COMMITTEE AGENDA

Audit Committee

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

Monday 14 November 2022 5:30pm

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

Chief Executive Officer

MEMBERS

Presiding Member D Powell (Presiding Member)
Councillor M Rabbitt
Councillor M Broniecki
Independent Member N Handley
Independent Member A Martin

ACKNOWLEDGEMENT

Ngadlurlu tampinthi, ngadlu Kaurna yartangka inparrinthi. Ngadlurlu parnuku tuwila yartangka tampinthi.

*Ngadlurlu Kaurna Miyurna yaitya yarta-mathanya Wama Tarntanyaku tampinthi. Parnuku yailtya, parnuku tapa purruna yalarra puru purruna.**

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

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

*Kaurna Translation provided by Kaurna 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 Committee Meeting held Tuesday, 18 October 2022

1.5 DEFERRED / ADJOURNED ITEMS

Nil

2. REPORTS

2.1 Proposed Financial Targets for the Long Term Financial Plan 2023-33 5

2.2 Proposed Corporate Purchase Card Policy - November 2022 11

2.3 Quarterly Risk Report - November 2022 30

3. OTHER BUSINESS

NEXT MEETING

DECISION REPORT

REPORT TITLE:	PROPOSED FINANCIAL TARGETS FOR THE LONG TERM FINANCIAL PLAN 2023-33
ITEM NUMBER:	2.1
DATE OF MEETING:	14 NOVEMBER 2022
AUTHOR:	ALEX BROWN
DIRECTORATE:	BUSINESS SUPPORT AND IMPROVEMENT
ATTACHMENTS:	NIL

1. PURPOSE

Council's 10 Year Long-Term Financial Plan (LTFP) has been reviewed and updated with the 2021-22 financial year results, latest economic forecasts and income and expenditure projections in preparation for the development of the Draft 2023-24 Annual Business Plan and Budget.

Administration is seeking the Audit Committee's views on the suitability of key assumptions and support of the financial targets for the LTFP.

Further analysis and development of the LTFP will be undertaken as part of the 2023-24 Budget process, and presented to Audit Committee prior to adoption.

2. RECOMMENDATION

That:

1. The report be received.

2. The Long-Term Financial Plan 2023-2033 key financial targets as set out below, be adopted.

Indicator	Key Financial Target
Operating Surplus Ratio (excluding equity accounts businesses)	4%
Net Financial Liabilities Ratio	Less than 80%
Asset Renewal Funding Ratio 10 Year average based on the Asset Management Plans	Equal or greater than 100%

3. RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN

4. Civic Leadership
4.1 We have strong leadership and governance.

4. BACKGROUND

Council is required to develop and adopt a LTFP as a component of its suite of Strategic Management Plans in order to ensure its long-term financial sustainability. The LTFP provides the financial parameters to guide the development of Council's Draft 2023-24 Annual Business Plan and Budget.

Section 122 of the *Local Government Act (1999)* (the Act) requires a council to:

- develop and adopt a long-term financial plan for a period of at least 10 years; and
- undertake an annual review of the long-term financial plan on an annual basis.

In accordance with the *Local Government (Financial Management) Regulations 2011*, the LTFP must address the following items:

- estimated financial statements with respect to the period of the long-term financial plan, which must be presented, other than notes and other explanatory documentation, in a manner consistent with the Model Financial Statements; and
- a summary of proposed operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances; and
- estimates with respect to an operating surplus ratio, a net financial liabilities ratio and an asset sustainability ratio presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.

A document including this information and summarising the basis of the LTFP assumptions and financial targets will be presented to Audit Committee for feedback as part of the 2023-24 Budget process.

The City of Unley's draft LTFP has been prepared based upon information available from a range of sources including:

- Community Plan 2033
- 4 Year Delivery Plan 2021-2025
- The Asset Management Plans
- Current and future levels of service
- Projected rating strategies
- Available indices such as forecasts for CPI and interest rates etc
- CEO KPI's

5. DISCUSSION

The Administration has commenced work on the revision of the LTFP to ensure long term financial sustainability and to provide the financial parameters for the drafting of Council's 2023-24 Annual Business Plan and Budget.

The Audit Committee has a responsibility to review and make recommendations to the Council regarding the assumptions, financial indicators and targets in the LTFP, including financial sustainability of the Council and any risks in relation to the adoption of the LTFP and Annual Budget.

It is deemed appropriate to engage with the Committee at this early stage of preparation, particularly with respect to the establishment of key planning assumptions, financial targets and ratios.

The LTFP has been updated to reflect the most current information including forecasts for Adelaide CPI and interest rates.

