

His Worship the Mayor  
Councillors  
**CITY OF MARION**



**NOTICE OF  
FINANCE AND AUDIT COMMITTEE**

Notice is hereby given pursuant to the provisions under Section 83 of the Local Government Act 1999 that a General Council meeting will be held

**Tuesday 29 May 2018**

**Commencing at 9.30am**

**In the Council Chamber**

**Council Administration Centre**

**245 Sturt Road, Sturt**

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

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

A handwritten signature in dark ink, appearing to read "Adrian Skull", with a stylized flourish at the end.

Adrian Skull  
**CHIEF EXECUTIVE OFFICER**

24 May 2018

**CITY OF MARION  
FINANCE AND AUDIT COMMITTEE AGENDA  
FOR THE MEETING TO BE HELD ON  
TUESDAY, 29 MAY 2018  
COMMENCING AT 9.30 AM  
COUNCIL CHAMBER, ADMINISTRATION CENTRE  
245 STURT ROAD, STURT**

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**1. OPEN MEETING**

**2. KAURNA ACKNOWLEDGEMENT**

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

**3. MEMBER'S DECLARATION OF INTEREST (if any)**

**4. CONFIRMATION OF MINUTES**

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### **9. ANY OTHER BUSINESS**

### **10. MEETING CLOSURE**

The Audit Committee meeting shall conclude on or before 12.30 pm unless there is a specific motion adopted at the meeting to continue beyond that time.

### **11. NEXT MEETING**

The next Meeting of the Finance and Audit Committee is scheduled to be held on:

**Time:** 4.00pm – 6.00pm

**Date:** 21 August 2018

**Venue:** Council Chamber, Administration Building

**MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING  
HELD AT THE ADMINISTRATION CENTRE  
245 STURT ROAD, STURT  
ON 27 FEBRUARY 2018**



**PRESENT**

Mr. Greg Connor (Chair), Ms Emma Hinchey, Ms Natalie Johnston and Councillor Telfer

**In Attendance**

Mr. Adrian Skull	Chief Executive Officer
Mr. Vincent Mifsud	General Manager Corporate Services
Ms Abby Dickson	General Manager City Development
Mr. Tony Lines	General Manager City Services
Ms Kate McKenzie	Manager Corporate Governance
Ms Deborah Horton	Governance Quality Coordinator
Mr. Ray Barnwell	Manager Finance and Contracts
Ms Fiona Harvey	Manager Strategy and Innovation
Ms Cass Gannon	Performance and Innovation Leader
Ms Karen Cocks	Manager Customer Experience
Ms Sherie Walczak	Unit Manager Risk
Mr. Jared Lawrence	KPMG
Ms Heather Martens	KPMG

**1. OPEN MEETING**

The meeting commenced at 9.30 am. The Chair welcomed all those present to the meeting.

The Chair welcomed Ms Natalie Johnston to the meeting. Ms Johnston provided an overview of her experience in consulting, external audit, internal audit and across local government.

**2. KAURNA ACKNOWLEDGEMENT**

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

**3. MEMBERS DECLARATION OF INTEREST**

The Chair asked if any Member wished to disclose an interest in relation to any item being considered at the meeting. No interests were declared.

**4. CONFIRMATION OF MINUTES**

**9.32am Confirmation of Minutes for the Finance and Audit Committee held 12 December 2017**

**Moved Councillor Telfer, Seconded Mr Connor** that the minutes of the Finance and Audit Committee (the Committee) meeting held on 12 December 2017 are confirmed as a true and correct record of proceedings.

**Carried Unanimously**

## 5. BUSINESS ARISING

### **Review of the Business Arising from previous meetings of the Finance and Audit Committee**

**Report Reference: FAC2702185.1**

The Committee reviewed and noted the Business Arising Statement and the forward work Plan for the Committee. The Committee discussed the joint forum with Elected Members listed for August and agreed that further discussion was required regarding the topic for the Elected Member Forum.

## 6. ELECTED MEMBER REPORT

### **9.36 am Elected Members' Report**

**Report Reference: FAC2702186.1**

Councillor Telfer provided a summary of the report and raised that Elected Members are still working hard on infrastructure issues for the City of Marion. Council still needs to determine the Local Government Association Membership for 2018/19 and the Insurance Review that is scheduled for March 2018.

Councillor Telfer requested the CEO provide the Committee with a confidential update on the AWU Employee Agreement negotiations within other business of the meeting.

Councillor Telfer advised that the B MX project is still over budget by approximately \$2m. Further investigations for another site have occurred within the City of Onkaparinga and Onkaparinga have confirmed their preference is the Majors Road site at O'Halloran Hill. The issues regarding the soil quality remain which is creating the budget overrun.

The Committee queried the City of Marion's process regarding credit cards. The Manager Finance and Contracts advised that Council currently had 35 credit cards which were governed by a monthly limit of \$70,000. Last financial year a total of \$180,000 was used for purchasing on credit cards. KPMG also completed an internal audit on credit cards in 2017. This internal audit selected a sample of expenditure and tested against the relevant policies/procedures. No high risks were identified out of this review. Management has been liaising with the Auditor General and media queries regarding the matter.

## 7. REPORTS

### **Matters for Discussion**

Corporate and Financial Management

### **9.48 am Draft Annual Business Plan 2018/19 and Long Term Financial Plan**

**Report Reference: FAC2702187.1**

The Manager Finance and Contracts provided an overview of the report highlighting the assumptions that were considered by the Committee and Council in December 2017. A high level draft budget was produced for discussion at the Elected Member Planning day in January 2018. This also included discussion on 20 new initiatives being considered for the budget. Three rate models were presented at the planning day ranged being 1.0%, 1.8% and 2.2% increase. Elected Members provided further guidance on the rate increase and further modeling would occur based on 1.8% and 2.2% to assist Elected Members with their decision making on the budget.

The Committee queried the impact of rate capping and was advised that the rate modeling being undertaken would fit within any rate capping requirements.

The draft budget will be finalised in March in preparation for public consultation in April.

The Committee noted the report and suggested the following points for further consideration:

- The consultation process with Elected Members has worked well and should be embedded as part of the process
- The organisations capacity to deliver all of the items within the draft Annual Business Plan
- Expenses at 2.5% (CPI) over the life of the Long Term Finance Plan (LTFP)
- The sustainability of employee costs at 2% over the life of the LTFP
- Councils plans for spending the accounting reserves
- The impact of carryovers on resourcing and the consequent risk of not being able to deliver the following years work program. A focus on reducing these further is required.
- When setting the rate increase, Council needs to ensure it will cover what it has planned to deliver in the next year. Setting a lower rate in one year and then increasing in the following year doesn't demonstrate good practice. Once rates are low (i.e. 1.8% which is below CPI), it will make it more challenging for the Council to increase rates at a later stage. Council does have ambitious future plans and this needs to be considered when setting the rate.
- When presenting the Annual Business Plan to Council, the financial ratios (page 29) should also be compared with the sector or other relevant benchmark.

The Committee discussed the average residential rate increases noting that the City of Marion is 5<sup>th</sup> lowest of the 18 metropolitan councils. It is forecast that the current proposed rate increase for 2018/19 is likely to keep the City of Marion position amongst the lower increasing in rates for Councils. The difficulty for City of Marion is the rate in the dollar when compared with neighboring Councils such as City of Holdfast Bay. Marion has a larger proportion of properties with a lower capital value and less properties with high capital value to spread the load, meaning that the rate in the dollar will always be higher than Councils with more higher value properties.

It was also noted that the Council is proposing to invest further in project management and asset management software. The Committee noted that it is a good investment to spend on systems that will better enable the organisation to deliver.

The Committee also discussed the Key Performance Indicators for 2018/19 and provided the following comments:

- It's important that the KPI's do not compete against each other. For example, the delivery of the capital works program and the employee costswork against each other because delivering one could impact on the other not being achieved.
- Council needs to consider the KPI regarding Total Employee Costs. The stretch target is less than or equal to 2%. The likelihood is that this is not realistic moving forward and will be a challenge. If the employee costs increases to 2.5%, this will dramatically change the cash surplus forecast at the end of the LTFP from \$50m to approximately \$20m. Further consideration is required in this space.
- Retention of key staff is a challenging KPI as good people are often hard to retain. Council may like to consider a target such as avoidable turnover. Some employees will leave or be terminated but the majority of staff will deliver a solid performance and Council would want to retain these employees. If you exclude the employees

management performance managed and then set an indicator of say 8 – 12% of avoidable turnover, it may provide a better indicator to the organisation. If it can be determined through the exit interview process if the resignation was a good/bad resignation for the organisation, that would be useful.

The Committee congratulated the organisation for another good process.

### Internal Audit

#### **10.15 am Internal Audit Program 2017/18 Year 1 Report Reference: FAC270218R7.2**

Mr. Jared Lawrence (KPMG) and Ms Heather Martens (KPMG) entered the meeting and introduced the Volunteer Management Internal Audit Report. The Committee noted that the audit included review of the Volunteer Management Strategy, Volunteer Policy and Procedure and the management arrangements for volunteers.

The Committee noted the report and that the City of Marion has 363 active volunteers with an estimated value of \$1.1m (approximately 40,000 hours) per annum. This is the equivalent of approximately 15 full time employees. The audit revealed that in general the volunteers and staff involved in the program were passionate and well supported in their roles.

The report highlighted six (6) recommendations (two high, one moderate and three low risks) and 1 performance improvement. The high risk recommendations related to the lack of an overall strategic direction for volunteer management and out of date DCSI clearances. The out of date DCSI clearances have been addressed as a matter of urgency to ensure that volunteers have the appropriate police clearance. The Committee noted that any volunteers without the appropriate clearance were stood down until the clearance was received by Council. The cost of obtaining the clearances was incurred by the City of Marion and not the volunteer.

It was also noted that there were some gaps within the volunteer database and the formal performance reviews with volunteers was not occurring. There was evidence that different sites were managing their volunteers differently (for example, the Glandore Community Centre had created their own Code of Conduct for Volunteers that wasn't aligned to the corporate values).

The Committee acknowledge that:

- The management of the volunteer program may have drifted in recent years and that the function has now been transitioned into Human Resources to align the volunteer policies and procedures with employee policies and procedures.
- Council needs to be considerate of the Fair Work Commission and ensuring that volunteers are not undertaking roles that should be paid. Further exploration is required to ensure any exposure to Council is limited.
- The report provided value.

The Committee queried if KPMG would be able to deliver the remainder of the Internal Audit Program in five months. Mr. Lawrence confirmed that the Contractor Management Report is 90% complete. The NDIS and Fines and Regulatory Services internal audits are currently in progress. The Development Services review will be progressed outside of the KPMG contact as a planning specialist is required for this audit.

**ACTION: Provide the Committee with an update in regards to progressing the recommendations from the Volunteer Management Internal Audit in 6 months.**

**Adjournment**

10.40 am The chair called for a 5 minutes adjournment

10.45 am The meeting resumed

Service Reviews**10.45 am Service Review – Report – Customer Service  
Report Reference: FAC270218R7.3**

The Manager Customer Experience and the Performance and Innovation Leader provided an overview of the report noting the objectives were to identify opportunities to improve Customer Experience when contacting the Customer Service Team, Assess the team-resourcing profile against profile of calls coming in to better match resources and improve services and assess opportunity for greater first call resolution.

It was noted that the customer service team is coming under increased pressure to transform from a face to face / phone interaction to the digital environment. The analysis of the review highlighted that there is no single point of truth regarding how the City of Marion is capturing its data regarding the experience of the customer.

In total the review delivered 17 recommendations for improvement. The basis of the recommendations are to deliver the foundation required to transform the service delivery model being offered at the city of Marion. These include:

- Implementation of Interactive Voice Response (IVR) in certain areas
- Strengthen digital channel
- Simplify the hard waste booking process
- Improve the customer experience when visiting the administration building
- Implement a systemic call quality monitoring process
- Implement metrics that matter most as a management tool to drive customer experience.

The Committee noted the review and made the following points:

- Some of the recommendations are quick wins and should be implemented first whilst others are more intense.
- 73% of contact is via phone, if introducing an IVR process, the 10% reduction of calls handled by the customer service team should be easily met. The Committee suggested a higher target should be developed.
- Further data is required to deliver outcomes for the team.
- It was noted a further review was suggested for April 2019 and the Committee agreed this would be beneficial.
- It is noted that the customer service team has long tenure but may not be equipped with the right knowledge to act as the first point of contact knowledge agent. The organisation needs to ensure that the staff are given the information and authority to respond and empower them to implement the required outcome.

- The organisation needs to be certain on the strategy of the customer service team being the central knowledge point. If this is the case, how will the organisation be aware of the types of queries and problems being addressed at this first point of customer experience?
- It was noted that the process for dog registrations and hard rubbish was reviewed due to the administrative costs. Some improvements were beyond our control as they are a legislative process. The administration for the booking of the hard rubbish was not covered in the Hard Rubbish Service Review as this focused on the actual service.

The Committee indicated that this was a good report and suggested that all elected members should be engaged with its content. The Committee also discussed partnering opportunities with the City of Port Adelaide Enfield and City of Charles Sturt.

#### **11.14 am Service Review Program 2017/18 - Update** **Report Reference: FAC270218R7.4**

The Committee noted the Service Review Program 2017/18 - Update - Appendix 1

#### **11.16 am Service Review – Recommendations – Progress Update** **Report Reference: FAC270218R7.5**

The Committee noted the report and raised concerns that only 50% of recommendations were closed out. The Committee suggested that the program may need to slow down to ensure the recommendations are implemented appropriately and the organisation is not overwhelmed.

It was noted that the organisation was at risk of strategic initiative overload and some parts of the business were creating blockages due high and demanding workloads.

It was noted that the May Committee meeting would consider the Service Review Program for 2018/19 and this would be taken into consideration.

**ACTION: the Committee be provided with a one page update on progress achieved with Service Review Recommendations, with a focus on completing key items first.**

#### **11.20 am Service Review – Scope – Records Management** **Report Reference: FAC270218R7.6**

The Manager Corporate Governance provided an overview of the scope highlighting that due to the new technology implemented (Record Point) the review will assess the internal service delivery model taking into consideration the roles, responsibilities, competencies and optimal team structure. The review will commence in April 2018

The Committee noted the report.

## **8. CONFIDENTIAL ITEMS**

#### **11.24 am Insurance Market Testing** **Report Reference: FAC270218F01**

**Moved Councillor Telfer, Seconded Ms Hinchey** that the Finance and Audit Committee:

Pursuant to Section 90(2) and (3) (b) and (d) of the *Local Government Act 1999*, orders that all persons present, with the exception of the following persons: Adrian Skull, Chief Executive Officer; Vincent Mifsud, General Manager Corporate Services; Abby Dickson, General

Manager City Development, Tony Lines, General Manager City Operations, Kate McKenzie, Manager Corporate Governance, Sherie Walczak, Unit Manager Risk, Lyndon Parnell, Finrisk Pty Ltd, be excluded from the meeting as the Finance and Audit Committee receives and considers information relating to Insurance Market Testing, upon the basis that the Committee is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to commercial information the disclosure of which could prejudice the commercial position of Council and would on balance be contrary to the public interest.

**Carried Unanimously**

**11.24 am the meeting went into confidence**

**Moved Ms Hinchey, Seconded Ms Johnston** that the Finance and Audit Committee:

In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Committee orders that this report, Insurance Market Testing report, appendices and the minutes arising from this report having been considered in confidence under Section 90(2) and (3)(b) and (d) of the Act, except when required to effect or comply with the Council's resolution(s) regarding this matter, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2018.

**Carried Unanimously**

**12.22 pm the meeting came out of confidence**

## **9. ANY OTHER BUSINESS**

The Committee noted the clash between the meeting of 14<sup>th</sup> August and General Council Meeting and agreed to move the Finance and Audit Committee meeting scheduled for the 14<sup>th</sup> August 2018 to the 21<sup>st</sup> August 2018

**11.23 am Verbal Update from Chief Executive Officer**

**Moved Ms Johnston, Seconded Councillor Telfer** that the Finance and Audit Committee:

Pursuant to Section 90 (2) and (3)(g) of the *Local Government Act 1999*, orders that all persons present, with the exception of the following persons: Adrian Skull, Chief Executive Officer; Vincent Mifsud, General Manager Corporate Services; Abby Dickson, General Manager City Development, Tony Lines, General Manager City Operations, Kate McKenzie, Manager Corporate Governance, be excluded from the meeting as the Finance and Audit Committee receives and considers information relating to the Employee Agreement Negotiations, upon the basis that the Committee is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty.

**Carried Unanimously**

**12.23 pm the meeting went into confidence**

**Moved Ms Hinchey, Seconded Ms Johnston** that the Finance and Audit Committee:

In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Committee orders that the minutes arising from this verbal update having been considered in confidence under Section 90(2) and (3)(g) of the Act, except when required to effect or comply with the Council's resolution(s) regarding this matter, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2018.

**Carried Unanimously**

**12.35 pm the meeting came out of confidence**

**10. MEETING CLOSURE**

The meeting was declared closed at 12.35 pm.

**11. NEXT MEETING**

The next meeting of the Finance and Audit Committee is scheduled to be held:

**Time: 9.30am**

**Date: 29 May 2018**

**Venue: Council Chamber, Administration Building**

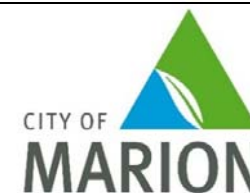
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**CHAIRPERSON**

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## CITY OF MARION

## BUSINESS ARISING FROM FINANCE AND AUDIT COMMITTEE MEETINGS

AS AT 24 May 2018



	Date of Meeting	Item	Responsible	Due Date	Status	Completed / Revised Due Date
1.	30 May 2017	<b>Auditor-General Report – Examination of governance arrangements in local government: February 2017</b> <b>Report Reference: FAC300517R8.3</b> Advise the Auditor-General in writing once all recommendations have been completed.	K McKenzie	Dec 2017	The Compliance Framework remains the outstanding action from the Audit, which now has a re scheduled timeframe of 30 June 2018 due to resources and workload. A draft Framework has been developed. Internal consultation and ELT sign off will occur before 30 June. The draft Compliance Policy and Framework will be presented to the August FAC Meeting for feedback and endorsement.	30 June 2018
2.	12 Dec 2017	<b>Property Internal Audit Update</b> The Committee requested that at the May 2018 Committee meeting a short report is provided regarding progress.	C Hampton	May 2018	Included in report 'Internal Audit Program – Implementation of Recommendations' as Appendix 3.	29 May 2018
3.	12 Dec 2017	<b>Corporate Reporting Internal Audit</b> The Committee requested that at the May 2018 Committee meeting a short report is provided regarding progress.	K McKenzie	May 2018	Included in report 'Internal Audit Program – Implementation of Recommendations' as Appendix 2.	29 May 2018
4.	27 Feb 2018	<b>Internal Audit – Volunteer Management</b> Provide the Committee with an update in regards to progressing the recommendations from the Volunteer Management Internal Audit in 6 months.	S Roberts	August 2018	Listed on the schedule for August	
5.	27 Feb 2018	<b>Service Reviews – Implementation of Recommendations</b> Update at next meeting on progress achieved with Service Review Recommendations, with a focus on completing key items first.	C Gannon	May 2018	Included in report 'Service Review – Recommendations – Progress Update'	May 2018

\* completed items to be removed are shaded

Report Reference: FAC290518R5.1

<b>SCHEDULE OF MEETINGS 2018</b>			
<b>Day</b>	<b>Date</b>	<b>Time</b>	<b>Venue</b>
<b>Tuesday</b>	<b>27 February 2018</b>	<b>9.30am – 12.30 pm</b>	<b>Administration Centre</b>
<b>Tuesday</b>	<b>29 May 2018</b>	<b>9.30am – 12.30 pm</b>	<b>Administration Centre</b>
<b>Tuesday</b>	<b>14 August 2018</b>	<b>4.00 – 6.00 pm Followed by 7.00 – 9.00 pm (Joint workshop with Council)</b>	<b>Administration Centre</b>
<b>Tuesday</b>	<b>2 October 2018</b>	<b>9.30am – 12.30 pm</b>	<b>Administration Centre</b>
<b>Tuesday</b>	<b>11 December 2018</b>	<b>9.30am – 12.30 pm</b>	<b>Administration Centre</b>

**INDICATIVE AUDIT COMMITTEE WORK PROGRAM - 2018****TUESDAY, 27 February 2018**

<b>Topic</b>	<b>Action</b>
Elected Member Report	Communication Report
Draft Annual Business Plan and Budget 2018/19 and Draft Long Term Financial Plan	Review and Feedback
Insurance Review (Confidential)	Review and Recommendation to Council
Internal Audit Program – Scopes, Reviews and Monitoring	Review and Feedback
Service Review Program - Scopes, Reviews and Monitoring	Review and Feedback
Organisational Key Performance Indicators 2018/19	Review and Recommendation to Council

**TUESDAY, 29 May 2018**

<b>Topic</b>	<b>Action</b>
Elected Member Report	Communication Report
Draft Annual Business Plan and Budget 2018/19 (after public consultation) & Draft Long Term Financial Plan	Review and Feedback
Internal Audit Program – Scopes, Reviews and Monitoring	Review and Feedback
Service Review Program - Scopes, Reviews and Monitoring	Review and Feedback
Corporate Risk Profile	Review and Feedback
Update on Property Internal Audit Review	Information Report
Corporate Reporting Internal Audit Update	Information Report
Annual Report – Business Continuity Program	Information Report

**TUESDAY, 14 August 2018 (Joint Workshop with Council)**

<b>Topic</b>	<b>Action</b>
Elected Member Report	Communication Report
Annual Review of WHS Program	Review and Feedback
Valuations of Buildings and Assets	Review and Feedback
Internal Audit Program – Scopes, Reviews and Monitoring	Review and Feedback
Update on Internal Audit – Volunteer Management	Information report
Service Review Program – Scopes, Reviews and Monitoring	Review and Feedback
Meeting with Internal auditors in camera	Seeking feedback from Auditors
Joint Workshop with Council	Topic TBC
Outcome of Australian Service Excellence Standards Audit	Information Report
FAC Performance Review	Review and Feedback

**TUESDAY, 2 October 2018**

<b>Topic</b>	<b>Action</b>
Elected Member Report	Communication Report
Independence of Council's Auditor for the year end 30 June 2018	Review and Recommendation to Council
Audited Annual Financial Statements for the year end 30 June 2018	Review and Recommendation to Council
Investment Performance 2017/18	Noting
Debtors Report	Noting
Meeting with external auditors in camera	Seeking feedback from Auditors
Local Government Risk Services Audit	Review and Feedback
Internal Audit Program – Scopes, Reviews and Monitoring	Review and Feedback
Service Review Program - Scopes, Reviews and Monitoring	Review and Feedback

**Tuesday, 11 December 2018**

<b>Topic</b>	<b>Action</b>
Elected Member Report	Communication Report
Internal Audit Program – Scopes, Reviews and Monitoring	Review and Feedback
Service Review Program - Scopes, Reviews and Monitoring	Review and Feedback
Work Program and Meeting Schedule 2019	Review and Feedback
Ombudsman SA Annual Report 2017/18	Review and Feedback
Framework and Key Assumptions for preparation of 2019/20 ABP and LTFP	Review and Feedback

**CITY OF MARION  
FINANCE AND AUDIT COMMITTEE MEETING  
29 May 2018**

**Originating Officer:** Kate McKenzie, Manager Corporate Governance  
Councillor Raelene Telfer, Councillor Nick Kerry

**Subject:** Elected Members' Report

**Report Reference:** FAC290518R6.1

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**REPORT OBJECTIVE:**

Section 4.20 of the Audit Committee Policy states "*where the Council makes a decision relevant to the Audit Committees Terms of Reference, the Elected Member Representative will report the decision to the Audit Committee at the next Committee meeting and provide any relevant context*".

**EXECUTIVE SUMMARY:**

Since the last Finance and Audit Committee meeting on 27 February 2018, Council has held five (5) General Council meetings on 13 March, 27 March, 10 April, 8 May and 22 May 2018 and one (1) special Council meeting on 24 April 2018.

At these six (6) meetings, the Council made the following decisions that relate to the Finance and Audit Committee Terms of Reference in chronological order:

**GENERAL COUNCIL – 13 March 2018**

**Local Government Association Constitution and Ancillary Documents – Feedback Sought**

**Report Reference: GC130318R06**

Council resolved to provide feedback to the LGA regarding proposed changes to the LGA constitution and a number of related documents namely the Meeting Procedures, Membership Proposition and Terms of Reference for the Audit Committee, CEO Advisory Group and two sub Committees. The LGA incorporate the feedback from the City of Marion and the new constitution was adopted by the sector at the LGA Ordinary Meeting on Friday, 13 April 2018.

**Local Government Association Membership**

**Report Reference: GC130318R07**

Council resolved to continue its membership with the Local Government Association on an ongoing basis.

**Insurance Market Testing (Confidential Report)**

**Report Reference: GC130318F03**

Council considered a confidential report regarding Insurance Market Testing and resolved to continue to place its insurance portfolio with the Local Government Insurance Schemes.

**GENERAL COUNCIL 27 March 2018**

**Code of Conduct – Procedure for Investigating Complaints**

**Report Reference: GC270318R11**

Council adopted a revised 'Code of Conduct – Procedure for Investigating Complaints' for Elected Members.

**Complaints and Grievance Policy**

**Report Reference: GC270318R12**

Council adopted a revised 'Complaints and Grievance Policy'.

**Caretaker Policy**

**Report Reference: GC270318R13**

Council adopted a revised 'Caretaker Policy'. This Policy will commence on 18 September in the lead up to the Local Government Elections in November 2018.

**Whistleblowers Policy**

**Report Reference: GC270318R14**

Council adopted a revised 'Whistleblowers Policy'.

**GENERAL COUNCIL 10 April 2018**

**Draft Annual Business Plan 2018/19 for Public Consultation**

**Report Reference: GC100418R04**

Council endorsed the City of Marion Draft Annual Business Plan 2018/19 and Draft Long Term Financial Plan for public consultation, based on a proposed average rate increase of 1.8%.

**SPECIAL COUNCIL – 24 APRIL 2018**

**Expression of Interest for Potential Property Acquisition Opportunity (Confidential)**

**Report Reference: SCG240418F01**

This report was confidential. It related to an expression of interest for a potential purchase of land.

**GENERAL COUNCIL 8 May 2018**

No items at this meeting related to the Terms of Reference of the FAC.

**GENERAL COUNCIL 22 May 2018**

**Potential Property Acquisition**

**Report Reference GC220518F03**

This report was confidential. It related to an expression of interest for a potential purchase of land.

**Future Land Use**

**Report Reference: GC220518F02**

This report was considered in confidence but the minutes have been released. Council resolved to call for an expression of interest for recreational use and/or development at 262 Sturt Road, Marion (site currently occupied by the croquet club).

**BMX Project – Alternative Site Option**

**Report Reference: GC220518R04**

Council considered a progress report on the BMX facility project and determined to undertake a full investigation into the potential location for the Sam Willoughby International BMX Facility at Darlington.

**3<sup>rd</sup> Budget Review 2017/18**

**Report Reference: GC220518R05**

Council adopted the revised budgeted statements including the Income Statement, Balance Sheet, Statement of Changes in Equity and Statement of Cash Flows. The completion of the 3<sup>rd</sup> Budget Review has identified a favourable Cash adjustment of \$1.053m. When added to the 2<sup>nd</sup> Review Cash Surplus of \$0.165m, the full year cash surplus forecast is now \$1.218m

**Public Consultation Feedback on the Draft Annual Business Plan 2018/19**  
**Report Reference: GC220518R06**

Council noted the outcomes of the public consultation. A revised draft Annual Business Plan 2018/19 is being prepared for Council consideration at the Council meeting of 12 June 2018.

**Council Subsidiary SRWRA & Council Solutions – Draft 2018/19 Business Plan and Budget Review**

**Report Reference: GC220518R07**

Council supported the draft business plan and budget for both SRWRA and Council Solutions.

**Corporate Risk Quarterly Report - January to March 2018**

**Report Reference: GC220518R16**

Council noted the progress reported against the mitigation of those high rated risks identified within the Corporate Risk Register.

**COMMITTEES**

The following Committees also met and discussed the following matters relating to the FAC's Terms of Reference:

Infrastructure and Strategy Committee – 6 March, 3 April, 1 May 2018

The Committee discussed various major projects including BMX. The Committee also had various conversations regarding smart cities and Oaklands wetlands.

Urban Planning – 6 March

No items to report

Review and Selection Committee – 1 May

The Committee considered a report on the performance of the CEO's KPIs

Elected Member Forums

Elected Member Forums have continued to work on various major projects and strategic initiatives.

**RECOMMENDATION**

**The Finance and Audit Committee note the report.**

**DUE DATE**

**29 May 2018**

**CITY OF MARION  
FINANCE & AUDIT COMMITTEE MEETING  
29 MAY 2018**

**Originating Officer:** Deborah Horton, Governance Quality Coordinator

**Manager:** Kate McKenzie, Manager Corporate Governance

**General Manager:** Vincent Mifsud, General Manager Corporate Services

**Subject:** Internal Audit Program 2018/19 scoping documents

**Report Reference:** FAC290518R7.1

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## **REPORT OBJECTIVES & EXECUTIVE SUMMARY**

To provide the Finance & Audit Committee (FAC) with three (3) internal audit scoping documents spanning the 2017/18 and 2018/19 financial years being:

### **Planning Assessment (Appendix 1)**

The Planning Assessment audit will incorporate risks and controls associated with planning and building applications as a focus. The audit is expected to be completed by the end of the financial year. It is anticipated that the FAC will view the final report at its meeting of 15 August 2018.

### **Procure to Pay (Appendix 2)**

The Procedure to Pay audit will essentially critique adherence to internal policies and procedures implemented by the City of Marion for procurement and payments based upon a previous audit in 2016. It is anticipated that the FAC will view the final report at its meeting of 10 October 2018.

### **Emergency Management (Appendix 3)**

Concentrating on emergency management, this audit will focus on the workplace emergency management framework, processes and risk management protocols, but will exclude business continuity planning, as this will be included in a separate audit. The FAC will view the final report at its meeting of 10 October 2018.

The internal audit program provides assurance to Council (via the FAC) that the Council is operating efficiently and effectively.

## **RECOMMENDATIONS**

## **DUE DATES**

**That the Finance & Audit Committee;**

- |  |                    |
|--|--------------------|
| 1. Notes this report.  | <b>29 MAY 2018</b> |
| 2. Provides feedback regarding the attached reports;   | <b>29 MAY 2018</b> |
| <ul style="list-style-type: none"> <li>• Planning Assessment Scope (Appendix 1)</li> <li>• Procure to Pay (Appendix 2)</li> <li>• Emergency Management (Appendix 3)</li> </ul> |                    |

HOLMES DYER PTY LTD

ABN: 30 608 975 391

Ph: 08 7231 1889

Level 3/15 Featherstone Place

Adelaide SA 5000

21 May 2018

Reference: 0323-18-001

HOLMES DYER

City of Marion

PO Box 21

OAKLANDS PARK SA 5046

Attention: Kate McKenzie

By Email: Kate.McKenzie@marion.sa.gov.au&gt;

Dear Kate,

**RE: DEVELOPMENT ASSESSMENT (PLANNING) AUDIT**

Thank you for the opportunity to provide this return brief to assist the City of Marion with an audit of the Development Services Planning Function.

Holmes Dyer Pty Ltd would be pleased to assist Council in this matter.

Prior to becoming a Chief Executive Officer of two South Australian Councils, Holmes Dyer Director, Helen was the hands on General Manager responsible for Development Services' divisions at both the City of Norwood, Payneham and St Peters and the City of West Torrens. Helen is a Registered planner and Fellow of the Planning Institute of Australia. Her Planning background combined with her Local Government expertise is highly relevant for undertaking audits of Development Services departments; which she has done on behalf of a number of Councils.

Development assessment is a highly technical area of endeavour with numerous statutory steps and opportunities for both merit (planning appeals) and process (judicial) reviews. It is also an area of Council's administration that can directly impact people and thus the risk of review is high.

The challenge in undertaking any audit is to ensure that the audit provides a robust assessment, identifies risks and provides guidance for appropriate mitigation and where possible corrective action within the constraints of time and budget, noting that auditing files is time consuming.

It is understood this audit is to be confined to development assessment processes undertaken as part of the planning assessment of an application. It is further understood that a notional 15 days have been allocated to this review.

Having undertaken an audit previously for Marion Council in relation to a specific application, that review, albeit a sample of one, found a number of specific areas where opportunities for process improvements were identified. Importantly however, these areas for improvement, indicate the possibility of a propensity to rely upon “knowledge” as distinct from referencing original sources (other than the Development Plan) and thus, areas where this (if it is a widespread approach) would be a weakness in processing an application should be carefully tested as this is generally a key risk and the primary reason for process errors in development application assessment. It is considered to be worthwhile also to examine some of the supporting non-statutory processes of the division such as how applications are allocated and what support is provided in the assessment process, ie reviewing, internal controls, and procedures as these elements can also contribute to robust or weak processing.

It is suggested therefore that this should comprise a technical and compliance audit.

Such an audit will focus on the ‘compliance’ in discharging the Council’s regulatory obligations pursuant to the *Development Act 1993* and the *Development Regulations 2008*. This will cover off key risk areas such as the definition (description) of the development, the identification of the appropriate pathway ie complying, non-complying, or on-merit, the categorisation for public notification, referrals, fees, timeframes, reference to the Development Plan, the use of conditions and reserve matters. At the conclusion of the audit it is proposed to provide a summary of the performance, identify any areas of risk of non-compliance and make some suggestions for improvements to, where possible, eliminate or minimise such risks.

A thorough audit would cover a review of both process and documentation as well as including a review of a random selection of applications.

It is recommended that each element be included in the review however Council may wish to select the level of detail for each component.

The following outlines the key areas recommended for review, the intent and the methods to be employed.

1. Review of supporting documentation and processes
  - Intent:

- » to identify any practices that result in an inherent risk (ie out of date procedure manuals, custom and practice followed without review, one officer-one applicant relationships etc); and
- » to identify risk mitigation strategies and changes and improvements required.
- Key methods
  - » Identify and review processes around the allocation of applications through discussions with the Manager of the section (or observation of a team meeting if this would not be disruptive or unduly intrusive for staff);
  - » Identification of assessment related supporting documents or procedure manuals used within the section and review of such documents for currency, and relevance and consistency with statutory obligations and/or documents;
  - » Identification and review of assessment related templates; and
  - » Identification and review Standard Conditions.
- Time
  - » 1.5 days investigation and analysis and 0.5 day documentation
- 2. Statutory assessment via a review of a random sample of applications.
  - Intent:
    - » To determine overall compliance (or otherwise) with the *Development Act 1993* and *Development Regulations 2008* against key process elements including description of development, process pathway, categorisation for the purposes of public notification; referrals, fees, time frames, use of delegation (if relevant) or recommendations to a panel or senior officer (if relevant); and
    - » to identify risk mitigation strategies and changes and improvements required.
  - Key methods:
    - » Understand delegations to staff; and
    - » Undertake a review of a random sample of applications by category (and if preferred by officer by category) against the key process elements identified above.

To this end it is noted over the past four financial years the Council has assessed in the order of 1726 – 1795 Development Applications. A good random sample is therefore quite extensive. Sampling 1% of applications would be to examine some 18 applications. A sample of 2% would provide a more thorough analysis.

The following indicates how a sample might be generated:

Application	Category				
	Complying	Merit	Non-complying	Trees	Land Division

Selecting by category should ensure that a cross section of applications of varying complexities are reviewed. Each application category should be determined as a percentage of the total applications assessed in a given time period and this becomes the quota percentage<sup>1</sup>.

The amount of applications to be reviewed will be determined. The random sample is proposed to then be selected by taking every ‘nth’ application. If the relevant category quota is reached, then the application will be discarded, and the process continued. This will provide a random sample.

For a more thorough review this can be undertaken also by responsible officer by category of development. This results in more complex sample selection and the need to sample a higher number of applications. It does however, provide the opportunity to highlight particularly anomalous process which can be a sign of other risks.

Application by Officer	Category				
	Complying	Merit	Non-complying	Trees	Land Division
DA officer 1					
DA officer 2					
DA officer 2					
Etc					

<sup>1</sup> Assumes reports can easily be generated to facilitate such calculation

This component of the assessment would be undertaken at Council offices for efficiency although preparatory work would occur in the Holmes Dyer offices.

It may be that initially a 1.0% sample (18 applications) is selected based on application type and if any key anomalies or issues requiring further investigation are identified a judgement to expand the sample can be undertaken at that time. If it is deemed necessary to review process by specific staff at this time that can also occur.

- Time – 7 days investigation (review of 18 files notionally 3 hours each), 3 days analysis and 1 day write up.

### 3. Performance

- Intent:
  - » To determine performance of the division by review of complaints and investigations to see a) how these are managed, responded to and/or resolved and b) whether there are recurring themes amongst the complaints and c) whether there are issues with resolution; and
  - » to identify risk mitigation strategies and changes and improvements required.
- Key methods:
  - » Review of complaints from members of the public (depending upon the number of complaints this could be all within a given period or a random selection of every 'nth' complaint over the past 12 months); and/or
  - » Review of Ombudsman's enquiries (as above) depending on if there are Ombudsman's enquiries and if so, how many. This may be the only element of this aspect of the review if there are multiple Ombudsman's enquiries over the past 12 months.
- Time 1.5 days review (notionally 6 complaints at 2 hours each) and 0.5 days to document.

As with the random sample review of applications if the initial sample identified anomalies that require further investigation additional sampling could be agreed and pursued.

The above has been structured to seek to meet the 15 day timeframe suggested however can be modified should Council require.

We could undertake this work for an agreed fixed fee with sampling over and above that listed above and any subsequent presentations to the Audit Committee or others in Council as appropriate being undertaken at hourly rates.

We are happy for a commission to be for all of the above or sections and/or in stages as suits Council. We propose that one report will be prepared covering all areas of the audit undertaken.

Our fixed fees assumes that all files will be in good order to facilitate an efficient review and one set of edits to one report .

We would be pleased to discuss your preference further prior to finalising this quote should that be helpful.

I have attached my CV to this correspondence for your information.

Yours Sincerely



Helen Dyer

Director



KPMG ENTERPRISE

# City of Marion

Internal audit project scope:  
**Procure-to-pay**

17 May 2018

## Internal Audit Program 2018/19: Procure-to-pay

In accordance with the 2018/19 Internal Audit Plan for the City of Marion (CoM), an internal audit project focussing on CoM's procure-to-pay processes is to be performed. The objective, scope and approach are outlined below.

### Objective

The objective of this internal audit project is to consider the overall procurement to payment process ("procure-to-pay"), based on new policies and procedures implemented by the CoM in 2016.

The internal audit project will focus on compliance against the policy, as well as consideration of the overall efficiency and effectiveness of the new processes that have been implemented.

### Scope of services

The scope of this internal audit is to review business *processes, internal controls, segregation of duties and delegations* for the CoM's overall "procure-to-pay" process, including:

- Online purchase requisition creation and review processes
- Purchase order creation and approval processes
- Receiving processes
- Invoice approval processes
- Payment processes (including controls covering vendor bank account data).

We will consider the appropriateness of goods and services exempted from the corporate procure-to-pay process (utilities, etc.).

Based on stakeholder consultation, we will also consider at a high-level process efficiency and the overall level of acceptance of the new processes.

In addition, we will complete data analytics over the CoM's procure to pay data sets (subject to CoM providing data extracts and the quality of data). This can provide a 100% coverage of all procure-to-pay transactions, and should also help inform sample testing.

### Scope exclusions

Please note that the scope excludes consideration of purchase cards, petty cash and payroll transactions.

### Approach

The approach for the procure-to-pay internal audit project will include:

- Desktop review of procure-to-pay related policy and procedures
- Conduct walkthroughs for procure-to-pay processes and identification of key controls
- Data analytics based on transactional data provided by the CoM (we will liaise with CoM to agree relevant data fields, timeframes and data format requirements)
- Assessment of compliance, based on sample testing, of key controls
- Exit meeting with the internal audit project sponsor and key stakeholders to discuss initial findings and recommendations
- Drafting and finalisation of an internal audit report outlining internal audit findings, recommendations and any performance improvement opportunities
- Presentation of the report to the CoM Finance and Audit Committee.

## Stakeholders

The following CoM stakeholders will be consulted as part of the internal audit project regarding procure-to-pay processes.

Personnel	Position title
Ray Barnwell	Manager, Finance and Contracts
Roger Belding	Unit Manager, Operational Support
John Stewart	Treasury Accountant
Colin Heath	Unit Manager, Contracts
Carol Hampton	Manager, City Property
Matthew Allen	Manager, Engineering and Field Services
Paula Healy	Project Officer ICT

## Resources and Budget

The team members and proposed budget for the CoM procure-to-pay internal audit project are listed in the following table:

Name	Position	Hourly rate (excl. GST)	Est. hours	Sub-total (excl. GST)
Justin Jamieson	Partner	\$350	2	\$700
Jared Lawrence	Director	\$295	8	\$2,360
James Rivett	Manager	\$239	28	\$6,692
Anneliese Pedler	Sen. Consultant	\$155	56	\$8,680
<b>Total (excl. GST)</b>				<b>\$18,432</b>

## Timing

The proposed timing for the procure-to-pay internal audit project is for the project to commence in early October 2018 with a draft report completed for consideration by 30 November 2018, for delivery to the CoM Finance and Audit Committee scheduled for December 2018.

## Approvals

We are in agreement with the scope document for the internal audit project focussing on CoM's procure-to-pay processes.

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

Name:

Name: Justin Jamieson

Signed:

Signed:

Date:

Date:

## Disclaimers

### Inherent limitations

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

No warranty of completeness, accuracy or reliability can be given in relation to the statements and representations made by, and the information and documentation provided by, City of Marion's Management and personnel. We shall seek to independently verify those sources unless otherwise noted within the report. We are under no obligation in any circumstance to update the report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with City of Marion. The internal audit findings expressed in the report will be formed on the above basis.



*Third party reliance*

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



KPMG ENTERPRISE

# City of Marion

## Internal audit project scope: Emergency Management

17 May 2018

## Internal Audit Program 2018/19: Emergency management

In accordance with the 2018/19 Internal Audit Plan for the City of Marion (CoM), an internal audit project focussing on CoM's emergency management procedures is to be performed. The objective, scope and approach are outlined below.

### Objective

The objective of the emergency management internal audit project is to consider the resilience of the CoM to the impact of emergencies, including understanding the key processes and controls in place associated with emergency management, through desktop review of documentation and stakeholder consultation.

### Scope of services

The scope of the emergency management internal audit project will include consideration of the following:

- Overall CoM management framework for workplace emergency management
- Processes in place to review and maintain currency of workplace emergency management plans and associated documents (resourcing, locations, etc.)
- Processes in place to identify key workplace emergency management risks and develop associated emergency response plans
- Identification and categorisation of incidents classified as an "emergency" (i.e. when are emergency management protocols activated)
- Allocation and definition of roles and responsibilities for workplace emergency management at a management and operational level (as well as consideration of recruitment and training)
- Processes to ensure consistent, timely and appropriate communications to staff, emergency services and the public in the event of a workplace emergency
- Undertaking and documenting of workplace emergency management scenario planning and emergency drill exercises.

### Scope exclusions:

- Detailed assessment of emergency response plans for appropriateness (we will consider processes in place in relation to their development and maintenance)
- Detailed assessment of, or consultation with, third-party stakeholders (i.e. adjacent Councils or Emergency Services)
- Business continuity planning and disaster recovery considerations.

### Approach

The approach for the emergency management internal audit project will include:

- Desktop review and assessment of the CoM's overall management framework and related documentation in place for emergency management, including Workplace Emergency Management Policy and Procedure plus the First Aid Procedure
- Gain an understanding of key processes and controls in place associated with emergency management through consultation with key CoM stakeholders
- Sample testing a number of recent emergencies or exercises, including consideration of the quality of documentation and how lessons learnt are incorporated into the framework
- Exit meeting with the internal audit project sponsor and key stakeholders to discuss initial findings and recommendations
- Drafting and finalisation of an internal audit report outlining internal audit findings, recommendations and any performance improvement opportunities
- Presentation of the report to the CoM Finance and Audit Committee.

## Timing

The proposed timing for the emergency management internal audit project, is for the project to commence in mid-July 2018 with a draft report completed for consideration by 31 August 2018.

## Resources and Budget

The team members and proposed budget for the CoM emergency management internal audit project are listed in the following table:

Name	Position	Hourly rate (excl. GST)	Est. hours	Sub-total (excl. GST)
Justin Jamieson	Partner	\$350	2	\$700
Jared Lawrence	Director	\$295	12	\$3,540
Robin Holmes, AFSA	Subject Management Professional	\$295	24	\$7,080
Ally Newcombe	Senior Consultant	\$155	55	\$8,525
<b>Total (excl. GST)</b>				<b>\$19,845</b>

## Approvals

We are in agreement with the scope document for the internal audit project focussing on CoM's emergency management.

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

Name: Name: Justin Jamieson

Signed: Signed:

Date: Date:

## Disclaimers

### Inherent limitations

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

No warranty of completeness, accuracy or reliability can be given in relation to the statements and representations made by, and the information and documentation provided by, City of Marion's Management and personnel. We shall seek to independently verify those sources unless otherwise noted within the report. We are under no obligation in any circumstance to update the report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with City of Marion. The internal audit findings expressed in the report will be formed on the above basis.

### Third party reliance

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

**CITY OF MARION  
FINANCE & AUDIT COMMITTEE MEETING  
29 MAY 2018**

**Originating Officer:** Deborah Horton, Governance Quality Coordinator

**Manager:** Kate McKenzie, Manager Corporate Governance

**General Manager:** Vincent Mifsud, General Manager Corporate Services

**Subject:** Internal audit program implementation of recommendations

**Report Reference:** FAC290518R7.2

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## **REPORT OBJECTIVES**

To provide the Finance & Audit Committee (FAC) with the status of the implementation of recommendations resulting from the internal audit program. This report spans three financial years; 2015/16, 2016/17 and 2017/18.

## **EXECUTIVE SUMMARY**

The internal audit program is progressing steadfastly as are the recommendations from the audits.

The 2015/16 program has one audit (Capital Works Program) with one remaining recommendation due 30 June 2018. The recommendation seeks the implementation of a standardised project management framework. This is considered as a component of a significant body of work relating to project management and asset management systems being implemented across the organisation (Appendix 1).

The 2016/17 program has one audit complete; Purchase Cards. The recommendations for five audits remain active. All five have 'low' risk recommendations due 30 June 2018 (Appendix 1). A detailed summary is provided for the FAC regarding Corporate Reporting (Appendix 2) and Property Portfolio Management (Appendix 3).

The 2017/18 program is on track for all audits to be finalised by 30 June 2018, and will therefore be reported to the FAC at its August 2018 meeting.

## **RECOMMENDATIONS**

## **DUE DATES**

**That the Finance & Audit Committee;**

- |  |                    |
|--|--------------------|
| 1. Notes this report.  | <b>29 MAY 2018</b> |
| 2. Provides feedback regarding the;  | <b>29 MAY 2018</b> |
| <ul style="list-style-type: none"> <li>• Internal audit recommendations update (Appendix 1)</li> <li>• Corporate Reporting update (Appendix 2)</li> <li>• Property Portfolio Management update (Appendix 3)</li> </ul> |                    |

## DISCUSSION

### 2015/16 program

The 2015/16 program has one audit with one recommendation due 30 June 2018 (Capital Works Program).

### 2016/17 program

On 28 February 2017 (FAC280217R8.7), the FAC reviewed the table below outlining the 2016/17 projects and expected completion dates. Four audits were presented to the FAC within the 2016/17 financial year and two in 2017/18; Policy Framework (FAC150817R8.2) and Corporate Reporting (FAC121217R7.7).

Project	Commence Date	Scope	Progress	FAC (Final)
Corporate Performance Reporting	Jan '17	FAC41016R7.12	30%	30 May '17
Accounts Receivable	Oct '16	FAC41016R7.12	Complete	28 Feb '17
Purchase Cards	Dec '16	AC151215R7.8	Complete	28 Feb '17
ICT – Cyber Security Maturity	Oct '16	FAC41016R7.12	Complete	28 Feb '17
Policy Framework	Feb '17	FAC280217R (This report)	10%	30 May '17
Property Portfolio Management	Feb '17	FAC280217R (This report)	10%	30 May '17

One audit and its resulting recommendations is complete; Purchase Cards. The recommendations resulting from five audits remain active due 30 June 2018 (Appendix 1). All remaining audit recommendations are low risk and on track for completion. The results will be reported to the FAC at its August meeting. A further detailed update is provided for Corporate Reporting (Appendix 2) and Property Portfolio Management (Appendix 3).

### 2017/18 Program

On 10 October 2017 (FAC101017R7.8), the FAC reviewed the table below outlining the 2017/18 projects and expected completion dates.

Project 2017/18	Start	Scope	Updates	Draft	Final	FAC
Internal Audit Plan 2017-18						FAC101017R7.8
Volunteer Management	Nov '17	OOS*		Feb '18	May '18	
Contractor Management	Nov '17	OOS*		Feb '18	May '18	
Regulatory -Fines and Enforcement	Nov '17	Dec '17	Feb '18	May '18	May '18	
NDIS	Jan '18	OOS*	Feb '18	May '18	Aug '18	
Planning Assessment	Feb '18	Feb '18		May '18	Aug '18	

\*Out of session

Three audits are complete; volunteer management (FAC280218R7.2), with Contractor Management and NDIS being presented to this 29 May 2018 FAC meeting.

## CONCLUSION

Recommendations resulting from the Internal Audit program will continue to be monitored via the FAC to ensure their implementation.

## Internal Audit Program Implementation of Recommendations

## Appendix 1

## 2015/16 Program

Project	Findings	On Track	Overdue	Completed	Not Commenced	Comments
Capital Works Program (2015/16)	8	1		7		<p>A remaining recommendation (pictured below: Rec 5, low risk) had an initial due date of September 2016 but was extended to June 2018 to allow more time for implementation given its complexity and integration/implementation across the organisation.</p> <p>This action has been progressing through the Asset Management Program and Project Management system. Funding has been made available for a pilot testing phase which is in operation now until 30 June 2018. This system manages projects across the entire organisation including Council's capital works program.</p> <p>Funding for the implementation of a Project Management System for a live phase is in the Draft 2018/19 Annual Business Plan, which Council is currently considering. As a result, the new system is planned to be implemented in the next financial year. This means the recommendation will not be fully realised until 30 June 2019.</p> <div> <p>It is recommended that Marion implements a simple, standardised project management framework which describes key phases that a project must go through. For example purposes only:</p> <ul style="list-style-type: none"> <li>• Project initiation (asset management plan/ad-hoc)</li> <li>• Project evaluation (concept, feasibility/business case)</li> <li>• Program development (budgeting, prioritisation, programming)</li> <li>• Program/project delivery (procurement, design, construct)</li> <li>• Project completion and handover</li> </ul> <p>The project management framework should be designed to accommodate the proposed two-year capital works program, with two key phases including an initial phase where projects are initiated, evaluated and estimated in year one, and procured/built in year two (for example).</p> <p>This recommendation may include leveraging the existing City of Marion S-Guide project management framework, and tailoring and/or implementing across the City of Marion to achieve better consistency and approach to project management.</p> <p>Improved consistency in project management should provide the City of Marion with sustained benefits including reduction and minimisation in carry overs.</p> </div>
Building Insurance & Asset Valuation (2015/16)	8			8		<p>An outstanding low risk recommendation (Due March 2017) related to further exploration regarding Council's insurance arrangements. A confidential report was considered by FAC on 28 February 2018 (FAC280218F01) which finalised this recommendation.</p>

**2016/17 Program**

Project	Findings	On Track	Overdue	Completed	Not Commenced	Comments
<b>Corporate Performance Reporting (2016/17)</b>	4	3		1		Please refer to Appendix 2.
<b>Accounts Receivable (2016/17)</b>	4	3		1		Three recommendations (all low risk) had an initial due date of 30 June 2017 but were extended for the exploration of additional software functionality with developers which is progressing.
<b>ICT – Cyber Security Maturity (2016/17)</b>	6	4		4		The overarching Cyber Security Assurance Framework was approved in December 2017. The security awareness program procedure has been formally documented and is being reviewed as at end of March. Cyber security policies and procedures are being updated to consolidate current draft documents. A cyber security incident plan and procedure has been developed. All Recommendations from this audit are on-track for completion 30 June '18.
<b>Policy Review (2016/17)</b>	7	4		3		A report is scheduled for 12 June 2018 General Council meeting seeking Council endorsement of the Policy Framework, proposed review schedule and the recession of outdated policies. The consideration of these items will complete all remaining recommendations.
<b>Property Portfolio Management (2016/17)</b>	7	7				Please refer to Appendix 3.

**2017/18 Program**

Project	Findings	On Track	Overdue	Completed	Not Commenced	Comments
<b>Volunteer Management (2017/18)</b>	9	7		2		This review presented six recommendations and three process improvement opportunities (nine findings total). Two recommendations were completed (one high/one low) by 31 March 2018. Four recommendations have a due date of 31 May 2018 and three process improvement opportunities have a due date of 30 June 2018. All are on track for completion.
<b>NDIS (2017/18)</b>						TBC
<b>Contractor Mgmt (2017/18)</b>						TBC
<b>Regulatory (2017/18)</b>						TBC
<b>Planning (2017/18)</b>						TBC

## Internal Audit Program Implementation of Recommendations

**Corporate Reporting Internal Audit Update**  
**Deborah Horton, Governance Quality Coordinator**

**REPORT OBJECTIVES**

To provide the Finance and Audit Committee (FAC) with an update on the implementation of the recommendations from the Corporate Reporting internal audit from the 2016/17 program.

**BACKGROUND**

At the FAC meeting on 12 December 2017 (FAC121217R8.5), the Corporate Reporting audit findings were presented. There were four recommendations (one moderate and three low risk.)

**DISCUSSION**

The following table provides an update on the actions that have/are being undertaken in relation to the findings.

<b>1. Strategic Reporting Framework</b> (Moderate risk)
<p><b>Will be completed upon FAC approval of Framework</b></p> <p><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• Mapped current organisational reporting to determine reporting gaps/over-reporting.</li> <li>• Liaison with internal project management systems managed by Strategy Dept.</li> <li>• Research and drafting framework (Strategy Dept input to draft framework).</li> <li>• Expect that a draft framework will be presented to the FAC August 2018.</li> </ul>
<b>2. Greater emphasis is required in relation to reporting against plans/budgets and variance and exception reporting</b> (Low risk)
<p><b>Completed by implementation of internal Work Area Plan (WAP) and Budget reporting</b></p> <p><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• Benchmarking with other Councils how, when, what is reported</li> <li>• Internal meetings progressed to discuss and action;               <ul style="list-style-type: none"> <li>○ ELT/SLT reporting expectations (result of mapping) to include in framework</li> <li>○ Alignment of this project with Corporate Compliance framework (how information is integrated and decision making processes).</li> <li>○ Monthly WAP and budget variance reporting.</li> </ul> </li> </ul>
<b>3. Data Integrity</b> (Low risk)
<p><b>Will be completed upon FAC approval of Framework but will require ongoing evaluation.</b></p> <p><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• Governance liaison with project management systems being implemented within council/ other software systems across the organisation that will generate data and the integrity of that data (i.e. 'Ecuria' for Council recommendation implementation, "CAMMS" project management reporting)</li> </ul> <p><b>Next steps:</b> Ongoing dialogue with Strategy Dept regarding data integrity for Corporate and CEO KPI reporting.</p>
<b>4. Review and refining of the Monthly Corporate Performance Report</b> (Low Risk)
<p><b>Will be completed upon FAC approval of Framework but will require ongoing evaluation.</b></p> <p><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• Monthly statistical data still being captured and monitored but reviewed for its accuracy and value.</li> <li>• Reviewing top ASX 100 company reporting data.</li> </ul> <p><b>Next steps:</b> Internal discussions with SLT regarding statistical data being captured and why.</p>

## Appendix 3

## Internal Audit Program Implementation of Recommendations

**Property Portfolio Management Internal Audit Update**  
**Carol Hampton, Manager City Property**

**REPORT OBJECTIVES**

To provide the Finance and Audit Committee (FAC) with an update on the implementation of the recommendations from the Property Portfolio internal audit from the 2016/17 program.

**BACKGROUND**

At the FAC meeting on 30 May 2017 (FAC300517R8.5), the Property Portfolio audit findings were presented. There were seven recommendations (three rated 'moderate' and four rated 'low' in terms of managing risk). The FAC has requested and been provided status reports in August 2017 (FAC 150817R8.1) and December (FAC121217R7.5).

**DISCUSSION**

The following table provides an update on the actions that have/are being undertaken in relation to the findings since the last update in December 2017.

<p><b>1. <i>Building asset maintenance is not effectively planned, implemented, reported and monitored</i></b> (Moderate risk)</p>
<p><b>ACTIONS</b></p> <p>A draft Building Asset Management plan is being developed for consideration of the FAC and subsequent community consultation.</p> <p>The key action from the draft Building Asset Management Plan improvement plan is to undertake a condition audit of our buildings giving an up to date assessment on the portfolio. This is the next step in being able to develop robust maintenance and capital renewal programs based on up to date condition data. Funding is being allocated in the 2018/19 Annual Budget to undertake the building condition audit.</p> <p>In addition recommendations from the Property Maintenance – Service Review, which was provided to the FAC in August 2017, are being implemented. Updates on the recommendations continue to be provided to FAC through a separate report.</p>
<p><b>2. <i>There is limited management reporting for the property portfolio</i></b> (Moderate risk)</p>
<p><b>ACTIONS</b></p> <p>Monthly finance reports have enabled improved monitoring of finances and any issues to be addressed.</p> <p><b>Next Steps:</b> Business Analyst is reviewing current KPI's to ensure reporting is transparent and provides value.</p>
<p><b>3. <i>Compliance and documentation management matters regarding existing leases</i></b> (Moderate risk)</p>
<p>Lessees are required to hold AGMs within 3 months of the end of the financial year. AGM documentation was produced and distributed in late 2017. Letters were sent on 30</p>

October 2017 to all lease holders both on old leases and on the new lease template requesting compliance information be sent to Council.

Follow up letter/communications were sent out in early January 2018 to chase up outstanding information. We are currently working through the compliance documents and our record management systems.

**Next Steps:** Continue to seek and record compliance documentation from Leesees.

**4. There is an opportunity to consider service delivery models for key maintenance activities** (Low risk)

As above in 1. The Service Review has identified alternative service delivery models, these are currently being implemented and an update has been provided in a separate report to FAC.

**Next Steps:** Currently trialling an internal handyperson, which will be evaluated internally by 30 June 2018.

**CONCLUSION**

Recommendations from the KPMG internal audit continue to be implemented.

**CITY OF MARION  
FINANCE & AUDIT COMMITTEE MEETING  
29 MAY 2018**

**Originating Officer:** Deborah Horton, Governance Quality Coordinator

**Manager:** Kate McKenzie, Manager Corporate Governance

**General Manager:** Vincent Mifsud, General Manager Corporate Services

**Subject:** Internal Audit Program 2017/18 Year 1

**Report Reference:** FAC290518R7.3

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### **REPORT OBJECTIVES**

To provide the Finance & Audit Committee (FAC) with two-draft audit reports for the 2017/18 program.

### **EXECUTIVE SUMMARY**

At its meeting on 10 October 2017, the FAC endorsed a two-year Internal Audit Plan detailing various projects to be audited, informed and prioritised by an organisational risk profile. Five audits were identified for the 2017/18 financial year including:

- Volunteer management – completed February 2018 (FAC270218R7.2)
- Contractor management – completed May 2018
- Regulatory – Fines and Enforcement
- NDIS – completed May 2018
- Planning Assessment

All five internal audits have commenced, with three completed and two on track for completion. Attached to this report are audits for the National Disability Insurance Scheme (NDIS) (Appendix 1) and Contractor Management (Appendix 2).

The NDIS report was not a traditional 'audit' as it focussed upon implications for the City of Marion due to changed Federal Government funding arrangements. It analysed three options: no ongoing role, enabling/capacity building and providing a service. Essentially the report indicates that the City of Marion is open to enabling/capacity building and service provision subject to detailed unit costing analysis and business case.

KPMG's report regarding Contractor Management detailed one high and three low recommendations with one performance improvement opportunity. Key findings essentially relate to an estimated under reporting of hazards and incidents for contractor management.

### **RECOMMENDATIONS**

### **DUE DATES**

**That the Finance & Audit Committee;**

- |   |                    |
|---|--------------------|
| <b>1. Notes this report.</b>  | <b>29 MAY 2018</b> |
| <b>2. Provides feedback regarding the attached reports including;</b>   | <b>29 MAY 2018</b> |
| <ul style="list-style-type: none"> <li>• NDIS (Appendix 1)</li> <li>• Contractor Management (Appendix 2)</li> </ul> |                    |

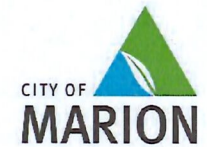


City of Marion  
National Disability Insurance  
Scheme (NDIS) Risks and  
Opportunities Internal Audit  
Report

22 May 2018



# Glossary



NDIS	National Disability Insurance Scheme
ACE	Adult Community Education
ATSI	Aboriginal and Torres Strait Islander
CHSP	Commonwealth Home Support Program
CoM	City of Marion
CPN	Community Passenger Network
CRM	Customer Relationship Management System
DHS	Department of Human Services
DoH	Department of Health
ECEI	Early Childhood Early Intervention
EDB	Economic Development Board
HACC	Home and Community Care
HR	Human Resources
ILC	Information Linkages and Capacity Building
LAC	Local Area Coordination
LGA	Local Government Area
NDIA	National Disability Insurance Agency
SACAT	South Australian Civil and Administrative Tribunal

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# Executive summary

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## Background

The introduction of the NDIS will see Government disability funding (Commonwealth and State combined) double in SA by 2020 from \$760 million to \$1.5 billion. Nationally, disability funding will increase to \$22 billion yearly. Under the pre-NDIS model the Government provided block funding directly to organisations providing disability services, generally through a (sometimes competitive) tender process. The NDIS transforms this model to one where funding is provided directly to the individual with a disability, to choose the supports and providers of support that align with their goals and needs. Under the NDIS there are three key funding types – individualised funding, block funding for local area coordination, and capacity building grants.

The CoM sits within the Southern Adelaide NDIS region. With the introduction of the NDIS, demand is projected to increase to over 2,000 clients by 2018-19, with a projected increase from \$210 million to \$320 million in support from pre-NDIS to full scheme NDIS expenditure in Southern Adelaide. Growth in the market is required to meet demand.

## Objective

The objective of this engagement was to consider the risks and opportunities that surround the rollout of the NDIS in the CoM's NDIS jurisdiction (Southern Adelaide region). This report also includes a high-level consideration of the role(s) that the CoM could play in the future under the NDIS.

## Scope

The scope of this engagement included consideration of the following:

- High-level market analysis of:
  - Current market demand and estimate of future growth
  - Market supply based on current service providers
  - Estimated gap between current supply and future demand, and therefore future supply growth required to meet demand
  - NDIS service rates compared to key services.
- Consideration of different roles that CoM could play across the range of options:
  1. No direct ongoing role
  2. Enabling and capacity building role
  3. Provider of NDIS services.
- Identification of key NDIS risks and opportunities in relation to market supply/demand and potential options, and high-level next steps for CoM to consider.

The detailed Project Scope for this engagement has been included at Appendix 1.

# Executive summary

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## Summary of NDIS related services currently provided by the CoM

The CoM currently supports people with a disability and older people in the CoM community through a range of community support services. Often the people accessing these services are some of the most vulnerable members of the CoM community.

The existing range of services can be broadly grouped into the following three categories.



### 1. In-Home Support and Community Participation

The in-home and community support service offers a range of services to assist in daily life, including home maintenance and modifications, meals and community connection. Funding for this service is provided by the Department of Health (DoH) Commonwealth Home Support Programme (CHSP) Grant Agreement and the SA Department of Human Services (DHS) Home and Community Care (HACC) Grant Agreement.



### 2. Transport Options

There are four transport options provided by CoM to assist residents unable to access other transport. (1) The Community Passenger Network provides door to door transport for CoM clients, as well as Cities of Mitcham and Holdfast Bay, either through volunteer drivers or subsidised taxis. (2) A transport service is provided for transporting residents to and from Neighbourhood Centres. (3) CoM provides accompanied transport. Funding for these three services is delivered through a combination of HACC funding and CHSP funding. The service cost is largely supplemented by volunteers using their vehicles. CoM also provides funding for two community buses, providing door-to-door transport to shopping centres, libraries, Neighbourhood Centres and Senior Citizen Centres.



### 3. Neighbourhood Centres

The Neighbourhood Centres provide a range of social, recreational and educational activities. This is funded by a range of Commonwealth and State Government grants, as well as a contract and partnership arrangements to deliver subsidised activities with Baptist Care SA for Out&About services. Advocacy services are delivered by Commonwealth Home Support Program (CHSP) staff. These programs are delivered from the four Neighbourhood Centres – Glandore, Coominda, Mitchell Park and Trott Park.

# Executive summary

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## Options and assessment

Broadly, there are three key options that the CoM could consider in determining its role in supporting, or participating in, the delivery of the NDIS in the Marion area:

- 1. No direct ongoing role** – exit all existing services and transition clients to new providers (noting existing clients may not all be eligible for NDIS individualised funding)
- 2. Enabling and capacity building role** – enable participants and NDIS businesses through capacity building and referral
- 3. Provider of NDIS services** – register as an NDIS provider of supports and deliver disability services to NDIS participants.

Funding may be available to support services delivered under option 2 in the form of ILC grant funding, otherwise CoM will need to consider funding these services from CoM budget once existing grant funding concludes. Provision of services as a registered NDIS service provider would be funded through NDIS individualised funding. It should be noted CoM was recently unsuccessful in a bid for NDIS ILC grant funding.

To consider the risks and opportunities associated with each option, assessment criteria were developed to assess each option. These criteria consider external factors, including market supply and demand, community expectations and NDIS pricing mechanisms, as well as internal capability and strategic priorities. The assessment is summarised in Figure 1.

Overall, market demand projections and analysis of supply indicates there are opportunities for CoM to take advantage of market growth in the provision of NDIS services. A high-level analysis of the cost of service delivery indicates some activities are currently delivered more efficiently than others, and these may be supplementing the cost of more expensive services, but that in some service categories there appears to be an opportunity to provide services profitably at NDIS rates.



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FIGURE 1: Summary of options assessment against assessment criteria

Assessment Criteria	No direct ongoing role	Enabling and capacity building role	Provider of NDIS services	Rating against criteria*
Alignment with Council's mission statement and strategic objectives	Low rating	High rating	High rating	   <b>Rating against criteria*</b> *Refer full key at Appendix 4
Budget and resourcing outlay required	High rating	Medium rating	Low rating	
Potential to generate revenue or access new funding stream	Low rating	Medium rating	Medium rating	
Alignment with projected demand	Low rating	Medium rating	High rating	
Alignment to existing capability and infrastructure	Low rating	High rating	Medium rating	
Potential market impact	Medium rating	High rating	High rating	
Value to Council constituents	Low rating	High rating	High rating	
<b>Overall Assessment</b>	Low rating	High rating	High rating	

A detailed costing exercise should be undertaken to determine whether services can be delivered within the NDIS pricing envelope.

At the outset, certain infrastructure investments may be required in order to make NDIS service delivery efficient and viable in the long-term, for example, Customer Relationship Management (CRM) software that integrates with invoicing and acquittal. Impacts on existing providers and long-term market growth should be considered to ensure service provision would not negatively impact existing CoM businesses.

# Management response

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## Overall management comment

The three options outlined in the report are all appropriate for Council to consider. Management would like to pursue further in-depth analysis and present back to Council so that a well-informed decision can be made.

Option 1- does not highlight the difficulty of 'transitioning' clients i.e. staffing, client's ineligible for NDIS plans, saturation of marketplace etc. Option 1 requires further exploration about how this will be funded. Costs contributing to "transitioning" clients cannot be taken from the funding already received by CoM. Council may need to consider funding a position/staffing resource to ensure that this occurs and people are supported in the best possible manner.

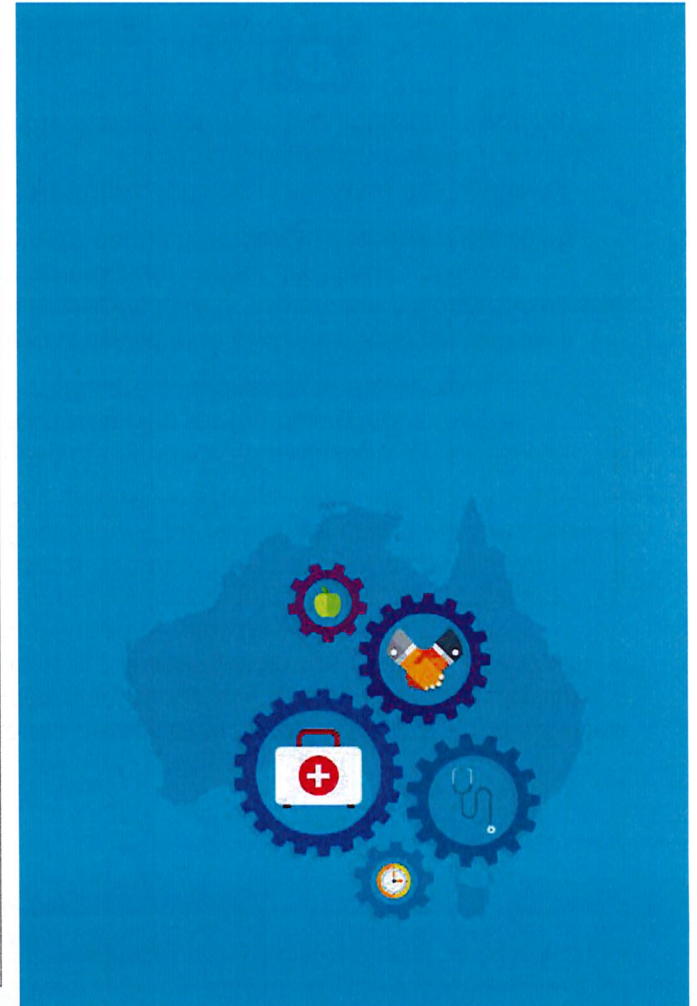
There may possible be a reputational risk if the CoM chooses to have no direct role and there is a concern about people "falling through the gaps".

