding Incident Management Team roles and responsibilities
- PIO2 Opportunities for greater integration and tailoring of documentation

These recommendations are now in various stages of implementation and being monitored through the usual internal audit reporting to the Finance and Audit Committee.

It is also worthy of note that a submission was prepared to nominate the CoM COVID-19 Incident Management Team for the Local Government Professionals Australia, SA Leadership Excellence Awards Program in the category of Excellence in Disaster Recovery / Emergency Response Management. This nomination has resulted in the City of Marion being short-listed as a finalist with awards being announced Friday, 21 May 2021.

## **NEXT STEPS**

In addition to the implementation of the recommendations outlined in the Business Continuity Plan and COVID-19 Response Audit, it is anticipated that the usual proactive Business Continuity Management Program will resume in 2021/22 to continue building organisational maturity through capacity building, test of key controls and continually improve systems and documentation. i-Responda Storm training is scheduled to be provided and an emergency response exercise will be scheduled to test controls for Council's response to an extreme storm. The exercise held will precede a broader recovery exercise in conjunction with our neighbouring councils being the cities of Holdfast Bay, Mitcham and Onkaparinga.

## **CONCLUSION**

The progress achieved through our COVID-19 response over the last twelve months has led to a maturing of emergency management systems, processes, capabilities, and networks that are critical to manage emergency events should they occur. Delivery of the recommendations outlined in the Business Continuity Plan and COVID-19 Response Audit, together with the training and exercise programmed for 2021/22 will aim to further develop and embed this knowledge, increasing the resilience of the business and to provide assurance to Council and all key stakeholders.

## Corporate Risk Quarterly Report

<b>Originating Officer</b>	Unit Manager Risk - Sherie Walczak
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	General Manager City Services - Tony Lines
<b>Report Reference</b>	FAC210518R06

**Confidential**

### REPORT OBJECTIVE

To seek feedback from the Finance and Audit Committee (FAC) on the review of the Corporate Risk Register in line with the Risk Management Framework. This will provide assurance to FAC in accordance with their Terms of Reference to provide "*effective management of risk and the protection of Council assets*" and to provide assurance of the continued implementation of effective risk management initiatives across the organisation.

### EXECUTIVE SUMMARY

The Corporate Risk Register is reviewed and reported on a quarterly basis. This quarterly review process is well entrenched in the risk reporting schedule.

The review resulted in the total number of risks identified in the Corporate Risk Register increasing by one to 105 risks. The current risk ratings are: 6 high, 71 medium and 28 low.

### RECOMMENDATION

**That the Finance and Audit Committee:**

- 1. Notes the report and provides feedback on the outcomes of the risk review undertaken.**

### BACKGROUND

The Corporate Risk Register was last reported for Quarter 2 (October to December) 2020 to the FAC at its meeting held on 23 February 2021. Feedback indicated that the report needs to provide further detail when changes are made. It was requested that a description is provided for the PESTLER model used for environmental scans, further information be provided on the timing for when risk treatments are due for completion, reasons why likelihood or consequence ratings have changed and provision of more detail when new risks are added.

**DISCUSSION**

The Corporate Risk Register was distributed to SLT members to undertake a review of risks in their portfolio for this reporting period. These risk owners updated their risks relevant to their portfolios with supported reviews being undertaken by the Risk Unit for ITT (now reflected as Digital Transformation Project, Information Systems and Finance), Governance, Environment Sustainability plus Land and Property.

During the supported reviews, scrutiny was placed on current controls to ensure accurate reflection of controls implemented and the likelihood/consequence ratings were re-evaluated which resulted in the current risk rating changing from medium to low for 3 risks.

The review undertaken for Quarter 3 saw the total number of risks increase by one to 105. This new risk covers the current supply chain risk for tendering and contracts due to the market competition after the government COVID stimulus packages. The current risk ratings are: 6 high, 71 medium and 28 low as outlined in **Attachment 1**.

**CONCLUSION**

The quarterly risk review process, culminating in an updated Corporate Risk Register, provides assurance to the organisation and its stakeholders of an integrated approach to identifying, management of and ongoing monitoring of risks.

**Attachment**

#	Attachment
1	Attachment 1. Corporate Risk Quarterly Review Report

## Attachment 1. Corporate Risk Quarterly Report

### RISK REGISTER ANALYSIS

The quarter 3 2020/21 review of the Corporate Risk Register resulted in a total of 105 risks identified. The current risk ratings being 6 high, 71 medium and 28 low outlined in **Table 1** which also illustrates the movement in our risk exposure over the previous 12 months.

**Table 1: Corporate Risk Register Quarterly Review – Comparative Outcomes**

Period:	Qtr 4: Apr to Jun 2020			Qtr 1: Jul to Sep 2020			Qtr 2: Oct to Dec 2020			Qtr 3: Jan to Mar 2020			
Corporate Risk	I	C	F	I	C	F	I	C	F	I	C	F	Overall Impact*
Extreme	26	0	0	26	0	0	26	0	0	27	0	0	↔
High	62	6	0	62	6	0	65	6	0	65	6	0	↔
Medium	14	70	58	14	71	59	13	73	58	13	71	59	↓
Low	0	26	44	0	25	43	0	25	46	0	28	46	↑
<b>Total</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>104</b>	<b>104</b>	<b>104</b>	<b>105</b>	<b>105</b>	<b>105</b>	-2 +3

Current High Risk %	6%	6%	6%	6%
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\*Key: I = Inherent, C = Current, F = Forecast \*Overall movement of current Risk Rating

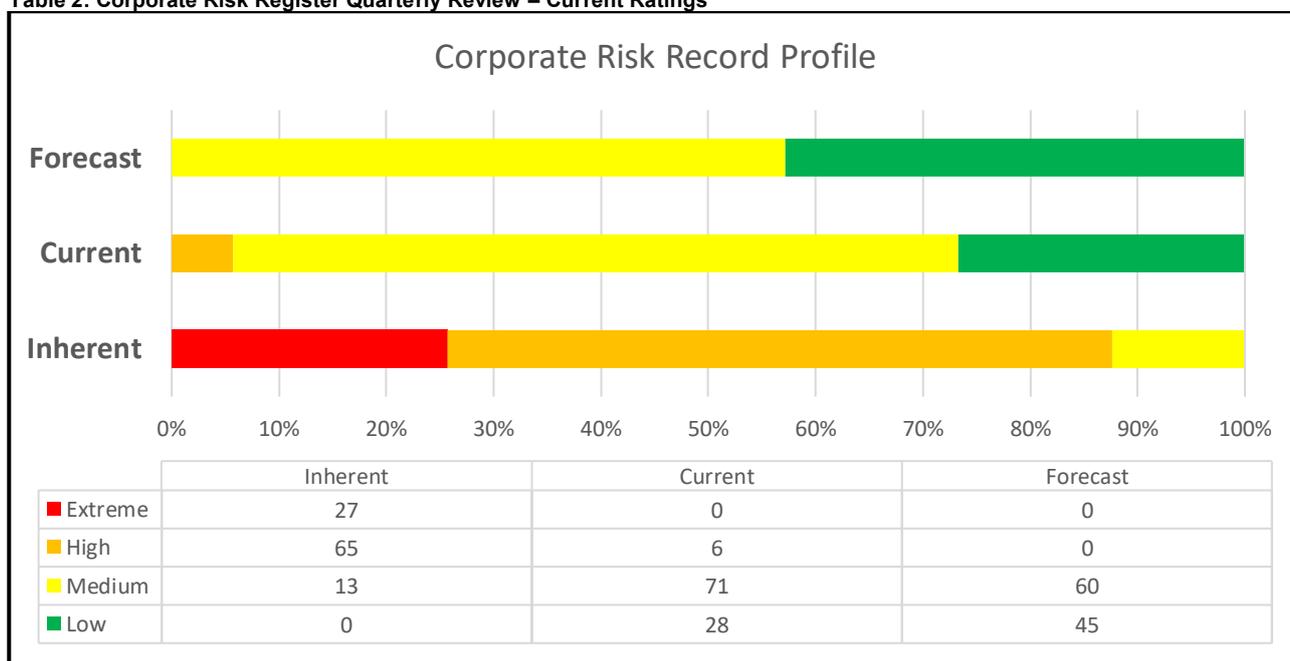
This report, outlining the review of the Corporate Risk Register this quarter, includes:

- Management of High Risks
- New Risks
- Re-rated Risks
- Identification of escalating, ongoing and emergency risk issues for discussion

### Management of High Risks

There are currently six risks assessed as outside the CoM's adopted risk appetite, as outlined in Table 2. Although the Risk Appetite outlined in the Risk Management Framework outlines varying tolerance levels for specific risk criteria, the reporting structure requires that risks with a current risk rating of extreme or high are to be reported to the Risk Working Group and subsequently, to Council via its Finance and Audit Committee.

**Table 2: Corporate Risk Register Quarterly Review – Current Ratings**



## Attachment 1. Corporate Risk Quarterly Report

An excerpt of the Corporate Risk Register, outlining the six high-rated risks is provided in **Table 3**, including detail on the mitigating actions identified by the risk owners, targeted to reduce the risk to within tolerance levels.

**Table 3: Risks Currently Rated as High (or above)**

Risk Ref	Risk Description	Inherent Risk Rating	Current Risk Rating	Qtr Mvmt	Ongoing treatments	Due Date
CD01	Poor data quality and information governance not supporting informed decision making	Extreme	High		<ol style="list-style-type: none"> <li>1. Implementation of ICT Service Review recommendations</li> <li>2. Implementation of ICT Internal Audit recommendations</li> <li>3. Digital Transformation Project (move to Cloud)</li> <li>4. Development of the IT Application Strategy 2019</li> <li>5. Implement new Data Governance Framework</li> <li>6. DTP - COM9 data analytics</li> <li>7. Recruit Chief Data Officer resource</li> <li>8. Seek endorsement of Data Governance/Database Administrator resource to implement and oversee the Data Governance Framework</li> </ol>	<ol style="list-style-type: none"> <li>1. 30/06/21</li> <li>2. 30/06/21</li> <li>3. 30/12/22</li> <li>4. TBA</li> <li>5. 30/06/21</li> <li>6. 30/06/22</li> <li>7. 30/06/21</li> <li>8. 30/06/22</li> </ol>
ESU03	Failure to understand, plan and act to respond to the projected impacts of climate change.	Extreme	High		<ol style="list-style-type: none"> <li>1. Update Review of climate change projections/observations &amp; use of pathways approaches in adaptation planning as part of the Resilient South Regional Implementation Plan review.</li> <li>2. Develop &amp; implement a Climate Risk Governance program</li> <li>3. Implement findings of Coastal Climate Adaption Plan</li> <li>4. Undertake a skills/capability audit &amp; document training gaps in the TNA</li> <li>5. Implementation of CoM Climate Risk &amp; Governance 2019 Assessment gap analysis recommendations</li> </ol>	<ol style="list-style-type: none"> <li>1. 30/06/21</li> <li>2. 30/06/21</li> <li>3. 30/06/24</li> <li>4. 30/06/21</li> <li>5. 30/06/21</li> </ol>
GOV10	Inability to prevent, prepare, respond to and promote resilience in the community in the event of an emergency ie pandemic (human disease), earthquake, flood, extreme heat, bushfire and terrorism	Extreme	High		<ol style="list-style-type: none"> <li>1. Implementation of LGA Council Ready Action Plan</li> <li>2. Implementation of IMT response to COVID19 for Elected Members, employees, and the community</li> </ol>	<ol style="list-style-type: none"> <li>1. 30/06/21</li> <li>2. Ongoing</li> </ol>
DTP01	Decentralised, unsupported and unintegrated ICT systems to support current and future needs	High	High		<ol style="list-style-type: none"> <li>1. Digital Transformation Project               <ol style="list-style-type: none"> <li>1a. CRM system replacement</li> <li>1b. Finance system replacement</li> <li>1c. Asset Mgt new system</li> <li>1d. HR/Payroll system replacement</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. 30/06/23</li> <li>1a. 31/01/22</li> <li>1b. 28/02/23</li> <li>1c. 31/01/22</li> <li>1d. 30/08/21</li> </ol>
FIN06	Ineffective & inefficient organisational project and portfolio management/ monitoring to deliver strategic objectives and outcomes	High	High		<ol style="list-style-type: none"> <li>1. Implement recommendations from vendor on org training in CANMS</li> <li>2. Clarify ownership of PM Policy &amp; Framework</li> <li>3. Confirm resourcing / team structure of PMO</li> </ol>	<ol style="list-style-type: none"> <li>1. 30/06/21</li> <li>2. 30/04/21</li> <li>3. 31/05/21</li> </ol>
LPR02	Injury or harm/damage arising out of a failure of CoM contractors to comply with contract conditions and CoM HSE requirements	High	High		<ol style="list-style-type: none"> <li>1. CP staff to undertake Contractor Management training</li> <li>2. Engage new HSE BP to review processes within CP</li> <li>3. Implement new processes within CP</li> <li>4. Implement Induction/Observation process within CP</li> <li>5. Implement contract performance process within CP</li> </ol>	<ol style="list-style-type: none"> <li>1. 01/06/21</li> <li>2. 30/06/21</li> <li>3. 30/09/21</li> <li>4. 30/09/21</li> <li>5. 30/09/21</li> </ol>

To provide greater detail and context for High rated risks, High-Risk Plans-on-a-Page are being developed in collaboration with the risk owners for review, validation and monitoring by the RWG. To trial the use of the High-Risk Plans-on-a-Page, ESU03 was provided at the last meeting. Another two are being presented for discussion at this meeting; FIN06 and LPR02 provided in Table 4 and Table 5 respectively.

## Attachment 1. Corporate Risk Quarterly Report

Table 4: High Risk Plan-on-a-Page – FIN06

<b>RISK ID</b>	FIN06			
<b>DATE LAST REVIEWED</b>	13/04/2021			
<b>ELT</b>	Corporate Services			
<b>SLT</b>	Finance	<b>INHERENT</b>	<b>CURRENT</b>	<b>TARGET</b>
<b>Risk Description</b>				
Ineffective & inefficient organisational project and portfolio management/monitoring to deliver strategic objectives and outcomes				
<b>Risk Statement</b>				
There is a risk that work areas across the organisation are managing projects and project risk through differing methodology and that projects are not easily able to be monitored by the Executive Leadership Team.				
<b>Link to Strategic Plan</b>	Council of Excellence			
<b>Link to Business Plan</b>	Digital Transformation Program			
<b>Context/Background and Environmental considerations</b>				
The Project Management Office was introduced a number of years ago with a Project Leader and a Project Support Officer. The team developed a Project Management Policy and Framework and implemented CAMMS project management software however, the implementation and uptake of these documents and software was inconsistent. The resourcing recently changed during the DTP restructure and there is uncertainty regarding the ownership of this risk.				
<b>Stakeholders</b>		<b>Consultation</b>		
All data users within the business		Digital Transformation program		
<b>Risk source - Causes/Drivers</b>				
<ul style="list-style-type: none"> <li>- inefficient set-up &amp; utilisation CAMMS system</li> <li>- lack of PMO resources</li> <li>- inadequate assessment of organisational PM needs</li> <li>- omission of key considerations in project outline eg: risk/WHS/finance/reporting/contracts</li> </ul>				
<b>Implemented Controls</b>		<b>Implementation Date</b>	<b>Review Date</b>	<b>Responsible Officer</b>
1	Prudential Management Policy	Dec-12	Dec-16	Mgr Corp Gov
2	Project Management Framework	Aug-19	Jan-20	Snr PM FT
3	CAMMS project management software (contract)	tba	tba	Snr PM FT
4	Project Control Group	Jan-18	Jan-19	Snr PM FT
5	Monthly financial reporting	ongoing	ongoing	Mgr Fin
6				
7				
8				
9				
10				
<b>Planned Treatment</b>		<b>Status</b>	<b>Due Date</b>	<b>Responsible Officer</b>
1	Clarify ownership of PM Policy & Framework	Not commenced	30/04/2021	Snr PM FT
2	Confirm resourcing / team structure of PMO	Not commenced	31/05/2021	Snr PM FT
3	Implement recommendations from vendor on organisational training for CAMMS	On schedule	30/06/2021	Snr PM FT
4	KPMG Internal Audit Report outcomes - Project Carryovers	On schedule	30/06/2021	Mgr Corp Gov
5				

## Attachment 1. Corporate Risk Quarterly Report

**Table 5: High Risk Plan-on-a-Page – LPR02**

<b>RISK ID</b>	LPR02			
<b>DATE LAST REVIEWED</b>	15/04/2021			
<b>ELT</b>	City Development			
<b>SLT</b>	City Property	<b>INHERENT</b>	<b>CURRENT</b>	<b>TARGET</b>
<b>Risk Description</b>				
Injury or harm/damage arising out of a failure of CoM contractors to comply with contract conditions and CoM HSE requirements				
<b>Risk Statement</b>				
There is a risk of non performance of contractors engaged by City of Marion to undertake high risk Land & Property related activities as a consequence of a failure to effectively apply a rigorous, commercial and proactive contractor induction and management process which may result in a failure to deliver services within the intended scope, budget and timeframe and to the required standard of safety and legislative compliance leading to additional operational costs, the potential for injury or harm, litigation and reputational and community relationship degradation				
<b>Link to Strategic Plan</b>	Council of Excellence			
<b>Link to Business Plan</b>	Develop the City Property Strategic Asset Management Plan to meet community, sport and recreation needs			
<b>Context/Background and Environmental considerations</b>				
CoM Contractor Management processes are manual, with no clear process or system having been implemented into the City Property team through a trained and supported approach.				
<b>Stakeholders</b>		<b>Consultation</b>		
SafeWork SA, Community (facility users), Staff (facility users), Elected Members, Risk Unit, City Activation, Operational Support		Consultation through City Property team meetings and regular engagement with the Risk Team		
<b>Risk source - Causes/Drivers</b>				
<ul style="list-style-type: none"> <li>- Ineffective procurement processes that evaluate Contractors' practices/ performance</li> <li>- Inconsistent / Ineffective induction of contractors</li> <li>- Ineffective monitoring and evaluation of Contractors' practices/ performance</li> </ul>				
<b>Implemented Controls</b>				
		<b>Implementation Date</b>	<b>Review Date</b>	<b>Responsible Officer</b>
1	Contract Management Policy	24/11/2020	24/11/2024	Mgr St Procurement
2	Contract Management Procedure	Sep-17	Oct-19	Mgr St Procurement
3	Procurement Procedure	Sep-17	Oct-19	Mgr St Procurement
4	Tender Evaluation Procedure	Sep-17	Oct-19	Mgr St Procurement
5	Contract Management Checklist	tba	tba	Mgr St Procurement
6	CoM Contractor Induction (inc Contractor acknowledgement, undertaking & receipt of CoM HSE contractor induction handbook)	Nov-18	Nov-20	Mgr St Procurement
7	Contractor Site Induction (inc handover of CoM risk assessment plus contractor generated site hazard and risk assessment before commencement)	tba	tba	Mgr St Procurement
8	Contractor Insurance - recording and monitoring process	tba	tba	Mgr St Procurement
9	CoM Insurance	1/07/2020	30/06/2021	UM Risk
10				
<b>Planned Treatment</b>				
		<b>Status</b>	<b>Due Date</b>	<b>Responsible Officer</b>
1	City Property staff to attend Contractor Management training on revised Policy/Procedures	Not commenced	1/06/2021	Mgr City Property
2	Engage HSE Business Partner to review contractor management undertaken by CP	Not commenced	30/06/2021	Unit Manager Risk
3	Implement revised Contractor Management Procedure into team processes	Not commenced	30/09/2021	Mgr City Property
4	Implement Contract Performance Evaluation process	Not commenced	30/09/2021	Mgr City Property
5	Implement Contractor Induction/Observation/Monitoring process (inc record keeping)	Not commenced	30/09/2021	Mgr City Property
6	KPMG Internal Audit - Contractor Management	Not commenced	tba	Mgr Corp Gov

## Attachment 1. Corporate Risk Quarterly Report

### New Risks

A new risk was added relating to supply chain risk. This risk has been previously identified as an “Emerging Risk” for discussion with the RWG who, given the current external environment, recommended that it be escalated to the Corporate Risk Register at its last meeting 4 March 2021.

This risk has been rated as MEDIUM and an excerpt of the Corporate Risk Register, outlining this new risk is provided in **Table 6**.

**Table 6: New Risks Added During Reporting Period**

Risk Ref	Work area	Risk Description	Inherent Rating	Current Rating	Forecast Rating	Comment
CON04	Contracts	Inability to complete projects on time and within allocated budget.	High	Medium	Low	New risk added due to current contract procurement environmental conditions

A separate paper was presented to the Executive Leadership Team outlining the risk that projects may not be able to be completed on time and on budget due. Causes identified include; the inability to procure quality contractors, materials and services due to the economic stimulus package which has created more projects available in the wider community resulting in a reduced number of tender submissions from contractors and fluctuations in pricing. Potential consequences identified include; additional costs to complete projects, delays in completion of projects, de-scoping of projects to retain projects within budget, community dissatisfaction, adverse media coverage and damage to reputation.

The risk, in the usual operating environment, is well controlled through the Contract Management Policy, Procurement Procedure, Tender Evaluation Procedure and target pricing reviews undertaken. To mitigate this risk in the current environment, the Risk Owner has identified the following mitigating actions:

Further Required Actions	
1.	Pro-active awareness of potential supplier submissions to understand appetite for participation in tendering
2.	Tenders to be released only where there is high interest from suppliers
3.	Simplification of tender response schedules
4.	Improved quality of specifications to ensure variance of pricing is minimised
5.	Extension of tender call periods to allow pre-planning of procurement activities
6.	Focus on contractual obligations with evidence/justification to be provided for variations
7.	Workshop/training session to highlight current examples and provide guidance on contract and variation management
8.	Implementation of Vendor Panel
9.	Cross council forward procurement plan to aggregate like for like tenders
10.	Escalation of procurement issues by contract managers

### Re-rated Risks

During the quarterly reviews, scrutiny was placed on the current controls to ensure that they accurately reflect the effect of those controls implemented. This has resulted in some likelihood and consequence ratings being re-evaluated, affecting current risk ratings for 3 risks being revised from MEDIUM to LOW which are outlined in **Table 7**.

