

His Worship the Mayor
Councillors
CITY OF MARION

NOTICE OF FINANCE AND AUDIT COMMITTEE MEETING

Virtual Meeting Room - Zoom

Tuesday, 19 May 2020 at 02:00 PM

The CEO hereby gives Notice pursuant to the provisions under Section 83 of the Local Government Act 1999 that a Finance and Audit Committee meeting will be held.

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

Meetings of the Council are open to the public. Due to COVID-19 interested members of this community are welcome to attend by electronic means. Access to the meeting is via the link published on the City of Marion website (<https://www.marion.sa.gov.au/about-council/council-meetings/council-meeting-live-stream>) on the day of the meeting.



Adrian Skull
Chief Executive Officer



TABLE OF CONTENTS

OPEN MEETING	3
KAURNA ACKNOWLEDGEMENT	3
ELECTED MEMBERS DECLARATION (if any)	3
CONFIRMATION OF MINUTES	3
Confirmation of the minutes for the Finance and Audit Committee	3
Meeting held on 25 February 2020	
BUSINESS ARISING	13
Business Arising Statement	13
CONFIDENTIAL ITEMS - Nil	18
REPORTS FOR DISCUSSION	18
Elected Member Report	18
External Audit Engagement for the Year Ending 30 June 2020	21
Draft Annual Business Plan 2020-21 and LTFP Update	39
Asset Management	86
Annual Business Continuity Management Program	126
Annual Corporate Risk Report	134
Neighbourhood and Community Centres Service Review - Progress update and discussion	142
Proposed Biennial Service Review Program FY2020/21 and 2021/22	147
REPORTS FOR NOTING	150
Service Review Program and Recommendations - Progress Update	150
Internal Audit Program 2020/21	158
Internal Audit Program - Implementation of Recommendations	163
WORKSHOP / PRESENTATION ITEMS - Nil	171
OTHER BUSINESS	171
MEETING CLOSURE	171

OPEN MEETING

KAURNA ACKNOWLEDGEMENT

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

ELECTED MEMBERS DECLARATION (if any)

CONFIRMATION OF MINUTES

Confirmation of the minutes for the Finance and Audit Committee Meeting held on 25 February 2020

Originating Officer Unit Manager Governance and Council Support - Jaimie Thwaites

Corporate Manager Manager Corporate Governance - Kate McKenzie

Report Reference: FAC200519R01

RECOMMENDATION:

That the minutes arising from the Finance and Audit Committee Meeting held on 25 February 2020 be taken as read and confirmed.

ATTACHMENTS:

#	Attachment	Type
1	FAC200225 - Final Minutes	PDF File



FAC200225 - FINANCE AND AUDIT COMMITTEE MEETING

Tuesday, 25 February 2020 at 02:00 PM

Council Administration Centre, 245 Sturt Road, Sturt



IN ATTENDANCE**Mrs Emma Hinchey (Chair), Ms Natalie Johnston, Mr David Papa and Councillor Tim Gard****In Attendance**

Mr Adrian Skull	Chief Executive Officer
Ms Sorana Dinmore	General Manager, Corporate Services
Ms Illa Houridis	General Manager City Development
Mr Ray Barnwell	Manager Finance
Ms Kate McKenzie	Manager Corporate Governance
Mr Akos Szonyi	Manager Digital Transformation and Information Technology
Mr Phil Mattingly	Service Delivery and Infrastructure, Unit Manager ICT
Mr Greg Salmon	Manager City Activation
Ms Carla Zubb	Project Manager Strategic Projects
Mr Andrew Doyle	Unit Manager Statutory Finance & Payroll
Mr David Harman	Unit Manager Statutory Finance & Payroll
Ms Sherie Walzcak	Unit Manager Risk
Ms Karen Peake	Risk Coordinator
Ms Jaimie Thwaites	Unit Manager Governance & Council Support
Mr Eric Beere	KPMG
Ms Heather Martens	KPMG
Mr Andrew Noble	BRM
Mr Michael Richardson	BRM

OPEN MEETING

The Chair opened the meeting at 02:00 PM

KAURNA ACKNOWLEDGEMENT

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

COMMITTEE MEMBERS DECLARATION (if any)

Ms Johnston declared a perceived conflict of interest in the item Disclosure Incident (FAC200225F01) as she is employed by Ernst and Young.

CONFIRMATION OF MINUTES**Confirmation of the minutes for the Finance and Audit Committee Meeting held on 10 December 2019****Report Reference:** FAC200225R01**Moved Councillor Gard, Seconded Ms Johnston**

That the minutes arising from the Finance and Audit Committee Meeting held on 10 December 2019 be taken as read and confirmed with the following amendments:

- Page 2 (*Open Meeting* item) - the Chair opened the meeting
- Page 4 (*Elected Member Report* item) - third line of the first paragraph insert "a sector of" before "the community"
- Page 4 (*Cross Council Service Review – Report – Utilities Management* item) – second paragraph remove the apostrophe from the word "Council's".

Carried Unanimously**BUSINESS ARISING****Business Arising Statement****Report Reference:** FAC200225R02

The Manager Finance provided a verbal update on the overdue Rates debtors and advised that the annual report on Rates and Other Debtors will be provided in the October meeting.

The Committee noted the Business Arising Statement and actions completed.

Action: The 'Secondment management roles and responsibilities' document relating to sharing human resources across Councils be reported to the next Committee meeting.

CONFIDENTIAL ITEMS**Disclosure Incident****Report Reference:** FAC200225F01

Ms Johnston declared a perceived conflict of interest in the item as she is employed by Ernst and Young. The investigation work was carried out by the Sydney office and she had no involvement in the matter. She declared that she would remain for the item.

Moved Councillor Gard, Seconded Ms Johnston

That Pursuant to Section 90(2) and (3)(h) 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, Sorana Dinmore, Tony Lines, Ilia Houridis, Kate McKenzie, Phil Mattingly, Akos Szonyi and Jaimie Thwaites, be excluded from the meeting as the Committee receives and considers legal advice relating to a 'disclosure incident' 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.

Carried Unanimously

2.09pm the meeting went into confidence

Moved Mr Papa, Seconded Councillor Gard

That the Finance and Audit Committee:

1. In accordance with Section 91(7) and (9) of the Local Government Act 1999, the Committee orders that this report (Disclosure Incident), the Appendix, and the minutes arising from this report having been considered in confidence under Section 90(2) and (3)(h) of the Act, except when required to effect or comply with the Committee's resolution(s) regarding this matter, be kept confidential and not available for public inspection. This confidentiality order will be reviewed at the General Council Meeting in December 2020.

Carried Unanimously

2.38pm the meeting came out of confidence

REPORTS FOR DISCUSSION

Elected Member Report

Report Reference: FAC200225R03

The Committee noted the report.

The Committee queried whether there were lessons to be learned from the process of reviewing the financial accounts of Council Leaseholders and Partners however Management advised that the Edwardstown Soldiers Memorial Community Club had not been operational for 12 months and therefore Council had never before reviewed their financial statements. Councillor Gard noted that the Edwardstown Soldiers Memorial Community Club item had highlighted that the management model was academically sound but that it was not an exact science.

SWBMX Facility - Prudential Report

Report Reference: FAC200225R04

The Committee noted the following comments in relation to the SWBMX Facility – Prudential Report:

- City of Onkaparinga has a Council resolution to support the project and to contribute 50% of the ongoing maintenance funding.
- Various sites were investigated in Cities of Onkaparinga and Marion. The Majors Road site was considered the preferred location.
- A funding deed is currently in the processes of being drafted between the Cities of Marion and Onkaparinga for the capital and ongoing share of maintenance funding.
- Recommend that the term of the lease with the Department of Environment and Water (DEW) for the land is in line with the life of the asset (i.e. 25 years)

- Development approval could take about 9 weeks
- It was confirmed that Council does have adequate resources to deliver the SWBMX Facility and Southern Football Facility at the same time. It would be project managed like a precinct development.
- There are procurement advantages from delivering the two projects at once.
- Although this is a significant investment into a specific sport, Council does have a broad investment strategy covering different aspects of sports, arts and community facilities. The delivery of this particular project is not happening at the exclusion of other sports.
- Current variables include the shortfall in funding, no current signed lease and subject to development approval.
- It will be important for it to be clear who owns and manages the risks once the site goes live.

Action: that the future operational risks that have been identified are captured in some way to ensure that they are not lost after construction of the project.

Moved Councillor Gard, Seconded Ms Johnston

That the Finance and Audit Committee:

1. Notes that the Section 48 Prudential Report addresses requirements under the *Local Government Act 1999*.
2. Endorses the draft Section 48 Prudential Report with any supporting advice or commentary for consideration and adoption by General Council.

Carried Unanimously

Southern Football Facility - Prudential Report

Report Reference: FAC200225R05

The Committee noted the following comments in relation to the Southern Football Facility – Prudential Report:

- Could the water costs be negotiated as part of the lease
- Encourage efficiencies between the two projects being delivered as one project (Southern Football Facility and SWBMX Facility)

Moved Councillor Gard, Seconded Mr Papa

That the Finance and Audit Committee:

1. Notes that the Section 48 Prudential Report addresses the requirements under the *Local Government Act 1999*.
2. Endorses the draft Section 48 Prudential Report with any supporting advice or commentary for consideration and adoption by General Council.

Carried Unanimously

Draft Annual Business Plan 2020/21 and Long Term Financial Plan**Report Reference:** FAC200225R06

The Manager Finance introduced the item. He highlighted the following key points:

- Of particular note is a forecast increase in ongoing expenditure of over \$1.05m from 2021-22 – primarily due to an increased service level in relation to Streetscapes and Treescaping and 10 year program of pram ramp DDA compliant upgrades at \$630k pa from 2021-22.
- There is a net increase in funding required for new initiatives in 2020-21 of \$5.425m, \$3.78m of which is funded through reserves with the balance funded through rates and grants.
- In developing the LTFP we are looking at 1.6% throughout the 10 years of LTFP down from 1.8% in previously adopted option.
- Council has a desire to further reduce rates from 1.6% down to 1% with 0.1 steps over 7 years. With increased ongoing funding of over \$1.05m being introduced to the LTFP and ongoing operational, maintenance and renewal costs for new major projects (Soccer & BMX) a combined impact of over \$567m p.a., this is making this option unsustainable in the longer term.
- The aim is to still progress reduced rates and look for savings opportunities in future (e.g. utilities optimisation project and other initiatives) but we may not get down to 1%. Council needs to be cautious about reducing rates too low while maintaining or increasing service levels and new projects.
- Reserve funding of greater than \$17m is being used in 2019-20 and 2020-21, with a further \$2.3m beyond that committed to the Coastal Walking Trail.
- Key projects include BMX and Soccer, along with another major project (Mitchell Park) which are outlined on page 125 of the agenda.
- The Capital program for 2020-21 will be over \$32m excluding BMX and Soccer which will be allocated when the timing of the program works are clarified.

The Committee provided the following feedback in relation to the item:

- Financial stress for Australians has increased in the past 6 months.
- The management team has done well with the cross council collaboration projects
- Council needs to be mindful of the flow-on effect of the increase in the Superannuation Guarantee which may impact operational costs going forward.
- The key assumptions and forecast 1.6% rate seem reasonable for 2020/21.
- It would be useful to see the cash and reserve balances presented with the information on page 128.

Moved Mr Papa, Seconded Councillor Gard

That the Finance and Audit Committee:

1. Notes the development of the Draft ABP 2020/21 and LTFP (Attachment 2), including the proposed use of Council's Accounting Reserves to offset the funding requirements of new initiatives incorporated into the Draft 2020/21 Budget and LTFP
2. Supports the rating approach of 1.6% for 2020/21 (as per the rate modelling contained in this report), in the context of Council's LTFP and on- going financial sustainability.

Carried Unanimously

Adjournment

The Chair sought and was granted leave of the meeting for an adjournment for a period of 5 minutes.

3.31pm meeting adjourned

3.36pm meeting resumed

Internal Audit Program 2020/21 - Payroll Internal Audit
Report Reference: FAC200225R07

Mr Eric Beere and Ms Heather Martens from KPMG entered the meeting and introduced the item. It was highlighted that this was the first collaborative internal audit project between the Cities of Charles Sturt and Marion. It produced some good tangible outcomes along with some learning regarding the process. The collaborative behaviour from staff at both Council was evident.

The format of the audit was to go through the end to end process through the eyes of the customer. Looking for quick wins gaining efficiencies and also larger bodies of work for improvements. Overall the key findings were that the controls generally operated well, however there are a lot of manual processes.

The Committee provided the following feedback in relation to the item:

- At Charles Sturt Payroll aligns to HR compared to at Marion it aligns with Finance. Either works provided there is communication between HR and Finance.
- Even though Charles Sturt's systems are more advanced, similar issues were experienced by both Councils.
- The internal audit function needs to ensure it is testing the control environment. Although the advisory and value add services are useful, the Audits still need to provide assurance that the controls are adequate.
- It would be ideal to undertake further testing of the award and what staff are being paid to ensure compliance and that management interpretation of the award is correct.
- The report could have benefited from an improvement plan regarding the LEAN initiatives.
- The collaborative model is of interest interstate, it is considered to be a role model for others.
- The issues experienced by City of Charles Sturt, despite their more advanced systems, should be used as a learning tool when implementing new payroll systems at City of Marion.

Action: Internal Audit Program for 2020/21 be presented at the May 2020 meeting.

Moved Councillor Mr Papa, Seconded Ms Johnston

That the Finance and Audit Committee:

1. Notes the progress of the Internal Audit Plan 2019/20.

2. Endorses the Collaborative Payroll Internal Audit Report (Appendix 1)

Carried Unanimously**REPORTS FOR NOTING****Corporate Risk Quarterly Report****Report Reference: FAC200225R08**

The Risk Coordinator joined the meeting and explained the process behind the item. It was explained that the Executive Management Group discuss WHS and Risk fortnightly, with a focus on issues management. The Risk Working Group meets quarterly and considers the Councils high risk and mitigation actions and any changes to the Corporate Risk Register. The reports provided publically to Council and the Committee are high level to ensure that they can be considered in public as the level of detail provided in the register will impact on the level of confidentiality required.

Action: The consequence ratings are reviewed prior to the next report.**Moved Councillor Ms Johnston, Seconded Councillor Gard**

That the Finance and Audit Committee:

1. Notes the Corporate Risk Quarterly Report

Carried Unanimously**Order of the Agenda**

The Chair sought and was granted leave of the meeting to vary the order of items and bring forward the item 'Internal Audit Program - Implementation of Recommendations' (Report Reference FAC200225R10).

Internal Audit Program - Implementation of Recommendations**Report Reference: FAC200225R10**

The Committee noted the report and provided the following feedback:

- When setting scopes ensure the core assurance and internal controls are being addressed
- There should be a drive for validation of internal controls
- Look for better ways to summarise the reports.

Service Review Program and Recommendations - Progress Update**Report Reference: FAC200225R09**

The Committee requested an organisation total be included in the table.

The Committee noted the item and the proposed steps to complete the overdue Records Management Service Review recommendations.

WORKSHOP / PRESENTATION ITEMS - Nil

OTHER BUSINESS - Nil

MEETING CLOSURE

Meeting Declared Closed at 4.42pm

CONFIRMED THIS 19 DAY OF MAY 2020

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CHAIRPERSON

BUSINESS ARISING

Business Arising Statement

Originating Officer	Manager Corporate Governance - Kate McKenzie
Corporate Manager	Manager Corporate Governance - Kate McKenzie
General Manager	General Manager City Services - Tony Lines
Report Reference	FAC200519R02

REPORT OBJECTIVE

The purpose of this report is to Review the Business Arising from previous meetings of the Finance and Audit Committee Meetings and that a further Special Meeting of the Finance and Audit Committee has been called for Friday, 10 July 2020 at 9.30 am.

RECOMMENDATION

That the Finance and Audit Committee:

1. Notes the report.

Attachment

#	Attachment	Type
1	Business arising statement	PDF File

CITY OF MARION

BUSINESS ARISING FROM FINANCE AND AUDIT COMMITTEE MEETINGS

AS AT 13 MAY 2020

	Date of Meeting	Item	Responsible	Due Date	Status	Completed / Revised Due Date
1.	25 February 2020	Business Arising Statement The 'Secondment management roles and responsibilities' document relating to sharing human resources across Councils be reported to the next Committee meeting.	S Roberts	May 2020	This document has been circulated to FAC members out of session	Completed
2.	25 February 2020	SWBMX Facility - Prudential Report That the future operational risks that have been identified are captured in some way to ensure that they are not lost after construction of the project.	G Salmon S Walczak	TBA	The Project is currently in design phase. Construction on the project isn't due to commence until late 2020. This item can remain on the business arising statement for the timebeing.	
3.	25 February 2020	Internal Audit Program 2020/21 - Payroll Internal Audit Internal Audit Program for 2020/21 be presented at the May 2020 meeting.	K McKenzie	19 May 2020	This is included within the agenda	Completed
4.	25 February 2020	Corporate Risk Quarterly Report The consequence ratings are reviewed prior to the next report.	S Walczak	31 March 2020	The review of consequence ratings was communicated to risk owners during the Quarter 3 review to enable the review of current risk consequence ratings. Although this request occurred, there has been little to no change with consequence ratings. Further engagement is required with the organisation to ensure that risk owners have reviewed this correctly.	30 June 2020

* Completed items to be removed are shaded

SCHEDULE OF MEETINGS 2020			
Day	Date	Time	Venue
Tuesday	25 February 2020	2 pm – 5pm	Administration Centre
Tuesday	19 May 2020	2 pm – 5pm	Via Zoom
Friday	10 July 2020	<i>Special Meeting</i> 9.30 – 12.30	Administration Centre
Tuesday	18 August 2020	4.00 – 6.00 pm Followed by 7.00 – 9.00 pm (Joint workshop with Council)	Administration Centre
Tuesday	13 October 2020	2 pm – 5pm	Administration Centre
Tuesday	8 December 2020	2 pm – 5pm	Administration Centre

INDICATIVE AUDIT COMMITTEE WORK PROGRAM - 2019**TUESDAY, 25 February 2020**

Topic	Action
Elected Member Report	Communication Report
Draft Annual Business Plan and Budget 2020/21 and Draft Long Term Financial Plan	Review and Feedback
Overdue Rates Debtors	Review and Feedback
Internal Audit Program – Scopes, Reviews and Monitoring	Review and Feedback
Service Review Program - Scopes, Reviews and Monitoring	Review and Feedback
Section 48 Prudential Report – Soccer in the South	Recommendation to Council
Q2 Risk Reporting	Review and Feedback

TUESDAY, 19 May 2020

Topic	Action
Elected Member Report	Communication Report
Draft Annual Business Plan and Budget 2020/21 (after public consultation) & Draft Long Term Financial Plan	Review and Feedback
External Audit Engagement Letter for the year ending June 2020	Review and Feedback
Internal Audit Program – Reviews and Monitoring	Review and Feedback
Service Review Program - Scopes, Reviews and Monitoring	Review and Feedback
Annual Report on Business Continuity	Review and Feedback
Annual Corporate Risk Profile & Q3 Risk Reporting	Review and Feedback

Review Internal Audit Plan for 2020/21	Review and Feedback
Asset Management Plans	Review and Feedback

Friday, 10 July 2020 (Special Meeting)

Topic	Action
Internal Audit Reports <ul style="list-style-type: none"> - Metrics that matter (KPI's) - ITT Governance 	Review and Feedback
Service Review Report - Neighbourhood Centres	Review and Feedback
Meeting with Internal auditors in camera	Seeking feedback from Auditors
Asset Management Plans	Review and Feedback

TUESDAY, 18 August 2020 (Joint Workshop with Council)

Topic	Action
Elected Member Report	Communication Report
Annual Review of HSE Program	Review and Feedback
Annual Insurance and Claims	Review and Feedback
Asset Valuations	Review and Feedback
Internal Audit Program – Scopes, Reviews and Monitoring	Review and Feedback
Q4 Risk Reporting	Review and Feedback
Service Review Program – Scopes, Reviews and Monitoring	Review and Feedback
Joint Workshop with Council (7.00pm onwards)	TBA

TUESDAY, 13 October 2020

Topic	Action
Elected Member Report	Communication Report
FAC Annual Report to Council 2019/20	Review and Recommendation to Council
Independence of Council's Auditor for the year end 30 June 2020	Review and Recommendation to Council
Audited Annual Financial Statements for the year end 30 June 2020	Review and Recommendation to Council
Investment Performance 2019/20	Noting

Debtors Report	Noting
Meeting with external auditors in camera	Seeking feedback from Auditors
Internal Audit Program – Scopes, Reviews and Monitoring	Review and Feedback
Q1 Risk Reporting	Review and Feedback
Fraud and Corruption Annual Review	Review and Feedback
Service Review Program - Scopes, Reviews and Monitoring	Review and Feedback

Tuesday, 8 December 2020

Topic	Action
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 2021	Review and Feedback
Ombudsman SA Annual Report 2019/20	Review and Feedback
Framework and Key Assumptions for preparation of 2021/22 ABP and LTTP	Review and Feedback

CONFIDENTIAL ITEMS - Nil

REPORTS FOR DISCUSSION

Elected Member Report

Originating Officer	Manager Corporate Governance - Kate McKenzie
Corporate Manager	Manager Corporate Governance - Kate McKenzie
General Manager	General Manager City Services - Tony Lines
Report Reference	FAC200519R03

REPORT OBJECTIVE

Section 3.5 of the Finance and Audit Committee Terms of Reference states "*where the Council makes a decision relevant to the Finance and Audit Committees Terms of Reference, the Elected Member Representative will report the decision to the Audit Committee at the next Committee meeting and provide relevant context*".

RECOMMENDATION

That the Finance and Audit Committee:

- 1. Notes this report.**

GENERAL ANALYSIS

Since the last FAC meeting, Council has met six (6) times with four (4) General Council Meetings and two (2) Special Council Meetings. 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:

DISCUSSION

25 February 2020 - General Council Meeting

Finance & Audit Committee Terms of Reference and Elected Member Representative Report Reference: GC200225R11

Council adopted a revised Finance and Audit Committee Terms of Reference with minor amendments. Council also noted that Councillor Shilling had resigned from the Committee and appointed Councillor Crossland until November 2020. Three Councillors were also appointed as proxies if required.

Risk Management Policy and Framework Review Report Reference: GC200225R12

Council considered and adopted a revised Risk Management Policy and Framework which now includes a risk appetite statement.

2nd Budget Review Report Reference: GC200225R09

Council adopted the 2nd budget review.

10 March 2020 - General Council Meeting**Southern Football Facility - Prudential report****Report Reference: GC200310R05**

Council considered and adopted the Section 48 Prudential Report regarding the Southern Football Facility on Majors Road. The Finance and Audit Committee feedback was considered and Council has progressed to detailed design.

SWBMX Facility - Prudential Report**Report Reference: GC200310R06**

Council considered and adopted the Section 48 Prudential Report regarding the SWBMX Facility on Majors Road. The Finance and Audit Committee feedback was considered and Council has progressed to detailed design.

20 March 2020 - Special Council Meeting

Council held a Special Council Meeting to deal with urgent matters prior to COVID-19 restrictions commencing. This was the last Council Meeting held in the Council Chambers prior to commencing online meetings.

COVID-19 - Update and Response**Report Reference: SGC200320R02**

Council considered a report on the COVID-19 restrictions and resolved that the safety and well-being of staff and the community is a priority and the Chief Executive Officer be delegated the authority to make decisions to preserve and protect the health and well-being of the community. Council also ratified the decision to close a number of facilities

COVID-19 - Rent and Utilities Relief for Community Clubs**Report Reference: SGC200320R03**

Council considered a report on the impacts to community clubs and resolved to:

1. Delegate authority to the CEO to enact a rent free proposal up to \$85,000 which will cover a three month period between 16 March 2020 and 16 June 2020.
2. Authorise the CEO to determine eligibility of those with existing agreements for this rent free period and apply accordingly.
3. Delegate authority to the CEO to enact utility subsidies up to \$25,000 which will cover a three month period between 16 March 2020 and 16 June 2020.
4. Authorise the CEO to determine eligibility for the utility subsidies for those with existing agreements during this period and apply accordingly.
5. Authorise the CEO to maintain the delegations in items 1-4 for a further 3 months at the conclusion of this period, should the impact of COVID-19 (Corona Virus) be ongoing.

Mitchell Park Sports and Community Centre Redevelopment**SGC200320F02**

This item was discussed in confidence however Council released the minutes with financial figures redacted. Council endorsed the preferred 30% completed detailed design for the Mitchell Park Sports and Community Centre with the inclusion five (5) items requested from the sports clubs

27 April 2020 - Special Council Meeting

Emergency legislative changes were enacted to the *Local Government Act 1999* in response to COVID-19 to permit Councils to hold formal meetings via electronic means. Council adopted amendments to the following to allow for meetings to be held via zoom:

- Code of Practice - Access to Meetings and Documents
- Code of Practice - Procedures at Council meetings
- Informal Gathering Policy

Disclosure Incident**Report Reference SGC200427F07**

Council considered this report in confidence. If the FAC wishes to discuss this report, it is recommended that the Committee move into confidence pursuant to section 90(2) and (3)(h) of the *Local Government Act 1999*.

28 April 2020 - General Council Meeting**Draft Annual Business Plan 2020/21 and Long Term Financial Plan for Public Consultation
Report Reference: GC200428R11**

Council considered the draft Annual Business Plan and Draft Long Term Financial Plan for the purposes of public consultation with a *Rates Indexation freeze in 2020-21 (0%), moving to an average rates increase of 1.8% in years 2 to 4 then reducing to an increase of 1.3% by 2027-28*.

12 May 2020 - General Council Meeting**Section 270 Review - Closure of Diagonal Way****Report Reference: GC200512R05**

This review was completed pursuant to Councils Complaints and Grievance Policy. The complainant had suggested that Council had not undertaken an adequate consultation process to close a portion of Diagonal Way. As the decision in question was a decision of the full Council, the matter was outsourced to MinterEllison. MinterEllison found that Council followed a correct process and the decision to close the road was lawful.

Draft Privacy Policy**Report Reference: GC200512R015**

Council considered and endorsed a Draft Privacy Policy for the purposes of public consultation. The public consultation will conclude on 02 June 2020.

Confidential - Rescission Motion - Disclosure Incident**Report Reference: GC200512M01**

This item was considered in confidence under parts 90(2) 3(h) and (g). If the Committee wishes to discuss the matter, it will be required to move into confidence.

External Audit Engagement for the Year Ending 30 June 2020

Originating Officer	Unit Manager Statutory Finance and Payroll - Andrew Doyle
Corporate Manager	Manager Finance - Ray Barnwell
General Manager	General Manager Corporate Services - Sorana Dinmore
Report Reference	FAC200519R04

REPORT OBJECTIVE

The objective of this report is to provide details of Deloitte's proposed audit engagement plan for the year ending 30 June 2020 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 2020 audit (Attachment 1).

RECOMMENDATION

That the Finance and Audit Committee:

- 1. Considers the outline of Deloitte's Audit Plan for the financial year ending 30 June 2020.**
- 2. Notes the scope of the audit to be carried out by Deloitte for the year ending 30 June 2020.**
- 3. Notes that the Chief Executive Officer will execute the acknowledgement of engagement letters.**

GENERAL ANALYSIS

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* (the Act).

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

ANALYSIS:

Provided at Attachment 1 is a copy of the Audit Plan for the financial year ending 30 June 2020 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.

