

His Worship the Mayor
Councillors
City of Marion

Notice of Finance, Risk and Audit Committee

Council Chamber, Council Administration Centre
245 Sturt Road, Sturt

Tuesday, 15 August 2023 at 3.00 pm

The CEO hereby gives Notice pursuant to the provisions under Section 83 of the *Local Government Act 1999* that a Finance, Risk and Audit Committee 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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1 Open Meeting

2 Kurna Acknowledgement

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

3 Elected Member Declaration of Interest (if any)

4 Confirmation of Minutes

4.1 Confirmation of Minutes of the Special Finance, Risk and Audit Committee Meeting held on 20 June 2023

Report Reference	FRAC230815R4.1
Originating Officer	Unit Manager Governance and Council Support – Victoria Moritz
Corporate Manager	Manager Office of the Chief Executive – Kate McKenzie
General Manager	Chief Executive Officer – Tony Harrison

RECOMMENDATION

That the minutes of the Special Finance, Risk and Audit Committee Meeting held on 20 June 2023 be taken as read and confirmed.

ATTACHMENTS

1. SFRA C 230620 - Final Public Minutes [4.1.1 - 10 pages]



**Minutes of the Finance, Risk and Audit Committee
held on Tuesday, 20 June 2023 at 2.00 pm
Council Chamber, Council Administration Centre
245 Sturt Road, Sturt**



**PRESENT**

Mrs Emma Hinchey (Chair)
Mr Josh Hubbard
Councillor Jason Veliskou
Councillor Jayne Hoffmann

APOLOGIES

Ms Nicolle Rantanen

In Attendance

Chief Executive Officer - Tony Harrison
General Manager City Services - Ben Keen
General Manager Corporate Services - Angela Allison
General Manager City Development - Tony Lines
Manager Office of the CEO - Kate McKenzie
Unit Manager Governance and Council Support - Victoria Moritz
Unit Manager Strategy and Risk - Maddie Frew
Mr Eric Beere – Partner, KPMG
Ms Samantha Siziba – Manager, KPMG

1 Open Meeting

The Chair opened the meeting at 2.05pm.

2 Kaurna Acknowledgement

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

3 Elected Member Declaration of Interest (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.



4 Confirmation of Minutes

4.1 Confirmation of Minutes of the Finance, Risk and Audit Committee Meeting held on 16 May 2023

Report Reference SFRAC230620R4.1

Moved Councillor Veliskou

Seconded Councillor Hoffmann

That the minutes of the Finance, Risk and Audit Committee Meeting held on 16 May 2023 be taken as read and confirmed.

Carried Unanimously

5 Business Arising – Nil

6 Confidential Items

6.1 Cover Report - Marion Administration Centre Internal Fit-out Project - Section 48

Report Reference SFRAC230620F6.1

Moved Councillor Veliskou

Seconded Councillor Hoffmann

That pursuant to Section 90(2) and (3)(b) of the Local Government Act 1999, the Council orders that all persons present, with the exception of the following persons: Chief Executive Officer, General Manager City Development, General Manager City Services, General Manager Corporate Services, Manager Office of the CEO, Manager City Property, Unit Manager Property Strategy & Delivery, Manager Enterprise Management Office, Unit Manager Governance and Council Support, be excluded from the meeting as the Council receives and considers information relating to Marion Administration Centre Internal Fit-out Project – Section 48, upon the basis that the Council 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 commercial information including financial figures and concept designs.

Carried Unanimously

2.06pm the meeting went into confidence

Moved Mr Hubbard

Seconded Councillor Veliskou

In accordance with Section 91(7) and (9) of the *Local Government Act 1999* the Council orders that this report, Administration Centre Internal Fit-out Project – Section 48, any appendices and the minutes arising from this report having been considered in confidence under Section 90(2) and (3)(b) 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 2023.

Carried Unanimously

2.43pm the meeting came out of confidence



6.2 Cover Report - Quarterly Incident and Claims Report

Report Reference

SFRAC230620F6.2

Moved Councillor Veliskou

Seconded Mr Hubbard

That pursuant to Section 90(2) and (3)(i) of the Local Government Act 1999, the Council orders that all persons present, with the exception of the following persons: Chief Executive Officer, General Manager City Development, General Manager City Services, General Manager Corporate Services, Manager Office of the CEO, Chief Financial Officer, Unit Manager Strategy and Risk, Risk Business Partner - Insurance and Claims and Unit Manager Governance and Council Support be excluded from the meeting as the Council receives and considers information relating to Quarterly Incident and Claims Report, upon the basis that the Council 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 ongoing litigation.

Carried Unanimously

2.43 pm the meeting went into confidence

Moved Councillor Veliskou

Seconded Mr Hubbard

In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the appendices and minutes arising from this report, Quarterly Incident and Claims Report, having been considered in confidence under Section 90(2) and (3)(i) 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 2023.

Carried Unanimously

3.09pm the meeting came out of confidence

7 Reports for Discussion

7.0 3rd Budget Review 2022/2023

Report Reference

SFRAC230620R7.0

The Committee received and noted the 3rd Budget Review 2022/2023 and provided the following comments:

- The Committee commented on the projection for the financial year given we are almost at the end of the reporting period, and queried whether Management were comfortable they had captured the price escalation appropriately, and how close the estimates are to the final figures. Management confirmed they continued to review the expenditure around capital works with continual updates from relevant teams. There are some carryovers that management are aware of relating to the purchasing of fleet and Coastal Walkway and potentially some additional carryover relating to capital works projects that are being monitored, noting the final financial position cannot yet be determined. Based on the targets so far, it appears the overall budget will come in within the financial targets.
- The Committee discussed and confirmed the reporting of the accumulated surplus as a legislative requirement and with the third budget review and end of reporting period is expected to be \$448,601.



- Management commented they are pleased to be operating within budget for two consecutive years while maintaining low rate rises in a challenging economic environment with high inflation.
- The Committee discussed the revised capital budget with management, confirming the increase was predominantly due to the purchase of land in Park Holme with a plan to return this to open space. Management commented this is in line with Council's Strategy where opportunities present to work on increasing open space within 500m of residential property.
- The Budgeted Funding statement was discussed, with the Committee seeking clarification on the additional funding of \$1.3m in contractual services. Management commented this is a result of expenditure associated with additional grants received during the financial year post the budget being set including grants for positive aging and resilient south. In addition, a reclassification was required from capital to operating and from materials to contractual services to ensure this sits in the correct category.
- The Committee queried the \$1.4m sitting in borrowings with Management confirming it will only borrow if it needs to, depending on any grants received.

Moved Councillor Veliskou

Seconded Councillor Hoffmann

That the Finance, Risk and Audit Committee:

1. Note the 3rd Budget Review position and revised budgeted statements including the Income Statement, Balance Sheet, Statement of Changes in Equity and Statement of Cash Flows.

Carried Unanimously

7.2 Results of the Bi-Annual Performance and Effectiveness Review of the Finance, Risk and Audit Committee

Report Reference SFRAC230620R7.2

Manager Office of the CEO introduced the item commenting that the Committee is operating well with the survey results returning either 'strongly agree' or 'agree' responses. There were some 'disagree' responses, however, it was noted these were from different respondents and not the same person. There are some opportunities identified including the structure of the agenda and meetings to ensure it aligns with the Committee's Terms of Reference and is manageable. It was noted the Terms of Reference may need to be reviewed to include changes to the service review program.

The Committee provided feedback from a council member perspective, noting the value of additional training to enable all individuals to provide input during the meetings. It was noted that Councillor Hoffmann is participating in the Australian Institute of Company Directors Course in August which will provide valuable skills and experience to share with the Committee.

The Chair commented that she has scheduled meetings with both the CEO and Mayor to continue to engage with Council and Management and invited any of the Committee Members to discuss any elements of the survey offline if they desired. In addition to the opportunities raised, it was suggested that a further report be brought through to the Committee outlining the legal duties of the individual members, and of the Committee itself.

Action: A report be brought back to the Committee highlighting the legal responsibilities and duties of individual members and of the Committee.



Moved Mr Hubbard

Seconded Councillor Hoffmann

That the Finance, Risk and Audit Committee:

1. Review the results of the Performance and Effectiveness Review for 2023 and notes the following improvements to be implemented over the next two years:
 - a. Review and determine oversight from the Committee of the revised Service review Program.
 - b. Structuring of the Agenda and Meeting Schedule to ensure it aligns with the Committee's Terms of Reference and is manageable within the allocated meeting time
 - c. Review of the Committees legal duties and obligations.

Carried Unanimously

Order of Agenda Items

The Chair sought and was granted leave of the meeting to vary the order of the Agenda and consider the item 7.3 *Internal Audit – Implementation of Recommendations Review* at the end of the meeting.

8 Reports for Noting

8.1 Business Continuity Annual Report 2022-23

Report Reference FRACYMMDDR8.1

The Committee noted the Business Continuity Annual Report 2022-23 and provided the following comments:

- The Committee discussed the next exercise, with management confirming this was scheduled for Wednesday 28 June and will be based on a storm event. The decision was made to take the training back to basics considering the large staff turnover over recent years and since the last training. The focus will be on the BCP plan and roles and responsibilities of the IMT, followed by a scenario exercise. The External Facilitator will be providing a report that will also be brought back to the Committee for review and discussion.
- The Committee noted it was good to see the focus back on the BCP, however still expressed some concerns around the recovery from a cyber-attack suggesting this is prioritised to ensure the organisation is ready to recover when this occurs. Management confirmed this was on the radar with the team hoping to organise another exercise in six months to continue the momentum.

Moved Councillor Hoffmann

Seconded Mr Hubbard

That the Finance, Risk and Audit Committee:

1. Notes the report.

SFRAC230620 - Special Finance, Risk and Audit Committee Meeting - 20 June 2023



Carried Unanimously

8.2 Service Review / Process Improvement Program

Report Reference SFRAC230620R8.2

The Committee noted the Service Review / Process Improvement Program and provided the following feedback:

- The Committee noted the requirement for resourcing to continue in this space which had been a challenge. Management commented the previous service review program ceased 12 months ago noting the structure of the program no longer met the organisation's needs. Management have endorsed a revised program and will introduce the Lean Six Sigma across the organisation. The first round of training has taken place predominantly with ELT and SLT. Following the first cohort, a pause is now in place to ensure the governance arrangements and supporting framework are in place. This pause also allows a touch point to ensure the staff who have undertaken the training are confident in using the tools and skills they have learnt. The second group is scheduled for August.
- The Committee discussed the work that had previously been done on the service reviews to ensure this is not lost as there is some good work that has been done. Management agreed and noted they are not opposed to re-visiting some of the previous reviews given they will contain base line data which can be used to see what has changed and any further opportunities for improvement. The Committee further queried the status of the outstanding actions and how these were being followed up or closed out.
- Management commented they have undertaken an exercise in mapping change projects across the organisation with 80 projects being identified ranging from small to significant. ELT will be considering a report in the coming weeks to further consider these results and determine key elements for a deeper dive to better identify benefits / program gaps etc, and to lift the organisation.
- Management noted the significant introduction of governance practices across the organisation on a daily, weekly, monthly basis which has changed the culture of the organisation ensuring this is embedded in business-as-usual practices. The Performance Organisation Review meets monthly to review up to 60 sets of data to continually analyse the performance of business.

Action: A report be brought back to the Committee detailing the status of any outstanding actions from previous Service Reviews and how these are being followed up and closed out.

Moved Councillor Veliskou

Seconded Councillor Hoffmann

That the Finance, Risk and Audit Committee:

1. Notes the report.

Carried Unanimously

8.3 Work Health and Safety Management System Annual Report

Report Reference SFRAC230620R8.3



The Committee noted the Work Health and Safety Management System Annual Report and provided the following comments:

- There are a lot of organisations looking at similar elements and suggested collaborating with externals such as State and Federal Government as well as private organisations to achieve outcomes in an efficient and effective manner.
- Management agreed and commented they are working closely with their counterparts across different local government organisations to collaborate on this work.
- The Committee queried the due dates for some items and whether there were any risks in completing this on time. Staff advised there is a plan in place to address many of the items through the audit program and this will address key risks. Due to staff resourcing, they are currently 1 month behind, however, expect to be back on track by mid-July and are not concerned about meeting these timeframes.
- The Committee noted the format of reporting had changed and noted it was difficult to see what the progress was against the plan and LGRS. Management confirmed some business-as-usual elements had been take out with progress now sitting at 21%, staff were confident this would be 50% by the end of the month and on track for 100% completion by the end of the September reporting period, confirming that actions with 3 or elements are not marked as complete unless all items are marked complete.

Moved Councillor Hoffmann

Seconded Mr Hubbard

That the Finance, Risk and Audit Committee:

1. Note this report

Carried Unanimously

Moved Mr Hubbard

Seconded Councillor Hoffmann

That the meeting be adjourned for a period of 5 mins

3.52pm meeting adjourned

3.54pm meeting resumed

7.3 Internal Audit - Implementation of Recommendations Review

Report Reference SFRAC230620R7.3

Mr Eric Beere and Ms Samantha Siziba from KPMG were present for the item.



Mr Beere introduced the item and provided a summary of the Internal Audit – Implementation of Recommendations Review. It was noted this was an additional audit undertaken during 2022/23. The scope of the review was to spot check the implementation of recommendations from the past few years internal audit plan with a focus on the audit findings that were rated high.

The following discussion points were noted:

- There were 52 agreed actions selected for testing and of these 10 items were considered overdue. The predominant reason for this resulted from resource challenges and items with collaborative findings.
- It was noted that staff are working hard on improvements to recommendations to ensure they are practical and measurable. Staff are aware of actions with high-risk items being addressed in a timely manner. Low risk items are still being addressed; however, these are also being prioritised with business needs and priorities.
- The Committee queried if Management were comfortable there was a structured process to ensure recourses were focussed appropriately with both KMPG and Management confirming they are comfortable with the status given the recent major review of the recommendations by the Executive Team. It was noted there was also a change in how overdue recommendations were being reported with these items now remaining overdue and will also include a due date. Management is confident we will see a lot of the items closed out within the next 12 months.
- The Committee commented on the status of the Stakeholder Management Recommendations with Management confirming this had been delayed due to resourcing challenges and business priorities, however the Framework is currently being developed and is on the radar.
- The Committee queried Finding 9 relating to Community Consultation methods that require further enhancement to address accessibility and diversity and how this was being addressed. Management commented this would be picked up through the next update, noting this was an evolving space, not just relating to reading material but other methods of engagement as well.
- The Committee noted that the audit confirmed that all actions that have been declared completed and closed by Management have been closed appropriately. The Committee noted that this is an excellent result and gives confidence in the processes and procedures in place to respond effectively and appropriately to audit findings.

Moved Councillor Veliskou

Seconded Mr Hubbard

That the Finance, Risk and Audit Committee:

1. Notes the report.

Carried Unanimously

9 Workshop / Presentation Items – Nil

10 Other Business – Nil

11 Meeting Closure

The meeting was declared closed at 4.09pm.

CONFIRMED THIS 15 DAY OF AUGUST 2023



CHAIRPERSON

5 Business Arising

5.1 Business Arising Statement - Action Items

Report Reference	FRACYMMDDR5.1
Originating Officer	Unit Manager Governance and Council Support – Victoria Moritz
Corporate Manager	Manager Office of the Chief Executive – Kate McKenzie
General Manager	Chief Executive Officer – Tony Harrison

REPORT OBJECTIVE

The purpose of this report is to review the business arising from previous meetings of the Finance, Risk and Audit Committee meetings, the meeting schedule and upcoming items.

RECOMMENDATION

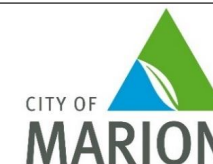
That the Finance, Risk and Audit Committee:

- 1. Notes the business arising statement, meeting schedule and upcoming items.**

ATTACHMENTS

1. Business arising statement August 2023 [**5.1.1** - 7 pages]

CITY OF MARION
BUSINESS ARISING FROM FINANCE AND AUDIT COMMITTEE MEETINGS
AS AT AUGUST 2023



	Date of Meeting	Item	Responsible	Due Date	Status	Completed / Revised Due Date
1.	18 May 2021	Service Review Program and Recommendations - Progress Update Action: A report be brought back to the Finance Risk and Audit Committee in August with a status updated including a program detailing expectations and commitments for this year and next.	Chief Executive Officer	August 2021	The organisation is investigating training and the introduction of lean six sigma across the organisation to replace the service review program. A report is being prepared for the special FRAC meeting in June.	June 2023
	17 May 2022	Action: The CEO committed to having discussions around accountability of actions and closing out outstanding actions. Action: Ensure this report comes back in August 2022 including a detailed structured approach.	Chief Executive Officer	Revised Due Date June 2023	A report was presented to the Committee at the June Special FRAC Meeting. Further reports will be brought to the Committee as the program progresses	June 2023
2.	17 May 2022	Business Arising Statement – Action Items: Action: Standing Item: <i>Service Review Program - Scopes, Reviews and Monitoring</i> , to be presented to the FRAC in August.	Chief Executive Officer	16 August 2022 December 2022 Revised Due Date June 2023	As above. Further reports will be brought to the Committee as the program progresses	June 2023

City of Marion
Finance Risk & Audit Committee Action Arising Statement and Work Program - 2023

	Date of Meeting	Item	Responsible	Due Date	Status	Completed / Revised Due Date
3.	16 May 2023	Quarterly Corporate Risk Report Action: Re-frame the risk descriptions relating to the High-Risk Plan-on-a-Page items to include an explanation of what is driving the probability and consequences.	Unit Manager Risk & Strategy	August 2023	This has been addressed as part of the q4 Review and further information provided within the section on 'Context/Background and Environmental considerations'	July 2023
4.	16 May 2023	Draft Internal Audit Plan 2023-25 Action: Management to review elements in the Risk register and core controls testing audit to determine if this would be beneficial and to review the elements within the Cloud Vendor/Third Party Cyber Risk Assessment to determine if an audit is warranted.	Unit Manager Risk & Strategy Manager Office of the CEO	August 2023	The Internal Audit has been reviewed in detail and Cloud Vendor/Third Party Cyber is listed for review in Q2 2024/25	July 2023
5.	16 May 2023	Internal Audit Program – Implementation of Recommendations Action: Review comments of completed items to ensure they align to the original recommendations and intent of the findings. Re-open any that are not actually complete e.g.: - 9.1 in ITT Governance - 5.1 in Asset Inspection Schedule - 1.1 Project Management (check that the intent of the finding in relation to CAMMS has been completed)	Manager Office of the CEO General Managers	August 2023	All General Managers have been sent a copy of their internal audit spreadsheets for a review of the completed comments. These comment review and any updates have been included in the Q4 reporting.	August 2023

City of Marion
Finance Risk & Audit Committee Action Arising Statement and Work Program - 2023

	Date of Meeting	Item	Responsible	Due Date	Status	Completed / Revised Due Date
		Action: 1.1 on the Collaborative Model Health Check has the same recommendation as agreed management action. It was requested this be updated prior to the next meeting. Action: The Committee requested in future this report be listed under reports for decision and not reports for noting.			Recommendation has been updated. This report has been moved to Reports for Decision and recommendation has been amended to suit.	
6.	16 May 2023	Sam Willoughby International BMX Claim Update Action: Management to provide Committee Members with additional information out of session.	CEO / General Manager City Development	August 2023	Additional information was sent to the Committee by email on 16 May 2023.	May 2023
7.	20 June 2023	Results of the Bi-Annual Performance and Effectiveness Review of the Finance, Risk and Audit Committee Action: A report be brought back to the Committee highlighting the legal responsibilities and duties of individual members and of the Committee.	Manager Office of the CEO	December 2023	The Committee is scheduled to review its terms of reference at the December Meeting. This report will also include the legal responsibilities and duties of individual members and of the Committee	December 2023

City of Marion
Finance Risk & Audit Committee Action Arising Statement and Work Program - 2023

	Date of Meeting	Item	Responsible	Due Date	Status	Completed / Revised Due Date
8.	20 June 2023	Service Review / Process Improvement Program Action: A report be brought back to the Committee detailing the status of any outstanding actions from previous Service Reviews and how these are being following up and closed out.	CEO / Manager Office of the CEO	August 2023	A report has been prepared and is included in the agenda for the meeting on 15 August 2023	August 2023

* Completed items to be removed are shaded

City of Marion
Finance Risk & Audit Committee Action Arising Statement and Work Program - 2023

SCHEDULE OF MEETINGS 2023

Day	Date	Time	Venue
Tuesday	21 February 2023	9am – 12pm	Administration Centre
Tuesday	16 May 2023	2 pm – 5pm	Administration Centre
Tuesday	20 June 2023	2 pm – 5pm	Administration Centre
Tuesday	15 August 2023	3.00 – 6.00 pm Followed by 6.30 – 7.30 pm (Joint workshop with Council)	Administration Centre
Tuesday	10 October 2023	2 pm – 5pm	Administration Centre
Tuesday	12 December 2023	2 pm – 5pm	Administration Centre

INDICATIVE COMMITTEE WORK PROGRAM – 2023

TUESDAY, 21 February 2023

Topic	Action
Council Member Report	Communication Report
Annual Strategic Risk Register	Review and Feedback
Draft Annual Business Plan and Budget 2023-24 and Draft Long Term Financial Plan - Update	Review and Feedback
Internal Audit Program – Scopes, Reviews, Plans	Review and Feedback
Internal Audit Program – Implementation of Recommendations	Noting
Quarterly Corporate Risk Report	Review and Feedback
Budget Review 2 – 2022-23	Review and Feedback
Internal Audit Contract (confidential)	Recommendation to Council
Cybersecurity – Quarterly Update	Noting
Digital Transformation Project – Quarterly Status Update	Noting

TUESDAY, 16 May 2023

Topic	Action
Council Member Report	Communication Report
Internal Audit Program – Scopes, Reviews, Plans	Review and Feedback
Internal Audit Program – Implementation of Recommendations	Noting
Quarterly Corporate Risk Report	Review and Feedback
Internal Audit Plan for 2023-24	Review and Feedback
Cybersecurity – Quarterly Update	Noting

City of Marion
Finance Risk & Audit Committee Action Arising Statement and Work Program - 2023

Digital Transformation Project – Quarterly Status Update	Noting
FRAC Effectiveness Survey	Review and Feedback
Tree AMP – Draft	Review and Feedback
Internal Audit Plan 2023-2025	Review and Feedback
Draft Annual Business Plan 2023/24	Review and Feedback

TUESDAY, 20 June 2023

Topic	Action
Administration Building – Section 48 Report	Review and Feedback
Claims & Insurance Report	Review and Feedback
Draft Annual Business Plan and Budget 2023-24 (update after public consultation) & Draft Long Term Financial Plan	Review and Feedback
Implementation of Recommendations check - Internal Audit	Review and Feedback
Effectiveness Survey – Results	Noting
Annual Review of HSE Program	Review and Feedback
Budget Review 3 – 2022-23	Review and Feedback

TUESDAY, 15 August 2023 (Followed by Joint Workshop with Council 6.30pm– 8.30pm)

Topic	Action
Council Member Report	Communication Report
Meeting with Internal auditors in camera	Seeking feedback from Auditors
Internal Audit Program – Scopes, Reviews, Plans	Review and Feedback
Internal Audit Program – Implementation of Recommendations	Noting
FRAC Annual Report to Council	For discussion prior to October
External Audit - Interim Audit Report	Review and Feedback
Quarterly Corporate Risk Report	Review and Feedback
Digital Transformation Project – close out report	Noting
Fraud and Corruption Annual Review	Review and Feedback
Annual Report on Business Continuity	Review and Feedback
Service Review Previous Program – Status of Outstanding Recommendations	Noting
Asset Management Strategy Review	Review and Feedback
Joint Workshop with Council (6.30pm onwards)	TBA

City of Marion
Finance Risk & Audit Committee Action Arising Statement and Work Program - 2023

TUESDAY, 10 October 2023

Topic	Action
Council Member Report	Communication Report
FRAC Annual Report to Council 2021-22	Review and Recommendation to Council
Independence of Council's Auditor for the year end 30 June 2023	Review and Recommendation to Council
Audited Annual Financial Statements for the year end 30 June 2023	Review and Recommendation to Council
Investment Performance 2022-23	Noting
Debtors Report	Noting
Meeting with external auditors in camera	Seeking feedback from Auditors
First Budget Review - 2023-24	Review and Feedback
Internal Audit Program – Scopes, Reviews, Plans	Review and Feedback
Internal Audit Program – Implementation of Recommendations	Noting
Annual Strategic Risk Report	Review and Feedback
Marion Basketball Stadium – S48 Report (tentative)	Review and Feedback
Comprehensive valuation for non-infrastructure assets	Review and Feedback
Comprehensive valuation for infrastructure assets	Review and Feedback

Tuesday, 12 December 2023

Topic	Action
Council Member Report	Communication Report
Internal Audit Program – Scopes, Reviews, Plans	Review and Feedback
Internal Audit Program – Implementation of Recommendations	Noting
Service Review Program - Scopes, Reviews and Monitoring	Review and Feedback
Work Program and Meeting Schedule 2024	Review and Feedback
Framework and Key Assumptions for preparation of 2024-25 ABP and LTFP	Review and Feedback
Quarterly Corporate Risk Report	Review and Feedback
Cybersecurity – Quarterly Update	Noting
Digital Transformation Project – Quarterly Status Update	Noting
FRAC Terms of Reference	Review and Feedback

6 Confidential Items

6.1 Cover Report - Fraud and Corruption Annual Questionnaire 2022/23

Report Reference	FRAC230815F6.1
Originating Officer	Business Support Officer - Governance and Council Support – Cassidy Mitchell
Corporate Manager	Manager Office of the Chief Executive - Kate McKenzie
General Manager	Chief Executive Officer - Tony Harrison

REASON FOR CONFIDENTIALITY

Local Government Act (SA) 1999 S 90 (2) 3

(e) matters affecting the security of the council, members or employees of the council, or council property, or the safety of any person

RECOMMENDATION

That pursuant to Section 90(2) and (3)(e) of the Local Government Act 1999, the Council orders that all persons present, with the exception of the following persons: Chief Executive Officer, General Manager City Development, General Manager City Services, General Manager Corporate Services, Chief Financial Officer, Manager Office of the Chief Executive Officer, Unit Manager Strategy and Risk and Unit Manager Governance and Council Support, be excluded from the meeting as the Council receives and considers information relating to Fraud and Corruption Annual Questionnaire 2022/23, upon the basis that the Council 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 security of the Council.

7 Reports for Discussion

7.1 Meeting with the Internal Auditors in Confidence

Report Reference	FRAC230815R7.1
Originating Officer	Manager Office of the Chief Executive – Kate McKenzie
Corporate Manager	N/A
General Manager	Chief Executive Officer - Tony Harrison

REPORT HISTORY

This is an annual report and was last considered in August 2022.

REPORT OBJECTIVE

The Finance, Risk and Audit Committee Terms of Reference states that the Committee will meet with both the external auditors and internal auditors without management, at least once per year (Clause 4.1). This provides the Committee an opportunity to have a confidential conversation with the Auditors without management present.

The purpose of this report is to exclude the public and staff from the meeting to enable this conversation to occur.

The Chair of the Committee will provide a summary of the discussion to the Manager, Office of the CEO to be published in the minutes.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

- 1. Pursuant to Section 90(2) and (3)(g) of the Local Government Act 1999, orders that all persons present, be excluded from the meeting, with the exception of Eric Beere and Heather Martens from KPMG, as the Finance, Risk and Audit Committee meets with Council's Internal Auditors, on the basis that the Finance, Risk and Audit 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 commercial information of the Council.**
- 2. Include the following comments within the minutes:**

ATTACHMENTS

Nil

7.2 Internal Audit Plan 2023-2025

Report Reference	FRAC230815R7.2
Originating Officer	Manager Office of the Chief Executive – Kate McKenzie
Corporate Manager	Manager Office of the Chief Executive - Kate McKenzie
General Manager	Chief Executive Officer - Tony Harrison

REPORT OBJECTIVE

To provide a status report of the progress of the Internal Audit Program for 2023 – 2025 and to seek the Finance, Risk and Audit Committee (FRAC) feedback on the attached scope.

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 an initial two-year contract and this followed with a further 2 plus 2 years contract extension. The City of Port Adelaide Enfield (PAE) have also joined the contract. The three Councils worked collaboratively (with KPMG) to develop an IA Plan where some collaborative audits could be completed.

The FRAC received the IA Plan for 2023-25 at the May 2023 meeting. Further work was requested regarding the timings of some of the audits.

The IA Plan identifies four (4) projects for this financial year, with all four progressing as collaborative projects with CCS. The Contract Value for Money Review also includes PAE. The Projects include:

2023/24

- **Contract Value for Money Review Q1 (Collaborative)**
Scope- Attachment 1
- **Community Safety Q2 (Collaborative)**
- **Tendering Management (Process and Control) Q3 (Collaborative)**
- **Data Governance Q4 (Collaborative)**

2024/25

- **Project Management Framework Post Implementation Review Q1**
- **Cloud Vendor/Third Party Cyber Risk Assessment Q2 (Collaborative)**
- **Financial Controls Internal Audit Q3 (Collaborative)**
- **Assurance Mapping Internal Audit Q4**

RECOMMENDATION

That the Finance, Risk and Audit Committee:

1. Considers and provides feedback on the:
 - a. **Contract Value for Money Review (Attachment 1)**

ATTACHMENTS

1. Co M Collaborative Contract Value for Money Internal Audit Scope Draft [**7.2.1** - 4 pages]



City of Marion

Internal audit project scope: Contract Value for Money

(Collaborative project with the City of Port Adelaide
Enfield and City of Charles Sturt)

July 2023

DRAFT



DRAFT

Internal Audit Program 2023/24: Contract Value for Money

In accordance with the 2023/24 Internal Audit Plan for the City of Marion (CoM), a contract value for money (VfM) internal audit is to be performed. This project will be a collaborative internal audit with the City of Port Adelaide Enfield (CoPAE) and the City of Charles Sturt (CCS) (collectively 'the councils').

Objective

The overall objectives of the internal audit will include the following:

- VfM governance effectiveness: Understand the extent of the CoM's monitoring in-place and data accessibility for VfM optimisation and opportunities.
- VfM operating effectiveness: For a sample of contracts, understand the VfM cost optimisation effectiveness via a deep dive review of the commercial arrangement in-place across each Council.

Scope

The scope of the internal audit will focus on the following areas:

1. VfM Governance Effectiveness

Understand the extent of the CoM's monitoring in-place and data accessibility for VfM optimisation and opportunities across the following areas:

- For commercial arrangements, understand the governance framework and supporting processes in place including panel usage and independent review on proposed tender's requirements and specifications.
- Sole source arrangements in-place, including monitoring on functions/areas with relatively higher-level of activity of this nature.
- Contract value growth, price escalation(s), variations and rollovers/revisions that may indicate the need to approach the market and secure more competitive pricing and commercial terms and conditions.

- PO value growth and revisions that may indicate the need to transition to a long-term contract, which allows increased ability to obtain competitive pricing.
- High level consideration of the processes in place to identify opportunities for 'like services' and commercial arrangements pursued that achieve greater VfM from increased volume and reduce administrative related costs incurred.
- Lessons learned and identification of best practices across each Council to help inform continuous improvement towards future contracts.

Where data for the above areas is available and can be provided, we will conduct a high-level analysis to identify any patterns, trends, or anomalies.

2. VfM Operating Effectiveness

Understand VfM cost optimisation effectiveness via a deep dive review for a sample of three (3) commercial arrangements in-place across each Council, including:

- A comparative analysis of commercial arrangements across similar contract requirements in-place across the Councils.
- Review of strategic contracts that have experienced significant growth (e.g. due to price escalation(s), variations and rollovers/revisions) to determine opportunities to secure more competitive pricing and commercial terms and conditions.

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

- Scope 1: The extent of procedures performed will be subject to the availability, quality, and completeness of relevant data.
- Scope 2: This will only be considered for agreed sample contracts reviewed and exclude sample testing of Centralised or Construction related contracts.



DRAFT

Approach

Based on the above scope elements, the approach for the internal audit will include the following:

- Review of relevant process and control related documentation per agreed scope point 1.
- Obtain required procurement data to perform high-level analysis to identify any patterns, trends, or anomalies.
- The contracts selected for deep dive review will be discussed and agreed with relevant Council Management.
- Perform VfM operating effectiveness testing for a sample of agreed Council contracts per agreed scope point 2.
- Close-out meeting with the internal audit project sponsor and key stakeholders to discuss initial findings and recommendations.
- Drafting and finalisation of an internal audit report outlining internal audit findings, recommendations and any performance improvement opportunities.

Stakeholders

The following CoM stakeholders will be consulted as part of the contract value for money internal audit.

Personnel	Position title
Ray Barnwell	Chief Financial Officer
Angela Allison	General Manager, Corporate Services
Kate McKenzie	Manager, Office of the Chief Executive
Jamie Dunncliff	Manager, Strategic Procurement Services

Additional stakeholders will be confirmed subsequent to selection of the contracts for selected deep dive review.

Resources and Budget

The budgeted fees for the contract value for money internal audit are \$27,000 based on 20 days of internal audit effort. We will discuss and agree in advance with management any time to be incurred that may result in fees exceeding this estimate. Any out-of-pocket expenses incurred will be billed to CoM at cost.

The resources for this internal audit will include:

- Eric Beere, Partner
- Hayden Love, Director - Contract Assurance & Performance Specialist
- Heather Martens, Director
- TBC, Manager - Contract Assurance & Performance Specialist
- Carmela Alas, Senior Consultant
- Aarushi Maluja, Consultant

Timing

The proposed timing for the value for money internal audit is for the engagement to commence in September 2023 with a draft report completed for consideration by October 2023.



Approvals

We are in agreement with the scope for the contract value for money internal audit.

CoM Internal Audit Engagement Sponsor:

Name:

Signed:

Date:

KPMG Internal Audit Partner:

Name: Eric Beere

Signed:

Date:

DRAFT

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.

No warranty of completeness, accuracy or reliability can be 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 shall seek to independently verify those sources unless otherwise noted within the report. We are under no obligation in any circumstance to update the 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 the report will be formed on the above basis.

Third party reliance

This scope is solely for the purpose set out above and City of Marion information and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent. The internal audit report is to be prepared at the request of the City of Marion Audit Committee or its delegate in connection with our engagement to perform internal audit services as detailed in the engagement 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 the internal audit report. Any reliance placed is that party's sole responsibility.

COVID-19

1. COVID-19 has the potential to materially and adversely affect our ability to provide the Services under the Agreement.
2. Each party will co-operate with the other in implementing reasonable mitigation measures to enable us to perform the Services in a way that seeks to limit the risk or potential impact related to COVID-19.
3. If the performance of the Services is delayed or otherwise adversely affected by COVID-19 or any circumstances related to COVID-19 (including, without limitation, unavailability of personnel), we will not be liable for any failure to perform the Services and the time for performance of the Services will be extended by any such reasonable period as is advised by us.
4. If COVID-19, or any circumstances related to COVID-19, result in the parties being unable to put in place service performance mitigation measures that we consider appropriate or we conclude that we are not able to perform the Services, either party may terminate the Agreement by providing 5 business days' notice in writing.

7.3 Internal Audit Program - Implementation of Recommendations

Report Reference	FRAC230815R7.3
Originating Officer	Business Support Officer - Governance and Council Support – Cassidy Mitchell
Corporate Manager	Manager Office of the Chief Executive – Kate McKenzie
General Manager	Chief Executive Officer - Tony Harrison

REPORT OBJECTIVE

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

EXECUTIVE SUMMARY

The Finance and Audit Committee is provided with a status report at its meeting on 16 May 2023 regarding the City of Marion's Internal Audit Program.

The implementation of recommendations from these reports continues to be monitored by the FRAC. The Executive Leadership Team (ELT) completed a thorough review of all recommendations. As part of this review, the ELT determined to amend how the implementation of recommendations are being reported to:

- On track – green
- Completed – blue
- Not of track – red.

The significant difference is that the 'not on track' is any item not completed within the original due date tracking and therefore tracking as red. An additional column has been added which is a 'forecasted action completion date'. This change to the reporting is to increase awareness and accountability for those actions that are overdue and ELT are focusing on reducing the number each quarter.

The FRAC will also note that a number of actions relating to the Digital Transformation Program are now being rolled into the new Information Systems Strategic Plan. Project timing will be subject to budget prioritisation within that plan.

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.

The implementation of timing for recommendations based on the risk level of the findings are as follows:

- Extreme: within 30 days
- High: 3 months
- Medium: 6 months
- Low or Performance Improvement Opportunity: 12 months

RECOMMENDATION

That the Finance, Risk and Audit Committee:

- 1. Reviews and provides feedback on the Internal Audit Program (Attachment 1).**

ATTACHMENTS

1. FRAC230815 - Internal Audit - Implementation of Recommendations - Appendix 1 [**7.3.1** - 44 pages]

Overall Summary

<i>Project</i>	<i>Findings/PIO</i>	<i>On Track</i>	<i>Not on Track</i>	<i>Completed</i>	<i>Not Commenced</i>	<i>General Comments</i>
<i>Procure to Pay (2018/19)</i>	9			9		The implementation of FinancialForce has resulted in the online purchase module being implemented. This software provides the functionality required for online matching of invoices and as result the use of a 3rd party vendor is not required.
<i>Cyber Security 2019</i>	6		2	4		The two outstanding actions remain open, the progress of cataloguing of the data assets are stalled due to resource constraint, the new Risk Business Partner commenced on 3 July, it is expected this audit will be closed out by the end of October.
<i>Payroll 2020/21</i>	6			6		With the implementation of the Aurion payroll system these processes are now in place for timesheets, leave, acting/additional duties and therefore this specific finding can be closed. People and Culture now retain all recruitment and retention files centrally in a secure and controlled SharePoint file being the one source of truth for all recruitment and employee retention data. As the reconciliations are all being completed on a timely manner this action can be closed.
<i>ITT Governance</i>	11			11		All action items have now been complete. Data Governance and Management Framework have been endorsed.
<i>Metrics that Matter</i>	3			3		Data Governance and Management Framework and Project Management Framework have been endorsed.
<i>Stores Management</i>	5			5		All actions on this audit have now been finalised, Review has been undertaken with improvement initiative sitting with IT to progress.
<i>Business Continuity Plan and COVID-19 Response</i>	7		2	5		The capability to provide remote working solutions for the call centre now exists with the introduction of 3CX. Only two actions remain open for this audit and are tracking as not on track, business case has been finalised waiting for approval. Procurement Documents are being drafted.
<i>Asset Inspection Schedule</i>	6			6		All outstanding actions are now completed, Asset Inspections are currently being performed in Assetic by Asset Solutions. Streamlining of inspections by locations is taken into account by the resources when performing these activities
<i>Project Carryovers</i>	6		4	2		Due to issues with resource constraints activity on a number of actions has stalled, however with the recruitment of a new PMO completion of these actions will recommence.
<i>Fraud Management Framework</i>	6		1	5		There is only one remaining action open for this audit. The Annual People Leader Fraud and Corruption Questionnaire has been completed for the 22/23 financial year, these finding will feed into the next quarter review for Q1 23/24.
<i>Community Facilities Management Models</i>	4	1	3			All items have commenced and are on track. Interim reporting methods are being developed by the team through SharePoint and PowerBI reporting until the PMS is implemented.
<i>Collaborative Model Health Check</i>	1		1			GM's will meet quarterly to discuss opportunities as they arise. Further discussion at CEO Level require to consider priorities.
<i>Collaborative Contract Management</i>	2	1		1		A number of tasks within the action itself have been completed, the implementation of the contracts module was not undertaken with the implementation of Financial Force. The date for completion is subject to completion of the IS plan which will prioritise this project subject to funding.

Project Management	10	4	6	A number of actions have progressed this quarter, with the onboarding of PMO resources, these ‘not on track actions’ will recommence August 2023.	
Stakeholder Management Review	5	5		There have been resourcing impacts to the Strategy and Risk team which has caused delay in actioning the outcomes of this audit. The team is now at capacity and these actions can be progressed.	
Collaborative Community Consultation	5	2	3	Findings in this audit are progressing well. Templates have been established and are in use. Translation plugins to CoM websites have been explored and will be included into the scope of the website audit and upgrade in 2023/2024.	
Volunteer Management	4	4		Work on a number of actions has not yet commenced however they are still on track for the original completion date. There is a Volunteer Manager workshop in September where further actions will be progressed.	
Digital Transformation Program	9	2	7	Many actions are already completed and have been implemented within the CoM, due to resource constraints two action items require short extensions to achieve completion, time is required to allow for quotations to be received. Further explanations to completed items have been provided.	
Cybersecurity	5	3	1	1	A number of actions have been commenced, with majority still to be started. However are tracking well. Relevant policies and procedures have been drafted, pending review and approval.
Customer Experience	6	2	4		All actions have commenced, with a number already completed.

The implementation of timing for recommendations based on the risk level of the findings are as follows:

Extreme: 30 days

High: 3 months

Medium: 6 months

Low or Performance Improvement Opportunity: 12 months

Procure to Pay

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ORIGINAL ACTION COMPLETION DATE	FORECASTED ACTION COMPLETION 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.	PIO1.1	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.	N/A	31/12/2019	31/12/2022 31/03/2023 31/05/2023	Not on Track	95%	CoM is currently testing online approval workflows for invoices that qualify as purchase order exempt in accordance with policy. This has been rescheduled for a May release.	Completed	100%	The original process improvement finding was related to the high level of manual process in the matching of purchase orders to invoices and payment processes and investigate transition to an online system. The CoM advised that it would investigate Civica as an option. The implementation of FinancialForce has resulted in the online purchase module being implemented. This software provides the functionality required for online matching of invoices. This action can be closed - current date used rather than earlier date of consideration completion
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.	PIO1.2	as above	N/A	31/12/2019	31/12/2022 31/03/2023	Completed	100%	Invoices that are matched to purchase orders with completed goods receipts are automatically approved where the value of the invoice is less than or equal to the approved purchase order.	Completed	100%	The original process improvement finding was related to the high level of manual process in the matching of purchase orders to invoices and payment processes and for CoM to consider the use of a 3rd party vendor to support the validation process. The implementation of FinancialForce has resulted in the online purchase module being implemented. This software provides the functionality required for online matching of invoices and as result the use of a 3rd party vendor is not required.

Cyber Security 2019

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ORIGINAL ACTION COMPLETION DATE	FORECASTED ACTION COMPLETION DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
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.	Moderate	31/03/2020	30/06/2021 30/09/2023	Not on Track	60%	Data Governance and Management Framework has been endorsed by ELT. Relevant Policies and Procedures are being drafted and will need to be reviewed by InfoSec, IT, RIM and Governance before it can be formally implemented.	Not on Track	65	The progress of cataloguing of the data assets are stalled due to resource constraint. The D&A Training program schedule is being developed and introduced as part of the Digital Literacy program. The following Policies have been drafted pending review: <ul style="list-style-type: none">• Data Management Policy• Data Governance Policy• Data Access and Use Policy A Data Management Operating Manual to support the above Policies have also been drafted pending review.