**Table 7: Risks Re-Rated During Reporting Period**

Risk Ref	Work area	Risk Description	Inherent Rating	Current Rating	Forecast Rating	Comment
ACU01	Arts & Cultural Development	Failure to include arts and cultural aspects resulting in a failure to celebrate our rich artistic, cultural and vibrant destinations	Medium	Low	Low	Acknowledged Council endorsement of Public Art Guidelines (moved to current control) which reduced current level of risk as per forecasted ie low
GOV07	Governance	Failure to appropriately manage high risk activities undertaken by CoM Governance Staff (such as isolated worker, aggression in workplace & high-risk activities during investigations etc)	High	Low	Low	Current Risk Rating revised from Unlikely /Moderate (Medium) to rare/moderate (Low) and repeated in Forecast rating (this was viewed through the lens of no incidents in 10 years as Manager demonstrating a good control environment
GOV13	Governance	Absent, outdated and/or ineffective policies, procedures & processes to ensure compliance with legislative and regulatory requirements	High	Low	Low	Listed Control effectiveness was Good with no further treatment - reflected in current rating as per forecasted ie low

## Attachment 1. Corporate Risk Quarterly Report

### ESCALATING, ONGOING & EMERGING RISK ISSUES

Organisational innovation and growth cannot occur without presenting new exposure to risk, therefore some degree of risk is not only healthy for organisations but is essential. In line with the purpose outlined in the RWG Terms of Reference ‘to ensure early, quick and clear escalation of items of strategic or high operational risk to key decision makers’, potential risks and opportunities are identified in the quarterly environmental scan undertaken using the PESTLER model. Use of the PESTLER model enables environmental scanning to consider impacts to relevant criteria including Political, Economic, Social, Technology, Legal, Environment and Relationships. The latest scan suggests areas for consider are:

#### Ongoing Risks & Opportunity Issues:

- **Human Pandemic** –The ongoing effects of COVID-19 has caused mental distress amongst the community, which may lead to an increase in demand on our facilities and services (which may be an opportunity). SA has the slowest uptake in the nation (expected when we controlled it so well), initial forecasts to vaccinate the entire population have shifted. Recent media reports on vaccine related risks is likely to raise some resistance to people having the vaccine.
- **Financial:** The Council has not seen any significant impacts of financial distress and inability to pay rates however with Government assistance packages finishing it could affect the ability / reduced capacity to pay. 17.5% of businesses in Marion utilised job keeper. The removal of Job Keeper may have impacts on local businesses.
- **Performance of the Corporate KPIs:** The KPI report for Quarter 3 indicated that current output targets are being met in all areas with two exceptions; one being the Lost Time Injury Frequency Rate (LTIFR) recorded at 11.9 which is a 90.17% increase from 2019/20 and the other is Community Engagement / Communications where the result was 91.6% because one piece of project specific communication was identified with inaccuracies
- **Planning Reforms:** Changes associated with the Planning, Development and Infrastructure Act 2016 have now been implemented. The new planning system became operational on 19 March 2021. The implementation has created challenges with the transition. Teething issues are being reported on the system performance. Having to use both the old and the new system at the same time has resulted in an increase in workload. This will need to be monitored over the next 6-12 months to assess whether resourcing changes need to be made.
- **Change Management:** The change of CEO incurs inherent risks and active management of the transition to a new CEO is prudent risk management.
- **Sector reputation:** The sector has again been in the media spotlight with reports of poor behaviour and code of conduct issues within other councils. Negative reputation of the sector has the potential to generate distrust within our own community that can adversely affect our services and outcomes.

## Attachment 1. Corporate Risk Quarterly Report

### Emerging Risks & Opportunity Issues:

- **Waste Management:** A recent fire at Visy's Materials Recovery Facility (MRF) at Wingfield has impacted on processing of recyclable materials within South Australia. Visy have implemented a solution to continue to accept recyclable materials from councils, and to transport baled material to their interstate MRFs for processing. Marion's subsidiary SRWRA is building a MRF, which is expected to be operational from July 2021. Council's contract with Visy expires 30 April 2021, and Visy have indicated they are willing to extend our contract and continue to accept and process Marion's recyclable materials from 1 May 2021 until the SRWRA MRF is operational. At this stage the cost to be charged to council during this extension period will be dependent on Visy's commercial assessment, which has yet to occur given their current focus on responding to the fire event. The risk is that costs may increase significantly if Visy elect to increase their costs to council for a 2 month period (assuming the SRWRA MRF is operational from July 2021).
- **Digital transformation:** Payroll and HRIS system on track to be delivered by August however it is contingent on two other programs being delivered - digital devices and digital literacy programs which need to be delivered in sync. The risk is to the outdoor workforce who will need devices and the literacy to digitally complete timesheets. Digital Transformation Project & change management risks at the program level have been raised as a current risk to the project which has been reported independently to ELT.
- **Enterprise Bargaining Negotiations:** EB negotiations are occurring with outdoor staff with the current agreement reaching its expiry date on 30 June 2021.
- **Community Connections Funding:** Uncertainty of sector-wide funding for the following programs:
  - **Library Funding** - – Confidential sector negotiations occurring, no indication of outcomes at the moment. LGA has recently commenced a social media 'soft campaign' reminding people about the value of libraries. This campaign can be ramped up or message changed depending on outcome of negotiations.
  - **CHSP Funding** - \$156K currently funded for Marion - CoM have been transitioning clients to other services for the past 18 months. CoM had almost 400 clients and still have a number to transition. CoM have been in regular contact with the Dept of Human Services (DHS) and have recently negotiated to maintain client funding until 30 June 2021 with a 50% reduction in funding for clients until September 2021 however, this is yet to be confirmed in writing. The DHS and CoM continue to work closely together. Issues may arise when particular clients are not eligible for the NDIS are therefore left unsupported.
  - **ACE Funding** – \$160k funded for Marion which expires 30 June 2021. CoM staff attending an information workshop on 19 April about the future of Adult Community Education funding. The Dept of Innovation & Skills is intending to change the application process amongst other things for ACE funding.
  - **Families & Community Development Funding (Community Hubs)** – \$240k for Marion which expires 30 June 2021. Advised via email in February 2021 that there will be a 3-month extension for this funding however nothing received in writing and the DHS has had other priorities such as Covid-19 vaccine rollouts so still waiting to be informed about an outcome

## Strategic Risk Review

<b>Originating Officer</b>	Unit Manager Risk - Sherie Walczak
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	General Manager City Services - Tony Lines
<b>Report Reference</b>	FAC210518R07

**Confidential**

### REPORT OBJECTIVE

To seek feedback from the Finance and Audit Committee (FAC) on the preferred method of identifying and monitoring Strategic Risks (**Attachment 1**).

### EXECUTIVE SUMMARY

KPMG recently undertook an Assurance Mapping Internal Audit. This work was presented to the FAC at its meeting on 23 February 2021 (FAC210223R06). The Audit recommended that a Strategic Risk Register be developed. This work has progressed and feedback is sought now from the FAC.

### RECOMMENDATION

**That the Finance and Audit Committee:**

- 1. Notes the report and provides feedback on the Strategic and Corporate Risks.**

### BACKGROUND

The Risk Management Policy and Framework, last endorsed by Council in February 2020 (GC200225R12), provides the organisational commitment for consistent and systematic application of risk management across Council. The Corporate Risk Register is the key tool used to gauge corporate risk exposure at any time and provides the best available information for use in decision making. Both Strategic and Operational risks are recorded on the risk register. They are currently reported separately however, all risks are linked to the Strategic Plan "Community Themes" of Connected, Engaged, Innovative, Liveable, Prosperous, Valuing Nature and Council of Excellence.

## DISCUSSION

The KPMG Assurance Mapping Internal Audit reviewed the Corporate Risk Register to create an Assurance Map to identify and consider the coverage and quality of assurance. The Audit also assessed and identified any gaps or areas of duplication. During the internal audit, a number of risks contained within the Corporate Risk Register were aggregated to identify a ‘Top 19’ list of risks to be used as the basis for assurance map. The audit report identified 39 improvement opportunities, mostly related to absent or ineffective controls. This is now being used to inform the Internal Audit Plan for 2021/22.

The Audit recommended that a Strategic Risk Register be developed with an agreed desired target risk rating based on assurance via the three lines of defence model.

Some initial work has been undertaken to establish a Strategic Risk Register (**Attachment 1**). This has been developed from the knowledge of the existing Corporate Risk Register, the ‘Top 19’ risks outlined in the audit report and compared with the Strategic Risk Register of the City of Port Adelaide Enfield (**Attachment 2**) and the City of Charles Sturt (**Attachment 3**). A draft key corporate risk register has also been developed to illustrate how this might be mapped and reported against.

Feedback is sought from the FAC regarding the draft Strategic Risk Register, the potential for Key Corporate (rolled up) Risks being identified and the reporting format moving forward. Once the methodology and reporting are agreed, the assurance mapping can be transposed to the new format with gaps in assurance reported to FAC for endorsement on acceptance or prioritisation.

### Attachment

#	Attachment
1	210518 Attachment 1 - CoM Strategic Risk Review
2	210518 Attachment 2 - PAE Strategic Risk Library
3	210518 Attachment 3 - CCS Strategic Risk Library

## Strategic Risks

Risks that affect or are created by the City of Marion Strategic Plans

## Corporate Risks

Risks that are operational however have a broader affect across the organisation and require corporate controls

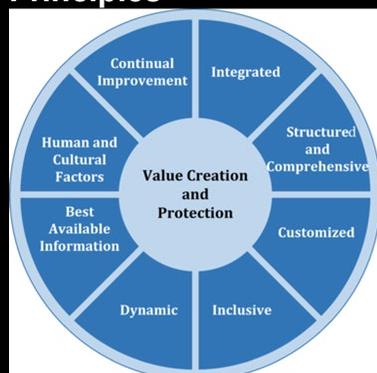
## Operational Risks

Risks that affect the organisation's ability to deliver a specific service, program or facility which have linkages to either a Strategic Risk or Key Corporate Risk

## Control Environment

The control environment consists of strategies, policies, processes and practices which are being used to deliver the Strategic Plan and manage identified risks

## Risk Management Principles



Source: ISO 31000 Risk Management Guidelines

## OVERVIEW

This report specifically documents Council's Strategic Plan 2019-2029 strategic risk profile while demonstrating how out-of-tolerance risks are being managed.

In supporting the delivery of the Strategic Plan 2019-2029 the City of Marion manages risks across three distinct levels:

- **Strategic Risks**
- **Corporate Risks**
- **Operational Risks**

Organisationally, Council's strategic risks are managed by the Executive Leadership Team (ELT) collectively through the Risk Working Group and are treated through a range of internal controls that are implemented at the broader operational level with related key corporate and organisational risks.

Corporate risks and operational risks are managed by the relevant Senior Leader and are treated through specific internal controls that are implemented at the local level. It is expected that upon review, operational risks will be either linked to a strategic risk or key corporate risk.

Council's control environment consists of strategies, policies and processes which act as vehicles to achieve objectives and manage the associated risks.

Once set, the current and forecasted risk profiles can be illustrated on heat maps which reflect the operating environment of the City and the effectiveness of identified controls and mitigation strategies to manage these risks.

Changes in the operating environment (internal or external risk context) have either a positive or negative impact upon the risks and associated levels. This may see an assessed change to either the current or forecasted risk rating. Consequently, when a change in the operating environment exists there may also be an assessed adjustment to the target risk level or the target risk date or both.

## STRATEGIC RISK PROFILE

A draft series of strategic risks are provided as an example below. These have been mapped against the 6 “Community Themes in the City of Marion Strategic Plan 2019-2029. An SLT workshop is proposed to seek feedback and assess these risks.



### Strategic Risk Library

Strategic Plan Theme	No	Risk Event description	Inherent	Current	Forecast
LIVEABLE	1	Failure to recognise and effectively provide services in response to changing social and economic conditions on the community			
	2	unsustainable developments that don't meet community needs (either socially and/or environmentally)			
	3	Failure to embrace the rich cultural diversity and heritage through artistic, cultural and community activities and vibrant destinations			
VALUING NATURE	4	Failing to appropriately respond to or prepare for climate change impacts			
	5	Failure to protect the natural assets and encourage use of natural spaces			
	6	Unsustainable resource, waste and recycling management			
INNOVATIVE	7	Failure to use technology to improve operational efficiency and service delivery			
	8	Inadequate use of technology to better engage with our community			
	9	Failure to use data to identify community needs to inform an appropriate response to the changing needs of a diverse demographic			
PROSPEROUS	10	Inability to attract and retain businesses which build a thriving economy and promote economic resilience			
	11	Failure to activate and maintain streetscapes, places and busines hubs which create vibrancy and attract people to the City			
	12	Lack of quality education, training and innovation hubs available in the City			
CONNECTED	13	Inadequate provision of and accessibility to our services and facilities			
	14	Transport networks and surrounding social environment that does not support and promote safe and easily accessible community connection			
	15	Failure to provide equitable access to digital technologies			
ENGAGED	16	Unable to foster social cohesion and engage volunteers to deliver services			
	17	Inadequate engagement, collaboration and partnerships with residents, community and with government and private sector partners			
	18	Sector reputation affecting local engagement and community wellbeing			

## CORPORATE RISK PROFILE

A draft series of corporate risks are provided as an example below. These have relevance under the seventh theme in the City of Marion Strategic Plan 2019-2029 of being a “**Council of Excellence**” and have been mapped against consequence criteria in the Risk Management Framework.



### Corporate Risk Library

RISK CATEGORY	No.	Risk Event description	Inherent	Current	Forecast
PEOPLE		Capacity to Deliver the CoM's Strategic Plan and Council objectives is not provided by organisational resources			
		Failure to provide leadership and HR practices required to recruit, retain and train a high performing workforce			
SOCIAL & CULTURAL		Failure to manage assets to effectively inform future planning, acquisition, renewal, maintenance, management and disposal			
		Ineffective & inefficient organisational project selection and project management/monitoring to deliver strategic objectives and outcomes			
FINANCIAL		Long-term financial unsustainability			
		Failure to prevent fraud & corruption or breach in core financial controls			
		Unable to successfully procure goods and services to deliver council projects and services and/or failure to appropriately manage contracts			
HSE		Failure to provide a safe workplace for all our workers and visitors			
		Ineffective Contractor Management			
		Failure to protect the environment and our biodiversity from our activities			
BUSINESS CONTINUITY / ORGANISATION		Breach in statutory and legislative requirements			
		Data breach / cyber attack			
		Inability to prevent, prepare, respond to and recover services quickly in the event of an emergency event			
REPUTATION & PUBLIC ADMINISTRATION		Failure to transparently govern and embrace good governance practices including managing our compliance with legislative requirements			
		Ineffective and inconsistent strategic marketing and communications to ensure active engagement in services, activities and events			

## Strategic Risk Library

No.	City Plan Theme	Risk Event description
1	<b>ECONOMY</b>	Community economic resilience and capacity declines
2	<b>ECONOMY</b>	Failure to support innovation
3	<b>ECONOMY</b>	Low brand perception
4	<b>ECONOMY</b>	Unable to attract new businesses and start-ups to the City
5	<b>COMMUNITY</b>	Unable to foster social cohesion
6	<b>COMMUNITY</b>	Low community resilience and capacity
7	<b>COMMUNITY</b>	Physical and social environment does not support community wellbeing
8	<b>COMMUNITY</b>	Community feels unsafe
9	<b>ENVIRONMENT &amp; HERITAGE</b>	Environmentally unsustainable developments
10	<b>ENVIRONMENT &amp; HERITAGE</b>	Fail to adapt to climate change
11	<b>ENVIRONMENT &amp; HERITAGE</b>	Unsustainable resource management
12	<b>ENVIRONMENT &amp; HERITAGE</b>	Failure to protect the heritage across the city
13	<b>ENVIRONMENT &amp; HERITAGE</b>	Fail to protect the natural assets
14	<b>PLACE MAKING</b>	Inadequate engagement, collaboration and partnerships
15	<b>PLACE MAKING</b>	Inadequate accessibility across the City
16	<b>PLACE MAKING</b>	Failure to attract people to the City
17	<b>PLACE MAKING</b>	Inability to adapt to the changing needs of a diverse demographic
18	<b>LEADERSHIP</b>	Inadequate governance practices
19	<b>LEADERSHIP</b>	Unsustainable financial performance
20	<b>LEADERSHIP</b>	Unable to foster and support community leadership
21	<b>LEADERSHIP</b>	Services don't meet community needs
22	<b>LEADERSHIP</b>	Community and Political relationships are ineffective

## Strategic Risk Library

No.	Community Plan Theme	Risk Description
1	<b>ECONOMY</b>	Economic Resilience & Capacity Declines
2	<b>ECONOMY</b>	Fail to attract & retain new & existing businesses
3	<b>COMMUNITY</b>	Disconnected Community
4	<b>COMMUNITY</b>	Inability to adapt OR meet the needs of the community
5	<b>COMMUNITY</b>	Community feels unsafe
6	<b>COMMUNITY</b>	Community wellbeing & resilience declines
7	<b>LIVEABILITY</b>	Inadequate accessibility across the City
8	<b>LIVEABILITY</b>	Sense of place declines
9	<b>ENVIRONMENT</b>	Inability to adapt to climate change
10	<b>ENVIRONMENT</b>	Unsustainable resource management
11	<b>ENVIRONMENT</b>	Environmentally unsustainable developments
12	<b>ENVIRONMENT</b>	Fail to protect natural assets
13	<b>LEADERSHIP</b>	Inadequate Governance
14	<b>LEADERSHIP</b>	Unsustainable Financial Performance
15	<b>LEADERSHIP</b>	Inadequate relationships with Community & Stakeholders

**Internal Audit Plan 2021-2023**

**Originating Officer**     Manager Corporate Governance - Kate McKenzie

**Corporate Manager**     Manager Corporate Governance - Kate McKenzie

**General Manager**        General Manager City Services - Tony Lines

**Report Reference**        FAC210518R08

**Confidential**            

**REPORT OBJECTIVE**

To seek the Finance and Audit Committee (FAC) feedback and endorsement on the proposed Internal Audit Plan (IA) Plan for 2021-2023.

**EXECUTIVE SUMMARY**

The City of Marion (CoM) and City of Charles Sturt (CCS) tendered the Internal Audit (IA) Services as a joint tender. KPMG was the successful tenderer and was awarded a two year contract. Both Councils have recently extended this contract for a further two years. The two Councils have been working collaboratively (with KPMG) to develop a joint IA Plan (**Attachment 1**).

The IA Plan has been developed via the following process:

- Review of key documentation such as the Corporate Risk Register, Assurance Mapping Internal Audit and other Audit outcomes
- Research on industry and market trends
- Individual Management meeting with senior staff and an Audit Committee Member at both Councils
- Collaboration workshop - KPMG, CoM, CCS
- Development of final draft IA Plan for consideration and endorsement by the FAC.

The draft IA Plan identifies five (5) projects per financial year. In the first year of the IA Plan, four (4) projects have been identified as collaborative projects with CCS and in the second year there are two (2) projects.

The Projects include:

2021-2022

- Fraud Framework Review
- Collaborative Project(s) Health Check (Collaborative)
- Contractor Management (Collaborative)
- Project Management (Collaborative)
- Staff Attraction/recruitment (Collaborative)

2022-2023

- Digital Transformation Health Check
- Volunteer Management
- Customer Experience
- Service Delivery/Community Consultation (Collaborative)
- Cyber Security (Collaborative)

The internal audits identified will commence in the 2021/22 financial year.

Consideration and feedback is now sought from the Committee regarding the proposed plan.

**RECOMMENDATION**

**That the Finance and Audit Committee:**

**1. Endorses the draft Internal Audit Plan 2021-2023, subject to the following considerations:**

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- 

**Risk Management:** The IA Plan has been developed based on the organisations high risks.

**Timeline** The IA Projects are timed evenly across each quarter to ensure the workload in manageable. Consultation has occurred with the Executive Leadership Team regarding the timing of each project.

**Current Budget Allocation** The IA Projects will be scoped to ensure the program is developed within available budget.

**Attachment**

#	Attachment
1	Attachment 1 - CoM_FY22 23_Internal Audit Plan_Final draft for AC



# City of Marion

## Two-year Internal Audit Plan (FY2022 & FY2023)

May 2021

**DRAFT**



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## Introduction

KPMG has been appointed by the City of Marion (CoM or the Council) to develop and deliver a two-year strategic Internal Audit Plan for FY2022 and FY2023.

## Approach

The development of the Internal Audit Plan has had regard for the CoM's Strategic Management Framework, Community Vision - Towards 2040, Corporate Risk Register and changes to the organisational processes and has considered core business processes and controls. The Internal Audit Plan has also had specific regard to the key risks, levels of assurance and potential areas for third party assurance identified in the CoM's Assurance Risk Map. An overview of the Internal Audit Plan development process is summarised on page 4.

## Finance and Audit Committee – Internal Audit Oversight Role

The CoM has established a Finance and Audit Committee whose key activities include overseeing Internal Audit. In respect to ongoing internal audit activities, the Committee's role includes:

- Reviewing, and providing information relevant to the scope of the Internal Audit and service review programs, including whether the program systematically addresses:
  - Internal controls over significant risk, including non-financial management control systems.
  - Internal controls over revenue, expenditure, assets and liability processes.
  - The efficiency, effectiveness and economy of significant Council programs and activities.
  - Compliance with regulations, policies, best practice guidelines, instructions and contractual arrangements.
  - Whether employees have sufficient competencies (facilitated by up to date training) to enable them to fulfil their roles.

- A review of the CoM's strategic management plans and annual business plans to ensure appropriate allocation of resources necessary to achieve the objectives of the plans.
- Critically analysing and following up any internal audit or service reviews report that raises significant issues and review Management's response to, and actions taken as a result of issues raised.
- Reviewing the appropriateness of special assignments undertaken by Internal Audit and service reviews provider at the request of the Chief Executive.
- Reviewing the level of resources allocated to service review and the scope of its services and authority.
- Facilitating liaison between the Internal Audit/service review provider, and external auditor to promote compatibility, to the extent appropriate, between their programs.

The Finance and Audit Committee's role also includes other functions including oversight of external audit, service reviews, internal controls and risk management systems, financial reporting and prudential requirements and other matters.

