



COMMITTEE AGENDA

Audit Committee

Notice is hereby given pursuant to the provisions of the Local Government Act, 1999, that the next Meeting of the Confidential Audit Committee will be held via **Zoom**

Tuesday 15 February 2022 6.30pm

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 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	
<i>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.</i>	
1.4 MINUTES	
1.4.1 Minutes of the Ordinary Audit Committee Meeting held Tuesday, 7 December 2021	
1.5 DEFERRED / ADJOURNED ITEMS	
Nil	
2. REPORTS	
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3. OTHER BUSINESS	

4. CONFIDENTIAL ITEMS

- | | | |
|-----|--|----|
| 4.1 | Confidentiality Motion for Item 4.2 - Centennial Park Cemetery Authority - Draft Long Term Financial Plan and Asset Management Plan | 52 |
| 4.2 | Centennial Park Cemetery Authority - Draft Long Term Financial Plan and Asset Management Plan | 54 |
| 4.3 | Confidentiality Motion to remain in confidence for Item 4.1 - Confidentiality Motion - Centennial Park Cemetery Authority - Draft Long Term Financial Plan and Asset Management Plan | 54 |

NEXT MEETING

Tuesday 15 March 2022 - 6.30pm

181 Unley Road Unley

INFORMATION REPORT

REPORT TITLE:	OPERATIONAL RISK REGISTER
ITEM NUMBER:	2.1
DATE OF MEETING:	15 FEBRUARY 2022
AUTHOR:	LIDA CATALDI
JOB TITLE:	PRINCIPAL RISK MANAGEMENT OFFICER
ATTACHMENTS:	1. OPERATIONAL RISK REGISTER 2. RISK MATRIX

1. EXECUTIVE SUMMARY

The Operational Risk Register was reviewed in consultation with each of the Business Unit Managers in November 2021. The business units are:

- Assets & Operations
- Business Systems and Solutions
- City Design
- Community and Cultural Centres
- Swim Centre
- Community Connections
- Development and Regulatory Services
- Finance and Procurement
- Office of the Chief Executive Officer and,
- People and Culture.

The purpose of the Operational Risk Register is to identify, manage and continually monitor risks that may impede the day-to-day operations of each business unit.

Previously 53 risks were identified; their review included an assessment of control effectiveness and any progress associated with treatment plans.

Three new global risks associated with COVID-19 were added following the release of the SA Health Roadmap for COVID-19 and the reopening of South Australian borders. The Executive Management Team are the risk owners. Two of these risks were deemed to have an acceptable high residual risk, and the third has an acceptable medium residual risk.

One of the new global risks replaced an existing business unit risk related to the impact of COVID-19 on Council owned facilities.

A further three new risks were added in the areas of Assets & Operations, Community Connections and Business Systems & Solutions revising the total number of operational risks from 53 to 57.

The Operational Risk Register now has four high, thirty one medium, and twenty two low residual risks.

To assist with consistency a detailed review of the inherent and residual risk ratings has commenced. This will continue to be refined as the risks are reviewed on a quarterly basis.

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

The City of Unley's Risk Management Policy and Framework provides for the systematic management of risks in a consistent manner across the organisation.

The Operational Risk Register (ORR) provides a framework for identification, assessment, and management of risks for each business unit. The ORR was reviewed between October and November 2021.

The process for the review of the ORR involved individual meetings between each Business Unit Manager and the Principal Risk Management Officer. During the review, Managers were asked to reassess if the risk ratings and the continuing control effectiveness is still current, and provide any progress updates relating to the treatment plans within the register. Completed treatment plans were incorporated into the 'existing controls' column.

The Managers were also asked if there were any new and emerging risks that should be included within the Operational Risk Register. Three Global Risks relating to COVID-19 and three new operational risks were identified.

The reviewed ORR for all business units is provided as Attachment 1.

Attachment 1

A summary of the residual risk and their placement on the risk matrix is provided below:

Residual Risk Summary						
Likelihood		Consequence				
		Insignificant	Minor	Moderate	Major	Catastrophic
	Almost Certain	0	0	0	0	0
	Likely	0	0	1	1	0
	Possible	0	0	5	1	1
	Unlikely	0	5	11	1	2
	Rare	0	4	13	7	5
Total Residual Risk						
		0				
		4				
		31				
		22				

The Risk Matrix used to assess the operational risks is attached for reference.

Attachment 2

5. DISCUSSION

Out of the 57 risks that were identified, six are new risks. These include the three Global Risks, and three operational risks as shown in the table below:

Risk #	Residual Risk Rating	Description
Global Risk 1	High	Widespread infection of COVID-19 within the City of Unley workplace
Global Risk 2*	Medium	Closure of Council facilities following identification as an exposure site by SA Health
Global Risk 3	High	Significant absenteeism arising from COVID-19.
Assets & Operations #7	Medium	Ability to replace Plant and Equipment due to the impacts of COVID-19
Community Connections #6	Medium	Working with vulnerable clients (safe environments for vulnerable people)
Business Systems and Solutions #9	Medium	Sourcing of IT hardware and consumables

Ten new treatment plans have been identified and any completed treatment plan has been moved into the 'existing controls' column.

To assist with consistency, a detailed review of the inherent and residual risk ratings has commenced. This will continue to be refined as the risks are reviewed on a quarterly basis.

The Operational Risk Register now has four high, thirty one medium, and twenty two low residual risks.

The full Operational Risk Register will be presented to the Audit Committee on an annual basis.

For operational risks with a residual risk of high or extreme, the Audit Committee will be provided an update at each meeting to ensure an ongoing oversight of those risks.

6. **REPORT AUTHORISERS**

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

OPERATIONAL RISK REGISTER: February 2022																	
Ref #	Risk Category	Risk name and description	Risk issues identified	Risk Owner	INHERENT RISK			Existing controls	Control Effectiveness (1=Not effective at all 2=Partially effective 3=Majority effective 4=Completely effective)	RESIDUAL RISK			Accept Y or N	Further strategies/ treatments for consideration or ongoing	REVISED RESIDUAL		
					Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating
GLOBAL #1	Health, Safety & Welfare	<i>In response to SA Health's COVID-19 Ready Plan - Borders opening from 23 November 2021</i> <i>Risk of widespread infection of COVID-19 within the City of Unley workplace.</i>	Risk of widespread infection of COVID-19 within the City of Unley workplace, increasing the possibility of Elected Members, employees, contractors and volunteers of experiencing severe and potentially life threatening symptoms.	Executive Management Team	Major	Possible	High	State Direction / Legislation relating to COVID-19; COVID-19 Safe Plans in place; Check-in QR Codes; Visitor Booking System - monitors capacity of centre and tracks attendance; Provide COVID-19 Checklist for Group Bookings (under 200 people); COVID-19 Safe Plans for events greater than 200; COVID-19 Marshalls for public venues; Increased routine cleaning; Staff Measures in place - (infection training, COVID-19 Leave, face masks, vaccinations strongly encouraged, CEO Directions); Hygiene stations; Physical barriers; Increased signage; Vaccination Policy.	3. Partially effective	Major	Possible	High	Yes				
	Business Performance & Service Delivery	<i>In response to SA Health's COVID-19 Ready Plan - Borders opening from 23 November 2021.</i> <i>Risk of closure of Council facilities following identification as an exposure site.</i>	Council unable to open public facilities for 24hrs to conduct a site clean therefore impacting some services to the community.	Executive Management Team	Moderate	Likely	High	COVID-19 controls in place as Global #1; Processes in place for closure of facilities from earlier restrictions; Contract for site cleaning process in place to minimise response time (24 hrs closure for site clean); Increased routine cleaning; Staff measures in place - (infection training, COVID-19 leave, face masks, vaccinations strongly encouraged, CEO Directions); Hygiene stations; Physical barriers; Increased signage.	3. Partially effective	Moderate	Possible	Medium	Yes				
	Business Performance & Service Delivery	<i>In response to SA Health's COVID-19 Ready Plan - Borders opening from 23 November 2021.</i> <i>Increased absenteeism due to COVID-19.</i>	Council's capacity to perform key tasks and functions is limited by absenteeism	Executive Management Team	Major	Likely	High	COVID-19 controls in place as Global #1&2; Staggered working from home arrangements for teams to minimise exposure to a whole team at once; Contractual resourcing available; Prioritise critical functions and work; Business Continuity Plan for critical functions; Vaccination Policy.	3. Partially effective	Major	Likely	High	Yes				
A&O #1	Health, Safety & Welfare	Low staff turnover in certain teams could result in an ageing workforce.	Maintaining a skilled workforce; Loss of key staff; Increased WHS Risk due to manual labour relating to ageing workforce; Fit for role requirements - tasks require modification to adapt to ageing workforce; Service level provided to community may be compromised.	Manager Assets and Operations	Minor	Likely	Medium	Tasks modified to adapt to ageing workforce; Other works outsourced where possible; Ongoing training and development; Performance management; Working with WHS to develop educational tools to encourage health and wellbeing (ie. stretching videos).	4. Majority effective	Minor	Rare	Low	Yes	Investigations have progressed via the WHS team into possibilities of improving staff health and wellbeing to enable ongoing performance of duties as required - however this has not been rolled out due to an issue with the external provider	Moderate	Rare	Low

OPERATIONAL RISK REGISTER: February 2022																	
Ref #	Risk Category	Risk name and description	Risk issues identified	Risk Owner	INHERENT RISK			Existing controls	Control Effectiveness (1=Not effective at all 2=Partially effective 3=Mostly effective 4=Majority effective)	RESIDUAL RISK			Accept Y or N	Further strategies/ treatments for consideration or ongoing	REVISED RESIDUAL		
					Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating
A&O #2	Business Performance & Service Delivery	Ability to respond in a timely manner to external influences, impacts and unplanned events.	Climate change; Unexpected changes in service requirements; Legislative and regulatory requirements; State Government needs or interventions; Development of State Government partnerships and key stakeholder partnerships; Emergency situations and business continuity.	Manager Assets and Operations	Minor	Likely	Medium	External factors considered during planning; Adaptation Plan developed; Resilience Plan developed; Business Continuity Plan developed; Regular consultation processes with State and Federal Governments; Some incident management plans in place; Local Government Functional Support group.	4. Majority effective	Minor	Rare	Low	Yes				
A&O #3	Business Performance & Service Delivery	Level of responsiveness to internal stakeholder requirements and expectations.	Political nature of the environment; Responding to changes in Council direction / decision making; Adhering to agreed 'State' strategies; Inconsistent messaging across the organisation; Different sections have different priorities - stops us responding.	Manager Assets and Operations	Minor	Likely	Medium	Promoting a single point of capture and contact; Adopting a relationship management approach; Provision of accurate and timely information; Focus on building credibility and trust; Formal sign-off on agreed service levels within our Asset Management Plans.	4. Majority effective	Minor	Rare	Low	Yes				
A&O #4	Financial	Adequacy of financial resources to deliver required services.	Budget funding and allocations; Value for money not pursued or realised; Ongoing pressure on financial sustainability; Funding received not used for intended purpose.	Manager Assets and Operations	Minor	Almost Certain	High	Formal process to align services to budgets Long Term Financial Plan in place with adopted financial targets and reviewed annually Strategic Asset Management Plan adopted and linked to Long Term Financial Plan Regular reporting on financial performance Annual and quarterly budget review process Service level reviews - mapping level of service delivered vs cost to deliver service	4. Majority effective	Minor	Rare	Low	Yes				
A&O #5	Infrastructure	Effective asset management planning.	Sufficient capital renewal and operating maintenance budgets to meet service delivery.	Manager Assets and Operations	Minor	Likely	Medium	Skilled and qualified resources; Current Asset Management Plans; Strategic Asset Management Plan adopted and linked to Long Term Financial Plan; Policies and procedures; Standard operating procedures and work instructions; Long Term Financial Plan in place with adopted financial targets and reviewed annually; External reviews by regulators; Communication of processes to the Audit Committee and Council.	4. Majority effective	Minor	Rare	Low	Yes				