											It is recommended that the Forecasted Action Completion Date be move to 31/12/2024 which is when it is estimated that the full Data Analytics Program will be implemented
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.	Low	30/06/2020	31/10/2021 30/06/23 31/10/2023	Not on Track	20%	Resourcing has been a problem in the Strategy and Risk team over the past 3 months. We went to market for a dedicated Risk Business Partner - Business Continuity position who would lead this work, but unfortunately didn't find anyone. We will be going back out to market shortly. This will delay progress on this action. Revised due date will be set once resource has been engaged.	Not on Track	40%	A new Risk Business Partner - Business Continuity commenced 3 July 2023. They are currently onboarding, but have been provided background on this project and have met with Council's cyber security lead. This work will be the new RBP priority work to deliver and will require considerable collaboration with the Cyber Security lead. It is expected that the revised and updated IT recovery Strategies will be finalised by the end of October 2023.

Payroll 2020/21

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ORIGINAL ACTION COMPLETION DATE	FORECASTED ACTION COMPLETION 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.	Moderate	30/06/2021	31/08/2021 31/07/22 31/12/2022 30/04/2023 30/06/2023	Not on Track	75%	The City of Marion is continuing to work through the 'HyperCare' configuration body of work identified during the November Aurion onsite visit. Key configuration elements have been completed by Aurion and the City of Marion project team reducing manual intervention significantly for month end processes. The City of Marion team will continue to work with Aurion to further automate and enhance our processes and estimate we are 75% through the new HyperCare configuration body of work	Completed	100%	The original finding was related to implementing online forms for timesheets and leave processes and remove the manual completion, data entry and verification. With the implementation of the Aurion payroll system these processes are now in place for timesheets, leave, acting/additional duties and therefore this specific finding can be closed. The current date has been used for closure rather than the earlier date of timesheet and leave form automation
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.	Moderate	30/06/2021	31/08/2021 31/07/22 31/12/2022 30/04/2023	Completed	100%	A considerable body of work has been undertaken with Aurion to have a complete suite of automated reports which provide the City of Marion with comprehensive and accurate payroll leave accrual reconciliation data.	Completed	100%	The original finding was related to 1. Insufficient communication between Human Resources and Payroll team The agreed Management action associated with this finding stated that a centralised file storage system would be implemented so that only one location existed for storing employee files across HR and Payroll. People and Culture now retain all recruitment and retention files centrally in a secure and controlled SharePoint file being the one source of truth for all recruitment and employee retention data. New workflow processes have been implemented between People and Culture and Payroll which has addressed the finding in relation to communication between both teams.

											2. Lack of review and timeliness of reconciliation process
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 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.	Low	30/06/2021	31/08/2021 31/07/22 31/12/2022 30/04/2023 30/09/2023	Not on Track	85%	Monthly and quarterly reconciliations continue to be performed. The integration of payroll data from Aurion (Payroll outsourced system) to Financial Force will be a priority of the integration project for 2023/24 Some additional reconciliation processes will continue to be required to mitigate error risks while the using some elements of the non automated processes. The financial and payroll integration will be included in the integration road map. Actual completion of the integration will be subject to budget availability and prioritisation.	Completed	100%	The original finding was in relation to annual leave reconciliations not being performed on a timely manner. Previous reporting against this action was referring to integration between systems which will be subject to the integration project. As the reconciliations are all being completed on a timely manner this action can be closed.

ITT Governance

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ORIGINAL ACTION COMPLETION DATE	FORECASTED ACTION COMPLETION DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
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.	Low	30/06/2021	31/12/2022	Completed	100%	Data Governance and Management Framework has been endorsed by ELT at the ELT meeting on 25/01/2023.	Completed		Further alignment to original recommendation commentary required: Data Governance and Management Framework has been endorsed by ELT at the ELT meeting on 25/01/2023.
Implement the Framework and develop any further policies and procedures required to embed and operationalise data management processes within the organisation.	9.2		Low	30/06/2021	31/12/2022 31/03/2023	Completed	100%	Relevant Policies and Procedures are being drafted and will need to be reviewed by InfoSec, IT, RIM and Governance before it can be formally implemented. The D&A Training program schedule is being developed and introduced as part of the Digital Literacy program. This Audit recommendation has changed overtime so the original Agreed Management Action no longer match what is being delivered. It is recommended that this recommendation is closed out as the Data Governance and Management Framework has now been endorsed by ELT and work is in progress to implement this. This work is being tracked as part of the Cyber Security 2019 Audit Recommendation #3 as part of Action Item 3.1.	Completed		Further alignment to original recommendation commentary required: Relevant Policies and Procedures are being drafted and will need to be reviewed by InfoSec, IT, RIM and Governance before it can be formally implemented. The D&A Training program schedule is being developed and introduced as part of the Digital Literacy program. This Audit recommendation has changed overtime so the original Agreed Management Action no longer match what is being delivered. It is recommended that this recommendation is closed out as the Data Governance and Management Framework has now been endorsed by ELT and work is in progress to implement this. This work is being tracked as part of the Cyber Security 2019 Audit Recommendation #3 as part of Action Item 3.1.

Metrics that Matter											
RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ORIGINAL ACTION COMPLETION DATE	FORECASTED ACTION COMPLETION DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
<p>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:</p> <ul style="list-style-type: none">• Ensuring it is up to date and formally approved• Key roles are formally assigned, and• The necessary policies and procedures are developed and operationalised in order to embed the framework across the organisation. <p>This will be fundamental to helping build and maintain confidence in the data and the resultant reporting.</p>	1.1	<p>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.</p>	Low	30/06/2021	<div>31/12/2022</div> <div>31/03/2023</div>	Completed	100%	<p>Data Governance and Management Framework has been endorsed by ELT. Relevant Policies and Procedures are being drafted and will need to be reviewed by InfoSec, IT, RIM and Governance before it can be formally implemented.</p> <p>The progress of cataloguing of the data assets are stalled due to resource constraint.</p> <p>The D&A Training program schedule is being developed and introduced as part of the Digital Literacy program.</p> <p>This Audit recommendation has changed overtime so the original Agreed Management Action no longer match what is being delivered. It is recommended that this recommendation is closed out as the Data Governance and Management Framework has now been endorsed by ELT and work is in progress to implement this. This work is being tracked as part of the Cyber Security 2019 Audit Recommendation #3 as part of Action Item 3.1.</p>	Completed	100%	<p>Further alignment to original recommendation commentary required:</p> <p>Power BI is used for all reporting within the Performance Organisational Review (POR) meeting which meets monthly</p> <p>Data Governance and Management Framework has been endorsed by ELT.</p> <p>Relevant Policies and Procedures are being drafted and will need to be reviewed by InfoSec, IT, RIM and Governance before it can be formally implemented.</p> <p>The progress of cataloguing of the data assets are stalled due to resource constraint.</p> <p>The D&A Training program schedule is being developed and introduced as part of the Digital Literacy program.</p> <p>This Audit recommendation has changed overtime so the original Agreed Management Action no longer match what is being delivered. It is recommended that this recommendation is closed out as the Data Governance and Management Framework has now been endorsed by ELT and work is in progress to implement this. This work is being tracked as part of the Cyber Security 2019 Audit Recommendation #3 as part of Action Item 3.1.</p>
<p>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.</p> <p>Typically risks, as they arise, flow into ‘issues’ where active management and action tracking ensures their resolution in a timely manner.</p> <p>The CoM should ensure that these requirements are part of the new Solution Delivery Framework.</p>	PIO2.1	<p>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.</p>	N/A	30/06/2021	<div>31/12/2022</div> <div>31/03/2023</div>	Completed	100%	<p>The Project Management Framework has been endorsed and requires check points for risk management throughout the process. This will be implemented through the electronic system also.</p>	Completed	100%	<p>Further alignment to original recommendation commentary required:</p> <p>The Risk Strategic Plan has been replaced by the Work Area Plans. Ensuring that risk is embedded within project management processes is an ongoing work activity for the risk team. The risk team meet with the project managers every 6 weeks to ensure their project risk registers are being reviewed and are current. The project management areas, report in to the Project Delivery Board monthly. These reports detail the high level risk details of the project at that time. The new Manager EPMO has commenced, and the UM Strategy and Risk</p>

											has meet with her to explain the risk requirements within a EPMO Solution.
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Stores Management

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ORIGINAL ACTION COMPLETION DATE	FORECASTED ACTION COMPLETION DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
Review the current manual practices and determine if any manual processes can be reduced though 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.	Low	30/06/2023		On Track	35%	This change is dependent on pending updates within our finance system (Financial Force). With present state, it is suggested that the due date be extended to December 2023	Completed	100%	“Review” has been undertaken with improvement initiative sitting with IT to progress.
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.	Low	30/06/2023		On Track	35%	This change is dependent on pending updates within our finance system (Financial Force). With present state, it is suggested that the due date be extended to December 2023	Completed	100%	“Review” has been undertaken with improvement initiative sitting with IT to progress.

Business Continuity Planning and COVID-19 Response

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ORIGINAL ACTION COMPLETION DATE	FORECASTED ACTION COMPLETION DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
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.	Moderate	24/04/2023	30/06/2023 30/09/2023	Not on Track	90%	Resource issues has slowed this project, new Senior Project Manager is starting on the 8/5/2023, who will be reviewing status and focused on implementation. Target date by the 30th of June 2023.	Not on Track	95%	The capability to provide remote working solutions for the call centre now exists with the introduction of 3CX. This capability will be further enhanced with the full implementation of the Unified Communication project that is now on track to be implemented on the 26th of September 2023.
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.	Low	30/06/2021	31/03/2022 31/12/22 30/6/2023	Not on Track	100%	Currently preparing business needs analysis to progress to market. Recruitment for BC Risk Partner was unsuccessful. Going back to market for this position	Complete	100%	The Recovery Action Plans and Business Impact Assessments have been built within Office 365 as a sharepoint solution. This is located within the Business Continuity Sharepoint site with each SLT owning a recovery Action Plan for the area.

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.	Low	30/06/2021	31/03/2022 30/09/22 30/6/2023 30/6/2024	Not on Track	25%	As Above	Not on Track	25%	Business case has been finalised waiting for approval. Procurement Documents are being drafted. Expected the tender will be released at the end of August with tender evaluation occurring in October 2023.
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Asset Inspection Schedule

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ORIGINAL ACTION COMPLETION DATE	FORECASTED ACTION COMPLETION DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
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.	3.2	These recommendations are in progress as part of the digital transformation Project and AIMS procurement process.	Moderate	30/06/2022	30/10/2022 29/02/2023	Completed	100%	All Infrastructure asset classes have been loaded into Assetic and final round of data reconciliation have commenced. Asset Solution data sign off's well on track for go-live of Assetic Asset register planned for the 28th April. Soft launch completed.	Completed	100%	The digital transformation initiative has identified all Asset Classes, as well as the corresponding Asset Class Owners. To ensure a comprehensive understanding of requirements we have facilitated workshops, engaging the Asset Class owners to capture the distinctive information and asset attributes for each of asset class. We have documented all asset class information requirements, which are now maintained within the Asset Register Data Dictionary. The finding was related to considering each asset class and ensuring the system would meet this functionality. This has been done and this finding can remain closed.
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.	5.1	This item is progressing as part of the DTP – AMIS	Moderate	31/12/2021	31/3/2022 30/09/2022 20/03/2023	Completed	100%	Technical Officer Audit has commenced using the Assetic Asset register for capturing condition assessment data. Additional asset classes to be included in the Maintenance & Mobility Module to be included. This will happen as a consequence of the Maintenance and Mobility rollout across CoM.	Completed	100%	The Assetic Asset Management System boasts an exceptional capability to efficiently collect and store all pertinent inspection data in real-time. This dynamic system not only captures current inspection information, via the use of audit assessment forms held within the system and accessed within the field but also retains a comprehensive historical record accessible to authorized users. The historical data is presented with required fields that empower suitably trained personnel to conduct inspections with precision and confidence. This finding related to ensuring the asset management system had the functionality of any officer being able to track key inspection data. the system provides this functionality so this finding can remain closed.
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).	PIO1.1	Consider adding a notation in the Asset Data clarifying asset dual function however ensure there isn’t duplication within the system.	Moderate	31/12/2021	30/09/2022 20/03/2023	Completed	100%	Asset Data Schemas have been reviewed and signed off by Asset Owners to include all required information. All Infrastructure asset classes have been loaded into Assetic and final round of data reconciliation have commenced.	Completed	100%	Assets featuring both primary and secondary functions undergo a thorough evaluation. During this assessment, the asset is categorized based on its primary function, i.e. allocated to the primary asset class. However, to prevent redundancy and streamline our data management, any secondary functions associated with the

											asset can be captured as additional information within the record of the primary function asset. this work has been completed as part of the system implementation and this finding can remain closed.
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).	PIO1.2	This recommendation requires discussion on the structure and responsibilities for asset inspections.	Moderate	31/12/2021	31/3/2022 30/09/2022 20/03/2023	Completed	100%	Asset Inspections are currently being performed in Assetic by Asset Solutions. Streamlining of inspections by locations is taken into account by the resources when performing these activities.	Completed	100%	When developing the Asset Inspection schedule, Asset Solutions take into consideration numerous factors. Key among these considerations is the proximity of the asset within its designated asset class, which aids in optimizing inspection logistics. Additionally, Asset assessment inspection programs can be designed to incorporate all assets within an area (e.g. Reserve) or where a parent to child asset association exists to ensure council resources are best utilised when undertaking Level 1, 2 or routine maintenance inspections. This comprehensive analysis ensures that the Asset Inspection schedule is not only effective but also highly efficient in evaluating all City of Marion managed asset classes. This system enables this alternative view (by location) of all assets and therefore this finding can remain closed.

Project Carryovers

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ORIGINAL ACTION COMPLETION DATE	FORECASTED ACTION COMPLETION DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
The CoM has recently hired a new Senior Project Manager reporting to the CFO and the Senior Leadership Team (SLT). Based on better practice, consideration for this role could include: 1. Working directly with project managers/ relevant staff to coordinate and plan project timelines and milestones to ensure bottlenecks do not occur.	1.1	The PMO will work together with the Project Managers during the project planning period (Sept –April) and ensure the information is accurately captured in CAMMS.	Moderate	31/12/2021	30/09/2022 31/10/2022 28/04/2023 30/05/2023 30/11/2023	Not on Track	50%	Recruitment is underway for Manager EPMO. 3 positions have been endorsed by ELT to stand-up the EPMO. Once Mgr-EPMO position has been filled this action will be closed out. Forecast end May 23.	Not on Track	75%	Recruitment is complete for Manager EPMO (commenced 19th June). 2 further positions will be recruited July 23 and Jan 24. Once Mgr.-EPMO has been onboarded, we will be able to close out re working with PMs. However, the PM System is under review and therefore Project Info will be captured within SharePoint. It is forecast that SharePoint will be used for all projects by end Nov 23 and a new PM system will be in place by Nov 24.
Refresh and re-distribute standardised project templates.	1.5	The PMO will review the existing project templates and improve/redistribute as necessary	Moderate	31/12/2021	30/09/2022 30/11/2022 28/04/2023 30/05/2023	Not on Track	60%	All current templates have been reviewed. Due to resource constraints to support this activity it has stalled. We are currently looking at resourcing options to support this.	Not on Track	60%	This work will resume once the Senior PMO Analyst has been onboarded, commencing August 2023, this will be prioritised with an anticipated completion Dec 2023.
See Finding 1 and 2 for recommendations regarding the re-distribution of the PMF and templates.	3.2	See responses in Findings 1 and 2	Low	30/06/2022	30/09/2022 30/11/2022 28/04/2023 30/06/2023	Not on Track	50%	The PMF has now been endorsed at ELT and Council. Briefings have occurred with all project delivery and support teams. A training plan is in place for May and June for all staff, with further detail for project specific roles.	Not on Track	90%	This has stalled during recruitment of PMO staff and will recommence from August 2023. Expected completion end Sept 2023.

Consideration of actual project scopes and delivery methodology to inform the appropriate project delivery cycle.	4.2	The PMO will review the PMF to consider the suitability of its project life cycle for use by all projects.	Low	30/06/2022	30/09/2022 30/11/2022 28/04/2023	Completed	100%	PMF endorsed, capturing project classification and type and associated project lifecycle.	Completed	100%	Timings of projects are now considered across multiple FYs and are therefore planned accordingly. The classification of projects is also a consideration as to the application of the PMF.
Further consideration to be provided to allow for resourcing requirements to ensure program planning is performed.	4.3	The PMO will support the Project Managers with past implementation resource data for resource planning use.	Low	30/06/2022	30/09/2022 30/11/2022 28/04/2023 30/05/2023	Not on Track	50%	This action will complete when we have stood-up the EPMO once Mgr EPMO position is filled. This is a responsibility of the EPMO to consider Portfolio resourcing and planning. Forecast end May 23.	Not on Track	50%	Resource planning currently sits within the responsible areas for each program. As the PMO maturity and capability develops over the next 12 months, this will become a responsibility of the PMO to capture resourcing requirements at a portfolio level to support the individual programs. Forecast full maturity June 2024.
A process to be put in place requiring Project Managers to flag multi-year projects to the PMO, Finance and Procurement.	4.4	PMO, Finance and Procurement will review the internal process to address tracking and reporting of multi year projects.	Low	30/06/2022	30/09/2022 30/11/2022 28/04/2023 30/05/2023	Not on Track	90%	The process is ready and will be implemented following standing up of the EPMO. This process is aligned with the Finance team. Forecast end May 23.	Completed	100%	This is now a part of the annual finance processes. The finance team partners with the project delivery teams to establish project timings to align budgets to FYs and allow for better cash flow projections within the FY.
Currently, the lessons learned section is in the last phase of CAMMS (and therefore cannot be updated until this phase is unlocked). The CoM should investigate system opportunities to have the lessons learned section permanently unlocked. This would allow for: •Lessons to be identified at any point in time during the project. •Learnings to be recorded as soon as practical, to ensure factual accuracy and that all project management staff are notified as early as possible.	PIO2.2	The PMO will consider the feasibility of implementing this improvement opportunity in CAMMS given its cost implications.	Low	30/06/2022	30/09/2022 30/11/2022 28/04/2023 30/10/2023	Not on Track	50%	This has been included within the PM system requirements. This action cannot complete until we have reviewed and confirmed/implemented the PM System to be used going forward. Forecast completion Oct 23. In the interim, this has been included within a SharePoint approach to the system, which will be complete mid-May 23.	Not on Track	50%	No change from previous quarter. Forecast remains at Oct 23.

Fraud Management Framework											
RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ORIGINAL ACTION COMPLETION DATE	FORECASTED ACTION COMPLETION DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
As part of the CoM Fraud & Corruption Framework, there is an opportunity for the CoM to reference the results of the consolidated fraud risk assessments to help further identify the key areas of internal controls which should be reviewed. As an example, the output of these reviews could help to inform potential internal audit projects.	2.3	Unit Manager Risk & Strategy will update the Fraud & Corruption Framework to reflect the FRAC outcomes.	Low	30/04/2022	31/10/2022 31/01/2023 30/04/2023 30/06/2023 30/10/2023	Not on Track	25%	Resourcing issues have impacted the Strategy and Risk team this past quarter. A new staff member will be joining the team in late April, which will free up the team to complete some outstanding actions.	Not on Track	60%	The Annual People Leader Fraud and Corruption Questionnaire has been completed for 22/23. With the outcomes being presented to ELT and FRAC. These findings will also feed into the next quarter review of the fraud risk register for Q1 23/24. Any findings from both these reviews will be consolidated to inform potential internal audit projects.
Internal Audit recommends the CoM consider implementing data mining/analytics fraud detection programs as part of the Digital Transformation Program.	PIO1.1	The Chief Financial Officer will explore the opportunity with the Business Intelligence Lead of implementing data analytics fraud detection programs in the future. The CoM is developing its data analytics capability recently employing a data analytics lead with further resourcing to support the function being addressed. Following the completion of FRA as noted in finding 2, options will be explored regarding the introduction of data analytics for fraud detection purposes.	Low	30/06/2022	31/12/2022 30/06/2023	Completed	100%	Included in ongoing work plan for the Business Intelligence Team as a further improvement for Fraud Detection.	Completed	100%	Included in ongoing work plan for the Business Intelligence Team as a further improvement for Fraud Detection.

Community Facilities Management Models

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ORIGINAL ACTION COMPLETION DATE	FORECASTED ACTION COMPLETION 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 if the CoM continues to implement the current subsidy rebate, that supporting guidelines are developed which details: Guidance on the documentation allowable to evidence the meeting of each criteria item. Review the documentation requirements for the subsidy and consider developing weighted criteria base on the importance of each item. Clarify compliance requirements for ongoing annual assurance checks. Develop annual reporting to be provided to the CoM which outlines the current status of compliance of community facilities leasing tenants.	1.3	Further reporting methods will be investigated following the implementation of a supporting system. In the interim, annual compliance spot checks will be performed by CoM Management.	Moderate	31/04/2022	31/12/2022 31/07/2023 30/06/2025	Not on Track	80%	Interim reporting methods are being developed by the team through a new SharePoint and Power BI reporting system until the PMS is implemented. Spot checks of agreements will continue to be undertaken. Annual building inspections and agreement compliance are ongoing. Comprehensive property management system which will support the implementation of those recommendations will be included in the IS Strategic plan due for completion 30 June 2023. Project timing will be subject to budget prioritisation within that plan.	Not on Track	80%	Interim reporting methods are being developed by the team through a new SharePoint and Power BI reporting system until the PMS is implemented. Spot checks of agreements will continue to be undertaken. Annual building inspections and agreement compliance are ongoing. Comprehensive property management system which will support the implementation of those recommendations will be subject to budget prioritisation. Estimated to be completed June 2025
To address the inadequate and inconsistent monitoring processes, it is recommended that the CoM: •Review the current monitoring processes in place and evaluate the ineffectiveness with consideration to the frequency, thoroughness, tenant compliance, and resource requirements required to undertake these processes. •Consider standardising the monitoring and reporting periods across the community facility portfolio. •Consider the implementation of a supporting system with functionality to automate monitoring of compliance requirements, such as reminders for key actions and non-compliance flags, as well as integration into other systems, such as records management.	2.1	As noted in the Finding 1 Management Actions, pending the implementation of a supporting system, further reporting will be investigated.	Moderate	31/04/2022	31/12/2022 31/07/2023 30/06/2025	Not on Track	20%	Business requirements have been developed for the Property Management System (PMS). Interim reporting methods are being developed by the team through a new SharePoint and Power BI reporting system until the PMS is implemented. Comprehensive property management system which will support the implementation of those recommendations will be included in the IS Strategic plan due for completion 30 June 2023. Project timing will be subject to budget prioritisation within that plan.	Not on Track	20%	Business requirements have been developed for the Property Management System (PMS). The Digital transformation team have not provided a revised date for this project to be delivered. Interim reporting methods are being developed by the team through a new SharePoint and Power BI reporting system until the PMS is implemented. Comprehensive property management system which will support the implementation of those recommendations will be subject to budget prioritisation. Estimated to be completed June 2025
It is recommended that the CoM developed a procedural document or guidelines to include at a minimum the following: •Guidance for the practical application of the areas covered in the Policy. •Procedure for conducting risk ratings of tenants, including the basis for the rating.	3.1	Refer to Finding 1 Management Actions.	Moderate	31/07/2023		On Track	80%	Refer to Action Progress Comments in Management Action 1.	Completed	100%	Refer to Action Progress Comments in Management Action 1. Guideline Procedure Document covering the items listed endorsed by ELT in 2022.

<ul style="list-style-type: none"> •Frequency of inspections, including ongoing monitoring and follow up procedures. •Defined roles and responsibilities performed by supporting CoM teams. •Key definitions to ensure consistency. •Re-enforce the requirements, principles and objectives stated within the Policy. <p>As noted on p. 13, the CoM may improve the efficiency of the current processes with the following recommendations:</p> <ul style="list-style-type: none"> •Review the administrative processes involved with the current fee revenue model with consideration to streamlining processes that have a no/negative financial benefits, such as the yearly CPI rental increase calculation. •Review the annual tenant documentation requirements with consideration to the necessity of items and removing non-value adding items. •Consider standardising the monitoring and reporting periods to increase process efficiency, as well as, reduce the resource burdens. •Implementation of a supporting system that will remove highly manual processes, such as those include within the Microsoft Excel Governance and Compliance master document sheet, as well as the integration into other key system. 	3.2	Subsequent to the development of procedure documents, staff will be made aware of the updated procedure to ensure a clear understanding of expectations required to comply with Council policy and procedures and provide high levels of customer service.	Moderate	31/04/2022	31/07/2023 30/06/2025	Not on Track	80%	Refer to Action Progress Comments in Management Action 1.	Completed	100%	Staff are aware of the Policy & Guidelines Requirements
	PIO1.1	Refer to Finding 1 Management Actions.	Low	31/07/2023		On Track	80%	Refer to Action Progress Comments in Management Action 1.	On Track	95%	Refer to Action Progress Comments in Management Action 1. All items are complete with the exception of the supporting Property Management System
	PIO1.5	Management will also further explore the clear need for the implementation of the effective supporting system at the earliest opportunity.	Low	31/04/2022	31/07/2023 30/06/2025	Not on Track	20%	<p>Business requirements have been developed for the Property Management System (PMS).</p> <p>Interim reporting methods are being developed by the team through a new SharePoint and Power BI reporting system until the PMS is implemented.</p> <p>Comprehensive property management system which will support the implementation of those recommendations will be included in the IS Strategic plan due for completion 30 June 2023. Project timing will be subject to budget prioritisation within that plan.</p>	Not on Track	20%	<p>Business requirements have been developed for the Property Management System (PMS). The Digital transformation team have not provided a revised date for this project to be delivered.</p> <p>Interim reporting methods are being developed by the team through a new SharePoint and Power BI reporting system until the PMS is implemented.</p> <p>Comprehensive property management system which will support the implementation of those recommendations will be subject to budget prioritisation . Estimated to be completed June 2025</p>

Collaborative Model Health Check

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ORIGINAL ACTION COMPLETION DATE	FORECASTED ACTION COMPLETION DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
<p>The Management of the Cities of Marion, Charles Sturt and Port Adelaide Enfield are supportive of the findings from this internal audit and the recommendations. The recommendation to refresh the current Collaborative Governance Framework to ensure it is fit for purpose and applied consistently to collaboration initiatives is timely as we now enter another phase of the collaboration. In January 2022 the three Councils engaged a Cross Council Improvement Lead (a business performance consultant). The three Councils will ensure that the appropriate governance and resourcing support is provided to the Improvement Lead Consultant and agreement for program documentation established to ensure lessons learned are not lost over time. To mitigate the key person risk identified in the internal audit the following deliverables have been built into the Improvement Lead contract:</p> <ul style="list-style-type: none">• Mentoring and support of identified staff with the aim of building a continuous improvement skill set and culture within Councils by the end of the program• Performing monthly performance meetings with leadership and executive to support embedding performance improvement processes and culture. <p>The use of performance measures, including the development of outcome indicators, is an area for improvement across all three Councils. The Cities of Marion and Port Adelaide Enfield have recently allocated additional resources into performance metrics and the City of Charles Sturt is assessing how best to resource. The three Councils will continue to explore how they can collaborate with data analytics and performance measures.</p> <p>The risk regarding certain aspects of WHS management has been shared with the WHS and Risk Teams at the three Councils and risk assessments will be embedded into the collaboration governance.</p> <p>The Cross Council Collaboration has been an innovative approach that has introduced significant change and different ways of working. The findings in regard to change management are not surprising and the recommendations will assist all three Councils to continue to engage all stakeholders and support them through change and with an increased focus on communications.</p> <p>In summary, the recommendations from the internal audit will assist in further strengthening the Collaboration Model.</p>	1.1	<p>An action plan with timeframes and resources will be developed for implementation of the recommendations from the internal audit and reported through to the Audit Committees of the three Councils.</p>	High	22/05/2022	31/12/2022	Not on track	15%	GM Corporate Services is meeting with GM's from other Councils on Friday 12 May to discuss		15%	GM's meet to discuss options on how to move forward. GM's will meet quarterly to discuss opportunities as they arise. Further discussion at CEO Level require to consider priorities.

Collaborative Contract Management											
RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ORIGINAL ACTION COMPLETION DATE	FORECASTED ACTION COMPLETION DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
Develop and implement a robust contract profiling tool to help inform contract governance requirements. The tool should have defined methodology criteria and is used for all contracts in the pre-award phase. All priority/higher risk contracts should require a contract management plan, steering/governance committee and reporting whilst routine contracts could be streamlined to only require a contract management checklist.	2.1.2	Implementation of contract profiling tool to be included as part of Tender Initiation form process.	High	30/09/2022	31/12/2022 31/03/2023	Completed	100%	The Contract Management guide is now implemented, which assists Contract Administrators with profiling the type of contract being managed. This is now on the SP SharePoint site, with the roll out to commence 27/4/23, with the first presentation to SLT and ELT	Completed	100%	Further alignment to original recommendation commentary required: The original finding was related to the lack of a tool for objective scoring across defined criteria (e.g. operational , scale, complexity, customer, strategy, reputation). The outcome of the contract profiling assessment should determine the contract management tier (e.g. priority, routine) and associated requirements. This particular finding related to the development and implementation of a robust contract profiling tool to help inform contract governance requirements. The CoM has developed and implemented a contract management guide which has the required profiling tool. This action to remain closed.
Implement a Contract Management Plan template and mandate the use for all priority/higher risk contracts, which should be developed in the pre-award phase. This document should be used as an active management tool throughout the lifecycle of the contract.	2.1.3	Implementation of Contract Management Plans to be completed for each tender and handed over to Contract Administrator at exaction of contract. To be recorded in the contract handover form.	High	30/09/2022	31/12/2022 31/03/2023	Completed	100%	The Contract Management plan is now implemented, which assists Contract Administrators with managing contracts. To be utilised in conjunction with the Contract Management guide. This is now on the SP SharePoint site, with the roll out to commence 27/4/23, with the first presentation to SLT and ELT	Completed	100%	Further alignment to original recommendation commentary required: The original finding was related to the lack of a tool for objective scoring across defined criteria (e.g. operational , scale, complexity, customer, strategy, reputation). The outcome of the contract profiling assessment should determine the contract management tier (e.g. priority, routine) and associated requirements. This particular finding related to the implementation of a Contract Management Plan template and mandate the use. The CoM has developed and implemented a contract management guide which has the requirements for when a plan is required. This action to remain closed.
Consider the opportunity for the procurement and risk teams to leverage their skill sets, on a risk based approach, beyond their initial input into risk identification as part of the pre-award process, to supporting Contract Administrators within ongoing dynamic risk management across the contract life cycle for priority/higher risk contracts.	2.1.5	Investigation of ability to resource contract management support within Council.	High	30/09/2022	30/06/2023	Not on Track	10%	Project management framework has now been approved by ELT and council. This action will now be able to be actioned.	Completed	100%	The original finding was related to the lack of a tool for objective scoring across defined criteria (e.g. operational, scale, complexity, customer, strategy, reputation). The outcome of the contract profiling assessment should determine the contract management tier (e.g. priority, routine) and associated requirements. This particular finding related to consideration of procurement and risk skills sets leveraged to support contract management. The CoM has developed and implemented a contract management guide. The current procurement staff will support contract managers in the development of required risk analysis to be documented within contract management plans. As this action was related to consideration of this support and has resolved the matter it can be closed.

Implement financial management reporting to monitor contract spend profiles against the contract commitment value (original contract and variations) and POs to ensure compliance with procurement thresholds over the contract lifecycle. Further, consider providing this reporting to relevant Committee or governing body, as required.	2.2.1	Ensure implementation of Contracts Module within new Finance System includes elements relating to spend versus contract sum. (implementation due September – November 2021).	Moderate	31/12/2022	30/06/2023 TBA	Not on Track	50%	Whilst high level requirements have been developed the implementation of the contract's module was not undertaken with the implementation of Financial Force. The implementation of this module will be considered within the new IS strategic plan but will be subject to funding availability. This action will be implemented as part of the contract's module.	Not on Track	50%	The original finding was in relation to transparency and governance of spend against contract value (ie value of po raised against contract could be exceeded). The use of the contract management module of FinForce will enable transparency in this area. Whilst the module is active and being used for management of securities it has not been configured for this use. This project will be outlined in the ICT strategic plan. As an interim arrangement in relation to major projects the value of contracts has been elevated to Project Delivery Board reporting as a key element of the dashboard and the status reports. The Capital works reporting includes details on outstanding PO commitments. The date for completion is subject to completion of the IS plan which will prioritise this project subject to funding.
Consider implementing an additional requirement for contract variations to consider the percentage to overall contract spend and require an additional approver where this threshold is reached (e.g. for total variations exceed 10% of overall contract value).	2.2.2	Undertake review of variation management procedures and frameworks.	Moderate	30/09/2022	30/06/2023 TBA	Not on Track	50%	Whilst high level requirements have been developed the implementation of the contracts module was not undertaken with the implementation of Financial Force. The implementation of this module will be considered within the new IS strategic plan but will be subject to funding availability. This action will be implemented as part of the contracts module.	Not on Track	50%	The original finding was in relation to transparency and governance of contract variation. The use of the contract management module of FinForce will enable transparency in this area. Whilst the module is active and being used for management of securities it has no been configured for this use. This project will be outlined in the ICT strategic plan. As an interim arrangement in relation to major projects the value of variations and potential draw on contingency will be detailed in the Project Delivery Board reporting worksheet with balance of contingency available detailed in the dashboard. The date for completion is subject to completion of the IS plan which will prioritise this project subject to funding.
Councils to explore the feasibility of developing a centralised Contractor Management Team. Benefits of this model include:•Effectively managing the capacity, skills and experience of the team.•Ensuring consistency with the application of the new contract management framework.•Managing performance and continuous improvement.	2.3.2	Feasibility study to be undertaken to explore central Contract Management Team.	Moderate	31/12/2022	30/06/2023	Not on Track	10%	Project management framework has now been approved by ELT and council. This action will now be able to be actioned.	Completed	100%	This item is not specifically related to the project management function as previously reported but rather the consideration of centralisation of contract management services across the CoM. This is not practical from a project delivery approach as contracts must be managed in concert with delivery. The CoM has rolled out contract management training, contract management plans and will further support implementation by procurement team mentoring and supporting staff with contract management processes. This item can be closed given the consideration of a centralised team has been resolved.
For the Contract Management Plans and Checklists implemented (based on contract profile per Finding 2.1), ensure the contract specific performance management details (e.g. contractual metrics and reporting required) are documented and maintained.	2.4.1	KPIs and metrics to be included in contract profiling and contract management plans when implemented.	Moderate	30/09/2022	31/12/2022 31/03/2023	Completed	100%	The Contract Management plan is now implemented, which assists Contract Administrators with managing contracts. To be utilised in conjunction with the Contract Management guide. The contract management plan lists the KPIs/SLAs and milestones to easily track and manage performance.	Completed	100%	Further alignment to original recommendation commentary required: The original finding related to lack of documentation on holding suppliers accountable for their performance. Specifically this finding related to ensuring the Contract Management Plans and Checklists contain the contract specific performance management details are documented and maintained.

								This is now on the SP SharePoint site, with the roll out to commence 27/4/23, with the first presentation to SLT and ELT			The Contract Management Guide specifically refers to performance management of simple and complex contracts to be documented in the plan. The Contract Management Plan for complex contracts specifically has a section dedicated to the KPIs and as such are contained within the plan document for ease of use. This activity in concert with the training results in this item being closed.
Ensure that there are robust contract extension controls in place to identify contracts up for renewal in a timely manner and ensure adequate governance over delegated approval.	2.5.4	Contracts module within the new finance system to be implemented with alerts around expiring contracts and anniversaries.	Low	31/12/2022	30/06/2023 TBA	Not on Track	50%	Whilst high level requirements have been developed the implementation of the contract's module was not undertaken with the implementation of Financial Force. The implementation of this module will be considered within the new IS strategic plan but will be subject to funding availability. This action will be implemented as part of the contract's module.	Not on Track	50%	The original finding was related to lack of documented and evidenced contract administration and in particular for this finding processes in place to ensure contract that require renewal are renewed prior to closure date. The use of the contract management module of FinForce will enable transparency in this area. Whilst the module Whilst the module is active and being used for management of securities it has no been configured for this use. The date for completion is subject to completion of the IS plan which will prioritise this project subject to funding. As an interim step the Procurement team will continue to utilise the macro enabled central register excel to manage expiring contracts.
Consider implementing, on a risk based approach as part of the contract profiling process, a governing body or committee for operational and strategic contracts where there is a significant risk profile to the Councils. Furthermore, ensure regular key contract activity reporting (contract value, number and cost of variations, spend, claims/disputes, etc.) is conducted as required.	2.6.1	Review the potential to create a Contracts Governance Committee to review ongoing contracts and their performance that meet periodically throughout the year.	Low	31/12/2022	30/06/2023 TBA	Not on Track	10%	Whilst high level requirements have been developed the implementation of the contract's module was not undertaken with the implementation of Financial Force. The implementation of this module will be considered within the new IS strategic plan but will be subject to funding availability. Once the contracts module is implemented, this task will be reviewed, with a recommendation to be made to ELT.	Not on Track	10%	The original finding was related to improved governance monitoring over the effectiveness of contract management for non-construction high risk contracts. The use of the contract management module of FinForce will enable transparency in this area. Whilst the module Whilst the module is active and being used for management of securities it has no been configured for this use. The date for completion is subject to completion of the IS plan which will prioritise this project subject to funding. As an interim step spot audits will be undertaken by the Procurement team, to ensure contract managers are fulfilling their obligations in line with the contract management procedure. The procurement SharePoint site has a suite of forms to assist contract administrators with this.

Project Management

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ORIGINAL ACTION COMPLETION DATE	FORECASTED ACTION COMPLETION DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
1.The development (CCS) and further embedding (CoM) of a Council wide PMF, with consideration given to the following areas: a. Use of a scalable approach as referenced in Appendix 1, allowing flexibility in the processes and governance required based on the project's perceived risk or cost. b. Stage gates/hold points should be outlined. Each hold point should list the required approvals for the project to proceed. c. Reference the use of standard templates, such as the PMP template. d. The use of standardised project management tools, i.e. CAMMS (CoM) to track project budgets and variations. e. Clearly outline the governance structures including relevant roles and responsibilities. A template Responsible, Accountable, Consulted and Informed (RACI) matrix should also be developed for use in project planning to clearly outline the roles and responsibilities for significant project tasks should be completed. For reference, an example Project Close Phase RACI has been provided to Management. f. Throughout the development of the PMF, consideration should also be given to aligning the PMF to the current ICT Solution Delivery Framework (SDF) and leveraging existing tools and resources where possible.	1.1	The CoM's PMO is currently in the progress of updating the existing PMF to include more detailed project management guidelines and instructions for Project Managers. The recommendations will be included in the updated PMF. Upon completion and approval of the revised PMF, the CoM's PMO will roll out the revised framework to the ELT, SLT and Capital Works Delivery Team.	High	30/06/22	24/04/23	Completed	100%	PMF Document is now complete and endorsed by ELT and Council. Next steps is to finalise templates and apply the governance to the program review meetings. All new projects will align with the PMF at 1st July 2023. In-flight projects will be reviewed on a case-by-case basis to balance the benefit of alignment vs the stage of the project.	Completed	100%	Endorsed PMF covers the following: - Scalable approach - Use of stage gates - References use of standard templates - Sets out the governance structures and responsibilities - PMF now forms the basis of requirements for an appropriate PM system
Once developed the PMF should be formally implemented through communications to the Project Managers and training on the application of the PMF.	1.2	The CoM's PMO is currently in the progress of updating the existing PMF to include more detailed project management guidelines and instructions for Project Managers. The recommendations will be included in the updated PMF. Upon completion and approval of the revised PMF, the CoM's PMO will roll out the revised framework to the ELT, SLT and Capital Works Delivery Team.	High	30/06/24	24/04/23 30/06/2023 30/09/2023	On Track	75%	Training is planned for June. Training plan has been endorsed by ELT and will be rolled-out ahead of PMF go-live in July 2023.	Not on Track	75%	With the onboarding of PMO resources, this will recommence August 2023 and will be complete by Sept 2023.
The organisational wide PMF (see Joint Finding 1) provides guidelines for requirements for risk management throughout the project lifecycle.	2.1	The CoM's PMO will include the recommendation in the updated Project Management Framework. This work will progress in partnership with the Strategy and Risk Team and complement the CoM Risk Management Framework.	Moderate	30/06/22	24/04/23	Completed	100%	The endorsed PMF covers Risk Management and has been defined in collaboration with the Strategy and Risk Team.	Completed	100%	The PMF provides guidelines for risk management throughout the project lifecycle. This is in alignment with our risk management framework.
All defects and omissions recorded are stored in a central register, including the person responsible and the timeframe for completion. This register should note defects which are past due, with these defects to be reported to Executive meetings for escalation.	3.3	CoM PMO will work together with CoM Records Management Team to implement a centralised defect register to track defects and omissions from capital works projects completed.	Moderate	31/08/2022	24/04/23 30/06/2024	Completed	100%	This has been included within the endorsed lifecycle and PMF document. All projects will complete lessons learned from 1 st July 23 onwards. This will be captured and then reviewed and	Not on Track	0%	Misunderstood management action as project lessons learned. Progress % reset noting this is regarding defects. Defects are currently managed within each local project team, including a defects liability period for all contracted works. However, this is not captured in a central register. This will

								where appropriate included within the PMF going forward.			be considered as part of the ongoing roll-out of the PMF. Forecast completion June 24.
CCS/CoM Management review the outstanding observations and recommendations outlined within the 2019 Capital Project Delivery Review and the FY16/17 Capital Works Review and prioritise the completion of outstanding recommendations.	6.1	The CoM's PMO will review and coordinate the completion of outstanding actions from the FY16/17 Capital Works Review with previous and current action owners.	Low	30/05/2022	24/04/23	Completed	100%	Review of all governance meetings is complete. An overall Program Review will take place from May 23 onwards, bringing DTP ELT, Capital Works and Major Projects Program review meetings together into one. With aligned and consistent reporting.	Completed	100%	This action is complete, however the governance improvements are ongoing.
Include a standardised document retention process as part of the Framework being developed for Joint Finding 1. This should outline documents which should be retained on SharePoint.	1.1	The CoM's PMO will include the recommendations in the updated PMF with guidance from the CoM's Records Management Team	Moderate	31/07/2022	24/04/23	Completed	100%	Completed as per the endorsed PMF.	Completed	100%	This action is complete, however the governance improvements are ongoing.
Prescribing consistent folder structures and naming conventions for project documents, i.e. use of project reference numbers.	1.2	The CoM's PMO will include the recommendations in the updated PMF with guidance from the CoM's Records Management Team	Moderate	31/07/2022	24/04/23 30/05/2023 30/12/2023	Not on Track	40%	This work is underway with support from the records team. In lieu of a PM system (currently under review at business case stage), this is being set up within sharepoint. This work will be complete by mid-May 23.	Not on Track	40%	Consistent folder structures and templates are in place, however use of project reference numbers will be a requirement of the PM system once chosen and implemented. Forecast completion Dec 23.
Implementing a document retention checklist into the close process: a. Checklist which lists key documentation to be retained in Sharepoint. b. Internal Audit identified an opportunity for the CoM to explore the capability of CAMMS to link to documentation within Sharepoint.	1.3	The CoM's PMO will include the recommendations in the updated PMF with guidance from the CoM's Records Management Team	Moderate	31/07/2022	24/04/23 30/12/2023	Completed	100%	This is part of the PMF approach to gate reviews with specified documentation at each gate, commensurate with the type and classification of the project. Once a PM system has been chosen going forward, this will be adopted into the system. This has been included in the system requirements.	Not on Track	80%	This will be completed following the implementation of a PM system. Forecast completion Dec 23.
Refer to ISO 9001 for document retention periods. ISO 9001 is particularly critical for project quality documentation.	1.4	The CoM's PMO will include the recommendations in the updated PMF with guidance from the CoM's Records Management Team	Moderate	31/07/2022	24/04/23 30/05/2023 30/12/2023	Not on Track	50%	Appropriate retention of records is factored into the PMF. Finalising this will take place once the Sharepoint system has been set up by mid May 23.	Not on Track	50%	This will be completed following the implementation of a PM system. Forecast completion Dec 23.
Continue to roll out CAMMS training to Project Managers. On a periodic basis, the use of CAMMS by Project Managers should be spot checked by PMO.	2.1	The CoM's PMO currently provides ad-hoc CAMMS training upon request by staff and the management team. Feedback on the PM's experience with the use of CAMMS is currently obtained through monthly engagements between the PMO and PMs	Low	31/07/2022	24/04/23 30/12/2023	Not on Track	0%	This is on hold pending a decision on the PM System.	Not on Track	0%	This will be completed following the implementation of a PM system. Forecast completion Dec 23.