Option 2 – on 27 April 2018 CoM were advised that our submission for the ILC Program (Information, Linkages & Capacity Building) was unsuccessful. It is uncertain if other future funding for advocacy and capacity building will be available in the future. In this round of funding the City of Playford was the only LGA in South Australia to receive such funds.

Option 3 – CoM has recently commenced preparations to register CoM as a registered NDIS provider. Such registration will ensure, that as a minimum, if people with a disability wish to access our mainstream services then Council are best placed to do so. Anecdotally CoM have been informed that service providers are experiencing delays in payments and some agencies are waiting 2 to 3 months for reimbursements.

Finally it is recommended that a complete business and cost analysis be undertaken for both Aged and Disability so that council is presented with all of the necessary information to make a well informed decision.

Throughout the report, references are made about funding agreement extensions being advised to CoM verbally. Management can confirm that funding agreement extensions have been received by CoM and have been executed accordingly.



# External environment – overview of the NDIS

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## NDIS model

The NDIS is a significant reform to the way disability services are delivered, which requires significant transformation by existing service providers. It changes the model of disability services funding from block-grant funding to individualised funding, and its impact on the Australian social services sector is significant. The key element of this reform is the move to individualised funding, which means NDIS-eligible individuals ('participants') will receive direct funding for approved disability support purchases, enabling them to exercise choice and control in the market. The breadth of services and supports within the market will be shaped by individual demand preferences over time.

The NDIS will provide all Australians under the age of 65 who have a permanent and significant disability, with reasonable and necessary supports. In SA, the NDIS commenced in 2013 for children aged five years and under. Children up to 13 years of age were included from 1 July 2014, and children up to 15 years from 2015, with all children now eligible for the NDIS since January 2017. The NDIS has been progressively rolled out for adults from 1 July 2017 with the NDIS to be operating statewide by July 2018. However, implementing significant social reform takes time and early estimations indicate that there are levels of under-utilisation of funds in plans – indicating issues with connecting to service providers. In addition, eligibility for the NDIS may also be different to the criteria required to access existing funded services, so some existing CoM clients may not be eligible for NDIS funding.

## NDIS funding

Under the NDIS, funding is provided directly to the person accessing disability support services. Block grant funding (where Government provided grant funds to a service provider to deliver services to people with a disability) will be phased out. Instead, a person with a disability will receive a plan outlining a number of services and supports relevant to their goals and requirements in daily living. This will determine the individual funding they receive. Service providers will be required to register as a provider and market their services to people with a disability to choose and pay for with their NDIS package. The participant may elect to change their service provider at anytime if unsatisfied with the service. There are three key NDIS funding types:

- 1. Individualised funding:** this funding is for eligible people with a disability under 65 years. The funds for this type are dispersed for a personalised plan for the delivery of supports accompanied by a funding package and the funds are paid directly to the person.
- 2. Local Area Coordination (LAC):** this funding is available to organisation(s) chosen via a competitive grant process to deliver LAC in a specific LGA or region. For Marion this provider is *Mission Australia*. Their role is to support participants in their care and in building connections, as well as acting as a main point of contact for people accessing the NDIS.
- 3. Information, Linkages and Capacity (ILC) Building:** funding is available to a variety of community organisations that are chosen through a competitive grant process. They are chosen to deliver a specific program or activity that meets the ILC guidelines, including:
  - Information, linkages and referrals
  - Capacity building for mainstream services
  - Community awareness and capacity building
  - Individual capacity building.

Along with these three funding types, NDIS sustainability is underpinned by existing funding for mainstream services that are expected to provide inclusive services that supplement specialist disability supports accessed through NDIS individualised funding.

# External environment – NDIS market in Southern Adelaide

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## Southern Adelaide NDIS region overview

The Southern Adelaide region covers the City of Marion, as well as the City of Holdfast Bay, City of Mitcham and the City of Onkaparinga. In the Southern Adelaide region the NDIS has been available for adults aged 18 to 64 years since 1 January 2018, while children aged zero to six years, progressing to 18 years in 2017, have been eligible during the trial period.

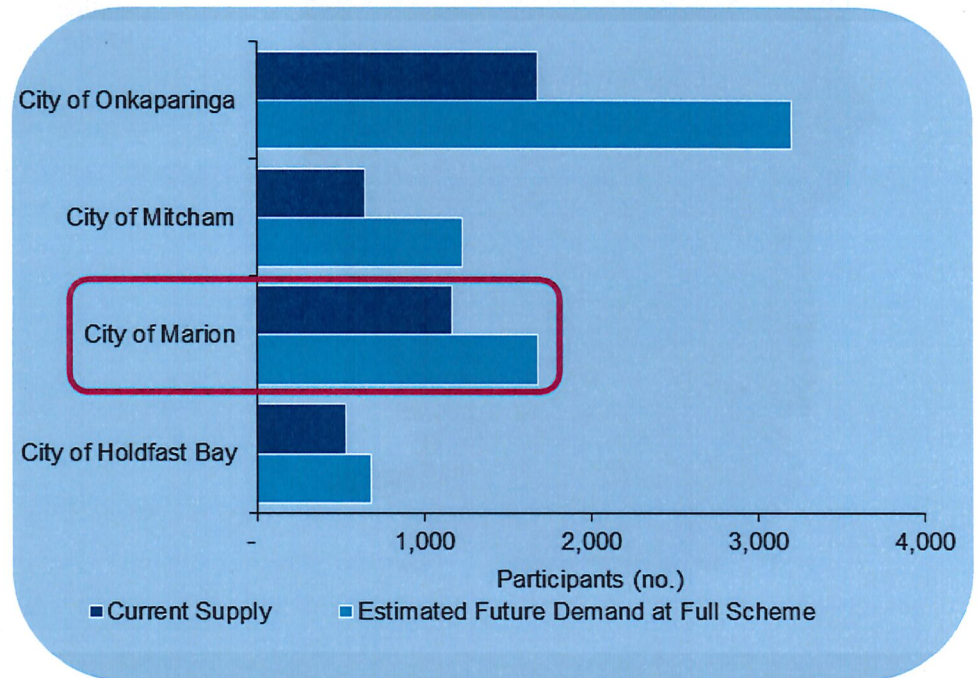
The Southern Adelaide region is expected to have its population grow at a rate of 0.7 per cent by 2031, with the average age reaching 43.8 years, which is two years older than the last Census.

There is a lower proportion of Aboriginal and Torres Strait Islander residents in the Southern Adelaide region when compared to the SA average, which is 1.2 per cent and 2.3 per cent respectively. There is a higher population of Southern Adelaide residents born overseas in comparison to the SA Average, 22.8 per cent and 19.2 per cent respectively. This implies that there is a need for the provision of more culturally appropriate services to meet the demand of this participant cohort.

Adding to the complexity of service delivery in SA is the State Government is a significant provider of services. With the SA government progressively withdrawing from direct service delivery this places additional pressure on the market to meet expected growth in demand, and potentially contribute to short-term critical shortages in supply.

The following graph (Figure 2) illustrates the expected growth in demand for each LGA in Southern Adelaide, pre-NDIS to 2018-19.

FIGURE 2: Estimated growth in demand by 2018-19 by LGA



\*All figures 2016 Census figures

# External environment – NDIS market in Southern Adelaide

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## Supply in Southern Adelaide NDIS region

The City of Marion has 74 suppliers within 10km to supply approximately 1,683 participants, this is of a total possible participant base of 6,800 across the entirety of the Southern Adelaide region, as shown in figure 3. The City of Marion is estimated to have the second highest demand of the four LGAs, behind the City of Onkaparinga who are estimated to have 3,201 participants. In contrast, CoM currently has the second lowest supply of providers within 10km, behind the City of Mitcham and City of Holdfast Bay. This suggests there may be a discrepancy in the number of suppliers and expected demand. Given its proximity to City of Onkaparinga, CoM is also expected to service the demand of City of Onkaparinga participants.

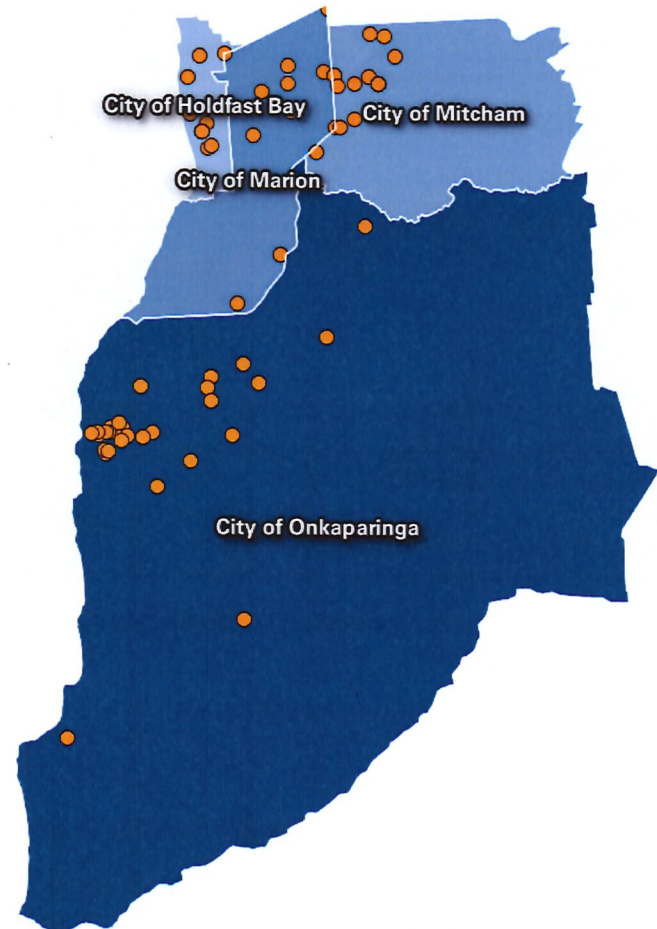
FIGURE 3: Regional distribution of supply in Southern Adelaide

Constituent LGAs	Estimated demand at full scheme (2018-19)	Number of suppliers			
		within 10km	within 20km	within 50km	within 200km
City of Holdfast Bay	685	90	298	395	463
City of Marion	1,683	74	277	391	463
City of Mitcham	1,231	158	294	397	485
City of Onkaparinga	3,201	31	52	392	461

\*All figures 2016 Census figures



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# External environment – NDIS market in Southern Adelaide

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## Demand in the Southern Adelaide NDIS region

Demand is expected to grow significantly with the introduction of the NDIS, with a projected growth in the participant base of 2,000 clients in the region (6,800 up from 4,035). There is a projected increase of \$210 million to \$320 million in the value of disability supports from pre-NDIS to 2018-19 NDIS expenditure. The future workforce will need to significantly increase to support the growth required to meet this demand. The workforce is expected to increase by over 600 FTE. Key demand projections are summarised in the following table (figure 4).

		NDIS Region	Per cent of South Australia
Scheme participation	Resident population*	363,933	21.3 per cent
	Current clients	4,035	23.5 per cent
	Full scheme participation	6,800	21.1 per cent
Scheme cost	Total current cost	\$210m	27.6 per cent
	Total future cost	\$320m	21.1 per cent
	Highest growth LGA by:	City of Mitcham	
Workforce	per cent	City of Onkaparinga	
	\$		
	Current workforce	1,725	27.5 per cent
	Required future workforce	2,400	21.1 per cent
	Highest need worker type	Direct Care Workers	

\*All figures 2016 Census figures

It is projected that support for children and young-adult groups, as seen in figure 6, will significantly increase, especially in the 5 to 14 year old age group that is expected to grow from approximately 650 to 2,000. It is important to note that many of these clients will be serviced by Early Childhood Early Intervention (ECEI) services in the first instance, which are currently delivered via a block-funded contract by the SA government. The 25 to 44 age group is also expected to have a significant increase, moving from approximately 750 clients to 1,500 clients by 2018-19. Refer to figure 7 overleaf for a full summary of age projections.

According to disability type within the Southern Adelaide NDIS region, the largest increases expected to occur in Autism and Related Disorders (approx. 300 to 1,500), Psychological Disability (approx. 50 to 950), Developmental Delay (approx. 75 to 550) and Other Intellectual/Learning (approx. 10 to 350). Refer to figure 6 overleaf for a full summary of disability type projections.

The most prevalent source of demand within the NDIS service types is expected to be assistance with daily life. However, a reasonable increase is also expected for improved life choices, with the value projected to increase 282 percent. Refer to figure 5 overleaf for a full summary of service-type projections.

FIGURE 4: Characteristics of full scheme NDIS demand in relation to early-transition demand



# External environment – NDIS market in Southern Adelaide

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## Demand in the Southern Adelaide NDIS region

FIGURE 5: Growing demand (by value) – Top 5 services

Service	Cost (\$m)	Service	Cost (\$m)
Assistance with daily life at home, in the community, education and at work (includes supported independent Living)	\$124.2	Assistance with daily life at home, in the community, education and at work (includes supported independent Living)	\$221.1
Improved life choices	\$21.1	Improved daily living skills	\$33.6
Finding and keeping a job	\$17.1	Improved life choices	\$17.0
Improved learning	\$9.5	Transport to access daily activities	\$10.9
Improved daily living skills	\$8.8	Finding and keeping a job	\$9.1

\*All figures 2016 Census figures



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Document Classification: KPMG Confidential

FIGURE 6: Future demand by primary disability type

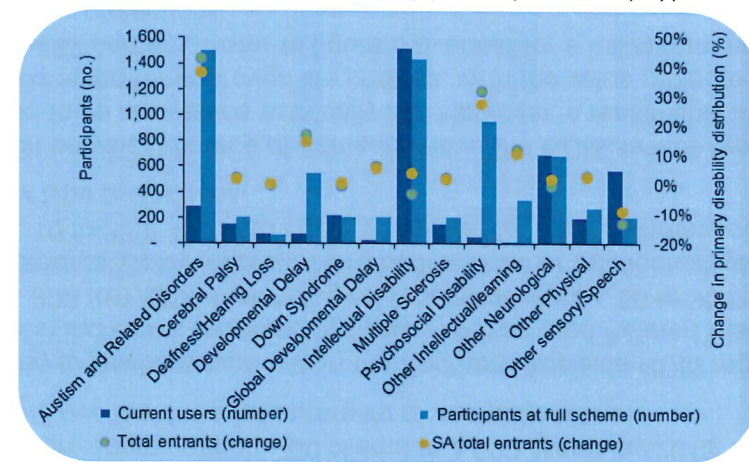
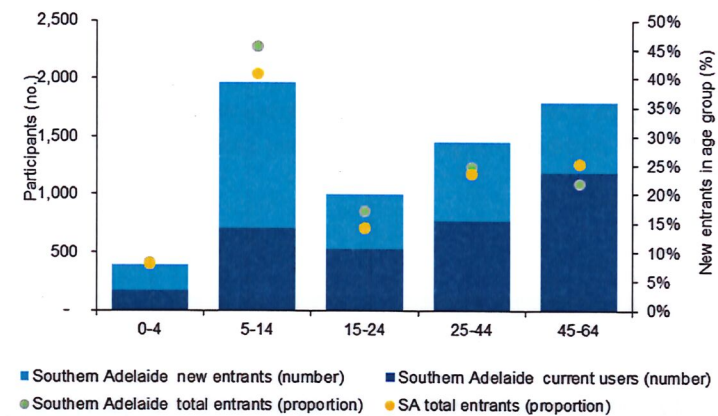


FIGURE 7: Projected change in age distribution of future clients



# Internal environment – scope of existing services

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## Scope of existing services

CoM offers a range of services to people with a disability – some under disability-specific programs, others in combined disability and aged-care programs, as well as mainstream programs offered to all CoM citizens with reasonable adjustments to support people with a disability. The CoM 2017/2018 Community Wellbeing budget incorporates contributions from Commonwealth (56%), State (27%), CoM (15%) and other partnerships with Baptist Care SA (2%). If CoM wish to continue to provide the same services, programs and activities then additional funds will need to be sourced to replace the Commonwealth and State contributions. There are three main service types which may be relevant to future NDIS service provision, and these are outlined in the following pages. Not all people currently accessing CoM services will be eligible for NDIS individualised support packages.



### In-home and community support

The in-home and community support services at CoM deliver a range of services to elderly residents and people with a disability, including domestic assistance, home maintenance, gardening, home modifications, meals, group social support, individual social support, specialised supports and transport assistance.

The main source of funding is provided through the Department of Health Commonwealth Home Support (CHSP) Grant Agreement for ageing residents. This agreement provides \$1.421 million for the 2017-18 financial period for delivery of services to elderly CoM residents eligible through the My Aged Care process. To be eligible for CHSP funding the recipient must be considered frail and over 65 years old living independently in the community, or Aboriginal and Torres Strait Islander (ATSI) and over 50. The grant is broken up into a range of specific service components, which are due to conclude from 30 June 2018. CoM has been advised of an extension until 30 June 2020.

A second funding stream for these services is provided by the SA Department of Human Services Home and Community Care (HACC) Grant Agreement, providing \$156,518 for the 2017-18 financial period to deliver services to people with a disability. The grant is due to expire on 30 June 2018, but CoM has been advised verbally of an extension for a further 12-month period.

To receive services through the SA HACC funded program the recipient must be under 65 years old and living with a disability. It is expected that some people currently eligible for services through SA HACC will not meet the eligibility requirements of the NDIS (for example, episodic medical needs or mental illness).

Generally services require a client co-payment of \$15 to \$30 per hour, plus materials, with at least 15 per cent co-payment being a requirement of the funding agreements. A fee reduction is applied with capped rates for certain services where there are instances of financial hardship. CoM has also set a pricing structure for full cost recovery for clients who are not eligible for SA HACC or CHSP funding, which begins at \$36 per hour and extends to \$80 per hour for home maintenance services.

There are currently 14 staff members funded by the grant agreements, a combination of part time and full time contract staff. A range of corporate supports are also provided in-kind by existing CoM corporate staff, including administrative, financial, HR and systems support. The cost of these cannot currently be estimated. There are also 30 volunteers supplementing the cost of services and a contractor panel (shared with the three other Southern Adelaide Councils) utilised for in-home domestic and gardening services. Some programs at the neighbourhood centres are funded by the CHSP and DHS HACC grant.

# Internal environment – scope of existing services

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## Extent of services provided in-home and in the community with HACC and CHSP grant funding

The following table summarises the total funding, number of clients and hours of service delivery for each of the In-home and community support service types for the 2016-17 financial year under the Commonwealth Home Support Program (CHSP) and SA Government Home and Community Care (HACC) funding.

Service types	CHSP Funding received per service type \$	No. of people receiving an ongoing service	Hours of service delivered to the clients	SA HACC Funding received per Service type \$	No. of people receiving an ongoing service	Hours of service delivered to the clients
Assessment hours	-	-	-	20,191	174	1,940
Domestic Assistance - hours	613,650	771	31,759.25	69,651	73	2580
Home Maintenance - hours	241,132	1,252	5,339	23,947	190	720
Home Modifications - dollars (\$)	85,959	256	98,396	0	7	1,485
Meals (centre) - per meal – dollars (\$)	75,709	629	9,116	5,504	91	1635
Social Support Group - hours	201,339	734	36,963	Total individual and group 6,574	Total individual and group 39	Total individual and group 3413
Social Support Individual - hours	193,621	486	9,458			
Transport - trips	17,062	67	1,429	0	1	2
Counselling/support, information and advocacy for care recipients	-	-	-	4,539	259	356
Counselling/support, information and advocacy for carers	-	-	-	34	2	2
Centre-based activities	-	-	-	17,530	53	1464
Client care coordination	-	-	-	8,418	129	199

A number of these activities are supported by volunteers, for example, the social support provided on an individual basis through CHSP funding was supported by 30 individual volunteers across 3,905 hours in 2016-17.

# Internal environment – scope of existing services

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## Scope of services



### Transport Options

There are four transport options provided by CoM to assist residents unable to access other transport.

- (1) The Community Passenger Network (CPN) provides door to door transport for CoM and Cities of Mitcham and Holdfast Bay clients, either through volunteer drivers or subsidised taxis.
- (2) Transport service to and from Neighbourhood Centres.
- (3) Accompanied transport.
- (4) Community bus service, providing door-to-door transport to shopping centres, libraries, Neighbourhood Centres and Senior Citizen Centres.

Funding for the first three services is delivered through a combination of SA Home and Community Care (HACC) funding and Commonwealth Home Support (CHSP) funding, which totals \$165,448 for 2017-18 (CHSP providing \$114,598 and HACC \$50,850). Both grants are due to expire 30 June 2018, with verbal confirmation of extension until 30 June 2020. The service cost is largely supplemented by volunteers using their vehicles.

CPN is an inter-regional door-to-door transport service crossing multiple LGAs. Eligibility criteria for CPN services involves two components – (1) people who are 65 years or older, or younger and living with a disability and are transport disadvantaged, and (2) living in the City of Mitcham, City of Marion or City of Holdfast Bay. For 2016-17 the CPN provided 3,840 trips to a total of 80 clients. The program is currently working on expanding the volunteer assistance to make this service more visible.

The cost to clients of accessing the CPN is outlined in the table right (figure 8). Reduced fees can be in cases of financial hardship.

The community bus is funded by CoM and resourced by a network of volunteer drivers, which greatly reduces the cost of delivering the service. In 2016-17, 21 volunteers were involved in the provision of the service at a total 6,850 volunteer hours, which was provided to 328 clients over a total 12,596 trips.

Kilometres	One Way Trip
2-7	\$5
8-12	\$7
13-18	\$10
19-25	\$15
25+	As negotiated

FIGURE 8: Cost to clients of utilising Community Passenger Network

# Internal environment – scope of existing services

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## Scope of services

### Neighbourhood Centres



The services offered through the Neighbourhood Centres include a range of social, recreational and educational activities.

These activities are funded by a number of grant programs, as well as a paid partnership with Baptist Care SA. The funding includes the following:

1. Department of Human Services HUBS funding – \$240,000 per year until 2021. This program provides social connection and resilience building activities for approximately 1,700 clients per year. Of these, 15 per cent have a disability and 8 per cent a mental illness and include children with autism, adults with intellectual disability and adults with mental illness
2. Department of State Development Adult Community Education (ACE) funding – \$160,000 per year grant until 2021. This program involves approximately 2,200 contact hours spread across approximately 200 clients per year, some of which are people with a disability. This program focuses on accessible education for adults.
3. Baptist Care SA Out&About Contract – \$44,500 per year until June 2018. Baptist Care SA bring a particular cohort of supported accommodation clients to CoM community centres for outings and activities supporting the development of social skills and independence. Around 44 participants utilise this service, which amounts to approximately 3,000 hours per year.
4. Commonwealth Home Support (CHSP) Funding – provides programs, meals and transport for elderly people in the community (see values provided in previous pages).
5. SA Home and Community Care (HACC) – provides a very small portion of funding to supports programs (see values provided in previous pages).

CoM also provides a range of advocacy services for people with a disability, including tenancy assistance, NDIS assistance, Centrelink, appeals and complaints, and SACAT access and support. Funding from the CHSP grant is used to provide these services.

There are full time grant-funded project staff members (funded by CHSP) delivering these programs, as well as grant-funded contract staff, however delivery of programs relies on the wider network of staff and volunteers. CoM community program staff also provide administrative and strategic support. A client contribution is required to participate in Neighbourhood Centre activities, which ranges from \$2 to \$12. The infrastructure utilised includes neighbourhood centres at Glandore, Cooina, Mitchell Park and Trott Park.

# Internal environment – scope of existing services

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## Scope of services

CoM currently utilises a mix of funding from a range of sources to provide services and support options to vulnerable people in the CoM community.

The table below shows a combined summary of the scope of all CoM community support services discussed in the previous pages of this report.

	In-home and community support	Transport Options	Neighbourhood and Community Centre Programs
<b>Services Provided</b>	Domestic assistance, home maintenance, gardening, home modifications, meals, group social support, individual social support, specialised supports and transport assistance	Door to door transport of clients to a range of locations	Range of social, recreational and educational activities
<b>Funding</b>	<ul style="list-style-type: none"> <li>Commonwealth Home Support Program for aged care recipients (CHSP) - \$1.421 million</li> <li>SA Department of Human Services Home and Community Care Program for people with a disability (HACC) - \$156,518</li> </ul>	<ul style="list-style-type: none"> <li>Commonwealth Home Support Program for aged care recipients (CHSP) - \$114,598</li> <li>SA Department of Human Services Home and Community Care Program for people with a disability (HACC) - \$50,850</li> </ul>	<ul style="list-style-type: none"> <li>DHS HUBS funding for a range of vulnerable people in the community- \$240,000</li> <li>Department of State Development Adult Community Education (ACE) - \$160,000</li> <li>Baptist Care SA Out&amp;About Contract - \$44,500</li> <li>CHSP and SA HACC</li> <li>Plus additional CoM funding</li> </ul>
<b>Clients</b>	For CHSP funding - Frail older people, 65 years+ living independently in the community or Aboriginal and Torrens Strait Islander (ATSI) 50 years+ For HACC funding - people under 65 living with a disability	For Community Passenger Network funding - 65 years+ or under 65 years living with a disability who are transport disadvantaged living in the cities of Mitcham, Marion and Holdfast Bay	HUBS – children with autism; adults with intellectual disability and mental illness ACE – adults, including some with a disability Out&About – people with a disability And wider community
<b>Staff</b>	14 staff (mixture of part to full time contract staff) + administrative, tech, HR, financial and contract support provided in-kind by corporate services, 25 volunteers and a contractor panel for home maintenance services	Volunteer staff and subsidised taxi service	Dedicated project staff, supported by CHSP funded staff supporting across all programs and contract staff to deliver specific programs
<b>Infrastructure</b>	Neighbourhood centres for some activities	Volunteer vehicles	Neighbourhood Centres – Glandore, Coominda, Mitchell Park, Trott Park

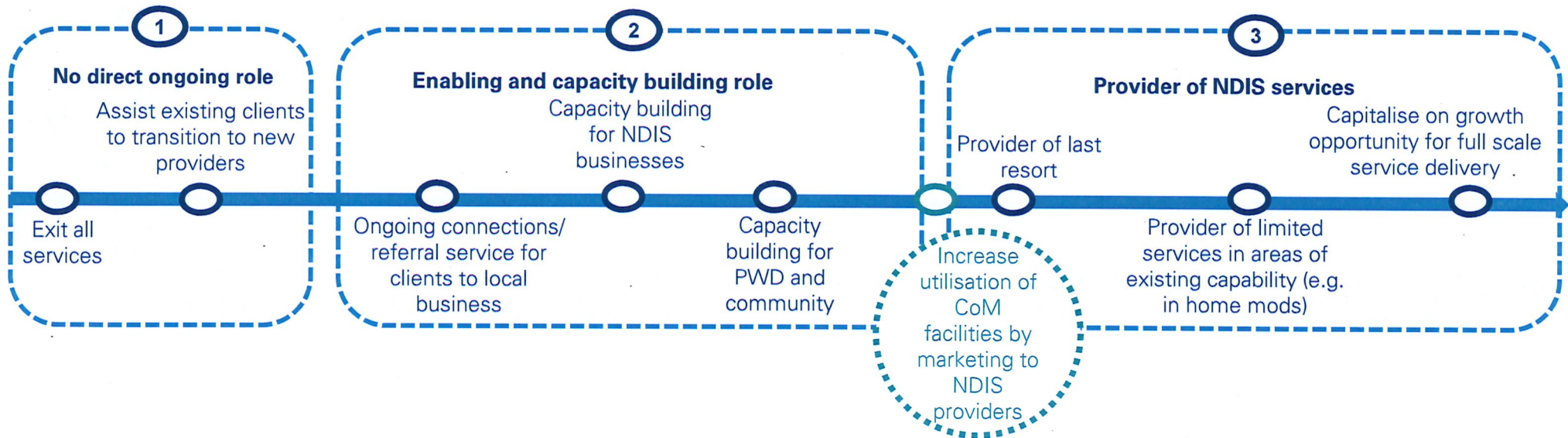
# Future options – options

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## High level options

Three high-level options were considered for CoM's future role in the NDIS environment, which are outlined in the figure below. The specific opportunities and funding implications of each option are outlined in the following pages. Risks and mitigation strategies are also discussed.

FIGURE 9: Three high-level options for CoM role in NDIS environment on a scale of "no involvement" through to full scale service delivery



# Future options – scope of options and key considerations

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## 1 No ongoing role

CoM has the option to take no direct ongoing role in the NDIS, resulting in CoM exiting all existing services provided to people with a disability and assisting existing clients in transitioning to new providers. It should be noted not all existing clients will be eligible for the NDIS, other options for support may not be readily available for certain cohorts.

A key consideration under this option is the timing of service cessation. Currently services are funded by a number of State government grant agreements. HACC funding is due to end in June 2018, although CoM has been advised verbally that government will offer a 12 month extension. Other grants expire in 2020. There is significant uncertainty for staff funded by the grant agreement under this arrangement and CoM carries a risk that in such an environment staff will leave for more permanent opportunities. Choosing not to extend the grant agreement is an option in this environment, and commencing service exit from June. Alternatively CoM can continue to accept yearly extensions until government terminates the grant, at which time CoM would commence service wind-down and transfer of existing clients. Safe transfer of clients is critical to maintaining trust in CoM, and avoiding reputational risk that could come from vulnerable citizens being without services or support.

## 2 Enabling or capacity building

The second option is for the Council to act as an enabler, by supporting local businesses to operate effectively in the NDIS environment and/or supporting people with a disability, their families and carers to access the NDIS and connect with providers of supports.

The shift to the NDIS requires a transformation in the way disability service providers operate. Many service providers have not operated in a competitive market and do not have the governance structures, processes or expertise to effectively manage costs, market their services and maintain client satisfaction in order to win and keep client business. Systems are required to monitor NDIS participant plans and acquit services provided against individual funding budgets. Cash flow is tighter as funds are received on completion of service delivery, rather than up-front in a block-funded grant. CoM could provide up-skilling and capacity building for existing and/or interested service providers in order to support businesses to operate effectively in the NDIS environment, supporting the establishment of the market in the CoM area and helping the market to grow to meet the increase in demand. CoM can also play a role in supporting mainstream services to be more inclusive of people with a disability.

Citizens will also require support in understanding how the NDIS works, accessing funds and finding a provider in this new environment of choice and control. CoM could build on existing advocacy services to provide comprehensive NDIS support services and referral pathways to recommended NDIS providers.

## 3 Service provision

The third option is to take on the role of registered provider of supports. This could be in partnership with another Council or existing NDIS business (for example, the existing partnership with other Southern Adelaide Councils for CPN and shared contract panel for home maintenance, or Baptist Care SA for group social activities). As a provider CoM will need to formally register and comply with quality and safeguards requirements. The scale of service provision could be as small as acting as a provider of last resort in areas of market failure where existing clients cannot access a service elsewhere, through to full-scale service provision across all existing services (in-home support and group social supports) leveraging existing capability to capitalise on projected growth in demand.

# Future options – budget implications

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## Budget implications

### 1 No ongoing role

Discontinuing services following grant funding cessation would lead to a number of existing staffing positions in the community support area no longer being funded. There are potentially small ongoing budget savings in addition to grant funded staff, in the short-term, as corporate and administrative support provided in-kind are no longer required and all existing direct costs are grant funded. Budget allocation will be required to fund resourcing for the wind-down of services and the transition of existing clients. Existing grants may allow for some exit funding.

### 2 Enabling or capacity building

NDIS Information, Linkages and Capacity Building (ILC) grant may be available to fund capacity building activities for people with a disability, the community and local businesses. Under NDIS ILC criteria, ILC funding is available for information, linkages and referrals; capacity building for mainstream services; community awareness and capacity building; and individual capacity building. These are activities CoM is already involved in as part of its Community Centre programs. CoM staff have already identified potential options for ILC funding and are awaiting the outcome of a number of applications. CoM was recently advised that it was unsuccessful in securing ILC funding.

Two examples of Council's securing ILC funding:

**Penrith City Council** consortium received a grant of \$95,000 for the Nepean Jobs For All project, which engages and builds the capacity, confidence and networking of businesses in the Nepean area to promote the employment of people with a disability.

**Greater Bendigo City Council** secured a \$165,000 grant for The Inclusive Towns project that sets out to grow awareness and support connections within community to increase participation and employment for people with a disability resulting in inclusive communities.

The focus of both of these programs are community capacity building with mainstream services. SA Councils are yet to successfully secure ILC funding. A number of Councils consulted with have applied unsuccessfully or are awaiting the outcome of the recent ILC funding round.

### 3 Service provision

As a registered NDIS service provider CoM would be paid by individuals with NDIS individualised funding for services delivered. Unlike the existing grant arrangements as an NDIS provider payment

will only flow following delivery of the service and provision of an invoice to the NDIA for that service. Invoices must be provided online through the NDIS web portal, and acquitted against the individual budget for the participant serviced. This is an administratively burdensome process in comparison to grant acquittals, and is difficult to comply with in an efficient manner without a Customer Relationship Management (CRM) system with integrated billing capability.

It is important to also note that NDIS services are price-capped with a rate set for each service-type by the NDIA. Some more complex services have more flexible benchmark pricing which requires quote prior to service delivery. Meeting these capped prices in some service types has been challenging for existing providers, with many finding the prices do not cover the cost of service delivery. Understanding the unit cost for delivering a particular service is key to ensuring cost can be contained with the NDIS pricing structure. A approximate price comparison is provided at Appendix 2. Keeping with existing service capability, CoM services would be eligible for a number of NDIS service categories, including assistance with daily life – domestic activities, house cleaning, maintenance; capacity building supports; and centre-based group activities.

# Future options – risks and mitigation strategies

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Option	Relevant Risks	Mitigation Strategies
No direct role	<ul style="list-style-type: none"> <li>Loss of experienced staff funded by grant agreement</li> <li>Cost associated with safely transitioning clients</li> <li>Unmet need and Community expectations not met, and reputational risk associated with this</li> </ul>	<ul style="list-style-type: none"> <li>Ensure policies and procedures are well documented</li> <li>Investigate service-exit funding included within grant agreement; connect with potential service providers early and access support provided by the NDIA</li> <li>Provide information to clients, families and the community early about transition processes</li> <li>Consider a short-term transition role as a provider of last resort while all existing clients safely transfer to new providers</li> </ul>
Support role	<ul style="list-style-type: none"> <li>ILC grant not guaranteed – competitive process; uncertain timing; time limited</li> <li>Limited examples of Council's securing ILC grant funding (although anecdotally appears to be an increase in Council's applying)</li> </ul>	<ul style="list-style-type: none"> <li>Activities not committed to until ILC funding secured; all costs and contracts limited to grant period</li> <li>Consider regional partnerships with other Councils to share grant application resourcing and boost chances of success</li> <li>Seek out advice from successful Councils/grant applicants</li> <li>Investigate alternative methods of funding, including Economic Development Board (EDB) pathway</li> </ul>
Service delivery	<ul style="list-style-type: none"> <li>Transition from block funding to fee-for-service carries a number of risks, including               <ul style="list-style-type: none"> <li>No up-front funding – NDIS pays on receipt of invoice for services provided</li> <li>Must compete for clients in competitive market</li> <li>Transition to buyers market where greater choice will drive higher expectations</li> <li>Client satisfaction drives return service</li> <li>Revenue limited by NDIA-set pricing – cost of service delivery must fall below benchmark pricing to profit</li> </ul> </li> <li>Potential initial investment in systems and capability               <ul style="list-style-type: none"> <li>Customer Relationship Management systems</li> <li>Staff scheduling to maximise utilisation</li> <li>Invoicing and acquittal against NDIS client plans</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Development of detailed business case providing assurance around demand and cost of service delivery</li> <li>Investigate existing CRM capability and options to upgrade or configure to meet new requirements</li> <li>Consider partnerships with experienced providers or other Southern Metro Councils to share the risk and boost capability</li> <li>Commence with a short trial period during existing grant funding period as a low-risk option to test the market, costing assumptions and capability</li> <li>Ensure maximum flexibility around fixed costs – for example, by minimising fixed labour costs through contracting and casualised workforce</li> </ul>

# Future options – criteria and assessment

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## Option 1: no direct ongoing role

\*Refer key at Appendix 4

Assessment Criteria	Assessment	Rating*
Alignment with Council's mission statement and strategic objectives	Cessation of all activities will leave a CoM citizen cohort without services and may put at risk the safety of vulnerable members of the community. This does not align with CoM values or civic duty.	
Budget and resourcing outlay required	Some costs associated with winding down existing services and safely transitioning existing clients to new service providers.	
Potential to generate revenue or access new funding stream	No potential to generate revenue or access new funding stream. Existing grant agreements may provide some funding for service wind-down.	
Alignment with projected demand	Strong growth in demand expected in the Southern Adelaide NDIS region. The existing CoM supplier profile is unlikely to meet this growth in it's entirety. New entrants, and support for existing providers, will be required to meet demand.	
Alignment to existing capability and infrastructure	CoM has existing capability and infrastructure for delivery of services to people with a disability that will go unutilised or will be lost under this option.	
Potential market impact	This option will not support the growth of the market in meeting demand. However, it will not have any adverse competitive impact by scaling up operations as a provider of supports.	
Value to Council constituents	CoM constituents may be without services if market cannot grow to meet projected demand. People with a disability and their families, if not supported, may not be able to navigate the NDIS or connect with providers in the CoM area.	

# Future options – criteria and assessment

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## Option 2: enabling and capacity building role

\*Refer key at Appendix 4

Assessment Criteria	Assessment	Rating
Alignment with Council's mission statement and strategic objectives	Strong alignment to CoM's mission to support all CoM citizens, particularly those that are vulnerable or unable to participate socially or economically without assistance. Support of businesses aligned to economic objectives.	
Budget and resourcing outlay required	Costs will be directly related to delivery of services under a grant arrangement and therefore will be covered by the grant amount. Corporate support may be required in-kind as currently provided to CHSP and HACC grant programs.	
Potential to generate revenue or access new funding stream	Grant funding may be available through NDIS ILC funding. Although this is not guaranteed and will be time-limited, maintaining the same contractual cycle that currently exists for the community services team. There may be opportunities to access funding through the EDB to support businesses.	
Alignment with projected demand	Supporting business in the CoM area to remain viable under the NDIS and potentially attracting new entrants will support growth of the market in CoM. However, will not be directly contributing to supply as not providing services.	
Alignment to existing capability and infrastructure	CoM is already providing a range of capacity building and advocacy services to a range of audiences, including people with a disability. CoM has experience in supporting businesses and can access support through the EDB.	
Potential market impact	This option could contribute to the growth of the market in meeting demand by supporting existing and new disability services businesses. It will not have any adverse competitive impact by scaling up operations as a provider of supports.	
Value to Council constituents	This option provides value to a range of CoM cohorts, including people with a disability, their families and carers, and local businesses – both disability specific and mainstream, depending on the capacity building option chosen.	

# Future options – criteria and assessment

Table of contents	Executive summary	Management response	External environment	Internal environment	Future options	Summary and recommendations	A1: scope and approach	A2: NDIS concept diagrams	A3: costing comparison	A4: assessment key
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## Option 3: provider of NDIS services

\*Refer key at Appendix 4

Assessment Criteria	Assessment	Rating
Alignment with Council's mission statement and strategic objectives	Strong alignment to CoM's mission to support all CoM citizens, particularly those that are vulnerable or unable to participate socially or economically without assistance. Seeking out new revenue streams aligned to economic objectives.	
Budget and resourcing outlay required	Potentially significant outlay required in systems, labour and infrastructure to be NDIS ready. This includes a billing-integrated Customer Relationship Management system. Labour costs could be mitigated somewhat through contract arrangements that align to service demand. Marketing budget will be required to attract clients and maintain strong brand and customer satisfaction.	
Potential to generate revenue or access new funding stream	Potential to access revenue stream through NDIS individualised funding. The demand expected in the Southern Adelaide region indicates significant opportunity to capitalise on growth in NDIS participant numbers and service value, particularly in the assistance with daily living support category. However, capped pricing limits opportunity for profit.	
Alignment with projected demand	The demand expected in the Southern Adelaide region indicates significant opportunity to capitalise on growth in NDIS participant numbers and service value, particularly in the assistance with daily living support category.	
Alignment to existing capability and infrastructure	If CoM chooses to deliver services in same areas it currently operates – in-home support and group centre-based activities – existing capability is strong. Opportunity to increase utilisation of existing Community Centre infrastructure.	
Potential market impact	Potential to impact market growth by competing with existing providers, however this is limited given expected growth in demand compared to existing supplier profile.	
Value to Council constituents	If filling a gap in the market and providing services CoM constituents would otherwise be without, this is of high value. Opportunity to generate revenue for CoM may provide value to other cohorts through increased budget to provide services (or reduce rates), though margin not expected to be high initially given capped-pricing.	

# Summary and recommendations

Table of contents	Executive summary	Management response	External environment	Internal environment	Future options	Summary and recommendations	A1: scope and approach	A2: NDIS concept diagrams	A3: costing comparison	A4: assessment key
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## Assessment summary

The outcome of the assessment process for each of the three options is summarised in the below table (figure 10).

FIGURE 10: Summary of Options Assessment\*

\*refer key at Appendix 4

Assessment Criteria	No direct ongoing role	Enabling and capacity building role	Provider of NDIS services
Alignment with Council's mission statement and strategic objectives	●	●	●
Budget and resourcing outlay required	●	●	●
Potential to generate revenue or access new funding stream	●	●	●
Alignment with projected demand	●	●	●
Alignment to existing capability and infrastructure	●	●	●
Potential market impact	●	●	●
Value to Council constituents	●	●	●
<b>Overall Assessment</b>	●	●	●

In summary, there is merit in considering the delivery of services as an NDIS provider within a niche area consistent with CoM capability and experience. Capacity building (option 2) for disability service provider and mainstream business in the CoM area, and for individuals and families is a low-risk option if ILC grant funding is pursued.

From the workshop it was agreed that CoM remains open to considering options 2 (enabling or capacity building role) and 3 (NDIS service provider). There was a strong view that option 1 (no future ongoing role) did not align with CoM's civic duty, and that it should be involved in supporting the NDIS in the Marion area in some capacity.

Option 2 has a potential funding opportunity through NDIS ILC, which is already being pursued by CoM and could be considered further, including partnership options with other Southern metropolitan Councils and through the Southern Adelaide Economic Development Board (SAEDB) at a regional level.

Option 3 remains a potential option, subject to detailed unit costing analysis and development of full business case for Council consideration. To limit risk associated with establishing and running an NDIS business, option 3 should be limited to the nature and scope of services already delivered by CoM.

The business case should consider a detailed analysis of the cost of service delivery for the specific service types to be established. This includes a bottom up analysis of the cost of service delivery gleaned through consultation across CoM business areas to ascertain the direct and indirect costs of services and nuances in service delivery. This would involve, in addition to the information gathered to date, specific information around client usage, complexity and how this maps against NDIS pricing levels, as well as corporate and administrative support hours and values based on CoM salaries and system costs. This should be considered with a top-down calculation of likely NDIS revenue, based on specific projections for the chosen service types, and including variance and sensitivity analysis to build external factors into the current cost to serve, and determine the target efficiency required to meet benchmark pricing.

# Appendix 1 – scope and approach

Table of contents	Executive summary	Management response	External environment	Internal environment	Future options	Summary and recommendations	A1: scope and approach	A2: NDIS concept diagrams	A3: costing comparison	A4: assessment key
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## Scope

The scope of this report includes:

- High-level market analysis of:
  - Current market demand and estimate of future growth
  - Market supply based on current service providers
  - Estimated gap between current supply and future demand, and therefore future supply growth required to meet demand
  - NDIS service rates compared to key services.
- Consideration of different roles that CoM could play across the range of options:
  1. No direct ongoing role
  2. Enabling and capacity building role
  3. Provider of NDIS services.
- Identification of key NDIS risks and opportunities in relation to market supply/demand and potential options, and high-level next steps for CoM to consider.

## Approach

The approach for the NDIS Risks and Opportunity Report included:

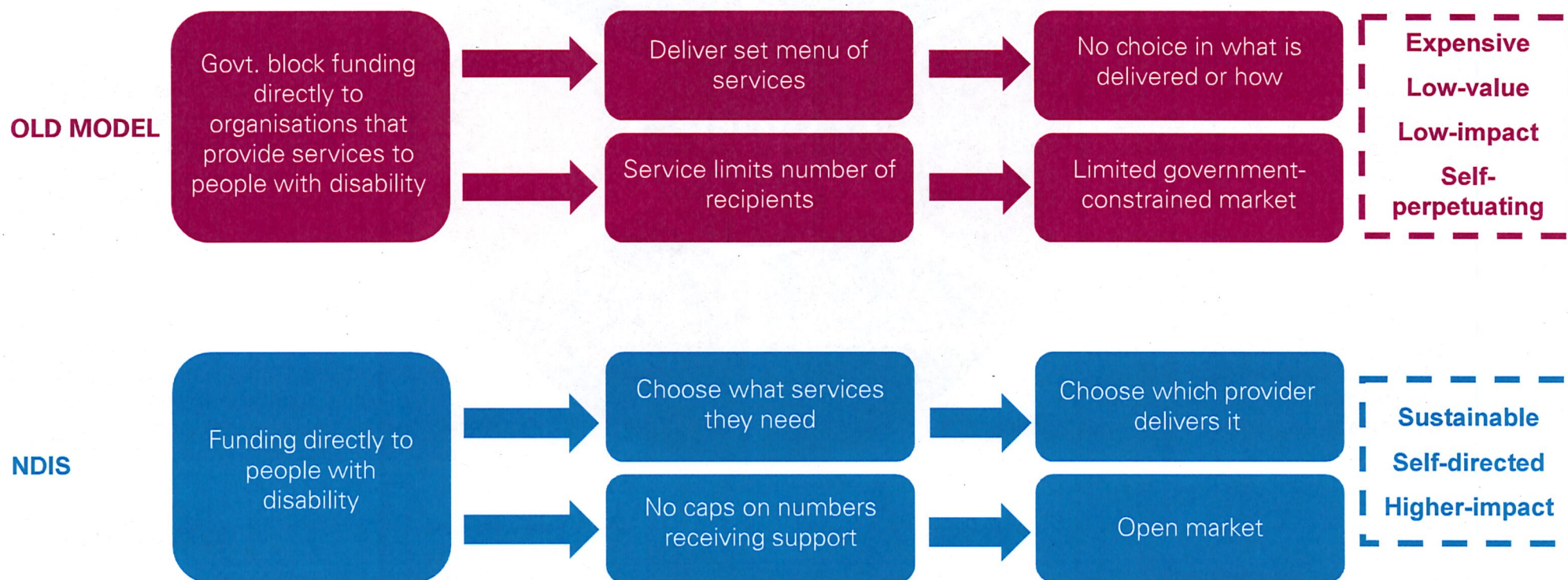
- High-level supply and demand analysis of the Southern Adelaide NDIS region, and CoM LGA where possible.
- Interviews with key CoM stakeholders, including:
  - service delivery managers and staff to develop an understanding of existing services and capability
  - key members of the Executive team to develop an understanding of corporate supports involved in service provision, infrastructure and strategic view of the role of CoM council in the NDIS.
- Desktop analysis of available documentation and budget information, including grant agreements, service usage data and service descriptions.
- High-level comparison of existing cost of service delivery to NDIS pricing catalogue.
- Workshop with CoM staff and Executive to provide an overview of the NDIS and potential opportunities, associated risks, and assessment criteria framework, and test initial findings.
- Conversations with other Councils to develop an understanding of other Council activities and diversity of roles being taken up in the NDIS environment.
- Final presentation to the CoM Finance and Audit Committee to discuss findings and recommendations.

# Appendix 2 – NDIS concept diagrams

Table of contents	Executive summary	Management response	External environment	Internal environment	Future options	Summary and recommendations	A1: scope and approach	<b>A2: NDIS concept diagrams</b>	A3: costing comparison	A4: assessment key
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## Overview of the NDIS

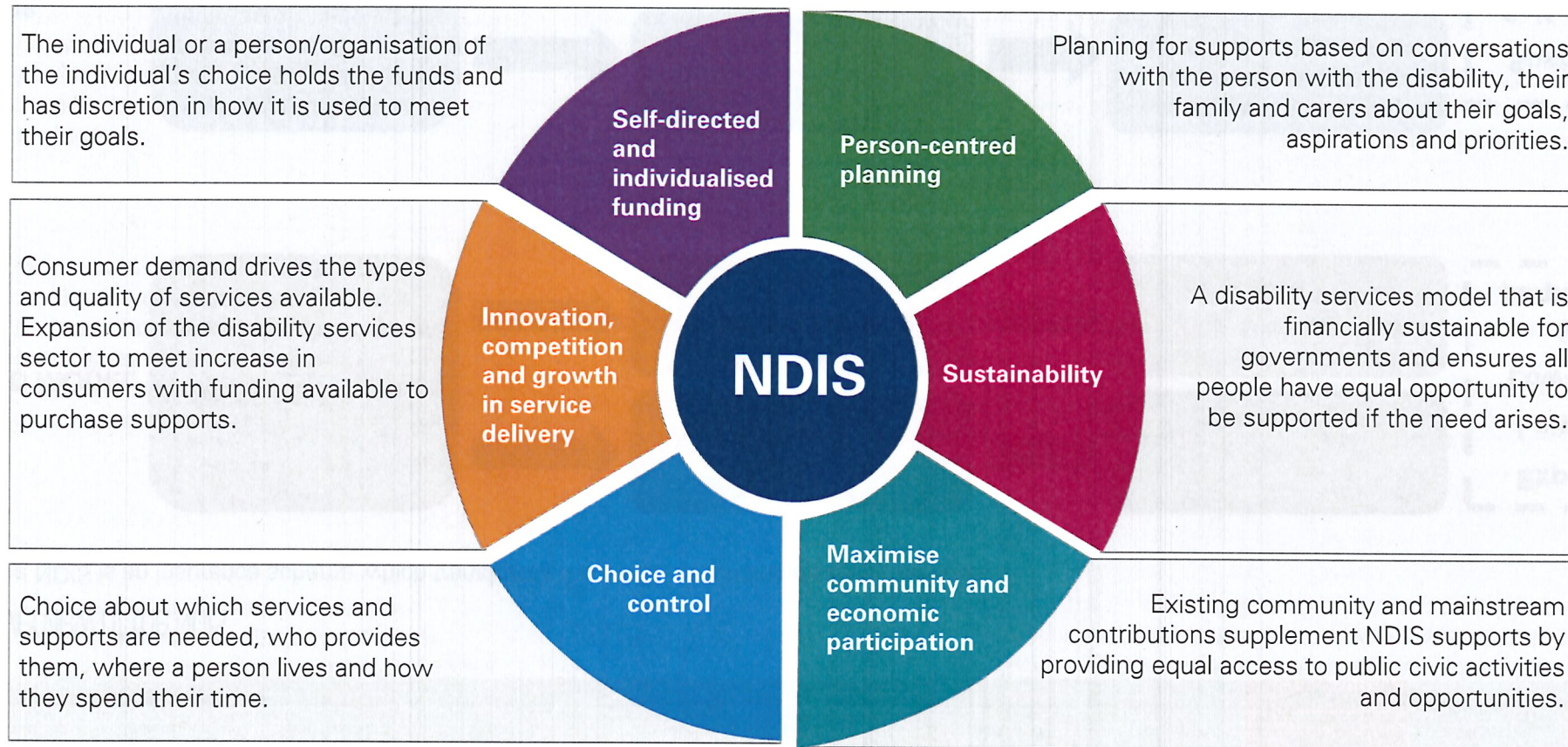
The NDIS is an insurance scheme which transforms the model of funding disability services.



# Appendix 2 – NDIS concept diagrams

Table of contents	Executive summary	Management response	External environment	Internal environment	Future options	Summary and recommendations	A1: scope and approach	<b>A2: NDIS concept diagrams</b>	A3: costing comparison	A4: assessment key
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## Key NDIS concepts



# Appendix 3 – costing comparison

Table of contents	Executive summary	Management response	External environment	Internal environment	Future options	Summary and recommendations	A1: scope and approach	A2: NDIS concept diagrams	A3: costing comparison	A4: assessment key
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## Service alignment With NDIS pricing structure

NDIS services are price-capped with a rate set for each service-type by the NDIA (generally an hourly rate). Some more complex services have more flexible benchmark pricing which requires quote prior to service delivery. Meeting these capped prices has been challenging for some providers, with many finding the prices do not cover the cost of service delivery. Understanding the unit cost for delivering a particular service is key to ensuring cost can be contained with the NDIS pricing structure.

On the following page existing CoM services have been considered against the NDIS pricing catalogue and potential service lines identified. Indicative hourly pricing is provided for each service type.

On page 28 a very high-level cost comparison is provided. This takes the existing grant funding amount, which is broken down into discrete NDIS-comparable service types. CoM data on the numbers of hours of services provided within this funding envelope is used to determine an approximate hourly cost of service delivery. It is important to note that this does not incorporate the cost of corporate overheads. In some instances the cost is underestimated as volunteers supplement the labour costs that would ordinarily be involved. In other instances the cost is inflated, as client contributions are not taken into account.

This summary should only be considered as an indicative guide to determining the cost of service delivery and how this might compare to NDIS pricing. It is recommended that a thorough costing exercise is undertaken in the event CoM decides to further consider option 3.



# Appendix 3 – costing comparison

Table of contents	Executive summary	Management response	External environment	Internal environment	Future options	Summary and recommendations	A1: scope and approach	A2: NDIS concept diagrams	A3: costing comparison	A4: assessment key
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## Service alignment With NDIS pricing structure

*Some existing services may align to eligible categories of service under the NDIS.*

Service	NDIS category	Approx. Pricing	Exclusions
<b>In-home domestic assistance</b>	Assistance with daily life – personal domestic activities	\$45.54/hour	
	Assistance with daily life – house cleaning	\$44.74/hour	
<b>Home maintenance</b>	Assistance with daily life – house and/or yard maintenance	\$43.94/hour	
<b>Meals</b>	Assistance with daily life – preparation and delivery of meals	Benchmark \$11.61/meal – quote required	Cost of food not included
<b>Group social support</b>	Assistance with daily life – group-based community, social and recreational activities	\$15.18/hour (weekday; 1:3 or more)	Can be provided in a Centre or the community; excludes sporting club or entry fees
<b>Social support individual</b>	Assistance with daily life – access the community, social and recreational activities	\$45.54/hour (weekday; standard needs)	Can be provided in a Centre or the community; excludes sporting club or entry fees
<b>Client advocacy</b>	Capacity building supports – various eg, support to secure/maintain tenancy; life transition planning	\$57.71/hour	
<b>Transport</b>	Assistance with daily life – transport	Transport Allowance	Only available where client cannot access public transport
<b>Neighbourhood centre groups</b>	Assistance with daily life – centre-based group activities	\$20.24/hour (weekday)	
	Increased Social and Community Participation – skill development in a group	\$28.07/hour	



# Appendix 3 – costing comparison

Table of contents	Executive summary	Management response	External environment	Internal environment	Future options	Summary and recommendations	A1: scope and approach	A2: NDIS concept diagrams	<b>A3: costing comparison</b>	A4: assessment key
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## Revenue based on existing service output

The below calculations provide an example of how existing activities could be translated to a NDIS pricing structure.

Service	No. instances	NDIS price (\$)	Est. Revenue (\$)	Existing cost of delivery (grant amount)* (\$)	Cost per instance (\$)	Variance to NDIS revenue (\$)	Variance as a % of cost
<b>In-home domestic assistance</b>	1,108	45.54	50,458	69,651	62.86	-19,193	<b>-28%</b>
<b>Home maintenance</b>	248	43.94	10,875	23,497	94.94	-12,622	<b>-54%</b>
<b>Meals (items)</b>	1,132	11.61	15,465	2,504	1.88	12,961	<b>518%</b>
<b>Group social support</b>	2,956	15.18	44,872	17,530	5.93	27,342	<b>156%</b>
<b>Social support individual</b>	480	45.54	21,841	6,574	13.71	15,267	<b>232%</b>
<b>Specialised support – client advocacy</b>	64	57.71	3,693	4,539	70.92	-846	<b>-19%</b>
<b>Support Co-ordination</b>				8,418	N/A	-8,418	<b>-100%</b>
<b>Total:</b>	<b>6,187</b>	<b>N/A</b>	<b>147,204</b>	<b>132,713</b>	<b>N/A</b>	<b>14,491</b>	<b>11%</b>

*\*Note this does not include corporate overheads and time provided outside the Community Wellbeing team in-kind.*

# Appendix 4 - assessment key

Table of contents	Executive summary	Management response	External environment	Internal environment	Future options	Summary and recommendations	A1: scope and approach	A2: NDIS concept diagrams	A3: costing comparison	A4: assessment key
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The below table provides the rating descriptions for the assessment criteria used to assess the options provided on slides 20-22 and summary tables on slides 5 and 23 .

Assessment Criteria	Low Rating	Medium Rating	High Rating
Alignment with Council's mission statement and strategic objectives	Nil to minimal alignment with Council mission statement and strategic objectives.	Some alignment with Council mission statement and strategic objectives.	Strong alignment with Council mission statement and strategic objectives.
Budget and resourcing outlay required	High resourcing outlay or significant initial investment required.	Some resourcing outlay required or upfront investment.	Low to nil resourcing outlay or initial investment required.
Potential to generate revenue or access new funding stream	Nil to minimal potential to generate revenue or access new funding stream.	Some potential to generate revenue or access new funding stream.	Strong potential to generate revenue or access new funding stream.
Alignment with projected demand	Low alignment with projected demand. Will not contribute to meeting growth in demand.	Some alignment with projected demand. May contribute to meeting growth in demand.	Strong alignment with projected demand. Likely to contribute to meeting growth in demand.
Alignment to existing capability and infrastructure	Low alignment with existing capability and infrastructure. Services unlikely to be supported without investment in capability or infrastructure.	Medium alignment with existing capability and infrastructure. Potentially some investment in additional capability or infrastructure required.	Strong alignment with existing capability and infrastructure. No requirement for additional capability or infrastructure.
Potential market impact	Potential to have negative impact on market stability or growth.	Unlikely to impact on market stability or growth.	Potential to have positive impact on market stability or growth.
Value to Council constituents	Low value to Council constituents. Does not meet community need.	Medium value to Council constituents. Meets some community need.	High value to Council constituents. Meets community need and potential to fill areas of unmet need.

# Disclaimers

## Inherent Limitations

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

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

## Third Party Reliance

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# Disclaimers

## Market analysis

The market analysis information presented in this report is drawn from a broader state-wide market analysis prepared by KPMG at a point in time during NDIS transition. The data utilised in preparing this analysis is a combination of publically available and confidential data. Publically available census data has been used to update demographic information. It is important to note that there are limitations to the market analysis that need to be taken into consideration when interpreting the key findings. These are outlined below.

### 1. Scope, scale, and quality of the Disability Services National Minimum Data Set (DSNMDS)

KPMG has permission to utilise SA Minimum Data Set (MDS) data for the purposes of the analysis and this has been used in conjunction with publically available National MDS reports, the NDIA's SA Market Position Statement (MPS), NDIA Council of Australian Governments (COAG) Quarterly Reports, NDIA Quarterly Dashboards, and other publicly available information to underpin all aspects of the analysis. There are, however, a number of key limitations noted with the DSNMDS, namely:

- Potential inconsistencies in the quality of the data available at an individual provider or individual client level due to differences in reporting – for this reason, a range of alternate analytical approaches have been tested through the development of the analysis and results are reported at more aggregated levels.
- The MDS does not include the volume of certain support types provided to current clients (e.g. employment services, community support), and thus, for the purposes of quantifying levels and value of current supply other public data sources have been incorporated to improve the accuracy of the result. In order to do this, an assumption that sub-services within each MDS category cost the same per person annually has been made.

The MDS does not include clients with psychosocial disabilities, analysis findings relating to these participants have been estimated based on NDIS experience.

### 2. Support needs under the NDIS

The market analysis projects the total number of participants and the value of supports in the future based on the SA MPS. The MPS provides these data at an aggregated level, only showing total participants and value by NDIS region and a total for all disability types, age cohort and service type. To allocate these total participants and value of supports across local government areas (LGAs), disability type, age cohort and service type, the analysis relies on external data sources. The basis for this disaggregation has largely been NDIS experience data. Every effort has been made to apply appropriate experience data (by trying to match the demographics of experience data locations with SA locations), however, there is an inherent risk that the experience in SA will vary from the experience data used.

### 3. Scheme monitoring and experience

The projections of NDIS participation and support needs developed by the NDIA, and apportioned in the market analysis requires monitoring over time against experience of the NDIS in SA, and revisions to these projections by the Scheme Actuary will need to be taken into account, as well as more recent experience data.

### 4. Definition of provider performance

The market analysis draws on detailed historical financial performance information for suppliers of specialist disability support within the market and overlays this information to the assessed growth requirements across service categories to prioritise areas of potential risk to the capacity of the market.



# Disclaimers

In particular, the financial performance metrics include the cash to asset ratio, operating result to revenue ratio, and asset to liability ratio, with the intent of illustrating liquidity, operating capacity, and solvency. However, it is acknowledged that over time, the measurement of 'performance' for suppliers will need to be broadened (as permitted by data availability) to capture the broader contributors such as quality, continuity of care, and participant outcomes.

## 5. Scheme phasing and transition

The estimates within the market analysis are on the basis of the phasing explained in the most recent SA MPS.

## 6. Pricing assumptions and valuation basis

The market analysis uses the total value of services as published in the MPS, and allocates these to different service types. The allocation of total value to service types is based on NDIS experience data by age for future projections, and publically available MDS data for current expenditure.

## 7. Definition of services

The classification of service types delivered to current clients reported through the MDS is different to the definitions of service types used by the NDIA in reporting the NDIS. This is problematic for comparing the types of services delivered currently to services delivered under the NDIS. To enable comparison, a mapping was established between these service classifications. The mapping was completed with the aim of creating the best representation possible, however, the correspondence between MDS and NDIS categories is not one-for-one and not directly mappable.

## 8. Definition of primary disability types

The classification of primary disability for current clients reported through the MDS is different to the definitions of primary disability used by the NDIA in reporting the NDIS. This is problematic for comparing the characteristics of participants at current to participants in the NDIS. To enable comparison, a mapping was established between these primary disability classifications. The mapping was completed with the aim of creating the best representation possible, however, the correspondence between MDS and NDIS categories is not one-for-one and therefore it may not be completely accurate or reflective of reality.





City of Marion

# Contractor Management Internal Audit Report

22 May 2018



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In accordance with the 2017/18 Internal Audit Plan for the City of Marion (CoM), an internal audit project focussing on the CoM's contractor management has been performed. The objective, scope and approach for the internal audit are outlined below.

## Objective

The objective of the contractor management internal audit project was to assess the CoM's overall contractor management framework, with a view to providing recommendations to strengthen the framework for managing contracts and managing risk across the organisation.

The internal audit project included consideration of processes in place to manage compliance with contract obligations, supplier performance, relationship management, reporting and risk management.

## Scope

The scope of the contractor management internal audit project included consideration of the CoM's overall management framework for managing contractors, including:

- Policy and procedures in relation to contractor management
- Overall organisation structure, resources, roles and responsibilities in relation to contract management (including skills, experience and training)
- Contractor management and administration systems and processes (including tools and templates)

- Induction and workplace health and safety (WHS) practices in relation to contractors
- Service delivery performance, relationship management and payment of contractors
- Contractor-related risk assessment and management
- Oversight and reporting processes in relation to contractor management.

### Scope exclusions:

Please note that the scope of this internal audit was focussed on the CoM's management of contractors associated with delivery of goods and services sourced via procurement and excluded management of contracts associated with leases or licenses or in relation to employment contracts.

## Approach

The approach for the contractor management internal audit project included:

- Reviewed relevant policies and procedures in relation to the CoM's contractor management activities.
- Consulted with key CoM stakeholders in relation to contractor management including with procurement representatives and relevant contract administrators/project managers for nominated contracts as well as CoM WHS personnel.

- Assessed, based on a sample approach, contractor management activities for nominated contracts (contractors were selected based on value and risk associated with the services provided to the CoM. We also worked with the CoM Project Sponsor to agree contracts to be considered as well as randomly sampled contracts).
- Assessed nominated contracts against an internal audit program based on compliance with the CoM policy and procedures and overall contractor management framework elements.
- Conducted an exit meeting with the Project Sponsor and key stakeholders to discuss findings and recommendations.
- Drafted an internal audit report outlining internal audit findings, recommendations and any performance improvement opportunities (including CoM preparing agreed Management actions, accountabilities and timeframes).

## Key findings and recommendations

The number of findings identified during the course of this internal audit project is shown in the table below. Classification of internal audit findings is detailed in Appendix 3 to this report. These findings and recommendations were discussed with the CoM's Management. Management has accepted the findings and has agreed action plans, responsibilities and timeframes to address the recommendations.

It was noted that a previous internal audit project of CoM's contractor management was undertaken in April 2015 which reported a number of findings, including:

- Informal contract management processes
- Variability in how contract management was conducted
- Evidence of documentation low
- Training needed

The overall observations associated with the current internal audit of contract management was that the CoM has reviewed and updated its overall policy and procedure framework in relation to contract management, including introduction and/or strengthening of related tools and checklists (including the contract management checklist, site induction check lists, contractor performance evaluation forms (draft). In addition, a greater cross-referencing between procurement and contract management framework documentation and CoM work health and safety frameworks has been implemented. Similarly, we noted contract management training has been provided to contract administrators (which is a defined role) and related staff.

Table of Contents

Executive Summary

Background

Internal Audit Findings

Performance  
Improvements

A1: Staff Consultation

A2: Scope Cross-  
reference

A3: Classification of  
Findings

**Critical**

-

**High**

1

**Moderate**

-

**Low**













3

**Performance  
Improvement**

1

Rating	Ref #	Description	Issue Owner	Target Date
<b>High</b>	1	Hazards and incidents related to CoM contractors are not currently being captured or reported (based on potential under-reporting in SkyTrust).	Unit Manager Risk	31 July 2018
<b>Low</b>	2	Contractor documentation management challenges and non-compliances.	Unit Manager Contracts	28 February 2019
<b>Low</b>	3	Lack of a risk-based approach to prioritise contract management tasks.	Unit Manager Contracts	30 September 2018
<b>Low</b>	4	Lack of an organisation-wide contracts management system.	Unit Manager Contracts	30 June 2019
<b>Performance Improvement</b>	PIO-1	Benefits may be attainable if Risk Management staff are co-located or spend "more time on the ground" at City Services (i.e. alongside CoM teams which are considered higher risk).	Manager Corporate Governance	31 July 2018

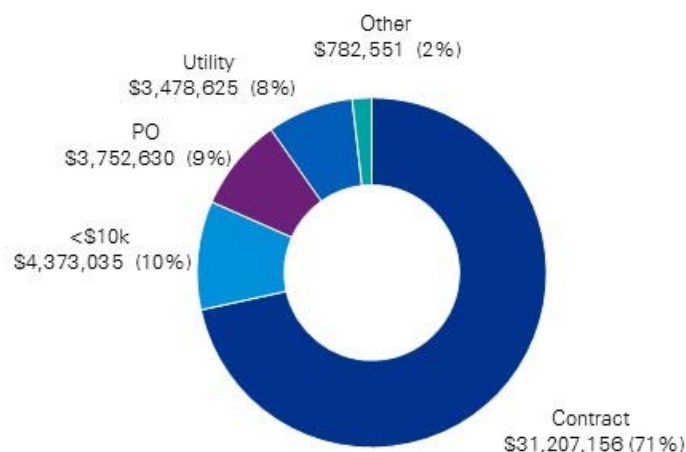
The following table highlights findings raised as part of the previous contract management internal audit conducted in April 2015, and provides a status update on how CoM is progressing with addressing the issues raised.

Ref #	Previous Contract Management IA Finding (April 2015)	KPMG Commentary (January 2018)	Traffic Light Status	Reference to report finding
1	Informal contract management processes	CoM has reviewed and strengthened its overall contract management framework and supporting tools and checklists. Based on our sampling, there was compliance with new contract management framework requirements in relation to completion of documentation.	  	
2	Variability in how contract management was conducted	Based on discussions with stakeholders, whilst there is a robust contract management framework in place, qualitatively, the level of rigour in the way in which it is applied is still subject to a degree on individual Contract Administrator capability, capacity and voracity.	  	Finding 1
3	Evidence of documentation low	Documentation was evident based on contracts sampled, however, it is recommended: <ul style="list-style-type: none"> <li>CoM mandates a clear, singular, document management system for contract management purposes (currently not consistent).</li> <li>Introduces spot checks/audits conducted by the Procurement and Contracts team over higher risk contracts (or similar).</li> </ul>	  	Finding 2
4	Training needed	Training has been provided to CoM staff. Ongoing training / refresher training is recommended for existing staff (from time to time) as well as training for all new starters who will fulfil the Contract Administrator role.	  	

## Contractor expenditure data

The following graph shows the CoM's expenditure on external suppliers for 2016/17. Notably, >70% of expenditure is under contract with 181 suppliers contracted to provide goods or services.

**CoM Supplier Expenditure (2016/17)**  
(contract, purchase order, <\$10k, other)



Category	Amount (\$)	Number of Suppliers	% Total Expenditure
Contract	\$31,207,156	181	72 %
<\$10k	\$4,373,035	974	10%
PO	\$3,752,630	138	9%
Utility	\$3,478,625	13	8%
Other	\$782,551	10	2%
<b>Total</b>	<b>\$43,593,997</b>	<b>1,316</b>	<b>100%</b>

## Top 20 Suppliers by Expenditure (2016/17)

The following table highlights the CoM's Top 20 suppliers by expenditure for 2016/17 (contract expenditure, excluding utilities and LGA asset mutual scheme contributions).