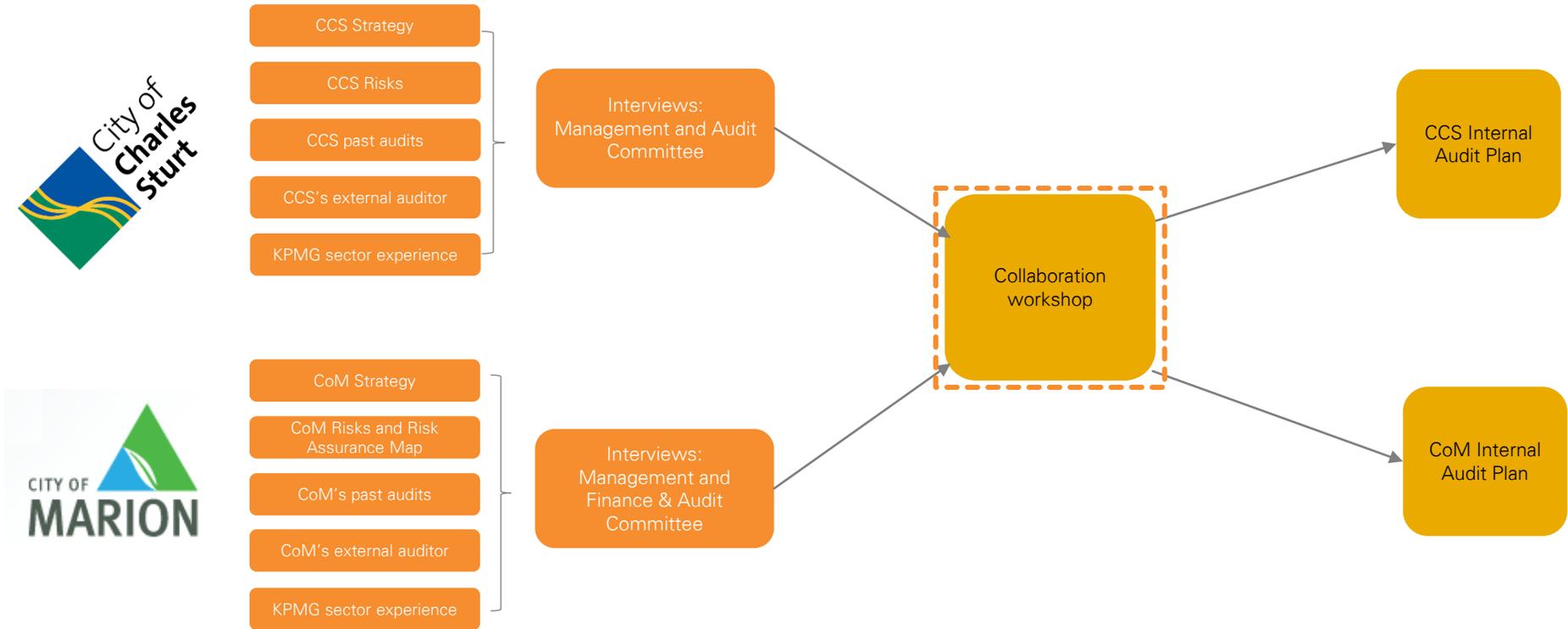
## Collaborative Internal Audit Model

The CoM has engaged KPMG to provide Internal Audit Services under a collaborative arrangement with the City of Charles Sturt (CCS).

As part of the Internal Audit Plan development process, a number of collaborative projects were selected through a joint workshop with both councils. It is intended that these projects will be jointly delivered, and will include benchmarking and identified opportunities to improve processes across both councils.

# Internal Audit Plan – Development Approach

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**Internal Audit Plan Inputs**

- CCS and CoM Strategic and Community Plans
- Current risk registers
- Output of the CoM Risk Assurance Map
- The CCS and CoM’s staff views and experience
- KPMG’s sector experience including input from SMEs such as Elizabeth Watts.

**Interviews**

- Key stakeholder interviews led to understanding and obtaining input of the risks managed by each division and the core challenges.
- Consistent questioning, including the noting of key strategic and emerging risks for each council enabled comparison of interview outputs.

**Collaboration workshop**

- A joint collaboration workshop conducted including with the Managers Governance, Finance Managers, Chief Executive Officers and General Managers (CCS and CoM) to identify opportunities for projects to be performed collaboratively.

**Final internal audit plans**

- The final output of this process has resulted in separate two-year internal audit plan document for both the CoM and CCS.

# CoM & Local Government Established and Emerging Risks

## Local Government Sector Risks

In working with both the CoM and CCS in developing the FY2022-2023 Internal Audit Plans, we have given consideration to the current and emerging challenges and risks facing the CoM and the broader Local Government sector. Detailed below we have provided a summary of the current risk landscape that the CoM is facing. This includes:

- established key risks that are known by the CoM.
- emerging risks which are not yet fully visible regarding magnitude and likelihood.



# CoM & Local Government Established and Emerging Risks

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## Assurance Mapping

In February 2021, an internal audit of assurance across the CoM was performed leading to the creation of an Assurance Map. This Map highlighted the top 19 strategic risks facing the CoM and provides management insight into the strengths and vulnerabilities across the Council by identifying the levels of assurance in place according to each risk. The development of the FY22-23 Internal Audit Plan has given specific consideration to output of the Assurance Map, including within the summarised table below each of the 19 strategic risks, a high level summary of current assurance, the level of 3<sup>rd</sup> party assurance and if there is an opportunity for third party assurance.

#	Risk Description	Assurance Summary	Level of 3rd Party Assurance	IA Project Ref
1	Capability and capacity to deliver the CoM's Strategic Plan and Council objectives is not provided by organisational resources	Strong programs and plans are in place to develop staff capability and succession planning. An overarching workforce planning framework is not in place, with limited formalised 2 <sup>nd</sup> line assurance also noted.	Medium	22-05
2	Risk of breach in core financial controls	Robust controls and assurance noted over all three lines of defence. Opportunities exist for the CoM to consider efficiency opportunities across this risk.	High	OP-02
3	Risk of the CoM failing to attract and retain existing and new businesses	Economic Policy and Programs are in place, with 6 monthly report submitted to Council. Limited 2 <sup>nd</sup> line assurance noted and no 3 <sup>rd</sup> party assurance performed over this area over the past few years.	Low	OP-08
4	Failure in strategic asset management	Formalised Plans, Framework and recently reviewed Asset Management Plans in place. Lack of supporting integrated system and areas in asset inspection regimen noted for improvement.	High	-
5	Risk of ineffective contractor management	Strong front end plans and controls noted pre-contract award. However, post contract gaps identified in clear accountability and controls. Additionally opportunities also identified for further third party assurance.	Medium / Low	22-03
6	Risk of breach in statutory and legislative requirements	Legislative compliance is managed by individual business units and teams. It is noted that an over-arching 'Legislative Compliance' Internal Audit or review has not been performed to date.	Medium	OP-04 OP-10
7	Risk of serious harm or death to Council staff, contractors and volunteers	Overall, a robust WHS Framework and HSE Plan are in place, with strong 2 <sup>nd</sup> line of defence. Plans are underway to implement a third party assurance program.	Medium / Low	23-02 OP-06
8	Failure to develop and maintain key relationships, including with government and private sector partners	Management of key relationships is built into day to day operational processes, and considered during project and program planning. However, formal assurance mechanisms and controls are not in place.	Low	22-02 OP-07 OP-05
9	Risk of disconnected community and community well being and resilience declines	The CoM has a wide range of Programs and Plans that are focussed at supporting the community and specifically vulnerable members. Opportunities to perform more regular 2 <sup>nd</sup> line of defence reporting was observed.	Medium	23-03 23-04

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## Assurance Mapping (Continued)

#	Risk Description	Assurance Summary	Level of 3rd Party Assurance	IA Project Ref
10	Risk of fraud and corruption	Robust Fraud & Corruption Framework and Controls in place.	High	22-01
11	Cyber security threat	Cyber Security Framework in place, key areas of assurance incorporated across each facet of good cyber security practices. Ongoing changes to the CoM's ICT Systems will require continual updates to cyber security considerations (i.e., updates required to BCP & Disaster Recovery Plans).	Medium	23-05
12	Climate change risk	A dedicated resource is in place to lead CoM climate change initiatives. A Climate Change Framework, with supporting plans and policies is in place, with reporting provided to 2 <sup>nd</sup> line, and external assurance recently performed.	Medium	-
13	Business continuity planning risk and emergency management risk, risks to safety of community members	A recent internal audit over the BCP Framework (post COVID review) noted a strong BCP Framework in place, with strong 2 <sup>nd</sup> and 3 <sup>rd</sup> line assurance in place. The CoM has developed a formal approach to emergency planning, with a framework and suite of plans in place. This area has also had strong external assurance performed over it.	High	-
14	Failure to meet the changing needs of the CoM residents	Strong processes are in place to embed community consultation into CoM Programs and Projects. Ongoing monitoring also noted for 2 <sup>nd</sup> line. No recent Internal Audit activity has been performed over this area.	Medium	23-03 23-04
15	Decentralised, unsupported and unintegrated ICT systems to support current & future needs	The Digital Transformation Program is in place, with it's focus to reshape service delivery and integrate and update identified systems across the CoM. Governance over this program is strong, however the Program has only recently commenced.	High	23-01
16	Ineffective organisational project and portfolio management	Overarching Digital Transformation Governance Framework has been developed, however the Program is in early phases with the Benefits Realisation Framework and detailed. Project Plans not yet completed. To date, no independent third party assurance has been performed.	Low	22-04 23-01
17	Funding risk	Long Term Financial Planning and modelling processes are in place. However, noted as an area of key risk with a number of critical programs funded by grants.	Medium / Low	22-04 OP-09
18	Data risk	CoM ITT Governance Framework has been developed (currently under review). The Framework defines the key roles in data management and details responsibilities across the data lifecycle.	Medium / Low	23-01 OP-03
19	Confidential information risk	Robust 1 <sup>st</sup> and 2 <sup>nd</sup> line of defence assurance in place. There is opportunity however for third party assurance.	Low	OP-01

# Recommended Internal Audit Projects (FY2022) - Year 1

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## Recommended Internal Audit Projects FY2022

The recommended list of internal audit projects for FY2022, along with the estimated timing and if the project will be a collaborative project is provided in the table below. The Internal Audit Plan remains flexible to include or substitute other relevant projects as required.

REF.	Project Title and Description	Category	Timing	Collaborative Project	Relevant AM Risk
22-01	<p><b>Fraud Framework Review</b> - This internal audit project will consist of two core deliverables:</p> <ul style="list-style-type: none"> <li>A gap analysis will be undertaken to identify, assess and manage fraud and corruption risks against KPMG's 15-point Better Practice Model, which is derived from the Australian Standard on Fraud and Corruption Control (AS8001 : 2008).</li> <li>The scope of the engagement can also include the delivery of fraud risk awareness sessions for select personnel. The personnel to be covered by the training would be agreed by Management in advance and will focus on personnel from areas where the risk of fraud and/or corruption is higher.</li> </ul>	Governance	Q1	-	#10 - Risk of fraud and corruption
22-02	<p><b>Collaborative Project(s) Health Check</b> - This objective of this review will be to undertake a health check on the process and outcomes of recently delivered collaborative projects. This will include consideration of the governance supporting the delivery of the projects including articulation and measurement of project benefits, communication and knowledge sharing, resource and cost sharing and lessons learned.</p>	Operations	Q1	✓	#8 - Failure to develop and maintain key relationships, including with government and private sector partners
22-03	<p><b>Contractor Management</b> - The scope of this internal audit will include consideration of each councils' overall framework for managing contractors, including:</p> <ul style="list-style-type: none"> <li>Policy and procedures in relation to contractor management, with a specific focus on risk mitigation for contractor WHS risks</li> <li>Overall organisation structure, resources, roles and responsibilities in relation to contractor management (including skills, experience and training)</li> <li>Management of contractor performance</li> <li>Contractor management and administration systems and processes (including tools and templates).</li> </ul>	Operations	Q2	✓	#5 - Risk of ineffective contractor management

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## Recommended Internal Audit Projects FY2022 (cont)

REF.	Project Title and Description	Category	Timing	Collaborative Project	Relevant AM Risk
22-04	<b>Project Management</b> - This review will examine the processes, policies and procedures in place to govern projects. This will include consideration of the effective implementation of each council's Project Management Framework and that it is contemporary, fit-for-purpose and aligned to better practice. It is noted that the primary focus of the CoM scope will be on the holistic project management framework and the primary focus for CCS will be on lessons learned from previous projects.	Operations	Q3	✓	#16 - Ineffective organisational project and portfolio management #17 – Funding risk
22-05	<b>Staff Attraction/recruitment</b> - This internal audit project will consider the processes and systems in place supporting the attraction of employee candidates, including the strategies and channels utilised to source and attract employee talent including advertise vacancies and the selection criteria applied against employee candidates.	Human Resources	Q4	✓	#1 - Capability and capacity to deliver the CoM's Strategic Plan and Council objectives is not provided by organisational resources

# Recommended Internal Audit Projects (FY2023) - Year 2

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## Recommended Internal Audit Projects FY2023

The recommended list of internal audit projects for FY2023, along with the estimated timing and if the project will be a collaborative project is provided in the table below. The Internal Audit Plan remains flexible to include or substitute other relevant projects as required.

REF.	Project Title and Description	Category	Timing	Collaborative Project	Relevant AM Risk
23-01	<b>Digital Transformation Health Check (including Human Resources)</b> - A mid-program review of the Digital Transformation Project will be performed, focussing on project management and lessons learned. This review will also assess the key program governance arrangements in place, including adequacy of roles and responsibilities, reporting, change management, program planning and risk management. This review will also include a high level, post-implementation review of CoM's new HR / payroll system.	Information Technology	Q1	-	#15 - Ineffective organisational project and portfolio management #18 – Data risk
23-02	<b>Volunteer Management</b> - The objective of this internal audit project will be to assess arrangements in place to manage and oversee volunteers working with the Council. It will include consideration of volunteer attraction, induction arrangements, ongoing management, as well as consider any opportunities to increase the value achieved through the volunteer workforce.	Human Resources	Q2	-	#7 - Risk of serious harm or death to Council staff, contractors and volunteers
23-03	<b>Customer Experience</b> - This internal audit project will focus on the implementation of CoM's customer management strategies, planning and operations and recommendations arising from the 2018 internal audit of Customer Experience (including complaints).	Customer Experience	Q1	-	#9 - Risk of disconnected community and community well being and resilience declines #14 – Failure to meet changing needs of CoM residents

# Recommended Internal Audit Projects (FY2023) - Year 2 (Continued)

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## Recommended Internal Audit Projects FY2023 (cont)

REF.	Project Title and Description	Category	Timing	Collaborative Project	Relevant AM Risk
23-04	<p><b>Service Delivery / Community Consultation</b> - The objective of this audit will focus on two phases:</p> <ul style="list-style-type: none"> <li>An initial diagnosis of the alignment of current service delivery compared to minimum legislative requirements. This will also include an analysis of the costs / stated benefits for services delivered.</li> <li>The community consultation processes in place to obtain feedback from rate payers regarding the services they would like provided.</li> </ul>	Customer Experience	Q3	✓	<p>#9 - Risk of disconnected community and community well being and resilience declines</p> <p>#14 - Failure to meet the changing needs of the CoM residents</p>
23-05	<p><b>Cyber Security</b> - The objective of the internal audit will be to consider the maturity of selected aspects of each councils' cyber security posture and supporting framework including both technical and people based controls. The review will also consider opportunities to share knowledge and leverage better practice between each council, as well as to compare each council's current posture with better practice across local government and other similar sectors.</p>	Information Technology	Q4	✓	#11 - Cyber security threat

# Other Recommended Internal Audit Projects (FY2022-2023)

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## Other Recommended Internal Audit Projects FY2022-2023

Other recommended internal audit projects for FY22 & FY23 are listed in the table below. These projects were identified as potentially valuable projects to undertake by the CoM Stakeholders interviewed, but were not selected as a high priority for the Internal Audit Plan.

REF.	Project Title and Description	Category
OP-01	<b>Confidential Information (including Records Management)</b> - The focus of this internal audit will be on the handling of sensitive and confidential information, with a specific focus on the systems, processes and controls in place to support the recording, storing and disposal of confidential information. As part of the internal audit, records management will also be considered in relation to the processes supporting the handling of confidential information.	Governance
OP-02	<b>Procure to Pay</b> - The objective of this internal audit project will be to assess the overall procure-to-pay process, based on the policy and procedures implemented by the Council. The internal audit project will focus on compliance against the policy, as well as an assessment of the overall efficiency and effectiveness of any new processes introduced.	Finance
OP-03	<b>IT Data Governance</b> - The scope of the internal audit will consider the following areas: <ul style="list-style-type: none"> <li>Identified strategies for data governance across the Council</li> <li>Identification of relevant Data Domains across Council, the related IT systems and any data governance activities currently in place</li> <li>Assessment of the maturity of data governance against the KPMG Data Governance Framework to form a baseline "Current State" for data governance.</li> </ul>	Information Technology
OP-04	<b>Dog and Cat Management</b> - The objective of this internal audit project will be to consider the effectiveness of CoM's response to the introduction of new animal management legislation in terms of resourcing, risks and issues.	Operations
OP-05	<b>Community Facility Management Models Phase 2</b> - The objective of this internal audit will be to review the governance and policies in place to manage community facilities. This will include consideration of the CoM's leasing and rates arrangements for community facilities, with benchmarking to other similarly positioned Councils.	Governance

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## Other Recommended Internal Audit Projects FY2022-2023 (cont)

REF.	Project Title and Description	Category
OP-06	<p><b>Workplace Safety Review</b> - The scope of this internal audit will consider:</p> <ul style="list-style-type: none"> <li>• Adequacy of current policies and procedures to support the identification and management of WHS requirements</li> <li>• The definition of roles, responsibilities and accountabilities for WHS, including consideration of how the current governance and committee structure supports WHS management</li> <li>• Current processes in place to support the identification and assessment of hazards and risks, WHS assurance activities, incident and investigations management</li> <li>• Adequacy of safety communication and awareness raising initiatives.</li> </ul>	WHS
OP-07	<p><b>Strategic Third Party Relationship Management</b> - This internal audit will assess the framework under which the Council engages with third parties from a business partnership, collaboration and affiliation perspective. The audit will assess the authority framework to engage and commit the Council to third parties, risk appetite, due diligence processes as well as coordination and communication of third party engagements.</p>	Strategy
OP-08	<p><b>Economic Policy / Plan Implementation Review</b> - This internal audit will review the effectiveness of the implementation of the Council's most recent Economic Policy, Plan and other relevant programs, measuring the success against Council objectives and budgets, as well as potential benchmarking against similarly positioned Councils.</p>	Strategy / Governance
OP-09	<p><b>Grants Management</b> - This internal audit project will focus on the fairness, equity and transparency in relation to the Council's management and administration of community grants. Consideration will cover governance arrangements, including roles and responsibilities, alignment with strategic objectives as well as overall processes (identification, assessment, prioritisation and selection processes, approval) and reporting arrangements in respect of community grants.</p>	Governance
OP-10	<p><b>Legislative Compliance</b> - This project will identify and document the requirements under various legislations (to be identified in order of priority for an ongoing program), assess the adequacy of systems to ensure legislative compliance (e.g. maintaining up to date knowledge of requirements, staff training) and assess the extent of compliance / fulfilment of obligations by the CoM.</p>	Governance

# Appendices

# Appendix 1 – Completed Internal Audit Projects (FY18 – 21)

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## Internal Audit Projects Completed FY2018 to FY2021

The following table lists the CoM internal audit projects which were undertaken in the last four financial years (FY2018 to FY2021).

IA Project	Collaborative?	2020 - 2021	2019 - 2020	2018-19	2017-18
Business Continuity Planning		✓			
Stores Management	✓	✓			
Assurance Mapping		✓			
Asset Inspection Schedule		✓			
Project Carryovers		✓			
Community Facility Model		✓			
Payroll and Remuneration	✓		✓		
Leasing	✓		✓		
Metrics that Matter			✓		
IT Governance			✓		
Tendering				✓	
Business Continuity and Emergency Management				✓	
IT Cyber Security				✓	
Customer Experience (incl. complaints management)				✓	
Procure-to-Pay Process				✓	
Contractor Management					✓
Volunteer Management					✓
NDIS Readiness, Risk and Opportunities Assessment					✓
Fines and Enforcement					✓

# Appendix 2 – Staff Consultation

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The table below summarises CoM personnel who were involved in discussion and contributed to the Internal Audit Plan.

Name	Position
Tony Harrison	Chief Executive Officer
Sorana Dinmore	General Manager Corporate Services
Tony Lines	General Manager City Services
Greg Salmon	Manager City Activation
Ray Barnwell	Manager Finance
Kate McKenzie	Manager Corporate Governance
Jamie Dunncliff	Strategic Procurement Lead
Emma Hinchey	Finance and Audit Committee Chair
Nicolle Rantanen	Finance and Audit Committee Member

# Appendix 3 – CoM Strategic Management Framework & Community Vision

Table of Contents	Background	IA Plan Development Approach	Established & Emerging Risks	Recommended IA Projects	Other Potential IA Projects	Appendices
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Outlined below are a summary of the CoM’s Strategic Management Framework and the Community Vision themes, which were reviewed and incorporated into the Internal Audit Plan process.



## COMMUNITY VISION TOWARDS 2040

### Six themes of our Community Vision

These six themes represent the shared values and aspirations that will guide how our city develops

#### LIVEABLE

By 2040 our city will be well planned, safe and welcoming, with high quality and environmentally sensitive housing, and where cultural diversity, arts, heritage and healthy lifestyles are celebrated.

#### VALUING NATURE

By 2040 our city will be deeply connected with nature to enhance peoples’ lives, while minimising the impact on the climate, and protecting the natural environment.

#### ENGAGED

By 2040 our city will be a community where people are engaged, empowered to make decisions, and work together to build strong neighbourhoods.

#### PROSPEROUS

By 2040 our city will be a diverse and clean economy that attracts investment and jobs, and creates exports in sustainable business precincts while providing access to education and skills development.

#### INNOVATIVE

By 2040 our city will be a leader in embracing and developing new ideas and technology to create a vibrant community with opportunities for all.

#### CONNECTED

By 2040 our city will be linked by a quality road, footpath and public transport network that brings people together socially, and harnesses technology to enable them to access services and facilities.

## Inherent Limitations

This report has been prepared as outlined in the Conditions of Contract (CC201879). The services provided in connection with the engagement comprise an advisory engagement which is not subject to Australian Auditing Standards or Australian Standards on Review or Assurance Engagements, and consequently no opinions or conclusions intended to convey assurance will be expressed. Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that have been subject to the procedures we performed operate, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. The procedures performed were not designed to detect all weaknesses in control procedures as they are not performed continuously throughout the period and the tests performed on the control procedures are on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, City of Marion's management and personnel. We have not sought to independently verify those sources unless otherwise noted within the report. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with City of Marion. The internal audit findings expressed in this report have been formed on the above basis.

## Third Party Reliance

This report is solely for the purpose set out in the Conditions of Contract (CC201879) for City of Marion's information, and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent. This internal audit report has been prepared at the request of the City of Marion Finance and Audit Committee or its delegate in connection with our engagement to perform internal audit services as detailed in the contract. Other than our responsibility to City of Marion, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party, including but not limited to City of Marion's external auditor, on this internal audit status report. Any reliance placed is that party's sole responsibility.

## Electronic Distribution of Report

This KPMG report was produced solely for the use and benefit of City of Marion and cannot be relied on or distributed, in whole or in part, in any format by any other party. The report is dated May 2021 and KPMG accepts no liability for and has not undertaken work in respect of any event subsequent to that date which may affect the report. Any redistribution of this report requires the prior written approval of KPMG and in any event is to be the complete and unaltered version of the report and accompanied only by such other materials as KPMG may agree. Responsibility for the security of any electronic distribution of this report remains the responsibility of City of Marion and KPMG accepts no liability if the report is or has been altered in any way by any person.

## Internal Audit Program 2020/21 - Asset Inspection Report - Project Carryovers Report - C

**Originating Officer**     Manager Corporate Governance - Kate McKenzie

**Corporate Manager**     Manager Corporate Governance - Kate McKenzie

**General Manager**        General Manager City Services - Tony Lines

**Report Reference**        FAC210518R09

**Confidential**            

### REPORT OBJECTIVE

To provide the Finance and Audit Committee (the Committee) with a progress update of the Internal Audit Plan for 2020/21.