A summary of the LTFP, key assumptions, and proposed financial targets are outlined below:

Item		Assumption				
Rates	Increase from valuations	Adelaide CPI forecast for the preceding year, capped at 3.5%				
		2023-24	2024-25	2025-26	2026-27	2027-28
		3.5% Note: est CPI 5%	3.25%	2.75%	2.75%	2.5% est.
	Increase from new developments	0.5%				
Fees and charges		Adelaide CPI on average, noting some fees & charges may vary from this due to specific reasons, including larger step changes in previous years and comparison to similar facilities (e.g. Swimming Centre and venue hire)				
Grants, subsidies & other income		CPI for recurrent funding/income (unless advised otherwise)				
Employee Costs		EB Agreements expiring 30 June 2023, to be negotiated				
Contractors, materials & other expenditure		Adelaide CPI (look at indices for specific costs (e.g. utilities)				
Depreciation		Indexed with allowance for new capital with assumed average useful life of 50 years				
Interest Rate: Variable rate for CAD	Underlying assumption	Assume weighted average interest rate 3.0% above RBA cash rate				
	3 Year Forecast	NAB Forecast of 3.1% until December 2024, so 6.1%				
	Long Term Assumption	Assume 6% from 2025-26 onwards				
Operating Projects		$1.1M indexed by CPI (indexed from a $1m base for 2021-22)				
New Assets		$3.5M per annum, then indexed by CPI from 2026-27				
Asset Renewals		Presently in line with the Asset Management Plans (ie. Asset Renewal Funding Ratio at 100%)				

In addition, the Council's LTFP is affected by several other external and internal factors for which assumptions will require further consideration, these include:

External Influences:

- Local Government Price Index
- The Landscape Levy
- Waste disposal costs
- Utility costs
- Increased compliance costs through new/amending legislation
- State and Federal Government Policy
- Broader economic environment

Internal Influences:

- Enterprise Bargaining Agreements, noting that these expire on 30 June 2023
- Treasury Management Policy and borrowing decisions
- Service and Process Improvement Review projects
- Risk Management
- Asset sustainability and service levels
- The CEO KPI's

The LTFP assumptions, including forecast indexation for specific income and expenditure categories (eg. fuel and utilities), will be refined as part of the 2023-24 Budget process, but are not expected to have a material impact on the net operating position of Council. A document summarising these assumptions will be presented to Audit Committee for feedback as part of the 2023-24 Budget process.

The following key financial targets are proposed for the 2023-2033 LTFP, noting that the targets for the *net financial liabilities ratio* and *asset renewal funding ratio* remained unchanged from the previous review in March 2022:

Indicator	**Key Financial Target**
Operating Surplus Ratio (excluding equity accounts businesses)	4%
Net Financial Liabilities Ratio	Less than 80%
Asset Renewal Funding Ratio 10 Year average based on the Asset Management Plans	Equal or greater than 100%

6. POLICY IMPLICATIONS

6.1 Financial/budget implications

The Long-Term Financial Plan provides the financial parameters for Council's consideration of the Draft 2023-24 Annual Business Plan and Budget. It also aids Council with monitoring and managing the long term financial sustainability of the City of Unley's operations, service delivery and ongoing asset management.

7. ANALYSIS OF OPTIONS

Option 1 – The Long-Term Financial Plan key financial targets as set out below, be adopted.

1. The report be received.

2. The Long-Term Financial Plan 2023-2033 key financial targets as set out below, be adopted.

Indicator	Key Financial Target
Operating Surplus Ratio (excluding equity accounts businesses)	4%
Net Financial Liabilities Ratio	Less than 80%
Asset Renewal Funding Ratio 10 Year average based on the Asset Management Plans	Equal or greater than 100%

After considering the financial results for 2021-22, and the latest forecasts for the economic indicators, Administration recommends a target range for the *operating surplus ratio* of 4%, and no change to the *net financial liabilities ratio* and a*sset renewal funding ratio*.

Option 2 – Recommends the following financial targets for the draft 2023-2033 Long Term Financial Plan.

1. The report be received.

2. The Long-Term Financial Plan 2023-2033 key financial targets be revised as follows:
   - 2.1 Operating Surplus Ratio (excluding equity accounted businesses) .....%
   - 2.2 Net Financial Liabilities Ratio .....%
   - 2.3 Asset Renewal Funding Ratio .....%

The Audit Committee, following its review of the assumptions and key targets, may recommend alternative key financial targets to those that have been proposed.

8. RECOMMENDED OPTION

Option 1 is the recommended option.

9. REPORT CONSULTATION

The proposed assumptions and financial targets for the LTFP have been prepared with input from Executive Management Team (EMT).

10. REPORT AUTHORISERS

Name	Title
Nicola Tinning	General Manager, Business Support & Improvement

INFORMATION REPORT

REPORT TITLE:	PROPOSED CORPORATE PURCHASE CARD POLICY - NOVEMBER 2022
ITEM NUMBER:	2.2
DATE OF MEETING:	14 NOVEMBER 2022
AUTHOR:	ALEX BROWN
JOB TITLE:	MANAGER FINANCE AND PROCUREMENT
ATTACHMENTS:	1. PROPOSED CORPORATE PURCHASE CARD POLICY 2. EXISTING CORPORATE PURCHASE CARD POLICY (2015)

1. PURPOSE

This report presents the proposed Corporate Purchase Card Policy (the policy) to the Audit Committee. This policy is an administrative policy, and as such, does not require formal endorsement however, Administration welcomes any feedback the Committee may have.

2. RECOMMENDATION

That:

1. The report be received.

3. RELEVANT CORE STRATEGIES/POLICIES

4. Civic Leadership
4.1 We have strong leadership and governance.

4. BACKGROUND

This administrative policy forms part of Council's Internal Financial Control Framework as a direct consequence of the provisions of Section 125 (Internal Control Policies) of the *Local Government Act* and enables the City of Unley 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 Corporate Purchase Card Policy was last reviewed and updated in June 2015.

