

COMMITTEE AGENDA

Audit & Risk Committee

Notice is hereby given pursuant to the provisions of the Local Government Act, 1999, that the next Meeting of the Audit & Risk Committee will be held in the Council Chambers, 181 Unley Road Unley on

Tuesday 06 August 2024 6:30pm

for the purpose of considering the items included on the Agenda.

Chief Executive Officer

MEMBERS

Presiding Member M Davies
Independent Member A Martin
Independent Member P Lee
Councillor M Broniecki
Councillor J Gaffey

ACKNOWLEDGEMENT

Ngadlurlu tampinhi, ngadlu Kurna yartangka inparrinhi. Ngadlurlu parnuku tuwila yartangka tampinhi.

*Ngadlurlu Kurna Miyurna yaitya yarta-mathanya Wama Tarntanyaku tampinhi. Parnuku yaitya, parnuku tapa purruna yalarra puru purruna.**

We would like to acknowledge this land that we meet on today is the traditional lands for the Kurna people and that we respect their spiritual relationship with their country.

We also acknowledge the Kurna people as the traditional custodians of the Adelaide region and that their cultural and heritage beliefs are still as important to the living Kurna people today.

*Kurna Translation provided by Kurna Warra Karrpanthi

ORDER OF BUSINESS

ITEM

PAGE NO

1. ADMINISTRATIVE MATTERS

1.1 APOLOGIES

Nil

1.2 LEAVE OF ABSENCE

Nil

1.3 CONFLICT OF INTEREST

Members to advise if they have any material, actual or perceived conflict of interest in any Items in this Agenda and a Conflict of Interest Disclosure Form (attached) is to be submitted.

1.4 MINUTES

1.4.1 Minutes of the Ordinary Audit and Risk Committee Meeting held Tuesday, 14 May 2024 were received and recommendations contained therein were adopted by Council at its meeting held Monday, 27 May 2024.

Resolution No. C1264/24

1.5 DEFERRED / ADJOURNED ITEMS

Nil

1.6 CENTENNIAL PARK CEMETERY AUTHORITY PRESENTATION (CONFIDENTIAL)

2. REPORTS

2.1	External Audit - Interim Audit Findings & Management Response 2023-24	7
2.2	Internal Audit Function	25
2.3	Quarterly Internal Audit Report	34
2.4	Internal Audit: Plant Management Review (IA2024-01)	47
2.5	Quarterly Risk Report (August 2024)	61
2.6	Cyber Security Overview	73
2.7	Updated 2024 Audit and Risk Committee Workplan (August 2024)	75
2.8	Report Summarising the Activities of the Audit and Risk Committee	81

3. OTHER BUSINESS

NEXT MEETING

Tuesday 22 October 2024 - 6:30pm

Council Chambers, 181 Unley Road Unley

INFORMATION REPORT

REPORT TITLE:	EXTERNAL AUDIT - INTERIM AUDIT FINDINGS & MANAGEMENT RESPONSE 2023-24
ITEM NUMBER:	2.1
DATE OF MEETING:	06 AUGUST 2024
AUTHOR:	MAX MURAWSKY, FINANCE BUSINESS PARTNER
DIVISION:	CORPORATE SUPPORT
ATTACHMENTS:	1. INTERIM REPORT OF AUDIT FINDING

1. **PURPOSE**

This report presents the Interim Report – Audit Finding from the Council's External Auditors, Bentleys. The Audit Finding Report presents the findings regarding Council's internal control environment, and management responses, following the interim audit conducted in May 2024.

2. **RECOMMENDATION**

That:

1. The report be received.
 2. The External Audit – Interim Audit Findings and management responses as set out in Attachment 1 to this report (Item 2.1, Audit and Risk Committee meeting 06/08/2024), be noted.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

4. Civic Leadership
 - 4.1 We have strong leadership and governance.
 - 4.3 Our business systems are effective and transparent.

4. **BACKGROUND**

In accordance with section 125 of the *Local Government Act 1999* (the Act), 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 assets, and to secure the accuracy and reliability of council records.

The Audit and Risk Committee has a responsibility under Section 126(4)(f) of the Act, and in its Terms of Reference, to *review the adequacy of the accounting, financial internal controls, reporting and other financial management systems and practices of the Council on a regular basis.*

Bentleys were appointed as Council's External Auditors for a period of five years in November 2023, following a recommendation from the Audit and Risk Committee and endorsement from Council. The audit for the 2023-24 financial year is the first audit undertaken by Bentleys under the current appointment.

Under Section 129(1)(b) of the Act, the External Auditors are required to undertake an audit of the controls utilised by the council during the financial year. Under Section 129(3)(b), the External Auditors are required to provide an audit opinion as to whether the controls provide reasonable assurance that the financial transactions have been conducted properly.

As part of Council's 2023-24 external audit, Bentleys have undertaken an assessment of Council's internal control environment and provided their findings in the Interim Report of Audit Finding which is included in Attachment 1.

Attachment 1

5. DISCUSSION

Bentleys have reported in their 2023-24 Interim Report of Audit Finding that "no material matters have been raised". There were seven matters reported to management, however they were deemed immaterial, with no impact on their opinion of the control environment. Bentleys advise that they intend on issuing "an unmodified audit opinion over the internal control environment of City of Unley, pending any outstanding information".

The report also lists the identified audit risks relating to the financial statements and the current year audit. A majority of these are pending testing at the year end external audit.

A summary of the matters raised by Bentleys and the management response is included in the below table. Full details are included in the Interim Report of Audit Finding letter (Attachment 1).

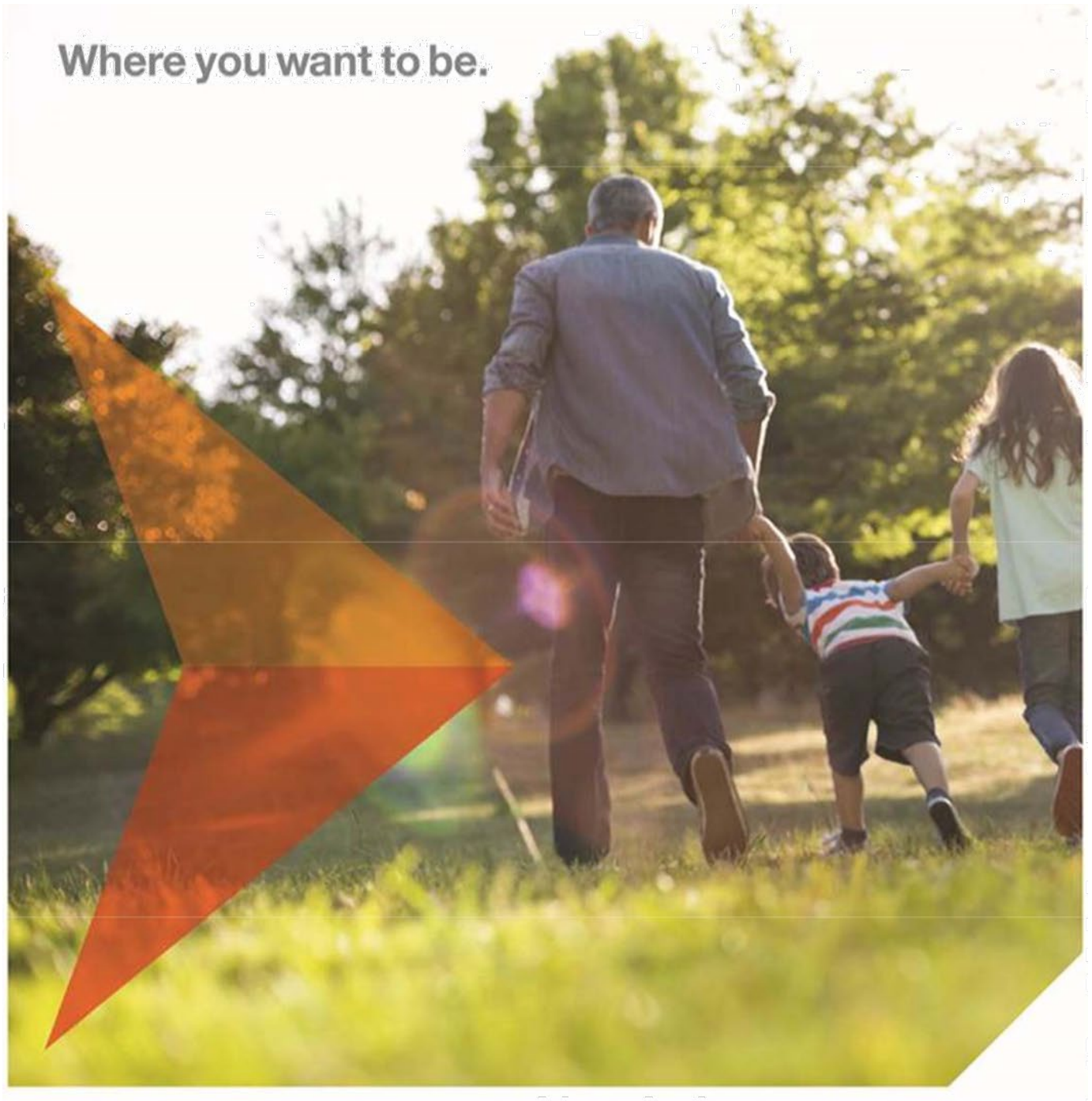
Issue No.	Issue	Management Response
1	Monthly Reconciliations No reconciliations have been reviewed since January 2024. Also noted that the reconciliations for the first 6 months of the year were not reviewed until December 2023.	<p>Balance sheet reconciliations are generally undertaken on a monthly basis. A formal review process has been established but has proven to be time consuming to prepare and review.</p> <p>The finance team commit to reviewing the process and identifying a schedule with a risk-based approach, cognisant of the size of the finance team.</p>
2	Changes to Supplier Masterfile Ambiguity as to whether an independent review of changes to the supplier Masterfile is occurring. Also noted that audit trail reports for the supplier Masterfile have not been reviewed.	<p>The process of independently reviewing supplier master file changes has been amended to ensure appropriate documentation is maintained.</p> <p>The Finance Team will implement a monthly review of the Audit Trail Report by September 2024.</p>
Issue No.	Issue	Management Response
3	Review of age payable listing Could not obtain evidence that reviews of age payable listing were occurring on a regular basis.	<p>A monthly review of the aged payable listing presently occurs but is not formally documented. This will be documented from the end of July 2024.</p>
4	Invoice approval Numerous invoices that were not approved in accordance with the delegation of authority.	<p>The Finance and Procurement Team are presently scoping a new end-to-end workflow <i>procure-to-payment</i> process which is scheduled for completion in June 2025.</p> <p>In the meantime, the Finance and Procurement Team will educate those receipting goods that the invoice needs to be approved by an officer with the appropriate financial delegation.</p>
5	Methodology for project costing and overhead allocation There is no policy in place for project costing and overhead allocation. Further, a fixed percentage of total other costs incurred is considered as overheads, rather than actual overheads.	<p>Project overheads are presently based on an existing methodology with indexation applied each year and allocated to the projects proportional to the capital expenditure in that year.</p> <p>The methodology will be reviewed by February 2025 in preparation for the 2025/26 budget. An administrative guidance paper will be finalised by April 2025.</p>
6	Contract management No formal process in place for contract management.	<p>The draft Contract Management Framework was completed in April 2024 and is presently being reviewed by the Executive Leadership Team and Managers. It is scheduled to be finalised in October 2024, with training to be undertaken by March 2025.</p>

7	Policy Documents Many policies are outdated and have not been reviewed as of the due date.	The Governance team have established a Policy and Review Register, a summary of which was presented to the Audit and Risk Committee in May 2024. The scheduled review of policies is provided in Attachment 1.
----------	--	--

An update on the progress of the agreed management actions from the interim audit will be monitored on a quarterly basis by the Executive Leadership Team and included in a quarterly report to the Audit and Risk Committee.

6. **REPORT AUTHORISERS**

Name	Title
Alex Brown	Acting General Manager Corporate Support



Where you want to be.



July 2024

City of Unley

Interim Report of Audit Finding

David Papa, Partner
Level 5, 63 Pirie St, Adelaide SA 5000
Telephone +61 8 8372 7900
dpapa@adel.bentleys.com.au | bentleys.com.au



City of Unley // July 2024

Executive summary

We are providing our interim report on the audit of City of Unley for the year ending 30 June 2024.

Dear Mr. Davies,

We have conducted our interim audit of City of Unley for the year ending 30 June 2024 and report to management and those charged with governance the following matters for information purposes and for consideration of implementation or corrective action.

At the conclusion of our testing, using the information obtained we determined if there were any material matters or concerns that would impact the decision-making ability of the users of the financial report.

No material matters have been raised, and the following matters reported to management are immaterial and will not impact on your opinion of the control environment:

- Monthly reconciliations
- Changes to Supplier Masterfile
- Review of age payable listing
- Invoice approval
- Methodology for project costing and overhead allocation
- Contract management
- Policy Documents

We intend to issue an unmodified audit opinion over the internal control environment of City of Unley, pending any outstanding information.

We would like to take this opportunity to thank management and staff for the assistance provided to us during the course of our audit.