OPERATIONAL RISK REGISTER: February 2022																	
Ref #	Risk Category	Risk name and description	Risk issues identified	Risk Owner	INHERENT RISK			Existing controls	Control Effectiveness (can it be relied on to prevent or reduce the risk to an acceptable level?)	RESIDUAL RISK			Accept Y or N	Further strategies/ treatments for consideration or ongoing	REVISED RESIDUAL		
					Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating
A&O #6	Infrastructure	Ability to manage and deliver on resident expectations of service provision.	Residents expectations and alignment to Council standards; Timeliness of service provision; Quality and scope of works; Freedom of Information requests; Business objectives and planning do not achieve organisational objectives / strategies; Not having an agreed set of standards (measurement for service delivery) that Council sign off on and adhere too - Council to take ownership of, not administration; Having insufficient budget to meet expectations	Manager Assets and Operations	Moderate	Almost Certain	High	Community plan linked to the Annual Business Plan and Budget; Council Code of Conduct - includes confidentiality and conflict of interest provisions; Service standards documented in AMPs; 'Offerings' defined in Customer Service Charter; Customer complaints policy and process in place; Training (consistency of messaging to set community expectations in line with agreed services we provide); Community consultation processes; Implementation of actions from the Depot Services Review to further track maintenance activities and associated costs.	4, Majority effective	Moderate	Possible	Medium	Yes				
A&O#7 - NEW	Business Performance & Service Delivery	Ability to replace Plant & Equipment due to the impacts of COVID-19.	COVID-19 Impacting resourcing & maintenance of plant and equipment (delays with parts or actual plant/equipment)	Manager Assets and Operations	Moderate	Likely	High	Alternative supplier of plant/equipment (eg. Hire or engagement of contractors to continue service until parts or plant is received/delivered).	4, Majority effective	Moderate	Possible	Medium	Yes				
CC#1	Business Performance & Service Delivery	Effective communication IT Systems Supply of replacement Plant & Equipment due to the impacts of COVID-19; Access to external Internet sites such as My Aged Care and the Department of Social Services (DSS) Data Exchange.	Loss of systems will lead to inability to deliver services as required; Loss of internal SMS database will restrict access to client details and limit communication to these clients; Inability to provide services as tied with grant KPIs; My Aged Care Portal and DSS Data Exchange is not internally supported. Restricted access to these databases will hinder meeting the reporting requirements of the grant.	Manager Community Connections	Moderate	Likely	High	Telephone/Skype - maintained by IT, and back up service available - can divert to out of hours service; SMS database is supported by Unley's BS&S team and external service provider; Back up hard copy of client information; External contractors who provide services on behalf of the City of Unley, liaise with their clients directly and have client information within their databases; Staff have capacity to work from alternate location; Staff trained as super users to troubleshoot issues; IT provide technical support.	5, Effective	Moderate	Unlikely	Medium	Yes				
CC#2	Business Performance & Service Delivery	Management of volunteers workforce.	Services reliant on Volunteers are: - Community Transport Service - Community Bus - JP (these will cease to be provided)	Manager Community Connections	Moderate	Likely	High	Volunteer Coordinator responsible for recruitment, reward and recognition programs, monitoring and overseeing effectiveness of support provided to volunteer (250 Volunteers) Documented policies and procedures Alternative short term solutions in place for transport	5, Effective	Major	Unlikely	Medium	Yes				

OPERATIONAL RISK REGISTER: February 2022																	
Ref #	Risk Category	Risk name and description	Risk issues identified	Risk Owner	INHERENT RISK			Existing controls	Control Effectiveness (Qualitative assessment of the effectiveness of existing controls)	RESIDUAL RISK			Accept Y or N	Further strategies/ treatments for consideration or ongoing	REVISED RESIDUAL		
					Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating
CC#3	Reputation	Grant Funding	Some of Council services are part or fully grant funded. If funding ceased, then the services relating will also cease to be provided.	Manager Community Connections	Moderate	Likely	High	Staff with expertise in writing grant applications and meeting funding body's requirements Staff contracts aligned to grant funding to minimise financial risk to Council Clear communication to ensure community understand services provided are funded by the Commonwealth	5. Effective	Moderate	Unlikely	Medium	Yes				
CC#4	Business Performance & Service Delivery	Staff Resources	FTE required to deliver services provided to the community. If staff resources not available potentially services/projects will cease. Qualifications/expertise required to meet aged care standards which are audited against	Manager Community Connections	Moderate	Possible	Medium	Contract terms to ensure minimal turnover of staff; Employee conditions provided at the City of Unley; Recruitment process to ensure skills match to role; Provide training and support; Staff recognition; Trained temporary contract staff available; Trained contractors available.	5. Effective	Moderate	Rare	Low	Yes				
CC#5	Reputation	Complaints management	Dissatisfied customers could lead to reputational damage; Inability to meet KPI within business plan for customer satisfaction rating.	Manager Community Connections	Moderate	Possible	Medium	KPI in business plan identified for customer satisfaction rating; Complaints handling framework; CX staff have training on complaint handling; External Customer Standards; Section 270 requirements; Internal Consultation process; Pathway Complaints Management System; Tools and templates available for responding to complaints.	5. Effective	Moderate	Rare	Low	Yes				
CC#6 - NEW	Business Performance & Service Delivery	Working vulnerable clients	Safe environment for vulnerable people	Manager Community Connections	Moderate	Possible	Medium	Policy - Safe Environment for Children and Vulnerable People; Appropriate clearances in positions dealing with vulnerable people directly (relying on a third party system); External facilitators are required to have clearances relating to vulnerable people.	5. Effective	Moderate	Rare	Low	Yes				
P&C#1	Business Performance & Service Delivery	Managing employee and industrial relations across the organisation.	Breaching industrial instruments; Unfair dismissal claims; Employee dissatisfaction arising from termination; Conflict management; Enterprise Bargaining Agreement negotiations.	Manager People and Culture	Moderate	Possible	Medium	Maintain good relationship with employees and unions; Specialist skills, capability of P&C staff; Focus on organisation culture; Partner with business areas; Ensuring all consultative mechanisms eg. Workplace Consultative Committees are utilised fully.	5. Effective	Moderate	Rare	Low	Yes				

OPERATIONAL RISK REGISTER: February 2022																	
Ref #	Risk Category	Risk name and description	Risk issues identified	Risk Owner	INHERENT RISK			Existing controls	Control Effectiveness (1=Not effective at all 2=Partially effective 3=Majority effective 4=Fully effective)	RESIDUAL RISK			Accept Y or N	Further strategies/ treatments for consideration or ongoing	REVISED RESIDUAL		
					Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating
P&C#2	Health, Safety & Welfare	Supporting staff, volunteer and contractor health, safety and wellbeing across the organisation.	Turnover in the WHS Team may impact on project delivery; Staff not being adequately skilled to meet role requirements may impact on ability of team to fulfill obligations under relevant legislation; Under reporting of incidents; Contractor WHS.	Manager People and Culture	Moderate	Likely	High	Maintain good relationship with LGWCS, employees and unions; Specialist skills, capability of P&C staff; Established Strategic and Operational Committees; Documented policies, procedures, Safe Work Method Statements (SWMSs); Job Safety Analyses (JSAs) performed; Incident reporting processes in place; Training Needs Analyses (TNAs) completed; Partner with business areas; Ongoing reporting; Regular independent audits completed.	5, Effective	Moderate	Rare	Low	Yes	Development of Safety strategy focussing on Safety Culture; Review and development of contract management system; Review and development of WHS operational Risk register. In Progress (Nov 2021)	Moderate	Rare	Low
P&C#3	Business Performance & Service Delivery	Having the required number of people with the right skillset to deliver Council's 4 Year Plan.	High turnover within P&C team impacting knowledge management and project delivery; Staff not being adequately skilled to meet role requirements may create delivery gaps and/or increased consulting costs; Quality staff not being retained; Recruitment processes not delivering adequate quality candidates.	Manager People and Culture	Moderate	Likely	High	Recruitment processes; Learning and development plans; Performance appraisal processes; Attractive Enterprise Agreements; Good brand and reputation; Robust probation process; Robust disciplinary and performance improvement processes; Employee feedback mechanisms (eg. culture survey).	4, Majority effective	Moderate	Unlikely	Medium	Yes	Increasing probation across all role types to six months Development of leadership capability framework Ongoing Leader development (currently in progress)	Moderate	Rare	Low
P&C#4	Business Performance & Service Delivery	Payroll function operating effectively.	Single source of knowledge of Payroll Officer; Insufficient access to technical support either inhouse or payroll software provider; Breach of legislative requirements employment/financial; GL structure not in alignment with payroll cost allocation; Payroll costs not reconciled to GL.	Manager People and Culture	Moderate	Likely	High	2 payroll resources being able to back each other up; Training of P&C staff as back-up support; Building capability within IT Team; Knowledge and capacity of the P&C members to ensure compliance; Payroll environment hosted by software provider; Monthly reconciliation of GL in collaboration with Finance Officer.	4, Majority effective	Moderate	Rare	Low	Yes				
OCEO#1	Reputation	Loss of confidence in Council's capabilities and reputation by community, government or Minister.	Inappropriate or inadequate decision making frameworks; Appropriate management of relationships - CEO, Elected Members and external parties; Inappropriate management of information received; Managing responsiveness and timeliness of communication; Appropriate use of resources.	Executive Manager OCEO	Moderate	Likely	High	Governance and Risk Management Frameworks in place; Policies and Procedures; Regular updates between CEO and Mayor; Regular communication process with the Elected Members across the organisation; Skilled and qualified staff; Clear communication channels within the organisation.	4, Majority effective	Moderate	Unlikely	Medium	Yes				