The Audit Engagement letters have not yet been received and will be supplied by Deloitte prior to the Finance and Audit Committee meeting. It is noted that the scope of the audit proposed by Deloitte is expected to be in line with the scope of services detailed in the Contract for Services and as required under the Act. Furthermore, the fees are also expected to be consistent with those quoted in the original Deloitte tender for services, with appropriate approved budget allocations made.

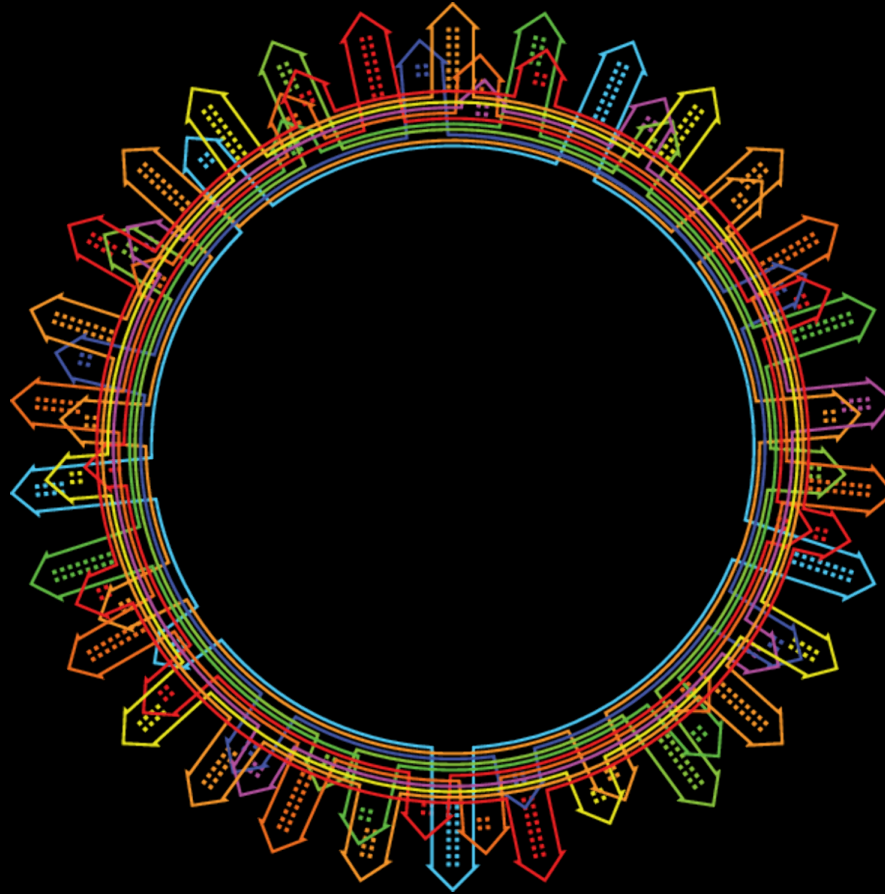
CONCLUSION:

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

The proposed scope of services outlined in the Audit Plan for the year ending 30 June 2020 is consistent with the requirements of the Act and the Contract for Services between Council and Deloitte.

Attachment

#	Attachment	Type
1	City of Marion - Audit service plan 30 June 2020	PDF File



Contents

[3] Foreword

[4] Executive Summary

[6] Your client service team

[7] Materiality

[8] Year-end audit approach

[10] Timeline of activity

[11] Internal Controls

[12] Audit Focus Areas - Detail

Foreword

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14 May 2020

Mrs Emma Hinchey
Chair, Finance and Audit Committee
City of Marion
245 Sturt Road
STURT SA 5047

To the Members of the Finance and Audit Committee

Thank you for the opportunity to present our audit service plan for the City of Marion (the "Council") for the year ending 30 June 2020.

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 (including the impact of the COVID-19 pandemic), 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 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



Lee Girolamo
Lead Audit Partner

General use restriction disclaimer

This advice is prepared solely for the internal use of City of Marion. The advice is not intended to and should not be used or relied upon by anyone else and we accept no duty of care to any other person or entity. The advice has been prepared for the purpose set out in our engagement letter dated 14 May 2020. You should not refer to or use our name or the advice for any other purpose.

Executive Summary

Item	Overview
Introduction	<p>This document details our proposed scope for the audit of the City of Marion (the “Council”) for the year ending 30 June 2020.</p>
Scope of the audit	<p>We will conduct an audit of the Council for the year ending 30 June 2020 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 <i>Local Government Act 1999</i>.</p> <p>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:</p> <ul style="list-style-type: none"> ▪ the receipt, expenditure and investment of money, ▪ the acquisition and disposal of property; and ▪ the incurring of liabilities <p>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.</p>
Areas of audit focus	<p>The audit focus areas that we have identified as part of our overall audit strategy are:</p> <ul style="list-style-type: none"> ▪ Implementation of new accounting standards (AASB 15, AASB 16 and AASB 1058) ▪ Revenue – rates and statutory charges and grant revenues ▪ Expenditure ▪ Non-current assets ▪ Internal control assessment
Materiality	<p>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.</p>
Covid-19 Impact	<p>The impact of COVID-19 is posing an unprecedented challenge for the world. Due to the impact of COVID-19, we have assessed the impact of COVID-19 on the financial report of the City of Marion. The evaluation has been undertaken through discussions with management, knowledge of your organisation and review of economic forecasts on the impact of COVID-19.</p>

Executive Summary

Item	Overview
Assessment and engagement quality	<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.</p>
Client service team	<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. Lee Girolamo will be the audit engagement partner and be responsible for our overall audit strategy and for signing the audit reports. He will be supported by Richard Wong (Manager) and David Sutcliffe (Manager).</p> <p>We will also engage specialists in the following areas:</p> <ul style="list-style-type: none"> • Valuation experts to assess external valuation firm's assumptions. • Computer assurance specialists to participate in the evaluation of internal control and in the use of our computerised audit applications.
Independence	<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"> • the provision of a statement of independence from Deloitte to the Elected Members of the City of Marion; • the adoption of a partner rotation policy; and • we have included the 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 the City of Marion. <p>We will reconfirm our independence for the year ending 30 June 2020 in our final report to the Finance and Audit Committee and directly to the Council.</p>
Timetable and communication of plan	<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 the "Timetable & 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 City of Marion will be led by Lee Girolamo as Audit Engagement Partner.

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

Supporting Lee Girolamo will be Richard Wong as the Engagement Manager.

Richard 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.

David Sutcliffe 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 - Risk Advisory



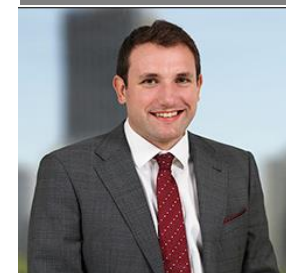
Lee Girolamo
Audit Engagement
Partner



Richard Wong
Manager



David Sutcliffe
Manager



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 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 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 2020 will place reliance on the Council's internal controls, both manual and automated, reducing the extent of substantive audit procedures.

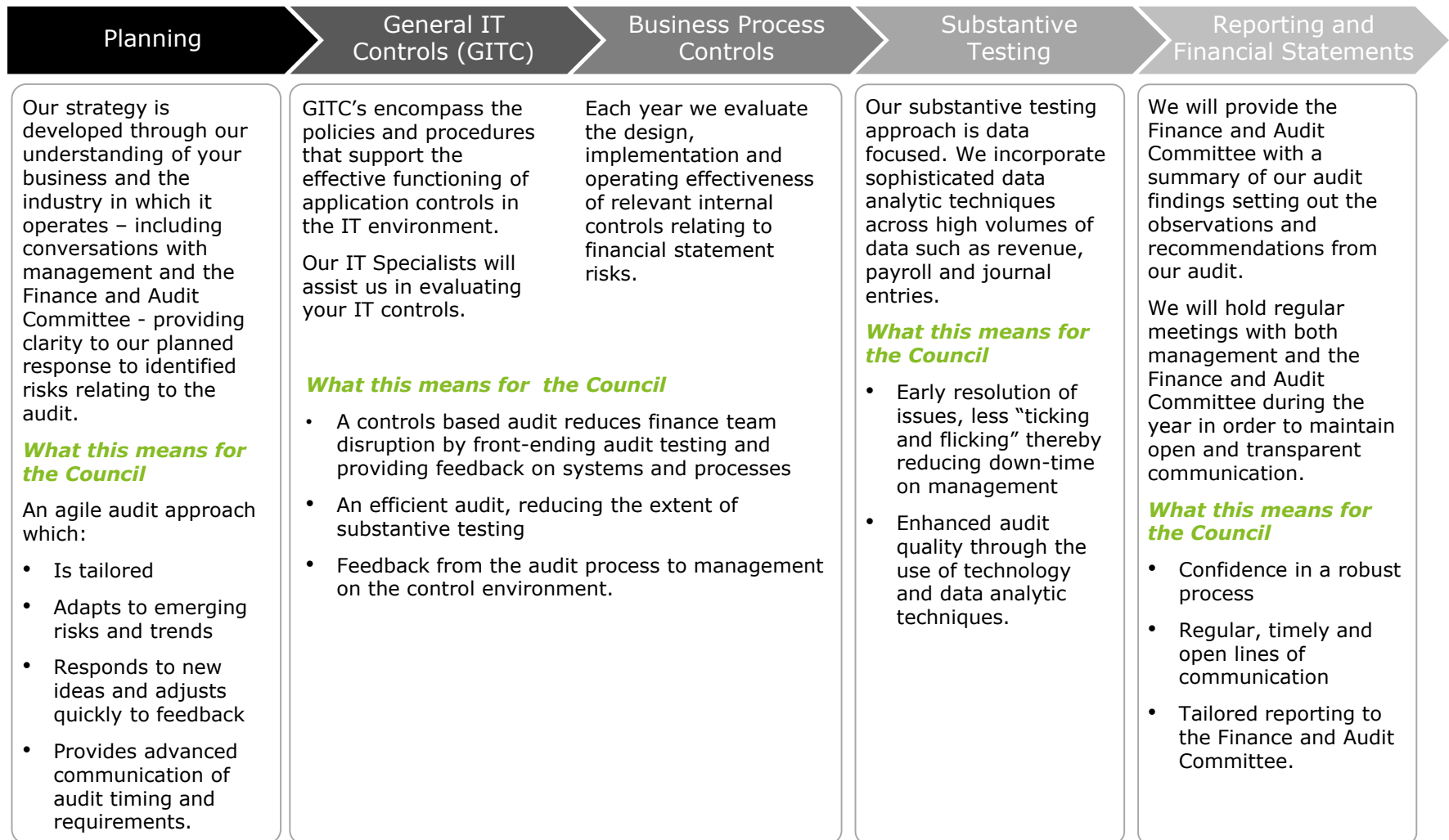
By taking this 'controls reliance' approach we will be able to identify areas where the Council's controls require improvement or where we believe the available systems could be utilised more effectively.

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.

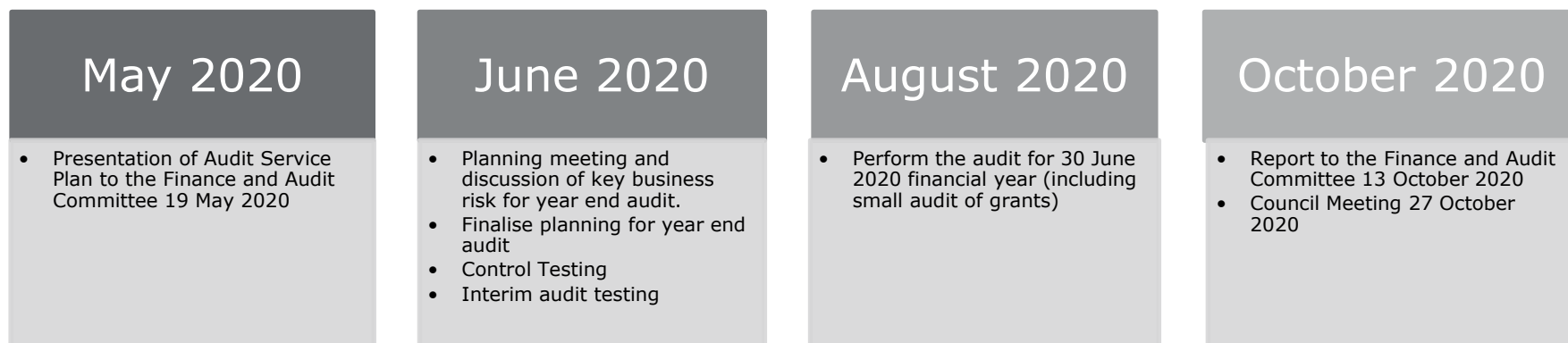
We will provide written confirmation of our independence on an annual basis for inclusion in the annual financial report.

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	2018	2019	2020	2021
Fixed Assets*	Yes	No	No	Yes
Expenditure*	No	Yes	No	Yes
Payroll*	No	No	Yes	No

* *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 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
Implementation of new accounting standard (AASB 15 & AASB 1058)	<ul style="list-style-type: none"> Rates and statutory charges Grant revenue 	<ul style="list-style-type: none"> Design and implementation Substantive testing 	<ul style="list-style-type: none"> Making enquiries with management of the process for implementation of new accounting standards Review management's position paper with respect to the first time adoption of the two new standards impacting revenue and other income: <ul style="list-style-type: none"> AASB 15 "Revenue from Contracts with Customers"; and AASB 1058 "Income of Not-for-Profit Entities". Obtain an understanding of the business process for accounting for revenue and other income and whether the requirements of AASB 15 or AASB 1058 apply to the transactions; and Ensure appropriate impacts, restatements and disclosure are made for the new Accounting Standards.

Audit Focus Areas - Detail (Cont.)

Audit Focus Areas	Financial Statement Balance	Audit Approach	Audit Procedures
Implementation of new accounting standard (AASB 16)	<ul style="list-style-type: none"> Leases 	<ul style="list-style-type: none"> Design and implementation Substantive testing 	<ul style="list-style-type: none"> Making enquiries with management of the process for implementation of new accounting standards Review management's position paper with respect to the first time adoption of AASB 16 "Leases"; For a sample of individual contracts obtain and examine documentation to determine whether the requirements of AASB 16 have been appropriately applied; Examine management's key policy choices and application of exemptions on transition; Assess management's judgements relating to: <ul style="list-style-type: none"> Identification of leases; Lease terms (whether it is reasonably certain that extension option will be exercised); and Identification of the appropriate rate to discount the lease payments. Ensure appropriate impacts, restatements and disclosure are made for new standards.

Audit Focus Areas - Detail (Cont.)

Audit Focus Areas	Financial Statement Balance	Audit Approach	Audit Procedures
Revenue	<ul style="list-style-type: none"> Rates and statutory charges Grant revenue 	Substantive testing	<p>Rates and statutory charges 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>Grant revenues We shall consider the extent to which grant revenues have been appropriately recognised in accordance with grant agreements and cash received, we will substantively test the detail of these transactions.</p>
Expenditure	<ul style="list-style-type: none"> Employee costs Materials, contracts & other expenses Depreciation, Amortisation & Impairment 	Substantive testing	<p>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.</p> <p>Depreciation expenditure will be analysed for each asset category for compliance with Council approved policy with an assessment of useful lives and residual values.</p>
Non-current assets	<ul style="list-style-type: none"> Infrastructure, property, plant & equipment 	Substantive testing	<p>Major project expenditures will be assessed to determine whether expenditure has been appropriately capitalised. Progress against budget will also be reviewed.</p> <p>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.</p> <p>The methodology and basis for the determination of fair value of assets as well as the level of appropriate disclosures will be assessed.</p> <p>Independent review of the external valuation firm's assumptions by the audit team and our Deloitte infrastructure valuation specialist.</p>

Audit Focus Areas - Detail (Cont.)

Audit Focus Areas	Financial Statement Balance	Audit Approach	Audit Procedures
Internal Controls Assessment	<ul style="list-style-type: none"> Internal controls report 	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 Revenue and Expenses. We will also include controls outside of the rotation where we have pinpointed that there may be further risk, including:</p>

- Where there are changes in staff
- Controls that have changed
- Variance of 2 or more between preparer or reviewer rating
- Controls rated 1 or 2 (out of 5)
- Other factors which we consider relevant

The rotation plan is set out below:

Risk Category Rotation Plan			
Business Cycle	2018	2019	2020
Strategy		Yes	
Assets	Yes		
Liabilities		Yes	
Revenue			Yes
Expenses			Yes
External Services	Yes		

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Draft Annual Business Plan 2020-21 and LTFP Update

Originating Officer	Strategic Planner - Sheree Tebyanian Unit Manager Statutory Finance and Payroll - Andrew Doyle
Corporate Manager	Manager Finance - Ray Barnwell
General Manager	General Manager Corporate Services - Sorana Dinmore
Report Reference	FAC200519R05

REPORT OBJECTIVE

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 2020-21 (ABP) and Draft Long Term Financial Plan (LTFP) since the 25 February 2020 Finance and Audit Committee meeting (FAC200225R06).

This report also notes the participation and feedback as at 13 May 2020 from the public consultation period which formally concludes at close of business on 20 May 2020.

During the development of the Draft Annual Business Plan 2020-21 and LTFP the following key changes have been made since the FAC meeting on the 25 February 2020:

- A change in the proposed rate increase for the 2020-21 year from 1.6% to zero
- Updates on new initiatives and capital works included in the Draft ABP and LTFP (Attachment 1)
- Revision of the Corporate KPI's relating to the delivery of Council's capital works program and Total Employee Costs
- Proposed addition of a Corporate KPI relating to Carbon Neutrality and asset utilisation of community facilities to be considered by members at the General Council meeting on 9 June 2020.

Council will continue to monitor the impacts of the Covid-19 pandemic with the Draft ABP seeking to support the community through the delivery of key infrastructure projects and the continued provision of services to our community.

Council at its General Meeting on 28 April 2020 (GC200428R11) considered a number of rating options and in an effort to lessen the rates burden, to support the community through this difficult time endorsed for public consultation a draft ABP with a zero increase in average rates for the coming year.

Council is in a strong financial position at this time and this change in its key rating assumption still forecasts Council maintaining a balanced or better funding position over the 10 year term of the LTFP sufficient to meet operational needs, financial sustainability targets and fund accounting reserves.

RECOMMENDATION

That the Finance and Audit Committee

1. Note the change in the key assumption regarding the proposed rate increase from 1.6% to a proposed zero rate increase for 2020-21 year since the 25 February 2020 FAC meeting
2. Provide feedback on the Draft ABP 2020-21 and Draft LTFP (Attachment 2)

3. Note the new initiatives and capital works included in the Draft ABP and LTFP (Attachment 1)
4. Note the revision of the Corporate KPI's relating to the delivery of Council's capital works program and total employee costs
5. Note the proposed addition of a Corporate KPI related to Carbon Neutrality

Legal / Legislative / Policy: Section 123 (1), (2) Local Government Act 1999

DISCUSSION

Public consultation for the Draft ABP & LTFP will conclude on the 20th of May 2020. Council in considering the impact of Covid-19 on the community and in an effort to support the community through this difficult time endorsed a Draft ABP & LTFP for public consultation based on a proposed zero rise in average rates for 2020-21.

To maintain a forecast balanced or better funding position over the ten years of the LTFP following a zero increase in the first year, the LTFP reverts to indexation of 1.8% for years 2 - 5, reducing to 1.4% for the following three years leading to a final reduction to 1.3% for the remaining years. Administration will continue to review its ongoing costs and seek efficiencies to minimise future rate increases, while ensuring long term financial sustainability.

The proposed zero increase in 2020-21 and amended outer year indexation is the only significant change to the draft ABP and the LTFP since they were presented to the FAC at its 25 February 2020 meeting.

The table below highlights the key steps remaining for the ABP 2020-21 and LTFP from this point. Please note that these dates may be subject to alteration.

Key Stages	Date	Meeting
Opportunity for the Finance & Audit Committee to provide feedback on the Draft ABP and LTFP and updated suite of KPI's	19 May 2020	Finance and Audit Committee
Council receives feedback/responses from community engagement and considers final draft of ABP and LTFP	9 June 2020	General Council
Annual Business Plan/LTFP to be adopted	23 June 2020	General Council

Changes to the Corporate KPI's

Following endorsement from Council at its meeting on 28 April (GC200428R11) two of the existing corporate KPIs, 'Total Employee costs' - has been amended to support changes endorsed by Council to meet resource requirements and, 'Delivery of Council's capital works program' has had its core target increased from 80% to 85%.

The outlined changes are as follows:

Key Performance Indicator	Core Target	Stretch Target
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 - adjusted for Council endorsed changes to meet resourcing requirements	Less than or equal to 2% increase in actual employee costs (including agency staff) against prior year's actual costs- adjusted for Council endorsed changes to meet resourcing requirements
Delivery of Council's capital works program	Greater than or equal to 85% delivery of Council's planned capital works program (adjusted for extraordinary items)	Greater than or equal to 90% of Council's planned capital works program (adjusted for extraordinary items)

An additional KPI around Carbon Neutrality is being considered to support the carbon neutral plan that is being worked on and will be brought to council for consideration at the 9 June meeting. Elected Members also expressed a desire to have a KPI regarding asset utilisation of community facilities. This will also be discussed at the 9 June General Council meeting.

Public Consultation

Public consultation was promoted from 30 April and will conclude on 20 May 2020. Consultation included:

- A notice in the 'The Advertiser' promoted on 6 May 2020
 - A dedicated 'Making Marion' website was developed www.makingmarion.com.au/annual-business-plan-2020
 - Social media promoted on the City of Marion Facebook page from the 11 May through to 18 May
 - Communication with community groups via:
 - Email advice to the City of Marion volunteer database
 - Business E Talk newsletter reaching 4,805 people of which 7 people clicked on the link to read about the Draft Annual Business Plan
 - Green Thymes database reaching distributed to 760 people
- Email advice to youth, arts and cultural, and multi cultural groups databases
- Communication to the Chief Public Health Officer, Professor Nicola Spurrier, advising on the consultation of the business plan as required under Section 51 (13) of the South Australia Public Health Act

Due to the temporary closure of City of Marion public libraries and administration building to the public as a result of Covid-19 restrictions in place by the Federal Government printed copies were not available for the public to view until they re-opened on 13 May

Rates of participation and feedback as at 13 May are:

- 74 people visited the Making Marion website
- 26 downloads of the Draft ABP 2020-21 document
- 3 people provided feedback on the Draft ABP 2020-21 via Making Marion
- 21 people saw the Facebook post with 3 shares of the post

Interested persons were also invited to attend the Council meeting on 12 May 2020 to ask questions and make submissions in relation to the Draft ABP & budget for at least one hour. There were no deputations received.

Community Feedback received

Three responses were provided to the question 'Tell us your thoughts on the Annual Business Plan 2020-21' via the Making Marion portal:

1. 'Warradale Railway Station (Addison Rd Side) Safe car parking and landscaping to match the completed Project Landscaping on Addison Rd Oaklands Station Hawkesbury Ave Reserve Sturt Reserve upgrade including paths, play equipment, lawn areas and landscaping I think the electric barbeque installations are not necessary and incur high maintenance and vandalism costs compared to what community benefit they may provide'
2. 'I have a daughter who attends the A team at Glandore and it has been the best social experience for her, well beyond the therapies we've tried. I'm worried though that the service is for primary school children and she, and several other girls, are heading towards high school where there will be no service like this one available for them again. I'd urge the council to think about a continuation service for these kids who need it.'
3. 'Please introduce more programs with creche at Trott Park neighbourhood centre. Also a 3 hour drop off creche service for those without local support. Need more monkey bars at playgrounds especially around Hallett cove.'

New Initiatives and Projects included in the ABP

A number of new and continuing initiatives included in the ABP along with a number of projects funded from Council's accounting reserves are outlined in Attachment 1. Council's proposed Capital works program for 2020-21 is also outlined in Attachment1.

Attachment

#	Attachment	Type
1	Attachment 1 New Initiatives and Capital Works Program 2020-21	PDF File
2	Attachment 2 - Draft ABP 2020-21	PDF File

Attachment 1

New Initiatives		Funding Source	2020/21
Operating			
2020/21	Tree-Scaping funding increase	Rates	20,000
2020/21	Destination Playground Contribution	Reserves	2,000,000
2020/21	Edwardstown Co-working Space	Rates	35,000
2020/21	ADL Film Fest in the Burbs	Rates	35,000
2020/21	Reclaiming Sturt River	Rates	40,000
Total Operating Initiatives Loaded			2,130,000
Capital			
2020/21	Streetscaping funding increase	Rates	400,000
2020/21	Tarnham Road Tennis and Netball Courts	Reserves	1,640,000
2020/21	Coastal Walkway	Reserves/ Grant	280,000
2020/21	Marion RSL Carpark	Rates	700,000
2020/21	Footpath Ramp DDA Compliance Upgrade	Rates	315,000
Total Capital Initiatives Loaded			3,335,000
Total Initiatives Loaded			5,465,000
Funded from Reserves (CFPP & ASR)/ Grant			3,920,000
Net Decrease in Cash			1,545,000

Capital Works Program

Classification	2020/21 Draft Budget
Civil	
Roads (incl K&WT)	5,215,502
Footpaths	2,315,000
Drainage	2,721,267
Streetscapes	2,200,000
Irrigation	600,000
Traffic Control Devices	429,334
Walking Trails and Paths	220,000
Other Infrastructure	187,665
Total Civil	13,888,768
Open Space	
Playgrounds	1,189,833
Reserve Development	45,792
Shade Sails	385,000
Public Toilets	175,000
Total Open Space	1,798,625

Classification	2020/21 Draft Budget
Property and Buildings	
Property and Buildings	2,761,777
Car Parks	700,000
Sports Courts	300,000
Furniture and Equipment	202,365
Total Property and Buildings	3,694,142
Key Projects	
Mitchell Park Sports Club Redevelopment	6,605,000
Tarnham Road Tennis and Netball Courts	1,640,000
Coastal Walking Trail	280,000
Marion Outdoor Pool	429,554
Southern Regional Soccer Facility	2,000,000
Total Major Projects	10,954,554
Other Capital	
Fleet Replacement	905,000
IT Hardware	298,000
Total Other Capital	1,203,000
Total Capital Works for 2020/21	31,806,089

City of Marion Annual Business Plan 2020-2021

Draft for public consultation



DRAFT



DRAFT

YOUR VOICE

The City of Marion is seeking your input and feedback regarding the Draft Annual Business Plan 2020/2021. This process provides you with the opportunity to have your say on the level of service and the activities undertaken by the Council before the final budget is adopted.

Community consultation closes at 5:00pm on 20 May 2020.

Online submission forms are available on Council's community engagement website makingmarion.com.au

Written submissions are also welcomed addressed to the following:

City of Marion
PO BOX 21
Oaklands Park SA 5046

Or

council@marion.sa.gov.au

Verbal submissions may be made at the 12 May 2020 General Council meeting, which begins at 6:30pm. At this meeting, members of the public may ask questions and make submissions in relation to the Draft Annual Business Plan for a period of one hour. Each speaker will be allocated a maximum of five minutes to make their submission.

Due to Covid-19 social distancing measures General Council meetings are currently being conducted online. Residents who wish to make a verbal submission must advise by no later than Wednesday 6 May to enable time for the instruction of the use of online technology at the meeting.