Sincerely,



David Papa

Partner,

+61 8 8372 7900

dpapa@adel.bentleys.com.au

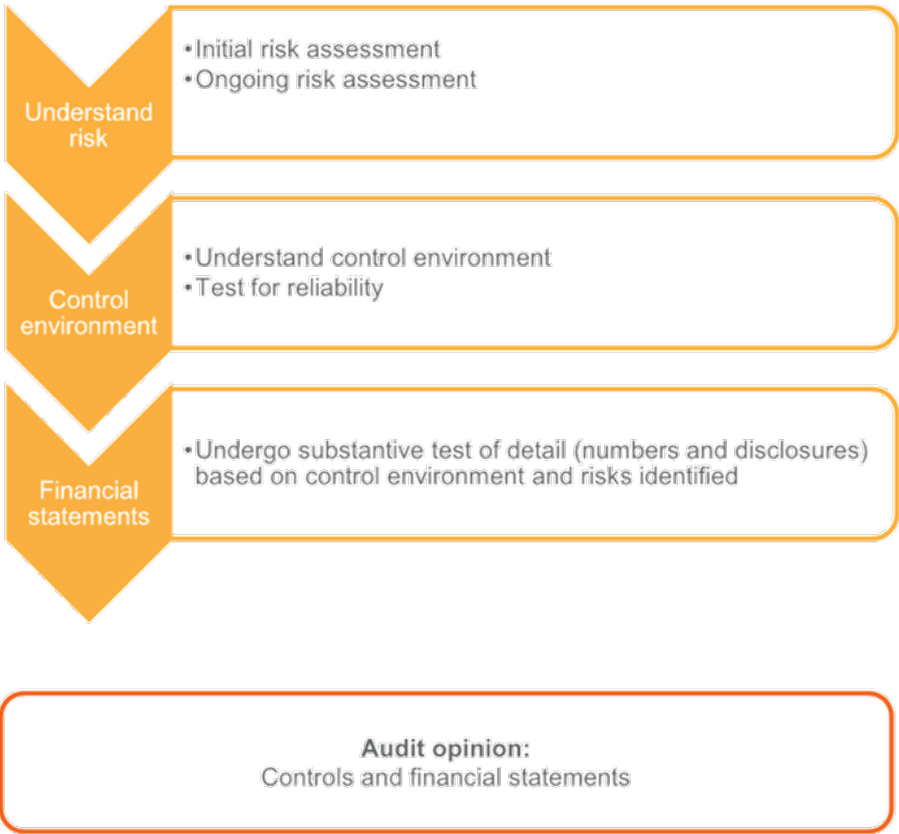


Audit approach

Helping businesses achieve their goals and aspirations.

Bentleys SA’s audit approach is based on organisational and financial risk. We develop an understanding of risks for your organisation that relate to the financial statements based on our understanding of your people, your organisation, and your sector. This understanding helps us build an audit program that is tailored to you each year and enables us to form an opinion on your financial statements through a target “risk based” approach. The benefits of this approach are:

- Audit efficiency
- Increased organisational assurance
- A review of your control environment
- Timely and effective audits



Identified audit risks

We have identified financial statement risk relating to this year's audit.

As your auditor, our requirement to identify risk commences at the planning phase of our audit and continues throughout the audit process until complete and the audit report is signed. Below we have detailed identified risks relating to the financial statements.

Risks identified at planning.

Area

Opening Balances

Risk

We are required under the Auditing standard ASA 510 to form an audit opinion over the comparative figures as well as the current year. It is typical in the industry for an onboarding auditor to review the audit file of the previous auditor in accordance with this Standard.

We have contacted the previous auditor to request a review in accordance with ASA 510 and arranged a date for access to the prior year audit file. However, since we have not yet completed our tasks, there remains an audit risk regarding our ability to obtain all the required information as per the above standard. If we are unable to obtain the information we need, there are only two options available:

1. Perform testing over the comparative periods figures in order to gain comfort and comply with the requirements of the Auditing Standards. Please note, this is out of scope from our quote for audit services as we assume any previous auditors will provide access to their file in support of the ASA 510 requirement.
2. We qualify our audit report over opening balances in the 2024 financial statements

Audit Approach

We have reviewed the prior year audit file in accordance with applicable auditing Standard.

Outcome

Satisfied.

Area

Revaluation of Assets

Risk

The revaluation assessment and accounting treatment for assets may be incorrect.



Identified audit risks

Audit Approach

This will be tested at the year end.

Outcome

Pending.

Area

Project Costing and Overhead

Risk

Misallocation or incorrect allocation of transactions to capital projects. An inappropriate rate for overhead costs may be used.

Audit Approach

This will be tested at the year end.

Outcome

Pending.

Area

Grant revenue recognition

Risk

Classification and accuracy of grants revenue in accordance with the accounting standards.

Audit Approach

This will be tested at the year end.

Outcome

Pending.



Internal control matters

We bring the following internal control matters identified in this year's audit to your attention for consideration.

Issue

Monthly reconciliations

Observation

We observed that all balance sheet reconciliations are reviewed quarterly by the Acting General Manager of Corporate Support. However, we noted that no reconciliations have been reviewed since January 2024.

We also noted that the reconciliations for the first 6 months of the year were not reviewed until December 2023.

Risk

Risk of material errors or misstatements being unidentified.

Significance

Management has confirmed that the delay was due to time constraints and that all pending reconciliations will be reviewed.

As there were reconciliations being prepared on a timely basis, and some form of review has taken place during the year, we do not believe this is a material weakness and will not impact our opinion on the internal control environment.

Recommendation

We recommend that all reconciliations be reviewed by management on a timely basis.

Management response

The balance sheet reconciliation are generally undertaken on a monthly basis. A formal review process has been established but has proven to be time consuming to prepare and review.

The Finance Team commit to reviewing the process and identifying a schedule with a risk based approach. I.e. high value and high transaction accounts to be reviewed monthly, with lower value or low transaction accounts reviewed quarterly, cognisant of the size of the Finance Team.



Internal control matters

Issue

Changes to Supplier Masterfile

Observation

We understand the process in place is for changes to be processed and then reviewed by an independent staff member through approval of the request for payment. While the request for payment forms we have tested show evidence of review, there is ambiguity as to whether the independent review of these changes to the masterfile itself is occurring.

We also noted that audit trail reports for the supplier masterfile have not been reviewed.

Risk

Unauthorised changes or errors in master file data might go unnoticed.

Significance

As there are user access restrictions in place, this weakness is not considered material and therefore will not impact our audit opinion over the internal control environment.

However, it is best practice that the changes to the masterfiles be reviewed on a regular basis, and evidence of that review be retained.

Recommendation

Masterfile changes, or audit trail reports, be reviewed by an authorised staff member, and evidence of that review be retained.

Management response

The process of independently reviewing supplier master file changes has been amended to ensure appropriate documentation is maintained to evidence an independent review of changes.

The Finance Team will implement monthly review of the Audit Trail Report by September 2024.



Internal control matters

Issue

Review of age payable listing

Observation

We could not obtain evidence that reviews of age payable listing were occurring on a regular basis.

Requirement

Per the Better Practice Model, age payable reconciliations should be prepared and reviewed by an independent staff member on a regular basis.

Significance

As there are other detective controls in place, such as quarterly budget reviews, we do not believe this is a material weakness in controls and therefore will not impact our opinion over the internal control environment

Recommendation

We recommend management review age payable listing on regular basis and investigate any discrepancies.

Management response

A monthly review of the aged payable listing presently occurs but is not formally documented. This will be documented from the end of July 2024 will also occur at the end of month when the Balance Sheet is reconciled.



Internal control matters

Issue

Invoice approval

Observation

We noted that there were numerous invoices that were not approved in accordance with the delegation of authority.

Risk

Inappropriate approval of invoices.

Significance

As the invoices in question agreed with the purchase orders, and those purchase orders had been approved in line with the delegations of authority, we do not believe any inappropriate transactions have taken place. As such, we do not consider this a material weakness in controls and it will not impact our opinion on the internal control environment.

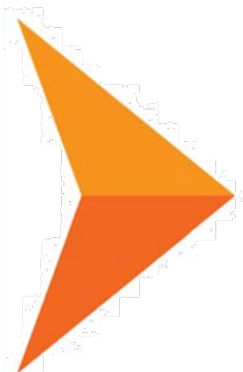
Recommendation

We recommend that the council ensure all invoices are approved by staff with appropriate delegated authority before they processed in the system.

Management response

The Finance and Procurement Team are presently scoping a new end-to-end workflow procure to payment process following the completion of the transition of the finance system to TechnologyOne's cloud based platform. This process will formally implement purchase order matching, so where an invoice matches a purchase order as part of the goods receipting process, a secondary approval process is not required. This project is scheduled for completion in June 2025.

In the meantime, the Finance and Procurement Team will educate those receipting goods, advising that even if an invoice matches a purchase order, the invoice needs to be approved as part of a secondary process with the appropriate financial delegation.



Internal control matters

Issue

Methodology for project costing and overhead allocation

Observation

It was identified that Council do not have a policy in place for project costing and overhead allocation. Furthermore, we were informed that actual overheads are not being allocated to capital projects. Instead, a fixed percentage (i.e. 10%) of the total other costs incurred is considered as overheads.

Risk/ Requirement

In the absence of a policy, the staff responsible may interpret the requirements differently, resulting in inappropriate transactions being processed.

Significance

Since there is currently no formal policy or rules in place for when overheads are capitalised, who's wages are captured and on what basis, this creates a risk that the overhead allocation method could differ from previous years, be inappropriate, or be materially incorrect.

While this risk exists and should be addressed, we acknowledge that there is some form of attribution occurring, and the probability of material error is low. As such, this is not likely to have a significant impact on the financial statements, and more importantly, decisions made using the financial statements. Therefore, this will not impact our opinion over internal controls.

Recommendation

We recommend that the council establish a formal overhead allocation policy. The policy should outline the identification of overhead costs, the basis for allocation, and the methods for calculating allocation rates.

Management response

Project overheads are presently based on an existing methodology with indexation applied each year and allocated to the projects proportional to the capital expenditure in that given year.

A review of the existing project overhead methodology had been identified as a Finance and Procurement Team Project for the 2024-25 financial year. However, it was deferred to 2024-25 due to the prioritisation of the finance system migration of Technology One's cloud based platform.

The project overhead methodology will be reviewed by February 2025 in preparation for the 2025-26 budget. An administrative guidance paper will be prepared and finalised by April 2025.



Internal control
matters

Issue

Contract management

Observation

There is currently no formal process in place for contract management. The current process is that the procurement division provide advice to the business units when required.

We understand a contract management framework has been prepared and is in the process of review.

Requirement

Per the Better Practice Model, there should be a contract management process in place throughout the term of the contract to ensure that supplier/contractor meet their obligations. This would include ongoing management that identifies and manages deliverables, key contact clauses, responsibilities, milestones and includes dispute resolution procedures.

Significance

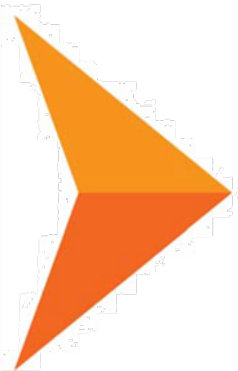
As a framework is currently being prepared, this is not considered a material weakness and therefore will not impact our audit opinion over the internal control environment.

Result

We will need to revisit this process next year to ensure the framework is operating effectively.

Management response

The draft Contract Management Framework was completed in April 2024 and is presently being reviewed by the Executive Leadership Team and Managers. It is scheduled to be finalised in October 2024, with training to be undertaken by March 2025.



Internal control matters

Issue

Policy Documents

Observation

We observed many policies have been outdated and have not been reviewed as of the due date. These policies include:

- Asset Management Policy
- Training and Development Policy
- Land under Roads Policy
- Compliance Policy
- Credit/Debt Management Policy
- Property Management Policy

Risk

Outdated policies may result in obsolete practices continuing through administrative functions.

Significance

Regular policy reviews are essential to ensure administrative functions are being conducted in accordance with current legislation, aligned with the current organisational structure and are enforcing contemporary controls to best protect the Council, its people and its assets.

Based on our review of the policies above, their aging is not considered material weaknesses in controls, as such, will not impact our opinion on the internal control environment.

Recommendation

Council reviews the above policies and procedures, and ensure other policies are reviewed per their due date.

Management response

The Governance Team have established a Policy and Review Register, a summary of which was presented to the Audit and Risk Committee in May 2024. The scheduled review of the Policies listed is as follows:

The Asset Management Policy was reviewed and adopted by Council in June 2024.

The Compliance Policy was reviewed and adopted in July 2024 (TBC on Tuesday morning).



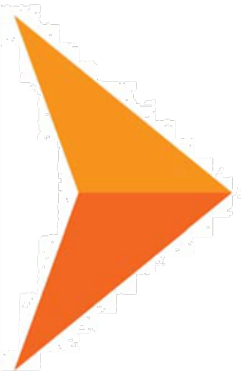
Internal control matters

The Credit/Debit Management Policy (an Administrative Policy) will be reviewed by October 2024

The Training and Development Policy will be reviewed by December 2024.

The Land under Roads Policy will be reviewed by April 2025.

The Property Management Policy will be reviewed by July 2025.



Where you want to be

Address a critical business issue. Gain efficiency. Achieve strategic growth. Propel your organisation's success.

Contact Bentleys.

Bentleys is a network of independent advisory and accounting firms located throughout Australia, New Zealand and Asia. All members of the Bentleys Network are affiliated only, are separate legal entities and not in partnership. Limited liability by a scheme approved under Professional Standards Legislation. Bentleys is a member of Allinial Global – an association of independent accounting and consulting firms.



Level 5, 63 Pirie St Adelaide South Australia 5000

Telephone +61 8 8372 7900

advice@adel.bentleys.com.au | bentleys.com.au



INFORMATION REPORT

REPORT TITLE:	INTERNAL AUDIT FUNCTION
ITEM NUMBER:	2.2
DATE OF MEETING:	06 AUGUST 2024
AUTHOR:	ALEX BROWN, ACTING GENERAL MANAGER CORPORATE SUPPORT
DIVISION:	CORPORATE SUPPORT
ATTACHMENTS:	1. POSITION DESCRIPTION PRINCIPAL RISK MANAGEMENT OFFICER

1. **PURPOSE**

This report serves to advise the Audit and Risk Committee on the proposed appointment of the Principal Risk Management Officer, Jim Phillips, as the person to be primarily responsible for the Council's internal audit function in accordance with Section 125A of the *Local Government Act 1999*.