As part of Council's internal audit program, an internal audit of Council's Corporate Purchase Cards was undertaken by Bentleys in June 2022 and presented to the Audit Committee at its meeting held on 16 August 2022. The internal audit identified that the existing policy has not been reviewed since 2015. As part of a performance improvement opportunity, Bentley's suggested some changes to the policy for consideration.

5. DISCUSSION

Administration has reviewed the existing policy and subsequently prepared and proposed a new *Corporate Purchase Card Policy* which clearly articulates the responsibilities and requirements involved in the utilisation and administration of purchase cards.

The proposed policy is provided as Attachment 1.

Attachment 1

A copy of the existing *Corporate Purchase Card Policy (2015)* is provided as Attachment 2.

Attachment 2

The proposed policy is intended to support management and staff in applying consistent business processes and compliance around the use and administration of purchase cards. The policy also sets out the responsibilities for Council employees, including card holders and approving officers. In particular, the policy explains:

- The approval process for issuing purchase cards and purchase card limits;
- The circumstances in which purchase cards may be utilised;
- The responsibilities of council employees when utilising purchase cards;
- The monthly reconciliation and review of purchases through purchase cards;
- The process to address inappropriate or fraudulent use of purchase cards;
- The circumstances requiring the return of purchase cards; and
- The annual review of purchase card utilisation and card limits.

This policy also strengthens the internal financial controls for the use and administration of purchase cards.

All of the business improvement suggestions from the internal audit undertaken in June 2022 were considered by Administration in reviewing the policy, with the majority of the recommendations implemented. However, in some instances, the recommendations have not been specifically included within this policy, as they pertain to other policies, procedures and guidelines, such as the suggested purchase limit on car washes.

The next review of the Policy will be undertaken in June 2025.

6. POLICY IMPLICATIONS

6.1 Legislative/Risk Management

- This policy applies the provisions of the *Local Government Act 1999* (the Act) Section 124, (Accounting Records to be Kept), regarding how financial information pertaining to purchase card transactions and reconciliations are undertaken.
- This policy strengthens the internal financial controls as required by Section 125 of the *Local Government Act (1999)*. Councils 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.

7. REPORT AUTHORISERS

Name	Title
Nicola Tinning	General Manager, Business Support & Improvement

CORPORATE PURCHASE CARD POLICY

Policy Type:	Adminstrative
Responsible Department:	Business Support and Innovation
Responsible Officer:	Manager Finance and Procurement
Related Policies and Procedures	• Procurement Policy • Procurement Policy Framework • Internal Financial Control Framework • Financial Delegations Policy and Register • Entertainment and Hospitality Policy • Rewards and Recognition Program • Employee Code of Conduct • Risk Management Policy
Community Plan Link	4. Civic Leadership 4.2 Council provides best value services to the Community 4.3 Our business systems are effective and transparent
Date Adopted	
Last review date	June 2015
Next review date	June 2025
Reference/Version Number	
ECM Doc set I.D.	

1. PREAMBLE

1.1. Corporate Purchase Cards (purchase cards) have been implemented to enable City of Unley staff to transact in an efficient and convenient manner when undertaking low risk purchases, typically under $2,000.

1.2. Purchase cards should be recognised as a valuable tool to support the operation of Council's daily business and not as a benefit assigned to specific individuals.

1.3. Purchase cards holders (card holders) are responsible for the appropriate use of purchase cards in accordance with Council's policies and Employee Code of Conduct.

2. SCOPE

2.1. This policy applies to all City of Unley employees and relates the use of purchase cards to purchase goods or services, utilising council funds, in undertaking council business.

2.2. Elected Members are not permitted to hold purchase cards.

3. POLICY PURPOSE/OBJECTIVES

3.1. This policy explains the responsibilities and requirements involved in the utilisation and administration of purchase cards including:

3.1.1. The approval process for issuing purchase cards and purchase card limits;

3.1.2. The circumstances in which purchase cards may be utilised;

3.1.3. The responsibilities of council employees when utilising purchase cards;

3.1.4. The monthly reconciliation and review of purchases through purchase cards;

3.1.5. The process to address inappropriate or fraudulent use of purchase cards;

3.1.6. The circumstances requiring the return of purchase cards; and

3.1.7. The annual review of purchase card utilisation.

3.2. This policy provides clarity to council employees of their responsibilities in receiving and using purchase cards.

3.3. This policy also strengthen the internal financial controls for the use and administration of purchase cards.

4. DEFINITIONS

Keywords	Definitions
Approving Officer(s)	The position holder(s) who is/are responsible for the review and approval of the card holder's transactions on a monthly basis.
Card Holder	An employee of Council authorised to use a corporate purchase card to make purchases in the course of conducting council business.
Corporate Purchase Cards	Any type of authorised corporate purchasing card, including credit, debit, EFTPOS and similar bank cards facilities established by Finance to conduct council business.
Council	The City of Unley
Financial Delegation	The limit placed on an individual transaction for specific position as set out in the Financial Delegation Register.
Financial Institution	The bank or credit union providing the purchase card facility to council.
Finance	The Manager responsible for the finance function or team leader responsible for financial accounting.
Merchant	A supplier of a good or service.