If you wish to make a verbal submission to General Council, please contact:

Kate McKenzie
Manager Governance
Telephone: 08 8375 6600

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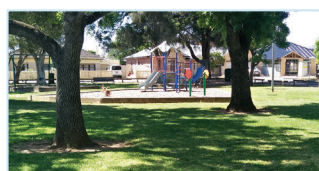
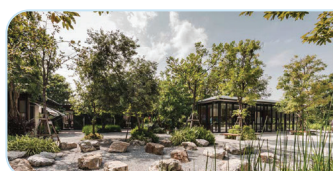
ACKNOWLEDGEMENT OF COUNTRY

We acknowledge we are part of Kaurna land and recognise the Kaurna people as the traditional and continuing custodians of the land.

TABLE OF CONTENTS

PAGE

Welcome	4
Your rates at a glance	5
Overview	6
Our purpose, vision and values	8
Strategic management framework	9
Significant influences	10
Framework of the annual business plan	12
Continuing and improving service delivery	14
Project priorities	15
Asset management	16
Measuring our success	17
Funding the annual business plan	18
Comparative rating data	19
Differential rating	20
Budgeted income statement	21
Operating revenue	21
Operating expenditure	22
Capital revenue	23
Budgeted capital expenditure	24
Financing the budget	25
Financial ratios	26
Appendix 1. Capital works program	27
Appendix 2. Rating policy	33
Annexure 1	39
Appendix 3. Long term financial plan	42



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WELCOME

Here is the City of Marion's Annual Business Plan 2020-2021. It is our budget for the coming year. We publish this before making any final decision so you get a chance to look at it and ask questions or give your opinion.

The corona virus ("COVID-19") hit while we were preparing this. The anti-virus restrictions imposed by Federal and State governments have brought changes to Council's services and facilities. The restrictions will undoubtedly affect the budget and even now the impact is not fully known.

As a gesture to lessen the rates burden at this difficult time, Council is suggesting zero increase in the average residential rate for the coming year. Council's financial structure depends on getting a huge proportion of revenue from rates, however (like the rest of local government), so there are limits to what we can do. On the other hand, we have a sensible and compassionate hardship policy for people who can demonstrate financial difficulties, and we have waived rent and utilities costs at our Council facilities.

Council continues to deliver projects and services as best we can. This has included library staff focussing on online services, while other staff and volunteers provide social support by telephone. Our outdoor staff are largely continuing with their work, with some safety modifications.

Our major projects (including new facilities for BMX, soccer and Mitchell Park sports) are proceeding. Thanks are due to Federal and State Government for their financial contributions. By carrying on with such projects, we will be pumping life into the local economy when it is sorely needed.

Yours faithfully,

KRIS HANNA

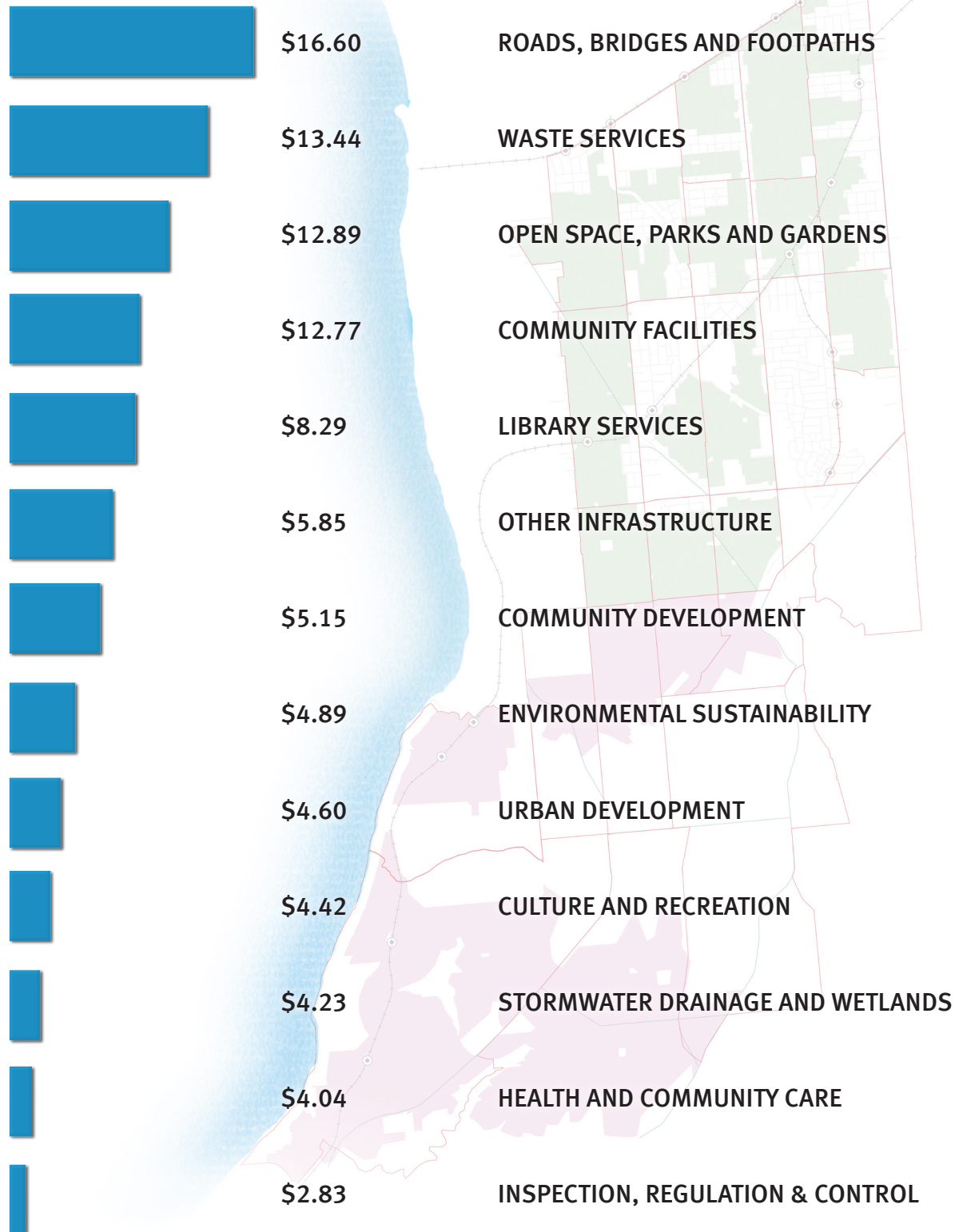
Kris Hanna



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YOUR RATES AT A GLANCE

AMOUNTS SPENT PER ONE HUNDRED DOLLARS (\$100)



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OVERVIEW

In preparing the 2020-2021 Annual Business Plan and budget, the Council has determined to undertake strategic initiatives outlined in the Four-Year Business Plan 2019-2023 and to provide services that aim to progress the community's aspirations in the City of Marion Community Vision - 'Towards 2040' and the goals in the 10-Year Strategic Plan 2019-2029.

Council is committed to continuing to deliver value to our ratepayers. Through a focus on prudent financial management and decision making, Council will continue to identify on-going savings. This strong efficiency focus has enabled us to support our community with a proposed zero increase in the average rate for 2020-2021.

This year's Annual Business Plan addresses key feedback from residents in the Community Satisfaction Survey, including street trees and footpath investment.

During 2020-2021, the City will continue to be improved through investment in the following initiatives:



IMPROVING STREETSCAPES

Council will invest \$2.2m to improve the character, and functionality of streets and arterial roads. Work includes planting trees, paving, landscaping and overall improving public amenity. Works will also ensure footpaths & kerb ramps are compliant with the *Disability Discrimination Act 1992* guidelines.



MITCHELL PARK SPORTS & COMMUNITY REDEVELOPMENT

Construction of the \$15.175m rebuild of the ageing facility is due to begin in early 2021. The redevelopment will include indoor and outdoor multipurpose sports courts, clubrooms, a neighbourhood centre and dog club. Council has committed \$10.175m, and the Federal Government \$5m.



COASTAL WALKWAY

Council has endorsed a \$4.8m plan to further improve the Coastal Walkway after temporarily closing a 2.5km section for repairs due to safety concerns.

It has committed \$2.44m to rebuild the sections that remain closed and connect the walkway between Heron Way Reserve and the Field River. The State Government has provided matched funding to help deliver the plan.



EDWARDSTOWN EMPLOYMENT PRECINCT

Council is transforming Edwardstown into a modern business district to attract new industry and create jobs. Work includes making the streets greener, cooler, and more attractive with a \$170,000 project funded equally between Council and State Government.

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OAKLANDS PRECINCT PROJECT

This \$5m project involves building a new playground, footpaths and streetscapes to better connect Oaklands Station to Marion's entertainment hub.

New technology will be used on the precinct's lighting, interactive wayfinding, irrigation, traffic, and parking solutions, and playground.

Work on the 'smart precinct' commenced in May 2020 and will be complete in 2021.

Council received a \$867,500 grant from the Federal Government towards the work, funded under its Smart Cities and Suburbs Program.



NEW BMX AND SOCCER FACILITIES

The \$12.8m construction of new soccer and BMX facilities on Majors Rd, O'Halloran Hill is scheduled to begin in November 2020. The soccer facilities will cost \$7m and include three turf pitches, floodlighting, fencing, clubrooms, and car parking for more than 200 vehicles. Council will provide \$4.5m of funding and the State Government \$2.5m.

The Sam Willoughby International BMX track will cost \$5.8m and include a UCI standard track, clubrooms, landscaping, and car parking.

Marion Council will provide \$1.75m, the State Government \$3.3m, and Onkaparinga Council \$0.75m.



CITY WIDE ATTRACTION PLAYGROUND

A feasibility study undertaken during 2019-2020 has indicated a partnership would be necessary to fund an iconic playground that would attract people from throughout the City of Marion. Council will seek potential partners.



REDEVELOP TENNIS & NETBALL COURTS - OPEN SPACE AT TARNHAM ROAD RESERVE

Council will replace four ageing tennis courts with four new courts that can be used for both tennis and netball.

A shelter, toilet, and play equipment will also be installed. Work will cost \$1.64m and is expected to begin in early 2021.



REPRESENTATION REVIEW

Every eight years, the Council is required to review its elector representation structure in accordance with Section 12 of the *Local Government Act 1999*. This is a comprehensive review of the composition and ward structure of the Council. The review will include a two staged community consultation with a range of options for the community to consider and then a proposed structure.

The outcomes of the Representation Review will be implemented at the 2022 Local Government Elections.



MARION OUTDOOR POOL UPGRADE

The \$3.57m multi-year upgrade of the Marion Outdoor Pool is scheduled to be completed by the start of the 2020 summer season.

The next stage of works will complete the three year project and include a splash pad, water play and picnic areas, shade, and paths.

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OUR PURPOSE, VISION AND VALUES

OUR PURPOSE

(Why we exist)

To improve our residents' quality of life; continuously, smartly and efficiently

OUR COMMUNITY VISION

(What we want to become)

A community that is Liveable, Valuing Nature, Engaged, Prosperous, Innovative and Connected

OUR VALUES

With the community and safety at the forefront of everything we do, we value:

Respect - Treating everyone as we want to be treated, where all contributions are valued

Integrity - Fostering trust and honesty in all of our interactions

Achievement - Enhancing our knowledge and performance to reach our shared goals, while being dedicated to supporting one another

Innovation - Encouraging new ideas, and learning from our experience to do things better



The six themes of our Community Vision represent the shared values and aspirations guiding how our city develops, towards 2040. These outcomes are important for this community now and into the future:

LIVEABLE

By 2040 our city will be well planned, safe and welcoming, with high quality and environmentally sensitive housing, and where cultural diversity, arts, heritage and healthy lifestyles are celebrated.

VALUING NATURE

By 2040 our city will be deeply connected with nature to enhance people's lives, while minimising the impact on the climate, and protecting the natural environment.

ENGAGED

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

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.

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.

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.

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STRATEGIC MANAGEMENT FRAMEWORK

This Annual Business Plan 2020-2021 is an integral part of Council's Strategic Management Framework that will enable strategic and operational plans, management systems and processes to work together to effectively deliver the Community Vision.



STRATEGIC MANAGEMENT FRAMEWORK

30 YEAR COMMUNITY VISION TOWARDS 2040

LIVEABLE VALUING NATURE INNOVATIVE
PROSPEROUS CONNECTED ENGAGED

A shared Community Vision

Innovating a future for the city and its residents

STRATEGIC PLANS

STRATEGIC PLAN
WORKFORCE PLAN
DEVELOPMENT PLAN
ASSET MANAGEMENT PLAN
LONG TERM FINANCIAL PLAN
HEALTH, SAFETY & ENVIRONMENT PLAN

A suite of plans that focus Council's contributions to the Community Vision

BUSINESS PLAN JULY 2019–JUNE 2023

Council's delivery program over its term

WORK AREA PLANS

Team level planning to ensure community and Council's priorities are delivered

ANNUAL BUSINESS PLAN

Identifies how Council's work is resourced and paid for each year

PERFORMANCE DEVELOPMENT PLANS

Individual delivery and development plans

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SIGNIFICANT INFLUENCES

In the development of the Annual Business Plan we undertake a review of our internal environment and broader external environment that includes political, economic, environmental, social and technological elements. This identifies key issues that help provide the context for the development of this plan.

The following broad trends impacting our city include:



PUBLIC HEALTH

The COVID-19 virus has brought about changes to Council services.

This has included the temporary suspension of public access to facilities. Most services continue, and many are being delivered in new and innovative ways, including online.

Facilities will re-open to the public and face-to-face services resume when Federal and State Government authorities advise it is safe to do so.

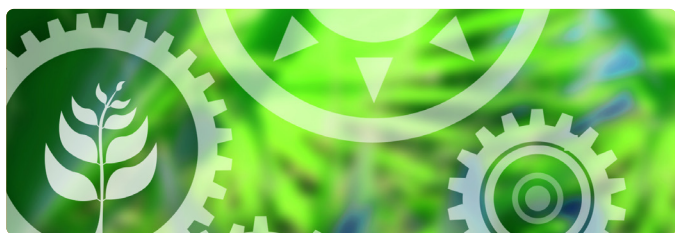


ENVIRONMENT

Climate projections indicate that by 2030 Southern Adelaide will experience an increased incidence of heatwaves, exacerbating the urban heat island effect. Projections indicate overall reduced rainfall and more intense heavy rainfall events, and more severe and extreme fire danger and a longer fire season.

The City of Marion remains committed to mitigate against climate change and to help our residents, businesses and local ecosystems to build resilience and adapt to the impacts of a changing climate through ongoing program delivery and our partnership with Resilient South.

To further support our commitment to the environment we will implement a plan to achieve carbon neutrality for Council operations by 2030.



POPULATION GROWTH

The City of Marion population is forecast to grow by 10% over the next 10 years. To facilitate growth in our community it is important to invest in our infrastructure to meet future needs.

A significant part of Council's annual spend is devoted to the repair, maintenance and upgrade of community assets.

Council is currently undertaking asset management plans over a 10-year planning period to ensure that we can continue to deliver services to our community in the most efficient and affordable way.



HEALTH, WELLBEING & SOCIAL ISOLATION

Participation in physical activity has a strong linkage to improved health and wellbeing outcomes. Reported data for the City of Marion highlights key lifestyle challenges including increased sedentary lifestyles, and insufficient levels of physical activity and participation. Almost one third of our city residents live alone, indicating the potential for social isolation.

Council's focus on facilities and services that promote healthy lifestyles, community participation and well-being will positively impact our community.

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LOCAL ECONOMY

Council is a partner with the Southern Adelaide Economic Development Board and is committed to making the region the best place to live, work, invest and do business.

Major Federal and State Government transport projects, including the Darlington Upgrade Project, are nearing completion and will improve access to the region for business and visitors.

The City of Marion, in partnership with State and Federal Governments, is initiating more than \$40m worth of local projects that will create jobs.

The revitalisation of Edwardstown has the potential to boost the local economy, create jobs, and attract investment.



INNOVATION

A smart community uses technology and data to drive economic activity, accelerate innovation, and better manage energy, resources and services.

Council seeks to use technology to improve services and our residents' quality of life.

The upgrade of Oaklands Crossing has enabled Council to begin work to build its first "smart precinct".

This aims to improve connectivity between the station and key destinations including the Marion Cultural Centre, the State Aquatic and Leisure Centre, and Westfield Marion.



PLANNING SYSTEM REFORMS

The State Government has continued to progress a range of reforms to South Australia's planning and development system, to implement the *Planning, Development and Infrastructure Act 2016*.

The modernisation of the system includes converting all Council development plans into one central online portal, the E-Planning system. These changes are likely to impact on Council's business and financial operations in the area of local planning, including:

- A reduction in Council's influence in the assessment of development applications

- Further deregulation of planning assessment through Private Certification

- Changes to operational management of Council's Development Services department

- Improvements to our information technology systems and cost-shifting from the State Government to service a central online planning portal and e-planning system.

Council will monitor the impact of the State Government's reforms package on our business operations as details emerge.



WASTE MANAGEMENT

In January 2018, China introduced restrictions on the importation of recycled materials under its National Sword Policy. This development provided an opportunity for councils to consider localised solutions.

The Southern Region Waste Resource Authority (SRWRA), established by the Cities of Marion, Onkaparinga and Holdfast Bay, is a regional subsidiary that is responsible for providing and operating waste management services.

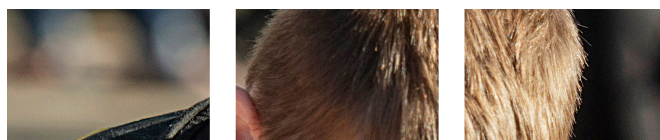
SRWRA recently announced that a new material recycling facility will be established so that recyclables can be re-processed and manufactured locally.

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FRAMEWORK OF THE ANNUAL BUSINESS PLAN

The Annual Business Plan 2020-2021 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, AND BUSINESS EXCELLENCE ASSESSMENTS**



Every year the Council undertakes a number of internal audits. These reviews and assessments have identified a number of key opportunities or requirements for the 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 the Council's asset renewal and upgrades are fully funded, this target is currently being met. To ensure ongoing financial sustainability, the 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 of 80-100% as per the Asset Sustainability Key Performance Indicator.

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- **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.

Collaboration with other councils will continue in order to build capacity for shared strategic opportunities, innovation and cost efficiencies and enables the ability to align processes and reduce duplication.

- **COUNCIL ONLY APPROVE NEW MAJOR PROJECTS WHERE IT HAS THE IDENTIFIED FUNDING CAPACITY TO DO SO**



Council debt is forecast to increase from \$5.6m to \$6.4m between 30 June 2020 and 30 June 2021. With consideration given to its financial ratios, this means that the 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.

The additional borrowings in 2020-2021 relate to Council's contribution towards the Mitchell Park Sports & Community Centre and are anticipated to increase to \$13.4m by 30 June 2022 as this project progresses. Any changes to the timing and scope of this project may reduce the funding and in turn requirement for borrowings currently factored into the 2020-2021 Annual Business Plan.

- **MAINTAIN COUNCIL'S POSITION FOR AN AVERAGE RESIDENTIAL RATE WHICH REMAINS AMONG THE LOWER RATING METROPOLITAN COUNCILS**



Comparative 2019/20 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.



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CONTINUING AND IMPROVING SERVICE DELIVERY

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	Increased levels of tree planting annually

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	



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PROJECT PRIORITIES

In 2020-2021 the Council plans to commence or continue working on the following strategic initiatives, as outlined in our 4 Year 2019-2023 Business Plan:

CONTINUING INITIATIVES

CONTINUING INITIATIVES FROM PRIOR YEARS	KEY STRATEGIC THEME
Continue the Oaklands Precinct project to provide improved public amenity and connectivity	Liveable
Commence a feasibility plan for a destination playground to attract users city-wide	Liveable
Continue to expand the streetscape program to include arterial roads	Liveable
Continue planning for a UCI standard BMX facility in partnership with State Government and the City of Onkaparinga	Liveable
Continue to develop the City Property Strategic Asset Management Plan to meet community, sport and recreation needs	Liveable
Continue the Marion Outdoor Pool building and recreational facilities upgrade	Liveable
Continue work on the Hallett Cove Foreshore redevelopment	Liveable
Continue to progress the redevelopment of four multi-purpose courts and open space at the eastern end of Tarnham Road Reserve	Liveable
Continue planning for the Mitchell Park Sports and Community Club redevelopment	Liveable
Implement the Reconciliation Action Plan 2019-2023	Engaged
Continue to deliver the Volunteer Strategy 2019-2021	Engaged
Develop and deliver a Disability Access and Inclusion Plan	Engaged
Implement the Coastal Climate Change Adaptation Plan	Valuing Nature
Implement the Energy Efficiency and Renewable Energy Plan	Valuing Nature
Continue to develop the data platform 'Metrics that Matter' to enable improved service delivery	Innovative
Develop a strategy and implement the enhancement and transformation of our business enterprise systems (including Asset Management system)	Innovative
Implement the Social Media Strategy 2019-2023	Innovative
Continue work to activate the Edwardstown and Melrose Park Employment Precinct	Prosperous
Partner to transition to the new Planning and Design code	Prosperous
Continue planning for a coastal walkway to connect Heron Way Reserve with the Field River environs	Connected
Continue planning for a Southern Soccer Facility	Connected
Continue to trial the third community bus	Connected
Commence development of a City Transport Plan to enable ease of movement for people of all ages and abilities within and through the city	Connected

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NEW PROJECTS COMMENCING IN 2020-2021

2020-2021 INITIATIVES	KEY STRATEGIC THEME
Improve Marino Hall and surrounds	Liveable
Review and deliver improved Cove Sports and Community Club facilities	Liveable
Redevelop Capella and Nannigai Reserve	Liveable
Identify options for recreational facilities at 262 Sturt Road in 2021 and if feasible, commence implementation in 2021-22	Liveable
Assess the future provision of the Oaklands Wetlands Education Centre In partnership with Flinders University	Valuing Nature
Develop an online one stop shop for customers to enable easy access to information and transactions for Council services, rates, registrations and events	Innovative
Research technology and automated solutions for the management of assets and streetscapes	Innovative
Progress the Coastal Walkway	Connected

ASSET MANAGEMENT

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 identify the funds required to maximise the delivery of the services. All City of Marion assets are audited annually and are frequently inspected on a rolling program.

A significant part of Council's annual spend is devoted to the operation, maintenance and renewal of public assets which deliver safe and sustainable services to the community. Council will continue to optimise our spending on these assets through better asset management to deliver current service levels in the most affordable and efficient way. Council recognises that climate change is likely to affect asset life and functionality. We are exploring what we can do to build asset resilience in response to climate impacts.

WE OWN AND MANAGE OVER \$1 BILLION OF ASSETS



**BUILDINGS AND
STRUCTURES**



TRANSPORT



STORMWATER



WATER RESOURCES



OPEN SPACE



COASTAL WALKWAY



**FLEET, PLANT AND
EQUIPMENT**



**INFORMATION AND
COMMUNICATION
TECHNOLOGIES**

Our assets enable the provision of services to the community and businesses for current and future generations. Assets play a vital role in the local economy and on residents' quality of life.

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MEASURING OUR SUCCESS

Monitoring performance is a critical element of strategic management. It is the mechanism for critically ensuring that the Council is contributing to the achievement of its objectives in both the Strategic Plan and the 4-Year Business Plan 2019-2023. Our Key Performance Indicator (KPI) dashboard for 2020-2021 (provided in the table below) takes account of these objectives.

KEY PERFORMANCE INDICATOR	CORE TARGET	STRETCH TARGET
Financial Sustainability	Council maintains a break even or positive cash funding position in delivering its annual budget	No stretch target
Delivery of agreed projects identified in the Annual Business Plan and the second year targets in the 4 year Plan	Greater than or equal to 95%	No stretch target
Lost Time Injury Frequency Rate (An industry standard measure for injuries where a whole days work or more is lost due to a workplace injury).	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 – adjusted for Council endorsed changes to meet resourcing requirements	Less than or equal to 2% increase in actual employee costs (including agency staff) against prior year's actual costs – adjusted for Council endorsed changes to meet resourcing requirements
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 (A measure to assess that we are replacing community assets in a timely manner)	Asset Renewal Funding Ratio (previously called the Asset Sustainability Ratio) greater than or equal to 80%	Asset Renewal Funding Ratio greater than or equal to 90%
Delivery of Council's capital works program	Greater than or equal to 85% 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%
Community engagement/communications	Project specific communications to the public should be timely and accurate	100%
Carbon Neutrality - KPI (to be advised)	<i>To be advised</i>	<i>To be advised</i>

We will report on our progress against our 2020-2021 KPI dashboard quarterly at Council meetings and in our 2020-2021 Annual Report.

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FUNDING THE ANNUAL BUSINESS PLAN

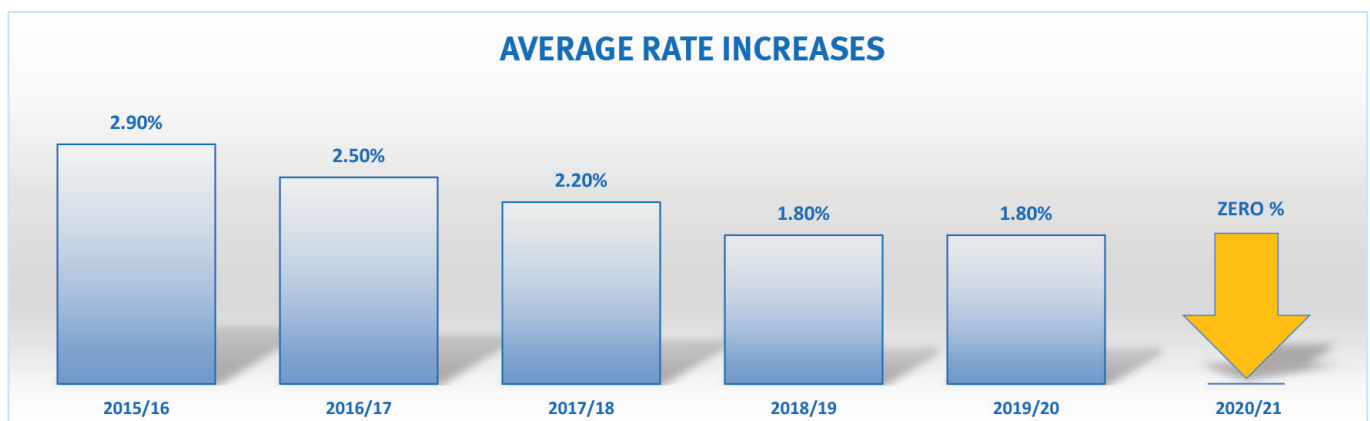
YOUR RATES IN 2020-2021

The Annual Business Plan is based on a zero increase in the average rate for the coming year. In setting rates for 2020-2021, Council has forecast the revenue required to meet the costs of delivering the services and projects that will be provided to the community in 2020-2021.

Rates account for 84% 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 2020-2021.

While the average rate increase is zero, 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 to support our community during these difficult times Council is proposing a zero increase in the average rate for 2020-2021. Our rate increases have been decreasing steadily over the past 6 years and the 2020-2021 rate freeze is the lowest rate adjustment to date.