2. **RECOMMENDATION**

That:

1. The report be received.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

4. Civic Leadership
- 4.3 Our business systems are effective and transparent.

4. **BACKGROUND**

Changes to the *Local Government Act 1999* (the Act), as part of the Local Government Reforms that come into effect on 30 November 2023, require the following under Section 125A(1) of the Act.

“The chief executive officer of a council that has an internal audit function must, before appointing a person to be primarily responsible for the internal audit function, or assigning such responsibility to an employee of the council, consult with the relevant audit and risk committee on the appointment or assignment of responsibility.

Section 125A(2) of the Act specifies that the person primarily responsible for the Internal Audit Function must report directly to the Audit and Risk Committee.

Pursuant to Section 103(1) of the Act, the chief executive officer is *responsible for appointing, managing, suspending and dismissing the other employees of the council (on behalf of the council)*. Although the Audit and Risk Committee cannot direct the appointment of the internal auditor, any feedback from the Committee regarding the proposed appointment will be considered by the Chief Executive Officer prior to confirming the appointment.

5. **DISCUSSION**

The Principal Risk Management Officer, Jim Phillips, is proposed to be the person primarily responsible for the Council's internal audit function in accordance with Section 125A.

The Position Description of the Principal Risk Management Officer (Position Description) is provided in Attachment 1.

Attachment 1

A key objective of the Principal Risk Management Officer within the Position Description is to *"provide expert advice, support and assistance relevant to the development and delivery of the Internal Audit Plan including the conduct of Internal Audit Engagements across the organisation."*

The Position Description details the following responsibilities in relation to Internal Audit:

- *Develop and deliver a risk based internal audit plan, including preparation of audit briefs, audit reports and regular reporting on progress of the Internal Audit Plan to the Executive Management Team and Audit Committee of Council.*
- *Monitor and report on delivery of management actions required as a consequence of findings made through audit processes.*
- *Where required, engage and manage external resources to facilitate the delivery of internal audits in accordance with the approved Internal Audit Plan.*
- *Coordinate the operations of the Audit Committee, including preparation and distribution of Committee Agenda/Reports, attendance/minute taking at meetings, and implementation of Council resolutions as required.*
- *Contribute as required to the conduct of the external audit process, including liaison with the external auditor in relation to internal audit actions and findings.*

Jim Phillips was first engaged by City of Unley in April 2023 as a temporary contractor, before commencing employment as the Principal Risk Management Officer in August 2023.

Prior to commencing at the City of Unley, Jim had 10 years of experience in the risk and audit field as a Senior Internal Auditor and Principal Risk Management Consultant for the Department of Human Services. He holds a Graduate Certificate in Internal Audit from the Australian Institute of Internal Auditors.

Jim has established a detailed understanding of the City of Unley's risk management environment since April 2023, having led the following packages of work:

- The review of the Risk Management Policy, Risk Management Framework, Risk Consequence Matrix and Risk Appetite Statements;
- The schedule reviews of the Strategic Risk Register, Operational Risk Register, and Internal Financial Controls;
- The conduct of four internal audits:
 - Regulatory Services Audit,
 - Property Leases and Licences Audit,
 - Payroll – Overtime and TOIL (Time-off in lieu),
 - Plant Management; and
- The management of the annual insurance renewal process and processing of insurance claims.

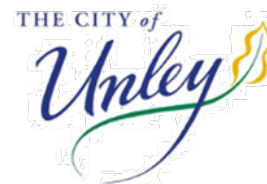
The Executive Leadership Team considers Jim to be a person with the appropriate skills and expertise to be responsible for the internal audit function. It has endorsed a recommendation from the Acting General Manager Corporate Support for Jim Phillips to be the person appointed by Chief Executive Officer in accordance with Section 125A of the Act.

6. **REPORT AUTHORISERS**

Name	Title
Peter Tsokas	Chief Executive Officer

JOB AND PERSON SPECIFICATION

CORPORATION OF THE CITY OF UNLEY



1. JOB IDENTIFICATION:

Title of Position: PRINCIPAL RISK MANAGEMENT OFFICER

Business Unit: FINANCE AND PROCUREMENT

Reports to: MANAGER FINANCE AND PROCUREMENT

2. POSITION OBJECTIVES:

- Review and recommend improvements within the risk management framework, which ensures risks and opportunities are managed in the best interests of Council and the Community.
- Provide expert advice, support and assistance relevant to the development and delivery of the Internal Audit Plan including the conduct of Internal Audit Engagements across the organisation.
- Administer Council's Insurance requirements, including civil liability and vehicle claims management, and risk/insurance reviews in accordance with Local Government Risk Services Scheme membership.
- Monitor, report and recommend improvements within the business continuity framework, which ensures plans for business continuity and emergency management are in place, communicated and understood.

3. KEY RESPONSIBILITIES:

Risk Management

- Facilitate the application of an effective risk management framework, including:
 - Working collaboratively on the ongoing development, application and review of risk management policies, procedures, and tools and provide advice to staff on the application of the framework;
 - Providing advice on and conducting risk identification, assessment, management/mitigation and monitoring for current/ proposed programs or projects;
 - Supporting the identification, monitoring and reporting process for strategic risk, risk management activities and Council's risk profile/register, including preparation of reports/presentations to the Executive Management Team;
 - Design, develop and deliver training programs and other developmental activities to increase awareness, skill levels in, and practice of, risk management across Council;
- Review and interpret relevant legislation, guidelines and compliance reporting obligations affecting risk management and provide advice/make recommendations for action.
- Undertake the Annual Risk Management Review and Civil Liability Review, in accordance with Local Government Risk Services membership requirements.

Internal Audit

- Develop and deliver a risk based internal audit plan, including preparation of audit briefs, audit reports and regular reporting on progress of the Internal

Position Description - Principal Risk Management Officer
April 2021



Audit Plan to the Executive Management Team and Audit Committee of Council.

- Monitor and report on delivery of management actions required as a consequence of findings made through audit processes.
- Where required, engage and manage external resources to facilitate the delivery of internal audits in accordance with the approved Internal Audit Plan.
- Coordinate the operations of the Audit Committee, including preparation and distribution of Committee Agenda/Reports, attendance/minute taking at meetings, and implementation of Council resolutions as required.
- Contribute as required to the conduct of the external audit process, including liaison with the external auditor in relation to internal audit actions and findings.

Insurance

- Monitor, coordinate and administer Council's Insurance Portfolio and insurance renewal through liaison with insurers, brokers or fund managers to ensure Council is appropriately insured against potential loss, including arranging specialist cover as required, and ensuring appropriate maintenance of insurance schedules
- In conjunction with Local Government Risk Services, undertake the management of insurance claims (excluding income protection, WHS and Property) lodged against the Council, including submission, investigation, administration, liaison with third parties and undertaking appropriate reporting.

Business Continuity and Emergency Management Planning

- Develop, implement and recommend improvements to the Business Continuity Planning (BCP) framework, including review, testing and maintenance of documentation and processes.
- Raise awareness in relation to impacts of significant business events, initiatives and associated risks and assist with development of plans/processes to respond accordingly.
- Act as the City of Unley representative on the Eastern Adelaide Zone Emergency Management Committee and contribute to Emergency Management planning activities (regional and local) to ensure appropriate plans and procedures are implemented and understood.

Other

- Administer the internal controls monitoring and review process, including acting as the system administrator for the internal controls system.
- Develop policies and procedures relevant to governance, internal audit and risk management in line with the endorsed strategic direction and provide advice and guidance to staff on policy and procedure development and application of City of Unley policies and procedures.
- Comply with the City of Unley's Information Management Policy, procedures and practices for all records created and received.
- Other duties associated with the position or as directed by the Executive Manager, Office of the CEO.

Staff must comply with WHS and Return to Work SA legislation requirements and relevant WHS policies, procedures and safe work practices implemented by the City of Unley.

Key WHS Responsibilities:

- Actively support and contribute to the City of Unley's proactive WHS culture.
- Identify and report health and safety hazards, accidents, incidents, injuries and property damage within the workplace.
- Taking reasonable care to ensure their own safety and not placing others at risk by any act or omission.
- Complying with the requirements of the City of Unley's WHS management system.
- Attending WHS training and following instructions and advice provided.
- Using and caring for equipment, including personal protective equipment, as instructed.
- Participate in the RTW process if injured at work as set out in the Return to Work Act 2014.

Key WHS Accountabilities:






- Council's Code of Conduct outlines Accountabilities for WHS non-conformances

EQUAL OPPORTUNITY EMPLOYMENT

Contribute to the promotion and adherence of the employee conduct standards and in particular Equal Opportunity by adhering to the provisions of relevant legislative requirements.

ORGANISATIONAL VALUES

Actively support and contribute to the City of Unley's organisational values

    	<ul style="list-style-type: none"> • Pursue Excellence – we strive for the best in all that we do
	<ul style="list-style-type: none"> • Achieve Together – we deliver results by working together across all of Council
	<ul style="list-style-type: none"> • Demonstrate Integrity – we do the right thing at all times
	<ul style="list-style-type: none"> • Customer First – we understand and deliver on customer expectations
	<ul style="list-style-type: none"> • Be Progressive – we think outside the box to innovate and improve

NOTE: Appointment to this position is subject to successful completion of a pre-employment medical assessment.

4. PERFORMANCE AND SKILL REQUIREMENTS:

a) Qualifications/Experience

Essential

- An appropriate tertiary qualification in Risk Management, Business Management, Public Administration or another relevant discipline.
- Proven experience in the delivery of risk management, emergency management, internal audit and/or business improvement services.
- Experience with the interpretation and application of legislation and statutory requirements.
- Experience in delivering a high standard of customer service.
- Driver's Licence – 'C' Class.

Desirable

- Experience in providing an advisory service to senior executive and management level staff.
- Experience in dealing with a broad range of stakeholders and responding appropriately to varying needs/interests.
- Experience in facilitation of training sessions.

NOTE: Copies of the above listed qualifications/licences/certificates are required as evidence on appointment.

b) Knowledge

Essential

- Risk management concepts, systems and tools and in particular, risk management standard AS/NZS ISO 31000:2018
- Internal audit techniques and strategies
- Business continuity planning, techniques, strategies and application

Desirable

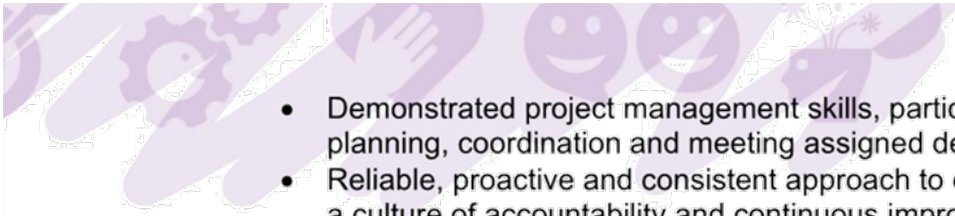
- Emergency Management planning and application as it applies to Local Government
- Insurance and public liability claims management practices
- Local government business systems, responsibilities and stakeholders
- Relevant legislation, policies and procedures of Council (or ability to quickly acquire knowledge of)

c) Skills

Essential

- Excellent interpersonal skills, with particular emphasis in the areas of customer service, consultation, negotiation, conflict management and constructive engagement.
- Ability to develop enhanced working relationships that encourage cooperation and support across the organization.
- Well developed written communication skills, including the ability to prepare persuasive written reports and presentations for senior management consideration
- High level problem solving, research, and analytical skills and experience, including the ability to present findings in an appropriate manner
- High degree of drive, initiative, motivation and outcome orientation, with the capacity to deal with multiple and often conflicting priorities and work with limited direction and supervision





- Demonstrated project management skills, particularly in the areas of planning, coordination and meeting assigned deadlines
- Reliable, proactive and consistent approach to developing and maintaining a culture of accountability and continuous improvement supported by continuous improvement systems and processes
- Ability to work both independently and as part of a multidisciplinary team

Desirable

- Sound administrative and system management
- Use of corporate technology, including electronic records management system (ECM), customer request system (Pathway), Asset Management system (EAM), or ability to quickly become proficient in the use of.

By signing this position description the employee and the employee's manager agrees that it is an accurate reflection of the responsibilities and requirements of the position:

Incumbent: Date:

Manager: Date:



INFORMATION REPORT

REPORT TITLE:	QUARTERLY INTERNAL AUDIT REPORT
ITEM NUMBER:	2.3
DATE OF MEETING:	06 AUGUST 2024
AUTHOR:	JIM PHILLIPS, PRINCIPAL RISK MANAGEMENT OFFICER
DIVISION:	CORPORATE SUPPORT
ATTACHMENTS:	1. IA2024-02 PROJECT MANAGEMENT FRAMEWORK BRIEF 2. OUTSTANDING AUDIT ACTIONS - AUGUST 2024

1. **PURPOSE**

This report provides an update on the progress of the Internal Audit Plan for the quarter, April - June 2024 and the status of agreed management actions arising from internal audits.

2. **RECOMMENDATION**

That:

1. The report be received.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

4. Civic Leadership

4.1 We have strong leadership and governance.

4. **BACKGROUND**

The Audit and Risk Committee has a responsibility under Section 126(4)(g)(i) of the *Local Government Act 1999*, and in its Terms of Reference, to undertake the following if the council has an internal audit function:

- (A) *providing oversight of planning and scoping of the internal audit work plan; and*
- (B) *reviewing and commenting on reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis.*

In order to meet the legislative requirements, a quarterly Internal Audit Report will be prepared for the Audit and Risk Committee to:

- Inform the Committee of the proposed scope of each internal audit;
- Provide an update on the progress of internal audits within the endorsed Internal Audit Plan; and
- Advise the status of the agreed management actions arising from the internal audits (presently done on a six monthly basis).