### EXECUTIVE SUMMARY

At its meeting in December 2019, the Committee considered and recommended that the following internal audits be completed in 2020/21.

- COVID-19 Business Continuity Response (Quarter 1) (Completed)
- Stores Management (Collaborative) (Quarter 2) (Completed)
- Assurance Mapping (Quarter 2/3) (Completed)
- Project Carry-overs (Quarter 2) (In progress - 85% complete)
- Asset Inspections Schedule (Quarter 3) (Completed - Attachment 1)
- Community Facilities Management Models (Quarter 4) (In progress - scope - Attachment 2)

The Internal Audit Program is currently on track for completion within the 2020/21 financial year. One (1) Internal Audit Report and one (1) scope is attached for consideration and feedback by the Finance and Audit Committee.

#### **Asset Inspections Schedule - Completed - Attachment 1**

The objective of this internal audit was to review the asset management inspection process, including the planning and scheduling of asset inspections and consideration to a risk based assessment regime. The Internal Audit has identified five (5) moderate recommendations and one (1) performance improvement opportunity. The recommendations related to:

- the lack of a formalised and consistent asset inspection program
- inconsistent record keeping of asset inspections and asset defects and repairs
- lack of a fit-for-purpose system
- inconsistent monitoring and reporting of asset inspections
- key person risk.

#### **Community Facilities Management Models Scope - Attachment 2**

The objective of this audit will be to review the adequacy of the community facilities management models with respect to single occupancy sporting facilities. This will include consideration of alignment of management models with strategy, current governance and policy frameworks and high level comparison with other councils.

#### **Project Carry-overs - In Progress**

This internal audit is 85% complete. Clarification is being sought on a few recommendations regarding the project management framework and integration across the organisation. This audit will be completed by the end of the financial year.

**RECOMMENDATION**

**That the Finance and Audit Committee:**

- 1. Notes the progress of the Internal Audit Program.**
- 2. Considers and provides feedback on the Asset Inspection Report.**
- 3. Considers and provides feedback on the Community Facilities Management Model Scope.**

**Attachment**

#	Attachment
1	Attachment 1 - CoM-Asset Inspection-Report- final
2	Attachment 2 - CoM20_CommFacMgntMod-Final Scope



City of Marion

# Asset Inspection Schedule Internal Audit Report

May 2021



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In accordance with the 2020/21 Internal Audit Plan for the City of Marion (CoM), an internal audit focussing on the CoM's asset inspection process was performed. The objective, scope and approach of this engagement are outlined below.

## Objective and scope

The objective of this internal audit was to review the CoM asset inspection processes, including the planning and scheduling of asset inspections and consideration to a risk-based assessment regime. This audit also considered the extent to which all levels or types of CoM assets are included in inspection regimes.

The scope of the asset inspection process audit included:

- Review of documented policies and procedures which provide governance over asset inspections, including the CoM's Asset Management Plans.
- Understanding the CoM's planning, scheduling and delivery processes for asset inspections and ensuring the asset inspection program is fit for purpose and carried out in a timely and productive manner according to risk.
- Review and consideration of asset inspections undertaken for the following:
  - Asset inspections for high risk assets such as bridges and decks, coastal walkways, retaining walls and drainage assets.
  - Fleet, Plant and Equipment asset inspections.
  - Asset inspections undertaken by the City Property and Open Spaces teams, such as light towers, buildings and playgrounds.
- Management of identified issues and defects including consideration of the completion rates of actions (i.e. work orders are completed within the required timeframes).
- Monitoring and reporting mechanisms over asset inspections and issues and defects, with a view of identifying any opportunities for improvement.
- High level consideration of the appropriateness of asset inspection intervals against better practice.

## Key observations and recommendations

Over the last two years, a number of initiatives have been completed to improve asset management across the CoM. This includes Asset Management Plans (AMPs) being recently updated in 2020 for the CoM's 8 asset classes (which cover all assets) to align strategic objectives with asset management processes, budgets and capital works. Alongside the AMPs, process maps have also been created to outline asset specific inspection information.

Going forward, the implementation of an overarching Asset Management System will help to improve the CoM's efficiency and effectiveness in implementing its Asset Management Framework. Whilst our review noted a general alignment with better practice for Level 3 inspections (e.g. detailed 5 yearly structural inspections), greater rigor and formalisation is required for the scheduling and documenting of Level 1 (routine) asset inspections. Specifically, our review noted the following key themes and issues:

- There is currently no fit-for-purpose asset management system to record, track and manage assets and their inspections across the CoM. Internal Audit notes however, that the CoM is currently in the process of procuring a fit for purpose asset management system.
- A set of process maps has been developed for various asset's inspections. However, a lack of a formalised and consistent inspection program was noted across the 8 asset classes.
- Gaps were identified in the monitoring, record keeping and reporting over Level 1 asset inspections, repairs and maintenance.

## Positive observations

A number of positive observations were identified during the course of this internal audit, and are summarised as follows:

- ✓ Open Space illustrated a high level of maturity over the end to end asset inspection process. This included Inspection Officers utilising tablets to conduct inspections, with data flowing through to PowerBI dashboards for efficient review and reporting purposes. KPI data is also tracked through these dashboards, providing Management with up to date asset information.
- ✓ Fleet, Plant & Equipment utilise an extensive, multipurpose Excel Spreadsheet which acts as an asset register, historic inspection and repairs tracker and schedule for upcoming inspections.
- ✓ Artwork, Culture & Heritage work closely with artists to effectively develop a maintenance, repairs and care plan for the artwork. These plans ensure that each piece of artwork is cared for adequately, ensuring the individual needs of the pieces are catered for.

## Internal audit findings

Through our discussions with the process owners, documentation review and sample testing performed, Internal Audit identified 5 findings and 1 performance improvement opportunity. The following table provides a summary of our risk rated findings, the relevant issue owner and target date for implementation. These findings and recommendations were discussed with CoM Management. Management has accepted the findings and has agreed action plans to address the recommendations.



Rating	Ref #	Description	Issue Owner(s)	Target Date(s)
Moderate	F1	A formalised and consistent asset inspection program is not in place across the CoM	Unit Manager, Asset Solutions	December 2021
Moderate	F2	Inconsistencies identified in the record keeping of asset inspections and asset defects and repairs	Unit Manager, Asset Solutions	December 2021
Moderate	F3	A fit-for-purpose asset management/inspection system is not in place across the CoM	Senior Project Manager, Financial Transformation	June 2022
Moderate	F4	The monitoring and reporting of asset inspections is performed inconsistently across the CoM	Unit Manager, Asset Solutions	December 2021
Moderate	F5	Key person risk	Unit Manager, Asset Solutions	December 2021
PIO	PIO1	Operational efficiencies in the categorisation of assets could be improved	Unit Manager, Asset Solutions	December 2021

## Inspection levels and intervals

The CoM's inspection guidelines have been obtained from the ARRB Local Road Bridge Management Manual – Guideline to good practice. This methodology has been adopted to all assets within the CoM's portfolio. The frequency in which the above inspections occur also depends on other factors including the asset type, whether its structural, supports a heavy load, age, condition and others.

The CoM assets are inspected at regular intervals throughout the year. There are 3 different types of inspections that occur, which are described below:

### Level 1 Inspections

Level 1 inspections are routine maintenance inspections. These inspections include a visual inspection to check the overall serviceability of the structure and identify maintenance issues. Level 1 inspections occur the most frequently. Although the definition is a visual inspection, an inspection checklist is still completed alongside a thorough inspection of the asset.

Internal Audit accompanied the Technical Officer on an asset inspection at Oaklands Reserve, which included the completion of Level 1 inspections. It was observed that the Level 1 inspection process included the use of cameras to view hard to reach angles (under the bridge, roof of shelter) and all information was recorded in an inspection sheet.

### Level 2 Inspections

Level 2 inspections are detailed component condition inspections. These include a detailed report outlining the condition state of every structural component. Generally specific certifications are required to conduct Level 2 inspections.

Level 2 inspections are not required for all assets. They require specific certifications and training to adequately assess at a Level 2 standard. The intervals in which Level 2 inspections occur depends on the asset.

### Level 3 Inspections

Level 3 inspections are detailed structural engineering and material inspections. These include analytical analysis of a structure with suitable defect identification and investigation. Level 3 inspections generally occur every 5 years or as required. These are outsourced to specific engineering firms to calculate load bearing and provide assurance on all structural aspects of the asset.

## Inspection intervals consideration

The table below provides a breakdown of the asset inspection intervals for 5 high risk asset categories within the CoM's asset portfolio.

Asset Class	Asset Category	Level	Interval
Coastal Walkway	Built Infrastructure	Level 1	Biyearly
		Level 2	N/A
		Level 3	Every 5 years or as required
Transport	Retaining Walls	Level 1	Annually
		Level 2	N/A
		Level 3	Every 5 years or as required
Transport	Bridges	Level 1	Biyearly
		Level 2	N/A
		Level 3	Every 5 years or as required
Open Space	Playgrounds	Level 1	Weekly
		Level 2	Biyearly
		Level 3	N/A
Stormwater	Culverts and box drains	Level 1	Biyearly
		Level 2	N/A
		Level 3	N/A

With respect to benchmarking of inspection intervals it is noted that they can vary from council to council due to a wide variety of factors, such as environmental, location, asset age, criticality and community outcomes/expected service levels. As such benchmarking inspection intervals with other councils needs to be considered in this context. Despite a number of enquiries with Internal Audit's local government network, obtaining relevant benchmarking data has proven difficult to obtain to date. Nonetheless, Internal Audit have undertaken to gather selected benchmark information and share it with CoM Management as soon as is practical. In our experience, the best way to ensure inspection intervals are adequate is through a formal risk based approach based on the factors noted above.

### Categorisation of assets

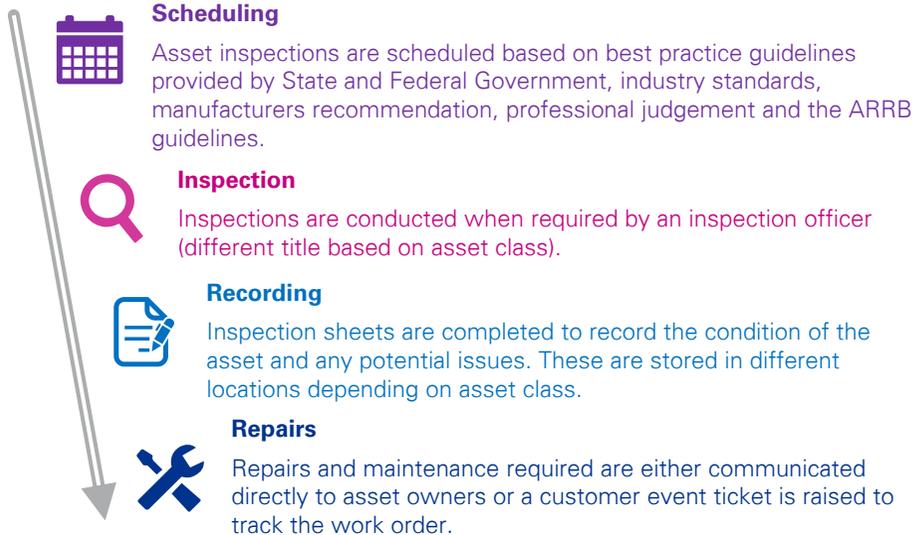
The CoM maintains a large and diverse portfolio of assets. There are 8 defined asset classes and 76 asset categories. Asset classes have different categories assigned to them. The table below includes a brief overview of the CoM asset classes and categories. A comprehensive listing of the asset classes and categories is detailed in Appendix 3.

Asset Class	Categories
 <b>Art, Culture &amp; Heritage</b>	Individual works, band instruments, mayoral robes and Marion Heritage Research Centre Collection.
 <b>Buildings &amp; Structure</b>	Community facilities, sports and recreation facilities and commercial facilities.
 <b>Coastal Walkway</b>	Built infrastructure and green infrastructure.
 <b>Open Space</b>	Playgrounds, fields, multi-use courts, toilet blocks, BBQs, off street parking, shelters and benches.
 <b>Stormwater</b>	Pipes, culverts & box drains, side entry pits, junction boxes, headwalls and gross pollutant traps.
 <b>Water Treatment &amp; Resources</b>	Oaklands ASR scheme and distribution network, WSUD infrastructure and ground water bores.
 <b>Transport</b>	Roads, bridges, footpaths, kerb and water table, street lighting, bus stops and retaining walls.
 <b>Fleet, Plant &amp; Equipment</b>	Utilities, vans, buses, trucks, sweepers, loaders, chippers, elevating platforms and mowers.

### Asset inspection process

Our review found that the process for asset inspections was varied across the CoM, with additional discrepancies due to the nature of asset classes (for example, vehicles having a different inspection process to a retaining wall). The inspections are conducted by inspection officers, who utilise inspection sheets to record key asset information, note down any considerations for the next inspection and attach reference photos.

The diagram below provides a high-level overview of the general inspection process, noting that there are some discrepancies between asset classes:



### Supporting systems

Currently, the CoM has 3 different systems that are utilised to support the management of assets across the Council. These systems include:

- ESRI GIS – mapping and special analytics tool
- RAMM – asset and maintenance management predominantly utilised by Open Space
- CES – customer events system

As noted within Finding 1 (page 7), these systems lack specific functionality to be properly utilised across all asset classes. The lack of a holistic and central asset management system has led to a number of issues, including inefficiencies, lack of integration and no central source of truth. It is noted that a tender for a new asset management system has been released to the market, which will help provide for an integrated and holistic asset management system across the CoM.

# 3.0 Internal audit findings

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## Finding 1 – A formalised and consistent asset inspection program is not in place across the CoM

Moderate

Finding(s)	Risk(s)	Recommendation(s)	Agreed Management Action(s)
<p>The CoM does not have an organisational wide, formalised asset inspection program in place.</p> <p>It was noted that Level 3 inspections, which are conducted by external contractors (and are more intensive inspections) are detailed within each AMP. Level 3 inspections occur for high risk/critical assets and are generally conducted every 5 years or when required.</p> <p>Currently, the CoM's approach to Level 1 inspections was noted as highly variable across the organisation. Through stakeholder consultation, it was noted that a risk based approach had not been formalised within any CoM Asset Management policy, procedure or guidelines. Instead, stakeholders advised that the ARRB Local Road Bridge Management Manual - guidelines to good practice had been adopted for several of the asset classes, excluding Artwork, Culture and Heritage, with a hard copy of the manual stored at City Services.</p> <p>The regularity of Level 1 inspections for roads and bridges is outlined in the ARRB manual for road bridges. Through stakeholder consultation it was noted that Level 1 inspection frequencies are based on best practice guidelines provided by State and Federal Government, industry standards, manufacturers recommendation, professional judgement and the ARRB guidelines. Additionally, it was noted that although risk of the asset (i.e. age, site, use) is considered when scheduling inspections, this criteria is not formally documented.</p> <p>Through sample testing and stakeholder consultation, Internal Audit further noted the following observations regarding the lack of a formalised and consistent inspection program:</p> <p><i>Continued on following page</i></p>	<p>The lack of a formalised and consistent inspection program plan may result in the following risks:</p> <ul style="list-style-type: none"> <li>• Critical, high risk assets may not be inspected at the correct intervals, leading to defects going unnoticed.</li> <li>• Asset nuances such as condition or age may not be adequately factored into inspection intervals, increasing reactive works.</li> <li>• Additional costs may be incurred by the CoM from this increase in reactive works and asset renewals.</li> <li>• Additional costs may be incurred due to the over inspection of assets.</li> </ul>	<ol style="list-style-type: none"> <li>1. The CoM should consider creating an overarching inspection program/scheduling policy or procedure applicable to all 8 asset classes. This policy would outline clear expectations for scheduling, for example purposes: <ul style="list-style-type: none"> <li>• Each individual asset should be included in the schedule.</li> <li>• Schedules should indicate which day certain assets are required to be inspected.</li> <li>• Consideration for weather when designing the inspection program.</li> </ul> </li> <li>2. Any asset class/category specific scheduling criteria, such as frequency of inspections, should be outlined in an asset category policy or procedure document. This could include some of the following factors regarding inspection intervals: environmental, location, age, criticality and community outcomes.</li> </ol> <p><i>Continued on following page</i></p>	<ol style="list-style-type: none"> <li>1. Procedure documents will be created for Recommendations 1 and 2.</li> <li>3. Asset Inspection frequency to be optimised in Asset Inspection Program.</li> <li>4. In conjunction with governance, and as part of the Asset Management Information System, a set of metrics will be developed.</li> <li>5. This will be placed on the Asset Steering Committee for investigation and decision.</li> </ol>

**Responsibility:** Unit Manager, Asset Solutions

**Target date(s):** December 2021

**Finding 1 – A formalised and consistent asset inspection program is not in place across the CoM (continued)**

Moderate

Finding(s)	Risk(s)	Recommendation(s)	Agreed Management Action(s)
<p><i>Continued from previous page</i></p> <ul style="list-style-type: none"> <li>Of the 12 samples selected for our testing over inspection scheduling, 7 of the 12 assets did not have a schedule in place.</li> <li>Internal Audit were unable to validate a risk based approach to inspections for 7 of the 12 samples selected.</li> <li>3 of the 12 assets were included in a schedule; however, the schedules did not comprehensively break down all assets required to be inspected. Instead, the schedules outlined an asset category for a specific month, with no cadence for the assets within the class.</li> <li>Inspection intervals for 7 of the 12 samples selected could not be confirmed due to a lack of comprehensive schedules.</li> </ul> <p>Internal Audit noted that comprehensive inspection programs/schedules are in place for the Fleet, Plant &amp; Equipment, Open Space and Artworks, Culture and Heritage asset classes.</p> <p>As part of a robust AMP, an organisational wide, consistent inspection program should be in place to ensure key inspection criteria is adhered consistently across the organisation. This should include specific inspection process guidelines on standard practices that must occur consistently across the organisation, and as an example, could include the following:</p> <ul style="list-style-type: none"> <li>Outlining requirements for a risk based approach to inspection scheduling and intervals.</li> <li>Level of detail required for scheduling inspections.</li> <li>Information on increased inspection intervals due to age or existing defects.</li> </ul>		<p><i>Continued from previous page</i></p> <ol style="list-style-type: none"> <li>Align condition monitoring techniques with specific asset failure modes. This enables condition monitoring technicians to target their effort in the areas which are most important rather than identifying faults which do not pose a significant threat.</li> <li>Develop metrics and benchmarks pertaining to number of inspections required to be conducted. Adopt the Open Space PowerBI dashboards to other asset classes.</li> <li>Investigate the feasibility and value in shifting the inspection activities of high risk, structural assets to an out-sourced model. This may result in financial benefit and a reduction in risk.</li> </ol>	

# 3.0 Internal audit findings

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## Finding 2 – Inconsistencies identified in the record keeping of asset inspections and asset defects and repairs

Moderate

Finding(s)	Risk(s)	Recommendation(s)	Agreed Management Action(s)
<p>Inconsistencies were identified in the documentation of Level 1 inspections, asset defects and asset repairs. The results of our review across each area is detailed below.</p> <p><b>Asset Inspection Record Keeping</b></p> <p>Inconsistencies were identified in the documentation of Level 1 inspections, including inspection sheets not being filled out correctly, not being completed and in some instances not being conducted where required.</p> <p>Asset inspection forms are utilised across the asset classes, and are completed in line with the ARRB Local Road Bridge Management Manual methodology. Inspection sheets are filled out after each inspection and are stored in different locations depending on who conducted the inspection.</p> <p>Through sample testing across the 8 asset classes, the following issues were identified related to the documentation and record keeping practices over Level 1 inspections:</p> <ul style="list-style-type: none"> <li>Of the 25 assets selected for testing over Level 1 inspections, 12 did not have the requested documentation or data.</li> <li>Information pertaining to the progress or completion of asset inspections were not recorded in any system for 6 of the 8 asset classes.</li> <li>7 of the 25 assets selected had inspection sheets completed correctly. The remaining 18 were filled out incorrectly or unable to be verified due to lack of documentation.</li> <li>Unable to confirm whether inspections of Culverts were occurring at all.</li> <li>It is further noted that in most inspections, paper based forms were utilised.</li> </ul> <p><i>Continued on following page</i></p>	<p>Inconsistencies within the record keeping of asset inspections, defects and repairs may result in:</p> <ul style="list-style-type: none"> <li>Financial risk, as a result of required repairs not being discovered within early stages, leading to higher levels of reactive rather than proactive works completed.</li> <li>Inability to verify if and when inspections occurred, resulting in a higher risk of asset failure as key inspections may be forgotten.</li> <li>Required repairs are not completed, resulting in a safety risk.</li> <li>Repairs not conducted in a timely manner, resulting in defects becoming more serious and costly to repair.</li> <li>Historic maintenance and repairs data cannot be utilised for end of useful life decisions.</li> </ul>	<ol style="list-style-type: none"> <li>Investigate system opportunities to implement an asset management system that supports effective record keeping for asset inspections, (see Finding 1).</li> <li>Implement an asset class inspection policy or procedure to provide a clearer understanding of documentation requirements, specific Level 1 inspection information and inspection officer responsibilities.</li> <li>Inspection forms should be completed after each inspection and stored in a central location.</li> </ol> <p><i>Continued on following page</i></p>	<ol style="list-style-type: none"> <li>To be developed as part of the AMIS implementation through the DTP. This will be progressed in conjunction with the Senior Project Manager – Financial Transformation.</li> <li>A procedure document will be developed as recommended.</li> <li>All asset owners will be reminded of the requirement for inspection forms to be completed and stored. Consideration will be given to completing a spot audit to check compliance.</li> <li>A procedure document will be developed as recommended.</li> <li>Determine if an interim solution is to be implemented or wait until implementation and integration of AMIS occurs through DTP.</li> <li>A procedure document will be developed as recommended.</li> </ol>