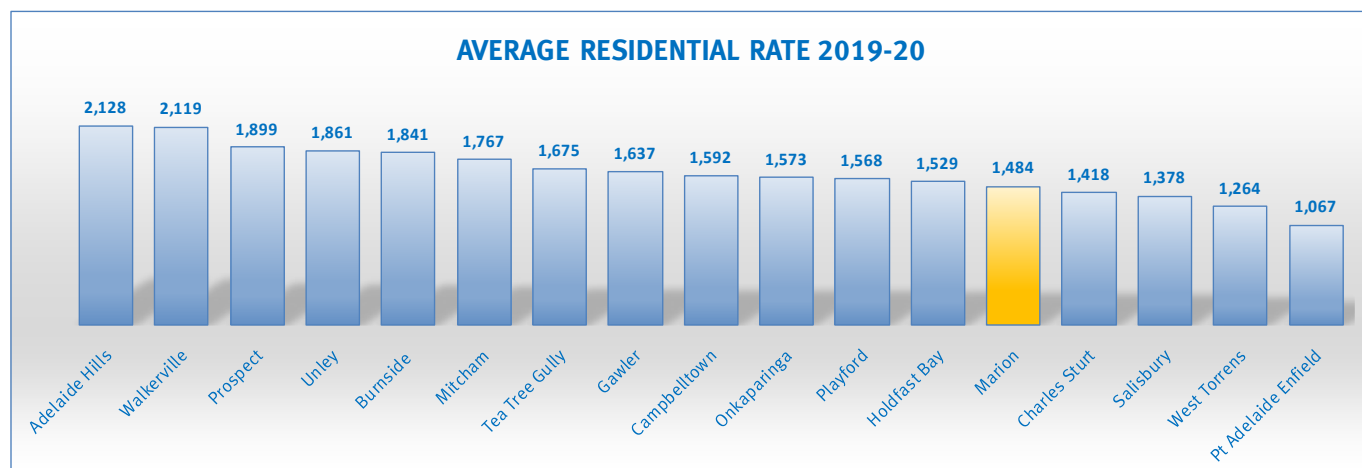


With changing community needs and other external influences impacting on the community, there is a need for Council to consider how to plan more effectively, both for the longer term and more immediate community benefit. The rate increase is set at a level that provides confidence that services will 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.

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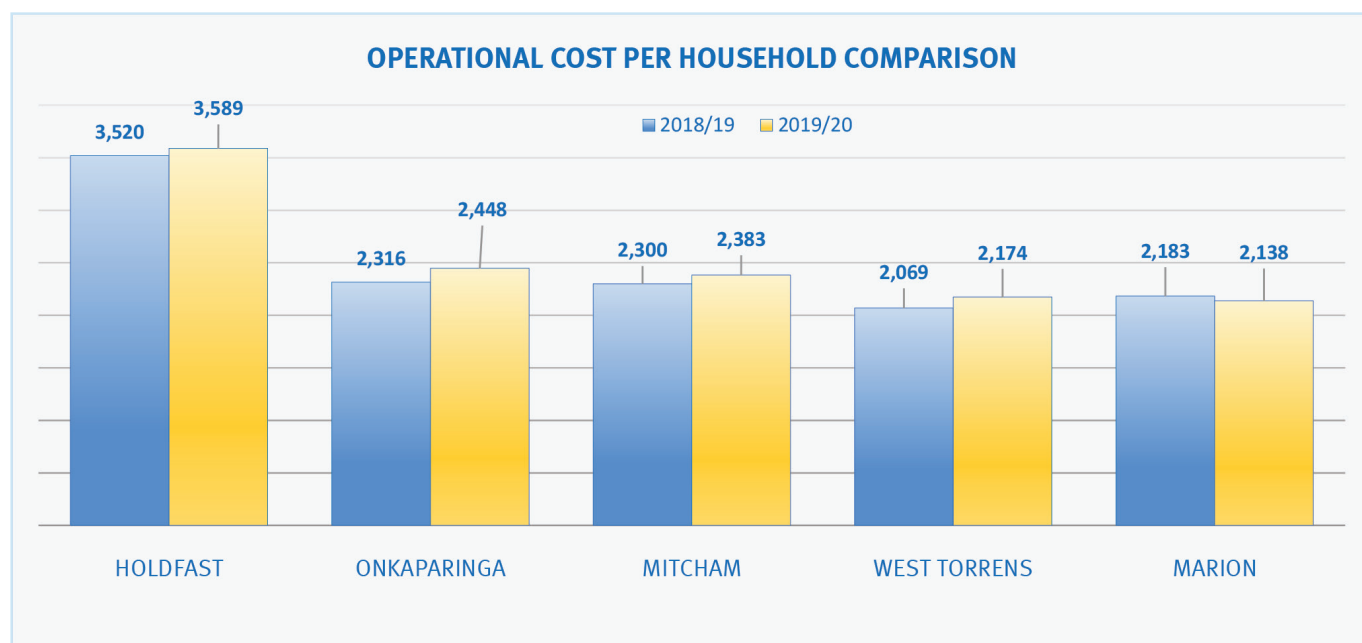
COMPARATIVE RATING DATA



With a zero increase, 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 2019-20 Council had the 5th 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 2019-20' table above. The table below illustrates that Council's operational costs per household compare favourably against those of our neighbouring councils. This does not take into account different councils' service levels, infrastructure renewal and revenue from grants.

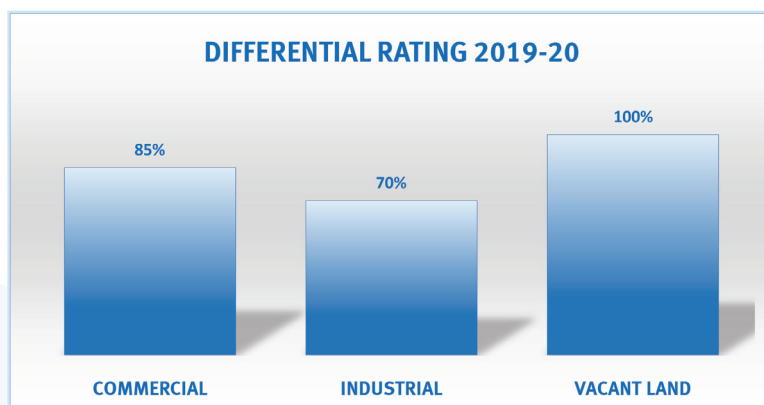


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DIFFERENTIAL RATING

Council currently derives 18% (2019-20: 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 on its Land Use 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:



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BUDGETED INCOME STATEMENT

An operating surplus of \$4.602m before capital revenues is forecast for 2020-2021. The operating surplus is required to fund the renewal of existing infrastructure in accordance with Council's asset management plans and to fund construction of new assets to deliver services.

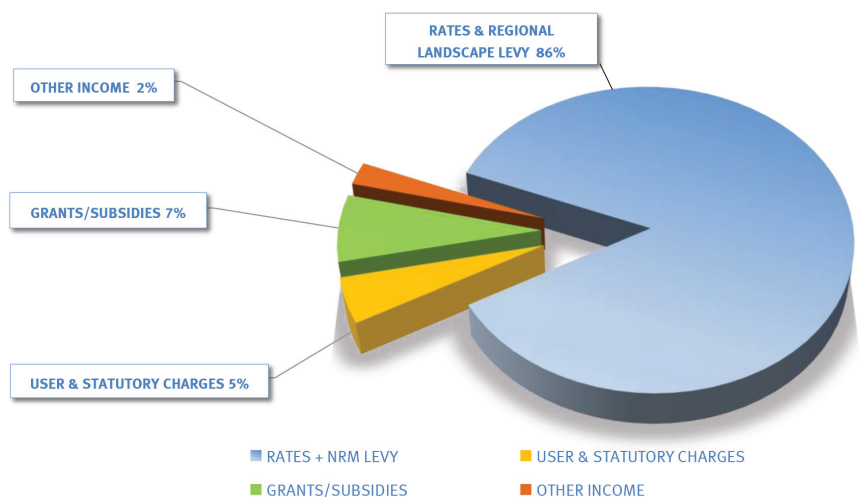
Budgeted Income Statement	2nd Review 2019/20 \$'000	Budget 2020/21 \$'000	Variance \$'000
Operating Revenue			
Rates - General	77,296	78,024	728
Rates - Regional Landscape Levy *	1,973	2,026	53
Statutory Charges	2,171	2,213	42
User Charges	2,502	2,278	(224)
Grants/Subsidies	6,132	6,667	535
Investment Income	863	505	(358)
Reimbursements	1,126	852	(274)
Other Revenue	1,512	516	(996)
Share of Profit/(Loss) Regional Subsidiaries	1,278	365	(913)
Total Operating Revenue	94,853	93,446	(1,407)
Operating Expenditure			
Employee Costs	35,905	37,230	1,325
Contractor Services	27,630	21,179	(6,451)
Materials	5,211	4,820	(391)
Finance Charges	397	322	(75)
Depreciation	15,526	15,708	182
Other Expenses	7,380	9,585	2,205
Total Operating Expenditure	92,049	88,844	(3,205)
Operating Surplus/(Deficit) before Capital Revenues	2,804	4,602	1,798
Capital Grants and Contributions	491	4,605	4,114
Asset Disposal and Fair Value adjustments	-	-	-
Net Surplus/(Deficit)	3,295	9,207	5,912

* Note: The Regional Landscape Levy is collected by Council on behalf of the Green Adelaide Board.

OPERATING REVENUE

The main source of income for Council is rate revenue; making up 84% (86% including Regional Landscape Levy) of total revenue in 2020-2021, with other sources being government regulated fees for statutory services, diminishing levels of untied federal grant monies, as well as other grants from State and Federal government.

BUDGETED OPERATING REVENUE 2020-21



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GENERAL RATES

Council's revenue in 2020-2021 includes \$78.024m to be raised in general rates. The budget has been developed on the basis of a zero average rate increase (excluding new developments and capital improvements). In setting rates for 2020-2021, Council has forecast the revenue required to meet the costs of delivering the services and projects to be provided to the community in 2020-2021.

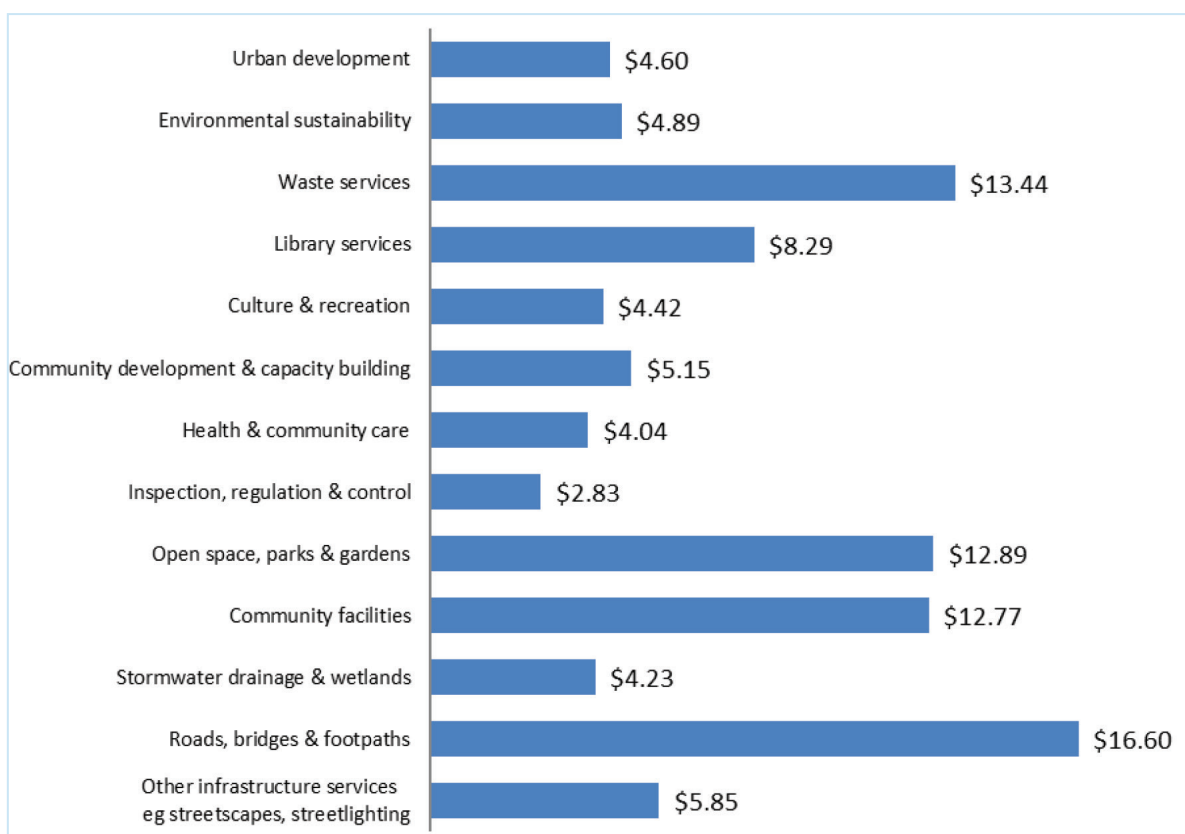
Growth for new developments and capital improvements is forecast at 1% for 2020-2021. This predominantly is the result of new housing in Marion and property improvements, as reported by the Valuer General. The revenue created by this growth will cover the increased costs of servicing a growing community, 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.

OPERATING EXPENDITURE

Council's operating expenses are forecast to reduce to \$88.844m in 2020-2021. The following graph shows a breakdown of operating expenditure across Council services for every \$100 spent:



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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 \$1.325m primarily because of increases in Council's staff Enterprise Agreements.

There are two Enterprise Agreements (EA's) covering our indoor and outdoor staff. The outdoor staff EA is negotiated with the Australian Workers Union and staff agreed to a 2.5% per annum increase, or March CPI if greater, for the three years to 30 June 2021.

The indoor staff EA is negotiated with the Australian Services Union (ASU) and staff agreed to a 2.0% per annum increase, or March CPI if greater, for the three years to 30 June 2022.

A reduction of \$980k has been incorporated into the budget to allow 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 \$6.45m (23%) is forecast in the 2020-2021 budget which relates to the anticipated finalisation of a number of larger projects the Council contributed to, including the Smart Cities program, replacing the Asset Management System, Morphettville Park Oval Realignment and the Hallett Cove R-12 Car Park along with other minor one-off programs.

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 \$0.391m (7%) in materials is forecast in the 2020-2021 budget.

OTHER EXPENSES

Other Expenses have increased by \$2.2m (22.5%) stemming primarily from the \$2.0m budgeted contribution towards the proposed Destination Playground 2020-2021.

CAPITAL REVENUE

CAPITAL GRANTS AND CONTRIBUTIONS

Council has forecast \$4.6m in capital grants and contributions towards new capital works planned in 2020-2021. This is part of total grant funding of \$5.0m from the Federal Government for Mitchell Park Sports & Community Club Redevelopment with a total project cost of \$15.0m (with the remaining \$10m coming from Council funds).

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BUDGETED CAPITAL EXPENDITURE

The 2020-2021 Budgeted Statement of Capital Expenditure forecasts total capital expenditure of \$31.806m including \$13.165m renewal and \$18.641m new and upgrade.

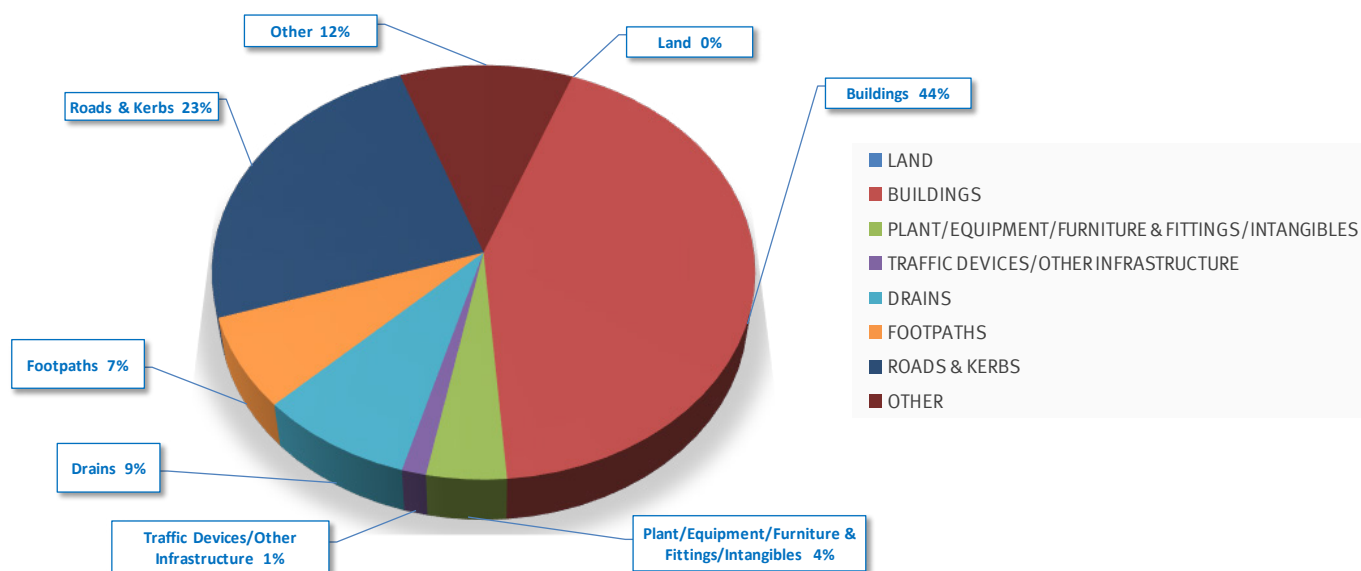
The following table summarises Council's planned Capital Works Program for 2020-2021

Capital Expenditure	2nd Review 2019/20 \$'000	Budget 2020/21 \$'000
Land	74	0
Buildings	12,850	13,867
Infrastructure:		
Roads & Kerbs	7,135	7,416
Drains	1,870	2,721
Footpaths	1,796	2,315
Traffic Control Devices	705	429
Other Infrastructure	3,804	3,177
Plant and Equipment	2,293	1,203
Furniture and Fittings	320	202
Other	3,695	475
Intangibles	19	0
Total Capital expenditure	34,560	31,806
Represented By:		
Capital Expenditure		
Assets - Renewal	11,311	13,165
Assets - New	23,249	18,641
	34,560	31,806

Funding for key capital projects included in the budget include Mitchell Park Sport and Community Club (\$6.6m), Southern Region Soccer Facility (\$2.0m), Tarnham Road Tennis Courts (\$1.64m) and Marion Outdoor Pool upgrades (\$0.430m).

The reduction in in Other Capital Expenditure relates to the Marion Outdoor Pool nearing completion.

BUDGETED CAPITAL EXPENDITURE



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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.

	2nd Review 2019/20 \$'000	Budget 2020/21 \$'000
Net Lending/(Borrowing)		
Operating Surplus/Deficit before Capital Amounts	2,804	4,602
<u>less: Net Outlay on Existing Assets</u>		
Capital expenditure on asset renewal/replacement	11,311	13,165
less Depreciation/Ammortisation	(15,123)	(15,708)
	(3,812)	(2,543)
<u>less: Net Outlay on New/Upgrade Assets</u>		
Capital expenditure on New & Upgrade Assets	23,249	18,641
less Capital Grants	(491)	(4,605)
	22,758	14,036
Adjustments		
(Gain)/loss on disposal of assets	0	-
Share of Equity - Regional Subsidiaries	(1,278)	(365)
	(1,278)	(365)
Net funding increase/(decrease)	(17,420)	(7,256)

The table above identifies the Council's net funding result. Council's budget for 2020-2021 is expected to result in a net decrease in funding of \$7.256m.

Financing transactions associated with accommodating the expected net lending result in 2020-2021 are as follows:

	2nd Review 2019/20 \$'000	Budget 2020/21 \$'000
Financing Transactions		
New Borrowings	0	2,000
less: Repayment of Principal on Borrowings	(1,170)	(1,245)
less: Increase/(Decrease) in Cash & Investments		
Transfers from/(to) Reserves	13,852	5,895
Cash Drawdowns/(Investment)	4,738	606
Equals: Financing Transactions	17,420	7,256

Additional borrowings of \$2m are forecast for 2020-2021, in addition to this, principal repayments of existing loans will result in a forecast balance outstanding as at 30 June 2021 of \$6.39m.

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Council's Long Term Financial Plan includes an allowance for borrowings of up to \$12.96m for the following projects:

Project	Year	\$000's
Mitchell Park Sporting and Community Centre	2020/21	2,000
Mitchell Park Sporting and Community Centre	2021/22	8,000
Administration building essential works - proposed	2022/23	2,960
		12,960

These borrowings are indicative and will see Council's borrowings projected to peak at \$14.5 m in 2022-2023, with its Debt Servicing Ratio peaking at 2.6% in 2023-2024 against a maximum target of 5.0% and its Net Financial Liabilities ratio reaching 8.1% in 2022-2023 against a target of up to 50%.

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 three years up to the end of 2020-2021.

Ratio	Council Target	2020-21 Budget	3 Year Average
Operating Surplus	0% - 10%	4.93%	5.70%
Asset Renewal Funding Ratio (formerly Asset Sustainability Ratio)	95% - 100%	113.92%	101.06%
Asset Consumption	80% - 100%	74.83%	76.16%
Net Financial Liabilities	0% - 50%	-1.92%	N/A
Debt Servicing	0% - 5%	1.70%	N/A

The Asset Consumption ratio falls below the expected target, however the Council's Asset Renewal Funding ratio exceeds the target by 13% in 2020-2021 and by an average 1.06% over the three year window. This indicates that Council's asset base is being maintained and tracking closely to the target of 100% with new capital works. Council is continuing to refine its Asset Management Plans and strategies as they relate to specific asset classes to assist with maintaining or improving this ratio into 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.

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APPENDIX 1. CAPITAL WORKS PROGRAM

STREETSCAPE PROGRAM 2020/21		
Road Name	Suburb	Ward
Sturt Road - Marion to Morphet Road	Oaklands Park	Warracowie
Alawoona Avenue	Mitchell Park	Warriparinga
Quick Road (Stage 2)	Mitchell Park	Warriparinga
Birch Crescent	Clovelly Park	Warriparinga

OPEN SPACE & RECREATION WORKS PROGRAM 2020/21			
Location	Suburb	Ward	Description
Playground Implementation Program			
Brooklyn Drive Reserve	Hallett Cove	Southern Hills	Construction
Capella Drive Reserve	Hallett Cove	Coastal	Construction
George Street Reserve	Marion	Warriparinga	Construction
Glandore Community Centre	Glandore	Woodlands	Construction
Oakvale Way Reserve	Hallett Cove	Coastal	Construction
Stanley Street Reserve	Glengowrie	Mullawirra	Construction
Yanyarrie Avenue Reserve	Edwardstown	Woodlands	Construction
Various*	Various	Various	Remove Playground without replacement
<i>* Council is currently finalising the exact locations for playground removals for 2020/21</i>			
Reserve Improvements			
Alpine Drive Reserve	Seacombe Heights	Warriparinga	Construction
Christopher Grove Reserve	O'Halloran Hill	Southern Hills	Construction
Crown Street Reserve	Dover Gardens	Warracowie	Construction
Denham Avenue Reserve	Morphettville	Mullawirra	Construction
Hallett Close Reserve	Sheidow Park	Southern Hills	Construction
Hugh Johnson Boulevard Reserve	Sheidow Park	Southern Hills	Construction
Kellett Reserve	Morphettville	Mullawirra	Construction
McKellar Terrace Reserve	Morphettville	Mullawirra	Construction
Montague Drive Reserve	Sheidow Park	Southern Hills	Construction
Sandy Glass Court Reserve	Sheidow Park	Southern Hills	Construction
Skipper Close Reserve	Hallett Cove	Southern Hills	Construction
Tilley Court Reserve	Marion	Warriparinga	Construction
Westall Way Reserve	Sheidow Park	Southern Hills	Construction
York Avenue Reserve	Clovelly Park	Woodlands	Construction
Tennis & Netball Courts			
<i>Council is currently finalising the program of works for 2020-2021</i>			

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PROPERTY/BUILDING WORKS PROGRAM 2020/21

Location	Suburb	Ward	Description
<i>Council is currently finalising the program of works for 2020/21</i>			

ROAD RESEAL PROGRAM 2020/21

Road Name	Suburb	Ward	From	To
Admella Court	Hallett Cove	Coastal	The Cove Road	Cul-De-Sac
Grand Central Avenue	Hallett Cove	Coastal	Seaview Avenue	End
Sandison Road	Hallett Cove	Coastal	Pavana Avenue	Gledsdale Road
Sandison Road	Hallett Cove	Coastal	Caswell Drive	Minnipa Drive
Sandison Road	Hallett Cove	Coastal	Bounty Road	Caswell Drive
Sandpiper Terrace	Hallett Cove	Coastal	Gannet Court	End
Shaftesbury Laneway	Marino	Coastal	Carlton Terrace	End
Shaftesbury Terrace	Marino	Coastal	Rockford Place	Jervois Terrace
St Vincents Avenue	Hallett Cove	Coastal	Grand Central Avenue	Seaview Avenue
Yartoo Street	Hallett Cove	Coastal	Grantala Court	End
Acacia Street	Plympton Park	Mullawirra	Stradbroke Avenue	South Terrace
Bray Street	Plympton Park	Mullawirra	Park Terrace	Morphett Road
Harding Street	Glengowrie	Mullawirra	Morphett Road	Filmer Avenue
Hardy Avenue	Glengowrie	Mullawirra	Diagonal Road	Conrad Street
Lawson Avenue	Morphettville	Mullawirra	Morphett Road	Gordon Terrace
Livingstone Street	Glengowrie	Mullawirra	Morphett Road	Wilkins Street
Nilpena Avenue	Park Holme	Mullawirra	Cowra Crescent	Rotorua Avenue
Park Terrace	Plympton Park	Mullawirra	South Terrace	Wattle Terrace
Wattle Terrace	Plympton Park	Mullawirra	Arthur Street	Ferry Avenue
Wattle Terrace	Plympton Park	Mullawirra	Ferry Avenue	Park Terrace
Clare Court	Sheidow Park	Southern Hills	Clare Avenue	End
Westall Way	Trott Park	Southern Hills	Adams Road	Amaroo Road
Crown Street	Dover Gardens	Warracowie	Morphett Road	Winchester Street
Dunedin Street	Dover Gardens	Warracowie	Scarborough Terrace	Quintus Terrace
Dunrobin Road	Warradale	Warracowie	Diagonal Road	CoHB Boundary
Felix Street	Dover Gardens	Warracowie	Scarborough Terrace	Quintus Terrace
Folkestone Road	Dover Gardens	Warracowie	Dalkieth Avenue	Scarborough Terrace

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ROAD RESEAL PROGRAM 2020/21 (continued)