Supplier name	Amount (\$)
DOWNER EDI WORKS PTY LTD	\$5,258,179
SOLO RESOURCE RECOVERY	\$5,039,973
RANDSTAD PTY LTD	\$2,169,621
SOUTHERN REGION WASTE RESOURCE AUTHORITY	\$1,780,386
T & J CONSTRUCTIONS PTY LTD	\$924,331
BELAIR TURF MANAGEMENT PTY LTD	\$813,443
CIVIL & CONCRETE SOLUTIONS PTY LTD	\$661,694
INTERNATIONAL CLEANING SERVICES PTY LTD	\$540,817
FULTON HOGAN INDUSTRIES PTY LTD	\$534,593
AUSTRALIAN MOTORS	\$499,967
SEM CIVIL PTY LTD	\$493,034
CIVICA PTY LTD	\$450,294
ADELAIDE PIPELINE MAINTENANCE SERVICES	\$402,099
MACQUARIE EQUIPMENT FINANCE PTY LTD	\$390,499
NORTH EAST ISUZU	\$368,885
BP AUSTRALIA PTY LTD	\$346,078
M & B CIVIL ENGINEERING PTY LTD	\$332,734
EMPIRED LIMITED	\$324,341
METRO & COUNTRY CIVIL PTY LTD	\$316,751
AUSTRALIA POST	\$306,571
NEXT 1296 SUPPLIERS	\$21,639,707
<b>Totals</b>	<b>\$43,593,997</b>

## Finding 1. Hazards and incidents related to CoM contractors are not currently being captured or reported (based on potential under-reporting in SkyTrust)

### Finding(s) and Impact

#### Lack of recording of contractor-related hazards and incidents

Hazards and incidents (including work health and safety and environmental) that arise on CoM workplaces, including those relating to contractor activities, are required to be recorded in the CoM's SkyTrust WHS system.

It should be noted that the CoM has recently implemented SkyTrust as its WHS system from 1 July 2017, transitioning from the previous Microsoft Excel based register. We reviewed the extract of the SkyTrust incident register from 1 July 2017 to 30 November 2017 and noted that only two (out of a total of 131) incidents related to contractors, and that in both incidents, CoM personnel had recorded the incident details. Based on the scale and nature of work performed, it is hypothesised that there may be underreporting of contractor incidents.

Whilst this is not readily substantiated, one occasion was raised, in which a contractor had not adhered to safety clothing requirements on a CoM worksite. This resulted in the CoM Contract Administrator halting the project works and informing the contractor company via email of the incident. From our review of the incident data recorded in SkyTrust system between 1 July 2017 and 30 November 2017, we could not locate evidence of this incident being logged.

### Recommendation(s)

It is recommended that:

1. The requirement to rigorously monitor contractors, is re-communicated to CoM staff, particularly Contract Administrators, including that all hazards and incidents relating to contractors are to be captured and reported via the SkyTrust system. It is also recommended that this is also communicated with contractors, to ensure all information is captured in an accurate and timely manner.
2. CoM investigates providing (restricted) direct access to the SkyTrust system to contractors for the purposes of self-reporting hazards and incidents.

**High**

### Agreed Management Action(s):

SkyTrust Implementation Plan will be revised to include the following;

Development of a process whereby all Contractors from the preferred Contractor Register (undertaking any form of construction or high rated work activities) will be provided a contractor specific logon attached to their nominated email address.

Contractor communication will be developed together with instructions to guide the contractor how to report hazards and incidents in SkyTrust.

Advice will also be sought from SkyTrust to identify an effective method for importing hazards and incidents from a Contractor who already uses SkyTrust as their corporate WHS Management System.

Due Dates – part 1 and 2 – 31 July 2018

## Finding 1. Hazards and incidents related to CoM contractors are not currently being captured or reported (based on potential under-reporting in SkyTrust)

High

### Finding(s) and Impact

#### Paper-based, manual forms

The CoM has improved the overall contract management framework since 2016, including WHS elements and supporting checklists. Currently, the majority of checklists are paper-based forms which must be completed manually, and then scanned in and stored on SharePoint. Notably, the CoM has implemented an online contractor organisation induction process. Other than this online induction, the current process is very manual, and there is also limited ability to oversight status/progress centrally.

### Recommendation(s)

3. Within the SkyTrust hazards and incidents register(s), there should also be provision to clearly identify incidents which related to contractors (including who the contractor is).

This will support analysis of incident data and help the CoM to monitor contractor incidents and trends (and the overall safety performance on contractors working on CoM related projects).

4. CoM investigates options to leverage SkyTrust functionality in relation to transiting paper-based/manual forms and checklists to online forms which can be completed and automatically stored in SkyTrust. In addition, clear delineation in terms of document management between SkyTrust and SharePoint would be required.

### Agreed Management Action(s):

SkyTrust Implementation Plan will be revised to include the following;

Development of the method to add a generic contractor 'name' to the drop-down box for 'person involved'.

4. Investigation of options (by 31 July 2018) for transitioning paper-based forms, including a specific list of forms and activities currently undertaken manually, for recommendation to the Executive Leadership Team to consider. Once approved, a supplementary SkyTrust Implementation Plan will be devised for 2019.

**Responsibility:** Unit Manager Risk

**Target date:** 31 July 2018

## Finding 2. Contractor documentation management challenges and non-compliance

Low

### Finding(s) and Impact

#### Non-compliance with SharePoint document management requirements

The CoM Contract Management Procedure updated in October 2016 sets out the minimum level of documentation required to be maintained in the SharePoint system.

KPMG obtained access to SharePoint to review contract documentation, as part of our site visit in December 2017 and January 2018. For the sampled contracts, we were able to locate the signed copy of the contract and variations (where applicable) in the contract file in SharePoint. However, other mandatory documents including site induction records and project management plans could not be found (electronically). Importantly, the full set of documentation was being maintained in hard copy in most cases, which could be provided upon request by the responsible Contract Administrator. KPMG recognises that the CoM is currently transitioning from Bluepoint to SharePoint. As such, some of the documentation is still in the progress of being transferred over.

#### Challenges in relation to visibility of documentation outside of the Contract Administer

Challenges were noted by personnel (e.g. Risk Management) who don't have ready access to contract management (including WHS related documentation).

### Recommendation(s)

It is recommended that:

1. CoM considers implementing a targeted/risk-based spot audit program which provides assurance that relevant contract management documents are being completed and stored appropriately, which could potentially be led by the Contract Team.
2. As part of the next training session for Contract Administrators, time is allocated to update staff on the documentation required to be formally stored and maintained in the SharePoint system.
3. A password protected partition is established within the contract file on SharePoint. A restricted access file would enable all relevant contract documentation to be maintained in accordance with the CoM's contract management procedure, but only authorised staff are able to access sensitive or confidential information arising from the contract.

### Agreed Management Action(s):

Unit Manager Contracts

1. This will be implemented. by 30 September 2018 by the contracts team.
2. Management will reinforce the requirement to store documents in sharepoint at future training (implemented by February 2019)
3. Management will apply security over contract document sets stored within sharepoint (implement by 30 June 2018)

## Finding 2. Contractor documentation management challenges and non-compliance (continued)

Low

### Finding(s) and Impact

### Recommendation(s)

### Agreed Management Action(s):

#### Confidential items not on file

Our discussions with a number of Contract Administrators noted that confidential matters arising during the contract would be escalated by internal emails. However, this correspondence would not be stored centrally on the basis that it was confidential. Whilst the CoM Contract Management procedure requires all contractor correspondence and meeting minutes to be filed appropriately, this practice means that key information relating to contract management may not be captured and stored appropriately.

SharePoint is accessible to all CoM staff, who can look at any documentation uploaded to the contract files. As such, this may pose a risk that where the documentation is stored to comply with CoM policy, confidential data could be accessed by staff who should not be privy to the matter.

It may also pose a risk where a key staff member leaves the organisation and the files have not been stored on SharePoint, meaning the documentation trail leaves with the employee.

**Responsibility:** Unit Manager Contracts

**Target date:** 28 February 2019

## Finding 3. Lack of a risk-based approach to prioritise contract management tasks

Low

### Finding(s) and Impact

The existing approach to contract management and oversight activities lacked a risk-driven approach. The consequence of this is that the same level of effort is expended on managing contracts which may have a different risk profile.

A preferable approach would be to prioritise or tier contract management activities with greater effort applied to contracts which come with higher associated risk (e.g. contract site surveillance activities should occur more frequently for higher risk contracts compared to lower risk contracts).

### Recommendation(s)

It is recommended that the CoM considers introducing a risk based approach to manage it contractors, so the level of effort in relation to contract management is matched to the overall contract risk.

### Agreed Management Action(s):

The Contract Management Procedure will be strengthened to provide additional guidance to Contract Administrators to promote a risk-based approach to contract management activities.

**Responsibility:** Unit Manager, Contracts

**Target date:** 30 September 2018

## 4. Lack of an organisation-wide contracts management system

Low

### Finding(s) and Impact

Currently, CoM maintains a preferred contractor register utilising Microsoft Excel. It is managed and administered by the Contracts Team. The current register is used to drive various activities (e.g. contract expiry, insurance renewals) and the process, whilst not systemised, was reported to be functional from the Contracts team's perspective.

However, it was also reported that there is lack of organisational-wide visibility which can impede efficient and effective contract administration, particularly where contracts cover multiple business units across the organisation.

### Recommendation(s)

It is recommended that CoM investigates alternative options to the existing excel "preferred contractor register" to assess the potential for benefits of transitioning to an alternative corporate-wide IT system.

The potential benefits associated with this recommendation would be to:

- Provide improved organisational wide visibility of the contracts registers (on a relevant user access basis).
- Automate reminders in advance for key actions.
- Allow improved linkages between the current register and contract management documentation systems (i.e. shifting the register to a database).

### CoM Comments/Actions

1. Management will assess alternatives to the existing excel preferred contractor register and validate whether potential benefits could be realized. The outcome of this assessment will determine what further action is required (30 June 2019).

In addition, the current contract management process will be enhanced by:

2. Advice being provided to key internal stakeholders of pending existing contracts (implement by 30 June 2018).
3. Introducing tender panels of preferred suppliers for services including general repairs and maintenance, painting, plumbing and electrical (implement by 30 September 2018).

**Responsibility:** Unit Manager Contracts

**Target date:** 1. 30 June 2019 / 2. 30 June 2018 / 3. 30 September 2018

## PIO-1. Benefits may be attainable if Risk Management staff are co-located or spend “more time on the ground” at City Services (i.e. alongside CoM teams which are considered higher risk)

### Finding(s) and Impact

Based on consultation with CoM personnel, it was noted that Risk Management and Claims staff are based in a different office to the majority of Contract Administrators (e.g. between City Services and the Administration Building). It was reported that this can lead to communication delays from time-to-time in receiving a response to, or the handling of risk related matters, including WHS matters.

It should be acknowledged that Risk Management and Claims staff do spend time during the week at City Services, however, it was reported that there may be benefits to the business, if this time was increased.

This observation is premised on the fact that most of the CoM higher risk functions reside at City Services (e.g. Engineering and Field Services, Property).

### Recommendation(s)

KPMG recommends that the CoM considers whether the physical separation between the Risk Management and Claims personnel and the majority of Contract Administrators is impacting the ability of CoM to actively identify and manage risks upfront, as well as respond to matters in a timely manner. This consideration needs to be offset against benefits associated with co-locating the Risk Management team with the teams in the Administration Building.

Alternatively, consideration could be given to increasing the amount of time spent by Risk Management staff to be based at City Services to help ensure there is access and ongoing communication between functional teams.

An option discussed included scheduling a regular time for the Risk Manager to accompany Contract Administrators as part of their contract management induction and/or surveillance activities.

### Performance Improvement

The WHS Coordinator is located at City Services two mornings per week. Management is supportive of the risk team having a greater presence at City Service if it is connected to their work program or organizational high risk. If greater emphasis is required on contract management, the risk team can be available for support. This simply needs to be negotiated between the teams.

**Responsibility:** Manager Corporate Governance

**Target date:** 31 July 2018

Table of Contents	Executive Summary	Background	Internal Audit Findings	Performance Improvements	A1: Staff Consultation	A2: Scope Cross-reference	A3: Classification of Findings
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The table below summarises the CoM personnel who were consulted and contributed to the findings and actions detailed in this Internal Audit Report. In addition, three volunteers were also consulted.



Name	Title
Colin Heath	Unit Manager, Contracts
Mathew Allen	Manager, Engineering and Field Services
Paul Johns	WHS Coordinator
Colin Natt	Unit Manager, Civil Services
Rima Sallis	Team Leader, Community Care
Erryn Busby	Technical Officer, Roads
Dale Fitzpatrick	Property Project Officer
David Sheldrick	Coordinator, Arboriculture

## City of Marion – Overall Approach to Contractor Management

The following table outlines the overall approach that the CoM adopts in practice, in relation to contractor management (as aligned with the scope).

#	Scope element	High-level description	Findings
1	<b>Policy and procedures in relation to contractor management</b>	<p>The CoM reviewed and updated its internal policies relating to procurement and contractor management in 2016 including the following:</p> <ul style="list-style-type: none"> <li>• Procurement and Contract Management Policy (updated September 2016)</li> <li>• Contractor Management Procedure (updated October 2016)</li> </ul> <p>One of the key focus areas of this review was to strengthen the Work Health and Safety (WHS) obligations placed on workers, including contractors, on Council work sites. Our internal audit noted that these procedures increased the level of documentation required to support WHS expectations being met, such as a formal site induction checklist and WHS Management Plans (for construction projects over \$450,000).</p>	None identified

Table of Contents	Executive Summary	Background	Internal Audit Findings	Performance Improvements	A1: Staff Consultation	A2: Scope Cross-reference	A3: Classification of Findings
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#	Scope element	High-level description	Findings
2	<b>Overall organisation structure, resources, roles and responsibilities in relation to contract management</b>	<p>The procurement and tendering of the contracts are handled by Contract Officers from a centralised team. Please note that the CoM’s approach to procurement and contract management is essentially “centre-led” with a centralised team owning the overall procurement and contract management framework and providing advice, but with personnel in the business acting as Contract Administrators.</p> <p>Following contract execution, responsibility for managing the day-to-day operations is handed over to a designated Contract Administrator within the business. CoM policy provides that a Contract Handover Report is to be completed by the Contracts Officer, to ensure a smooth transition from the procurement phase to contract management phase. The roles and responsibilities of relevant CoM staff and contractors are clearly established prior to commencement of the contract.</p> <p>We conducted face-to-face interviews with the Contract Administrators on a number of projects as part of our fieldwork (please see appendix 1). For some projects, such as the Glandore Laneways Upgrades, CoM Contract Administrators have been involved in the tendering panel to assist on the selection of the contractor, based on their expertise in relation to the requirements of the project.</p> <p>It was also noted that awareness training has been undertaken, led by the Procurement and Contracts team, to personnel who manage contracts (i.e. Contract Administrators) across the organisation.</p>	None identified

#	Scope element	High-level description	Findings
3	<b>Contractor management and administration systems and processes</b>	<p>Executed contracts and contract documentation are to be stored in SharePoint, a centrally accessible system. All CoM staff are able to access any documentation uploaded, by searching the project name in SharePoint. The updated CoM procedure stipulates contract-related documents are to be stored in SharePoint, including a signed copy of the contract, WHS related documents and project specific management plans.</p> <p>The CoM has recently implemented a new WHS system, called SkyTrust. SkyTrust is to be used to capture all WHS hazards and incidents including in relation to works carried out by contractors. Notably, whilst all CoM employees have access to SkyTrust, contractor personnel do not – further consideration is required to help ensure hazard and incident information from contractors is captured appropriately within the SkyTrust system.</p>	<p>Finding 1. (SkyTrust System – WHS contractor incidents)</p> <p>Finding 2 (document management)</p>
4	<b>Induction and workplace health and safety practices in relation to contractors</b>	<p>The CoM policy and procedures across both procurement and contract management cover WHS considerations, which are integrated with environment management requirements. There is a specific Health Safety and Environment – Contractor Induction work instructions for contractors which covers off on key WHS-related requirements including Job Safety Environmental Analysis (JSEA) and Safe Work Method Statements as well as a range of other areas covering specific risk areas.</p> <p>There is also a Contract Management Checklist and Site Induction Checklist which must be completed. For specific construction projects (&gt;\$450,000), contractors must submit a detailed WHS management plan and there is also a Construction Pre-Works HSE Checklist.</p> <p>Any WHS incidents and/or hazards that arise on CoM worksites or buildings are to be recorded in SkyTrust, the WHS Management system implemented in July 2017. All CoM staff members have access to this system. Currently, contractors do not have direct access to this system.</p> <p>As part of our internal audit project, we reviewed the incidents and hazards data recorded in the SkyTrust system between 1 July 2017 and 31 December 2017. Please refer to finding 1.</p>	<p>Finding 1</p>

#	Scope element	High-level description	Findings
5	<b>Contractor management including service delivery performance and relationship management, as well as payment of contractors</b>	<p>A Contract Administrator is assigned the responsibility of managing and administering the contract. These responsibilities include overseeing the performance of and status of deliverables from the contractors, as well as communicating on behalf of the CoM with the contractor. As such, the Contract Administrator is expected to be familiar with the contract.</p> <p>For any contractors recorded in the Preferred Contractor Register, the relevant CoM Contract Administrator is noted to be listed against the particular contract they are responsible for.</p> <p>We conducted face-to-face meetings with five Contract Administrators as part of our fieldwork (please refer to Appendix 1). From our inquiries performed with CoM Contract Administrators, we note invoices are received by the CoM Accounts Payable team. These invoices are then forwarded on to the Contract Administrators to review and approve the deliverables being billed for, prior to release of payment.</p>	None identified
6	<b>Contractor-related risk assessment and management</b>	<p>As part of the procurement process, the CoM will complete a risk assessment of potential suppliers, prior to awarding the contract. Our interviews with the Contract Administrators noted that they are each actively involved in the day-to-day operations on the contract and are often on-site to oversee the project and activities carried out by the contractors. As such, they are aware of any risks as they arise.</p> <p>Based on consultation with CoM Contract Administrators, it was noted that staff responsible for Risk Management and Claims are based in a different office to the Contract Administrators themselves (e.g. between the Administration and City Services Buildings), and that this caused some minor communication challenges in relation to WHS and risk matters.</p>	PIO 1
7	<b>Oversight and reporting processes in relation to contractor management</b>	<p>Contract Administrators are responsible for utilising the Contractor Monitoring Checklist and Contractor Performance Reports to keep track of contractors' performance during the contract, as well as recommending them for future use and/or inclusion in the Preferred Contractors Register. These documents are then stored to be stored in SharePoint. For a sample of contracts, we obtained and reviewed the checklists.</p>	Please refer to Finding 1.

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

Rating	Definition	Examples of business impact	Action(s) required
<b>Extreme/ Critical</b>	Issue represents a control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability to achieve process objectives.	<ul style="list-style-type: none"> <li>• Detrimental impact on operations or functions.</li> <li>• Sustained, serious loss in reputation.</li> <li>• Going concern of the business becomes an issue.</li> <li>• Decrease in the public's confidence in the Council.</li> <li>• Serious decline in service/product delivery, value and/or quality recognised by stakeholders.</li> <li>• Contractual non-compliance or breach of legislation or regulation with litigation or prosecution and/or penalty.</li> <li>• Life threatening.</li> </ul>	<ul style="list-style-type: none"> <li>• Requires immediate notification to the Council Finance and Audit Committee.</li> <li>• Requires CEO and/or Executive Leadership Team attention.</li> <li>• Separately reported to chairman of the Council Finance and Audit Committee</li> <li>• Reported in executive summary of report.</li> </ul>
<b>High</b>	Issue represents a control weakness, which could have or is having major adverse effect on the ability to achieve process objectives.	<ul style="list-style-type: none"> <li>• Major impact on operations or functions.</li> <li>• Serious diminution in reputation.</li> <li>• Probable decrease in the public's confidence in the Council.</li> <li>• Major decline in service/product delivery, value and/or quality recognised by stakeholders</li> <li>• Contractual non-compliance or breach of legislation or regulation with probable litigation or prosecution and/or penalty.</li> <li>• Extensive injuries.</li> </ul>	<ul style="list-style-type: none"> <li>• Requires prompt management action.</li> <li>• Requires Executive Leadership Team attention.</li> <li>• Reported in Executive Summary of report.</li> </ul>

Rating	Definition	Examples of business impact	Action(s) required
<b>Moderate</b>	Issue represents a control weakness, which could have or is having a moderate adverse effect on the ability to achieve process objectives	<ul style="list-style-type: none"> <li>Moderate impact on operations or functions.</li> <li>Reputation will be affected in the short-term.</li> <li>Possible decrease in the public's confidence in the Council.</li> <li>Moderate decline in service/product delivery, value and/or quality recognised by stakeholders.</li> <li>Contractual non-compliance or breach of legislation or regulation with threat of litigation or prosecution and/or penalty.</li> <li>Medical treatment required.</li> </ul>	<ul style="list-style-type: none"> <li>Requires short-term management action.</li> <li>Requires General Manager attention.</li> <li>Reported in executive summary of report.</li> </ul>
<b>Low</b>	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.	<ul style="list-style-type: none"> <li>Minor impact on internal business only.</li> <li>Minor potential impact on reputation.</li> <li>Should not decrease the public's confidence in the Council.</li> <li>Minimal decline in service/product delivery, value and/or quality recognised by stakeholders.</li> <li>Contractual non-compliance or breach of legislation or regulation with unlikely litigation or prosecution and/or penalty.</li> <li>First aid treatment.</li> </ul>	<ul style="list-style-type: none"> <li>Requires management action within a reasonable time period.</li> <li>Requires Management attention.</li> <li>Timeframe for action is subject to competing priorities and cost/benefit analysis, e.g. 9-12 months.</li> <li>Reported in detailed findings in report.</li> </ul>

## ***Inherent Limitations***

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

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

## ***Third Party Reliance***

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

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**CITY OF MARION  
FINANCE AND AUDIT COMMITTEE  
29 May 2018**

**Originating Officer:** Cass Gannon, Performance and Innovation Leader

**Manager:** Fiona Harvey, Manager Innovation and Strategy

**General Manager:** Abby Dickson, General Manager City Development

**Subject:** Service Review Program Update and FY2018/19 Plan

**Report Reference:** FAC290518R7.4

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**REPORT OBJECTIVES**

To provide the Finance and Audit Committee (FAC) with a progress update on the overall status of the Service Review (SR) Program for financial year (FY) 2017/18 and seek the committee's feedback on the proposed plan for the FY2018/19.

**EXECUTIVE SUMMARY**

The SR Program 2017/18 has progressed as planned, with the review of twelve services completed during FY2017/18 (Appendix 1).

Two options for the SR Program FY2018/19 have been developed for the consideration of the FAC prior to consideration at General Council (GC).

**RECOMMENDATIONS**

**DUE DATES**

**That the Finance and Audit Committee:**

- |  |                    |
|--|--------------------|
| 1. Notes the Service Review Program 2017/18 - Update - Appendix 1  | <b>29 MAY 2018</b> |
| 2. Considers and provides advice regarding the preferred option for the Service Review Program FY2018/19 for consideration of Council. | <b>29 MAY 2018</b> |

**BACKGROUND**

The City of Marion Business Plan 2016-2019 target for 2018/19 is to '*Undertake an evaluation and review of at least a further 12 council services to ensure they continue to provide maximum value to our community, now and into the future*'.

At the 27 Feb 2018 FAC meeting, a lengthy discussion was held regarding the progress of the implementation of recommendations from service reviews, as minuted:

*"The Committee noted the report and raised concerns that only 50% of recommendations were closed out. The Committee suggested that the program may need to slow down to ensure the recommendations are implemented appropriately and the organisation is not overwhelmed. It was noted that the organisation was at risk of strategic initiative overload and some part of this business were creating blockages due high and demanding workloads."*

*It was noted that the May Committee meeting would consider the Service Review Program for 2018/19 and this would be taken into consideration."*

A draft SR Program FY2018/19 was discussed at the 1 May 2018 meeting of the Executive Leadership Team (ELT). Based on the discussion at ELT, two options have been developed for the consideration of the FAC prior to presentation at GC.

## ANALYSIS

With the presentation of the Community Safety Inspectorate Service Review at the 29 May 2018 meeting of the FAC, the SR Program FY2017/18 (Appendix 1) will have delivered the review of 12 services. This meets the City of Marion Business Plan 2016-2019 target of 12 in FY2017/18.

The City of Marion Business Plan 2016-2019 target for the SR Program FY2018/19 is to *'Undertake an evaluation and review of at least a further 12 council services to ensure they continue to provide maximum value to our community, now and into the future'*.

The two options for consideration and feedback are displayed below in table 1 and 2. Option 1 is the review of 9 services, less than the business plan target, with a focus on the delivery of existing recommendations from previously completed service reviews in light of the discussion at 27 Feb 2018 FAC meeting. Option 2 is the delivery of 12 service reviews, as per the business plan.

Service Review Title	Service Description and No.	Status
Open Space Phase 2	Irrigation Playgrounds / furniture and other Biodiversity and Remnant Vegetation Tree Planting and Watering Walkways	5 Scoped and In progress
Records Management	Internal Records Management	1 Scoped and in progress
Information and Communication Technology	Projects and Business Support Infrastructure Helpdesk Services	3 Not Started
<b>Total Services</b>		<b>9</b>

**Table 1: Option 1 FY2018/19 SR Program**

Service Review Title	Service Description and No.	Status
Open Space Phase 2	Irrigation Playgrounds / furniture and other Biodiversity and Remnant Vegetation Tree Planting and Watering Walkways	5 Scoped and In progress
Records Management	Internal Records Management	1 Scoped and in progress
Information and Communication Technology	Projects and Business Support Infrastructure Helpdesk Services	3 Not Started
Planning	Planning Policy Development Services Building Services	3 Not Started
<b>Total Services</b>		<b>12</b>

**Table 2: Option 2 FY2018/19 SR Program**

We are seeking FAC's discussion on:

- The proposed number of service reviews and specific services selected for completion in the SR Program FY2018/19, acknowledging that this will deliver the review of 9 or 12 reviews for options 1 and 2 respectively.

## **CONCLUSION**

The Service Review Program for the 2017/18 financial year has delivered the business plan target of the review of 12 services. Two options for the plan for the Service Review Program for 2018/19 has been developed for consideration.

## **APPENDICIES**

Appendix 1: Service Review Program 2017/18 – Update



**Service Review  
Program 2017/18  
Update  
(FAC290518)**

**Appendix 1**

Page 101

12

Total  
service reviews

12

Completed

-

On track

6

Deferred

1

Added to replace  
deferred reviews

-

Not  
commenced

100%

How are we progressing overall  
with service reviews?

How are we progressing per service review?

**LEGEND**



= Scope

= Service Review  
progress

= Service Review Report



= Completed



= On Track



= Not on Track

= Not  
commenced

**Roads**



FAC280217



FAC150817



**Asset Systems**



FAC280217



FAC150817

DEFERRED

Commonwealth  
Home Support  
ProgramReplaced  
with

**Public Place Litter**



FAC280217



FAC280217



**Maintenance of  
Council Facilities**



FAC280217



FAC101017



**Customer Service**



FAC101017



FAC270218



**Open Space Transformation  
Phase 1**

**Services Involved (3)**

**Phase 1**

Reserve Maintenance  
Landscape Maintenance  
Tree Maintenance

Scope approved  
by ELT

FAC121217



**Community Safety Inspectorate**

**Services Involved (4)**

Animal Management  
Parking Management and Regulation\*  
Local Nuisance and Litter Control  
Fire Prevention



FAC121217



FAC290518

\*acknowledging that the Parking Management &  
Regulation service was reviewed in FY1617

DEFERRED TO  
2018/19 PROGRAM



**Open Space  
Transformation  
Phase 2**

Services Involved (4)



**Records Management**  
Services Involved (1)

**CITY OF MARION  
FINANCE AND AUDIT COMMITTEE  
29 MAY 2018**

**Originating Officer:** Cass Gannon, Performance and Innovation Leader  
**SLT Manager:** Fiona Harvey, Manager Strategy and Innovation  
**General Manager:** Abby Dickson, General Manager City Development  
**Subject:** Service Review – Recommendations – Progress Update  
**Report Reference:** FAC290518R7.5

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**REPORT OBJECTIVES**

To provide the Finance and Audit Committee with an overview of the progress of recommendations against completed Service Reviews and benefits realised to date.

**EXECUTIVE SUMMARY**

The Service Review Program commenced in 2016/17. Since that time, 19 services have been reviewed and have resulted in a number of improvements being implemented.

Included in this number are the reviews of both the Living Kaurua Cultural Centre and Hard Waste, which were undertaken prior to the commencement of the formal Service Review program.

The tracking of progress of open recommendations from these reviews can be found in Appendix 1.

**RECOMMENDATIONS**

**DUE DATES**

**That the Finance and Audit Committee:**

- |  |             |
|--|-------------|
| 1. Notes this report and the Service Reviews - Recommendations – Progress Update - Appendix 1. | 29 May 2018 |
|--|-------------|

**ANALYSIS**

As at end Quarter 3 2018, the improvements delivered as a result of implementing the service review recommendations are:

- Interactive Voice Response service provider engaged, with implementation scheduled for early May 2018.
- CoM foyer re-design briefing paper written for developers and budget confirmed.
- Planning is well advanced for the Dog and Cat Online (DACO) implementation and roll out from May – July 2018.
- The Property Maintenance business case to use a handy person for non-complex work is being piloted, with recommendations due at the end of June 2018.
- Utilisation of security cameras has expanded to include the provision of additional CCTV for the City Services Site. Delivery with installation is expected by June 2018.
- Unit rates from Tait Avenue have been reduced by 23% (drainage).

- A recruitment workflow has been created and implemented in SharePoint, and is currently being used by People Leaders.
- CoM has reinstated discussions with various not-for-profit groups regarding the separation and recycling of hard material collected by council, and will progress to an Expression of Interest provision to be released in April 2018.

A key focus of the Service Review Program for 2017/18 is ensuring that the benefits realised as a result of implementing the recommendations of service reviews can be measured and reported on.

## **CONCLUSION**

The Service Review Program to date has delivered a number of improvements for the City of Marion as noted. A more detailed breakdown of the delivery of the recommendations and the resultant benefits can be reviewed in Appendix 1.

## **Appendix 1: Service Reviews - Recommendations – Progress Update**

## Appendix 1: Service Reviews - Recommendations – Progress Update



Service Review	Date Presented at FAC	Recommendations	Total Actions arising from Recommendations	% of Actions Complete	Benefits Realised to-Date
Hard Waste FAC080316F8.1	8/03/2016	13	13	92%	CoM has reinstated discussions with various NFP groups. This will progress through to provision of an Expression of Interest and is expected to be released in April 2018.
*Living Kurna Cultural Centre FAC310516R7.11	31/05/2016	7	7	0%	Drafting of the management agreement is 80% complete The sourcing of other funding and site initiatives are being progressed. The signing of the Native Title claim between the Kurna people and the State Government will impact on potential funding arrangements. Given that the signing of the Management Agreement is linked to co-funding, signing may be delayed by some 6-12 months. The Steering Group are aiming for signing of the Agreement by end of June 2018.
Recruitment FAC151216R7.9	15/12/2016	1	6	100%	Workflow has been created in SharePoint, and is currently being used by People Leaders. The recommendation to use Talent Propeller (TP) has been endorsed and is being trialled for the Learning and Development Partner role. TP will enable CoM to minimise the use of recruitment agencies and manage the recruitment process internally, in partnership with TP.
Council Reporting and Elected Member Support FAC151216R7.9	15/12/2016	4	4	25%	Training for system administrators has commenced. Training for users to be conducted in April. Waiting on implementation of software.
Public Place Litter FAC280217F7.4	28/02/2017	3	3	67%	The existing compaction truck is now anticipated to be disposed by June 2018. As part of the transition to Solo, a review has identified a number of potentially underutilised bins, which will be considered for removal where appropriate. Further work to optimise the service will be ongoing in nature.

## Appendix 1: Service Reviews - Recommendations – Progress Update

Drainage FAC300517R8.6	30/05/2017	7	18	56%	New Operations Engineer commences 9/04/2018 Drainage project has gone out to tender 23% reduction on the previous council internal unit rate
Marion Celebrates FAC300517R8.6	30/05/2017	1	5	0%	Initial discussions held to discuss the possibility of including the event as an Adelaide Fringe event.
Management of Recycling Depot and Stores FAC300517R8.6 (2 services reviewed)	30/05/2017	14	14	86%	The scope of the initiative to increase the utilisation of security cameras has expanded to include the provision of additional CCTV for the City Services Site. Delivery and installation is expected by June 2018 A hardware tablet has been procured for the Recycling Depot to trial in April 2018. To enhance compliance to the new National Heavy Vehicle Regulations, CoM heavy vehicle fleet will be progressively fitted with axle load weight devices, which will enable precise capture of tonnage for bulk product received to, or issued from, this facility.
Parking Management and Regulation FAC300517R8.6	30/05/2017	1	10	70%	The Engineering Unit is providing advice to the Community Safety team on new parking restrictions. Proactive monitoring and enforcement of School zones and bike lanes is ongoing and business as usual and continues to be evidenced via the Customer Event System. The Performance and Innovation Team will develop a dashboard as part of the implementation of recommendations following the Community Safety Inspectorate Service Review.
Asset Management FAC150817R8.5	15/08/2017	4	11	27%	Review of asset hierarchy undertaken and recommendations being drafted. Futureproofing asset hierarchy by utilising standard hierarchy - to be endorsed by ASC in June High level future state business process in draft.
Roads FAC150817R8.5	15/08/2017	4	4	50%	New contractor engaged for pavement condition audit.

## Appendix 1: Service Reviews - Recommendations – Progress Update



Maintenance of Council Facilities FAC101017R7.12	10/10/2017	8	26	73%	Business case regarding handy person being piloted and completed with recommendations by end of June 2018 KPIs to be established by July 2018 Contractor management and asset management ongoing Allocation of work requests to internal teams being trialled until end June 2018
Open Space Phase 1 FAC121217F01 (3 services reviewed)	12/12/2017	2	10	50%	Proactive trees off track by 30 days. Targets have been set to improve performance.
Customer Service FAC270218R7.3	27/02/2018	17	17	6%	IVR service provider engaged, with implementation scheduled for early May 2018. New Live Chat service provider engaged and implemented and plan built for July to September peak. Foyer re-design briefing paper written for developers and budget confirmed and resources defined. Call quality monitoring framework built. Call KPIs defined and reported on. Announced restructure and currently under consultation. Restructure to be fully implemented by July 2018. DACO planning well advanced. A security guard will no longer be deployed during peak rates and dog registration periods. Funding included in budget for a review of the customer payment process and postage costs, to implement regular voice of the internal and external customer surveys, and a review of the Hard Waste process.

\* The LKCC Service Review is progressing with membership of the Steering Group agreed in April 2017, and meetings occurring on a monthly basis to progress actions.

**CITY OF MARION  
FINANCE AND AUDIT COMMITTEE  
29 MAY 2018**

**CONFIDENTIAL REPORT**

**Originating Officer:** Cass Gannon, Performance and Innovation Leader

**Manager:** Jason Cattonar, Manager Development and Regulatory Services

**General Manager:** Abby Dickson, General Manager City Development

**Subject:** Service Review – Report – Community Safety Inspectorate

**Report Reference:** FAC290518F01

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If the Finance and Audit Committee so determines, this matter may be considered in confidence under Section 90(2) and (3)(a) of the *Local Government Act 1999* on the grounds that the report contains information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).



**Adrian Skull**  
Chief Executive Officer

**RECOMMENDATION**

1. That pursuant to Section 90(2) and (3)(a) of the *Local Government Act 1999*, the Finance and Audit Committee orders that all persons present, with the exception of the following persons: Adrian Skull, Tony Lines, Vincent Mifsud, Abby Dickson, Kate McKenzie, Jason Cattonar, Sharon Perin, Fiona Harvey, Cass Gannon, Mel Nottle-Justice and Karen Brewster be excluded from the meeting as the Committee receives and considers information relating to the *Service Review – Report – Community Safety Inspectorate*, upon the basis that the Committee is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information, relates to personnel matters.

**CITY OF MARION  
FINANCE AND AUDIT COMMITTEE MEETING  
29 MAY 2018**

**Originating Officer:** David Harman, Unit Manager Statutory Finance & Payroll

**Corporate Manager:** Ray Barnwell, Manager Finance & Contracts

**General Manager:** Vincent Mifsud, General Manager Corporate Services

**Subject:** Deloitte Audit Engagement for the Year Ending 30 June 2018

**Report Reference:** FAC290518R7.6

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**REPORT OBJECTIVE:**

The objective of this report is to provide details of Deloitte's proposed audit engagement plan for the year ending 30 June 2018 and allow the Finance and Audit Committee opportunity to comment on and discuss the proposed Audit Plan with our external auditors Deloitte.

**EXECUTIVE SUMMARY:**

Deloitte's have provided a report which outlines their audit plan in relation to the 30 June 2018 audit. (Appendix 1).

**RECOMMENDATIONS**

**DUE DATES**

**That the Finance and Audit Committee:**

- |   |             |
|---|-------------|
| 1. Considers the outline of Deloitte's Audit Plan for the financial year ending 30 June 2018.         | 29 May 2018 |
| 2. Notes the scope of the audit to be carried out by Deloitte for the year ending June 2018.          | 29 May 2018 |
| 3. Notes that the Chief Executive Officer will execute the acknowledgement of the engagement letters. | 29 May 2018 |

## **BACKGROUND**

The objective of Council's external audit is to provide an independent audit opinion of the accounts and annual financial reports of the City of Marion for each financial year covered by the term of the audit appointment. The external audit will also provide an independent audit opinion on the controls exercised by Council, to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with legislative provisions. The audit must meet both statutory requirements and Australian Auditing Standards.

In February 2017, on the recommendation of the Finance and Audit Committee, Council endorsed the engagement of Deloitte as Council's external auditor for a term of 5-years in accordance with Section 128 of the Local Government Act 1999.

Section 125 and 129 of the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 1999 set out the requirements for the conduct of Council's annual audit.

## **ANALYSIS:**

Provided at Appendix 1 is a copy of the Audit Plan for the financial year ending 30 June 2018 prepared by Deloitte. This sets out the responsibilities of Deloitte and Council in undertaking the audit, the scope of the audit, and various administrative matters including the audit timetable and fees.

On review of the Audit Engagement letters, it is noted that the scope of the audit proposed by Deloitte is in line with the scope of services detailed in the Contract for Services and as required under the Local Government Act 1999. Furthermore, the fees outlined for the services are consistent with those quoted in the original Deloitte tender for services and as such, appropriate approved budget allocations have been made.

## **CONCLUSION:**

Undertaking an audit of Council's financial statements on an annual basis is a statutory requirement under the Local Government Act 1999.

The proposed scope of services outlined in the Audit Plan for the year ending 30 June 2018 is consistent with the requirements of the Local Government Act 1999 and the Contract for Services between Council and Deloitte.

- Appendix 1:** Deloitte Audit Plan for the financial year ending 30 June 2018
- Appendix 2:** Deloitte Audit Engagement Letter – Financial Statements
- Appendix 3:** Deloitte Audit Engagement Letter – Internal Controls

**Deloitte.**



**Corporation of City of Marion**  
Audit Plan for the Financial Year Ending  
30 June 2018

22 May 2018

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**[11] Internal Audit**

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**[12] Audit Focus Areas - Detail**

# Foreword

# Deloitte.

23 May 2018

Mr Greg Connor  
Chair, Finance and Audit Committee  
Corporation of the City of Marion  
245 Sturt Road  
STURT SA 5047

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## **To the Members of the Board Finance and Audit Committee**

Thank you for the opportunity to present our audit service plan for the Corporation of the City of Marion (the "Council") for the year ending 30 June 2018.

We have an evolving audit plan that is established with input from the Council's management. The audit plan is tailored to the Council's environment and revised throughout the year to adjust for business developments, additional relevant matters arising, changes in circumstances and findings from activities performed.

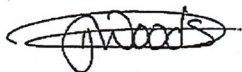
As the basis of our planning is the identification and assessment of risks that will impact the business operations of the Council, this document outlines the audit focus areas that have been identified, assesses the impact that they potentially may have on the financial statements, and documents our approach to address these audit focus areas as part of our audit and review process.

This plan is intended for the Board Finance and Audit Committee of the Council and should not be distributed further. It also provides details of the Deloitte team, and proposed lines and processes for communication of significant issues arising during the audit.

I am personally committed to ensuring you receive and experience the best of Deloitte with the services that we provide and look forward to serving you as your Lead Audit Partner.

Please feel free to contact me if you have any questions or would like to discuss the content of this plan further.

Yours sincerely



Penny Woods  
Partner  
Chartered Accountants

## Executive Summary

### Item

### Overview

#### Introduction

This document details our proposed scope for Corporation of City of Marion (the "Council") for the year ending 30 June 2018.

#### Scope of the audit

We will conduct an audit of the Council for the year ending 30 June 2018 in accordance with Australian Auditing Standards to enable an opinion to be formed as to whether the financial report of the Council has been prepared in accordance with the *Local Government Act 1999*.

The scope of the statutory audit regarding the internal controls exercised by the Council will include such procedures as required to enable us to provide an opinion whether the controls exercised by the Council, during the financial year in relation to:

- the receipt, expenditure and investment of money,
- the acquisition and disposal of property; and
- the incurring of liabilities

were sufficient, in all material respects, to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with legislative provisions.

#### Areas of audit focus

The audit focus areas that we have identified as part of our overall audit strategy are:

- Revenue – rates and statutory charges and grant revenues
- Expenditure
- Non-current assets
- Internal control assessment

#### Materiality

Materiality levels will be determined using judgement in relation to benchmarks such as total equity, net surplus/deficit, revenue, operating expenditure, total comprehensive income and total equity. We will continue to report to the Finance and Audit Committee on all unadjusted misstatements greater than 5% of materiality.

## Executive Summary

Item	Overview
<b>Assessment and engagement quality</b>	<p>Upon completion of our service cycle, we will meet with the Council's senior management and Finance and Audit Committee to obtain an evaluation of our performance against your expectations. Feedback obtained from this process will be used in refining our 2019 audit service plan and ensuring your focus areas are adequately addressed.</p>
<b>Client service team</b>	<p>We have assigned individuals to the engagement who are familiar with the Council's personnel, operations and accounting policies and the industry within which you operate so we can retain the value of past experience. Penny Woods will be the audit engagement partner and be responsible for our overall audit strategy and for signing the audit reports. She will be supported by Iantha Sequeira (Engagement Manager) and Joel Lawton (Experienced Analyst).</p> <p>We will also engage specialists in the following areas:</p> <ul style="list-style-type: none"> <li>• <b>Valuation experts</b> to assess external valuation firm's assumptions.</li> <li>• <b>Computer assurance specialists</b> to participate in the evaluation of internal control and in the use of our computerised audit applications.</li> </ul>
<b>Independence</b>	<p>Deloitte has developed important safeguards and procedures in order to ensure our independence and objectivity. Specific safeguards include:</p> <ul style="list-style-type: none"> <li>• the provision of a statement of independence from Deloitte to the Elected Members of the Corporation of the City of Marion;</li> <li>• the adoption of a partner rotation policy; and</li> <li>• we have included Corporation of City of Marion in our list of restricted clients to ensure that as a firm we maintain and monitor the strict requirements for such entities in relation to Corporation of City of Marion.</li> </ul> <p>We will reconfirm our independence for the year ending 30 June 2018 in our final report to the Finance and Audit Committee.</p>
<b>Timetable and communication of plan</b>	<p>Our audit timetable has been developed through discussion with the Council's management team so as to maximise our efficiency and compliance with reporting timetables.</p> <p>We have outlined our timing of work and estimated delivery dates in "Timetable &amp; Communication Plan" tab. At the time of writing this document, our timetable has been developed based on the preliminary reporting timetables. We will update our plan should this timetable change.</p>

# Your client service team

Our audit of the Corporation of the City of Marion will be led by Penny Woods as Audit Engagement Partner.

Penny will oversee the co-ordination of the audit and have primary responsibility for working with Council's senior management.

Supporting Penny Woods will be Iantha Sequeira as Audit Manager.

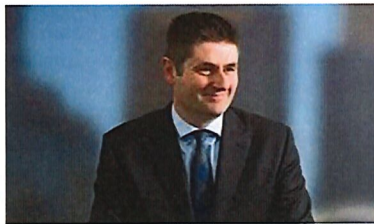
Iantha will be the primary point of contact for the Council's finance team and be responsible for managing technical accounting matters as and when they arise.

Joel Lawton will oversee the day to day execution of our audit.

Supporting our audit team will be a range of specialists dedicated to serving the Corporation of the City of Marion in connection with our audit and where complex accounting matters arise.

## Specialists

**Andrew Scarff**  
Partner - Valuations



**David Hobbis**  
Partner - Computer Advisory



**Penny Woods**  
Audit Engagement Partner



**Iantha Sequeira**  
Manager



**Joel Lawton**  
Experienced Analyst



# Materiality

Establishing an appropriate materiality level is critical to our risk identification process and is an important variable in designing and evaluating the results of our audit procedures. We determine materiality by considering a range of both qualitative and quantitative factors when applying our professional judgement.

If we find a variance or deviation through conducting our audit procedures, we will investigate and understand the specific and overall impact to the audit and any further audit procedures that may need to be completed.

We will aggregate items that are above the "Clearly Trivial Threshold" determined for the audit and report these to you in a timely manner.

# Year-end audit approach

Our audit approach is based on our global audit methodology, which we tailor to the organisational structure, business processes, people and systems of the Corporation of the City of Marion. It is focused on addressing the critical financial risks facing the Council.

## Your client service team

In order to effectively understand and meet the Council's needs, the planning and performance of the audit is driven by significant time commitment from our partners, maximising use of their experience and knowledge of your business and industry.

Your client service team was selected to ensure we bring the best people to the Council in the right locations.

## Assessment of performance

To assist us in meeting the needs and expectations of the Council, periodically we request from senior management and a selection of Those Charged With Governance an assessment of our performance.

We will continue to utilise face-to-face interviews as the mechanism for obtaining feedback. The feedback received during this process is used to assist us in focusing our audit service plan and tailoring our approach to address the Council's risks and requirements.

## Audit strategy and risk assessment

Our audit approach is underpinned by the identification of relevant material audit risks and tailoring appropriate audit responses to address those risks.

We combine the Council's business risk profile, our understanding of the Council and the insight and experience of our team to focus our audit procedures on the areas that matter most.

We will not only focus on risks currently impacting the Corporation of the City of Marion but also those emerging in the medium and long term.

## Focus on systems and controls

Our external audit strategy for the year ending 30 June 2018 will place reliance on the Council's internal controls, both manual and automated, reducing the extent of substantive audit procedures.

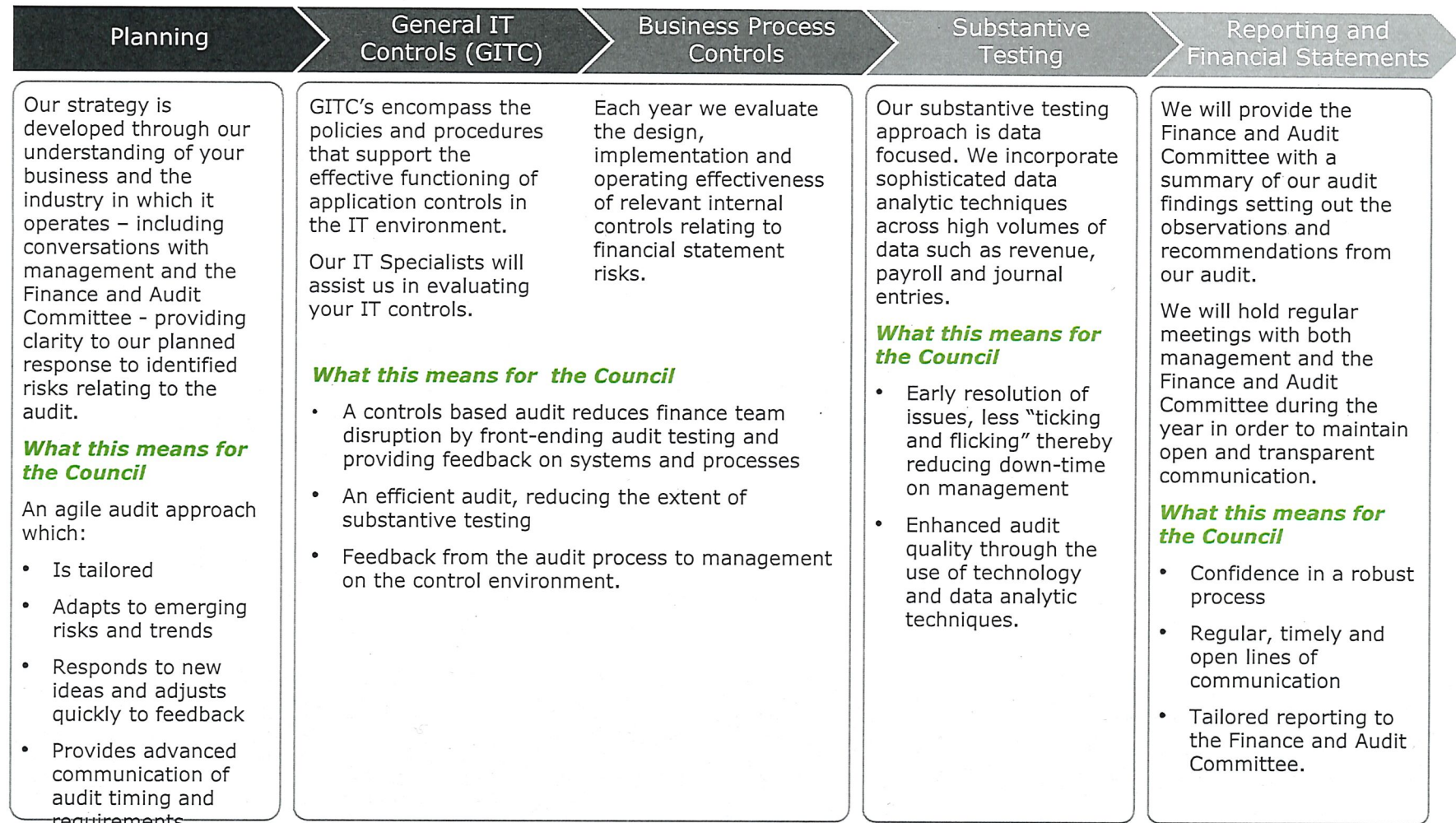
By taking this 'controls reliance' approach we will be able to identify areas where the Council's controls require improvement or where we believe the available systems could be utilised more effectively.

## Independence

Deloitte operates under a comprehensive ethical framework that focuses on maintaining audit independence, timely identification of potential independence issues and the implementation of appropriate actions and safeguards.

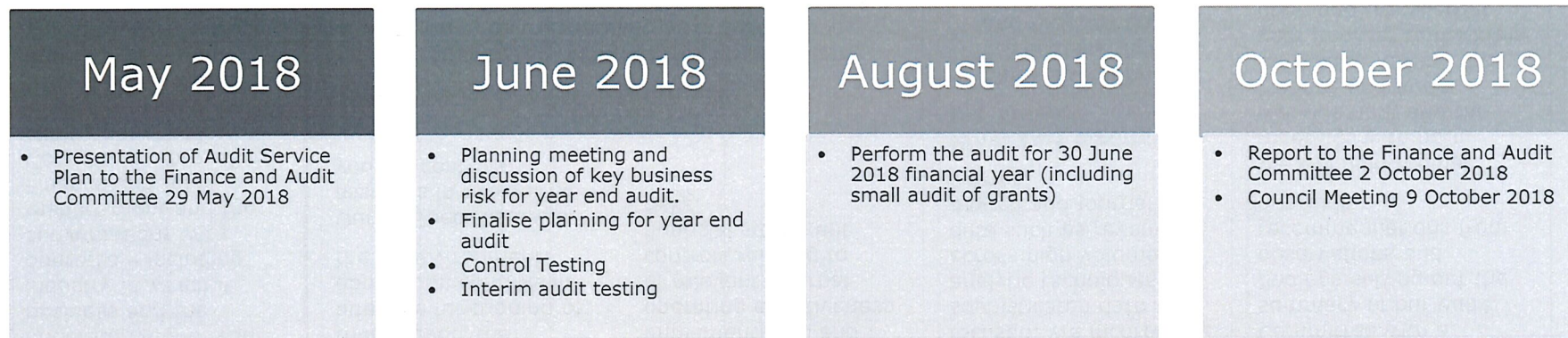
We will provide written confirmation of our independence on an annual basis for inclusion in the annual financial report.

# Year-end audit approach

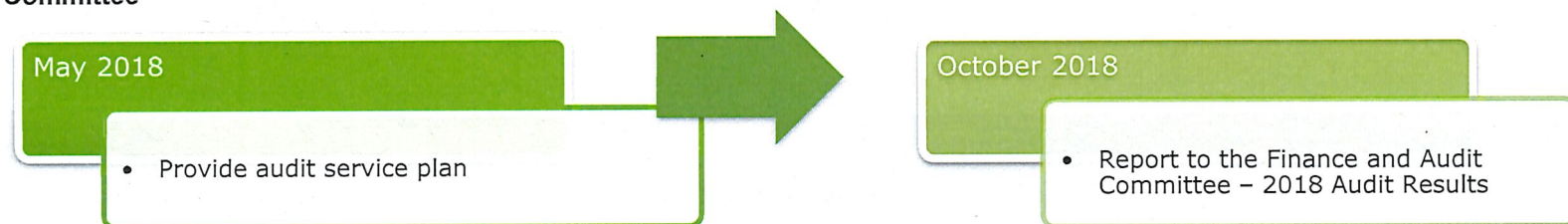


# Timeline of activity

There is constant communication between our team and key management representatives during the year. Our formal communications to the Finance and Audit Committee and other key audit milestones are summarised below.



## Reporting to the Finance and Audit Committee



# Internal Controls

## Obtaining an understanding of internal controls relevant to the audit

In accordance with Australian Standards on Auditing, for controls considered to be 'relevant to the audit' we are required to evaluate the design of the controls and determine whether they have been implemented ("D&I").

The controls that are determined to be relevant to the audit are those:

- where we plan to obtain assurance through operating effectiveness;
- relating to identified risks (including this risk of fraud in revenue recognition) or areas of audit focus; and
- where we are unable to obtain sufficient audit assurance through substantive procedures alone.

The results of our work in obtaining an understanding of controls and any subsequent testing of the operational effectiveness of controls will be collated and the impact on the extent of substantive audit testing required will be considered.

If key controls cannot be relied upon or do not operate as expected, we will have to revise our audit plan in order to extend our substantive work, with the associated impact on our costs. We will work closely with you and communicate our results at the earliest opportunity.

Our audit is not designed to provide assurance as to the overall effectiveness of the controls operating within the Organisation, although we will report to management any recommendations on controls that we may have identified during the course of our audit work.

## Business cycles

We adopt a rotation plan for testing operating effectiveness of internal controls within business cycles. The table below sets out when internal controls in a business cycle were last tested and when they will be next tested:

Selected for testing Operating Effectiveness				
Business cycle	2017	2018	2019	2020
<b>Fixed Assets*</b>	Yes	Yes	No	No
<b>Expenditure*</b>	Yes	No	Yes	No
<b>Payroll*</b>	Yes	No	No	Yes

\* Deloitte will test controls for design & implementation during the years they are not selected for operating effectiveness testing.

We will leverage testing on these business cycles based on our design & implementation testing of internal controls discussed on page 9.

# Audit Focus Areas - Detail

We continue to apply a risk based audit approach. Through considering the combination of risk factors affecting the Council, and our judgement of the likelihood and magnitude of potential misstatements associated with these risk factors, we identify and classify risks specifically relating to the audit of the Corporation of the City of Marion.

The classification of the risks we have identified relating to the audit of the Council guides our assessment of where we focus our efforts and what testing procedures we plan to perform. This assists us in focusing on the areas that matter most to the audit, and limit testing in areas that have minimal or lower risk. For each audit focus area identified in our preliminary risk assessment, we have detailed the key financial statement impacts and the audit procedures to be completed, in the table below. The table highlights the direct link between our audit focus area and our audit procedures, summarising our risk based audit approach

Audit Focus Areas	Financial Statement Impact	Audit Approach	Audit Procedures
<b>Revenue</b>	<ul style="list-style-type: none"> <li>Rates and statutory charges</li> <li>Grant revenue</li> </ul>	Substantive testing	<p><b>Rates and statutory charges</b> As a material transaction cycle, revenues recognised from rates and statutory charges will be assessed for validity and completeness. The design and implementation of controls will be assessed combined with substantive testing.</p> <p><b>Grant revenues</b> We shall consider the extent to which grant revenues have appropriately been deferred to the balance sheet as a result of unfulfilled obligations at period end and substantively test in detail.</p>

# Audit Focus Areas - Detail (Cont.)

Audit Focus Areas	Financial Statement Balance	Audit Approach	Audit Procedures
<b>Expenditure</b>	<ul style="list-style-type: none"> <li>Materials, contracts &amp; other expenses</li> <li>Amortisation</li> </ul>	Substantive testing	<ul style="list-style-type: none"> <li>Given the volume, magnitude and public accountability of Council expenditures the preventative and detective controls over expenditures, including the budgetary cycle will be given consideration. Substantive detailed testing will be performed to assess the validity of the underlying expenditures.</li> <li>Depreciation expenditure will be analysed for each asset category for compliance with Council approved policy with an assessment of useful lives and residual values.</li> </ul>
<b>Non-current assets</b>	<ul style="list-style-type: none"> <li>Infrastructure, property, plant &amp; equipment</li> </ul>	Substantive testing	<ul style="list-style-type: none"> <li>Major project expenditures will be assessed to determine whether expenditure has been appropriately capitalised. Progress against budget will also be reviewed.</li> <li>In particular, review of capital expenditure approvals at inception of the project as well as verification of expenditure against Delegated Authorities throughout the project life.</li> <li>The methodology and basis for the determination of fair value of assets as well as the level of appropriate disclosures will be assessed.</li> <li>Independent review of the external valuation firm's assumptions by the audit team and our Deloitte infrastructure valuation specialist.</li> </ul>

# Audit Focus Areas - Detail (Cont.)

Audit focus areas	Financial Statement Impact	Audit Approach	Audit Procedures																																
<b>Internal Controls Assessment</b>	<ul style="list-style-type: none"> <li>Internal controls report</li> </ul>	Testing of controls	<p>Control assessment will be performed on a rotation basis for each of the six risk categories. In the current financial year, Deloitte will perform testing on Assets and External Services. We will also include controls outside of the rotation where we have pinpointed that there may be further risk, including:</p> <ul style="list-style-type: none"> <li>Where there are changes in staff</li> <li>Controls that have changed</li> <li>Variance of 2 or more between preparer or reviewer rating</li> <li>Controls rated 1 or 2 (out of 5)</li> <li>Other factors which we consider relevant</li> </ul> <p>The rotation plan will continue in 2019 with strategy and liabilities being scoped in.</p> <table border="1"> <thead> <tr> <th colspan="4">Risk Category Rotation Plan</th></tr> <tr> <th>Business cycle</th><th>2017</th><th>2018</th><th>2019</th></tr> </thead> <tbody> <tr> <td><b>Strategy</b></td><td></td><td></td><td>Yes</td></tr> <tr> <td><b>Assets</b></td><td></td><td>Yes</td><td></td></tr> <tr> <td><b>Liabilities</b></td><td></td><td></td><td>Yes</td></tr> <tr> <td><b>Revenue</b></td><td>Yes</td><td></td><td></td></tr> <tr> <td><b>Expenses</b></td><td>Yes</td><td></td><td></td></tr> <tr> <td><b>External Services</b></td><td></td><td>Yes</td><td></td></tr> </tbody> </table>	Risk Category Rotation Plan				Business cycle	2017	2018	2019	<b>Strategy</b>			Yes	<b>Assets</b>		Yes		<b>Liabilities</b>			Yes	<b>Revenue</b>	Yes			<b>Expenses</b>	Yes			<b>External Services</b>		Yes	
Risk Category Rotation Plan																																			
Business cycle	2017	2018	2019																																
<b>Strategy</b>			Yes																																
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<b>Liabilities</b>			Yes																																
<b>Revenue</b>	Yes																																		
<b>Expenses</b>	Yes																																		
<b>External Services</b>		Yes																																	

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Member of Deloitte Touche Tohmatsu Limited



23 May 2018

Mr Adrian Skull  
 Chief Executive Officer  
 City of Marion  
 PO Box 21  
 OAKLANDS PARK SA 5046

Dear Sir

### **The Objective and Scope of External Audit Services**

You have requested that we audit the financial report of the Corporation of the City of Marion ('the Council'), which comprises the statement of financial position as at 30 June 2018, and the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Chief Executive Officer's declaration. You have also requested that we audit the financial reports of Work Cover contributions and various government grants ("small audits") as of and for the year ending 30 June 2018.

We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. This letter and our standard terms and conditions, which are enclosed with this letter, set out the basis on which we will provide our services to you. You agree that Deloitte may use third parties to store and process any information received from you or your representatives in relation to the entities covered by this engagement letter, provided that such third parties are bound by confidentiality obligations similar to those contained in this letter and our standard terms and conditions. In the delivery of these services we may engage other Deloitte Member Firms including the Deloitte Extended Delivery Centre (EDC) to assist with certain aspects of this engagement. EDC refers to Deloitte Member Firms and their affiliates operating in India. We will at all times remain responsible for the work undertaken in the delivery of those services to you.

Our audit will be performed pursuant to the requirements of the Local Government Act, with the objective of obtaining reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

We will undertake this engagement with the objective of reporting to the members of the Entity on the financial report in the format outlined in the example Independent Auditor's Report as per Appendix A. It should be noted that there may be circumstances in which our report may differ from its expected form and content based on our audit findings.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

We request that where any document containing the financial report indicates that the report has been audited, our auditor's report will also be included in the document.

### **The responsibilities of the auditor**

We will conduct our audit in accordance with Australian Auditing Standards. Those standards require that we comply with ethical requirements. As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. for such internal control as determined necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error; and
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial report that we have identified during the audit.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

### **The responsibilities of management and identification of the applicable financial reporting framework**

Our audit will be conducted on the basis that management acknowledges and understands that they have the responsibility:

- (a) for the preparation and fair presentation of the financial report in accordance with the Local Government Act 1999, the Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards;
- (b) for determining that the basis of preparation of the financial report is appropriate to meet the requirements of the Local Government Act 1999, the Local Government (Financial Management) Regulation 2011 and Australian Accounting Standards;
- (c) for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error; and

(d) to provide us with:

- (i) access to all information of which management is aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
- (ii) additional information that we may request from management for the purpose of the audit; and
- (iii) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence, and;

(e) for ensuring that the financial report and any other information we may obtain, both prior to, or after the date of our auditor's report is provided to us on a timely basis, and will be consistent with one another, and the other information will not contain any material misstatements.

As part of our audit process, we will request from management, and where appropriate the Chief Executive Officer, written confirmation concerning representations made to us in connection with the audit.

We look forward to full co-operation with your staff and we trust that they will make available to us whatever records, documentation and other information are requested in connection with our audit.

### **Independence**

We confirm that, to the best of our knowledge and belief, we are independent of the Council in accordance with the independence requirements of the applicable professional standards (the "Independence Rules"). Should we become aware that we have contravened the Independence Rules, we shall notify you on a timely basis.

### **Independence matters relating to the provision of services and hiring**

The Independence Rules include specific restrictions on the provision of services and employment relationships that can exist between the audited entity and its auditors. To assist us in meeting the independence requirements of the Independence Rules, and to the extent permitted by law and regulation, we request you discuss with us:

- (a) the provision of services offered to you by Deloitte prior to engaging or accepting the service; and
- (b) the prospective employment opportunities of any current or former partner or professional employee of Deloitte prior to the commencement of formal employment discussions with the current or former partner or professional employee

### **Electronic Presentation of the Audited Financial Report**

It is our understanding that the entity intends to electronically present the audited financial report and auditor's report on its internet web site. Responsibility for the electronic presentation of the financial report on the entity's web site is that of the governing body of the entity. The security and controls over information on the web site should be addressed by the entity to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of the audited financial report on the entity's web site is beyond the scope of the audit of the financial report.

### **Fees**

Our fees of \$27,995 (excluding GST) are inclusive of 2 small audits, which will be billed as work progresses, are based on the time required by the individuals assigned to the engagement plus out-of-pocket expenses. Individual hourly rates vary according to the degree of responsibility involved and the experience and skill required.

Out of pocket expenses (e.g. travel) or reimbursable expenses will be charged at cost. We will work with you to keep out of pocket expenses to a minimum. It is envisaged that out of pocket expenses will be of the nature normally incurred on an audit such as travel at the ATO mileage rates.

**Payment Schedule**

In accordance with established practice, our fees will become payable upon completion of each significant stage of the engagement, which we anticipate will occur as noted below. We will issue our invoices prior to the anticipated date to facilitate timely payment.

Stage	Invoice Date	GST Excl Amount \$	GST Incl Amount \$
<b>Planning</b>	2 July 2018	7,995	8,794
<b>Final visit</b>	20 August 2018	20,000	22,000
<b>Total</b>		27,995	30,794

**Special Conditions**

The attached standard terms and conditions are amended by deleting clauses 9.9 and 9.10.

Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements for our audit of the financial report.

Yours faithfully  
DELOITTE TOUCHE TOHMATSU

Penny Woods  
Partner  
Chartered Accountants

Acknowledged and agreed on behalf of the Corporation of the City of Marion by:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

# Independent Auditor's Report to the Members of the Corporation of the City of Marion

## Opinion

We have audited the financial report of the Corporation of the City of Marion (the "Council"), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration the Chief Executive Officer.

In our opinion the accompanying financial report presents fairly, in all material respects, the Entity's financial position as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.

## Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Information

The Chief Executive Officer is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Chief Executive Officer's Responsibilities for the Financial Report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011 and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of the financial report and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Executive Officer either intends to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer.
- Conclude on the appropriateness of the Chief Executive Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DELOITTE TOUCHE TOHMATSU

Penny Woods  
 Partner  
 Chartered Accountants  
 Adelaide, [date]

# Independent Auditor's Report to the Members of the Corporation of the City of Marion and the Grantor (the "Department")

We have audited the accompanying Financial Statement which comprises details of the grant monies received and expended (the "Report") of Corporation of the City of Marion ("the Recipient"). The Report has been prepared by the management of City of Marion in accordance with the Grant Program (the "Program") for the funding period from xx to xx.

## Management's Responsibility for the Report

Management is responsible for compliance with the Program and the preparation and fair presentation of the Report and has determined that the accruals basis of accounting is appropriate to meet the financial reporting requirements of the Program and the needs of the Members of the Corporation of the City of Marion and the Department. Management's responsibility also includes such internal control as management determine is necessary to enable compliance with the Act and the preparation and fair presentation of the Report that is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Report and whether the grant monies were expended in accordance with the Program based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the Report is free from material misstatement and whether the grant monies were expended in accordance with the Program.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Report and whether the grant monies were expended in accordance with the Act. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Recipient's preparation and fair presentation of the Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Recipient's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the Report presents fairly, in all material respects, the grant monies received and expended by the Recipient, in accordance with the accruals basis of accounting and the grant monies were expended in accordance with the Program for the funding period from xx to xx.

## Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to the "Management's Responsibility for the Report" paragraph above which states that the Report has been prepared in accordance with the accruals basis of accounting. The Report is prepared to assist the Corporation of the City of Marion to meet the financial reporting requirements of the Program.

**APPENDIX A - EXAMPLE INDEPENDENT AUDITORS REPORT**

As a result, the Report may not be suitable for another purpose. Our report is intended solely for the Members and the Department and should not be distributed to or used by parties other than the Members and the Department.

DELOITTE TOUCHE TOHMATSU

Penny Woods  
Partner  
Chartered Accountants  
Adelaide, [date]

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# Independent Auditor's Report to the Corporation of the City of Marion and Local Government Association Workers' Compensation Scheme ("the Scheme")

We have audited the accompanying information as per the Actual Wage Declaration (the "Declaration") of the City of Marion ("the Employer") for the year ended 30 June 2018, as stamped by us for identification purposes. The Declaration has been prepared by the Employer in accordance with the requirements of the Scheme.

## Employer's Responsibility of the Declaration

The Employer is responsible for the preparation and fair presentation of the Declaration in accordance with the requirements of the Scheme. The Employer's responsibility also includes such internal control as the Employer determine is necessary to enable the preparation and fair presentation of the Declaration that is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Declaration based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the Declaration is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the information as shown on the Declaration. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement, of information shown on the Declaration, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Declaration, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the employer, as well as evaluating the overall presentation of the Declaration.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the Declaration presents fairly, in all material respects, the information of the City of Marion for the year ended 30 June 2018 in accordance with the Scheme.

## Basis of Preparation and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to the "Employer's Responsibility for the Declaration" paragraph above which states that the Declaration has been prepared in accordance with Scheme. The Declaration has been prepared to assist the City of Marion to meet its obligations under the Scheme. As a result, the Declaration may not be suitable for another purpose. Our report is intended solely for the Council of the City of Marion and the Scheme and should not be distributed to or used by parties other than the Council of City of Marion and the Scheme.

DELOITTE TOUCHE TOHMATSU

Penny Woods  
Partner  
Chartered Accountants  
Adelaide, [date]

## Independence

### How we ensure independence

Our commitment to independence and objectivity is the foundation of Deloitte's reputation for integrity and quality. Our commitment to independence starts with the tone at the top and is followed by careful and consistent implementation and monitoring of comprehensive independence quality controls, policies and procedures. Of particular note;

- On appointment, all partners and staff assigned to the audit engagement are required to confirm to the audit partner they are independent of all entities subject to audit, prior to commencing any work on the audit engagement.
- The City of Marion will be placed on our Restricted Entity list, which includes all entities which are restricted from the provision of independence impairing activities including investment or Board representation.
- Auditor independence is declared on an annual basis as part of signing the statutory audit opinion.

### No conflict of interest

Deloitte is presently unaware of any conflicts of interest, potential or otherwise, that would in any way adversely affect our ability to perform services in accordance with the requirements of this proposal.