CAMMS processes are reviewed for opportunities to: a. Streamline questions for different project types. b. Enable items included in the Project Schedule to be adjusted as the project evolves. c. Provide read-only access to closed projects to leverage previous learnings, including through the review of risk assessments and the completion of the Project Schedule.	2.2	The CoM's PMO will consider these CAMMS recommendations and prioritise its implementation based on priority and the needs of the Council.	Low	31/07/2022	24/04/23 30/12/2023	Not on Track	50%	This has been included within the system requirements. However, further progress is dependent on confirming which PM system we will use going forward.	Not on Track	50%	This will be completed following the implementation of a PM system. Forecast completion Dec 23.
Consider reviewing the capability of CAMMS to automate workflows for approvals	2.3	The CoM's PMO will consider these CAMMS recommendations and prioritise its implementation based on priority and the needs of the Council.	Low	31/07/2022	24/04/23 30/12/2023	Not on Track	50%	This has been included within the system requirements. However, further progress is dependent on confirming which PM system we will use going forward.	Not on Track	50%	This will be completed following the implementation of a PM system. Forecast completion Dec 23.

Stakeholder Management Review

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ORIGINAL ACTION COMPLETION DATE	FORECASTED ACTION COMPLETION DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
Due to the diverse nature of the CoM's stakeholders, holistic guidance on stakeholder management should be developed at an organisation level. Specific consideration should be given to the following: •Define roles & responsibilities for staff regarding stakeholder management. •Protocols for addressing specific high-level stakeholders. •Holistic principles-based guidance to all staff-levels, specifying methods and approaches for interacting with stakeholders. •Stakeholder assessment tools/criteria (See Finding 3).	1.1	Agreed that the development of a framework to provide organisational guidance would be useful. This work will progress in the second part of 2022.	Moderate	30/06/2022	31/12/2022 30/06/2023 30/12/2023	Not on Track	25%	The Strategy and Risk team has been operating at 50% capacity, leading to delays in some work. We have a new staff members joining the team, which will free up to UM to re-commence this work, which still could possibly meet the revised due date.	Not on Track	25%	Following the outcomes of the ELT report on this audit, being presented in August 2023, this action will be progressed, with a Stakeholder Relationship Framework commencing development.
See Finding 2 for recommendations relating to training and onboarding to embed a stakeholder-centric mindset and culture within the CoM.	1.2	Agreed that the development of a framework to provide organisational guidance would be useful. This work will progress in the second part of 2022.	Moderate	31/12/2022	30/06/2023 30/12/2023	Not on Track	25%	The Strategy and Risk team has been operating at 50% capacity, leading to delays in some work. We have a new staff members joining the team, which will free up to UM to re-commence this work, which still could possibly meet the revised due date.	Not on Track	25%	This action cannot be commenced until a Stakeholder Relationship Framework has been developed and endorsed. Following this, a training program can be commenced to roll out to the organisation.
Consideration should be given to the level of resourcing required to implement the recommendations of this report and drive continuous improvement of stakeholder management.	1.3	Agreed that the development of a framework to provide organisational guidance would be useful. This work will progress in the second part of 2022.	Moderate	31/12/2022	30/06/2023 30/12/2023	Not on Track	25%	The Strategy and Risk team has been operating at 50% capacity, leading to delays in some work. We have a new staff members joining the team, which will free up to UM to re-commence this work, which still could possibly meet the revised due date.	Not on Track	25%	There have been resourcing impacts to the Strategy and Risk team which has caused delay in actioning the outcomes of this audit. However, the team is now at capacity and it is considered that the UM Strategy and Risk role can lead the development of the Stakeholder Relationship Framework - it will however, require some commitment from other areas of the organisation, such as community engagement, a potential social planner role, projects etc.

Apply sufficient resources to implement appropriate onboarding/training for stakeholder management.	2.1	Agreed that onboarding and training regarding the management of key stakeholders is critical. This will be progressed but also requires recommendation 1 to be fully implemented first. This will also be completed in partnership with People and Culture.	Low	31/03/2023	30/09/2023	Not on Track	0%	This will be a later stage in this project, and will require the completion of Action 1 first.	Not on Track	0%	This action cannot be commenced until a Stakeholder Relationship Framework has been developed and endorsed. Following this, a training program can be commenced to roll out to the organisation. Any training provided will require assistance from other areas of the organisation to complete, such as Marketing and Comms to launch a CoM wide campaign on the importance of stakeholder relationships, and people and culture on an induction video.
Conduct training and onboarding sessions specifically for staff in stakeholder facing roles, with specific consideration of the following: •The importance of stakeholder management, benefits and examples of poor management. •Key stakeholders of the CoM. •Situations where stakeholder management is required (including tailored and relevant examples for each business unit). •Who is best positioned in the CoM to consult on stakeholder management issues.	2.2	Agreed that onboarding and training regarding the management of key stakeholders is critical. This will be progressedbut also requires recommendation 1 to be fully implemented first. This will also be completed in partnership with People and Culture.	Low	31/03/2023	30/09/2023	Not on Track	0%	This will be a later stage in this project, and will require the completion of Action 1 first.	Not on Track		This action cannot be commenced until a Stakeholder Relationship Framework has been developed and endorsed. Following this, a training program can be commenced to roll out to the organisation. Any training provided will require assistance from other areas of the organisation to complete, such as Marketing and Comms to launch a CoM wide campaign on the importance of stakeholder relationships, and people and culture on an induction video.
It would also be recommended that the CoM consider additional communication and high-level guidance to all levels of staff, to identify why stakeholder management is important.	2.3	Agreed that onboarding and training regarding the management of key stakeholders is critical. This will be progressed but also requires recommendation 1 to be fully implemented first. This will also be completed in partnership with People and Culture.	Low	31/03/2023	30/09/2023	Not on Track	0%	This will be a later stage in this project, and will require the completion of Action 1 first.	Not on Track		This action cannot be commenced until a Stakeholder Relationship Framework has been developed and endorsed. Following this, a training program can be commenced to roll out to the organisation. Any training provided will require assistance from other areas of the organisation to complete, such as Marketing and Comms to launch a CoM wide campaign on the importance of stakeholder relationships, and people and culture on an induction video.
Implement an organisation-wide campaign to foster a stakeholder-centric mindset and culture within the CoM.As part of this, the CoM could designate a network of 2-4 internal 'champions' to oversee stakeholder management within the CoM and act as a point of contact for all stakeholder-facing staff.	2.4	Agreed that onboarding and training regarding the management of key stakeholders is critical. This will be progressed but also requires recommendation 1 to be fully implemented first. This will also be completed in partnership with People and Culture.	Low	31/03/2023	30/09/2023	Not on Track	0%	This will be a later stage in this project, and will require the completion of Action 1 first.	Not on Track		This action cannot be commenced until a Stakeholder Relationship Framework has been developed and endorsed. Following this, a training program can be commenced to roll out to the organisation. Any training provided will require assistance from other areas of the organisation to complete, such as Marketing and Comms to launch a CoM wide campaign on the importance of stakeholder relationships, and people and culture on an induction video.

Implement a policy to ensure that SEPs are developed for all CoMprojects and plans.	3.1	This recommendation needs to feed into the review of the Project Management Framework. The Strategy and Risk team will work with the Project Management Office (PMO) regarding the information to be included during development of the SEPs.	Low	31/12/2022	30/09/2023	Not on Track	20%	Work is still continuing on the Project Management work and am working with consultant to ensure alignment. Requires development of register and processes first.	Not on Track		The Stakeholder Relationship Framework needs to be developed first, this action will then stem out of the Framework and be embedded with the new EPMO process. Consultation required with Manager EPMO.
Review the current methodology for developing SEPs and adapt to include further detail, with specific consideration of the following: •Additional detail in the plan for engaging with each stakeholder. •Include whether the stakeholder supports or opposes the plan. •Assessment of the stakeholders to identify areas of risk or potential issues arising. •Frequency and level of detail delivered to the stakeholder. •Prioritisation of each stakeholder due to Influence/importance.	3.2	This recommendation needs to feed into the review of the Project Management Framework. The Strategy and Risk team will work with the Project Management Office (PMO) regarding the information to be included during development of the SEPs.	Low	31/12/2022	30/09/2023	Not on Track	0%	Will also need to work with Community Engagement area to develop this, but await the stakeholder relationship map first. Requires development of register and processes first.	Not on Track		The Stakeholder Relationship Framework needs to be developed first, this action will then stem out of the Framework and be embedded with the new EPMO process. Consultation required with Manager EPMO.
Using the current register as an initial base, continue to populate for the key stakeholders in the organisation. The register could then be used in the future to assist with the implementation of a digital CRM system.	PIO1.1	Further work needs to progress regarding the opportunities to use Salesforce as a stakeholder management tool. In the interim, the top 20 key stakeholder map will be produced but this is only a short term measure with a long term approach required.		31/12/2022	30/09/2023	Not on Track	0%	This will be decided by the ELT when the stakeholder relationship map has been completed.	Not on Track	75%	The current Stakeholder Relationship Map has been completed by work areas across Council, to provide an initial base of where CoM Stakeholder relationships are. This will prove a beneficial starting point for the other actions required by this audit. Investigations have been undertaken regarding the CRM. Whilst the CRM has the capacity to do what is required to house our stakeholder relationships, it is not currently within CoM package. This will require additional budget and to a business case put together, however this project is not currently within the IT Strategy. This is being presented to ELT in August 2023.
Utilise the register as a 'safety net' for leadership staff to periodically assess and ensure the critical stakeholders are recorded and overlaps between business units are identified.	PIO1.2	Further work needs to progress regarding the opportunities to use Salesforce as a stakeholder management tool. In the interim, the top 20 key stakeholder map will be produced but this is only a short term measure with a long term approach required.		31/12/2022	30/09/2023	Not on Track	0%	This will be decided by the ELT when the stakeholder relationship map has been completed.	Not on Track	50%	The completed Stakeholder Relationship Map is available for viewing by leadership staff, albeit within an excel spreadsheet and not within a CRM system. The Stakeholder Relationship Framework, still to be developed, will outline some governance around how CoM will manage stakeholder relationships in the future.
In the interim, the top 20 key stakeholders could be identified across the CoM, including information such as: •Internal relationship owner •Stakeholder's strategic alignment •Strength of relationship	PIO1.3	Further work needs to progress regarding the opportunities to use Salesforce as a stakeholder management tool. In the interim, the top 20 key stakeholder map will be produced but this is only a short term measure with a long term approach required.		31/12/2022	30/09/2023	Not on Track	0%	This will be decided by the ELT when the stakeholder relationship map has been completed.	Not on Track	20%	A report on this audit and the actions is being presented to ELT in August 2023. This report seeks to provide an update on progress made, seeks to record ELT's top 20, as well as determine some governance arrangements that will be used to

											develop a Stakeholder Relationship Framework.
Internal Audit recommends the CoM review the current approach for engaging Indigenous communities, with specific consideration to the following: •Consider the re-allocation of RAP oversight, implementation and indigenous communities engagement tasks previously performed by the Team Leader – Community Cultural Development and the Living Kurna Cultural Centre Coordinator to existing roles within the organisation. •Continuation of the Warriparinga Advisory Team to assist with the current engagement challenges faced by the CoM. •Engage an ‘Indigenous employment specialist’ to achieve improved engagement and services purchased from Indigenous business.	PIO2.1	Agreed. The improvements listed within this PIO will be further considered.		31/12/2022	30/09/2023	Not on Track	0%	No further progress has been made on this action.	Not on Track	75%	Investigations on all these points has been undertaken. The findings and recommendations on next steps are being presented to ELT in August 2023.

Collaborative Community Consultation

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ORIGINAL ACTION COMPLETION DATE	FORECASTED ACTION COMPLETION DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
Both Councils develop translated content to be provided to residents, based on the top three spoken languages in the Council area.	J1.1	The CoM will explore translated content option and discuss with the CCS on further insight into their systems.	Moderate	28/02/2023	30/09/2023 30/06/2024	Not on Track	0%	Procurement for dedicated community engagement online platform commencing (Making Marion - currently on Granicus platform). This will determine which options for translation are available. New contract due to expire September 30.	Not on Track	0%	The original finding was related to ensuring that communication and engagement methods catered for the diverse community needs. This finding specifically related to non-English speaking backgrounds and providing translated content. The current update is : Community Profiling through Population ID has identified that the top three languages spoken at home (other than English) are Mandarin (3.1%), Nepali (1.8%), Punjabi (1.2%). This does not give a clear indication of whether these households also have English speaking members, just that these languages are spoken at home. We do know that out of 19,754 residents that speak languages other than English at home, only 2,504 speak English 'not well or not at all'.

											Translation plugins to CoM websites have been explored and will be included into the scope of the website audit and upgrade in 2023/2024. New closure date of 30 June 2024.
Both Councils utilise the census data to identify Council areas which may have low digital literacy or low access to the internet to develop tailored offline consultation methods.	J1.2	Census data will be used to create a map identifying digital literacy levels in each Council Ward to assist in the planning of engagements, particularly to guide engagement methods.	Moderate	31/12/2022		Completed	100%	Using existing .ID software to do this. Completed 31/12/2022	Completed	100%	Further alignment to original recommendation commentary required: The original finding was related to ensuring that communication and engagement methods catered for the diverse community needs. This finding specifically related to digital literacy skills and ensuring alternative access. CoM uses the .Idcommunity platform to access census data that can be broken down to geographical locations. The 'Internet connection' measure from the 2016 Census is available and can be broken down into suburb (Please note: For the 2021 Census, the ABS dropped the question regarding household internet connection. This page shows data for the 2016 and previous Censuses only). Therefore these maps are already available and interactive here: https://profile.id.com.au/marion . e.g. We know that 5,681 out of 36,630 households in CoM did not have internet connection in 2016 and can be narrowed down to each suburb within CoM. Offline consultation methods are available for every consultation regardless of these numbers, they assist with us identifying where a greater effort to connect 'offline' is required. This finding is to remain closed
The CoM to consider hosting in-person meetings specifically for the aging population who may have limited digital literacy. Meetings could include attendance from Councillors and/or Elected Members to promote community relationship development.	J1.3	The CoM will place greater focus on in-person meetings, specifically with Engagement/Events pop-up van to be used to facilitate on-site pop-up meetings.	Moderate	28/02/2023		Completed	100%	Events van not endorsed by Council for funding. Inclusion of method selection in templates with focus on face-to-face. Completed 28/02/2023	Completed	100%	Further alignment to original recommendation commentary required: The original finding was related to ensuring that communication and engagement methods catered for the diverse community needs. This finding specifically related to digital literacy skills and ensuring alternative in person access.

											Whilst Council decided an engagement/events van was not required, staff have included a bigger emphasis on method selection tailored to identified stakeholders in planning templates. Face-to-face activity has become a focus when planning any engagement activity and has increased in 2023. Ward Crs and Mayor are invited to all face to face activities. This finding to remain closed
<p>Accessibility should be formally considered by both Councils during the community consultation planning process and may include:</p> <p>a) Consideration of partnership opportunities with local disability organisations in the Council area to develop material that is accessible for people with disabilities (e.g. have low vision, are deaf or have an intellectual disability).</p> <p>b) Inclusion of accessibility add-ins to the Your Say Charles Sturt and Making Marion websites.</p> <p>c) For face-to-face events, consider accessibility of location, transport options nearby, sign language and translators for larger events.</p> <p>d) Discuss with the IT team to research accessibility add-ins or applications that could be added to the Making Marion and Your Say Charles Sturt websites.</p>	J1.4	Accessibility will be included in the planning templates for community engagement.	Moderate	28/02/2023		Completed	100%	<p>Included in 'what does good look like' section of planning template.</p> <p>Completed 28/02/2023</p>	Completed	100%	<p>Further alignment to original recommendation commentary required:</p> <p>The original finding was related to ensuring that communication and engagement methods catered for the diverse community needs. This finding specifically related to ensuring that People with disability could access information in alternative formats or ensure the locations for face to face are accessible.</p> <p>Planning template inclusion of 'what does good look like?' includes assessing whether all accessibility needs have been considered for each engagement. This includes face-to-face locations, transport options, if translators or sign language is required. Key engagement activities now include door-knocking at locations that may be affected most by consultation and project outcomes so that staff can be sure the material is understood and accessible to key community members.</p>
The CoM develop a reporting template and checklist to ensure that key items are included, and reporting is consistent. This may be developed with consideration of the CCS reporting template.	J2.1	A plan reporting template and checklist will be rolled out across the Council with training provided to business units	Low	22/12/2022	30/06/2023	Not on Track	50%	<p>Templates and checklist complete. Training plans underway. We were waiting to have Charter signed off by Minister to include but will now push on without.</p>	Not on Track	50%	<p>Templates complete with all headings a base level for what is required in a full report and a 'What we heard' one-pager. These have been used regularly in reports. Training has not been undertaken as the Community Engagement team have taken ownership over these reports. The requirement for training will be followed up in the next quarter.</p>

The CCS and CoM adopt template reports to be dependent on the complexity of each consultation project.	J2.2	A plan reporting template and checklist will be rolled out across the Council with training provided to business units	Low	22/12/2022	30/06/2023	Not on Track	50%	Templates and checklist complete. Training plans underway. We were waiting to have Charter signed off by Minister to include but will now push on without.	Completed	100%	Templates have been established and are in use. Templates created cover a minimum requirement for full reporting and a 'what we heard' one page template has been created for smaller engagement activities.
Develop standardised design for brochures and letters to ensure consistency of formatting and structure	J2.3	A plan reporting template and checklist will be rolled out across the Council with training provided to business units	Low	22/12/2022	30/06/2023	Not on Track	50%	Templates and checklist complete. Training plans underway. We were waiting to have Charter signed off by Minister to include but will now push on without.	Completed	100%	In collaboration with Marketing and Communications, the standard branding and design has been in place since before this audit. (This finding was geared towards CSS.) the new branding is being applied to all future collateral.
Improve the community's education and awareness by: a) Developing social media posts outlining the community consultation process and purpose b) Including on marketing material a blurb such as "Community Consultation process is part of obtaining your feedback, and does not determine the outcome of projects." c) Involving Elected Members as advocates and create opportunities to engage the community early in the project.	JPIO.1.1	The CoM will commit to closing the loop in project plans, with feedback survey included in the closing the loop process.		22/12/2022		Completed	100%	Included in process Completed 28/02/2023	Completed	100%	Further alignment to original recommendation commentary required: The original finding related to ensuring the community has a clear understanding of community engagement processes. Council has committed 'closing the loop' into official process and planning documents so that projects can not be closed until done (JPIO1.2). Letters to community and social media posts promoting consultations clearly outline the process and scope of each consultation, this is now embedded into practises. Door knocking at key locations has been introduced to make sure key community members understand the process and what feedback will be used for. A focus on face to face meetings in the community has been embedded into planning and the Elected Members are invited to attend all community meetings with subject matter experts and community engagement specialists. this finding to remain closed.
Capture feedback from the community more consistently by: a) Requesting feedback on community consultation process where appropriate b) Inclusion within closing the loop to capture feedback from participants/community where appropriate c) Inclusion of a query to address the community's preferred method of engagement where appropriate	JPIO1.2	The CoM will include a question on the preferred method of engagement on the Making Marion sign up form		22/12/2022		Completed	100%	Included in sign up form Completed 24/04/2023	Completed	100%	Further alignment to original recommendation commentary required: The original finding related to ensuring the community has a clear understanding of community engagement processes and specifically that CoM understood preferences for engagement.

											Making Marion signup form includes field asking preferred method of feedback to help understand how closing the loop can happen with participants. this finding to remain closed
<p>Capture feedback from the community more consistently by:</p> <p>a) Requesting feedback on community consultation process where appropriate</p> <p>b) Inclusion within closing the loop to capture feedback from participants/community where appropriate</p> <p>c) Inclusion of a query to address the community's preferred method of engagement where appropriate</p>	JPIO1.3	The CoM will explore opportunities with bulk text messaging.		22/12/2022		Completed	100%	<p>Have explored. No budget allocated yet.</p> <p>Completed 22/12/2022</p>	Completed	100%	<p>Further alignment to original recommendation commentary required:</p> <p>The original finding related to ensuring the community has a clear understanding of community engagement processes and specifically that CoM considered bulk text messaging.</p> <p>Bulk messaging was an opportunity identified in the audit to assist with 'preferred method of engagement' to make it easier to provide information and obtain feedback. Social media posts, marketing material clearly outlining the consultation process are already things that are done as BAU in community engagement at CoM. This finding to remain closed a bulk text messaging is not considered effective.</p>
Distinguish between the administrative function and Elected Members responsibilities with regards to community consultation and communication, and formally document this	JPIO 2.1	The CoM will involve Elected Members in pop-up meetings, utilising the pop-up van.		22/12/2022		Completed	100%	<p>Van has not been endorsed by Council, however, pop-up meetings will continue to occur as part of community engagement activities. Action to be closed</p> <p>Completed 28/04/2023</p>	Completed	100%	<p>Further alignment to original recommendation commentary required:</p> <p>This finding was in relation to engaging all elected members more in community consultation. This particular finding was to document the responsibilities of Elected members and administration, document this and use this as a vehicle for community consultation.</p> <p>Council did not endorse engagement vehicle that was intended to have Elected Members visible in the community and the face of many engagement activities. Members are invited to take part in any relevant engagement activities in their wards. (Action related to recommendation below JPIO2). In relation to distinguishing administration function and EM responsibilities, roles were reinforced in Council inductions. Administration also provide</p>

											Members with community engagement plans, letters, survey material prior to relevant engagement activities. This is covered in the community engagement plan templates for administration to record officially and sent electronically to members. e.g. Check box - Does this require EM endorsement. Large projects provide Council with community engagement plans to endorse at General Council. this finding to remain closed.
Consideration of opportunities and protocols for Elected Representatives to engage as advocates with the community, which may include: a) Radio advertisements, including community radio. b) Attending Community Events c) Linking particular Elected Members to specific events/projects d) Social media posts (depending on the policies of the Council), directed by the Council	JPIO 2.2	The CoM Major will be the spokesperson on social media and mainstream media.		22/12/2022		Completed	100%	This happens and will continue to do so. Completed 22/12/2022	Completed	100%	Further alignment to original recommendation commentary required: This finding was in relation to engaging all elected members more in community consultation. This particular finding was to encourage all members to be visible in the community consultation channels - media/events/social media. This term of Council has confirmed that the Mayor is the Council spokesperson on radio, in media interviews, at events (including opening events). Where considered appropriate by the Mayor he may delegate this to other council members. all council members are invited to events, however the spokesperson is the Mayor. This finding to remain closed
Consideration of opportunities and protocols for Elected Representatives to engage as advocates with the community, which may include: a) Radio advertisements, including community radio. b) Attending Community Events c) Linking particular Elected Members to specific events/projects d) Social media posts (depending on the policies of the Council), directed by the Council	JPIO 2.3	Webinars with relevant Elected Members will be used as an engagement method		28/02/2023	30/06/2023	Not on Track	0%	We will investigate the appetite from Council Members for this type of engagement in the future.	Completed	100%	This finding was in relation to engaging all elected members more in community consultation. This particular finding was to consider broadening this engagement to webinars. Have investigated webinars with Mayor so the finding of considering alternatives has been undertaken. Trial will commence in July with consultation that is directed towards large percentage of the city population (Southern Code Amendment). Assessment of trial webinar will be done after this.

Develop an overarching calendar highlighting proposed community consultation projects for the year and established timeframes. This should also include: a)Proposed Council endorsement dates. b)Any additional rounds of community consultation required for multi-stage projects.	1.1	The CoM will roll out a calendar identifying the all of Council's community engagement activities for the year.	Low	28/02/2023		Completed	100%	Calendar complete Completed 27/02/2023	Completed	100%	This finding related to gaps in tools and supports in communication activities with this particular finding relating to an annual calendar. This calendar is now complete and part of BAU activities. This finding to remain closed
Develop and provide consultation awareness training to staff.	1.2	The updated Community Engagement Framework will be presented to business units along with delivery of consultation awareness and training.	Low	28/02/2023	31/3/2023 31/10/2023	Not on Track	50%	Propose to delay framework until policy and procedure are endorsed (can be updated in line with Charter once passed).	Not On Track	70%	This finding related to gaps in tools and supports in communication activities with this particular finding relating to an community engagement framework. Progress update... Framework is drafted and on track for October.
A budget is developed for community consultation projects and included within the Community Engagement Plan. Further consideration whether this is an internal cost or included within the project budget should be performed.	1.4	Discussions on best processes to manage project budgets will be held with the Engagement Leadership Team.	Low	28/02/2023		Completed	100%	Endorsed by Council (GC230411R11.4) Completed 11/04/2023	Completed	100%	Further alignment to original recommendation commentary required: This finding related to gaps in tools and supports in communication activities with this particular finding relating to ensuring budgets were allocated. Council has endorsed the Project Management Framework which includes budgeting for community engagement in each project budget. This finding to remain closed.

Volunteer Management											
RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ORIGINAL ACTION COMPLETION DATE	FORECASTED ACTION COMPLETION DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
The CoM reviews the policies and handbook to ensure there is clear documentation on the expectations around record keeping.	1.1	Management agree that these recommendations are achievable. The incoming person to this role (while the present incumbent takes 12 months leave), along with the support of our Volunteer Managers in the business, will review these recommendations and ensure they are implemented.	Moderate	30/09/2023		On Track	0%	Commencement delayed due to resource availability, however still on track to completed by due date.	On Track	50%	Volunteer Handbook updated, printed and in circulation from May 2023. Available on the public website. Policy review to commence August 2023.
Quality spot checks are performed on a sample of volunteer records within Better Impact	1.2	Management agree that these recommendations are achievable. The incoming person to this role (while the present incumbent takes 12 months leave), along with the support of our Volunteer Managers in the business, will review these recommendations and ensure they are implemented.	Moderate	30/09/2023		On Track	0%	Commencement delayed due to resource availability, however still on track to completed by due date.	On Track	30%	New incumbent to position has been learning how to use Better Impact and in this process has been reviewing volunteer records. This recommendation will be further actioned after Volunteer Manager workshop is completed in September 2023.

Further education and awareness is provided to relevant staff on the requirements of required volunteering documentation and documentation retention practices, including the purpose and use of Better Impact.	1.3	Management agree that these recommendations are achievable. The incoming person to this role (while the present incumbent takes 12 months leave), along with the support of our Volunteer Managers in the business, will review these recommendations and ensure they are implemented.	Moderate	30/09/2023		On Track	0%	Commencement delayed due to resource availability, however still on track to completed by due date.	On Track	50%	Volunteer Program Coordinator facilitated 1:1 training sessions with Volunteer Managers where required during June/July 2023. Volunteer Manager workshop in September 2023 will assist to facilitate recommendations.
Internal Audit recommends that the COM develop and implement a council-wide process to capture and learn from volunteer feedback.	PIO1.1	Whilst we are comfortable with the current survey process in place, further consideration will be given as to how this recommendation can implemented.		30/06/2023	31/08/2023	Not on Track	0%	Commencement delayed due to resource availability, however still on track to completed by due date. Volunteer Feedback is gathered in July and has been done so every year, so would be unable to process this action by completion date noted	On Track	80%	Annual Survey sent in July 2023 with the various volunteer responses discussed at Volunteer Manager meeting. On track to complete analysis and finalise a report by the forecasted action completion date. Investigation into the use of Making Marion engagement software in the future to capture engagement and learn from this, is currently underway.
Internal Audit recommends that the CoM review the Volunteer Strategy objectives and KPIs and ensure supporting policies and procedures sufficiently cover these key areas.	PIO2.1	Management agree that this recommendation is achievable. The incoming person to this role (while the present incumbent takes 12 months leave), along with the support of our Volunteer Managers in the business, will review this recommendation and ensure it is implemented.		30/09/2023		On Track	0%	Commencement delayed due to resource availability, however still on track to completed by due date.	On Track	0%	Work has not yet commenced on this action.
Internal Audit recommends that the CoM consider the implementation of co-design principles within the process of future improvement or development of the CoM volunteer program/s.	PIO3.1	Management agree that this recommendation is achievable. The incoming person to this role (while the present incumbent takes 12 months leave), along with the support of our Volunteer Managers in the business, will review this recommendation and ensure it is implemented.		31/12/2023		On Track	0%	Commencement delayed due to resource availability, however still on track to completed by due date.	On Track	0%	Work has not yet commenced on this action.

Digital Transformation Program											
RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ORIGINAL ACTION COMPLETION DATE	FORECASTED ACTION COMPLETION DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
Allow adequate planning and preparation to source resources with the necessary skillsets for each project. This will then need to be resourced from either internal resources with backfill into the business as usual (BAU) roles (contractors) or contract external resources direct to the projects and use business resources as Subject Matter Experts (SME). The backfill will enable business and project continuity should a resource be re-allocated or a position becomes vacant. This will also assist with resource contention between BAU and project work.	1.1	Notwithstanding that the CoM’s project management framework is still under development, all new ICT projects will be using a project management discipline with currently available tools and templates tailored for ICT projects. The budget development will include a requirement for articulating the funding required for business area backfill, CoM project management and administration, Vendor Implementation, licensing and ongoing BAU costs. The implementation of a revised Information services structure in December 2022 will also assist in ensuring adequate resourcing.	High	30/06/2023		Completed	100%	All new ICT projects are using a project management discipline with currently available tools and templates tailored for ICT projects. The budget development will include a requirement for articulating the funding required for business area backfill, CoM project management and administration, Vendor Implementation, licensing and ongoing BAU costs. The implementation of a revised Information services structure in December 2022 will also assist in ensuring adequate resourcing.	Completed	100%	The original finding was in relation to strain on project resources and in particular this item related to ensuring there was adequate planning and resourcing prior to project commencement. All new ICT projects will be using a project management discipline with currently available tools and templates tailored for ICT projects. The budget development will include a requirement for

											articulating the funding required for business area backfill, CoM project management and administration, Vendor Implementation, licensing and ongoing BAU costs. This finding to remain closed.
Potentially look at a delivery partner model to divest the risk of program resourcing. By engaging a delivery partner, the CoM can tap into resources that have the necessary skillset to assist with the current projects. This will provide a consistent program workforce, especially given the tight employment market.	1.2	Any new projects moving forward will consider the benefits of delivery partners.	High	Completed		Completed	100%	As part of the benefit realisation phase we will consider using external delivery partners.	Completed	100%	The original finding was in relation to strain on project resources and in particular this item related to exploring delivery partners. Any new projects moving forward will consider the benefits of delivery partners if this is an appropriate solution for the project when considering the project risk and if specialised knowledge is required. The financial model specifically calls out this as a budget line item to ensure it is considered on a project by project basis. This finding to remain closed
Develop and implement a project approval process for each project outlining: a) The roles and responsibilities b) Clear reporting lines c) Approval process workflow.	2.1	Whilst the ICT projects have a discreet set of templates and tools tailored to ICT requirements, all ICT projects will apply the governance, decision making and reporting requirements outlined in the CoM’s upcoming Project Management Framework which includes roles and responsibility, reporting lines and approval processes.	High	30/06/2023		Completed	100%	This has become part of our ways of working within the IS and ICT departments at the CoM when managing projects	Completed	100%	The original finding was in relation to inadequate stakeholder engagement and in particular this item related to effective project approval processes. The approved Project Management Framework is being applied to all new ICT projects. This framework contains the necessary roles and a approval workflow. This item to remain closed
Provide further information within the decision log document, capturing: a) Details of the decision b) Proposed completion date c) Responsible party or parties d) Status e) Closing remarks or action conducted.	2.2	The ICT projects management tools and templates now includes a decision log.	High	Completed		Completed	100%	Decision log were previously used, but greater attention on ensuring decision are maintained correctly	Completed	100%	The original finding was in relation to inadequate stakeholder engagement and in particular this item related to ensuring transparency of the decision log and that decision log contains the required elements. CoM continue to utilise decision logs which contain Details of the decision, Proposed completion date, Responsible party or parties, Status, Closing remarks or action conducted. the weekly status update to the ELT and STL team members includes links to the current decision logs. This item to remain closed.

Prioritise internal planning for requirements gathering prior to go-to-market. When business requirements span across business units or functions, a business process approach should be followed to gather the functional and business needs. This will enable the process to inform the business and data requirements across functions and prevent siloed requirements and data.	3.1	1 & 2.High level requirements gathering as part of the business case development and then as required, detailed requirements gathering with those considered mandatory clearly identified and incorporated in tender documents.	High	Completed		Completed	100%	This has become part of our ways of working within the IS and ICT departments at the CoM when managing projects	Completed	100%	The original finding was in relation to Insufficient requirement scoping prior to go-to-market and in particular this item related to ensuring sufficient requirements documentation is included in tender documents with the business process approach followed to gather the functional and business needs. The recently approved Project management framework requires project managers to ensure appropriate time is allocated to the developing business requirements in collaboration with stakeholders and business users prior to the tender process. New ICT projects are following this approach. This finding to remain closed
Provide more focus on requirements (mandatory) in the Procurement Procedure, highlighting it as an importance process in defining the scope of the system.	3.2	1 & 2.High level requirements gathering as part of the business case development and then as required, detailed requirements gathering with those considered mandatory clearly identified and incorporated in tender documents.	High	Completed		Completed	100%	This has become part of our ways of working within the IS and ICT departments at the CoM when managing projects	Completed	100%	The original finding was in relation to Insufficient requirement scoping prior to go-to-market and in particular this item related to ensuring sufficient requirements documentation is included in tender documents with the business process approach followed to gather the functional and business needs. The recently approved Project management framework requires project managers to ensure appropriate time is allocated to developing business requirements in collaboration with stakeholders and business users prior to the tender process. New ICT projects are following this approach. This finding to remain closed
Ensure all key stakeholders and SMEs are involved in the requirement scoping. Identify which stakeholders should be involved and at what stage of the process. A validation meeting should be included to confirm that the requirements meet business needs. All requirements should be endorsed by the key business stakeholders defined in the project development plan and approved by the business owner.	3.3	Stakeholder mapping which will identify SMEs and others that are required to be engaged in requirement scoping and signoff.	High	Completed		Completed	100%	This has become part of our ways of working within the IS and ICT departments at the CoM	Completed	100%	The original finding was in relation to Insufficient requirement scoping prior to go-to-market and in particular this item related to ensuring effective stakeholder engagement in the development of those requirements. The recently approved Project management framework requires stakeholder mapping with clear understanding of how and who will be engaged in the

											development of the requirements. New ICT projects are following this approach. This finding to remain closed
Ensure all key stakeholders and SMEs are involved in the requirement scoping. Identify which stakeholders should be involved and at what stage of the process. A validation meeting should be included to confirm that the requirements meet business needs. All requirements should be endorsed by the key business stakeholders defined in the project development plan and approved by the business owner.	3.4	The CoM is currently developing an IS Strategy that will help define the current and future CoM enterprise architecture moving forward.	High	30/06/2023	30/09/2023	On Track	40%	High-level concepts have been captured and priorities understood.	Not on Track	55%	The original finding was in relation to insufficient requirements scoping prior to go-to-market and in particular this item related to ensuring the enterprise architecture principles are clearly outlined in procurement documentation. Work continues on the IS Strategy and in particular the piece of work that will define the current and future CoM enterprise architecture moving forward. This will be incorporated into future procurements. The tender was issued early July and a revised completion date is 30 September 2023
Appoint an EA to the program to govern integration, including defining the system reference architecture and integration patterns.	4.1	An Enterprise Architect will be engaged as required to provide program governance over integration of the program.	High	30/06/2023		On Track	10%	Tender currently in development for an consultancy to advise on an integration strategy which will be resourced with enterprise architecture skills is a priority for our new Senior Project Manager	Not on Track	15%	This finding related to limited information on integration strategy and in particular the engagement of an Enterprise Architect. An Enterprise Architect will not be engaged as a member of staff given the high cost and limited market availability of these types of skills. As an alternative the CoM has issued a tender for the development of an integration roadmap which will be progressively implemented over the next 2 - 3 years.
Develop a formalised integration strategy to guide the program and projects. The strategy should provide clear direction and guidance on what is required to create a successful integration between systems.	4.2	An integration strategy to help guide future projects will be developed.	High	31/03/2023	30/09/2023	Not on Track	10%	Tender currently in development is a priority for our new Senior Project Manager. Target date now 30/9/23 due to resource constraints and requirements to seek quotation from 3 vendors min. Firm will be engaged by 30 June 2023, development of strategy by Sept 2023 with implementation during following years subject to budget availability.	Not on Track	15%	This finding related to limited information on integration strategy and in particular the development of a formal integration strategy. The CoM has issued a tender for the development of an integration roadmap which will recommend a consistent approach for future projects.
Review the integration phase from successfully completed projects and capture any key actions that can be replicated in the current programs. Provide documentation outlining key areas of improvement and aspects that made the integration successful to reduce risks related to the integration phase.	4.3	The integration strategy will include reference to integration post implementation reviews and continuous improvement.	High	31/03/2023		Completed	100%	This has become part of our ways of working within the IS and ICT departments at the CoM when managing projects	Completed	100%	This finding related to limited information on integration strategy and in particular the consideration of lessons learnt from previous projects being incorporated into future work. There has been a project specific and somewhat ad hoc approach

											to integration during the DTP. The issues encountered with these approaches has been documented and will be provided to the consultant who will be developing the integration roadmap. this finding is to remain closed.
Consideration of the ongoing operating model for integration aspects.	4.4	The integration strategy will include the requirement for an application support framework to be developed for each project as they transition into BAU.	High	31/03/2023	30/09/2023	Not on Track	10%	Tender currently in development is a priority for our new Senior Project Manager. Target date now 30/9/23 due to resource constraints and requirements to seek quotation from 3 vendors min. Firm will be engaged by 30 June 2023, development of strategy by Sept 2023 with implementation during following years subject to budget availability.	Not on Track	15%	This finding related to limited information on integration strategy and in particular the consideration of the ongoing operating model. This element has been incorporated into the tender for the development of an integration roadmap which will review the previous integration approaches and recommend a consistent approach for future projects BAU.
Utilise previous Change Management Model/Framework to provide consistent change management across the program.	5.1	The CoM will be utilising the recommended Change Management Framework across all future projects.	Moderate	Completed		Completed	100%	The strategy will include this but this action is now underway as part of the implementation of the Project Management Framework.	Completed	100%	This finding related to change management not being monitored and in particular the use of a consistent approach. The requirements around Change Management are incorporated into the project management framework. The CoMs Change Manager has held information and education sessions with project managers to ensure the consistent approach is undertaken and on major projects (i.e. Assetic) the change manger will support leading change activities. This finding to remain closed.
Develop a Change Management Plan which aligns with the current Change Management Model/Framework. The document needs to be formalised and should outline: a. Risks mitigation strategies b. Stakeholder Communication Plan c. Training/awareness of the system's functionalities.	5.2	Change management plans are now in place for projects not yet completed.	Moderate	Completed		Completed	100%	This has become part of our ways of working within the IS and ICT departments at the CoM when managing projects	Completed	100%	This finding related to change management not being monitored and in particular the use of documented change management plans. The change management plan is part of the project management suite of tools and all project managers are now using this specific tool to support the documentation of change activities. This finding to remain closed.
Ensure that opportunities for improvement are provided sufficient Change Management time and effort to succeed.	5.3	As part of the existing suite of ICT project management tools and templates there will be confirmation of the time required for effective change management activities.	Moderate	Completed		Completed	100%	This has become part of our ways of working within the IS and ICT departments at the CoM when managing projects	Completed	100%	This finding related to change management not being monitored and in particular that opportunities for improvement have sufficient change management resources applied. The change management plan

											looks to BAU as well as new improved processes. All project managers are now using this specific tool to support the documentation of change activities. In addition the resources required for change management are specifically called out in the project financial model with input from the Change Manager. This finding to remain closed.
Internal Audit recommends the CoM to conduct a gap analysis to identify whether a fit-for-purpose or best-of-breed approach would be most suitable for the project. The analysis should consider whether a tailored system would best address the CoM needs and requirements. This should be captured within the Enterprise Architecture and have clearly defined principles to govern decisions.	PIO1.1	Future projects will consider both “fit-for-purpose” and “best-of-breed” approaches. Steps have already been made to integrate these processes into future project delivery.		Completed		Completed	100%	We have reviewed all existing systems and considered both fit for-purpose and best-of-breed. It's important that IT Strategy builds on the significant investment in time and money that has already been made.	Completed	100%	This finding relates to consideration of whether procurement of Best of Breed systems would meet the requirements of the CoM more effectively. The procurement approach has been modified to ensure that any approach to market does reflect the documented requirements of the business needs. Whilst best of breed will be considered as part of market research, procurement processes will still rely on respondents articulating how their system will deliver on the requirements. It may be that the selected product is best of breed but it will also be fit for purpose as that will be the key criterion. This finding is to remain closed.
Create a more collaborative environment by engaging Project Board Members to actively participate and provide feedback.	PIO1.1	The composition of Project Board Meetings as outlined in the upcoming CoM Project Management Framework ensures there is representation from the Business in addition to the technical skill set. Current operating approach for Project Boards is being modified to ensure there is more engagement with the business leads negating the need for a glossary of technical terms.		Completed		Completed	100%	This has become part of our ways of working within the IS and ICT departments at the CoM when managing projects	Completed	100%	This finding related to the Content of Project Board Meeting focused on technical knowledge and in particular a requirement for a more collaborative environment at project board meetings The requirements of the Project Management Framework require the development of a stakeholder map. That map will identify key business contacts that will lead or be a member of the project board meetings. All future project board meetings will be chaired by the business lead and not Information Services. This finding to remain closed.
Create a glossary of technical terms to be released to all stakeholders.	PIO2.1	The composition of Project Board Meetings as outlined in the upcoming CoM Project Management Framework		Completed		Completed	100%	This has become part of our ways of working within the IS and ICT	Completed	100%	This finding related to the Content of Project Board Meeting focused on technical knowledge

		ensures there is representation from the Business in addition to the technical skill set. Current operating approach for Project Boards is being modified to ensure there is more engagement with the business leads negating the need for a glossary of technical terms.						departments at the CoM when managing projects			and in particular the development of a glossary of key terms to be released to all stakeholders. The requirements of the Project Management Framework require the development of a stakeholder map. To assist stakeholders a glossary of key terms will be distributed at the commencement and updated as required for project board meetings and workshops as required. The glossary will be a live document updated as future projects progress. This finding to remain closed.
Ensure the focus of the Project Board Meetings is on business outcomes and benefits.	PIO2.3	The composition of Project Board Meetings as outlined in the upcoming CoM Project Management Framework ensures there is representation from the Business in addition to the technical skill set. Current operating approach for Project Boards is being modified to ensure there is more engagement with the business leads negating the need for a glossary of technical terms.		Completed		Completed	100%	This has become part of our ways of working within the IS and ICT departments at the CoM when managing projects	Completed	100%	This finding related to the Content of Project Board Meeting focused on technical knowledge and in particular to focus those meetings on business outcomes. The requirements of the Project Management Framework require the development of a stakeholder map. that map will identify key business contacts that with lead or be a member of the project board meetings. All future project board meetings will be chaired by the business lead and not Information Services and as a result focus on he business outcomes. This finding to remain closed.
Project Managers to re-assess their project and provide a more realistic timeline based on current issues and risks that has been presented.	PIO3.1	Future projects will be defined and managed in accordance with these recommendations.		Completed		Completed	100%	This has become part of our ways of working within the IS and ICT departments at the CoM when managing projects	Completed	100%	This finding related to Project driven by committed Go-Live dates and in particular the requirement to provide realistic timeframes. The project boars are lead by the business and unless there is some other fixed date in play (i.e. de-support notices) there will be flexibility in go live balanced with the desire to achieve outcomes in a timely manner. All new projects will have appropriate timeframes. This finding to remain closed
Work through an unconstrained plan and then apply business constraints to assess the impact of the timelines; budget, resources, quality, business calendar, contract end dates, etc.	PIO3.2	Future projects will be defined and managed in accordance with these recommendations.		Completed		Completed	100%	This has become part of our ways of working within the IS and ICT departments at the CoM when managing projects	Completed	100%	This finding related to Project driven by committed Go-Live dates and in particular a clear understanding of unconstrained time frame which is considered in light of other constraints. Project managers will iteratively

											review the timeline with the business leads as part of the development of the business case. All new projects will have appropriate timeframes. This finding to remain closed
Go-Live approvals to be handled by the Project Board Members with the consultation of Business Owners and key stakeholders.	PIO3.3	Future projects will be defined and managed in accordance with these recommendations.		Completed		Completed	100%	This has become part of our ways of working within the IS and ICT departments at the CoM when managing projects	Completed	100%	This finding related to Project driven by committed Go-Live approvals to be provided by the Project Board Chair. The project boards are lead by the business and unless there is some other fixed date in play (i.e. de-support notices) there will be flexibility in go live balanced with the desire to achieve outcomes in a timely manner. All new projects will have appropriate timeframes with Go Live set by the Chair. This finding to remain closed
Internal Audit recommends the CoM utilise a Business Process Framework to provide guidance for the mapping out of business process based on desired state to provide clear direction in the configuration of the newly procured systems. CoM should look to leverage new systems and technology that provide ‘out of the box’ processes and capabilities, i.e. Finance, HCM... etc. This can assist in transforming, improving current issues, frustrations and removing ‘process contention’.	PIO4.1	Future projects will be defined and implemented in accordance with these recommendations.		Completed		Completed	100%	This has become part of our ways of working within the IS and ICT departments at the CoM when managing projects	Completed	100%	This finding relates to the opportunity to map business processes as part of project requirements and implementation. This is now a required practice approach for all project managers as part of business case development (i.e. identifying areas for business improvement that can be catered for in the project or outside of it). This finding to remain closed.