Greenasche Grove	Seacombe Gardens	Warracowie	Kingston Avenue	Sutton Avenue
Richman Street	Oaklands Park	Warracowie	Morphett Road	Finniss Street
Spring Street	Seacombe Gardens	Warracowie	Russell Avenue	End
Wilton Avenue	Warradale	Warracowie	Diagonal Road	CoHB Boundary
Coolah Terrace	Marion	Warracowie	Beauford Avenue	Pethick Terrace
Avalon Road	Marion	Warriparinga	Marion Road	Betty Street
Bede Street	Seacombe Heights	Warriparinga	Karoona Crescent	Alpine Road
Brolga Place	Sturt	Warriparinga	Diagonal Road	Ralph Street
Dorian Avenue	Seacombe Heights	Warriparinga	Seacombe Crescent	End
George Street	Marion	Warriparinga	Larkdale Street	Finniss Street
Grand View Drive	Seacombe Heights	Warriparinga	Seacombe Crescent	Braeside Avenue
Inverness Avenue	Marion	Warriparinga	Pemberton Street	Boyle Street
Karoona Crescent	Seacombe Heights	Warriparinga	Braeside Avenue	Bede Street
Minkie Avenue	Mitchell Park	Warriparinga	Raggatt Crescent	Thorne Crescent
Rathlin Avenue	Marion	Warriparinga	Alison Avenue	Avalon Road
Stroma Road	Marion	Warriparinga	Andrew Avenue	Avalon Road
Waterman Terrace	Mitchell Park	Warriparinga	Lodge Street	Geraldine Avenue
Adelaide Terrace	Edwardstown	Woodlands	Lindsay Avenue	Flinders Street
Beaumont Street	Clovelly Park	Woodlands	Daws Road	Norrie Avenue
Carramar Avenue	Edwardstown	Woodlands	Daws Road	Konando Terrace
Castle Street	South Plympton	Woodlands	Harris Street	Chitral Terrace
Finchley Street	Clovelly Park	Woodlands	Norrie Avenue	English Avenue
Furness Avenue	Edwardstown	Woodlands	South Road	Russell Terrace
Gertrude Street	Edwardstown	Woodlands	Churchill Road	Malwa Street
Hazel Street	Ascot Park	Woodlands	Daws Road	End
Lindfield Avenue	Edwardstown	Woodlands	Wooton Road	End
Norrie Avenue	Clovelly Park	Woodlands	Beaumont Street	Percy Avenue
Percy Avenue	Clovelly Park	Woodlands	Norrie Avenue	English Avenue
Raglan Avenue	South Plympton	Woodlands	John Street	Towers Terrace
Robinson Street	Edwardstown	Woodlands	Navigator Avenue	Holdfast Drive
Thomas Street	South Plympton	Woodlands	Marion Road	Towers Terrace
Walker Avenue	Clovelly Park	Woodlands	Kensington Street	Celtic Avenue
Waverley Avenue	Edwardstown	Woodlands	Weaver Street	Woodland Avenue
Waverley Avenue	Edwardstown	Woodlands	Dunorlan Road	Weaver Street
Wingate Street	Edwardstown	Woodlands	Railway Terrace	Robert Street
Winifred Avenue	South Plympton	Woodlands	Cross Road	View Road
Wood Street	Ascot Park	Woodlands	Marion Road	Edgeworth Street

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KERB & WATER TABLE PROGRAM 2020/21

Road Name	Suburb	Ward	From	To
Columbia Crescent	Hallett Cove	Coastal	Grand Central Avenue	Mayflower Crescent
Dutchman Drive	Hallett cove	Coastal	Gwen Street	Heron Way
Grand Central Avenue	Hallett Cove	Coastal	Shamrock Road	Ranger Street
The Cove Road	Hallett cove	Coastal	Barossa Crescent (North)	Jervios Terrace
Arthur Street	Seacliff Park	Coastal	John Street	Gully Road
Baker Street	Glengowrie	Mullawirra	Filmer Avenue	Rosslyn Street
Cliff Street	Glengowrie	Mullawirra	Gillespie Street	CoHB Boundary
Agars Avenue	Morphettville	Mullawirra	Bray Street	Austral Terrace
Regan Avenue	Morphettville	Mullawirra	Dpti split	Quinn Street
Rosedale Avenue	Morphettville	Mullawirra	Oaklands Road	DPTI split
Bowaka Street	Park Holme	Mullawirra	Cungena Avenue	Condada Avenue
Chambers Street	Park Holme	Mullawirra	Whittier Avenue	Cul-De-Sac
Tarranna Avenue	Plympton Park	Mullawirra	Ross Street	Mulcra Avenue
Basten Avenue	Seaview Downs	Southern Hills	Penong Street	Davenport Terrace
Chandada Street	Seaview Downs	Southern Hills	Morphett Road	Yeelanna Avenue
Wangary Terrace	Seaview Downs	Southern Hills	Seacombe Road	Cadell Street
Hutt Street	Sheidow Park	Southern Hills	Lonsdale Road	Cul-De-Sac
Adams Road	Trott Park	Southern Hills	Whiteley Drive (West)	Cassab Court
Boyle Street	Oaklands Park	Warracowie	Finniss Street	Heathcote Street
Boyle Street	Oaklands Park	Warracowie	Heathcote Street	George Street
Doreen Street	Oaklands Park	Warracowie	Milton Street	Cul-De-Sac
Alderman Avenue	Seacombe Gardens	Warracowie	Diagonal Road	DPTI split
Russell Avenue	Seacombe Gardens	Warracowie	Ramsay Avenue	Wilga Street
Sutton Avenue	Seacombe Gardens	Warracowie	Glamis Avenue	Rider Street
Bowker Street	Warradale	Warracowie	Lindley Avenue	Macarthur Avenue
Buckingham Avenue	Warradale	Warracowie	Oaklands Road	Spruce Avenue
Pine Avenue	Warradale	Warracowie	Diagonal Road	DPTI split
Railway Terrace	Warradale	Warracowie	Third Avenue	Sixth Avenue
Wilton Avenue	Warradale	Warracowie	Diagonal Road	CoHB Boundary
Waterman Terrace	Mitchell Park	Warriparinga	Marion Road	Cul-De-Sac
Woodland Road	Mitchell Park	Warriparinga	Bradley Grove (South)	Handley Avenue
Braeside Avenue	Seacombe Heights	Warriparinga	Seacombe Road	Truscott Avenue
Glen Street	Seacombe Heights	Warriparinga	Braeside Avenue	Crystal Street
Miller Street	Sturt	Warriparinga	Seacombe Road	Diagonal Road
Mimosa Terrace	Clovelly Park	Woodlands	Oak Avenue	Ash Avenue
Towers Terrace	Edwardstown	Woodlands	Wheaton Street	Castle Street
Towers Terrace	Edwardstown	Woodlands	Raglan Avenue	Stuart Road
Chitral Terrace	South Plympton	Woodlands	Cross Road	DPTI split
Pleasant Avenue	South Plympton	Woodlands	Winifred Avenue	Ray Street

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RESIDENTIAL FOOTPATH PROGRAM 2020/21

Road Name	Suburb	Ward
Proactive Footpath Works	Various	Various
Capella Reserve (Stage 2)	Hallett Cove	Coastal
Corsair Court	Hallett Cove	Coastal
Falcon Court	Hallett Cove	Coastal
Nungamoorra Street	Hallett Cove	Coastal
The Cove Road	Hallett Cove	Coastal
Newland Avenue Reserve	Marino	Coastal
Kersley Avenue	Glengowrie	Mullawirra
Morphettville Urban Renewal Project	Morphettville	Mullawirra
Agnes Street	Glengowrie	Mullawirra
Frederick Street	Glengowrie	Mullawirra
Duncan Avenue	Park Holme	Mullawirra
Christopher Court	O'Halloran Hill	Southern Hills
Berrima Road	Sheidow Park	Southern Hills
Eaton Court	Sheidow Park	Southern Hills
Dunrobin Road	Warradale	Warracowie

TRAFFIC DEVICES PROGRAM 2020/21

Road Name	Suburb	Ward	Description
Ayres Court	Morphettville	Mullawirra	Paved parking areas
Alpha Street	Morphettville	Mullawirra	Paved parking areas
Young Street	Sheidow Park	Southern Hills	Woodend Primary School koala crossing
Lander Road/Young Street	Sheidow Park	Southern Hills	Intersection upgrade
Ludgate Avenue	Trott Park	Southern Hills	Paved parking areas
Dunrobin Road	Warradale	Warracowie	Christ the King School koala crossing
Delaine Avenue	Edwardstown	Woodlands	Driveway link removal

STORMWATER DRAINAGE PROGRAM 2020/21

Road Name	Suburb	Ward
Lucretia Wetland	Hallett Cove	Coastal
Shaftesbury Lane / Bandon Terrace Reserve	Marino	Coastal
Calauria Crescent / Wistow Crescent	Sheidow Park	Southern Hills
Coolah Terrace	Marion	Warracowie
Shetland Avenue	Marion	Warraparinga
Ayre Street	South Plympton	Woodlands
Lynton Avenue / Castle Street	South Plympton	Woodlands

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IRRIGATION & WETLANDS PROGRAM 2020/21

Location	Suburb	Ward
Manoora Drive Reserve	Hallett Cove	Coastal
Mema Court Reserve	Hallett Cove	Coastal
Heron Way Reserve	Hallett Cove	Coastal
Stanley Street Reserve	Glengowrie	Mullawirra
Westall Way Reserve	Sheidow Park	Southern Hills
Mitchell Street Reserve	Seaview Downs	Southern Hills
Capella Reserve	Hallett Cove	Coastal
Brooklyn Road	Hallett Cove	Southern Hills
George Street Reserve	Marion	Warriparinga
Glandore Community Centre	Glandore	Woodlands
Yanyarrie Street Reserve	Edwardstown	Woodlands

OTHER INFRASTRUCTURE PROGRAM 2020/21

Details	Suburb	Ward
Bus Shelters	Various	Various
Sturt River Linear Path	Beford Park	Warriparinga
Signage	Various	Various
Lighting	Various	Various

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APPENDIX 2. RATING POLICY

RATING

(1) VALUATION METHODOLOGY AND ADOPTION

Council uses Capital Value as the basis for valuing land within the Council area. Capital Value is the value of the land and all of the improvements on the land. The Council also continues to adopt the capital valuations distributed by the Valuer-General.

(SEE ANNEXURE 1)

(2) DIFFERENTIAL GENERAL RATES

All land within a council area, except for land specifically exempt under section 147 (2) of the Act is rateable. The Act provides for a council to raise revenue through a general rate, which applies to all rateable land, or through differential general rates, which differentially apply to classes of rateable land. Council uses a differential rating system to raise revenue based upon Land Use to ensure a fair and equitable distribution of rates within the City of Marion. 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.

The differential general rate Land Use categories are as follows:

- Category 1 Residential
- Category 2 Commercial – Shop
- Category 3 Commercial – Office
- Category 4 Commercial – Other
- Category 5 Industrial – Light
- Category 6 Industrial – Other
- Category 7 Primary Production
- Category 8 Vacant
- Category 9 Other

These differential rates will be used to determine the rates in the dollar for all properties within the City of Marion area for the financial year. These rates will be specified in Council's rate declaration for each financial year.

(SEE ANNEXURE 1)

(3) MINIMUM RATE

A minimum amount payable by way of general rates is determined to apply to the whole of an allotment (including land under a separate lease or licence) and only one minimum amount is payable in respect of two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier.

The Minimum Rate to apply to properties within the City of Marion will be detailed in Council's rate declaration for each financial year.

(See Annexure 1)

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(4) SERVICE CHARGE

The Council has decided not to impose any service charges for this financial year.

(5) REGIONAL LANDSCAPE LEVY (FORMERLY NATURAL RESOURCES MANAGEMENT LEVY)

The Council, under the *Landscape South Australia Act 2019*, is required to collect this levy. It does so by imposing a separate rate for all rateable properties within the Council area.

For each financial year, the levy for each property will be determined by the total capital valuation within the City of Marion. The calculation is as follows;

- Total Capital Value divided by the Total Amount Required, (set for the financial year by the Green Adelaide Board) determines an appropriate rate in the dollar, this rate in the dollar will then be adopted to each property.

(SEE ANNEXURE 1)

(6) PAYMENT OF RATES

The Council has determined that payment of rates for the 2020-2021 financial year will be by four instalments, due on 2 September 2020, 2 December 2020, 2 March 2021 and 1 June 2021. However, the total amount of rates may be paid in full at any time.

Council has determined that rates may be paid by the following methods;

- Australia Post – Post Office, Telephone or Internet
- Bpay – Telephone or internet payments
- Centrepay – Deductions directly from Centrelink deductions
- Direct Debit – Direct from either a Cheque or Savings account
- Eservices – Direct through the Council's Internet system
- In person - At Council Offices
- By Mail - Locked Bag 1 Oaklands Park SA 5046

(7) LATE PAYMENT OF RATES

Council imposes an initial penalty (a fine) of 2% as prescribed under the Act on any instalment that is received late. A prescribed interest rate (which includes the amount of any previous unpaid fine and interest) will apply on the expiration of each month that a balance remains unpaid.

When Council receives a payment in respect of overdue rates, the money received is applied in the order set out below, in accordance with Section 183 of the Act,

- First – to satisfy any costs awarded in connection with court proceedings;
- Second – to satisfy any interest costs;
- Third – in payment of any fines imposed;
- Fourth – in payment of rates, in chronological order (starting with the oldest account first).

(SEE ANNEXURE 1)

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(8) REBATES AND POSTPONEMENT OF RATES

(8.1) RATE REBATE POLICY

Refer to the Rate Rebate Policy attached.

(8.2) RATE CAPPING

Section 166 (1) (l) (ii) of the Act provides for the discretionary rebate of rates where, among other things, there has been a rapid change in valuations.

Council will provide relief against a substantial increase in rates payable on residential land due to large increases in capital value by applying a rebate (capping) of general rates to eligible ratepayers.

For the current financial year, the rate cap is set at 12% with a \$20 minimum and a \$200 maximum (excluding new or improved properties) for ratepayers who meet the Qualifying Criteria set out below:

Qualifying Criteria:

- The property is the owner's principal place of residence.
- The property has not had more than \$20,000 of improvements.
- The property value has not increased due to zoning changes.
- The land use for rating purposes has not changed since 1st July of the previous financial year.
- The property has not sold since the 1st January of the previous financial year.

Rate capping will be applied automatically to properties that can be readily identified as being eligible. Where this rebate is not applied automatically, ratepayers who consider they could be eligible for rate capping may apply in writing to Council. Applications will be assessed against the eligible criteria. Only applications for the current financial year will be accepted and must be received in the current financial year.

(8.3) RESIDENTIAL CONSTRUCTION ON VACANT LAND

Under Section 166 (1) (a) of the Act, and for the purpose of securing the proper development of the area, a discretionary rebate of general rates for the 2020-2021 financial year will be granted in respect of an assessment classed as vacant land by the Council, where:

- The principal ratepayer of the assessment applies to the Council for the rebate prior to 30 June 2021, and
- The footings have been poured on the property by 30 June 2021

The amount of the rebate will be the difference between the general rate in the dollar applicable to Vacant land, and the general rate in the dollar applicable to Residential land. This is calculated by the number of days remaining between 1 July 2020 and 30 June 2021 from the date footings are poured for a residence on the land. Minimum Rate is still applicable.

(8.4) POSTPONEMENT OF RATES – HARDSHIP

Section 182 of The Act permits the Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates they may submit an application in writing to the Council's Team Leader Rating Services. The Council treats such inquiries confidentially.

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COVID-19 PROVISION

Ratepayers experiencing financial difficulties and are unable to meet standard payment arrangements due to COVID-19 can contact Council to discuss alternative payment options. Council will review the provisions in early 2020/21.

(8.5) POSTPONEMENT OF RATES – SENIORS

An Application may be made to Council by ratepayers who meet the criteria required for qualification for the postponement under Section 182A of The Act. (see Annexure 1 for criteria)

(9) SALE OF LAND FOR NON-PAYMENT OF RATES

The Act provides that a council may sell any property where the rates have been in arrears for three years or more. Council is required to notify the owner of the land of its intention to sell the land, provide the owners with details of the outstanding amounts, and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month. Except in extraordinary circumstances, the Council enforces the sale of land for arrears of rates.

(10) CONCESSIONS COST OF LIVING CONCESSION

Pensioners, low-income earners and self-funded retirees holding a Commonwealth Seniors Health Card can receive up to \$200 per year. Eligibility includes pensioners and low-income earners who are tenants.

For further information contact the Concessions Hotline on 1800 307 758.

RATE REBATES

(1) POLICY STATEMENT

Council has decided to adopt a Rate Rebate Policy for all rateable land within the Council's area which is applied in accordance with Sections 159 to 166 of the Act. This Policy will assist the Council as a decision making function and is intended to provide guidance to the community as to the matters that the Council will take into account in deciding an application for a rebate.

The Policy also sets out the type of land use for which the Council must grant a mandatory rebate of rates and the percentage amount applicable, and those types of land use where the Council has the ability to grant a discretionary rebate of rates. Rebates will only be available when the applicant satisfies the requirements under both the Act and, where appropriate, the requirements of this Policy.

(2) MANDATORY REBATES

Mandatory rate rebates will be granted by Council at the prescribed rate in accordance with Sections 159 to 165 of The Act.

- S160 – Health Services 100% Rebate
- S161 – Community Services (Including Housing Associations) 75% Rebate
- S162 – Religious Purposes 100% Rebate
- S163 – Public Cemeteries 100% Rebate
- S164 – Royal Zoological Society of SA 100% Rebate
- S165 – Educational Purposes 75% Rebate

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Where the Council is satisfied from its own records, or from other sources, that a person or body meets the necessary criteria for a mandatory rate rebate, the Council will grant the rebate accordingly. Where the Council is not satisfied based on the information in its possession or otherwise does not hold relevant information, it will require the person or body to lodge an application in accordance with this Policy.

Where a person or body is entitled to mandatory rate rebate of 75% only, the Council may increase the rebate up to a further 25%. The Council may grant this further 25% rebate on application.

Where an application is made to the Council for a rebate of up to a further 25%, the application will be determined and written notice will be provided to the applicant of its determination of that application.

(3) DISCRETIONARY REBATES

A discretionary rate rebate may be granted by the Council, at its absolute discretion, up to and including 100% relief to any cases pursuant to Section 166 of the Act.

Any persons or bodies seeking a discretionary rebate, will be required to submit an application form to the Council and provide to the Council such information as stipulated on the application form and any other information that the Council may reasonably require.

(4) APPLICATION

The council will inform the community of the provisions for rate rebate under the Act by the inclusion of an advert in the local newspaper each year.

Application forms may be obtained from the Council office located at 245 Sturt Road, Sturt.

The Council will advise an applicant for a rebate of its determination of that application in due course, after receiving the application and receiving all information requested by the Council. The advice will state –

- if the application has been granted, the amount of the rebate; or
- if the application has not been granted, the reasons why.

(5) IN REGARDS TO PRESCRIBED DISCRETIONARY RATE REBATES THE COUNCIL WILL TAKE INTO ACCOUNT, IN ACCORDANCE WITH SECTION 166(1A) OF THE ACT, THE FOLLOWING MATTERS –

- The nature and extent of Council services provided in respect of the land for which the rebate is sought, in comparison to similar services provided elsewhere in the Council area;
- The community need that is being met by activities carried out on the land for which the rebate is sought; and
- the extent to which activities carried out on the land, for which the rebate is sought, provides assistance or relief to disadvantaged persons; and
- Such other matters as the Council considers relevant.

(6) THE COUNCIL MAY TAKE INTO ACCOUNT OTHER MATTERS CONSIDERED RELEVANT BY THE COUNCIL INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING–

- Why there is a need for financial assistance through a rebate;
- The level of rebate (percentage and dollar amount) being sought and why it is appropriate;
- The extent of financial assistance, if any, being provided to the applicant and/or in respect of the land by Commonwealth or State agencies;
- Whether the applicant has made/intends to make applications to another Council;
- Whether, and if so to what extent, the applicant is or will be providing a service within the Council area;
- Whether the applicant is a public sector body, a private not for profit body or a private for profit body;
- Whether there are any relevant historical considerations that may be relevant for all or any part of the current Council term;
- The desirability of granting a rebate for more than one year;
- Consideration of the full financial consequences of the rebate for the Council;

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- The time the application is received;
- The availability of any community grant to the person or body making the application;
- Whether the applicant is in receipt of a community grant; and
- Any other matters and policies of the Council, which the Council considers relevant.

All persons or bodies wishing to apply to the Council for a discretionary rebate of rates must do so on or before 1 May in that financial year for which the rebate is sought.

- The Council may grant a rebate of rates on such conditions as the Council thinks fit.
- The Council may, for proper cause, determine that an entitlement to a rebate of rates under the Act no longer applies.
- Where an entitlement to a rebate of rates ceases or no longer applies during the course of a financial year, the Council is entitled to recover rates, or rates at the increased level (as the case may be), proportionate to the remaining part of the financial year.

It is an offence for a person or body to make a false or misleading statement or representation in an application, or to provide false or misleading information or evidence in support of an application made (or purporting to be made) under the Act.

The maximum penalty for this offence is \$5,000.

If a person or body has the benefit of a rebate of rates and the grounds on which the rebate has been granted cease to exist, the person or body must immediately inform the Council of that fact and (whether or not the Council is so informed) the entitlement to a rebate ceases. If a person or body fails to do so that person or body is guilty of an offence.

The maximum penalty for this offence is \$5,000.

(7) DELEGATION

The Council has delegated its power, pursuant to Section 44 of the Act to determine applications and to grant a discretionary rebate of rates, to the Chief Executive Officer on the condition that the discretionary rebate is not more than \$5,000.

(8) REVIEW OF REBATE

A person or a body aggrieved by a determination of the Council in respect of an application for a rebate may, within 14 days of the date of the notice of determination, seek a review of that decision in accordance with the Council's Internal Review of Council Decisions Policy.

(9) COMMUNITY GRANTS

If an application for a rebate is unsuccessful, the Council has an absolute discretion to then treat the application as one for a community grant and to determine it in accordance with the Council's Community Grants Policy.

(10) AVAILABILITY OF POLICY DOCUMENTS

Policy documents are available for inspection at the Council offices and on the website at www.marion.sa.gov.au. Persons may obtain a copy of any Policy document upon payment of the fee set by the Council.

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DISCLAIMER

A rate cannot be challenged on the basis of non-compliance with this Policy and must be paid in accordance with the required payment provisions.

Where a ratepayer believes that the Council has failed to properly apply this Policy they should raise the matter with the Council. In the first instance contact the Council's Team Leader – Rating Services on 8375 6617 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they should write to the Chief Executive Officer, City of Marion, PO Box 21, Oaklands Park, SA 5046

ANNEXURE 1

1. VALUATION METHODOLOGY AND ADOPTION

Under the Act, the Council may adopt one of three valuation methodologies to value the properties in its area. They are:

- Capital Value – the value of the land and all of the improvements on the land.
- Site Value – the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements.
- Annual Value – a valuation of the rental potential of the property

The Council considers that the Capital Value method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth;
- Property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property, provides the best indicator of overall property value;
- The distribution of property values throughout the Council area is such that few residential ratepayers will pay significantly more than the average rate per property.

Any ratepayer dissatisfied with the valuation made by the Valuer General may object in writing to the Valuer General within 60 days of receiving a rate notice, explaining the basis for the objection. This is provided that ratepayer has not:

- previously received a notice of this valuation under the Act, in which case the objection period is 60 days from the receipt of the first notice; or
- previously raised an objection to that valuation.

The 60 day objection period may be extended by the Valuer-General where it can be shown there is reasonable cause to do so.

It is important to note that the lodgement of an objection does not change the payment of rates or the due date.



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2. DIFFERENTIAL GENERAL RATES

All land within a council area, except for land specifically exempt (e.g. crown land, council occupied land and other land prescribed under the Act – refer to Section 147), is rateable. The Act provides for a council to raise revenue for the broad purposes of the Council through the imposition of a single general rate or through differential general rates that apply to all rateable properties within the Council area.

Following a review of rating options available under the Act during the 2002/2003 financial year, the Council consulted extensively with the community on this issue and concluded that a differential rating system would improve the equity in rate distribution across the community. The review included a comparison of rating methods and rates by land use within the Adelaide metropolitan area.

Differential general rates are based on Land Use as determined in the Local Government (General) Regulations 2013 under the Act. If a ratepayer believes that a particular property has been wrongly classified by the Council as to its land use, then they may object (to the Council) to that land use within 60 days of being notified. A ratepayer may discuss the matter with a Rates Officer, on 8375 6600 in the first instance. The Council will provide, on request, a copy of Section 156 of the Act which sets out the rights and obligations of ratepayers in respect of objections to a land use.

An objection to the land use:

- Must be in writing
- Must set out-
 - The grounds of the objection; and
 - The land use (being a land use being used by the Council as a differentiating factor) that should, in the objector's opinion, have been attributed to the land; and
- Must be made within 60 days after the objector receives notice of the particular land use to which the objection relates.
- This 60 day objection period may be extended where it can be shown there is reasonable cause to do so.

The Council may then decide the objection as it sees fit and notify the ratepayer. A ratepayer also has the right to appeal against the Council's decision to the Land and Valuation Court. It is important to note that the lodgement of an objection does not change payment of rates or the due date.

3. MINIMUM RATE

The reasons for imposing a minimum amount payable by way of general rates are:

- The Council considers it appropriate that all rateable properties make a contribution to the cost of administering the Council's activities;
- The Council considers it appropriate that all rateable properties make a contribution to the cost of creating and maintaining the physical infrastructure that supports each property.
- No more than 35% of properties will be subject to the minimum amount.

4. REGIONAL LANDSCAPE LEVY (FORMERLY THE NATURAL RESOURCE MANAGEMENT LEVY)

It is important to note that Council is required to collect this levy under the Landscape South Australia Act 2019 and operates as a revenue collector for the Green Adelaide Board in this regard. It does not retain this revenue or determine how the revenue is spent.

For further information visit <https://landscape.sa.gov.au/>

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5. LATE PAYMENT OF RATES

Under the Act, the Council applies penalties (fines and interest) to arrears of rates (i.e. rates which are not paid on or before the due date). The Council issues a final notice for payment of rates when rates are overdue i.e. unpaid by the due date. If rates remain unpaid more than 21 days after the issue of the final notice then the Council may refer the debt to a debt collection agency for collection. This may result in legal proceedings with costs on-charged to the ratepayer.

The Council has adopted a policy to assist ratepayers experiencing difficulty in making their rate payment by the due date. The Council will consider approving extended payment provisions or, in circumstances where hardship can be demonstrated, deferring the payment of rates.

The Council may be prepared to remit penalties (fines and interest) for late payment of rates where ratepayers can demonstrate hardship or sufficient other reason for late payment.

All applications for remissions must be in writing, addressed to: Rating Services Section, City of Marion, PO Box 21, Oaklands Park, SA 5046.

6. DISCRETIONARY REBATE

The Act requires the Council to rebate the rates payable on certain land ('mandatory rebates'). The Act, at section 166, also empowers the Council to grant discretionary rebates of rates of up to 100% of the rates and/or charges payable. The Council, in considering discretionary rebates, must balance the benefits of providing rebates, with the impact that such rebates have on its overall income (and hence upon the general ratepayer base). To promote the transparency of this process the Council has adopted a Rate Rebate Policy. A copy of this Policy is available at the Council offices or on Council's website at www.marion.sa.gov.au.

7. POSTPONEMENT OF RATES – SENIORS

The following criteria must be satisfied before the postponement is granted.

- The person is a prescribed ratepayer, or the spouse of a prescribed ratepayer;
- A prescribed ratepayer means the holder of a current State Seniors Card or a person eligible to hold such a card who has applied but is yet to be issued with a card.
- Rates are payable on the principal place of residence.
- The land is owned by the prescribed ratepayer, or the prescribed ratepayer and his or her spouse, and no other person has an interest, as owner, in the land.
- Any current mortgage over the property which was registered prior to 25 January 2007 will be no more than 50% of the Valuer-General's capital value of the property.

An application must be made in the prescribed manner and form and be accompanied by such information as the Council may require. Any rates which are postponed will become due and payable when:

- The title to the land is transferred to another person; or
- There is failure to comply with a condition of postponement.

A minimum amount of \$500 of the annual rates must be paid.

An entitlement to a remission will be applied to the proportion of the rates that has not been postponed, unless notice to the contrary is received in writing from the owner.

Interest will accrue on the amount postponed at the prescribed rate per month, under the Act until the amount is paid.