We are aware that the Council currently uses the Control Self-Assessment tool as developed by Deloitte. We have confirmed that the use of this tool is neither a conflict of interest nor independence impairing. Further, the LGA and Treasury have confirmed that the use of the tool is not a conflict of interest or independence impairing.

### Partner rotation

The Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 together restrict the audit partner tenure to no more than 5 consecutive years. Deloitte captures and monitors this legislative compliance as part of the annual planning documentation.

## Quality

### Our quality control procedures

Deloitte has always maintained a firm-wide emphasis on professional service quality and quality control. For us, the components of quality are not static; we continually revisit, review and improve them.

Prior to signing an audit opinion, the following procedures are undertaken to ensure we provide assurance on the accuracy of the financial report and maintain the highest standards in the conduct of our audit.

### Professional Standards Review

In recognition of increasing standards of governance and independence, we have an additional level of quality assurance included in internal processes – the Professional Standards Review (PSR). PSR is aimed specifically at the quality of our deliverables and gives the City of Marion added assurance that appropriate independent and experienced professionals have reviewed all reports and financial statements bearing our opinion.

These processes provide your management and the Council with the highest level of confidence that your reporting complies with regulatory obligations.

### Client service assessment

We will continuously seek input from you to ensure we fully understand and exceed your expectations. At the conclusion of the audit engagement, an independent partner of the firm will conduct a client service assessment to seek your feedback.

## Standard Terms and Conditions

### 1. This Agreement

This Agreement sets out the terms on which we will provide the Services to you. Where the Letter is addressed to more than one Addressee, each Addressee is a party to, and is bound by, the terms of this Agreement. We will treat you as having accepted this Agreement if you continue to instruct us after you receive it.

### 2. Term

This Agreement starts on the date you sign and return the Letter to us or when we first start work on the Services for you, whichever is first. Unless it is terminated earlier, this Agreement terminates when we have completed providing the Services to you and you have paid us our Fees.

### 3. Our Services

- 3.1 We will provide the Services to you in accordance with this Agreement and with the degree of skill, care and diligence expected of a professional providing services of the same kind.
- 3.2 We will use all reasonable efforts to complete the Services within any agreed time frame.

### 4. Our team

- 4.1 We will use reasonable efforts to ensure that our Representatives named in the Letter are available to provide the Services. However, if we need to, we may replace or reassign any Representative at any time on reasonable notice to you.
- 4.2 Each of us agrees that, during the term of this Agreement and for a period of six months after it ends, neither of us will directly or indirectly solicit for employment any Representative of the other who is involved with the Services. However, both of us may advertise or recruit generally.

### 5. About Deloitte

- 5.1 We are a Member Firm of DTTL. Accordingly, you acknowledge that:
  - (a) each of the Member Firms is a separate and independent legal entity operating under the names "Deloitte", "Deloitte & Touche", "Deloitte Touche Tohmatsu" or other related names;
  - (b) the Services are provided by us and not by DTTL or any other Member Firm; and
  - (c) neither DTTL nor any of the Member Firms is liable for each other's acts or omissions.
- 5.2 Sometimes we may use other Member Firms to help us to provide the Services to you. Where this happens, we will be responsible for any work undertaken by another Member Firm and you agree that:
  - (a) none of the Member Firms, apart from us, will be responsible to you; and
  - (b) you will not bring any claim or proceedings in connection with the Services or this Agreement against any of the other Member Firms that we may use to provide the Services to you.
- 5.3 Any Member Firm that helps us to provide the Services to you will rely on subclause 5.2 and is, to the extent permitted by the Law of any relevant jurisdiction, an intended third-party beneficiary of, and entitled to enforce this Agreement as if it were a party to it.
- 5.4 If we provide you with Licensed Services, you acknowledge that:
  - (a) the relevant Licensed Entity will provide the Licensed Services directly to you;
  - (b) Deloitte enters into this Agreement as agent for the Licensed Entity; and
  - (c) the terms of this Agreement apply to the Licensed Services.

### 6. Confidentiality

- 6.1 Each of us agrees to protect and keep confidential any Confidential Information that is given to us by the other.
- 6.2 Except as set out in this Agreement, or where both of us agree otherwise in writing, we will only use or disclose your Confidential Information to provide the Services to you or other services you may request.
- 6.3 Where relevant, we may use, disclose and transfer your Information to other Member Firms and our Representatives, who will use and disclose it only to provide the Services to you.

- 6.4 We may disclose your Information to our own professional advisers and insurers on a confidential basis.
- 6.5 Subject to subclause 6.6, either of us may disclose any Confidential Information to the extent that it is required to be disclosed by Law, order of any court, tribunal, authority or regulatory body, rules of any stock exchange or any professional obligations or requirements.
- 6.6 A party disclosing any Confidential Information under subclause 6.5 must, where practical and to the extent permitted by Law, notify the other of the requirement to disclose and only disclose the minimum Confidential Information required to comply with the Law or requirement.
- 6.7 You agree that we may aggregate your Information and use and disclose that information in de-identified form as part of research and advice, including, without limitation, benchmarking services.
- 6.8 We will return your Information to you at any time at your request. We may also destroy it if you ask us to. However, we are entitled to retain a copy of any Information you provide to us or which forms part of our Work or our Working Papers, provided that we will continue to keep this Information confidential in accordance with this Agreement.

### 7. Personal Information and privacy

- 7.1 We will handle Personal Information in accordance with the Privacy Act and our privacy policy available at [http://www.deloitte.com/view/en\\_AU/au/privacy/index.htm](http://www.deloitte.com/view/en_AU/au/privacy/index.htm).
- 7.2 You agree to work with us to ensure that both of us meet any obligations that each of us may have under the Privacy Act including, where relevant, notifying the individual to whom the Personal Information relates of who we are and how we propose to use and disclose their information.
- 7.3 Where you provide us with any Personal Information, you confirm that you have collected the Personal Information in accordance with the Privacy Act, that you are entitled to provide the Personal Information to us and that we may collect, use and disclose the Personal Information for the purpose of providing the Services to you or as otherwise permitted by this Agreement.

### 8. Intellectual Property

- 8.1 Unless we agree otherwise, we will retain ownership of the Intellectual Property in our Work. We give you a royalty-free, non-exclusive, perpetual, world-wide licence to use and reproduce any Reports for the Purpose for which the Report was prepared and any related incidental internal purposes in accordance with the terms of this Agreement.
- 8.2 You agree we can use your logos and marks on our Work, unless you tell us otherwise.

### 9. Our Work

- 9.1 Our Work is for your exclusive use and must be used only by you and only for the Purpose.
- 9.2 Unless we give our Consent:
  - (a) our Work must not be used or disclosed for any other purpose or made available to any other person, except your Professional Advisers and Auditor, on the terms discussed in subclause 9.3, or except to the extent permitted by subclause 6.5;
  - (b) our Work and the Services may not be relied on by anyone other than you; and
  - (c) you must not name us or refer to us, our Work or the Services in any written materials (other than to your Professional Advisers and Auditor), or any publicly filed documents, except as required by Law.
- 9.3 You may provide a copy of our Report to:
  - (a) your Professional Advisers and Auditor, provided that you ensure that each Professional Adviser and Auditor:
    - (i) is aware of the limits placed on the use of our Report by this Agreement, including that they may not rely on the Report;
    - (ii) for the Professional Adviser, uses our Report only to advise you in relation to the Services or, for the Auditor, uses our Report only in conducting the Audit; and
    - (iii) treats our Report as confidential and does not use or disclose our Report in a manner that is not expressly permitted by this Agreement;
  - (b) any other person who is acceptable to us, with our Consent, but only where that person has first executed an agreement provided by us.

- 9.4 We are not responsible to anyone (apart from you) who is provided with or obtains a copy of our Work without our Consent.
- 9.5 If we give you our Work in draft form or orally, we do so only on the basis that you may not rely on it in that form. Accordingly, we will not be responsible if you or anyone else relies on our draft Work or oral comments or advice.
- 9.6 You acknowledge that the final or signed copy of our Report is the definitive version.
- 9.7 Sometimes, circumstances may change after we have provided our final Work to you; unless we agree with you otherwise, we will not update any final Work we have provided to you.
- 9.8 You acknowledge that any use of or reliance on our Work that is contrary to this Agreement may expose us to a claim from someone with whom we have no relationship or whose interests we have not considered in providing the Services.
- 9.9 Accordingly, you agree to indemnify us against any Loss we may suffer or incur in respect of any claim or action by a third party that arises as a result of:
  - (a) any use or distribution of, or reliance on, our Work that is contrary to the terms of this Agreement or a Consent; or
  - (b) any access to or use of our Work, by any of your Professional Advisers or Auditor.
- 9.10 This indemnity does not apply to any Loss incurred in defending a claim or action by a third party:
  - (a) that results from any wilful misconduct or fraudulent act or omission by us;
  - (b) where that third party has signed an agreement with us that provides that it can rely on our Work; or
  - (c) where we have agreed in writing that our Work may be included in publicly available documents.

## 10. Our Fees

- 10.1 The Fees and the basis on which they are calculated are set out in this Agreement. We may review the Fees where:
  - (a) an Unexpected Delay occurs;
  - (b) there is a change in the scope of the Services we agreed to provide to you; or
  - (c) you do not accept this Agreement within three months of the date of the Letter.
- 10.2 You agree to pay us the Fees for the Services in accordance with this Agreement.
- 10.3 Unless we state otherwise, our Fees exclude GST. You agree to pay any GST imposed on us, now or in the future, in relation to this Agreement. Where GST is payable on any taxable supply made under this Agreement, you agree that the Fee payable for this supply will be increased by an amount equivalent to the GST payable by us in respect of that supply.
- 10.4 We will charge you at cost for any expenses we incur in providing the Services to you. We will tell you what these expenses are before we incur them if they are anything other than incidental.
- 10.5 Unless we agree with you otherwise, we will use business class (or equivalent) for travel overseas and between the east and west coasts of Australia, and economy class for travel within the rest of Australia.
- 10.6 We will also charge you an administration, overhead and telecommunications charge, which is calculated at 5% of our Fees. This charge covers all our out-of-pocket expenses such as telecommunications, stationery and postage.
- 10.7 We will invoice you monthly in arrears for the Fees (unless we agree with you otherwise) and you agree to pay our invoice within 14 days of receiving it. You agree to pay any undisputed portions of an invoice even if there is a dispute between us about that invoice or another invoice. Where amounts remain due and unpaid we may charge you interest at an annual rate of 2% over the Bank Bill Swap Rate published in the Australian Financial Review on the date payment is due.
- 10.8 Without limiting any other rights we may have, we are entitled to suspend or terminate the Services, in whole or part, or to retain or withhold any Information we may hold in relation to the Services or any Work we have done for you if you do not pay our invoices on time.
- 10.9 If we are required to provide Information about you or the Services to comply with a statutory obligation, court order or other compulsory process, you agree to pay all of our reasonable costs and expenses we incur in doing so.

## 11. What you agree to do

- 11.1 You agree to co-operate with us and provide us with all reasonable and necessary assistance so that we can provide the Services to you. This includes providing us with timely and reasonable access as appropriate, to your premises, facilities, Information and Representatives.
- 11.2 In addition to any responsibilities you may have that are set out in the Letter, you are responsible for:
  - (a) the performance of your Representatives;
  - (b) making timely decisions in connection with the Services;
  - (c) designating a competent employee to oversee the Services;
  - (d) evaluating the adequacy of the Services, as they have been described in the Letter, for your particular purposes and needs;
  - (e) providing us with accurate and complete Information. Where any Information that we require in order to provide the Services is to be provided by someone else, you are responsible for ensuring that Information is provided to us. You will need to give us all Information that is relevant to the Services, even if the same Information has been given to us previously during another engagement; and
  - (f) updating any Information where there has been a material change to that Information, including telling us if any of your circumstances change during the course of the Services.
- 11.3 You acknowledge that:
  - (a) the Services may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations will be your responsibility, and made by you;
  - (b) our ability to provide the Services depends on you meeting your responsibilities under this Agreement and instructing us or responding to our requests in a timely and effective manner; and
  - (c) we are entitled to and will rely on Information provided by you, the decisions you make and any approvals you give; and
  - (d) we will not be liable for any default that arises because you do not fulfil your obligations.

## 12. Unexpected Delay

- 12.1 We are not responsible to you or anyone else for any failure in providing the Services caused by an Unexpected Delay. We will tell you if there is a delay that will affect the Services and the cause of the delay, if known. You acknowledge that this Agreement will be varied to include any change to the scope of the Services, the Fees or the timeframes for completion of the Services if any delay requires it.
- 12.2 If we are required to perform additional services because of an Unexpected Delay, then this Agreement will also be varied to include those additional services and any additional Fees that apply.

## 13. Our responsibility to you

- 13.1 We are subject to a limitation of liability scheme approved under Professional Standards Legislation. Our aggregate liability to you is limited in the manner provided by the scheme. Please contact us if you require a copy of the relevant scheme.
- 13.2 Where the law requires it, our liability to you will not be limited. Where our liability is not limited by a scheme our aggregate liability to you for any Loss or causes of action arising in relation to this Agreement, including for negligence, is limited to the amount that is the lesser of ten times our Fees and \$20 million.
- 13.3 We will be liable to you only for that proportion of the total Loss that we have caused or to which we have contributed and we will not be liable for any Consequential Loss.
- 13.4 We will not be liable for any Loss, or failure to provide the Services, which is caused by an Unexpected Delay or which arises as a result of us relying on any false, misleading or incomplete Information.
- 13.5 The limit of liability set out above applies to all Addressees as a group and it is up to you to agree how the limit is allocated between you. You agree not to dispute the limit if you are unable to agree on how it will be allocated between you.

## 14. Conflict of interest

We have relationships with many clients. This means that after this Agreement starts we may identify circumstances that could cause us to have a conflict of interest. If this happens, we will

evaluate the potential conflict and, depending on the circumstances, apply appropriate safeguards to manage it. For example, we may notify you of a relationship that causes us a conflict and ask for your consent to continue to provide you with the Services. However, you acknowledge that we may need to terminate this Agreement if we are unable to resolve or manage a conflict of interest satisfactorily.

## 15. Insurance

We will maintain appropriate insurance in relation to the Services, including professional indemnity insurance in an amount of not less than \$10 million during the term of this Agreement and for a period of seven years after it ends.

## 16. Termination

16.1 Either of us may terminate this Agreement:

- (a) at any time by giving the other 30 days' written notice; or
- (b) immediately if the other suffers an Insolvency Event, is unable to pay all of its debts as and when they become due and payable, suspends payment of such debts or otherwise ceases to carry on business; or
- (c) immediately if the other commits any material breach of this Agreement that is either incapable of being remedied or is not remedied within 14 days of receipt of a notice requiring the breach to be remedied.

16.2 We may terminate this Agreement if:

- (a) you fail to meet your obligations under this Agreement including to pay our Fees within the time specified or to provide us with adequate Information or instructions; or
- (b) there is a change of circumstances beyond our reasonable control (such as auditor independence or regulatory related developments) that prevents us from providing the Services to you.

16.3 If this Agreement is terminated:

- (a) you agree to pay us the Fees for any work we have done and any expenses we have incurred up to the date of termination;
- (b) except as set out in this Agreement, and only where relevant, each of us will return to the other any documents or property of the other, except that we may retain one copy of all Information to allow us to satisfy our professional obligations and record keeping requirements;
- (c) the termination does not affect any accrued rights of either of us or any provision of this Agreement that continues to apply.

16.4 The provisions of this Agreement that survive its termination include those relating to clause 5, *About Deloitte*; clause 6, *Confidentiality*; clause 7, *Personal Information and privacy*; clause 8, *Intellectual Property*; clause 9, *Our Work*; clause 10, *Our Fees*; clause 13, *Our responsibility to you*; clause 15, *Insurance*; subclause 16.3, *Termination*; clause 17, *Dispute resolution*; and clause 18, *Disclosure of Tax Advice*.

## 17. Dispute resolution

17.1 Each of us agrees to use reasonable endeavours to resolve any dispute that arises in connection with this Agreement by mediation before bringing a legal claim or starting legal proceedings against the other.

17.2 Nothing in this clause prevents either of us from seeking any equitable relief in relation to our rights under this Agreement.

## 18. Disclosure of Tax Advice

In relation to Tax Advice and in compliance with Disclosure Laws, it is acknowledged and agreed that nothing contained in this Agreement shall be construed as limiting or restricting your disclosure of Tax Advice. It is also understood that none of your other advisers will or have imposed any conditions of confidentiality with respect to Tax Advice. Copies of any Tax Advice provided to others is on the basis that such recipients may not rely on such Tax Advice and that we owe no duty of care or liability to them, or any other persons who subsequently receive the same. Except as set out in this clause, all other terms of this Agreement remain unamended.

## 19. Relationship between the parties

We are engaged as an independent contractor. Neither of us is an agent or representative of or has the authority to bind the other. Neither of us will act or represent ourselves, directly or by

implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other. This Agreement is not intended and will not be taken to constitute a partnership, agency, employment, joint venture or fiduciary relationship between us.

## 20. Entire agreement

20.1 This Agreement is the entire agreement between us for the Services. It supersedes all prior communications, negotiations, arrangements and agreements, either oral or written between us in relation to its subject matter.

20.2 Any changes to this Agreement must be agreed to in writing by both of us.

## 21. Assignment

Neither of us may transfer, assign or novate this Agreement without the Consent of the other. However, we may assign this Agreement to any entity in Deloitte Australia or any successor to our business.

## 22. Electronic communication

Each of us agrees that we may communicate with each other electronically. You acknowledge that electronic transmissions are inherently insecure, can be corrupted or intercepted, may not be delivered and may contain viruses. Neither of us is responsible to the other for any loss suffered in connection with the use of e-mail as a form of communication between us.

## 23. Severability

If any of the terms of this Agreement are not legally enforceable then that term or the relevant part of it will be either amended as appropriate to make it enforceable or ignored, but in all other respects this Agreement will have full effect.

## 24. Governing Law

This Agreement is governed by the Laws of New South Wales and each party irrevocably submits to the jurisdiction of the courts exercising jurisdiction in that State.

## 25. Your feedback

We value your feedback. We aim to obtain, either formally or informally, a regular assessment of our performance. If you wish to make a complaint, please refer to the Complaints Management Policy available at [http://www.deloitte.com/view/en\\_AU/au/index.htm](http://www.deloitte.com/view/en_AU/au/index.htm) or write to the Complaints Officer at [complaints@deloitte.com.au](mailto:complaints@deloitte.com.au).

## 26. General

26.1 A waiver by one of us of a breach by the other party of any term of this Agreement does not operate as a waiver of another term or a continuing breach by the other of the same or any other term of this Agreement.

26.2 To the extent permitted by Law, we disclaim all warranties, either express or implied, in relation to the Services and the Work other than any written warranty made in the Terms.

26.3 The rights and remedies in this Agreement are cumulative and not exclusive of any rights or remedies provided by Law.

## 27. Reading this Agreement

In this Agreement:

- (a) headings are for convenience only and do not affect how this Agreement is interpreted;
- (b) the singular includes the plural and conversely;
- (c) the word person includes an entity, a firm, a body corporate, an unincorporated association or an authority;
- (d) a reference to this Agreement or an act or instrument is to this Agreement, or that act or instrument as amended, varied, novated or replaced from time to time;
- (e) a reference to dollars or \$ means Australian dollars;
- (f) an Annexure forms part of this Agreement; and
- (g) if there is any conflict between these Terms and any other part of this Agreement, the following order of priority will apply:
  - (i) the Letter;
  - (ii) the Annexure; and
  - (iii) the Terms.

## 28. Definitions

In this Agreement the following words have the meanings set out below:

**Addressee** means each person to whom the Letter is addressed and includes, where relevant, any additional parties who may agree to the terms of this Agreement.

**Agreement** means the Letter and the Terms.

**Annexure** means a document which is annexed or attached to the Letter and identified as an annexure or attachment to it

**Audit** means an audit under the *Corporations Act 2001* (Cth) or an equivalent Law, conducted in accordance with relevant auditing standards.

**Auditor** means an auditor who is appointed to conduct an Audit of you.

**Confidential Information** means and includes:

- (a) the terms of this Agreement and the details of the Services;
- (b) any information or material which is proprietary to a party or acquired by either of us solely as a result of the Services;
- (c) any Intellectual Property and methodologies and technologies that:
  - (i) you use in your business, and to which we are exposed in the course of providing the Services; or
  - (ii) we use to provide the Services;
- (d) any information designated as confidential by either of us; and
- (e) any Work we provide to you, but excludes any information that:
  - (a) is or becomes publicly available, except by a breach of this Agreement;
  - (b) is disclosed to either of us by a third party provided that the recipient reasonably believes the third party is legally entitled to disclose such information;
  - (c) was known to either of us before we received it from the other or is developed by either of us independently;
  - (d) is disclosed with the other's Consent; or
  - (e) is required to be disclosed as contemplated by subclause 6.5.

**Consent** means prior written consent which may be granted at the consenting party's discretion and which may be subject to conditions.

**Consequential Loss** means any loss or damage which is indirect, consequential, special, punitive, exemplary or incidental, including any loss of profit, revenue, anticipated savings or business opportunity, loss or corruption of data or systems, or damage to goodwill however caused or arising as a result of the Services or this Agreement.

**Deloitte** means the Deloitte Australia entity or entities entering into the Agreement as identified in the Letter.

**Deloitte Australia** means the Australian partnership of Deloitte Touche Tohmatsu, each of the entities under its control and any of their respective predecessors, successors or assignees.

**DTTL** means Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee.

**Disclosure Law** means Rule 3501(c)(i) of PCAOB Release 2005-014, or US Internal Revenue Code sections 6011 and 6111 and related Internal Revenue Service guidance, or any equivalent legislation, statute or subordinate legislation or guidance in any relevant jurisdiction relating to the disclosure of Tax Advice which applies to you or any Tax Advice we may give you.

**Fees** means the fees for the Services as stated in, or calculated in accordance with, this Agreement.

**GST** has the meaning given to it under *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**Information** means any information, documents, materials, facts, instructions or Confidential Information provided to us by you or your Representatives or anyone else at your request.

**Insolvency Event** means and includes:

- (a) the making of an arrangement, compromise or composition with, or assignment for the benefit of, one or more creditors of a party;
- (b) the appointment of administrators, liquidators, receivers, a bankruptcy trustee or analogous person to, or over, all or part of a party's business, assets or securities;

- (c) an application being made, or a resolution being proposed, which seeks to effect such an appointment other than for a solvent reconstruction; and

- (d) the existence of a legislative presumption of insolvency in relation to a party.

**Intellectual Property** means all industrial and intellectual property rights throughout the world and includes rights in respect of copyright, patents, trade marks, designs, trade secrets, know-how and circuit layouts.

**Law** includes the *Corporations Act 2001* (Cth) and the rules of the United States Securities and Exchange Commission.

**Letter** means the engagement letter between us to which the Terms are attached.

**Licensed Entity** means a Deloitte Australia entity that holds a licence or registration.

**Licensed Services** means that part of the Services that are required to be provided by a Licensed Entity.

**Loss** means any losses, liabilities, claims, damages, costs or expenses (including interest where applicable and Consequential Loss), judgments or orders however caused or arising as a result of the Services or this Agreement.

**Member Firm** means a partnership or an entity that is a member of DTTL and each of that partnership's or entity's controlled entities, predecessors, successors, assignees, partners, principals, members, owners, directors, employees and agents.

**Personal Information** has the meaning given to it in the Privacy Act.

**Privacy Act** means the *Privacy Act 1988* (Cth).

**Professional Advisers** means your professional advisers who are advising you in relation to the Services but excludes any investor, agent, intermediary, underwriter, syndicate participant, lender or other financial institution or anyone who may provide you with any credit enhancement or credit rating.

**Professional Standards Legislation** means a Law providing for the limitation of occupational liability by reference to schemes that are formulated and published in accordance with that Law and includes the *Professional Standards Act 1994* (NSW) and any similar legislation in each state and territory in Australia.

**Purpose** has the meaning given to it in the Letter or our Work, or where silent on this, the purpose for which we provide our Work to you.

**Report** has the meaning given to it in the Letter or where the Letter does not set out a specific report, means any final form documents, reports or deliverables we provide to you as a result of the Services or this Agreement including those consisting of advice or opinions.

**Representative** means any officer, employee, consultant, agent, contractor or subcontractor of either of us, who is involved in the activities to which this Agreement relates and in the case of Deloitte, includes a partner.

**Services** means the services described in the Letter.

**Tax Advice** means any advice, whether written or oral, relating to tax, tax structuring or tax treatment provided by us as a result of the Services but excludes any tax due diligence Work which we prepare as a result of the Services.

**Terms** means these standard terms and conditions.

**Unexpected Delay** means any delay in providing the Services that is caused or contributed to by an act or event (including the non-performance of your obligations) that is beyond our control or was not reasonably foreseeable by us at the date of this Agreement.

**us** means Deloitte, or both you and Deloitte, as the context requires.

**we** and **our** means Deloitte and, where applicable as the context requires, the members of Deloitte Australia and any of their Representatives.

**Work** means any advice or materials including any reports, documents, advice, opinions, e-mails, notes or other deliverables, whether in draft or final form, in writing or provided orally, that we prepare either alone or in conjunction with you or provide to you as a result of this Agreement and includes any Reports but excludes our Working Papers or any source code.

**Working Papers** means any files or working papers created by us as our record of the Services, in any form.

**you** and **your** means each Addressee, and where applicable as the context requires, each Addressee's Representative.

23 May 2018

Mr Adrian Skull  
Chief Executive Officer  
City of Marion  
PO Box 21  
OAKLANDS PARK SA 5046

Dear Sir

### **Independent Assurance Report on the Internal Controls of the Corporation of the City of Marion**

Thank you for the opportunity to provide services to the Corporation of the City of Marion ('the Council'). This letter and our standard terms and conditions (the "Terms") which are enclosed with this letter set out the basis on which we will provide our services to you.

#### **Background**

Under *Section 125 of the Local Government Act 1999*, the Council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the Council's assets, and to secure (as far as possible) the accuracy and reliability of Council records.

#### **Our engagement**

You have requested that we conduct a reasonable assurance engagement in order to express an opinion whether the Council has complied, in all material respects, with the requirements in relation to the design and implementation of internal controls as measured by *Section 125 of the Local Government Act 1999*. Our report will cover the period 1 July 2017 to 30 June 2018.

The purpose of the engagement is to audit the compliance of the Council with the requirements of *Section 125 of the Local Government Act 1999* in relation to the design and implementation of internal controls established by the Council to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period under review are in accordance with legislative provisions.

Our engagement will be conducted in accordance with Australian Standards on Assurance Engagements (ASAE 3100 *Compliance Engagements*), issued by the Australian Auditing and Assurance Standards Board. Our engagement will provide reasonable assurance as defined in these standards. The procedures we will perform are described in more detail below.

These standards also require us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

The scope of our engagement is limited to the matters set out in this letter. So that we are able to assist you effectively, please ensure that you are satisfied that the scope of our engagement. If you wish to discuss this with us further please let us know.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

## Engagement team

Penny Woods is the partner who is primarily responsible for the engagement. Iantha Sequeira and Joel Lawton will assist with the engagement. From time to time we may need to include other partners and staff to assist us with our engagement.

You agree that Deloitte may use third parties to store and process any information received from you or your representatives in relation to the entities covered by this engagement letter; provided that such third parties are bound by confidentiality obligations similar to those contained in this letter and our standard terms and conditions. In the delivery of our services we may engage other Deloitte Member Firms including the Deloitte Extended Delivery Centre (EDC) to assist with certain aspects of this engagement. EDC refers to Deloitte Member Firms and their affiliates operating in India. We will at all times remain responsible for the work undertaken in the delivery of those services to you.

## Procedures

Our engagement will include such procedures as we consider necessary in the circumstances, including, but not limited to obtaining an understanding of controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these controls, assessing the risk that a material weakness exists, and testing and evaluating the design and implementation of internal controls on a sample basis based on the assessed risks.

## Reporting

As part of our engagement, we will provide you with a report which contains our opinion. Our conclusion will state whether the Council has complied, in all material respects, with the requirements as measured by *Section 125 of the Local Government Act 1999*. An example of our report is contained in Appendix A.

Our report may only be used by the members of the Council for the purpose described in this letter and otherwise, in the manner described in the Terms.

## The Member of the Council's responsibilities

The Members of the Council are responsible for ensuring that the Council has complied, in all material respects, with the requirements as measured by *Section 125 of the Local Government Act 1999*.

The Members of the Council are also responsible for making all related information available to us for the purpose of our engagement.

Further, as part of our engagement, we will request from management written confirmation concerning representations made to us in connection with the engagement.

## Independence

We confirm that, to the best of our knowledge and belief, we currently meet the independence requirements of the Australian professional accounting bodies in relation to an assurance engagement. In conducting the engagement, should we become aware that we have contravened these independence requirements, we will notify you on a timely basis.

## Inherent limitations

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with *Section 125 of the Local Government Act 1999* in relation to the design and implementation of internal controls, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with *Section 125 of the Local Government Act 1999* in relation to the design and implementation of internal controls are undertaken on a test basis.

**Engagement Fees**

Our fees of \$7,250 (excluding GST) for the engagement will be billed on 2 July 2018, are based on the time required by the individuals assigned to the engagement. If you require us to provide additional services please let us know and we can provide you with an indication of the likely fees involved.

**Timing**

The engagement will be conducted at the same time as the statutory audit of the general purpose financial statements for the year ended 30 June 2018.

**Engagement assumptions**

The scope of our engagement, the time frames for completion and the fees have been prepared on the following assumptions:

- There are no undue complications or delays in performing the engagement.
- The scope of the work and the procedures performed are the same as those which are outlined in this letter.
- You meeting your responsibilities as outlined in this letter and the Terms in a timely manner.

If these assumptions are wrong or the circumstances change then we may need to change the scope of the engagement, vary the fees or extend the timeframes for completion. We will contact you immediately we become aware of a potential delay, and agree on the best means to manage the issue.

**Acceptance**

Please confirm that you agree to these terms by signing, dating and returning the enclosed copy of this letter to us.

Please contact Penny Woods if you would like to discuss this letter and the terms of engagement with us.

We look forward to working with you.

Yours faithfully  
DELOITTE TOUCHE TOHMATSU

Penny Woods  
Partner  
Chartered Accountants

Acknowledged and agreed on behalf of the Corporation of the City of Marion by:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

DRAFT

# Independent Assurance Report in the Internal Controls to the members of the Corporation of the City of Marion

We have been engaged by the Corporation of the City of Marion (the Council) to conduct a reasonable assurance engagement relating to the Council's compliance with the requirements of *Section 125 of the Local Government Act 1999* in relation to the design and implementation of internal controls established by the Council to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2017 to 30 June 2018 are in accordance with legislative provisions.

## The Council's Responsibility for the Internal Controls

The Council is responsible for compliance with material requirements of *Section 125 of the Local Government Act 1999* in relation to the design and implementation of internal controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and incurring of liabilities are in accordance with legislative provisions.

## Our Responsibility

Our responsibility is to express an opinion on the Council's compliance with *Section 125 of the Local Government Act 1999* in relation to the design and implementation of internal controls, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, to express a conclusion whether, in our opinion, the Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to the design and implementation of internal controls for the period 1 July 2017 to 30 June 2018. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these controls, assessing the risk that a material weakness exists, testing and evaluating the design and implementation of internal controls on a sample basis based on the assessed risks.

## Limitation of Use

This report has been prepared for the members of the Council in accordance with *Section 125 of the Local Government Act 1999* in relation to the design and implementation of internal controls. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

## Inherent Limitations

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with *Section 125 of the Local Government Act 1999* in relation to the design and implementation of internal controls, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with requirements as measured by the *Section 125 of the Local Government Act 1999* in relation to the design and implementation of internal controls are undertaken on a test basis.

The conclusion expressed in this report has been formed on the above basis.

## Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

## Opinion

In our opinion, the Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to the design and implementation of internal controls, established by the Council to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2017 to 30 June 2018 are in accordance with legislative provisions.

DELOITTE TOUCHE TOHMATSU

Penny Woods  
Partner  
Chartered Accountants  
Adelaide, [date]

**CITY OF MARION  
FINANCE & AUDIT COMMITTEE MEETING  
29 May 2018**

**Originating Officer:** David Harman, Unit Manager Statutory Finance & Payroll

**Corporate Manager:** Ray Barnwell, Manager Finance & Contracts

**General Manager:** Vincent Mifsud, General Manager Corporate Services

**Subject:** Draft Annual Business Plan 2018/19 and Draft Long Term Financial Plan

**Report Reference:** FAC290518R7.7

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## **REPORT OBJECTIVES**

The purpose of this report is to provide the Finance & Audit Committee (FAC) with an update on the development of Council's Draft Annual Business Plan (ABP) 2018/19 and Draft Long Term Financial Plan 2018/19 to 2027/28 (LTFP) since the 27 February 2018 Finance and Audit Committee meeting (FAC270218R7.1).

The report also notes the participation and feedback from the recently concluded public consultation period.

## **EXECUTIVE SUMMARY**

There have been a number of minor changes to the framework underpinning the development of the ABP and LTFP. The key items included in this report are

- Updates to the framework around Rates and Employee costs
- New initiatives included in the ABP and LTFP
- One change to the Corporate KPI relating to staff retention

These changes have not resulted in any material changes to Council's financial indicators, with the key factor being Council's cash balance over the 10 year term of the LTFP is sufficient to meet its operational needs, financial sustainability targets and fund its accounting reserves.

## **RECOMMENDATIONS**

**That the Finance & Audit Committee:**

### **DUE DATES**

- |   |                    |
|---|--------------------|
| <b>1. Note the changes to Council's Annual Business Planning framework and additions to the Draft ABP 2018/19 and Draft LTFP since its 27 February 2018 FAC meeting</b>   | <b>29 May 2018</b> |
| <b>2. Provide feedback on the:</b> <ul style="list-style-type: none"> <li>• current iteration of the Draft ABP 2018/19 (Appendix 1) and Draft LTFP (Appendix 2)</li> <li>• updated organisational KPI</li> <li>• updated environmental scan (Appendix 3)</li> </ul> | <b>29 May 2018</b> |

## Discussion

Since the ABP 2018/19 and the LTFP were presented to the FAC at its 27 February 2018 meeting (FAC270218R7.1) a number of changes have been incorporated.

Council has gone out to public consultation with a Draft ABP & LTFP based upon a proposed rate increase over the term of the LTFP of 1.8%. This provides a balanced or better funding (cash) position over the ten years of the LTFP.

The table below highlights the timeframes of the recent public consultation period and the key steps remaining for the ABP 2018/19 and LTFP process from this point. Please note that these dates may be subject to some alteration.

KEY STAGES	DATE	MEETING
Community consultation and engagement period and provision of written submissions	17 April – 15 May	
Opportunity for community representation	8 May	General Council
Council receives feedback/responses from community engagement	22 May	General Council
Opportunity for Finance & Audit Committee to provide feedback on Draft ABP, LTFP and updated suite of KPI's	29 May	Finance & Audit Committee
Consider final draft of ABP 2018/19 and final draft LTFP	12 June	General Council
Adopt ABP 2018/19 and LTFP	26 June	General Council

## Public Consultation

Public consultation was initially promoted between 17 April and 8 May 2018. Consultation was then extended to 15 May 2018 as a result of advice from a resident who only became aware of the opportunity to provide feedback via a business newsletter they received a day before the advertised closing date. Consultation included:

- A notice in the Messenger Press Coast City Weekly on 18 April 2018 informing of the draft Annual Business Plan's preparation with an invitation for written and online submissions
- A dedicated '*Making Marion*' website was developed [www.makingmarion.com.au/abp2018](http://www.makingmarion.com.au/abp2018) that included an online poll to gauge the level of support for the draft ABP and an online submission form in which commentary could be provided
- Social media promoted on the City of Marion Facebook page that reached 945 people and directed them to the '*Making Marion*' page to participate online
- Communication with community groups via:
  - Email advice to 229 volunteers
  - Business E Talk newsletter reaching 2,100 people
  - Communication at the Common Thread meeting with attendance of approximately 60 people
  - Email advice to youth, arts and cultural, and multicultural groups' databases
- A hard copy of the draft ABP was available at Council's Administration offices.

## Rates of participation and feedback

- **124** people visited the Making Marion website
- **20** people downloaded the document
- **1** person completed the online poll indicating they supported the Plan
- **945** people saw the Facebook post with **5** likes and **1** share

Interested persons were also invited to attend the Council meeting on 8 May 2018 to ask questions and make submissions in relation to the draft ABP&B for at least one hour, however no deputations were received.

A review of the consultation process will be undertaken for the 2019/20 draft Annual Business Plan.

### **Significant influences and priorities**

The Committee was presented with an environmental scan as part of the development of the preparation of the 2017-18 ABP and LTFP in December 2017 which highlighted significant external and internal influences and priorities. An updated version of the environmental scan summary is at Appendix 3.

### **Framework of the ABP and LTFP**

There have been some minor changes to the framework and assumptions underpinning the ABP and LTFP from the framework previously presented to the Finance and Audit Committee as noted below.

#### Assumptions

In developing the Draft ABP 2018/19 and Draft LTFP, the following key assumptions have been amended:

- **Rates** – an increase of 1.8% plus growth which is currently forecast at 1.0%. This assumption will continue to be monitored in light of global economic forecasts and the financial impact that those circumstances may have on Marion ratepayers and their capacity to pay.

*Comment: the options presented in February were 1.8% and 2.2%. The former was selected as it is sufficient to maintain a forecast balanced funding (cash) position over the term of the LTFP.*

- **Employee costs** – a 2.3% increase per annum is applied to Employee costs for 2018/19 in line with the Enterprise Agreement which includes a pay increase of 2.0% or the Adelaide All Groups March CPI, whichever is higher.

*Comment: this increase has had an impact of \$100k on the Draft ABP 2018/19 and \$5.121m over the term of the LTFP. This will continue to be reviewed annually with each iteration of the LTFP, giving consideration to CPI and any changes in Enterprise Agreements.*

### **Project priorities**

#### New Initiatives

Following a lengthy review and selection process, a number of new initiatives have been included in the Draft ABP 2018/19. New initiatives included total \$3.7m in the Draft ABP 2018/19 and \$16.1m over the term of the Draft LTFP. A listing of these initiatives can be found in section 6 – *Project Priorities* – of the Draft ABP 2018/19 (Appendix 1).

### **Measuring our success**

#### Organisational KPIs

Following feedback from the FAC at its last meeting (FAC270218R7.1) one of the corporate KPIs has been amended. The previous KPI was “Key Staff Retention”, the new KPI and its Report Reference: FAC290518R7.7

targets are detailed below and the full suite of KPIs can be found in section 8 – *Measuring our success* – of the Draft ABP 2018/19 (Appendix 1).

Key performance indicator	Core target	Stretch target
Staff retention	90% retention	95% retention

## Funding the 2018/19 ABP and LTFP

### Reserve funds

Following feedback from the FAC in previous years, Council has focused on using its reserve funds where appropriate and in accordance with its Reserve Funds Policy.

The Draft 2018/19 ABP and Draft LTFP include an allocation of approximately \$13.5m of reserve funds. This includes \$3.9m for the Edwardstown Soldiers Memorial Oval redevelopment, \$3.1m for the Marion Outdoor Pool, \$2.5m contribution towards the Southern Region Soccer Facility, \$2.1m for LED street light replacement, and \$1.3m towards the redevelopment of Morphettville Park Sports Club.

As a result of the utilisation of reserve funds in the Draft ABP and LTFP there will be a net reduction in council's reserves from \$21.6m (forecast at the end of 2017/18) down to \$14.6m in 2027/28.

### Borrowings

The use of reserve funds as noted above means that council has been able to keep the value of its total new borrowings program unchanged in the LTFP. Projected borrowings included in the LTFP are taken out over 10 year loan terms and are limited to the following:

Project	Year	\$000's
Mitchell Park Sporting and Community Centre	2019/20	10,000
- subject to grant funding		
Administration building essential works	2019/20	2,960
- proposed		
<b>Total new borrowings</b>		<b>12,960</b>

These borrowings are indicative and will see Council's borrowings projected to peak at \$18.6 million in 2019/20, with its Debt Servicing Ratio peaking at 3.9% in 2020/21 against a maximum target of 5.0% and its Net Financial Liabilities ratio reaching 4.23% in 2019/20 against a target of up to 50%.

Council's Treasury Management Policy states that Council will apply any funds that are not immediately required to meet approved expenditure, (including funds that are required to be expended for specific purposes but are not required to be kept in separate bank accounts), to reduce its level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required, meaning that there is a possibility that these borrowings may not be required.

### Financial ratios

A positive operating cash flow is vital to support operating requirements in addition to providing funding for the renewal of existing assets over time to maintain community service standards. Council is maintaining a balanced or better funding (cash) position over the 10

year term of the LTFP, sufficient to meet its operational needs, financial sustainability targets and fund its accounting reserves.

There have been no material impacts on Council's financial ratios compared with the report received by the versions presented to the committee on 27 February 2018 (FAC270218R7.1). These are included for information at Appendix 2.

**Appendix 1** – Draft Annual Business Plan 2018/19

**Appendix 2** – Draft Long Term Financial Plan

**Appendix 3** – Environmental Scan

# City of Marion Annual Business Plan 2018-2019



- Draft



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## 1. Introduction

This Annual Business Plan 2018/19 describes the services and projects that council will deliver over the next 12 months and the financial decisions that underpin them, so that we can progress the community's aspirations in the City of Marion Community Vision - 'Towards 2040' and the goals in the 10-year Strategic Plan 2017-2027.

This plan supports the delivery of the third year of the 2016-2019 Business Plan, along with a number of new strategic projects and service improvements.

Council is committed to delivering value to our ratepayers. We continue to focus on identifying on-going savings that can be passed on to ratepayers. This strong efficiency focus has enabled a further reduction in the average rate increase down to 1.8% while maintaining current service levels.

During 2018/19, the City and Community will continue to be improved through investment in projects including:

- The Oaklands Crossing redevelopment
  - The State and Federal Governments together with the City of Marion have committed \$174.3 million to a grade separated train line and station on the corner of Morphett and Diagonal Roads at Oaklands Park to end more than 40 years of daily traffic jams. The project will include an enhanced public realm together with pedestrian cycling connections to improve the safety and amenity of the road and rail intersection. Main construction works are planned to commence in July 2018.
- The Edwardstown Soldiers Memorial Oval redevelopment
  - Council has commenced construction of the \$8.8m redevelopment of the Edwardstown Soldiers Memorial Oval with \$4.0m in funding from the federal government as part of a 2016 Election promise. This redevelopment will particularly improve social connectedness, active and healthy lifestyles, developing neighbourhoods that are activated, attractive and safe, and empowering communities to work in partnership with Council.
- LED Streetlight Replacement across the City
  - Council has commenced the transition of its streetlights to energy efficient LED fittings. Key benefits include reducing energy use by over 75%, which reduces our carbon footprint. LED lighting makes objects clearer to see, minimises glare, reduces environmental impact, decreases operating and maintenance costs and improves amenity. Council investment of \$3.1m in the project has an estimated payback period of less than six years. Council and SAPN have been working together to bring forward the planned works for 2019/20 with an aim to complete the project by the 30 June 2019.

- The Hallett Cove Foreshore redevelopment
  - Staged works at Hallett Cove Foreshore on Heron Way will continue with \$1.649m worth of works on playground and reserve development along with car park realignment and plans for the café plaza and dune protection.
- Development of the Sam Willoughby UCI BMX Track
  - Council will continue to progress the development of an international UCI standard BMX Facility to be built to UCI standards in partnership with the State Government and the neighbouring City of Onkaparinga. The project also includes clubrooms, car parking, lighting and utilities.
- Greening our Streets
  - Guided by our Streetscape Policy, Council will improve the attractiveness, amenity, character and functionality of streetscapes in the City of Marion through a \$1.8 million streetscape upgrade, complemented by \$200,000 for 'treescaping', to improve the environment and add value to people's experience in the City.
- Marion Outdoor Pool
  - Council will continue with the \$3.57 million 3 year staged upgrade of the Marion Outdoor Pool with an allocation of \$1.2 million in the 2018-19 budget. This upgrade will improve the facility to contemporary standards to ensure it remains as an attractive outdoor swimming and family recreation site for people of varying interests. The upgrades seek to foster social connectedness, active and healthy lifestyles, developing neighbourhoods, attractive and safe, and empowering communities to work in partnership with Council for various programs and initiatives.
- Morphettville Park Sports and Community Club
  - With funding support from the State Government (\$500,000) and AFL (\$100,000), Council is investing \$1.3m towards improvements of \$1.9 million to club facilities and change rooms will be undertaken to support a growing membership base. Expansion of the oval to AFL standard will also be investigated, taking traffic and car parking impacts into consideration.
- Southern Soccer Facility
  - Council will contribute \$2.5m towards the development of two artificial turf soccer pitches, a clubroom, grandstand, car parking, lighting and utilities will be undertaken to support growing membership through a \$5 million upgrade at Majors Road.

## 2. Our Purpose, Vision and Values

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

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



### Engaged

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

### Liveable

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

### Valuing Nature

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

### Prosperous

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

### Innovative

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

### Connected

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



This Annual Business Plan 2018/19 is an integral part of council's strategic management framework (SMF). The SMF ensures that strategic and operational plans, management systems and processes work together. This enables Council to effectively deliver its strategic goals and the Community Vision.

### 3. Significant influences and priorities

A comprehensive environmental scan of internal and external political, economic, environmental, social and technological issues was conducted, providing a context for the development of this plan, the 2016-2019 Business Plan and the review of the 10 year Strategic Plan. A summary of the latest environmental scan is provided in the tables below.

<b>Critical external issues and opportunities:</b>	
<b><i>Political</i></b> <ul style="list-style-type: none"> <li>• Local Government Election November 2018</li> <li>• Maximising ratepayer/community value</li> <li>• Ongoing changes to Federal, State &amp; Local Government policies and funding programs</li> <li>• Recent change in State Government from March 2018 election</li> <li>• Proposed Rate capping legislation</li> <li>• NDIS block funding to cease in 2020</li> </ul>	<b><i>Economic</i></b> <ul style="list-style-type: none"> <li>• Compromised financial capacity of ratepayers in economic climate</li> <li>• The number of GST registered businesses in Marion is falling</li> <li>• Maximising opportunities to support small business</li> <li>• A slight increase in employment in Marion, however diversity in employment industry remains static</li> <li>• Development of the Tonsley site</li> <li>• Activation of local hubs as destinations to increase walkability</li> <li>• New payroll tax policy providing more incentive to small business</li> </ul>
<b><i>Technological</i></b> <ul style="list-style-type: none"> <li>• Rapid technological change, specifically the rollout of the NBN in some City of Marion areas</li> <li>• Increasing digital divide</li> <li>• Access to data and information</li> <li>• Smart Cities opportunities</li> <li>• LED Street lighting implementation 2018-2019</li> </ul>	<b><i>Social and Cultural</i></b> <ul style="list-style-type: none"> <li>• Concerning public health demographics</li> <li>• National Disability Insurance Scheme (NDIS) rollout and readiness</li> <li>• Home And Community Care Program (HACC) continued transition to Commonwealth Home Support Program (CHSP)</li> <li>• Increasing community interest in volunteerism is providing a varied skill base</li> <li>• Potential health issues around noise and air pollution around major traffic routes and building work</li> <li>• Adelaide Living Laboratory partnership</li> <li>• Changing demographics, population growth, increased migration and ageing population</li> </ul>
<b><i>Transport &amp; Connectivity</i></b> <ul style="list-style-type: none"> <li>• Darlington Upgrade Project</li> <li>• Commitment to Flinders Link Rail extension</li> <li>• Poor transport linkages to public places and spaces, goods and services, local business and industry</li> <li>• Potential risk of isolation to residents that are ageing and mobility impaired</li> <li>• Connections in and around Tonsley, Darlington and Flinders developments, with impacts on traffic, parking, pedestrian/cycling movements</li> <li>• Opportunities: <ul style="list-style-type: none"> <li>- To progress an Oaklands Hub development through the redesign of the Oaklands Rail Crossing</li> <li>- To improve east-west connectivity through Sturt Rd, in conjunction with the Darlington, Tonsley and Flinders Link project</li> <li>- To expand and integrate walking and cycling networks in conjunction with major transport infrastructure upgrades</li> </ul> </li> </ul>	<b><i>Urban environment</i></b> <ul style="list-style-type: none"> <li>• Population growth and urban infill cause increased traffic and limited on-street parking with increasing demands on public places and spaces and public services</li> <li>• Opportunities to integrate nature into the urban environment, water sensitive urban design, energy efficiency and green infrastructure</li> <li>• Opportunities to lift vibrancy of commercial/retail areas through infrastructure upgrades and activation</li> <li>• Increased implementation of planning reforms</li> <li>• Development of the residential component at Tonsley</li> <li>• Housing Diversity Development Plan Amendment</li> <li>• Southern Innovation Development Plan Amendment (Stage 2)</li> </ul>

**Critical external issues and opportunities:**
***Natural environment***

- Impacts of and response to climate change- storm events, heat, rising sea levels
- Growth of localism
- Need for effective coastal management
- Protection of remnant vegetation
- Impacts of urban infill on biodiversity
- Response to increased community interest in nature play
- Stormwater Masterplan Development Plan Amendment
- Increasing community expectations around corporate environmental responsibility

Key internal pressures and opportunities:	
<p><b><i>Service provision</i></b></p> <ul style="list-style-type: none"> <li>• Limited funding capacity for competing strategic projects or incremental service improvements given current rates assumptions and funding position</li> <li>• Service review program continues</li> <li>• Uncertainty of service provision related to NDIS funding model changes</li> <li>• Development of Customer Experience Charter to enable more insightful understanding of customer experience and service needs</li> </ul>	<p><b><i>Asset reliability and sustainability</i></b></p> <ul style="list-style-type: none"> <li>• Reviewing our existing asset base to better understand which assets could be repurposed, reused or disposed of in order to enhance other assets to better meet community needs</li> <li>• Investigating innovative asset management models e.g share community use, public private partnerships and related business and retail opportunities to respond to increasing costs and customer service requests to maintain and renew our existing asset base</li> <li>• Improved processes, systems, data collection and modelling to enhance strategic decision making</li> </ul>
<p><b><i>Financial sustainability</i></b></p> <ul style="list-style-type: none"> <li>• Continued focus on driving innovation, partnerships, collaboration and continuous improvement in a constrained budgetary environment</li> </ul>	<p><b><i>Risk and Strategic Alignment</i></b></p> <ul style="list-style-type: none"> <li>• Alignment of the organisation to deliver the aspirations of the Strategic and Business Plans</li> <li>• Transition to an agile &amp; responsive delivery model whilst maintaining prudent financial management</li> <li>• Alignment of risk management throughout the organisation</li> <li>• Changes to regional emergency management planning</li> <li>• High number of large projects running concurrently</li> <li>• Review of Strategic Management Framework in accordance to Local Government Act, following Local Government elections in November 2018.</li> <li>• The need for all work groups to be aligned in terms of the Strategic Plan and Business Plan now and in future plans</li> </ul>
<p><b><i>Our Valued Employees</i></b></p> <ul style="list-style-type: none"> <li>• Organisational wide values adopted</li> <li>• Continue to build leadership and workforce capacity and skills, particularly in the areas of project management, partnerships, funding opportunities and customer experience.</li> <li>• Need for provide the appropriate technology tools and information resources for staff to connect, collaborate and do their jobs efficiently and effectively.</li> </ul>	

## 4. Framework of the Annual Business Plan

The Annual Business Plan 2018/19 has been prepared on the basis of a framework that aims to inform the community and hold the City of Marion accountable to its stakeholders. The key items in this framework are as follows.

### **Support the achievement of the City of Marion's Strategic Directions.**

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

### **Address issues arising and opportunities identified from internal audit reviews, service reviews and business excellence assessments.**

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

### **Maintain, on average, a break-even or positive funding (cash) position over the Long Term Financial Plan**

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

### **Continue to improve the maintenance of assets in accordance with Council's Asset Management Plans, with a priority on maintenance before renewal, and renewal before new when it is cost effective to do so**

The Annual Business Plan has been prepared taking into consideration Asset Management Plan requirements, outcomes of recent infrastructure audits, targets set for renewal versus depreciation (95-100% as per Asset Management Policy) and a focus on maintaining council's asset base.

### **Review existing services and assets to ensure they meet prioritised community needs**

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

### **Council only approve new Major Projects where it has the identified funding capacity to do so**

Council debt is forecast to decrease from \$7.9m to \$6.8m between 30 June 2018 and 30 June 2019. With consideration given to its financial ratios, this means that Council has the funding capacity to consider new strategic Major Projects and is currently investigating partnerships to aid in the development of a number of sporting facilities.

### **Maintain Council's position for an average residential rate which remains among the lower rating metropolitan councils**

Comparative 2017/18 data shows that council's average residential rate continues to remain among the lower rating metropolitan councils, with its current position ranking being the 5th lowest of 18 metropolitan councils.

## 5. Continuing and improving services

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

Ongoing Services	
Land use and development planning	Arts and cultural promotion and support
Development and building assessments	Library services
Facilitation of urban developments	Sports and recreation promotion and support
Local Government searches	Community capacity building and development
Economic planning and leadership	Inspection, regulation and control
Environmental planning and leadership	Emergency planning and response
Biodiversity management	Community care
Waste services	Immunisation services
Water management	Public health planning
Infrastructure management	Urban activation
Community facilities management	Customer Experience
Reserves, parks and gardens management	

Enabling Services	
Strategic management	Communications and marketing
Organisational excellence and Innovation	Human resources and workforce planning
Strategic asset management	ICT & knowledge management
Financial management	Operational support
Governance support	

## 6. Project priorities

Council plans to commence or continue working on the following strategic initiatives, as set out in our 2016-2019 Business Plan:

Liveable	
Strategies	2018/19 Initiatives
<b>An inclusive Community embracing diverse cultures, active living, and healthy lifestyles</b>	Amend the zoning of key sporting areas/hubs to support revitalised, modern sports facilities
	Deliver excellent Sport and Recreational Facilities across the City: <ul style="list-style-type: none"> <li>• Community Club and indoor sports stadium at Mitchell Park</li> <li>• Sports and community complex at the Edwardstown Soldiers Memorial Oval</li> <li>• A new regional soccer facility in the South in partnership with Football SA</li> <li>• An International standard BMX complex in the South, led by BMX SA</li> <li>• Capella Reserve redevelopment in partnership with the Cove Football Club to pursue funding opportunities</li> <li>• Modern sustainable tennis and netball facilities across the City to meet the needs of the Community now and into the future</li> </ul>
	Complete the detailed design of the Marion Outdoor Pool update and seek grant/partnership funding
	Deliver Open Spaces and Playgrounds across the city <ul style="list-style-type: none"> <li>• South Australia's first inclusive Playground at Hendrie St Reserve</li> <li>• Hallett Cove Foreshore precinct redevelopment</li> <li>• 8 local/neighbourhood scale playgrounds and plans for a further 4 playgrounds</li> <li>• High quality public toilets in our priority reserves and parks</li> </ul>
<b>Access to housing choice and services for a growing and diverse population</b>	Review housing zones to preserve the character of areas in the north of our city and create housing choice in the south
	In partnership with State Government, the SA Jockey Club and adjoining councils, support the housing development at Morphettville Racecourse
	Support our community to 'age well' through participation in the Adelaide Living Laboratory
	Continue implementation of priorities from the review of reserves and facilities
	Undertake an evaluation and review of at least a further 12 council services to ensure they continue to provide maximum value to our community, now and into the future
<b>Neighbourhoods that reflect local character, heritage and enable a sense of belonging</b>	Celebrate and recognise our Kaurna heritage through committed delivery of the 2016-2019 Reconciliation Action Plan (RAP)
	Build strong relationships with the Elders of the Kaurna community, facilitated by the RAP Committee
	Deliver youth partnership programs focussed on providing diverse and exciting opportunities for youth leadership, engagement and services Deliverer youth partnerships

Valuing Nature	
Strategies	2018/19 Initiatives
<b>A healthy and climate resilient urban environment</b>	Significantly increase energy efficiency across our council facilities
	Deliver sustainable lighting program priorities
	Implement the Climate Change Policy and Plan ( Resilient South Program)
	Ensure all elements of the Oaklands Reserve redevelopment project are in place to support construction
	Expand the Oakland's Wetland water distribution network to maximise sustainable irrigation of our parks and reserves
	Advocate for residents across our city on toxic contamination mitigation measures
	Manage stormwater in close partnership with our neighbours
	Target an allocation of 5% of drainage and traffic capital works budgets to Water Sensitive Urban Design outcomes
	Continue to transform the Glade Crescent Wetlands scheme
	Develop and deliver a Regional Coastal Management Plan to support sustainable coastal management
<b>Improved condition, diversity and connectivity of ecosystems</b>	Working closely with key partners to maximise Glenthorne Farm community benefits

Engaged	
Strategies	2018/19 Initiatives
<b>Communities that embrace volunteering and social interaction</b>	Strive to become renowned for volunteers through targeted growth and diversity, and harnessing the skills and experience of our volunteers
<b>Meaningful opportunities for community engagement, partnerships and co-creation</b>	Support our lease and license holders to develop their club management capacity
	Work in partnership with the Edwardstown Region Business Association (renamed Southern Business Connections) and the Hallett Cove Business Association to grow membership and sustainability
	Maximise community benefits through community led initiatives
	Implement our reformed Community Grants programs with emphasis on diversity and community capacity building
	Expand our network of community gardens in partnership with community groups
	Subject to the outcomes of a pilot on place activation projects expand the place activation program
	Develop and deliver a Business Engagement Plan in consultation with the local business community to provide valuable business information to support small business growth
	Grow the Community Leadership Program to support and harness the ideas and skills of emerging leaders within our community

Innovative	
Strategies	2018/19 Initiatives
A Community that harnesses creativity, research and collaboration to pursue innovative ideas	Establish partnerships with innovation mentors, including hosting university students to work on innovation projects
	Maximise community feedback through a range of surveys, tools and campaigns to support our ongoing focus on innovation and improvement
A City that provides infrastructure and support that enables innovation to flourish	Expand the solar panel network to maximise the use of renewable energy at council facilities
	Continue to promote and provide valuable programs at the Cove Enterprise Hub (renamed Cove Business Hub) to support start-ups and small businesses in the southern region
	Investigate 'Smart City' technology and infrastructure opportunities

Prosperous	
Strategies	2018/19 Initiatives
An exciting urban environment that attracts business investment and economic activation	Work in partnership to progress the Tonsley Redevelopment as a state of the art advanced manufacturing and urban environment
	Work with key partners on the Darlington project and the Flinders Link rail project to maximise business and employment opportunities
	Advocate for the future development of the North-South Corridor to improve east-west connectivity, which maximises community access and connection with the valuable adjacent areas
	Review Edwardstown Industry/Commerce Planning framework to support future business needs
	Facilitate the development of priority precincts that cater for a range of residential and business needs, and services that are aligned with the 30 Year Plan for Greater Adelaide
A City that promotes and supports business growth and offers increased local employment and skills development opportunities	Develop, in close cooperation with other councils and State Government, a business attraction plan that support jobs growth
	Implement the priority actions of the Southern Adelaide Economic Development Board
	Reduce red-tape to support and promote business growth and employment opportunities
	Deliver digital economy education programs for businesses to capitalise on the NBN roll-out
A welcoming City offering both residents and visitors a wide range of leisure and cultural experiences	In partnership with local businesses, grow visitation and increase spending in the region to secure additional economic benefit and increased jobs through the delivery of a Visitor Economy Strategy

Connected	
Strategies	2018/19 Initiatives
A road network that connects neighbourhoods and supports safe walking, cycling and vehicle travel	Subject to funding, deliver key extensions to the shared use path along the Adelaide to Marino Rocks Greenway
	Deliver a Policy and Program to enhance streetscapes across the City
A City that advocates improved public transport systems, linkages and networks that connect people to destinations	Progress, in partnership with State and Federal Governments, the development of key rail infrastructure including the grade separation at the Oaklands Rail crossing
	Support the rail expansion from Tonsley to Flinders Medical and University Precinct
A City that supports equitable access to diverse information sources and reliable digital technologies	Expand our communication and engagement network through our website and social media platforms
	Deliver valuable digital literacy programs in our libraries and neighbourhood centres
	Subject to funding, deliver the 'Maker Space' and a range of programs to harness technologies and equipment

### New initiatives included in the 2018/19 budget

In addition to the initiatives from the 2016-2019 Business Plan set out above, Council is funding a range of additional initiatives that will contribute to improving the quality of life for residents.

The initiatives and funds required for their delivery are:

Marion Cultural Centre external hire enhancement project	\$55,000
Design for erosion control at River Parade Hallett Cove	\$60,000
City of Marion Fringe Hub at the Marion Cultural Centre	\$15,000
Valuing Marion's Nature (replacement for the Discovery Circle Program)	\$30,000
Implementation of the Remnant Native Vegetation Plan	\$300,000
Enhanced Tree Planting Program	\$138,000
Light Square Upgrade - landscaping	\$20,000
Mitchell Park Scoreboard – water and power connection	\$20,000
Oaklands Education Centre at Oaklands Wetland	\$74,000
Natural Landscapes Design and Maintenance Guideline – pilot projects to expand the tree planting program and implement significant remnant vegetation management initiatives	\$70,000
Customer Relationship Management – Single View of the Customer - to enable any person at any location to see all of the services and interactions a client accesses within the City of Marion	\$30,000
Coastal Management Plan – building on existing coastal climate change planning and identifying key hotspots for close management	\$15,000
Smart Cities Pilot Project – sensors to monitor playground usage	\$48,500
Marion Outdoor Pool Masterplan – works to upgrade of various components	\$1,193,000
Morphettville Park Sports Redevelopment	\$290,000
Renewables and Energy Efficiency Measures accelerating the uptake of energy efficiency and renewable energy projects in the City of Marion	-
Business Software Enhancements	\$1,278,000
Aboriginal and Disability Traineeships	\$91,236
Community Events Fund	\$12,000
<b>Total New Initiatives</b>	<b>\$3,739,736</b>

## 7. Asset Management

The City of Marion currently owns and manages a large and diverse community asset portfolio, valued in excess of \$1 billion. These assets, including roads, footpaths, drains, community buildings, parks and reserves, play a vital role in the local economy and on quality of life. They exist in order to provide services to the community and businesses for current and future generations.

Large proportions of Council's assets have been in existence for many years. Council has also received a number of "gifted" assets from developers, which attract ongoing operational and maintenance costs over their life. At the same time, demographic change is challenging the capacity of existing assets to meet the increasing demands of the environment in which they are located. The community's expectations too are increasing, which affects the ability of existing purpose-built assets to meet the changing needs of future residents. As community assets have a lengthy useful life, it is a complex task to monitor the cost and timing of their renewal.

Asset management is a critical tool in ensuring appropriate provision is made for the long-term management of community assets, and their impacts on all areas of service planning and delivery. The City of Marion's Asset Management Vision is:

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

Council's Asset Management Plans detail information about our assets and define the services to be provided, how the services are provided, and what funds are required to provide the services. All City of Marion assets are audited every three years under an inspection regime.

## 8. Measuring our success

Monitoring performance is a critical element of strategic management. It is the mechanism for critically ensuring that Council is contributing to the achievement of both the Strategic Plan and the 3-year Business Plan 2016-2019.

Our Key Performance Indicator (KPI) dashboard for 2018/19 (provided in the table below) takes account of Council's objectives over the next three years.

Key Performance Indicator	Core Target	Stretch Target
Financial Sustainability	Council maintains a break even or positive cash funding position in delivering its annual budget	
Delivery of agreed projects identified in the Annual Business Plan and the third year targets in the 3 year Plan	Greater than or equal to 95%	
Lost Time Injury Frequency Rate	Greater than or equal to 10% reduction from the previous year's result	Greater than or equal to 15% reduction from the previous year's result
Total employee costs (including agency staff)	Less than or equal to 3% increase in actual employee costs (including agency staff) against prior year's actual costs	Less than or equal to 2% increase in actual employee costs (including agency staff) against prior year's actual costs
Staff retention	90% retention	95% retention
Overall satisfaction with Council's performance	Greater than or equal to 75% rated as satisfied or above	Greater than or equal to 85% rated as satisfied or above
Asset Sustainability	Asset Sustainability Ratio greater than or equal to 80%	Asset Sustainability Ratio greater than or equal to 90%
Delivery of Council's capital works program	Greater than or equal to 80% delivery of Council's planned capital works program (adjusted for extraordinary items)	Greater than or equal to 90% delivery of Council's planned capital works program (adjusted for extraordinary items)
Staff engagement	Achievement of an overall employee pulse survey result of 75%, based on 9 metrics (including Community, Values, Safety, Expectations, Valued, Empowerment, Development, Recognition, Happiness)	Achievement of an overall employee pulse survey result of 80%

We will report on our progress against our 2018/19 KPI dashboard quarterly at Council meetings and in our 2018/19 Annual Report.

## 9. Funding the Annual Business Plan

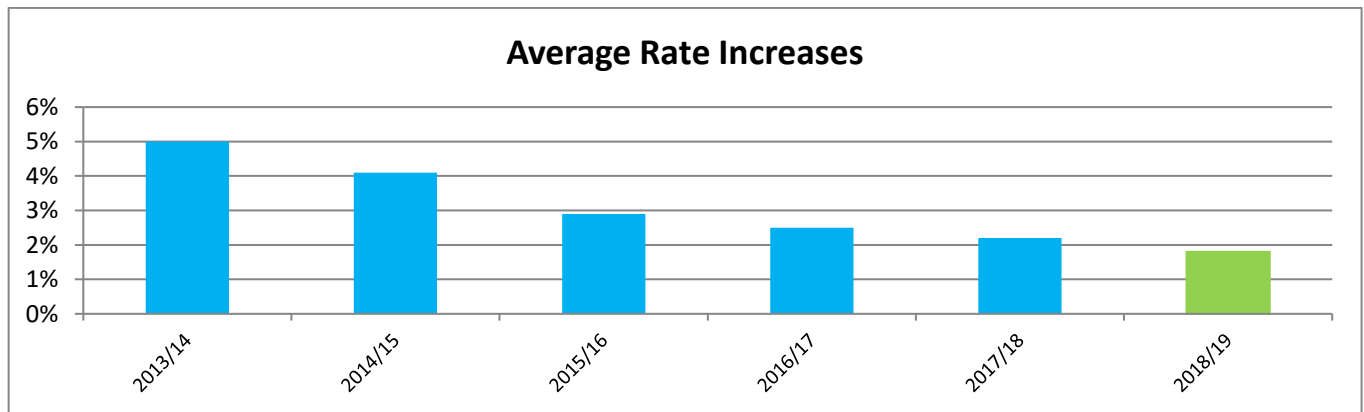
### 9.1 Your rates in 2018/19

The Annual Business Plan is based on an average rate increase of 1.8%. In setting rates for 2018/19, council has forecast the revenue required to meet the costs of delivering the services and projects that will be provided to the community in 2018/19.

Rates account for 83% percent of council's operating revenue with others sources including fees, charges and grants. These revenues contribute to the necessary funding for planned capital renewal programs in 2018/19.

While the average rate increase is 1.8%, it is to be noted that actual rates payable by a rate payer will vary according to individual property valuations, the attributed land use, and whether there has been any new development or capital improvement at the land.

Over the past years, we have listened to your feedback and Council is aware of the impact of rate increases on the community. We are continually looking for opportunities that allow this burden to be reduced and as a result our rate increases have been decreasing steadily over the past six years. The 2018/19 rate increase is the lowest in over 15 years, and continues to head in the desired downward direction.