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Monthly Limit	The maximum credit amount allowed to be accumulated on a corporate credit card before requiring repayment over any given period.
Personal Expenses	Any expenditure undertaken to receive a personal benefit and not related to work or business activities.
PIN	The Personal Identification Number assigned to a card for electronic purchase authorisation.
Purchase Card Limit	The limit capping the maximum amount that can be purchased on that purchase card in any one (1) billing period.

5. ROLES AND RESPONSIBILITIES

5.1. Authority to issue purchase cards and alter purchase card limits

5.1.1. The Chief Executive Officer's purchase card, and purchase card limit, shall be approved by the CEO Review Panel.

5.1.2. Purchase cards and purchase card limits for general managers shall be approved by the Chief Executive Officer.

5.1.3. A general manager has delegated authority to approve purchase cards and set purchase card limits for employees within their respective department.

5.1.4. Purchase card limits should be set in consultation with Finance and with regard to the responsibilities and seniority of the position.

5.1.5. Approved changes must be submitted in writing to Finance prior to implementation.

5.2. Purchase card Administration

5.2.1. Finance is responsible for the administration of purchase cards. This includes:

- Ordering, cancelling, and adjusting the limits of a purchase cards upon written request from the authorised person or Committee in the case of the Chief Executive Officer;
- Ensuring the monthly reconciliations are completed in accordance with the Corporate Purchase Card Procedure on council's intranet;
- Maintaining a register of purchase cards including their authorised limits, expiry dates and the copies of the signed Purchase Card Holder Agreement Forms;
- Maintaining documentation relating to authorised changes to purchase cards and monthly reconciliations; and
- Conducting an annual review of purchase card utilisation and limits.

5.3. Purchase card Use and Reconciliations

5.3.1. Card holders are responsible for ensuring the purchase cards are used in accordance with their financial delegation of authority and Council's policies, procedures and guidelines, including, but not exclusive to:

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- this Policy,
- the Procurement Policy and Framework,
- the Entertainment and Hospitality Policy,
- the Recognition Guidelines, and
- the Employee Code of Conduct.

5.3.2. Card holders must sign a Purchase Card Holder Agreement Form to acknowledge they have read this Policy prior to accepting a purchase card. Where changes to this Policy are made, a new Agreement Form must be signed within 30 days of the implementation of the new Policy.

5.3.3. Card holders are responsible for completing a monthly reconciliation of the transactions on their purchase card, within 10 working days of the end of the month, unless agreed otherwise with Finance.

5.3.4. Card holders are responsible for immediately advising the financial institution that issued the card should one of the following occur:

- they identify unverified or fraudulent transactions,
- they misplace their purchase card or have the card stolen, or
- believe their purchase card details have been compromised.

Finance should subsequently be advised as soon as possible.

5.3.5. Card holders are responsible for advising their approving officer and Finance of any personal transactions, inadvertently made, as soon as they are identified. Card holders are required to make arrangements to reimburse Council within 10 working days.

5.4. Review of Purchase Card Monthly Reconciliations

5.4.1. Approving officers, usually the card holder's leader, are responsible for the monthly review and approval of purchase card transactions as part of the reconciliation process.

5.4.2. Any inappropriate use of purchase cards should be reported to Finance and People and Culture immediately, with People and Culture initiating an investigation in accordance with Council's disciplinary procedures.

6. POLICY STATEMENT

6.1. Terms of Use

6.1.1. Purchase cards are intended to be used for purchases under $2,000 where the convenience and efficiency of paying by purchase card outweighs any minimal risk associated with the purchase.

6.1.2. Purchases over $2,000 may be made in isolated circumstances provided:

6.1.2.1. The purchase is within the card holder's delegated authority;

6.1.2.2. The card holder has considered the requirements of the Procurement Policy, including the requirement for purchase orders to be utilised for purchases over $2,000 unless the purchase is on the except list; and

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6.1.2.3. The card holder has carefully considered the risks involved in undertaking the purchase and has satisfied themselves the convenience and efficiency of paying by purchase card outweighs the risks.

6.1.3. Prior to undertaking a purchase utilising a cooperate purchase card, the purchase card holder should consider:

6.1.3.1. The benefit (real or perceived) gained by the public from the expenditure;

6.1.3.2. The public's expectations of government agencies;

6.1.3.3. The appropriateness of the amount of the expenditure;

6.1.3.4. The merits of an alternative method of payment;

6.1.3.5. Whether the expenditure was reasonably necessary for the carrying out the council's functions; and

6.1.3.6. The expenditure is budgeted and in line with Council's policies, procedures and guidelines.

The card holder should also check if there are any specific requirements within council's policies and procedures, prior to undertaking expenditure. For example, the Training and Development Policy requires General Manager approval prior to booking a training course.

6.1.4. Purchases may only be undertaken by the card holder.

6.1.5. If purchasing over the internet, only trusted and secured sites may be used. Website addresses should be directly entered into the web browser. Web site links received by email or other electronic means should not be used.

6.1.6. The card holder is responsible for the security and safe keeping of the card at all times, and may not provide the card, card details or PIN to another staff member or person to undertake a transaction on their behalf.

6.1.7. Purchase card details should not be sent under any circumstances by SMS (text message), email, or any another form of electronic transmission unless through a trusted and secure payment portal.