Should the entitlement to a postponement cease to exist, the owner of the land must inform the Council in writing, unless the rates and any interest have been paid in full.

APPENDIX 3. LONG TERM FINANCIAL PLAN

City of Marion 10 Year Financial Plan for the Years ending 30 June 2030 BUDGET SUMMARY - GENERAL FUND Scenario: Draft LTFF - Zero Average Rate Increase 2020-21											
	Indexation Rate	Projected Years									
		2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
Income	0.00%		1.80%	1.80%	1.80%	1.40%	1.40%	1.40%	1.30%	1.30%	1.30%
Rates		80,051	82,286	84,584	86,946	89,035	91,174	93,364	95,516	97,718	99,970
Statutory Charges		2,213	2,268	2,325	2,383	2,442	2,503	2,566	2,630	2,696	2,763
User Charges		2,278	2,335	2,393	2,453	2,514	2,577	2,642	2,708	2,775	2,845
Grants, Subsidies and Contributions		6,667	7,041	6,272	7,395	6,445	6,606	6,771	6,941	7,114	7,292
Investment Income		505	987	1,073	1,131	1,176	1,233	1,288	1,349	1,412	1,512
Reimbursements		852	873	895	918	940	964	988	1,013	1,038	1,064
Other Income		516	496	502	507	513	518	524	530	536	543
Net gain - equity accounted Council businesses		365	376	387	399	411	423	436	449	462	476
Total Income		93,446	96,662	98,430	102,131	103,477	105,999	108,579	111,135	113,762	116,465
Expenses											
Employee Costs		37,230	38,212	39,077	40,121	41,093	42,206	43,177	44,170	45,186	46,225
Materials, Contracts & Other Expenses		35,584	34,157	34,854	34,599	35,344	36,227	37,777	38,059	39,010	39,984
Depreciation, Amortisation & Impairment		15,708	16,792	17,464	18,162	18,889	19,644	20,430	21,247	22,097	22,981
Finance Costs		322	329	590	628	536	468	398	324	247	172
Total Expenses		88,844	89,490	91,984	93,510	95,562	98,545	101,781	103,800	106,539	109,362
Operating Surplus		4,602	7,172	6,446	8,622	7,915	7,454	6,798	7,336	7,223	7,103
Operating Surplus Ratio		4.93%	7.42%	6.55%	8.44%	7.36%	7.03%	6.26%	6.60%	6.35%	6.10%
Amounts Received Specifically for New or Upgraded Assets		4,605	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficit) for the Year		9,207	7,172	6,446	8,622	7,915	7,454	6,798	7,336	7,223	7,103
Capital (Balance Sheet) and Reserve Movements											
Capital Expenditure		(31,806)	(31,436)	(25,554)	(25,304)	(23,259)	(24,005)	(24,832)	(25,867)	(26,881)	(27,726)
Loan Repayments (External)		(1,245)	(994)	(1,714)	(2,044)	(1,470)	(1,537)	(1,607)	(1,681)	(1,759)	(1,419)
New Loan Borrowings (External)		2,000	8,000	2,960	-	-	-	-	-	-	-
Net Transfers (to)/from Reserves		5,895	917	785	793	(815)	(815)	(315)	(315)	(315)	(315)
Total Capital (Balance Sheet) and Reserve Movements		(25,156)	(23,513)	(23,523)	(26,555)	(25,544)	(26,356)	(26,754)	(27,863)	(28,954)	(29,459)
Net Result (including Depreciation & Other non-cash items)		(15,948)	(16,341)	(17,077)	(17,933)	(17,929)	(18,903)	(19,957)	(20,527)	(21,731)	(22,556)
Add back Depreciation Expense (non-cash)		15,708	16,792	17,464	18,162	18,889	19,644	20,430	21,247	22,097	22,981
Less Other Income (non-cash)		(365)	(376)	(387)	(399)	(411)	(423)	(436)	(449)	(462)	(476)
Cash Budget Surplus		(606)	75	(0)	(170)	549	318	38	271	(96)	149

Asset Management

Originating Officer	Unit Manager Asset Solutions - Brendon Lyons
Corporate Manager	Manager Engineering, Assets and Environment - Mathew Allen
General Manager	General Manager City Services - Tony Lines
Report Reference	FAC200519R06

REPORT OBJECTIVE

To provide the Finance and Audit Committee with an update on the following:

- City of Marion's Asset Management obligations under the Local Government Act 1999 and the associated governance approval process to meet these obligations.
- Draft Fleet, Plant and Equipment Asset Management Plan and seek feedback.
The results from the City of Marion's Asset Management Maturity Assessments and progress from 2017 to 2020.
- The results from the City of Marion's Asset Management Maturity Assessments and progress from 2017 to 2020.

EXECUTIVE SUMMARY

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

Council's assets range from roads and footpaths, to buildings, playgrounds, barbecues, shelters, vehicles, machinery and stormwater drains. In addition, we receive a number of "gifted" assets from State Government and developers which attract ongoing operational and maintenance costs over their life.

The South Australian Local Government Act 1999 and its regulations require each council to have Asset Management Plans covering the management of infrastructure and other major assets of the Council for a period of at least ten years. In addition to the legislative requirement, our role is to ensure our assets meet the needs of the community now and into the future.

The City of Marion's vision for Asset Management is - *"To maintain the City of Marion's assets to agreed levels of service which maximise community value throughout an asset's life".*

It is this vision that is driving Asset Management improvement at the City of Marion.

RECOMMENDATIONS:

That the Finance and Audit Committee:

1. Notes this report.
2. Provides feedback on the draft Fleet, Plant and Equipment Asset Management Plan.

DISCUSSION

Asset Management Obligations

Under the Local Government Act 1999 [Chapter 8, Part 1, Section 122 (1)(1a)], Council is required to develop and adopt Asset Management Plans (AMPs). These AMPs form part of Council's strategic documentation and are required to be reviewed as soon as practicable after adopting the Council's annual business plan for a particular financial year; and in any event, within 2 years after each general election of the council [Chapter 8, Part 1, Section 122 (4)(a)(b)]. This means that the City of Marion is required to adopt a suite of AMPs by November 2020.

Over the past 12 months, the Asset Solutions Team has been partnering with Asset Owners to develop AMPs for the following asset classes:

- Transport Assets
- Stormwater Assets
- Fleet, Plant and Equipment Assets
- Water Resource Assets
- Building and Structure(s) Assets
- Open Space Assets
- Coastal Walking Trail
- Artwork, Culture and Heritage Assets

The AMPs will progressively be brought to the Finance and Audit Committee for comment before General Council endorsement. The detailed governance reporting timeline and asset management plan endorsement program is attached (refer Attachment 1 – Asset Management Plans – Governance Approval Process).

Fleet Asset Management Plan

The first of these AMP's for comment and feedback is the Draft Fleet, Plant and Equipment Asset Management Plan (refer Attachment 2 - Draft Fleet Asset Management Plan 2020). The Contracts and Procurement team in partnership with the Asset Solutions Team has prepared this.

The remaining seven Asset Management Plans will be brought to the Finance and Audit Committee meeting on 10 July 2020.

Asset Management Maturity Assessment

In parallel to the legislative requirement to develop AMPs the organisation has been tracking its performance in asset management by undertaking an industry standard Asset Management Maturity Assessment.

The Asset Management Maturity Assessment uses a series of questions that have been developed around asset and financial management maturity competencies. These are linked to the key elements of the national sustainability frameworks adopted by Australian State and Federal Governments. The questionnaire helps to identify what has been done and what needs to be done to achieve 'core' maturity for an organisation that manages and is responsible for large asset portfolios such as the City of Marion.

There are 11 elements of asset and financial management identified as part of the national frameworks. The Asset Management Maturity Assessment allows an organisation to rate their progress against each assessment competency of the 11 elements as either not started, partially complete or complete.

The 11 elements are:

- 1.1 - Strategic Plan
- 1.2 - Annual Budget
- 1.3 - Annual Report
- 2.1 - AM Policy

- 2.2 - AM Strategy
- 2.3 - AM Plans
- 2.4 - Governance
- 2.5 - Levels of Service
- 2.6 - Data & Systems
- 2.7 - Skills & Processes
- 2.8 - Evaluation

In 2017 the CoM engaged consulting firm Jeff Roorda and Associates (JRA) to undertake the first Asset Management Maturity Assessment. JRA engaged with key stakeholders across the organisation to baseline CoM's asset management maturity against the 11 elements of the asset management framework. This assessment identified that City of Marion was meeting 1 out of 11 of the core competencies with 37% of the 208 assessment areas completed.

The findings of the Asset Management Maturity Assessment and a study into CoM's asset management systems and tools led to the development of the Asset Management Improvement Plan 1.0 (AMIP 1.0). This plan identified a series of critical projects to build CoM's asset management capability against the core competencies.

In March 2019, CoM undertook a second Asset Management Maturity Assessment. This assessment highlighted an improvement across the organisation driven by the success of the projects undertaken as part of AMIP 1.0. However, CoM was still only achieving competency in 2 out of 11 of the core competencies with 65% of the 208 assessment areas completed.

The remaining competency gaps identified in the second Asset Management Maturity Assessment formed the key projects for 2019/20 in AMIP 2.0.

The key project areas for AMIP 2.0 were:

- Development of Asset Management Plans (for each asset class)
- Documentation of Data Standards and Definitions
- Process Mapping for high level and activity level asset processes
- Development of a consistent Asset Hierarchy aligned to the ADAC standard
- Data Cleanse

In March 2020, CoM undertook a third Asset Management Maturity Assessment. This assessment highlighted a significant improvement across the organisation driven by the success of the projects undertaken as part of AMIP 1.0 and AMIP 2.0. This assessment identified that CoM was now achieving competency in 7 out of 11 of the core competencies with 89% of all the 208 assessment areas completed.

The results of the 2020 Asset Management Maturity Assessment highlight an excellent and significant improvement in asset management understanding and capability across the organisation.

Other supporting areas of success are:

- An adopted Asset Management Policy and Asset Management Strategy.
- Implementation of an Asset Management Induction shown across the organisation and to all new employees as part of the induction process.
- A well-established governance group (Asset Steering Committee) consisting of Asset Owners, Finance, ICT, Executive and a dedicated Executive Sponsor.
- Development of system and user requirements for an Asset Management Information System and is poised to approach the market with a Request for Proposal in May 2020.

Future achievement of "core" competency in asset management by the City of Marion will be addressed by projects targeted in the following areas:

1. Defined, documented and quantified current and target levels of service (Community and Technical) to assist the organisation to understand expectation, identify associated costs, define measures to monitor success and detail plans to deliver them.

2. Monitoring and performance reporting on community levels of service.
3. Improved asset financial data modelling.
4. Differentiation of operational and maintenance costs (through General Ledger and Chart of Accounts) to support business analysis, scenario modelling and KPI progress measurement.
5. Finalisation of a single point of truth asset data and embedding business processes to ensure data flow through handover of assets and communication of asset disposals.

The full 2020 Asset Management Maturity Report assessment is attached (refer Attachment 3 – City of Marion 2020 Asset Management Maturity Report).

Attachment

#	Attachment	Type
1	Asset Management Plans - Governance Approval Process	PDF File
2	DRAFT CoM Fleet Asset Management Plan 2020	PDF File
3	City of Marion 2020 Asset Management Maturity Report	PDF File

Attachment 1

Asset Management Plan - Governance Process for endorsement in legislated timeframe - FAC and GC

		Report Preparation				FAC Meeting	AMP Update	Report Preparation					GC Meeting	AMP Update	Consultation	AMP Update	Report Preparation					GC Meeting
Number of plans	Asset Management Plan	Report due to Manager	Report due to General Manager	Due to Governance (Draft to ELT) 5PM THURS	Due to Governance FINAL 5PM WED	FAC provide feedback on draft AMP	feedback updates to draft AMP	Report due to Manager	Report due to General Manager	Due to Governance (Draft to ELT) 5PM THURS	Due to Governance (Draft GC to EMs) 5PM THURS	Due to Governance FINAL 5PM WED	Council endorse draft AMP for community engagement	feedback updates to draft AMP and Making Marion finalisation	21 days community engagement	feedback analysis & AMP finalisation	Report due to Manager	Report due to General Manager	Due to Governance (Draft to ELT) 5PM THURS	Due to Governance (Draft GC to EMs) 5PM THURS	Due to Governance FINAL 5PM WED	Council endorse final AMP
1	Fleet, Plant and Equipment	27/04/2020	4/05/2020	7/05/2020	13/05/2020	19/05/2020	20/5/20 - 3/6/20	25/05/2020	1/06/2020	4/06/2020	11/06/2020	17/06/2020	23/06/2020	24/6/20 - 25/6/20	26/6/20 - 16/7/20	17/7/20 - 22/7/20	13/07/2020	20/07/2020	23/07/2020	30/07/2020	5/08/2020	11/08/2020
3	Transport Stormwater Water Treatment & Resources	15/6/2020	22/6/2020	26/6/2020	3/07/2020	10/07/2020	15/7/20 - 22/7/20	13/07/2020	20/07/2020	23/07/2020	30/07/2020	5/08/2020	11/08/2020	13/8/20 - 19/8/20	20/8/20 - 9/9/20	11/9/20 - 23/9/20	14/09/2020	21/09/2020	24/09/2020	1/10/2020	7/10/2020	13/10/2020
4	Buildings & Structures Open Space Coastal Walkway Artworks, Cultural & Heritage	15/6/2020	22/6/2020	26/6/2020	3/07/2020	10/07/2020	15/7/20 - 5/8/20	27/07/2020	3/08/2020	6/08/2020	13/08/2020	19/08/2020	25/08/2020	27/8 20 - 31 /8/20	1/9/20 - 22/9/20	23/9/20 - 7/10/20	28/09/2020	6/10/2020	8/10/2020	15/10/2020	21/10/2020	27/10/2020

DRAFT Fleet, Plant and Equipment Asset Management Plan 2020 - 2030



CONTENTS

1 - INTRODUCTION	2
2 - EXECUTIVE SUMMARY	3
3 - WHY WE NEED A PLAN	4
4 - WHAT ASSETS WE HAVE	6
5 - LEVELS OF SERVICE	9
6 - HOW WE PROVIDE THE SERVICE (ASSET MANAGEMENT LIFECYCLE)	12
7 - RISK MANAGEMENT	18
8 - WHAT IT WILL COST AND HOW WE WILL PAY FOR IT.....	20
9 - WHAT WE WILL DO NEXT (IMPROVEMENT PLAN)	23
APPENDIX A: BUDGETED EXPENDITURE FOR LONG TERM FINANCIAL PLAN ...	24

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1 - INTRODUCTION

What is this plan about?

The City of Marion uses a range of fleet, plant and equipment assets ('fleet assets') to deliver services to improve our residents' quality of life. These include trucks, mowers, trailers, utilities, buses, light vehicles, earthmoving equipment, mobile/fixed plant, and small plant.

Council seeks to maximise value to ratepayers and ensure sustainable services by optimising the use of our fleet assets.

This plan defines the fleet assets that help deliver the services we provide, how they are provided, and the funding required to deliver fleet replacement programs over 10 years.

What is asset management?

Asset management is about how assets are 'looked after', both on a day-to-day basis (maintenance, monitoring and operation) and in the medium-to-long term (planning, creation/purchase, renewal and disposal).

What will we do?

A significant part of Council's annual spend is devoted to the repair, maintenance and upgrade of the assets which deliver safe and sustainable services to the community. Council's fleet assets are used to deliver these services. Council will continue to invest in these assets as cost effectively as possible while considering beneficial advancements in technology.

Small plant (e.g. chainsaws, line trimmers, drills) are not recognised for accounting purposes as assets due to their low value. They are replaced at the end of their useful life (rather than on an official replacement cycle) and are considered 'out of scope' of this Asset Management Plan.

This plan has been aligned with Council's Asset Management Policy (2018) and Asset Management Strategy (2019). Any upgrades or new asset expenditure will require Council prioritisation.

Council recognises that climate change is likely to affect asset life and functionality. We are exploring what we can do to make fleet assets more environmentally sustainable and resilient to climate change.

What can you do?

Better understanding of community needs can help us improve user experience, attract more users and provide services more efficiently.

Council will be pleased to consider your thoughts on the issues raised in this plan and suggestions on how we may change or reduce the mix of services to ensure that the appropriate level of service can be provided to the community within available funding.

2 - EXECUTIVE SUMMARY

FLEET, PLANT AND EQUIPMENT ASSET MANAGEMENT PLAN

EXECUTIVE SUMMARY

Assets covered by this plan



Fleet
Heavy Plant
Portable and Light Plant

Gross replacement cost \$9.5M
Written down value \$6.4M
Highly reliable asset data

What it will cost over the 10-year planning period



Renewal (net of disposal proceeds) \$8.5M
Operation and Maintenance \$15.2M
Total \$23.7M

Extended operational life may reflect in marginally higher future maintenance costs

Levels of Service



- Appropriate fleet, plant and equipment to meet service levels set by Council in annual budgets
- Maintenance and servicing compliant with legislative requirements and manufacturers specifications
- Six-monthly safety check
- 95% service fleet availability

Funding levels are sufficient to continue to provide existing services at current levels in the medium term

Risk Management



Fleet unavailability is low with controls manage ageing fleet or technical obsolescence
Funding levels are sufficient to continue to manage risks in the medium term

Future Demands managed through ongoing monitoring



- Community Expectations
- Environmental Sustainability
- Improvement Initiatives
- Legislation
- Technology

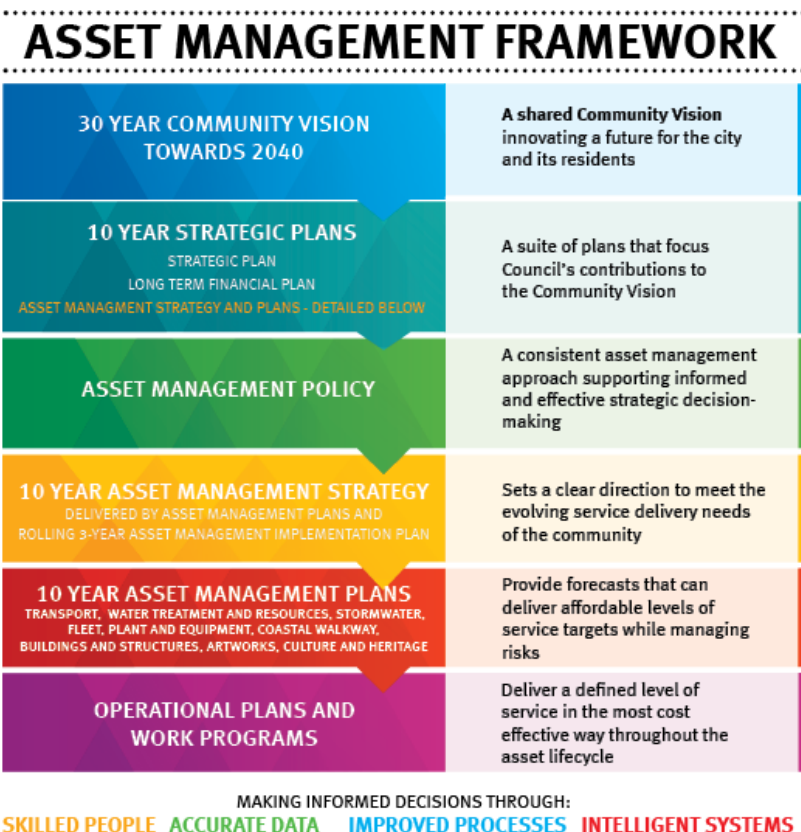
Improvement Plan



- Undertake fleet maintenance expenditure cost allocation analysis
- Explore the option of undertaking a fleet maintenance optimisation review
- Explore alternative asset management systems (as part of council's Digital Transformation initiative)
- Calculate Asset Renewal Funding Ratio at Asset Management Plan level to better understand service delivery sustainability

3 - WHY WE NEED A PLAN

“Good asset management is critical for a high-performing Council. Investing in People, Data, Process and Systems enables effective and informed decision-making and optimises community outcomes” Brendon Lyons, Team Leader Asset Solutions



The Asset Management Framework aligns Council's asset portfolio to meet the service delivery needs of our community.

Council's purpose is:

To improve our residents' quality of life; continuously, smartly and efficiently

The City of Marion Asset Management vision is:

To maintain our assets to agreed Levels of Service which maximise community value throughout an asset's life

Supported by four Strategic Objectives:

- 1. MAXIMISE COMMUNITY VALUE**
- 2. DELIVER AGREED LEVELS OF SERVICE**
- 3. INFORMED DECISION MAKING**
- 4. OPTIMALLY MANAGED**

This Asset Management Plan is based on the format recommended in Section 4.2.6 of the *International Infrastructure Management Manual* (IPWEA 2015).

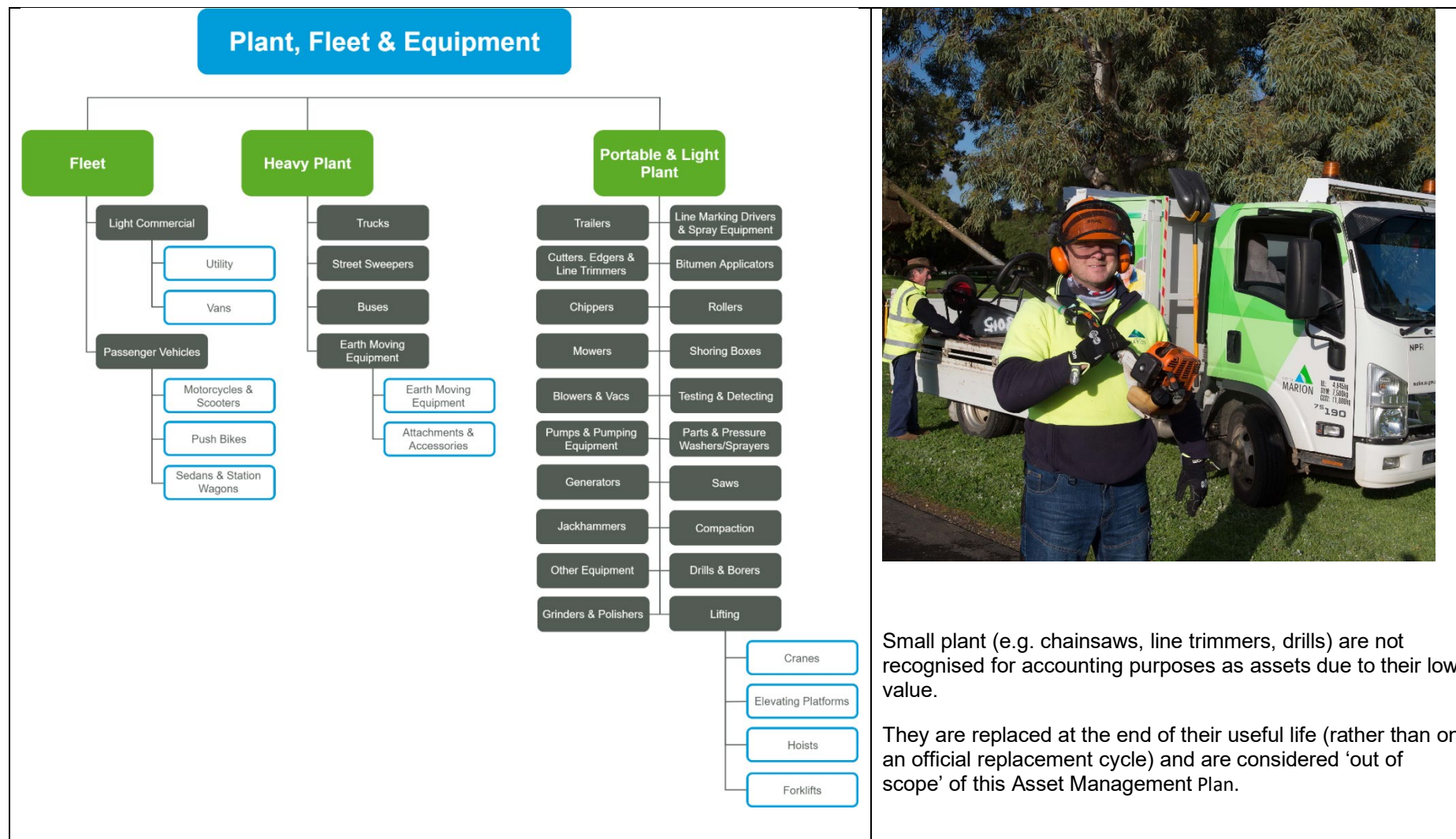
This plan is driven by the priorities of Council's Strategic Plan, the Asset Management Policy and Asset Management Strategy. It is funded by the Long Term Financial Plan and Annual Business Plan.

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

KEY PERFORMANCE INDICATOR
<p>Asset Renewal Funding Ratio</p> <p>Calculated by measuring capital expenditure on renewal and replacement of assets relative to the Asset Management Plan required expenditure. This indicates whether Council is renewing or replacing existing non-financial assets in accordance with its future Asset Management renewal requirements</p>
<p>Asset Management Maturity Assessment</p> <p>Assessed against the Institute of Public Works Engineering Australasia (IPWEA) National Asset Management Strategy (NAMS) targets. The maturity scale builds from 1 - Aware to 3 - Core Maturity to 5 - Advanced Maturity.</p>

4 - WHAT ASSETS WE HAVE

Assets exist to meet community needs through enabling the delivery of services to the service levels adopted by Council.



Fleet assets are used by Council staff to construct, maintain and upgrade infrastructure and land and to transport materials, equipment, Council staff and community members. The table below outlines the current fleet assets and replacement strategy:

	Service Provided	Asset Category	Qty	Purchase Value	Average Age at June 2019	Estimated Annual Average Utilisation	Replacement Timing - Utilisation	Useful Life / Replacement Timing	Disposal Value - % of Purchase Price
Fleet	Transport of materials, equipment and Council Staff	Utilities	21	\$618,000	2.6 years	13,200 km	60,000 km	5 years	45%
		Vans	5	\$167,000	4.0 years	11,400 km	100,000 km	5 years	40%
		Sedans & Wagons	41	\$1,042,000	1.8 years	15,400 km	50,000 km	5 years	60%
Heavy Plant	Transport of community members	Community Buses	2	\$185,000	2.6 years	26,000 km	220,000 km	8 years	15%
	Equipment used to carry out works	Trucks - GVM 15001 to 24000 kg	8	\$1,434,000	0.9 years	10,500 km	110,000 km	10 years	35%
		Trucks - GVM 6001 to 15000 kg	27	\$2,850,000	3.8 years	11,600 km	110,000 km	10 years	35%
		Trucks - GVM 6001 to 15000 kg – Hard Waste Truck only	1	\$140,000	5.6 years	23,600 km	180,000 km	8 years	35%
		Trucks - GVM to 6000 kg					110,000 km	8 years	35%
		Street Sweepers	2	\$615,000	3.0 years	720 hours	5,000 hours	7 years	30%
		Backhoes	4	\$586,000	2.2 years	500 hours	4,000 hours	7 years	30%
		Excavators	1	\$258,000	7.7 years	270 hours	8,000 hours	10 years	30%
		Loaders	2	\$370,000	11.3 years	560 hours	8,000 hours	10 years	30%
		Chippers	2	\$168,000	2.8 years	318 hours	3,750 hours	8 years	15%
		Elevating Platforms	2	\$163,000	8.8 years	138 hours		10 years	15%
		Forklifts, Cranes, Vibrating Plates, Concrete Saws	20	\$242,000	5.9 years	n/a		10 years	10%
		Line Marking Drivers	2	\$23,000	3.5 years	n/a		10 years	10%
		Line Marking Spray Equipment	3	\$44,000	3.7 years	n/a		7 years	10%
		Mowers	7	\$222,000	1.9 years	260 hours	2,000 hours	5 years	15%
		Trailers	17	\$295,000	5.6 years	n/a		10 years	10%
		Rollers	2	\$72,000	4.7 years	n/a	500 hours	10 years	10%
TOTAL			169	\$9,493,000					

Data Quality

Currency and accuracy of asset data is critical to effective asset and financial management. Data confidence is classified on a 5 level scale:

Confidence Grade	Data Confidence	Description
A	Highly reliable data	<ul style="list-style-type: none"> Based on sound records, procedures, investigations and analysis Documented accurately Agreed as the best method of assessment Dataset is complete and estimated to be accurate $\pm 2\%$
B	Reliable data	<ul style="list-style-type: none"> Based on sound records, procedures, investigations and analysis Documented properly but has minor shortcomings For example, some data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation Dataset is complete and estimated to be accurate $\pm 10\%$
C	Uncertain data	<ul style="list-style-type: none"> Either based on sound records, procedures, investigations and analysis which is incomplete or unsupported Or extrapolated from a limited sample for which grade A or B data are available Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D	Very uncertain data	<ul style="list-style-type: none"> Based on unconfirmed verbal reports and/or cursory inspections and analysis Dataset may not be fully complete and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E	Unknown	<ul style="list-style-type: none"> Unknown, as none or very little data held

Data confidence is assessed as highly reliable (confidence grade A) for asset data used in the preparation of this plan.