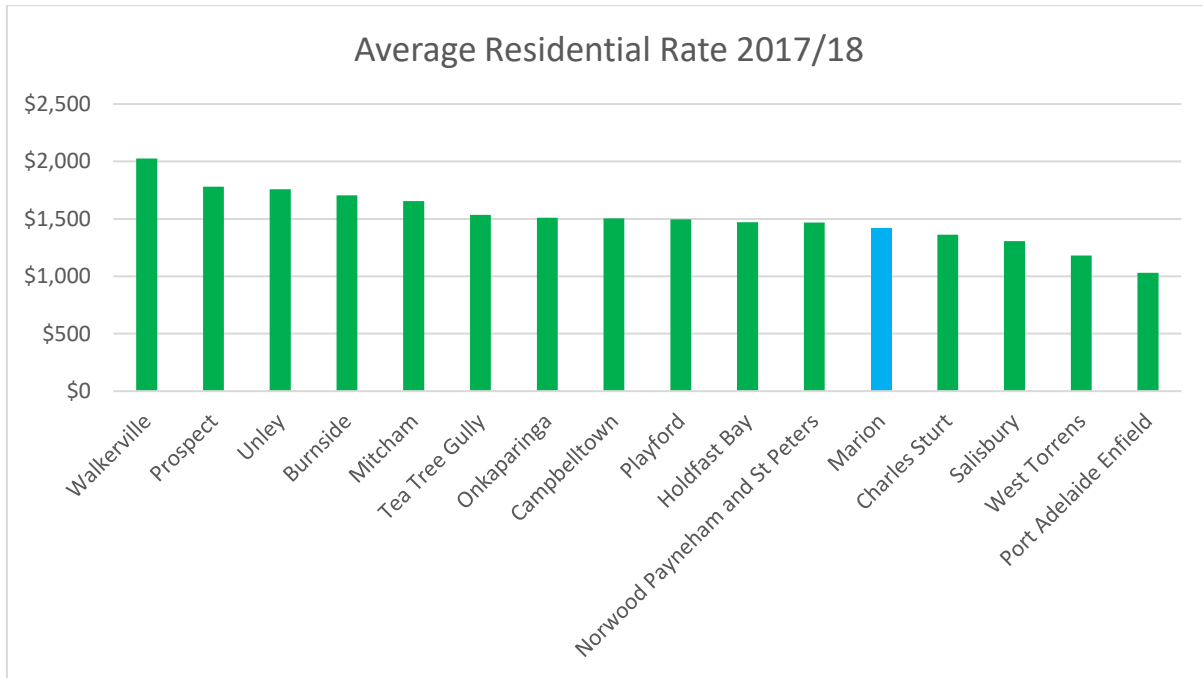


With changing community needs and other external influences impacting on the community, there is a need for council to consider how to plan more effectively, both for the longer term and more immediate community benefit. The rate increase is set at a level that provides confidence that services will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

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

## Comparative Rating Data

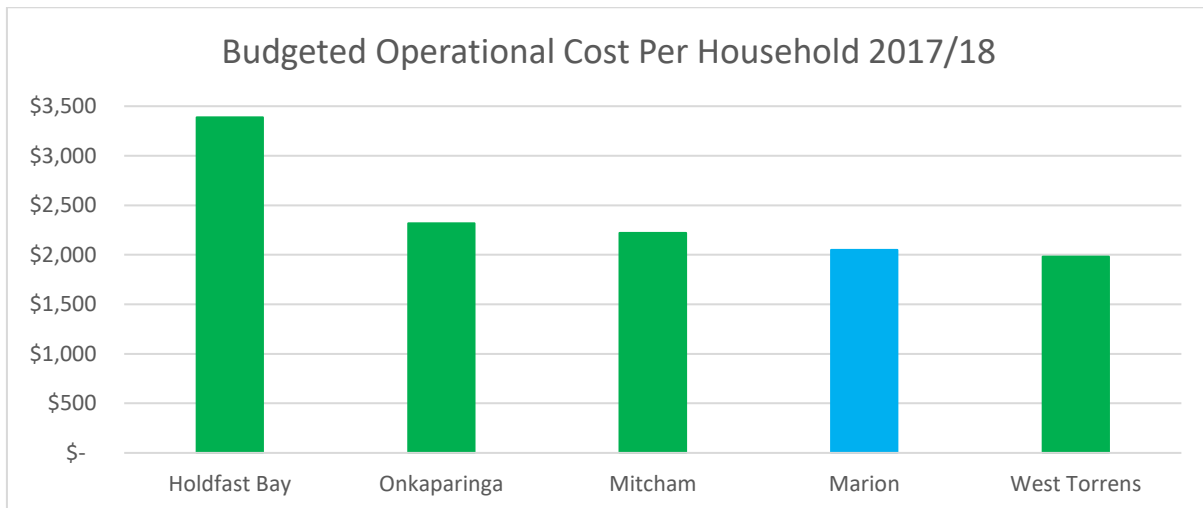
### Average Residential Rate



With a rate rise of 1.8% the City of Marion’s average residential rate is in line with Council’s ABP framework and set to remain among the lower rating metropolitan councils. In 2017/18 Council had the 5<sup>th</sup> lowest average metropolitan residential rate.

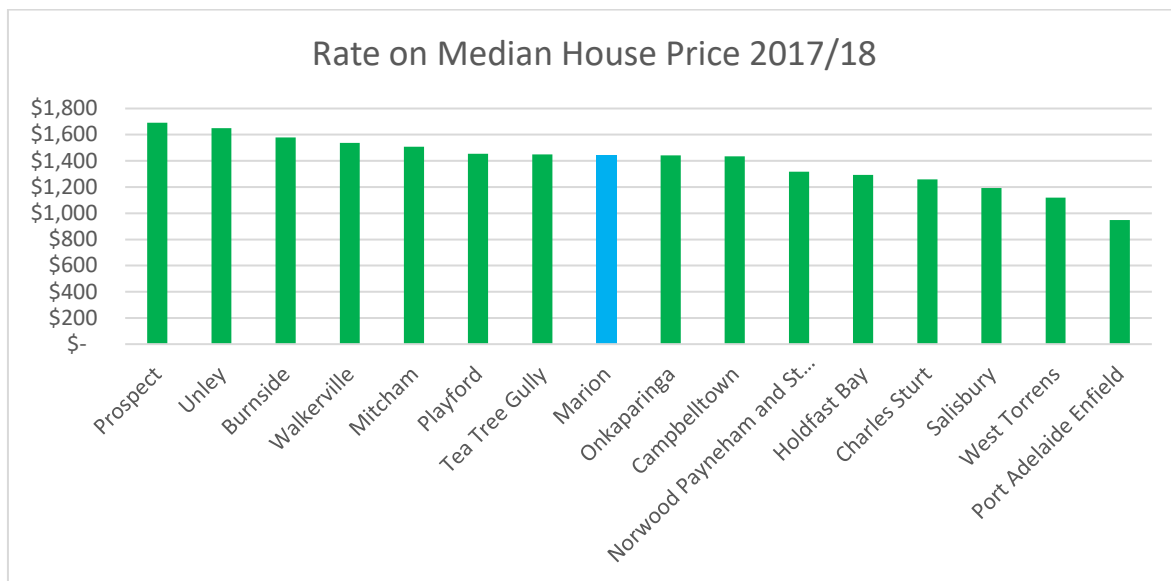
### Operational Cost per Household

Council’s primary benchmark is to compare its average residential rate against other metropolitan councils as shown in the “Average Residential Rate 2017/18” table above. The table below illustrates that council’s operational costs per household compares favourably against that of our neighbouring councils. This does not take into account different councils’ service levels, infrastructure renewal and revenue from grants.



### Rate on Median House Prices

The distribution of rates on median house prices shown in the graph below are reasonably even. The rate on the median house price is similar for our neighbouring councils of Mitcham, Onkaparinga and Holdfast Bay, with West Torrens being the exception.



Median Property Values for our neighbouring councils are

Mitcham	\$529,999
Holdfast Bay	\$510,015
West Torrens	\$439,989
Marion	\$414,913
Onkaparinga	\$319,980

### 9.2 Differential Rating

Council currently derives 18% (2017/18: 18%) of its rate revenue from the Commercial and Industrial sectors. Commercial and Industrial users consume a greater proportion of council resources than residential properties, particularly in regard to the use of roads, footpaths, traffic, parking, storm water drainage, public health and environment.

Council uses a differential rating system to raise revenue based upon its Land Use and will continue to do so to ensure a fair and equitable distribution of rates within the City of Marion. The differential rate is charged in addition to the normal rate. In applying this approach, council will take into consideration all prevailing economic conditions and changes and adjust its differential rates accordingly, to ensure an appropriate and fair equalisation of rates across all land use categories. Differential rates to apply to land use are as follows:

Commercial	85%	(2017/18: 85%)
Industrial	70%	(2017/18: 70%)
Vacant Land	100%	(2017/18: 100%)

### 9.3 Budgeted Income Statement

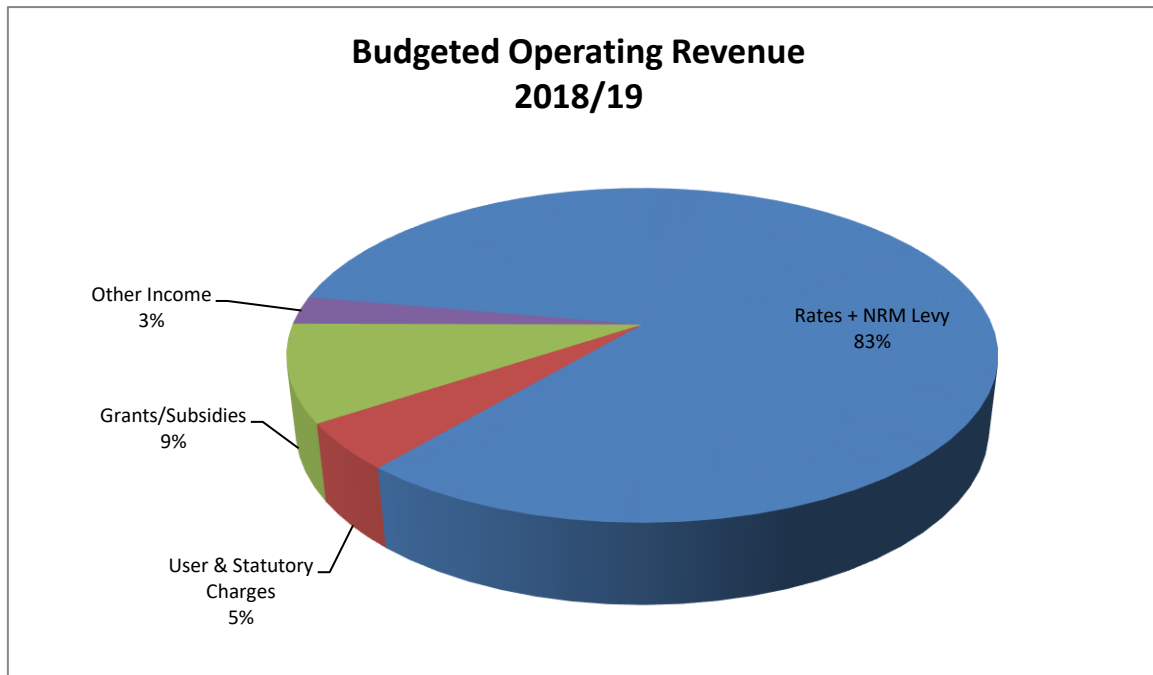
An operating surplus of \$4.363m before capital revenues is forecast for 2018/19. An operating surplus is required to fund the renewal of existing infrastructure in accordance with council's asset management plans.

	3rd Review 2017/18 \$'000	Budget 2018/19 \$'000	Variance \$'000
<b>Budgeted Income Statement</b>			
<b>Operating Revenue</b>			
Rates - General	73,043	75,231	2,188
Rates - NRM Levy *	1,799	1,942	143
Statutory Charges	2,193	2,081	(112)
User Charges	2,236	2,076	(160)
Grants/Subsidies	7,405	8,658	1,253
Investment Income	1,108	704	(404)
Reimbursements	725	564	(162)
Other Revenue	1,801	878	(924)
Share of Profit/(Loss) Regional Subsidiaries	334	344	10
<b>Total Operating Revenue</b>	<b>90,644</b>	<b>92,477</b>	<b>1,833</b>
<b>Operating Expenditure</b>			
Employee Costs	33,896	34,896	1,000
Contractor Services	20,622	20,490	(132)
Materials	5,065	4,469	(596)
Finance Charges	541	467	(74)
Depreciation	17,105	17,105	-
Other Expenses	7,115	10,687	3,572
<b>Total Operating Expenditure</b>	<b>84,344</b>	<b>88,114</b>	<b>3,770</b>
<b>Operating Surplus/(Deficit) before Capital Revenues</b>	<b>6,300</b>	<b>4,363</b>	<b>(1,937)</b>
Capital Grants and Contributions	1,260	-	(1,260)
Physical resources received free of charge	1,500	-	(1,500)
<b>Net Surplus/(Deficit) resulting from Operations</b>	<b>9,060</b>	<b>4,363</b>	<b>(4,697)</b>

\* Note: The NRM Levy is collected by Council on behalf of the Adelaide and Mt Lofty Ranges Natural Resources Management Board.

## 9.4 Operating Revenue

The main source of income for council is rate revenue; making up 83% of total council revenue in 2018/19, with other sources being government regulated fees for statutory services, an environment of diminishing levels of untied federal grant monies, as well as other grants from State and Federal government.



### General Rates

Council's revenue in 2018/19 includes \$75.23m to be raised in general rates. The budget has been developed on the basis of an average rate increase of 1.8% (excluding new developments and capital improvements). In setting rates for 2018/19, council has forecast the revenue required to meet the costs of delivering the services and projects that will be provided to the community in 2018/19.

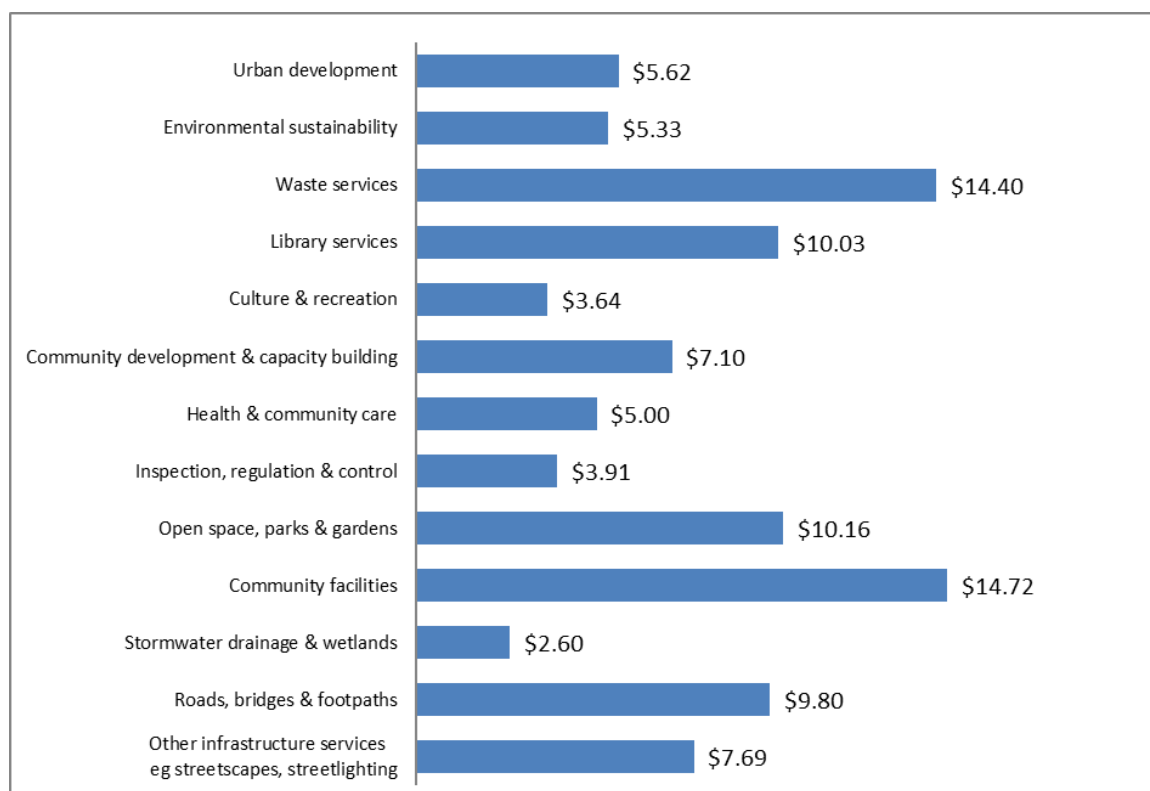
Growth for new developments and capital improvements is forecast at 1% for 2018/19. This predominantly is the result of new housing in Marion and property improvements as reported by the Valuer General. The revenue created by this growth will cover the increased costs of servicing a growing community which includes the requirement to maintain and provide for the replacement of infrastructure such as stormwater drainage and transport networks.

### Other Sources of Revenue

- **User Charges set by council** – Relate mainly to the recovery of service delivery costs through the charging of fees to users of council's services. These include charges for the use of council's community facilities, swimming pool admission and the like.
- **Statutory Charges set by State Government** – Relate mainly to fees and fines levied in accordance with legislation and include development application fees, health act registrations and parking fines.
- **Grants and Subsidies** – Grants include all monies received from State and Federal sources for the purpose of funding the delivery of council's services to ratepayers and for the funding of the capital works program. The budget for 2018/19 includes the balance of grant funding towards Edwardstown Soldiers Memorial Oval redevelopment of \$2.4m (up from \$1.4m in 2017/18).

## 9.5 Operating Expenditure

Council's operating expenses are forecast to increase to \$88.114m in 2018/19. The following graph shows a breakdown of operating expenditure across council services for every \$100 spent:



## Employee Costs

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

Employee costs are forecast to increase by \$1.0m primarily because of increases in existing staff Enterprise Agreements (currently 2.3%, in line with the March 2018 CPI).

There are two Enterprise Agreements (EA's) covering our indoor and outdoor staff. The indoor (clerical) staff EA is negotiated with the Australian Services Union and staff agreed to a 2% per annum increase, or March CPI if greater, for the 3 years to 30 June 2019. The outdoor staff EA is negotiated with the Australian Workers Union (AWU). The AWU EA expired on 30 June 2017 and is currently being renegotiated (the previous 3 year EA has given average annual increases of 3.41%).

The employee costs also include an allowance of \$429k for positions that may be temporarily vacant during the year.

## Contractor Services

Contractor services relate mainly to the provision of council services by external providers. Council uses contractors to assist in the provision of major services such as waste collection, and also where specialist services or advice is required where it is not warranted for Council to have permanent in-house resources. A decrease of \$132k (0.6%) is forecast in the 2018/19 budget.

## Materials

Council's Materials budget includes utilities, products utilised in the delivery of community services and maintenance of council's infrastructure, open space, and other assets, as well as fuel for the fleet of vehicles used to deliver services. A decrease of \$596k (11.8%) in materials is forecast in the 2018/19 budget, and relates predominantly to decreases in electricity savings – a portion of which relates to savings from the LED Streetlight replacement project.

## Other Expenses

The key increases in Council's Other Expense category include a \$2.5m contribution towards a Southern Region Soccer Facility and a \$1.0m contribution towards Oaklands Crossing.

## 9.6 Capital Revenue

### Capital Grants and Contributions

Council has no forecast capital grants and contributions towards new capital works planned in 2018/19.

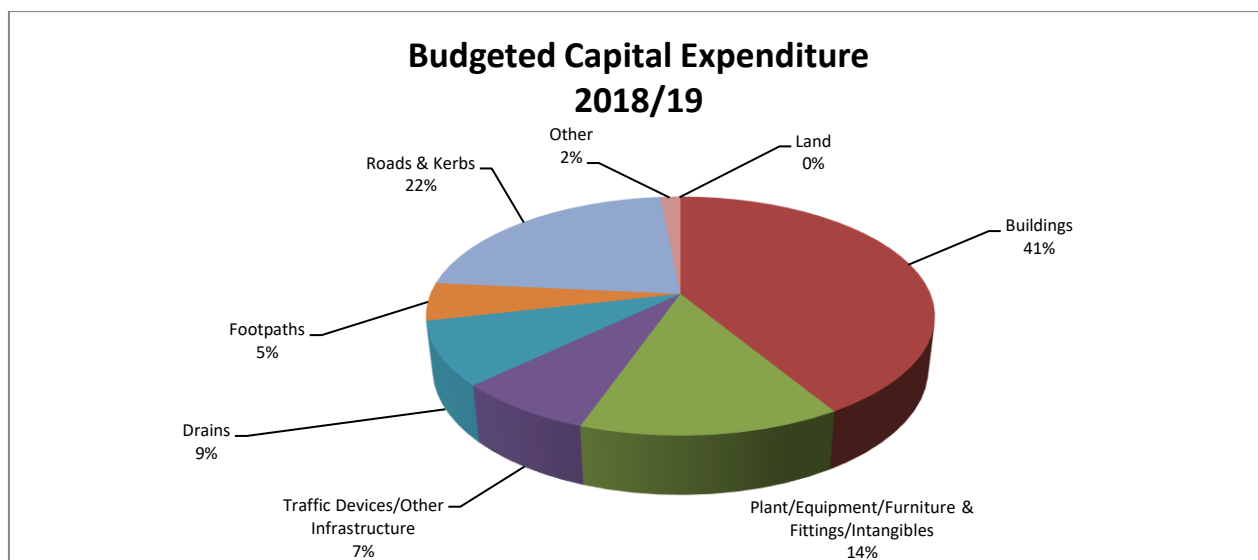
## 9.7 Budgeted Capital Expenditure

The 2018/19 Budgeted Statement of Capital Expenditure forecasts total capital expenditure of \$30.283m including \$17.624m renewal and \$12.659m new and upgrade.

The following table summarises council's planned Capital Works Program for 2018/19.

	3rd Review 2017/18 \$'000	Budget 2018/19 \$'000
<b>Capital Expenditure</b>		
Land	1,926	0
Buildings	10,140	12,519
Infrastructure:		
Roads & Kerbs	5,912	6,650
Drains	2,355	2,594
Footpaths	1,708	1,550
Traffic Control Devices	367	405
Other Infrastructure	5,222	1,861
Plant and Equipment	3,697	4,054
Furniture and Fittings	57	191
Other	996	460
<b>Total Capital expenditure</b>	<b>32,380</b>	<b>30,283</b>
Represented By:		
Capital Expenditure		
Assets - Renewal	16,585	17,624
Assets - New	15,795	12,659
	<b>32,380</b>	<b>30,283</b>

Key capital projects included in the budget are the Edwardstown Soldiers Memorial Oval redevelopment (\$5.110m), LED Streetlight Replacement (\$2.066m), Marion Outdoor Swim Centre upgrades (\$1.193) and the development of Heron Way Reserve (\$1.649m).



### 9.8 Financing the Budget

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

	3rd Review 2017/18 \$'000	Budget 2018/19 \$'000
<b>Net Lending/(Borrowing)</b>		
Operating Surplus/Deficit before Capital Amounts	6,300	4,363
<u>less: Net Outlay on Existing Assets</u>		
Capital expenditure on asset renewal/replacement	16,585	17,624
less Depreciation/Ammortisation	(17,105)	(17,105)
	<b>(520)</b>	<b>519</b>
<u>less: Net Outlay on New/Upgrade Assets</u>		
Capital expenditure on New & Upgrade Assets	15,795	12,659
less Capital Grants	(1,260)	0
	<b>14,535</b>	<b>12,659</b>
Adjustments		
Share of Equity - Regional Subsidiaries	(334)	(344)
	<b>(334)</b>	<b>(344)</b>
<b>Net funding increase/(decrease)</b>	<b>(8,049)</b>	<b>(9,159)</b>

The table above identifies the council's net funding result. Council's budget for 2018/19 is expected to result in a net decrease in funding of \$9.159m.

Financing transactions associated with accommodating the expected net lending result in 2018/19 are as follows:

	<b>3rd Review 2017/18 \$'000</b>	<b>Budget 2018/19 \$'000</b>
<b>Financing Transactions</b>		
New Borrowings	0	0
less: Repayment of Principal on Borrowings	(1,197)	(1,100)
less: Increase/(Decrease) in Cash & Investments		
Transfers from/(to) Reserves	10,464	10,806
Cash Drawdowns/(Investment)	(1,218)	(548)
<b>Equals: Financing Transactions</b>	<b>8,049</b>	<b>9,159</b>

No additional borrowings are forecast in 2018/19, and as such principal repayments of existing loans will result in a forecast balance outstanding as at 30 June 2019 of \$6.805m.

## 9.9 Financial Ratios

To assist council in meeting its objective of financial sustainability a series of financial indicators endorsed by the Local Government Association are provided. Where a council target has not been adopted, the recommended Local Government Association (LGA) target has been used. The following table details these financial indicators and whether or not the prescribed target has been achieved over the five years up to the end of 2018/19.

<b>Ratio</b>	<b>Council Target</b>	<b>2018/19 Budget</b>	<b>5 Year Average</b>
Operating Surplus	0% - 5%	4.72%	9.81%
Asset Sustainability	95% - 100%	105.4%	87.5%
Asset Consumption	80% - 100%	76.30%	78.3%
Net Financial Liabilities	0% - 50%	(7.52%)	N/A
Debt Servicing	0% - 5%	1.7%	N/A

Council's Asset Sustainability and Asset Consumption ratios both fall outside of their targets. This indicates that Council's asset base requires further renewal, with continuing work on its Asset Management Plans and strategies relating to specific asset classes in progress to set a good foundation for improving this in future.

All other ratios are within their targeted ranges. Meeting these targeted ranges is consistent with Council meeting its objective of long-term financial sustainability.

## Appendix 1. Budgeted Income Statement

CITY OF MARION			
Budgeted Income Statement			
Budget 2017/18 \$'000	3rd Review 2017/18 \$'000		Budget 2018/19 \$'000
		<b>Operating Revenue</b>	
73,130	73,043	Rates - General	75,231
1,767	1,799	Rates - NRM Levy	1,942
1,812	2,193	Statutory Charges	2,081
1,752	2,236	User Charges	2,076
5,509	7,405	Grants/Subsidies	8,658
754	1,108	Investment Income	704
681	725	Reimbursements	564
1,233	1,801	Other Revenue	878
334	334	Share of Profit/(Loss) SRWRA	344
<b>86,972</b>	<b>90,644</b>	<b>Total Operating Revenue</b>	<b>92,477</b>
		<b>Operating Expenditure</b>	
34,013	33,896	Employee Costs	34,896
17,326	20,622	Contractor Services	20,490
5,044	5,065	Materials	4,469
545	541	Finance Charges	467
17,030	17,105	Depreciation	17,105
8,005	7,115	Other Expenses	10,687
<b>81,964</b>	<b>84,344</b>	<b>Total Operating Expenditure</b>	<b>88,114</b>
<b>5,008</b>	<b>6,300</b>	<b>Operating Surplus/(Deficit) before Capital Revenues</b>	<b>4,363</b>
1,710	1,260	Capital Grants and Contributions	-
1,500	1,500	Physical resources received free of charge	-
<b>8,218</b>	<b>9,060</b>	<b>Net Surplus/(Deficit) resulting from Operations</b>	<b>4,363</b>

## Appendix 2. Budgeted Statement of Financial Position

CITY OF MARION			
Budgeted Statement of Financial Position			
Budget 2017/18 \$'000	3rd Review 2017/18 \$'000		Budget 2018/19 \$'000
		<b><u>Current Assets</u></b>	
15,358	32,567	Cash	25,326
5,290	5,840	Receivables	3,787
236	248	Inventory	231
<b>20,884</b>	<b>38,655</b>	<b>Total Current Assets</b>	<b>29,344</b>
		<b><u>Current Liabilities</u></b>	
7,999	10,235	Creditors	10,701
5,140	5,239	Provisions	5,705
1,100	1,100	Loans	1,170
<b>14,239</b>	<b>16,574</b>	<b>Total Current Liabilities</b>	<b>17,576</b>
<b>6,645</b>	<b>22,081</b>	<b>Net Current Assets/(Liabilities)</b>	<b>11,768</b>
		<b><u>Non-Current Assets</u></b>	
6,317	6,393	Investment in Regional Subsidiaries	6,736
1,139,881	1,157,639	Infrastructure, Property, Plant & Equipment	1,170,817
<b>1,146,198</b>	<b>1,164,032</b>	<b>Total Non-Current Assets</b>	<b>1,177,553</b>
		<b><u>Non-Current Liabilities</u></b>	
796	701	Provisions	716
6,805	6,805	Loans	5,635
<b>7,601</b>	<b>7,506</b>	<b>Total Non-Current Liabilities</b>	<b>6,351</b>
<b>1,145,242</b>	<b>1,178,607</b>	<b>Net Assets</b>	<b>1,182,970</b>
		<b><u>Equity</u></b>	
393,001	393,395	Accumulated Surplus	408,564
752,241	785,212	Reserves	774,406
<b>1,145,242</b>	<b>1,178,607</b>	<b>Total Equity</b>	<b>1,182,970</b>

### Appendix 3. Budgeted Statement of Changes in Equity

CITY OF MARION			
Budgeted Statement of Changes in Equity			
Budget 2017/18 \$'000	3rd Review 2017/18 \$'000		Budget 2018/19 \$'000
		<b>Accumulated Surplus</b>	
381,674	373,871	Balance at beginning of period	<b>393,395</b>
8,218	9,060	Net Surplus/(Deficit)	4,363
7,651	15,431	Transfers from Reserves	11,165
(4,543)	(4,967)	Transfers to Reserves	(359)
<b>393,000</b>	<b>393,395</b>	<b>Balance at end of period</b>	<b>408,564</b>
		<b>Asset Revaluation Reserve</b>	
735,835	765,159	Balance at beginning of period	765,159
<b>735,835</b>	<b>765,159</b>	<b>Balance at end of period</b>	<b>765,159</b>
		<b>Other Reserves</b>	
19,515	30,517	Balance at beginning of period	20,053
(3,109)	(10,464)	Net change	(10,806)
<b>16,407</b>	<b>20,053</b>	<b>Balance at end of period</b>	<b>9,247</b>
<b>752,242</b>	<b>785,212</b>	<b>Total Reserves</b>	<b>774,406</b>
<b>1,145,242</b>	<b>1,178,607</b>	<b>Total Equity</b>	<b>1,182,970</b>

## Appendix 4. Budgeted Statement of Cash Flows

CITY OF MARION			
Budgeted Statement of Cash Flows			
Budget 2017/18 \$'000	3rd Review 2017/18 \$'000		Budget 2018/19 \$'000
		<b>Cash Flows from Operating Activities</b>	
85,308	90,310	<i>Receipts</i>	94,220
(65,035)	(67,239)	<i>Payments</i>	(70,078)
<b>20,273</b>	<b>23,071</b>	<b>Net Cash Provided by Operating Activities</b>	<b>24,142</b>
		<b>Cash Flows from Financing Activities</b>	
		<i>Receipts</i>	
-	-	Loans Received	-
		<i>Payments</i>	
(1,197)	(1,197)	Principal	(1,100)
<b>(1,197)</b>	<b>(1,197)</b>	<b>Net Cash (Used In) Financing Activities</b>	<b>(1,100)</b>
		<b>Cash Flows from Investing Activities</b>	
		<i>Receipts</i>	
1,710	1,260	Capital Grants/Subsidies & Contributions/Investments	-
		<i>Payments</i>	
(25,327)	(32,380)	Purchase of IPP&E	(30,283)
<b>(23,617)</b>	<b>(31,120)</b>	<b>Net Cash (Used In) Investing Activities</b>	<b>(30,283)</b>
		<b>Net Increase/(Decrease) in Cash Held</b>	<b>(7,241)</b>
(4,541)	(9,246)	<b>Cash at Beginning of Reporting Period</b>	<b>32,567</b>
19,899	41,813	<b>Cash at End of Reporting Period</b>	<b>25,326</b>
<b>15,358</b>	<b>32,567</b>		

## Appendix 5. Budgeted Funding Statement

CITY OF MARION			
Budgeted Funding Statement			
Budget			
Budget 2017/18 \$'000	3rd Review 2017/18 \$'000		Budget 2018/19 \$'000
		<b>Operating Revenue</b>	
74,897	74,842	Rates	77,173
1,812	2,193	Statutory Charges	2,081
1,752	2,236	User Charges	2,076
5,509	7,405	Operating Grants & Subsidies	8,658
754	1,108	Investment Income	704
681	725	Reimbursements	564
1,233	1,801	Other	878
334	334	Net gain - SRWRA	344
<b>86,972</b>	<b>90,644</b>		<b>92,477</b>
		<b>Operating Expenses</b>	
34,013	33,896	Employee Costs	34,896
17,326	20,622	Contractual Services	20,490
5,044	5,065	Materials	4,469
545	541	Finance Charges	467
17,030	17,105	Depreciation	17,105
8,005	7,115	Other	10,687
<b>81,963</b>	<b>84,344</b>		<b>88,114</b>
<b>5,009</b>	<b>6,300</b>	<b>Operating Surplus/(Deficit) before Capital Revenues</b>	<b>4,363</b>
		<b>Capital Revenue</b>	
1,710	1,260	Capital Grants & Subsidies	-
1,500	1,500	Contributed Assets	-
-	-	Gain/(Loss) on Asset Disposal	-
<b>3,210</b>	<b>2,760</b>		<b>-</b>
<b>8,219</b>	<b>9,060</b>	<b>Net Surplus/(Deficit) resulting from operations</b>	<b>4,363</b>
17,030	17,105	<i>add</i> Depreciation	17,105
334	334	<i>less</i> Share of Profit SRWRA (excluding dividend)	344
<b>24,915</b>	<b>25,831</b>	<b>Funding available for Capital Investment</b>	<b>21,124</b>
		<b>Capital</b>	
14,766	16,585	<i>less</i> Capital Expenditure - Renewal	17,624
10,561	15,795	<i>less</i> Capital Expenditure - New	12,659
1,500	1,500	<i>less</i> Capital - contributed assets	-
-	-	<i>add</i> Proceeds from Sale of Surplus Land	-
<b>(1,912)</b>	<b>(8,049)</b>	<b>Net funding increase/(decrease)</b>	<b>(9,159)</b>

Budgeted Funding Statement			
Budget 2017/18 \$'000	3rd Review 2017/18 \$'000		Budget 2018/19 \$'000
		Funded by;	
		Loans	
-	-	Loan Principal Receipts (Net)	-
-	-	Loan Receipts/(Payments) from Sporting Clubs (Net)	-
1,197	1,197	less Loan Principal Repayments	1,100
<u>(1,197)</u>	<u>(1,197)</u>	Loan Funding (Net)	<u>(1,100)</u>
		Movement in level of cash, investments and accruals	
-	1,218	Cash Surplus/(Deficit) funding requirements	548
(3,109)	(10,464)	Reserves Net transfer to/(transfer from)	(10,806)
<u>(3,109)</u>	<u>(9,246)</u>	Cash/Investments/Accruals Funding	<u>(10,259)</u>
<u>1,912</u>	<u>8,049</u>	Funding Transactions	<u>9,159</u>

## Appendix 6. Capital Works Program

ROAD RESEAL PROGRAM 2018/19				
Road Name	Suburb	Ward	From	To
Program currently being finalised				

RESIDENTIAL FOOTPATH PROGRAM 2018/19				
Road Name	Suburb	Ward	From	To
Proactive Footpath Works	Various	Various		
Bathbank Crescent	Sheidow Park	Southern Hills	#12 Bathbank Crescent	#6 Bathbank Crescent
Brayden Court	Mitchell Park	Warriparinga	Lynton Avenue (North)	Alley way
Clifftop Crescent	Marino	Coastal	Fryer Avenue	End
Currie Court	Sheidow Park	Southern Hills	#5 Currie Court	School Boundary
Dutchman Drive	Hallett Cove	Coastal	Bus Stop 57A	The Cove Road
Emma St and Ruth Court	Marino	Coastal	The Cove Road	Emma Street (West)
First Avenue	Ascot Park	Coastal	Railway Terrace	Existing path
Frederick Lane	Glandore	Woodlands	Pleasant Avenue	Laneway
Gangara Court	Glengowrie	Mullawirra	#9 Gangara Court	#12 Gangara Court
Haddon Street	Mitchell Park	Warriparinga	Thorn Avenue	Quick Road
Harlow Street	Mitchell Park	Warriparinga	Thorn Avenue	Quick Road
High Street	Seacliff Park	Coastal	32 High Street	Bus stop 43A
Kulanda Road	Marino	Coastal	#3 Kulanda Road	Sheidow Terrace
Lonsdale Road	Hallett Cove	Coastal	Bus Stop 52C	Ragamuffin Drive
Main South Road	Clovelly Park	Warriparinga	#1262 Main South Road	#1266 Main South Road
Pildappa Avenue	Park Holme	Mullawirra	Marion Road	#12 Pildappa Avenue
Shaftesbury Terrace	Marino	Coastal	Carlton Terrace	#3 Shaftesbury Terrace
Spinks Road	Marino	Coastal	Jervois Terrace	#17 Spinks Road
Teesdale Crescent	Plympton Park	Mullawirra	#13 Teesdale Crescent	Teesdale Crescent
Thermopylae Crescent	Hallett Cove	Coastal	Sandison Road	Narida Street
West Street	Seacliff Park	Coastal	#4 West Street	Hill Street

TRAFFIC DEVICES PROGRAM 2018/19			
Road Name	Suburb	Ward	Description
Calum Grove	Seacombe Heights	Warriparinga	School Crossing
East Terrace	Edwardstown	Woodlands	Parking Bay
Grand Central / Shamrock	Hallett Cove	Coastal	Roundabout
Kangaroo Thorn	Sheidow Park	Southern Hills	Parking Bay
Lander Road	Oaklands Park	Southern Hills	Raised Median
Livingston / Filmer	Glengowrie	Mullawirra	Roundabout
Morphett Road	Warradale	Warracowie	Parking Areas

STORMWATER DRAINAGE PROGRAM 2018/19		
Road Name	Suburb	Ward
Forrest Avenue	Marino	Coastal
Herron Way	Hallett Cove	Coastal
John Street	Ascot Park	Woodlands

STREETSCAPE PROGRAM 2018/19		
Road Name	Suburb	Ward
Birch Crescent (Design)	Tonsley	Warriparinga
Bray Street	Plympton Park	Mullawirra
Railway Terrace	Edwardstown	Woodlands
Warracowie Way (Design)	Oaklands Park	Warracowie

IRRIGATION & WETLANDS PROGRAM 2018/19		
Location	Suburb	Ward
Alawoona Avenue Reserve	Mitchell Park	Warriparinga
Bandon Terrace Reserve	Marino	Coastal
First Avenue Reserve	Hallett Cove	Coastal
Heron Way Reserve	Hallett Cove	Coastal
Kenton Reserve	Marion	Warriparinga
Mitchell Park Reserve	Mitchell Park	Warriparinga
Pavana Reserve	Hallett Cove	Coastal
Shamrock Reserve	Hallett Cove	Coastal

OTHER INFRASTRUCTURE PROGRAM 2018/19		
Details	Suburb	Ward
Bus Shelters	Various	Various
Edwardstown Bore	Edwardstown	Woodlands
Kerb & Water Table	Various	Various
LED Lighting Transition	Various	Various
Signage	Various	Various
Sturt Linear Path	Glengowrie	Mullawirra
Sturt River Bridge	Morphettville	Mullawirra
Walking & Cycling Pathways	Various	Various
Warriparinga Reserve Bore	Sturt	Warriparinga

OPEN SPACE & RECREATION WORKS PROGRAM 2018/19			
Location	Suburb	Ward	Description
<b>Playground Implementation Program</b>			
Heron Way Reserve	Hallett Cove	Coastal	Construction
Bandon Terrace Reserve	Marino	Coastal	Construction
Shamrock Road Reserve	Hallett Cove	Coastal	Construction
First Avenue Reserve	Ascot Park	Woodlands	Construction
Mitchell Park Oval	Mitchell Park	Warriparinga	Construction
Various*	Various	Various	Remove Playground without replacement
* Council is currently finalising the exact locations for playground removals for 18/19			
<b>Reserve Improvements</b>			
Oaklands Estate (Reserve & Playground)	Oaklands Park	Warracowie	Construction
2nd Dog Park	TBC	TBC	Construction
Various*	Various	Various	Installation of shade sails
*Council is currently finalising the exact location for the provision of shade in 18/19			
<b>Public Toilets</b>			
Shamrock Road Reserve	Hallett Cove	Coastal	Install new facility
Capella Reserve	Hallett Cove	Coastal	Install new facility
<b>Tennis &amp; Netball Courts</b>			
Morphettville Tennis Club	Morphettville	Mullawirra	Courts and facility improvements
Glandore Oval	Glandore	Woodlands	Courts and facility improvements
Hamilton Park Reserve	Warradale	Warracowie	Remove courts, clubroom and then landscape
Ballara Park	Warradale	Warracowie	Remove courts and then landscape
Sandery Avenue Courts	Seacombe Gardens	Warracowie	New shelter, site power and storage

PROPERTY/BUILDING WORKS PROGRAM 2018/19			
Location	Suburb	Ward	Description
Various	Various	Various	Solar infrastructure installations
Active Elders	Ascot Park	Woodlands	Replace ceiling
Administration Building	Sturt	Warriparinga	Front counter and entrance upgrade
Cosgrove Hall	Clovelly Park	Warriparinga	New Air Conditioner
Cove Sports Club	Hallett Cove	Coastal	Replace oval lights
Edwardstown Soldiers Memorial Oval	Edwardstown	Woodlands	Redevelopment
Fairford House	Bedford Park	Warriparinga	Window treatments
Fitzgerald James Building	Glandore	Woodlands	Replace Electricity Board, DDA works
Glandore Community Centre	Glandore	Woodlands	Replace signage
Glengowrie YMCA	Glengowrie	Mullawirra	Replace kitchen
Hallett Cove Tennis Club	Hallett Cove	Coastal	Replace floor covering
Marion Bowling Club	Marion	Warriparinga	Replace kitchen
Marion City Band Building	Edwardstown	Woodlands	Replace kitchen and remove asbestos
Marion Cultural Centre	Oaklands Park	Warracowie	Coat Timber Floor
Marion Outdoor Pool	Park Holme	Mullawirra	Upgrade building, foyer and facade
Marion Outdoor Pool	Park Holme	Mullawirra	Car park renewal
Park Holme Library	Park Holme	Mullawirra	Upgrade toilets (DDA)
Trott Park Neighbourhood Centre	Trott Park	Southern Hills	Replace kitchen, signage and remove asbestos
Warradale Kindy	Warradale	Warracowie	Remove asbestos
Woodforde Family Reserve	Park Holme	Mullawirra	DDA works

**City of Marion**  
**10 Year Financial Plan for the Years ending 30 June 2028**  
**BUDGET SUMMARY - GENERAL FUND**  
**Scenario: Draft LTFP 2018/19 - 2027/28 - FAC290518**

	2018/19	2019/20	2020/21	2021/22	Projected Years		2024/25	2025/26	2026/27	2027/28
	\$'000	\$'000	\$'000	\$'000	2022/23	2023/24	\$'000	\$'000	\$'000	\$'000
<b>Income</b>										
Rates	77,173	79,328	81,543	83,820	86,161	88,567	91,040	93,582	96,196	98,882
Statutory Charges	2,081	2,133	2,187	2,241	2,297	2,355	2,414	2,474	2,536	2,599
User Charges	2,076	2,125	2,178	2,233	2,289	2,346	2,404	2,465	2,526	2,589
Grants, Subsidies and Contributions	8,658	6,035	6,186	6,340	6,499	6,661	6,828	6,999	7,174	7,353
Investment Income	704	887	886	915	947	993	1,120	1,311	1,532	704
Reimbursements	564	579	593	608	623	639	655	671	688	705
Other Income	878	883	888	894	900	906	912	918	924	931
Net gain - equity accounted Council businesses	344	354	365	376	387	398	410	423	435	448
<b>Total Income</b>	<b>92,477</b>	<b>92,323</b>	<b>94,826</b>	<b>97,427</b>	<b>100,102</b>	<b>102,864</b>	<b>105,783</b>	<b>108,842</b>	<b>112,011</b>	<b>114,212</b>
<b>Expenses</b>										
Employee Costs	34,896	35,315	36,127	37,081	38,067	39,084	40,136	41,223	42,171	43,141
Materials, Contracts & Other Expenses	35,647	31,391	32,322	32,860	33,985	33,472	34,141	34,824	36,042	36,231
Depreciation, Amortisation & Impairment	17,105	17,789	18,501	19,241	20,010	20,811	21,643	22,509	23,409	24,346
Finance Costs	467	867	1,389	1,269	1,167	1,060	956	877	794	706
<b>Total Expenses</b>	<b>88,114</b>	<b>85,362</b>	<b>88,339</b>	<b>90,451</b>	<b>93,229</b>	<b>94,426</b>	<b>96,877</b>	<b>99,433</b>	<b>102,416</b>	<b>104,423</b>
<b>Operating Surplus</b>	<b>4,363</b>	<b>6,962</b>	<b>6,486</b>	<b>6,977</b>	<b>6,872</b>	<b>8,438</b>	<b>8,906</b>	<b>9,409</b>	<b>9,594</b>	<b>9,788</b>
Amounts Received Specifically for New or Upgraded Assets	-	10,000	-	-	-	-	-	-	-	-
<b>Net Surplus / (Deficit) for the Year</b>	<b>4,363</b>	<b>16,962</b>	<b>6,486</b>	<b>6,977</b>	<b>6,872</b>	<b>8,438</b>	<b>8,906</b>	<b>9,409</b>	<b>9,594</b>	<b>9,788</b>
<b>Capital (Balance Sheet) and Reserve Movements</b>										
Capital Expenditure	(30,283)	(46,874)	(21,925)	(22,391)	(23,581)	(23,770)	(22,185)	(22,648)	(22,994)	(23,448)
Loan Repayments (External)	(1,100)	(1,170)	(2,287)	(1,918)	(2,020)	(2,127)	(1,565)	(1,644)	(1,727)	(1,815)
New Loan Borrowings (External)	-	12,960	-	-	-	-	-	-	-	-
Net Transfers (to)/from Reserves	10,806	2,090	(340)	(840)	(812)	(840)	(840)	(840)	(840)	(840)
<b>Total Capital (Balance Sheet) and Reserve Movements</b>	<b>(20,577)</b>	<b>(32,995)</b>	<b>(24,552)</b>	<b>(25,149)</b>	<b>(26,413)</b>	<b>(26,737)</b>	<b>(24,590)</b>	<b>(25,132)</b>	<b>(25,562)</b>	<b>(26,103)</b>
<b>Net Result (including Depreciation &amp; Other non-cash items)</b>	<b>(16,214)</b>	<b>(16,033)</b>	<b>(18,065)</b>	<b>(18,172)</b>	<b>(19,540)</b>	<b>(18,299)</b>	<b>(15,684)</b>	<b>(15,722)</b>	<b>(15,968)</b>	<b>(16,314)</b>
Add back Depreciation Expense (non-cash)	17,105	17,789	18,501	19,241	20,010	20,811	21,643	22,509	23,409	24,346
Add back Other Expenses (non-cash)	-	-	-	-	-	-	-	-	-	-
Less Other Income (non-cash)	(344)	(354)	(365)	(376)	(387)	(398)	(410)	(423)	(435)	(448)
<b>Cash Budget Surplus</b>	<b>548</b>	<b>1,402</b>	<b>71</b>	<b>693</b>	<b>83</b>	<b>2,113</b>	<b>5,549</b>	<b>6,364</b>	<b>7,006</b>	<b>7,583</b>
<b>Closing Cash Balance</b>	<b>25,326</b>	<b>24,901</b>	<b>26,110</b>	<b>28,017</b>	<b>29,254</b>	<b>32,634</b>	<b>39,386</b>	<b>46,950</b>	<b>55,122</b>	<b>63,922</b>
<b>Closing Reserve Balance</b>	<b>9,247</b>	<b>7,158</b>	<b>7,498</b>	<b>8,338</b>	<b>9,150</b>	<b>9,990</b>	<b>10,830</b>	<b>11,670</b>	<b>12,510</b>	<b>13,350</b>

**City of Marion**  
**10 Year Financial Plan for the Years ending 30 June 2028**  
**KEY PERFORMANCE INDICATORS - GENERAL FUND**  
**Scenario: Draft LTFP 2018/19 - 2027/28 - FAC290518**

**Projected Years**

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
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<p> Within green benchmark (green min and/or green max)</p> <p> Within amber benchmark (amber min and/or amber max)</p> <p> Not within benchmark (amber min and/or amber max)</p>	<p> Within green benchmark</p> <p> above green maximum and below amber maximum</p> <p> below green minimum and above amber minimum</p> <p> above amber maximum</p> <p> below amber minimum</p>
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**Council's Target Benchmarks**

**Note 15 Ratios**

Operating Surplus Ratio

Snapshot																				
Actual Ratio	4.72%		8.05%		7.33%		7.64%		7.33%		8.66%		8.86%		9.07%		8.98%		8.98%	

Adjusted Operating Surplus Ratio

Snapshot																				
Actual Ratio	4.72%		8.05%		7.33%		7.64%		7.33%		8.66%		8.86%		9.07%		8.98%		8.98%	

Net Financial Liabilities Ratio

Snapshot	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
Actual Ratio	-7.52%	4.23%	1.05%	-2.85%	-5.84%	-11.22%	-18.69%	-26.55%	-34.47%	-43.13%

Asset Sustainability Ratio

Snapshot																				
Actual Ratio	105.40%		99.23%		83.91%		83.65%		86.87%		83.99%		73.01%		71.82%		70.11%		68.86%	

Interest Cover Ratio

Snapshot	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
Actual Ratio	-0.26%	-0.53%	0.04%	-0.12%	-0.25%	-0.39%	-0.60%	-0.84%	-1.09%	-0.41%

Asset Consumption Ratio

Snapshot																				
Actual Ratio	76.30%		75.82%		74.82%		73.89%		73.07%		72.28%		71.47%		70.75%		70.06%		69.38%	

## Significant influences and priorities 2018/19

*Note: New additions in italics and footnotes for additional information*

Critical external issues and opportunities:	
<p><b>Political</b></p> <ul style="list-style-type: none"> <li>Local Government Election November 2018</li> <li>Maximising ratepayer/community value</li> <li>Ongoing changes to Federal, State &amp; Local Government policies and funding programs</li> <li><i>Recent change in State Government from March 2018 election<sup>1</sup></i></li> <li><i>Rate capping proposed to be introduced to legislation<sup>2</sup></i></li> <li><i>NDIS block funding to cease in 2020<sup>3</sup></i></li> </ul>	<p><b>Economic</b></p> <ul style="list-style-type: none"> <li>Compromised financial capacity of ratepayers in economic climate</li> <li>The number of GST registered businesses in Marion is falling</li> <li>Maximising opportunities to support small business</li> <li>A slight increase in employment in Marion, however diversity in employment industry remains static</li> <li>Development of the Tonsley site</li> <li>Activation of local hubs as destinations to increase walkability</li> <li><i>New payroll tax policy providing more incentive to small business<sup>4</sup></i></li> </ul>
<p><b>Technological</b></p> <ul style="list-style-type: none"> <li>Rapid technological change, specifically the rollout of NBN in some City of Marion areas</li> <li>Increasing digital divide</li> <li>Access to data and information</li> <li>Smart Cities opportunities</li> <li>Street lighting implementation 2018-2020</li> </ul>	<p><b>Social and Cultural</b></p> <ul style="list-style-type: none"> <li>Concerning public health demographics<sup>5</sup></li> <li>National Disability Insurance Scheme (NDIS) rollout and readiness</li> <li>Home And Community Care Program (HACC) continued transition to Commonwealth Home Support Program (CHSP)</li> <li>Increasing community interest in volunteerism is providing a varied skill base</li> <li>Potential health issues around noise and air pollution around major traffic routes and building work</li> <li><i>Adelaide Living Laboratory partnership<sup>6</sup></i></li> <li><i>Changing demographics, population growth, increased migration and ageing population<sup>7</sup></i></li> </ul>
<p><b>Transport &amp; Connectivity</b></p> <ul style="list-style-type: none"> <li>Darlington Upgrade Project</li> <li>Commitment to Flinders Link Rail extension</li> <li>Poor transport linkages to public places and spaces, goods and services, local business and industry</li> <li>Opportunity to expand and integrate walking and cycling networks in conjunction with major transport infrastructure upgrades</li> <li>Potential risk of isolation to residents that are ageing and mobility impaired</li> <li>Connections in and around Tonsley, Darlington and Flinders developments, with impacts on traffic, parking, pedestrian/cycling movements</li> <li>Opportunities to progress an Oaklands Hub development through the redesign of the Oaklands Rail Crossing</li> <li>Opportunities to improve east-west connectivity through Sturt Rd, in conjunction with the Darlington, Tonsley and Flinders Link project</li> </ul>	<p><b>Urban environment</b></p> <ul style="list-style-type: none"> <li>Population growth and urban infill cause increased traffic and limited on-street parking with increasing demands on public places and spaces and public services</li> <li>Opportunities to integrate nature into the urban environment, water sensitive urban design, energy efficiency and green infrastructure</li> <li>Opportunities to lift vibrancy of commercial/retail areas through infrastructure upgrades and activation</li> <li>Increased implementation of planning reforms</li> <li><i>Development of the residential component at Tonsley</i></li> <li><i>Housing Diversity Development Plan Amendment</i></li> <li><i>Southern Innovation Development Plan Amendment (Stage 2)</i></li> </ul>
<p><b>Natural environment</b></p> <ul style="list-style-type: none"> <li>Impacts of and response to climate change – storm events, heat, sea level rise</li> <li>Growth of localism</li> <li>Need for effective coastal management</li> <li>Protection of remnant vegetation</li> <li>Impacts of urban infill on biodiversity</li> <li>Response to increased community interest in nature play</li> <li><i>Stormwater Masterplan Development Plan Amendment</i></li> <li><i>Increasing community expectations around corporate environmental responsibility</i></li> <li><i>Maximising energy efficiency opportunities</i></li> </ul>	

<sup>1</sup> Recent new state Liberal Government as at March 2018

<sup>2</sup> Council is well prepared for rate-capping. City of Marion council rates are already in line with that proposed by the rate- capping policy.

<sup>3</sup> Cessation of NDIS block funding under the current model will cease the current service delivery model provided by CoM. A report has been commissioned by KPMG to provide future direction on how the CoM can respond moving beyond 2020

<sup>4</sup> New reduced Liberal Tax policy, reduced tax rate for small business under \$10 million revenue which can help stimulate small business in the area

<sup>5</sup> Note concerning community statistics: Marion's statistics on childhood obesity are significantly higher in Marion Central and Marion North, 13% above the Greater Adelaide average. This also correlates with a high prevalence of physical inactivity by adults aged 15+ in Marion North. Greater Marion has a higher prevalence of women reporting mental health and psychological distress compared to metro Adelaide. A new public health report is expected at the year- end (Source: Public health plan 2013)

<sup>6</sup> An initiative of the Southern Economic Development board. Project aims to deliver research agenda with an emphasis on engaging diverse communities and developing diverse infrastructure for users.

<sup>7</sup> 23% of the population aged over 60 which is a higher proportion compared to Greater Adelaide. Overall Population growth is increasing by approx. 1.3% per annum. Increased migration has seen over 5,500 persons arrive from overseas to the CoM within 5 years prior to the 2016 ABS census ( Source: Population ID)

Key internal pressures and opportunities:	
<p><b>Service provision</b></p> <ul style="list-style-type: none"> <li>• Limited funding capacity for competing strategic projects or incremental service improvements given current rates assumptions and funding position<sup>8</sup></li> <li>• Service review program continues</li> <li>• <i>Uncertainty of service provision related to NDIS funding model changes</i></li> <li>• <i>Development of Customer Experience Charter to enable more insightful understanding of customer experience and service needs</i></li> </ul>	<p><b>Asset reliability and sustainability</b></p> <ul style="list-style-type: none"> <li>• Reviewing our existing asset base to better understand which assets could be repurposed, reused or disposed of in order to enhance other assets to better meet community needs</li> <li>• Investigating innovative asset management models e.g. share community use, public private partnerships and related business and retail opportunities to respond to increasing costs and customer service requests to maintain and renew our existing asset base</li> <li>• <i>Improved processes, systems, data collection and modelling to enhance strategic decision making</i></li> </ul>
<p><b>Financial sustainability</b></p> <ul style="list-style-type: none"> <li>• <i>Continued focus on driving innovation, partnerships, collaboration and continuous improvement in a constrained budgetary environment</i></li> </ul>	<p><b>Risk and strategic alignment</b></p> <ul style="list-style-type: none"> <li>• Alignment of the organisation to deliver the aspirations of the Strategic and Business Plans</li> <li>• Transition to an agile &amp; responsive delivery model whilst maintaining prudent financial management</li> <li>• Alignment of risk management throughout the organisation</li> <li>• Changes to regional emergency management planning</li> <li>• High number of large projects running concurrently</li> <li>• <i>Review of Strategic Management Framework in accordance to Local Government Act, following Local Government elections in November 2018.</i></li> <li>• <i>The need for all work groups to be aligned in terms of the Strategic Plan and Business Plan now and in future plans</i></li> </ul>
<p><b>Our Valued Employees</b></p> <ul style="list-style-type: none"> <li>• <i>Organisational wide Values adopted<sup>9</sup></i></li> <li>• Continue to build leadership and workforce capability and skills, particularly in the areas of project management, partnerships, funding opportunities, customer experience</li> <li>• Need to provide the appropriate technology tools and information resources for staff to connect, collaborate and do their jobs efficiently and effectively</li> </ul>	

<sup>8</sup> - Could be exacerbated given new state Government and proposed introduction of rate capping. There are variation opportunities to rate caps to fund essential infrastructure

<sup>9</sup> Values of Respect, Integrity, Achievement and Innovation were adopted

**CITY OF MARION**  
**FINANCE & AUDIT COMMITTEE MEETING**  
**29 MAY 2018**

**Originating Officer:** Deborah Horton, Governance Quality Coordinator  
Colin Heath, Unit Manager Contracts

**Manager:** Kate McKenzie, Manager Corporate Governance  
Ray Barnwell, Manager Finance and Contracts

**General Manager:** Vincent Mifsud, General Manager Corporate Services

**Subject:** Unsolicited Proposals

**Report Reference:** FAC290518R7.8

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### **REPORT OBJECTIVES**

To seek feedback from the Finance & Audit Committee (FAC) in regards to a Draft Corporate Policy and Draft Procedure relating to the City of Marion's approach and management of unsolicited proposals.

### **EXECUTIVE SUMMARY**

New ideas and innovation are essential for the delivery of services to the City of Marion community. Council is committed to sourcing and procuring services that provide value for money and probity of transactions. This is achieved through Councils' standard corporate procurement practices. Council does however recognise that there will be occasions where unsolicited proposals are brought forward when opportunities present themselves, other than through Councils' standard procurement processes. There is a need to recognise and encourage good ideas and innovation outside of Councils' standard procurement processes, without compromising commitment to transparency and accountability.

Attached is a draft policy (Appendix 1) which provides overarching philosophy and principles to apply regarding such proposals. A detailed draft procedure (Appendix 2) effectively allows a three staged process to appropriately manage unsolicited proposals.

Both the policy and procedure have been developed having regard to the principles contained within the *Local Government Association's Unsolicited Proposals Guidelines* produced May 2018.

### **CONCLUSION**

The City of Marion's default procurement position is for proponents to request a proposal via a formal tender process however, it is also acknowledged that tender processes may not be available or suitable for a particular proponent. The application of an Unsolicited Proposals Policy and Procedure will guide the management of such proposals in a consistent, transparent and lawful manner that provides for probity and public accountability.

### **RECOMMENDATIONS**

### **DUE DATES**

**That the Finance & Audit Committee;**

- |   |                    |
|---|--------------------|
| <b>1. Notes this report.</b>  | <b>29 MAY 2018</b> |
| <b>2. Provides feedback regarding the Draft Unsolicited Proposals Policy (Appendix 1).</b>    | <b>29 MAY 2018</b> |
| <b>3. Provides feedback regarding the Draft Unsolicited Proposals Procedure (Appendix 2).</b> | <b>29 MAY 2018</b> |

# Unsolicited Proposals Policy

## 1. POLICY STATEMENT

To provide confidence to our community and service providers that all unsolicited proposals put forward to the City of Marion will be considered in a consistent, transparent and lawful manner.

## 2. PRINCIPLES

The foundational principles that the City of Marion will consider to determine if a period of exclusivity or exclusive negotiation should be entered into with a particular proponent via an unsolicited proposal include;

- a. **Priority:** Community need and Council priority for a particular service that will be met as a result.
- b. **Value:** benefits of the proposal are maximised and any risks are mitigated.
- c. **Innovation:** promoting the development of unique and innovative ideas for the ultimate purpose of increasing public value through jobs creation and more efficient and effective services.
- d. **Transparency:** ensuring an open, transparent and fair process that involves a high standard of probity and public accountability. In addition, the proponent's intellectual property (IP) is respected.
- e. **Competition:** No competing proposals exist.
- f. **Capacity and Capability:** Capacity and capability of the proponent will be fully examined.

## 3. OBJECTIVES

As a result, this policy and supporting procedure will;

- Provide clear direction regarding the City of Marion's process for the assessment of unsolicited proposals received from service providers.
- Ensure transparency and integrity with the City of Marion's management of unsolicited proposals providing a high level of probity and public scrutiny/ accountability.
- Protect the intellectual property of potential service providers whom provide unsolicited proposals for the City of Marion's consideration.
- Enable innovative services that will deliver value to be provided for the benefit of the City of Marion community.
- Ensure that unsolicited proposals are dealt with in a consistent manner.

## 4. POLICY SCOPE AND IMPLEMENTATION

This policy applies to all City of Marion unsolicited proposals. The City of Marion has the sole discretion as to when and if this policy applies to a particular proponent, including if and when an exclusive negotiation or period of exclusivity for a service will apply.

## 5. DEFINITIONS

*Unsolicited proposal:* An offer received by the City of Marion from a potential supplier without an invitation to do so from the City of Marion via its regular procurement processes.

*Period of exclusivity:* A period of time with a specific beginning and end date whereby the City of Marion enters into an unsolicited arrangement dealing exclusively with one proponent.

*Exclusive negotiation:* A discussion exclusively made between two parties (City of Marion and a proponent) aimed at reaching an agreement.

## 6. ROLES AND RESPONSIBILITIES

### Senior Leadership Team

- Responsible for ensuring this policy is implemented and adhered to.

### Corporate Services

- Provide advice to the City of Marion regarding unsolicited proposals.
- Determines when an unsolicited proposal will be accepted in accordance with this Policy and supporting Procedure.
- Authority to enter into or withdraw from a period of exclusivity or exclusive negotiation to accept an unsolicited proposal in accordance with this policy and supporting procedure including approved financial delegations.
- Ensure any contracts as a result of an acceptance by the City of Marion of an unsolicited proposal are being appropriately administered.
- Reporting and managing contract breaches.

### Finance and Audit Committee

- Responsible for providing governance oversight for Council on unsolicited proposals.
- Provide feedback and guidance on the subsequent review/update of this Policy and associated Unsolicited Proposals Procedure.

### Council

- Responsible for considering and endorsing unsolicited proposals in accordance with this Policy.

## 7. REFERENCES

- City of Marion Unsolicited Proposals Procedure (May 2018)
- LGA Unsolicited Proposals Guidelines (May 2018)

## 8. MONITORING AND REPORTING

An annual report of all unsolicited proposals received during a financial year will be provided to the Finance and Audit Committee and Council after the conclusion of the financial year.

## 9. REVIEW AND EVALUATION

This policy will be reviewed bi-annually in accordance with the City of Marion Policy Review Schedule and Register administered by the Governance Department.

# Unsolicited Proposals Procedure



## 1. RATIONALE

This procedure supports the “City of Marion Unsolicited Proposals Policy”.

## 2. PROCEDURE SCOPE AND IMPLEMENTATION

This procedure will become operational upon the approval and endorsement of the “City of Marion Unsolicited Proposals Policy”.

## 3. DEFINITIONS

<i>Unsolicited proposal:</i>	An offer received by the City of Marion from a potential supplier without an invitation to do so from the City of Marion via its regular procurement processes.
<i>Period of exclusivity:</i>	A period of time with a specific beginning and end date whereby the City of Marion enters into an unsolicited arrangement dealing exclusively with one proponent.
<i>Exclusive negotiation:</i>	A discussion exclusively made between two parties (City of Marion and a proponent) aimed at reaching an agreement.

## 4. CRITERIA

Furthering the principles contained within the “City of Marion Unsolicited Proposals Policy”, for the City of Marion to enter into exclusive negotiations, the proponent’s proposal must satisfactorily meet the following criteria;

### 4.1 Priority

Proponents should demonstrate how their proposal will address the needs of the local Community and therefore Council priority. More specifically, a proposal should directly identify a community need and demonstrate how it will meet that need. Consideration will be given to the proposal’s ability for Council to achieve its strategic goals.

### 4.2 Value

Whether the proposal represents value for money for the City of Marion and its community, Council will consider if /does the proposal;

- Clearly identify what is being sought from the City of Marion to facilitate the service and / or product
- Deliver fairly and sustainably priced services and products to the City of Marion relative to comparative services and products.
- Demonstrate that the proposal involves an acceptable and optimal sharing of costs, returns and risks between the City of Marion and the proponent.
- Demonstrate that the proposal will meet acceptable commercial and industry standards.
- Represent that the benefits of the proposal will outweigh the costs of any City of Marion support.
- The proponent should articulate what they consider the benefits are to the City of Marion regarding the proposal.

# Unsolicited Proposals Procedure



## 4.3 Innovation

The proponent will need to demonstrate the unique aspects of their proposal – for example:

- Can this proposal be delivered readily by competitors? – if so, what advantage is to be gained from the City of Marion entering exclusive negotiations with the proponent?
- Are there genuine intellectual property rights, without which the proposal could not proceed to implementation (e.g. software or technology)?
- Does the proponent have ownership of strategic assets such as contractual rights or real property that would place it in a unique position to deliver the aims of the proposal, and which other parties could not deliver? Or
- Does the proponent's proposal have other demonstrably unique elements or innovative ideas that cannot be delivered by another party within acceptable timeframes?

## 4.4 Transparency

The City of Marion is committed to an open, transparent and fair process that involves a high standard of probity and public accountability. In addition, the proponent's intellectual property (IP) is respected.

## 4.5 No competing proposals

An assessment will be made as to whether the subject matter of an unsolicited proposal is already the subject of an existing or proposed procurement process or processes. If the subject matter of an unsolicited proposal is already being considered or proposed to be considered by the City of Marion, the proposal is unlikely to proceed.

## 4.6 Capacity and capability

Whether the proponent has the skills, experience and resources required to deliver the proposal. Information will need to be provided regarding the proponents' relevant commercial and trading history, financial capacity and its experience in delivering similar projects. The proponent must also demonstrate that it has the technical competencies to successfully deliver the project. The proponent should provide information regarding any reliance on third parties.

## 5. MONITORING AND REPORTING

An annual report of all unsolicited proposals received during a financial year will be provided to the Finance and Audit Committee and Council after the conclusion of the financial year. This report will:

- detail the unsolicited proposals received by Category.
- summarise the Reason for not progressing unsolicited proposals received by criteria.

## 6. APPLICATION OF THIS PROCEDURE

The default position for all unsolicited proposals is that where there are material impacts in terms of costs, labour, time, risk and reputation, that fall outside of approved strategic plans and budgets, such proposals will require consideration and review by the Executive Leadership Team (ELT) and the Finance and Audit Committee (FAC).

# Unsolicited Proposals Procedure



Outside of the above default position, the following matrix is a guide to the application of these procedures. Where unsolicited proposals are received, they will be referred to the relevant business work area.

Authority	<\$10,000	\$10,000 – \$100,000	>\$100,000
<b>Council</b>	X	X	X
<b>Chief Executive Officer</b>	X	X	
<b>General Manager Corporate Services</b>	X		

The above values refer to the value of the transaction with the City of Marion rather than the total proposal value. Where proposals are received under this procedure, they will be referred to the relevant business work area. The decision making of the above authorities will be supported by advice / recommendations from the Finance and Audit Committee where appropriate.

## 7. EXCLUSIVE NEGOTIATIONS

The City of Marion's default position is to request a proposal via a tender process to ensure that the best value for money solution can be competitively identified.

However, the City of Marion recognises that circumstances arise where it may be beneficial in dealing exclusively with one party.

The City of Marion may, at its absolute discretion, negotiate with a party that presents an unsolicited proposal in circumstances that warrant such an approach (in accordance with this procedure).

An exclusive negotiation with a proponent will be solely limited to the proponent for the purposes of developing the specific unsolicited proposal. Moreover, exclusivity will only be granted by the City of Marion for a specific period. Proponents should nominate a preferred period of time for exclusivity which the City of Marion will consider but is not bound to.

Key features of an exclusive negotiation may include;

7.1 It being granted at the City of Marion's sole discretion, subject to terms and conditions having regard to the particular characteristics of the proposal.

7.2 The proponent will be responsible for their own costs in developing and submitting the proposal.

7.3 Maximising public value for money and the City of Marion value proposition and minimising risk will always be prioritised when assessing and dealing with such proposals.

7.4 All correspondence and communication with the party making the proposal will be kept confidential, subject to any legislative and public accountability requirements.

The City of Marion will not be precluded from engaging with other parties during the application and investigation stage of the proposal. This will enable the City of Marion to ascertain whether there are competing proposals and the potential for alternative value for money propositions.

During a period of exclusive negotiation, the City of Marion will not grant similar rights to the proponent of another proposal relating to substantially the same subject matter of the negotiations.

## 8. PROCESS FOR CONSIDERATION OF UNSOLICITED PROPOSALS

The formal process for the City of Marion to undertake when considering unsolicited proposals includes three stages;

- Stage 1 - Application and investigation (initial proposal)
- Stage 2 - Exclusive negotiations and business case (detailed proposal)
- Stage 3 - Contract negotiations

Where the City of Marion assesses that a proposal does not meet the criteria at any step of the process, it reserves the right to go to market, end the proposal consideration process or withdraw from exclusive negotiations. If the City of Marion goes to market, it will respect any intellectual property owned by the proponent.

Before formally submitting an unsolicited proposal via the process detailed below, the proponent may request a pre-lodgement meeting with the City of Marion's General Manager Corporate Services or Manager Finance and Contracts. This meeting is not mandatory, but it may assist the proponent to determine if their proposal is one that may be considered under this procedure and to assist the proponent in clarifying whether they meet the criteria. Other requirements needed prior to committing resources to the development of a proposal may also be identified. Proponents are encouraged to bring a draft concept / proposal / completed Application Form with them to this meeting.

Nothing that is discussed at the pre-lodgement meeting binds the City of Marion or the proponent, and the proponent may continue with lodgement of its proposal notwithstanding any feedback that it may receive at or following the pre-lodgement meeting. The three stages in the process are discussed in further detail below:

### 8.1 Application and Investigation (initial proposal – Stage 1)

The objective of the initial proposal stage is to enable a proponent to provide the City of Marion with a high-level overview of its proposal which enables the City of Marion to form a preliminary view as to whether:

- 8.1.1 the proposal may be considered under this procedure; and
- 8.1.2 if the proposal should be considered further.

A proposal should contain details of how it addresses the criteria outlined in section four (4) of this procedure.

A proposal should comprise a completed Application Form (which can be downloaded from the City of Marion's website) and may also include further information that the proponent wishes to provide at this stage.

# Unsolicited Proposals Procedure



A proposal must be lodged electronically to the General Manager Corporate Services. A proposal will not involve negotiation at this stage. This opportunity will arise in later stages if the City of Marion determines that the proposal should proceed.

Once a proposal has been submitted in accordance with this procedure and policy and the City of Marion determines that sufficient information about the proposal has been provided, then a meeting will be convened with the ELT and key stakeholders to consider the proposal and determine whether it meets the criteria for it to be considered under this procedure.

To make its decision, the ELT may consult with other staff or professional advisers as it deems necessary. If ELT determines that the proposal should proceed to the next stage of the process, a recommendation and report on this basis will be prepared for review by the Finance and Audit Committee.

If ELT recommends that the proposal not be accepted the proponent will be notified in writing of this outcome by the General Manager Corporate Services. This notice may also notify the proponent that the subject matter of the proposal may form the basis of a competitive bidding process.