From the commencement of the 2025 calendar year, and to the extent that it is reasonably practical, the proposed scope of each internal audit will be prepared in advance and included in the Quarterly Internal Audit Report. This will allow the Committee to provide feedback on the internal audit scopes prior to the commencement of the internal audits.

5. DISCUSSION

Internal Audit Program Progress

Plant Management

An internal audit of Plant Management has been completed as scheduled and is included in the agenda of this meeting (6 August 2024) as Item 2.3. This audit recommends five (5) new agreed management actions, the status of which will be reported in the next Quarterly Internal Audit Report in November.

Project Management Framework

An internal audit scope has been developed and endorsed by the Executive Leadership Team for the implementation of an audit into the Council's Project Management Framework. The scope is provided in Attachment 1.

Attachment 1

This internal audit has commenced and will be completed in September to be included in the Agenda for the Audit and Risk Committee Meeting on Tuesday 22 October 2024.

Internal Audit – Procurement and Contract Management

The scope of this internal audit is presently being considered and will commence in late August. It is scheduled to be completed in October for inclusion in the Agenda for the Audit and Risk Committee Meeting on Tuesday 12 November 2024.

Status of Agreed Management Actions from previous Internal Audits

There are two previous audits which had management actions in progress at the last update provided in May 2024:

- Procurement Off-contract Expenditure (September 2022)
- Property Leases and Licences (July 2023)

A total of 10 management actions were identified across these two audits. Of these, six (6) had been previously completed, a further two (2) have since been completed, and two (2) are still in progress.

The following table provides a summary of the status of the current agreed management actions:

Risk Findings	Risk Rating	Actions	Previously Completed	Remaining Actions	Not Started	In Progress	Now Completed	Total Completed*
Procurement Off-contract Expenditure								
POCE1: Non-compliance with Policy and Framework	High	3	2	1	-	-	1	3
POCE2: Council panel contract renewal	Medium	2	1	1	-	-	1	2
POCE3: Use of Local Government Association (LGA) Vendor Panel	Low	1	1	-	-	-	-	1
Property Leases and Licences								
LL1: Monitoring the expiry and reporting of lease renewal/new leases	High	2	-	2	-	2	-	-
LL2: Process to review the calculation of rents	Medium	1	1	-	-	-	-	1
LL3: Secure access to the key safe	Medium	1	1	-	-	-	-	1
Total		10	6	4	-	2	2	8

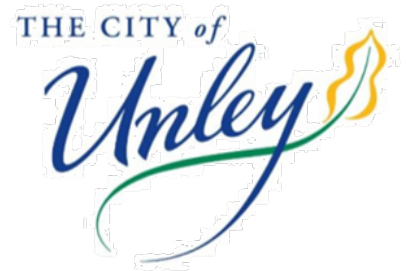
An update on the progress of open actions is contained within Attachment 2.

Attachment 2

The next update on the progress of agreed management actions will be provided in November.

6. REPORT AUTHORISERS

Name	Title
Alex Brown	Acting General Manager Corporate Support



Internal Audit Brief Project Management Framework IA2024-02

1 July 2024



1. Project Details

Project Sponsor	Claude Malak	Internal Auditor	Jim Phillips
Start Date	1 July 2024	Completion Date	30 September 2024
Project Steering Group	Jim Phillips		
Division	Business Support & Improvement	Department	Corporate Support

2. Introduction & Background

This internal audit is part of the planned Internal Audit Program approved by the Audit and Risk Committee at their meeting on 13 February 2024.

The Project Management Framework was approved in November 2022 and has been applied to projects from that date.

3. Scope

To undertake an independent evidence-based review of the implementation and use of the Project Management Framework Version 3 (28 June 2023.)

This internal audit will review a randomly selected sample of projects instigated across the City of Unley and test their compliance with the recently adopted Project Management Framework (the Framework).

The audit will consider the following but not being limited to:

- Project assessment and Initiation
- Project planning
- Project implementation, and
- Project completion.

4. Objectives & Deliverables

The objective of this review is to assess the use of the project management framework across the Council. The project will also highlight areas of good practice, as well as opportunities for improvement.

The objectives of the audit are to:

- Provide an independent assessment regarding the adequacy and effectiveness of the current Project Management Framework and arrangements within the City of Unley;
- Establish the level of awareness of and compliance with the Project Management Framework across the City of Unley;
- Assess the scalability of the Project Management Framework to the diversity of projects across the Council; and
- Identify any further opportunities for improvement in project management practices and guidelines within the City of Unley.

This review will provide an evidence-based, independent report. It will include the identification of good practice and opportunities for improvement as well as management actions in response to report findings. Any urgent findings will be notified to management immediately.



5. Resources

This work will be undertaken within current resource allocations by the Principal Risk Management Officer within their capacity as the Internal Auditor.

6. Stakeholders, Roles & Responsibilities

Key stakeholders include:

- The Executive Leadership Team (ELT) who will be kept informed of the progress of the Internal Audit Program, reports by the Internal Auditor and progress of Internal Audit Actions;
- General Manager, Assets and Sustainability who is responsible for the Project Management Framework;
- General Managers who are responsible for overseeing projects in their divisions;
- Project Managers, Sponsors and Project Steering Groups, who have responsibility for delivering projects and implementing the Project Management Framework;
- Local Government Risk Services (LGRS) who have an interest in ensuring the City of Unley appropriately identify and manage risks and that there are adequate controls in place to mitigate said risks; and
- The Audit and Risk Committee who have responsibility for overseeing the management the City of Unley enterprise risk management. (ToR Section 6.7)

7. Risks & Constraints

Known Risks / Constraints	Impact to Project	Mitigation
Availability of staff to make time to speak with Auditor.	Project may be delayed due lack of response from some staff.	Get management to inform staff of the audit and encourage them to participate.
Illness to Principal Risk Management Officer	Delay of the completion of the project.	Continue to maintain a healthy environment.

8. Operating Requirements

The Principal Risk Management Officer will develop the methodology for undertaking the review.

There will be meetings with key staff to discuss how they use, manage, and implement the Project Management Framework.

The Principal Risk Management Officer will meet weekly with the Acting General Manager Corporate Accounting to discuss progress and other pressing issues.

9. Key Milestones

- 1 July Project Brief agreed by General Manager Assets and Sustainability
- 7 July Collate range of projects undertaken across the agency
- 14 July Identify sample projects for review
- 21 July Receive sample documentation for each project to be reviewed



- 12 August Complete desktop review
 - 24 August Complete interviews with key project staff
 - 31 August Have findings meeting with General Manager, Assets and Sustainability
 - 1 September Commence writing report
 - 14 September Negotiate management actions
 - 25 September Complete report
-

City of Unley

Internal Audit

Progress on Agreed Management Actions

August 2024

August 2024

Progress Report on Internal Audit Actions

Procurement – Off-Contract Expenditure (POCE)

Link to Internal Audit: [Item 2.1, Audit Committee Meeting, Tuesday 18 October 2022](#)

Risk Findings	Risk Rating	Actions	Previously Completed	Remaining Actions	Not Started	In Progress	Now Completed	Total Completed*
Procurement Off-contract Expenditure								
POCE1: Non-compliance with Policy and Framework	High	3	2	1	-	-	1	3
POCE2: Council panel contract renewal	Medium	2	1	1	-	-	1	2
POCE3: Use of Local Government Association (LGA) Vendor Panel	Low	1	1	-	-	-	-	1
Total		6	4	2	-	-	2	6

POCE1: Non-compliance with Policy and Framework**High**

Recommendations	Management Response	Update
1 Ensure the ongoing training program (e.g. induction and regular refresher training) includes the Council's Procurement Policy and Framework requirements for the relevant staff responsible for procurement activities	Establish panels or utilise Vendor Panel/Procurement Australia Panel for regularly utilised services and materials (where a panel is not already utilised). June 2023	Complete A process has been developed for the establishment of new panels, which includes revised templates. Panels are now being established, including a new panel for the supply and place of asphalt, and construction and maintenance of footpaths. July 2024

POCE2: Council panel contract renewal**Medium**

Recommendations	Management Response	Update
1 Commence exercising an extension option well before the expiry date in case the extension is not taken up and a new procurement process is required, e.g. have a contract system to flag expiry	Update the contract register with expiry dates and incorporate expiry dates into the forward procurement program. Revised date June 2024	Complete The contract register has been updated with expiry dates, and the expiry dates are being monitored on a quarterly basis to inform the forward procurement program. May 2024

August 2024

Progress Report on Internal Audit Actions

Leases and Licences Internal Audit (LL)

Link to Internal Audit: [Item 2.5, Audit Committee Meeting, Tuesday 8 August 2023](#)

Risk Findings	Risk Rating	Actions	Previously Completed	Remaining Actions	Not Started	In Progress	Now Completed	Total Completed*
Risk Findings								
LL1: Monitoring the expiry and reporting lease renewal/new leases	High	2	-	2	-	2	-	-
LL2: Process to review the calculation of rents	Medium	1	1	-	-	-	-	1
LL3: Secure access to the key safe	Medium	1	1	-	-	-	-	1
Total		4	2	2	-	2	0	2

LL1: Monitoring the expiry and reporting lease renewal/new leases

Recommendations	Management Response	Update
1.1 That Administration reports on activities related to Leasing and Licencing of property to Council on a quarterly basis and this be included as part of the Quarterly Corporate Performance Reporting.	Management agreed with this recommendation and will include information in each Quarterly Corporate Performance Report. July 2023	In Progress Deferred due to other property portfolio priorities and a resourcing vacancy. Leases and Licences Reporting will be included in the Quarter 1 Report 2024-25. Revised November 2024
1.2 That Finance and Information Technology explore potential opportunities to electronically monitor end of lease dates.	Management agreed to explore this opportunity. An interim solution (a) will be adopted by the end of September 2023 to monitor expiry dates while a long term solution (b) is considered as part of the development of the contract management system. Target Date: (a) 30 September 2023, (b) 30 June 2024	In Progress (a) Lease expiry dates are maintained within the lease register. (b) The review of the contract management model within Council's finance system, TechnologyOne, was deferred until the upgrade to TechnologyOne's CiAnywhere platform was completed. The contract model is being assessed, however as resourcing will be directed to the Property and Rating system transition, an alternate approach may be taken until capacity allows the contract module to be

August 2024

Progress Report on Internal Audit Actions

			<p>implemented. A further update will be provided at the next meeting when the completion date may be revised.</p> <p>Revised date December 2024</p>
--	--	--	---

INFORMATION REPORT

REPORT TITLE:	INTERNAL AUDIT: PLANT MANAGEMENT REVIEW (IA2024-01)
ITEM NUMBER:	2.4
DATE OF MEETING:	06 AUGUST 2024
AUTHOR:	JIM PHILLIPS, PRINCIPAL RISK MANAGEMENT OFFICER
DIVISION:	CORPORATE SUPPORT
ATTACHMENTS:	1. IA2024-01 PLANT MANAGEMENT REPORT

1. **PURPOSE**

This report presents the findings of the internal audit IA2024-01 Plant Management as a planned audit approved by the Audit and Risk Committee at the meeting held 13 February 2024.

2. **RECOMMENDATION**

That:

1. The report be received.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

4. Civic Leadership
- 4.3 Our business systems are effective and transparent.

4. **BACKGROUND**

The Audit and Risk Committee endorsed the 2024 Internal Audit Program at its meeting on Tuesday 13 February 2024. The first internal audit planned for 2024 was Plant Management. This audit was to include “*a review of major and minor plant (excluding light fleet) to ensure that purchases and disposals have been appropriately recorded, and that maintenance schedules are current.*”

Effective plant lifecycle management ensures optimal utilisation, cost control and compliance throughout the plant’s lifespan. This report uses the major plant lifecycle to track the Council’s use and management of plant and equipment. The key segments of the plant lifecycle include planning and acquisition, use, maintenance, and disposal.

The Principal Risk Management Officer and Internal Auditor, Jim Phillips, has undertaken an independent, evidence-based assessment of the management of major and minor plant (excluding light fleet) currently operated and disposed of by the City of Unley (Council).

5. DISCUSSION

Audit objective and scope

The objective of the audit was to undertake an independent evidence-based review of the major and minor plant (excluding light fleet) currently managed, operated and disposed of by the Council.

The audit tested compliance with the Plant Procedure (Doc set id 2317277) to ensure the provision and maintenance of safe plant and systems of work.

The audit verified whether the purchases and disposals had been appropriately managed and recorded in line with Council procurement and disposal policies and procedures.

It also considered whether major and minor plant maintenance schedules are maintained and up to date, and that access and use of plant is within Council guidelines.

Findings

An internal audit report has been completed and is contained in Attachment 1.

Attachment 1

Based on the testing undertaken and evidence collated and reviewed, this audit can only provide a moderate level of assurance that the policies, procedures, and arrangements are adequate and effective in the management of plant at the Depot.

Although this review did not identify any fraud or corruption, only limited assurance can be given that the existing control environment provides effective protection against these matters due to the lack of a safe system of listing and managing minor plant.

The key findings and improvement opportunities from this review include:

- The key guiding document “*Plant Procedure*” was last reviewed in 2018 and was due for review in 2021.
- There is lack of clarity regarding the roles that the different business units play in the plant management process. This confusion also made it difficult to access relevant records.
- The lack of clear lines of responsibility could result in plant being overlooked for registration or maintenance and servicing causing the loss of warranty or insurance cover.