Cybersecurity

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ORIGINAL ACTION COMPLETION DATE	FORECASTED ACTION COMPLETION DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
Educate employees about the importance of marking appropriate data classification as an interim measure.	J1.1	The CoM have recently implemented a Data Governance Framework that encompassess the data classification, inventory, and assessment of data assets. Information on the new Framework will be communicated to relevant staff.	Moderate	01/09/2023	31/12/2024	Nil	Nil	Nil	Not on Track	65%	Relevant policies and procedures have been drafted, pending review and approval. The Data & Analytics training program is being developed and introduced as part of the Digital Literacy Program. Data cataloguing of all CoM systems and data assets is stalled due to lack of BA resource. It is recommended that the Forecasted Action Completion Date is set to 31/12/2024 which is when it is estimated that the full Data Analytics Program will be implemented which will include all

											relevant Policies & Procedures, Data Catalogue, Training Program, and Reporting.
Conduct an inventory and assessment of all types of data assets to establish the scope of prevention measures.	J1.2	The CoM IT cybersecurity staff will investigate automation for the data leakage prevent tools at both the cloud (SharePoint, email) and device (Microsoft Endpoint DLP), with implementation of Microsoft Endpoint for labelled data to be implemented by EOY 2023, and automated classification of unlabelled data reviewed and explored within 12 months.	Moderate	01/06/2024		Nil	Nil	Nil	On Track		Auto labelling process is understood, change in preparation for testing is being prepared for pilot staff
Explore data leakage prevention tools as per the scope to prevent intentional and unintentional data loss.	J1.3	The CoM IT cybersecurity staff will investigate automation for the data leakage prevent tools at both the cloud (SharePoint, email) and device (Microsoft Endpoint DLP), with implementation of Microsoft Endpoint for labelled data to be implemented by EOY 2023, and automated classification of unlabelled data reviewed and explored within 12 months.	Moderate	01/06/2024		Nil	Nil	Nil	Not Commenced		Dependant on J1.2
Update patch management standard to include guidance on trusted sources and integrity validation.	J2.1	Standard to be updated to include guidance.	Low	31/12/2024		Nil	Nil	Nil	On Track	10%	Patch management documentation and standard is reviewed. Documentation composed as part of the preparation of information security manual includes appropriate notations of integrity.
Create a list of trusted sources of patches for all critical ICT assets and perform a gap assessment to identify the improvement measures required.	J2.2	Policy to be updated to include enforcement. A security calendar entry will be created to suppose ongoing verification of systems that are unable to be centrally controlled (Linux servers). Target 3 months.	Low	31/12/2024		Nil	Nil	Nil	Not Commenced		Naturally follows J2.1
Embed validation of integrity using digital signatures or similar mechanisms in BAU patching process to verify the software or data is from the expected source and has not been altered.	J2.3	Additional verification of patch integrity will be included in the detective change management solution, providing assertions that patches do not modify system components that are unexpected.	Low	31/12/2024		Nil	Nil	Nil	Not Commenced		Naturally follows J2.1
Collectively develop working guidelines to utilise the Freshservice ITAM module in an efficient manner.	J3.1	The current IT asset management policies and procedures will be reviewed to determine the root cause of the weakness, and an action plan created to support this.	Low	31/12/2023		Nil	Nil	Nil	On Track	10%	Current procedures reviewed against IT Service Management framework. Framework codifies asset management into CoMSupport asset management components. Assets are not adequately managed through this due to lack of technical requirements to do so, and items that are not returned as part of user decommissioning processes. Configuration Management Database (CMDB) entries are being defined and reviewed as part of a stocktake

Review and update end of life/support (EOL/S) details in the Freshservice tool for hardware and software assets. This information avenue can also be utilised for third party contracts, SSL certificates, etc.	J3.2	Attention to the entire asset lifecycle will be given, but particular focus on the end of life and transfer of assets between responsible staff, are likely to have the most focus.	Low	31/12/2023		Nil	Nil	Nil	Not Commenced		Naturally follows J3.1
Review the assets (endpoints) in the Freshservice tool with the enrolled endpoints in Microsoft Intune and remediate the identified gaps to maintain only operational assets in CMDB.	J3.3	A dedicated stocktake is proposed for all assets, as staff are known to have items at home to support their "work from home" scenario including printers, displays, laptops and consumables. Initial review of the weakness in this process identified concerns around assets being returned to IT, shadow IT purchases, desk movement, and staff movement between positions.	Low	30/06/2025		Nil	Nil	Nil	Not Commenced		Naturally follows J3.1
Identify unapproved SaaS applications by leveraging firewall and web-proxy logs.	1.1	The CoM accepts these recommendations, and will partner IT Operations with Business Analysts to engage with relevant points of contact in the Council, determine if a business process relies on the software and, if so, determine if IT security controls meet and mitigate the risks.	Moderate	31/12/2026		Nil	Nil	Nil	On Track	50%	1,000 items identified and shared with Chief Information Office in preparation for Business Analysis. Continual evaluation for this process will be integrated into the Information Security Calendar prior to closure
Engage with relevant point of contacts in the Council to initiate a security review of unapproved SaaS applications.	1.2	The CoM accepts these recommendations, and will partner IT Operations with Business Analysts to engage with relevant points of contact in the Council, determine if a business process relies on the software and, if so, determine if IT security controls meet and mitigate the risks.	Moderate	31/12/2026		Nil	Nil	Nil	Not Commenced	0%	
Perform an assessment of the data stored in Monday.com and other unauthorised applications.	1.3	Assessment of data stored in applications will occur in partnership with Business Analysts, and Data Managers	Moderate	31/12/2026		Nil	Nil	Nil	Not Commenced	0%	Dependant on 1.2
Conduct business stakeholder (Council wide) training about the risk & impact of using unauthorised applications and how to get IT's approval for use of new applications/technology.	1.4	Unauthorised applications training will be included in the cybersecurity awareness training.	Moderate	31/12/2023		Nil	Nil	Nil	Not Commenced	0%	
Review the cybersecurity operating manual for currency as the CoM is going through digital transformation and implementation of cybersecurity controls.	2.1	The CoM are reviewing the manual to ensure it is up-to-date and consistent with a modern organisation.	Low	31/12/2023		Nil	Nil	Nil	Not Commenced	0%	
Include creation of relevant documents as a task in the asset technology onboarding and approval checklist. (this	2.2	We agree with the recommendation to include the creation of relevant documents in the asset technology	Low	30/06/2024		Nil	Nil	Nil	Not Commenced	0%	

can also be included in the change control tasks)		onboarding and approval checklist, as well as in the change control tasks. We will update our checklists and change processes to include this task.									
Undertake an exercise to develop a document map for required documents.	2.3	We agree with the recommendation to develop a document map for the required documents. This will help us to ensure that all necessary documents are created and maintained. We will develop a document map and ensure it is regularly updated.	Low	30/06/2024		Nil	Nil	Nil	Not Commenced	0%	
Develop a periodic timetable for document review.	2.4	We agree with the recommendation to develop a periodic timetable for document review. This will help us to ensure that all documents are reviewed and updated regularly. We will develop a timetable and ensure it is adhered to.	Low	30/06/2024		Nil	Nil	Nil	Not Commenced	0%	

Customer Experience

RECOMMENDATION ☺ Planned ● Unplanned	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ORIGINAL ACTION COMPLETION DATE	FORECASTED ACTION COMPLETION DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
☺ Rollout the CX Strategy and roadmap across the CoM. To support this, a formal communications and change management plan, considering the needs of each stakeholder group should be developed to embed CX within the organisation. A detailed plan to accompany the initiatives outline in the Strategy (the 'how' and 'when') with associated metrics should also be developed.	1.1	The draft strategy and implementation roadmap is currently being developed and the recommendations of this IA will now be considered for incorporation into that strategy and roadmap as outlined in the audit findings management responses. A detailed plan with metrics for each of the initiatives in the strategy will also be developed, along with a Change Plan and Communications Plan. The final Strategy will require formal endorsement and where applicable, budget confirmation.	Moderate	31/12/2023		Nil	Nil	Nil	On Track	10%	Draft CX strategy and roadmap has been commenced with key elements of the CX maturity model incorporated
☺ Review and revise the Customer Charter, policies and internal procedures to include information regarding timeframes for initial response, allocation and closure of queries and complaints. In addition to complaints and grievance, broader focus should be placed on customer experience, also including available channels, process and communication protocols. Internal	1.2	This will be considered as part of the Strategy development as outlined in Recommendation 1.1 to be implemented following endorsement of the Strategy.	Moderate	31/12/2023		Nil	Nil	Nil	On Track	10%	Draft CX strategy and roadmap has been commenced. Initial discussion in relation to the application of a customer charter has been held.

procdure should be updated to reflect current process.											
☹ Conduct a review of Knowledge Base articles linked to the CRM, to ensure information is up to date. Roles and responsibilities should be determined regarding ownership and regular update. Some councils nominate a business owner and Customer Service Officer to each article, who are responsible for working together to keep information current.	1.3	Business owners will be allocated to each Knowledge Base (KB) article by 30 June. KB articles will be aligned with information on website to ensure channel consistency for customers. Business owners will be allocated to a customer services officer who will support the review of all KB articles by 30 Dec.	Moderate	31/12/2023		Nil	Nil	Nil	On Track	50%	Knowledge base articles have been reviewed and have been updated in the test environment. Awaiting vendor support to migrate to the live environment.
😊 Consider developing a formal cross-functional team/workgroup to identify further holistic CX enhancements across the organisation to improve collaboration and buy-in. This may include leveraging the existing CRM Champions identified across the CoM.	1.4	The existing cross-organisational CRM Change Champions Group will be expanded to become a CX Champions Group to identify process improvements. CX enhancements and share learnings.	Moderate	30/09/2023		Nil	Nil	Nil	On Track	70%	Terms of reference has been amended. Membership to be considered by SLT.
☹ Finalise the Complaints Management Framework. Complaints should be allocated to the relevant business area to encourage ownership, with oversight of the Customer Service team to follow up and provide support as necessary.	1.5	The Complaints Management Framework will be finalised. Once finalised, the framework will require endorsement and be socialised across all business areas as it may require changes to current business processes and practices. To encourage ownership by business areas, the allocation of existing complains will be reviewed to ensure they are allocated to the responsible business area and a new complaints dashboard created to assist them to manage complaints.	Moderate	30/09/2023		Nil	Nil	Nil	On Track	5%	New Australian Standard 10002:2022 Complaint Management has been reviewed and will be used as the basis for the new CoM framework.
😊 Incorporate the responsibilities to analyse customer data and drive continual improvement with the business, into the Customer Systems Partner role.	2.1	Responsibility and recsourcing for this work will be considered as part of the Strategy under Rec1.1	Low	31/12/2023		Nil	Nil	Nil	On Track	10%	Draft CX strategy and roadmap has been commenced. Specific role statement for the Customer Systems Partner is currently being reviewed to ensure it captures this requirement.
☹ Consider wide roll-out of external customer satisfaction surveys to promote grater feedback, including specific questioning regarding timeframe for resolution. Insights from these surveys should feed into a review of current SLAs for each category in consideration for customer expectations. Where it is not possible for the CoM to meet customer expectations, it should be understoof why this is not possible and have clear	2.2	2.2a - Business areas will be asked to review SLAs and insights from CSAT data will be assist to test customer expectations. 2.2b -The subject of the content and deployment of future customer satisfaction surveys will be considered as part of the Strategy under Rec 1.1	Low	2.2a 30/09/2023 2.2b 31/12/2023		Nil	Nil	Nil	On Track	2.2a 40% 2.2b 10%	2.2a SLA review is underway. SLT is required to respond to changes required by the end of July. A paper to ELT to confirm any changes will follow. 2.2b Council has agreed to an annual customer satisfaction shorter survey. The 8 August Forum will consider the nature of the questions and survey methodology.

communication in place to bridge the gap with customer expectations.											
🔴 Consider introducing new technologies to assist in obtaining deeper insights regarding customer sentiment online.	2.3	CoM has been investigating a potential LGA initiative with Google Eliza to provide customer sentiment insights. Will be considered further as part of developing Strategy under Rec1.1	Moderate	31/12/2023		Nil	Nil	Nil	Not Commenced	0%	Awaiting EOI to be issued by LGA.
😊 Develop customer segmentation strategy including updated customer personas and key journey maps to identify existing customer pain points and opportunities for CX improvements.	2.4	This will be considered in the development of the Strategy under 1.1	Moderate	31/12/2023		Nil	Nil	Nil	On Track	15%	Draft CX strategy and roadmap has been commenced. A pilot has commenced with Development and Regulatory Services to map out the customer journey mapping approach. Priority areas have been determined.
🔴 Consider use of Helix Personas (a consumer segmentation tool that utilises psychographic attitudinal and behavioural data to identify Australian consumer segments) to gather insights on customer persona and trends across the Council.	2.5	This will be considered as part of the Strategy development under Rec 1.1	Moderate	31/12/2023		Nil	Nil	Nil	On Track	40%	Quotes have been sought for Helix Personas.
🔴 Enhance CX metrics and KPIs (ie. Case closure, timeframes, customer satisfaction utilising above surveys) within business unit metrics and role profiles.	2.6	Responsibility and resourcing for this work will be considered as part of the Strategy under 1.1, following consideration of organisational community/customer satisfaction metrics at an Elected Member Forum and endorsement by Council.	Moderate	31/12/2023		Nil	Nil	Nil	On Track	60%	Council has agreed to an annual shorter customer satisfaction survey. The 8 August Council Forum will consider the nature of the questions and survey methodology (10% complete). In addition ELT has agreed to the use of 3 key CRM metrics on an ongoing basis to be incorporated into the Operational KPI suite to be considered monthly as part of the Performance Operational Review Committee (50% complete).
😊 3.1 Implement Amazon Connect as planned to enable greater visibility of customer service metrics and enhanced reporting. In implementing the system, consider workflows to offer new channels such as webchat, chatbots (to answer low value questions) and integration of social channels.	3.1	The implementation of Amazon Connect is planned as part of Information Services (IS) program of work in 2023.	Moderate	30/06/2023	30/09/2023	Nil	Nil	Nil	Not on Track	20%	Delayed due to ICT project management resource availability. Project has commenced. Vendor has been engaged. Discovery workshops nearing completion. Customer Services due to go live end of September 2023
🔴 3.2 Develop a CRM product integration roadmap to improve channel of choice for customer. This should consider integration of marketing automation tools, social channels and other customer touchpoints such as library, outdoor pool etc.	3.2	This roadmap will be one element of the IS Strategy (CX Portal Roadmap) to be developed by 30 June 2023. Delivery will be subject to budgetary considerations.	Moderate	30/06/2023	30/09/2023	Nil	Nil	Nil	Not on Track	55%	High level concepts and principles have been agreed by SLT/ELT. Document in process of being finalised. Will then be endorsed by ELT/FRAC/Council.
🔴 Review and define oversight and escalation protocols and for overdue and/or difficult customer complaints and enquiries. Dashboard reporting should be	4.1	Business engagement is commencing on defining oversight, responsibilities and escalation protocols for overdue	High	30/06/2023	30/09/2023	Nil	Nil	Nil	Not on Track	55%	Dashboard for oversight of complaint management has been prepared and is considered as part of the Performance Operational Review Committee (50% complete).

utilised to support facilitation of these requirements.		and/or difficult customer complaints.									Escalation processes will be incorporated into the Complaints management frameworks (refer 1.5) (5% complete)
☺ Encourage greater knowledge sharing to occur between the business and Customer Service team, to enable a more connected and cohesive approach to CX in unforeseen circumstances (ie unforeseen road closures). This could be achieved through open communication via email or Teams.	4.2	The CSC team has recently implemented Monday Learning Labs to improve knowledge sharing between business areas and CSC and developed communication protocols for info sharing.	High	Closed		Nil	Nil	Nil	Completed	100%	
☺ Subsequent to the Customer Systems Role being filled, this role should work with business areas to improve customer interactions and overall experience.	4.3	Unit Manager CS will facilitate collaboration between CX Champions, Knowledge Base owners and Customer Services Team as part of redefining the role of the CX Champions under Rec 1.4.	High	30/09/2023		Nil	Nil	Nil	On Track	70%	Unit Manager, Customer Systems Partner and knowledge base article owners are in discussion currently. CX Champions (refer 1.4) will be confirmed by SLT and engagement approach will be via the CX Champion group.
☹ Conduct a review of current resourcing of the Customer Service Team and call centre peak activity periods. Subsequent to this review, opportunities to enhance resourcing approach should be identified.	4.4	A desktop analysis review commenced in Dec 2022, but with the retirement of Unit Manager CS, this will be completed by the new Unit Manager when an assessment of activities/tasks can be observed.	High	30/09/2023		Nil	Nil	Nil	Not Commenced	0%	Notwithstanding the desktop analysis undertaken to date the introduction of Amazon Connect is now considered to bring a high level of efficiency to the team. This finding will be delayed until Amazon Connect is implemented and stabilised. The due date is to be extended to 31 December 2023.
☹ In collaboration with the People and Culture team, embed customer-centric metrics and KPIS within position description of all customer-facing staff. It is acknowledged the Customer Experience and Marketing teams have developed KPIS which have not yet been implemented, however, these do not reach beyond these teams.	5.1	Embedding customer-centric metrics and CSAT KPIS will be considered as part of the CX Strategy under recommendation 1.1	High	31/12/2023		Nil	Nil	Nil	Not Commenced	0%	This element of the CX strategy has not commenced.
☺ Develop formal onboarding and refresher training for all staff that may interact with customers in CX, and use of the CRM. This should be tailored to each area as appropriate (ie. Open space teams/staff on the road will have different needs to CSC staff trained to engage with customers). and also include all staff in peripheral Council teams i.e Librar, Swimming Centre, etc. In implementing the training, a mix of channels should be utilised ie. in-person, online and job shadowing/double jacking, to increase awareness and appreciation of roles in relation to CX across the CoM.	5.2	5.2a - A formal on-boarding and refresher training has already been developed for CRM users. 5.2b - A broader CX onboarding and training program will be developed for CoM in conjunction with P&C and business areas (Libraries, Marion Outdoor Pool, Outdoor workforce, Nieghbourhood Centres) that are using other customer training programs/providers/techniques, that meets all needs and is tailored to the different rolles across CoM and applies industry best practice. This will be	High	5.2a Closed 5.2b 31/12/2023		Nil	Nil	Nil	Not Commenced	0%	Not commenced.

		considered as part of developing CX Strategy outlined in recommendation 1.1									
☺ In considering introduction of Amazon Connect, consider the ability to better integrate customer channels, (ie. Email, socials) with CRM to better optimise resources, reduce manual entry and hence, risk of duplication/human error.	6.1	This package of works will be detailed in the IS Strategy but will be subject to funding availability and project prioritisation.	High	30/06/2023		Nil	Nil	Nil	Not on Track	20%	Delayed due to ICT project management resource availability. Project has commenced. Vendor has been engaged. Discovery workshops nearing completion. Customer Services due to go live end of September 2023
☹ Investigate ability to auto-combine customer profiles, or utilise existing CRM profiles to reduce duplicates. In the meantime implement regular scrubbing process.	6.2	This works is on the forward plan for the Customer Systems Partner role.	High	30/09/2023		Nil	Nil	Nil	Not Commenced	0%	Investigations have commenced as to the quantum of backlog (est 13,000 potential dupliated records) and rectificaiton approach. Resourcing for backlog and training to ensure there is no increase in the duplication yet to be determined and commenced. Date may be amended following the further analysis.
☺ Consider integration of further systems with the CRM ie. Marketing tools, Forestry SA, online booking system, point of sale.	6.3	This package of works will be detailed in the IS Strategy but will be subject to funding availability and project prioritisation.	High	30/06/2023	30/09/2023	Nil	Nil	Nil	Not on Track	55%	High level concepts and principles have been agreed by SLT/ELT. Document in process of being finalised. Will then be endorsed by ELT/FRAC/Council.
☺ Review and enhance customer portal as planned, including provision of further guidance to customers regarding use of categories.	6.4	This package of works will be detailed in the IS Strategy but will be subject to funding availability and project prioritisation.	Moderate	30/06/2023	30/09/2023	Nil	Nil	Nil	Not on Track	55%	High level concepts and principals have been agreed by SLT/ELT. Document in process of being finalised. Will then be endorsed by ELT/FRAC/Council.
☹ Enhance CRM closure comment requirements, and automated communication with customers.	6.5	Work has already commenced on this by the Customer Systems Partner.	Moderate	30/06/2023	31/07/2023	Nil	Nil	Nil	Not on Track	50%	Vendor training to occur on 27/7/23 for CoM staff to update closure comments configuration within the CRM. As an interim staff have been requested to use other fields to ensure customers are clear about why cases have been closed and action taken.
☹ Develop data-led business decision making tool to reduce risks. For example, utilising data insightss and KPIs to analyse areas of errors, overdue queries/complaints and prioritise accordingly.	6.6	Customised dashboards have already been created. As the business identifies new requirements they will be implemented.	Moderate	Closed		Nil	Nil	Nil	Completed	100%	
☺ Investigate creating custom dashboards for each staff/manager/team to simplify and improve usage of reporting and embed into daily tasks.	6.7	Customer dashboards have been created for Managers and teams in Power BI.	Moderate	Closed		Nil	Nil	Nil	Completed	100%	
☺ Implement regualr reporting to the Executive and Council regarding customer experience and satisfaction.	6.8	Future reporting to Executive and Council will be determined following Council consideration of KPIs. Regular reporting format, content (KPIs and other metrics), and frequency will be incorporated into the CX Strategy.	Moderate	31/12/2023		Nil	Nil	Nil	On Track	60%	Council has agreed to an annual shorter customer satisfaction survey. The 8 August Forum will consider the nature of the questions and survey methodology (10% complete). In addition ELT has agreed to the use of 3 key CRM metrics on an ongoing basis to be incorporated into the Operational KPI suite to be

											considered monthly as part of the Performance Operational Review Committee (50% complete).
☺ Review the BAU resourcing required to sustain ongoing maintenance of the CRM. This should be conducted in consideration of existing IT systems resourcs and the Customer Systems Partner role. Consideration should also be given to reducing overall cost and reliance on the CRM vendor for BAU activities.	6.9	Ongoing BAU requirements for CRM systems administration to reduce reliance on CRM vendor.	Low	31/09/2023		Nil	Nil	Nil	On Track	80%	Staff for BAU have been identified and a training program is in place with the vendor.

7.4 Council Member Report

Report Reference	FRAC230815R7.4
Originating Officer	Unit Manager Governance and Council Support – Victoria Moritz
Corporate Manager	Manager Office of the CEO - Kate McKenzie
General Manager	Chief Executive Officer - Tony Harrison

REPORT OBJECTIVE

Section 3.5 of the Finance, Risk 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, Risk and Audit Committee:

1. **Notes this report.**

DISCUSSION

Council Member Representative – Councillor Jason Veliskou and Councillor Jayne Hoffmann

Since the last Council Member report was presented to the Finance, Risk and Audit Committee (FRAC) meeting, the Council has met four times for General Council Meetings. At these meetings, Council made the following decisions that relate to the Finance, Risk 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.

[General Council Meeting – 23 May 2023](#)

3rd Budget Review

Council received and adopted information relating to the financial results for the 3rd Budget Review for 2022-2023. The review identified a favourable net cash adjustment of \$0.388m. The 3rd Budget Review identified net favourable adjustments of \$0.744 offset with funding allocated through council resolutions of \$0.356m.

Public Submissions on the Draft Annual Business Plan 2023-2024

Council provided the opportunity for public submissions to be heard on the Annual Business Plan during a 1-hour period at this meeting, noting that no formal submissions were received during this opportunity.

[General Council Meeting – 13 June 2023](#)

Draft Annual Business Plan 2023-2024 and Long-Term Financial Plan

Council endorsed the Draft Annual Business Plan 2023 and Draft Long Term Financial Plan be prepared for final consideration at the 27 June 2023 General Council Meeting on the basis of an average rate increase of 5.2%.

Community consultation feedback for Council's Draft Business Plan 2023-2027

Council considered and noted the community feedback received on the Business Plan within the community engagement period. It was noted that a total of 25 people provided responses to several questions posed in the online Making Marion survey. Council Member also provided final feedback before the Draft Business Plan 2023-2027 (4YBP) is endorsed at the 27 June 2023 council meeting.

Council Subsidiary SRWRA – Draft Annual Business Plan and Budget 2023-24

Council supported the SRWRA Draft Annual Business Plan and Budget, noting the Draft 2023-24 Budget forecasts a surplus from operations of \$604,000 in addition to capital investment of over \$4m.

SRWRA Board Meeting – 15 May 2023 – Constituent Council Information Report

Following each SRWRA Board Meeting, a report is presented to Council to provide an update of matters considered by the Board. Council received and noted this information report.

Quarterly Corporate Risk Report

Council received an overview of the City of Marion Corporate Risk Register for Quarter 3 2022/23. Council noted the report and that there was little movement in the Corporate Risk Register for Q3. No new risks were identified, two risks were merged and as a result of last quarters review, the number of High risks has reduced from 8 to 6.

Strategic Risk Register Annual Review

Council were presented with the Strategic Risk Register for noting following a dedicated workshop with ELT where a number of amendments and updates were made. Moving forward, the Strategic Risk Register will be scrutinised in detail every 6 months.

General Council Meeting – 27 June 2023**Council 4-Year Business Plan**

Council adopted the City of Marion Business Plan 2023-2027 in accordance with Section 122 of the *Local Government Act 1999*.

Annual Business Plan 2023-24 and Long-Term Financial Plan

Council considered and adopted the final Annual Business Plan 2023-24 and Long-Term Financial Plan 2023-2033 as well as approved the Financial Governance Policies.

Valuation – Adoption for 2023-24

Adopted the Valuation for the 2023-24 financial year as required by the *Local Government Act 1999*. At the time of adoption, the Valuation totalled \$31,902,234,080 (including \$30,385,071,934 Rateable and \$1,517,162,146 Exempt).

Rates Declaration 2023/24

Pursuant to Section 153(1)(b) and 156(1) of the *Local Government Act 1999* the Council declared differential general rates according to land use based on Capital Value within the area for the 2023-24 financial year.

Rate Rebates 2023-24

Council received, reviewed and granted applications from community service organisations requesting rate rebates in accordance with Council's Rate Rebate Policy.

Finance Report – May 2023

Council received the Finance Report with information relating to the management of financial resources under its control as of May 2023.

WHS Report

Council received and noted the WHS monthly performance report for May 2023. The report noted that the 12 Month Rolling Lost Time Injury Frequency Rate (LTIFR) has steadily declined from a peak LTIFR of 13.4 in October 2022 to an LTIFR of 7.2 in this reporting period.

General Council Meeting – 25 July 2023

Section 270 Review Coastal Walkway – Final Report

The Final S270 report was presented to Council who noted the recommendations with the Section 270 Internal Review completed by Norman Waterhouse Lawyers and that the application will be advised of the outcome of the review.

Policies

Council reviewed and adopted a suite of policies that were identified as being due for review in accordance with the Policy Framework. There were no significant amendments to the policies and changes were minor in nature. The policies included:

- Business Continuity Management Policy
- Waste Management Policy
- Economic Development Policy
- Reconciliation Statement Policy
- Disposal of Land and Assets Policy
- Community Awards and Recognition Policy
- Development Delegations Policy
- Leasing and Licensing of Council Owned Facilities Policy

SRWRA Board Meeting 26 June 2023 - Constituent Council Information Report

Council noted the Constituent Council Information Report from SRWRA Board Meeting, 26 June 2023.

Work Health and Safety Report

Council received and noted an update on Work Health and Safety (WHS) performance. The report noted Proactive reporting of near miss (Report Only) incidents has increased substantially throughout FY 2022/23. Lost Time Injuries have remained static with 6 reported for the year, whereas 5 were reported for FY 2021/22. It should be noted that one of the claims for FY 2022/23 is attributed to psychological symptoms caused by the claims management of an existing injury and has been recorded by LGAWCS as a separate LTI.

Confidential Items

- Marion Administration Centre Internal Fit-out Project - Section 48
- Marion Arena - Verbal Update

ATTACHMENTS

Nil

7.5 Draft Asset Management Strategy 2023 - 2033

Report Reference	FRAC230815R7.5
Originating Officer	Unit Manager Asset Solutions – Brendon Lyons
Corporate Manager	Manager Engineering, Assets and Environment - Mathew Allen
General Manager	General Manager City Services - Ben Keen

REPORT OBJECTIVE

The purpose of this report is to seek feedback from the Finance, Risk and Audit Committee on the Draft Asset Management Strategy 2023 – 2033.

EXECUTIVE SUMMARY

The South Australian Local Government Act 1999 requires Council to have a strategic management plan for infrastructure and other major assets for a period of at least ten years. In addition to the legislative requirement, our role is to ensure that our assets meet the needs of our community now and into the future.

The City of Marion owns and manages a large and diverse asset portfolio. The Asset Management Strategy implements Council's Asset Management Policy and gives direction to the delivery of Council's Asset Management Plans.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

- 1. Provides feedback on the Draft Asset Management Strategy 2023 – 2033.**

DISCUSSION

The City of Marion owns and manages a large and diverse asset portfolio, valued at over \$1 billion. Our assets enable the provision of services to the community and businesses for current and future generations. Assets play a vital role in the local economy and on our residents' quality of life.

Council's vision for Asset Management is *'To maintain the City of Marion's assets to agreed levels of service which maximise community value throughout an asset's life'*. It is this vision that drives Asset Management improvement at the City of Marion.

Under Section 122 of the Local Government Act 1999 (SA), Council is required to develop strategic management plans for infrastructure and other major assets for a period of at least ten years. As part of Council's Strategic Management Framework, the Asset Management Strategy is designed to implement Council's Asset Management Policy and give direction to the delivery of Asset Management Plans.

A full review of the Asset Management Strategy takes place at least every four years following local government elections or any review of Council's Strategic Plan.

The Draft Asset Management Strategy 2023 - 2033 (**Attachment 1**) guides our asset management transformation by setting a clear direction to meet the evolving service delivery needs of our community - now and into the future. The strategy has been developed through internal stakeholder

engagement and approved by the Assets Steering Committee, a representative body of senior leaders and asset owners established to ensure the organisation maintains the necessary focus and energy required to drive the successful implementation and embedding of an asset management culture that will enhance and optimise delivery of our core business.

Next Steps

Following review by the Finance, Risk and Audit Committee, the Draft Asset Management Strategy 2023 - 2033 will be taken to General Council on 12 September 2023 for endorsement for community consultation.

Community consultation will take place from 20 September to 11 October 2023.

All consultation feedback received will be considered and incorporated before being brought back to Council for final endorsement on 28 November 2023.

'The State of our Assets' performance against the strategy's ten key performance indicators (KPIs) will be reported to the Finance, Risk and Audit Committee annually from October 2024.

ATTACHMENTS

1. Asset Management Strategy V 2 [7.5.1 - 22 pages]

Asset Management Strategy

A great place to *live*.



Kurna Acknowledgement

Ngadiu tampendi Kurna meyunna yaitya mattanya yainty yerta

This Kurna acknowledgement was prepared in consultation with traditional custodians.

Acknowledgement of Country

The City of Marion acknowledges we are situated on the traditional lands of the Kurna people and recognises the Kurna people as the traditional custodians of the land.

Introduction

In an era where local government organisations face increasing pressure to efficiently manage their assets and provide essential services to their communities, the importance of an effective asset management strategy is crucial. For the City of Marion, the unique challenges and opportunities presented by its regional characteristics and diverse community demand a comprehensive and forward-thinking approach.

This Asset Management Strategy aligns with the principles of sustainability, long-term planning, and community engagement. By embracing these principles, the City of Marion aims to optimise the utilisation, performance, and value of its assets, while ensuring the well-being and satisfaction of its residents.

By developing a robust strategy that addresses the specific needs and aspirations of our city, the foundation will be laid for sustainable growth, enhanced service provision, and a thriving community. Through collaboration, innovation, and sound management, this strategy will guide the organisation towards a prosperous future, fulfilling its commitment to the community it serves.

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What is our Asset Management Strategy?

The City of Marion owns and manages a large and diverse asset portfolio. This Asset Management Strategy is designed to implement council's Asset Management Policy and give direction to the delivery of council's Asset Management Plans.

The South Australian Local Government Act 1999 requires council to have a strategic management plan for infrastructure and other major assets for a period of at least ten years. In addition to the legislative requirement, our role is to ensure that our assets meet the needs of our community now and into the future.

A full review of this strategy will take place at least every four years following local government elections or any review of council's Strategic Plan.



Asset management framework

The Asset Management Framework aligns council's asset portfolio to meet the service delivery needs of our community identified in council's Strategic Plan. This Framework has been aligned with council's key strategies, plans, and policies.



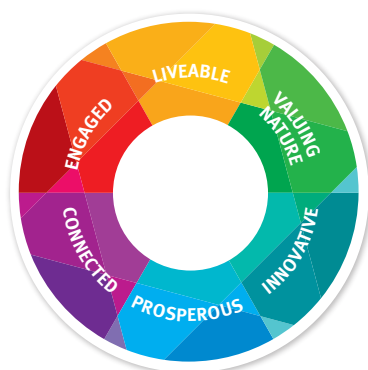
Making informed decisions through:

Skilled people **Improved processes** **Intelligent systems** **Accurate data**

Where are we now?

Our Purpose, Vision and Values

OUR PURPOSE	OUR VALUES	
(Why we exist) To improve our residents' quality of life; continuously, smartly and efficiently.	With the community and safety at the forefront of everything we do, we value:	Achievement - Enhancing our knowledge and performance to reach our shared goals, while being dedicated to supporting one another
OUR COMMUNITY VISION	Respect - Treating everyone as we want to be treated, where all contributions are valued	Innovation - Encouraging new ideas, and learning from our experience to do things better
(What we want to become) A community that is Liveable, Valuing Nature, Engaged, Prosperous, Innovative and Connected.	Integrity - Fostering trust and honesty in all of our interactions	



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.

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.

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.

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.

ENGAGED

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

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.

The state of our assets

Council's assets provide services to the community and businesses for current and future generations. They range from roads and footpaths, to buildings, playgrounds, trees, shelters, vehicles, machinery and stormwater drains. Gifted assets we receive from sources including State Government and developers attract ongoing operational and maintenance costs over their life.

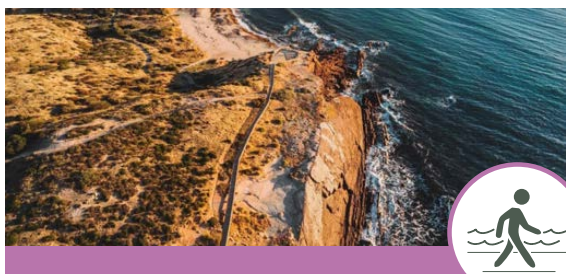
Council will continue to optimise spending through better asset management to deliver current levels of service in the most affordable and efficient way. We're looking beyond day-to-day operations and investing in the long-term quality of life for our community.



Artworks, culture and heritage assets: contribute to the unique identity of the City of Marion, and reflect the development of the community, its diversity and its history.



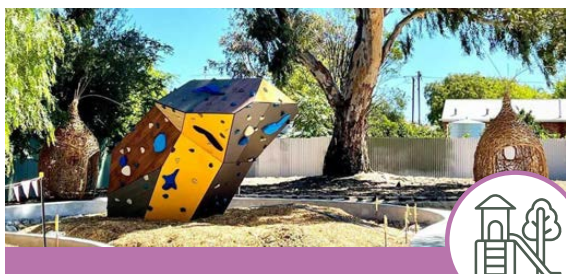
Buildings and structural assets: support the delivery of community, sporting and recreational activities, provide accommodation for council's administration and operations and are leased to commercial operations.



The Coastal Walkway: attracts visitors into the region, provides open space for community recreation and conservation of the natural environment.



Fleet, plant and equipment assets: are used to construct and maintain infrastructure and land, move materials and equipment and transport council staff and community members.

**Open space assets:**

provide an accessible and diverse variety of recreation and natural environment conservation and appreciation opportunities that are distributed across the city.

**Stormwater assets:**

include pipes, pits, drains and gross pollutant traps to provide an efficient method of collection and environmentally friendly disposal of stormwater run-off.

**Transport assets:**

include roads for vehicles and cyclists, footpaths for pedestrians and cyclists, car parks and streetscapes for aesthetics.

**Tree assets:**

provide many benefits to our community. Our vision is to have green streets and parks which are lined with mature, healthy trees that are a habitat for birds and other wildlife and contribute to urban cooling and the environment.

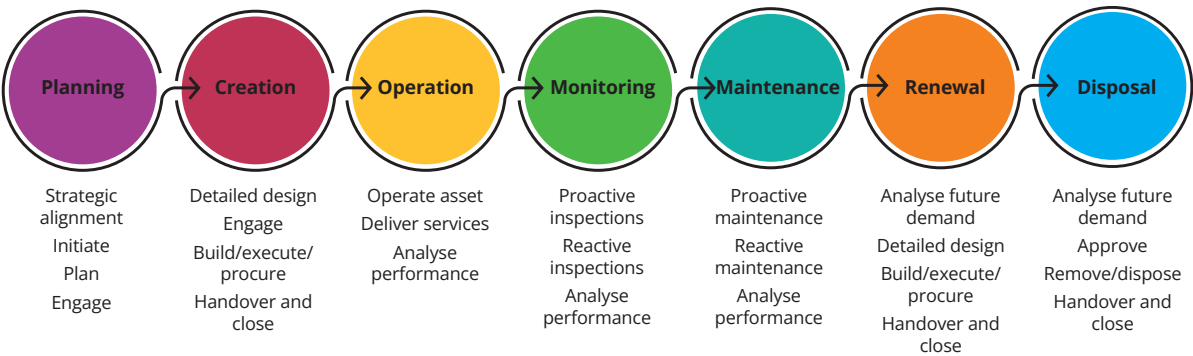
**Water treatment and resources assets:**

maximise water harvesting capacity and improve water quality and water security across the city.

How we manage our assets

The City of Marion upholds a commitment to implementing asset management best practices throughout all areas of the council, ensuring that assets’ performance, risks, funding, and replacement values are integral factors in decision-making and strategic planning. This adherence extends to complying with relevant legislative requirements, regulations, corporate policies, and Asset Management Plans.

Asset management lifecycle



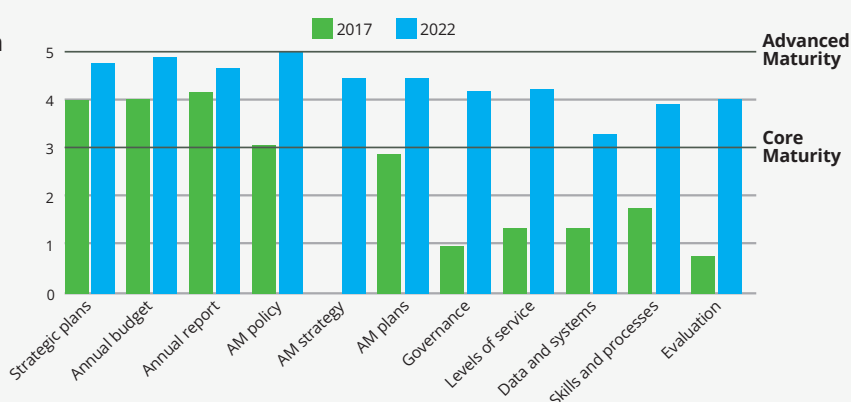
Asset management maturity

Since 2017, council's asset management maturity has been assessed against the National Asset Management Assessment Framework. The results help us to continually improve by identifying opportunities to build capacity and refine processes across the organisation.