OPERATIONAL RISK REGISTER: February 2022																	
Ref #	Risk Category	Risk name and description	Risk issues identified	Risk Owner	INHERENT RISK			Existing controls	Control Effectiveness (4 = Fully effective, 3 = Moderately effective, 2 = Somewhat effective, 1 = Ineffective)	RESIDUAL RISK			Accept Y or N	Further strategies/ treatments for consideration or ongoing	REVISED RESIDUAL		
					Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating
OCEO#2	Business Performance & Service Delivery	Failure to comply with organisational and legislative requirements.	Unreasonable expectations from customers; Incorrect or inadequate information or advice provided; Lack of clarity regarding decision making; Decisions made outside of delegated authority; Failure to apply policies and procedures; Failure of the Governance and Risk Management Frameworks; Access to information; Lack of trust in Governance and Risk functions.	Executive Manager OCEO	Major	Likely	High	Policies and procedures; Governance and Risk Management Frameworks; Skilled and knowledgeable staff; Roles clearly defined; Good understanding of the services provided; Access to legal resources; Currency of knowledge maintained through participation in sector wide forums; Audit Committee; Delegations registers monitored and maintained.	4, Majority effective	Moderate	Unlikely	Medium	Yes				
OCEO#3	Reputation	Inadequate or inaccurate communication with the community.	Inadequate information provision to community; Not responding in a timely manner; Incorrect or inaccurate information provided; Information not accessible by community; Negative coverage in media.	Executive Manager OCEO	Moderate	Almost Certain	High	Regular updates to website and social media pages; Unley Life; Media Release and other formal communication; Community Engagement process including YourSay; Qualified/Skilled staff; Access to external support (eg. PR firms); Policies and Procedures in place; Content management and review of website content; Monitoring and management of social media platforms.	4, Majority effective	Moderate	Unlikely	Medium	Yes	Communication Strategy - (CEO KPI - June 2021)	Moderate	Unlikely	Medium
BS&S #1	Business Performance & Service Delivery	Efficient and effective management of disruption to service availability thorough the provision of reliable IT systems.	Large scale business interruption; System Loss; Availability of systems; Failure of hardware or software that impacts on service delivery; Access to banking facilities; Reliance on third party providers .	Manager Business Systems and Solutions	Catastrophic	Almost Certain	Critical	Infrastructure redundancy; Change control processes - ensure Changes are appropriate to needs; Monitoring - auditing; Physical security; Good asset lifecycle management; Environmental controls (physical); Disaster Recovery; Regular back up of data.	4, Majority effective	Catastrophic	Rare	Medium	Yes				
BS&S #2	Business Performance & Service Delivery	Cyber Security / Threats / Attacks / Malicious behaviour	Large scale business interruption; Loss of data; Loss of private and personal information; Financial Implications.	Manager Business Systems and Solutions	Catastrophic	Almost Certain	Critical	Firewalls; Education and Training; End point security; ASD Essential Eight; Access Controls; Auditing (audit trail); Back up of data; Disaster Recovery; Insurance - Cyber.	4, Majority effective	Catastrophic	Unlikely	Medium	Yes	Implementing a cybersecurity plan with allocated resource.	Catastrophic	Unlikely	Medium

OPERATIONAL RISK REGISTER: February 2022																	
Ref #	Risk Category	Risk name and description	Risk issues identified	Risk Owner	INHERENT RISK			Existing controls	Control Effectiveness <small>(Low/Medium/High/Very High)</small> <small>(Maximum 4 = Most effective)</small>	RESIDUAL RISK			Accept Y or N	Further strategies/ treatments for consideration or ongoing	REVISED RESIDUAL		
					Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating
BS&S #3	Business Performance & Service Delivery	Human error	Large scale business interruption; Loss of data; Loss of private and personal information; Financial implications.	Manager Business Systems and Solutions	Catastrophic	Likely	High	Segregation of duties; Change control processes; Access controls specific to role requirements; Permissions elevations; Auditing (audit trails - systems and service desk); Staff training; Regular back up of data; Authorisation / checks.	4. Majority effective	Catastrophic	Rare	Medium	Yes				
BS&S #4	Business Performance & Service Delivery	Staff Performance - competency of skills and knowledge relating to the role.	Instability to support and maintain environment	Manager Business Systems and Solutions	Moderate	Likely	High	Qualified staff for role; Maintain learning and development support; Internal knowledge sharing and documentation within the team; Allow exposure to new systems and technology through on the job; Attendance - conferences, webinars.		Moderate	Rare	Low	Yes				
BS&S #5	Financial	Dishonesty, theft, criminal acts, fraudulent activity	Loss of data; Loss of private and personal information; Financial Implications.	Manager Business Systems and Solutions	Major	Possible	High	Code Conduct; ICAC Awareness Training (Online for all staff); Security requirements; Centralised password store; Auditing (audit trails); Profiles set to position requirements; Network monitoring and protection - firewalls (external threats); Education and Training relating Cyber security for staff; End user security - limit access regarding to roles; Segregation of systems; Police checks.		Major	Rare	Medium	Yes				
BS&S #6	Reputation	Disclosure/Loss of confidential information	Loss of data; Loss of private and personal information; Financial Implications; Reputational loss.	Manager Business Systems and Solutions	Major	Possible	High	Code Conduct; ICAC Awareness Training (Online for all staff); Security requirements; centralised Password store; Auditing (audit trails); Profiles set to position requirements; Network monitoring and protection - firewalls (external threats); Education and Training relating Cyber security for staff; End user security - limit access regarding to roles; Segregation of systems; Data Loss prevention - email monitoring of sensitive data.		Major	Rare	Medium	Yes				

OPERATIONAL RISK REGISTER: February 2022																	
Ref #	Risk Category	Risk name and description	Risk issues identified	Risk Owner	INHERENT RISK			Control Effectiveness (Low / Moderate / High / Very High)	RESIDUAL RISK			Accept Y or N	Further strategies/ treatments for consideration or ongoing	REVISED RESIDUAL			
					Consequence	Likelihood	Risk Rating		Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating	
BS&S #7	Business Performance & Service Delivery	Working from home arrangements leading to potential increased exposure to cyber attacks - See BS&S#2.	Loss of Data Loss of private and personal information Financial Implications Reputational loss	Manager Business Systems and Solutions	Catastrophic	Almost Certain	High	Enabled multi-factor authentication; New VPN Solution; Prefer corporate devices to be used for WFH arrangements; Mobile MDM solution; Implement OneDrive & Teams to store corporate data; Education on email phishing & cyber threats; Firewall upgrade; Reviewed remote access procedures; Restricted overseas access; Implemented a comprehensive set of email security measures; Applied latest security patches to mobile computing devices; Implemented new security monitoring and proactive threat response procedures; Updated AV on remote site computers; Implemented further email security measures (Disabling IMAP remote connections).	3, Partially effective	Catastrophic	Possible	High	Yes	Investigate alternative anti-virus software to allow greater access to control potential threats (within 12-24mths) Review Computer Strategy -to enable improved suitability with mobility devices (within 12-24mths) Implementing a cybersecurity plan with allocated resource	Catastrophic	Possible	High
BS&S #8	Business Performance & Service Delivery	Unable to achieve GDS21 certification.	Inability to achieve GS21 certification; Obligation to retain and manage paper based records; Inaccurate subjects and classifications within ECM; Long-term retention of records that should've been disposed of; Council documents not correctly recorded within ECM; Access to information not managed appropriately.	Manager Business Systems and Solutions (previously OCEO)	Moderate	Likely	High	Records Management Policy and Procedures; Specific resource allocation to map GS20 to GS40 within ECM; Engagement with customers regarding subject index structure and use of ECM; Skilled and knowledgeable staff; Effective relation with State Records; Understanding of legislative obligations within Records Team.	3, Partially effective	Moderate	Unlikely	Medium	Yes	Further tasks - More education across business Continue with allocated resource for clearing historical records Develop destruction policy Update records management policy	Moderate	Unlikely	Medium
BS&S #9 - NEW	Business Performance & Service Delivery	Sourcing of IT hardware and consumables	Unable to replace failed hardware that impacts on service delivery; Ageing IT asset base; Performance profile of existing IT equipment reduced; Increased maintenance costs arising from potential delays in hardware renewals.	Manager Business Systems and Solutions	Moderate	Possible	Medium	Maintain current assets; Extend warranties; Preserve spare equipment and parts; Manage customer expectations.	4, Majority effective	Moderate	Possible	Medium	Yes	Investigate diversity of suppliers / IT brands	Moderate	Possible	Medium
CD#1	Business Performance & Service Delivery	Succession planning / back up of roles within team.	Inability to delivery objectives set; Loss of corporate knowledge.	Manager City Design	Moderate	Likely	High	Document information relating to decision making / tasks / project management (ECM & Pathway customer requests); Shared awareness of who is doing what - collaborative team - buddy system where appropriate within team; Weekly 1:1 with manager; fortnightly team meetings; Access to temporary staff as back up resource; Recruitment process fit for role.	4, Majority effective	Moderate	Unlikely	Medium	Yes				

OPERATIONAL RISK REGISTER: February 2022																	
Ref #	Risk Category	Risk name and description	Risk issues identified	Risk Owner	INHERENT RISK			Existing control	Control Effectiveness (Low, Moderate, Effective, Highly Effective) (Highly Effective, Effective, Moderately Effective, Low Effective)	RESIDUAL RISK			Accept Y or N	Further strategies/ treatments for consideration or ongoing	REVISED RESIDUAL		
					Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating
CD#2	Business Performance & Service Delivery	Project Management Risks are appropriately identified and documented.	Challenge to ensuring delivery of service; Outcomes may be compromised; Financial implications; Inherited projects does not contain details to enable delivery within original set budget requirements.	Manager City Design	Minor	Likely	Medium	Project planning & design ensures sufficient detail to enable delivery within budget & time expectations; Staging of works over financial years; Collaboration within interdependent areas; Improved communication with stakeholders; Staff have sufficient qualifications and/or experience.	4. Majority effective	Minor	Unlikely	Low	Yes	Project Management Framework March 2022	Minor	Unlikely	Low
CD#3	Business Performance & Service Delivery	Clarity of end-to-end business processes and key interdependencies across the organisation - setting expectations.	Delivery package of works that may not be implemented due to insufficient resources within the organisation	Manager City Design	Minor	Likely	Medium	Project planning & design ensures sufficient detail to enable delivery within budget & time expectations; Staging of works over financial years; Collaboration within interdependent areas; Improved communication with stakeholders; Staff have sufficient qualifications and/or experience; Co-location of City Development.	4. Majority effective	Minor	Unlikely	Low	Yes	Project Management Framework March 2022	Minor	Unlikely	Low
CD#4	Business Performance & Service Delivery	Level of responsiveness to internal stakeholder requirements and expectations.	Political nature of the environment; Responding to changes in Council direction / decision making; Coordinating with Internal strategies, plans and policies within other departments; Inconsistent messaging or priorities across the organisation;	Manager City Design	Minor	Likely	Medium	Planning, Design and Delivery of projects linked to strategic directions Collaboration within interdependent areas Improved communication with stakeholders Staff have sufficient qualifications and/or experience Co-location of City Development	4. Majority effective	Minor	Unlikely	Low	Yes				
CD#5	Business Performance & Service Delivery	Ability to respond in a timely manner to external influences, impacts and unplanned events.	Unexpected changes in service requirements; Legislative and regulatory requirements; State Government needs or interventions; Development of State Government partnerships and key stakeholder partnerships.	Manager City Design	Minor	Likely	Medium	Promoting a single point of capture and contact within each discipline of City Design; Information sharing across City Design- Development regarding external influences; Adopting a relationship management approach; Provision of accurate and timely information (two way); Focus on building credibility & trust.	5. Effective	Minor	Unlikely	Low	Yes				
C&C#2	Business Performance & Service Delivery	Change in strategic direction from Council resulting in cessation of programs / services or facilities.	Service provision may be comprised; Wellbeing of staff and community; Budget implications; Community dissatisfaction; Confusion of services available; Reputational risk; Social isolation community risks.	Manager Community and Cultural Centres	Major	Likely	High	4-year Delivery Plan; Community Plan; Council meeting schedule; Annual Budget and Business Planning process; Community Consultation and Engagement Plan; Legislative requirements to consult; Satisfaction surveys relating to services and visitation.	5. Effective	Major	Rare	Medium	Yes				