Where ELT recommends that the proposal be accepted, the proposal will proceed to Stage 2 and the proponent will be notified;

8.1.3 that the proposal has been approved to proceed along with the broad terms and timeframes for consideration of the proposal.

8.1.4 advice regarding any requirements or additional matters or limitations the City of Marion requires to be included or further developed as part of the proposal, including in relation to price, scope, quality and risk factors.

The anticipated timeframe for the completion of Stage 1, commencing from when the General Manager Corporate Services determines that all of the information needed to consider the proposal is available, is 8 weeks.

Any endorsement of a proposal at Stage 1 is "in principle" endorsement only so that the proposal may proceed to Stage 2 consideration.

## 8.2 Exclusive negotiations and business case (detail proposal – Stage 2)

Stage 2 involves detailed consideration of the feasibility of the proposal, how it will be delivered, whether it represents value for money for the City of Marion. It will consider how the proposal represents an innovative and commercial service or product for the ultimate purpose of increasing public value through jobs creation and more efficient and effective council services.

Stage 2 will be an interactive process between the City of Marion and the proponent within a framework established by the City of Marion. During this stage, it is expected that the proponent will develop a detailed proposal and address the criteria as set out in section four (4) and any other issues or questions raised in stage one.

# Unsolicited Proposals Procedure



The City of Marion will establish a framework for Stage 2, which may include (depending on the scale of the proposal);

- 8.2.1 confidentiality, conflict of interest, communication and probity protocols;
- 8.2.2 Stage 2 participation terms and conditions;
- 8.2.3 Stage 2 (additional) assessment criteria;
- 8.2.4 timeframes;
- 8.2.5 information to be provided and/or shared;
- 8.2.6 governance requirements; and
- 8.2.7 any other matters that the City of Marion considers necessary or desirable.

In addition to the criteria set out in Section 4, the following matters will also be considered during Stage 2:

- 8.2.8 if the proposal is legally, technically and financially feasible;
- 8.2.9 how the proposal would best be structured to deliver the best outcome for the City of Marion and its community, including proposed delivery method;
- 8.2.10 a cost/benefit analysis of the proposal;
- 8.2.11 whether the proposal or any part of it would be more appropriately accommodated by City of Marion procurement or be the subject of a competitive bidding process;

During Stage 2 the General Manager Corporate Services will:

- 8.2.12 convene meetings of the Executive Leadership Team with any other subject matter experts, professional advisers and other persons that they see fit;
- 8.2.13 convene meetings with the proponent;
- 8.2.14 request further information from the proponent as required;
- 8.2.15 obtain reports and further information for consideration of the proposal; and
- 8.2.16 arrange the preparation of a detailed report on the proposal for the City of Marion's Finance and Audit Committee's review.

During Stage 2, a proponent must:

- 8.2.17 develop a detailed proposal, consistent with the requirements outlined by the City of Marion at the end of stage one;
- 8.2.18 provide any additional information as required; and
- 8.2.19 make themselves available to participate in meetings requested by, and respond to communications from, the General Manager Corporate Services.

At the end of Stage 2, a report and recommendation will be prepared for the Finance and Audit Committee's review and the proponent will be advised in writing of the following:

- 8.2.20 that all or part of the proposal will proceed to Stage 3 on an exclusive consideration basis;
- 8.2.21 that all or part of proposal will not continue to be considered on an exclusive basis but that all or part of the proposal warrants a competitive bidding process; or
- 8.2.22 that all or part of the proposal is not suitable for further consideration and its consideration under this procedure is now at an end.

## 8.3 Contract Negotiation (Stage 3)

Stage 3 allows the City of Marion and the proponent to negotiate a suitable contract or contracts for the implementation of the proposal.

At the commencement of Stage 3, the General Manager Corporate Services will advise the proponent of the process and protocols for the development of a contract.

Once a contract has been agreed in principle between the City of Marion and the proponent, the contract will be submitted to Council to seek their approval for the Contract to be executed. The General Manager Corporate Services will then advise the proponent in writing of one of the following:

- 8.3.1 that the City of Marion agrees to the terms and conditions of the contract and will proceed to execute it;
- 8.3.2 that the City of Marion agrees to the contract, subject however to specified variation or conditions;
- 8.3.3 that the City of Marion does not agree to enter into the contract but instead determine to pursue or consider pursuing the unsolicited proposal through another process, including a competitive bidding process; or
- 8.3.4 that the City of Marion does not agree to enter into the contract and that its consideration of the proposal under this procedure is now at an end.

## 9. PROBITY FRAMEWORK

It is a primary objective of this procedure to ensure the probity of the process employed by the City of Marion to consider unsolicited proposals. As such, in addition to any specific requirement outlined in this procedure or policy, probity principles and protocols will be established when dealing with proponents in relation to their unsolicited proposals to ensure;

- 9.1 that proposals are received, assessed and negotiated, and decisions are made, through an approved and transparent framework;
- 9.2 that decisions are made through a robust framework so that they will deliver the best outcomes for the City of Marion;
- 9.3 that confidential information is protected; and
  - 9.3.1 that any perceived conflict of interest, bias or misconduct is mitigated against or eliminated.
- 9.4 The City of Marion may, at any stage outlined in this procedure, engage a probity advisor or auditor.

## 10 INTELLECTUAL PROPERTY RIGHTS

- 10.1 The City of Marion acknowledges that unsolicited proposals may contain the Intellectual Property of the proponent and/or third parties.
- 10.2 If the City of Marion declines to consider, or ends its consideration of an unsolicited proposal submitted in accordance with this procedure, and the City of Marion elects to engage in a competitive bidding process or other approach to the market in relation to the subject matter of the proposal, the City of Marion will respect any Intellectual Property rights of the proponent and/or third parties.

## 11 GENERAL TERMS AND CONDITIONS

The City of Marion may take into account any other factors or considerations that it considers relevant to the assessment of an unsolicited proposal, including any factor that may arise as a consequence of the nature and content of the proposal, applicable City of Marion policy or strategy and of prevailing economic, social, legal or other circumstances of interest to local government.

### 11.1 No legal relationship

By making an unsolicited proposal, a proponent acknowledges as follows:

- 11.1.1 No contract exists or will be implied between the City of Marion and a proponent unless and until suitable documentation is executed with the City of Marion;
- 11.1.2 The City of Marion has no contractual or other legal obligation to the proponent with respect to the consideration, the evaluation, the acceptance or the rejection of any submission or the failure to consider, evaluate or accept a submission.

### 11.2 Probity

A proponent must not offer any incentive to, or otherwise attempt to, influence any person who is either directly or indirectly involved in an assessment or negotiation process. If the City of Marion determines that a proponent has violated this condition the City of Marion may, in its sole and absolute discretion, disqualify the relevant proponent's submission from further consideration.

### 11.3 Change in circumstances

Proponents must inform the City of Marion promptly in writing of any material change to any of the information contained in the proponent's submission, and of any material change in circumstance that may affect the truth, completeness or accuracy of any information provided in, or in connection with the submission.

### 11.4 Costs

All risk and costs of preparing, lodging, developing and negotiating a proposal are to be borne by the proponent. No proponent will have any recourse against the City of Marion in relation to its decision to not proceed with a proposal under this procedure or related policy.

### 11.5 Reliance on information

By lodging a submission, the proponent warrants and represents to the City of Marion that the information contained in its submission is true, accurate and complete as at the date on which it is lodged and may be relied upon by the City of Marion in its assessment.

## 11.6 Conflict of interest

The proponents shall:

- 11.6.1 Declare any actual or perceived conflict of interest of any proponent participant;
- 11.6.2 Comply with all laws in force in South Australia, including the *Australian Competition and Consumer Act 2010* (SA);
- 11.6.3 Not make any news releases or responses to media enquiries and questions pertaining to this process without the City of Marion's written approval.

## 11.7 Other rights

The City of Marion reserves the right, in its sole and absolute discretion, at any time during the process to:

- 11.7.1 Require additional information from a proponent;
- 11.7.2 Perform security and / or financial checks and procedures in relation to each proponent and each party with an interest in the proponent;
- 11.7.3 Change its requirements, including at any stage, adding to or amending the information, terms, procedures, evaluation process and protocols set out in this procedure or supporting policy;
- 11.7.4 Change the basis on which proponents may, or are required to, participate in the process;
- 11.7.5 Publish the names of proponents;
- 11.7.6 Clarify any aspect of a proposal;
- 11.7.7 Discontinue negotiations at any time with any proponent;
- 11.7.8 Subsequently initiate any other procurement process for the same or similar requirements;
- 11.7.9 Seek the advice of external consultants to assist the City of Marion in the evaluation or review of responses;
- 11.7.10 Make enquiries of any person, company, organisation or consortium to ascertain information about the proposal, the proponent and any matter related to the response;
- 11.7.11 Revert or change to internal City of Marion delivery of the service or product or project;
- 11.7.12 Allow a proponent to change its submission.

## 11.8 Acceptance of a proposal

The City of Marion is not obliged to accept any proposal. No acceptance of a response nor any invitation to negotiate or to make an offer will be effective to constitute a contract or to create any legitimate expectation on the part of the proponent unless a formal written contract is executed by both parties.

## 11.9 No contract or estoppel

No contracts, contractual rights, estoppels or expectations, express or implied, shall arise, or be deemed to arise, out of the process set out in this Procedure.

## 12 OMBUDSMAN

Proponents should be aware that the *Ombudsman Act 1972* (SA) empowers the Ombudsman to investigate matters in the public interest. Proponents must ensure compliance with all obligations arising under that Act.

## 13 ICAC

Proponents should be aware that the *Independent Commissioner Against Corruption Act 2012* (SA) empowers the Independent Commissioner Against Corruption and the Office for Public Integrity to investigate corruption, misconduct and maladministration in public administration. Proponents must ensure compliance with all obligations arising under that Act.

## 14 DEPARTURE FROM PROCEDURE AND TERMS AND CONDITIONS

Council may, where it is justified in the circumstances, determine that this procedure will not apply to an unsolicited proposal.

## 15 REVIEW AND EVALUATION

This procedure will be reviewed by the City of Marion to ensure that the objectives remain relevant and are met. This review process will follow a review of the primary policy document.

**CITY OF MARION  
FINANCE & AUDIT COMMITTEE MEETING  
29 MAY 2018**

**Originating Officer:** Sherie Walczak, Unit Manager Risk

**Manager:** Kate McKenzie, Manager Corporate Governance

**General Manager:** Vincent Mifsud, General Manager Corporate Services

**Subject:** Annual Business Continuity Program

**Report Reference:** FAC290518R7.9

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**EXECUTIVE SUMMARY**

The aim of the Business Continuity program is to provide the Finance and Audit Committee (FAC) with assurance that the City of Marion is managing its Business Continuity risk, through its approved suite of documentation including the Business Continuity Management Policy, Framework and Plan, in alignment with ISO22301 '*Societal security - Business Continuity Management Systems – Requirement and Guidelines*'.

**REPORT OBJECTIVE**

The objective of this report is to provide an overview of the Business Continuity program in 2017/18 to provide assurance to the FAC of the continued implementation of business continuity management across the business through training and business continuity exercises.

A revised version of the Business Continuity Plan (BCP), which aims to provide terminology consistent within the sector in the event of a large scale or State wide emergency, is also being presented for review and provision of feedback from the Finance and Audit Committee.

**BACKGROUND**

Council endorsed the Business Continuity Policy and Framework at its meeting on 26 July 2016 (GC260716R10) and, being an operational document, the FAC endorsed the Business Continuity Plan at its meeting on 26 October 2016 (FAC041016R7.9).

These documents provide support to both the Incident Management Team (IMT) and Work Areas carrying out critical functions during disruptive business events. They also aim to clarify the communication processes to guide the organisation to a timely return to 'business as usual'.

This is the first annual report to the FAC of the Business Continuity program.

**RECOMMENDATION**

**DUE DATES**

**That the Finance and Audit Committee;**

**1. Provide feedback and endorse the revised Business Continuity Plan**

**29 May 2018**

## DISCUSSION

The Business Continuity program has achieved a level of maturity through the strengthening of key networks, working relationships and effective communication channels. This has been achieved through the provision and implementation of:

- Resources
- Training
- Reviews

### Resources

All IMT members have been provided with a hard copy Business Continuity reference folder containing the City of Marion's BCP. This includes recovery strategies, key contact lists and templates for use by the IMT. This information has also been provided in an electronic format on USBs.

### Training

Business Continuity training for the IMT, including staff members holding substitute IMT roles, has primarily been provided through business continuity exercises. These exercises have related to Corporate Resilience (June 2017) and Cyber Attack (November 2017) respectively and involved a desktop scenario to demonstrate:

- initial activation triggers
- various scenarios injections
- Incident Management Team structure, substitutes and IMT role descriptions
- agenda and templates for meetings and communications during both the disrupted business period and the resumption of normal business
- tasks such as situation assessment, communication and decision making
- requirements and location/s for an incident management base from which to operate

Across the business, further awareness for business continuity has been raised via Recovery Strategies. Through these documents, work areas identify critical business functions, analyse their business impact, detail any potential disruption scenarios, related period of 'maximum acceptable outages' and key critical contacts.

### Review of the Business Continuity Plan

The recent LGA rollout of the Community Emergency Management Plan (CEMP) and Emergency Operations Centre (EOC) templates in addition to feedback from previous BCP exercises has necessitated a review of the existing Business Continuity Plan in order to provide for standardisation of references across the sector to assist with liaising with Control Agencies in emergency situations.

The primary areas of amendment resulting from this review are outlined below and a full revised draft is provided in **Appendix A**.

- Introduction of Incident Levels 1-3
- Re-alignment of IMT roles to standardise terminology
- Introduction of 3<sup>rd</sup> level of alternative IMT staffing
- Review to further strengthen IMT Responsibility Statements
- Introduction of rostering process for management of larger scale incidents

## NEXT STEPS

A Business Continuity Exercise is scheduled for 30 May 2018 and will incorporate simulation in the Community Emergency Management realm in order to test the BCP in line with the recently completed draft CEMP.

## CONCLUSION

The progress achieved by the Business Continuity program has led to a maturing of emergency management processes, communications and relationships that are key to successfully managing 'disruptive business events' should they occur. Future training and exercises will embed this further, increasing organisational resilience and providing assurances to the Council and all key stakeholders.

## APPENDICES

Appendix A – draft revised Business Continuity Plan

# BUSINESS CONTINUITY PLAN



**PREVENTION | PREPAREDNESS | RESPONSE | RECOVERY**



## Document Particulars

This Business Continuity Plan is part of a suite of emergency management documents implemented by the City of Marion and should be referenced in conjunction with the City of Marion's Workplace and Community Emergency Management Plans.

## Acknowledgement

The City of Marion acknowledges the assistance of the Local Government Risk Services in the initial drafting of this Business Continuity Plan, with additional acknowledgement on further revision of content provided by the Local Government Association in conjunction with SA Fire & Emergency Services Commission, State Emergency Service, Primary Industries & Regions SA, City of Tea Tree Gully, The Barossa Council, City of Playford, City of Charles Sturt, Adelaide Hills Council, Berri Barmera Council, City of Onkaparinga and Clare & Gilbert Valleys Council.

## Document Control

**Document Owner:** Risk Management Unit

**Version:** 3.0

**Endorsed by:** Council

**Endorsement Date:** TBA

## Review and Test Process

This Plan will be formally reviewed every three years. Informal interim reviews may be undertaken as required to incorporate changes to legislation, staffing or as a result of report findings following incidents and/or exercises.

Version	Date	Summary of changes	Revision approved by

## Document Location

This Plan will be available on the City of Marion website and its intranet site as well as manual copies which will guide City of Marion's staff in the management of a community emergency event.

Manual Copy	Located at	Responsibility of	Position held by
1 of 10	Admin Building - Governance	IMT Commander	CEO
2 of 10	Admin Building - Risk	IMT Coordinator	UM Risk
3 of 10	Admin Building - Risk	IMT Admin Support	Risk Coordinator
4 of 10	Admin Building - Governance	IMT Council & Organisational Governance	Manager Corporate Governance
5 of 10	Admin Building – Customer Experience	IMT Communications & Customer Contact	Manager Customer Experience
6 of 10	City Services – General Manager City Services' Office	IMT Operations	General Manager City Services
7 of 10	Admin Building - Strategy	IMT Planning	Manager Innovation & Strategy
8 of 10	Admin Building – Human Resources	IMT People	Manager Human Resources
9 of 10	City Services – City Property	IMT Logistics & Facilities	Matt Kovarik
10 of 10	Admin Building - ICT	Link to IMT – ICT Service Recovery Plan Owner	Manager ICT

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## Abbreviations and Definitions

Term	Definition	Abbreviation
<b>Business Continuity Plan(s)</b>	A collection of procedures and information that is developed compiled and maintained in readiness for use in the event of an emergency or disaster.	<b>BCP</b>
<b>Community Emergency Management Plan</b>	A central point of reference to co-ordinate the response to a business interruption event. To be established at the discretion of the IMT Commander.	<b>CEMP</b>
<b>Emergency Operations Centre</b>	A central point of reference to co-ordinate the response to a business interruption event. To be established at the discretion of the IMT Commander.	<b>EOC</b>
<b>Incident Management Team</b>	An assembly of management representatives and other seconded staff formed for the express purpose of responding to an organisational crisis. IMT management structure will overlay all normal management structures during the response process.	<b>IMT</b>
<b>Information Communications Technology Service Recovery Plan</b>	Outlines the strategies to recover ICT systems (hardware & software) when ICT systems are disrupted	<b>ICTSRP</b>
<b>Maximum Acceptable Outage</b>	The maximum period of time that Council can tolerate the loss of capability of a critical business function, process, asset or IT application.	<b>MAO</b>
<b>State Emergency Management Plan</b>	The State Emergency Management Plan articulates the roles and responsibilities that Local Government may play in the local emergency management planning and preparedness. These include ensuring all requisite local emergency management planning and preparedness measures are undertaken.	<b>SEMP</b>
<b>Workplace Emergency Management Plan</b>	Outlines the specific COM approach in response to a workplace related emergency situation	<b>WEMP</b>

## Introduction

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### Purpose

The City of Marion (CoM) Business Continuity Plan (BCP) is a whole of business approach to ensure critical strategic, operational and project functions can be maintained and/or restored as a result of an event resulting in disruption to business.

The purpose of this Plan is to respond to the responsibilities outlined in the IMT Responsibility Statement in Appendix A and to build organisational capabilities, through decisive and responsible actions and support the continued achievements of critical business functions in the face of uncertainty or disruption. The plan acts as a guide for the organisation to respond, recover, resume and restore functions in a clear and transparent manner, to a pre-defined level of operation following a business interruption event, as a result, minimising any adverse consequences for usual business operations.

Council recognises that the BCP in isolation does not build capability; it provides the approach to establishing effective capability and identifies the facilities, technical infrastructure, key responsibilities, and processes required for Council to be able to respond to and recover from a business interruption event.

### Scope

The BCP is applicable to all CoM officers and covers all CoM places of work. The BCP is to be used during activation of the Emergency Operations Centre (EOC) and to assist the Incident Management Team (IMT) in managing the response and recovery phase of an incident. It ensures that appropriate structures and protocols are in place to enable effective response to a business interruption event that has the potential to impact on Council's operations.

In identifying business continuity risks, the focus is on the building of resilience and response capabilities within business functions that have been identified as critical. Treatment options for non-critical functions are also identified and documented within the framework. This ensures that Council has a holistic view when responding to interruption events.

The BCP does not cover requirements associated with a workplace emergency (safety) situation. A separate Workplace Emergency Management Plan is in place that outlines the management of these types of incidents. In all cases of activation of the Workplace Emergency Management Plan, the Chief Warden will brief the Incident Management Team Commander of any implications for business continuity.

**Diagram 1 Overview of Emergency Risk Management and Business Continuity Relationship**

## Objectives

The objective of the BCP is to:

- Identify business functions that are critical to Council in meeting its business objectives
- Develop recovery plans based on criticality of business functions rather than geographic location
- Build resilience within Council's operational framework
- Identify and document roles and responsibilities for key staff positions
- Minimise the impact of function loss on stakeholders and the community

The BCP provides a framework for management and staff to enable them to implement an agreed response process. In assessing the business continuity risks of the City of Marion it became evident that given the structure of local government a number of inherent advantages were identified such as:

- Multiple facilities providing common services reducing the impact of a single facility loss
- Common IT systems with possible duplication and access across some facilities
- Ability to transfer staff and tasks to other facilities, and
- The ability to call on adjoining Councils for assistance in service delivery.

In the event of a business interruption event, these advantages would suggest the business impact is a reduction in capacity rather than a loss of capability in a particular area.

## Use of the Business Continuity Plan

This BCP should be used in the event of a business interruption event that may impact on the ability of The City of Marion to deliver business objectives. Managers and staff with responsibility for impacted areas of the business should use the BCP and any relevant recovery strategies to ensure a consistent and agreed course of action is implemented.

## Context

The BCP can be enacted as the result of a cyber, internal (workplace) or external (community) emergency response scenario, as such it is aligned with the following documentation:

- The *ICT Service Recovery Plan (ICT SRP)* - outlines the strategies to recover ICT Systems (hardware and applications) when ICT systems are disrupted.
- The *Workplace Emergency Management Plan (WEMP)* - outlines the CoM's specific approach in response to a workplace related emergency situation.
- The *Community Emergency Management Plan (CEMP)* - outlines the CoM's specific approach in response to a Community related emergency situation.

Both the BCP and the CEMP have a similar working structure in that they convene an Incident Management Team in response to an event in contrast to the WEMP where Emergency Controls Officers such as the Warden Network and Designated First Aiders facilitate a pre-rehearsed emergency response.

## Training and Communication

A key objective of the BCP is to increase awareness of potential business interruption events that could impact Council. The plan outlines the response/ recovery protocols associated with such events. Training and communication will play a key role in achieving this objective.

The Risk Unit communicate the BCP to all staff and ensure that induction/ training programs include reference to business continuity in the context of sound risk management practices.

Managers should be familiar with key deliverables as detailed in the Critical Function Recovery Strategies and ensure that staff are aware of their roles and responsibilities in the event of a business interruption event.

## BCP Validation, Training and Testing

Business Continuity Management is a process, not an event. Commitment to an annual training, test and maintenance schedule is required, including participation of key stakeholders to ensure BCP procedures remain relevant into the future. The outcome of the testing is to be reported to the Finance and Audit Committee via the Risk Working Group.

All aspects of the BCP should be tested, but not necessarily all in one year. Major components (Recovery Strategies) should be reviewed at least annually. Volatile information such as contact lists or areas undergoing constant change, should be validated more frequently. In addition to the annual test and review of the BCP, any significant changes in the CoM's operations should also trigger a review of the BCP. Version control of the BCP will be co-ordinated and recorded through the Risk Coordinator.

	Activity for Review	Accountability	Timeframe
1	Business Continuity Plan (overarching plan)	Unit Manager Risk	Monitor at least every 4 years and action as required
2	Business Continuity Plan Training	Risk Coordinator	Annual training brief or refresher session
3	Business Continuity Plan Exercise	Risk Coordinator	Annual desk top or simulation exercise
4	Critical Function Recovery Strategies	Recover Strategy Owners	Annual Review

## Incident Management

The Incident Management Team (IMT) is established to provide a management mechanism that can ensure reporting lines and responsibilities are clear when the BCP is activated. The focus of the IMT is to manage the business interruption event from a corporate perspective while providing guidance and support to the Managers impacted. The IMT needs to be flexible and scalable dependent on the incident. Whereas smaller, less complex incidents may require fewer resources, with more than one role filled by the same person, larger incidents, may require an extended IMT with every function filled by a resource. When multi-agency response is required council involvement will again change to adapt to external state level structures including the ZEST, LGFSG and Control Agency.

This process is facilitated by the development of pre-determined courses of actions (Recovery Strategies) thus allowing the IMT to focus on the strategic or whole of business response to the business interruption event. Resilience within the IMT is the responsibility of the IMT. Each position in the IMT, outlined in Diagram 4 below, is to have alternate members identified and trained in the role.

Responsibility Statements for each IMT position have been developed to ensure directions are clear and unambiguous. All Responsibility Statements included in this document are to be approved by the IMT and will come into effect on activation of the BCP.

### Incident levels

City of Marion has identified the following classification for incident levels.

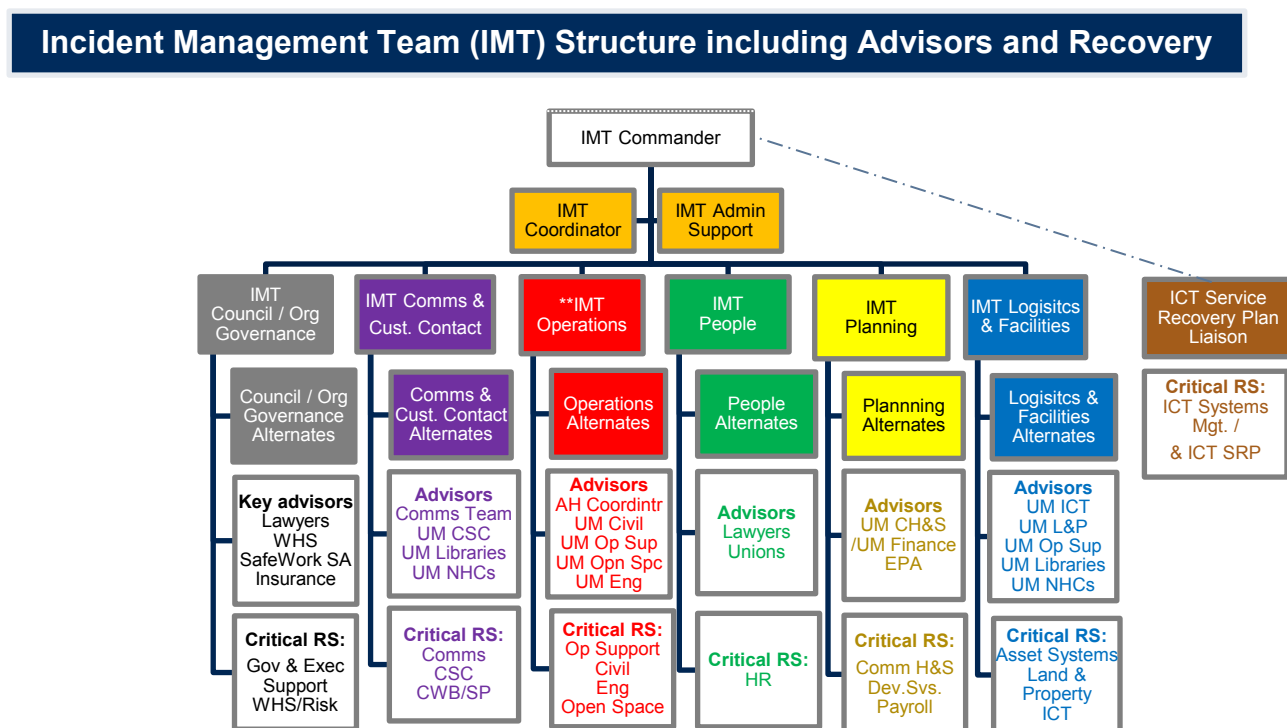
**Diagram 4: City of Marion Incident Level Classifications**

Incident Level	Description & Example
Incident Level 1	Council able to resolve incident within existing resources in a business as usual capacity Eg: low level flooding, mild storm damage, short period of extreme heat
Incident Level 2	The incident is more complex in size, resource or risk and Council is required to assign additional resources above business as usual Eg: widespread flooding, significant storm damage, prolonged localised power outage
Incident Level 3	The incident is unable to be managed using existing Council resources and external support is required: Eg: Statewide emergency, earthquake, terror attack, public health epidemic

An IMT will be established, by the appointed IMT Commander, to manage and coordinate Level 2 or Level 3 incidents. The scale of the IMT will vary according to the level of incident assessed. *(Note: Different agencies, including the LGFSG and Control Agencies, have their own levels for classifications of emergency incidents which may differ from those of councils.)*

## Incident Management Team

Diagram 5: IMT Structure



*\*\*The IMT Operations will be the Local Government Emergency Centre Coordinator/DCSI Contact as outlined in the CEMP, any alternate officer will need to have undertaken i-Responda training provided by the LGA.*

The above IMT roles are held by the designated and alternate positions assigned as outlined below.

Diagram 6: IMT Positions – Roles with 1st and 2nd Alternate Roles\*

Incident Level			IMT Position	Roles	1 <sup>st</sup> Alternate	2 <sup>nd</sup> Alternate
1	2	3				
X	X	X	IMT Commander	CEO	GM Corporate Services	GM City Dev./GM City Svs.
X	X	X	IMT Coordinator	UM Risk	Risk Coordinator	WHS Coordinator
X	X	X	IMT Admin Support	Risk Coordinator	WHS Coordinator	CEO EA
X	X	X	IMT Council/Org Governance	Manager Corporate Governance	UM Governance & Records	Governance Officer / Mayor EA
	X	X	IMT Comms.& Customer Contact	UM Communications	Manager Customer Experience	Communication Advisor
	X	X	IMT Operations	GM City Services	Manager Engineering & Field Services	UM Operational Support
		X	IMT People	Manager HR	UM HR	HR Partner
		X	IMT Planning	Manager Innovation & Strategy	Manager Finance & Contracts	Manager Development & Regulatory Services
		X	IMT Logistics & Facilities	Manager City Property	Manager Community & Cultural Services	Manager City Activation

IMT/ICT SRP	ICT Service Recovery Plan Liaison	Manager ICT	UM ICT	ICT Network/Service Team
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*\*In exceptional circumstances where IMT members and alternates are unavailable, the IMT will appoint appropriate alternates*

## Triggers for Activation

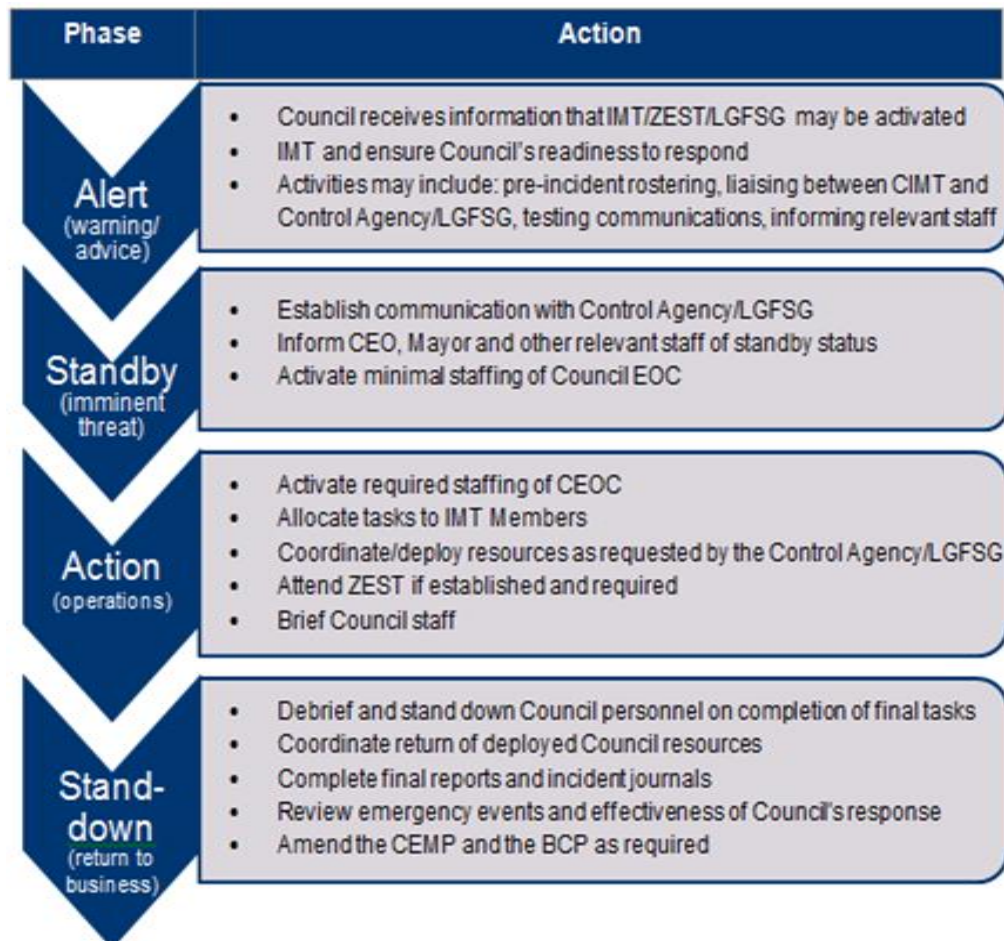
The BCP and IMT may be activated by the IMT Commander when a Level 2 or Level 3 incident is anticipated, is imminent or is already occurring.

Triggers for City of Marion to activate the BCP include:

- a) - receiving advice from a Control Agency or the LGFSG that an emergency has or is about to occur
- b) - becoming aware of an incident within their jurisdiction that has the potential to become an emergency
- c) - being notified that an emergency in an adjoining area is likely to impact on the City Of Marion
- d) - being required to attend ZEST activation

## IMT activation levels

Activation can occur in four phases depending on the nature of the incident.



## Notification of Activation Levels

The initial IMT activation contact will be via SMS message, giving a coded text identifying the phase and immediate action. These SMS messages will be pre-set and issued via the IMT Coordinator.

Key contacts are detailed in Appendix C.

Not all phases will occur in every incident.

### **ALERT:**

SMS message: ALERT - BCP MAY BE ACTIVATED – IMT MEMBERS PLEASE AWAIT FURTHER ADVICE

Upon receipt of information that an incident may reasonably be expected to occur, some preliminary planning may occur, activities in this phase could include pre-rostering, determining availability of resources and preliminary communications with external agencies.

### **STANDBY:**

SMS message: STANDBY – BCP – PLEASE BE READY TO ATTEND EOC AT ADMIN BUILDING

The IMT may be put on standby if there is reasonable warning or forecast of an incident occurring, for instance this may occur if a severe storm or extreme fire danger day is predicted. IMT staff will be notified of their expected attendance at the EOC if it is activated.

**ACTION:**

SMS message: ACTION – BCP ACTIVATED – PLEASE ATTEND EOC AT ADMIN BUILDING

The EOC is staffed, with operations coordinated and resources deployed in response to the incident. Communications are essential between internal staff, external agencies and the public.

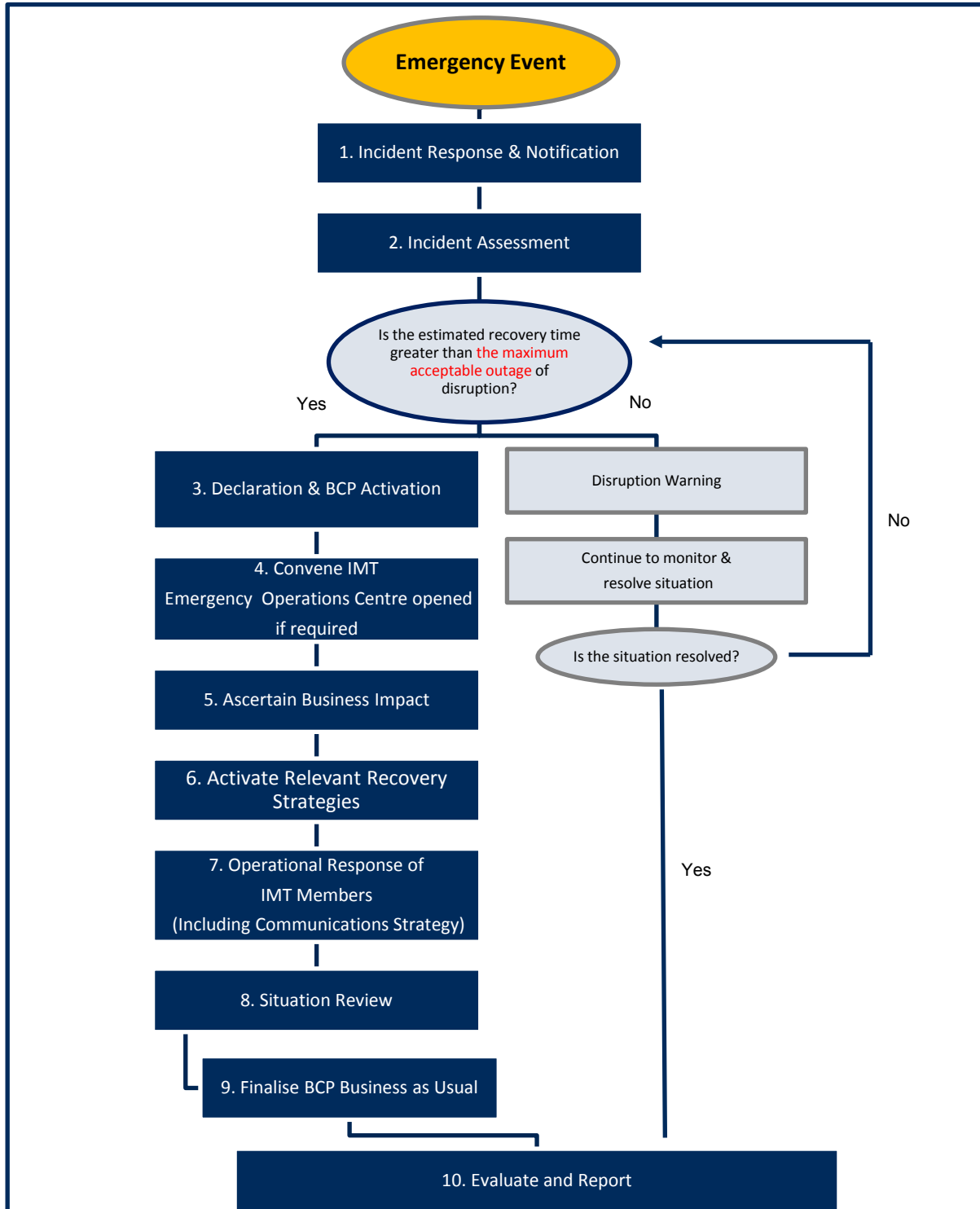
**STAND DOWN:**

SMS message: STAND DOWN – BCP FINALISED – PLEASE AVAIL YOURSELF FOR DEBRIEF AT <insert detail of debrief session>

## The BCP Activation

The BCP Activation process is outlined below and further explained thereafter.

**Diagram 7: Activation Flow Chart**



## 1. Incident Response and Notification

When an incident occurs it may be of such a nature that an emergency response is required. The person(s) involved should activate the Workplace Emergency Management Plan which may include the following where appropriate:

- Stop work and control any hazards to prevent harm to people if safe to do so
- Seek First Aid or Medical Treatment if required
- Call Emergency Services on 000 if required
- Report the incident to both their Manager and Unit Manager Risk
- Follow up with detailed report via Incident Reporting System
- Follow direction of the Emergency Control Officers

The incident may however be of such nature that it is an unresolved problem that escalates (or has the potential to escalate) to cause a significant disruption to business continuity e.g. industrial dispute.

On first becoming aware of a possible business continuity disruption event, the relevant function manager is required to assess the situation and if the event is likely to exceed the agreed “MAO timeframe”, then the Unit Manager Risk and the IMT Commander should be notified immediately by phone and where possible, with a follow-up email or personal briefing detailing the key issues including:

- Nature of the incident – time informed etc
- Describe Critical Functions impacted
- Facility/ equipment impacted
- Staff affected
- Any response actions implemented (Critical Function Recovery Strategy)
- Any media involvement/interest
- Any immediate support requirements.

Elements of the BCP (Recovery Strategies) can be implemented at the local level, where appropriate to address an immediate response requirement even if the event is expected to be resolved within an acceptable period.

## 2. Assessment

On receipt of a notification of a disruption event, the IMT Commander (or delegate) will:

- Formally note details
- Notify other members of the Incident Management Team (consider conference call)
- Confirm the details of the incident and appropriate communication strategies
- Conduct preliminary impact assessment (facility and technology infrastructure)
- Determine if an Emergency Operations Centre needs to be opened
- Ensure that the Insurer has been formally notified (if appropriate)

## 3. Declaration & BCP Activation

The IMT Commander is to review the preliminary information and if considered necessary declare a Business Interruption Event.

The BCP may be activated based on the level of risk assessed in relation to the disruptive incident. Consideration will be given to a range of factors, predominantly: the validity of the information, the

critical services being affected or likely to be affected, the scale of the event, the impact on the community and any consultation that may be required.

Any one of the following situations (list is not exhaustive) is an appropriate trigger for the activation of the BCP:

- A CoM site is not available (inability to access or the destruction of a building).
- The unplanned cessation of one or more activities supporting key services.
- The loss of a critical resource (ie power) across one or more of City of Marion work sites.
- An event involving the loss of one or more CoM servers and/or loss of communication at the Administration Building or City Services Depot.

The following positions are authorised, in order, to activate the BCP:

- IMT Commander (CEO)
- General Manager
- Manager Corporate Governance
- Unit Manager Risk
- Senior Manager (only in the absence of ALL of the above)

The IMT Commander is to manage the draft communications, both internal and external, for discussion at the initial IMT meeting.

Upon declaration of an interruption event, the Business Continuity Management Tools required by the IMT to progress their response and recovery, have been included in this document to provide assistance. However, any restoration plan developed by the IMT will take precedence over the respective instruction.

#### **4. Convene Incident Management Team - Emergency Operations Centre opened**

On the declaration of a Business Interruption Event, and if deemed appropriate by the IMT Commander, an Emergency Operations Centre may be opened. The resourcing and opening of this centre is the responsibility of the IMT Coordinator with consideration to: vulnerability to hazards, access to appropriate communications and technology, sufficient space, security, access and proximity to required resources, including refreshments during 24 hour activations.

##### **Emergency Operations Centre Location:**

Given these factors and the variable nature of Business Continuity Events, the following sites have been identified and prioritised.

If the incident does not impact on the Primary Emergency Operations Centre Location:

1. Governance Area, Level 1 Administration Building, 245 Sturt Road Sturt SA or
2. Council Chambers, Ground Level Administration Building, 245 Sturt Road. Sturt, SA

If the Primary Emergency Operations Centre Location is uninhabitable then the back-up Secondary Emergency Operations Centre location will be:

3. City Services Depot, 935 Marion Road. Mitchell Park, SA.

##### **Emergency Operations Centre Resources:**

In order to host an EOC, the following resources will be made available:

- IMT position identification
- Laptop
- ICT access via mobile phone
- Phone battery back up
- Battery powered radio
- Local and state maps

- 2 way radio communication handset
- Pre-approved activation for emergency management budget expenditure
- Pens/highlighters/pads/butchers paper & EOC record management provisions

### **Emergency Operations Centre Staff:**

Personnel attending the ECO are required to attend with the following resources:

- COM identification/security pass
- Laptop/tablet, if available/issued
- Phone and charger, if available/issued
- Relevant information including Recover Strategy details (folders)

The IMT is led by the IMT Commander who is tasked with the responsibility of managing Council resources/responses during an emergency or business interruption incident. This includes the selection and location of alternative site(s) to be used in the event of a disruption scenario. The role of the IMT is initially to ensure safety whilst gaining an understanding of the situation, maintaining control and assessing and agreeing the way forward. The IMT also comprises a number of defined roles with the option to include additional relevant stakeholders as required.

The IMT Commander calls the initial IMT meeting and, to allow for a high level risk assessment, the following information is sought from the relevant business areas impacted:

- Staff
- Any associated Emergency Services issues
- Building facilities
- Public relations/ media
- Damage/ security,
- Salvage of building and/or IT equipment, and
- Review and conformation of delegation of authorities for staff.

Reference should be made to any relevant recovery strategies and all communication is to be managed by the IMT Communications & Customer Contact.

In the event of a community emergency/disaster the IMT may also, in accordance with the CEMP/LGFSG, need to:

- Liaise with key personnel for the Southern Adelaide Zone Emergency Management Plan and determine cross-Council resource assistance
- Provide relief and recovery support during the emergency and work with recovery organisations to undertake recovery operations as directed

## **5. Ascertain Business Impact**

Central to ensuring the ongoing viability of the business in an interruption event is the identification of critical business functions, the processes and assets (people and property) that support the delivery of these critical functions and the impact of the loss of the functions on the business are analysed within a Business Impact Analysis. BIA's have been completed for each of the identified critical functions and are contained within the Critical Function Recovery Strategies.

The IMT will conduct a further assessment of 'business as usual' operations in consultation with all relevant stakeholders and in alignment with the Business Impact Analysis assessments referenced in all Recovery Strategies

During the meeting, information will have been gathered by the various IMT members to produce an evaluation of the incident. A formal record of the meeting to be collated by the IMT Admin Support with particular emphasis on items to be actioned. This record needs to be regularly reviewed and updated as additional information comes to hand.

The IMT Commander will manage the restoration of business activities in line with the responsibilities defined in the BCP.

## **6. Activate Relevant Recovery Strategies**

The Business Impact assessments will inform which Recovery Strategies will need to be activated in order to enable 'business as usual' operations. The IMT will liaise with the Recovery Strategy owners to ensure successful activation of relevant Recovery Strategies.

## **7. Operational Response**

At the point of the BCP being activated and the IMT convened, the IMT Members will undertake their operational responses outlined in their individual responsibility statements, these include the activation of relevant recovery strategies.

## **8. Situation Review**

During a disruptive event, updated information is being constantly received and collated centrally by the IMT Admin Support. The dynamics of this situation will require ongoing review, particularly in terms of further impact and additional Recovery Strategies needing activation. The IMT will provide regular updates to the ELT as required.

## **9. Finalise BCP / 'Business as Usual'**

Once the situation has ended and services can return to 'business as usual', the BCP can be finalised, the IMT can stand down and an announcement to relevant stakeholders can occur as outlined in the Communication Strategy.

## **10. Evaluate and Report**

In order to ensure continuous improvement of the BCP and associated processes, the event will be evaluated and reported to RWG and the Finance and Audit Committee with reference to the IMT Post Event Evaluation Form, provided within the Business Continuity templates at the end of this document. At this time, the BCP should be reviewed and amended as necessary.

## Communications Strategy

This Strategy covers the internal communication between the IMT and all levels of staff by various means as well as the external communication via formal and social media outlets.

### Elected Member Engagement

Communication is to be provided without delay to all Elected Members with respect to Business Continuity. The IMT Council/Organisational Governance will act as the primary communication channel between the Elected Members through the ELT and the IMT and will maintain regular communication with Elected Members as a group and individual or Ward-based where appropriate and will be supported by staff in the Executive Support Unit and the Communication Unit if required.

### Internal Communication

Internal communication to all staff with respect to Business Continuity is to be directed by the IMT Communications & Customer Contact through the IMT Commander and the IMT. The initial communication to staff is to occur as soon as practically possible with regular updates in accordance with the severity of the disruption incident.

In most instances the IMT will provide information to each work area via the Leadership Team or their delegate in that area and then it will be responsibility of the Leadership Team member delegated to pass this information on to the staff / 3rd party stakeholders within their area.

Leadership Team members are also responsible for confirming this communication back to the IMT and confirming the safety of all staff, contractors, the community and visitors to City of Marion sites. This information is to be confirmed back up to the IMT via pre-determined methods.

As a minimum the communication must also address any further information in relation to the business disruption scenario and the impact on the organisation. Any specific information with respect to recovery strategies and what is required by each work area and remind staff about protocols for addressing media, ensuring all information is clear and consistent

Note that this information may not all be available at once and will be communicated as it becomes clear and available.

### Media Communication

Media communication may be required in certain circumstances in response to activation of the BCP. If a statement is required to be prepared for the media, this will be prepared by the IMT Communications & Customer Contact, always in consultation with the IMT. Early notification as per the Communication Plan is crucial to ensure that the City of Marion is proactive in supplying relevant, timely and accurate information to the Community via media agencies, if deemed appropriate / necessary.

All media liaison is to occur in line with policy. In exceptional circumstances the IMT Commander and/or Mayor may liaise with the media directly in relation to the incident.

### General Statement to Media in the event of a business interruption event

In the event of a major incident, particularly after-hours, there may be a period of time elapsed before the designated media spokesperson is in a position to respond to media enquiries. Should any staff member be approached by media representatives for a comment they are only authorised to make the following statement:

**"I am sorry, but I am not authorised to make any statement at this time. The appropriate personnel are currently being briefed on the situation and a spokesperson will be available to talk to you shortly"**

*There is no such thing as an "off the record" comment.*

If you cannot immediately refer the journalist to the IMT Communications & Customer Contact, please complete the Media Enquiry Record Form. Let the journalist know that someone will return their call promptly.

Provide the IMT Commander with the journalist's details as soon as possible. Also provide any background and relevant information that you have about the event, including how the journalist came to contact you.

## **Third Party Communication**

Third party communication may be required in certain circumstances in response to activation of the BCP. All staff identified as responsible for managing third party relationships are also responsible for making appropriate contact in the event of a disruption incident. As such, it is the responsibility of these staff to maintain current contact lists for all relevant third parties and include these within Critical Function Recovery Strategies.

At the point of the BCP being activated and IMT convened, the IMT Communications & Customer Contact will invoke the Communication Strategy. The IMT Communications & Customer Contact will oversee communication undertaken in alignment with the Communication Strategy and in consultation with the IMT.

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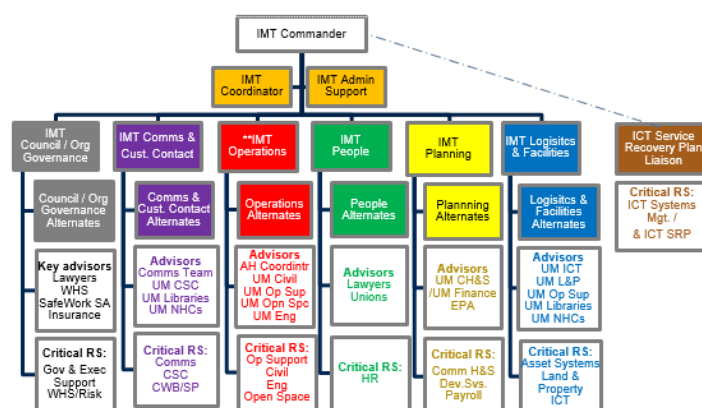
## Appendices

### Appendix A - Responsibility Statements

#### Local Government Responsibilities

Position	Council Responsibilities
<b>Emergency Management Act 2004</b>	<ul style="list-style-type: none"> <li>Requires the preparation of the SEMP (which Council is required to give due weight to in plans, policies and activities)</li> </ul>
<b>Fire and Emergency Services Act 2005</b>	<ul style="list-style-type: none"> <li>For rural councils/councils with designated urban bushfire risk areas- appoint Fire Prevention Officers</li> <li>Contribute to Bushfire Management Area Plans</li> <li>Prevent or inhibit the spread and outbreak of fire</li> <li>Protect property from fire</li> <li>Minimise threat to human life from fire</li> </ul>
<b>Local Government Act 1999</b>	<ul style="list-style-type: none"> <li>Protect its area from natural and other hazards and to mitigate from the effect of such hazards</li> <li>Give due weight to regional, state and national objectives and strategies concerning the economic, social, physical and environmental development and management of the community</li> <li>Flooding specific – if flooding in the area of a council has occurred/is imminent and the council is of the opinion that a situation of emergency has arisen in which there is danger to life or property, it may order that action be taken as it thinks fit to avert or reduce the danger</li> </ul>

**Incident Management Team (IMT) Structure including Advisors and Recovery**



\*\*The IMT Operations will be the Local Government Emergency Centre Coordinator/DCSI Contact as outlined in the CEMP, any alternate officer will need to have undertaken i-Response training provided by the LGA.

The above IMT roles are held by the designated and alternate positions assigned as outlined below.

**Diagram 6: IMT Positions – Roles with 1st and 2nd Alternate Roles\***

Incident Level	1	2	3	IMT Position	Roles	1 <sup>st</sup> Alternate	2 <sup>nd</sup> Alternate
X	X	X		IMT Commander	CEO	GM Corporate Services	GM City Dev./GM City Svs.
X	X	X		IMT Coordinator	UM Risk	Risk Coordinator	WHS Coordinator
X	X	X		IMT Admin Support	Risk Coordinator	WHS Coordinator	CEO EA
X	X	X		IMT Council/Org Governance	Manager Corporate Governance	UM Governance & Records	Governance Officer / Mayor EA
	X	X		IMT Comms & Customer Contact	UM Communications	Manager Customer Experience	Communication Advisor
	X	X		IMT Operations	GM City Services	Manager Engineering & Field Services	UM Operational Support
		X		IMT People	Manager HR	UM HR	HR Partner
		X		IMT Planning	Manager Innovation & Strategy	Manager Finance & Contracts	Manager Development & Regulatory Services
		X		IMT Logistics & Facilities	Manager City Property	Manager Community & Cultural Services	Manager City Activation
				IMT/ICT SRP	ICT Service Recovery Plan Liaison	Manager ICT	UM ICT
							ICT Network/Service Team

\*In exceptional circumstances where IMT members and alternates are unavailable, the IMT will appoint appropriate alternates

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## IMT Commander Responsibilities

Position	IMT Commander	Staff Position	Chief Executive Officer
During absence this role will be assumed by		General Manager Corporate Services / any General Manager	
Position Statement	<p>The IMT Commander encompasses leadership of the Incident Management Team (IMT) and management of emergency and business disruption events as they occur.</p> <p>The primary objective of this position is to declare a business continuity event and invoking the BCP, lead the IMT and oversee and manage all resumption activities.</p> <p>If an initial response has been activated through the Workplace Emergency Management Plan, the Chief Warden has authority until the workplace emergency is resolved and control is then returned to the CEO or in the event of BCP activation, the IMT Commander.</p>		
Knowledge Requirements	<ol style="list-style-type: none"><li>1. Broad understanding of Business Continuity Plan and Critical Function Recovery Strategies</li><li>2. Operational understanding of i-Responda principles</li><li>3. High level understanding of organisational activities and service delivery priorities</li><li>4. Community, Business and Regulatory contacts</li></ol>		
Responsibilities	<p>The IMT Commander must make decisions, based on information received by other IMT Members, to ensure the best strategy is implemented for business resumption.</p> <p><b>Responsibilities include:</b></p> <ul style="list-style-type: none"><li>• Participate in awareness raising, training and testing activities</li><li>• Monitor any internal/external changes in the business environment for impact on business continuity</li></ul> <p><b>On Activation:</b></p> <ul style="list-style-type: none"><li>• Declare the IMT for Alert, Stand-by or Activation mode</li><li>• Determine Incident Level</li><li>• Determine the IMT structure required based on the incident level</li><li>• Determine the Emergency Operations Centre location</li><li>• Determine which IMT advisors and Recovery Strategies need to be alerted or activated</li><li>• Initiate and facilitate IMT briefing and planning meetings</li><li>• Assess the situation, identify risks and determine priorities</li><li>• Activate and deactivate roles as required</li><li>• Key Liaison with IMT Communications and Customer Contact to ensure the effective communication with key stakeholders including staff, media and the community</li><li>• Key Liaison with IMT Council/Organisational Governance to ensure the effective communication with and advice to the Mayor and Elected Members</li><li>• Key Liaison with IMT Operations in management of requests from the LGFSG, Control Agencies and other Councils for the authorisation and deployment of Council support/resources</li><li>• Ensure the wellbeing and safety of all staff and the IMT members</li><li>• Oversee the financial records relating to emergency management</li><li>• Monitor the gathering of business interruption event information</li><li>• Activate transition to recovery efforts</li><li>• Lead the IMT debrief, stand-down and finalisation of BCP process</li><li>• Schedule and facilitate debriefing and evaluation processes</li></ul>		
Key Advisors	IMT		
Critical Recovery Strategies	Governance & Executive Support/WHS & Risk / Communications/Customer Service Centre/Operational Support/Civil//Engineering/Open Space/HR/Community Health & Safety/Development Services/Payroll/Asset Systems/Land & Property/ICT System Mgt.		

## IMT Coordinator Responsibilities

<b>Position</b>	IMT Coordinator	<b>Staff Position</b>	Unit Manager Risk
<b>During absence this role will be assumed by</b>	Risk Coordinator / WHS Coordinator		
<b>Position Statement</b>	<p>The IMT Coordinator fulfils a critical IMT coordination and BCP advisory role to the IMT Commander to ensure effective management of emergency and business disruption events as they occur.</p> <p>The primary objective of this position is to coordinate the initial meeting of the IMT Emergency Operations Centre and gather information to assist</p>		
<b>Knowledge Requirements</b>	<ol style="list-style-type: none"> <li>1. Detailed knowledge of Business Continuity Plan</li> <li>2. Broad understanding of Critical Function Recovery Strategies</li> <li>3. Operational understanding of i-Responda principles</li> </ol>		
<b>Responsibilities</b>	<p>The IMT Co-ordinator is required to assist the IMT Commander in coordination of the IMT and provide advice on the BCP, Recovery Strategies, CEMP, LGFSG, and other emergency management agencies and programs</p> <p><b>Responsibilities include:</b></p> <ul style="list-style-type: none"> <li>• Participate in awareness raising, training and testing activities</li> <li>• Monitor any internal/external changes in the business environment for impact on business continuity</li> </ul> <p><b>On Activation:</b></p> <ul style="list-style-type: none"> <li>• Operate as a member of the IMT</li> <li>• Open Emergency Operations Centre on direction of IMT Commander</li> <li>• Assist IMT Commander in coordination of the IMT and management of the emergency event</li> <li>• Be the primary source of contact for designated IMT members including notification of activation and meeting point</li> <li>• Gathering of business interruption event information in collaboration with the IMT Admin Support role</li> <li>• Provide specialist advice on the BCP, Recovery Strategies, CEMP, LGFSG, and other emergency management agencies and programs, as required</li> </ul>		
<b>Key Advisors</b>	IMT		
<b>Critical Recovery Strategies</b>	Governance & Executive Support/WHS & Risk / Communications/Customer Service Centre/Operational Support/Civil//Engineering/Open Space/HR/Community Health & Safety/Development Services/Payroll/Asset Systems/Land & Property/ICT System Mgt.		

## IMT Admin Support Responsibilities

<b>Position</b>	IMT Admin Support	<b>Staff Position</b>	Risk Coordinator
<b>During absence this role will be assumed by</b>	Work Health and Safety Coordinator / CEO EA		
<b>Position Statement</b>	The IMT Admin Support role is responsible for the smooth functioning of the Emergency Operations Centre (if established) and the administrative needs of the IMT.		
<b>Knowledge Requirements</b>	<ol style="list-style-type: none"> <li>1. Detailed knowledge of Business Continuity Plan</li> <li>2. Broad understanding of Critical Function Recovery Strategies</li> <li>3. Operational understanding of i-Responda principles</li> <li>4. Detailed knowledge of IMT administrative functions and arrangements</li> </ol>		
<b>Responsibilities</b>	<p><b>Responsibilities include:</b></p> <ul style="list-style-type: none"> <li>• Participate in awareness raising, training and testing activities</li> <li>• Monitor any internal/external changes in the business environment for impact on business continuity</li> </ul> <p><b>On Activation:</b></p> <ul style="list-style-type: none"> <li>• Operate as a member of the IMT</li> <li>• If required, assist with the set-up of the Emergency Operations Centre including assisting with the provision of stationery, equipment and any other resource requirements</li> <li>• Make administrative arrangements for all IMT meetings</li> <li>• Provide administrative support to IMT Commander and other IMT members</li> <li>• Support the IMT Commander and IMT Coordinator</li> <li>• Create and maintain a chronological log of meetings and decisions made</li> <li>• Complete and maintain the IMT Incident Journal</li> <li>• Record all costs associated with resources and supplies required by the IMT during the event</li> </ul>		
<b>Key Advisors</b>	IMT		
<b>Critical Recovery Strategies</b>	Governance & Executive Support/WHS & Risk / Communications/Customer Service Centre/Operational Support/Civil/Engineering/Open Space/HR/Community Health & Safety/Development Services/Payroll/Asset Systems/Land & Property/ICT System Mgt.		

## IMT Council/Organisational Governance Responsibilities

<b>Position</b>	IMT Council /Organisational Governance	<b>Staff Positions</b>	Manager Corporate Governance
<b>During absence this role will be assumed by</b>		Unit Manager Governance & Records / Governance Officer / Mayor EA	
<b>Position Statement</b>	The IMT Council/Organisational Governance role will be the primary liaison with the Mayor and Elected Members and is responsible for the ensuring access to legal advice and provision of governance, compliance, WHS and insurance requirements.		
<b>Knowledge Requirements</b>	<ol style="list-style-type: none"><li>1. High level understanding of organisational activities and service delivery priorities</li><li>2. Broad understanding of Business Continuity Plan and Critical Function Recovery Strategies</li><li>3. Operational understanding of i-Responda principles</li><li>4. Detailed understanding of the organisation's governance, compliance, WHS and insurance arrangements</li></ol>		
<b>Responsibilities</b>	<p><b>Responsibilities include:</b></p> <ul style="list-style-type: none"><li>• Participate in awareness raising, training and testing activities</li><li>• Monitor any internal/external changes in the business environment for impact on business continuity</li></ul> <p><b>On Activation:</b></p> <ul style="list-style-type: none"><li>• Operate as a member of the IMT</li><li>• Ascertain the impact on required advisors and assigned Critical Functions and report to IMT</li><li>• Co-ordination of required advisors and assigned Critical Function Recovery Strategy implementation as required</li><li>• Key communication role between IMT and Elected Members</li><li>• Provide support and advice to the Mayor and Elected Members</li><li>• Provide updates to the IMT, through the IMT Commander, on Elected Member activity and community issues.</li><li>• </li><li>• Provides governance, compliance, WHS and insurance advice to the IMT and Elected Members</li><li>• Coordinate access to external professional advice including legal, WHS, liability or insurance</li><li>• Notification to insurer and management of insurance requirements</li><li>• Reporting any incident related expenses to the IMT Admin Support role for recording and reporting purposes</li></ul>		
<b>Key Advisors</b>	Lawyers/ WHS/ SafeworkSA/ Insurance		
<b>Critical Recovery Strategies</b>	Governance & Executive Support/ WHS & Risk		

## IMT Communications and Customer Contact Responsibilities

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Position	IMT Communications and Customer Contact	Staff Positions	Unit Manager Communications
During absence this role will be assumed by		Manager Customer Experience / Communications Advisor	
Position Statement	The IMT Communication and Customer Contact role is responsible for corporate communications, including staff messaging and provision of information to our customers through media releases and social media updates		
Knowledge Requirements	<div>1. Broad understanding of Business Continuity Plan and Critical Function Recovery Strategies</div> <div>2. Operational understanding of i-Responda principles</div> <div>3. Detailed understanding of the organisation’s communications strategy</div> <div>4. Detailed understanding of the organisation’s customer experience strategy</div>		
Responsibilities	<div>Responsibilities include:</div> <div><div>• Participate in awareness raising, training and testing activities</div><div>• Monitor any internal/external changes in the business environment for impact on business continuity</div></div> <div>On Activation:</div> <div><div>• Operate as a member of the IMT</div><div>• Ascertain the impact on required advisors and assigned Critical Functions and report to IMT</div><div>• Co-ordination of required advisors and assigned Critical Function Recovery Strategy implementation as required</div><div>• Invoke the IMT Communication Strategy and manage staff and community communication undertaken by the IMT, as directed by the IMT Commander. .</div><div>• Liaise with the IMT Council/Organisational Governance role with regards to communications with Elected Members</div><div>• Ensure Council communication/media policies and procedures are followed</div><div>• Manage media communication needs and strategies</div><div>• Provide advice regarding corporate image matters</div><div>• Reporting any incident related expenses to the IMT Admin Support role for recording and reporting purposes</div></div>		
Key Advisors	Comms Teams/ UM CSC/ UM Libraries/ UM NHCs		
Critical Recovery Strategies	Communications/ Customer Service Centre/ Community Wellbeing Social Participation		

## IMT Operations Responsibilities

Position	IMT Operations	Staff Positions	General Manager City Services
During absence this role will be assumed by		Manager Engineering and Field Services / UM Operational Support	
Position Statement	The IMT Operations role is responsible for an effective operational response to an emergency event and smooth transition into and implementation of recovery activities.		
Knowledge Requirements	<ol style="list-style-type: none"><li>1. Broad understanding of Business Continuity Plan and Critical Function Recovery Strategies</li><li>2. Operational understanding of i-Responda principles</li><li>3. Working knowledge of identified response staff, equipment and processes</li></ol>		
Responsibilities	<p><b>Responsibilities include:</b></p> <ul style="list-style-type: none"><li>• Participate in awareness raising, training and testing activities</li><li>• Monitor any internal/external changes in the business environment for impact on business continuity</li></ul> <p><b>On Activation:</b></p> <ul style="list-style-type: none"><li>• Be the Local Government Emergency Centre Coordinator as outlined in the CEMP to ascertain the LGFSG or Control Agency requirements</li><li>• Operate as a member of the IMT</li><li>• Ascertain the impact on required advisors and assigned Critical Functions and report to IMT</li><li>• Co-ordination of required advisors and assigned Critical Function Recovery Strategy implementation as required</li><li>• Assess requests for resources from external agencies</li><li>• Coordinate deployment of Council personnel/equipment in alignment with the i-Responda registers</li><li>• Determine need for additional personnel, equipment, resources, or support</li><li>• Manage and supervise operational response</li><li>• Monitor and maintain resources deployed</li><li>• Manage the safety and welfare of staff responding to the incident</li><li>• Ensure compliance with relevant legislation and Council's WHS policies/principles</li><li>• Provide advice regarding WHS matters and the evaluation of risks/hazards</li><li>• Maintain records on WHS matters including SOPs, SWPs, SWMS and Take 5s</li><li>• Ensure staff have adequate PPE suited to the situation</li><li>• Report hazards, near-misses or incidents in the field to the Incident Commander and record in SkyTrust</li><li>• Manage and investigate hazards, near-misses or incidents in the field</li><li>• Develop a program for clean-up and restoration of Council assets and services</li><li>• Reporting any incident related expenses to the IMT Admin Support role for recording and reporting purposes</li></ul>		
Key Advisors	AH Coordinator/ UM Civil/ UM Operational Support/ um Open Space/ UM Engineering		
Critical Recovery Strategies	Operational Support/ Civil/ /Engineering/ Open Space		

## IMT People Responsibilities

Position	IMT People	Staff Positions	Manager Human Resources
During absence this role will be assumed by		Unit Manager HR / HR Partner	
Position Statement	The IMT People role is responsible for the welfare of staff when responding to incidents either in CoM locality and/or deployed to other Council areas		
Knowledge Requirements	<ol style="list-style-type: none"><li>1. Broad understanding of Business Continuity Plan and Critical Function Recovery Strategies</li><li>2. Operational understanding of i-Responda principles</li><li>3. Working knowledge of identified response staff, relevant job descriptions and the relevant industrial arrangements</li><li>4. Experience in arranging Employee Wellbeing Plan when required in response to incidents</li></ol>		
Responsibilities	<p><b>Responsibilities include:</b></p> <ul style="list-style-type: none"><li>• Participate in awareness raising, training and testing activities</li><li>• Monitor any internal/external changes in the business environment for impact on business continuity</li></ul> <p><b>On Activation:</b></p> <ul style="list-style-type: none"><li>• Operate as a member of the IMT</li><li>• Ascertain the impact on required advisors and assigned Critical Functions and report to IMT</li><li>• Co-ordination of required advisors and assigned Critical Function Recovery Strategy implementation as required</li><li>• Collaborate with IMT Operations to implement process for briefing staff prior to deployment at required locations and establish reporting requirements</li><li>• Provide advice on industrial issues if they arise</li><li>• Recommend staff services/amenities required to foster staff wellbeing during the event</li><li>• Collaborate with IMT &amp; people leaders regarding management of individual staff issues ie working from home, designated alternative locations and other workforce management issues</li><li>• Collaborate with IMT Communications and Customer Contact to liaise with people leaders at affected locations to provide status updates regarding staffing issues</li><li>• Maintaining information and report on costs to IMT</li><li>• Monitor the wellbeing of the IMT and associated support roles including the wellbeing of staff implementing the ICT Service Recovery Plan</li><li>• Reporting any incident related expenses to the IMT Admin Support role for recording and reporting purposes</li></ul>		
Key Advisors	Lawyers/ Unions		
Critical Recovery Strategies	HR		

## IMT Planning Responsibilities

Position	IMT Planning	Staff Positions	Manager Innovation & Strategy
During absence this role will be assumed by		Manager Finance & Contracts / Manager Development & Regulatory Services	
Position Statement	The IMT Planning role is responsible for coordination of the immediate and future strategy and planning of the requirements of the IMT		
Knowledge Requirements	<ol style="list-style-type: none"><li>1. Broad understanding of Business Continuity Plan and Critical Function Recovery Strategies</li><li>2. Operational understanding of i-Responda principles</li><li>3. Knowledge of planning and project management principles</li></ol>		
Responsibilities	<p><b>Responsibilities include:</b></p> <ul style="list-style-type: none"><li>• Participate in awareness raising, training and testing activities</li><li>• Monitor any internal/external changes in the business environment for impact on business continuity</li></ul> <p><b>On Activation:</b></p> <ul style="list-style-type: none"><li>• Operate as a member of the IMT</li><li>• Ascertain the impact on required advisors and assigned Critical Functions and report to IMT</li><li>• Co-ordination of required advisors and assigned Critical Function Recovery Strategy implementation as required</li><li>• Ascertain the impact on business unit activities and report to IMT</li><li>• Co-ordination of business unit Critical Function Recovery Strategies implementation as required</li><li>• Assess situation, identify risks and report to IMT Commander</li><li>• Plan and monitor IMT member availability, Shift Management and changeover of IMT members including record of staff hours and rosters</li><li>• Ensure appropriate records are maintained in regard to expenditure relating to staffing the IMT</li><li>• Be chief researcher for the IMT and obtain geographical mapping, site maps and floor plans</li><li>• Lead the IMT in coordination and response when alternative office locations are required for affect critical function areas</li><li>• Facilitate medium and longer tem planning discussion with the IMT</li><li>• Reporting any incident related expenses to the IMT Admin Support role for recording and reporting purposes</li></ul>		
Key Advisors	UM Comm Health & Safety/ UM Finance/ EPA		
Critical Recovery Strategies	Community Health & Safety/ Development Services/ Payroll		

## IMT Logistics & Facilities Responsibilities

Position	IMT Logistics & Facilities	Staff Positions	Manager City Property
During absence this role will be assumed by		Manager Community and Cultural Services / Manager City Activation	
Position Statement	The IMT Logistics & Facilities role is responsible for the logistics and facility management for the IMT.		
Knowledge Requirements	1. Broad understanding of Business Continuity Plan and Critical Function Recovery Strategies 2. Operational understanding of i-Responda principles		
Responsibilities	<b>Responsibilities include:</b> <ul style="list-style-type: none"><li>• Participate in awareness raising, training and testing activities</li><li>• Monitor any internal/external changes in the business environment for impact on business continuity</li></ul> <b>On Activation:</b> <ul style="list-style-type: none"><li>• Operate as a member of the IMT</li><li>• Ascertain the impact on required advisors and assigned Critical Functions and report to IMT</li><li>• Co-ordination of required advisors and assigned Critical Function Recovery Strategy implementation as required</li><li>• Establish Emergency Operations Centre facility if the primary location is unavailable</li><li>• Ensure appropriate Information Technology and Communications resources are available to the IMT</li><li>• Ensure necessary equipment and consumables are available</li><li>• Arrange additional external human resources (ie: agency/other council staff) required by the IMT</li><li>• Obtain and maintain physical resources, facilities, services, and materials</li><li>• Coordinate provisions of food and water for the IMT and response staff</li><li>• Maintain information and report on costs to IMT Planning</li><li>• Estimate future services, consumable, material and support requirements</li><li>• Supply and acquisition of required resources and equipment in response to requests from the IMT ie waste receptacles, ICT, telephone and other equipment in the establishment of the IMT emergency operations centre</li><li>• Reporting any incident related expenses to the IMT Admin Support role for recording and reporting purposes</li></ul>		
Key Advisors	UM ICT / UM Land & Property/ UM Op Support/ UM Libraries/ UM NHCs		
Critical Recovery Strategies	Asset Systems/ Land & Property/ ICT System Mgt.		