6.1.8. Cash advances are not permitted and BPAY facilities are not available.

6.1.9. Purchase cards are not to be linked to any form of loyalty points or rewards program.

6.2. Purchase Card Limits

6.2.1. Each purchase card shall have a monthly limit capping the maximum amount that can be purchased on that purchase card in any one (1) billing period.

6.2.2. A temporary increase in the monthly limit may be requested by a card holder (excluding the Chief Executive Officer) for specific circumstances (eg. a low risk one off payment exceeding the purchase card limit). The temporary increase in the purchase card limit must be approved in writing by the CEO or relevant General Manager in accordance with paragraph 5.1 of this Policy. The temporary increase is only applicable until the end of the existing billing period.

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6.2.3. Card holders are responsible for ensuring individual purchases do not exceed their financial delegation, regardless of whether the monthly purchase card limit exceeds their financial delegation for individual purchases.

6.3. Record Keeping

6.3.1. The Purchase Card Holder is responsible for ensuring a tax invoice or receipt is provided by the supplier or merchant upon payment. An EFTPOS receipt is not a sufficient form of documentation.

6.3.2. In instances where a tax invoice or receipt is not available or inadvertently lost, the purchase card holder is required to make a declaration, advising the details of the purchase including the date, supplier, and details of the good or service purchased.

6.3.3. Purchases involving food and drinks must include a Fringe Benefits Tax – Catering form available on council's intranet detailing the reason for the catering, the location in which the catering is provided, the number of staff and non-staff in attendance, and whether alcohol was supplied. These details assist in determining the Fringe Benefits Tax implications.

6.4. Monthly Reconciliation and Review of Transactions

6.4.1. The card holder is required to reconcile the monthly purchase card transactions through Council's finance system, by coding the transactions to the relevant general ledger account with the matched taxation tax invoice or receipt. This reconciliation is required to be completed within 10 business days from the end of the month, unless agreed otherwise with Finance.

6.4.2. Once the card holder has completed their reconciliation, the purchases must be reviewed and authorised by the approving officer(s). The approving officer(s) will be as specified as follows:

Card Holder	Approving Officer(s)
Chief Executive Officer	• General Manager BSI and • Manager Finance and Procurement
General Managers	• Chief Executive
Executive Assistants	• General Manager and • Manager Finance & Procurement / Team Leader Financial Accounting
All other card holders	• The employee's leader / Manager of the respective business unit

6.4.3. In the event the approving officer has concerns regarding a transaction, they should be raised directly with the card holder in the first instance. If they do

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not receive a satisfactory response, or still have concerns, they should be raised with the managers responsible for Finance and People and Culture.

6.5. Inappropriate or Fraudulent Use

6.5.1. Personal expenses of any kind are not to be incurred by a employee on a purchase card. If by unintentional causes, personal expenses are incurred, the card holder:

6.5.1.1. Is liable for the expenditure and will need to reimburse Council for the expenditure; and

6.5.1.2. Must report the personal transactions to their approving officer and Finance as soon as they are identified, and make arrangements to reimburse Council within 10 working days.

6.5.2. Where there are three or more instances of personal transactions being inadvertently made within a three month period, Finance may at is discretion recommend the card holder receive further training or the purchase card be cancelled.

6.5.3. If a card holder encounters one of the following instances:

- Identifies unverified or fraudulent transactions on their purchase card,
- Misplaces or has their purchase card stolen, or
- Believes their purchase card details have been compromised;

The card holder must immediately notify the financial institution that issued the card so a hold can be placed on the card. This will enable further investigation to be undertaken before determining if the card needs to be cancelled, and a new card issued.

Finance should subsequently be advised as soon as possible following contact with the financial institution.

6.5.4. In the event that the value of a legitimate transaction is disputed (eg. over payment or double payment), the card holder should contact the supplier or merchant to dispute the amount of the transaction. If this process is unsuccessful within five (5) business days, they should raise a dispute with the financial institution that issued the card.

6.5.5. Where an unverified transaction, fraudulent transaction or unresolved disputed transaction with a supplier or merchant exists, the transaction should be disputed with the financial institution that issued the card. Finance may assist the card holder in raising the dispute with the financial institution.

6.6. Return of Purchase Cards

6.6.1. Cards should be returned if they are not being utilised by the card holder.

6.6.2. If card holder takes extended leave longer than a period of 30 days, the card holder is required to notify Finance. Finance reserves the right to put the card on hold until the employee's return.

6.6.3. Should a card holder resign or retire from the City of Unley, the card must be returned no later than the last working day of employment.

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6.6.4. Should a card holder's employment by terminated or suspended, the card holder must advise People and Culture for further instruction.

6.7. Annual Review of Purchase Cards

6.7.1. Finance will conduct an annual review of purchase card utilisation and limits to ensure:

6.7.1.1. Purchase cards are, in general, being utilised effectively and appropriately.

6.7.1.2. The allocation of purchases cards across the council is appropriate;

6.7.1.3. Confirm that card holders have signed the Purchase Card Agreement Form on an annual basis, acknowledging they have read this Policy and understand their responsibilities; and

6.7.1.4. Month purchase card reconciliations are being consistently completed within the required timeframes.

6.7.2. The annual review is not intended to be an internal audit of purchase card utilisation, nor a review of internal controls which is undertaken separately as part of the review of the Internal Financial Controls.