Asset management maturity journey

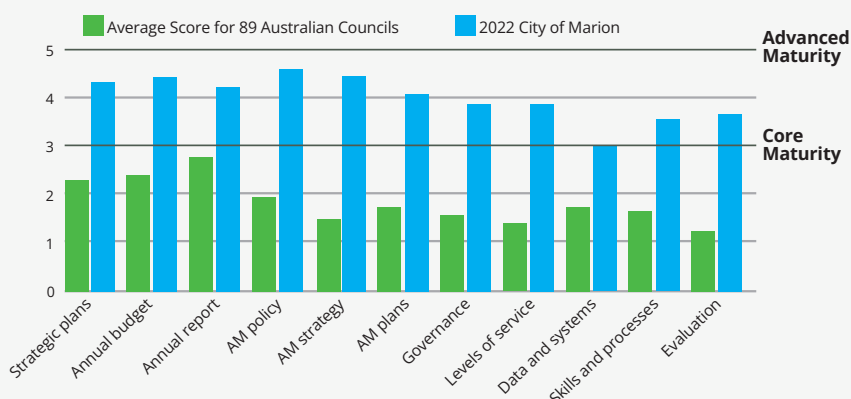
Substantial progress has been made with council's overall Asset Management Maturity score, which has increased from 1.9 to 4.3, exceeding 'core' maturity.

Our 2022 results were externally validated and benchmarked by the University of Newcastle against the average score of 89 Australian councils.



Asset management maturity benchmarking

The City of Marion achieved core maturity in all 11 competencies, highlighting strengthened asset management understanding and capability across the organisation. 'Asset Management Policy', 'Annual Budget', 'Strategic Longer-Term Planning' and 'Annual Report' are our strongest performance areas.

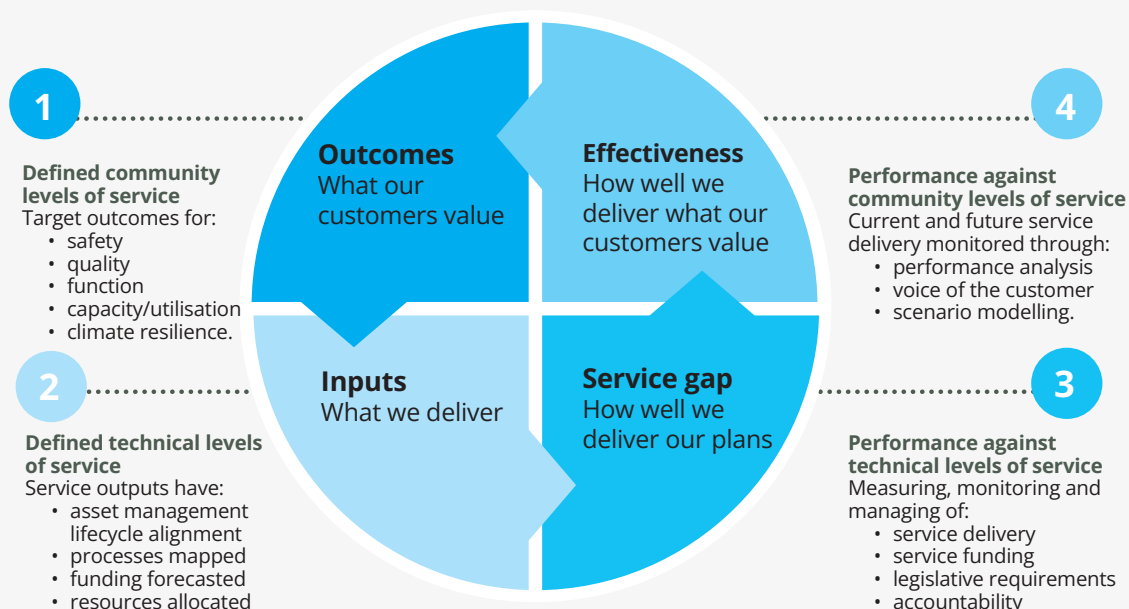


Council will consolidate core maturity across all competencies as business as usual at the City of Marion. Ongoing future improvements towards advanced asset maturity will be prioritised against return on investment. The next Asset Management Maturity assessment is due to be conducted in 2024.

Levels of service

Assets exist to meet community needs and support the delivery of services to the levels of service adopted by council. Community expectations are increasing, which affects the ability of existing purpose-built assets to meet the changing needs of our residents. By defining levels of service in our Asset Management Plans, the City of Marion's assets will be safe, accessible, well maintained and meet community needs in a sustainable manner.

Using levels of service to measure service delivery performance



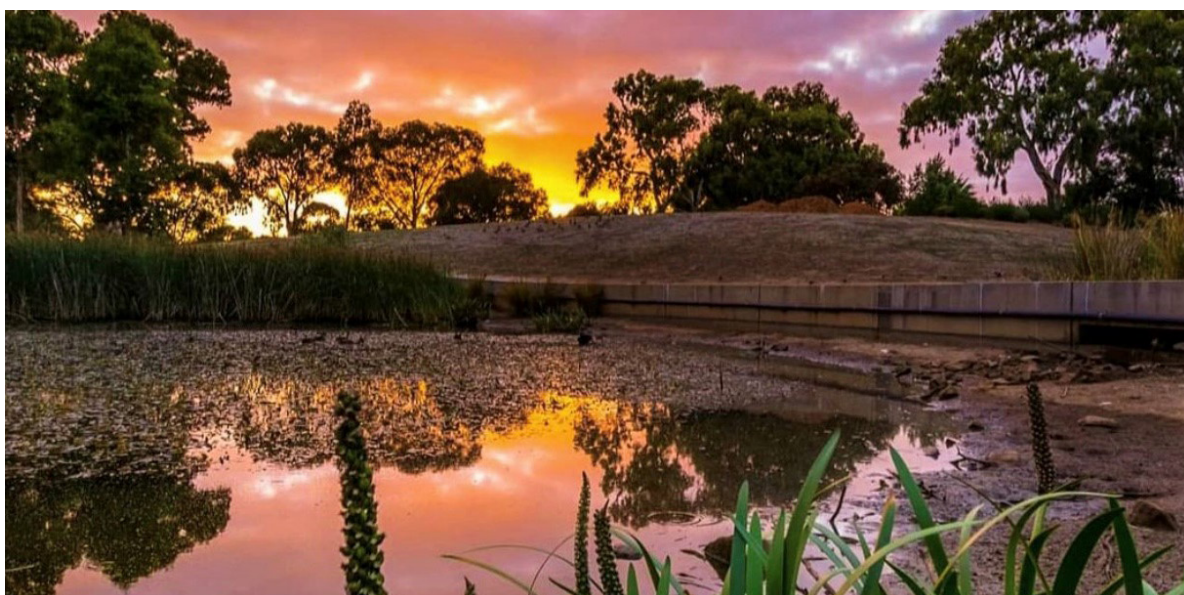
Community Levels of Service detail what is important to our community and how they receive and experience our services. A key objective of asset management planning is to match the levels of service we deliver with the levels of service expectations of our community.

Council uses a range of activities to engage with the community and stakeholders including social media, community workshops and meetings, education services, our website and via our Council Members. This ensures that levels of service, funding and management practices proposed for our assets are appropriate.

Technical Levels of Service detail what we do to deliver services. Council manages whole of lifecycle costs to ensure the best value for resources used.

Significant impacts

The City of Marion's assets provide services to our community now and into the future. Assets are long-lived so must be resilient and adaptable to continue to service community needs across a range of likely future scenarios. A significant part of council's spend is devoted to the maintenance, operations, renewal and creation of new assets. Council will continue to invest in these assets as cost effectively as possible while considering beneficial advancements in technology.



As our assets age, they require maintenance to continue to deliver services. Our community continues to grow, increasing expectations and demand for new and improved services. Demographic change is challenging the capacity of existing assets to meet the increasing demands of the environment in which they are located. Without intervention their physical condition will deteriorate.

Political, economic, social, technological, legal, environmental and relationship drivers that may impact future service delivery and use of assets are monitored via council's environmental scan, risk register and Asset Management Plans. Demand for new services is managed through a combination of managing existing assets, upgrading of existing assets and providing new assets. Demand management practices include development controls, insuring against risks and managing failures.

Our assets are vulnerable to climate impacts including less rainfall overall, more frequent and intense rainfall events, increased frequency and intensity of bushfires, increased temperatures, more frequent and intense heatwaves and increased risk of coastal erosion and flooding from sea level rise.

Through the Resilient South's Resilient Asset Management Project, we are exploring how to increase asset resilience.

All states and territories have now committed to achieving net zero carbon emissions by 2050. National carbon emissions need to decline on a significantly steeper trajectory if this goal is to be met. The City of Marion Carbon Neutral Plan 2020 – 2030 is our roadmap to reduce and offset carbon emissions for council operations by 2030.



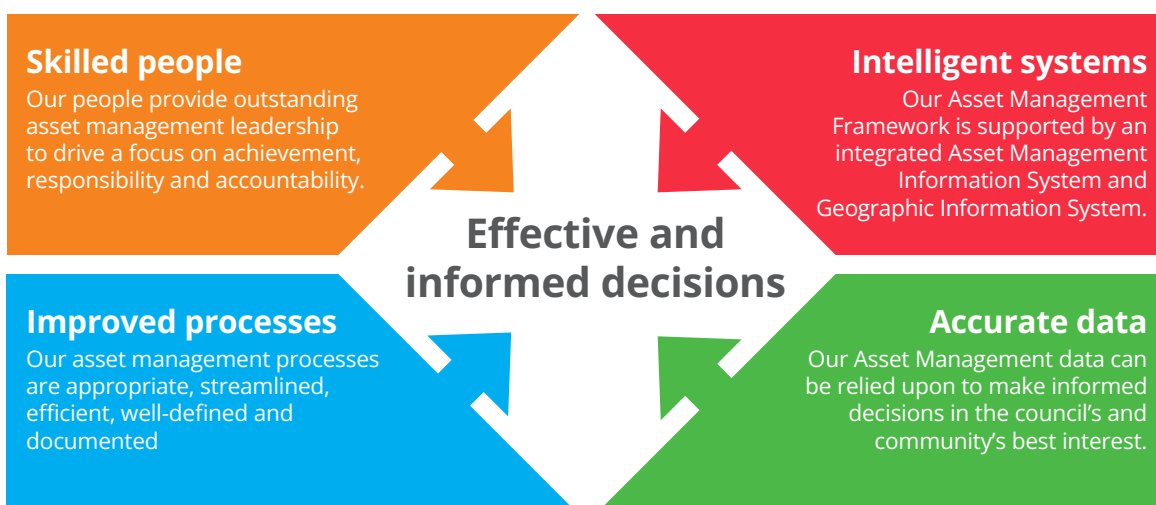
Where do we want to be and how will we get there?

Our 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

Council will make effective and informed decisions through each stage of the asset lifecycle to achieve the Asset Management Vision through:

Asset management outcomes





Skilled people

Our people provide outstanding asset management leadership to drive a focus on achievement, responsibility and accountability.

Achieved through

- Asset owners are responsible and accountable for managing their assets to defined levels of service and approved funding.
- Asset Management responsibilities, skills and knowledge requirements are clearly allocated in position descriptions, with gaps identified and addressed.
- Staff are trained to optimally manage their assets through asset management principles, hardware and software systems.
- Mobility solutions enable staff to update and maintain asset data 'on the ground' in real time.
- Asset owners manage council's assets to Australian Standards as a minimum technical level of service.
- Engaging with the community, across council, with public sector organisations, community organisations and other stakeholders to understand their asset management needs.
- An innovation mindset in design, technology, construction, climate resilience and environmental outcomes improves asset performance and community value.
- The management of council's assets matures over time to become 'leading practice' and how the City of Marion does business.



Improved processes

Our asset management processes are appropriate, streamlined, efficient, well-defined and documented.

Achieved through

- Who is responsible, accountable, informed and consulted is defined throughout the asset management lifecycle.
- Business Process Manuals are established, connecting our strategy to our operations.
- Timely asset data handover enables effective and informed decisions through each stage of the asset lifecycle.
- Asset operations, monitoring, maintenance and renewal programs are implemented in accordance with Asset Management Plans.
- Asset planning, creation and disposal follow a transparent process driven by council's Policy Framework and are implemented in accordance with Asset Management Plans.
- The Asset Management Policy defines an approach based on maintenance before renewal and renewal before new/upgrade (where it is cost effective to do so).
- Whole of lifecycle costs are considered in all new or upgraded services and assets decisions.
- Long Term Financial Plan funding is available to meet defined levels of service throughout the Asset Management lifecycle.
- The Long Term Financial Plan is adopted as the basis for all service and budget funding decisions, recognising appropriate sources of capital investment required to meet Council's asset maintenance, renewal and disposal needs.
- The Annual Budget and Long Term Financial Plan clearly separate 'recurrent expenditure' under the categories of operations and maintenance and clearly separate 'capital works expenditure' under the categories of renewal, upgrade and new.
- Delivery against levels of service that reflect community needs and expectations is reported to the Assets Steering Committee and Council.
- Asset management, strategic management and project management processes are aligned.
- Risk management practices identify and mitigate the community impact of asset failure.



Intelligent systems

Our Asset Management Framework is supported by an integrated Asset Management Information System and Geographic Information System.

Achieved through

- Our fully integrated Asset Management Information System and Geographic Information Systems have user-friendly mapping interfaces and reporting functionality.
- Asset Management Plans holistically consider the cost, timing, inter-generational equity, climate resilience and overall community impact of all capital projects.
- Predictive modelling of multiple long-term expenditure and service scenarios optimises the service potential of our assets.



Accurate data

Our Asset Management data can be relied upon to make informed decisions in the council's and community's best interest.

Achieved through

- Ongoing collection, auditing and update of data ensures a single point of truth for each asset contributing to an accurate asset register.
- Appropriate data configuration, controls and validation ensure the integrity of asset management information.
- All assets are condition assessed and have appropriate useful lives which inform maintenance and renewal planning.
- Optimum lifecycle costs are determined through high levels of data, information and knowledge in all key areas.
- Asset Management Plans identify appropriate levels of service, expenditure profiles and works programs.
- Data in Asset Management Plans informs the Annual Business Plan and Long-Term Financial Plan.
- Council's State of the Assets report is established.
- Benchmarking is conducted against State and National asset management performance indicators and reported to Assets Steering Committee.

Monitoring our progress

Progress reporting to Assets Steering Committee, Council and the community is a key focus of the City of Marion's asset management transformation. Measures and targets are determined by the Asset Steering Committee.

Using industry standard measures (where available) enables Council to compare our performance. This includes submitting data to the National State of the Assets (NSoA) benchmarking project commissioned by the Australian Local Government Association.

The effectiveness of this Asset Management Strategy is measured through the following key performance indicators:

What we measure	How we measure it	Target and Tolerances
Asset Condition	Asset Condition Rating* 1 = 'Very Good' 2 = 'Good' 3 = 'Fair' 4 = 'Poor' 5 = 'Very Poor' Data Source: Assetic asset register. Measurement Level: Asset Category.	90% of assessed assets in very good to fair condition. On track - 90% to 100% Monitor - 70% to 89.9% Off track - 0% to 69.9%
Asset Function	Asset Function Rating* 1 = 'Very Good' 2 = 'Good' 3 = 'Fair' 4 = 'Poor' 5 = 'Very Poor' Data Source: Assetic asset register. Measurement Level: Asset Category.	100% of assessed assets in very good to fair function. On track - 100% Monitor - 70% to 99.9% Off track - 0% to 69.9%
Asset Capacity	Asset Capacity Rating* 1 = 'Very Good' 2 = 'Good' 3 = 'Fair' 4 = 'Poor' 5 = 'Very Poor' Data Source: Assetic asset register. Measurement Level: Asset Category.	90% of assessed assets in very good to fair capacity. On track - 90% to 100% Monitor - 70% to 89.9% Off track - 0% to 69.9%
Climate Resilience	Assessment methodology being developed by Resilient Asset Management Project.	

What we measure	How we measure it	Target and Tolerances
Customer Satisfaction	<p>Customer Satisfaction Rating</p> <p>1 = 'Very satisfied'</p> <p>2 = 'Somewhat satisfied'</p> <p>3 = 'Low Satisfaction'</p> <p>4 = 'Not satisfied'</p> <p>5 = 'Not applicable to me'</p> <p>Data Source: Community Satisfaction Survey.</p> <p>Measurement Level: Asset Category.</p>	<p>Greater than or equal to 75% rated as 'Somewhat satisfied' or above.</p> <p>On track - 75% to 100%</p> <p>Monitor - 50% to 74.9%</p> <p>Off track - 0% to 49.9%</p>
Technical levels of service	<p>% of assets with defined technical levels of service.</p> <p>Data Source: Business Process Manuals.</p> <p>Measurement Level: Asset Management Plan.</p>	<p>Track against Business Process Manuals development project plan.</p> <p>On track - to 100%</p> <p>Monitor - 90% to 99.9%</p> <p>Off track - 0% to 89.9%</p>
Asset Renewal Funding Ratio	<p>Actual capital expenditure on asset renewal and replacement of assets compared to 10-Year Expenditure Profiles within Asset Management Plans.</p> <p>Data Source: Finance Information System.</p> <p>Measurement Level: Organisation.</p>	<p>Between 90% and 110% as per Council's Asset Management Policy.</p> <p>On track - 90% to 110%</p> <p>Monitor - 80% to 89.9%, or 110.1% to 120%</p> <p>Off track - less than 80% or greater than 120%</p>
Asset Expenditure Profiles	<p>% of 10-Year Asset Expenditure Profiles included within the Long Term Financial Plan.</p> <p>Data Source: Finance Information System.</p> <p>Measurement Level: Asset Management Plan.</p>	<p>On Track - 100%</p> <p>Monitor - 90% to 99.9%</p> <p>Off Track - 0% to 89.9%</p>
Asset Management Maturity	<p>Asset Management Maturity Assessment Rating</p> <p>1 = 'Aware'</p> <p>3 = 'Core Maturity'</p> <p>5 = 'Advanced Maturity'</p> <p>Data Source: NAMAFA** Assessment.</p> <p>Measurement Level: Organisation.</p>	<p>To maintain core maturity across all competencies as business as usual at the City of Marion.</p> <p>Ongoing future improvements towards advanced asset maturity will be prioritised against return on investment.</p>
Asset Data Confidence	<p>Data Confidence Grade*</p> <p>A = 'Highly Reliable'</p> <p>B = 'Reliable'</p> <p>C = 'Uncertain'</p> <p>D = 'Very Uncertain'</p> <p>E = 'Unknown'</p> <p>Data Source: Assetic asset register.</p> <p>Measurement Level: Asset Category.</p>	<p>Level B - Reliable, measured against IPWEA Data Confidence ratings.</p> <p>On track - all data is rated 'Level B - Reliable' or higher.</p> <p>Monitor - all data is rated 'Level C - Uncertain' or above some data is rated 'Level C - Uncertain.'</p> <p>Off track - some data is rated lower than 'Level C - Uncertain'.</p>

* Adapted from International Infrastructure Management Manual (IIMM) Institute of Public Works Engineering Australasia (IPWEA) industry standard

** National Asset Management Assessment Framework

My Marion Customer Portal

If you would like to report an issue with a City of Marion asset, simply visit:

my.marion.sa.gov.au

The portal is easy to use and you can lodge a report 24 hours a day, 7 days a week. You can also opt in to stay informed on the progress of your report and view the online map to see if anyone else has reported the same issue.

Visit: marion.sa.gov.au/faqs-my-marion



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Designed by CoM Marketing and Communications 2023.

7.6 External Audit 2022-23 - Interim Management Report

Report Reference	FRAC230815R7.6
Originating Officer	Chief Financial Officer – Ray Barnwell
Corporate Manager	Chief Financial Officer - Ray Barnwell
General Manager	General Manager Corporate Services - Angela Allison

REPORT OBJECTIVE

The objective of this report is to provide the Finance Risk and Audit Committee with the External Audit 2022-2023 – Interim Audit Report.

EXECUTIVE SUMMARY

Our external auditors Galpins have now completed their interim external audit for year ending 30 June 2023 and attached is their interim report. **(Attachment 1)**.

Overall, our external auditors found that Council demonstrated a high level of compliance with the implementation of an internal control framework consistent with the principles within the Better Practice Model. During their interim visit they found that the majority of key internal controls reviewed were in place and were operating effectively (91 out of 100 core controls reviewed).

The principles underpinning the Better Practice Model were used by the Council in the identification of its business cycles, the establishment of its internal controls and the implementation of its financial risk management processes.

The key findings and management responses to those findings are outlined in the interim external audit report provided as per Attachment 1. The results are pleasing particularly with the complexity of implementing a new Financial System and progressing the implementation of a new Asset Management Information System during the 2022-23 year.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

- 1. Receive and Note the Interim External Audit Report for 2022-2023**

DISCUSSION

Council's legislative requirements for external audit and financial reporting are stipulated under the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. In addition to Council's external auditors providing an opinion on the financial statements, section 129 of the Local Government Act 1999 requires our auditors to provide an opinion regarding the effectiveness of the internal financial controls of councils.

The City of Marion's external auditors, Galpins have completed their interim external audit for year ending 30 June 2023.

The interim audit overall found that Council demonstrated a high level of compliance with the implementation of an internal control framework and that the majority of key internal controls reviewed were in place and were operating effectively (91 out of 100 core controls reviewed).

The report noted 9 findings none of which were rated high with 5 findings with a moderate risk rating and 4 rated low risk.

The key findings in addition to management's response to those findings are detailed in the interim report on the 2022-23 external audit highlighting the actions underway to address findings outlined in the report.

ATTACHMENTS

1. City of Marion - Interim Management Report 2022-23 [**7.6.1** - 34 pages]



Accountants, Auditors & Business Consultants

Financial Controls Review

City of Marion

2022/23 Interim Management Letter



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1. EXECUTIVE SUMMARY

1.1 Background

During our interim audit we perform procedures to gain an understanding of the internal controls in place relevant to the financial statements and perform tests of design and effectiveness for these controls. Based on the results of the control testing, we then assess the audit risks to define the extent and nature of our substantive procedures (e.g. inspection of documents, recalculation, reconciliation, etc) for our final visit.

In addition to an opinion on the financial statements, section 129 of the Local Government Act 1999 requires auditors to provide an opinion regarding internal controls of councils. This opinion focuses on Council's obligations under s125 of the Local Government Act 1999:

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

The audit opinion is restricted per s129 of the Act to the application of s125 as it relates to financial internal controls, specifically the controls exercised by the Council during the relevant financial year in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.

In order to assist the Council in addressing the requirements of s129, we have reviewed a prioritised list of controls from the better practice model based on our initial audit risk assessment. Further details about our scope can be found in item 1.2 of this report.

1.2 Objectives and scope

The objectives of our interim audit were to:

- understand Council's business, business cycles and processes relevant to the financial statements
- understand the internal controls in place for the areas we consider critical for the audit of the financial statements
- design internal controls tests for the internal controls identified
- perform the internal controls tests to determine the final risks of material misstatements in the financial statements to be addressed in our final audit
- review a prioritised list of internal financial controls we consider critical for the purpose of issuing a controls opinion.

The scope of our audit included a review of internal controls we consider key controls to be in place for the purpose of addressing the requirements of s129.



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These key internal controls consist of a prioritised list of controls from the better practice model. This list was defined based on our risk assessment to determine the key business cycles, and key risks within these business cycles, that we understand should be the focus of the Council's control self-assessment.

The identification of key core controls and key business risks included the following risk assessment procedures:

Risk review – A review of Council's inherent risk assessment for internal financial controls.

Financial statement review – A high level financial statement review performed to identify key accounts and transaction streams.

Internal / external audit results review – The findings and recommendations of internal / external financial audits are reviewed to identify known areas of weakness, and areas known to be attracting audit attention.

The key core controls for the following key business cycles have been identified as critical for the purpose of issuing a controls opinion this financial year:

- General Ledger
- Fixed Assets
- Purchasing and Procurement/Contracting
- Accounts Payable
- Rates / Rates Rebates
- Receipting
- Payroll
- Credit Cards
- Banking
- Debtors

We have included a list of key controls identified by the audit for these business cycles as an appendix to this report (see Appendix 1). This list does not represent a complete population of internal controls that the Council should have in place. There is an expectation that controls not in this list will still exist and be operating effectively within Council.

The list of controls is only intended to be a guide for Council to prioritise its resourcing in readiness for the audit opinion, and for the ongoing monitoring of internal controls i.e. it is a risk based listing of controls which may be desirable for Council to include in its ongoing monitoring program for internal financial controls.

The list should not be considered a minimum standard – rather, it is a starting reference point for Council to consider. It is expected that Council will have performed a risk assessment of financial risks, and given consideration to the need to monitor controls that address High / Extreme risks that may not be included in this listing.



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1.3 Category of findings

In order to assist the Council in establishing the overall level of control effectiveness and prioritising areas for attention, we have provided an overall assessment of the business cycles for which we have identified performance improvements opportunities (this report is prepared on an exception basis).

We assessed each business cycle using our risk assessment which was focused on the risk of finding material weaknesses which could lead to a modified controls opinion in the 2022/23 financial year. An overall assessment of the risk of a potential modified audit opinion per business cycle is provided in item 1.5 of this report.

Detailed findings including the controls tested as per the Better Practice Model, findings and recommendations are provided in section 2 of this report. The individual findings are also rated to assist the Council in prioritising corrective actions.

The overall assessment of the risk of non-compliance with s125 of the Local Government Act 1999 and the related findings and recommendations were rated as follows:

Category	Description
High Risk Weaknesses	The issue described could lead to a material weakness in the Council's internal controls and non-compliance with s125 of the Local Government Act.
Moderate Weaknesses	The issue described does not represent a material weakness due to the existence of compensating controls. However, the failure of the compensating controls or the existence of any other moderate weakness within the same business cycle may lead to a material weakness in the Council's internal controls and non-compliance with s125 of the Local Government Act.
Low Risk Weaknesses	The issue described is a low risk weakness due to the existence of compensating controls and/or the failure or absence of the internal controls does not impact significantly on the Council's financial risk. However, multiple low-level risk weakness within the same business cycle may lead to a material weakness in the Council's internal controls and non-compliance with s125 of the Local Government Act.
Better Practice Weaknesses	The issue described has been included in this report as an opportunity for better practice.

The Council should also perform its own assessment of priority based not only on audit risks, but also other risks management considers relevant such as non-compliance with pertinent legislations and regulations, and reputational risks.



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1.4 Overall review of the Council's internal controls

Overall the Council demonstrated a high level of compliance with the implementation of an internal control framework consistent with the principles within the Better Practice Model.

During our interim visit we found that the majority of key internal controls reviewed were in place and were operating effectively (91 out of 100 core controls reviewed).

The principles underpinning the model were used by the Council in the identification of its business cycles, the establishment of its internal controls and the implementation of its financial risk management processes.

A summary of the results of our review is provided in the table below:

Business cycles	Controls Reviewed	Operating Effectively	Operating Effectively	2023 Findings			
		2023	2022	H	M	L	BP
General Ledger	11	8	10	-	2	1	-
Fixed Assets	16	14	14	-	1	1	-
Purchasing & Procurement/Contracting	10	9	8	-	1	-	-
Accounts Payable	13	13	13	-	-	-	-
Rates / Rates Rebates	10	10	10	-	-	-	-
Receipting	5	5	5	-	-	-	-
Payroll	19	18	18	-	-	1	-
Credit Cards	5	5	4	-	-	-	-
Banking	5	4	5	-	1	-	-
Debtors	6	5	5	-	-	1	-
Total	100	91	92	-	5	4	-

We recommend that Council prioritises the moderate risk findings, as failure in compensating controls addressing the same risk or existence of multiple moderate weakness within the same business cycle may lead to a material weakness and non-compliance with s125 of the Local Government Act.

Audit have concluded that there is a high likelihood of issuing an unmodified controls opinion at the end of the financial year. This will depend on the Council demonstrating continued progress towards addressing identified control weaknesses, ensuring that the existing core controls in place continue to operate effectively and that the annual internal control activities are performed at year end.

1.5. Summary of findings

Business Cycle	Findings	Risk
General Ledger	2.1.1 A list of IT users with access to key finance modules in the Finance Force system is not reviewed by Finance Management	M
	2.1.2 There is no process in place to ensure that all manual journal entries are approved	M
	2.1.3 Council does not have general ledger policies and/or procedures in place	L
Fixed Assets	2.2.1 Implementation of a central electronic asset management system capturing and maintaining all key asset management data, and linked/reconciled to the GIS system is in progress	M
	2.2.2 Amounts related to disposals of infrastructure assets are recorded based on estimates / Absence of a process for approval of disposal of assets	L
Purch. Proc. Contracting	2.3.1 Instance of a purchase for which market approach used was not in accordance with the Procurement Procedure	M
Accts Payable	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act.	N/A
Rates	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act.	N/A
Receipting	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act.	N/A
Payroll	2.4.1 The payroll system (Aurion) is not integrated with the general ledger	L
Credit cards	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act.	N/A
Banking	2.5.1 Outstanding reconciling items presented in the bank reconciliation related to unmatched receipts.	M
Debtors	2.6.1 Absence of a formal review of a complete list of credit notes, adjustments and write offs.	L

2. DETAILED AUDIT FINDINGS

2.1 GENERAL LEDGER

2.1.1 A list of IT users with access to key finance modules in the Finance Force system is not reviewed by Finance Management

Moderate

Control Access to General Ledger maintenance is restricted to appropriately authorised personnel.

Risk General ledger does not contain financial information / Data contained within the general ledger is permanently lost.

Finding	Recommendations	Management Response																				
<p>During the 2022/23 financial year the Council changed its finance system from Authority to Finance Force.</p> <p>A list of IT users with access to key finance modules in Finance Force is not currently being reviewed by Finance Management.</p> <p>IT management advised that Council is engaging a data specialist to investigate ways to enable Council to generate a list of IT users with access to key finance modules in Finance Force.</p> <p>Some local government entities (including City of Marion when the Council was using the Authority system) have achieved this by reviewing a matrix of users and the modules those users have access to (refer to the example provided below):</p> <table><tr><th>User</th><th>Billing module</th><th>Accounts Receivable</th><th>Accounts Payable</th><th>Etc (list other key modules)</th></tr><tr><td>John Citizen</td><td>Yes</td><td>No</td><td>Yes</td><td>No</td></tr><tr><td>Paul Citizen</td><td>No</td><td>No</td><td>Yes</td><td>No</td></tr><tr><td>Sarah Citizen</td><td>No</td><td>No</td><td>No</td><td>Yes</td></tr></table>	User	Billing module	Accounts Receivable	Accounts Payable	Etc (list other key modules)	John Citizen	Yes	No	Yes	No	Paul Citizen	No	No	Yes	No	Sarah Citizen	No	No	No	Yes	<p>Council investigates ways to generate a list of IT users with access to key finance modules in Finance Force to enable Finance Management to perform an annual review of these access rights to ensure appropriate segregation of duties in the finance system.</p> <p>Key areas of access that should be considered in this review include:</p> <ul style="list-style-type: none">- Administrator access- Banking- Accounts payable- Accounts receivable- Receipting- General ledger- any other finance function considered critical by finance management	<p>Council maintains a Segregation of Duties Matrix outside of the system as part of its IT controls.</p> <p>Changes to access to the financial system are initiated through a ticketed helpdesk system and require approval of the CFO to be given before access is granted.</p> <p>Upon implementation of the new finance system, it was identified that access to update certain objects resulted in conflicts. Council’s immediate response was to restrict access resulting in some users having insufficient access.</p> <p>Following that any required changes to a user’s access rights was performed through a ticketed helpdesk system, with the request requiring approval from a designated role within the authority matrix.</p>
User	Billing module	Accounts Receivable	Accounts Payable	Etc (list other key modules)																		
John Citizen	Yes	No	Yes	No																		
Paul Citizen	No	No	Yes	No																		
Sarah Citizen	No	No	No	Yes																		

<p>Other local government entities have achieved this by reviewing a list modules and the users allocated to these modules (refer to the example below):</p> <p>Module: Billing Module <i>John Citizen</i> <i>Julian Citizen</i> <i>Etc</i> <i>Etc</i></p> <p>Module: Accounts Receivable <i>Margaret Citizen</i> <i>Zoe Citizen</i> <i>Etc</i> <i>Etc</i></p> <p>Module: Accounts Payable <i>Sarah Citizen</i> <i>Tim Citizen</i> <i>Etc</i> <i>Etc</i></p> <p>Module: XYZ (list any other key module) <i>User 1</i> <i>User 2</i> <i>User 3</i></p>		<p>FinancialForce (being relabelled as Certinia) provides much greater control over the level of access provided (down to individual fields) to all users. A comprehensive review of financial permissions is nearing completion. This will grant users the customised access they require to perform their duties, without giving rise to any segregation of duties or delegation conflicts.</p> <p>As part of this review, council has had a report developed identifying user access that will be reviewed on a regular basis.</p> <p>The implementation of this will result in access being controlled by both direct system controls and through regular review.</p>
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2.1.2 There is no process in place to ensure that all manual journal entries are approved**Moderate****Control**

Journal entry access is restricted to appropriately authorised personnel.

Risk

General ledger does not contain accurate financial information.

Finding	Recommendations	Management Response
<p>As described in the finding 2.1.2, Council changed its finance system from Authority to Finance Force.</p> <p>Before the implementation of the new finance system, Council used to approve all manual journal entries manually using paper-based forms containing the signature of the approver.</p> <p>With the transition from Authority to Finance Force, Council is currently investigating ways to implement a process whereby manual journal entries are digitally approved.</p> <p>Manual journal entries have not been formally approved since the implementation of Finance Force.</p>	<p>Council proceeds with plans to implement a process whereby manual journal entries are digitally approved.</p> <p>If digital approval of manual journal entries is not implemented, we recommend that Finance Management reviews a register of manual journal entries generated electronically by the system on a regular basis to ensure that journals are valid and accurate.</p> <p>Review of a register of manual journal entries does not necessarily mean a review of every single journal. This review can be performed using a risk-based approach to identify high risk manual journal entries using criteria established by management. The following are examples of suitable criteria:</p> <ul style="list-style-type: none"> - non automated journals affecting depreciation. - manual journal entries against cash accounts - manual journal entries for capitalisation of salaries and wages - unexpected/material journals causing net 	<p>Council is nearing the completion of the development of a digital journal review process for all journals submitted by users.</p> <p>Journal transactions will have a validation flag which will require an approver to mark the flag once the journal has been reviewed. Approvers with access to select this journal validation flag will be:</p> <ul style="list-style-type: none"> • Chief Financial Officer • Unit Manager Statutory Finance • Unit Manager Finance Partnering. <p>There will be an inbuilt criterion to ensure that journal raisers cannot approve their own journals which will flow onto their manager to approve.</p>

	<p>surplus to be inflated</p> <ul style="list-style-type: none">- material end of the year accruals and/or provisions- manual journal against account lines impacting CEO/Executive level staff financial KPIs. <p>These examples are for illustrative purposes only, and not intended to be mandatory nor exhaustive. We recommend that management determine their own risk-based criteria for reviewing the register of manual journal entries.</p>	
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2.1.3 Council does not have general ledger policies and/or procedures in place		Low
Control	General ledger policies and procedures are appropriately created, updated and communicated to relevant staff	
Risk	General Ledger does not contain accurate financial information / Data contained within the general ledger is permanently lost.	

Finding	Recommendations	Management Response
<p>Council does not have general ledger policies and/or procedures in place.</p> <p>This is a repeat finding from our 2021/22 interim management letter.</p>	<p>Consideration is given to implementing general ledger policies and/or procedures.</p> <p>Examples of topics that may be included in the policy or procedures include:</p> <ul style="list-style-type: none"> - Guidance for posting journals in the system; - Approvals to be obtained before processing a journal entry; - Process for creating/modifying general ledger accounts; - Procedures to ensure that changes to the structure of the general ledger framework are formally approved; - Reconciliations to be performed at end of month; - Procedures for opening and closing an accounting period in the system; - Use of monthly procedures checklist; and - Control and review of general ledger access. 	<p>A General Ledger Policy was not put in place due to the impact of system changes when moving from Authority to Financial Force.</p> <p>With the implementation nearing completion and full understanding of required processes, available controls and developing robust responsibility and functional parameters Council will now develop a General Ledger Policy as proposed in the recommendation.</p>

2.2 FIXED ASSETS

2.2.1 Implementation of a central electronic asset management system capturing and maintaining all key asset management data, and linked / reconciled to the GIS system is in progress

Moderate

Control	There is a process in place for the verification of fixed assets which is reconciled to the FAR.
Risk	Fixed asset acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed Asset Register (FAR) does not remain pertinent.

Finding	Recommendations	Management Response
<p>Asset data is the foundation for enabling many key asset management functions. It is essential for asset intensive entities such as local government entities to maintain complete and reliable asset registers.</p> <p>Better Practice in local government is for councils to have integrated asset management systems / asset registers that capture and maintain the following data:</p> <ul style="list-style-type: none"> - Valuation data: commissioning dates, estimated asset life, estimated remaining life, construction cost, replacement cost, unit cost, written down value, depreciation rate, etc - Physical features: dimension, size - Maintenance data: work completed and work to be completed - Condition data: condition assessment, date of the assessment and assessor - Performance data: target performance indicators, year of assessment, actual performance indicator, delivery of level of services - Risk data: criticality rating, probability of failure, consequence of failure <p>Last year we reported that there was an absence of a central electronic asset management system capturing and maintaining all key asset</p>	<p>Council continues with its plans to include buildings and infrastructure assets in a comprehensive centralised integrated asset management information (Assetic) containing the following asset data:</p> <ul style="list-style-type: none"> - Valuation data: commissioning dates, estimated asset life, estimated remaining life, construction cost, replacement cost, unit cost, written down value, depreciation rate, etc - Physical features: dimension, size - Maintenance data: work completed and work to be completed - Condition data: condition assessment, date of the assessment and assessor - Performance data: target performance indicators, year of assessment, actual performance indicator, delivery of level of services - Risk data: criticality rating, probability of failure, consequence of failure 	<p>On the 24th of April 2023, the Council went live with-its centralised Assetic asset register system. Consolidating all Council managed asset in the one central electronic asset management system.</p> <p>The system consolidated previously stored asset information (e.g., valuation, physical features, and condition data), spread across several disparate Asset Registers, into the one source of truth in Assetic, with Spatial Data about the assets being stored in the Council GIS system (ESRI) and linking the two systems via an automated REST API.</p> <p>Asset sub-classes such as Buildings, Roads and Bridges have been componentised in the Assetic system with the valuation and component information stored against each relevant complement (ie Buildings where applicable contains; Substructure, Superstructure, Roof Structure, Services, Internal Fit-out, Site service /Infrastructure, Lifts, Airconditioning)</p>

<p>management data, and linked / reconciled to the GIS system. Key asset management data was maintained / captured by Council as described below:</p> <ol style="list-style-type: none"> 1) Council maintained its valuation data for infrastructure assets in manual spreadsheets provided by APV valuers. 2) The physical features and condition data were captured in Council's GIS system (ESRI FieldMap). The GIS system was considered the Single Point of Truth (SPOT) data set. 3) Some maintenance data was captured by the 'RAMM' system. RAMM was a system used only by the Open Space Operation Team to undertake rolling maintenance programs on open space assets. 4) The workflow for updating and/or creating new asset data relied on emails sent to the Asset Solutions Team and files saved on shared drives. This data was then provided to officers who created and/or updated asset data in the APV spreadsheet and in the Authority system asset register, and also provided to asset officers who maintained the GIS system. There was no integration and/or reconciliation in place between the asset registers (APV spreadsheet and Authority system asset register) and the GIS system. <p>Our follow-up of this matter performed during our interim audit revealed that Management is in process of implementing Assetic during the 2022/23 financial year as its central electronic asset management system.</p> <p>Major building assets were included in Assetic as from 1 July 2022. These assets still require further componentisation. The buildings componentisation process is expected to be finalised upon completion</p>	<p>Council ensures that all assets included in Assetic are linked and/or reconciled to the ESRI Geographic Information System.</p> <p>Council implements an asset data collection process whereby an asset is created/edited using a centralised electronic asset handover form (i.e. without relying on emails or files saved on shared drives). This process should enable users to manage all the key asset management data related to an asset (e.g. valuation, physical features, condition, performance and risk data) from a single location.</p>	<p>The Council has deployed and continues to embed the use of the Asset Information Handover SharePoint Forms for the creation, amendments and disposal of assets and changes to asset information within the Assetic asset register. These register changes are undertaken by a centralised asset maintenance team within the Council responsible for the maintenance of the Assetic asset system and asset information.</p> <p>In 2023/24 the Council continues with its multi-year program of improvement plans to enhance its approach to the asset management life cycle. The Council has engaged Assetic to support with standardisation of Business Process Manuals to capture and document asset performance data and risk data to be included into the current data set and to supporting the implementation for the Assetic predictive modelling for asset life cycle forecasting. The Council will also be implementing the Assetic Works Management module to capture plan and reactive maintenance works information against the assets.</p>
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of the comprehensive revaluation of buildings. The building components identified during the revaluation of buildings and the valuation of these components are expected to be created and recorded in Assetic as at 30 June 2023.

Most of the Infrastructure assets and their components were also loaded into Assetic during the 2022/23 financial year. The valuation data is planned to be updated in Assetic based on the infrastructure assets revaluation to be effective as at 30 June 2023.

Once buildings are further componentised and fully captured in Assetic and infrastructure asset valuation data is updated in Assetic, the system will be used as a central electronic asset management system capturing and maintaining all key asset management data (e.g. valuation, physical features, maintenance, condition, performance and risk data), and directly linked to the GIS system.

Council is currently developing an electronic asset handover form in SharePoint where all the data required to create an asset will be captured and centralised (e.g. valuation, physical features, etc).

2.2.2 Amounts related to disposals of infrastructure assets are recorded based on estimates / Absence of a process for approval of disposal of assets		Low
Control	All fixed asset acquisitions and disposals are approved in accordance with Delegation of Authority and relevant Procurement and Fixed Asset Policies / Profit or loss on disposal calculations can be substantiated and verified with supporting documentation.	
Risk	Fixed assets acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed asset register does not remain pertinent.	

Finding	Recommendations	Management Response
<p>As discussed in finding 2.2.1 and reported in our 2021/22 interim management letter, Council maintained its valuation data for infrastructure assets in manual spreadsheets provided by APV valuers.</p> <p>Audit noted that the APV spreadsheets containing the annual desktop revaluation of all infrastructure assets did not provide information on valuation of disposals of infrastructure assets for the reporting period.</p> <p>The amounts related to disposals of infrastructure assets (for example when there is a renewal of an infrastructure asset) were based on an estimated percentage of the cost of the infrastructure assets being renewed.</p> <p>In addition, Council did not have a process to ensure that asset disposals were approved by delegated Finance Management and/or Asset Management staff.</p> <p>Audit performed a follow up of this matter during the 2022/23 interim audit and noted that the disposals are still being calculated based on estimated percentages. As detailed in finding 2.2.1, Council is currently developing an electronic asset handover form in SharePoint, which will include the necessary data to enable asset management to identify segments of infrastructure to be disposed and their value rather than relying on estimates.</p>	<p>Council establishes a process to ensure that asset disposals are appropriately documented and approved. Best practice in local government is to provide the following documentation, authorised in accordance with delegations:</p> <ul style="list-style-type: none"> - Infrastructure assets – approved asset handover forms providing an allocation of costs to different components of infrastructure assets and a calculation of the amount related to the component of infrastructure assets being disposed. - Other assets – approved asset disposal forms providing a description and written down value of assets being disposed. 	<p>With the implementation of Assetic throughout 2022-2023 the calculation of the value of infrastructure assets disposed as part of the Asset Renewal Program will be based on the estimate percentage method.</p> <p>With the introduction of the asset handover process in Assetic, the value of infrastructure asset disposals as part of the Asset Renewal Program can be identified with far greater accuracy.</p> <p>The resulting journal entries and data underpinning the preparation of Note 7 will be implemented into the preparation of the 2023-2024 Annual Financial Statements.</p>

2.3 PURCHASE AND PROCUREMENT/CONTRACTING

2.3.1 Instances of a purchase for which market approach used was not in accordance with the Procurement Procedure

Moderate

Control	Council has a Procurement Policy that provides direction on acceptable methods and the process for procurement activities to ensure transparency and value for money within a consistent framework.
Risk	Council does not obtain value for money in its purchasing and procurement.