OPERATIONAL RISK REGISTER: February 2022																	
Ref #	Risk Category	Risk name and description	Risk issues identified	Risk Owner	INHERENT RISK			Existing controls	Control Effectiveness (Low/Medium/High) (High/Medium/Low/None)	RESIDUAL RISK			Accept Y or N	Further strategies/ treatments for consideration or ongoing	REVISED RESIDUAL		
					Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating
C&CC#3	Business Performance & Service Delivery	Asset Damage - environmental cause such as flooding/fire etc.	Inability or displacement to service delivery; Wellbeing of staff and community; Personal injury to staff and/or community; Financial implication; Content damage/loss.	Manager Community and Cultural Centres	Major	Likely	High	Building and Contents Insurance; Building evacuation procedures; Site inspections; Building maintenance; Smoke alarms.	5, Effective	Major	Rare	Medium	Yes				
C&CC#4	Health, Safety & Welfare	Remote and Isolated worker	Health and Safety of staff	Manager Community and Cultural Centres	Major	Likely	High	Remote and isolated worker procedure; Secure building (doors locked); Duress button; SafeT Card; Staff are in contact with Team Leader or Manager for entering and exiting the building as a check point; Telephones; First aid kits.	5, Effective	Major	Rare	Medium	Yes				
C&CC#5	Health, Safety & Welfare	Child Safe & Vulnerable People Environment for Users	Safe Environment for Children and vulnerable people	Manager Community and Cultural Centres	Major	Likely	High	Policy - Safe Environment for Children and Vulnerable People ; Appropriate clearances in positions dealing with vulnerable people directly (relying on a third party system); Safe Environment clause within hire agreement; External facilitators are required to have clearances relating to child safety and vulnerable people; Processes in place to ensure children/young people are covered under a duty of care; Community Centre programs identify whether program is run by Council or External Hirer.	5, Effective	Major	Rare	Medium	Yes				
SC#1	Health, Safety & Welfare	Safe Handling of chemicals / hazardous substances	Unsafe management of chemicals and/or hazardous substances	Manager Swim Centre Operations Manager	Catastrophic	Likely	High	SOP Chemical Handling; Competent staff; Training for all staff for safe handling of chemicals; Existing Technology - monitoring systems (Automatic Control Systems on top of manual testing - legislative requirement regarding regularity of testing of pool water); Regular monitoring, maintenance and replacement of equipment; Appropriately trained staff specific to the role - manage of chemicals; Appropriately trained first aid responders and equipment available; Regular Independent Audits; Hazard assessments; Chemical Register and SOP - are maintained.(revisited and refreshed in Oct 2021).	5, Effective	Catastrophic	Rare	Medium	Yes Refresher Training for Supervisory staff on Chemical Handling in Dec 2021 Independent Safety Audit to be conducted - Mar 2022	Catastrophic	Rare	Medium	

OPERATIONAL RISK REGISTER: February 2022																	
Ref #	Risk Category	Risk name and description	Risk issues identified	Risk Owner	INHERENT RISK			Existing controls	Control Effectiveness (1=Not Effective, 5=Fully Effective)	RESIDUAL RISK			Accept Y or N	Further strategies/ treatments for consideration or ongoing	REVISED RESIDUAL		
					Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating
SC#2	Health, Safety & Welfare	Body of Water	Quality of water Drowning	Manager Swim Centre Operations Manager	Catastrophic	Likely	High	Fenced Pool; Qualified Lifeguards on site during operations; appropriate signage (Public and Compliance); Staffing ratios are fit for purpose (clientele and staff ratio requirements - as per Royal Life Saving Society Australia RLSSA); Booking forms for user groups - conditions of use and requirements for group to have their own PL Insurance.	5. Effective	Catastrophic	Rare	Medium	Yes	All staff have undergone seasonal training - completed in Sept 2021 - pre operational season Independent Safety Audit to be conducted - Mar 2022	Catastrophic	Rare	Medium
SC#3	Health, Safety & Welfare	Plant and Equipment	Plant and Equipment not utilised as recommended which leads to injury and/or chemical hazard within the water	Manager Swim Centre Operations Manager	Major	Likely	High	Risk Assessments completed; SOP /Training in relation to plant and equipment; Equipment well maintained and replaced as required; Appropriately trained staff specific to the role - maintain and utilise equipment; Appropriately trained first aid responders and equipment available; Appropriate signage; Regular Independent Audits.	5. Effective	Major	Rare	Medium	Yes	Independent Safety Audit to be conducted - Mar 2022	Major	Rare	Medium
SC#4	Health, Safety & Welfare	Child Safe & Vulnerable People Environment for Users	Safe Environment for Children and vulnerable people	Manager Swim Centre Operations Manager	Moderate	Likely	High	Policy - Safe Environment for Children and Vulnerable People; Terms of Entry to facilities outlines requirements on customers; Appropriate clearances in positions dealing with vulnerable people directly; Bookings - acknowledge requirements (e.g. separation of public and school groups); Bookings - any people bringing in vulnerable people - must state if appropriate clearances are in place; Appropriate supervisions are in place to ensure children's safety at the centre (watch around water policy); Safe Environment for Children and Vulnerable People - refresher Training for All Swim Centre Staff.	5. Effective	Moderate	Rare	Low	Yes	Independent Safety Audit to be conducted - Mar 2022	Moderate	Rare	Low
SC#5	Reputation	Incidents procedures and processes not adequate (Incidents not followed up or inappropriate responses).	Perceived pool is unsafe, or unsatisfactory customer service standard - which may lead to a drop in customer visitation; Perceived community value of the services provided (negative).	Manager Swim Centre	Moderate	Likely	High	Skytrust is utilised for reporting and incident management; Team/ Organisation Values; Regular in-house training; Qualified and competent staff; Team building and culture; Customer compliments and complaints management; Ongoing customer feedback mechanisms - via social, website; Scheduled service reviews - internal and external.	5. Effective	Moderate	Rare	Low	Yes	Investigate options of updating the Skytrust Licencing so that Swim Centre can have access to real time reporting in relation to safety incidences. Independent Safety Audit to be conducted - Mar 2022	Moderate	Rare	Low

OPERATIONAL RISK REGISTER: February 2022																	
Ref #	Risk Category	Risk name and description	Risk issues identified	Risk Owner	INHERENT RISK			Existing control	Control Effectiveness (Low/Moderate/High/Very High)	RESIDUAL RISK			Accept Y or N	Further strategies/ treatments for consideration or ongoing	REVISED RESIDUAL		
					Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating
SC#6	Reputation	Out of Council's control Health and Safety elements.	Potential injury or death that is unexpected and therefore out of Council's Control (ratio 1 in 100,000 visitations this will occur); Customers may have underlying health conditions which may be exacerbated via use of facilities.	Manager Swim Centre	Catastrophic	Possible	High	First Aid officers within operating timelines; Regular and appropriately trained staff; First Aid equipment on site and staff trained to utilise appropriately; Qualified lifeguards are trained to risk assess patrons when entering the facilities; Health Forms for patrons to complete (over 55 age - also all patrons participating in swim school activities); Signage regarding underling health condition to advise staff; GSPO (Guidelines for Safe Pool Operations).	5. Effective	Moderate	Rare	Low	Yes	Independent Safety Audit to be conducted - Mar 2022	Moderate	Rare	Low
F&P#1	Business Performance & Service Delivery	Unqualified and inexperienced staff	Would not be able to prepare accurate financial reports which contain accurate and reliable information to base decision making on; LTFF, Budget, Monthly financial reports, BAS (tax) FBT; Unable to comply with any statutory reporting; Management decisions based on financial reports - therefore reports need to be accurate and reliable.	Manager Finance & Procurement	Moderate	Almost Certain	High	Sufficient qualifications & experience of staff to appropriately delivery role requirements (competent staff); Appropriate recruitment process; (reference checking, appropriate probation requirements); Maintaining membership requirements (eg. CPA/CA); Ongoing training requirements & conferences to upkeep of PDE; Reasonable retention strategies - employer of choice; Membership with SALGFMG.	4. Majorly effective	Moderate	Unlikely	Medium	Yes	Finance & Procurement Team Members regularly attend SALGFMG Meetings to stay informed of latest developments and issues - ongoing	Moderate	Unlikely	Medium
F&P#2	Financial	Financial systems and technology that are not fit for purpose.	Accounting Data not reliable for decision making; Unable to comply with statutory reporting obligations; Able to make wrong financial decisions; Inability to levy and recover rates.	Manager Finance & Procurement	Moderate	Almost Certain	High	Finance System reliable and well maintained; Systematic scope prior to selection of finance system to ensure fit for purpose; Proper tender process when procuring; Finance system; Testing of system prior to commitment with contract; Finance system has ability to intergrade into other programs; Firewalls to prevent cyber attacks; Support available with system provider (Technology One).	5. Effective	Moderate	Rare	Low	Yes	Integrated reporting tool (Magiq) to improve ease of access and reporting			#N/A
F&P#3	Financial	Ineffective internal financial controls relating to integrity of data	Inaccurate data within financial system which leads to inappropriate decision making; Human error; Fraudulent activity; Budgetary implications across all Business Units.	Manager Finance & Procurement	Moderate	Almost Certain	High	Better Practice Model - Internal Financial Controls; Internal Audit; External Audit; Segregation of duties; Independent review; Audit Committee.	5. Effective	Moderate	Rare	Low	Yes				#N/A