5 - LEVELS OF SERVICE

Community Levels of Service

Community Levels of Service are associated with the variety of services provided by Council to our community. The following table demonstrates how the assets covered under this Asset Management Plan assist in achieving Community Levels of Service.

	Community Level of Service	Achieved By
Safety	No preventable injuries to staff or members of the public.	Fleet assets are risk assessed to ensure they are used safely within the community. This includes emissions, noise levels and compliance.
Quality	Operational requirements are safely and effectively met	Fleet assets are managed and maintained to best practice industry standards
Function	Provide sufficient assets to undertake council works to meet Levels of Service	Specification for equipment meets operator requirements.
Capacity	Availability of appropriate fleet, plant and equipment	Annual Utilisation Analysis against Fleet Policy and Fleet Replacement Matrix
Sustainability	Operational requirements are safely and effectively met, whilst minimising impact on the environment	Environmental performance is assessed when selecting assets, including emission levels

Fleet assets enable Council to deliver services to the community. Council uses a range of activities to engage with the community and stakeholders on these services, rather than at a fleet level.

Technical Levels of Service

This determines the allocation of resources to service activities to best achieve the desired community outcomes and demonstrate effective performance throughout an asset's lifecycle. Council manages and operates assets at the agreed Levels of Service while managing whole-of-life costs to ensure the best value for resources used.

The following table demonstrates the technical Levels of Service for fleet, plant and equipment assets.

Technical Level of Service	Achieved By
Planning in line with a 10 year asset replacement program based on optimum replacement	Assets planned through 10 year Fleet Replacement Program Assets are provided to meet design standards where these are available. Annual Utilisation Analysis against Fleet Policy and Fleet Replacement Matrix Annual Replacement Program Budget developed and Long Term Financial Plan updated
Creation of the asset subject to a business case assessment which sets out capital requirements, whole of life costs, predicted utilisation and internal hire rates	Assets created to maintain Levels of Service through annual review of the 10 year Fleet Replacement Program All procurement follows the City of Marion Plant Procedure with asset specification and business requirements defined as required Plant Pre-Purchase Health Safety and Environment Checklist, Pre Delivery and Post Delivery Inspections, Pre Hand-Over Training and Risk Assessments are conducted Fleet Plant and Equipment are inspected by City of Marion Workshops as part of the fleet commissioning process
Operation of an asset in the manner it was designed to be used for	Safe Work SA's Code of Practice for Fleet is followed Training Database is maintained, including checks for Heavy Vehicle and High Risk Licencing. Training provided to operators as part of the asset commissioning process, and on an as-required basis. Daily pre-start inspections by drivers/operators with defects reported to workshop staff Service schedules are based on date/kilometres or hours of use as displayed in the Plant Register Items deemed unserviceable are tagged out of service, pending investigation, repair or replacement
Monitoring utilisation and recording asset downtime	Fleet and Plant Timesheets completed Monthly Fuel Invoice Analysis conducted Annual Utilisation Analysis against Fleet Policy and Fleet Replacement Matrix Recording asset downtime (out of service)
Maintenance of assets in line with manufacturer's requirements with flat rates for workshop maintenance and keeping detailed records of reasons for failures	Scheduled maintenance is compliant with industry standards and manufacturers specification Maintenance issues and condition reports are maintained within the Plant Register, Skytrust and the financial management program recording maintenance performed, labour and materials used. Plant Register drives scheduled servicing and maintenance of vehicles
Renewal in accordance with optimum replacement timing principles based on whole of life costs	Assets are programmed to be replaced based on utilisation triggers to keep them in good condition Assets renewed through 10 year Fleet Replacement Program Annual Utilisation Analysis against Fleet Policy and Fleet Replacement Matrix Annual Replacement Program Budget developed and Long Term Financial Plan updated
Disposal where the item fails to meet minimum utilisation benchmarks or is no longer required	Complies with legislative requirements including Fleet Policy, Disposal of Land and Assets Policy, and Disposal of Excess Plant Equipment, Stores & Salvaged or Recycled Materials Procedure Disposal of plant to be approved by a member of Executive Leadership Team

Legislative Requirements

Council considers the following legislative framework in the management of fleet, plant and equipment assets.

Australian Accounting Standards	Set out the financial reporting standards relating to the (re)valuation and depreciation of infrastructure assets
Disability Discrimination Act 1992 and other relevant disability legislation	To eliminate, as far as possible, discrimination against persons on the grounds of disability. Sets the standard for accessibility.
Highways Act 1926	Sets out the legislative framework for roads and road authorities in SA
Local Government Act 1999	Sets out the role, purpose, responsibilities and powers of local governments including the preparation of a Long Term Financial Plan supported by infrastructure and asset management plans for sustainable service delivery
Local Government (Financial Management and Rating) Amendment Act 2005	Impetus for the development of a Strategic Management Plan, comprising an Asset Management Plan and Long Term Financial Plan
Motor Vehicles Standards Act 1989 (Australian Design Rules)	National standards for vehicle safety, anti-theft and emissions
Relevant Australian Standards	Standards relating to requirements to inspect and certify cranes, elevated work platforms and lifting devices
Relevant Heavy Vehicle National Law and Regulations	Laws and regulations related to heavy vehicles over 4.5 tonnes gross vehicle mass
Road Traffic Act 1961	To provide for vehicle standards, mass and loading requirements and other safety measures in relation to light vehicles. Contains powers for Council to install and remove traffic control devices.
SafeWork SA as Relevant to Fleet Management	Registering relevant plant with SafeWork SA Code of Practice – Managing Risks of Plant in the Workplace
Work Health and Safety Act 2012 (SA)	To provide for the health, safety and welfare of persons at work

ASSET PLANNING AND CREATION

When specifying fleet asset requirements, Council seeks to balance a range of factors including:

- Safety requirements by applying the hierarchy of hazard controls to designs to ensure hazards are eliminated, or where that is not reasonably practicable, are effectively controlled.
- Operational needs and functional requirements and where possible seek to identify innovation that may provide for greater level of efficiency or effectiveness in undertaking council's services, or reduce risk of downtime.
- Emission levels, alternative fuel sources and other factors that impact on our environment
- Whole of life costs when making buying decisions. Factors include, but are not limited to, purchase costs, future resale values, cost of maintenance over the life of the asset, warranty periods, value adds offered, aftersales support, ownership vs lease.

Future Demands

Political, economic, social, technological, legal, environmental and relationship drivers that may impact future service delivery and use of assets are monitored via Council's environmental scan and corporate risk register.

Council recognises that climate change is likely to affect asset life and functionality. We are exploring what we can do to build asset resilience in response to climate impacts such as less rainfall overall, more frequent and intense rainfall events, increased frequency and intensity of bushfires, increased temperatures, more frequent and intense heatwaves and increased risk of coastal erosion and flooding as a result of sea level rise. Climate change currently has minimal impact on our fleet assets, however we will continue to consider climate change impacts within standard asset replacement processes.

Council will consider emission levels, alternative fuel sources and other environmental factors in future fleet asset replacement decisions, with the intention to transition to procure fleet assets with lower emissions over time, with an expected positive impact on our environment.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets, providing new assets to meet demand, and demand management. Demand management practices include non-asset solutions, insuring against risks and managing failures. Additional assets are provided by contractors (where they have been contracted to provide services to Council) or hired on an as-needs basis.

Council has considered the following future demands during development of this Asset Management Plan:

Area	Demand	Impact on services	Demand Management Plan
Political	Political changes, Productivity Commissioner's report and possibility of council amalgamations	Change in services or service levels	Approved business case through annual review of the 10 year Fleet Replacement Program
Social	Changing community demographics, needs and expectations	Change in services or service levels	Monitoring community expectation Communicating service levels and financial capacity with the community to balance asset priorities with what the community is prepared to pay for
Technological	Improvement in capability and emission standards of Car Fleet and Heavy Vehicles, and desire for carbon neutrality	Ability to deliver services at a higher operational level and greater safety features with less environmental impact	Considered within standard replacement cycle. Decisions made on a range of evaluation criteria.
Technological	Increased availability of hydrogen, hybrid and electric vehicles and charging stations	Ability to deliver services at a higher operational level and greater safety features with less environmental impact Vehicles may not be practical for use in emergency assist, such as iResponda	Monitor fuel usage, investigate alternative fuels, review logistics related to availability of filling and / or charging sites Considered within standard replacement cycle. Decisions made on a range of evaluation criteria.
Technological	Smart Cities, autonomous / connected vehicles and machine learning	Changes in design to streetscapes & parking zones to enable different modes of transport Increased proactive maintenance and reduced need for residents to call	Market driven, opportunities to lobby for funding
Technological	Being a smart organisation that uses data to drive decision-making.	Ability to deliver services at a higher operational level achieved through use of in vehicle GPS data. Implementing Internet of Things within facilities, assets and services to understand current demand and identify opportunities to improve service delivery.	Utilisation based asset maintenance and renewal

Area	Demand	Impact on services	Demand Management Plan
Environmental	Impacts of climate change	Change in services or service levels	Considered within standard replacement cycle. Decisions made on a range of evaluation criteria. Communicating service levels and financial capacity with the community to balance asset priorities with what the community is prepared to pay for
Environmental	Decreased availability of oil from the global fuel market	Reduced or inability to deliver services.	Monitor fuel usage, investigate alternative fuels over time. Considered within standard replacement cycle. Decisions made on a range of evaluation criteria.
Relationships	Collaboration between Cities of Marion, Charles Sturt and Port Adelaide Enfield	Ability to deliver services at a higher operational level	Adopting best practice principles across all three councils to deliver best value. Opportunity to share a Fleet Coordinator position Continue to engage and consult with key stakeholders
Relationships	Testing of Levels of Service	Improve understanding of costs and capacity to maintain current service levels	Continue to analyse the cost of providing service and the capacity to fund at the current level of service
Legal	Legal changes	Complex legal and compliance requirements	Established compliance registers. Considered within standard replacement cycle. Decisions made on a range of evaluation criteria.

ASSET OPERATION, MONITORING AND MAINTENANCE

Council operates, monitors and maintains assets to provide the defined level of service to approved budgets in the most cost-efficient manner. Operation includes cost of fuel, registration, insurance, batteries and tyres. Maintenance programs are normally focused on industry best practice, legislative requirements and design specifications.

Year	Past Maintenance Expenditure		
	Proactive / Planned (Servicing)	Reactive - Unplanned (Repairs)	Total
2016/17	\$0.07M	\$0.36M	\$0.41M
2017/18	\$0.06M	\$0.40M	\$0.46M
2018/19	\$0.06M	\$0.35M	\$0.43M

Council's renewal program minimises the need for heavy reactive maintenance activities as the risk of these is minimised as part of the renewal schedule.

Further analysis of the process of costing fleet maintenance expenditure is required to ensure the allocation of costs between planned versus unplanned maintenance is accurate.

Proactive or planned maintenance is work that is identified and managed through a maintenance management system. Activities include inspection, undertaking scheduled servicing, assessing the condition against failure/breakdown experience, priority of works, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Reactive or unplanned maintenance is repair work which is carried out in response to failure of an asset, e.g. breakdown, accidental damage, safety repairs (non-scheduled servicing). Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement to minimise downtime.

Year	Operations Budget	Maintenance Budget
2020/21	\$0.85M	\$0.50M
2021/22	\$0.87M	\$0.51M
2022/23	\$0.89M	\$0.53M
2023/24	\$0.92M	\$0.54M
2024/25	\$0.94M	\$0.55M
2025/26	\$0.96M	\$0.57M
2026/27	\$0.99M	\$0.58M
2027/28	\$1.01M	\$0.60M
2028/29	\$1.04M	\$0.61M
2029/30	\$1.06M	\$0.63M
10 Year Total	\$9.53M	\$5.62M

Operations expenditure is impacted predominantly by the cost of fuel. The cost of registration and insurance has remained stable or reduced slightly over the past four years due to reductions in overall fleet numbers.

Proactive maintenance work is currently 15% of total maintenance expenditure. Current maintenance expenditure levels are considered to be adequate to meet required service levels.

During 2018 a revised Fleet Policy was adopted which effectively increased the length of time some fleet assets are retained. At this stage no additional maintenance funds have been allowed to maintain fleet, plant and equipment at current service levels. This will be monitored over time, and considered as part of the annual review of the 10 year Fleet Replacement Program.

Council assesses the condition of its fleet assets through a range of planned activities including:

- Daily pre-start inspections by drivers/operators with defects reported to workshop staff
- Regular service schedules (based on date/kilometres or hours of use) undertaken by workshop staff (or contractors as required)
- Six monthly safety check by workshop staff

Repairs are undertaken as and when needed.

ASSET RENEWAL AND DISPOSAL

Renewal is the replacement of an existing fleet asset. Utilisation is the primary consideration in decisions regarding retaining or replacing fleet assets. Low utilisation may also indicate council should consider disposal and/or hiring the asset as required. All utilisation analysis, budget programs and processes are guided by the Fleet Policy and associated Fleet Replacement Program Matrix. Council maintains a rolling ten year Fleet Replacement Program that is reviewed annually in consultation with key internal stakeholders, taking into consideration Council's agreed Optimised Utilisation Fleet Replacement Matrix, actual asset utilisation levels, and asset condition.

Year	Renewal Spend Budget	Disposal Proceeds Budget	Net Budget
2020/21	\$1.13M	\$0.41M	\$0.72M
2021/22	\$1.37M	\$0.47M	\$0.90M
2022/23	\$0.64M	\$0.25M	\$0.39M
2023/24	\$1.59M	\$0.61M	\$0.98M
2024/25	\$1.24M	\$0.40M	\$0.84M
2025/26	\$1.31M	\$0.45M	\$0.86M
2026/27	\$0.60M	\$0.20M	\$0.40M
2027/28	\$1.62M	\$0.58M	\$1.04M
2028/29	\$1.43M	\$0.50M	\$0.93M
2029/30	\$2.18M	\$0.73M	\$1.45M
10 Year Total	\$13.11M	\$4.60M	\$8.51M

Fleet assets are typically disposed due to end of useful life (and are being replaced), or are identified as surplus to requirements. All assets are disposed of in accordance with Council's Fleet Policy, Disposal of Land and Assets Policy, and Disposal of Excess Plant Equipment, Stores & Salvaged or Recycled Materials Procedure

Council's Fleet Replacement Program is based on the assumption of:

- 'like-for-like' replacement based on the original purchase price (escalated by 10% as at the date of replacement, being our best estimate of 2.5% increase per annum over a fleet with varying useful lives and replacement timeframes).
- Disposal values reflecting our historical returns achieved (reflecting asset consumption over time).

Across council service reviews may enhance future activities associated with the process of fleet asset renewal.

In the last five years, approximately 20 underutilised assets were disposed for approximately \$340,000, and not replaced. While this analysis is ongoing, no significant asset has been identified to be suitable for disposal (and not replaced) under this current plan.

7 - RISK MANAGEMENT PLAN

Risk management provides a process for the selection of treatment plans and management actions to protect the community against unacceptable risks. Risk assessment identifies credible hazards, the likelihood of the hazard event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks

An assessment of risks associated with service delivery from fleet assets, using Council's risk matrix, has identified the hazards that will result in significant loss, 'financial shock' or a reduction in service:

Hazard	Current Controls	Current Rating	Further Actions	Forecast Rating
Ageing fleet or technical obsolescence: <ul style="list-style-type: none"> • High incidence of breakdowns • Increased maintenance costs • Increased downtime • Increased product costs and poor efficiency • Work programs run behind schedule • Increase risk of reactive plant maintenance and down time 	Serviced and inspected in accordance with Manufacturer's requirements, including six monthly safety inspections Replace equipment at optimal time Regular condition assessment of key equipment to assist in predicting maintenance and renewal needs Maintenance managed appropriately at an operational level Workshops designed to meet current maintenance requirements	Low	Explore the option of undertaking a review of council's maintenance (and plant inspection processes) to ensure Council's services are optimised to meet current and future fleet maintenance requirements. Explore alternative asset management systems (as part of council's Digital Transformation initiative) to monitor servicing schedules, record maintenance activities undertaken, and impacts of asset downtime.	Low
Injury to operators	Implement WHS Management Plan including safe work procedures and safe work method statements Appropriate measures are undertaken to ensure that the plant is suitable and is not introducing unnecessary risks to employees, including: <ul style="list-style-type: none"> • Consultation on purchase; • Undertaking of risk assessment; • Implementing risk controls; and • Monitoring and reviewing of risk controls. 	Low	Nil	Low

Hazard	Current Controls	Current Rating	Further Actions	Forecast Rating
Damaged fleet assets due to incorrect use	<p>Staff trained in use of new equipment as part of asset commissioning process</p> <p>Staff have current, appropriate licenses to operate plant</p> <p>Training provision and competency levels monitored through Corporate Training Registers</p>	Low	Nil	Low
Inadequate car fleet availability at times	<p>Use of fleet booking system</p> <p>Annual Review of Fleet replacement program</p>	Low	Nil	Low
Underutilised assets as a result of staffing, seasonal weather and communication across departments	Utilisation reviewed annually as part of update of Fleet Replacement Program, and fed into replace/dispose decision making	Low	Nil	Low

Critical assets are those which have a high consequence of failure causing significant loss or reduction of service. Investigative activities, condition inspection programs, maintenance and capital expenditure plans can be targeted at the critical areas. Activities may include increased inspection frequency and higher maintenance intervention levels.

While losing a variety of fleet assets is likely to cause a degree of disruption, we consider we do not hold any critical fleet assets, as a variety of risk management actions exist to eliminate/minimise the potential impact on Council's services including:

- adopting additional inspection/maintenance activities/regimes associated with these critical assets;
- hiring replacement fleet items at short notice;
- re-directing alternative Council assets be used; or
- engaging third parties (e.g. contractors, other councils) to provide equivalent services.

8 - WHAT IT WILL COST AND HOW WE WILL PAY FOR IT

Financial Statements and Projections

The decisions made in adopting this Plan are based on achieving the optimum benefits from the available resources. This section contains the financial requirements resulting from all the information presented in the previous sections. The financial projections will be refined annually as further information becomes available on desired Levels of Service and current and projected future asset performance.

Council's Fleet Replacement Program is based on the assumption of:

- 'like-for-like' replacement based on the original purchase price (escalated by 10% as at the date of replacement, being our best estimate of 2.5% increase per annum over a fleet with varying useful lives and replacement timeframes). Procurement of non 'like for like' fleet assets would be based on an approved business case.
- disposal values reflecting our historical returns achieved (reflecting asset consumption over time).
- operating and maintenance costs escalating year on year by CPI of 2.5%.

Funding Strategy

This Asset Management Plan identifies the projected operations, maintenance and capital renewal expenditures required to provide an agreed Level of Service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

Lifecycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the asset life cycle. Lifecycle costs include operations and maintenance expenditure and asset consumption (depreciation expense). The lifecycle cost for the services covered in this Asset Management Plan is \$2.37m per year (average operations and maintenance expenditure plus depreciation expense projected over 10 years).

Lifecycle costs can be compared to lifecycle expenditure to give an initial indicator of affordability of projected service levels when considered with age profiles. Lifecycle expenditure includes operations, maintenance and renewal expenditure. Lifecycle expenditure will vary depending on the timing of asset renewals. The Lifecycle expenditure over the 10 year planning period is \$2.37m per year (average operations and maintenance plus capital renewal budgeted expenditure in LTFP over 10 years).

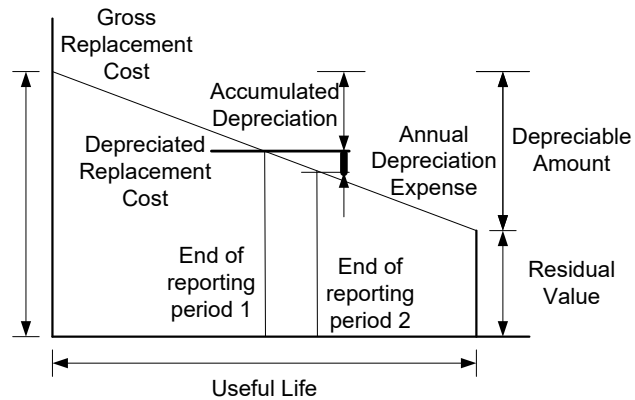
The matching of lifecycle cost to lifecycle expenditure gives asset renewal of 100% to maintain the service potential of the fleet at year 10 as it was at year 1.

In the future, the Asset Renewal Funding Ratio will be calculated at Asset Management Plan level to better understand service delivery sustainability.

Appendix A contains council's budgeted expenditures accommodated in the Long Term Financial Plan.

Valuation Forecasts

The value of assets recorded in the asset register at 30 June 2019 covered by this Asset Management Plan is shown below. As assets are replaced regularly in line with Council's 10 year Fleet Replacement Program, the purchase price recorded on the asset register is considered to be adequate. If any significant changes are required to the registers these are made accordingly.



Gross Replacement Cost	\$9.5m
Depreciable Amount	\$3.1m
Depreciated Replacement Cost	\$6.4m
Annual Average Asset Consumption	\$0.9m

Council's useful life for fleet, plant and equipment is the projected replacement period defined in the Fleet Replacement Program. This includes annualised kilometres and/or hours of use and replacement funds.

Rate of Annual Asset Consumption 9.6 % (Depreciation/Depreciable Amount)

Rate of Annual Asset Renewal 100% (Capital renewal expenditure/Depreciable amount)

In 2020 Council will renew assets at 100% of the rate they are being consumed and will be increasing its asset stock by 0% in the year.

The table below details the key assumptions made in presenting the information contained in this Asset Management Plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates.

Key Assumptions	Risk of Change to Assumptions
The Long Term Financial Plan will not change over the planning period	Medium
Community level of service expectations remain consistent	Low
No significant changes in legislation	Low
Fleet, plant and equipment are replaced on a 'like for like' basis	Low
Fleet, plant and equipment are replaced based on meeting utilisation thresholds	Low
The materiality threshold for fleet, plant and equipment is \$3,000.	Low
Assets should have a useful life of greater than one year in order for the expenditure to be capitalised and have a value above a Materiality Threshold. Any expenditure considered to be Capital must also pass a materiality test. Materiality levels are set so as not to misstate Financial Statements and to provide a guide whether it is practical from an Administrative perspective that expenditure is capitalised.	Low
Networked/Aggregate Assets - Expenditure can still be capitalised on items that fall below materiality thresholds individually but operate together as a cohesive whole to form a substantial/significant total value. Examples are the Computer Network, Library Books, and Reserve Furniture.	Low
The new asset management system will be able to capture operations and maintenance costs to better manage the overall expenditure	Low
Operation and Maintenance costs for new assets will be consistent with the operation and maintenance costs of existing assets	Low

9 - WHAT WE WILL DO NEXT - IMPROVEMENT PLAN

	Task	Responsibility	Timeline/Frequency
1	Update this Asset Management Plan during annual budget planning processes to show any material changes in service levels and/or resources available to provide those services as a result of budget decisions.	Asset Owner – Strategic Procurement Lead	November 2021 then annually
2	Undertake analysis of the process of costing fleet maintenance expenditure to ensure the allocation of costs between planned versus unplanned maintenance is accurate.	Subject Matter Expert – Unit Manager Operational Support	June 2021
3	Explore the option of undertaking a review of Council's maintenance (and plant inspection processes) to ensure Council's services are optimised to meet current and future fleet maintenance requirements.	Subject Matter Expert – Unit Manager Operational Support	June 2021
4	Explore alternative asset management systems (as part of council's Digital Transformation initiative) to monitor servicing schedules, record maintenance activities undertaken, and impacts of asset downtime.	Subject Matter Expert – Unit Manager Operational Support	June 2021 (highly dependent on other factors)
5	Calculate Asset Renewal Funding Ratio at Asset Management Plan level to better understand service delivery sustainability.	Unit Manager Statutory Finance and Payroll	June 2021 then annually
6	Undertake a full review of this plan at least every four years, within two years of each Council election or any review to Council's Strategic Plan.	Asset Owner – Strategic Procurement Lead	November 2024

APPENDIX A: Budgeted Expenditures Accommodated in Long Term Financial Plan

Projected expenditures for the 10 year Long Term Financial Plan are shown in real values (i.e. adjusted for inflation at 2.6% CPI).