- The absence of a comprehensive minor plant register leaves the organisation open to theft of equipment; and
- During the audit, new processes were being implemented to track daily checking of plant prior to use as well as maintenance scheduling. The Internal Audit will conduct a small, targeted review to assess the adequacy and effectiveness of the new processes.

The following actions, arising from the findings, have been recommended:

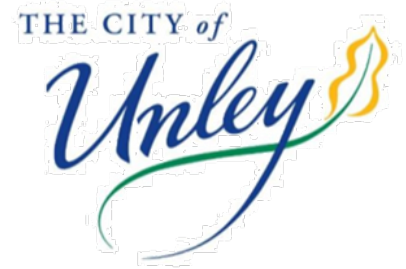
- That City Operations work with relevant business units to review the Plant Procedure.
- That as part of the implementation of the reviewed Plant Procedure, a workflow be developed and implemented across the relevant business units involved in the process of purchasing, maintenance, assessment, and decommissioning plant, that identifies key points of accountability.
- That City Operations nominate one officer responsible for maintaining a Plant register and that this be maintained in the most appropriate electronic system.
- That City Operations consider the feasibility of implementing a bar code system for the identification and management of minor plant; and
- That Internal Audit conduct a targeted review of the adequacy and effectiveness of the processes of pre-operational testing, inspections, and maintenance scheduling.

Management has agreed with these recommendations and set target dates for the agreed actions.

The progress of completing the agreed actions will be reported quarterly as part of the Quarterly Internal Audit Report, with the first update to be provided in November 2024.

6. **REPORT AUTHORISERS**

Name	Title
Alex Brown	Acting General Manager Corporate Support



Internal Audit Report Plant Management IA2024-01

10 July 2024

Internal Audit Report: Plant Management IA2024-01

Introduction

This internal audit of Plant Management is part of the planned audits approved by the Audit and Risk Committee at their meeting on 13 February 2024.

Scope and Objectives

To undertake an independent evidence-based review of major and minor plant (excluding light fleet) currently managed, operated and disposed of by the City of Unley (CoU).

The audit tested compliance with the Plant Procedure (Doc set id 2317277) to ensure the provision and maintenance of safe plant and systems of work.

The audit verified whether the purchase and disposal of plant had been appropriately managed and recorded in line with the CoU's procurement and disposal policies and procedures.

It also considered whether major and minor plant maintenance schedules are maintained and up to date, and that access and use of plant is within CoU guidelines.

The objective of this review is to ensure the provision and maintenance of safe plant and systems of work, and to ensure that risk to health and safety associated with plant is effectively managed.

Risk and Operational Context

The basis of this audit is an assessment of the adequacy and effectiveness of controls and arrangements in place to manage the following operational risks:

A&O#1 Incident occurs that threatens the health, safety and/or welfare of staff

A&O#5 Lack of effective asset management planning

Methodology

The internal audit included the following:

- A desktop review of the CoU policies, procedures, and other relevant documentation to identify current requirements and key controls;
- Conducting interviews with key staff to gain an understanding of current operational practices in relation to the approval processes, management and administration of plant management including any challenges they face;
- The review of plant maintenance registers to ensure an ongoing program of maintenance; and
- Identifying control gaps and control design improvement opportunities.

Findings and Observations

An effective plant lifecycle management ensures optimal utilisation, cost control and compliance throughout the plant's lifespan. This section of this report uses the major plant lifecycle to track the CoU's use and management of plant and equipment.

Planning and Acquisition

During the budget planning process, plant in need of replacement (7-8 years old) is identified. The Depot had two budget allocations for the purchase of plant in 2023-24: \$450,000 for major

Internal Audit Report: Plant Management IA2024-01

plant (backhoe, elevated work platform, street sweeper etc) and \$25,000 for minor plant (push lawnmowers, blowers, chainsaws etc).

The CoU purchased nine pieces of major plant between 1 January 2022 and 1 June 2024. This period was chosen to get a reasonable sample of plant to test. This equipment is listed below:

- JCB Backhoe 3CX Plus Stage V 3203064 S
- Vertidrain 7215 Tow Behind Aerator 61"
- XS94GA - Isuzu Tipper
- XS93GA - Isuzu Tipper
- XS92GA - Isuzu Tipper
- Rosmech Scarab Mistral Street Sweeper
- Kubota F3690 35.5HP ROPS Outfront Mower
- Kubota F3690 35.5HP ROPS Outfront Mower
- Isuzu Truck NQR 87-190 AMT MLWB XS38GV

A review of the purchase documentation for a sample of three major pieces of plant in the last 29 months demonstrates that appropriate methods of procurement were followed (Doc Id UT230822, UT220703, UT221015).

A review of documentation for major plant purchased from 1 January 2022 until 1 June 2024, (nine pieces) demonstrates that each piece of plant had a risk assessment completed, and safe operating procedures are available. However, training and orientation for relevant staff was only available for eight (8) pieces of plant.

An asset register of all major plant (anything over the value of \$3,000) is maintained by the Finance Team for purchasing and disposal purposes. The Depot is responsible for initiating the purchase of plant, (depending on need) as well as the maintenance and scheduling. The Depot was unable to provide a register or schedule when requested.

	Major Plant (>\$3K)	Minor Plant (<\$3K)	Attractive Items	Minor Fleet
Finance	<input type="checkbox"/>			<input type="checkbox"/>
Depot		<input type="checkbox"/>		
IT Staff			<input type="checkbox"/>	

The Depot has a list of minor plant; however, the Coordinator Operations raised concerns about the currency and accuracy of the minor plant list.

Use

Prior to the daily use of plant, appropriate pre-operational tests and or inspections should be undertaken (Plant Procedure 4.7.1c). Records of these pre-operational inspections should be kept. Both the Coordinator Operations and Depot Mechanic confirmed that is not always done (Doc Id 8974542, 8971025, 8967605).

When a new piece of plant is introduced, the procurement documentation requires that training for relevant staff and safe work procedures are provided with each commissioning (Doc Id 8978823, 8980385, 8980384, 8980382, 8980381).

Internal Audit Report: Plant Management IA2024-01

Maintenance

The City of Unley retains the services of a mechanic who is responsible for the inspection, testing, maintenance, alteration and repair of plant. The maintenance of plant involves both internal maintenance and inspection completed by the Depot Mechanic, and outsourcing maintenance and inspection completed by externally engaged resources, (Doc Id 8986605). The use of outsourced mechanics depends on the equipment to be serviced and the availability of the Depot Mechanic.

Disposal

When disposing of plant, two methods are generally used: either trading the plant in, or disposed through auctioneers – Pickles Inc. In relation to small plant, items are bundled up to maximise the cost efficiency for the auctioneers.

Once the Depot has decided to decommission plant, they notify the Finance Team, who then wait for the remittance advice from Pickles. The proceeds of the sale of plant are then allocated back to the Depot for purchase of other plant (Doc Id 8988224, 8978381).

Observations

Below is a brief summary of key observations, with more detailed findings included in [Attachment A](#).

1. The key guiding policy/procedure for the management of plant is the Plant Procedure (the Procedure) Version 4.0, Issued 2018. This document was due for review in 2021(Doc Set Id: 2317277). Staff appear to be aware of the Procedure but do not appear to follow it consistently in relation to inspections of the plant prior to leaving the Depot. The Coordinator Operations advised that he is in the process of developing pre-operation checklists for major plant.
2. While the Coordinator Operations holds a list of minor plant, he was unable to vouch for the currency and accuracy of the list he had. It was expected that as well as maintaining a major plant register, Finance and Procurement would also maintain a register of minor plant. This is not the case. (The Asset Accounting Policy only requires the recognition of plant and equipment greater than \$3,000, unless the asset is included on the scheduled replacement program (e.g., laptops and computers)
3. On a site visit to the Depot, the Mechanic purported to show the Internal Auditor a maintenance schedule. When asked to provide a copy for review, the schedule could not be located, despite numerous attempts to locate it.
4. Accessing records for this review has been a challenge with no single officer accountable for plant. Due to the different business units being responsible for different aspects of plant management, records are maintained in different systems for different purposes.

Details of the findings arising from this audit are provided in [Appendix A](#), along with recommendations to address the improvement opportunities and control weaknesses identified. The findings have also been assessed against the City of Unley Risk Matrix, based on Internal Audit's assessment of the likelihood and consequence of remedial action not being taken, and are summarised in the following table:

Internal Audit Report: Plant Management IA2024-01

Risk Assessment Matrix

The findings have been assessed against the City of Unley Risk Matrix, based on Internal Audit's assessment of the likelihood and consequence of remedial action not being taken, and are summarised in the following table:

Finding #1 has been assessed as having a medium rating, while findings #2, #3 and #4 have been rated as high.

Likelihood Consequence	Rare	Unlikely	Possible	Likely	Almost Certain
Catastrophic	High	High	High	High	Extreme
Major	Medium	Medium	High #2,3,4	High	Extreme
Moderate	Low	Medium	Medium #1	Medium	High
Minor	Low	Low	Low	Medium	Medium
Insignificant	Low	Low	Low	Low	Low

Conclusion

Based on the testing undertaken and evidence collated and reviewed, this audit can only provide a moderate level of assurance that the policies, procedures and arrangements are adequate and effective in the management of plant at the Depot.

Although this review did not identify any fraud or corruption, only limited assurance can be given that the control environment provides effective protection against these matters due to the lack of a safe system of listing and managing minor plant.

Jim Phillips
Principal Risk Management Officer
10 July 2024

Appendix A: Audit Findings and Improvement Opportunities

Plant Management – IA2024-01			ECM# ref
Finding/Improvement opportunity No:			1.0
Control Description			
Plant Procedure Version 4.0, Issued: October 2018. Next Review: 2021			
Control Reference:	Doc Ref WHS-032 Doc Set Id 2317277	Control Adequacy Assessment:	Mostly Adequate
Finding / Improvement Opportunity Description			
<p>The key guiding policy for the management of plant is the Plant Procedure Version 4.0, Issued 2018. This document was due for review in 2021 (Doc Set Id: 2317277).</p> <p>While this policy is still relevant for the safety and wellbeing of staff, it is well overdue for review.</p>			
Potential Implication and Assessed Risk Level			
<p>The absence of an up-to-date procedure often can lead to people not understanding their role or function. This can change overtime causing issues to “fall through the cracks” as it is viewed as somebody else’s responsibility.</p>			
Likelihood:	Possible	Consequence:	Moderate
Assessment:	Medium		
Recommendation			
1.1	That City Operations work with relevant business units to review the Plant Procedure.		
Management Action / Treatment			
1.1	<p>Management agrees with this recommendation.</p> <p>Target Date: December 2024</p> <p>Responsible Officer: Manager City Operations</p>		
Status and Progress on Implementation of Management Action / Treatment			
Date:	Status:	Update:	

Appendix A: Audit Findings and Improvement Opportunities

Plant Management – IA2024-01			ECM# ref
Finding/Improvement opportunity No:			2.0
Control Description			
Informal or formal action recorded in accordance with Council's Information Management Policy.			
Control Reference:	Document Set ID 4828096	Control Adequacy Assessment:	Partially Adequate
Finding / Improvement Opportunity Description			
<p>The City of Unley recognises that its records are a vital Information Management Asset and key resource to ensure effective daily function and operations. Corporate records provide evidence of actions and decisions that have been made, which enables the demonstration of good governance, and transparency of informed and responsible decision making in the interest of the community, which enhances Council's reputation.</p> <p>Accessing records for this review was a challenge with no single officer accountable for plant. Due to the different business units being responsible for different aspects of plant management, records are maintained in alternative systems, depending on the purpose. Apart from the difficulty of being able to access records easily, there is a risk that important aspects of plant management could be omitted, overlooked, or ignored due to the issue being perceived as someone else's responsibility.</p> <p>While the Coordinator Operations has a list of minor plant, he was unable to vouch for the currency and accuracy of the list he had (Doc Id 8978381). It was expected that as well as maintaining a plant register for depreciation purposes, the Finance Team would also maintain a register of minor plant. This is not the case.</p> <p>Staff advised that maintenance schedules are kept and available on the system. However, neither the Mechanic, nor his supervisor could locate for this review. There is evidence of external scheduling of maintenance.</p>			
Potential Implication and Assessed Risk Level			
Apart from difficulty of being able to access records easily, there is a risk that an important part of plant management could fail to be done due to the issue being perceived as someone else's responsibility. This could result in someone being injured due to poor or no orientation with a piece of plant or the plant not being insured because it wasn't recorded appropriately.			
Likelihood:	Possible	Consequence:	Major
Assessment:	High		
Recommendation			
2.1	That as part of the implementation of the reviewed Plant Procedure (See recommendation 1.1) a workflow be developed and implemented across the relevant business units involved in the process of purchasing, maintenance, assessment and decommissioning plant that identifies key points of accountability.		
Management Action / Treatment			
2.1	Management agrees with this recommendation. Target Date: March 2025 Responsible Officer: Manager City Operations		
Status and Progress on Implementation of Management Action / Treatment			
Date:	Status:	Update:	

Appendix A: Audit Findings and Improvement Opportunities

Plant Management – IA2024-01			ECM# ref
Finding/Improvement opportunity No:			3.0
Control Description			
The core components of the plant procedure aim to ensure that the City of Unley maintains a record of all plant in the workplace.			
Control Reference:	Plant Procedure Version 4.0 clause 2a	Control Adequacy Assessment:	Partially Adequate
Finding / Improvement Opportunity Description			
<p>The procedure is clear regarding the responsibilities of the various parties involved in the plant procedure. However, the responsibilities and staffing appear to have changed over time and there is uncertainty regarding who is accountable for maintaining a plant register.</p> <p>The City of Unley has no one single officer responsible for plant and fleet management and this has contributed to some confusion about who is responsible for the management of fleet and plant. Other councils have a dedicated resource responsible for this function.</p> <p>While the Coordinator Operations has a register of minor plant, he was unable to vouch for the currency and accuracy of the register he had. It was expected that as well as maintaining a major plant register, the Finance Team would also maintain a register of minor plant (Doc Id 8974542, 8971025, 8967605). This is not the case.</p> <p>In reviewing Plant Procedure, there is an opportunity to revisit the responsibility and accountability for the various tasks. Undoubtedly this will require resolving questions of resourcing and accountability.</p> <p>It is noted that the Workforce Health and Safety system, Skytrust, provides a comprehensive module for the collection of data related to plant including risk assessments, safe operating procedures and training records etc.</p>			
Potential Implication and Assessed Risk Level			
<p>The lack of an officer being responsible for both fleet and plant may cause confusion about responsibility and could result in fleet or plant being overlooked for registration or maintenance and servicing resulting loss of warranty or failure to register for insurance purposes.</p> <p>The absence of a current and accurate minor plant register leaves the organisation open to theft of minor plant.</p>			
Likelihood:	Possible	Consequence:	Major
Assessment:	High		
Recommendation			
3.1	That City Operations nominate one person responsible for maintaining a Plant register and that this be maintained in the most appropriate electronic system.		
3.2	That City Operations consider the feasibility of implementing a bar code system for the identification and management of minor plant.		