OPERATIONAL RISK REGISTER: February 2022																	
Ref #	Risk Category	Risk name and description	Risk issues identified	Risk Owner	INHERENT RISK			Existing controls	Control Effectiveness (Last 12 months) 5 = Effective 4 = Moderately Effective 3 = Less Effective 2 = Ineffective	RESIDUAL RISK			Accept Y or N	Further strategies/ treatments for consideration or ongoing	REVISED RESIDUAL		
					Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating
F&P#4	Financial	Fraud	Fraudulent activity leads to financial loss	Manager Finance & Procurement	Moderate	Possible	Medium	Better Practice Model - Internal Financial Controls; Internal Audit; External Audit; Segregation of duties; Independent review; Audit Committee; ICAC and Office of Public Integrity; Code of Conduct; Employee clearances; Reference Checks.	5. Effective	Moderate	Rare	Low	Yes			#N/A	
F&P#5	Reputation	Corrupt Procurement practices	Fraudulent and/or Corrupt activity relating to procurement practices which leads to: Financial Loss Inefficient Processes Products not fit for purpose Costs money Value for money	Manager Finance & Procurement	Moderate	Likely	High	Fraud and Corruption Prevention Policy Better Practice Internal Financial Controls ICAC and Office of Public Integrity Procurement Policy & Framework External Audit Financial Delegations Code of Conduct Conflict Interest Declarations Employee clearances & checks Transparent decision making	5. Effective	Moderate	Unlikely	Medium	Yes	Procurement training for all employees involved in procurement	Moderate	Unlikely	Medium
F&P#6	Business Performance & Service Delivery	Pandemic (COVID-19) - leading to impact on revenue streams	Increase in aged debtors; Potential property valuation fluctuations; Reduced income from the Swimming Centre, venue hire and outdoor dining permits due to restrictions.	Manager Finance & Procurement	Moderate	Almost Certain	High	Ability to borrow (LGFA); LTFFP; Policies relating to how to treat aged debtors; Close management and monitoring of Council's financial position; Quarterly budget reviews.	5. Effective	Moderate	Likely	High	Yes				
F&P #7	Financial	Council not adequately Insured	Insurance renewal incomplete; Asset data insufficient / not current (missing critical assets on insurance listing); Exposure to financial loss due to under insurance; Breach in legislation.	Manager Finance & Procurement	Catastrophic	Likely	High	Annual insurance returns; Annual assessment and review of asset and infrastructure; 5 yearly valuation of assets; Relationship management with LGA services, regular meetings and exchange of information; LGA system access to monitor claim status and performance; Policies and procedures in place; Dedicated resource to manage insurance requirements.	4. Majority effective	Catastrophic	Unlikely	Medium	Yes	Partnering with Asset Officer to investigate possibility of improving integration of asset and insurance data - ongoing	Catastrophic	Unlikely	Medium

OPERATIONAL RISK REGISTER: February 2022																	
Ref #	Risk Category	Risk name and description	Risk issues identified	Risk Owner	INHERENT RISK			Existing control	Control Effectiveness (Low/Medium/High/Very High) (Partial/None/Full/Complete)	RESIDUAL RISK			Accept Y or N	Further strategies/ treatments for consideration or ongoing	REVISED RESIDUAL		
					Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating			Consequence	Likelihood	Risk Rating
DR#1	Health, Safety & Welfare	Lack of Safe Operating Procedure for external sites for all staff who visit offsite locations to conduct inspections.	WHS of staff who inspect and patrol offsite locations (public and private realm - locations where Council have no control); Building Sites, Kitchens, Private residences, public realm; and Knowing staff location, when they are due back and controls - if something occurs to communicate they are safe.	Manager Development and Regulatory	Catastrophic	Likely	High	Safe Work Procedure - isolated work (reflects duress); Known Risks - 2 officers attend ; Training and Induction (limited); Procedures (basic); Experience staff who understand what is required; Instructions have been developed for remote work in terms of identification of sites, and regular check ins etc.	3. Partially effective	Catastrophic	Rare	Medium	Yes	Establishing Safe Operating Procedure for staff in relation to offsite duties; Training and Induction plans specific the role; Reviewed existing Safe Operating Procedures but no gap analysis has been conducted; Implemented general guidelines to encourage communication for remote workers; Envisage more stringent review with WHS to establish remote worker protocols in 2022 - in progress post review of Regulatory and Health.	Catastrophic	Rare	Medium
DR#2	Financial	Statutory frameworks - relates legal challenges	Make decisions and then defending decision which exposes to legal challenge (hence financial consequence)	Manager Development and Regulatory	Moderate	Likely	High	Trained experience staff; Qualified decision makers; Delegations; Legal support and advice; Governance frameworks; Legislation (relevant to each area); Review of Delegations; Training and induction specific to role; Reviewing past legal outcomes to improve processes/decision making.	4. Majority effective	Moderate	Unlikely	Medium	Yes				
DR#3	Reputation	Responding to Legislative Changes - PID Act	Legislative Changes (PID Act) implications to business continuity	Manager Development and Regulatory	Moderate	Almost Certain	High	Trained experience staff; existing systems and processes; Legislative frameworks; Governance Framework; Legal advice; Business Plan & Operational Review completed; Operational Management in place with contractors for overflow supply.	4. Majority effective	Moderate	Possible	Medium	Yes				

RISK MATRIX

Note: - This guide illustrates the range of potential consequences and likelihood that may be associated with risk categories

- Judgement is required to assess the consequences and likelihood of a risk event after effective risk mitigation action

STEP 1		Risk Categories and Examples of Potential Impacts						STEP 2				
Consequence Ratings	Health, Safety & Welfare (Community, Councillors, Staff or Contractors)	Business Performance & Service Delivery (Business & HR Operations, ICT, Procurement & Contract Management)	Reputation (Political and Legislation & Policy Compliance)	Infrastructure (Council Assets and Facility Management)	Environment	Financial		<5% probability May occur in exceptional circumstances	5% - 30% probability Could occur at some time; greater than annually	31% - 70% probability Annually; Likely to occur at least once a year	71% - 90% probability Bi-Annually; Likely to occur twice a year	91% - 100% probability Frequently; Likely to occur most weeks
Catastrophic (Worst case scenarios)	<ul style="list-style-type: none">Major injury, disablement or fatalityLong term effect on morale and business performanceWidespread industrial actionSection of the community or workforce harmedLong term impact on morale or business	<ul style="list-style-type: none">Major interruption to delivery of all or most services for more than 14 days. Full BCP action required.	<ul style="list-style-type: none">Council Members conduct – Severe Breach of Code of ConductHuge effect on public imageCommunity outrage by groups; pages established on social media and high instance of posts on Council's social media pagesOrganised community campaigning involving multi-day / sustained negative media attention (months)Irreconcilable community loss of confidence in Council's intentions and capabilitiesSignificant prosecution and fines, major litigation involving class action, major noncompliance with legislation / regulationCritical internal policy failure	<ul style="list-style-type: none">Loss of significant or critical infrastructure / assets are destroyedSignificant or critical infrastructure assets are unusable for monthsMajor impact on business operations	<ul style="list-style-type: none">Permanent damage, destruction of sites or artefacts of cultural heritage significanceIrrecoverable environmental damage threatening survival of flora or fauna; death of animals; widespread introduction of weeds; soil erosion"Serious" as defined under the SA Environment Act 1993 Section 5 (3)(b)	<ul style="list-style-type: none">Significant adverse impact on the budget – financial loss / exposure >\$4m or 10% of rate revenueImpact on multiple financial years <p><i>To note: \$4m is a threshold in prudential management relating to procurement</i></p>	→	Medium	Medium	High	High	Extreme
Major	<ul style="list-style-type: none">Serious long term injury requiring hospitalisation / rehabilitationTemporary disablementIndustrial action over many months, significant management intervention requiredIncreased overall workforce absenteeismSignificant impact on morale or business	<ul style="list-style-type: none">Major interruption to service delivery, Customer impact > 7 days. Component of BCP action may be needed.	<ul style="list-style-type: none">Council Members conduct – Major Breach of Code of ConductLong term effect on public imageConsiderable and prolonged impact and dissatisfaction publicly expressedRegional or state wide negative media attention (weeks)Major breach of legislation / regulation, major litigation, noncompliance with legislation / regulationMajor internal policy failure	<ul style="list-style-type: none">Loss of non-critical infrastructure / assets are destroyed or significantly damagedSignificant or critical assets are unusable for weeksMajor impact on business operations	<ul style="list-style-type: none">Death of individual animals, large scale injury, loss of key species and widespread habitat destructionExtensive serious injuries"Material" as defined under the SA Environment Act 1993 Section 5 (3)(a)Damage to flora and fauna requires significant period of recovery	<ul style="list-style-type: none">Major financial loss / exposure – impact between \$1m and \$4m or 5% of rate revenueImpact goes into next financial year and possibly beyond <p><i>To note: \$2m is approx. 5% of rate revenue</i></p>	→	Medium	Medium	High	High	Extreme
Moderate	<ul style="list-style-type: none">Injuries requiring medical attention / hospitalisationShort term disablementThreats of industrial action, any impact can be absorbed short termIncreased business area workforce absenteeismShort term effect on morale and business	<ul style="list-style-type: none">Moderate Interruption to service delivery. Customer impact up to 48 hrs. Partial BCP action may be needed	<ul style="list-style-type: none">Sectional community impacts and concerns publicly expressed (days)Negative media attention and public interest (days)Loss of confidence by the community in Council processes / staff / councillorsModerate breach of legislation / regulation, major litigation, noncompliance with legislation / regulationModerate internal policy failure	<ul style="list-style-type: none">A range of assets, including some significant assets, are unusable for weeksModerate impact on business operations	<ul style="list-style-type: none">Severe temporary damage over limited area requiring extensive remediationMedical treatment required"Potential" as defined under the SA Environment Act 1993 Section 5 (2)Impact on flora or fauna is recoverable over 6 to 12 month period and pollution requires physical removal	<ul style="list-style-type: none">High financial loss / exposure – impact between \$100k and \$1m or 2.5% of rate revenueMay impact beyond current financial year	→	Low	Medium	Medium	High	High
Minor	<ul style="list-style-type: none">Injuries requiring first aid treatment (lost time up to 2 days)Urgent dialogue with industrial group required, impact can be absorbed through normal activityIncreased team workforce absenteeismNegligible short term impact on morale or business	<ul style="list-style-type: none">Minor interruption to a service with minimal impact to customers/business	<ul style="list-style-type: none">Local level of community impacts and concernSome local media or political attentionOccasional once off negative media attentionComplex legal issues need addressing, noncompliance and breachesMinor internal policy failure	<ul style="list-style-type: none">A number of assets are unusable but can be replaced within acceptable timeframesMinimal disruption to business operations	<ul style="list-style-type: none">Temporary damage affecting local areaFirst aid required"Nuisance" as defined under the SA Environment Act 1993 Section 5 (1)Some minor adverse effects on few species / ecosystem can be contained and reversed in the short term	<ul style="list-style-type: none">Medium financial loss / exposure – impact between \$10K and \$100kMinor variation to budget for current financial year <p><i>To note: \$47k is financial materiality threshold for 2019/2020</i></p>	→	Low	Low	Medium	Medium	High
Insignificant	<ul style="list-style-type: none">Incident with or without minor injury, first aid onlyDialogue with industrial group may be required, negligible impactNo impact on morale or business	<ul style="list-style-type: none">Insignificant interruption to a service – no impact to customers/business	<ul style="list-style-type: none">Isolated local community or resident's issue based concernsMinimal local complaints or negative commentary on Council's website (less than 3 people)No media or political attentionLegal issues managed by routine procedures, minor noncompliance and breachesMinor encroachment on internal policy	<ul style="list-style-type: none">Assets receive minimal damage or are only temporarily unavailableNo real disruption to business operations	<ul style="list-style-type: none">Minor temporary damage that normal practice can rectifyNo injuriesCan be reversed immediately"Nuisance" as defined under the SA Environment Act 1993 Section 5 (1)	<ul style="list-style-type: none">Negligible financial loss – impact <\$10kNo impact on current financial year	→	Low	Low	Low	Medium	Medium