## IMT/ICT Service Recovery Plan Liaison Responsibilities

<b>Position</b>	IMT/ICT Service Recovery Plan Liaison	<b>Staff Positions</b>	Manager ICT
<b>During absence this role will be assumed by</b>	UM ICT		
<b>Position Statement</b>	The IMT/ICT Service Recovery Plan Liaison role is responsible for the liaison between the ICT Team, the ICT Service Recovery Plan and the IMT		
<b>Knowledge Requirements</b>	3. Broad understanding of Business Continuity Plan and Critical Function Recovery Strategies 4. Operational understanding of ICT Service Recovery Plan (ICT SRP) principles		
<b>Responsibilities</b>	<b>Responsibilities include:</b> <ul style="list-style-type: none"> <li>• Participate in awareness raising, training and testing activities</li> <li>• Monitor any internal/external changes in the business environment for impact on business continuity</li> </ul> <b>On Activation:</b> <ul style="list-style-type: none"> <li>• Operate as a liaison to the IMT</li> <li>• Ensure activation of the ICT SRP when appropriate</li> <li>• Ascertain the impact on required advisors and assigned Critical Functions and report to IMT</li> <li>• Co-ordination of required advisors and assigned Critical Function Recovery Strategy implementation as required</li> <li>• Liaise with IMT Logistics &amp; Facilities to establish secondary Emergency Operations Centre facility if the primary location is unavailable</li> <li>• Ensure appropriate Information Technology and Communications resources are available to the IMT</li> <li>• Assist with provision of necessary ICT equipment and ICT consumables</li> <li>• Maintain information and report on ICT costs to IMT Logistics &amp; Facilities</li> <li>• Estimate future ICT services, and related consumables, materials and support requirements</li> <li>• Supply and acquisition of required ICT resources and equipment in response to requests from the IMT</li> <li>• Reporting any incident related expenses to the IMT Admin Support role for recording and reporting purposes</li> </ul>		
<b>Key Advisors</b>	ICT Vendors/ Vendor SLAs/ UM ICT & ICT Network/Service Team		
<b>Critical Recovery Strategies</b>	ICT Systems Management & ICT Service Recovery Plan		

## Appendix B - Emergency Contacts

### Incident Management Team

IMT Role	Position Contact Details	1 <sup>st</sup> Alternate Contact Details	2 <sup>nd</sup> Alternate Contact Details
<b>IMT Commander</b>	<b>CEO</b> Adrian Skull 8375 6878/ 0421 100 176	<b>GM Corporate Services</b> Vincent Mifsud 8375 6618/ 0402 902 494	<b>GM City Development</b> Abby Dickson 8375 6672/ 0434 567 690
<b>IMT Coordinator</b>	<b>UM Risk</b> Sherie Walczak 8375 6822/ 0466 327 831	<b>Risk Coordinator</b> Karen Peake 8375 6885/ 0479 048 394	<b>WHS Coordinator</b> Paul Johns 8375 6659/ 0417 046 041
<b>IMT Admin Support</b>	<b>Risk Coordinator</b> Karen Peake 8375 6885/ 0479 048 394	<b>WHS Coordinator</b> Paul Johns 8375 6659/ 0417 046 041	<b>CEO EA</b> Dana Bartlett 8375 6612 Mobile n/k
<b>IMT Council/ Organisational Governance</b>	<b>Mgr Corp. Governance</b> Kate McKenzie 8375 6625/ 0402 387 843	<b>UM Gov.&amp; Records</b> Jaimie Thwaites 8375 6641/ 0402 297 497	<b>Mayor EA/Gov. Officer Nakita von Rooijen</b> 8375 6611 Victoria Moritz 8375 6601
<b>IMT Communications &amp; Customer Contact</b>	<b>UM Communications</b> Craig Clarke 8375 6661/ 0434 600 637	<b>Mgr Cust. Experience</b> Karen Cocks 7420 6517/ 0401 032 386	<b>Communication Advisor</b> Richard Watson 8375 6714/ 0413 543 426
<b>IMT Operations</b>	<b>GM City Services</b> Tony Lines 7420 6421/ 0466 505 926	<b>Mgr Eng. &amp; Field Svs.</b> Mat Allen 7420 6440/ 0412 071 501	<b>UM Operational Support</b> Roger Belding 7420 6407/ 0412 870 222
<b>IMT People</b>	<b>Mgr.HR</b> Steph Roberts 7420 6413/ 0466 479 840	<b>UM HR</b> Rachel Read 7420 6411/ 0421 586 563	<b>HR Partner</b> Nicola Beckwith-Jones 7420 6412 0421 584 058
<b>IMT Planning</b>	<b>Mgr.Innov.&amp; Strategy</b> Fiona Harvey 8375 6807/ 0481 010 454	<b>Mgr.Finance &amp; Contracts</b> Ray Barnwell 8375 6770/ 0435 146 208	<b>Mgr.Dev.&amp; Reg Services</b> <b>Jason Cattonar</b> 8375 6665/ 0435 652 420
<b>IMT Logistics &amp; Facilities</b>	<b>Mgr.City Property</b> Carol Hampton 7420 6468/ 0466 349 171	<b>Mgr.Comm.&amp; Cult.Svs.</b> Liz Byrne 8375 6751/ 0466 774 344	<b>Mgr.City Activation</b> Greg Salmon 7420 6525/ 0402 968 906
<b>IMT LINK: ICT Service Recovery Plan</b>	<b>Mgr. ICT</b> John Deally 8375 6829/ 0418 829 856	<b>UM ICT</b> Phil Mattingly 8375 6889/ 0412 000 504	<b>ICT Support</b> Matt Kovarik 7420 6499/ 0481 914 549

## Executive Leadership Team

Staff Position	Contact Details	Staff Position	Contact Details
<b>Chief Executive Officer</b>	Adrian Skull 8375 6878/ 0421 100 176	<b>General Manager Corporate Services</b>	Vincent Mifsud 8375 6618/ 0402 902 494
<b>General Manager City Development</b>	Abby Dickson 8375 6672/ 0434 567 690	<b>General Manager Operations</b>	Tony Lines 7420 6421/ 0466 505 926

## Senior Leadership Team

Staff Position	Contact Details	Staff Position	Contact Details
<b>Manager Human Resources</b>	Steph Roberts 74206413/ 0466 479 840	<b>Manager Customer Experience</b>	Karen Cocks 7420 6517/ 0412 071 501
<b>Manager City Property</b>	Carol Hampton 7420 6468/ 0466 349 171	<b>Manager Finance</b>	Ray Barnwell 8375 6825/ 0435 146 208
<b>Manager ICT</b>	John Deally 8375 6829/ 0418 829 856	<b>Manager Corporate Governance</b>	Kate McKenzie 8375 6625/ 0402 387 843
<b>Manager City Activation</b>	Greg Salmon 7420 6525/ 0402 968 906	<b>Manager Eng &amp; Field Services</b>	Mat Allen 7420 6440/ 0412 071 501
<b>Manager Community &amp; Cultural Services</b>	Liz Byrne 8375 6751/ 0466 774 344	<b>Manager Innovation &amp; Strategy</b>	Fiona Harvey 8375 6807/ 0481 010 454
<b>Manager Dev &amp; Regulatory Services</b>	Jason Cattonar 8375 6665/ 0435 652 420		

## Site Locations

Site / Address / Contacts	Site / Address / Contacts	Site / Address / Contacts
<b>Administration Building</b> 245 Sturt Rd, Sturt 5047 Tel: 8375 6600 After Hrs 8375 6666	<b>City Services</b> 935 Marion Rd, Mitchell Park 5043 Tel: 8375 6600	<b>Southern Depot</b> Majors Road, O'Halloran Hill 5158 Tel: Roger Belding 7420 6407/ 0412 870 222
<b>Marion Heritage Research Centre</b> 245 Sturt Rd, Sturt 5047 Tel: 7420 6455	<b>Cooinda NC</b> Cnr Sturt & Diagonal Rd, Sturt, 5043. Tel: 8375 6703	<b>Mitchell Park NC</b> 1 Cumbria Court, Mitchell Park, 5043 Tel: 8277 8435
<b>Glandore Community Centre</b> 25 Naldera Street Glandore 5037 Tel 8371 1139	<b>Trott Park NC</b> 34 Hessing Court, Trott Park, 5158 Tel: 8387 2074	<b>Living Kurna Cultural Centre</b> Warriparinga Drv, Bedford Park 5042 Tel: 8357 5900
<b>Marion Library</b> Diagonal Rd, Oaklands Park 5046 Tel: 8375 6785	<b>Park Holme Library</b> Duncan Ave, Park Holme 5043 Tel: 8375 6745	<b>Hallett Cove Civic Centre</b> 1 Ragamuffin Drive, Hallett Cove 5158 Tel: 8375 6755
<b>Marion Cultural Centre</b> 287 Diagonal Rd Oaklands Pk 5046 Tel: 8375 6855	<b>Marion Swimming Centre</b> Oaklands Rd, Park Holme 5043 Tel: 8276 4939	

## Key Contacts/Advisors

Contact Position	Service/Provision	Contact Details
After Hours Coordinator:	After Hours Support – emergency, mechanical, electrical, security	M: 0466 029 279
UM Operational Support	Operational Support – provision of storm/flooding clean up/ defence / fleet vehicles/ breakdowns / accidents/ incidents	0412 870 222
CoM Stores	Provision of sand bags, spill kits, hazard clean up, PPE	08 7420 6476 0422 112 790
UM Land & Property	Property Maintenance and Security – provision of security, air conditioning, power, electrical, mechanical fixed plant etc	08 7420 6410
Property Maintenance Officer	Provision of security, emergency call monitoring, duress alarms, air conditioning, electronic door repair	0402 682 916
UM Customer Service	Customer Service Centre function – information to general public via call centre/on line chat service, access to customer service frontline functions – payments/information/reception	08 8375 6825 0434 564 817
Customer Service Coordinator	Provision of telephone answering/after hours/call centre service – access to Knowledge Base & CES event /action logs	08 8375 6600

Advisors	Service/Provision	Contact Details
Kelley Jones,	Legal Services	<u>Offices:</u> 8113 7100 Level 6 Gillies Street, Adelaide South <u>Offices:</u> 8233 5555 Level 10, Grenfell Centre, 25 Grenfell Street, <u>Offices:</u> 8210 1200, Level 15/45 Pirie Street, Adelaide
Minter Ellison,	Legal Services	
Norman Waterhouse:	Legal Services	
EPA	Environmental Protection	Helpdesk: 8204 2004 Email notification to: <a href="mailto:epainfo@sa.gov.au">epainfo@sa.gov.au</a>
LGRS	Insurers	LGRS - Anthony Genovese 8235 6493/0421 610 282 LGAMLS - Robyn Daly 8236427
LGAMLS	Insurers	
SafeWork SA	Escape of Hazardous Materials	24hr Hotline – 1800 777 209 Help Centre – 1300 365 255
Australian Services Union	Union - ASU	ASU: 8363 1322 AWU: Gary Henderson 0418 500 512
Australian Workers' Union	Union - AWU	

Service	Company	Contact Details
Emergency Services	SAPOL	000
	Ambulance	000
	CFS	000
	MFS	000
SA Police	Terrorism emergencies	Emergency – 000 Non-urgent Assistance – 131 444
State Emergency Services	Severe weather and/or flooding	Storm & flood response - 132 500 Regional Duty Officer – 0417 487 366

Service	Company	Contact Details
Country Fire Services	Rural Fire	Emergency – 000 Hotline – 1300 362 361
Metropolitan Fire Services	Urban Fire	Emergency – 000 Enquiries – 8204 3600
Primary Industries & Regions SA	Animal & Plant Disease	Emergency animal diseases - 1800 675 888 Emergency plant pest - 1800 084 881
Dept of Health	Human Disease	Emergency Management Enquiries – 8226 7115
Dept of Transport, Environment & Industry	Earthquake	Road hazards & emergency – 1800 018 313
Dept for Communities & Social Inclusion	Recovery Office	Enquiries – 8415 4302
Volunteering SA	Volunteer registration	Enquiries – 1300 782 322

## Appendix C - Recovery Strategies

### Summary of Critical and Non-Critical Recovery Strategies

Division/ Group	CEO		
Business Unit	Work Area	Function	Max Acc Outage
Human Resources	Human Resources	Critical	
PageDivision/ Group	CITY SERVICES		
Business Unit	Work Area	Function	Max Acc Outage
Engineering & Field Services	Civil Services	Critical	
	Engineering	Critical	
	Open Space Operations	Critical	
	Operational Support	Critical	
Community & Cultural Services	Libraries	Non-Critical	
	Community Wellbeing/ Social Participation	Critical	
Customer Experience	Communications	Critical	
	Customer Service	Critical	
Division/ Group	CITY DEVELOPMENT		
Business Unit	Work Area	Function	Max Acc Outage
City Property	Land & Property	Critical	
	Marion Swimming Centre	Non-Critical	
	Marion Cultural Centre	Non-Critical	
Innovation & Strategy	Open Space & Recreation	Non -Critical	
	Asset Systems	Critical	
	Strategy & Innovation	Non-Critical	
	Environmental Sustainability	Non-Critical	
City Activation	Economic Development	Non-Critical	
	Strategic Projects	Non-Critical	
	Arts & Cultural Development	Non-Critical	
	Living Kaurna Cultural Centre	Non-Critical	
Development & Regulatory Services	Development Services	Critical	
	Community Health & Safety	Critical	
Division/ Group	CORPORATE SERVICES		
Business Unit	Work Area	Function	Max Acc Outage
Finance & Contracts	Finance/Payroll	Critical	
	Rates	Non-Critical	
	Contracts	Non-Critical	
ICT	ICT	Critical	
Corporate Governance	Governance & Executive Support	Critical	
	WHS / Risk	Critical	

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## Appendix D – Incident Management Team Templates

### Incident Management Team – EOC Activation Checklist

Initial IMT Meeting	Role	Completed
The IMT Commander calls the initial IMT meeting and, to allow for a high level risk assessment, the following information is sought from the relevant business areas impacted:		
• Damage/security/safety	ECO Teams (L1) IMT Operations (L2) IMT Log & Facs (L3)	
• Staff/clarification of roles	IMT Commander identifies Incident Level Structure identifies staff	
• Any associated Emergency Services issues	IMT Operations	
• Building facilities	IMT Operations (L2) IMT Log & Facs (L3)	
• Public relations/ media/communications	IMT Comms. & Cust.Contact	
• Salvage of building and/ or IT equipment.	IMT Operations (L1/2) IMT Log & Facs. (L3)	
During the meeting information will have been gathered by the various IMT members to produce an evaluation of the incident. A formal record of the meeting to be collated by IMT AdminSupport with particular emphasis on items to be actioned. This record needs to be regularly reviewed and updated as additional information comes to hand.		
Other Issues for consideration include	Role	Completed
• Scheduling of site visit	IMT Commander	
• Identification of affected departments	IMT Commander	
• Public notification	IMT Comms. & Cust.Contact	
• Schedule of staff meetings	IMT Comms & Customer Contact/ IMT People/ IMT Admin Support	
• Development of initial plan for operations (short term)	IMT Operations	
• Allocation of temporary work locations.	IMT Operations (L1/2) IMT Log & Facs. (L3)	
• In the event of a community emergency the IMT may also, in accordance with the CEMP, need to: <ul style="list-style-type: none"> <li>○ liaise with key personnel from the LGFSG</li> <li>○ determine cross-council resource assistance</li> <li>○ provide relief and recovery support during the emergency and work with recovery organisations to undertake recovery operations as directed</li> </ul>	IMT Operations	

## Incident Management Team - Action Log

Upon activation of the BCP the Incident Management Team Leader and the IMT Managers, will facilitate the following actions:

Activation of IMT	Role	Completed
1. Determine the IMT structure required, according to the nature and known scale of the disruption event	IMT Commander	
2. Determine meeting point for the IMT. Is it safe and appropriate to meet at the Governance Unit work area? If not, IMT to specify nearby facility to be used	IMT Commander	
3. Determine which, if any, IMT support roles or teams need to be activated or put on standby	IMT Commander	
4. Contact designated IMT members to notify them of activation and meeting point	IMT Coordinator	
5. Determine if the IMT kit is required	IMT Coordinator	
6. IMT kit contents to be checked and ready if required	IMT Admin Support	
IMT Actions	Role	Completed
7. Ensure staff and public safety	IMT Commander	
8. Contact: <ul style="list-style-type: none"> <li>- Control Agencies</li> <li>- SAPOL</li> <li>- LGFSG</li> </ul>	IMT Operations	
9. Determine what information is required to clarify damage assessment or address information gaps	IMT Commander	
10. Determine specific action/s required for impact containment in line with IMT members roles and responsibilities	Relevant IMT Members	
11. Advise affected managers that the IMT, the BCP, and associated Recovery Strategies are being activated. If required, instruct affected managers to suspend normal business operations	Relevant IMT Members	
12. Determine what immediate communication is required to ensure staff and client/resident safety. Prepare a statement of what has occurred, for use in responding to internal or external as per the Press Release provided within the Business Continuity Management Tools.	IMT Communications & Customer Contact	
Stand Down of IMT	Role	Completed
13. Confirmation that disruption event has stabilised or finalised	IMT Commander	
14. Statement prepared for dissemination to staff	IMT Communications & Customer Contact	
15. Transfer operations back to line managers (business as usual)	IMT Commander	
16. All documentation finalised and reviewed by the IMT	IMT Admin Support	
17. IMT conduct a debrief activity	IMT Commander	
18. Commencement of Post Event Evaluation Report	IMT Commander	

## Action Log

Emergency Operations Centre Checklist				
Element	Issues to be addressed	Actions	Resp. Role	Time
Primary Location of EOC  Secondary/ Location of EOC	Governance Area, Level 1/or Council Chambers, Administration Building, 245 Sturt Rd. Sturt, 5047 providing that the building is not subject to the interruption event.  City Services, 935 Marion Rd. Mitchell Park, 5043.		IMT Commander	
EOC Floor Plans	<ul style="list-style-type: none"> <li>Floor Plan of EOC</li> </ul>		IMT Admin Support	
EOC Telecoms	<ul style="list-style-type: none"> <li>Provision of mobile phone</li> <li>Provision mobile phone back ups</li> <li>Telecom facilities</li> </ul>		All IMT IMT Admin Support ICT SRP (L1) IMT Ops (L2) IMT Log.& Facs (L3)	
<b>EOC Internet</b>	<ul style="list-style-type: none"> <li>Provision of internet facilities</li> </ul>		ICT SRP (L1) IMT Ops (L2) IMT Log.& Facs (L3)	
<b>EOC Power</b>	<ul style="list-style-type: none"> <li>Emergency power requirements for EOC</li> </ul>		ICT SRP (L1) IMT Ops (L2) IMT Log.& Facs (L3)	
Management and Staffing	<ul style="list-style-type: none"> <li>Refer IMT Structure &amp; Responsibility Statements for nominated positions</li> <li>Assess rostering</li> </ul>		IMT Commander IMT Council OG (L2) IMT People (L3)	
Security			IMT Ops (L1&L 2) IMT Log.& Facs (L3)	
Media			IMT Comms.& Cust.Contact	
Information Displays				
Incident Level 1:	<ul style="list-style-type: none"> <li><u>None required</u></li> </ul>		IMT Admin Support	
Incident Level 2:	<ul style="list-style-type: none"> <li><u>Current Operations Board</u> - all current tasks</li> <li><u>Contacts Display Board</u> - important contacts</li> <li><u>Media Releases</u> - Copies of publicly released details</li> </ul>		IMT Admin Support	
Incident Level 3: - as Lvl 2 plus:	<ul style="list-style-type: none"> <li><u>Resource Allocations Board</u> - resources location, resources committed and resources available.</li> <li><u>Staff Rosters</u> for longer or protracted use of the IMCC</li> <li><u>Timing Details</u> - Briefings, meetings, situation reports</li> </ul>		IMT Admin Support	
<b>Plans and Documents</b>	Hard and soft copies of BCP, including Critical Function Recovery Strategies		IMT Admin Support	
<b>Administration</b>	Stationery equipment list (see <b>BCP Activation Section 4/p22</b> )		IMT Admin Support	

Emergency Operations Centre Checklist				
Element	Issues to be addressed	Actions	Resp. Role	Time
Extended Operations	<b>Staff roster – Refer IMT Structure &amp; Responsibility Statements</b>		<b>IMT Commander</b>	
<b>Briefing Sessions</b> Suitable briefing timing/ sessions to be identified by the IMT	Briefings for: <ul style="list-style-type: none"> <li>• Mayor &amp; Elected Members</li> <li>• Staff</li> <li>• Media</li> <li>• Community</li> </ul>		IMT Council OG IMT People IMT Comms.& Cust.Contact	
<b>Stages of Operation Stand down</b>	Stand down of the EOC details:		IMT Commander	
<b>Forms</b>	<b>Relevant forms for EOC record management</b>		IMT Admin Support	

## Rostering template

Rostering Template			
<p><i>NOTE: Minimum breaks between periods of work to prevent fatigue:</i></p> <ul style="list-style-type: none"> <li>- <i>Australian Services Union - minimum 8 hour break (as per Clause 5.5)</i></li> <li>- <i>Australian Workers Union - minimum 10 hour break (as per Clause 6.3.6)</i></li> </ul>			
Incident Ref:		Day:	
IMT Position	Shift 1 (x AM – x PM)	Shift 2 (x PM – x AM)	Shift 3 (x AM – x PM)

## Council Risks

Council Risks		
Risk assessments have identified the Council is vulnerable to the following hazards:		
Risk/Hazard	Likely location/area of impact	Additional information

## Council Resources

Council resources template		
Hazard/ emergency incident	Resource	Units (if relevant)

## Council Provision of Resources

Council Provision of Resources	
<b>REQUEST</b>	
Date and time:	
Request method (email/phone/in person etc):	
Requesting agency:	
Agency contact name:	
IMT role:	
Incident Controller name:	
Request for:	
Details of requirements including tasks to be undertaken:	
Date and time required:	
Where to report to:	
Who to report to:	
Declared emergency? (circle as appropriate)	Yes  No  Identified major incident as declared by State Coordinator  Identified major emergency as declared by State Coordinator  Disaster as declared by Governor

Council Provision of Resources			
<b>ASSESS AND ARRANGE</b>			
Will resources be deployed outside Council district?			
Does the request involve carrying out works on private property?			
Will the release of council resources impact normal service delivery?			
If yes, can we accommodate this disruption?			
Is there a LGFSG Joint Operating Guideline or other MOU related to this activity?			
Is the request in agreement with these agreements?			
For requests from external agencies or other Councils			
Has the i-Responda Council Action Plan been followed?			
For internal Council requests			
Are the tasks to be undertaken consistent with the Ordinary Operations of the employees			
Do the workers to be deployed have necessary qualifications, experience and PPE to competently and safely carry out the Operation requested and the Situation they are operating within?			
Is the requested resources available, fit for purpose and listed in our Fleet Management System?			
Are we able to reasonably apply existing WHS when undertaking the requested tasks?			
Comments:			
Assessed by:		Position:	
Date:		Time	
Council Provision of Resources			
<b>ACT</b>			
Decision	Approved / not approved		
Comments:			
Name:		Position	
Date:		Time:	

## Situation Report

Situation report	
<b>Event name</b>	
<b>Event details</b>	Date event started: Time event started: Basic details of event:
<b>From</b>	
<b>Attention to</b>	<input type="checkbox"/> State Duty Officer <input type="checkbox"/> LGFSG Manager <input type="checkbox"/> ZEST LGLO <input type="checkbox"/> Council Commander/s <input type="checkbox"/> Local Councils and staff

*The following is a building report; it means that past SITREPS should be included at the back of the report with writing shaded to grey to distinguish the new information from the old. This enables the event to be tracked and for referral back if required.*

*Select and repast the entirety of the tables below.*

*Please delete all information in italic blue prior to release.*

Time		Date		SITREP #	
<b>Situation</b>					
<b>Impacts</b>					
<b>Tactics</b>					
<b>Resources</b>					
<b>External agencies</b>					
<b>Problems</b>					
<b>Safety</b>					
<b>Completed by</b>					
<b>Approved by</b>					

## Handover documents

Handover Event Details					
<b>Event Name</b>					
<b>Day</b>		<b>Date</b>	/	/	<b>Time</b> hrs
<b>Prepared by</b>			<b>Position</b>		
<b>Key activities during the preceding shift</b>					
Progress, activities and occurrences during the shift.					
<b>Critical Issues</b>					
Identify any issues/risks that may affect operations, organisation or performing the role or outcomes					
<b>Key priorities</b>					
Key priorities and tasks for incoming shift.					
<b>Safety</b>					
Safety considerations and issues					

## Staff Timesheets

Staff timesheet			
Employee Name		Employee Number	
Department		Fortnight End Date	
Team Name		Cost Centre:	
(please circle staff type)      Field OR Admin			

Start Day & Date	
Were you stood down to commence a shift at a later time / day? If Yes, please specify Time / Date of stand down	Yes <input type="checkbox"/> No <input type="checkbox"/>
Is this day your RDO?	Yes <input type="checkbox"/> No <input type="checkbox"/>
What is your normal start time / working hours?	
Start Time	(am / pm)
Meal Break Start Time	(am / pm)
Meal Break Finish Time	(am / pm)
	(am / pm)
Total Hours Worked (excluding meal break)	

Employee Signature:		Date:	
Duty Manager Name:			
Duty Manager Signature:		Date:	

### Payment Type (to be allocated by employee)

**Note:** Employees can only take TOIL for overtime worked for their home department.

- ☐ Pay
- ☐ Flexi / TOIL
- ☐ Half Flexi / TOIL and Half Pay

## Post Event Evaluation

Upon deactivation of the BCP, the Incident Management Team Commander and the IMT, will evaluate the functions and effectiveness of the BCP relative to the disruption event that occurred.

<b>Business Continuity Event – Post Event Evaluation Form</b>			
<b>Completed by:</b>			
<b>Disruption Event:</b>			
<b>Date of Event:</b>		<b>Time of Event:</b>	
<b>Further description of events that occurred</b>	<b>What:</b>		
	<b>Where:</b>		
	<b>When:</b>		
	<b>Who:</b>		
<b>Was WEMP and/or CEMP also invoked ?</b>			
<b>Relevant Recovery Strategies invoked:</b>			
<b>What went well?</b>			
<b>What could be improved?</b>			
<b>Recommended Improvement Actions:</b>		<b>Action Owner:</b>	

## Appendix E – Communications Templates

### Message / Communications

Messages need to incorporate the following considerations:	Completed Y/N
<b>What</b> has happened... Known facts in relation to the event	
<b>Where</b> ... Locations affected by disruption	
<b>Who</b> is managing incident... IMT Commander, Incident Management Team members and location of the Incident Management Team office	
<b>What</b> to do – specific instructions on activation of the activation of Recovery Strategies for which disruption scenarios (ie Loss of Telecommunication etc). All services to continue or revert to Critical Activities only?	
<b>How</b> ... Communication will be issued and expectation of people managers with respect to communication to their teams.	
<b>When</b> ... Timing of updates expected to be provided – link to request for local feedback/update to Incident Management Team	

IMT Comms. And Customer Contact to ensure the following are undertaken:	Completed Y/N
Advise the <b>Mayor</b> of the incident, the activation of the BCP and the Incident Management Team (IMT Council/Organisational Governance).	
Advise the relevant <b>Elected Members</b> , appropriate to affected service areas, of the incident, the activation of the BCP and the Incident Management Team (IMT).	
Provide <b>Internal Communication</b> to all staff and specifically affected staff/sites	
Provide the <b>Community</b> an update via Social Media mechanisms	
Provide relevant <b>Third Parties</b> appropriate communication where affected	

## Communications - Media Enquiry Record Form

Business Continuity – Media Enquiry Record Form			
<b>Taken by:</b>			
<b>Issue:</b>			
<b>Date:</b>		<b>Time of call:</b>	
<b>Journalist name:</b>			
<b>Contact numbers:</b>			
<b>Media outlet:</b>			
<b>Deadline:</b>			
<b>Publication date:</b>			
<b>Question:</b>			
<b>Taken by:</b>			
<b>Issue:</b>			
<b>Response by:</b>			
<b>Position in City of Marion:</b>			
<b>Response:</b>			
<b>Date:</b>		<b>Time:</b>	

## **Communications - Press Release**

On (insert day and date) at approximately (insert time) Council experienced a business interruption event (describe event) as a result of this event the following services are currently impaired:

- Rates
- Water & Sewer
- Roads
- Community Services

Services that are not impacted by the business interruption include:

- Libraries
- Swimming pools etc

Workarounds are currently being put in place in line with Council's Business Continuity Plan.

Council will advise the community via the media once service delivery strategies have been confirmed.

Council's contact number remains (insert number) and will be manned from (insert times) until further notice.

Issued by

Chief Executive Officer  
City of Marion  
(Time)  
(Date)

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## Appendix F – iResponda

### City of Marion iResponda Registration

#### **Emergency Contact 1**

---

Name	Tony Lines
Position	General Manager City Services
Contact Number A	0466 505 926
Contact Number B	7420 6421
Email	tony.lines@marion.sa.gov.au

**Notes:**

#### **Emergency Contact 2**

---

Name	Mat Allen
Position	Manager Engineering & Field Services
Contact Number A	7420 6440
Contact Number B	0412 071 501
Email	mathew.allen@marion.sa.gov.au

**Notes:**

#### **Emergency Contact 3**

---

Name	Roger Belding
Position	Unit Manager Operational Support
Contact Number A	7420 6407
Contact Number B	0412 870 222
Email	roger.belding@marion.sa.gov.au

**Notes:**

**i-Responda Framework at Council**

Has this council implemented/follow the i-Responda framework/program? **YES**

**Restrictions and/or inclusions**

Are there any specific inclusions/exclusions this council has under the program ie: will not supply resources to create fire breaks/control line, but will supply BWC **Assist as approved and within capabilities**

**Arborists**

Does Council have arborists (qualified) on staff? **YES**

**Environmental Health Officers**

Does Council have EHO's on staff? **YES**

**Tree Crews**

Does Council have tree crews (- chainsaw/clean up/road clearing capable?) **YES**

**Structural engineer(s)** **YES**

**Sand bagging Machine** **NO**

**Front end loader/Back hoe** **4**

**Excavator/Up to 10 Tonnes** **0**

**Excavator/Greater than 10 Tonnes** **1**

**Front end loader/Rubber tyre** **3**

**Front end loader/Tracked** **0**

**Grader** **1**

**Bob cats/skid steer loader** **0**

**Tip trucks/Up to 10 Tonnes** **21**

**Tip trucks/Greater than 10 Tonnes** **6**

**Water tanker-truck/Less than 10,000 Litres/** **0**

**Water tanker-truck/Equal or greater than 10,000 Litres** **2**

**High volume water pump/Capacity (>= 6 inch - 150mm outlet)** **0**

**Bulldozers/** **0**

City of Marion - iResponda Trained Personnel				
No.	Course	Name	Work Area	Date of Training (no expiry)
1	iResponda Training	Roger Belding	After Hours Coordinator	9/08/2017
2	iResponda Training	Glynn Ricketts	After Hours Coordinator	9/08/2017
3	iResponda Training	John Henderson	After Hours Coordinator	9/08/2017
4	iResponda Training	Paul Johns	After Hours Coordinator	9/08/2017
5	iResponda Training	Nathaniel Baker	Call Out Response Team	9/09/2017
6	iResponda Training	Alan Duggan	Call Out Response Team	9/08/2017
7	iResponda Training	Christopher Easton	Call Out Response Team	9/08/2017
8	iResponda Training	Kevin McMillan	Call Out Response Team	9/08/2017
9	iResponda Training	Luke Adcock	Call Out Response Team	9/08/2017
10	iResponda Training	Malcolm Burns	Call Out Response Team	9/08/2017
11	iResponda Training	Mark Chaplin	Call Out Response Team	9/08/2017
12	iResponda Training	Paul Woodman	Call Out Response Team	8/04/2015
13	iResponda Training	Peter Heaysman	Call Out Response Team	9/08/2017
14	iResponda Training	Shane Thomas	Call Out Response Team	9/08/2017
15	iResponda Training	Warren Gurney	Call Out Response Team	9/08/2017
16	iResponda Training	Brad Aiston	Call Out Response Team Back Up	9/08/2017
17	iResponda Training	Brian Easton	Stores	9/08/2017
18	iResponda Training	Karen Peake	IMT Coordinator	13/03/2015
19	iResponda Training	Sherie Walczak	IMT Admin Support	8/04/2015

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## Appendix G – Emergency Relief Centres

### ERC Cove Civic Centre

#### Emergency Relief Functional Service

#### Prenominated / potential Relief Centre facility nominations



Government  
of South Australia  
Department for Communities  
and Social Inclusion

**Name of venue:** Cove Civic Centre  
**Address:** 1 Ragamuffin Drive/Ramrod Avenue, Hallett Cove 5158  
**Owner:** City of Marion

Feature	Facility details				
24 hour contact <i>(people who can be contacted during &amp; after business hours &amp; who have access to keys for the facility)</i>					
<b>BUSINESS HOURS (9am – 5pm)</b>					
<b>First Contact:</b>	Name: Mathew Allen Phone: n/a Mobile: 0412 071 501 Email: mathew.allen@marion.sa.gov.au				
<b>Second Contact</b>	Name: Sherie Walczak Unit Manager Risk Phone: n/a 8375 6822 Mobile: 0466 327 831 Email: sherie.walczak@marion.sa.gov.au				
<b>AFTER HOURS</b>					
<b>First Contact:</b>	Name: After Hours Coordinator Phone: n/a Mobile: 0466 029 279 Email: AHCoordinator@marion.sa.gov.au				
<b>Second Contact</b>	Name: Mathew Allen Phone: n/a Mobile: 0412 071 501 Email: mathew.allen@marion.sa.gov.au				
Access (car, bus) and parking capacity	Vehicle access comment: Ragamuffin Drive is a shared zone Number of car parks: 95 + 4 accessible car parks (this is including parking spaces at Baptist and Lutheran Churches where we have a shared space agreement)				
Facilities for people with disabilities	Access:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Toilets:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Parking: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Capacity number	Seating number: 160		Standing number: 200 main hall		
Is this building known to be in a safer place precinct?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Comment: Metro Adelaide			
Availability and numbers of equipment (chairs, desk, etc.)	Describe: A number of small meeting rooms plus a large (separable) conference room				
Toilets, showers	Toilets:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Showers:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	x 10 & toddler toilet, 6 urinals, 2 feeding/change rooms, x 1 in staff workarea
First aid room	On premises:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Fully stocked	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Food preparation facilities	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Comment: Small kitchen			
Telephone/fax lines	Telephone:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Number: 8375 6755		
Back-up power	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Number:			
Entertainment/news broadcast facilities	TV <input checked="" type="checkbox"/>	Video <input type="checkbox"/>	DVD <input checked="" type="checkbox"/>	Data Projector <input checked="" type="checkbox"/>	White Board <input checked="" type="checkbox"/>
Breakout rooms available	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>			
Regular services eg: cleaning etc	Daily cleaning service				

Please send completed form to: [dcsiemergencymanagement@sa.gov.au](mailto:dcsiemergencymanagement@sa.gov.au)

## ERC Marion Library and Cultural Centre

### Emergency Relief Functional Service Prenominated / potential Relief Centre facility nominations



Government  
of South Australia  
Department for Communities  
and Social Inclusion

**Name of venue:** Marion Cultural Centre  
**Address:** 287 Diagonal Road, Oaklands Park, 5046  
**Owner:** City of Marion

Feature	Facility details				
24 hour contact <i>(people who can be contacted during &amp; after business hours &amp; who have access to keys for the facility)</i>					
BUSINESS HOURS (9am – 5pm)					
First Contact:	Name: Mathew Allen Manager Engineering & Field Services Phone: n/a 7420 6440 Mobile: 0412 071 501 Email: mathew.allen@marion.sa.gov.au				
Second Contact	Name: Sherie Walczak Unit Manager Risk Phone: n/a 8375 6822 Mobile: 0466 327 831 Email: sherie.walczak@marion.sa.gov.au				
AFTER HOURS					
First Contact:	Name: After Hours Coordinator Phone: n/a Mobile: 0466 029 279 Email: AHCoordinator@marion.sa.gov.au				
Second Contact	Name: Mathew Allen Phone: n/a Mobile: 0412 071 501 Email: mathew.allen@marion.sa.gov.au				
Access (car, bus) and parking capacity	Vehicle access comment: Access car park off Diagonal Road Number of car parks:				
Facilities for people with disabilities	Access:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Toilets:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Parking: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Capacity number	Seating number:		Standing number:		
Is this building known to be in a safer place precinct?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Comment:		Metro Adelaide	
Availability and numbers of equipment (chairs, desk, etc.)	Describe: A number of small meeting rooms plus a large theatre				
Toilets, showers	Toilets:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Showers:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
First aid room	On premises:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Fully stocked	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Food preparation facilities	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Comment: Leased café on site			
Telephone/fax lines	Telephone:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Number: 8375 6855		
Back-up power	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>				
Entertainment/news broadcast facilities	TV <input checked="" type="checkbox"/> Video <input type="checkbox"/> DVD <input checked="" type="checkbox"/> Data Projector <input checked="" type="checkbox"/> White Board <input checked="" type="checkbox"/>				
Breakout rooms available	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>				
Regular services eg: cleaning etc	Daily cleaning service				

Please send completed form to: [dcsiemergencymanagement@sa.gov.au](mailto:dcsiemergencymanagement@sa.gov.au)

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**PREVENTION | PREPAREDNESS | RESPONSE | RECOVERY**



**CITY OF MARION  
FINANCE & AUDIT COMMITTEE MEETING  
29 MAY 2018**

**Originating Officer:** Sherie Walczak, Unit Manager Risk

**Manager:** Kate McKenzie, Manager Corporate Governance

**General Manager:** Vincent Mifsud, General Manager Corporate Services

**Subject:** Community Emergency Management Plan

**Report Reference:** FAC290518R7.10

---

### **REPORT OBJECTIVE**

The objective of this report is to present the draft Community Emergency Management Plan (CEMP) to the Finance and Audit Committee (FAC) for their feedback.

### **BACKGROUND**

In 2016, changes to the Emergency Management Act 2004 resulted in a revised State Emergency Management Plan. The Local Government Association (LGA) was extensively involved in the review, which resulted in:

- The role of local government defined in the State Emergency Management Plan.
- Local government recognition as a Functional Support Group (LGFSG) in its own right.
- The LGA will represent LGFSG at the State Emergency Centre.
- The LGA sought National Disaster Resilience Program funding to develop a template CEMP for implementation across Councils.

### **DISCUSSION**

The LGA's template CEMP, based on the Prevention, Preparation, Response, Recovery (PPRR) model, was utilised as the base for developing the City of Marion CEMP. The CEMP is a high-level document created to provide assurance to Hazard Leaders, Control Agencies and the community on the City of Marion's Emergency Management arrangements, for review and feedback from the Finance and Audit Committee prior to submitting to Council for endorsement. The document was reviewed, formatted in alignment with City of Marion design guidelines, and circulated for consultation with input from key stakeholders, which included:

- |                                |                                |                         |
|--------------------------------|--------------------------------|-------------------------|
| - Civil Services / Engineering | - Development Services         | - ICT                   |
| - Communications               | - Environmental Sustainability | - Open Space Operations |
| - Community Wellbeing          | - Finance                      | - Operational Support   |
| - Community Safety             | - HR                           | - Records               |

The draft City of Marion CEMP (Appendix A) complements the City of Marion Business Continuity Plan, which provides practical details of our operational responses in the event of an emergency.

### **NEXT STEPS**

The following tasks are anticipated to aid implementation of the CEMP:

- Development of a Training Needs Analysis for all roles with responsibilities outlined in the CEMP.
- Provision of training as outlined in the Training Needs Analysis.

### **RECOMMENDATION**

### **DUE DATES**

**That the Finance and Audit Committee;**

- 1. Provide feedback on the draft Community Emergency Management Plan      29 May 2018**

### **APPENDICES**

Appendix A –draft Community Emergency Management Plan

# COMMUNITY EMERGENCY MANAGEMENT PLAN



PREVENTION | PREPAREDNESS | RESPONSE | RECOVERY



## Document Particulars

This Community Emergency Management Plan (the Plan) is part of a suite of emergency management documents implemented by the City of Marion and should be referenced in conjunction with the City of Marion's Business Continuity Plan and Workplace Emergency Management Plans.

## Acknowledgement

The City of Marion acknowledges significant parts of this Plan have been based on the Council Emergency Management Plan template produced by the Local Government Association in conjunction with the Commonwealth Attorney General's Department, SA Fire & Emergency Services Commission, Local Government Research and Development Scheme, State Emergency Service, Primary Industries & Regions SA, City of Tea Tree Gully, The Barossa Council, City of Playford, City of Charles Sturt, Adelaide Hills Council, Berri Barmera Council, City of Onkaparinga and Clare & Gilbert Valleys Council.

## Document Control:

**Document Owner:** Risk Management Unit  
**Version:** 1.0  
**Endorsed by:** Council  
**Endorsement Date:** TBA

## Review and Test Process

This Plan will be formally reviewed every 4 years (once per Council term). Informal interim reviews may be undertaken as required to incorporate changes to legislation, staffing or as a result of report findings following incidents and/or exercises.

Version	Date	Summary of changes	Revision approved by

## Document Location

This Plan will be available on the City of Marion website and its intranet site as well as manual copies which will guide City of Marion's staff in the management of a community emergency event.

Manual Copy	Responsibility of
1 of 10	Chief Executive Officer
2 of 10	General Manager City Development
3 of 10	General Manager Corporate Services
4 of 10	General Manager City Services
5 of 10	Manager Corporate Governance
6 of 10	Unit Manager Risk
7 of 10	Unit Manager Community Health & Safety
8 of 10	Unit Manager Community Wellbeing
9 of 10	Unit Manager Operational Support
10 of 10	Unit Manager Libraries

## Executive Summary

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Emergency events can occur at any time with little warning, rapidly spread over designated boundaries and cause diverse and widespread impacts across affected communities.

The City of Marion can help to minimise these threats and contribute to the safety and wellbeing of its community by participating in local emergency management alongside neighbouring councils.

The State Emergency Management Plan (SEMP) articulates the roles and responsibilities that Local Government may play in the local emergency management planning and preparedness. These include ensuring all requisite local emergency management planning and preparedness measures are undertaken.

The City of Marion Community Emergency Management Plan (CEMP) forms part of Council's commitment to emergency management planning and ensures that Council has a coordinated and planned response to emergencies.

Emergency Management hazards outlined in the CEMP have been sourced from the Southern Adelaide Zone Emergency Management Plan (ZEMP) and have been risk assessed using the principles outlined in the City of Marion Risk Management Policy and Framework through consultation with identified key internal and external stakeholders. It considers these hazards across a scale of minor incidents to major emergencies including:

- Animal and Plant Disease
- Earthquake
- Escape of Hazardous Materials
- Extreme Weather
- Flood
- Human Disease
- Rural Fire
- Terrorism
- Urban Fire

This CEMP contains strategic information relevant to local government. It follows the structure of the SEM and contains information and actions relevant to Council across the spectrum of prevention, preparedness, response and recovery.

It closely aligns with Council's Business Continuity Plan (BCP) which is an operational document that contains processes templates and forms which can be used in the response phase of an emergency. A major component of the BCP is the development of Council's Incident Management Team (IMT) comprised of capable and trained employees who have the knowledge and capacity to make strategic decisions in the best interest of the community in the event of an emergency incident.

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# Introduction

## Purpose

The CEMP provides a mechanism for the management of risks associated with emergency management in the context of Council as a community leader and in satisfying functions of Local Government under the Local Government Act 1999 and other South Australian legislation pertinent to emergency management. The CEMP provides the strategic policy and procedural framework for emergency management to meet the community safety objectives of the Marion community.

The purpose of the CEMP is to establish Council's role in the event of an emergency that could occur within the boundaries of, or impacts upon, the City of Marion.

The objectives of CEMP are to:

- Establish the City of Marion's commitment to emergency management with an aim to provide assurance to the Community
- Fulfil the City of Marion's roles and responsibilities as defined in the State Emergency Management Plan (SEMP)
- Assist Council to better support their community by identifying risks, preparing and planning for these risks and improving the efficiency and effectiveness of response and recovery arrangements when incidents do occur
- Provide guidance to Council staff on their roles and responsibilities in emergency management
- Provide a framework for Council to operate when responding to incidents of different natures and scales
- Manage arrangements for the provision of Council resources to support the emergency services
- Enable a coordinated response to an emergency by supporting broader state emergency management arrangements

This plan follows the principles of emergency management known as prevention, preparedness, response and recovery (PPRR) and is structured to replicate the SEMP.

In the *Emergency Management Act 2004*, PPRR are defined as:

### **Prevention**

In relation to an emergency, means measures taken to eliminate or reduce the incidence or severity of the emergency.

### **Preparedness**

In relation to an emergency, preparedness means arrangements made to ensure that, should an emergency occur, the resources and services needed to cope with the effect of the emergency can be mobilised and deployed efficiently.

### **Response**

Any measures taken in anticipation of, during or immediately after an emergency to ensure that the effect of the emergency is minimised and that affected individuals are given immediate relief and support.

### **Recovery**

The conduct of any measures (such as human, economic and environmental measures) taken during or after an emergency, being measures necessary to assist the re-establishment of the normal (or new normal) pattern of life of individuals, families and communities affected by the emergency.

## Council Profile

The City of Marion is one of the state's larger metropolitan councils covering an area of about 55 km sq. and is located 10 km south of Adelaide stretching from the Glenelg tramline in Glandore to the coastal suburb of Hallett Cove. The area is diverse in population and features a variety of housing, transport links and animals, which are outlined in Appendix A:

## Relevant legislation

Under Australia's constitutional agreements, state and territory governments have responsibility for emergency management within their jurisdictions. South Australia has various legislation in place to fulfil this responsibility, these are outlined in Appendix B:

## State Emergency Management Governance structures

The main committees and structures involved in the planning and response and recovery stages of emergency management are described below and further illustrated in Figure 1.

### Strategic

#### Emergency Management Council (EMC)

EMC is a committee of Cabinet, chaired by the Premier.

#### State Emergency Management Committee (SEMC)

SEMC is a committee which oversees emergency Management planning in SA and is chaired by the Department of Premier and Cabinet. The SEMC is supported by four advisory groups: mitigation, response, recovery and public information and warnings.

#### State Recovery Committee

Oversees planning and capacity development and coordinates recovery operations across government as well as non-government organisations and local government. It is chaired by the Department of Communities and Social Inclusion and has both a strategic and operational role.

#### Hazard Leader

The agency which has the knowledge, expertise and resources to lead planning for the preparedness, response and recovery associated with specific hazards as outlined in Appendix C.

### Operational

#### State Emergency Centre (SEC)

Operated and supported by the SA Police, the SEC brings together all relevant agencies and support staff to coordinate a state level response.

#### Control Agency

Takes charge of the emergency and provides leadership to all other agencies responding to an emergency. A Control Agency is allocated to each type of hazard.

#### Support Agency

When a Control Agency is not the designated lead for a particular emergency, they are referred to as a Support Agency and provide support to the Control Agency.

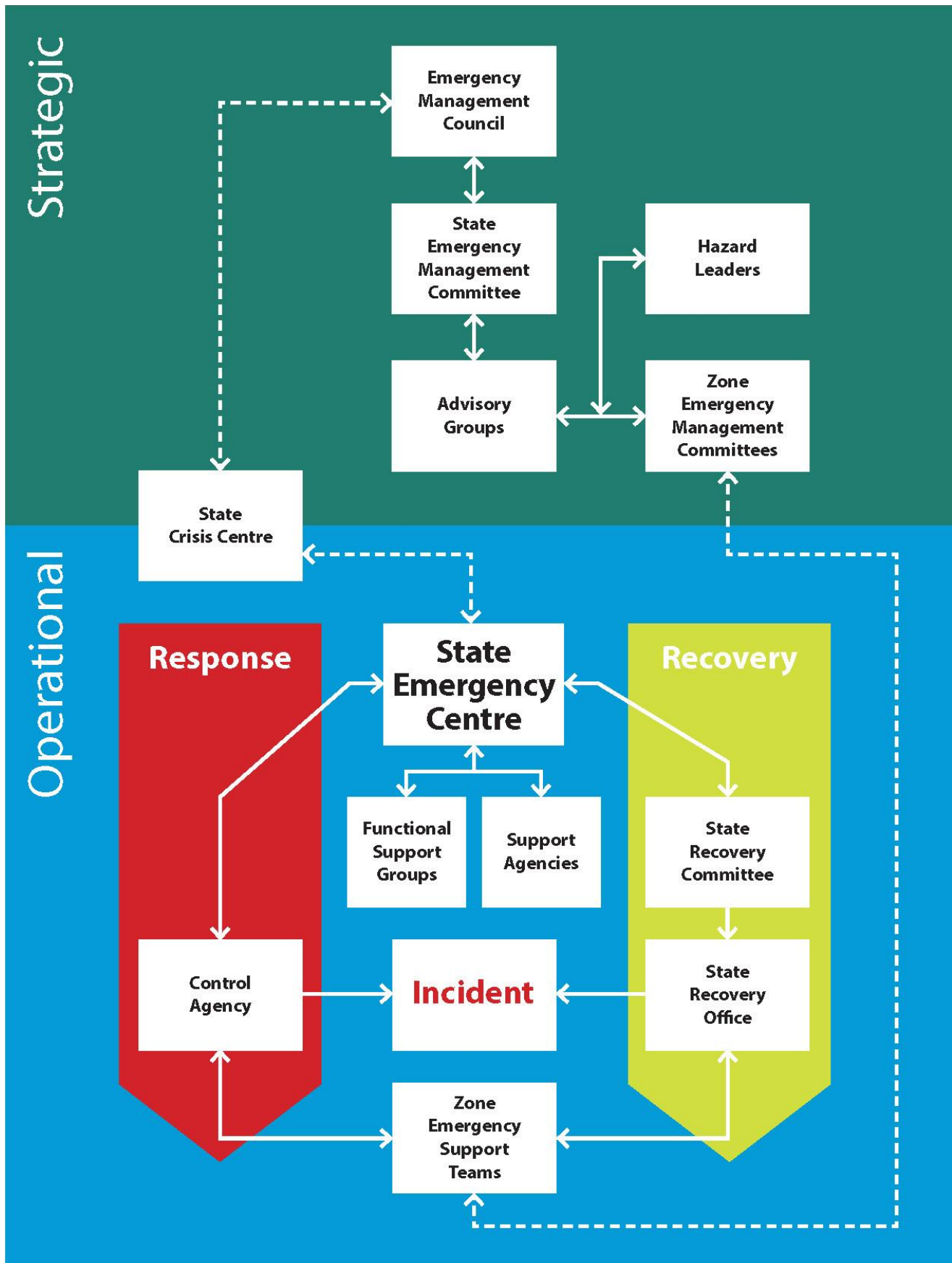
#### Functional Support Groups (FSG)

A group of participating agencies (government and non-government) that perform a functional role to support response and recovery operations. Each FSG has a nominated lead agency.

The following Functional Support Groups operate from the State Emergency Centre:

- Ambulance and First Aid
- Defence
- Emergency Relief
- Engineering
- Government Radio Network
- Local Government
- Logistics
- Mapping Support
- Public information

**Figure 1. Emergency Management committees and structures in SA**

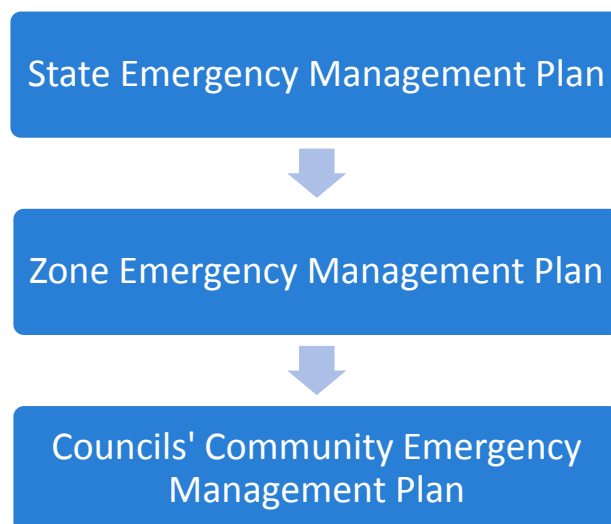


Source: State Emergency Management Plan Part 2 - Arrangements

## Emergency Management Plans

The hierarchy of key strategic emergency management plans in South Australia are illustrated in Figure 2 below:

**Figure 2. Key Emergency Management Plans in SA**



### State Emergency Management Plan

The SEMP and supporting documents outline roles and responsibilities for emergency management at a state level across the spectrum of PPRR including:

- Outlining the responsibilities, authorities and the mechanisms to prevent, or if they occur manage, and recover from incidents and disasters within South Australia
- Identifying and documenting structures and committees to support emergency management
- Documenting the State Hazards and listing Hazard Leaders and Control Agencies specific to each hazard (refer Appendix C).

There is no provision within the LG Act which expressly mandates that councils must comply with the SEMP. However, the SEMP references section 7(d) of the LG Act with respect to councils giving due weight in their plans, policies and activities to the SEMP. The principles set out in section 8 of the LG Act are matters which a council must act to observe and uphold in the performance of its roles and functions. However, there is a degree of discretion available to a council in the application of this section.

### Zone Emergency Management Plans

The Southern Adelaide Zone Emergency Management Plan focuses on the key hazards and emergency management arrangements within the Southern Adelaide Emergency Management Zone. These documents identify and prioritise the risks at the Zone level and the treatments available to mitigate these risks.

### Council Emergency Management Plan

This document is the Community Emergency Management Plan for the City of Marion. The purpose of this Plan is to identify hazards in the council area and document the emergency management arrangements, including key roles and responsibilities of Council, across the PPRR spectrum.

## Local government

### Local Government Functional Support Group

The Local Government Functional Support Group (LGFSG) is established under the SEMP and is responsible for coordinating the response from local government during an emergency. The LGFSG provides trained personnel to attend the State Emergency Centre and operational centres including State Control Centres.

The LGFSG is led by the Local Government Association (LGA) with participation from Local Government Organisations. Local Government Organisation in this context refers to the LGA SA, the 68 councils, regional LGAs and the LGA Schemes.

### Zone Emergency Management Committee

For the purpose of emergency management, South Australia is divided into 11 Emergency Management Zones based on the South Australian Government Regions. Each of these regions has a Zone Emergency Management Committee (ZEMC). The City of Marion is a member of the Southern Adelaide Zone Emergency Management Committee along with:

- City of Onkaparinga
- City of Mitcham
- City of Holdfast Bay

The ZEMC is a strategic committee responsible for risk management, planning and implementation of zone-level actions to build resilience and support state emergency management arrangements.

The ZEMC ensures emergency risk assessments, consistent with the National Emergency Risk Assessment Guidelines (NERAG) are conducted for priority risks, contributes to the development of risk treatment options, monitors implementation of risk treatments via Hazard Leaders and relevant treatment plans and develops a Zone Emergency Management Plan (ZEMP) and other plans.

### Zone Emergency Support Team

A Zone Emergency Support Team (ZEST) operates within each Emergency Management Zone. The ZEST brings together agencies and support staff to support the resolution of an emergency by providing coordination of resources to support the Control Agency.

The ZEST is coordinated by the South Australian Police (SAPOL). Any agency can request the activation of the ZEST but the decision to activate rests with the Control Agency. The ZEST may operate from a pre-planned facility as identified in the ZEST Operations Manual, a Control Agency's Incident Management Team location or any other suitable location. Council participation in the ZEST during an incident will generally fall within the operations of the LGFSG.

# Prevention

Prevention measures aim to prevent hazards from developing into emergencies, or to reduce the effects of emergencies and to increase the resilience of the community.

## Standard council mitigation activities

Councils undertake many activities as part of normal service delivery to their communities. These often have the added benefit of risk mitigation. Some of these activities include:

- Land-use planning
- Public health measures, including immunisation
- Food safety, including proactively inspecting food businesses
- Bushfire Management Planning
- Land management
- Other environmental management such as dealing with stormwater pollution
- Tree management
- Road, traffic and parking management
- Stormwater infrastructure maintenance
- Vegetation management
- Building safety

## Development Control/Planning

In assessing development applications for Development Plan consent, Council's planning department must consider the appropriateness of the use/built form with respect to the established Development Plan policies. In assessing development applications for Building Rules consent, Council's building department must consider the appropriateness of the use/built form against the National Construction Code and other established standards.

Responsible land use planning can reduce the likelihood of hazards impacting the community. Building standards can mitigate the loss of life as well as damage to and/or destruction of property and infrastructure. There is no guarantee that the design conditions will not be exceeded during the lifetime of the structure.

## Bushfire Management and Prevention

Councils undertake inspections of private and council land pursuant to the *Fire and Emergency Services Act 2005*:

- To prevent or inhibit the outbreak of fire on the land
- To prevent or inhibit the spread of fire through the land
- To protect property on the land from fire
- To minimise the threat to human life from a fire on the land.

Bushfire Management Area Plans (BMAP) are produced by the Country Fire Service for the nine Bushfire Management Areas (BMA) in the state. The City of Marion is within the Adelaide and Mount Lofty Ranges area. The other areas are; Fleurieu; Flinders, Mid North and Yorke Peninsula; Kangaroo Island; Limestone Coast; Lower Eyre Peninsula; Murray Mallee; Outback and Upper Eyre Peninsula.

Councils have representation on the Adelaide and Mount Lofty Ranges Bushfire Management Committee and have input to the planning process. The BMAPs outline bushfire risks and identify strategies and actions to mitigate the risk of bushfire in the BMAs. These plans are accessible from the SA CFS website.

The City of Marion has a Fire Prevention Officer function which annually inspects all vacant land within the City of Marion to assess the extent of fire hazards and to take enforcement action to require owners to take action to prevent fire. The City of Marion has six Authorised Officers under the F&ES Act.

## Flood Mitigation

As a result of increasing demands on Council to install more infrastructure to improve the amenity and environment and reduce the risk of flooding, it became essential to rationalise the expenditure and therefore prioritise the provision of drainage works. To achieve this prioritisation, a Priority Matrix for Drainage was developed and approved by Council on the 28 June 2011. [The Priority Matrix for Drainage is reviewed and updated annually.](#)

The Drainage Matrix is considered to be a high level planning tool that allows Council to plan and manage its Capital Drainage Infrastructure Program. At the time, it was developed to align with the City of Marion's Strategic Plan 2008–2020, the Business Excellence Framework and the Asset Management Plan.

Applying a multi-level process (involving factors within categories such as social/political, economic, environmental and technical issues/conditions), has ensured that over the last 5 years Council has installed drainage systems that meet community requirements and expectations, while prioritising and reducing the flood risk to private property.

## Tree and Vegetation Management

Open Space Operations perform reactive and proactive tree management throughout the City. Tree issues raised by customer request are assessed by a qualified arborist and an industry accepted risk assessment is used to determine what actions are required to maintain the tree in best possible condition and representing an acceptable risk. Proactive tree management is carried out on all street trees over a three year cycle. A street tree pruning specification is followed to address all maintenance requirements of street trees.

A reserve tree risk audit is carried out to address tree risk in Councils 300 reserves throughout the city. A qualified arborist carries out a walkover assessment auditing trees that represent higher risk and a maintenance schedule to address this risk follows. This is an ongoing project that aims to control tree risk in reserves.

# Preparedness

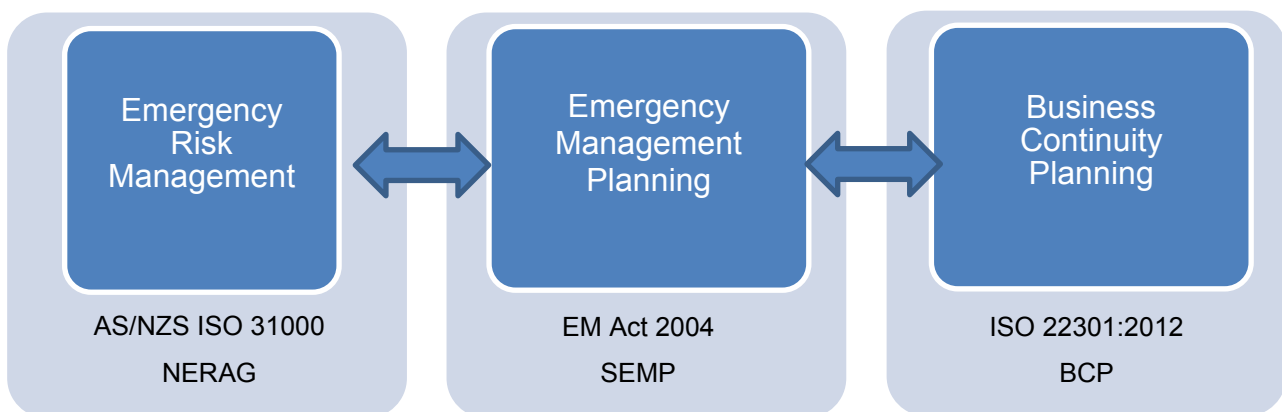
'Preparedness' are the arrangements made to ensure that, should an emergency occur, the resources and services needed to cope with the effect of the emergency can be mobilised and deployed efficiently.

The development of this Plan contributes to Council's emergency preparedness.

## Planning and Risk Assessment

Council undertakes a variety of planning activities in order to manage risks and emergencies. These are categorised in three overlapping areas as outlined in Figure 3:

**Figure 3. Key Emergency Management Plans in SA**



These overlapping areas are further explored in detail below.

### Emergency Risk Management

Emergency Risk Management (ERM) is a process that involves identifying and managing risks to the community from emergency events. Risk treatments can span across prevention and preparedness as well as response and recovery. Council is a key stakeholder in the ERM process because it is usually the first point of support for affected communities.

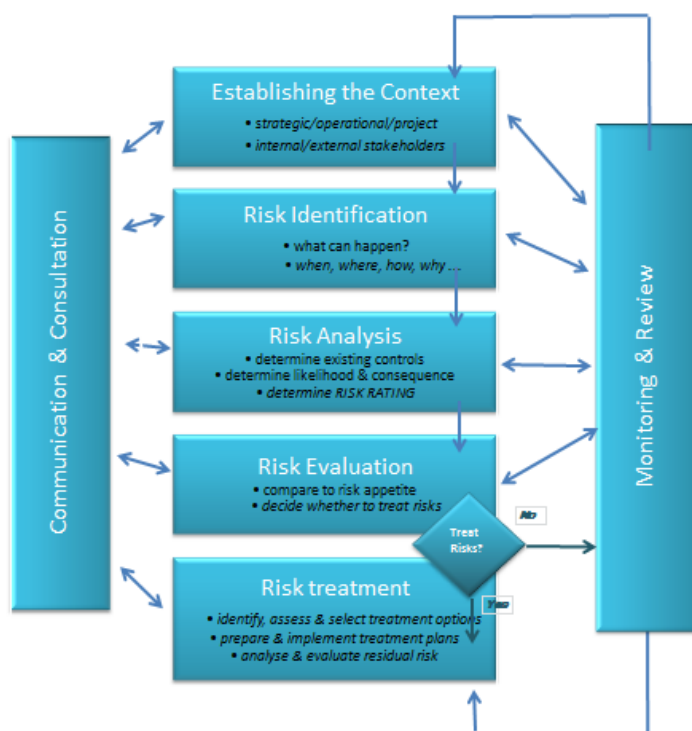
The ERM process spans the following activities of establishing the scope, risk identification, analysis, evaluation and risk treatment, shown in the below figure:

The CEMP has been developed with consideration of the following principles and methodology:

### **AS/NZS ISO 31000:2009 Risk Management Standard**

The AS/NZS ISO 31000:2009 Risk Management Standard provides for risk management processes which involve the exploration of realistic scenarios relating to the hazard of interest and involves ongoing communication, consultation, monitoring and review.

The ERM process spans the following activities of establishing the scope, risk identification, analysis, evaluation and risk treatments as shown in Figure 4.

**Figure 4. Key Emergency Management Plans in SA**

## National Emergency Risk Assessment Guidelines

The National Emergency Risk Assessment Guidelines (NERAG) provides a contextualised emergency risk assessment methodology consistent with the AS/NZS 13000:2009. This method has been developed for assessing emergency risks arising from any hazard and can be applied at local, regional, state/territory and national levels. NERAG focuses on the 'All-Hazards' approach.

## South Australian Emergency Risk Management Guide

The South Australian Emergency Risk Management Guide provides a guide to assist councils to facilitate an All-Hazards risk management process consistent with NERAG to identify priority risks for their council area. It is based on both the NERAG and AS/NZS 13000:2009, providing the methodology for council-based risk assessments. Risk Assessments are an important part of the risk management process and inform the development of emergency risk management plans.

## Risk Assessments

The Southern Adelaide Zone Emergency Management Committee has undertaken risk assessments using the NERAG methodology as part of the Zone Emergency Risk Management Program. This has provided information on priority risks to the Zone. Details of these risk assessments and the treatment options available to reduce the risk are provided in the Zone Emergency Management Plan (ZEMP) available on the Emergency Management page on City of Marion website.

## Priority Hazards

During the above Risk Assessment process, the Southern Adelaide ZEMC considered the nine state hazards identified in the SEMP and identified four prioritised hazards for the zone, these being:

- Extreme Weather
- Flood
- Earthquake
- Rural Fire

## City of Marion Resources

### Insurance

The City of Marion is insured by the Local Government Association Mutual Liability Scheme and Local Government Association Asset Mutual Fund.

City of Marion's current insurance arrangements provide cover for council owned bridges, buildings, contents and site improvement including playgrounds and reserve improvements. Insurance does not cover road infrastructure or drainage infrastructure.

### Support Systems

City of Marion has a number of supporting policies, plans, resources and processes that form part of its emergency management strategies:

- i-Responda
- Emergency Management Contact Officer
- Local Government Functional Support Group
- Community education
- Flood Mapping
- Workplace Emergency Management Plans
- Business Continuity Plan
- Heat Relief Action Plan

### i-Responda

The i-Responda program has been developed by the LGA to assist councils in the planning and implementation of their response to emergency events. The key principle behind the program is *Ordinary Operations in Extraordinary Situations*. This is designed to ensure that Council staff can participate safely in emergency management and that risks to Council and City of Marion staff are appropriately managed. This program integrates with Council's existing risk management and work, health and safety (WHS) systems.

The i-Responda program can be used across all types of emergencies. Training for specific hazards has also been developed as part of this program, e.g. bushfire safety, working on the fire ground and flood and storm awareness modules. This training together with the Joint Operating Guidelines (JOG's), developed by the LGFSG, support Council staff in staying safe when providing support to emergency services during local incidents as well as those further afield.

The City of Marion has implemented the i-Responda program to ensure the CEO, Local Government Functional Support Group Representative, Emergency Management Contact Officer, Council Commander, managers and workers are equipped with information and tools that will enable a confident response to requests for Council to provide support in emergencies.

Council is committed to the support Emergency Management requirements requested through the Local Government Functional Support Group and pre-identified relevant staff and equipment that may be made available upon request.

Council recognises the importance of ensuring that its workers are only involved in types of emergency work that is appropriate to their level of skill and training. Appropriate staff, pre-approved to provide support outlined within the CEMP, are identified on the i-Responda Personnel Register. Required training will be identified, provided and recorded in Council's training database.

Council equipment, identified on the i-Responda Equipment Register, is pre-approved to be provided for support outlined within the CEMP. These will be provisioned through a request from the LGFSG to the Council Commander.

### Emergency Management Contact Officer

Council has nominated a primary point of contact for emergency management outside of an emergency, the Emergency Management Contact Officer (EMCO). This role is the Unit Manager Risk,

as this role is non-operational and will ensure consistent communication on non-urgent emergency management matters. Should the Unit Manager Risk be absent, this role will be covered by the Risk Coordinator.

### **Local Government Functional Support Group**

Council has nominated two LGFSG Representatives to demonstrate its commitment to Emergency Management within the City of Marion boundaries, across the Southern Adelaide Zone and throughout all local government areas of South Australia. The Manager Corporate Governance and the Unit Manager Risk have been nominated to the LGFSG.