Continue on next page...

Appendix A: Audit Findings and Improvement Opportunities

Management Action / Treatment		
3.1	<p>Management agrees with the recommendation.</p> <p>Target Date:</p> <ul style="list-style-type: none">• Nominating a person responsible: 31 August 2024• Identifying the appropriate system: 30 November 2024• Implementation of the new system: June 2025 <p>Responsible Officer: Manager City Operations</p>	
3.2	<p>Management agrees with the recommendation.</p> <p>Target Date: December 2025</p> <ul style="list-style-type: none">• Identifying an appropriate method of tagging minor plant: 30 November 2024• Implementation of a system to manage the tagging of minor plant: June 2025 <p>Responsible Officer: Manager City Operations</p>	
Status and Progress on Implementation of Management Action / Treatment		
Date:	Status:	Update:

Appendix A: Audit Findings and Improvement Opportunities

Plant Management – IA2024-01		ECM# ref	
Finding/Improvement opportunity No:		4.0	
Control Description			
The Department manager must check that the required pre-operational test and/or inspections are undertaken prior to the use of any item of plant and that records are retained of this.			
Control Reference:	Plant Procedure Version 4.0 clause 4.7.1c	Control Adequacy Assessment:	Partially Adequate
Finding / Improvement Opportunity Description			
Discussions with key staff indicated that not all pre-operational test and inspections were carried out.			
The Coordinator Operations has developed a work order system that ensures pre-operational test and inspections will occur prior to use. This change to work procedures has occurred during the internal audit process.			
An assessment of this control mechanism has not yet been completed.			
Potential Implication and Assessed Risk Level			
The absence of pre-operational test and inspections could result in damaged equipment being employed resulting poor work performance of plant or possible serious injury to staff.			
Likelihood:	Possible	Consequence:	Major
Assessment:	High		
Recommendation			
4.1	That Internal Audit conduct a targeted review of the adequacy and effectiveness of the processes of pre-operational testing, inspections and maintenance scheduling.		
Management Action / Treatment			
4.1	Management agrees with this recommendation. Target Date: December 2024 Responsible Officer: Principal Risk Management Officer		
Status and Progress on Implementation of Management Action / Treatment			
Date:	Status:	Update:	

INFORMATION REPORT

REPORT TITLE:	QUARTERLY RISK REPORT (AUGUST 2024)
ITEM NUMBER:	2.5
DATE OF MEETING:	06 AUGUST 2024
AUTHOR:	JIM PHILLIPS, PRINCIPAL RISK MANAGEMENT OFFICER
DIVISION:	CORPORATE SUPPORT
ATTACHMENTS:	1. QUARTERLY STRATEGIC RISK REVIEW - STRATEGIC RISK REGISTER

1. **PURPOSE**

This report informs the Audit and Risk Committee of updates to the Strategic Risk Register following the quarterly review of strategic risks by the Executive Leadership Team.

2. **RECOMMENDATION**

That:

1. The report be received.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

4. Civic Leadership

4.1 We have strong leadership and governance.

4.3 Our business systems are effective and transparent.

4. **BACKGROUND**

Section 126(4)(h) of the *Local Government Act 1999*, and the Audit and Risk Committee's Terms of Reference, require the Committee to review and evaluate *"the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis."*

The Strategic Risk Register is reviewed by the Executive Leadership Team on a quarterly basis and includes:

- identifying any new or emerging risks,
- monitoring the progress of existing treatment plans,
- documenting new treatments plans that have been implemented, and
- reviewing the residual risk rating.

A detailed review of the Operational Risk Register is undertaken annually, with the last detailed review completed in November 2023. No operational risks had a residual risk rating of high or extreme.

The Operational Risk Register continues to be monitored regularly, with any operational risks with a residual rating of high or extreme reported to the Committee.

The Administration has recently reviewed the Risk Management Policy and Framework, with the Risk Appetite Statement, Risk Consequence Matrix, and Risk Assessment Matrix revised. A comprehensive review of the Strategic Risk Register and Operational Risk Register will be undertaken using the revised framework.

5. **DISCUSSION**

The Executive Leadership Team completed a review of the Strategic Risk Register on 9 July 2024. The updated Register is included in Attachment 1, with the changes identified in blue text.

Attachment 1

New treatment plans have been included as follows:

- Strategic Risk #1: *Failure to maintain financial sustainability*: Developing Strategic Property Guideline
- Strategic Risk #2: *Inability to meet the needs and expectations of the community*: Review and simplify Strategic Planning Framework
- Strategic Risk #4: *Inability to manage legislative and regulatory compliance obligations*: Precinct groups provide six monthly reports to BDAC and Council.

Existing controls/mitigation practices have been updated as follows:

- Strategic Risk #3: *Ineffective decision making that lacks transparency*: Unley 360 Framework for Community Engagement.
- Strategic Risk #4: *Inability to manage legislative and regulatory compliance obligations*: Quarterly Precinct Group meeting to focus on administration and governance, and governance training provided every two years.
- Strategic Risk #5: *Workforce not appropriately skilled or engaged*: Organisational restructure to better align with the focus of the Community Plan, and Establishment of the Senior Leadership Forum

One existing risk was added to Strategic Risk #1: *Failure to maintain financial sustainability*, which was the purchase of property not aligned to Council strategic property objectives.

No new emerging strategic risks have been identified.

The Executive Leadership Team will review the Strategic Risk Register in detail following the finalisation of the Community Plan 2050, which is scheduled to be adopted by Council in October 2024.

6. REPORT AUTHORISERS

Name	Title
Alex Brown	Acting General Manager Corporate Support

STRATEGIC RISK REGISTER

- This Review – 9 July 2024 by:
- Peter Tsokas - Chief Executive Officer
 - Megan Berghuis - General Manager Community and Organisational Development
 - Claude Malak - General Manager Assets and Sustainability
 - Alex Brown – Acting General Manager Corporate Support
 - Next Review October 2024

Last Reviewed: April 2024 by:

Peter Tsokas

Megan Berghuis

Nicola Tinning

Claude Malak

Strategic Risk Register

1	Event Description: Failure to maintain financial sustainability		
Responsible Managers: CEO, ELT		Community Plan Theme: CIVIC LEADERSHIP & ECONOMIC PROSPERITY	
Negative Contributory Factors: <ul style="list-style-type: none"> Forecasting tools are not relevant or out of date Long Term Financial Plan is not maintained or not appropriate for business needs Financial resources to deliver required services are inadequate Financial capacity to meet service delivery demands Financial resources are not managed in line with treasury management policy Debt levels and debt management strategies are not in line adopted targets or are not sustainable Inadequate project management practices Impact of pandemic on local economy and Council's operating results over time Changes to market in cemetery operations (CPCA) Ambitious expectations of Council deliverables 		Risks: <ul style="list-style-type: none"> Financial Maladministration & Corruption Inability to delivery community expectations into the future Financial sustainability is compromised Reputational Damage Legislative Compliance (Financial) are not met Inter-generational equity is not achieved insufficient project funding Failure to deliver on plans and strategies Limitations to service delivery options Service level reduction Centennial Park Subsidiary becoming unviable Decision Making not aligned to Strategic Management Plans The purchase of property not aligned to Council strategic property objectives 	
Likelihood: Possible	Consequence: Major	Inherent Risk Rating:	HIGH
Existing Controls/Mitigating Practices: <ul style="list-style-type: none"> Endorsed Community Plan, Four Year Delivery Plan and Annual Operating Plans Comprehensive budget development process that meets legislative requirements (including cost estimates & consultation). 2024-25 to 2033-34 Long-term Financial Plan Adopted with financial targets. Reviewed annually Adoption and application of the Better Practice Model – Internal Financial Controls Prudential Management Framework Project Management Framework Treasury Management Plan Owners Executive has been established and Board representation for Centennial Park Quarterly Reporting from subsidiaries to owner Councils Infrastructure & Asset Management Policy & Plans are linked to the long-term financial plan Quarterly budget review process Regular Financial reporting and budget monitoring Qualified and experience finance human resources Oversight from the Audit Committee External Audit Defined and agreed levels of service Development of an Annual Operating Plan which specifies core activities, service levels, and measures Continued corporate performance reporting Centennial Park Charter 			
Control Effectiveness:	Majority Effective	Risk Tolerance up to:	MEDIUM
Likelihood: Rare	Consequence: Major	Residual Risk Rating:	MEDIUM

Treatment Plan:	Responsibility:	Target Completion Date:	Comment
1. ESCOSA Local Government Advice Scheme reviewing the City of Unley in 2024-25	• A/General Manager Corporate Support	• March 2025	ESCOSA have undertaken initial engagement, with background information provided to ESCOSA. Further information will be requested and provided in August and September. ESCOSA's advice is required to be published by 28 February 2025.
2. Developing Strategic Property Acquisition Guidelines	• Strategic Property Committee	• October 2025	The guidelines will assist Council in assessing the strategic alignment of potential property acquisitions, and reduce the risk of purchasing property that is not aligned to the Community Plan and strategic property objectives.

Strategic Risk Register

2	Event Description: Inability to meet the needs and expectations of the community		
Responsible Managers: CEO, ELT, Managers		Community Plan Theme: COMMUNITY LIVING & CIVIC LEADERSHIP	
Negative Contributory Factors: <ul style="list-style-type: none"> Community Plan is out of date or not relevant Annual Business Plan and Budget process is not aligned with Community Plan and 4 Year Delivery Plan Resourcing is not aligned to 4 Year Delivery Plan Long Term Financial Plan is inadequate Conduct is inconsistent with Code of Conduct/ Values Systems and processes don't appropriately capture information regarding community needs Infrastructure & Asset Management Plans are inadequate Legislative movement of responsibilities Disengaged Elected Members Expectations of Elected Members lack of alignment with the Council role Four-year election cycles Increased cost pressures and delivery timeframes due to market conditions and inflation 		Risks: <ul style="list-style-type: none"> Dissatisfied community (public outrage) Reputational damage (negative media) Instability of staff (people leaving a negative environment) Organisational culture is significantly negatively affected Negative perception of performance of the Council (Elected Body) 	
Likelihood: Possible		Consequence: Major	Inherent Risk Rating: HIGH
Existing Controls/Mitigating Practices: <ul style="list-style-type: none"> Community Plan 2033 Annual Business Plan and Budget 4-year Delivery Plan Annual Operating Plan Long Term Financial Plan Strategies, Policies and Procedures Infrastructure & Asset Management Plans Corporate Performance Report CEO KPIs Role Clarity Framework for service delivery Organisational culture and values Corporate Reporting Framework Role clarity and Position Descriptions aligned to service delivery Quarterly Reporting with inclusion of impacts to Strategic Objectives resulting from additional unplanned decisions of Council Consultation processes (YourSay, website, social media) Customer Experience Framework Customer Service Training Customer satisfaction surveys Customer Service Standards (external and internal) Community Engagement Framework and Policy Service Reviews Communication Channels Business Continuity Plan & Emergency Management Plan Regular Elected Member briefings, workshops and training Economic Development Strategy Customer Service Charter Principles (Achieve Together Project) Operational Risk Register Business Continuity Plan Quarterly Budget Review Process 			
Control Effectiveness:		Majority Effective	Risk Tolerance up to: MEDIUM
Likelihood: Rare		Consequence: Major	Residual Risk Rating: MEDIUM

Treatment Plan:	Responsibility:	Target Completion Date:	Comment
1. Review of the Community Plan	• OCEO	• October 2024	A consultant has been engaged to facilitate the process. Council has sought the Community's input and has held a strategic planning day to workshop the key themes and objectives.
2. Development of a new 4 Year Delivery Plan following completion of the Community Plan	• OCEO	• March 2025	To be prepared once the Community Plan has been adopted.
3. Development of the City Master Plan	• OCEO	• December 2025	Initial development of the City Master Plan (as spatial plan) is presently being undertaken internally.
4. Review and simplify Strategic Planning Framework	• OCEO	• March 2025	This framework will be developed following the adoption of the Community Plan, and assist key stakeholders in understanding the alignment of the objectives within Council endorsed plans and strategies to the Community Plan.