7. LEGISLATION

7.1. This policy applies the provisions of the *Local Government Act 1999* (the Act) Section 124, (Accounting Records to be Kept), regarding how financial information pertaining to purchase card transactions and reconciliations are undertaken.

7.2. This policy strengthens the internal financial controls as required by Section 125 of the *Local Government Act (1999)*. Councils 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.

7.3. Section 137 (Expenditure of funds) of the *Local Government Act 1999* gives Council the power to expend its funds in the exercise, performance or discharge of its powers, functions or duties under the Act or any other Act. Council has delegated this power, with limitations, to the Chief Executive Officer (CEO) in accordance with Section 44 of the Act and this power is further sub-delegated in accordance with Section 101 of the Act.

7.4. Schedule 4 of the *Local Government Act (1999*) schedule 4, clause 1 (l) requires "... a statement of the total amount of expenditure incurred using credit cards provided by the council for use by members or employees of the council during the relevant financial year..." to be included in the Annual Report. The presentation in the Annual report as per Regulation 35(2), *Local Government (General) Regulations 2013 (Mandatory)* defines that there are no prescribed requirements as to how the content is presented. However, the minimum requirement is to present the total credit card expenditure.

8. AVAILABILITY OF POLICY

8.1. The Policy is available for public inspection during normal office hours at:

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The Civic Centre,

181 Unley Road, Unley SA 5061.

A copy may be purchased for a fee as determined annually by Council.

It is also available for viewing, download and printing free of charge from the Council's website www.unley.sa.gov.au.

9. DOCUMENT HISTORY

Date	Ref/Version No.	Comment

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THE CITY of Unley

Procedure Title: Corporate Purchase Card Policy

Policy Type:	*Administrative Procedure*
Reference Number:	*N/A*
Responsible Department:	*Finance*
Responsible Officer:	*Manager Finance & ICT*
Legislation	Local Government Act 1999 Local Government (Financial Management) Regulations 2011
Relevant Delegations:	*N/A*
Related Policies and Procedures	*Procurement Policy;* Code of Conduct for Council Employees; Fraud & Corruption Prevention Policy; Freedom of Information Act, Gifts and Benefits Policy
Community Goal	*5.1 Contribute to the local community and cultural life by providing opportunities for cultural expressions and learning*
Council Resolution:	*N/A*
Date Adopted:	*June 2015*
Review Date:	*June 2017*

Existing Policy

1. INTRODUCTION

The following sections of the *Local Government Act 1999* (the Act) apply to the Corporate Purchase Card Policy.

Section 124 (Accounting Records to be Kept) regarding Council's Corporate Credit Cards and how financial information pertaining to Credit Card purchases, transactions and reconciliations are undertaken across all Council operations.

Section 125 (Internal control policies) commits 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 (as far as possible) the accuracy and reliability of council records.

Section 129 (Conduct of Audit) requires our Auditor to verify that all financial transactions of the council have been conducted properly in accordance with law.

2. PRINCIPLES

- Ensure transparency in Council's operations concerning the use of Corporate Purchase Cards
- Ensure Council's resources are managed with integrity and diligence
- To adopt best practice in developing a clear and comprehensive policy on the use of Corporate Purchase Cards.

3. PURPOSE

Corporate Purchase Cards have been implemented to allow the Council staff to transact in a more efficient manner and at the same time provide a more convenient method to meet costs incurred on Councils behalf.

The cards should be recognised as a valuable tool for the efficient and effective operation of Councils daily business and not as a benefit assigned to specific individuals. Corporate purchase cards will create savings in staff administration time, reducing the number of one-off purchases reimbursed via petty cash and/or accounts payable and using cards currently held by other council staff.

Control of the use of cards will be maintained through the reconciliation process overseen by Finance each month.

4. PROCEDURES

4.1 Issuing of Cards

The relevant General Manager (GM), has delegated authority for the issuing of Corporate Purchase Cards to staff.

Finance will be responsible for maintaining a register of the individual Corporate Purchase Cards including their authorised limits and expiry dates. Finance will also be the administrator of the cards. This includes ordering cards, cancelling cards and monitoring the monthly reconciliations completed in the finance system.

After authorisation is given, Finance will order the new card with a form that has the signature of the relevant GM of the employees division and the employee. A copy of this procedure must accompany the issue of the card to the cardholder. The cardholder must sign this form and return to Finance before the card is issued. By signing the form, the cardholder is accepting all terms and conditions as set out by the City of Unley.

4.2 Limits

Each corporate card will have a monthly limit on expenditure. If the monthly limit is reached, the cardholder should contact the Finance team for further advice.

4.3 Restrictions

Corporate Purchase Cards are ***not*** to be used for personal expenses under any circumstances. The City of Unley has the right to remove the card from the cardholder if it deems fit. Cards should not be used for fuel purchases as fuel cards

Existing Policy

are already supplied. If purchasing over the internet, only trusted and secured sites should be used. The cardholder will be personally liable for expenditure that cannot be shown to be related to the business of the City of Unley. No cash advances are allowed via any means available eg. ATM.

4.4 Use of Cards

Cards are used as per any other purchase card available with a PIN entry or pay wave required to make purchases, including via the internet and telephone.

The card is for official business use only, no personal expenditure is permitted on the card. The card is not linked or should not be linked to any form of awards program the cardholder may have.