Finding	Recommendations	Management Response									
<p>The City of Marion Procurement Procedure provides the following thresholds to guide the general market approach:</p> <table border="1"> <thead> <tr> <th>Value of purchase</th><th>General market approach</th><th>Exemption approver</th></tr> </thead> <tbody> <tr> <td>Over \$100,000</td><td>Public tender undertaken through the Strategic Procurement Team</td><td>Manager Strategic Procurement Service (up to \$200,00) Tender Board (above \$200,000)</td></tr> <tr> <td>\$50,001 - \$100,000</td><td>Select tender undertaken through the Strategic Procurement Team</td><td>Manager Strategic Procurement Services</td></tr> </tbody> </table> <p>Audit selected a sample of suppliers based on their cumulative spend for the 2022/23 FY and noted an instance where Council procured a supplier through a direct negotiation when Procurement Procedures requires a select tender (Supplier: Finance ID 2765 – welding. Cumulative spend for the first six months of the 2022/23 FY - \$91,328).</p> <p>Procurement Management advised that reasons for not using the general market approach recommended by the Procurement Procedure included:</p> <ul style="list-style-type: none"> - product design that best suit the project was developed by the supplier - uniqueness of the product and services provided by the supplier - supplier has been providing services to Council for more than 	Value of purchase	General market approach	Exemption approver	Over \$100,000	Public tender undertaken through the Strategic Procurement Team	Manager Strategic Procurement Service (up to \$200,00) Tender Board (above \$200,000)	\$50,001 - \$100,000	Select tender undertaken through the Strategic Procurement Team	Manager Strategic Procurement Services	<p>Ensure that exemptions from the Procurement Procedure are approved in line with the requirement of the Procedure, and formally documented in a form/memo before entering into a contract with a supplier.</p>	<p>Management acknowledge that an exemption should have been sought for this supplier based on specialist supply and the reasons outlined in the finding.</p> <p>Management agrees with the recommendation and will ensure that Councils standard approach to formally document and approve an exemption from the Procurement Procedure will be adhered going forward as recommended.</p>
Value of purchase	General market approach	Exemption approver									
Over \$100,000	Public tender undertaken through the Strategic Procurement Team	Manager Strategic Procurement Service (up to \$200,00) Tender Board (above \$200,000)									
\$50,001 - \$100,000	Select tender undertaken through the Strategic Procurement Team	Manager Strategic Procurement Services									

<p>15 years</p> <ul style="list-style-type: none">- it is a local supplier- price has remained relatively the same with minor changes over the past years. <p>The reasons listed above were documented in an email dated 9 May 2023 (i.e. after procuring the supplier). The Manager Strategic Procurement Services was copied into the email.</p> <p>Whilst audit acknowledges that Procurement Management may consider the reasons listed above to be reasonable/sufficient to warrant an exemption for the supplier, audit is of the view that approval for the exemption provided was not adequately documented.</p> <p>Good practice is for a formal exemption form/memo detailing the reasons for the exemption signed by the Manager Strategic Procurement Services (as required by the Procurement Procedure for the procurement of this supplier) to be used and maintained in the records management system.</p>		
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2.4 PAYROLL

2.4.1 The payroll system (Aurion) is not integrated with the general ledger

Low

Control

Payroll is periodically reconciled to the General Ledger accounts.

Risk

Payroll disbursements are made to incorrect or fictitious employees.

Finding	Recommendations	Management Response
<p>The payroll system (Aurion) is not integrated with the general ledger (Finance Force).</p> <p>The Aurion system generates a CSV format file containing the costings report. This file is manually uploaded into Finance Force and the amounts are allocated to different general ledger codes in Finance Force in accordance with the general ledger codes included in the costing report.</p> <p>Importantly, a reconciliation between amounts recorded in Aurion and in Finance Force is performed and independently reviewed.</p> <p>This is a repeated finding from our 2021/22 interim management letter.</p>	<p>Council investigates ways for Council's general ledger to be directly integrated with Aurion.</p>	<p>Management will investigate the integration of the Aurion Payroll system with the Financial Force General ledger system as part of the ongoing Digital Transformation initiatives across council.</p> <p>In the interim Finance will continue to perform regular reconciliations to ensure data integrity between the two systems.</p>

2.5 BANKING

2.5.1 Outstanding reconciling items presented in the bank reconciliation related to unmatched receipts.

Moderate

Control	Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated.
Risk	Banking transactions are either inaccurately recorded or not recorded at all.

Finding	Recommendations	Management Response
<p>The 30 March 2023 bank reconciliations presented with a number of outstanding bank reconciliation items. These consisted of unmatched Bank side transactions and unmatched General Ledger side transactions. These transactions related largely to periods less than 30 days (total unmatched bank transactions - \$5,468,091 / total unmatched general ledger transactions - \$4,183,548), however some transactions were related to periods over 180 days (total unmatched general ledger transactions - \$1,575,191 related to unmatched receipts).</p> <p>Audit enquired with finance management about these outstanding reconciling items, and we were informed that due to the implementation of a new finance system the bank reconciliation process is requiring further integration and automation with some legacy subsidiary ledgers.</p> <p>Finance management also advised that these items are being matched progressively and will be completed for the preparation of the 30 June 2023 bank reconciliation.</p>	<p>Ensure that the long outstanding reconciling items presented in the bank reconciliation are investigated and addressed.</p>	<p>With the introduction of Councils new finance system - Financial Force, the Bank Reconciliation process required significant work to address reconciling the multiple revenue and expenditure streams. In the main these were addressed soon after implementation however some streams required detailed work progressively through the year to integrate effectively.</p> <p>While all bank related streams were being integrated through the year, other controls were in place to ensure Council was not at risk of inaccurately recording transactions or transactions being omitted.</p> <p>As at 30 June 2023 all bank reconciliations for 2022-2023 have now been fully completed and have resulted in no material reconciling items being identified.</p>

2.6 DEBTORS**2.6.1 Absence of a formal review of a complete list of credit notes, adjustments and write offs.****Low****Control**

Management and/or Council review and approve all rebates, credit notes, bad debt write offs and movements in the provision for doubtful debts, in accordance with the delegation of authority and Local Government Act.

Risk

Credit notes to debtors are either inaccurately recorded or not recorded at all.

Finding	Recommendations	Management Response
Audit noted absence of a formal review of a complete list of credit notes, adjustments and write offs.	Finance Management review on a regular basis the general ledger transaction listing for all accounts where credit notes, adjustments and write offs are recorded. This will identify a complete population of credit notes, adjustments and write offs for independent scrutiny.	<p>Accounts Receivable check the approvals on all credit notes at the time of processing to ensure they are in line with the delegations of authority.</p> <p>Rebates are not used by accounts receivable and review of provision for doubtful debts is undertaken by the Assistant Financial Accountant and Unit Manager Statutory Finance annually.</p> <p>Going forward, the Unit Manager Statutory Finance will complete a formal review of the listing of credit notes and writes off on a regular basis</p>



APPENDIX 1 – CRITICAL INTERNAL FINANCIAL CONTROLS

GENERAL LEDGER

Risks

- | | |
|----|--|
| R1 | General Ledger does not contain accurate financial information |
| R2 | Data contained within the General Ledger is permanently lost. |

RISKS	Control	Control Type
R1,R2	All major updates and changes to General Ledger finance system are authorised, tested and documented.	Core
R1,R2	Access to General Ledger maintenance is restricted to appropriately authorised personnel.	Core
R1	Reconciliation of all balance sheet accounts are completed in accordance with a schedule of review and/or procedure.	Core
R1	All balance sheet reconciliations are reviewed by a person other than the preparer at least annually.	Core
R1	Journal entry access is restricted to appropriately authorised personnel.	Core
R1,R2	Financial data is backed up and stored offsite.	Core
R1	Finance system does not allow posting of unbalanced journals or if it does regular reviews are conducted on the suspense account and discrepancies investigated and actioned.	Core
R1	Amendments to the structure of the General Ledger framework and accounts are reviewed and approved by appropriately authorised personnel.	Core
R1,R2	General Ledger policies and procedures are appropriately created, updated and communicated to relevant staff.	Core
R2	Formal disaster recovery plan is in place and communicated to relevant staff.	Core
R1	There is a process in place to review actual vs budget and significant variances investigated.	Core

FIXED ASSETS

Risks

- | | |
|----|--|
| R1 | Fixed asset acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed Asset Register (FAR) does not remain pertinent. |
| R2 | If fixed assets are not securely stored, they may be subject to damage or theft. |
| R3 | If fixed assets are not valued correctly, the management reports and financial statements will be misstated. For example, incorrect carrying values may result from the use of inappropriate depreciation rates. |
| R4 | Depreciation charges are either invalid, not recorded at all or are inaccurately recorded which includes inappropriate useful lives and residuals. |
| R5 | Fixed Asset maintenance and/or renewals are inadequately planned. |

RISKS	Control	Control Type
R1	There is a process in place for the verification of fixed assets which is reconciled to the FAR.	Core
R1	Recorded changes to the FAR and/or masterfile are approved by appropriate staff compared to authorised source documents and General Ledger to ensure accurate input.	Core
R1	All fixed asset acquisitions and disposals are approved in accordance with Delegation of Authority and relevant Procurement and Fixed Asset Policies.	Core
R1	Maintenance of the fixed asset register is limited to appropriate staff with consideration to segregation of duties.	Core
R1	Council has an asset accounting policy which details thresholds for recognition of fixed assets which is monitored to ensure adherence.	Core
R1	Reconciliation of fixed assets to the General Ledger is performed in accordance with schedule of review or procedure.	Core
R1	Asset register calculations are reviewed for accuracy.	Core
R1	Fixed assets are recorded on acquisition, creation or when provided free of charge to facilitate accurate identification of assets and recording of details with regards to the Asset Accounting Policy.	Core
R1	Asset maintenance is planned and monitored with relevant staff in accordance with the Asset Management Plans	Additional
R2	Where appropriate, fixed assets are secured and access is restricted to appropriate staff and authorised users.	Core

RISKS	Control	Control Type
R2	Where appropriate, identification details are recorded for portable and attractive assets such as IT and fleet assets, on acquisition to facilitate accurate identification.	Additional
R3	Relevant staff review useful lives, residuals, valuations, depreciation methodology and test for impairment as required by Accounting Standards and legislation to ensure that methods used are still appropriate and significant changes are incorporated into Asset Management Plans.	Core
R3	Profit or loss on disposal calculations can be substantiated and verified with supporting documentation.	Core
R4	Depreciation charges are calculated in accordance with the asset accounting policy and compliant with relevant accounting standards, including the useful life, depreciation method and residual values.	Core
R5	Asset Management Plans are prepared and renewal expenditure and programmed maintenance required is reviewed periodically to reflect changing priorities, additional asset data and other relevant factors.	Core
R5	Asset Management Plans for all major asset classes are adopted and reviewed by Council as required by the Local Government Act 1999.	Core

Purchasing and Procurement

Risks

R1	Council does not obtain value for money in its purchasing and procurement.
R2	Purchases of goods and services are made from non-preferred suppliers.
R3	Purchase orders are either recorded inaccurately or not recorded at all.
R4	Purchase orders are made for unapproved goods and services.

RISKS	Control	Control Type
R1	Council has a Procurement Policy that provides direction on acceptable methods and the process for procurement activities to ensure transparency and value for money within a consistent framework, with consideration of any potential conflicts of interest.	Core
R1,R2	Employees must ensure all purchases are in accordance with Council's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies.	Core
R1	The organisation has a process in place to ensure use of preferred suppliers where relevant to maximise the best value for money to Council	Core
R2,R3	There is a process in place to review purchasing patterns and ensure maximum use of preferred suppliers	Additional
R3	Purchase order numbers are either system generated and/or sequentially numbered.	Core
R3	There is a process in place to ensure all invoices for payment are matched to relevant source documents such as purchase orders where applicable and are in line with Procurement Policy guidelines.	Core
R3	There is a process in place to follow up and action incomplete purchase orders.	Additional

CONTRACTING

Risks

R1	Council is not able to demonstrate that all probity issues have been addressed in the Contracting process.
R2	Council does not obtain value for money in relation to its Contracting.

RISKS	Control	Control Type
R1,R2	There are robust and transparent evaluation and selection processes in place to engage contractors where relevant in accordance with the Code of Conduct, Conflict of Interest and Procurement Policy.	Core
R1	The selection panel is made up of appropriate personnel who have declared any relevant conflict of interest to ensure that informed and objective decision is made when selecting contractors.	Core
R1	Council maintains a current contract register.	Core

ACCOUNTS PAYABLE

Risks

R1	Accounts payable amounts and disbursements are either inaccurately recorded or not recorded at all.
R2	Credit notes and other adjustments to accounts payable are either inaccurately recorded or not recorded at all.
R3	Disbursements are not authorised properly.
R4	Accounts are not paid on a timely basis.
R5	Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file.

RISKS	Control	Control Type
R1,R2,R4	Statements received from suppliers are reconciled to the supplier accounts in the accounts payable subledger regularly and differences are investigated.	Additional
R3	Records must be maintained of all payments with supporting documentation.	Core
R1	Payments are endorsed by relevant staff separate to the preparer, who ensures that they are paid to the correct payee.	Core
R5	Access to the supplier masterfile is restricted to authorised staff	Core
R2,R5	Separation of Accounts Payable and Procurement duties.	Core
R3	All invoices and payment requests are approved in accordance with relevant policies and/or Delegations of Authority.	Core
R1	Predetermined variances between Purchase Orders and Invoices are assessed and payment released only after verification by the officer with delegation to do so.	Additional
R1	Payments are verified to appropriate supporting documentation and are in line with Delegations of Authority.	Core
R4	Relevant staff to review aged payables listing on a predetermined basis and investigate where appropriate.	Core
R5	Recorded changes to the supplier master file are compared to authorised source documents to ensure that they were input accurately.	Core

RISKS	Control	Control Type
R5	Requested changes or additions to supplier masterfile are verified independently of source documentation.	Additional
R4	There is a system generated report detailing supplier invoices due for payment at any one time.	Core
R5	There is a process in place to ensure the supplier master file is periodically reviewed for ongoing pertinence.	Additional

RATES / RATES REBATES

Risks

- | | |
|----|---|
| R1 | Council does not raise the correct level of rate income. |
| R2 | Rates and rate rebates are either inaccurately recorded or not recorded at all. |
| R3 | The Property master file data does not remain pertinent. |
| R4 | Rates are not collected on a timely basis. |

RISKS	Control	Control Type
R1,R2	Rates are automatically generated by the rate system, including the calculation of rate rebates and other parameters as applicable.	Core
R2	Rates are generated and tested for accuracy of calculation methodology prior to the rates billing run	Core
R1	All software changes to rate modelling functionality fully tested and reviewed by relevant staff.	Core
R1	There is a rating policy in place that is reviewed annually that provides clear guidance on rating methodology and relevant rebates and remissions in line with legislation.	Core
R2	Annual valuation update is balanced prior to the generation of rates; all mismatches resolved prior to finalising rate generation.	Core
R2	All rate rebates and adjustments including write offs are appropriately authorised, with reference to Delegations of Authority and source documents.	Core
R4	There is a process in place to ensure that rates are collected in a timely manner and overdue rates are followed up.	Core
R3	Recorded changes to property master file data and any rate adjustments are compared to authorised source documents to ensure that they were input accurately. An audit trail is maintained for all changes.	Core
R3	Access to the Property master file is restricted to appropriately designated personnel, with a process in place to ensure changes are in line with policies and procedures.	Core
R2	Employees responsible for processing rate payments and rebates cannot process their own payments or rebates unless the transaction is approved by someone independent of the process	Core

RECEIPTING

Risks

R1	Receipts are either inaccurately recorded or not recorded at all.
R2	Receipts are not deposited at the bank on a timely basis.

RISKS	Control	Control Type
R2	Prior to and during the banking process, cash is stored securely at all times.	Core
R1	Customers are provided with a system generated or pre-numbered (manual) sequential tax compliant receipt detailing payment made.	Core
R1	There is a review process for the authorisation of the reversal of transactions.	Additional
R1	Receipt transactions are reconciled to the daily takings and out-of-balance banking is corrected promptly.	Core
R2	Receipts are deposited regularly at the bank by a person independent from the initial recording of the cash receipts.	Additional

PAYROLL

Risks

- R1 Payroll expense is inaccurately calculated.
- R2 Payroll disbursements are made to incorrect or fictitious employees.
- R3 Time and/or attendance data is either invalid, inaccurately recorded or not recorded at all.
- R4 Payroll master file does not remain pertinent and/or unauthorised changes are made to the payroll master file.
- R5 Voluntary and statutory payroll deductions are inaccurately processed or without authorisation.
- R6 Employees termination payments are not in accordance with statutory and enterprise agreements.

RISKS	Control	Control Type
R1	Where possible standard programmed formulae perform payroll calculations.	Core
R1, R3	There is a process to ensure all overtime is verified and approved by relevant appropriate staff.	Core
R1	All calculations for generating payroll payments are verified for accuracy.	Core
R4,R5	Managers periodically review listings of current employees within their departments and variances are investigated.	Additional
R1	Payroll is periodically reconciled to the General Ledger accounts.	Additional
R2	The payment for the payroll must be reconciled to a system generated report detailing amount and employee prior to payment.	Core
R2	There is a process to ensure an independent review of proposed payroll payments by authorised staff.	Additional
R2	The payment of the payroll is authorised by appropriate staff not involved in the preparation of the payroll.	Core
R2	Employee records to include employment details and/or contract terms and conditions, authorisations for payroll deductions and leave entitlements.	Core
R2	There is a process to ensure employees are made inactive in payroll records upon termination	Core

RISKS	Control	Control Type
R5	All payroll deductions must be approved by the relevant employee.	Core
R3	Relevant staff are required to complete timesheets and/or leave forms, authorise them and have approved by the relevant supervisor.	Core
R2	There is a segregation of duties from those preparing the payroll to those responsible for preparation of source documents (e.g. timesheets, leave requests etc).	Core
R2	Payroll system generates audit reports detailing all payroll changes and there is a process in place to ensure all changes are reviewed and verified against source documents.	Core
R2	There is a process in place to ensure employees are not added to the payroll masterfile, nor details amended or amounts paid without receipt of the appropriate forms which have been authorised by relevant staff.	Core
R5	Access to the payroll deduction listing is restricted to authorised staff.	Core
R6	There is a process in place to ensure termination payments comply with relevant policies, procedures and legislation.	Core
R3	Time recording and attendance exceptions such as TOIL or flexitime are based on relevant policies/agreement are identified, monitored and corrected.	Core
R4	The ability to access, modify or transfer information contained in the payroll master files is restricted to authorised staff.	Core

CREDIT CARDS

Risks

- | | |
|----|---|
| R1 | Credit Cards are issued to unauthorised employees. |
| R2 | Credit Cards are used for purchases of a personal nature. |
| R3 | Credit Card limits are set at inappropriate levels. |

RISKS	Control	Control Type
R1,R3	There is a process in place to ensure there are appropriate approvals prior to the issuing of Credit Cards and limits.	
R1,R2	Credit card holders sign a declaration confirming compliance with Council policy and procedures prior to the Credit Card being released.	
R2	There is a process in place to approve all credit card transactions to ensure compliance with the policies and procedures covering credit card usage.	
R2	Cardholders must check their statement to ensure all transactions are correct and identify any transactions of a personal nature which must be reimbursed to Council.	
R3	There is a process in place to ensure credit card limits and usage is reviewed for operational efficiency.	

BANKING

Risks

- | | |
|----|---|
| R1 | Banking transactions are either inaccurately recorded or not recorded at all. |
| R2 | Fraud (i.e. misappropriation of funds) |

RISKS	Control	Control Type
R1,R2	There is a process in place to ensure all cash, blank cheques and/or cheque signing machine are adequately safeguarded.	Core
R1	Access to EFT Banking system is restricted to appropriately designated personnel.	Core
R1,R2	Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated.	Core
R2	Cash transfers between bank accounts and investment bodies are undertaken by appropriate staff.	Core
R2	There is a process in place to ensure all cash collected is adequately recorded and banked regularly.	Core

DEBTORS

Risks

R1	Debtors are either inaccurately recorded or not recorded at all.
R2	Rebates and credit notes to debtors are either inaccurately recorded or not recorded at all
R3	An appropriate provision for doubtful debts is not recorded
R4	Debtors are either not collected on a timely basis or not collected at all
R5	The Debtors master file data does not remain pertinent.

RISKS	Control	Control Type	CSA Importance	Weighting
R1, R4	Debtor's reconciliation performed on a regular basis to the General Ledger and reviewed by an independent person.	Core		4
R1	Council maintains a Debt Collection Policy.	Core		5
R2, R3, R4	Management and/or Council review and approve all rebates, credit notes, bad debt write-offs and movements in the provision for doubtful debts, in accordance with delegations of authority and Local Government Act.	Core		5
R3, R4	Management reviews debtors ageing profile on a regular basis and investigates any outstanding items.	Core		4
R5	Access to the debtor's master file is restricted to appropriately designated personnel and is reviewed by management for accuracy and on-going pertinence.	Core		5
R5	Recorded changes to debtor's master file data are compared to authorised source documents or confirmed with customers/ratepayers to ensure that they were input accurately.	Core		4

7.7 Business Continuity Exercise Recommendations

Report Reference FRAC230815R7.7

Originating Officer	Unit Manager Strategy and Risk – Maddie Frew
Corporate Manager	Manager Office of the Chief Executive - Kate McKenzie
General Manager	Chief Executive Officer – Tony Harrison

REPORT OBJECTIVE

The purpose of this report is to provide the Finance, Risk and Audit Committee (FRAC) with recommended actions to be undertaken to make improvements to the City of Marion's Business Continuity readiness, following the Business Continuity Exercise held on 28 June 2023.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

- 1. Endorses the recommended Business Continuity actions outlined in this report.**

DISCUSSION

The City of Marion's Business Continuity Plan (BCP) sets out that a Business Continuity Exercise will be conducted annually. This is to ensure there is an appropriate level of training provided to the Incident Management Team (IMT) for readiness of a real-life Business Continuity event.

An exercise under the Business Continuity Plan has not been undertaken since prior to Covid, due to the prolonged nature of the IMT being active. Since the last Business Continuity exercise, there has also been significant staff turnover, and the roles of the IMT were updated when the Business Continuity Plan was endorsed by the Finance, Risk and Audit Committee on 11 October 2022.

On 21 November 2022, the newly endorsed IMT members (primary and alternates) were provided the i-Responda essentials training. The i-Responda Essentials course is a foundational activity that explains the principle of 'Ordinary Operations in Extraordinary Situations' and provides the basis upon which Local Government workers can work in a safe, consistent and supported way during incident operations. The training covered:

- Roles and responsibilities of Local Government in incident operations.
- i-Responda principle and action plans.
- Working with emergency services.
- Communicating during incident operations.
- Incident management awareness.
- Briefing, situation reports & debriefing.
- Situational Awareness & Personal Survival

On 28 June 2023, the Incident Management Team (IMT) (primary and all alternate members) conducted a Business Continuity exercise. The exercise, titled 'Exercise Stormfront 2023' was facilitated by Andrew Lawson, who was the former Deputy Chief of the Country Fire Service and now specialises in emergency management training and exercises. The exercise also had

representatives from the State Emergency Services and Local Government Functional Support Group in attendance to provide an oversight of their role in an emergency situation.

The exercise was attended by 26 of the IMT members and held between 9am and 3pm. Throughout the day, the 'special ideas' presented by the storm provided the IMT with new challenges to address and overcome. Full details of 'Exercise Stormfront 2023' can be found in **Attachment 1**.

Throughout the exercise, notes were taken to evaluate the effectiveness of the exercise and of the IMT to identify strengths as well as any weaknesses for improvements. Attendees were asked to complete an evaluation form at the end of the exercise. A full Evaluation Report on the exercise, written by the external facilitator, Andrew Lawson can be found at **Attachment 2**.

Before detailing the recommendations from the exercise, it should also be noted that there is an outstanding internal audit action (from the Cyber Security audit) which requires CoM to 'review validity of departmental (IT) recovery objectives in conjunction with the Risk Department run BCP workshops where recovery objectives are unrealistic or unachievable'. This work is currently in progress and will form part of the update to the Business Continuity Plan updates also. It is envisaged that these IT recovery strategies will be tested at the next BCP exercise also.

The Evaluation Report makes recommendations for a few areas for improvement. The below table outlines the recommended actions for improvements as highlighted by Andrew Lawson's evaluation report and any commentary from the IMT Coordinator on actioning these. Due dates on the actions have also been provided in the below table:

Recommended Actions for Improvement	Due Date	Responsibility	Commentary from IMT Coordinator (where relevant)
1. Updates the BCP email distribution list and Group contacts list for IMT messages.	1/9/2023	Risk Business Partner – Business Continuity	
2. Consider preparing/recommending the contents of a 'Go-Bag' for IMT members. (i.e.: printed copies of BCP, power banks for charging laptops/phones and phone chargers)	30/9/2023	Risk Business Partner – Business Continuity	
3. Remind all staff, especially IMT members to ensure they take their laptops home every night.	30/8/2023	UM Strategy and Risk	This should be an all of staff e-mail as it should really be all staff. Not just about IMT functions, but general ongoing business operations should there be an event where staff cannot get to the office.
4. Incorporate the role of the Call Centre into BCP and request for an extension of hours during a crisis.	31/10/2023	Risk Business Partner – Business Continuity	

5. Investigate if a protocol can be implemented to allow for the Call Centre to redirect calls to SES during the crisis in order for events to be centrally managed and triaged.	31/10/2023	Risk Business Partner – Business Continuity	
6. Establish Group text messages for BCP and establish a protocol whereby - if no further confirmation or communication is received, CoM staff are to assume that there will be an activation of the IMT.	1/9/2023 31/12/2023	Risk Business Partner – Business Continuity	Two parts: 1. Establish group text and send e-mail to all IMT about interim protocol. 2. Establish protocol in BCP when updating as whole document.
7. Seek to further clarify Role Statements for all Functional Roles – in particular for facilities and logistics.	31/12/2023	Risk Business Partner – Business Continuity	
8. Clarify with the LGFSG, who is responsible for the Local Government Emergency Centre Coordinator as outlined in the SEMP.	1/9/2023	Risk Business Partner – Business Continuity	
9. Update the BCP to reflect that the requests come from logistics and facilities but are arranged and deployed by 'People'.	31/12/2023	Risk Business Partner – Business Continuity	This action be updated to: Ensure all roles and responsibilities of each IMT are clarified and updated as required.
10. Clarify in the BCP - who is responsible for calls to the aged care and vulnerable people.	31/12/2023	Risk Business Partner – Business Continuity	This action be updated to: Outline within recovery strategies, the Manager, Community Connections to be called upon by the IMT for actions relation to calls to aged care and vulnerable people.
11. Review and clarify the keys and induction checklist for all CoM buildings/facilities.	30/9/2023	Risk Business Partner – Business Continuity	
12. Review and clarify CoM's	31/12/2023	Risk Business Partner –	And ensure this is updated in BCP.

capabilities (and venues) in terms of the provision of Community Emergency Relief Centres established in the BCP.		Business Continuity	
13. Consider the requirement for another IMT role for the coordination of relief/recovery centres and liaison with agencies such as SA Housing.	31/12/2023	Risk Business Partner – Business Continuity	This action to be update to: Include within the IMT Logistics role, the responsibility to coordinate relief/recovery centres and undertake liaison with agencies such as SA Housing.
14. Acknowledging the loss of x-Matters, establish templates (email and text) within MS Teams (or similar) for the notification of IMT members.	1/9/2023	Risk Business Partner – Business Continuity	This is very similar to action 6.
15. Review and potentially increase the number of people on the ZEST contact list (i.e. alternates in case primary isn't available). Clarify who coordinates this and who the attendee of the ZEST should be.	1/9/2023	Risk Business Partner – Business Continuity	Reach out to ZEST, and ensure their contact list is kept current, with contact for IMT Coordinator (primary and alternates) and IMT Governance/Council Support (primary) are provided.
16. That the City of Marion establishes an exercise program based on running a bi-annual scenario-based exercise similar to Exercise Stormfront 2023.	31/12/2024		Agree that given the gap since the last BCP Exercise, the significant staff turnover and changes made to the IMT, that increasing the frequency of BCP Exercises would improve the maturity and readiness of the IMT. However, recommend that bi-annual exercise take place until the end of 2024, after which time the exercise training program can return to the BCP endorsed annual exercise frequency. It should also be noted, that additional budget may be required to facilitate these exercises.
17. That the bi-annual exercise program	31/12/2024		Agree. Exercise Stormfront 2023 was purposefully

incorporates other potential emergency events such as IT/power outages (i.e., cyber-attack) and loss of critical administrative functions.			developed as a common real-life example. The Business Continuity exercises will focus on other incidents and increase their complexity as the IMTs maturity develops.
18. That any future exercises address the Recovery aspects of an emergency.	31/12/2024		
19. That future exercises provide opportunities for Functional Teams to practice reporting back to the IMT (i.e., SITREPS).	31/12/2024		
20. That future exercises provide opportunities for key staff to further develop their understanding of the roles of other agencies and the roles of Local Government (i.e., councils) in Emergency Management (i.e., SEMP).	31/12/2024		

ATTACHMENTS

1. Exercise Stormfront 2023 - Special Ideas & Tasks V1.0 [7.7.1 - 6 pages]
2. Exercise Stormfront 2023 - Exercise Evaluation and Feedback Report [7.7.2 - 4 pages]

EXERCISE STORMFRONT - DRAFT V1.0

EXERCISE STORMFRONT 2023 – CITY OF MARION

PART ONE 10:45 – 12:15 (90 Minutes)

Special Idea 1. [estimated to take about 45 minutes]

It is now 6:00 pm on Monday evening 26 June 2023. During the day, you became aware that the Bureau of Meteorology (BoM) is forecasting severe weather in the Adelaide area over the next 2 to 3 days.

The Local Government Functional Support Group (LGFSG) has issued an '**Extreme Weather Warning Bulletin**' – copy attached to the Participant Handbook (Attachment 3).

The BoM's forecasts are proving to be accurate and the whole Adelaide metropolitan area has been enduring very strong winds with multiple thunderstorms, very heavy rain, and widespread hailstorms across a broad area – the primary focus seems to be around Holdfast Bay, Marion, West Torrens, Unley, and Mitcham areas.

You are home and you turn on the TV to watch Channel 9 News.

Play Video # 1. [clip of Channel 9 News on 28 September 2016] {4 minutes}

The BoM is not forecasting any abatement in the weather conditions until well into the week. Very heavy rain, strong winds and hailstorms are forecast to persist until at least the weekend.

Task: (As a Group)

- Discuss – what would your response be to a forecast like this? {5 minutes}
- Discuss – what would CoM's response be to a forecast like this? {5 minutes}

Show Slide # ?? [Text and Graphic from – Page 11 of the BCP]

- Discuss – the '*Triggers for Activation*' – Page 11 of the BCP {10 minutes}
- Discuss – which '*Activation Level*' may be appropriate for the Incident Management Team (IMT)? – Page 11 of the BCP. {10 minutes}
- Discuss – whether you may need to establish the CoM Emergency Operations Centre (EOC) and where that may be? {3 minutes}
- Discuss – who would establish the EOC and how would that be communicated to the IMT and the Elected Members? {3 minutes}

EXERCISE STORMFRONT - DRAFT V1.0

Special Idea 2. [estimated to take about 45 minutes]

It is now Tuesday morning (27 June 2023) and as a precautionary measure, you have established the EOC however you have not yet activated the IMT.

The BoM has issued an updated forecast for today and for the next few days.

While the forecast has a National focus, it is clearly evident that there will be significant impacts on the CoM.

In preparing for the day, you decide to watch the briefing provided by the BoM.

Play Video # 2. [clip issued by the BoM on 29 September 2016] {4 minutes}

Reports are coming in that a severe thunderstorm with very heavy rain, large hail, and gale-force winds has crossed the coast near Glenelg and has cut a path from Glenelg through to and including Glandore. There have been reports that this may have been a mini tornado and it has cut a path about 400 meters wide in a north-easterly direction from Glenelg to Glandore.

Show Slide # ?? [Google image showing the path of the storm as it crossed Glandore]

{5 minutes}

There are reports of extensive damage in the Plympton Park, South Plympton, and Glandore areas.

Numerous commercial and residential properties (*more than 400*) have been damaged with numerous roofs being torn off and many roads (*including Cross Road and South Road in Glandore*) completely blocked due to debris.

At least 4 members of the public are unaccounted for in the Glandore area and 20+ people have been hospitalised.

Extensive power outages are impacting a large number of suburbs north of Seacombe Road through to and including Cross Road. The **CoM Administration Centre** (*Sturt Road, Sturt*) is running on generated power.

Numerous reports are coming in that the **Glandore Community Centre** (*Naldera Street, Glandore*) has been extensively damaged. The roofs have been completely torn from the Reception building (*i.e., the Slade building*) and at least 2 of the other buildings, depositing the wreckage on or around the other buildings in the complex. All buildings in the complex have been damaged and/or are unusable due to extensive tree and roof damage. There are reports of injuries in the area.

Reports are also being received that the roof has been partially dislodged from the **Park Holme Library** (*Duncan Avenue, Park Holme*) and has been deposited on the grounds of the **Ascot Park Primary School** and the **Royal District Nursing Service** (RDNS) building on Marion Road. The Park Holme Library has been rendered totally unusable and there is extensive wreckage blocking both Duncan Avenue and Marion Road. There are reports of injuries in the area.

EXERCISE STORMFRONT - DRAFT V1.0

{5 minutes}

Show Slide # ?? [Street-level photos of the Glandore Community Centre – for context]

Show Slide # ?? [Street-level photos of the Park Holme Library – for context]

Show Slide # ?? [Street-level photos of the RDNS building – for context]

The emergency services are responding however the size and the extent of this event has stretched them severely. They are focusing on public safety issues at present and trying to gather as much intelligence as possible.

Other parts of the Adelaide metropolitan area have experienced similar damage and as a result, the LGFSG has advised that they have moved into '*Operations Mode*'.

Task: (As a Group)

- Discuss – what would CoM's response be to this information? {2 minutes}
- Discuss – would this '*Trigger*' the activation of the IMT? {2 minutes}

Show Slide # ?? [Screenshot of Diagram 7 – Page 13 of the BCP]

- Discuss – Diagram 7 Page 13 of the BCP. {2 minutes}

Convene a meeting of the IMT - Council Commander to Chair first meeting. [Page16 of BCP]

- Discuss – what would be your first priority as an IMT? {5 minutes}
- Discuss – as an IMT, how would you '*Ascertain the Business Impact*' of these events on the CoM's ability to sustain Business Continuity? {5 minutes}
- Discuss – based on what is known at this time, what would be the anticipated impacts on your '*Critical Functions*' and what would you be planning to do about that? {5 minutes}
- Discuss – what would you be doing about reports of injuries in Glandore Community Centre and Park Holme Library. {5 minutes}

END PART ONE. [Lunch]

EXERCISE STORMFRONT - DRAFT V1.0

PART TWO 14:45 – 14:15 (90 Minutes)

Special Idea 3. [estimated to take about 60 minutes]

It is now 12:30 pm on Tuesday 27 June 2023 and additional reports of damage are coming in from across the council. You have activated the IMT and you are operating in the EOC.

Reports have started to come in about extensive damage to the roof of the **Harvey Norman** building on Marion Road opposite the **Marion City Services** building at 935 Marion Road, Mitchell Park. Wreckage from the Harvey Norman building has landed on Marion Road and has taken down the 11,000-volt transmission lines and many large trees on the eastern side of Marion Road. This has completely blocked both access points to the Marion City Services complex. There are reports of injuries in the area and it looks like gaining access to and from the City Services Centre will take several hours (*perhaps the remainder of the day*) to restore. There is no electrical supply available to the Marion City Services complex.

The LGFSG has advised that in addition to Marion Council, many metropolitan councils (*including Holdfast Bay, West Torrens, Unley, and Mitcham*) have been hit very hard.

A Zone Emergency Support Team (ZEST) Briefing has been called for 15:00 this afternoon.

The Emergency Relief Functional Support Group (ERFSG) have contacted the CoM and is looking for venue options to establish a number of Emergency Relief Centres (ERC).

Show Slide # ?? [Street-level photos of the Harvey Norman building, Marion Road for context]

Show Slide # ?? [Street-level photos of the CoM City Service Centre for context]

Show Slide # ?? [Street-level photos of the CoM City Services Centre for context]

Show Slide # ?? [Screenshot of Diagram – Page 22 of the BCP]

Task 3: (In your Functional Roles – Page 22 of BCP) (30 minutes)

- IMT **Commander**
- IMT **Coordinator**
- IMT **Administration Support**
- IMT **Council / Organisational Governance**
- IMT **Communications and Customer Contact**
- IMT **Operations**
- IMT **People**
- IMT **Planning**
- IMT **Logistics and Facilities**
- Discuss – whether this information would change anything in terms of your response to this series of incidents and if so, what?
- Discuss – based on what is known at this time, what would be the anticipated impacts on your '*Critical Functions*' and what would you be planning to do about that?
- Discuss – what would you be telling the elected members, your internal stakeholders (*staff*) and external stakeholders (*the community*)? and who would be doing that?

EXERCISE STORMFRONT - DRAFT V1.0

- Discuss – what would you be telling the LGFSG and does CoM have any capacity to assist other councils?
- Discuss – who would be attending the ZEST and would CoM have any expectations of the ZEST?
- Discuss – what information would the CoM be providing to the ERFSG?
- Discuss – what would you be doing about the injuries at the City Services Centre?
- Elect a spokesperson and be prepared to report back to the full IMT.

Reconvene as an IMT and each Functional Role to report back. {30 minutes}

- **IMT Commander**
- **IMT Coordinator**
- **IMT Administration Support**
- **IMT Council / Organisational Governance**
- **IMT Communications and Customer Contact**
- **IMT Operations**
- **IMT People**
- **IMT Planning**
- **IMT Logistics and Facilities**

EXERCISE STORMFRONT - DRAFT V1.0

Special Idea 4. [estimated to take about 60 minutes]

It is now late Tuesday afternoon (after 5:00 pm) and the overall picture is becoming clearer.

You are preparing for an IMT meeting to be held in about 30 minutes.

While some additional damage reports are coming in, it seems that the worst of the damage is known and the CoM has a reasonable understanding of the impacts across the council area.

Approximately half of CoM staff have reported in through their line managers. Fortunately, very few employees have been injured during the storm however at least 20 employees have suffered significant damage to their homes and some employees will be unable to attend their normal work location tomorrow, due to roads being blocked by debris and flooding.

Unfortunately, a report has been received indicating that a CoM Tree Management Crew have been involved in a motor vehicle accident. The truck they were working next to has been stuck by a car and two (2) employees have been injured plus the driver of the car. Everyone has been transported to the hospital and while two injuries are quite serious, all three (3) are stable.

Show Slide # ?? [Screenshot of Appendix C – Page 38 of the BCP]

Show Slide # ?? [Screenshot of Page 14 of KGMP Report 2022 – Appendix 1]

Show Slide # ?? [Screenshot of Page 15 of KGMP Report 2022 – Appendix 1]

Task 4: (In your Functional Roles – Page 22 of BCP) (total below 30 minutes)

- Discuss - how the IMT may address the information about some employees being unable to attend work tomorrow and what would CoM be doing about the injured workers and their families?
- Identify - what additional information your Functional Role may require as you prepare for the IMT meeting.
- Identify - the priorities that your Functional Role will focus on over the next 24-48 hours.
- Identify - how your Functional Role may be able to assist CoM sustain and/or restore any relevant '*Critical Functions*' and what would you be doing?
- Discuss - what the plan is to restore all services to '*Business as Usual*'.
- Elect - a spokesperson and be prepared to report back to the full IMT.

Reconvene as an IMT and the IMT Commander will Chair an IMT Meeting. Each Functional Role to report back. (total 30 minutes)

❖ **Prompt** – if not already mentioned, discuss what would be happening regarding the fact that it is a Tuesday and there is a meeting in the Civic Centre planned for this evening.

END EXERCISE

Hot Debrief.

Exercise Evaluation – Complete the Exercise Evaluation Form [to be provided]



EXERCISE STORMFRONT 2023

Exercise Evaluation & Feedback

Exercise Aim:

The Aim of **Exercise Stormfront 2023** was to **refresh key staff** on the arrangements as set out in the City of Marion **Business Continuity Plan (BCP)**, to activate the **Emergency Operations Centre (EOC)**, to practice forming an **Incident Management Team (IMT)** and to provide an opportunity to test the implementation of relevant **Critical Function Recovery Strategies**.

Twenty-six (26) staff members attended Exercise Stormfront 2023 and we received feedback from eleven (11) participants (42% of the attendees).

The post-exercise evaluation form asked the following questions:

Did the exercise achieve this Aim?

- Eleven (11) participants (100% of respondents) agreed that the exercise achieved this Aim.

Exercise Objectives:

Did Exercise Stormfront 2023 achieve the following Objectives?

1. To refresh key staff on the arrangements as set out in the BCP.

- Eleven (11) participants (100% of respondents) agreed that Exercise Stormfront 2023 achieved this Objective.

2. To practice forming the Incident Management Team (IMT).

- Eleven (11) participants (100% of respondents) agreed that Exercise Stormfront 2023 achieved this Objective.

3. To test the implementation of relevant Critical Function Recovery Strategies.

- Eight (8) participants (72% of respondents) agreed that Exercise Stormfront 2023 achieved this Objective. Two (2) participants (18% of respondents) said that Exercise Stormfront 2023 partially achieved this Objective and one (1) respondent did not specify whether this Objective was achieved or not.

Written Feedback & Comments

We also asked participants to provide some written comments in response to the following questions.

The following is a summary of the comments provided:

Briefly, what did you like most about the exercise?

- Very interactive format, open discussion.
- The opportunity for discussion and 'live' feedback throughout.
- Robust IMT discussions and questions.
- Ability to work in my roles despite I am a 2nd alternate.
- Roleplay of IMT Meeting.
- Exposing relevant staff to the BCP using realistic scenarios.
- Providing structure on what to do in the event of an emergency.
- Felt it provided a good example of a real-life incident.
- Well-structured presented session – thank you.
- The live scenario of an IMT meeting.
- Really enjoyed the whole session.
- General structure of the exercise. Introduction of LGA and SES and progression/escalation of scenario.
- Group discussion was very helpful.

Briefly are there any areas in the exercise that need improvement?

- Some clarification of roles as discussed during the day but the session itself was good.
- More time spent in the IMT setting.
- Comms role needs to communicate with all functions, perhaps during tasks the Comms Function floats through?
- IMT and alternatives should have looked into/sent info on the critical function strategies.
- There is an opportunity to run through people's roles in IMT at the start, would have been an opportunity to review some of the overlap in roles.
- Symbolology – IMT members are to wear vests.

What would you like to see future exercises focus on?