RISK LEVEL CONTEXT AND MITIGATION ACTION REQUIRED

Residual Risk Level	Managing Risk – Priority Rating
EXTREME	<ul style="list-style-type: none"> Add risk to Council's Risk Register Undertake detailed research and management planning Escalate the risk issue immediately to relevant General Manager and CEO Implement stringent new controls in a detailed risk treatment plan in order to make risk tolerable Closely monitor the control effectiveness at the work area level on an ongoing basis Report the risk information to the Audit Committee
HIGH	<ul style="list-style-type: none"> Add risk to Council's Risk Register Raise the risk issue with the relevant General Manager Escalate the risk issue for Management's attention or action Closely monitor the control effectiveness at the work area level on an ongoing basis Validate existing controls with appropriate evidence Inform the Executive Management Team of the risk information at an appropriate time Report the risk information to the Audit Committee
MEDIUM	<ul style="list-style-type: none"> Add risk to Council's Risk Register May be tolerated Manage the risk within the business function by the position responsible for process Existing controls must be effective and if required additional mitigation action is to be effectively implemented
LOW	<ul style="list-style-type: none"> Add risk to Council's Risk Register May be tolerated Undertake localised risk management & actions (if required), consequences are dealt with by routine operations Maintain regime of continuous improvement

INFORMATION REPORT

REPORT TITLE:	INTERNAL AUDIT REPORT - CASH HANDLING
ITEM NUMBER:	2.2
DATE OF MEETING:	15 FEBRUARY 2022
AUTHOR:	LIDA CATALDI
JOB TITLE:	PRINCIPAL RISK MANAGEMENT OFFICER
ATTACHMENTS:	1. INTERNAL AUDIT - CASH HANDLING REPORT

1. **EXECUTIVE SUMMARY**

The Internal Audit on Cash Handling forms part of the City of Unley's Internal Audit Plan. The objective of this internal audit was to assess:

1. The effectiveness of key processes and procedures and controls in relation to cash handling; and
2. How the City of Unley manages key risks associated with these processes.

This audit also considered the relevant internal controls identified within the Better Practice Model.

The City of Unley receipts cash across seven locations: the Civic Centre, two libraries, three of the Community Centres and the Swimming Centre. The total cash float across these locations is \$1,600.

The value of cash receipting and percentage of cash to total receipts varies at each site, with the key sites for the 2020-21 financial year as follows:

- Civic Centre: \$440K cash receipts, 13% of total receipts,
- Unley Swimming Centre: \$76K and 11% of total receipts,
- Fullarton Park Community Centre: \$16K and 11% of total receipts,
- Unley and Goodwood Libraries: \$13K and 24% of total receipts.

The audit identified four risk findings, two observations and a business improvement opportunity. Two of the risk findings were rated high, one medium, and one was deemed low. The two high risks are:

1. Cash receipting inaccurate and not conducted in a timely manner;

2. Inadequate security relating to the storage of cash.

Audit findings were reported to the Manager Community and Cultural Centres, Team Leaders from the libraries and swimming centre, and the Coordinator of the Customer Resolutions Centre. The Manager Finance and Procurement, and Team Leader Financial Accounting were also involved in the discussions. Collective input was provided to form the agreed management actions.

The finalisation of the audit coincided with the announcement by the National Australia Bank (NAB), the City of Unley's transactional banking provider, of changes in banking procedures for cash and cheques. These changes, which include minimum limits on deposits, will come into effect 1 March 2022. The Finance Team are currently working through the detail of these changes with our NAB client manager and relevant staff within the affected areas. These changes will have an impact on how (and timing) the banking will be processed and will probably influence the recommendations that have been agreed to within the Internal Audit Report.

The Internal Audit Report - Cash Handling has been attached.

Attachment 1

2. **RECOMMENDATION**

That:

1. The report be received.

3. **RELEVANT CORE STRATEGIES/POLICIES**

4. Civic Leadership

4.3 Our business systems are effective and transparent.

4. **BACKGROUND**

This audit considered the relevant internal financial controls identified within the Better Practice Model.

The specific scope of this review assessed:

- The procedures that occur at the start and end of the day, including the balancing of transactions.
- Controls surrounding the completeness of recording of cash received and the security of cash (including access to cash registers and safes).

- The existence and adequacy of segregation of duties in receiving cash, depositing of cash and reconciliation of cash.
- Banking and cash collection procedures.
- Awareness of key personnel in relation to cash handling policies and procedures.
- The bank reconciliation process.

The scope of this internal audit focused on the following locations where cash is received:

Location	Total Annual Receipting Transactions	Cash Collected	
Civic Centre (main desk)	\$3,223,924	\$441,788 (13%)	Cash transactions range from \$0.60 to \$1,588.95 (<i>rates payment</i>). Random days were selected between June to November 2021 and the average transaction value was \$351.75.
Swimming Centre	\$652,648	\$75,989 (11%)	Swimming Centre fees and changes range from \$2.00 to \$1,075 (<i>annual family pass</i>). However, the average cash transaction between 15 September 2021 to 22 November 2021 was \$10.45
Fullarton Community Centre	\$133,429	\$15,730 (11%)	Cash transactions range from \$2.00 to above \$400 (<i>facilities hire fee</i>). The average cash transaction between July to November 2021 was \$340.26
Unley and Goodwood Libraries	\$54,610	\$13,165 (24%)	Cash transactions equate to about 24%

5. **DISCUSSION**

The audit identified four risk findings, two observations and a business improvement opportunity. Two of the risk findings were rated high, one medium, and one was deemed low.

A summary of the findings is shown here:

		Extreme	High	Medium	Low	Observation
Risk Findings						
1	Cash receipting inaccurate and not conducted in a timely manner		■			
2	Inadequate security relating to the storage of cash		■			
3	Banking from alternate location is not accounted for			■		
4	Receipting transactions are inaccurately recorded or not recorded at all				■	
Observations						
1	Variances in relation to Swimming Centre cash receipting					■
2	Inappropriate use of cash					■
Business Improvement Opportunity						
1	Cashless trial at the Swimming Centre					

During the internal audit, the following positive observations were identified:

- The Civic Centre has a robust cash handling process in place and the staff are aware of their responsibilities.
- Cash management at the Fullarton Park Community Centre is well managed even though it is mainly a manual process. The process works well for the Centre and suits its business needs. The staff and volunteers are well trained, they understand their responsibilities and processes well.
- Even though there are deficiencies at the Swimming Centre, staff understand the importance of handling controls and keen to improve and strengthen current processes.

Key recommendations by location can be summarised as follows:

Civic Centre

- A formal register or log should be created to capture the receipt of banking from other locations at the Civic Centre front counter.

Libraries (Unley and Goodwood)

- Determine the feasibility of installing a cash register that opens automatically once a receipt is complete.
- Review access to the key for the cash drawer, including whether casual employees need access, and establish a key register.
- Consider options to minimise the handling of cash, including the encouragement of library users to recharge their printer cards using their credit card.
- Establish back-up support for the libraries so the banking of cash is not reliant on one staff member.
- Implement the issuing of receipts to Unley Library customers.

Swimming Centre

- Require staff to provide customers a receipt for each transaction to ensure each transaction is complete before commencing the next one.
- Cease balancing 'overs and unders'. Implement receipting codes to capture any variances more regularly which cannot be allocated after an investigation has been conducted.
- Establish a reporting process for the review of the end of day variances.
- The Swimming Centre Manager investigate a potential system solution that meets business receipting requirements.
- Provide training to ensure staff understand their role and responsibility for cash handling, and the Fraud & Corruption Prevention Policy.
- Investigate how to initiate a 'cash free' facility trial.

All Sites

- Relevant procedures and processes to be reviewed and refresher training provided to all staff involved in the handling of cash.

The findings were reported to the Manager Community and Cultural Centres, Manager Swim Centre, Library Team Leaders, and the Coordinator of the Customer Resolutions Centre. The Manager Finance and Procurement and Team Leader Financial Accounting were also

involved in the discussions. Collective input was provided to form the agreed management actions.

The agreed actions will be monitored within the Internal Audit Agreed Actions document and this report will be presented to the Audit Committee twice a year.

6. REPORT AUTHORISERS

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

City of Unley

Internal Audit Report

Cash Handling

January 2021

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Executive Summary

The City of Unley receipts cash across seven locations:

- Civic Centre
- Unley Library
- Goodwood Library
- Unley Community Centre
- Fullarton Park Community Centre
- Clarence Park Community Centre
- Unley Swimming Centre

The total cash float across these locations is \$1600.

The objective of this internal audit project was to assess:

1. The effectiveness of key processes and procedures and controls in relation to cash handling; and
2. How the City of Unley manages key risks associated with these processes.

This audit also considered the relevant internal controls identified within the Better Practice Model.

The audit identified four risk findings, two observations and a business improvement opportunity. Two of the risk findings were rated high risk, one medium risk, and one deemed low risk.

The findings were reported to the Manager Community and Cultural Centres, Manager Swim Centre, Team Leader Customer Experience, Customer Resolution Coordinator and Digital Literacy Coordinator. The Manager Finance and Procurement and Team Leader Financial Accounting were also in the discussions. Collective input was provided to form the management agreed actions.