This LGFSG provide a database to record the contact details and information about resources for ease of contact and coordination of resource sharing across council boundaries during an incident. The EMCO is responsible for updating this information quarterly, in line with ZEMC meetings.

### **Community Education**

Council recognises the importance of ensuring the community is aware of ways of mitigating the adverse effects of emergency events. Council's website provides the community with general information regarding emergency management and provides links to the websites of relevant hazard leaders and control agencies.

City of Marion, through its neighbourhood centres and libraries, provides both community engagement and community education programs. Where relevant and when funding is available, these courses and programs aim to build community resilience, through skill development, knowledge and confidence in community members to better support them during times of emergency and recovery.

In addition, the City of Marion Administration Building on Sturt Road carries a range of educational brochures and leaflets providing key community safety information relative to community emergency events including extreme heat, storm or flood.

### **Flood Mapping**

Flood mapping has been undertaken for the Hallett Cove creeks catchment and the catchment west of the Sturt River. The flood mapping data is available on Council's GIS system and Council website.

### **Workplace Emergency Management Plans**

Council's Workplace Emergency Management Plans provide an emergency control framework and incident response guide with the intention of preventing injury to workers, visitors and immediate neighbours, including damage to premises for localised (site-contained) emergency situations.

### **Business Continuity Plan**

Council's Business Continuity Plan (BCP) is a whole of business approach to ensure critical strategic, operational and project functions can be maintained and/or restored as a result of an event resulting in disruption to business. The purpose of this Plan is to build organisational capabilities, through decisive and responsible actions and support the continued achievements of critical business objectives in the face of uncertainty or disruption. The plan acts as a guide for the organisation to respond, recover, resume and restore functions in a clear and transparent manner, to a pre-defined level of operation following a business interruption event, as a result, minimising any adverse consequences for usual business operations.

(Council invested in a diesel run generator at the Administration Building which ensures continuity of Council's critical systems and services for an extended period of time during a power outage). This generator will not power the whole building.

## Heat Relief Action Plan

Council's Heat Relief Action Plan (HRAP) provides a preparatory framework and incident response guide. Its primary aim is to mitigate the effects of heat related stress to Council staff, volunteers, contractors and the broader community including its more vulnerable residents.

## Emergency Management Planning

### Command, Control and Coordination

The concepts of command, control and coordination are crucial to the understanding of emergency management. These are explained below:

- **Command** is the internal direction of resources in an agency to undertake tasks. Council resources and staff will be retained by the employing Council in an incident. Command operates vertically within an organisation.
- **Control** operates horizontally across agencies or organisations. The Control Agency is the agency who provides leadership to other agencies in the response phase of an incident. Control Agencies for emergencies in South Australia are determined by the nature of the emergency and identified in legislation and/or the SEMP (refer Appendix C).
- **Coordination** of response is the bringing together of organisations and other resources to support emergency management response. This role includes declaring a major incident or emergency and ensuring that if a declaration is made under the Act that the Emergency Management Council and the State Emergency Management Committee are provided with adequate information to undertake their roles and functions. Within South Australia, coordination for the incident is the responsibility of SAPOL.

### Incident Management Systems

Incident management systems provide a common system for all responding agencies and personnel, enabling seamless integration of activities and resources for the effective and safe resolution of any emergency with the most common system being the Australasian Inter-Agency Incident Management System (AIIMS).

The principles of AIIMS are:

- **Flexibility** – the structure is adaptable dependant on the nature of the emergency
- **Management by objective** – a process of management where the Incident Controller in collaboration determines the desired outcomes
- **Functional management** – applied during emergencies at all levels this concept relates to grouping of similar responsibilities, tasks or resources
- **Unity of command** – there is one set of common objectives for everyone involved in response
- **Span of control** – relates to the number of tasks, groups or individuals that can be successfully managed by one individual

Councils should proactively manage local incidents and escalate to State agencies when it is apparent that a significant commitment of resources may be required to manage the incident.

### Incident Classifications

Councils are often the first agencies to respond to a local incident and can often manage this type of incident without additional assistance. Other agencies will become involved if the incident escalates and becomes a broader emergency. The City of Marion has adopted the incident levels outlined in Figure 5 to describe the severity of an incident and the impact on its resources.

**Figure 5. Incident Levels**

INCIDENT LEVEL	DESCRIPTION & EXAMPLE
Incident Level 1	Council able to resolve incident within existing resources in a business as usual capacity Eg: low level flooding, mild storm damage, short period of extreme heat
Incident Level 2	The incident is more complex in size, resource or risk and Council is required to assign additional resources above business as usual Eg: widespread flooding, significant storm damage, prolonged localised power outage
Incident Level 3	The incident is unable to be managed using existing Council resources and external support is required: Eg: Statewide emergency, earthquake, terror attack, public health epidemic

It should be noted that in a large and complex incident where a multi-agency response is required, the City of Marion will need to adapt to changes in command and control structures and be aware of its role in state level structures including the LGFSG and the ZEST. These roles are documented in the LGFSG Plan and ZEST Operations Manual.

## Incident Management Team

The Council has established an Incident Management Team (IMT) to manage emergency situations. The IMT is a flexible structure, with the number of staff and areas of expertise dependent on the scale and nature of the emergency.

The IMT is comprised of capable and trained employees who have extensive business, operational and corporate knowledge and have the capacity to make strategic decisions in the best interest of the community in the event of an emergency incident.

The IMT structure and responsibility statements for the identified functions within the IMT are outlined in the Business Continuity Plan.

## Emergency Management Training

### IMT staff

City of Marion staff attending the IMT, as outlined in the BCP, are provided training in emergency management principles, this CEMP, the BCP and will participate in regular CEMP/BCP exercises and/or simulations.

### LGFSG Local Government Representative and Council Commander

These roles have specific training requirements which are identified by the LGFSG in the LGFSG Operations Manual. These roles will require knowledge of AIIMS, i-Responda, relevant EM legislation and responsibilities and capabilities of Local Government.

- **Local Government Liaison Officer;** responsible for the liaison and coordination of Local Government at an IMT, ZEST or a State Emergency/Command Centre (SEC/SCC) level. The City of Marion has appointed two officers to provide cover for this role; the IMT Coordinator and the IMT Council/Organisational Governance.
- **Local Government IMT Commander;** an operational role that is the primary point of contact for all emergency related matters. Councils doesn't employ a specific person for this role, but has nominated a person of sufficient authority, knowledge and experience from within existing staff. The City of Marion has appointed the IMT Member Operations to cover this role.

## **Response staff**

City of Marion Operational staff who are identified to support the Emergency Management requirements of control agencies (CES/SES/SAPOL) requested through the Local Government Functional Support Group will be identified on the i-Responda Personnel Register which is provided as an appendix to the Business Continuity Plan. These staff will be required to undertake training in emergency management principles and the i-Responda framework with their training recorded in the organisation's training database.

## **Exercising**

Benefits of testing the CEMP include:

- Determining its effectiveness of the plan
- Bringing together all the relevant stakeholders to promote knowledge of and confidence in the plan
- Providing an opportunity for testing stakeholder integration, operational procedures and skills in simulated emergency conditions
- Improving the plan in accordance with outcomes identified in post-exercise review

The plan should be exercised, annually in alignment with BCP exercises, which may include:

- Desktop exercises that include orientation, agency presentations and discussing responses to a hypothetical event
- Functional exercises which take place in an operational environment where participants are required to perform the functions of their emergency management role
- Field exercises involve the deployment of personnel to a simulated incident or emergency and can often follow a series of discussions or functional exercises

The exercise may be conducted and reviewed by a staff member or by an independent facilitator and/or panel of appropriately qualified people. The review will include a debrief process and recommendations for improving the plan.

## **Animal Emergency Management**

Types of animals relevant to the City of Marion are outlined in the 'Council Profile' and typically include domestic pets including dogs, cats, birds with the addition of horses and minimal livestock such as sheep and goats on some properties.

The City of Marion has authorised Dog and Cat Management Officers who will assist the community to ensure the welfare of their animals, help prevent animals from becoming a health and safety hazard to the wider community and may dispose of deceased animals.

The City of Marion will promote that animal owners include their animals in their personal emergency plans and refer them to the Managing Animals in Emergencies SA Framework produced by Primary Industries and Regions SA (PIRSA) available at [pirsa.sa.gov.au](http://pirsa.sa.gov.au)

## Response

Response operations are any measures taken in anticipation of, during or immediately after an emergency to ensure that the effect of an emergency is minimised and that affected individuals are given immediate relief and support.

The City of Marion's Business Continuity Plan provides more detail on specific actions to be undertaken by the IMT in response to an emergency.

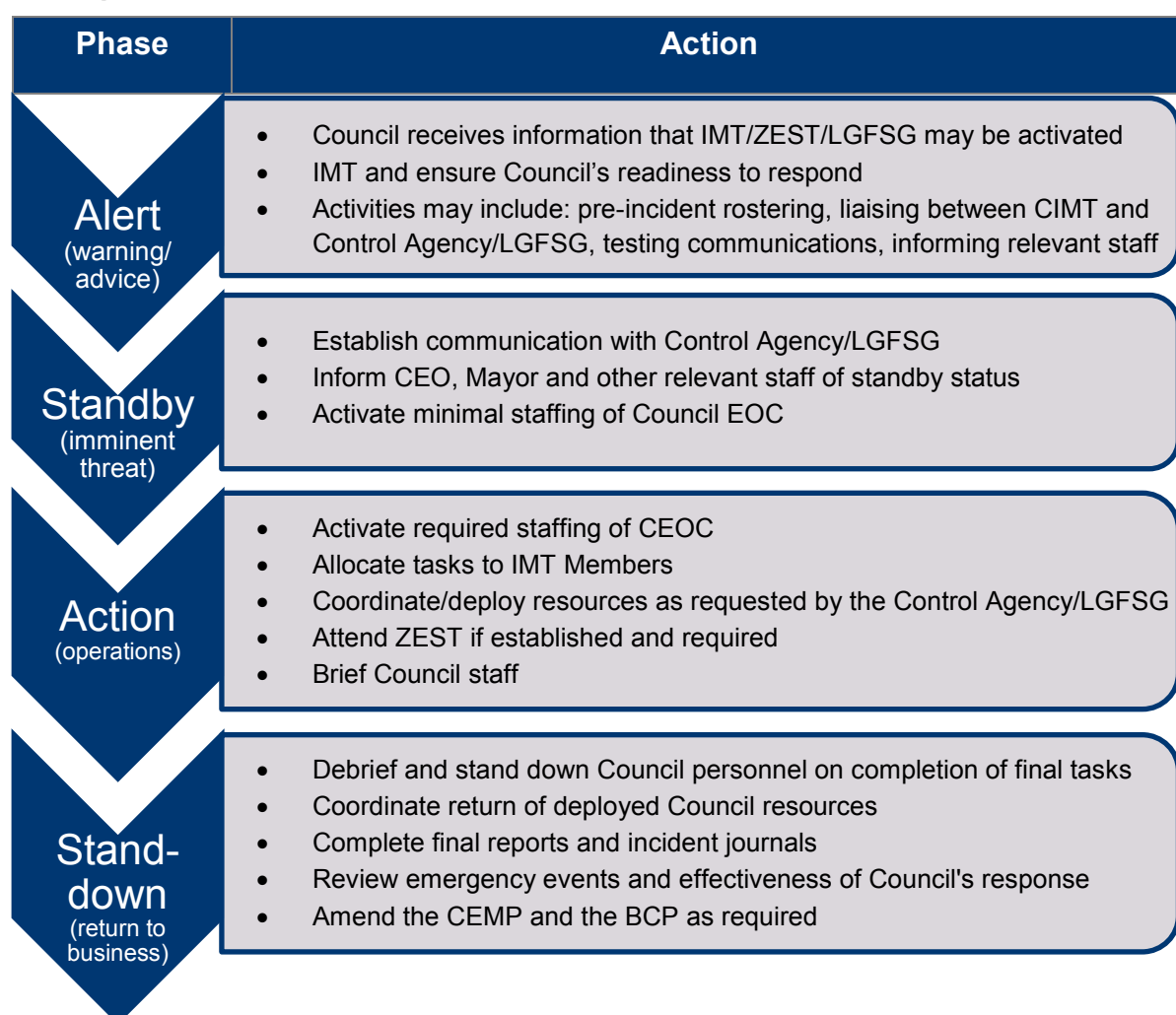
### Incident Management Team activation

The IMT may be activated when the organisation has:

- Received advice from a Control Agency or the LGFSG that an emergency has or is about to occur
- Become aware of an incident within their jurisdiction that has the potential to become an emergency
- Been notified that an emergency in an adjoining area is likely to impact on the City of Marion
- Been requested to attend a ZEST activation

The process of activation of the Council IMT is outlined in Figure 6.

**Figure 6. Response Phase Actions for IMT**



## City of Marion Emergency Operations Centre

The City of Marion may activate an 'Emergency Operations Centre' (EOC) to coordinate resources for response and recovery operations in an emergency. The resourcing and activation of this centre is the responsibility of the IMT Coordinator. Given the variable nature of emergency events, the following sites have been identified and prioritised as follows:

1. Governance Area, Level 1, Administration Building, 245 Sturt Road, STURT, 5047; or
2. Council Chambers, Ground Floor, Administration Building, 245 Sturt Road, STURT, 5047; or
3. City Services Depot, 935 Marion Road, MITCHELL PARK, 5046.

If these sites are unavailable or unsuitable for use, an alternative will be nominated by the IMT Leader.

The BCP contains specific operational information including template documents relevant to the establishment and operation of the EOC including the following:

### Operational Functions

The main operational functions of the EOC may include, but are not limited to:

- Liaise with Control Agencies and other external agencies
- Coordinate and deploy resources to assist response and recovery
- Coordinate the provision of additional resources required to support operations
- Collect, process, interpret and distribute information and intelligence
- Provide communications facilities
- Carry out any other directions issued by the IMT

### Staffing and Security

The EOC will be staffed by City of Marion staff with appropriate skills and training. Rostering of all personnel for duty in the EOC will be determined by the relevant IMT member, in accordance with appropriate work health and safety conditions. A roster template is available in the Council Emergency Operations Centre Manual.

The EOC will be a secure area with access restricted to staff with valid identification.

### Record Keeping

City of Marion recognises the importance of maintaining appropriate records during an emergency event. Good record keeping practices are critical for:

- |  |  |
|--|--|
| • Substantiating decisions and actions | • Litigation and Court matters           |
| • Cost recovery and reimbursement      | • Coronial inquiries                     |
| • Insurance purposes                   | • Risk management                        |
| • Subsequent investigations            | • Reviewing the performance of this plan |

All decisions made and actions taken during an emergency will be recorded in an incident log to ensure consistency and accuracy of the information. The incident log will remain active until the conclusion of the incident as determined by the IMT Leader. An incident log template is available in the BCP

Records related to emergency events will be managed in accordance with the City of Marion's Records and Information Management Policy which aligns with the General Disposal Schedule 20 (Local Government Records) and General Disposal Schedule 33 (Across-Government Emergency Management) and provides document retention provisions for government emergency management.

## **Administration and Finance**

### **Financial Management**

The cost to the organisation of providing emergency-related support is generally unbudgeted, as the timing, nature, scale and duration of such requirements are unpredictable.

The Control Agency will generally meet its own costs associated with responding to an emergency. If Council provides personnel, plant and/or equipment in response to an emergency, it may incur costs relating to:

- Staff (the scale and nature of the emergency will determine the number and type required)
- Plant and equipment
- Materials
- Repair of materials or sites used for emergency management purposes
- Disposal of rubbish and debris

Council may seek cost re-imburement from the Control Agency post-event, discussions will occur direct with the Control Agency to determine the level of cost recovery being sought by Council. For this reason, it is very important that any expenditure in response to an emergency is separately recorded and allocated a separate budget line at the commencement of an incident. This will allow for the cost of this support to be readily identified and reimbursed as appropriate.

The IMT Member Operations is responsible for the provision of Council's limited supply of personnel, plant and/or equipment and materials. Wherever possible, normal council purchasing procedures are to be used for the acquisition and supply of goods and services.

The IMT Member Operations and IMT Member People are responsible for ensuring staff involved in the emergency operations are appropriately supported with breaks, catering and other requirements.

All Council Staff will be paid in accordance with Council policies and the relevant Enterprise Agreements, Awards and legislation.

### **Protocol around Sharing of Resources**

Resources may be requested at any time during the response and recovery phases of an emergency and requests may come from a number of sources including:

- the Control Agency
- an impacted council
- the LGFSG
- members of the community, including community groups

The City of Marion is committed to provision of assistance, where possible, outside its boundaries in response to an emergency. All requests should be recorded using the template in the Business Continuity Plan.

Requests for assistance should be directed to the City of Marion Commander (IMT Member Operations).

When supporting another council or the Control Agency in an incident it is important to remember that:

- The City of Marion is supported by the LGA Mutual Liability Scheme, Workers Compensation Scheme and Asset Mutual Fund
- i-Responda principles of “*Ordinary Operations in Extraordinary Situations*” must remain in place

The provision of resources is based on the Ask, Assess, Arrange, Act principles.

- **Ask** – make sure you understand what is being requested
- **Assess** – understand the job and associated risks
- **Arrange** – internal and external operational details
- **Act** – mobilise resources

## Communications

### Internal communications

Communications within the IMT are crucial to ensure that all IMT members are aware of the current situation, actions being undertaken and objectives to achieve to resolve the emergency. During an emergency, communications within the IMT will include:

- Regular briefings
- Handover documents
- Situation reports

Templates for a number of these communication documents are provided in the BCP.

City of Marion staff not involved in the IMT may be involved with the situation via meetings, face-to-face briefings, email or other media as deemed appropriate by the IMT Member Communications.

### Council Members

The IMT Council/Organisational Governance will be responsible for briefing the Mayor and Councillors to keep them informed regarding the emergency event including Council's role and responsibilities in response to the incident. The IMT Member Communications will provide support to the Mayor as the Council spokesperson.

## Inter-agency Communications

### Local Government Functional Support Group

The LGSFG is active and in standby mode at all times.

If the City of Marion becomes aware of information or warnings relating to any emergency within their jurisdiction, the Council Commander will contact the LGFSG State Duty Officer (SDO) by phoning 8120 1720. This number is available 24 hours per day, seven days a week.

When contacted, the SDO will determine the LGFSG Mode of Operation for the incident as based on the incident levels identified in the Local Government Functional Support Group Plan.

The SDO and City of Marion Commander will communicate throughout the incident to coordinate resources and share information.

## **ZEST and Control Agency**

When a ZEST is activated, communication between City of Marion and the Control Agency will be through the LGFSG nominated LG Liaison Officer at the ZEST and the Commander at the relevant council.

## **Community Communications**

### **Community Information**

The provision of information to the public regarding an emergency is the responsibility of the Control Agency as identified in the SEMP- Annex C Public Information and Warnings.

The organisation recognises that their role is to strengthen and support these messages by timely sharing through existing channels and ensuring that relevant information is shared internally.

Any information released by the City of Marion will be in conjunction with key stakeholders and must be approved by the IMT and managed in accordance with Council's media policies/procedures to ensure accuracy and consistency. The City of Marion will only issue media statements that relate to the impact on their organisation. It will not comment on matters that fall within the jurisdiction of other agencies.

### **Public Warnings**

The core principle of public information and warning is to ensure public safety as the highest priority, with the provision of public warnings the primary responsibility of the Control Agency. All agencies, including councils, can assist in amplifying the messages distributed from the Control Agency through their communication channels

The City of Marion is likely to receive numerous enquiries from members of the public during an emergency about current status and impacts. It is important that customer service staff receive recent updates from communications staff in the IMT so that they are able to communicate messages to the public clearly and effectively.

The EM Splash page may be used on the home page of Council's website to provide the community with direct links to Hazard Leader and Control Agency information on relief and recovery.

The City of Marion may also use social media posts at times to publish links to public warnings as issued by the Hazard Leaders and Control Agencies. Scripts may be useful for customer service staff to provide information to the public when responding to telephone calls. These scripts should include details of where to access additional information and any necessary public safety messages.

## **Emergency Relief Centres**

An emergency relief centre is a temporary facility established to provide immediate support and essential needs to persons affected by an emergency. Housing SA is the agency responsible for establishing and managing emergency relief centres. Other organisations/agencies such as Red Cross, Salvation Army, churches, service clubs (e.g. Rotary, Lions), along with the City of Marion may be involved in the provision of community services at emergency relief centres. Services may include grants for temporary accommodation, counselling, personal support and financial assistance.

The organisation may be requested to provide facilities for the establishment of emergency relief centres. Facilities will need to be considered fit for purpose as identified by the recovery lead agency. In these circumstances, the City of Marion would not be responsible for the management of the emergency relief centre but may assist the Control Agency with staffing if they are able.

A number of suitable relief centres have been identified and this information provided to Housing SA. Housing SA, who in conjunction with the Control Agency, will determine the most suitable sites to establish relief centres.

### **Animal Relief**

The City of Marion supports the use of its venues, when in use as nominated relief centres, for the assembly of people with animals during an emergency event, where appropriate, for domestic animals under the control of their owner.

Lost or wandering animals reported to the City of Marion will be collected by our Dog and Cat Management Officers and delivered to the owner if identified and located. If unable, and more appropriate given the emergency incident, it will be delivered to the Royal Society for the Prevention of Cruelty to Animals (RSPCA) shelter at Lonsdale, or alternate provider if required.

Disposal of deceased animals is the responsibility of the animal owner and the City of Marion provides a service where, if a deceased animal is found in a public place and the owner can be identified, the owner is contacted. However if the owner cannot be identified, the deceased animal is transported and held so the owner can later claim the animal. Unclaimed deceased animals are respectfully disposed of through an external provider experienced in dealing with animals.

The City of Marion will also (subject to availability of resources) support emergency-affected livestock owners who are overwhelmed or unable to manage disposal of large numbers of deceased livestock by assisting them with their request for services to PIRSA. All animal relief issues arising from an emergency that require management beyond the ability of the animal owner or Council will be referred to PIRSA.

### **Post Incident Debrief**

As soon as practicable after an emergency operation, the IMT will coordinate the operational debrief/s with representatives from each involved City of Marion work area and any other external agency involved as the IMT considers appropriate. Sample questions for this debrief are included in the BCP.

### **Post Incident Evaluation**

After significant events, it may be appropriate for the City of Marion to participate in a formal debrief or multiagency debrief. This should occur within a reasonable timeframe of the emergency event, optimally no more than a month later. The Post Incident Evaluation may follow a more structured process will involve the production of a written report. Recommendations arising from this review may result in a review of the CEMP, the BCP and any other relevant documentation.

# Recovery

## General

Recovery is the conduct of any measures (such as human, economic and environmental measures) taken during or after an emergency, being measures necessary to assist in the re-establishment of the typical pattern of life of individuals, families and communities affected by the emergency. An emergency is generally not considered over until the community has been recovered to the new situation.

There is no clear delineation between response and recovery operations with every recovery operation having different characteristics and timelines. Some phases which may be observed include:

- **Transition** – the period between response and recovery (some immediate recovery measures are undertaken during this phase)
- **Initial** – focused on meeting immediate needs of individuals and restoring essential services
- **Short-term** – assist communities dealing with the aftermath of the emergency
- **Long-term** – restoring of the community to the 'new normal'

## Recovery Management

Local government has an important role in community recovery due to its local level services and functions.

The four components of recovery as recognised in the State Recovery Plan are:

- **Social** – people, families and communities
- **Economic** – businesses, tourism, local economies and agriculture
- **Natural** – land management, air quality, natural heritage, culture, history and ecological conservation
- **Built environment** – public and commercial buildings, transport infrastructure, gas, electricity and fuels, water and wastewater infrastructure and essential services and other infrastructure

Recovery is a whole-of-government activity and involves cooperation with other agencies, community service organisations and the private sector to assist the community to achieve a proper and effective level of functioning following an emergency.

Recovery can be a traumatic time for the community and the City of Marion may be the first point of contact for many community members. In order to minimise this trauma, information (written and oral) needs to be available to staff to convey to the community. Information needs to be factual, timely and distributed through a range of communication channels to ensure accessibility.

As soon as the need for coordinated recovery is identified, it must be planned. The State Recovery Office provides management and administrative support to the assigned recovery leaders and coordinates the formal recovery process. Councils may have a role in this process as needed through the LGFSG, or independently. The City of Marion or LGFSG may liaise with the recovery lead agency to determine any special arrangements and immediate recovery requirements.

## State Recovery Committee

The State Recovery Committee is chaired by the Department of Communities and Social Inclusion. It oversees recovery planning as well as coordinating recovery operations across government and non-government organisations.

## Local Recovery Committee

To ensure recovery activities are locally driven and reflective of local needs, a Local Recovery Committee (LRC) may be established as soon as practicable following an emergency. The LRC will be supported by the State Recovery Committee and State Recovery Office and would include a range of local and state agencies. Council are a vital member of this group and will be expected to attend meetings and provide support to the LRC.

Depending on the scale of the event, public community meetings may also be held to provide and gather information on a range of issues.

## Recovery Centres

A recovery centre may be established by the State Recovery Office to coordinate recovery following an emergency event. Recovery centres provide a 'one-stop-shop' for people affected by an emergency to seek support and assistance from recovery agencies.

## Natural Disaster Relief and Recovery Arrangements (NDRRA)

In recognition of the significant cost of natural disasters, the Australian Government established the NDRRA to alleviate the financial burden on the states and to facilitate the early provision of assistance to disaster affected communities. Through the NDRRA, the Australian Government provides financial assistance directly to the states to assist them with costs associated with certain disaster relief and recovery assistance measures.

## Local Government Disaster Recovery Assistance (LGDRRA)

The South Australian Government disaster assistance arrangements provide a mechanism to assist councils with managing the costs associated with disaster recovery following a natural disaster. An act of relief or recovery that is carried out by a council to alleviate damage arising as a direct result of a natural disaster may be eligible for financial assistance.

## Disaster Recovery Guide for Councils

The LGA has developed a Disaster Recovery Guide for Councils. This guide is designed to help councils understand their role and contribution to recovery, consider recovery arrangements and build capability of their organisation, communities and recovery partners.

## City of Marion Recovery Arrangement

In alignment with the LGA Disaster Recover Guide for Councils, the City of Marion has adopted the following recovery arrangements:

### Council Staff

Identified staff have been trained to respond during emergency events however, involvement in emergency and recovery response can still have a significant impact on those who respond. Council staff can be impacted financially, physically and emotionally during an emergency event and it is important that their recovery is considered and planned for.

The City of Marion may support the recovery of impacted staff through the provision of:

- Leave from work or flexibility around working arrangements and hours;
- Employee Wellbeing Program (EAP); and
- Additional counselling services, where required.

## Volunteer Management

Council recognises the vital role that volunteers can play in an emergency such as providing access to community resources and local knowledge and providing a link in the information chain between Council, emergency services agencies and the community.

Council also recognises the importance of effectively managing volunteers in order to ensure a coordinated and uniform approach. Poor management of volunteers can add confusion and create unnecessary work for agencies. Volunteers in emergencies are managed by Volunteering SA & NT.

The types of volunteers commonly involved following emergency events are:

- **Formal response volunteers** – mainly the CFS, SES and Red Cross. Volunteers of these agencies are well-organised and trained.
- **Council volunteers** – volunteers that are registered with Council and contribute to the provision of services to the community on an ongoing basis in a wide range of areas (e.g. library services, transport, aged care, community centres).
- **Specialist volunteers** – volunteers that are affiliated to and registered by specialist public and private organisations (e.g. Lions, Rotary, BlazeAid etc).
- **Spontaneous volunteers** – people who are not affiliated to or registered with any organisation but are motivated to assist in times of trouble, in particular following emergency events. Spontaneous volunteers can register with Volunteering SA & NT at their website: <https://www.volunteeringsa-nt.org.au>

Council has a number of registered volunteers who contribute to the delivery of services in the local community using their local knowledge, and a range of skills and abilities. These skills may be directly relevant or transferable to volunteer tasks commonly needed during the recovery phase.

Council maintains a database of its registered volunteers, which will allow volunteer staff to be appropriately matched to recovery tasks depending on their skills, knowledge and other relevant qualifications. Council volunteers will be managed in accordance with the Council's Volunteer Management Policy and associated procedures.

## Donated Goods and Fundraising

The *National Guidelines for the Management of Donated Goods (Australian Government)* enables all levels of government, corporate and non-corporate sectors, communities and individuals to more effectively address the needs of people affected by disasters.

While it is important to manage the desire of many community groups and organisations to undertake donation drives, donated goods can cause major logistical problems. This includes managing large inflows of items which can create issues around the storage and disposal of unwanted or non-useful products. Unless very specific goods are required to assist in recovery, the public will always be encouraged to donate money in preference to goods, as this allows agencies, or the affected individuals and families, to purchase what is needed and support the local economy to return to business as usual.

The State Emergency Relief Fund Committee administers the fund established under the EM Act. The Red Cross is usually the front-line management agency for fundraising efforts and it is commonly accepted that diverting fundraising efforts through one avenue provides for the best outcomes for the community.

### **Food Safety in the Community**

The City of Marion has authorised Environmental Health Officers who will assist the community by liaising with and inspecting food businesses within the City of Marion boundaries to ensure that food is kept in safe and appropriate conditions to prevent the risk of food poisoning to members of the community.

### **Disaster Waste Management**

During an emergency event there is often a large amount of waste produced which needs to be managed post-incident. This can include damaged building materials, personal property, garden materials, vehicles, soil, effluent and chemicals.

Council will endeavour to respond through its hard waste management program or use of external contractors.

A Disaster Waste Management Capability Plan and supporting Guidelines are due to be released in 2018 and will provide agreed State arrangements, including identifying roles and responsibilities, around waste generated in a disaster.

## Description

The area features a diversity of housing, topography and cultures and has a significant industrial sector. Marion is home to the Living Kaurna Cultural Centre, the Marion Cultural Centre, Cove Civic Centre, Tonsley Innovation District and Westfield Marion Shopping Centre. It is bounded by the City of Holdfast Bay and the Gulf of St Vincent to the west, to the north by the City of West Torrens and to the east the cities of Unley, Mitcham and Onkaparinga which also bounds to the Council's southern border.

Historically, the Kaurna people of the Adelaide Plains have gathered along the Sturt River at Warriparinga which means 'windy place by the river'. The Living Kaurna Cultural Centre was built on this spot to ensure that the culture and the Dreaming Story of the land is preserved and passed on from generation to generation.

## Council Map



## **Population**

The population of the City of Marion is approximately 88,000 residents and is showing healthy growth, due in part to overseas migration which welcomes newcomers from countries such as the United Kingdom, India, China, the Philippines, the eastern countries of Africa and many others. The southern communities of Hallett Cove, Trott Park and Sheidow Park continue to experience significant growth, including a new shopping centre redevelopment and connector road supported by Council as part of its Marion South Plan. Other initiatives include redevelopment opportunities at Tonsley together with the upgrade of South Road and Oaklands Crossing.

Whilst no critical infrastructure is located within the City of Marion boundaries, significant levels of low-medium density housing has, and continues to occur adjacent the Tonsley Innovation District, Marion Shopping Centre and Oaklands Crossing. The Seaford and Tonsley rail lines have also been electrified.

The demographic of the City of Marion population has more people aged over 75 years than the metropolitan Adelaide average, approximately 1 percent of residents are indigenous and almost a quarter of residents born overseas with more than half of those from non-English speaking backgrounds.

## **Housing and Transport Links**

Housing stock is made up predominantly of detached three-bedroom homes and transport consists of the Seaford and Tonsley rail corridors, the Glenelg tramway and five major north-south and four east-west arterial roads with bus routes throughout.

As part of the 30 Year Plan for Greater Adelaide, and in accordance with Council's Development Plan, it is anticipated the City of Marion will continue to experience high levels of low-medium density in-fill development, due in part to ageing housing stock located on large parcels of land. This is likely to include:

- Housing growth along key transport routes including the Seaford and Tonsley train lines, arterial roads surrounding the Marion Shopping Centre and in selected areas adjacent the Glenelg tram line;
- A variety of housing forms and sizes, up to 4 stories in height, to cater for the wide variety of households and demographics.

## **Vulnerable groups**

Community Care Services within the City of Marion are jointly funded by the Commonwealth and State Governments, allowing provision of a subsidised service to eligible clients who require someone to stand beside them, advocate on their behalf or need minimal support to manage activities of independent living and are not receiving a similar service from any other provider. Services are designed to support vulnerable people in all aspects of their life through social connections, positive ageing, lifelong learning and activities around the home e.g. cleaning, basic home maintenance, modification, gardening, social support and transport options.

## **Climate Change**

Climate change is emerging as a vital issue for our community, with recent scientific research showing that societies and ecosystems are highly vulnerable to even modest levels of climate change.

South Australia's temperatures are increasing and rainfall is decreasing. For the Adelaide and Mount Lofty Ranges region this means a general warming and drying trend. This means that we can expect more frequent and intense heatwaves, and increasing number of days of extreme fire danger, an increased intensity of rainfall, and more extreme storm events.

Our approach to climate change is to partner with our community in response to the risks and opportunities posed and to enable climate change resilience into the future with the implementation of two closely related strategies:

**Abatement/Mitigation** – to focus on reducing the amount of greenhouse gases we emit into the atmosphere via active measures such as improving energy efficiency, using renewable and low emission technologies, and offsetting emissions to help avoid future impacts of climate change beyond what is already projected; and

**Adaptation** – to address the climate change already projected to occur by increasing, as far as possible, our capacity to cope with the impacts of climate change, including variability and extreme events.

### Topography

The City of Marion is predominantly residential across the Adelaide Plains whilst also including a significant industrial sector. It has seven kilometres of beautiful, rugged coastline, hundreds of hectares of open space and bushland which lie side by side with modern suburban development.

Important areas of large open space are located across the city including Edwardstown Oval, Morphettville Sports and Community Club, Morphettville Racecourse, Mitchell Park Sports Club, Marion Sporting Complex, Hallett Cove Sports Club, Marion Golf Club, Glenthorne Farm, the Marino and Hallett Cove Conservation Parks and the O'Halloran Hill Recreation Park.

### Animals

A large number of households within the City of Marion have domestic animals, the most common of which are dogs and cats, birds and other domestic pets. The City of Marion has an Animal Management Plan to provide a sustainable and strategic approach to the management of dogs and cats within the context of creating a safe public environment and enhancing the amenity and environment of the City of Marion while considering the importance of pet ownership.

The area does not contain farmland with large quantities of livestock, however the Morphettville Racecourse and Trott Park Pony club is located within the City of Marion and there are a number of commercial and domestic horse stables located nearby.

State-owned conservation parks to the south of the city (Hallett Cove & Marino Conservation Parks, Glenthorne Farm and O'Halloran Hill Recreation Park) along with Hallett Headland and Glenthorne farm also provide habitat for native fauna populations.

## Appendix B: Relevant Emergency Management Legislation

### Emergency Management Act 2004

The *Emergency Management Act 2004* (EM Act) outlines the strategies and systems for the management of emergencies in South Australia. This Act includes the guiding principles that emergency management arrangements are based on:

- an All-Hazards approach addressing the spectrum of PPRR
- reflect the collective responsibility of all sectors of the community
- recognise that effective arrangements require a coordinated approach from all sectors of the community

The Act establishes the State Emergency Management Committee and requires the State Emergency Management Plan (SEMP) to be prepared and be kept under review. It also identifies key roles and responsibilities in an emergency including those of the Control Agency and Coordinating Agency.

### Fire and Emergency Services Act 2005

The *Fire and Emergency Services Act 2005* (F&ES Act) establishes the structure, powers and duties of the South Australian Fire and Emergency Services Commission, the SA Metropolitan Fire Service (MFS), SA State Emergency Service (SES) and the SA Country Fire Service (CFS).

The Act further establishes the State Bushfire Coordination Committee (SBCC) and prescribes functions including: providing advice to the Minister on bushfire risk and management, preparation and review of the State Bushfire Management Plan.

Under the F&ES Act, the state is divided into Bushfire Management Areas with the establishment of a Bushfire Management Committee for each area. Each Committee is required to undertake a variety of functions including advising the SBCC of bushfire prevention in its area, preparation of a Bushfire Management Area Plan (BMAP) and convene local or regional forums to discuss issues relating to bushfire.

Some sixty councils are located within “country areas and urban bushfire risk areas” which requires that each of these councils must appoint at least one Fire Prevention Officer for its area.

### Local Government Act 1999

Section 7 of the *Local Government Act 1999* (LG Act) outlines a range of functions for councils including:

- To provide for the welfare, wellbeing and interests of individuals and groups within its community;
- To take measures to protect its area from natural and other hazards and to mitigate from the effects of such hazards; and
- To provide infrastructure for its community and for development within its area (including infrastructure that helps to protect any part of the local or broader community from any hazard or other event, or that assists in the management of any area).

Section 8 of the Act states that a council must, “give due weight, in all its plans, policies and activities to regional, state and national objectives and strategies concerning the economic, social, physical and environmental development and management of the community.” This includes considering the objectives and strategies of the SEMP.

Section 298 of the LG Act advises of a councils’ power to act in an emergency specifically related to flooding, “if flooding in the area of a council has occurred or is imminent and the council is of the opinion that a situation of emergency has arisen in which there is danger to life or property, it may order that action be taken as it thinks fit to avert or reduce the danger.”

## Appendix C: Hazard Leaders and Control Agencies

Hazard	Hazard Leader (prevention & preparedness)	Phone
Animal & Plant disease	Primary Industries & Regions SA	
Earthquake	Dept for Planning, Transport & Infrastructure	
Extreme Weather	SA State Emergency Service	
Flood	Dept of Environment, Water & Natural Resources	
Hazardous materials	Safe Work SA	
Human disease	SA Health	
Rural fire	SA Country Fire Service	
Terrorism	SA Police	
Urban fire	SA Metropolitan Fire Service	

Emergency Incident	Control Agency (response)	Phone
Aircraft accident	SA Police (SAPOL)	
Animal, plant & marine disease	Primary Industries and Regions SA	
Bomb threat	SA Police	
Earthquake	SA Police	
Extreme weather	SA State Emergency Service (SES)	
Fire - Country	SA Country Fire Service (CFS)	
Fire - Urban	SA Metropolitan Fire Service (MFS)	
Flood	SES	
Food/drinking water contamination	SA Health	
Fuel, gas & electricity shortages	Department of State Development	
Hazardous materials emergencies	CFS or MFS	
Human disease and/or epidemic	SA Health	
Information & communication (ICT) failure	Department of Premier and Cabinet	
Marine transport accidents	SA Police	
Marine pollution	Department of Planning, Transport and Infrastructure	
Rail accident	SA Police	
Riverbank collapse	SA Police	
Road/transport accident	SA Police	
Search & rescue – land & sea	SA Police	
Search & rescue - structure	SA Police	
Siege/Hostage	SA Police	
Terrorist incident	SA Police	

## Appendix D: Relevant Emergency Management documents

Name	Version/Edition	Date
<b>Strategies</b>		
National Strategy for Disaster Resilience	first	2011
<b>Legislation</b>		
<i>Emergency Management Act 2004</i>		2004
<i>Fire and Emergency Services Act 2005</i>		2005
<i>Local Government Act 1999</i>		1999
<b>Plans</b>		
State Strategic Plan		
State Emergency Management Plan	second	2016
Zone Emergency Management Plans	various	various
Business Continuity Plans	various	various
State Bushfire Management Plan		
Bushfire Management Area Plans	various	
Functional Support Group Plans		
Public Information Functional Support Group Plan	various	
Local Government Functional Support Group Plan	draft	2017
Hazard Plans	various	
Response Plans		
Community Emergency Management Plans		
Red Cross Rediplan		
Zone Recovery Plans		
<b>Risk Assessment Guidelines</b>		
Emergency Risk Management Applications Guide – Manual 5 – Emergency Management Australia, Commonwealth of Australia		
South Australian Emergency Risk Management Guide	first	2017
Australian Emergency Management Handbook Series - Handbook 10 - National Emergency Risk Assessment Guidelines	second	2014
Australian Emergency Management Handbook Series - Handbook 11 - National Emergency Risk Assessment Guidelines: practice guide		
AS/NZS 31000:2009		
<b>Guides/Guidelines/Frameworks</b>		
Disaster Recovery Guide for Councils	first	2017
Disaster Waste Management Guide	In progress	2017
Managing Animals in Emergencies Framework	first	2017
Local Government Emergency Management Framework		2017
i-Responda guidelines		
LGFSG Joint Operating Guidelines (sandbags, bushfire)		
<b>Manuals (including operations manuals)</b>		
State Control Centre Operations Manual		
State Emergency Centre Operations Manual		
Zone Emergency Support Team Operations Manual	first	2017
The Australasian Inter-Service Incident Management System	4 <sup>th</sup> edition	2013
Local Government Functional Support Group Operations Manual	Being drafted	
Zone Emergency Management Committee Induction Manual	2 <sup>nd</sup> edition	2017



**PREVENTION | PREPAREDNESS | RESPONSE | RECOVERY**

**CITY OF MARION  
FINANCE & AUDIT COMMITTEE MEETING  
29 MAY 2018**

**Originating Officer:** Sherie Walczak, Unit Manager Risk

**Manager:** Kate McKenzie, Manager Corporate Governance

**General Manager:** Vincent Mifsud, General Manager Corporate Services

**Subject:** 2018 Corporate Risk Profile

**Report Reference:** FAC290518R7.11

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**EXECUTIVE SUMMARY:**

The City of Marion's Corporate Risk Profile is reported to the Finance and Audit Committee on an annual basis to respond to their obligation to Council and the community, outlined in the terms of reference, to facilitate the '*effective management of risk and the protection of Council assets*'.

The purpose of this report is to seek assurance and input from the Finance and Audit Committee regarding:

- The identification and management of high rated risks, the control environment and further actions to mitigate risk materialisation and impact to Council.

**BACKGROUND**

The Corporate Risk Profile was last reported to the Finance and Audit Committee at its meeting on 28 February 2017 (FAC280217R8.4) however, due to concern on the level of current risks rated as high, a comprehensive review of the corporate risk register was instigated, with a revised Corporate Risk Profile being presented to Council in October 2017 (GC241017R01) and a resolution that Council monitor high rated risks quarterly.

The implementation resulted in a revised baseline for the corporate risk exposure as at the end of the July to September 2017 quarter. The outcomes for the second quarter, October to December 2017, were reported to Council at its 30 January 2018 (GC300118R10), with the third quarter outcomes being reported at its meeting at its 22 May 2018 meeting (GC220518R16). The process has been revised and requires risk owners to review their risks and update the progress on identified actions, to appropriately reflect their work plans and business achievements, on a quarterly basis in line with Work Area Reporting. This now provides a more dynamic register, with increased accuracy and relevance. At the end of each quarter, prior to collating the risk data, an overview is undertaken by the Risk Unit and the Executive Leadership Team to provide assurance of validation to the corporate risk management framework and consistency across the organisational structure.

**RECOMMENDATION**

**That the Finance and Audit Committee;**

**DUE DATES**

- 1. Note the progress reported to date and provide feedback on the report outlining high rated risks in comparison to sector risks**

**29 May 2018**

## OUTCOMES

The outcomes from the quarterly reviews are presented in Table 1 and highlight the improvement in the risk exposure with regard to our risk tolerance.

The second quarter reporting period, October 2017 to December 2017, did not result in the number of current controls rated as high reduce, however completion of mitigating actions resulted in two medium risks being re-rated to low risk.

The third quarter reporting period, January 2018 to March 2018, reflects a stepped change in the current risk ratings, with 2 (14%) out of the 14 high rated risks being re-rated to medium rated risks. These risks relate to WHS Management and Environmental Sustainability as the re-rating is the result of completed mitigating actions.

There are currently 12 high rated risks, documented in the Corporate Risk Register as at March 2018 (Appendix A), which are being actively managed by Risk Owners and monitored by the Executive Leadership Team. This increased ownership and monitoring will assist progression towards achievement of all risks being rated within Councils risk tolerance of medium or low rated risks, as forecasted.

**Table 1: Risk Ratings 2017/18 - Quarter 1, Quarter 2 and Quarter 3**

Period:	Qtr 1: July to September 2017			Qtr 2: October to December 2017			Qtr 3: January to March 2018			
Corporate Risk	Inherent	Current	Forecast	Inherent	Current	Forecast	Inherent	Current	Forecast	Overall Impact*
Extreme	16	0	0	16	0	0	16	0	0	↓
High	77	14	1	77	14	0	77	12	0	↓
Medium	17	83	61	17	81	60	17	83	60	↑
Low	0	13	48	0	15	50	0	15	50	↑
Total	110	110	110	110	110	110	110	110	110	

To provide a local government sector comparison, a summary of our identified risks are illustrated as a Corporate Risk Profile 2018/19 (Appendix B) with the City of Marion risks benchmarked comparative to the LGA's Local Government "Top Ten Ranking of Risks In The Sector, May 2017".

- Property & Infrastructure
- WHS Management
- Financial Sustainability and Stability
- Governance Risks
- ICT/Cyber Security & Continuity of Provision
- Contractor Management
- Business Continuity & Community Safety
- Major Projects – Compliance & Management
- Environmental Management/Climate Change
- Effective HR

## CONCLUSION

The improved quarterly Corporate Risk Register reporting to Council, provides further assurance to Council that the organisation is taking appropriate action to manage its risk. It also provides an understanding of our Risk Profile comparative to the industry sector risks.

City of Marion rates well in comparison with the 'sector top ten risk' with 3 of these risks reporting current risk ratings of medium and the other 7 being forecasted, after further mitigating actions, to achieve a risk rating of medium or lower.

## APPENDICES

Appendix A - Corporate Risk Register as at March 2018: extract showing current high rated risks

Appendix B - Corporate Risk Profile 2018: benchmark against top ten risks in the sector



# CORPORATE RISK PROFILE 2018/19

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APPENDIX B

HIGH RISK AREAS					HIGH RISK AREAS				
		Inherent	Current	Forecast			Inherent	Current	Forecast
Property & Infrastructure					Contractor Management				
ASY02	Failure to appropriately maximise CoM assets and asset management planning, to ensure appropriate acquisition, renewal, maintenance, management and disposal	EXTREME	HIGH	MEDIUM	CON03	Failure to manage contractors appropriately to ensure that contractual obligations are met	EXTREME	HIGH	MEDIUM
CSE03	Lost opportunity or inability to create, renew, manage and maintain Infrastructure assets (roads, drainage, footpaths etc)	EXTREME	HIGH	MEDIUM	CSE02	Failure to appropriately manage high risk activities by Contractors (underground services, excavation, confined space, hot works etc)	EXTREME	HIGH	MEDIUM
WHS Management					Business Continuity & Community Safety				
GOV08	Failure to meet Work Health Safety statutory and legislative requirements to ensure provision of a safe workplace	HIGH	MEDIUM	MEDIUM	CHS01	Failure to deliver Health & Safety outcomes for the Community (eg:Public & Environmental Health/ Animal/ Bushfire / Parking/ Litter & Local Nuisance Management & Council By-Laws)	EXTREME	HIGH	MEDIUM
GOV06	Exposure of CoM's Officers under the WHS Act to criminal litigation	EXTREME	HIGH	MEDIUM	GOV10	Failure in Council's ability to prevent, prepare, respond to and promote resilience in the community in the event of an emergency ie earthquake, flood, extreme heat, bushfire and terrorism	HIGH	HIGH	MEDIUM
CSE01	Failure to appropriately manage high risk activities by CoM Staff (underground services, excavation, confined space, hot works etc)	EXTREME	HIGH	MEDIUM					
Financial Sustainability and Stability					Major Projects - Compliance & Management				
FIN01	Failure to meet statutory and legislative requirements (eg: LG Act, AASBs, GST, FBT, grant funding)	EXTREME	MEDIUM	MEDIUM	DSE02	Failure to deliver significant projects, legislative reviews and/or priority workloads against tight timeframes eg: Housing Diversity DPA & new Public Development & Infrastructure Act	HIGH	HIGH	MEDIUM
GOV05	Failure to ensure appropriate Fraud and Corruption management processes to prevent, detect and respond to alleged fraud and/or corruption	HIGH	MEDIUM	MEDIUM	OSR01	Failure to deliver planned strategic objectives in addition to new high level projects	HIGH	HIGH	MEDIUM
Governance Risks					Environmental Management/Climate Change				
GOV02	Potential dysfunction between Council and Administration resulting in poor decision making and unfunded, unplanned initiatives gaining Council endorsement	HIGH	HIGH	MEDIUM	ESU03	Failure to understand and plan for the projected impacts of climate change.	HIGH	MEDIUM	MEDIUM
GOV03	Inappropriate, ill-advised or incorrect staff decision/action or advice	HIGH	MEDIUM	MEDIUM	ESU01	Failure to deliver environmental services that meet community expectations and environmental need	HIGH	MEDIUM	MEDIUM
ICT/Cyber Security & Continuity of Provision					Effective HR				
ICT02	Inappropriate use, ineffective or absent ICT system solutions to support data management to ensure accurate data collection, appropriately manage Council business and ensure informed decision making	HIGH	HIGH	MEDIUM	HRE05	Ineffective strategic work force planning	HIGH	MEDIUM	LOW
ICT03	Failure to maintain Cyber Security assurance across all CoM systems and worksites	HIGH	MEDIUM	LOW	HRE04	Non compliant, inappropriate and/or ineffective Human Resource processes to deliver key HR requirements & initiatives	HIGH	MEDIUM	MEDIUM

# Corporate Risk Register - extract showing current HIGH risks

## APPENDIX A

ELT Risk Owner (ELT)	Strategic Link	Ref	Work Area	Risk Description	Risk Causes /Sources	Potential Consequences	INHERENT Level of Risk			Current Controls in Place	CURRENT Level of Risk			Further Action	Further Action Due Date	Action Owner	FORECAST Level of Risk		
							Likeli-hood	Conse-quence	Risk Rating		Likeli-hood	Conse-quence	Risk Rating				Likeli-hood	Conse-quence	Risk Rating
City Services	Council of Excellence	CSE02	Civil Services	<b>Contractor Management:</b> Failure to appropriately manage high risk activities by Contractors (underground services, excavation, confined space, hot works etc)	<ul style="list-style-type: none"> <li>- Ineffective procurement processes that evaluate Contractors' WHS practices/ performance</li> <li>- Inconsistent / Ineffective WHS induction of contractors</li> <li>- Ineffective monitoring and evaluation of Contractors' WHS practices/ performance</li> </ul>	1. Death or critical injury to Workers, Contractors or member of Public 2. Disruption to works impacting CoM & team 3. Disruption to works impacting local community 4. CoM exposure to liability 5. Officers' exposure to criminal litigation 6. Reputation damaged through adverse media coverage	Almost Certain	Severe	EXTREME	1. Procurement & Contractor Management policy & procedures 2. Team trained in Procurement & Contractor Management 3. Tender evaluation process 4. Contractor Induction 5. Site inspections	Unlikely	Severe	HIGH	1.Undertakign review of SWP's, SOP's and risk assessments during April and May 2018	31/05/2018	UM Civil	Rare	Severe	MEDIUM
City Development	Liveable	ASY02	Asset Systems	<b>Property &amp; Infrastructure:</b> Failure to appropriately maximise CoM assets and asset management planning, to ensure appropriate acquisition, renewal, maintenance, management and disposal	<ul style="list-style-type: none"> <li>- Lack of lifecycle and whole of life controls utilised in corporate decision making.</li> <li>- Limited renewal planning.</li> <li>- Lack of clarity regarding service standards</li> <li>- Poor implementation of data held within the CoM asset register</li> <li>- Change in strategic priorities from EMs</li> <li>- Increased workload/ inadequate staffing levels/specialised skills</li> <li>- Inadequate funds allocated for management of assets</li> <li>- Increased quality expectations from the community, Australian Standards and legislation</li> </ul>	1.Asset deterioration/ failure 2.Poor decision making leading to financial burden 3.Downturn in staff morale 4.Non compliance with legislation, regulations and industry standards 5.Dissatisfied community 6.Increased costs of ongoing maintenance, delays and penalties 7.Excessive service cuts and/or excessive rates rises to meet the commitments	Likely	Severe	EXTREME	1. Asset Management Plan 2. Asset Mgt Plan incorporated in 2017/18 budgets 3. Strategic Plan 4. Capital working group meetings 5. Valuations and Long Term Financial Plan (LTFP) 6. Asset management schedules 7. Meeting of compliance obligations 8. Building checks 9. Continual improvement in understanding lifecycle/whole of life costs & data (storage and recovery) 10.Implementation of appropriate Asset Management governance - ref AMIP Practice Area 7	Possible	Severe	HIGH	1.Annual review and update of Asset Management Plan - ref AMIP Practice Area 6 2.Review asset condition inspection regime - ref AMIP Practice Area 11 3.Review Asset Valuation process - ref AMIP Practice Area 10 4.Develop 'Single point of truth' for all asset data - ref AMIP Practice Area 9 5.Finalise the review and setting of asset service levels - ref AMIP Practice Area 8	1.30/06/18 30/06/19 2.31/12/17 30/06/18 3.31/12/17 30/06/18 4.30/06/18 30/06/19 5.30/06/18 30/06/19	1.UM Assets 2.UM Assets 3.UM Assets 4.UM Assets 5.UM Assets	Rare	Severe	MEDIUM
Corporate Services	Council of Excellence	GOV06	Risk	<b>WHS Management:</b> Exposure of CoM's Officers under the WHS Act to criminal litigation	<ul style="list-style-type: none"> <li>- Failure to advise and train staff of WHS obligations</li> <li>- Lack of management support</li> <li>- Lack of Due Diligence training</li> <li>- Inadequate WHSMS</li> <li>- Poor training in WHSMS</li> <li>- Poor WHS systems management</li> </ul>	1. Criminal Charges 2. Incarceration 3. Financial Penalty 4. Reputation Risk	Likely	Severe	EXTREME	1.Skilled and experience WHS Staff 2.Implementation of WHSMS 3.Specialist WHS Coordinator 4.Due diligence training undertaken in 2016 (inc GMs) 5.Thinks Safe Live Well safety management system 6.Ongoing consultation, training and advice to staff across CoM 7.ELT Support and briefings on emerging risk issues 8.Implementation of WHS management system (sky trust) 9.WHS induction new staff 10.Monthly reporting to Council, ELT and SLT regarding hazard and incident management 11.Skytrust Stage 1 implemented 12.Completed WHS KPI Action Plan 16/17 -	Unlikely	Severe	HIGH	1.Implementation of Contractor Mgt/ Skytrust S3 2.Implementation of Work Area Inspections/Skytrust S2 3.Implementation of Hazard Mgt/Skytrust S2. 4.Review of all SWMs, SOPs, related policy and procedure documentation 5.WHS KPI Action Plan 17/18 6.Implementation of Skyplan Planning/Skytrust S2 7.WHS KPI Action Plan 17/18 8.WHS training with Elected Members - May 2018	1.30/06/18 2.31/07/18 3.31/08/18 4.30/09/18 5.31/10/18 6.31/12/18 7.30/06/18 8.31/10/17 9.30/05/18	1.UM Risk 2.UM Risk 3.UM Risk 4.UM Risk 5.UM Risk 6.UM Risk 7.UM Risk 8.WHS Coord 9.Mgr Corp Gov	Rare	Major	MEDIUM
City Development	Liveable	CHS01	Community Health & Safety	<b>Business Continuity and Community Safety:</b> Failure to deliver Health & Safety outcomes for the Community (eg:Public & Environmental Health/ Animal/ Bushfire / Parking/ Litter & Local Nuisance Management & Council By-Laws)	<ul style="list-style-type: none"> <li>- lack of strategic direction</li> <li>- inadequate number of appropriately qualified and/or trained staff including administrative/business support staff</li> <li>- inadequate Community education</li> <li>- inadequate staff supervision and training</li> <li>- non compliant schedule of inspections</li> <li>- absent, out-dated and/or ineffective policies, procedures &amp; processes</li> <li>- insufficient budget</li> </ul>	1. Lost opportunity to increase the safety & health of the Community 2. Failure of Council to fulfil legislative responsibilities 3. Lack of accountability 4.Exposure to Litigation/Penalties/Costs 5. Delayed service improvement 6.Low staff morale	Likely	Severe	EXTREME	1.Implementation of Management Plans 2.Annual reporting to State Government 3.Professionally qualified EHO staff 3.Appropriately trained staff Periodic audits by Dog & Cat Management Board 4.Legislatively compliant with supporting policies, procedures and processes 5.Majority of current content within Plans can be delivered within existing staff resources 6.Staff attend Customer Experience Training & aggressive people training 7.Grant funding opportunities are sought where available 8.Partnering with other internal and external stakeholders	Unlikely	Severe	HIGH	1.Implement outcomes of Service Review into Management of Parking and Abandoned Vehicles 2.Scope future Service Reviews into all other services provided by the Community Safety Inspectorate	1.31/08/18 2.31/08/18	1.UM Comm H&S 2.UM Comm H&S	Rare	Severe	MEDIUM
City Services	Council of Excellence	CSE01	Civil Services	<b>WHS Management:</b> Failure to appropriately manage high risk activities by CoM Staff (underground services, excavation, confined space, hot works etc)	<ul style="list-style-type: none"> <li>- Absent, outdated or inadequate SWMS, SWPs, SOPs, Risk Assessments (due to under resourcing, inappropriate time management, low team/organisational prioritisation, insufficient investment in Worker safety)</li> </ul>	1. Death or critical injury to Workers, Contractors or member of Public 2. Disruption to works impacting CoM & team 3. Disruption to works impacting local community 4. CoM exposure to liability 5. Officers' exposure to criminal litigation 6. Reputation damaged through adverse media coverage 7. Impact of work ie Spills, dust, water quality, gas leak	Likely	Severe	EXTREME	1. WHSMS Policies, Procedures & Hazardous Work Handbooks 2. Hazard Register identifying hazards works/risk 3. SWMS, SWPs, SOPs and Risk Assessments 4. Site supervisors sign-off of Permit where required 5. JSEA undertaken prior to commencement of work 6. Site supervisors oversight of Workers 7. Regular monitoring/review of outstanding CAPA register	Unlikely	Severe	HIGH	1.Undertakign review of SWP's, SOP's and risk assessments during April and May 2018	31/05/2018	UM Civil	Rare	Severe	MEDIUM
City Services	Connected	CSE03	Civil Services	<b>Property &amp; Infrastructure:</b> Lost opportunity or inability to create, renew, manage and maintain Infrastructure assets (roads, drainage, footpaths etc)	<ul style="list-style-type: none"> <li>- Inadequate asset management planning</li> <li>- Lack of funds allocated in internal budgets</li> <li>- Reduction in external grant funding</li> <li>- Inability to access appropriate materials</li> <li>- Change in strategic priorities from EMs</li> <li>- Access to qualified staff</li> </ul>	1. Asset deterioration/failure 2. No new assets 3. Dissatisfied community 4. Early/late asset renewal 5. Higher costs of ongoing maintenance vs renewal 5. Stormwater flooding	Likely	Severe	EXTREME	1. Asset Management Plan 2. Civil budget 3. Civil works program 4. Budget for Asset Management Plan and Civil Works program 5. Streetscape Policy & service delivery standards	Unlikely	Severe	HIGH	1.Implement the results of the Asset Management Review 2. Development of PM tools and governance	30/06/2019	UM Civil	Rare	Severe	MEDIUM
Corporate Services	Council of Excellence	CON03	Contracts	<b>Contractor Management:</b> Failure to manage contractors appropriately to ensure that contractual obligations are met	<ul style="list-style-type: none"> <li>- inadequate awareness for the procurement and contracting process</li> <li>- inconsistent approach for the procure-to-pay process</li> <li>- lack of knowledge regarding corporate requirements for contract management</li> <li>- lack of training regarding contractor management</li> </ul>	1.Death or critical injury to Workers, Contractors or member of Public 2. Weak internal controls and process assurance 3.Ineffective financial monitoring of contracts/budgets 4.Inappropriate contractor management 5.Inability to engage quality contractors 6.Non-performance of contractors 7.Ineffective use of staff resources 8.Lack of integrity in the process, frequent 'work arounds' 9.Disruption to works impacting CoM & team 10.Disruption to works impacting local community 11.CoM exposure to liability 12.Reputation damaged through adverse media	Likely	Severe	EXTREME	1.Procurement and Contractor Management policy & procedures (reviewed 2016) 2.Staff training provided in procurement & contractor management 3.Business Partnering approach 4.Internal customer satisfaction surveys (every project) 5.Annual procurement planning (aligned to projects etc) 6.Contracting centralised through the Contracts Team 7.Existing Procurement and Contractor Management Policies and Procedures (including tender evaluation, contractor induction, site inspections);Tender Board process for contracts greater than \$100,000 8.Recruitment of appropriately skilled staff within Contracts Team	Unlikely	Severe	HIGH	1.Transition contractor surveillance and monitoring into SkyTrust and formalise the Audit/Observation program	30/06/2018	UM Risk	Rare	Severe	MEDIUM

# Corporate Risk Register - extract showing current HIGH risks

## APPENDIX A

ELT Risk Owner (ELT)	Strategic Link	Ref	Work Area	Risk Description	Risk Causes /Sources	Potential Consequences	INHERENT Level of Risk			Current Controls in Place	CURRENT Level of Risk			Further Action	Further Action Due Date	Action Owner	FORECAST Level of Risk		
							Likeli-hood	Conse-quence	Risk Rating		Likeli-hood	Conse-quence	Risk Rating				Likeli-hood	Conse-quence	Risk Rating
City Development	Liveable	OSR01	Open Space & Rec. Planning	<b>Major Projects - Compliance &amp; Management:</b> Failure to deliver planned strategic objectives in addition to new high level projects	- Increased EM & community expectations and perceptions - State driven initiatives ie: Fund My Neighbourhood (Oct 2018) - Council changes work program and priorities - Inadequate provision of appropriate play spaces throughout the CoM - Lack of identifiable outcomes for grants received - Increased pressure and reliance on Council to provide open space due to higher density housing - Lack of clarity on service levels - Poor external & internal communication/consultation	1. Skewed strategic & operational alignment 2. Lack of Council endorsement/adherence to process gives potential for poor decision making 3. Poor consultation process 4. Mismatch to community expectations 5. Non-compliance with Australian Standards/legislative requirements, 6. Failure of budget process/carryover provision 7. Failure to manage service levels/revenue costs 8. Failure of IT graphic design solutions 9. Deteriorating open space assets 10. Loss of experienced staff/resources	Likely	Major	HIGH	1. Review of Play Space Strategy & play space condition audit 2. Work Area Plans & Budget Reviews 3. Open Space Asset Management Plan 4. Long Term Financial Plan to align with WAP 5. Professional Development Plans for team members 6. Use of project management methodology including consultation processes 7. Full scoping of project to create accurate/relevant project initiation document (PID) 8. Clearly identified roles & responsibilities within project team 9. Regular team/partnership meetings 10. Regular monitoring and Review	Possible	Major	HIGH	1. Revised Playground Works Program and associated budget adopted and to be implemented . 2. Development of Open Space Plan linked to Open Space Policy to provide strategic and operational alignment from 2018 3. Ensure staffing 'FTE' matches with Open Space projects for Business Plan/3 year plan/external funded projects	1. Ongoing 2. 30/06/19 3. 30/06/18 4. 30/06/18	1. UM OSR 2. UM OSR 3. UM OSR 4. UM OSR	Possible	Moderate	MEDIUM
Corporate Services	Council of Excellence	GOV02	Governance	<b>Governance Risks:</b> Potential dysfunction between Council and Administration resulting in poor decision making and unfunded, unplanned initiatives gaining Council endorsement	Administration managing requests from Council without due consideration and adequate time. Council and Administration failing to communicate with each other. New initiatives going straight to Council without following procedures through due diligence (eg Asset Management, Finance, Governance, Risk, Environmental Sustainability, Contracts, Strategic Management etc). Some Councillors have differing perspectives of their role on Council, decisions being made that are Ward based, rather than whole of Council perspective State Government Elections March 18 Local Government Elections November 18	1. Unsustainable initiatives 2. Strategic plan misalignment 3. Process Errors 4. Lack of funding and negative financial implications 5. Lack of or misuse of resources 6. impact on the delivery of other project/initiatives 7. Staff stress 8. Low staff morale	Likely	Major	HIGH	1. Process of unfunded initiatives 2. Staff provide frank and fearless advice 3. Annual workshop for Council & Finance & Audit Committee 4. Council Meeting Procedures training during induction 5. Annual self evaluation effectiveness survey 6. GM's induction on governance processes 7. CEO and Mayor relationship 8. Fortnightly planning (Mayor and Manager Corp Governance) for matters before Council 8a - whilst Mayor is on leave on absence, Manager Corporate Governance providing additional support to Deputy Mayor regarding process, meetings and governance related advice (meeting at least weekly) 9. Due diligence and prudential report to Council. 10. Elected Member Code of Conduct (Mandatory) and Elected Member Code of Code Procedure for Investigating Complaints 11. How We Work Together Policy	Possible	Major	HIGH	1. EM Training Program - 5th Tuesday of month 2. New Council Induction (post November 2018) and Mandatory training required under the LG Act 3. Good Governance training Program to be rolled out by Governance (this includes training on How to Work Effectively with Elected Members). 4. Caretaker Policy Reviewing and Training	1. 30/11/18 2. 31/12/18 3. 31/12/18 4. 30/09/18	1. Mgr Corp Gov 2. Mgr Corp Gov 3. Mgr Corp Gov 4. Mgr Corp Gov	Unlikely	Major	MEDIUM
City Development	Council of Excellence	DSE02	Development & Regulatory Services	<b>Major Projects - Compliance &amp; Management:</b> Failure to deliver significant projects, legislative reviews and/or priority workloads against tight timeframes eg: Housing Diversity DPA & new Public Development & Infrastructure Act	- poor communications - poor resourcing/data/systems - lack of specialised skills across work units - increased workload of team - inadequate budgets	1. Non compliance with relevant legislation/ regulations 2. Reputational damage 3. Political exposure 4. Dissatisfied Community 5. CoM exposure to liability 6. Officers' exposure to criminal litigation	Likely	Major	HIGH	1. Professionally qualified staff 2. Regular review of resources/capacity 3. Relevant and updated policies process and procedures in place 4. Initial assessment by Team Leaders - work triage 5. Allocation of applications at Development Assessment Group (DAG), where initial issues are flagged 6. Planning assessment checklists 7. Regular briefings to staff on legislative changes 8. Inspections prior, during and after application 9. Annual accreditation for building inspectors, CPD records etc 10. Compulsory white card certificates held by Building Inspectors to allow entry to all building sites 11. Selection criteria for position profiles require appropriate qualifications, specialised skills (eg: site contamination etc) and experience 12. Accreditation with AIBS of at least level one to sign off on own work 13. Refer to case law in planning decisions 14. Access legal advice to provide assistance when required (Section 7 applications in particular) 15. Specific training undertaken re Development Applications going on-line	Possible	Major	HIGH	1. Review of team/individuals workloads due to new structure and number of newly recruited staff 2. Ensure specific training undertaken re new Public Development and Infrastructure Act	1. 28/02/18 2. 31/03/18	1. Mgr D&RS 2. Mgr D&RS	Unlikely	Major	MEDIUM
Corporate Services	Council of Excellence	ICT02	ICT	<b>ICT/Cyber Security &amp; Continuity of Provision:</b> Inappropriate use, ineffective or absent ICT system solutions to support data management to ensure accurate data collection, appropriately manage Council business and ensure informed decision making	- Human error - Poor capture of data - Increased workload of team - Lack of specialised skills across work units - Reluctance to use Corporate System databases versus personal spreadsheets - Inadequate funds allocated in internal budgets for system improvements and ICT computer skills development for staff - Lack of ICT training for staff (no corporate ICT Trainer role) - Lack of mobility tools for outdoor staff - Ineffective use of end user reporting and query tools	1. Non compliance with related regulations/ legislation 2. Poor decision making 3. Failure to deliver identified IT outcomes 4. Failure to address business issues. 5. Inability to provide innovation and improve efficiencies 6. Lack of data integrity	Likely	Major	HIGH	1. ICT Steering Committee meets quarterly to discuss major initiatives and priorities 2. ICT working in line with the Strategic Management Framework, ICT Strategic Themes and Work Area Plan 3. Core application systems user groups in place with ICT business unit account manager roles (engagement partners / project co-ordinators) 4. Vendor management Reviews of required software enhancements and faults 5. Clarified roles and responsibilities of software ownership (org wide versus departmental) 6. Regularly reviewed policies, procedures & processes 7. ICT Digital Transformation Plan 2017-2022 and ICT Roadmap embedded into annual business plan and budget process, and updates provided to Council ISC committee	Possible	Major	HIGH	1. Complete a Business Systems "Fitness" Review project by late 2018 (based on system gaps, business needs and future capabilities) to inform future applications procurement strategies and ICT Roadmap	1. 31/12/18	1. Mgr ICT	Unlikely	Moderate	MEDIUM
Corporate Services	Council of Excellence	GOV10	Risk	<b>Business Continuity and Community Safety:</b> Failure in Council's ability to prevent, prepare, respond to and promote resilience in the community in the event of an emergency ie earthquake, flood, extreme heat, bushfire and terrorism	Absent, outdated or inadequate Community Emergency Plan, failure to undertake risk assessment and undertake mitigation activities for known hazards	1. Death or critical injury to Workers, Contractors or member of Public 2. Disruption to works impacting CoM & team 3. Disruption to works impacting local community 4. CoM exposure to liability 5. Officers' exposure to criminal litigation 6. Reputation damaged through adverse media coverage	Possible	Severe	HIGH	1. Flood prevention activities 2. CSI Fire prevention activities 3. DAP/Building Fire Committee 4. Community education 5. CoM Emergency Response Plan 6. Workplace Emergency Management Plans 7. i-Responda training 8. On-call team 9. Reviewed Business Continuity Plan 10. Community Development activities	Unlikely	Severe	HIGH	1. Implementation of a Community Emergency Response Plan based on the PPRR model 2. Review and implement the new Crowded Place Risk Assessment - add build & reno - and Notification Processes issued by SAPOL 3. Update actions as per Emergency Management work program	1. 30/06/18 2. 30/06/18 3. 30/06/18	1. UM Risk 2. UM Risk 3. UM Risk	Rare	Severe	MEDIUM