- Good to do cyber and public health, Some staff were not here during COVID.
- Cyber, admin' or depot building fire.
- Allow more time for whole IMT meetings.
- Allow more time for a 'Hot Debrief'.
- Environmental disaster with pandemic on top.
- Practical section was good and the discussion was excellent, keep doing this!

Any other comments:

- Unsure re impact assessment, are there any proformas scenarios?
- Very useful exercise that reinforces BCP's.

Recommendations for Improvement.

As an independent external facilitator, I commend and congratulate the City of Marion (Kate McKenzie and Maddie Frew in particular) for having the initiative, foresight, and drive to prepare and run an exercise such as Exercise Stormfront 2023.

I recommend that the City of Marion consider the following actions:

1. Updates the BCP email distribution list and Group contacts list for IMT messages.
2. Consider preparing/recommending the contents of a 'Go-Bag' for IMT members. (i.e.: printed copies of BCP, power banks for charging laptops/phones and phone chargers)
3. Remind all staff, especially IMT members to ensure they take their laptops home every night.
4. Incorporate the role of the Call Centre into BCP and request for an extension of hours during a crisis.
5. Establish a protocol to allow for the Call Centre to redirect calls to SES during the crisis in order for events to be centrally managed and triaged.
6. Establish Group text messages for BCP and establish a protocol whereby - if no further confirmation or communication is received, CoM staff are to assume that there will be an activation of the IMT.
7. Seek to further clarify Role Statements for all Functional Roles – in particular for facilities and logistics.
8. Clarify with the LGFSG, who is responsible for the Local Government Emergency Centre Coordinator as outlined in the SEMP.
9. Update the BCP to reflect that the requests come from logistics and facilities but are arranged and deployed by 'People'.
10. Clarify in the BCP - who is responsible for calls to the aged care and vulnerable people.
11. Review and clarify the keys and induction checklist for all CoM buildings/facilities.
12. Review and clarify CoM's capabilities (and venues) in terms of the provision of Community Emergency Relief Centres established in the BCP.
13. Consider the requirement for another IMT role for the coordination of relief/recovery centres and liaison with agencies such as SA Housing.
14. Acknowledging the loss of x-Matters, establish templates (email and text) within MS Teams (or similar) for the notification of IMT members.
15. Review and potentially increase the number of people on the ZEST contact list (i.e. alternates in case primary isn't available). Clarify who coordinates this and who the attendee of the ZEST should be.
16. That the City of Marion establishes an exercise program based on running a bi-annual scenario-based exercise similar to Exercise Stormfront 2023.
17. That the bi-annual exercise program incorporates other potential emergency events such as IT/power outages (i.e., cyber-attack) and loss of critical administrative functions.
18. That any future exercises address the Recovery aspects of an emergency.
19. That future exercises provide opportunities for Functional Teams to practice reporting back to the IMT (i.e., SITREPS).

20. That future exercises provide opportunities for key staff to further develop their understanding of the roles of other agencies and the roles of Local Government (i.e., councils) in Emergency Management (i.e., SEMP).

ANDREW LAWSON AFSM

Director

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7.8 Incidents and Claims report 2022-23

Report Reference	FRAC230815F7.8
Originating Officer	Risk Business Partner - Insurance and Claims – Belinda Irvine
Corporate Manager	Manager Office of the Chief Executive - Kate McKenzie
General Manager	Chief Executive Officer - Tony Harrison

REPORT OBJECTIVE

The objective of this report is to provide the Finance, Risk and Audit Committee (FRAC) with an overview of insurance incidents and claims for their review and consideration relating to the 2022/2023 financial year.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

- 1. Notes and discusses the Insurance, Incident and Claims Report for 2022/2023.**

DISCUSSION

Attachment 1 provides the annual incident and claim data for 2022/2023, including a breakdown of actual claim and incident reporting between 1 April 2023 and 30 June 2023.

ATTACHMENTS

1. INCIDENTS AND CLAIMS report 2022-23 [7.8.1 - 7 pages]

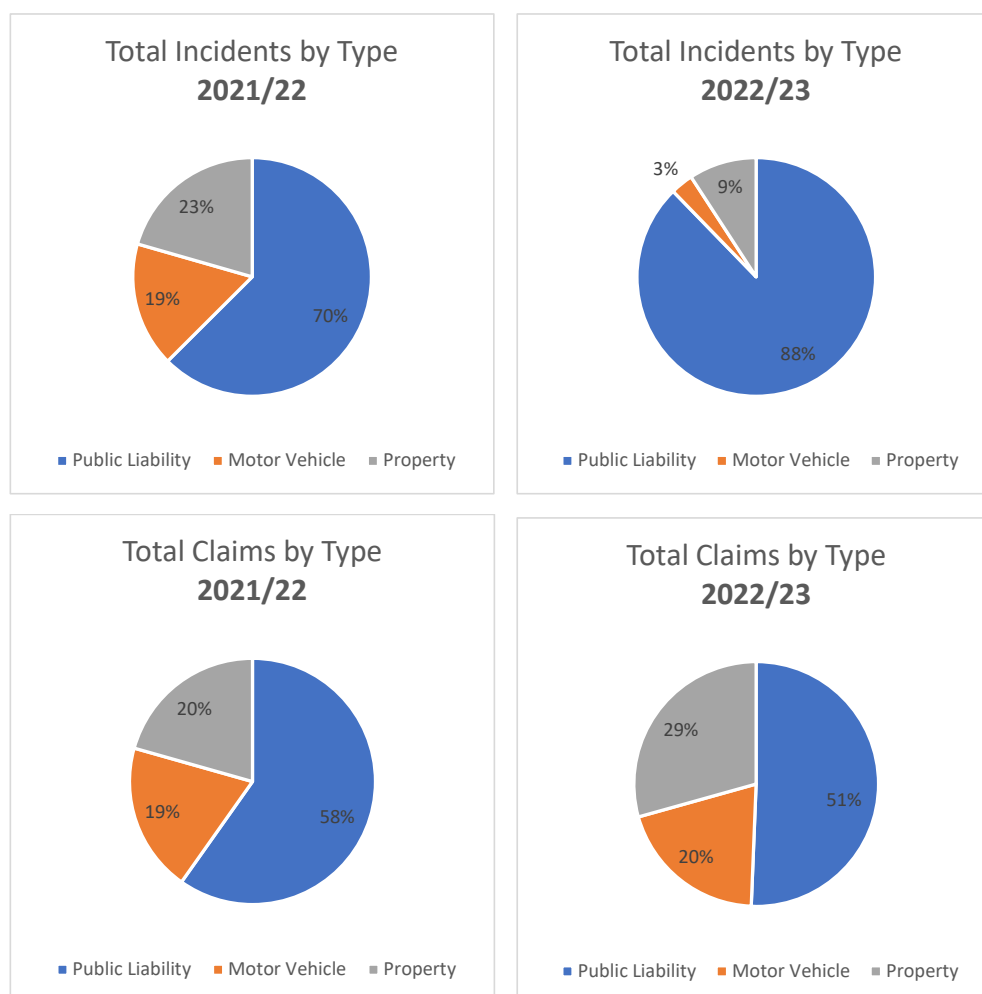
INCIDENTS AND CLAIMS REPORT

Q2022/23

This annual report is a depiction of the overall incidents and claims activity for the 2022/23 financial year.

Included is an outline of claims made in Q4 period relevant to Motor Vehicle, Property and Public Liability, and an outline of claims and incidents in Q4 relevant to Volunteers.

The below pie charts indicate how CoM is tracking with the number of incidents reported and claims lodged, as compared to the previous financial year.

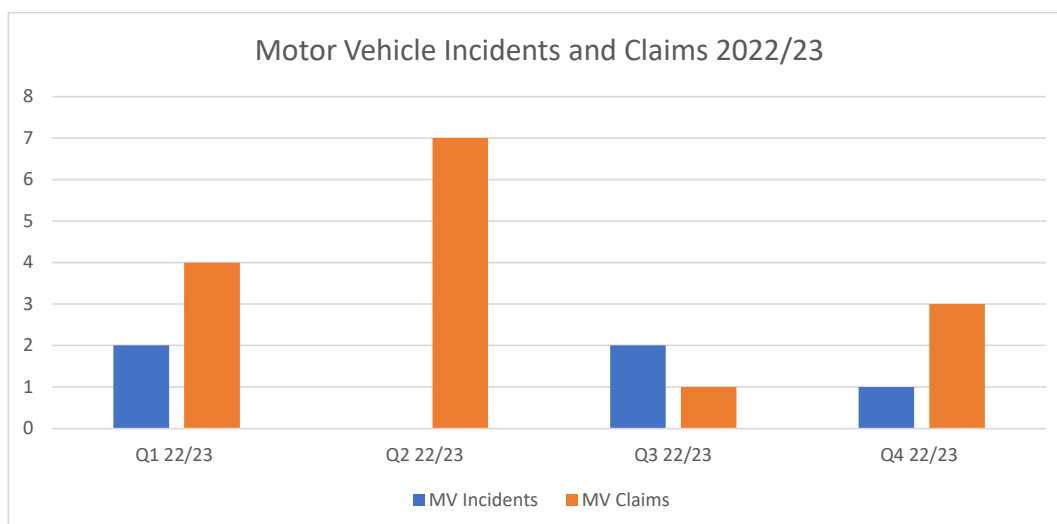


Reporting highlights

The 2022/23 reporting indicates the significant storm events that hit Adelaide over Q2 and Q3 periods may be attributable to the rise in the number of tree incidents reported during that period.

1. MOTOR VEHICLE

1.1 Motor Vehicle Incidents and Claims 2022/23



1.2 Motor Vehicle Incidents/Claims by division reported during 2022/23

Division	Team	Q1 2022-23	Q2 2022-23	Q3 2022-23	Q4 2022-23	Total 22-23
City Services	Comm Connections		1			1
	Eng., Ass & Env	2		1		3
	Operations	3	4	1	3	11
City Development	City Activation					
	City Property				1	1
	Dev & Reg Svc	1	1	1		3
Corp Services	Cust Exp & Eng					
	Finance					
	DTP					
	IT Operations					
	Strat Procurement					
Office of the CEO	Office of the CEO		1			1
	People & Culture					
TOTAL		6	7	3	4	20

1.3 Staff involved in more than 3 motor vehicle incidents 2022/23

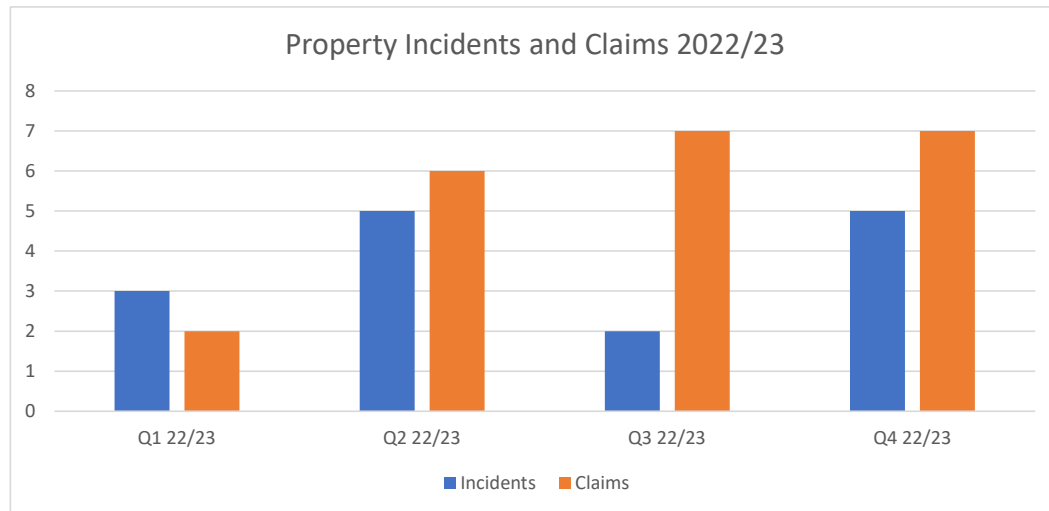
Staff Member	Work Group	Date	Comments
n/a	n/a	n/a	None recorded

1.4 Motor Vehicle claims lodged in Q4 2022/23

Vehicle	Description	Date	Amount	Status
Truck Isuzu	Not known how damage occurred. Damage to the guard just below the driver's door has moved inwards.	30/05/2023	\$2,539	Lodged claim. At crash repairer. Await confirmation from LGRS.

2. PROPERTY

2.1 Property Incident and Claims 2022/23



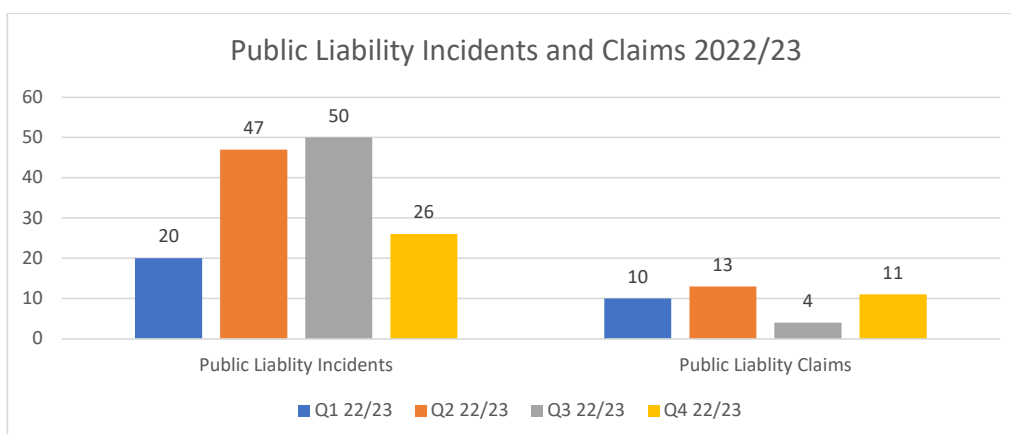
2.2 Property Claims - that occurred during Q4 2022/23

Location	Description	Date	Amount	Status
Plympton Sports and Recreation Ground	Break-in / theft - Motion sensor tripped and alarm activated due to break in, Eastern entrance oval side, glass door smashed in, fridges damaged inside building and stock stolen.	9/4/2023	\$1,275	Lodged with LGA Asset Mutual Fund. Capturing invoices to support claim.
Plympton Sports and Recreation Ground	Theft - copper piping pulled out and stolen from the cable inspection pit, subsequently 1 tower light is not working	1/5/2023	\$12,749	Currently with the Loss Assessor. Provided further quote and copy of lease agreement.
Cooinda Neighbourhood Centre	Malicious Damage - 7 windows smashed	5/05/2023	\$2,675	Gathering supporting information for lodgement with LGA Asset Mutual Fund.
Cosgrove Hall	Water damage - The gutters overflowed and water entered into the regular hirer store room in the Colin Denton room. Damage to internal walls and carpet.	7/06/2023	\$3,262	Open. Remediation work authorised by LGA Asset Mutual Fund. Work has been completed. Await settlement.
Club Marion	Storm damage - lightning strike to light pole, damaging lights and wiring.	6/06/2023	\$14,860	To be lodged with LGA Asset Mutual Fund. Awaiting asset claim form to be completed, added to salesforce, and copy of lease agreement and invoice.
Tonsley Innovation District	Damage to irrigation cable - irrigation cable spanning over 90 metres across found	Jan 2023	\$33,000	Preparing claim for lodgement.

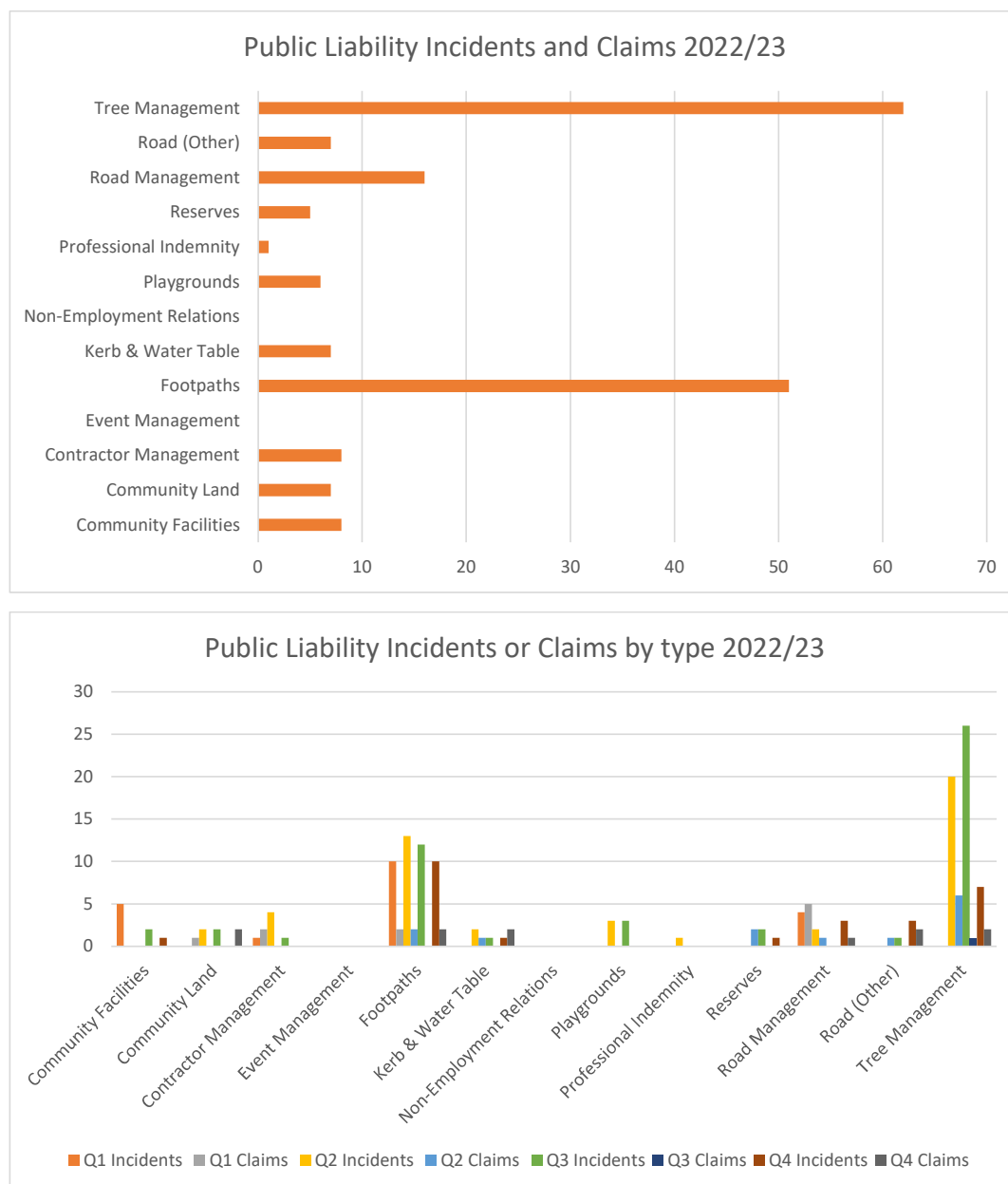
	broken in 2 parts. To mitigate further loss of no water supply to water grass and trees in the district, council engaged contractor to replace decoder cable.	Reported in Q4.		
Koorana Sports Gym Complex	Water damage - Following recent heavy rain, water is coming through the roof spanning over multiple areas of the gym. Causing ceiling tiles to lift. Tiles require removal and replacement. Scope of work doesn't include repair to the rondo ceiling if further damage detected upon closer inspection.	22/06/2023	\$8,580	Preparing claim paperwork and obtaining supporting photographs for lodgement with LGA Asset Mutual Fund.

3. PUBLIC LIABILITY

3.1 Public Liability Incidents and Claims 2022/23



3.2 Public Liability by category 2022/23



3.3 Public Liability Claims – that occurred during Q4 2022/23

Location	Description	Date of Incident	Amount	Outcome Update
94 Bowker Street, Warradale	Street tree fell on to car	27/04/2023	\$0	6/07/2023 Claim denied by LGAMLS.
Group of shops, Sturt Road, Sturt	Oil stains to claimants' jeans when sitting on freshly stained bench seat.	31/05/2023	\$176	Ex-gratia payment made by CoM.

The Cove Road, Hallett Cove	Damage to claimant's car from mower, where a council worker was cutting the grass on medium strip.	14/06/2023	\$154	Ex-gratia payment made by CoM.
6A Moy Ave, Warradale	Trip on a footpath	10/06/2023	?	13/07/2023 Denied by LGAMLS.
46 Struan Ave, Warradale	Trip on a road. Whilst going for a run, claimant tripped on bitumen mound on the road whilst avoiding collision with pedestrian on footpath	24/04/2023	\$266	Lodged with LGAMLS.
7 Hammersmith Ave, Edwardstown	Stormwater blockage. Water coming up through the pavers in front of house and flooding yard. Upon inspection by plumber, tree roots found.	08/05/2023	\$910	Lodged with LGAMLS.
Shopping carpark, Sturt Road, Sturt	Wooden stake supporting tree protruding into car parking space. Claimant causing damage where stake damaged car mirror.	17/06/2023	?	Lodged with LGAMLS.
7 Wandana Ave, Seaview Downs	Flooding into yard from recent storm causing damage to items in shed.	08/06/2013	\$3,972	Open. Lodged with LGAMLS.

3.4 Significant Public liability claims currently outstanding

Description	Date	Amount	Status
Broken ankle on MOP waterslide	29/12/19	\$801,408	Woodburns acting on behalf of Claimant. Submitted claim dated 16 June 2023. LGAMLS confirmed appointment of Wallmans lawyers to represent CoM and LGAMLS on this matter. Claim Reference LI0066207.

4. VOLUNTEERS & COUNCIL MEMBERS

Where there were 4 incidents during the quarter 4 2022/23, concerning volunteers injuring themselves, incidents were notified to Local Government Risk Services Claims division who will manage any potential claims from the 4 incidents.

Location	Description	Date of Incident	Amount	Outcome Update
Whilst boarding bus to Mitchell Park Sports Community Centre	A volunteer had a fall whilst boarding the bus to get to MPSCC. Her trolley got caught on the gutter and she fell injuring both her shins, resulting in a skin tear and bleeding on both legs. First aid given. Skytrust Ref. 2290	6/7/2023	Unknown	Notified LGAMLS of the incident.
Cooinda Neighbourhood Centre	A volunteer participant fell after getting dropped off by a taxi. Injured person hurt her left hip/leg and possibly other parts. Skytrust Ref. 2261.	15/6/2023	Unknown	Notified LGAMLS of the incident.

Council community bus	As regular driver of the community bus, volunteer claims that over the last few years, on many occasions, he has carried clients' grocery bags over the weight limit from the bus to their front door, resulting in the volunteer reporting injuries to both shoulder rotator cuffs. Skytrust Ref. 2230.	24/5/2023	Unknown	Volunteer requested to cease activities and rest. Notified LGAMLS of the incident. Awaiting return of the claim form from volunteer.
Cooinda Neighbourhood Centre	Volunteer was exiting the craft room and tripped on another man's foot as they were going through the doorway. Volunteer fell forward hitting her shoulder on the door frame and landing on the ground. Volunteer fractured her shoulder in 2 areas. Skytrust Ref. 2207.	28/4/2023	Unknown	Notified LGAMLS of the incident. Awaiting return of the claim form from volunteer.

7.9 Quarterly Risk Report

Report Reference	FRAC230815R7.9
Originating Officer	Strategy Planner – Sheree Tebyanian
Corporate Manager	Manager Office of the Chief Executive – Kate McKenzie
General Manager	Chief Executive Officer - Tony Harrison

REPORT OBJECTIVE

To provide the Finance, Risk and Audit Committee (FRAC) with an overview of the City of Marion Corporate Risk Register review for Quarter 4, 2022/23 (1 April to 30 June 2023).

RECOMMENDATION

That the Finance, Risk and Audit Committee:

- 1. Notes the Corporate Risk Register Report (Attachment 1) and High Risks (Attachment 2) and provides their feedback on the review outcomes.**

DISCUSSION:

The Corporate Risk Register was distributed to the Senior Leadership Team (SLT) to undertake a review of risks relevant to their portfolio for Quarter 4 2022-23 (Q4) period.

Face-to-face meetings were held with almost all risk owners for the quarter 4, 2022/23 review. Having face-to-face meetings allowed for an in-depth review of most of the risks in the Corporate Risk Register. This resulted in edits being made to most risks, whether that was the causes, consequences, controls in place, or actions. It was a highly valuable review cycle and allowed for greater training of staff on how they should be undertaking their reviews each quarter.

Staff changes occurred at SLT and meetings were held with these staff members to explain the risk process and go through the risks that have been allocated to their position. However, given how new two SLT members were, it made it difficult to achieve a deep update on a few risks. In particular, the high risk relating to project management (CR0053), the SLT member had only been with Council for 2.5 weeks and was working her way through things. Rather than making changes to this risk regarding possible due dates to planned treatments, these have been listed as 'under review' for the quarter 4 review and the risk team will continue to work with the SLT throughout quarter 1 2023/24 to update this risk. Further, the Manager Operations was new this quarter and requested the risk team facilitate some further sessions to work through the risks in that division in greater detail. These will be scheduled over the coming months, so the risks can be updated in time for the quarter 1 2023/24 review cycle.

Overall, due to the thorough nature of the quarter 4, 2022/23 review cycle, there were a number of changes made to the Corporate Risk Register. This included eight (8) risks being merged into three (3) risks and one (1) risk was added to the register. One (1) risk was re-rated from a current rating of high down to medium for this quarter (CR007 – Difficulty attracting, recruiting and retention of talent).

The detailed analysis of the Corporate Risk Register review for Q4, 2022/23 is included within **Attachment 1**, and the details of the current high risks are included within **Attachment 2**.

ATTACHMENTS

1. Attachment 1 Corporate Risk Reporting Q4 2022 23 FRAC [7.9.1 - 7 pages]
2. Plans on a Page for HIGH Risks [7.9.2 - 5 pages]



CORPORATE RISK REGISTER REPORT

Quarter 4, 2022-23

A. UPDATE TO PROCESS

Previously the Corporate Risk Register was housed within a large excel spreadsheet. Whilst budget has been allocated to find and implement a long-term risk software solution, continuing with the excel spreadsheet was becoming a risk in itself and was a constant headache for the risk team and risk owners. As such, an interim SharePoint solution was developed and was made live for the quarter 4, 2022/23 review cycle.

To ensure all risk owners had some training in the new risk register format, face-to-face meetings were held with almost all risk owners for the quarter 4, 2022/23 review. Having so many face-to-face meetings also allowed for an in-depth review of most of the risks in the Corporate Risk Register. This resulted in edits being made to almost all risks, whether that was the causes, consequences, controls in place or actions. It was a highly valuable review cycle and allowed for greater training of staff on how they should be undertaking their reviews each quarter.

The Risk team now have two Risk Business Partners (RBPs), so moving forward, each quarter, the RBPs will divide their time to ensure face-to-face meetings are held with all risk owners to increase the risk maturity across the business. Each quarter the RBPs will look to tackle a different area of risk in detail.

1. CORPORATE RISK REGISTER ANALYSIS

1.1 Analysis of Q4, 2022-23

The Quarter 4, 2022-23 review of the Corporate Risk Register resulted in a total of 103 risks identified. The current risk ratings are 5 high, 72 medium, and 26 low as outlined in Table 1. Table 2 also illustrates the movement in our risk exposure over the previous 12 months.

Table 1: Quarter 4, 2022/23 Risk Ratings

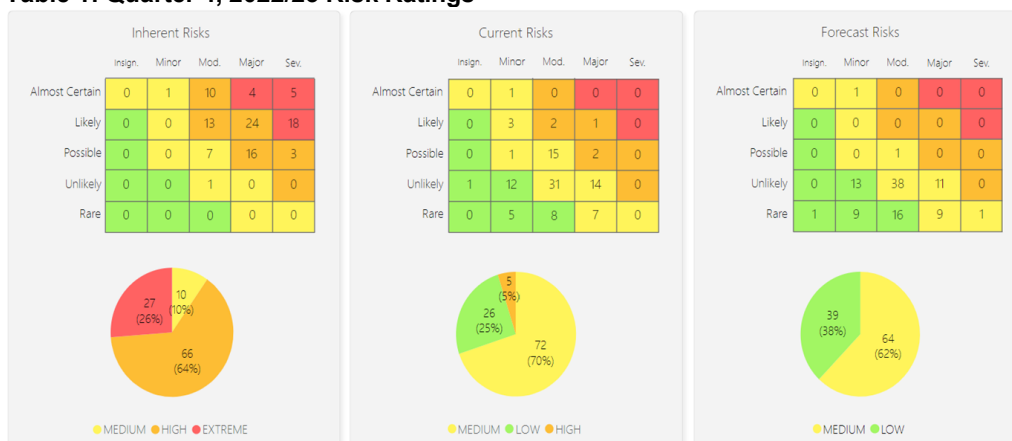




Table 2: Corporate Risk Register – Comparative outcomes across each quarter

	Quarter 1 - 2022/23 July to September			Quarter 2 - 2022/23 October to December			Quarter 3 - 2022/23 January to March			Quarter 4 - 2022/23 April to June			Overall Impact*
	Current High Risk - 7%			Current High Risk - 7%			Current High Risk - 6%			Current High Risk - 5%			Overall Impact*
	Inherent	Current	Forecast	Inherent	Current	Forecast	Inherent	Current	Forecast	Inherent	Current	Forecast	
Extreme	28	0	0	28	0	0	27	0	0	27	0	0	↔
High	62	7	0	66	8	0	69	6	0	66	5	0	↓
Medium	14	67	62	14	70	66	11	72	63	10	72	64	↔
Low	0	30	42	0	30	42	0	29	42	0	26	39	↓
Total	104	104	104	108	108	108	107	107	107	103	103	103	

Key: I=Inherent, C=Current, F=Forecast. *Overall movement of current Risk Rating

This report provides further details on the outcomes of the quarterly review including.

- Changes to the risks reported in the Corporate Risk Register
- Ongoing and emerging risk/opportunity issues (currently not identified on the register)

1.2 Re-assigned risks

Four risks were requested to be reassigned in Quarter 4, 2022-23 (no changes to the current risk ratings):

Risk ID	Risk Description	Previous Risk Owner	Reallocated to	Current Risk Rating
CR0026	Injury or harm/damage arising out of a failure of CoM contractors to comply with contract conditions and CoM HSE requirements	City Property	People and Culture (WHS)	High
CR0053	Ineffective & inefficient organisational project and portfolio management/monitoring to deliver strategic objectives and outcomes	GM City Services	Office of the EPMO	High
CR0086	Staff and/or members of the community experience injury, psychological harm or distress	Cust Exp. And Eng	People and Culture (WHS)	Medium
CR0092	Damage to the State & Local Government sector reputation impeding on CoM's successful delivery of services to the community	Cust Exp. And Eng	Office of the CEO	Medium

There was also an internal restructure, such that all risks previously sitting with IT Operations have been reassigned to Information Services.



1.3 Re-rated risks

It was recommended in the Executive Leadership Team meeting of 27 July 2023, to re-rate a risk which in quarter 3, 2022/23 had a current rating as high, down to medium, being CR007 (*Difficulty attracting, recruiting and retaining talent*). This risk was originally elevated to a current high risk when the COVID-19 pandemic was active. All employers saw impacts through this period to attracting and retaining staff, with a global movement, 'the great reshuffle' taking place. With the impacts of the COVID-19 pandemic now quite settled, the City of Marion's employment market has noticeably stabilised with some positions that were difficult to fill, now filled by strong talent. The City of Marion currently has a rolling annualised retention rate of 85.1%. with Quarter 4 2022/23 seeing the following strong retention rates; April 98.2%, May 98.5%, June 98.5%. CoM People and Culture team completed a comparison exercise a few months ago, comparing 3 other local council area's Retention rates, and determined we were largely on same trajectory. Looking more broadly, The Australian Bureau of Statistics is reporting the National employment rate for June 2023 is at 3.5%, and in South Australia at May 2023 was at 3.879% which was a decrease from April 2023 at 4.328%. The labour market currently being reported as stable. For these reasons, this risk has been re-rated down to medium.

1.4 New risks

One new risk was identified this quarter:

Risk ID	Risk Description	Owner	Current Risk Rating
CR0108	Under-insurance	Office of the CEO	Medium

1.5 Merged risks

During the quarter 3, 2022/23 review process, City Property asked the risk team to facilitate a review process for all the risks sitting within their area during the next review cycle. As such, this was undertaken during the quarter 4 2022/23 review, resulting in the following risks being merged:

Risk ID	Risk Description	Owner	Current Risk Rating
CR0017	A child or youth patron of the Marion Outdoor Pool experiences physical or psychological harm as a consequence of an incident whilst attending the Marion Outdoor Pool	City Property (Marion Outdoor Pool)	Medium
CR0018	Failure to manage third party organisations using the facilities to ensure compliance with Safe Pool Operations guidelines	City Property (Marion Outdoor Pool)	Low



CR0019	Failure to coordinate and deliver effective operations of the aquatic site and its features.	City Property (Marion Outdoor Pool)	Medium
CR020	Failure to identify and deliver service levels and visible Community outcomes for the Marion Outdoor Pool	City Property (Marion Outdoor Pool)	Low
All above risks MERGED to make one risk, as below:			
CR0017	Failure to effectively manage a safe aquatic facility for the CoM and all users to the prescribed service levels set by the CoM	City Property (Marion Outdoor Pool)	Medium

And:

Risk ID	Risk Description	Owner	Current Risk Rating
CR0023	Failure to identify and deliver service levels and visible Community outcomes for the Marion Cultural Centre	City Property (Marion Cultural Centre)	Low
CR0029	A cultural & social place not provided by the CoM for indigenous spiritual & cultural renewal, ceremonies, celebration, ritual gathering & business	City Property (Marion Cultural Centre)	Low
All above risks MERGED to make one risk, as below:			
CR0023	Failure to provide a facility that delivers the cultural outcomes and service levels set by the strategic directives CoM	City Property (Marion Cultural Centre)	Low

And:

Risk ID	Risk Description	Owner	Current Risk Rating
CR0025	Adverse incident(s) at CoM facility	City Property (Land & Property)	Medium
CR0027	Inability to use Council owned land or property asset as a consequence of noncompliance with legislated safety, access and/or building requirements or lack of maintenance rendering property unfit for required use	City Property (Land & Property)	Medium
All above risks MERGED to make one risk, as below:			
CR0025	Failure to maintain Council owned facilities in line with legislative and building requirements.	City Property	Medium

1.6 On-going and emerging risks/opportunities

The environmental scan is reviewed quarterly as part of the risk review process to identify any emerging risks/opportunities that may have the potential to impact on council's project and program delivery, business-as-usual activity, financially and reputational risk in the sector. The following matters have been identified throughout Quarter 4, 2022-23.



Inflation

Statistics for Q4 2022/23 have been released by the Australian Bureau of Statistics on 26 July 2023:

- The Consumer Price Index (CPI) rose 0.8% this quarter.
- Over the twelve months to the June 2023 quarter, the CPI rose 6.0%.
- The most significant price rises were Rents (+2.5%), International holiday travel and accommodation (+6.2%), Other financial services (+2.5%), and New dwelling purchase by owner-occupiers (+1.0%).

Economy

Interest rates increased in the quarter further impacting household budgets. Westpac has stated that housing possessions have reached levels of the Global Financial Crisis of 2010. With the rising cost of inflation and other services it is likely that stress will continue to exacerbate in the community, especially as the RBA have stated that further interest rate rises are likely.

A Deloitte Access Economics Report (June 2023) states 'the retail recession has arrived' and that retail turnover fell by 0.6% over the March 2023 quarter. The flow on to any downturn may involve job losses and businesses experience hardship.

Cost of materials

In a 28 June 2023 media release the Australian Bureau of Statistics (ABS) outlined the monthly CPI indicator for May rose 5.6% in the 12 months to May 2023 reflecting the smallest increase since April 2022. The ABS stated that new dwelling prices recorded the lowest annual growth since November 2021 as 'building material prices increases continue to ease'.

Similarly, CoreLogic's Cordell Construction Cost index (CCCI), which tracks the rate of change in prices with segments of Australian construction reported a growth rate of 0.9%, which is the first time it has slipped below 1% since March 2021, and was below a five-year average of 1.4%.

Core Logic state '*there had been a gradual easing in the growth of construction costs in the past six months, as demand for materials reduced due to shelved or delayed projects on the back of higher interest rates and weaker consumer confidence.*' Although the growth in construction costs is easing, the annual rate of change remains 2.8 times higher than the pre-COVID five-year average of 3.6%. South Australia and Western Australia both recorded quarterly growth rates of 0.9% and annual increases of 8.8%.

Weather

In June 2023 Adelaide recorded its highest rainfall in 35 years. This heavy rainfall caused flooding in some other council areas in metropolitan Adelaide. The Bureau of Meteorology (BOM) suggests it could be linked to a difference in sea surface temperatures in the eastern and western parts of the Indian Ocean (negative Indian Ocean Dipole) which is funnelling extra moisture into the atmosphere.

Furthermore, the BOM has said there is a 70 percent chance that Australia will move into an El Nino weather pattern this year with warmer temperatures, and temperature extremes which will increase the risk of drought, bushfires, etc. There is a high likelihood of greater demand for services as more people seek support services and respite from the heat over the summer (and the potential impacts of flooding).

Employment market & talent retention

The employment market continues to provide challenges with talent shortages making it increasingly more difficult to source suitable talent in key areas. The Talent Acquisition



Partner continues to provide specialist advice and assistance on Council's talent acquisition strategy, including effective talent acquisition exercises, programs and initiatives that support the CoM becoming an employer of choice, provide of a positive candidate experience reflecting our community and increase the capability of hiring managers. A suite of recruitment videos are currently being finalised to support promotion of the City of Marion as a great place to work.

Work will shortly commence on reviewing the City of Marion's employee value proposition (EVP) to enhance the workplace experience for our existing staff and position us as a contemporary employer of choice. Worker expectations are also growing around the ability to work flexibly following the recent decision within the Australian Public Service to remove any cap on the number of days that can be worked flexibly by federal employees. Work on the EVP will therefore include consideration as to how the City of Marion can remove barriers to flexibility and support our staff to manage their personal and work obligations without compromising service delivery to the community.

Community wellbeing

Cost of living pressures includes 12 successive and speculative continued interest rate rises. In the rental market, low supply and high rental prices are likely to exacerbate with the return of international students (full migration of 315,000 people in 23-24) which will further impact availability and affordability. National rents rose 2.5% over the three months to June 2023 (Core Logic Quarterly rental review). The ANZ CoreLogic housing affordability report has found rental affordability- the portion of income required to service a new lease- is at its highest level nationally since 2014, with 30.8% of the average income required to service a new lease.

Overall, an erosion of household budgets. presents a risk that some residents may not have the capacity to pay household utilities, including council rates.

Cost-of-living pressures can lead to overall well-being concerns including increased mental health, food security, and distress. There is a high likelihood for greater demand for services as more people seek support services and respite from the heat over summer (and potential impacts of flooding) and seek to reduce energy costs at home by utilising community assets more frequently, including those remotely working.

Future planning

The State Government, Planning and Land Use Services Department is reviewing the Regional Plan (30-Year Plan for Greater Adelaide) which the council is legislatively required to ensure documents within its strategic management framework reference (as well as any relevant state planning policies), to set the councils priorities for future planning policies.

Consultation on the Draft 30-Year Plan for Greater Adelaide is commencing in Q1 2023/24 with opportunities for council to provide feedback. Council will soon commence the review of its Strategic Plan and is required by legislation to consider regional objectives.

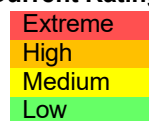
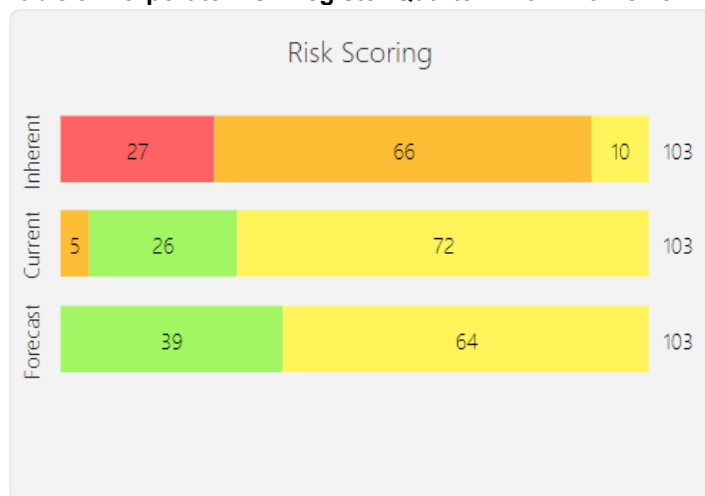
1.7 High Risks

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 ELT and subsequently, to Council via the Finance, Risk and Audit Committee.

There are currently five (5) risks assessed as outside the CoM's adopted risk appetite, as outlined in **Table 3**. This quarter saw 1 risk re-rated from a current rating of high to medium (CR007: *Difficulty attracting, recruiting and retaining talent*) - the reasoning behind this re-rating as mentioned above at 1.3 re-rated risks.






Table 3. Corporate Risk Register Quarter 4 2022/23 Review – Current Ratings

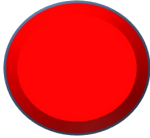




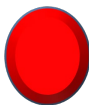

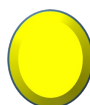
An excerpt of the Corporate Risk Register, outlining the five (5) high-rated risks is provided in **Table 4**, which shows the movement in the current risk rating from last reporting period. To provide greater detail and context for High rated risks, a High-Risk Plan-on-a-Page was developed in collaboration with each of the risk owners for review, validation, and monitoring each quarter. The High-Risk Plan-on-a-Page documents provide full details on the risk, background/context, causes, consequences, and any current controls already in place. It then details any planned treatments identified by the risk owners which are anticipated to reduce the risk to within tolerance levels. The High-Risk Plans on a Page are located in **Attachment 2**.