# 3.0 Internal audit findings

## Finding 2 – Inconsistencies identified in the record keeping of asset inspections and asset defects and repairs

Moderate

Finding(s)	Risk(s)	Recommendation(s)	Agreed Management Action(s)
<p><i>Continued from previous page</i></p> <p>Overall, it was observed by Internal Audit that the Level 1 asset inspection process was highly manual and as a result, was noted as being inefficient. It is understood that the CoM’s procurement of a new Asset Management System will provide for a number of efficiencies across this process.</p> <p><b>Documentation of Asset Defects and Repairs</b></p> <p>Currently, a formalised process is not in place for the monitoring and documenting of asset defects, repairs and maintenance. Defects are noted through regular Level 1 asset inspections and are documented in inspection sheets. If minor issues are identified, the Inspection Officer use professional judgement to determine the regularity of follow up inspections to monitor the issue. If the defect requires immediate intervention, the asset will be closed/sectioned off from the public until action can be taken.</p> <p>If immediate action is required, the internal team that conducts repairs and maintenance will be engaged through the Customer Events System, verbally or through Outlook, with the repairs being conducted as soon as possible.</p> <p>Through sample testing and stakeholder consultation, the following issues regarding the monitoring and documenting of defects, repairs and maintenance were noted:</p> <ul style="list-style-type: none"> <li>• 11 of the 12 asset categories selected for testing over repairs and maintenance did not have a full listing of defects for a sample to be selected.</li> <li>• Information and data regarding the defect (i.e. severity, works required), time taken to repair and the cost was noted as not recorded within any system.</li> <li>• Through stakeholder consultation it was observed that asset owners were unable to track the progress or confirm completion of repairs and maintenance through a supporting system or formalised process. Instead, progress is tracked via consulting with the relevant repairs and maintenance teams. Confirmation of completion is generally performed during the next inspection or if a post repairs inspection is conducted.</li> </ul> <p><i>Continued on following page</i></p>		<ol style="list-style-type: none"> <li>4. The management of defects, repairs and maintenance should be outlined in a procedure document to ensure high risk/critical asset defects and repairs are risk/severity rated. This will drive the criticality of the associated repairs and maintenance task and inform the timeframes to complete the repairs and maintenance.</li> <li>5. In the interim, develop a formalised process to ensure that sufficient record keeping of asset defects and repairs is performed. This could include all repairs and maintenance requests having a CES tickets assigned, to ensure that asset owners are informed of work completion.</li> <li>6. Post repairs inspections should be required and outlined within the policy or procedure document mentioned above.</li> </ol>	

**Finding 2 – Inconsistencies identified in the record keeping of asset inspections and asset defects and repairs**

**Moderate**

Finding(s)	Risk(s)	Recommendation(s)	Agreed Management Action(s)
<p><i>Continued from previous page</i></p> <ul style="list-style-type: none"> <li>Information and data regarding the defect (i.e. severity, works required), time taken to repair and the cost was noted as not recorded within any system.</li> <li>Asset owners are unable to track the progress or confirm completion of repairs and maintenance through a supporting system or formalised process.</li> </ul> <p>It was advised by the CoM that if asset defect and repair information is required, individual inspection officers/asset owners are currently relied upon for their historic asset knowledge.</p> <p>The only system that was identified as able to provide any oversight over repairs and maintenance was the Customer Events System (CES). The CES allows for the creation of a ticket which can be assigned to relevant repairs and maintenance teams for required works. Subsequent to the repairs being completed, the CES tickets are closed. It was noted however, that this system was utilised on an hoc basis across the CoM.</p>			

**Responsibility:** Unit Manager, Asset Solutions

**Target date(s):** December 2021

# 3.0 Internal audit findings

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### Finding 3 – A fit-for-purpose asset management/inspection system is not in place across the CoM

Moderate

Finding(s)	Risk(s)	Recommendation(s)	Agreed Management Action(s)
<p>A single fit-for-purpose asset management system is not in place to support the CoM’s asset inspection process. The systems utilised within the CoM include:</p> <ul style="list-style-type: none"> <li>• ESRI GIS – mapping and special analytics tool</li> <li>• RAMM – asset and maintenance management predominantly used for roads</li> <li>• CES – customer events system</li> <li>• Excel – a plant register in Excel is utilised by the Fleet, Plant and Equipment team</li> </ul> <p>While the above systems may be adequate for some asset classes, they lack specific functionality and intuitiveness to be properly utilised across the organisation. It was further noted that gaps were also identified in the utilisation of asset data not being readily available in existing systems, and in many asset classes and categories, no system was utilised at all.</p> <p>At present, the CoM is in the process of sourcing a new system. This finding is based on the current state of operations at the time of writing the report, with recommendations pertaining to interim mitigations and considerations for future system functionality. Through sample testing and stakeholder consultation, the following observations regarding the lack of a fit-for-purpose system were noted across the CoM:</p> <ul style="list-style-type: none"> <li>• All stakeholders communicated their various difficulties with the lack of system functionality.</li> <li>• System capability was not in place to produce readily available asset information reporting.</li> <li>• Tracking of minor repairs and the recording of defects is a time consuming process.</li> </ul> <p><i>(Continued on following page)</i></p>	<p>A lack of a fit-for-purpose asset management system may result in:</p> <ul style="list-style-type: none"> <li>• Reduced oversight over progress of inspections, resulting in inspections not being completed.</li> <li>• Financial risk, due to an inability to utilise key data recorded from inspections to inform decisions.</li> <li>• Processes and procedures may be forced to operate within outdated systems or methods.</li> </ul> <p>Underutilisation or lack of asset data may result in:</p> <ul style="list-style-type: none"> <li>• Increased risk of incomplete asset data, including asset condition and age leading to higher levels of reactive works.</li> <li>• Assets that no longer exist/are no longer apart of the CoM’s portfolio may still be tracked and included in budgeting and resourcing.</li> </ul> <p><i>(Continued on following page)</i></p>	<p>Internal Audit recommends the following, noting that the CoM was aware of the need for a fit-for-purpose asset management system:</p> <ol style="list-style-type: none"> <li>1. Decide upon and work to implement a new system that meets the organisation’s requirements.</li> <li>2. Due to the diverse asset categories under the CoM’s management, each asset class should be considered, and specific functionality investigated to ensure all necessary requirements are met.</li> <li>3. When sourcing a new asset management system the CoM should also take into consideration appropriate data analytics functionality.</li> </ol>	<p>These recommendations are in progress as part of the digital transformation Project and AIMS procurement process.</p>

### Finding 3 - A fit-for-purpose asset management/inspection system is not in place across the CoM

Moderate

Finding(s)	Risk(s)	Recommendation(s)	Agreed Management Action(s)
<p><i>(Continued from previous page)</i></p> <p>Internal Audit further observed that the existing systems did not allow for the easy extraction of key data. As a result, data is unable to be leveraged for budgeting, forecasting, monitoring or reporting.</p> <p>Through stakeholder consultation, Internal Audit noted the following issues identified in relation to the lack of data and the underutilisation of data:</p> <ul style="list-style-type: none"> <li>• Data on total costing and resourcing of repairs and maintenance did not exist.</li> <li>• Budgets within AMPs were based on historic amounts, with token increases year on year.</li> <li>• Total FTE resourcing for inspections, repairs and maintenance was not tracked or reported on.</li> <li>• Data within existing systems was out of date and could not be relied upon. It was noted that the CoM was currently undergoing a data cleanse to update asset data within RAMM.</li> <li>• 6 of the 8 asset classes were not able to easily provide (or unable to provide) a complete listing of assets within a category. What data that could be extracted was difficult to extract and/or out of date.</li> </ul>	<p><i>(Continued from previous page)</i></p> <ul style="list-style-type: none"> <li>• Assets nearing end of life or requiring replacement may go unnoticed.</li> <li>• Incomplete data resulting in assets being potentially missed during inspections.</li> <li>• Key person risk, as the lack of data in systems increases the reliance on individual's asset knowledge.</li> </ul>		

**Responsibility:** Senior Project Manager, Financial Transformation

**Target date(s):** June 2022

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## Finding 4 – The monitoring and reporting of asset inspections is performed inconsistently across the CoM

Moderate

Finding(s)	Risk(s)	Recommendation(s)	Agreed Management Action(s)
<p>Inconsistencies were identified in the monitoring and reporting of asset inspections across the CoM.</p> <p>At present, the reporting and monitoring over required asset inspections is performed inconsistently across the CoM. In some areas such as Open Space and Fleet, Plant &amp; Equipment, good practices were observed. However for other areas it was noted that monitoring and reporting was either not conducted or provided verbally during scheduled meetings.</p> <p>Through stakeholder consultation and documentation review, Internal Audit noted the following issues regarding the monitoring and reporting of asset inspections:</p> <ul style="list-style-type: none"> <li>Reporting to management and senior leadership on the current status of inspections is not inconsistently across the CoM.</li> <li>There was a lack of overall visibility available to CoM staff on the current status of inspections, without any way of ascertaining which inspections are outstanding aside from discussions with the inspection officer.</li> <li>Confirmation of completed inspections is verbally provided and not recorded within any system for the following asset classes: Art, Culture &amp; Heritage, Coastal Walkway, Stormwater and Transport.</li> </ul> <p>The asset classes with a comparative high level of maturity in monitoring and reporting were:</p> <ul style="list-style-type: none"> <li>Open Space - metrics are constantly monitored through PowerBI dashboards. All staff conducting inspections have tablets, with data flowing directly to the dashboards. This allowed for Management and SLT to view live snapshots of current state. There are also KPIs which staff are tracked against which feeds on data from the dashboards.</li> <li>Fleet, Plant &amp; Equipment - the plant register Spreadsheet acts as a central point for all information regarding the assets. There is a 'home' screen which shows upcoming and overdue inspections which staff, Management and SLT review periodically.</li> </ul>	<p>Inconsistencies in the monitoring and reporting of asset inspections may result in:</p> <ul style="list-style-type: none"> <li>Management and Senior Leadership may not have proper oversight over current state, resulting in an increased likelihood of inspections not being completed.</li> <li>The inability to confirm whether inspections are occurring in a timely manner, resulting in a higher frequency of reactive repairs.</li> <li>In the event of asset failure causing damage or harm, it may be difficult to confirm whether inspections of the asset occurred.</li> </ul>	<ol style="list-style-type: none"> <li>Regular reports should be provided to relevant CoM Management on the current status of inspections against the schedule.</li> </ol>	<p>Current decentralised system will make completion of this recommendation challenging, however, post development and endorsement of asset inspection schedule and reporting will be developed.</p>

**Responsibility:** Unit Manager, Asset Solutions

**Target date(s):** December 2021

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## Finding 5 – Key person risk

Moderate

Finding(s)	Risk(s)	Recommendation(s)	Agreed Management Action(s)
<p>A key stakeholder is responsible for a large number of inspections across the CoM.</p> <p>As there is no fit-for-purpose asset management system, there is a reliance on the specific knowledge of individuals regarding the CoM's assets. It was identified that a key stakeholder, the Technical Officer holds a substantial amount of asset specific information that does not reside within any system.</p> <p>Additionally, some high risk assets are required to be inspected after weather events. These are critical assets that may be impacted by rain/winds such as coastal walkways, bridges, stormwater and drainage. It is required that these assets be inspected as soon as it is safe to ensure no damage occurred during the weather event.</p> <p>Through stakeholder consultation and sample testing, Internal Audit noted the following issues identified in relation to key person risk:</p> <ul style="list-style-type: none"> <li>The Technical Officer was noted as responsible for several Level 1 inspections over high risk assets, including but not limited to the Coastal Walkway, bridges and retaining walls. Due to the current lack of a supporting Asset Management System (see Finding 3), it is therefore noted that the knowledge of the assets and technical expertise to conduct these inspections currently resides with this single individual.</li> <li>Internal Audit noted through discussions with stakeholders, if the Technical Officer was on leave or unavailable, the inspections would not occur if they were unable to be rescheduled. This had occurred in the past after an unforeseen weather event. The Technical Officer was not in the state at the time (on leave) so the inspections were not conducted.</li> </ul> <p>As a result, there is a significant amount of technical knowledge and asset information that is maintained by a single individual at the CoM.</p>	<p>Key person risk may expose the CoM to the following risks:</p> <ul style="list-style-type: none"> <li>Inspections of high risk assets may not occur in the absence of the Technical Officer.</li> <li>Key inspections after weather events may not occur if the Technical Officer is unavailable.</li> </ul>	<ol style="list-style-type: none"> <li>See Finding 1 for recommendations regarding a fit-for-purpose asset management system which would track key inspection data to enable other staff to conduct inspections in lieu of the Technical Officer.</li> <li>See Finding 2 for recommendations regarding a formalised asset inspection policy or procedure which would enable other staff to conduct inspections in lieu of the Technical Officer.</li> <li>Allocate an Inspection Officer to conduct inspections with the Technical Officer one day per week. This will allow for someone else to become proficient in conducting the high risk inspections. This will also allow for the Technical Officer to schedule more detailed inspections to be completed with the additional resource to assist in streamlining efficiency.</li> </ol>	<ol style="list-style-type: none"> <li>This item is progressing as part of the DTP – AMIS.</li> <li>A procedure document will be developed as recommended.</li> <li>A process will be established to ensure that asset inspectors have appropriate and trained backup.</li> </ol>
<p><b>Responsibility:</b> Unit Manager, Asset Solutions</p>			
<p><b>Target date(s):</b> December 2021</p>			

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## Performance Improvement Opportunity 1 – Operational efficiencies in the categorisation of assets could be improved

PIO

Finding(s)	Risk(s)	Recommendation(s)	Agreed Management Action(s)
<p>It was identified that some operational efficiencies could be improved upon in the categorisation of the CoM's assets.</p> <p>There is a lack of synergy regarding asset inspections across categories. In some cases, the Technical Officer was inspecting assets across 6 of the 8 asset classes (see Finding 8). In other cases, there are specific inspection officers who only inspect the assets within their asset class.</p> <p>There is a disconnect between asset classes and the optimum inspection methodology. Additionally, inspection categories could be rethought for some assets.</p> <p>Through stakeholder consultation and a ride along on an inspection at Oaklands Reserve, Internal Audit noted the following regarding the categorisation of assets:</p> <ul style="list-style-type: none"> <li>When inspecting a shelter with a bench under it, the Technical Officer will inspect both the bench and the shelter. If there was a bench 10 meters away not under the cover of a shelter, it will not be inspected by the Technical Officer as it was not under their required inspections. The Open Space inspection team will instead conduct the inspection at a later date.</li> <li>Assets in the same category may have multiple uses, however only one aspect of the asset will be inspected. For example, culverts were not being inspected (when they should have been). However, if a culvert also acts as a bridge, it will only be inspected as a bridge.</li> </ul>	<p>The disconnect between asset classes and the categorisation of assets may lead to the following risks:</p> <ul style="list-style-type: none"> <li>Duplication of efforts by multiple inspectors embarking on inspections in the same area.</li> <li>Some assets will not get inspected for their full function use.</li> </ul>	<ol style="list-style-type: none"> <li>While performing the data cleanse, special consideration should be taken to update any assets with multiple functions (e.g. culverts that act as bridges). This should be reflected in the system to ensure that both the culvert and the bridge would be inspected at the same time (where applicable).</li> <li>In some cases, assets should be considered on a location basis rather than an asset class basis. This will reduce duplication of efforts and allow for a more streamlined approach to some inspections (particularly inspections that take place on reserves, parks, beaches, etc).</li> </ol>	<ol style="list-style-type: none"> <li>Consider adding a notation in the Asset Data clarifying asset dual function however ensure there isn't duplication within the system.</li> <li>This recommendation requires discussion on the structure and responsibilities for asset inspections.</li> </ol>

**Responsibility:** Unit Manager, Asset Solutions

**Target date(s):** December 2021

# Appendix 1 – Sample testing results

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## Inspections conducted testing results

The table below details the 25 samples which were investigated by Internal Audit. The objective was to determine whether inspections of high risk asset categories had been conducted, were conducted in a timely manner and all relevant documents were retained.

Ref	Asset class	Asset category	Conclusion
1	Artworks, Culture and Heritage	Individual works	Standing Work No. 5, Tripod Structure selected. Inspection was conducted and tracked via CES tickets. There was no inspection sheet filled out. The inspection was deemed complete when the CES was closed. Exceptions noted.
2	Buildings and Structure	Community facilities	Inspections are not currently being conducted due to resourcing issues for this asset class. Therefore a sample of inspections was unable to be selected.  A listing of all assets within these categories was unable to be provided. Additionally, there was no comprehensive schedule to select an inspection from. Therefore, a sample of inspections was unable to be selected.
3	Buildings and Structure	Sports and recreation facilities	
4	Coastal Walkway	Built infrastructure	
5	Storm Water	Headwalls	
6	Storm Water	Culverts & box drains	
7	Storm Water	Gross pollutant traps	
8	Open Space	Community access playing fields	
9	Open Space	Community Multi use courts	
10	Open Space	Toilet Blocks	
11	Open Space	Lighting	
12	Open Space	Shelters	
13	Transport	Retaining walls	
14	Transport	Bridges	
15	Transport	Bus stops	Bus Shelter – 14486 29/05/2020 selected. Bus shelter was last inspected on 29/05/2020. No inspection sheet was able to be provided for the selected inspection. Exceptions noted.

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Ref	Asset class	Asset category	Conclusion
16	Water Treatment and Resources	Oaklands ASR Scheme and Distribution Network	Oaklands ASR Scheme and Distribution Network selected. No formal inspection sheet was completed for the most recent inspection. Exceptions noted.
17	Water Treatment and Resources	Ground water bores and headworks/pipes	Oaklands Pipe Network selected. No formal inspection sheet was completed for the most recent inspection. Exceptions noted.
18	Fleet, Plant and Equipment	Community Buses	8010 - 25/6/18 selected. All tested inspection criteria met. No exceptions noted.
19	Fleet, Plant and Equipment	Street Sweepers	8023 3/8/20 selected. All tested inspection criteria met. No exceptions noted.
20	Fleet, Plant and Equipment	Excavators	8440 26/7/16 selected. All tested inspection criteria met. No exceptions noted.
21	Fleet, Plant and Equipment	Chippers	8876 14/03/18 selected. All tested inspection criteria met. No exceptions noted.
22	Fleet, Plant and Equipment	Elevating Platforms	8806 22/03/19 electrical 240v selected. All tested inspection criteria met. No exceptions noted.
23	Fleet, Plant and Equipment	Forklifts, Cranes, Vibrating Plates, Concrete Saws	8850 23/05/15 maxlift selected. All tested inspection criteria met. No exceptions noted.
24	Open Space	Local level Playgrounds	Week of 17/02/2020 – Dumbaraton selected. All tested inspection criteria met. No exceptions noted.
25	Open Space	Neighbourhood Level Playgrounds	Week of 8/06/2020 selected. The inspection logs for playgrounds are printed and filled out weekly. The inspection log for the week selected was unable to be located. Exception noted.

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## Inspection schedules and defects, maintenance and repairs testing results

The table below details the 12 samples which were investigated by Internal Audit. There were two objectives to the testing. The first was to determine whether there were adequate, in-depth inspection schedules set out for specific high risk assets. The second was to determine the robustness of the management of defects, maintenance and repairs activities.

Ref	Asset class	Asset category	Schedule testing conclusion	Defects, maintenance and repairs testing conclusion
1	Buildings and Structure	Community facilities	The MPMT Spreadsheet utilised to manage required inspections is still being updated with current data. The next inspection dates had not been updated. Exception noted.	No listing of defects, maintenance and repairs activities was able to be provided for these selected asset categories. Therefore, no defects, maintenance and repairs samples were able to be selected for testing.
2	Coastal Walkway	Built infrastructure	The schedules did not breakdown when each asset was due for inspection. Exception noted.	
3	Storm Water	Gross pollutant traps		
4	Transport	Bridges		
5	Transport	Retaining walls		
6	Open Space	Lighting		
7	Open Space	Shelters		
8	Storm Water	Culverts & box drains	Culverts and box drains are not currently being inspected, therefore no schedule was able to be provided. Exception noted.	
9	Fleet, Plant and Equipment	Community Buses	Schedule comprehensively outlined when the assets were due for inspection. No exceptions noted.	8011 – 29/06/19; screw in tyre selected. The vehicle had a screw in a tyre. Stakeholders advised that this work was considered minor, therefore an inspection sheet was not conducted. There was no evidence/confirmation of work completed. Exceptions noted.
10	Open Space	Local level Playgrounds		No listing of defects, maintenance and repairs activities was able to be provided for these selected asset categories. Therefore, no defects, maintenance and repairs samples were able to be selected for testing.
11	Artworks, Culture and Heritage	Individual works		
12	Water Treatment and Resources	Oaklands ASR Scheme and Distribution Network		

# Appendix 2 – Asset classes and categories

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Detailed below are the 8 asset classes which are aligned to the asset management plans. The table outlines the asset categories that belong to each asset class.

Asset Class	Categories
 <b>Art, Culture &amp; Heritage</b>	Individual works, individual band instruments, set of Mayoral robes and Marion Heritage Research Centre Collection.
 <b>Buildings &amp; Structure</b>	Administration and operations, community facilities, sports and recreation facilities and commercial facilities.
 <b>Coastal Walkway</b>	Built infrastructure and green infrastructure.
 <b>Open Space</b>	Local level playgrounds, neighbourhood level playgrounds, regional level playgrounds, community access playing fields, club leased playing fields (AFL, cricket and soccer – limited community access), community tennis only courts, community multi use courts, netball ring, community netball only courts, community 3v3 basketball courts, community BBQs, toilet blocks, off street parking, shelter/shade structures, lighting, irrigations systems, external fitness equipment assemblies, buildings, trails, toilets, constructed landscape as primary form, natural landscape/vegetation, wetland, community garden and significant trees.
 <b>Stormwater</b>	Pipes, culverts & box drains, side entry pits, junction boxes, headwalls and gross pollutant traps.
 <b>Water Treatment &amp; Resources</b>	Oaklands ASR scheme and distribution network, [wetlands, rivers and creeks], WSUD infrastructure and [ground water bores and headworks/pipes].
 <b>Transport</b>	Roads, bridges, footpaths, kerb and water table, kerb ramps, street lighting, bus stops, street furniture, traffic control devices and retaining walls.
 <b>Fleet, Plant &amp; Equipment</b>	Utilities, vans, [sedans and wagons], community buses, trucks (4 GVM categories), street sweepers, backhoes, excavators, loaders, chippers, elevating platforms, [forklifts, cranes, vibrating plates and concrete saws], line marking drivers, line marking spray equipment, mowers, trailers and rollers.

# Appendix 3 – Staff consultation

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The tables below summarises CoM personnel who were involved in discussions and contributed to the findings and actions detailed in this Internal Audit report.

Name	Title
<b>Asset Solutions</b>	
Brendon Lyons	Unit Manager Asset Solutions
<b>Artworks, Culture &amp; Heritage</b>	
Carla Zub	Project Manager Strategic Projects
Donna Griffiths	Economic and Culture Development Manager
Joyce Louey	Public Art & Placemaking Officer
Liz Byrne	Manager Community Connections
<b>Buildings &amp; Structure</b>	
Thuyen Vi-Alternetti	Manager City Property
Geoff Norris	Unit Manager City Property
<b>Coastal Walkway</b>	
Martin Blunden	Technical Officer
Alex Cortes	Coordinator Coastal Walkway
Dale Fitzpatrick	Property Project Officer
Thuyen Vi-Alternetti	Manager City Property
Carla Zub	Project Manager Strategic Projects
<b>Fleet, Plant &amp; Equipment</b>	
Colin Heath	Senior Procurement Specialist
Roger Belding	Unit Manager Operational Support
Fiona Harvey	Manager Operations

Name	Title
<b>Open Space</b>	
Carla Zub	Project Manager Strategic Projects
Fiona Harvey	Manager Operations
Luke Manuel	Coordinator Field Operations
Renee Pitcher	Unit Manager Open Space
<b>Transport, Stormwater and Water Treatment &amp; Resource</b>	
Fiona Harvey	Manager Operations
Mathew Allen	Manager Engineering, Assets and Environment



# Appendix 4 - Classification of findings

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The following framework for internal audit ratings has been developed and agreed with the CoM's Management for prioritising internal audit findings according to their relative significance depending on their impact to the process. The individual internal audit findings contained in reports will be discussed and rated with the CoM's Management.