No Cash advances are permitted on the card

A tax invoice is required with ***every*** purchase you make. This is required to reconcile the purchase card and obtain any input tax credits that the council can claim on completion of the monthly BAS statement.

A valid tax invoice must contain the following requirements to comply with Australian taxation law;

- Name of creditor or supplier
- Address and contact details of creditor or supplier
- ABN of creditor or supplier
- Date of Issue
- Quantity and description of good or services purchased
- Tax Invoice written on the receipt
- Where available, the City of Unley written on the receipt with our address
- GST amount on the receipt or a statement showing "total includes GST'
- Amount Paid

If the transaction is greater than $1,000 then either our name or our ABN (63 714 797 082) should also appear on the tax invoice.

The credit limit of the individual cardholder must not be exceeded. To obtain your current balance, the MA will be able to do this for you upon request.

Use of the purchase card must follow the City of Unley's purchasing policies including preferred suppliers where possible.

Procurement guidance can be obtained from the Finance Department.

4.5 Reconciliation

A reconciliation of all transactions must be performed on a monthly basis. The electronic statements will be loaded into the finance system where all transactions will be required to have entered a;

- Ledger code
- GST status

Existing Policy

Once the reconciliation is completed, employees will seek authorisation for the expenditure directly from their manager via electronic workflow. Thereafter the reconciliation will be sent to Finance to check and post the expenditure into the finance system.

If reconciliations are not completed in an acceptable timely manner, the purchase card will be cancelled.

4.6 Payment of Monthly Account

Each month, our current Corporate Card Provider will direct debit our bank the months expenditure.

4.7 Disputed / Fraudulent Transactions

Any transactions that are not familiar to the card holder must be acted upon immediately. A simple phone call may be all that is needed to the supplier to correct duplicated charges or non receivable goods after the purchase has been made. If this does not correct the problem, Finance should be contacted who will attempt dispute the charge with the Corporate Card Provider. This can be a lengthy process and every endeavour should be made to resolve the issue prior to going down this path.

Fraudulent transactions while not commonplace do occur, while reviewing your transactions be mindful of this. If you suspect any transactions might be fraudulent in nature you must contact Finance as soon as possible.

4.8 Lost of Stolen Cards

If the card is lost or stolen, it is the responsibility of the card holder to contact the Corporate Purchase Card Provider to report the loss. Please keep the details of the card readily available should they be required. Finance must be contacted no later than the next business day to administer the change in status. Finance with the approval of the GM will arrange for a replacement card and issued upon receipt. Finance will then see that the card register is updated.

4.9 Terminating or Ceasing Employment

Cards should be returned as soon as no longer required and if leaving the services of Council, should be returned no later than the last day of employment.

Existing Policy

ATTACHMENT 1

CORPORATE PURCHASE CARD
CARDHOLDER APPROVAL AND ACKNOWLEDGMENT

APPROVAL

Cardholders Name:_____

Position:_____

Credit Limit (Monthly):$_____

General Manager:(sign and print)_____

Finance Manager : (sign and print _____

Date:_____

ACKNOWLEDGMENT

I Acknowledge receipt of the City of Unley Corporate Purchase Card and agree that:

1. I will not use the Corporate Purchase Card, nor permit it to be used, other than for official Council purposes.
2. I will ensure security of the Corporate Purchase Card at all times and will not permit the card to be used by any other person.
3. If the Corporate Purchase Card is lost or stolen, I will immediately report to the financial institution and will also inform the Finance.
4. If my position with the City of Unley changes or my employment terminates, or I am asked to surrender the card for any reason, I will immediately return the card.
5. No Cash advances are permitted on the card
6. I will retain all original supporting documentation that meets the requirements of a Tax Invoice for presentation to the relevant authorising officer.
7. I will ensure that all OHS&W requirements are complied with for all purchases.
8. If I misuse the Corporate Purchase Card (i.e. use it in a manner otherwise than in accordance with the instructions provided), I may be liable for disciplinary action.

Card Number: _____ Expiry Date:_____

Signature of Cardholder: _____ Date: _____

Management Accountant: _____ Date: _____

Existing Policy

INFORMATION REPORT

REPORT TITLE:	QUARTERLY RISK REPORT - NOVEMBER 2022
ITEM NUMBER:	2.3
DATE OF MEETING:	14 NOVEMBER 2022
AUTHOR:	ALEX BROWN
JOB TITLE:	MANAGER FINANCE AND PROCUREMENT
ATTACHMENTS:	1. STRATEGIC RISK REGISTER - OCTOBER 2022

1. PURPOSE

This report provides an update following a review of the Strategic Risk Register for the quarter ending October 2022.

2. RECOMMENDATION

That:

1. The report be received.

3. RELEVANT CORE STRATEGIES/POLICIES

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

4. BACKGROUND

Strategic Risk Review

The Executive Management Team (EMT) reviews the Strategic Risk Register (SRR) quarterly to consider:

- The risk ratings for all strategic risks;
- The appropriateness of the treatment plans and management's progress in completing them; and
- If there were any new or emerging strategic risks.