Strategic Risk Register

3	Event Description: Ineffective decision making that lacks transparency		
Responsible Managers: CEO, ELT, Managers		Community Plan Theme: CIVIC LEADERSHIP	
Negative Contributory Factors: <ul style="list-style-type: none"> Inappropriate conduct of staff/Elected Members Inaccurate information Ill-informed decision makers Lack of role clarity and decision making (elected members) Deficient policies and procedures Noncompliance with legislative obligations/requirements Internal control failures Inappropriate delegations Lack of governance framework Lack of plans to respond to events that impact service delivery (from Risk 6) 		Risks: <ul style="list-style-type: none"> Reputational damage /risk (from risk 6 – to be deleted) Scrutiny by regulatory bodies (ICAC/Ombudsman) Financial impact/cost Loss of confidence in council Staff attraction and retention 	
Likelihood: Likely	Consequence: Catastrophic (Reputation)	Inherent Risk Rating:	HIGH
Existing Controls/Mitigating Practices: <ul style="list-style-type: none"> Legislative obligations (eg. Code of Conduct, Policies etc) External regulatory framework in place Policies and Procedures Delegation of Authority (Legislative and Financial) Elected Members briefings and workshops Expert advice provided by skilled staff Elected Members development program implemented to enhance role clarity Reinforce processes and education for Elected Member requests with staff Unley 360 Framework for Community Engagement Elected Members training programs Independent Members selection and training processes in place Agreed and Endorsed Meeting procedures Risk Management Framework Internal Controls Framework Reporting Quality Control Quality and experienced governance human resources Revised Caretaker Policy 			
Control Effectiveness:	Majority Effective	Risk Tolerance up to:	MEDIUM
Likelihood: Unlikely	Consequence: Catastrophic	Residual Risk Rating:	MEDIUM

Treatment Plan:	Responsibility:	Target Completion Date:	Comment
1. Delegation review and training (understanding roles, responsibilities, and delegation of authority)	<ul style="list-style-type: none"> OCEO 	<ul style="list-style-type: none"> November 2024 	The review of the delegations commenced in October 2023. The completion date has been revised to November 2024. As CoU is participating in the review with other ERA councils. This has commenced but has caused a delay.

Strategic Risk Register

4	Event Description: Inability to manage legislative and regulatory compliance obligations		
Responsible Managers: CEO, ELT, Managers		Community Plan Theme: CIVIC LEADERSHIP	
Negative Contributory Factors: <ul style="list-style-type: none"> Other levels of government assigning new/different responsibilities Increasing compliance and reporting obligations Changing legislative obligations Local Government Reform agenda Not monitoring external environment and trends Reallocation of responsibilities via legislative changes Four Year election cycles 		Risks: <ul style="list-style-type: none"> Failure to meet compliance obligation Reputational damage Loss of confidence in Council ICAC investigation Unreasonable Customer expectations Negative Media exposure Financial Sustainability Negatively impact on service delivery & levels Negative impact on organisational culture 	
Likelihood: Possible	Consequence: Major	Inherent Risk Rating:	HIGH
Existing Controls/Mitigating Practices: <ul style="list-style-type: none"> Strategic Planning framework and documents (e.g. Community Plan, Annual Plan etc) Long Term Financial Plan/Annual Business Plan & Budget Policies and Procedures Internal Controls Risk management framework Delegations External liaison and relationship management Quarterly Precinct Group meeting to focus on administration and governance Governance training provided every two years Audit Committee External/Internal Audit Appropriately trained and experienced staff Access to suitably qualified service providers for support (e.g. legal advice) Access to LGA resources & opportunity to influence outcomes Collaboration between Councils ERA Preparation for LG Reform well underway 			
Control Effectiveness:	Majority Effective	Risk Tolerance up to:	MEDIUM
Likelihood: Possible	Consequence: Major	Residual Risk Rating:	MEDIUM
Treatment Plan:		Responsibility:	Target Completion Date:
Update:			
1. Investigate development and implementation of Legislative Compliance Register	• OCEO	• Ongoing	The Local Research and Development Fund has granted funding to the LGA for a project to develop a legislative compliance register. This work is progressing, and Unley will wait for a centrally developed register given the complexity associated with this project.
2. Precinct groups provide six monthly reports to BDAC and Council	• Manager, Economic Development and Strategic Projects	• 6 monthly	These reporting arrangements have been put in place to improve the administration and governance of Mainstreet Associations.

Strategic Risk Register

5	Event Description	Workforce not appropriately skilled or engaged	
Responsible Managers: CEO, ELT, Managers		Community Plan Theme: CIVIC LEADERSHIP	
Negative Contributory Factors: <ul style="list-style-type: none"> • inability to attract appropriate staff • Inappropriately skilled staff • Negative organisational culture • Lack of contemporary working conditions • Limited access to ongoing training and development • No career progression opportunities • Lack of workforce planning • Job doesn't meet staff expectations • Unsatisfactory relationship with Elected Members • Poor recruitment practices • Ineffective knowledge management • Lack of appropriate staff turnover • Out-dated systems and processes • Pandemic related disruption and distraction 		Risks: <ul style="list-style-type: none"> • Unnecessary high staff turnover • Failure to deliver plans and strategies • Community expectations not met • Reputational damage • Inability to retain the right staff / Loss of corporate knowledge 	
Likelihood: Possible		Consequence: Major	Inherent Risk Rating: HIGH
Existing Controls/Mitigating Practices: <ul style="list-style-type: none"> • Recruitment strategies and practices • Well established brand • Active management and development of organisational culture (OCI) • Appropriate employment conditions • Continuous Improvement • Working from Home Framework • Purpose statements for work areas that are aligned to organisation's purpose • Digital Workplace through the Internet • Calendar with key corporate processes and deadlines • Continuous Improvement – training and suite of tools (learn on the job) • Establishment of the Senior Leadership Forum 		<ul style="list-style-type: none"> • Documented job descriptions documented and reviewed • Corporate Values • Development planning process (PDR) • Review of PDR process • Relevant resources and tools • Digital Strategy and BS&S Capability • Align the labour budget to reflect the priority areas determined by Council • Recognition Guidelines • Organisational restructure to better align with the focus of the Community Plan • Regular online Employee survey Teamgage to provide overall and team based climate measures • Internal Communications and latest news via emails, the intranet (Aquaria) and staff newsletter - the U 	
Control Effectiveness:		Majority Effective	Risk Tolerance up to: MEDIUM
Likelihood: Unlikely		Consequence: Major	Residual Risk Rating: MEDIUM

Strategic Risk Register

6	Event Description: Inability to respond to climate change		
Responsible Managers: CEO, ELT		Community Plan Theme: ENVIRONMENTAL STEWARDSHIP	
Negative Contributory Factors ("root" causes / how and why the event arises): <ul style="list-style-type: none"> • Extreme weather events • Increased urban infill • State Government Planning Reforms • Increased waste production by the community 		Risks: <ul style="list-style-type: none"> • Canopy reduced – (out of Council's control) • Reputational impact – as community has strong 'green' focus • Heat-Island effect • Public Health implications and risks • Reduction in quality of life now and future • Increased costs to Council operations • Impact to local flora and fauna • Loss of enviable amenities • Loss of productivity of operations due to extreme weather events 	
Likelihood: Almost Certain		Consequence: Major	Inherent Risk Rating: EXTREME
Existing Controls/Mitigating Practices: <ul style="list-style-type: none"> • Canopy Action Plan with budget allocation • Tree Strategy • Brown Hill Keswick Creek subsidiary & delivery of Stormwater Management Plan • Strategic Plan and objectives • Re-use water (dam and aquifer) • Long Term Financial Plan • Water Sensitive Urban Design practices • Waste Management and Resource Recovery plan • Public Health Plan • Asset Management Plans • Alternative Energy initiatives • Cycling and walking network • Climate & Energy Plan for Council Operations • ERA Resilient East Program • Waste Management Arrangement in place • Heatwave Action Plan in place 			
Control Effectiveness:		Majority Effective	Risk Tolerance up to: MEDIUM
Likelihood: Unlikely		Consequence: Major	Residual Risk Rating: MEDIUM

Description	Impacted Risk Events	Possible Treatment Plans
No additional strategic risks emerging.		<ul style="list-style-type: none">

Definitions of Control Effectiveness Ratings	
1. Ineffective	During the period, the control has not been implemented as described. Urgent management action is required to implement the described control processes.
2. Requires significant improvement	During the period, the control has been implemented as described, but with significant deficiencies in the consistency or effectiveness of implementation. Significant management action required to implement processes to improve the effectiveness of the control.
3. Partially effective	During the period, the control has been implemented as described, but with some deficiencies in the consistency and/or effectiveness in which it has been applied.
4. Majority effective	During the period, the control has been implemented as described and in the majority of cases has been consistently and/or effectively applied. There is potential to enhance the effectiveness of the control, but only with minor adjustments.

INFORMATION REPORT

REPORT TITLE: CYBER SECURITY OVERVIEW
ITEM NUMBER: 2.6
DATE OF MEETING: 06 AUGUST 2024
AUTHOR: NAOMI MOLLOY, ACTING MANAGER
BUSINESS SYSTEMS & SOLUTIONS
DIVISION: CORPORATE SUPPORT
ATTACHMENTS: NIL

1. **PURPOSE**

This report provides the background for a confidential presentation to the Audit and Risk Committee Members during the meeting regarding the Council's approach to managing and mitigating the risks associated with cyber security.

2. **RECOMMENDATION**

That:

1. The report be received.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

4. Civic Leadership

4.1 We have strong leadership and governance.

4. **BACKGROUND**

Cyber security and the risk of cyber-attack are not new concepts to IT operations and workplans. However, the risk of cyber-attacks has increased in recent years, particularly due to the expansion of the digital workplace following the COVID-19 pandemic.

The Council has recently created a strategic approach to the mitigation and management of cyber security risks which will help determine the breadth of work conducted. This approach has already helped inform a policy framework to guide our operations and response in the event of a cyber-attack.

5. **DISCUSSION**

In 2022 the Executive Management Team endorsed an approach to managing and mitigating cyber security across our business systems and operations. This approach has assisted in guiding the rigor that we use to apply security controls, as well as to inform policy development.

When implementing cyber security practices, there are often varying degrees of control that can be applied. The Local Government Information Technology SA (LGITSA) has established a Cyber Security Framework and Toolkit takes a risk-based approach to applying security controls, and has been specifically developed and documented to suit Local Government operations. The controls also leverage components of State and Federal Frameworks, making it the most tailored and adaptable approach for the sector.

The LGITSA Framework uses a three-tier system to categorise the characteristics and information used by a council to outline a desired approach to applying controls. Once the Tier is determined, the Framework allows a council to self-assess, and guide the technical application of further controls, and align those controls to relevant policies to support the approach.

A formal operational workplan has since been established following the endorsement of the approach utilising the LGITSA Framework. Internal policies have been developed, reviewed and updated in accordance with the approach.

While cyber security is an ever-evolving domain, the LGITSA Framework has assisted the Administration to develop a relevant and tailored approach to mitigating cyber threats, and a structured approach to implementing controls.

6. **REPORT AUTHORISERS**

Name	Title
Alex Brown	Acting General Manager Corporate Support

DECISION REPORT

REPORT TITLE:	UPDATED 2024 AUDIT AND RISK COMMITTEE WORKPLAN (AUGUST 2024)
ITEM NUMBER:	2.7
DATE OF MEETING:	06 AUGUST 2024
AUTHOR:	JIM PHILLIPS, PRINCIPAL RISK MANAGEMENT OFFICER
DIVISION:	CORPORATE SUPPORT
ATTACHMENTS:	1. UPDATED AUDIT & RISK COMMITTEE WORKPLAN 2024 (AUGUST 2024)

1. **PURPOSE**

This report proposes an updated Audit and Risk Committee Workplan (the Workplan) for the 2024 calendar year.

The proposed updates to the Workplan only increase and enhance the activities of the Committee. They do not alter or delay the existing activities within the Committee's previously endorsed Workplan.

2. **RECOMMENDATION**

That:

1. The report be received.
 2. The proposed 2024 Audit and Risk Committee Workplan as set out in Attachment 1 to this report (Item 2.7, Audit and Risk Committee Meeting, 06/08/2024) be endorsed.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

4. Civic Leadership
 - 4.1 We have strong leadership and governance.
 - 4.3 Our business systems are effective and transparent.

4. **BACKGROUND**

The purpose of the Audit and Risk Committee (the Committee) is to provide independent assurance and advice to the Council on accounting, financial management, internal controls, risk management and governance matters in accordance with Section 126 of the *Local Government Act 1999*.

The Audit and Risk Committee Workplan is developed to guide and report on the Committee's activities each year, and to ensure that the Committee delivers on its responsibilities as set out in the *Audit and Risk Committee Terms of Reference*.

The 2024 Audit and Risk Committee Workplan was considered and endorsed by the Committee at its meeting on 13 February 2024. At the time, it was advised that the Workplan would be reviewed by the Administration before each meeting, and be updated as required.

5. DISCUSSION

The 2024 Audit and Risk Committee Workplan (Workplan) has been updated, with the proposed Workplan contained in Attachment 1.

Attachment 1

The proposed updates to the Workplan only increase and enhance the activities of the Committee. They do not alter or delay the existing activities within the Committee's previously endorsed Workplan.

The proposed updates to the Workplan include the following:

- A Quarterly Internal Audit Progress Report which will provide an update on the internal audit function as required by Section 126(4)(g)(i)(A) of the *Local Government Act 1999*. This will include an update on the progress of the Internal Audit Program, and the progress of agreed management actions arising from the internal audits;
- A confidential briefing on Cyber Security for the August 2024 meeting;
- The review of the Council's Unsolicited Proposal Policy, scheduled for the October 2024 meeting; and
- This proposed update to the 2024 Workplan (as contained in this Report).

As previously advised, the Committee's Workplan will be reviewed by Administration before each Audit and Risk Committee meeting to ensure the Committee delivers on its responsibilities as set out in the *Audit and Risk Committee Terms of Reference*. Any substantive updates proposed to the Workplan will be presented to the Audit and Risk Committee for endorsement.