Rating	Definition	Examples of business impact	Action(s) required
<b>Extreme/Critical</b>	Issue represents a control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability to achieve process objectives.	<ul style="list-style-type: none"> <li>• Detrimental impact on operations or functions.</li> <li>• Sustained, serious loss in reputation.</li> <li>• Going concern of the business becomes an issue.</li> <li>• Decrease in the public's confidence in the Council.</li> <li>• Serious decline in service/product delivery, value and/or quality recognised by stakeholders.</li> <li>• Contractual non-compliance or breach of legislation or regulation with litigation or prosecution and/or penalty.</li> <li>• Life threatening.</li> </ul>	<ul style="list-style-type: none"> <li>• Requires immediate notification to the Council Finance and Audit Committee via the Presiding Member</li> <li>• Requires immediate notification to the CoM's Chief Executive Officer.</li> <li>• Requires immediate action planning/remediation actions</li> </ul>
<b>High</b>	Issue represents a control weakness, which could have or is having major adverse effect on the ability to achieve process objectives.	<ul style="list-style-type: none"> <li>• Major impact on operations or functions.</li> <li>• Serious diminution in reputation.</li> <li>• Probable decrease in the public's confidence in the Council.</li> <li>• Major decline in service/product delivery, value and/or quality recognised by stakeholders</li> <li>• Contractual non-compliance or breach of legislation or regulation with probable litigation or prosecution and/or penalty.</li> <li>• Extensive injuries.</li> </ul>	<ul style="list-style-type: none"> <li>• Requires immediate CoM's General Manager notification.</li> <li>• Requires prompt Management action planning/remediation actions (i.e. 30 days)</li> </ul>

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Rating	Definition	Examples of business impact	Action(s) required
<b>Moderate</b>	Issue represents a control weakness, which could have or is having a moderate adverse effect on the ability to achieve process objectives	<ul style="list-style-type: none"> <li>Moderate impact on operations or functions.</li> <li>Reputation will be affected in the short-term.</li> <li>Possible decrease in the public's confidence in the Council.</li> <li>Moderate decline in service/product delivery, value and/or quality recognised by stakeholders.</li> <li>Contractual non-compliance or breach of legislation or regulation with threat of litigation or prosecution and/or penalty.</li> <li>Medical treatment required.</li> </ul>	<ul style="list-style-type: none"> <li>Requires CoM's General Manager and/or Senior Manager attention.</li> <li>Requires short-term Management action.</li> </ul>
<b>Low</b>	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.	<ul style="list-style-type: none"> <li>Minor impact on internal business only.</li> <li>Minor potential impact on reputation.</li> <li>Should not decrease the public's confidence in the Council.</li> <li>Minimal decline in service/product delivery, value and/or quality recognised by stakeholders.</li> <li>Contractual non-compliance or breach of legislation or regulation with unlikely litigation or prosecution and/or penalty.</li> <li>First aid treatment.</li> </ul>	<ul style="list-style-type: none"> <li>Timeframe for action is subject to competing priorities and cost/benefit (i.e. 90 days).</li> </ul>

# Disclaimers

## Inherent limitations

The scope of this report has been outlined in the Executive Summary. The services provided in connection with the engagement comprise an advisory engagement which is not subject to Australian Auditing Standards or Australian Standards on Review or Assurance Engagements, and consequently no opinions or conclusions intended to convey assurance will be expressed. Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that have been subject to the procedures we performed operate, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. The procedures performed were not designed to detect all weaknesses in control procedures as they are not performed continuously throughout the period and the tests performed on the control procedures are on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, the CoM's Management and personnel. We have not sought to independently verify those sources unless otherwise noted within the report. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with the CoM. The internal audit findings expressed in this report have been formed on the above basis.

## Third party reliance

This report is solely for the purpose set out in the Executive Summary of this report and for CoM's information, and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent. This internal audit report has been prepared at the request of the CoM Finance and Audit Committee or its delegate in connection with our engagement to perform internal audit services as detailed in the contract. Other than our responsibility to the CoM, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party, including but not limited to the CoM's external auditor, on this internal audit report. Any reliance placed is that party's sole responsibility.

## Electronic distribution of report

This KPMG report was produced solely for the use and benefit of the CoM and cannot be relied on or distributed, in whole or in part, in any format by any other party. The report is dated May 2021 and KPMG accepts no liability for and has not undertaken work in respect of any event subsequent to that date which may affect the report. Any redistribution of this report requires the prior written approval of KPMG and in any event is to be the complete and unaltered version of the report and accompanied only by such other materials as KPMG may agree. Responsibility for the security of any electronic distribution of this report remains the responsibility of the CoM and KPMG accepts no liability if the report is or has been altered in any way by any person.



# City of Marion

Internal audit project scope:

**Community Facilities**

**Management Models**

May 2021



## Internal Audit Program 2020/21: Community Facilities Management Models

In accordance with the 2020/21 Internal Audit Plan for the City of Marion (CoM), an internal audit project focussing on the CoM's community facilities management models is to be performed. The objective, scope and approach are outlined below.

### Objective

The objective of this audit will be to review the adequacy of the community facilities management models employed by the CoM with respect to single occupancy sporting facilities.

### Scope of services

The scope of the internal audit will consider the following areas:

- Alignment of management models with the CoM's overarching strategic objectives to create communities that embrace active living and healthy lifestyles under the Council's strategic theme of "Liveable".
- The extent to which the CoM's current governance and policy frameworks (including the CoM's leasing policy) support the achievement of CoM's "Liveable" strategic objectives as well as manage related risks (including the financial sustainability of sporting clubs).
- A high-level comparison of CoM's leasing policy and management models for single occupancy sporting facilities to other councils.

### Approach

The approach for the internal audit project will include:

- Review of key documentation relating to the CoM's community facilities management models.
- Consultation with key stakeholders to understand how community facilities management models operate in practice, including walkthroughs of key systems and processes.
- A high-level comparison of CoM's leasing policy and management models for single occupancy sporting facilities to other councils.
- Preparation of an internal audit reporting detailing our findings, improvement opportunities and recommendations.



## Stakeholders

The following CoM stakeholders will be consulted as part of the internal audit project:

Personnel	Position title
Ilia Houridis	General Manager City Development
Greg Salmon	Manager City Activation
Thuyen Vi-Alternetti	Manager City Property
Kate McKenzie	Manager Corporate Governance
Geoff Norris	Unit Manager Land & Property
Mark Hubbard	Unit Manager Sport & Recreational Community Facilities

## Resources and Budget

The team members and proposed budget for the Community Facilities Management Models internal audit project are listed in the following table:

Name	Position	Hourly rate (excl. GST)	Est. hours	Sub-total (excl. GST)
Eric Beere	Partner	\$355	5.0	\$1,775
Ron Zubrik	Partner (Subject Matter Expert)	\$355	2.5	\$888
Chad Gardiner	Director (Subject Matter Expert)	\$355	15.0	\$5,325
Heather Martens	Associate Director	\$260	10.0	\$2,600
Scott Jeffree	Senior Consultant	\$155	45.0	\$7,200
Grace Mullins	Consultant	\$110	50.0	\$5,500
<b>Total (excl. GST)</b>				\$23,288

## Timing

The proposed timing for the Community Facilities Management Models internal audit project is for the project to commence in May 2021 with fieldwork to be completed before the end of June 2021 and with a draft report completed for consideration by early July 2021.



## Approvals

We are in agreement with the scope document for the Community Facilities Management Models internal audit project.

**CoM Internal Audit Project Sponsor: KPMG Internal Audit Partner:**

*Name: Iliia Houridis, General Manager City Development*      *Name: Eric Beere*

*Signed:* \_\_\_\_\_ *Signed:* \_\_\_\_\_

*Date:* \_\_\_\_\_ *Date:* \_\_\_\_\_

## Disclaimers

### *Inherent limitations*

The services provided in connection with the engagement comprise an advisory engagement which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and consequently no opinions or conclusions intended to convey assurance will be expressed. Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that are to be subject to the procedures we perform, will not be reviewed in its entirety and, therefore, no opinion or view is to be expressed as to its effectiveness of the greater internal control structure. The procedures to be performed are not designed to detect all weaknesses in control procedures as they are not performed continuously throughout the period and the tests performed on the control procedures are on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

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### *Third party reliance*

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The tracked progress of all reviews is below:

**Table 1: Service Review Program FY2020/21 – Progress Update as at 23/4/21**

Service Review Title	No. of Services	Current Status	Comments
<b>Cross Council Service Reviews</b>			
Capital Construction and Maintenance	5	In progress	<ul style="list-style-type: none"> <li>Service review underway</li> <li>Stage 1 expected to be completed by 31 August 2021</li> </ul>
Open Space Planning and Construction (previously referred to as Open Space Recreation and Planning)	1	On hold	<ul style="list-style-type: none"> <li>The plan to review this service be re-assessed when FY2021/22 Service Review Program is developed</li> </ul>
Fleet Management and Maintenance (previously referred to as separate reviews, now combined)	2	Complete	<ul style="list-style-type: none"> <li>Final report shared (FAC210223)</li> </ul>
Public Litter	1	Complete	<ul style="list-style-type: none"> <li>Final report shared (FAC200812)</li> </ul>
Sport and Recreation	1	On hold	<ul style="list-style-type: none"> <li>The plan to review this service be re-assessed when FY2021/22 Service Review Program is developed</li> </ul>
<b>Total</b>	<b>10</b>		

**Implementation of recommendations from service reviews**

Significant focus has been given to the completion of the current service review actions. The Performance and Innovation (P&I) Team have committed to support teams to complete the 50 actions due this financial year.

To date 27 of the 50 due actions have been implemented. The P&I Team have reviewed the 23 remaining outstanding tasks to understand if any are not expected to be closed by 30/6/21 and requested a timeframe extension from the Executive Leadership Team where required

The table below displays the expected outcome of the remaining outstanding tasks:

**Table 2: Expected outcome of remaining outstanding tasks**

Division	Department	Service Review	Total actions due	Outcome	
				Extend timeframe	Remain Open*
City Services	Corporate Governance	Records Management	1	-	1
	Community Connections	Neighbourhood and Community Centres	11	10	1
Corporate Services	Information Services	Corporate IT	9	5	4
	Strategic Procurement	Utilities Optimisation	2	-	2
<b>TOTALS</b>			<b>23</b>	<b>15</b>	<b>8</b>

\*expected to be completed by 30/6/21

Key highlights of actions implemented in this period include:

- The recommendations for three service reviews (Living Kaurna Cultural Centre, Open Space Phase 2 and Irrigation Construction and Maintenance) have now all been closed.
- From the Utilities Optimisation implementation, significant refund amounts have now been received for historical charging errors (>\$140k). Reporting has been completed to illustrate that the team has been self-funding in the first year (total benefit realisation is >\$462k).
- A new Cross Council Fleet Manager has commenced.
- The operations of the Neighbourhood and Community Centres have moved to a more centralised approach.
- Records Management work area compliance reporting service has been established and is being rolled out.

Refer Appendix 1 for more detail.

**RECOMMENDATION**

**That the Finance and Audit Committee notes:**

- 1. The overall status of the Service Review Program for FY2020/21 (Table 1)**
- 2. The plan for developing the Cross Council Service Review Program for FY2021/22; and**
- 3. The implementation progress of the Service Review Program recommendations (Appendix 1)**

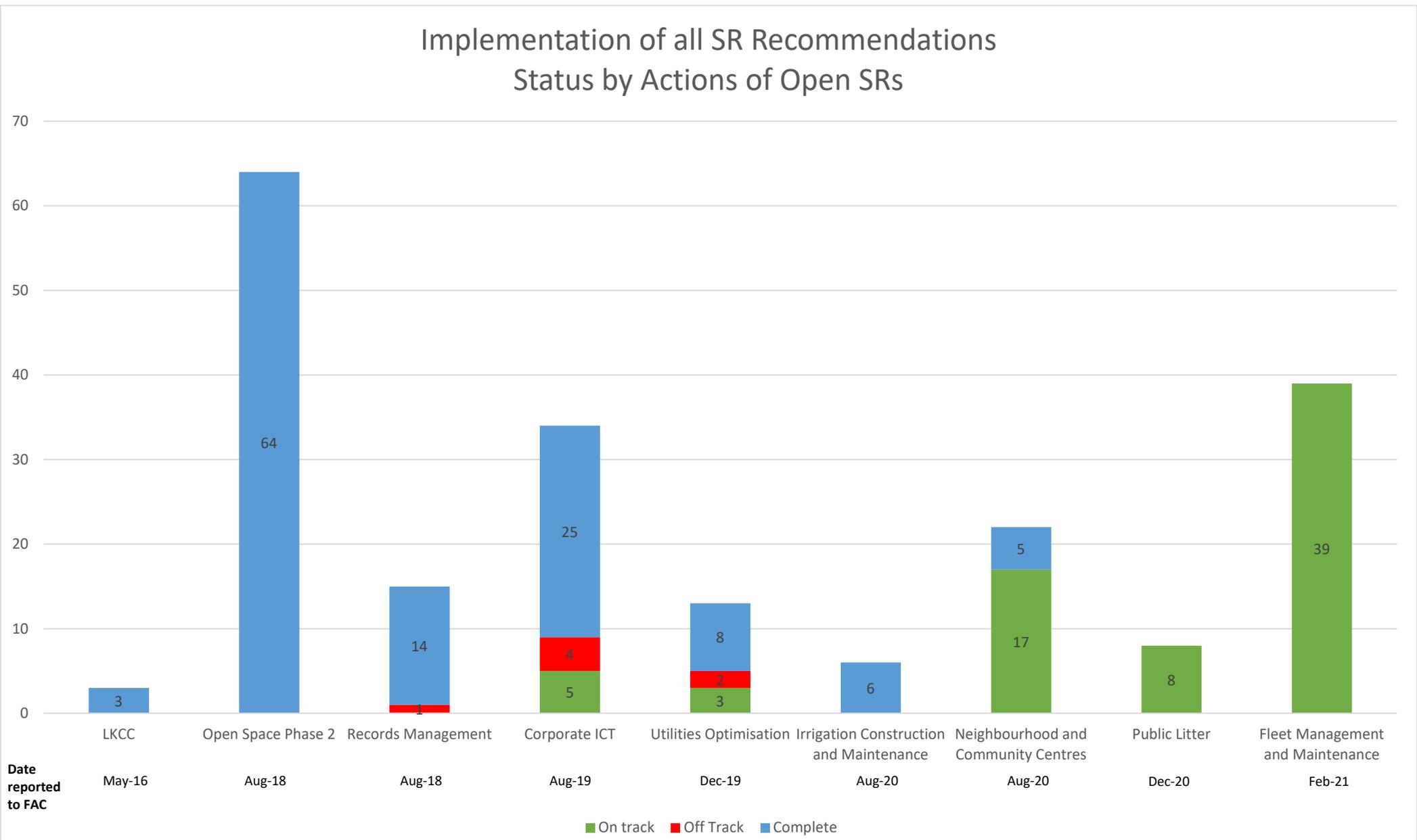
**Attachment**

#	Attachment
1	FAC210518 - Service Review Program and Recommendations - Progress Update - Appendix 1

# All Open Service Review Recommendations - Progress Update (Appendix 1)

(Status as at 23/4/2021 based on tracking against original completion dates)

## Implementation of all SR Recommendations Status by Actions of Open SRs



# Open Service Reviews - Recommendations - Progress Update

(Status as at 23/4/2021 based on tracking against original completion dates)



**Key**  
● Complete ● Watch Closely  
● On Track ● Off Track

Division	Department	Service Review	Date Reported to FAC	Original Full Implementation Date	# of Recommendations	# of Actions	# On Track Actions	# Off Track Actions	# Actions Complete	% of Actions Complete	Comments
City Development	City Activation	Living Kurna Cultural Centre	May-16	Dec-17, Dec-21	3	3	-	-	3	100%	The first three recommendations for this review are closed as they will form part of a council report on 27/4/21. As a result, recommendations 4 and 5 are now redundant due to the preceding recommendations.
				<b>Division Total</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100%</b>	
City Services	Operations	Open Space Phase 2	Aug-18	Jun-22	20	64	-	-	64	100%	All service review actions have now been completed and productivity is continuing to improve through the use of mobile technology and improved works programming.  Once Council's new Asset Management System has been implemented a new mobile platform will be created.
	Engineering, Assets and Environment	Irrigation Construction and Maintenance (cross council)	Aug-20	Dec-20	6	6	-	-	6	100%	The procurement process for the irrigation materials has now concluded and the approval to award has been signed. Service review recommendations have now been fully implemented.
	Corporate Governance	Records Management	Aug-18	Dec-19	15	15	-	1	14	93%	Highlights of progress include: <ul style="list-style-type: none"> <li>- Draft framework has been revised with General Manager and is now awaiting final review and signoff.</li> <li>- Work area compliance reporting service has been established and is being rolled out via the RMT Work Area Engagement Schedule. The first round of the schedule is focusing on the migration of the legacy V: Drive alongside general compliance check-ins.</li> </ul> The one remaining off-track item is expected to be completed by 30/6/21.

# Open Service Reviews - Recommendations - Progress Update

(Status as at 23/4/2021 based on tracking against original completion dates)



**Key**  
● Complete    ● Watch Closely  
● On Track    ● Off Track

Division	Department	Service Review	Date Reported to FAC	Original Full Implementation Date	# of Recommendations	# of Actions	# On Track Actions	# Off Track Actions	# Actions Complete	% of Actions Complete	Comments
	Community Connections	Neighbourhood and Community Centres	Aug-20	Jun-22	22	22	17	-	5	23%	<p>Due to the departure of a key resource the timeframe for 10 actions have been extended and will be reviewed and re-set.</p> <p>The Workforce Plan is still progressing in relation to succession planning, staff skills audit and establishing a successful workforce structure for the future. Some recent key staff departures have not been permanently replaced as they will form part of the workforce plan which has also impacted on resourcing.</p> <p>The operations of the centres have moved to a more centralised approach which has been working well.</p> <p>Data, systems and analysis will be a focus for the next few months to ensure that good decision-making and reporting is consistent across the Neighbourhood Centres and their programs.</p>
<b>Division Total</b>					<b>63</b>	<b>107</b>	<b>17</b>	<b>1</b>	<b>89</b>	<b>83%</b>	
Corporate Services	Information Services	Corporate ICT (cross council)	Aug-19	June-21	14	34	5	4	25	74%	<p>One recommendation (two actions) for the City of Port Adelaide Enfield to lead the analysis and determine priorities of workflows for all three Councils have been withdrawn (deemed obsolete) as these will be defined during the Digital Transformation Program.</p> <p>Timeframes for four actions will be reviewed and re-set regarding cross council training and digital literacy activities, previously on hold due to COVID-19. These actions are also</p>

# Open Service Reviews - Recommendations - Progress Update

(Status as at 23/4/2021 based on tracking against original completion dates)



**Key**  
 ● Complete ● Watch Closely  
 ● On Track ● Off Track

Division	Department	Service Review	Date Reported to FAC	Original Full Implementation Date	# of Recommendations	# of Actions	# On Track Actions	# Off Track Actions	# Actions Complete	% of Actions Complete	Comments
											<p>dependent on the Digital Transformation Project for Digital Literacy.</p> <p>The timeframe to coordinate a cross council Cyber Security Program will also be reviewed and re-set to provide time for the newly recruited IT Governance and Cybersecurity Lead to devise and implement the plan.</p> <p>The four remaining off track items are expected to be completed by 30/6/21.</p>
Corporate Services	Strategic Procurement	Utilities Optimisation (cross council)	Dec-19	Feb-23	10	13	3	2	8	62%	<p>Significant refund amounts have now been received for historical charging errors (&gt;\$140k). Reporting has been completed to illustrate that the team has been self-funding in the first year (total benefit realisation is &gt;\$462k).</p> <p>The Utilities Validation System is in the final stages of evaluation.</p> <p>Work has commenced on the strategy piece relating to Net Zero energy at each council.</p> <p>Governance meetings ongoing each month to track progress and promote initiatives within each council.</p> <p>The two remaining off track items are expected to be completed by 30/6/21.</p>

# Open Service Reviews - Recommendations - Progress Update

(Status as at 23/4/2021 based on tracking against original completion dates)



**Key**  
 ● Complete ● Watch Closely  
 ● On Track ● Off Track

Division	Department	Service Review	Date Reported to FAC	Original Full Implementation Date	# of Recommendations	# of Actions	# On Track Actions	# Off Track Actions	# Actions Complete	% of Actions Complete	Comments
		Public Litter	Dec-20	Dec-22	6	8	8	-	-	-	Recommendation implementation to commence from 1/6/21.
		Fleet Management & Maintenance	Feb-21	Jul-22	10	39	39	-	-	-	The Cross Council Fleet Manager has been recruited and awaiting commencement, the implementation of recommendations will begin thereafter.
<b>Division Total</b>					<b>40</b>	<b>94</b>	<b>55</b>	<b>6</b>	<b>33</b>	<b>35%</b>	

\*\*\*A Service Review is considered Off Track when an action has not been completed by the original completion date

## Completed Service Reviews (Recommendations have been fully implemented) (March 2016 – Current)

Department	Service Review	Date Reported to FAC	Original Complete Date	Actual Complete Date
Community Connections	Libraries	28-Feb-2017	31-Mar-2017	10-Oct-2017
Human Resources	Recruitment	15-Dec-2016	31-Dec-2017	29-May-2018
City Property	Marion Outdoor Swim Centre	15-Dec-2016	31-Oct-2017	02-Oct-2018
Corporate Governance	Council Reporting and EM Support	15-Dec-2016	31-Aug-2017	02-Oct-2018
Engineering and Field Services	Management of Recycling Depot and Stores	30-May-2017	29-Dec-2017	02-Oct-2018
Finance and Contracts	Public Place Litter	12-Dec-2017	30-Jun-2018	02-Oct-2018
Engineering and Field Services	Drainage	30-May-2017	30-Jun-2018	11-Dec-2018
Engineering and Field Services	Roads	15-Aug-2017	29-Jun-2018	11-Dec-2018
Engineering and Field Services	Hard Waste and Dumped Rubbish	08-Mar-2016	01-Jul-2019	26-Feb-2019
City Property	Maintenance of Council Facilities	10-Oct-2017	30-Nov-2018	28-May-2019
Community Connections	Marion Celebrates	30-May-2017	30-Mar-2019	28-May-2019
Development and Regulatory Services	Parking Management and Regulation	30-May-2017	31-Dec-2018	28-May-2019
Engineering and Field Services	Open Space Phase 1	12-Dec-2017	30-Jun-2022	28-May-2019
Customer Experience	Customer Service	27-Feb-2018	31-Mar-2020	20-Aug-2019
Engineering, Assets and Environment	Asset Management	15-Aug-2017	30-Jun-2018	20-Nov-2020
Development and Regulatory Services	Community Safety Inspectorate	30-May-2018	31-July-2019	29-Jan-2021

**Internal Audit Program - Implementation of Recommendations**

**Originating Officer** Governance Officer - Angela Porter  
**Corporate Manager** Manager Corporate Governance - Kate McKenzie  
**General Manager** General Manager City Services - Tony Lines  
**Report Reference** FAC210518R11

**Confidential**

**REPORT OBJECTIVE**

To provide the Finance and Audit Committee (FAC) with an update of the status of implementation of recommendations from the Internal Audit (IA) program.