5. DISCUSSION

EMT conducted their quarterly review of the SRR on Tuesday 24 October 2022. The review identified that:

- The existing identified strategic risks remain relevant;
- One treatment plan under *Strategic Risk 1 – Failure to maintain financial sustainability* has been completed. This related to the development and implementation of a revised Project Management Framework;
- The target completion date of a treatment plan under *Strategic Risk 3 – Ineffective decision making that lacks transparency* has been revised from December 2022 to February 2023;
- The progress of a treatment plan under *Strategic Risk 5 – Workforce not appropriately skilled or engaged* has been updated.
- The progress and target completion date of a treatment plan under *Strategic Risk 6 – Inability to respond to climate change* has been revised from September 2022 to December 2022.
- The remaining treatment plans intended to further mitigate risks are progressing; and
- There were no new emerging risks identified.

A full copy of the updated SRR is provided in Attachment 1.

Attachment 1

6. REPORT AUTHORISERS

Name	Title
Alex Brown	Manager Finance and Procurement
Nicola Tinning	General Manager, Business Support & Improvement

STRATEGIC RISK REGISTER

This Review – 25 October 2022 by:

- Peter Tsokas - Chief Executive Officer
- Megan Berghuis - General Manager City Services
- Nicola Tinning – General Manager Business Support and Improvement
- Claude Malak - General Manager City Development

Last Reviewed: **July 2022** by:

Peter Tsokas

Megan Berghuis

James Roberts

Claude Malak

Strategic Risk Register

1	**Event Description:** Failure to maintain financial sustainability		
Responsible Managers: CEO, EMT, CFO		**Community Plan Theme:** CIVIC LEADERSHIP & ECONOMIC PROSPERITY	
***Negative* Contributory Factors:** • 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:** • 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	
Likelihood: Possible	**Consequence:** Major	***Inherent* Risk Rating:**	**HIGH**
Existing Controls/Mitigating Practices: • Endorsed Community Plan, Four Year Delivery Plan and Annual Operating Plans • Comprehensive budget development process that meets legislative requirements (including cost estimates & consultation). • Long Term Financial Plan in place with adopted financial targets; reviewed annually • Adoption and application of the Better Practice Model – Internal Financial Controls • Prudential 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. Development and Implementation of a revised Project Management Framework	• GMCD	• Draft completed • Implementation Jan 2023	The draft framework is out for consultation and implementation and training is to be completed by January 2023.

Strategic Risk Register

2	**Event Description:**	Inability to meet the needs and expectations of the community

Responsible Managers: CEO, EMT, Managers	**Community Plan Theme:** COMMUNITY LIVING & CIVIC LEADERSHIP
***Negative* Contributory Factors:** • 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:** • 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:

- 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**

Strategic Risk Register

3	**Event Description:**	Ineffective decision making that lacks transparency		
Responsible Managers: CEO, EMT, Managers			**Community Plan Theme:** CIVIC LEADERSHIP	
***Negative* Contributory Factors:** • 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:** • 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: • 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			• 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)	• OCEO	• Feb 2023	The review of the delegations commenced in October. The completion date has been revised to February 2023.

Strategic Risk Register

4	**Event Description:**	Inability to manage legislative and regulatory compliance obligations

Responsible Managers: CEO, EMT, Managers	**Community Plan Theme:** CIVIC LEADERSHIP
***Negative* Contributory Factors:** • 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:** • 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:

- 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
- 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

Control Effectiveness:	***Majority Effective***	***Risk Tolerance* up to:**	**MEDIUM**
Likelihood: Possible	**Consequence:** Major	***Residual* Risk Rating:**	**HIGH**

Treatment Plan:	**Responsibility:**	**Target Completion Date:**	**Comment**
1 Preparation for LG Reform	• EMT	• Ongoing	
2 Investigate development and implementation of Legislative Compliance register	• OCEO	• Dec 2022	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.

Strategic Risk Register

5	Event Description	Workforce not appropriately skilled or engaged

Responsible Managers: CEO, EMT, Managers	**Community Plan Theme:** CIVIC LEADERSHIP
***Negative* Contributory Factors:** • 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:** • 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:

- 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)
- 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 structure reviewed
- On-line climate survey tool to provide regular interim measure between OCI surveys
- 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**

Treatment Plan:	Responsibility:	Target Completion Date:	Comment
1 Establish and implement an internal communication framework and plan that conveys what will be communicated, to who, when and how	• GMBSI	• June 2023	The development of an Internal Communication Framework has commenced.

Strategic Risk Register

6	**Event Description:**	Inability to respond to climate change		
Responsible Managers: CEO, EMT			**Community Plan Theme:** ENVIRONMENTAL STEWARDSHIP	
***Negative* Contributory Factors** (*"root" causes / how and why the event arises*): • Extreme weather events • Increased urban infill • State Government Planning Reforms • Increased waste production by the community			**Risks:** • 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: • 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	
Control Effectiveness:	***Majority Effective***		***Risk Tolerance* up to:**	**MEDIUM**
Likelihood: Unlikely	**Consequence:** Major		***Residual* Risk Rating:**	**MEDIUM**

Treatment Plan:	Responsibility:	Target Completion Date:	Comment
1. Implementation of the Heatwave Action Plan	• EMT	• Dec 2022	The proposed actions have been reviewed with implementation dates presently being finalised. The Action Plan is scheduled to be presented to EMT by December.

Strategic Risk Register

Emerging Risks: *What keeps you awake at night??*

October 2022

Nil

Appendix

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.