Table 4: Risks Currently rated as High (or above)




Risk Ref	Risk Description	Inherent Risk Rating	Current Risk Rating	Qtr. Mvmnt
CR0095	Poor data quality and data governance not supporting informed decision making	Extreme	High	↔
CR0064	Business is not supported to deliver its services from a lack of effective ICT systems and services	High	High	↔
CR0058	Failure to understand, plan and act to respond to the projected impacts of climate change.	Extreme	High	↔
CR0053	Ineffective & inefficient organisational project and portfolio management/ monitoring to deliver strategic objectives and outcomes	High	High	↔
CR0026	Injury or harm/damage arising out of a failure of CoM contractors to comply with contract conditions and CoM HSE requirements	High	High	↔

Risk ID	CR0026				
DATE LAST REVIEWED	July 2023*				
ELT	CEO				
SLT	People & Culture				
Likelihood Rating	Likely Moderate	INHERENT Risk Rating	CURRENT Risk Rating	TARGET Risk Rating	
Likelihood Rating					
Consequence Rating					
Risk Description					
Injury or harm/damage arising out of a failure of CoM contractors to comply with contract conditions and CoM HSE requirements					
Risk Statement					
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.					
There is a risk of contractors failing to adhere to CoM WHS performance standards. This risk may be exaggerated when those performance standards are not made clear or understood by various stakeholders (contractors, people engaging contractors, staff, subcontractors etc.).					
Link to Strategic Plan	Council of Excellence				
Link to Business Plan	Develop the City of Marion Building Asset Strategy to meet community, sport and recreation needs				
Context/Background and Environmental considerations					
CoM Contract Management processes are manual, with no clear process or system having been implemented into the City Property team through a trained and supported approach. Consideration is being given to using Skytrust to overcome these weaknesses.					
Stakeholders		Consultation			
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			
Risk source - Causes/Drivers					
- Ineffective procurement processes that evaluate Contractors' WHS practices/performance					
- Inconsistent / Ineffective WHS induction of contractors					
- Ineffective monitoring and evaluation of Contractors' WHS practices/performance					
- Failure to undertake site inspection and hazard identification prior to commencement of work.					
- Inconsistent application of contract management processes					
Potential Consequences					
- Serious injury to Workers, Contractors or member of Public					
- Disruption to works impacting CoM & team					
- Disruption to works impacting local community					
- CoM exposure to liability					
- Officers' exposure to criminal litigation					
- Reputation damaged through adverse media coverage					
- Net increase in operating costs					
Implemented Controls		Endorsed/fast reviewed Date	Review Date	Control Effectiveness	Responsible Officer
1	Contract Management Policy & Procedure (inc. checklist)	Jun-21	May-23	Effective	Mgr. St Procurement
2	Contract Management Procedure	ongoing	ongoing	Effective	Mgr. St Procurement
3	Procurement Procedure	ongoing	ongoing	Effective	Mgr. St Procurement
4	Tender Evaluation Procedure	ongoing	ongoing	Effective	Mgr. St Procurement
5	Contractor Site Induction (inc handover of CoM risk assessment plus contractor generated site hazard and risk assessment before commencement)	Oct-19	Oct-23	Effective	UM WHS
6	Contractor Insurance - recording and monitoring currency	ongoing	ongoing	Effective	Mgr. St Procurement
7	CoM Insurance	Jul-22	Jul-23	Effective	UM Strategy & Risk
8	Contractor Management Inductions forms	Jun-22	ongoing	Effective	UM WHS
9	Contract Management Checklist: Contractor Induction/Observation/Monitoring forms are completed for site induction, observation and monitoring (inc record keeping)	Jun-22	ongoing	Effective	UM WHS
10	Insourced roles that were previously outsourced to create efficiencies	Mar-23	ongoing	Effective	Mgr. Ops
11	Outcomes from Business SA Audit of CoM Contract Management	Apr-23	ongoing	Effective	UM WHS
Overall control Effectiveness				Effective	Quarter Ending June 2023
Planned Treatment		Status	Due Date	Revised Due Date	Responsible Officer
1	Implement Contract Performance Evaluation process	Behind schedule	30/06/2022	31/7/2023	Mgr. City Property
2	Review Contract Management Policy and Procedures to ensure WHS risks are fully considered.	Plan & Scoping	30/09/2023		UM WHS
3	Build and Implement Health and Safety Contract Management System	Plan & Scoping	31/12/2023		UM WHS
4	Business SA Audit Action Plan (detailed in Skytrust)	Plan & Scoping	31/12/2023		UM WHS
Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"					
- IC10 and IC11 added in quarter 4 22/23.					
- PT2 wording updated.					
- PT 3 and 4 added in quarter 4 22/23.					
UPDATES					
July 2023 (MJ) - This risk was moved from City Property to WHS this quarter (the risk really goes across City Property, WHS and Procurement). WHS are doing significant work on this risk, relating to updating the Contract Management Policy and Procedure, as well as undertaking actions that have come from the Business SA Audit of CoM Contract Management processes. No change to risk rating this quarter, but it is expected that with these new actions in place, this could see this risk re-rated to Medium by the end of 2023.					

RISK ID	CR0053				
DATE LAST REVIEWED	July 2023*				
ELT	City Services				
SLT	Information Services/Manager Operations/Manager City Activation				
Likelihood Rating Consequence Rating	Likely Major	INHERENT Risk Rating	CURRENT Risk Rating	TARGET Risk Rating	
Risk Description					
Ineffective & inefficient organisational project and portfolio management/monitoring to deliver strategic objectives and outcomes.					
Risk Statement					
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.					
Link to Strategic Plan	Council of Excellence				
Link to Business Plan	Digital Transformation				
Context/Background and Environmental considerations					
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 solution was inconsistent.					
Stakeholders		Consultation			
All data users within the business		All stakeholders			
Risk source - Causes/Drivers					
<ul style="list-style-type: none"> - Inefficient adoption of PMO Framework and policies or set-up & utilisation CAMMS system - Lack of PMO resources - Inadequate assessment of organisational PM needs - Omission of key considerations in project outline e.g.: risk/WHS/finance/reporting/contracts 					
Potential Consequences					
<ul style="list-style-type: none"> - Failure to achieve strategic objectives and identified benefits of the project - Poor business/project planning (delivery and operations) - Inability to effectively deliver projects - Inappropriate use and level of resources - Inadequate staff levels for projects - Community dissatisfaction - Reputational damage - Inability to effectively deliver projects on time and on budget - Impact to third party relationships 					
Implemented Controls		Endorsed/last reviewed Date	Review Date	Control Effectiveness	Responsible Officer
1	Prudential Management Policy	Dec-21	May 25	Effective	CFO
2	CAMMS project management software (contract)	Mar-22	Mar-23	Requires Improvement	Snr PM FT
3	Monthly Project Control Board meetings (ELT and PMs attend)	ongoing	ongoing	Effective	Snr PM FT
4	Monthly financial reporting	ongoing	monthly	Effective	CFO
5	KPMG Internal Audit - Project Management Framework- endorsed	Jun-22	ongoing	Effective	Snr PM FT
6	Project Management Framework	Apr-23		Requires Improvement	Mgr EPMO
Overall control Effectiveness				Requires Improvement	Quarter Ending June 2023
Planned Treatment		Status	Due Date	Revised Due Date	Responsible Officer
1	Implement a new Project Management software solution	Not commenced	01/09/2023	Under Review	Mgr EPMO
2	Prudential Management Policy being refreshed	On schedule	30/04/2023	31/05/2023	CFO
3	Interim M365 PMO Solution	Plan & Scoping	30/06/2023	30/09/2023	TL Records Mgmt
4	Implementation of the PMO Framework	Plan & Scoping	July 2023*	Under Review	Mgr EPMO
5	Investigate Cross Council Collaboration for tendering and implementation of PM Software solution.	Not commenced	01/09/2023	Under Review	Mgr EPMO
6	Change Management training of new PMF and software solution with communication strategy	Not commenced	31/12/2023	Under Review	Mgr EPMO
7	Internal audit on implementation of the PMO	Not commenced	30/09/2024	Under Review	Mgr. OoCEO
Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"					
<ul style="list-style-type: none"> - 'Project Management Framework' moved from PT to IC7 in quarter 4 22/23. - PT2 to be removed. Unclear who or how this was added, but the policy is in place and not due for review until 2025. The Prudential Management Policy is already listed at IC1. - PT3, the Interim M365 Solution has been created, but is being worked through with the new Manager EPMO before it is implemented. Due date revised until 30/9/2023. 					
UPDATES					
<ul style="list-style-type: none"> - July 2023 (KB) - when the review cycle for quarter 4 commenced, the new Manager EPMO had been in the role for 2.5 weeks when the risk team met with her. Some of the timeframes in the Planned Treatments will require review as she comes up to speed with project management at Marion. It is likely that during the next review (quarter 1 23/24), we will see some of these dates shifted as proper investigations into project management solutions and systems are undertaken further. Implementation and training of the new Project Management Framework won't commence until the new EPMO is fully recruited and onboarded. The EPMO Senior Analyst role is currently going through recruitment processes. It is expected that the implementation of the EPMO will be iterative (*PT4 retitled to reflect this). 					

RISK ID	CR0058					
DATE LAST REVIEWED	July 2023*					
ELT	City Services					
SLT	Engineering Assets and Environment					
Likelihood Rating	Possible	INHERENT Risk Rating	CURRENT Risk Rating	TARGET Risk Rating		
Consequence Rating	Major					
Risk Description						
Failure to understand, plan and act to respond to the projected impacts of climate change						
Risk Statement						
There is a risk that extreme weather events, coastal inundation and protracted and enduring changes in weather patterns caused by climate change/global warming will result in an increase in operating costs due to asset damage and accelerated deterioration, damage to Council natural and built environments and an increasing disconnect between Councils capacity to deliver facilities and services and the community's expectations						
Link to Strategic Plan	Valuing Nature					
Link to Business Plan	Series of supporting processes and guidelines (i.e. ESD guidelines for new building and refurbishments) guide project/initiatives such as the development of the Asset Management Plans					
Context/Background and Environmental considerations						
Climate change is already affecting aspects of CoM operations including how we undertake business and activities and how we design, build and refurbish facilities and infrastructure. It is recognised that unless we ensure we have a sound understanding of the projections and impacts of climate change and incorporate this knowledge into the design and management of infrastructure and the mode of delivery of services we risk exposing the community to increased operating costs and a decrease in the utilities of infrastructure and services. Increased extreme weather events will have ongoing impacts to our vulnerable communities.						
Stakeholders		Consultation				
Community, Elected Members, State and Federal Governments, Risk Unit/ Governance, City Activation, City Development, SME's and Local Business, Resilient South, Regional Climate Partnership, Consultants		Consultation through the Climate Risk Governance assessment (internal survey/SLT Interview/ focus/group interview). Common Thread engagement initiative, Local Member, Resilient South Regional Climate Partnership collaboration, Community of Practice (through RCP)				
Risk source - Causes/Drivers						
- Lack of climate change awareness / understanding - Lack of recognition for climate risk mapping in urban planning (PDI Act) and decision making (climate hazard mapping) - Failure to include Climate Change consideration in business activities/operations (inc events, asset management planning & CapX projects) - Inadequate stakeholder engagement - Poor inter-departmental collaboration and communication - Increasing carbon emissions - Planning application approvals in unsuitable areas						
Potential Consequences						
- Catastrophic damage to assets and infrastructure during extreme weather (e.g. flooding and fire) - Increased cost of remedial works - Increased cost of mitigation works - Dissatisfied community - Damage to coastal zone from storm surge - Reduced rates revenues as property values decrease - Increased difficulty in obtaining insurance cover/increased premiums - Increased difficulty in obtaining loans if financial institutions require evidence of responses to climate change impacts - Adverse impact of vulnerable people during extreme weather events (e.g. heat wave) - Increased operating costs - Reduction in asset lifecycle						
Implemented Controls					Endorsed/last reviewed Date	Review Date
1	CoM Climate Change Policy		May-21	May-25	Effective	UM ES
2	Resilient South Regional Climate Change Adaptation Plan		2019	Jun-23	Effective	UM ES
3	Coastal Climate Change Adaptation Plan including baseline monitoring to detect early changes to risk.		2019	Jun-24	Effective	UM ES
4	Program and schedule of External Education via events, networking, workshops etc.		ongoing	ongoing	Effective	UM ES
5	Energy Efficiency and Renewable Energy Plan		July 2018		Effective	UM ES
6	Asset & Public Liability Insurance		01/07/2022	30/06/2023	Effective	UM ES
7	Carbon Neutral Plan		2021	2030	Effective	UM ES
8	Asset Management Plans		ongoing	ongoing	Effective	UM ES
Overall control Effectiveness						Quarter Ending June 2023
Planned Treatment			Status	Original Due Date	Revised Due Date	Responsible Officer
1	Develop & implement Resilient Asset Management Pilot (RAMP) program		On schedule	30/06/2025		UM ES
2	Deliver the Coastal Climate Change Monitoring Program		On schedule	30/06/2024		UM ES
3	Undertake a skills/capability audit & document training gaps in the TNA		Behind schedule	30/06/2022	01/06/2024	UM ES
4	Review and update the Resilient South Regional Climate Action Plan		Plan & Scoping	30/09/2023		UM ES
5	Develop a Climate Change risk register		Not commenced	30/06/2024		UM St & Risk
Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"						
July 2023 updates: Following consequence reworded: '- Reduced rates revenue as property values go down to Property values decrease. Added PT5.						
UPDATES						
July 2023 (MA) - CoM know that mandatory reporting is coming, but don't currently have enough information to add this as a planned treatment in this quarter review. To be reconsidered for the next quarter review. No Change to Risk Rating.						

RISK ID	CR0064						
DATE LAST REVIEWED	July 2023*						
ELT	Corporate Services						
SLT	Information Services						
Likelihood Rating	Likely	INHERENT Risk Rating	CURRENT Risk Rating	TARGET Risk Rating			
Consequence Rating	Moderate						
Risk Description							
Business is not supported to deliver its services from a lack of effective ICT systems and services. Decentralised, unsupported and unintegrated ICT systems to support current and future needs.							
Risk Statement							
There is a risk that having decentralised ineffective IT systems and support that are not fit for purpose, through the lack of strategic planning for IT secure or reliable, will cause unstable systems or failures, inefficiencies, and not enable progression of key business activities. developments resulting in poor customer experience and frustrated staff.							
Link to Strategic Plan Engaged							
Link to Business Plan ICT Strategy (under development)							
Context/Background and Environmental considerations							
Old systems and old technologies used, these have caused inefficient work arounds for the systems. The planning and endorsement of the Digital Transformation Project has taken time to scope and present for endorsement from Council. Budget endorsement from Council was needed. The restructure of the organisation has moved the ownership of addressing these risks to the DTP.							
Over the past 3 years, council has invested heavily in implementation of key systems (finance, CRM and assets), and modernisation of business technology. The ongoing solution development to address current businesses needs will be encapsulated in a new ICT Strategic Plan. This plan will outline the requirements and steps needed to end up with a fully integrated solution for the business.							
Stakeholders		Consultation					
All data users within the business		ELT, SLT & work areas via meetings					
Risk source - Causes/Drivers							
<ul style="list-style-type: none">- Inadequate Project Management Framework to plan IT program- Inadequate resources for project delivery- Underestimation of BAU commitments- Strategic & Annual Business Plan projects don't consider IT resources- System failure and data breaches- Inadequate time allocated for defining Business Requirements and stakeholders at discovery phase- Managing Stakeholder expectation on the required timeframe to successfully to implement a project- Setting unrealistic time expectations for the implementation of strategic projects with Council Members- Decentralised, unsupported and unintegrated ICT systems							
Potential Consequences							
<ul style="list-style-type: none">- Inefficient corporate software systems- Ineffective use of IT staff resources- Inability to support & progress key business developments- Lack of flexibility, capacity &/or capability for future options- Poor customer experience- Frustrated staff - low morale- Increase turnover of staff- Business inefficiency- System instability &/or failures- Data loss							
Implemented Controls		Endorsed/last reviewed Date	Review Date	Control Effectiveness	Responsible Officer		
1 DIE IS reporting into ELT, FRAC and POR Committee Meetings		Aug-20	Dec-23	Effective	CIO		
2 DTP IS project delivery (embedded into Annual Business Plan & Budget process)		Nov-20	Jun -23	Good	CIO		
3 Change Management and Communication Plans		Feb-22	Jun -23	Good	CIO		
4 Digital Literacy training plan		Jan-24	Ongoing	Partially Effective	CIG		
5 IS team of qualified & experienced personnel inc dedicated BA and PM resources (service review undertaken)		June 2022	Ongoing	Effective	CIO		
6 IS performance reporting to ELT & FRAC		Aug-20	Dec-23	Effective	CIG		
7 Cross Council collaboration		Jun-20	Jun-23	Partially Effective	CIO		
8 CRM system		Jan-22	Jan-23	Effective	CIG		
9 HR/payroll system		Jul-22	Jul-23	Partially Effective	CIG		
10 Finance system		Jul-22	Jul-23	Effective	CIG		
11 Established processes and structure to capture and progress system improvements & initiatives			Ongoing	Effective	CIO		
12 Mature and well established ICT security framework			Ongoing	Effective	CIO		
Overall control Effectiveness				Effective	Quarter Ending June 2023		
Planned Treatment		Status	Due Date	Revised Due Date	Responsible Officer		
1 Digital Transformation IS Project		Complete	30/06/2023		CIO		
1c Asset Management new system (phase 1)		Complete	30/12/2022	30/06/2023	CIO		
2 Reviewing CoM Technology landscape and developing an IT strategic plan		Behind schedule	30/06/2023	30/09/2023	CIO		
3 Close Digital Literacy project and develop a plan to transition into an ongoing operational activity with IS & People and Culture		Complete	30/06/2023	n/a	CIO		
4 Work with external Agencies to fill short term resourcing issues		Complete	26/05/2023	n/a	CIO		
5 Comprehensive review required post implementation of IT Strategy		On schedule	30/09/2024	n/a	CIO		
6 Integration project to address unintegrated systems - Phase 1		On schedule	30/06/2024	n/a	CIO		
7 Transition to support projects (strategic applications)		On schedule	30/06/2024	n/a	CIO		
8 Application portfolio assessment		On schedule	30/06/2024	n/a	CIO		
9 Enterprise architecture practices		On schedule	30/06/2024	n/a	CIO		
10 Optimised existing strategic systems		On schedule	30/06/2024	n/a	CIO		
Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"							
<ul style="list-style-type: none">- PT2, revised date amended to 30/9/2023, project is currently at 70% complete. IT strategic plan has required extensive and comprehensive consultation with the business to leverage the previous investment over the last 3 years.- PT 1, 1c, 3 and 4 - COMPLETED in Q4 22/23. DTP project finished on 30 June 2023. Future work in this space within the BAU of IS. Phase 1 of Asset Management system completed. Digital literacy training is an ongoing implemented control. Short term recruitment through agencies used, but recruitment has now filled vacancies.- PT 6, 7, 8, 9 and 10 added in q4 review - showing work that is planned over the next year that is expected to mitigate this risk back down to medium.							
UPDATES							
July 2023 - (MA, AA & JS) Risk reviewed in detail. A tidy up on controls was required, adding 11 & 12 to encapsulate now deleted controls 4, 8, 9 and 10 and modification of 1 to cover deleted control 6. Wording amended throughout this risk to reflect that the DTP finished on 30 June 2023. Wording to use moving forward is Information Services (IS). Many actions have been completed in Q4 and new actions added stemming from the draft IT Strategic plan. No change to risk rating, is expected with new actions in place, risk will be mitigated to medium by end of 23/24 financial year.							

RISK ID	CR0095					
DATE LAST REVIEWED	July 2023					
ELT	Office of CEO					
SLT	Business Intelligence Lead					
Likelihood Rating	Possible Major	INHERENT Risk Rating	CURRENT Risk Rating	TARGET Risk Rating		
Risk Description						
Poor data quality and data governance not supporting informed decision making.						
Risk Statement						
There is a risk that poor quality and access to data within CoM systems doesn't allow for data driven decision making.						
Link to Strategic Plan	Council of Excellence					
Link to Business Plan	Digital Transformation Project					
Context/Background and Environmental considerations						
Due to the limited functions of the business systems, the business has needed to make manual work arounds, this can lend to data entry errors, this can contribute to long processes for information gathering and decision making.						
Stakeholders		Consultation				
Council, ELT, SLT and SMEs wishing to use data to support decision making.		Digital Transformation Program				
Risk source - Causes/Drivers						
<ul style="list-style-type: none">- Ineffective implementation of the DT program- Business units implement their own technology solutions- Lack of single source of truth for Corporate data- Inadequate strategic awareness/oversight of corporate data processes- Lack of standardised Data Quality Assurance processes- Obsolete Data Governance Framework- No resource/capacity to review/embed the Data Governance Framework- Poor data capture due to inadequate training around business processes & systems- Lack of IT training for staff (no IT Trainer role)- Lack of mobility tools for outdoor staff to capture data- Ineffective use of end user reporting and query tools						
Potential Consequences						
<ul style="list-style-type: none">-Non-compliance with related regulations/ legislation- Unsupported decision making- Inability to deliver identified business outcomes- Inability to address business issues- Inability to provide innovation and improve efficiencies- Lack of data integrity- Inability to measure outputs and outcomes, resulting in unsupported decision making- Increased errors due to inefficient work processes- Decreasing value of data assets						
Implemented Controls			Endorsed/last reviewed Date	Review Date	Control Effectiveness	Responsible Officer
1	IS-reporting-into-ELT-Meetings-		Aug-20	Dec-23	Effective	CIO
2	Vendor-management-reviews-of-software-enhancements/faults-		Jan-24	ongoing	Effective	CIO
3	Software owner roles & responsibilities documented (org wide vs departmental)		ongoing	ongoing	Effective	CIO
4	Core application systems user groups with ICT business unit account & manager roles		ongoing	ongoing	Effective	CIO
5	Business intelligence/data analytics reporting toolset (MS PowerBI)		ongoing	ongoing	Effective	BI Lead
6	Data and Analytics strategy endorsed		Feb-22	ongoing	Effective	BI Lead
7	ICT Service Reviews and ICT Internal Audit recommendations implemented		Dec-21	ongoing	Effective	GM Corp Serv
8	Data Governance Framework		Dec-22	Dec-26	Partially Effective	Mgr. OoCEO
9	Performance Organisational Review Committee		ongoing	ongoing	Effective	Mgr. OoCEO
Overall Control Effectiveness					Effective	Quarter Ending June 2023
Planned Treatment			Status	Due Date	Revised Due Date	Responsible Officer
1	Finalise the data analytics road map for the implementation of the strategy and framework		On schedule	30/06/2022	30/07/2023	BI Lead
2	Implementation of Data and Analytics program		On schedule	01/12/2024		BI Lead
3	Training with data information officers		On schedule	30/06/2024		BI Lead
Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"						
- IC1 and 2 - ELT recommend these removed, unclear how these relate to risk						
UPDATES						
12/07/2023 [CA] - The implementation roadmap (PT7) has been drafted. New Project Manager for the Data and Analytics Program has been assigned, however, is currently tied up with other urgent projects. Awaiting discussion with the PM to go through the draft roadmap and get their approval. This is still expected to be achieved by 30/7/23. Draft Data Governance and Management Policies have been prepared for internal review before being presented to ELT for approval.						
- 27/7/2023 [ELT] - suggest a PT be added relating to training for 'data information owners'. This was checked with the BI lead and is in the work plan, so added at PT3.						

7.10 Finance and Audit Committee Annual Report to Council 2022-23

Report Reference	FRAC230815R7.10
Originating Officer	Unit Manager Governance and Council Support – Victoria Moritz
Corporate Manager	N/A
General Manager	Chief Executive Officer - Tony Harrison

REPORT OBJECTIVE

To seek input from the Finance, Risk and Audit Committee (FRAC) regarding the matters to be included within the Committee's Annual Report to Council.

EXECUTIVE SUMMARY

Each year, the Committee reports to Council on its operations for the past year (Clause 4.21 of the Terms of Reference). This report is traditionally presented to Council in October. A draft report will be presented to the Committee in October for endorsement first.

Feedback is sought from the Committee regarding items to include. Items that were covered in the 2021/22 Annual report included:

- ***Financial Reporting***
 - End of Year Reporting
 - Budget Reviews
 - Annual Business Plan and Long-Term Financial Plan
- ***Risk Management***
 - Quarterly Risk Reports
 - Business Continuity Program
 - Incidents, Claims and Insurance
- ***Audit***
 - External Audit
 - Internal Audit
- ***Prudential Reports***
 - Marino Community Hall
 - Marion Water Business
 - Marion Administration Centre Internal Fit-out Project
- ***Committee Membership and Attendance***

RECOMMENDATION

That the Finance, Risk and Audit Committee:

1. Request that the following be included in the draft Finance and Audit Committee Annual Report to Council to be considered at its meeting in October 2023:
 - a. X
 - b. x

ATTACHMENTS

Nil

8 Reports for Noting

8.1 Previous Service Review Program - Update on Outstanding Recommendations

Report Reference	FRAC230815R8.1
Originating Officer	Unit Manager Governance and Council Support – Victoria Moritz
Corporate Manager	Manager Office of the Chief Executive - Kate McKenzie
General Manager	Chief Executive Officer - Tony Harrison

REPORT OBJECTIVE

The purpose of this report is to provide the Finance, Risk and Audit Committee with an update detailing the status of any outstanding actions from previous Service Reviews and how these are being monitored and closed out.

EXECUTIVE SUMMARY

The previous Service Review program was established in 2016 and paused in January 2022 to review and determine how to progress. During this time, the program reviewed 42 services through 25 service reviews.

An update of the status of implementation of recommendations and actions from the reviews was last provided to the Committee in February 2022. At this time, it was noted that there are six reviews with open recommendations (and actions):

- Corporate ICT
- Utilities Optimisation
- Neighbourhood & Community Centres
- Public Litter
- Fleet Management & Maintenance
- Civil Services Review

RECOMMENDATION

That the Finance, Risk and Audit Committee:

- 1. Notes the status of the outstanding service review actions.**

DISCUSSION

A review has been undertaken of the outstanding actions where it was determined the number of actions that have been completed since January 2022, any actions outstanding that are no longer relevant due to organisational changes / business needs and actions that are still relevant. Any action still relevant will be captured through the Work Area Plans to ensure the actions are completed.

There are six service reviews with outstanding actions. A summary of these is provided below:

<i>Service Review</i>	<i>Total # of Actions</i>	<i>Actions complete at Jan 2022</i>	<i>Actions complete since Jan 2022</i>	<i>Actions outstanding and no longer relevant due to organisational changes / business needs</i>	<i>Actions outstanding and captured through Work Area Plans.</i>
<i>Corporate ICT</i>	34	25	9	<i>All Actions Complete</i>	
<i>Utilities Optimisation</i>	13	10	3	<i>All Actions Complete</i>	
<i>Neighbourhood & Community Centres</i>	22	18	2	NA	2
<i>Public Litter</i>	8	4	4	<i>All Actions Complete</i>	
<i>Fleet Management & Maintenance</i>	38	2	22	NA	14
<i>Civil Services Review</i>	29	0	22	4	3

The way that the City of Marion has conducted Process Improvement / Service Reviews over the past few years has varied with difference approaches, however the intent has remained the same, to improve efficiency and reduce waste.

The Committee and Management recognise the importance of the service review program and the significance of the benefits that have been delivered.

Although the future of the program is yet to be defined, it is proposed that Lean 6 Sigma will be introduced as the methodology for improvement and embedded into organisational culture. Further information will be brought to the Committee in due course.

ATTACHMENTS

Nil

8.2 Digital Transformation Project – Close Out Report

Report Reference	FRAC230815R8.2
Originating Officer	Chief Information Officer - Marcel Althoff
Corporate Manager	Chief Information Officer - Marcel Althoff
General Manager	General Manager Corporate Services - Angela Allison

REPORT HISTORY

Report Reference	Report Title
FRAC230221R8.2	Digital Transformation Program Update
FRAC221011R8.3	Digital Transformation Program Update
FRAC220517R7.1	Digital Transformation Program Update
FRAC211012R7.5	Digital Transformation Program Update

REPORT OBJECTIVE

To provide FRAC with a final updated on the Digital Transformation Program, the overall benefits achieved by the program and future plans for ICT reporting to the Finance Risk and Audit Committee.

EXECUTIVE SUMMARY

The Digital Transformation Program (DTP) scope was 12 projects; a mix of larger and smaller projects, which combined would transform the City of Marion's digital landscape for our customers, residents, Council and staff, by allowing us to put the customer at the centre of what we do.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

1. Acknowledge that except for Unified Communications, Information Services has now finished the projects related to the Digital Transformation Program (DTP) which is now officially closed
2. Note that Information Services is now focused on the development of the IS Strategic Plan and several key business-related IT projects
3. Future reporting to be consolidated into an IS Strategic Plan update which will replace the current two reports of DTP update and ICT Security.

High-level Objectives

- 1) Australia is becoming a 'person centred' society through a variety of forces, but strongly enabled by technological advances - we aim to shift CoM to a Customer centred approach, putting our 92,000 rate payers at the centre of everything we do. It will be a clear shift from our ERP software being Finance centric
- 2) Bring our internal staff capability in line with 2020 business digital literacy [revisit this scope once we have detailed all the projects scopes - program scope needs to encapsulate the overall projects scopes]

As at 30 June 2023 11 of the 12 project were complete. Overall benefits realised are below:

	Benefits	Status and % Achieved
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OVERALL DTP BENEFITS REALISED	Average of 12 projects	82.13%
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The Unified Communications project has not been complete, however work will continue into 2023-24.

Moving forward the IS Strategic Plan which is currently being drafted which will guide the prioritisation of projects for the next 3 years (current Council term). New projects which have commenced are the Integratron project, Booking System – Outdoor Pool, Booking System – Hireable spaces and the Risk Management System in addition to a range of operational improvements.

To support the integrated and efficient delivery of the plan the Information Services and IT Operations Team has been merged under the Chief Information Officer.

Future reporting is proposed to be based on the achievement of the IS Strategic Plan. The new reporting against the plan will replace the previous DTP Status Report and the ICT Security report.

PROJECT UPDATES

The Digital Transformation Program projects initial scope and benefits are as follows:

COM 1: Digital Literacy and Cybersecurity Awareness

Its aim was to equip all staff, elected members and broader CoM residents with the information knowledge to manage new systems and support them through in most digital environments.

- 1) Digital Literacy - have a workforce that is ready to operate in a 2020 digital environment
- 2) Raising Cyber-security Awareness - that leads to enhanced Security of corporate data
- 3) We support the increase in the digital literacy of our Customers via hardware, software and programs Out of scope - technological side of cyber security

Initial / Pre-DTP State:

- Low digital literacy & cybersecurity awareness
- Depending on the position in the team, some staff had low or zero interaction with CoM systems, and much manual processing.

High level objective: Increased digital literacy for staff and improved security of our corporate data, as well as personal awareness of cybersecurity

Benefits	Weighting	Status and % Achieved
Equip all staff with the information knowledge to manage new systems and support them in most digital environments.	35%	100% As part of the Payroll system implementation trained all outdoor staff in the use of mobile devices for payroll purposes. All staff are trained in the use of electronic timesheets, leave requests and accessing / managing personal payroll details. Twenty-three staff who requested detailed digital literacy training at that time have undergone digital literacy training provided by external RTOs. As new systems are implemented then digital literacy assessment and training will be incorporated into specific project plans
Equip elected members with the information knowledge to manage new systems and support them through in most digital environments.	10%	100% All Council members provided devices and awareness sessions were held with those requesting it. One on one training is provided as requested.
Equip broader CoM residents with the information knowledge to manage new systems and support them through in most digital environments.	5%	0% No community wide programs were delivered under the DTP, however the libraries team do run digital literacy programs for the community.
All staff required to undertake mandatory cybersecurity awareness training	50%	100% program in place. Effectiveness being monitored through CoM phishing campaigns
OVERALL % of BENEFIT ACHEVED	100%	95%

COM 2: Payroll and Human Resource Information System (HRIS)

The Payroll and Human Resource Information System (HRIS) outsourcing Payroll procured system Aurion and implementing the Aurion HRIS to support our human capital management across the City of Marion, from recruitment, to on boarding and training, performance reviews, exit interviews etc.

Initial / Pre-DTP State: Manual payroll timesheets and processes from the CoM Civica Authority.

The intention of the project was to choose and implement an end-to-end Payroll and HRIS system that enables:

- 1) Removal of paper processes and reduction in manual processes
- 2) Better controls of permissions, access and data [includes approvals]
- 3) One system for where all the existing HR 'work is done' - Civica Authority, Outlook, SharePoint (custom forms and workflows), Skytrust, Outlook, Kineo eLearning and Open Office "Training Manager"
- 4) Mobile access
- 5) ensure staff are paid in accordance with Enterprise Agreements, Awards and legislation
- 6) interface with other CoM systems
- 7) HRIS functions are functionally fit for purpose for Com
- 8) Reporting [for decision making]

High-level objective: Modern cloud-based payroll system integrating HRIS and Learning and development/ onboarding/etc.

Benefits	Weighting	Status and % Achieved
Outsourcing payroll	30%	100% Payroll outsourced to Aurion
Reduction of 1.6FTE to 0.6FT	20%	0% Due to quality of Aurion service provision has not been possible
Payroll automation and replacement of the manual processes from the CoM Civica Authority	30%	100% Employee Self Service has been implemented with online timesheet processing.
A HRIS to support our human capital management from recruitment, to on boarding and training, performance reviews, exit interviews etc.	20%	0% These modules not implemented, and capacity does not exist in the selected solution
OVERALL % of BENEFIT ACHIEVED	100%	60%

COM 3: Customer Relationship Management (CRM)

The Customer Relationship Management (CRM) market leader Salesforce was supported to be our development of a Single View of Customer for our ratepayers and residents.

Initial / Pre-DTP State: It replaced the CoMs outdated OpenOffice customer system.

High-level objective: Was to provide a Single View of Customer (SVC) -"An SVC has information about a customer which is aggregated from multiple sources and presented in one place to support the delivery of an excellent CX. This includes contact details, customer type, customer preferences, interaction history and transactions, open cases, and alerts and risks regarding that customer"

Benefits	Weighting	Status and % Achieved
Single view of the customer, enabling greater customer insight, improved service provision and interactions	25%	80% Single view of the customer is now possible due to the implementation of Salesforce CRM. Further enhancements will enable efficiencies in single view searching by consolidation. Dashboard reporting for cases implemented.
Personalised information delivery for customers	25%	100% Email and SMS updates in place and customer portal enable tracking of requested by customers.
A cohesive range of convenient customer channels, with an increased emphasis on self- service and capacity to value add for more complex interactions	25%	60% More services online such as hard rubbish bookings has enabled a shift to self initiated online. Online, face to face and phone channels provide convenient access points for customers. Internal audit has identified a range of activities to enhance the customer experience which will be progress via future upgrades.
CoM is seen as delivering services with ease, listening to customers, and putting the customer in the centre of everything we do.	25%	68% Combined overall satisfaction rating since we implemented Salesforce
OVERALL % of BENEFIT ACHEVED	100%	77%

COM 4: Asset Management Information System

The Asset Management Information System would improve the management of our \$1b worth of assets. The integration with the new finance system will allow for predictive analytics and the integration with the CRM will allow for work orders to be work flowed with less manual intervention and touchpoints.

Initial / Pre-DTP State: No single location for Asset Management Data and limited to no ability to develop predictive modelling to minimise ongoing maintenance costs while protecting the CoM's assets.

High-level objective: To improve the information and automated recommendations for more

informed decision-making on maintenance and renewal. Integrates into Finance processes, Land and Property Process [and other key Value Streams to be determined in project planning], enabling the customer centric model.

Benefits	Weighting	Status and % Achieved
Consistent direction, coordination, and control of asset management activities	35%	90% Implementation of the infrastructure asset management database of 28 April 2023. Finalised the template Asset Management Workflows. Process reviews and change management activities will further enhance benefits.
The translation of organisational objectives into technical and financial processes, plans, activities	35%	60% Valuations module implemented by 30 June 2023. Range of reporting now available in ASSETIC to support business operations.
Improved risk control and consistent achievement of asset management objectives	30%	80% Consolidated data sets from spreadsheets with agreed data structure and owners
OVERALL % of BENEFIT ACHIEVED	100%	77%

COM 5: Financial Transformation

The Financial Transformation program need to be a modern, cloud based, financial management system, that will allow for automation of functions and improve access to live financial data and reporting.

Initial / Pre-DTP State: The previous systems, processes and procedures lacked standardisation, simplification and automation and were impeding the finance function in being able to work efficiently and effectively.

The transformation of the finance function has enabled the team to focus on new ways of creating value for its customers (both internal and external) and improve the overall performance of the organisation with a modern cloud based financial system that now supports real-time reporting and, in the future, will support the connection with other CoM systems allows for reporting, analysis and better decision making

High level objective: Modern cloud based financial system able to support in real time reporting and connection with other CoM systems.

Benefits	Weighting	Status and % Achieved
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A modern, cloud based, financial management system	50%	80% Financial force implemented. 100% will be achieved once the cloud version of and Civica Property and Rates is implemented.
Automation of functions and improve access to live financial data and reporting	50%	90% Automation of requisitioning and purchase orders completed. On line- real time reporting with drill down implemented. Outstanding are OCR of invoices.
OVERALL % of BENEFIT ACHIEVED	100%	85%

COM 6: Microsoft 365

The Microsoft 365 rollout replacing all on premise version of Microsoft Office with the cloud version and removing costly on-premise servers, supporting our cloud first policy.

Initial / Pre-DTP State: This transfer to the cloud enabled the removal of most of the on-premise hardware. Fully adhere to the "Cloud first" principle approved by Council

High level objective: Transition our current on prem server to the cloud and decommission expensive internal infrastructure while providing our users with superior access from anywhere.

Benefits	Weighting	Status and % Achieved
Reduce and simplify on-prem infrastructure management	20%	100% Completed
Reduce and simplify application management	20%	100% Completed
A workforce no longer tied to the desk	20%	100% Completed
Improved disaster recovery position	20%	100% Completed
Staff have the apps, services, devices and tools they need – anywhere, anytime	20%	100% Completed
OVERALL % of BENEFIT ACHIEVED	100%	100%

COM 7: SharePoint transfer – Files and Records

The SharePoint Intelligent Intranet improved the records management and access of our staff to

CoM wide information as well as changing team sites allowing for automated updates as well as updating content.

As with the MicroSoft 365 rollout, this enabled the move of the current SharePoint sites to the cloud and then reimaged the team sites to take advantage of more recent SharePoint developments.

Records management is to set up and provide advanced search parameters correctly and the meta data in the documents where appropriate exists.

Team satisfaction/cohesion with their site - information, files & search functionality, 'best use' of the CoM approved functionality available.

Initial / Pre-DTP State: Digital Records were supported by on-premises serves and had not take advantage of improvements in more recent SharePoint developments.

High-level objective: Migrate our intranet (COMBI) to the cloud-based SharePoint platform and remove the need of on prem infrastructure.

Benefits	Weighting	Status and % Achieved
Improving the records management and access by staff to CoM wide information	50%	100% Completed
Changing team sites allowing for automated updates as well as updating content	50%	100% Completed
OVERALL % of BENEFIT ACHIEVED	100%	100%

COM 8: GIS ESRI

The GIS ESRI transition from MapInfo (end of life product) to the market leader ESRI, product also used by our partner councils CCS and PAE to enable resource sharing.

Transition GIS (Graphic Information System) from MapInfo (end of life) to Esri – is still best practice / low risk. ESRI is the provider for our Cross Council partners to further our strategic alignment and best practice across the group. We will be looking for more business value out of the functionality and resource/specialty from GIS ESRI.

Initial / Pre-DTP State: Low levels of GIS maturity utilizing MapInfo that was nearing its end of life

High-level objective: Align system with CCS and PAE. Cloud based interface will allow staff to deliver

Benefits	Weighting	Status and % Achieved
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Transitioning from MapInfo (end of life product) to the market leader	80%	100% Completed
Enable resource sharing with CCS and PAE	20%	0% No sharing of resources is occurring due to changes of ICT strategy at each council. Non homogenous system approach and structure.
OVERALL % of BENEFIT ACHIEVED	100%	80%

COM 9: Data analytics

The Data Analytics' project supported the development of business intelligence and data analytics function that automates service reviews and reporting, provides insights into data based decision making and transforms the organisation to data led and measuring outcomes and performance in real time. The CoM has become more analytical, and outcome focussed on its decision making and management.

Initial / Pre-DTP State: Minimal access to automated management data

High-level objective: Change decision making at CoM and allow staff to make better decision as information is at their fingertips.

Benefits	Weighting	Status and % Achieved
Development of a business intelligence and data analytics function	80%	100% Power BI installed and two staff members engaged for the development of KPIs, analytics and dashboards
transforms the organisation to data led and measuring outcomes and performance in real time	20%	50% Now data led with data for Performance Operational Review Committee provided monthly with some real time provision of data. Further improvements will occur with further investment in system integration and expansion of the data lake.
OVERALL % of BENEFIT ACHIEVED	100%	92%

COM 10: Unified Communications

Unified Communications is replacing our ageing PABX infrastructure with a cloud based modern system, allowing for integration into CRM, portability and audio recording for record keeping, training and coaching purposes.

This project has not been completed by 30 June 2023. Implementation will continue into 2023/24.

Used to drive,

- 1) Telco Savings on data and calls, and
- 2) an organisational approach to phone devices across the org and specific areas such as contact centre
- 3) to enable staff to be fully mobile

Initial / Pre-DTP State: Managing an outdated and aging PABX infrastructure system that was not stable and needed to be replaced with current communication technology

High-level objective: Ability to take calls from anywhere, not tethered to a desk.

Benefits	Weighting	Status and % Achieved
Replacing the ageing PABX infrastructure with a cloud based modern system	40%	0% Teams calling project underway. Due to be complete by 30 September 2023
Integration into CRM, portability and audio recording for record keeping, training, and coaching purposes	20%	100% 3CX (contact centre call system) provides this functionality.
Call connect and AWS (Salesforce and contact centre)	40%	0% Project underway. Rescoping was required. Customer Services due to be complete by 30 September 2023.
OVERALL % of BENEFIT ACHIEVED	100%	20%

COM 11: Devices List and Management

The Devices List and Management replaced leased devices with owned devices which at the end of their corporate life can be deployed into the community through connections with the Digital literacy project. Considering segmenting the COM staff cohort to support all staff to access the cloud-based systems with a cost-effective device.

Overview of outcomes include,

- Staff are Truly Mobile
- Responsive to ongoing Technological evolution
- Increasing the Digital Literacy in the Community (recycled devices)
- Up to date quality devices that are fit for purpose and support digital literacy
- Staff member has choice of device
- Reduced device cost of ownership
- People, processes and systems are not tied to a physical location,
- Assess and procure / deploy software and hardware that adds value and drives digital literacy
- Asset inventory with embedded processes and procedures to manage assets

Initial / Pre-DTP State: Tethered to the desk with outdated leased hardware that was well past its useful life, with a lack of modern monitors and other peripherals that made mobility and working from other offices and or home difficult if not impossible in most situations.

High-level objective: Enable modern endpoint management to remove the need for extensive IT support in rolling out devices, increase staff's digital literacy and support the disadvantaged in the community.

Benefits	Weighting	Status and % Achieved
Replacing leased devices with owned devices	60%	100% Completed
End of their corporate life can be deployed into the community through connections with the Digital literacy project	20%	100% Currently being deployed throughout the community and will become an ongoing program.
Segmenting the COM staff cohort to support all staff to access the cloud-based systems with a cost effective device	20%	100% Completed
OVERALL % of BENEFIT ACHIEVED	100%	100%

COM 12: AV access in meeting rooms

Provided AV access in meeting rooms allowing for all CoM meeting rooms to be equipped with a screen and Meeting Owls to support blended meetings, reduce the travel time for some staff, which in turn reduces vehicle use and time lost driving.

AV Access in meeting rooms enables the collaboration of staff and external parties across locations to reduce wasted travel time and drive more valuable collaboration. Ensure meetings for elected members can be recorded, published electronically, etc.

Initial / Pre-DTP State: Limited to no AV access throughout the CoM, making meetings costly due to the need to travel

High-level objective: Support WFH and mobile workforce to remain connected and the CoM is presented as professional/efficient to external parties

Benefits	Weighting	Status and % Achieved
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All CoM meeting rooms to be equipped with a screen and Meeting Owls to support blended meetings, reduce the travel time for some staff, which in turn reduces vehicle use and time lost driving	100%	100% Completed
OVERALL % of BENEFIT ACHIEVED	100%	100%

ATTACHMENTS

Nil



9 Workshop / Presentation Items

10 Other Business

11 Meeting Closure

The meeting shall conclude on or before 5.00pm unless there is a specific motion adopted at the meeting to continue beyond that time.