Summary of Findings

		Extreme	High	Medium	Low	Observation
Risk Findings						
1	Cash receipting inaccurate and not conducted in a timely manner		■			
2	Inadequate security relating to the storage of cash		■			
3	Banking from alternate location are not accounted for			■		
4	Receipting transactions are inaccurately recorded or not recorded at all				■	
Observations						
1	Observation 1: Variances in relation to Swimming Centre cash receipting					■
2	Observation 2: Inappropriate use of cash					■

Business Improvement Opportunity

1 Cashless trial at the Swimming Centre

Further details regarding findings are on pages 7-16 of this report.

Background

The management of cash is an important function within the Customer Experience Team, Community and Cultural Centres, and the Swimming Centre. Cash handling requires strong controls to be in place to ensure that all cash receipted is recorded and banked with minimal opportunities for error or fraud. Whilst there is the option for electronic payment methods, cash still remains a key payment option in all locations:

Location	Total Annual Receipting Transactions	Cash Collected	
Civic Centre (main desk)	\$3,223,924	\$441,788 (13%)	Cash transactions range from \$0.60 to \$1,588.95 (rates payment). Random days were selected between June to November 2021 and the average transaction value was \$351.75.
Library (both branches)	\$54,610	\$13,165 (24%)	Swimming Centre fees and changes range from \$2.00 to \$1,075 (annual family pass). However, the average cash transaction between 15 September 2021 to 22 November 2021 was \$10.45
Swimming Centre	\$652,648	\$75,989 (11%)	Cash transactions range from \$2.00 to above \$400 (facilities hire fee). The average cash transaction between July to November 2021 was \$340.26
Fullarton Community Centre	\$133,429	\$15,730 (11%)	Cash transactions equate to about 24%

Objectives and Scope

The objective of this internal audit project was to assess:

1. The effectiveness of key processes and procedures and controls in relation to cash handling; and
2. How the City of Unley manages key risks associated with these processes.

This audit also considered the relevant internal controls identified within the Better Practice Model.

The specific scope of this review included assessing:

- The procedures in place in relation at the start of day and end of day, including the balancing of transactions;

- Controls surrounding the completeness of recording of cash received and the security of cash held (including access to cash registers and safes);
- The adequacy of segregation of duties in receiving cash, depositing of cash and reconciliations of cash;
- Banking and cash collection procedures;
- Awareness of key personnel in relation to cash handling policies and procedures; and
- The bank reconciliation process.

The scope of this internal audit focused on the following sites where cash is received by the City of Unley and sampled:

- Civic Centre (main desk)
- Unley Library
- Swimming Centre
- Fullarton Community Centre

The sample locations were identified via initial consultation as part of the scope development with the Manager Community Connections, Manager Community and Cultural Centres and General Manager City Services. The sample locations provided a good cross section of the various types of locations that receipted cash within the City of Unley. Any recommendations and observations will be implemented at the non sampled locations where applicable.

While the Clarence Park Community Centre's cash float is provided by the City of Unley, they were excluded from the audit because the centre is managed by an independent Board.

Approach

The approach to conducting this internal audit included:

- A desktop review of the Council's policies, procedures, and other relevant documentation to identify current requirements and key controls relating to cash handling;
- Understanding the training provided to staff, including casuals and volunteers who are required to handle cash as part of their roles and responsibilities;
- Interviewing staff to gain an understanding of current operational practices in relation to cash handling and including any challenges they may experience;
- Observing end to end cash handling process at locations chosen as part of the sample;
- Consideration of physical security arrangements at the locations identified as part of the sample;
- A walk through of the banking reconciliation process, including processes associated with 'cash adjustment';
- Identifying control gaps and control design improvement opportunities in relation to cash handling;
- Developing recommendations relating to cash handling process with reference to the better practice model – internal financial controls;
- Preparation of draft report and discussion of findings with management; and
- A final report to be presented to the Audit Committee.

Positive Observations

Through the process of this internal audit, the following positive observations were identified:

- The Civic Centre has a robust cash handling process in place and staff are aware of their responsibilities;
- Cash management at the Fullarton Park Community Centre is well managed even though it is mainly a manual process. The process works well for the centre and suits its business needs. The staff and volunteers are well trained, they understand their responsibilities and processes well.
- The Swimming Centre, even though it has deficiencies, staff understand the importance of handling controls and keen to improve and strengthen current processes.
-

High Risk Findings

Finding 1a: Cash receipting inaccurate and not conducted in a timely manner (Unley Library)

• Risk	• Internal Controls
144 Fraud (i.e. misappropriation of funds)	<ul style="list-style-type: none"> ASS-BAN-0004: There is a process in place to ensure all cash collected is adequately recorded and banked regularly.
<ul style="list-style-type: none"> Observation 	<p>Receipting at the Unley Library is completed by various staff during hours of operation.</p> <p>Banking is completed on a weekly basis.</p> <p>There is only one person that is responsible for the banking process at the Unley Library. If that staff member is on leave, then the banking will be postponed until the staff member returns from leave.</p> <p>The banking process can be lengthy due to the amount of coinage that is collected as a result of the printer card recharge station and book sale transactions.</p> <p>During busy periods at the Unley Library, if there is a cash transaction that needs to be receipted, the cash may be placed in the cash drawer initially with the intent of completing the receipting cash transaction at a later time. However, this doesn't usually occur and therefore the receipting component is not completed at all which leads to 'overs' during the weekly reconciliation and banking process. During the observation phase, this occurred frequently, however strategies have been put in place which has reduced the frequency and staff are much more aware of their receipting obligations</p> <p>* It is also noted that staff work across different library branches and therefore any implementation will be applied to all relevant sites</p> <p>**NAB will be introducing changes to cash deposits and this may affect how often banking will be prepared – but it has been agreed that receipting will be reconciled on a weekly basis as a minimum.</p>
<ul style="list-style-type: none"> Risk Implications 	<p>Cash receipting is inaccurate and not conducted in a timely manner</p> <p>Fraud risk</p>
• Recommendation	• Management Agreed Action
<p>1. Investigate installing a cash register that opens automatically once receipt is complete.</p>	<p>Agree. Manager Community and Cultural Centres will investigate the procurement of an automatic cash register which has appropriate controls in line with recommendation.</p> <p>Once cash register has been procured ; the Unley Library will consider a trial to determine whether it would be more efficient to process payments via two avenues:</p> <ul style="list-style-type: none"> Library Account Payments – (lost books,

		<p>finer) will continue to be processed via Workflows</p> <ul style="list-style-type: none"> Ad-hoc Payments (eg. book sales, printing) receipt directly via cash register with pre-set receipt codes. <p>April 2022</p>
2.	All library staff undergo training that emphasise the importance of receipting monies at the time of the transaction.	<p>Agree. The procedure will be revised and training will to be provided to emphasise compliance with procedure is required.</p> <p>April 2022</p>
3.	The Manager Community and Cultural Centres should establish a “back up” at the Unley Library for the banking process. (It is noted that there is one dedicated banking person at the Goodwood Library and also one for the Toy Library)	<p>Agree. Since the audit, a review has been completed and a role has been identified. Training for a ‘back up’ is currently underway. COMPLETED</p>
4.	Library staff to encourage library users to recharge their printer cards via the Credit Card option.	<p>Agree. Manager Customer and Cultural Centres will advise all Library staff to encourage customers to utilise e-recharge option for printer cards.</p> <p>Manager Customer and Cultural Centres will investigate if there is library patron/customer receptiveness to transition into an ‘e-recharge’ only option for recharging of printer cards.</p> <p>April 2022</p>

Finding 1b: Cash receipting inaccurate and not conducted in a timely manner (Unley Swimming Centre)		
• Risk		• Internal Controls
144 Fraud (i.e. misappropriation of funds)		<ul style="list-style-type: none"> ASS-BAN-0004: There is a process in place to ensure all cash collected is adequately recorded and banked regularly.
• Observation	<p>The Swimming Centre is open from September to May each season. The takings are counted and reconciled on a daily basis across the 7 days of operation. The daily reconciled takings are entered into a spreadsheet and any discrepancies are noted on the spreadsheet as 'overs & unders'. The overall 'overs & unders' amount is then banked twice a week.</p> <p>The 'overs & unders' amount is almost a daily occurrence on the banking spreadsheet and the amounts range from \$117.20 'over' (17% of total cash banked) on 24 November 2020 to -\$80.90 (-18% of total cash banked) 'under' on 7 February 2021. It is noted that the variance is usually an 'over' amount.</p> <p>An investigation is usually conducted during the end of day process, but it is difficult to determine where the variance may have occurred.</p> <p>The main reason for unders to be recorded is relating to swim school payments (defaults to cash receipt) and the overs usually relate to issues with the receipting interface software (lag where staff think a receipt has been processed but it hasn't). The Swimming Centre Manager has stated there has previously been internet issues at the Swimming Centre and this affects the receipting system and causes delays and errors when trying to receipt during busy periods. These issues have been investigated and resolved.</p> <p>It is noted that since the audit, the Swimming Centre has implemented a new system called SkyFii which will alleviate some of the 'bottleneck' issues relating to patrons entering the Swimming Centre and therefore allowing staff to manage patrons more efficiently.</p>	
• Risk Implications	Potential Fraud Risk as there is un-accounted cash at the Centre.	
• Recommendation		• Management Agreed Action
1.	<p>The Swimming Centre should cease netting out 'overs and unders' for variances in cash receipting.</p> <p>A receipting code should be set up to capture any variances which cannot be allocated after an investigation has been conducted.</p>	<p>Agree. The Swimming Centre is investigating going 'cashless' for the 2022-23 season and will implement steps to educate and inform patrons during this season.</p> <p>In the meantime, the Swimming Centre will explore system driven possibilities to capture variances in the receipting interface software. April 2022</p> <p>Update procedures to reflect that the previous days 'overs' will be banked into the 'overs' account line the following morning. March 2021</p>

2.	A reporting process should be set up for the review of the variances. This should include a secondary signatory to ensure that all variances are independently verified.	Agree. The Swimming Centre to set up a secondary signatory as an independent check when takings are counted and reconciled. February 2021
3.	Swimming Centre Manager in collaboration with Business Systems and Solutions and Finance to investigate a solution that is fit for business in relation to their receipting requirements.	Agree. Swimming Centre Manager to work collaboratively with Business Systems & Solutions to look at the longer term centre management system solution for the Swimming Centre. June 2022
1.	Investigate installing a cash register that opens automatically once receipt is complete.	Agree. The Manager Community and Cultural Centres will investigate the procurement of an automatic cash register which has appropriate controls in line with recommendation. April 2022