**EXECUTIVE SUMMARY**

The FAC was provided with a status report at its meeting on 23 February 2021 regarding the City of Marion's Internal Audit Program. A number of items were pending endorsement of the ITT Governance Framework which was due to be signed off by the end of February 2021. This, along with a number of other items falling within the IT and Digital Transformation space, have been delayed due to restructure and realignment of projects and will be reviewed in the next quarter.

The implementation of recommendations from these reports continues to be monitored by the FAC. A short summary of the status of recommendations for each audit is provided in **Attachment 1**. The relevant outstanding recommendations and agreed actions for items that have been commented on are included in the summary to give context to the comments made against each project.

**RECOMMENDATION**

**That the Finance and Audit Committee:**

- 1. Notes the status of the Internal Audit Program (Attachment 1).**

**Attachment**

#	Attachment
1	FAC210518 - Internal Audit - Implementation of Recommendations

## Overall Summary

<i>Project</i>	<i>Findings</i>	<i>On Track</i>	<i>Overdue</i>	<i>Completed</i>	<i>Not Commenced</i>	<i>General Comments</i>
<i>Procure to Pay (2018/19)</i>	9		2	7		There are 2 outstanding recommendations. These are Performance Improvement Opportunities and will be captured through the Finance Transformation Project.
<i>Customer Experience</i>			Complete (June '20)			
<i>Cyber Security 2019</i>	6	4		1	1	A number of Performance Improvement Opportunities are now being addressed with the recruitment of a new IT Governance and Cybersecurity Lead. COVID-19 has impacted some Performance Improvement Opportunities which will now be addressed as part of the BCP & COVID-19 Response Audit. Some items will be subsumed into the Digital Transformation Projects which will be reported separately.
<i>Tendering 2019</i>			Complete (March '20)			
<i>BCP and Emergency Management</i>			Complete (June '20)			
<i>Payroll 2020/21</i>	6	5		1		Outstanding items are pending Implementation of the new Payroll/HRIS system which has now commenced with go-live expected August 2021.
<i>ITT Governance</i>	11	1	5	5		Due to changes in resourcing, a number of items have been reallocated and will be reviewed.
<i>Metrics that Matter</i>	3	2		1		1 item has been completed in its entirety. 1 item has been reallocated as part of the Digital Transformation Project.
<i>Collaborative Leasing</i>	12	2		10		10 items are now complete and an extension has been requested for 1 item.
<i>Stores Management</i>	5	2		3		3 items have been completed in entirety with 2 remaining items pending replacement of the Asset Management and Financial Management Systems
<i>Business Continuity Plan and COVID-19 Response</i>	7	5			2	5 items are on track with some parts complete. 2 items have not yet commenced with some actions pending return of the substantive Risk Business Partner.
<i>Assurance Mapping</i>	1	1				This item has been included in the draft Strategic Risk report to be presented to FAC in May 2021.

## Procure to pay

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
It is recommended that the CoM perform a business process review to investigate the transition to an online procure to pay system which would help to reduce the need for manual invoice approval processing. This process should include benchmarking of the procure-to-pay cycle times and the average cost of processing per invoice against other Government agencies.	0	The CoM will investigate on-line invoice approval options that exist with Civica to reduce the level of manual processing that currently exists.  The CoM will also investigate the software options available and implementation costs for automatic invoice validation.	31/12/2019	Not on Track	0%	The RFP developed for CoM's Financial Transformation includes a number of requirements that cover off on these opportunities including electronic workflow and invoice matching automation. The market responses are expected by end of February 2021.	Not on Track	0%	CoM's Financial Transformation project includes a number of requirements that cover off on these opportunities including electronic workflow and invoice matching automation. The project is currently in the Tender evaluation phase.
It is further noted that a number of other Councils in South Australia have transitioned the invoice validation process to a third-party vendor. These services include the use of machine learning technologies to match purchase orders to invoice payments and contract, and automating invoice approvals within a defined set of business rules. It is recommended that this option is also considered as part of the business process review.	0	as above	31/12/2019	Not on Track	0%	The RFP developed for CoM's Financial Transformation includes a number of requirements that cover off on these opportunities including electronic workflow and invoice matching automation. Market responses to RFP are expected end of February 2021	Not on Track	0%	CoM's Financial Transformation project includes a number of requirements that cover off on these opportunities including electronic workflow and invoice matching automation. The project is currently in the Tender evaluation phase.

## Cyber Security 2019

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
1. There is currently no mechanism through which to assess, monitor and improve staff attitudes and understanding of cyber security across the organisation, such as surveys.	PIO2.1			Nil.	Nil.	Nil.	On Track		Ownership of this item has been transferred to the newly appointed IT Governance and Cybersecurity Lead. Together with the new Senior DTP IT manager they will be working on the COM1 project on improving cybersecurity awareness for our staff as well as commencing phishing exercises.
2. The CoM last conducted a staff phishing exercise in 2017/18 and the last physical social engineering exercise was in March 2018. It is expected that these types of live assessments would be conducted on an annual basis.	PIO2.2			Nil.	Nil.	Nil.	Not Commenced		Ownership of this item has been transferred to the newly appointed IT Governance and Cybersecurity Lead. Together with the new Senior DTP IT manager they will be working on the COM1 project on improving cybersecurity awareness for our staff as well as commencing phishing exercises.
The following should be considered as recommendations for increasing maturity in the Information Risk Management domain, particularly when implementing, operationalising, and embedding the Cyber Security Assurance Framework and Cyber Security Operating Manual:  1. Clearly define and communicate the requirements for sharing of information both internally and externally. Consideration should be also given to implementing controls for removable and portable media control as part of a data loss prevention strategy, such as storage, handling, whitelisting allowed USB devices, encryption and destruction.	3.1	Implement Data Governance Framework to classify CoM's information and define appropriate resources to manage this function to communicate requirement for information sharing.	<del>31/03/2020</del> Revised Due Date 30/06/2021	On Track	65%	Recruitment is now complete. Cross Council Chief Data Officer to commence March 2021.	On Track	65%	Due to changes in resourcing, a number of items have been reallocated. Completion of the data governance framework has been allocated to the Cross Council Chief Data Officer. Creation of an Information Sharing Policy has been allocated to Chief Data Officer who will work with Team Leader Records to create the policy. Cyber Security Operations Manual - ownership of this item has been transferred to Manager IT Operations and IT Governance and Cybersecurity Lead. Further updates will be provided in the next quarter.

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
As per the recent Business Continuity, IT Disaster Recovery and Emergency Management Internal Audit, the following finding was raised with Management actions agreed:  1.While a Technical Impact Assessment has been completed and documented by the IT team, which provides an ICT focus and is used to inform the ICT Site Recovery Plan,a holistic Business Impact Assessment (BIA) has not been undertaken for the CoM to identify and prioritise critical business processes. The BIA will allow the CoM to identify and prioritise the critical business processes across the organisation, including maximum allowable outage periods.	PIO4.1			Nil.	Nil.	Nil.	Completed	100%	BIA was completed (facilitated by KPMG) in February 2020 and information was provided to IT. Requirements have now changed due to the impacts of COVID-19 and revised actions have been addressed through the BCP Audit.
2.Following completion of the BIA, the IT outcomes should be communicated directly to IT, so that IT can ensure appropriate IT disaster recovery solutions, plans and processes are in place and aligned to business requirements.	PIO4.2			Nil.	Nil.	Nil.	Completed	100%	BIA was completed (facilitated by KPMG) in February 2020 and information was provided to IT. Requirements have now changed due to the impacts of COVID-19 and revised actions have been addressed through the BCP Audit.
1. Ensure that defined recovery objectives have been communicate and validated with IT to ensure that these are achievable.	4.1	1. Review validity of departmental recovery objectives and in conjunction with Risk Department run BCP workshops where recovery objectives are unrealistic or unachievable.	30/06/2020  Revised Due Date 31/10/2021	Not on Track	85%	No further Update. As noted last update the request next action due be changed to Sept 2021 - Set up meeting with IT to review action and date-line. SW. Many systems have been moved to the cloud and departmental system BCP has changed/improved. The response to Covid19 has meant improved system availability through work from home options and the Digital Transformation Program is continuing a shift of systems from on-prem to cloud. A comprehensive business impact analysis review will be undertaken in 2021/22 to review the first stage of system improvement achieved during 2020/21 and provide direction for future needs. This depends on the availability of a resource to do the work, currently expected to be recruited by March 2021.	On Track	85%	Extension has been granted until 31 October 2021 due to changes in resourcing. No further update.
Based on the size and nature of the CoM business and the supporting IT environment, and the role which CQR provides to the CoM for supporting technical cyber security elements, we have not provided any further specific recommendations to improve current maturity in this domain. However, we would encourage Management to continue to invest as appropriate in technology solutions as changes are considered and made throughout the organisation and to the IT environment, and as the external cyber landscape changes.	5.1			Nil.	Nil.	Nil.	On Track		Management are addressing this through the implementation of the Cross Council Cybersecurity Strategy and the DTP projects, shifting on prem systems to the cloud with increased security, as well as cyber awareness training for our staff, EMs etc.
The following were identified as areas for improvement in the 2017 report which have not been fully addressed by the CoM through the activities undertaken since 2017: 1.Whilst an informal compliance assessment has been undertaken by Corporate Governance, this has not been formalised or communicated. There is also no central register maintained to ensure that all areas of CoM are aware of and comply with all relevant statutory, regulatory or contractual requirements, industry based requirements (such as PCI-DSS) or industry better practice relating to cyber security where deemed relevant (such as ISO/IEC 27001).	PIO6.1			Nil.	Nil.	Nil.	Not Commenced		Ownership of this item has been transferred to the newly appointed IT Governance and Cybersecurity Lead.

## Payroll 2020/21

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
Investigate system opportunities with specific focus on increased functionality, reporting, elimination of manual processes, and systems integration.	1.1	The findings and relevant recommendations identified across this review, and specifically from Finding 1, will be addressed through the CoM's Digital Transformation Program. It is further noted that a number of separate projects are also currently in progress.	30-Jun-21	On Track	25%	Currently in contract negotiations with preferred supplier for Payroll/HRIS system and expected to be finalised in February. Project resources (Project Manager and Business Analyst) have commenced with City of Marion in February.	On Track	65%	Preferred supplier has been selected and implementation has commenced. Currently on track for go-live with Payroll by August 2021, to be followed by implementation of HR modules.
Work to ensure that all internal audit recommendations are actioned and implemented as soon as practicable to ensure identified risks are mitigated, and issues are resolved. This should apply for all findings listed in this report, and previous internal audit findings that are not completely addressed.	3.1	Since the 2016 Payroll internal audit, CoM has increased the frequency of reconciliations, particularly around accruals, from annually/quarterly to monthly to improve its financial reporting against budget and enable better variance analysis. Through the Digital Transformation process, CoM will be aiming for these accruals to be built into the new system, removing the need for manual calculations to be performed. Before this is implemented we will focus on improving the timeliness of reconciliations. Capability around one source for record keeping relating to employee recruitment and retention will also be included as a key requirement for the new system.	30-Jun-21	On Track	50%	Monthly reconciliations for accruals are currently occurring. Currently in contract negotiations with preferred supplier for Payroll/HRIS system and expected to be finalised in February. Project resources (Project Manager and Business Analyst) have commenced with City of Marion in February.	On Track	65%	Preferred supplier has been selected and implementation has commenced. Currently on track for go-live with Payroll by August 2021, to be followed by implementation of HR modules.
Investigate system opportunities that would allow for capture and reporting of staff overtime, and enable more effective reporting mechanisms including live dashboards. As first priority, work to implement overtime reporting to ensure overtime can be appropriately monitored and managed (CCS and CoM).	PIO1	City of Marion currently has limited payroll/HR reporting available in a PowerBI dashboard. We are looking to further extend these capabilities. CoM will also ensure that these recommendations are incorporated into the requirements as part of its Digital Transformation project.	30-Jun-21	On Track	25%	Currently in contract negotiations with preferred supplier for Payroll/HRIS system and expected to be finalised in February. Project resources (Project Manager and Business Analyst) have commenced with City of Marion in February.	On Track	65%	Preferred supplier has been selected and implementation has commenced. Currently on track for go-live with Payroll by August 2021, to be followed by implementation of HR modules.
The CCS and the CoM consider conducting more regular reviews over payroll activities and processes. This may be in the form of audits or spot checks of key controls for high rated risks.	PIO2	Payroll financial controls (both system and manual) are assessed for effectiveness on an annual basis, with independent review performed by Council's external auditors. These controls are applied throughout the year and where issues/weaknesses are identified these are actioned to reduce the likelihood and/or consequence of any risks. We will be aiming to automate as many of these controls in a new payroll/HR system.	30-Jun-21	On Track	25%	Currently in contract negotiations with preferred supplier for Payroll/HRIS system and expected to be finalised in February. Project resources (Project Manager and Business Analyst) have commenced with City of Marion in February.	On Track	65%	Preferred supplier has been selected and implementation has commenced. Currently on track for go-live with Payroll by August 2021, to be followed by implementation of HR modules.
Ensure that reconciliation activities are undertaken in a timely manner (i.e. within one to two weeks) at the defined intervals.	4.1	Since the 2016 Payroll internal audit, CoM has increased the frequency of reconciliations, particularly around accruals, from annually / quarterly to monthly to improve its financial	30-Jun-21	On Track	50%	Monthly reconciliations for accruals are currently occurring. Currently in contract negotiations with preferred supplier for Payroll/HRIS system and expected to be finalised in February.	On Track	65%	Preferred supplier has been selected and implementation has commenced. Currently on track for go-live with Payroll by August 2021, to be followed by implementation of HR modules.

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
		reporting against budget and enable better variance analysis. Through the Digital Transformation process, the CoM will be aiming for these accruals to be built into the new system, removing the need for manual calculations to be performed. Before this is implemented we will focus on improving the timeliness of reconciliations. Capability around one source for record keeping relating to employee recruitment and retention will also be included as a key requirement for the new system.							

## ITT Governance

RECOMMENDATION	AGREED MANAGEMENT ACTION	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)	
Investigate opportunities to consolidate all the principles into an overarching ITT governance framework.	1.1	In reviewing the allocation of work and responsibilities across the ITT team, the development of an ITT Governance Framework will be prioritised and delivered over the first quarter of FY2021. To note, the Cross Council Service Review identified this as a priority and a Solution Development Framework was created in response.	31/10/2020	Not on Track	99%		Not on Track	99%	
Define how Corporate Governance ITT Principles and ITAS Principles will be applied.	1.2	ITT and ITAS principles will be aligned and incorporated into the new governance framework.	31/10/2020	Not on Track	99%	The IT Governance framework has been shared with KPMG and the IT managers of CCS and PAE for their feedback. It is also being reviewed by ELT	Not on Track	99%	Due to changes in resourcing, ownership of this item has been transferred to the Manager IT Operations and Senior DTP IT Manager and will be reviewed in the next quarter.
Work to embed principles in ITT policies and procedures, change management practices, workforce planning, business engagement protocols and data stewardship practices.	1.3	The new governance framework will be based on COBIT5 principles that assures coverage of all relevant topics such as resource planning, change management and business engagement protocols	31/10/2020	Not on Track	99%		Not on Track	99%	
For ITT practices and ITAS related works, embed regular (i.e. quarterly) reviews and reporting, to ensure principles are being adhered to and achieved through ongoing ITT operations and initiatives.	1.4	The ITT Governance framework regulates all relevant reviews, reporting, committee meetings.	31/10/2020	Not on Track	99%		Not on Track	99%	

Develop, agree and implement an ITT policy and documentation framework, to provide an appropriate level of governance and guidance to the IT team and help drive consistency amongst work practices and behaviours.	2.1	The ITT Governance Framework will include the required IT policies. This work is expected to be completed prior to the Finance and Audit Committees' December 2020 meeting (8 December 2020).	8/12/2020	On Track	99%		Not on Track	99%	
Consider which technology assets need to be included in the register and managed under IT Asset Management governance processes (e.g. software licences, software subscriptions, SaaS, desktops, laptops, mobile devices, servers, IaaS, PaaS, etc.). Develop and implement a framework and processes for ongoing management of IT assets.	5.2	Following the ITT restructure a dedicated resource will be charged with the responsibility for the FreshWorks Asset management. In addition, CoM will introduce and embed an IT asset management policy to ensure compliance.	31/10/2020	Not on Track	99%	The IT Governance framework has been shared with KPMG and the IT managers of CCS and PAE for their feedback. It is also being reviewed by ELT.	Not on Track	99%	Due to changes in resourcing, ownership of this item has been transferred to the Manager IT Operations and Senior DTP IT Manager and will be reviewed in the next quarter.
Based on these determinations, develop and implement formal vendor performance management procedures that aligns to broader organisational procurement and contract management policies.	7.3		30/09/2020  Revised due date 31/03/2021	On Track	70%	Given the focus on procurement resourcing for the Digital Transformation Program, this is still yet to be completed.	Not on Track	70%	Given the focus on procurement resourcing for the Digital Transformation Program, this is still yet to be completed.  Work has commenced on the vendor management framework for IT related contracts and suppliers. Expected to be completed by 30/6/21
Update and finalise the Data / Information Governance Framework and receive approval from the Finance and Audit Committee.	9.1	CoM is working with its partner councils PAE and CCS on developing a joint framework across the three, following the recruitment of a joint CDO. Following this, the associated policies and procedures will also be developed.	30/06/2021	On Track	70%	Recruitment process has started, Data governance draft from CoM was circulated across the other 2 partners and work has begun.	On Track	90%	Recruitment process is now complete. The Data Governance draft is being reviewed.
Implement the Framework and develop any further policies and procedures required to embed and operationalise data management processes within the organisation.	9.2		30/06/2021	On Track	70%	Recruitment process has started for CDO who will finalise the process across the three partner councils.	On Track	90%	Recruitment process is now complete. The Data Governance draft is being reviewed.
Investigate opportunities to update training and induction processes with more information regarding security practices and requirements.	PIO2.2	CoM agrees with the recommendation and security awareness is made part of the Digital Literacy project	31/12/2020	Not on Track	50%	It is part of the Digital Transformation Program, Computer Literacy and Cyber security awareness project	Not on Track	50%	The new DTP IT manager with the IT Governance and Cybersecurity lead are working on updating the Cybersecurity awareness training. A revised first draft has been approved by the GM and more actions are underway to consolidate an updated package for staff, new staff and refreshers. While the initial due date has passed, the completion is anticipated by 30 June 2021.

## Metrics that Matter

RECOMMENDATION	AGREED MANAGEMENT ACTION	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)	
It is recommended that the CoM ensures that as the use of Power BI for KPI reporting increases, so the complete implementation of the Data Governance and Management Framework should be undertaken in parallel. This should include: <ul style="list-style-type: none"> <li>Ensuring it is up to date and formally approved</li> <li>Key roles are formally assigned, and</li> <li>The necessary policies and procedures are developed and operationalised in order to embed the framework across the organisation.</li> </ul>	1.1	Aligned to the Internal Audit finding 9 in the ITT Governance Review, CoM is working with its partner councils PAE and CCS on developing a joint framework across the three, following the recruitment of a joint Chief Data Officer. Following this, the associated policies and procedures will be finalised.	31/06/2021	On Track	80%	Recruitment for this position is now complete. The cross council Chief Data Officer is due to commence on 9 March 2021.	On Track	40%	The draft CoM governance document has been reviewed by the CDO along with the CCS document. These are being brought together with the Victorian Government Information Management Framework to produce a standard document across the three councils. The current state of the application, data and reporting architecture will be workshopped across the three councils shortly and a strategy developed that will consider the current and future state across the three councils along with the business requirements. Meetings with section managers have also been held to gain insight into the business data

This will be fundamental to helping build and maintain confidence in the data and the resultant reporting.									and reporting requirements at that level. While also having ad hoc conversations across the organisation. A cross council meeting with GIS leaders was recently held, where the data governance framework was discussed, the draft document will be passed onto the team so that they can begin to work through the relevance to GIS data and start developing standards and work instructions.
Future projects should ensure that change management and training issues are fully considered as early as possible in the project so that successful implementation of a solution can be better ensured. A formal process of benefits realisation delivery and tracking will help ensure that lessons are learnt from the rollout process and that meeting the original justification and objectives of the project can be appropriately assessed. The CoM should ensure that these requirements are part of the new Solution Delivery Framework.	PIO1.1	Agree – this will be incorporated into process.	31/06/2021	On Track	50%	Change Management Plan developed for Digital Transformation Program. Change Management Plans currently being developed for CRM, Finance and Asset Management projects under the DTP. Change Readiness baselining surveys have been undertaken in Digital Literacy, Esri GIS and AV Access in meeting rooms projects and reports produced for CoM leaders. Change Workshop held with LEAD participants September 2020. Design of future service delivery model under Planning Reforms conducted in October 2020.	Completed	100%	Change Management update (MB): An integrated Program Change Roadmap has now been developed that fully integrates project and change management activities. The roadmap ensures that change management, benefits realisation, and training needs are considered as early as possible in the project planning for each individual project as soon as the procurement phase (commercial-in-confidence) is complete.
Future projects should ensure full identification, documentation and management of risks to the project. These should be monitored and reported to the Steering Group on a regular basis such that potential problems are identified and managed early.  Typically risks, as they arise, flow into 'issues' where active management and action tracking ensures their resolution in a timely manner.  The CoM should ensure that these requirements are part of the new Solution Delivery Framework.	PIO2.1	Agree – this action will be included within the Risk Management 3 Year Strategic Plan (currently under development) and work in partnership with the ITT Manager and the new Change Manager to embed better risk management practices with the CoM Project Management Framework.	31/06/2021	On Track	99%	All new projects are managed through the X-Council Solution Delivery Framework that was incorporated into the IT Governance Framework. The IT Governance Frameworks has been shared with KPMG and the IT managers of CCS and PAE for their feedback and is being discussed by ELT.	On Track	75%	Clarification has been sought regarding the Project Management Framework and ownership. This has now been allocated to the Senior Project Manager - Financial Transformation. This will be addressed and implemented.