Endorsement of the proposed update to the Workplan is sought from the Committee.

6. POLICY IMPLICATIONS

6.1 Financial/budget implications

- Nil

6.2 Risk Management (identification and mitigation)

- A risk based approach has been applied in identifying the priorities for the proposed Workplan.

6.3 Staffing/Work Plans/Additional Resource Impact

- The proposed Workplan has been prepared with consideration to Administration's capacity deliver the proposed Workplan. It will be monitored and updated as required to ensure that the Committee delivers its role as set out in the *Audit and Risk Committee Terms of Reference*.

6.4 Climate/Environmental Impact

- Nil

6.5 Social/Economic

- Nil

7. ANALYSIS OF OPTIONS

Option 1 –

1. The report be received.
2. The proposed 2024 Audit and Risk Committee Workplan as set out in Attachment 1 to this report (Item 2.7, Audit and Risk Committee Meeting, 06/08/2024) be endorsed.

The updated 2024 Audit and Risk Committee Workplan has been prepared to assist the Committee to fulfil its responsibilities as outlined within the *Audit and Risk Committee Terms of Reference*.

Option 2 –

1. The report be received
2. Subject to incorporation of the following amendments, the proposed 2024 Audit and Risk Committee Workplan as set out in Attachment 1 to this report (Item 2.7, Audit and Risk Committee Meeting, 06/08/2024) be endorsed.
 - 2.1 Amendments to be determined the Audit and Risk Committee
 - 2.2 Etc

This option enables the Committee to articulate any changes required to the updated Workplan, and to recommend these be incorporated by Council at the time of adoption.

Should the Committee wish to amend the proposed Workplan, consideration should be given to the available resourcing and additional resourcing that may be required to deliver a modified Workplan.

Option 3 –

1. The report be received.
2. The proposed 2024 Audit and Risk Committee Workplan as set out in Attachment 1 to this report (Item 2.7, Audit and Risk Committee Meeting, 06/08/2024) be further amended and returned to the Audit and Risk Committee for review.

The Committee may consider that further amendments are required to the proposed Workplan. This option requests further development of the Workplan, and that it be returned to the Committee at the next meeting.

The Committee should, under this option, communicate what amendments it would like to have made, and the resourcing that may be required.

8. RECOMMENDED OPTION

Option 1 is the recommended option.

9. REPORT AUTHORISERS

Name	Title
Alex Brown	Acting General Manager Corporate Support

City of Unley

2024 Audit and Risk Committee Workplan (August 2024)

Item	13 Feb	14 May	6 August	22 Oct	12 Nov
Audit Committee					
Meeting Dates for 2025					■
2024 Workplan for Endorsement/Update	✓		■		
2025 Workplan for Endorsement	✓				■
Strategic & Financial					
Draft LTFP Key Assumptions & Targets					■
Draft 2024-34 LTFP (Full Plan)	✓				
Annual Business Plan and Budget		✓			
General Purpose Financial Statements				■	
External Audit					
External Audit - Interim Report			■		
External Audit - Progress of Agreed Actions					■
Internal Audit					
Internal Audit Plan	✓				
Quarterly Internal Audit Progress Report			■		■
Internal Audit - Progress of Agreed Actions		✓			■
Internal Audit – Plant Management			■		
Internal Audit – Project Management Framework				■	
Internal Audit – Procurement Framework					■
Other Risk Management					
Internal Financial Controls		✓			
Quarterly Risk Report	✓	✓	■		■
Policy Review					
Fraud and Corruption Prevention Policy		✓			
Risk Management Policy & Framework		✓			
Unsolicited Proposal Policy				■	
Presentations					
Subsidiary Presentations (TBC)			■	■	■
Cyber Security			■		

City of Unley

INFORMATION REPORT

REPORT TITLE:	REPORT SUMMARISING THE ACTIVITIES OF THE AUDIT AND RISK COMMITTEE
ITEM NUMBER:	2.8
DATE OF MEETING:	06 AUGUST 2024
AUTHOR:	MAX MURAWSKY, FINANCE BUSINESS PARTNER
DIVISION:	CORPORATE SUPPORT
ATTACHMENTS:	1. ARC PRESIDING MEMBERS REPORT 30 JUNE 2024

1. **PURPOSE**

This report summarises the work of the Audit and Risk Committee during the period preceding the meeting and the outcomes of the meeting held on 6 August 2024.

2. **RECOMMENDATION**

That:

1. The report be received.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

4. Civic Leadership

4.1 We have strong leadership and governance.

4. **BACKGROUND**

Section 126(8)(a) of the *Local Government Act 1999* requires the Audit and Risk Committee to *provide a report to the Council after each meeting summarising the work of the committee during the period preceding the meeting and the outcomes of the meeting.*

5. **DISCUSSION**

Period Preceding the Meeting

The Presiding Member prepared and presented an annual report of the Audit and Risk Committee's activities for the 2023-24 financial year to the

Council Meeting on 22 July 2024. A copy of the report is provided in Attachment 1.

Attachment 1

There was no other work formally undertaken by the Audit and Risk Committee in the period preceding this meeting. It is anticipated that individual members of the Committee would have read the Agenda for this meeting held on 6 August 2024.

Outcomes of the Meeting

At the meeting held on 6 August 2024, the following items were presented to the Audit and Risk Committee:

1. Presentation by the Centennial Park Cemetery Authority

An annual presentation was provided by the Chief Executive Officer and Chief Financial Officer of the Authority. The presentation included a summary of the risk management activities relevant to the Owner Councils. The presentation was confidential due to commercial operations of the Authority.

2. External Audit – Interim Audit Findings & Management Response 2023-24

This report considered the Interim Report – Audit Finding from the Council's External Auditors, Bentleys. Bentley's report presented the findings and management responses following Bentley's Interim Audit on the Council's internal control environment.

3. Internal Audit Function

This report served to advise the Audit and Risk Committee on the proposed appointment of the Principal Risk Management Officer, Jim Phillips, as the person to be primarily responsible for the Council's internal audit function in accordance with Section 125A of the *Local Government Act 1999*.

4. Internal Audit: Plant Management Review (IA2024-01)

This report presented the findings of the Internal Audit IA2024-01 Plant Management which was a planned audit approved by the Audit and Risk Committee at the meeting held 13 February 2024.

5. Quarterly Internal Audit Report

This report presented an update on the progress of the Internal Audit Plan for the quarter, the proposed scope of the Internal Audit on the Project Management Framework, and the status of agreed management actions arising from internal audits.

6. Quarterly Risk Report (August 2024)

This report informed the Audit and Risk Committee of updates to the Strategic Risk Register following the quarterly review of strategic risks by the Executive Leadership Team.

8. Cyber Security Overview

This report provided the background for a confidential presentation to the Audit and Risk Committee Members regarding the Council's approach to managing and mitigating the risks associated with cyber security. The confidential presentation was provided by members of the Business Systems and Solutions Team.

7. Updated 2024 Audit and Risk Committee Workplan (August 2024)

This report proposed updates to the Audit and Risk Committee Workplan for the 2024 calendar year. The updates to the Workplan only increase and enhance the activities of the Committee and did not alter or delay the existing activities within the Committee's previously endorsed workplan.

Where applicable, the outcomes of the above will be summarised in the meeting minutes to be presented to Council.

The next meeting of the Audit and Risk Committee is scheduled for 22 October 2024.

6. REPORT AUTHORISERS

Name	Title
Alex Brown	Acting General Manager Corporate Support

City of Unley Audit and Risk Committee

Annual Report to Council

Year ended 30 June 2024

1. Period of this Report

This report covers the Audit and Risk Committee's (the Committee) activity from 1 July 2023 to 30 June 2024. In that period the Committee met five times as follows:

- 8 August 2023
- 17 October 2023
- 14 November 2023
- 13 February 2024
- 14 May 2024

2. Purpose

This report meets the reporting requirements to the City of Unley Council (the Council) as mandated by the *Local Government Act 1999* (the Act) pursuant to section 126(8)(b) of the Act which requires the Audit and Risk Committee to "provide an annual report to the council on the work of the committee during the period to which the report relates".

3. Committee Membership

The Committee comprises five members appointed by the Council including three independent members and two elected members. The members as at the date of this report were:

- Mark Davies: Presiding Member and independent member
- Annette Martin: Independent member
- Pamela Lee: Independent member
- Cr Monica Broniecki: Elected member
- Cr Jack Gaffey: Elected member

The independent members were appointed by Council on 22 May 2023 for a four year term commencing on 1 June 2023.

4. Committee Meetings

There were five meetings of the Committee held during the 2023-24 year. Committee member attendance was as follows:

Member	Attendance
M Davies (Presiding Member and Independent)	5/5
A Martin (Independent)	5/5
P Lee (Independent)	5/5
Cr M Broniecki	5/5
Cr J Gaffey	5/5

5. Committee Terms of reference

The Committee's Terms of Reference (ToR) is set by Council and was last reviewed and approved by Council at its Ordinary Meeting on 29 January 2024 following changes necessitated by amendments to the Act.

6. Committee Business

The agendas for Committee meetings are driven by the Annual Work Plan (AWP) which is reviewed and approved on an annual basis. The AWP details the matters to be considered by the Committee during each year to discharge its responsibilities under the ToR and the Act. The following table summarises the matters considered during the reporting period.

Meeting Date	Agenda Item
8 August 2023	<ul style="list-style-type: none"> • Update 2023 Audit Committee Work Plan • Quarterly Risk Report • External Audit – Progress of Agreed Actions from Interim Report August 2023 • Internal Audit Report – Property Leases and Licences • Internal Audit Report – Regulatory Services • Prudential Management Policy
17 October 2023	<ul style="list-style-type: none"> • General Purpose Financial Statements 2022-23 • Procurement Policy • Treasury Management Policy • Internal Audit – Progress on Agreed Management Actions • Proposed Update to Audit Committee Work Plan
14 November 2023	<ul style="list-style-type: none"> • Recommendation to Appoint Council's External Auditor • Asset Management Plans 2023 • Proposed Financial Targets for Long Term Financial Plan 2024-34 • Proposed Audit Committee Dates
13 February 2024	<ul style="list-style-type: none"> • Draft Long Term Financial Plan 2024-34 • Internal Audit Report – Payroll Overtime and TOIL • Quarterly Risk Report • Internal Audit Plan 2024 • Audit and Risk Committee Work Plan 2024
14 May 2024	<ul style="list-style-type: none"> • Policy and Procedure Framework Review Update • Draft Annual Business Plan and Budget 2024-25 • Risk Management Policy and Framework • Quarterly Risk Report • Internal Financial Controls – Self Assessment 2024 • Internal Audit – Progress on Agreed Management Actions • Fraud and Corruption Prevention Policy

Key outcomes of the meetings are summarised below.

6.1 External Audit

The Committee reviewed the 2022-23 General Purpose Financial Statements and met with the external auditors, Galpins, to discuss matters arising from their audit. The Committee resolved that it was satisfied that the financial statements presented fairly the state of affairs of Council for the year ended 30 June 2023 and recommended that Council adopt and certify the financial statements.

I would like to acknowledge the work of the finance team for compilation of the financial statements and the effective working relationship with the external audit team.

At its meeting on 14 November 2023, the Committee considered a recommendation to appoint Council's external auditor. As Council's current external auditor Galpins had come to the end of their permissible five year term under the Act, the Council issued a Request for Tender in August 2023 for

the provision of external audit services for a period of five years commencing on 30 June 2024. The Committee recommended that Bentleys be appointed.

6.2 Internal Audit

The Committee received three reports on internal audit reviews completed in the period. The reviews related to:

- Property Leases and Licences: Assessing the effectiveness of key processes, procedures and controls in relation to fee billing and record keeping and management of key risks
- Regulatory Services: Assessing the adequacy and effectiveness of key processes, procedures, and controls in relation to animal management and general inspections, parking enforcements and permits, and public and environmental health
- Payroll Overtime and TOIL: Assessing the adequacy and effectiveness of key processes, procedures, and controls in relation to payroll functions for administration and payment of overtime and the approval of TOIL.

All of the reviews reported that there were opportunities for control improvements and management agreed with all of the recommendations.

The Committee also received two internal audit reports on the progress on agreed management actions as well the draft Internal Audit Plan for the 2024 year.

6.3 Internal Financial Controls

The Committee considered a self assessment conducted by officers of internal financial controls. The self assessment was conducted in accordance with the Better Practice Model – Internal Financial Controls (BPM) which is a framework that identifies financial risks and controls for local government Councils in South Australia. The BPM requires Council's to conduct a self assessment of controls identified via a risk-based approach. The Internal Financial Controls selected were based on a residual risk rating of medium or higher and have been a focus due to their risk rating and actions to address them.

Council's external auditor, Bentleys will provide their audit opinion on the effectiveness of the internal financial controls at the Audit and Risk Committee meeting to be held in August 2024 meeting.

6.4 Risk Management

The Committee reviewed Council's revised Risk Policy and Risk Management Framework following a full review by officers which included greater consideration of the Council risk appetite with risk appetite statements for each risk category. The risk consequence matrix and the risk assessment matrix were also revised to assist users in assessing risks. The Committee made some suggestions for further improvements, although these were not extensive.

The Committee also receive three Quarterly Risk Reports during the period.

7. Committee Meeting Schedule

The Committee's meeting schedule for the remainder of the 2024 year is as follows:

- 6 August 2024
- 22 October 2024
- 12 November 2024

8. Conclusion

Thank you for the opportunity to provide the Committee's annual report for the 2023-24 year for Council's consideration.

Mark Davies
Presiding Member
On behalf of the Audit & Risk Committee
22 July 2024