High Risk Findings continued

Finding 2: Inadequate security relating to the storage of cash		
• Risk		• Internal Controls
174: Receipts are not deposited at the bank on a timely basis.		<ul style="list-style-type: none"> REV-REC-0005: Prior to and during the banking process, cash is stored securely at all times.
• Observation	<p>Unley Library banking occurs on a weekly basis.</p> <p>During opening hours, all cash is stored in the lockable cash drawer.</p> <p>During closed hours, all cash is kept in the safe. The safe is within the library.</p> <p>During the week, all monies (float and takings) are stored in a pencil case and placed in the safe at the end of the day. At the beginning of the day the pencil case contents are placed back into the cash drawer. No counting occurs until the banking is conducted on a weekly basis. (Note: Toy Library float and takings are stored in the same safe – in a separate pencil case).</p> <p>The float is not separated or counted.</p> <p>As library staff work across the different branches, all library staff (including casuals) know the access code to the safe.</p> <p>It is also noted that all library staff (including casuals) are issued with a key to access the cash drawer. This key opens the cash drawer at the Unley Library as well as the Goodwood Library.</p> <p>There is no key register to identify who has been issued with a key or process if a key is lost.</p> <p>* It is noted that staff work across various library branches and therefore any implementations will be applied to all relevant sites</p>	
• Risk Implications	Fraud Risk	
• Recommendation		• Management Agreed Action
1.	<p>The Manager Community and Cultural Centres should investigate a solution to better manage where the cash is stored when not in use.</p> <p>As a minimum, takings should be separate from the float. Seal the takings and place it in a section of the safe that has limited access to staff (eg. a drop safe).</p> <p>The float should be counted on a daily basis at the beginning and end of day.</p>	<p>Agree. A procedure will be established to undertake counting at the beginning and end of the day, and to separate the cash float. Training will be conducted once the procedure is established. The procedure will be rolled out across both library branches. March 2022</p> <p>Options for a drop safe or alternative safe options will be investigated. May 2022</p>

2.

Review key access to the cash drawer, including whether casuals need access, and establish a key register. Establish a process for happens:

- when the key is lost/misplaced, or
- when the staff leaves the organisation.

Should a cash register be procured, this should eliminate the concerns of multiple key holders.

Agree. The Library will establish:

- An authorised personnel and staff register, and
- A key register.

A process will also be prepared to support the management of the registers.

If the procured automatic cash register has appropriate security controls then no key register will be required.

April 2022

Medium Risk Finding

Finding 3: Banking from alternate location are not accounted for appropriately

• Risk	• Internal Controls
173: Receipts are either inaccurately recorded or not recorded at all.	<ul style="list-style-type: none"> REV-REC-0006: Process in place to ensure all monies received (including that from all offsite locations) are receipted and recorded in a timely manner.
• Observation	<p>Monies received from alternate locations to the main Civic Centre are received by the Customer Experience staff at the Civic Centre.</p> <p>The money received is in a tamper proof pre-sealed banking bag which contains a pre-completed deposit slip. The contents of the bag is <u>not</u> opened by the Customer Experience staff and reconciled.</p> <p>Depending on which location the banking has come from, if the money has not been pre receipted via Pathway (Council's receipting system) then the Customer Experience staff will create a Pathway receipt with the predefined information supplied with the banking bag. Once completed, the banking bag is placed in the safe and added to the collection form.</p> <p>The Customer Experience staff do not keep a register of when the banking has been received and which location it has been received from. If a bag is unable to be located, it will be difficult to determine at which point the banking has gone missing.</p>
• Risk Implications	Fraud Risk
• Recommendation	• Management Agreed Action
1. A register be created to capture the receipt of banking from other locations at the Civic Centre front counter. The register should include; <ul style="list-style-type: none"> Banking Bag number Location where banking is from Signature of person delivered the banking Signature of CX Staff who received the banking Date 	Agree. The Finance Team will update the procedure and training will be provided and staff responsible will sign off on their understanding of the procedure. March 2022

Low Risk Finding

Finding 4: Receipting transactions are inaccurately recorded or not recorded at all

• Risk		• Internal Controls	
173: Receipts are either inaccurately recorded or not recorded at all.		<ul style="list-style-type: none"> REV-REC-0003: Customers are provided with a system generated or pre-numbered (manual) sequential tax compliant receipt detailing payment made. 	
• Observation		The Swimming Centre and Unley Library do not consistently offer receipts to their customers. This is primarily due to the nature of their transactions. (eg. sales relating to food or drinks, book sales).	
• Risk Implications		Receipts are either inaccurately recorded or not recorded at all.	
• Recommendation		• Management Agreed Action	
1.	<p>All Library staff should offer a receipt to the customers of the Unley Library. This will establish good receipting habits and also shows the customer that their purchase has indeed been receipted.</p> <p>It may also alleviate the receipting issues mentioned in Finding 1. For a receipt to be issued, the transaction will need to be completed at the time of the transaction and this will deter staff from completing the receipt at a later time.</p>	<p>Agree. Finance to work with the library teams to review and implement the most efficient process in relation to receipting at libraries.</p> <p>Once the procurement of a cash register investigation is completed. The most efficient way to receipt library transactions will be assessed with procedures updated and training provided accordingly. April 2022</p>	
2.	<p>All Swimming Centre staff will offer their customers a receipt for each transaction. This will allow staff to ensure each transaction has completed.</p>	<p>Swimming Centre Point of Sale System issues a receipt at the end of the transaction.</p> <p>Staff will be instructed and trained to ensure they ask a customer if they require a receipt and offer the receipt when required. February 2021</p>	

High Risk Observation

Observation 2: Inappropriate use of cash

In December 2020, the Swimming Centre had an instance of \$150 where it was inappropriately used to reimburse centre expenditure. The cash was part of the 'overs' banking for the week.

The expenditure was clearly documented with receipts attached and commentary explaining what the expenditure was for.

The Swimming Centre Manager was unaware of the expenditure until the review of the banking. The Swimming Centre Manager has spoken to the staff involved once he was aware of the transaction.

It is noted that this was a once off transaction and the expenditure was in line with City of Unley's recognition guidelines

The Manager Finance and Procurement has been made aware of the incident.

Risk Implications		Fraud Risk
• Recommendation		• Management Agreed Action
1.	Staff who have access to cash at the Swimming Centre should undertake regular training in relation to their role and responsibility. They should also be made aware Fraud & Corruption Prevention Policy.	<p>Agree. The authorised officer at each location will sign an acknowledgement that they have read and understood the current procedure to ensure they understand their responsibility and procedures are adhered to. February 2021</p> <p>Authorised officers to sign an acknowledgement that they have read and understood the revised procedures once finalised. April 2022</p> <p>The Finance Team will provide a refresher training on the compliance requirements. April 2022</p>

Improvement Opportunity

Business Improvement Opportunity 1: Cashless trial at the Swimming Centre

The Swimming Centre is open to trialling the potential of being a 'cash free' facility.

The Swimming Centre would like to eliminate their banking issues relating to cash and having a cash free facility.

The majority of the Swimming Centre's transactions are EFTPOS with an average of 15% Cash.

It would be beneficial to investigate the possibility of trialling this option at the Swimming Centre for a short period of time to gather community receptiveness.

Risk Implications		Fraud Risk
• Recommendation		• Management Agreed Action
1.	Investigate how to initiate a 'cash free' facility trial.	Agree. The Manager Swimming Centre will collaboratively with Finance to explore a 'cashless' trial at the Swimming Centre for the 2022-23 season. September 2022

Key stakeholders

Name	Title
Alaina Brodyk	Customer Resolution Centre Coordinator
Alex Brown	Manager Finance and Procurement
Nathan Byles	Manager Swimming Centre
Rebecca Cox	Manager Community and Cultural Centres
Pam Dale	Coordinator Fullarton Park Community Centre
Joanne Hood	Digital Literacy Coordinator
Morgan Kris	Team Leader Financial Accounting
Mandy Smith	Manager Community Connections
Kim Thomson	Team Leader Customer Experience

Timing

Planning	Quarter 1 2020-21 FY
Commence Field Work	2020-21 FY
Draft Report to Management	17 November 2021
Issue Final Report	January 2022

Compiled by:

Lida Cataldi

Principal Risk Management Officer

DECISION REPORT

REPORT TITLE: CONFIDENTIALITY MOTION FOR ITEM 4.2 -
CENTENNIAL PARK CEMETERY AUTHORITY
- DRAFT LONG TERM FINANCIAL PLAN AND
ASSET MANAGEMENT PLAN

ITEM NUMBER:

DATE OF MEETING: 15 FEBRUARY 2022

AUTHOR: ALEX BROWN

JOB TITLE: MANAGER FINANCE AND PROCUREMENT

Pursuant to section 83(5) of the *Local Government Act 1999* the Chief Executive Officer has indicated that, if Council so determines, this matter may be considered in confidence under Part 3 of the *Local Government Act 1999* on the grounds set out below.

1. **RECOMMENDATION**

That:

1. Pursuant to Section 90(2) and (3) of the *Local Government Act 1999*, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because it relates to:
2. In weighing up the factors related to disclosure:
 - disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations; and
 - non-disclosure of this item at this time will enable the Audit Committee to consider Centennial Park Cemetery Authority's Long Term Financial Plan and Asset Management Plan, both of which contain commercially sensitive information, without compromising the commercial position of Council and the Centennial Park Cemetery Authority.

On that basis, the public's interest is best served by not disclosing 4.2 Centennial Park Cemetery Authority - Draft Long Term Financial Plan and Asset Management Plan, Report and discussion at this point in time.

3. Pursuant to Section 90(2) of the *Local Government Act 1999* it is recommended the Council orders that all members of the public be excluded, with the exception of staff of the City of Unley on duty in attendance and representatives from the Centennial Park Cemetery Authority.

CONFIDENTIAL ITEM REMOVED

CONFIDENTIAL MOTION REPORT

REPORT TITLE: CONFIDENTIALITY MOTION TO REMAIN IN
CONFIDENCE FOR ITEM 4.1 -
CONFIDENTIALITY MOTION - CENTENNIAL
PARK CEMETERY AUTHORITY - DRAFT
LONG TERM FINANCIAL PLAN AND ASSET
MANAGEMENT PLAN

ITEM NUMBER:

DATE OF MEETING: 15 FEBRUARY 2022

AUTHOR: ALEX BROWN

JOB TITLE: MANAGER FINANCE AND PROCUREMENT

1. RECOMMENDATION

That:

1. Pursuant to Section 91(7) of the *Local Government Act 1999* the following elements of Item 4.1 Confidentiality Motion - Centennial Park Cemetery Authority - Draft Long Term Financial Plan and Asset Management Plan, considered at the Audit Committee Meeting Meeting on 15 February 2022:

- ☒ Minutes
- ☒ Report
- ☒ Attachment

remain confidential

until 1 July 2031

and not available for public inspection until the cessation of that period.

2. Pursuant to Section 91(9)(c) of the *Local Government Act 1999*, the power to revoke the order under Section 91(7) prior to any review or as a result of any review is delegated to the Chief Executive Officer.