## Collaborative Leasing

RECOMMENDATION	AGREED MANAGEMENT ACTION	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)	
Internal Audit recommends the CoM should investigate system opportunities to implement a property management system to support management of the lease and licensing process.	1.1	The CoM will undertake an assessment around the requirements of a property management system to support the management of leases and licensing process and will incorporate the requirements into the organisational wide Digital Transformation Project.	<del>31/12/2020</del> Revised due date 30/06/2021	On Track	75%	Business requirements have been developed and finalised for the Property Management System (PMS), currently working with the Digital transformation team to investigate system opportunities as part of the broader Digital Transformation Business Requirement Project.	Completed	100%	Business requirements have been developed and finalised for the Property Management System (PMS). Opportunities are being explored in current system reviews including the asset management system, customer request system and finance system.
Investigate system opportunities to implement a property management system to support the management of building inspections (see Joint Finding 1 for further information).	2.1	As noted in finding 1, the CoM will include as a requirement to include a system to support the management of building inspections.	<del>31/12/2020</del> Revised due date 30/06/2021	On Track	75%	Business requirements have been developed and finalised for the Property Management System (PMS), currently working with the Digital transformation team to investigate system opportunities as part of the broader Digital Transformation Business Requirement Project.	Completed	100%	The Asset Management system brief incorporates the ability to support, manage and report on building inspections. Expected implementation of the Asset Management System is early 2022

Internal Audit recommends both Councils investigate introducing a standard method for assessing required levels of public liability insurance on a case by case basis for each lease or licence. This would allow leases or licences with a higher public liability risk to pay a higher premium, and leases and licences with a lower public liability risk to pay a lower premium.	J3.1		<del>31/12/2020</del> Revised due date 30/04/2021	On Track	70%	Investigations have commenced with Council's insurer and peak bodies regarding insurance requirements for the different associations to finalise the PL matrix. Extension granted until 30/4/2021 to enable finalisation of this action.	Completed	100%	Following investigations it was determined that Insurers and peak bodies/associations/club determine the minimum level of Public liability required for their activities. Council as a standard require a minimum of \$10 million per event. It is proposed that Council simplify public liability requirements for lease/licences to a minimum of \$10 million or as determined by the clubs peak body or insurer.
Upcoming lease or licence expiry reports to be provided to relevant Management staff, with ongoing monitoring and discussions held regarding the status of lease and licence renewals and the number of leases and licences holding over.	J4.2	As noted in finding 1, the CoM will include as a system requirement that is able to monitor and track lease and license agreement expiries. System reporting will also be investigated as part of the requirements for a new system.	<del>31/12/2020</del> Revised due date 31/05/2021	On Track	75%	The requirements to include the reporting function of lease status have been incorporated into the PMS business requirements referred to in recommendation 1.1,2.1. Currently also working on Power BI report to provide live dashboard data reporting based on the current L&L excel register. Extension granted until 31/5/2021 to enable time to finalise the Power BI dashboard.	On Track	90%	Monthly reporting has been implemented from the current property management spreadsheet. Further enhancements are being investigated through use of Power BI until a Property Management system has been implemented.
Investigate all leasing agreements in place which are currently being charged under a specified value. Where it is identified that the annual rental income has not been updated for a number of years, consider opportunities to re-align the rental fee to market conditions. Where appropriate, the 93% market subsidiary would be applied.	M1.1	The CoM to investigate the agreements in place to ensure that the rental fee aligns with Council's current policy and the subsidy of up to 93% is applied appropriately.	<del>31/12/2020</del> Revised due date 30/04/2021	On Track	80%	The Land & Property team have investigated the agreements in place. A number of agreements are leases entered into prior to the new lease and license policy endorsement. New leases entered into post policy are in accordance with the policy with the exception of leases where the tenants have requested a longer tenure or reduced rentals. These are subject to Council resolution and community consultation. The application of the 93 % subsidy is being reviewed in M.1.2 which once completed will complete this item. Extension granted until 30/4/2021 to enable finalisation of this action.	Completed	100%	All relevant tenants have been followed up through December 20 to April 21 period for any remaining information required to determine the rental subsidy. A final assessment of information provided and a report summarising the result and any potential reduction in subsidy will be prepared during May 21.
Review the current process for monitoring and determining the level of rent subsidy to ensure that tenants are adequately meeting their obligations according to their relevant lease or licence agreement and Council policy.	M1.2	The CoM to undertake a review of the process for monitoring and determining levels of rent subsidy to ensure tenants are meeting their obligations.	<del>31/12/2020</del> Revised due date 30/06/2021	On Track	50%	All tenants under the new policy have been contacted and requested to provide all the necessary documentation to support the subsidy arrangements. The information is currently being assessed with further follow up to occur during February. Extension granted until 30/4/2021 to enable finalisation of this action.	On Track	80%	A process will be finalised following the recent work completed in M1.1 taking into account the assessment, Club AGM dates and financial periods.
It is recommended that the CoM further review and consider the current policy of obtaining external valuations for club and community properties.	M1.3	The CoM to undertake a review of the current policy in determining the rental fee via external valuations and potential consideration for another fee structure for consideration.	<del>31/12/2020</del> Revised due date 30/06/2021	Not Commenced	0%	This work will be completed as part of the leasing and Licencing Policy review scheduled for second half of 2021 when the policy is due for review. Extension of this item granted until 30/6/2021.	Not Commenced		The review of the Leasing and Licencing Policy is schedule for the second half of 2021. Noting that the recent changes to the Retail Commercial Leases Act exemption classes (April 2021) will have a positive impact on the policy review. Seeking extension for this action item to December 2021.
Update the rent review calculation sheet to provide further detail of the review calculation.	M2.2	The CoM to undertake the review of the rent review process.	<del>31/12/2020</del> Revised due date 30/04/2021	On Track	50%	Processing mapping to be completed February 2021. Rent review process review to be completed March 2021. Extension granted until 30/4/2021 to enable finalisation of this action.	Completed	100%	The rent review process has been reviewed with Finance. The process will now incorporate a meeting between Finance and Land and Property to review the leases or licence that have fallen due for an increase in the rental in that quarter. Land and Property will authorise the rent increase as part of this process.
Implement a delegation of authority for authorising rent reviews. This should include the relevant staff sign off within the updated SOES template.	M2.3	The CoM to implement revised process to incorporate appropriate checklist and appropriate delegations are in place to sign off on rent reviews.	<del>31/12/2020</del> Revised due date 30/04/2021	On Track	50%	Processing mapping to be completed February 2021. Rent review process review to be completed March 2021. Extension granted until 30/4/2021 to enable finalisation of this action.	Completed	100%	The rent review process has been reviewed with Finance. The process will now incorporate a meeting between Finance and Land and Property to review the leases or licence that have fallen due for an increase in the rental in that quarter. Land and Property will authorise the rent increase as part of this process.

## Stores Management

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QTRER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
Undertake a review of security access to the CSD store and Southern Depot to ensure only authorised personnel have access to the stores.  This should include removing access of any personnel who have terminated their employment or who do not require access based on their role description and responsibilities.	J1.1	Operational Support will work with City Property to review access of staff and contractors to the CSD store and Southern Depot, including generic contractor and visitor passes. Access will be retained for Operational support personnel, After Hours Emergency Coordinators, City Property Maintenance staff and Senior Management only.	30/11/2020	Nil	Nil	Nil	Completed	100%	<ul style="list-style-type: none"> <li>access list was reviewed and removed a number of staff, including ex-staff and existing staff who don't need access.</li> <li>process with Land and Property was corrected to make sure the restrictions for stores and workshops are applied as new people start.</li> <li>spot checks being implemented to see whether there is unauthorised access occurring</li> <li>CCTV is also being upgraded as part of a broad CCTV upgrade program this FY</li> </ul>
Undertake a regular (i.e. biannual) audit of contractor and visitor passes to validate they are current and required.	J1.2		30/11/2020	Nil	Nil	Nil	Completed	100%	
Perform an independent review of stock on hand quantities currently held at the store to identify any signs of obsolete stock and determine whether any stock items are to be kept, disposed of via auction or written-off	J2.1	A critical assessment of slow moving and obsolete stock will be undertaken as a priority, and an ongoing check will be implemented as part of the annual stocktake to monitor these stock items.	31/12/2020	Nil	Nil	Nil	Completed	100%	For Marion this is defined within the Inventory Management Procedure. Stock Levels and needs are assessed in general during the year with a critical assessment applied at the annual stocktake through use of the MUF and Slow Moving Stock Reports that are obtained from the Inventory management system.
Both Councils should also consider defining the frequency and timing of these reviews, including reviewing of any non-stores items held on behalf of other departments.	J2.2		31/12/2020	Nil	Nil	Nil	Completed	100%	
Review the current manual practices and determine if any manual processes can be reduced through automation (e.g. barcodes and scanners, or PPE vendors – see Benchmarking page 5).	J3.1	Digitising processes is part of the broader digital transformation program, and will be considered as part of the Asset Management and Financial Management System replacements.	30/06/2023	Nil	Nil	Nil	On Track	20%	Replacement of the Asset Management and Financial Management Systems is in train, with vendor proposals being assessed. The capability of the systems chosen will then enable CoM to look at introducing more efficient work practices
Internal Audit recommends that the Councils investigate further system opportunities to implement or modify their inventory management systems to better support their needs. This includes improved stock ordering, monitoring and reporting capabilities.	JPIO1.1	Improving elements of the inventory management process is part of the broader digital transformation program, and will be considered as part of the Asset Management and Financial Management System replacements.	30/06/2023	Nil	Nil	Nil	On Track	20%	Replacement of the Asset Management and Financial Management Systems is in train, with vendor proposals being assessed. The capability of the systems chosen will then enable CoM to look at introducing more effective inventory management practices
Reiterate the importance of performing and documenting spot checks to Stores staff.	JPIO2.1	A review and update of the Inventory Management Procedure and refresher training will be undertaken to ensure spot checks are conducted at the optimum frequency and in accordance with the procedure.	31/12/2020	Nil	Nil	Nil	Completed	100%	For Marion this is defined within the Inventory Management Procedure. Including the undertaking of now Monthly Spot-Checks, as captured within the Teams Task Manager and processed from Stores through to the Op Sup Coordinator for filing.
Review the frequency of spot checks to ensure the frequency is achievable (i.e. fortnightly) and meets stock accuracy requirements.	JPIO2.2		31/12/2020	Nil	Nil	Nil	Completed	100%	CoM has ceased the practice to allowing borrowing of tools and equipment for staff. Disposal of mulch and recycled building materials has continued on given its environmental benefits and zero cost impacts.

## Business Continuity Planning and COVID-19 Response

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QTRER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
The new plans and strategies now need to be referenced into the existing Business Continuity framework (refer Appendix 4).	1.1	Risk Team to coordinate a review of the Recovery Strategies to reflect the new way of working implemented in the response to Covid-19 and referenced in the BCP by December 2021.	31/12/2021	Nil.	Nil.	Nil.	Not Commenced	0%	Action has been scheduled into work plans upon the return of the substantive Risk Business Partner.
Provide guidance on activation thresholds.	1.2	Risk Team to work with P&C to review BIA for critical activities and the interaction with spreadsheet of staffing to enable the continuation of critical activities by June 2021.	30/06/2021	Nil.	Nil.	Nil.	On Track	10%	Meeting booked to progress action by due date.
Reflect the 'new' minimum IT equipment requirements for pandemic WFH scenarios.	1.3a	Risk Team to review the activation threshold in the BCP to clearly articulate the various incidents and relevant response plans by June 2021.	30/06/2021	Nil.	Nil.	Nil.	On Track	50%	EM risk assessment undertaken and meeting booked to review the activation thresholds in the BCP.
Reflect the 'new' minimum IT equipment requirements for pandemic WFH scenarios.	1.3b	Risk Team to coordinate a review of the Recovery Strategies to reflect the new technologies to enable WFH by December 2021.	31/12/2021	Nil.	Nil.	Nil.	Not Commenced	0%	Action has been scheduled into work plans upon the return of the substantive Risk Business Partner.
The CoM should consider how procurement activity as a result of a crisis or BCP incident works in practice.	2.1	Strategic Procurement together with Operational Support, Operations, City Property & IT to develop a crisis procurement process to enable quick procurement of items in a crisis whilst ensuring appropriate governance.	30/06/2021	Nil.	Nil.	Nil.	On Track	25%	Procurement procedures currently being updated to incorporate these elements.
As part of a lessons learnt exercise, the CoM should retrospectively review the events that occurred and: <ul style="list-style-type: none"> <li>Document IT procurement requirements and specifications to detail minimum standards to assist future urgent procurement needs. This will provide a baseline standard.</li> <li>Assess compatibility of procured IT equipment, including laptops, to ensure they are sufficient to meet business specifications.</li> <li>Assess the financial impact of the fast-tracked procurement. This should consider the increased cost associated with low buying power and not sourcing directly from one-provider.</li> </ul>	2.2	Strategic Procurement together with Operational Support, Operations, City Property & IT to develop a crisis procurement process to enable quick procurement of items in a crisis whilst ensuring appropriate governance.	30/06/2021	Nil.	Nil.	Nil.	On Track	25%	Procurement procedures currently being updated to incorporate these elements.
It is acknowledged that the CoM had developed a digital strategy prior to the pandemic, which recognised the need for changes to enable remote working. In continuing to implement and assess digital requirements, the CoM should ensure its assessment is based on prioritisation in relation to service criticality and include: <ol style="list-style-type: none"> <li>A focus on areas of the business that continued to work on site (e.g. field services) as they were not required to significantly change their operations to use technology or enable remote working.</li> </ol>	3.1	IT to review the Digital Transformation Project to focus on areas of the business that continued to work on site (e.g. field services) by Dec 2021.	31/12/2021	Nil.	Nil.	Nil.	Completed	100%	This was taken into account while refining the scope of DTP projects.
Other potential disruptions to technology, including the restriction of access or the complete shutdown to key sites and how this would impact the ability to work remotely.	3.2	IT to review the Digital Transformation Project to consider other potential disruptions to technology, including the restriction of access or the complete shutdown to key sites and how this would impact the ability to work remotely by June 2021.	30/06/2021	Nil.	Nil.	Nil.	Completed	100%	This was taken into account while refining the scope of DTP projects.

Long-term remote working solutions, such as call centre technologies that meet business requirements.	3.3	Implement long-term remote working solutions, such as call centre technologies that meet business requirements by January 2021.	31/01/2021	Nil.	Nil.	Nil.	Not on Track	5%	These requirements are subsumed into the Unified communications project which is currently being scoped and due to be delivered in the next FY.
Training needs and/or capability requirements for the workforce.	3.4	Identify new technologies, update these in the TNA & offer identified training by December 2022.	31/12/2022	Nil.	Nil.	Nil.	On Track	15%	Workshop held with SAGE who will support with the development of training for CoM1 Digital literacy and cybersecurity awareness training.
A review of the current digital transformation program. While the pandemic accelerated the implementation of some requirements, the CoM should still consider any changes to delivery priorities based on recent learnings.	3.5	Ensure the current delivery priorities are appropriate based on recent learnings by January 2021	31/01/2021	Nil.	Nil.	Nil.	Completed	100%	This was taken into account while refining the scope of DTP projects.
The CoM need to review activities that were undertaken and document key considerations and sequential tasks to enable these plans to be re-used in responding to future events. This should be considered in conjunction with the recommendations in Finding 1.	4.1	Risk Team to coordinate a review of the Recovery Action Plans to identify key actions, document the process and identify key learnings and improvements by June 2021.  Risk Team to coordinate a review of the Recovery Strategies to reflect the key learnings and improvements by December 2021.	31/12/2021	Nil.	Nil.	Nil.	Not Commenced	0%	Action has been scheduled into work plans upon the return of the substantive Risk Business Partner.
The CoM should review current business processes with a focus on manual processes that are performed in relation to critical services or key activities. Once identified, the CoM should identify and assess: 1. Contingency measures in place to enable them to operate if they are impacted by disruptions (e.g. communication, remote working).	5.1	Will undertake an SLT session to identify manual business processes in relation to critical services or key activities. Relevant SLT to develop contingency measures identified.	30/09/2021	Nil.	Nil.	Nil.	Not Commenced	0%	this item has been scheduled for the June 2021 SLT
Transformational plans to enable them to transition and operate in a remote working environment. Where technology is introduced, contingency measures in the case of a technological disruption should also be considered.	5.2	Will undertake an SLT session to identify manual business processes in relation to critical services or key activities. Relevant SLT to develop contingency measures identified.	30/09/2021	Nil.	Nil.	Nil.	Not Commenced	0%	this item has been scheduled for the June 2021 SLT
As part of a lessons learnt review of the BCP response, the CoM should consider how alternates could have been better utilised in the IMT. It may also be beneficial to introduce some guidelines to manage fatigue of IMT members.	PIO1.1	Risk Team to review IMT alternate members and consider the introduction of guidelines to manage fatigue of IMT members.	30/06/2021	Nil.	Nil.	Nil.	On Track	10%	Meeting booked to progress action by due date.
The CoM should consider including within its 'BCP activation' phases and assessment of the most appropriate person to act as the 'IMT Commander'. Specifically, depending on the type of incident, certain roles within the organisation may be better suited to act as the IMT Commander due to their knowledge and experience with certain events.	PIO1.2	Consultation will be undertaken with the CEO on the preferred operating model, including consideration of the most appropriate IMT Commander.	31/12/2021	Nil.	Nil.	Nil.	Not Commenced	0%	Action has been scheduled into work plans upon the return of the substantive Risk Business Partner.
In conjunction with (2) above, the CoM should consider whether the CEO is the preferred IMT Commander in all circumstances. In our experience, other organisations select other operational and/or executive staff to enable the CEO to perform their responsibilities and focus their time on communication and engagement with other stakeholders.	PIO1.3	Consultation will be undertaken with the CEO on the preferred operating model, including consideration of the most appropriate IMT Commander.	31/12/2021	Nil.	Nil.	Nil.	Not Commenced	0%	Action has been scheduled into work plans upon the return of the substantive Risk Business Partner.

In continuing to develop the BCP suite of documentation, the CoM should consider the ease of use and applicability of documentation and templates. For example, the CoM should assess:  What mechanism would be most appropriate to document and track actions for future events. This should ensure due dates are recorded with functionalities to sort, search and archive actions.	PIO2.1	Risk Team to engage IT & Governance to enable the use of Ecuria (or its replacement system) for IMT agendas, minutes and actions by December 2021.	31/12/2021	Nil.	Nil.	Nil.	Not Commenced	5%	A contactor has been engaged and implementation of new agenda and minute software is due to start in May 2021. A review of all CoM agendas and minutes will be conducted as part of this process and options to include IMT agendas and minutes in the new software will be considered.
What tool is most appropriate for the creation and communication of Recovery Action Plans to avoid duplication of effort and enhance ease of use.	PIO2.2	Risk Team to incorporate the IMT risk assessments in the system specifications of the Enterprise Risk Management Software business case by June 2021.	30/06/2021	Nil.	Nil.	Nil.	On Track	20%	Specifications and business plan commenced
Formats of risk assessments moving forward and consider how this information integrates into and interacts with other BCP activities and assessments.	PIO2.3	Risk Team to incorporate the IMT risk assessments in the system specifications of the Enterprise Risk Management Software business case by June 2021.	30/06/2021	Nil.	Nil.	Nil.	On Track	20%	Specifications and business plan commenced
Whether further communication templates need to be developed and added to the suite of templates.	PIO2.4	Comms Team to work with the Risk Team to review the current suite of templates and create a document library for ease of use by June 2021.	30/06/2021	Nil.	Nil.	Nil.	On Track	10%	Meeting scheduled for the team to review the current templates and develop a plan for improvement

## Assurance Mapping

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QTR ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
Ineffective organisational project and portfolio management (Risk#16) • Although robust internal measures have been put into place, due to the significant investment and impact on the organisation it would be recommended that third party assurance is considered for the Digital Transformation Program.	PIO1.1	It is agreed that the next step following this work is to develop a strategic risk register, and agree the desired residual risk rating for each of those risks based on further refinement and articulation of the three lines of defence model. Additionally, this work will be used as a tool to inform the City of Marion Internal Audit Plan for 2021/22.	30/06/2021	Nil.	Nil.	Nil.	On Track	50%	This item is included in the draft Strategic Risk Report and the draft Internal Audit plan 2021/23. This item is being considered by the FAC in May 2021.
Risk of ineffective contractor management (Risk#5) • It is noted that due to the volume of procurement activity that is happening across the CoM, that further clarity over the role of contractor management post contract execution, including responsibilities relating to the management of contractor safety is performed.	PIO1.2	Those areas identified in Section 1.9 will be prioritised as part of the work involved with developing the Strategic Risk Register and considered as part of the Internal Audit Planning process for 2021/22.	30/06/2021	Nil.	Nil.	Nil.	On Track	50%	This item is included in the draft Strategic Risk Report and the draft Internal Audit plan 2021/23. This item is being considered by the FAC in May 2021.
Data risk (Risk#19) • It is recommended that the CoM ITT Governance Framework is finalised and implemented across the organisation, noting that this will be a key enabler to the Digital Transformation Program in addition to being an area of focus considered more widely across all sectors.	PIO1.3	It is agreed that the next step following this work is to develop a strategic risk register, and agree the desired residual risk rating for each of those risks based on further refinement and articulation of the three lines of defence model. Additionally, this work will be used as a tool to inform the City of Marion Internal Audit Plan for 2021/22. Those areas identified in Section 1.9 will be prioritised as part of the work involved with developing the Strategic Risk Register and considered as part of the Internal Audit Planning process for 2021/22.	30/06/2021	Nil.	Nil.	Nil.	On Track	50%	The ITT Governance Framework is being considered further by ELT and included as part of the DTP. This item has also been listed as part of the draft Strategic Risk Report to be considered by FAC in May 2021

<p>Risk of the CoM failing to attract and retain existing and new businesses (Risk#3)</p> <ul style="list-style-type: none"> <li>• Noting the challenges of the current economic and further challenges when government support payments will be ceased, it is recommend that the CoM consider implementing further monitoring and reporting across this are. This could be inclusive of the dashboards and other key metrics that are understood to currently be under development.</li> </ul>	PIO1.4	<p>It is agreed that the next step following this work is to develop a strategic risk register, and agree the desire residual risk rating for each of those risks based on further refinement and articulation of the three lines of defence model.</p> <p>Additionally, this work will be used as a tool to inform the City of Marion Internal Audit Plan for 2021/22. Those areas identified in Section 1.9 will be prioritised as part of the work involved with developing the Strategic Risk Register and considered as part of the Internal Audit Planning process for 2021/22.</p>	30/06/2021	Nil.	Nil.	Nil.	On Track	50%	This item is included in the draft Strategic Risk Report which is being considered by the FAC in May 2021.
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**WORKSHOP / PRESENTATION ITEMS - Nil**

**OTHER BUSINESS**

**MEETING CLOSURE**