FLEET, PLANT AND EQUIPMENT										
Financial year ending	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operations										
Operations budget	\$850	\$870	\$890	\$920	\$940	\$960	\$990	\$1,010	\$1,040	\$1,060
Management budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AM systems budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operations	\$850	\$870	\$890	\$920	\$940	\$960	\$990	\$1,010	\$1,040	\$1,060
Maintenance										
Reactive maintenance budget	\$350	\$350	\$370	\$370	\$380	\$390	\$400	\$410	\$420	\$430
Planned maintenance budget	\$150	\$160	\$160	\$170	\$170	\$180	\$180	\$190	\$190	\$200
Specific maintenance items budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Maintenance	\$500	\$510	\$530	\$540	\$550	\$570	\$580	\$600	\$610	\$630
Capital										
Planned renewal budget	\$720	\$900	\$390	\$980	\$840	\$860	\$400	\$1,040	\$930	\$1,450
Planned upgrade/new budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-growth contributed asset value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Capital	\$720	\$900	\$390	\$980	\$840	\$860	\$400	\$1,040	\$930	\$1,450
Asset Disposals										
Est Cost to dispose of assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Carrying value (DRC) of disposed assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Disposal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$2,070	\$2,280	\$1,810	\$2,440	\$2,330	\$2,390	\$1,970	\$2,650	\$2,580	\$3,140

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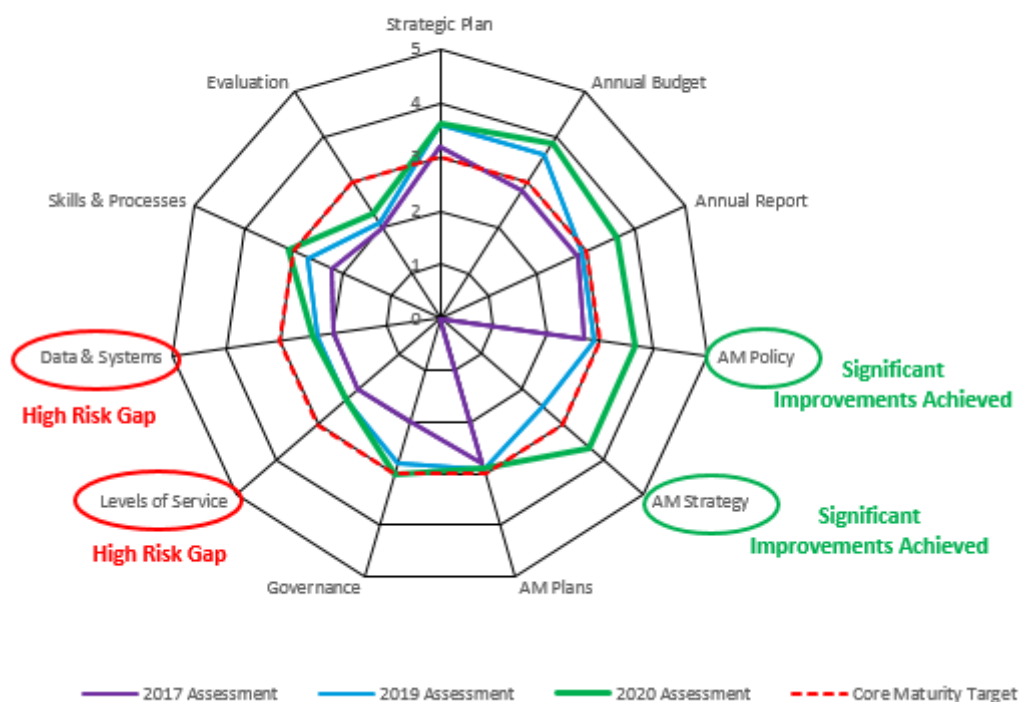
Front Cover Artwork
Title: Touch a Truck
Year: 2019

Attachment 3



City of Marion 2020 Asset Management Maturity Audit - Internal Self-Assessment

City Of Marion - Asset Management Maturity Assessment March 2020



Asset Management Maturity Scale				
Aware	Basic	Core	Intermediate	Advanced
1	2	3	4	5

INTRODUCTION

The City of Marion owns and manages a large and diverse asset portfolio, valued in excess of \$1 billion. These assets make up the social and economic infrastructure that enables the provision of services to the community and businesses for current and future generations, playing a vital role in the local economy and on quality of life.

A guided self-assessment of current financial and asset planning, management and reporting processes was undertaken conservatively and measured against a nationally consistent framework, comparing results with an assessment undertaken in 2019. Findings were analysed with the purpose of identifying opportunities to achieve and maintain core asset management maturity.

BASELINE AND TRENDS

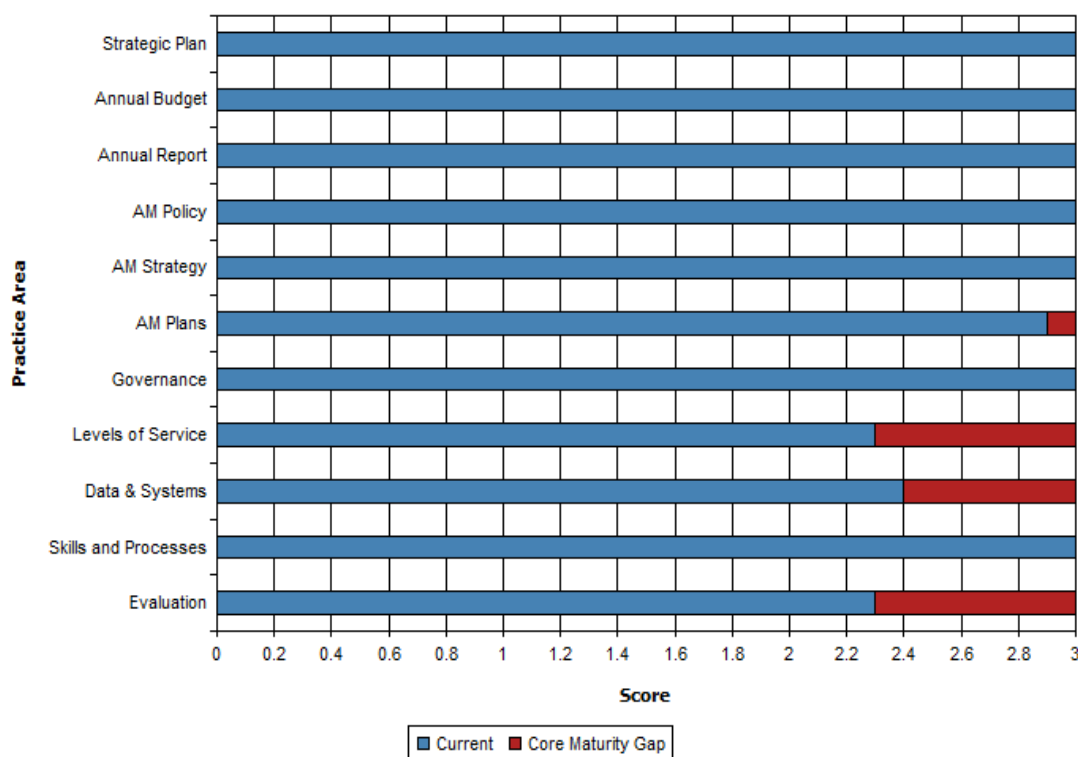
In March 2017, City of Marion undertook a [baseline guided maturity assessment](#) against the National Assessment Framework (NAF) for “core” asset management and “advanced” asset management. City of Marion met the core asset management maturity requirements (a minimum score of 3) in only one of the 11 elements (Strategic Plan). Achieving an overall total of 9% compliance against the 11 elements.

In March 2019, City of Marion had improved scores in all 11 elements and met the core maturity (a minimum score of 3) in two of the 11 elements (Strategic Plan and Annual Budget). Achieving an overall total of 27% compliance against the 11 elements.

TARGET

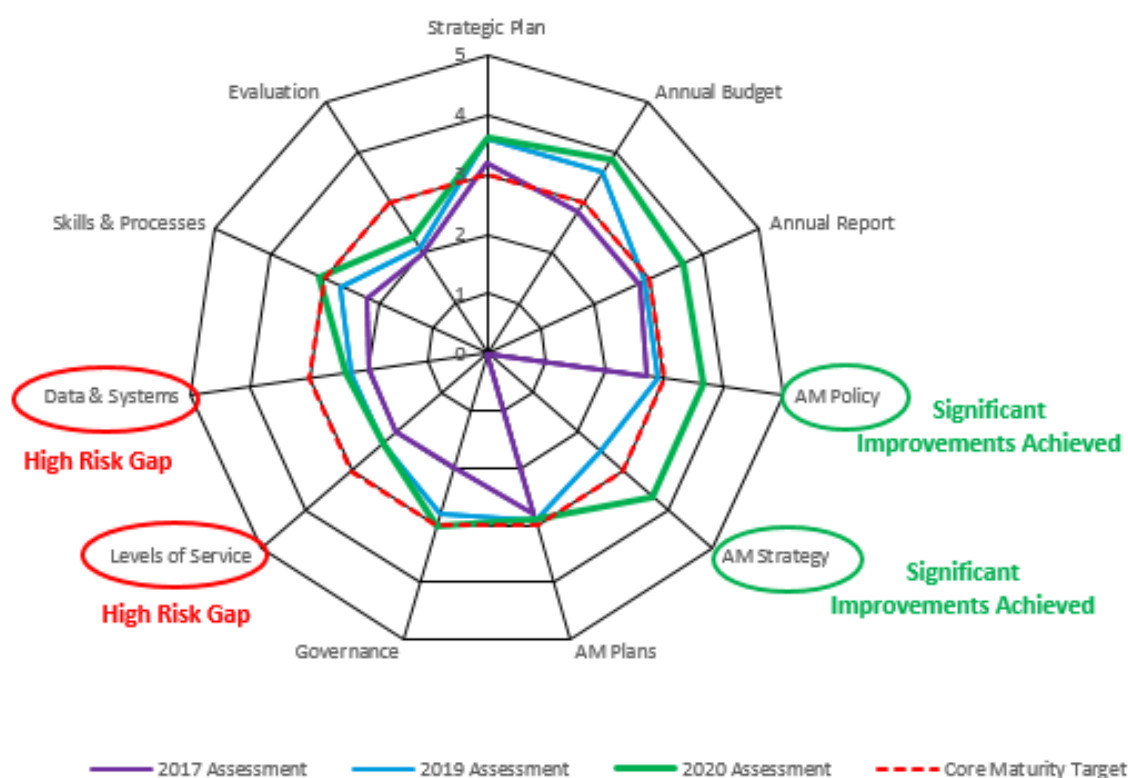
City of Marion’s next guided NAF maturity assessment is due by 30/6/2021 with a target to achieve a minimum rating of 3 (core maturity) for all 11 elements. Ongoing annual evaluation should track visible progress towards this target.

2020 CORE MATURITY RESULTS



In February 2020, City of Marion had improved scores in all 11 elements and now meets the core maturity (a minimum score of 3) in seven of the 11 elements: Strategic Plan, Annual Budget, Annual Report, Asset Management Policy, Asset Management Strategy, Governance and Skills and Processes. Achieving an overall total of 64% compliance against the 11 elements.

City Of Marion - Asset Management Maturity Assessment March 2020



Significant Improvements	Highest Risk
Asset Management Strategy	Data & Systems
Asset Management Policy	Levels of Service

Key Areas of Focus for Asset Management Improvement Program 3.0 (2020/21):

Define, document and quantify current and target community levels of service and technical levels of service - understand the actions, costs, measures and plans to deliver them. Monitor and performance report on community levels of service.
Improved asset financial data modelling
Split out operational and maintenance costs to support business analysis, scenario modelling and KPI progress measurement
Single point of truth asset data

METHODOLOGY:

The COMPAS [success measures dashboard](#) endorsed by Assets Steering Committee uses the National Assessment Framework (NAF) as City of Marion's assessment tool and includes the baseline and targets.

The NAF is a [structured online questionnaire](#) evaluating progress against 11 elements which align with delivery of the City of Marion's Asset Management vision:

‘To maintain the City of Marion’s assets to agreed levels of service which maximise community value throughout an asset’s life’

The main objective is for council to focus on achieving, maintaining and surpassing ‘core’ level asset management and financial planning maturity to ensure it can at the very least:

- Record and report on the state of all assets to the community
- Meet current statutory reporting requirements
- Ensure community safety
- Provide management information to guide decisions by council on the cumulating impact of decisions

The IPWEA NAMS.PLUS Maturity Model is an online product designed in accordance with the NAF and has been utilised by over 200 councils Australia wide.

Key attributes of the model are:

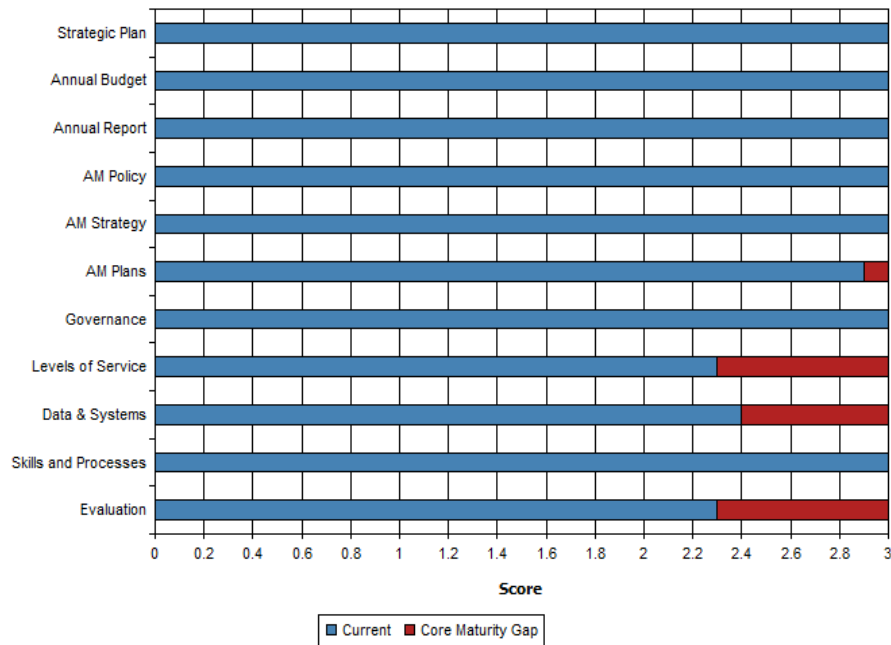
- It is designed around the asset management journey of council;
- It assesses where a council is on the asset management maturity curve;
- It evaluates progress towards ‘Core’ maturity in asset management and financial planning; and
- It provides specific reporting to individual councils, and could be aggregated for reporting at a regional, state and national level.

2020 DETAILED RESULTS

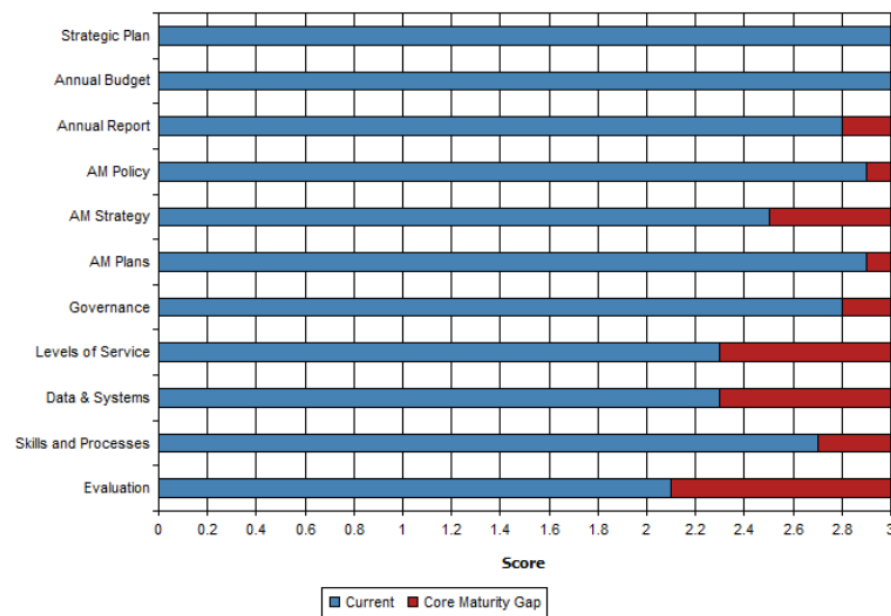
The City of Marion's target is to achieve a minimum rating of 3 (core maturity) for all 11 elements by 30 June 2021 and achieve visible progress in the interim - evaluated annually.

In February 2020, City of Marion had improved scores in all 11 elements and now meets the core maturity (a minimum score of 3) in seven of the 11 elements.

2020



2019



Significant improvements have been made in:

- Asset Management Policy
- Asset Management Strategy

Element	March 2020 Overall Rating	March 2019 Overall Rating	Improvement
Strategic Plan	3.6	3.6	0.0
Annual Budget	3.9	3.6	0.3
Annual Report	3.6	2.9	0.7
AM Policy	3.7	2.9	0.8
AM Strategy	3.7	2.5	1.2
AM Plans	2.9	2.9	0.0
Governance	3.0	2.8	0.2
Levels of Service	2.3	2.3	0.0
Data & Systems	2.4	2.3	0.1
Skills & Processes	3.1	2.7	0.4
Evaluation	2.3	2.1	0.2

In order to achieve a minimum rating of 3 (core maturity) for all 11 elements by 30 June 2021, the City of Marion must focus resources on:

- Data & Systems
- Levels of Service
- Evaluation

Projects will be identified in the updated Asset Management Improvement Plan (AMIP 3.0) to address areas of lowest maturity and embed improvements made.

OUTSTANDING OUTCOMES TO ACHIEVE CORE MATURITY IN ALL 11 ELEMENTS

14 outstanding core outcomes (11% remaining overall) must be met to reach core maturity in all 11 elements by Marion's target date of 30/6/2021.

The elements with the greatest % of outstanding core outcomes are:

- Levels of Service
- Evaluation
- Data & Systems
- Asset Management Plans

Element	Total core outcomes	Outstanding core outcomes	% core outcomes completed
Strategic Plan	11	0	100%
Annual Budget	9	0	100%
Annual Report	10	0	100%
AM Policy	7	0	100%
AM Strategy	6	0	100%
AM Plans	30	4	87%
Governance	10	0	100%
Levels of Service	6	3	50%
Data & Systems	13	5	62%
Skills & Processes	16	0	100%
Evaluation	5	2	60%
TOTAL	123	14	89%

KEY AREAS OF FOCUS

Analysis of supporting commentary for each outstanding outcome, prioritises these areas of focus by impact on core maturity:

Area of focus	Outcomes	Elements addressed	Elements addressed
Define, document and quantify current and target community levels of service and technical levels of service - understand the actions, costs, measures and plans to deliver them. Monitor and performance report on community levels of service	<ol style="list-style-type: none"> 1. Council has undertaken the process of defining, quantifying and documenting current community levels of service and technical levels of service and costs of providing the current levels of service. 2. Council has service plans for each of its services, which have been developed in consultation with the community. 3. Current and target levels of service (for both community levels of service and associated technical levels of service) are clearly defined in each asset management plan. 4. Asset management plans provide information about assets, including particular actions and costs to provide a defined (current and/or target) level of service in the most cost effective manner 5. Asset management plans address asset performance and utilisation measures and associated targets as linked to levels of service 6. Technical levels of service are monitored and performance reported. 7. Community levels of service are monitored and performance reported. 	7	Levels of Service (3) AM Plans (2) Evaluation (2)
Improved asset financial data modelling	<ol style="list-style-type: none"> 1. Council's asset financial reporting functionality is comprehensive and includes audit trails, depreciation calculations, reporting thresholds and records of acquisition and disposal of assets. 2. Asset management systems have the functionality to generate maintenance and renewal programs and produce associated cash flow forecasts. 3. Council has defined and documented procedures for determining asset replacement and treatment unit rates, which are then stored in Council's asset management system. 	3	Data & Systems
Split out operational and maintenance costs to support business analysis, scenario modelling and KPI progress measurement	<ol style="list-style-type: none"> 1. Asset management plans include forward programs identifying cash flow forecasts projected for: 2. Operational expenditure including depreciation expense - (bullet point iv) 	2	AM Plans
Single point of truth asset data	<ol style="list-style-type: none"> 1. There is a common corporate data framework used across all asset groups, which is defined by Council's infrastructure asset hierarchy. 	2	Data & Systems

	2. Council has a consolidated, integrated, accurate, up-to-date and complete componentised asset register with the required functionality to ensure security and data integrity, which includes all information about each asset sorted by asset group.	
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These areas will inform the development of an updated Asset Management Improvement Plan (AMIP 3.0) which will be implemented in 2020/21.

CONFIDENCE AND OUTCOME ANALYSIS

Stakeholder ownership and 'what we know' has increased during COMPAS - resulting in a more accurate assessment of scoring confidence.

Element	Assessment Scoring Confidence 2017	Assessment Scoring Confidence 2019	Assessment Scoring Confidence 2020	Outcome performance trend			
				Number of outcomes	↔	↑	↓
Strategic Plan	Medium	High	High	20	19	1	0
Annual Budget	Medium	High	High	14	13	1	0
Annual Report	Medium	High	High	16	2	14	0
AM Policy	Medium	High	High	13	2	11	0
AM Strategy	High	High	High	11	6	5	0
AM Plans	Medium	High	High	37	24	13	0
Governance	Medium	High	High	18	16	2	0
Levels of Service	Medium	Medium	High	14	14	0	0
Data & Systems	Medium	High	High	27	21	6	0
Skills & Processes	Medium	High	High	28	21	7	0
Evaluation	Medium	Medium	High	10	1	9	0
				208	139	69	0
					67%	33%	0%

Each element contains a number of detailed outcomes. The performance of each outcome has been assessed and the trend mapped.

For Asset Management Plans and Levels of Service, a maturity variance was noted across organisation and asset classes. This has been consolidated for an organisation score. There is potential to assess maturity by asset class workshops then consolidate results for these two elements in future assessments.

Annual Business Continuity Management Program

Originating Officer	Unit Manager Risk - Sherie Walczak
Corporate Manager	Manager Corporate Governance - Kate McKenzie
General Manager	General Manager City Services - Tony Lines
Report Reference	FAC200519R07

REPORT OBJECTIVE

The objective of this report is to provide the Finance and Audit Committee (FAC) with an overview of the Business Continuity Management Program in 2019-20 in accordance with the FAC's Terms of Reference to provide "*effective management of risk and the protection of Council assets*" and to provide assurance of the continued implementation of effective business continuity management initiatives across the organisation.

EXECUTIVE SUMMARY

The Business Continuity Management Program is reported annually and was last presented to the Finance and Audit Committee at its meeting held on 28 May 2019 (FAC280519R05).

This report provides an overview of the initiatives undertaken through the Business Continuity Management Program in 2019-20 to ensure that business continuity events are managed through the approved suite of documents including the Business Continuity Management Policy, Framework and Business Continuity Plan (BCP), in alignment with ISO22301 '*Societal security - Business Continuity Management Systems – Requirement and Guidelines*'.

The Business Continuity Management Program has continued building organisational maturity through:

- capacity building
- testing of key controls
- continual improvement of systems and documentation

RECOMMENDATION

That the Finance and Audit Committee:

- 1. Notes the report and the Business Continuity Management Program initiatives undertaken in 2019-20.**
- 2. Provides feedback on the Business Continuity Management Program priorities planned for 2020-21.**

DISCUSSION

Capacity Building and Testing of Key Controls

The ongoing capacity building of key personnel and testing of key controls is primarily achieved through the undertaking of emergency management exercises as outlined in the Business Continuity Plan. These exercises are prioritised based on the City of Marion's Community Emergency Risk Assessment ratings against the ten state hazards as outlined in the State Emergency Management Plan.

Exercises in previous years have included storm, black systems/cyber, earthquake and terrorism. This year, Exercise Swelter was conducted in October 2019. Facilitated by LGA Emergency Management representatives from the LGA funded Council Ready Program, it was based on an extreme heatwave event and aimed to increase the understanding of City of Marion's Incident Management Team (IMT) in the command and control structures during an event with wide spreading impacts on staff and community alike. Recommendations for improvement are identified through the evaluation of events and exercises (Attachment 1) and are documented in the Corporate Risk Register for monitoring by the Risk Coordinator.

The evaluation of Exercise Swelter recommended improvements including the development of an IMT internal communications procedure, the review of IMT templates, ensuring induction is completed for all new IMT members, Incident Management 3 and Local Government Liaison Officer training through the Local Government Association (LGA), evidential record management and the training of Elected Members in their roles and responsibilities in a BCP activation. These actions are detailed in Part D of Exercise Swelter Post Event Evaluation (Attachment 1) with some being complete and others deferred to implement in line with improvement recommendations from the evaluation of the COVID-19 event.

Capacity Building

Formal emergency management training is provided by the LGA. This year the IMT Commander and the three proxies for this role (CEO and the three GMs), the IMT Council/Organisational Governance (Manager Corporate Governance) and the IMT Coordinator (Unit Manager Risk) have all undertaken Incident Management 3 training.

IMT Council/Organisational Governance (Manager Corporate Governance) and the IMT Coordinator (Unit Manager Risk) have also undertaken Local Government Liaison Officer training which enables the City of Marion to support formal requests of support from the Local Government Functional Support Group to other councils and/or State agencies during declared emergencies.

A training and information session was also presented to the Elected Members at the Elected Member Forum held 18 January 2020. This covered the operations of Council's Business Continuity Plan and the role of an Elected Member during an emergency.

Continual Improvement of Systems and Documentation

The Business Continuity Management Policy and Framework were both reviewed this financial year and were adopted by Council at its meeting held in September 2019 (GC190924R14). Revisions included the use of the revised corporate policy template, updated terminology, references and definitions.

A strategic Business Impact Analysis (BIA) assessment was undertaken in February 2020. Facilitated by KPMG, it resulted in the identification of strategic critical business priorities across Council operations as recommended in the internal audit report Business Continuity, IT Disaster Recovery and Emergency Management (May 2019). This assessment was undertaken against macro and micro scenarios in order to capture maximum allowable outages and recovery point objectives for critical services and functions. The completed strategic BIA assessment has been summarised in Attachment 2, consolidating the IT critical systems analysis undertaken in 2018 and will further inform the Executive Leadership Team of strategies for business continuity planning into the future.

NEXT STEPS

Current Business Disruption Incident Management

Currently, the global COVID-19 viral pandemic has resulted in major and far reaching impacts on individuals, communities and businesses. Mid-March, in response to the declaration of a world-wide pandemic and the degree of impacts within the State of South Australia, Council's IMT Commander activated the Business Continuity Plan and declared a level three incident. The IMT has held regular meetings, issuing clear and consistent messages to staff and the local community in order to promote calm and to provide valuable information and support during such a time of dramatic change and uncertainty. Due to the major scale of business disruption, management of this situation will be ongoing for a period of months. Once the recovery phase is finalised, a post event evaluation will be undertaken, with key learnings identified and reported.

Business Continuity Exercises

The next Business Continuity Exercise is scheduled for June/July and the next priority hazard due for testing is extreme storm. The consensus of the Risk Working Group, at its meeting held 28 April 2020, is that there are sufficient learning from the current activation of the BCP in response to the COVID-19 pandemic, and in consideration of the capacity and appetite of the organisation to undertake a further exercise at this juncture, it recommended that the next scheduled exercise be cancelled in preference to a post event evaluation as outlined above.

Business Continuity Gap Analysis

Following the strategic BIA assessment and the recent impact of COVID-19, an internal assessment of our current BCM arrangements against the international standard ISO 22301, is scheduled. This gap analysis will ensure the organisation gains from the recent 'real life' experiences and is more fully prepared to handle a disruptive incident going forwards, particularly one with a scenario similar to the current pandemic.

CONCLUSION

The progress achieved by the Business Continuity Management Program has led to a maturing of emergency response and business continuity management across the organisation. The programmed events in the 2020-21 Business Continuity Management program will develop more efficient and effective processes, advance capability and maturity levels, and increase the resilience of the business going forward, which in turn will provide assurance to Council and all key stakeholders.

Attachment

#	Attachment	Type
1	Exercise Swelter Post Evaluation	PDF File
2	Strategic Business Impact Analysis	PDF File

Business Continuity Exercise - Post Event Evaluation

Attachment 1

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.

Business Continuity Event – Post Event Evaluation Form			
PART A: Summary Details			
Completed by:	IMT Admin Support		
Disruption Event:	Heatwave – Exercise Swelter		
Date of Event:	24/10/19 9.30am	Time of Event:	11.30am
PART B: Further description of events that occurred			
Scenario Outline:			
Situation	<ul style="list-style-type: none"> Heatwave is in its fourth day. The Customer Service Centre is assisting the Community in dealing with a variety of heatwave related issues and concerns. Neighbourhood Centres and Libraries are reviewing their activity programs and rescheduling classes to take place earlier in the day where possible Positive Ageing services of Council are in high demand, with the Positive Ageing and Inclusion Team contacting those on its vulnerability register to check on their wellbeing. Council buildings remain safe for staff working Road and rail networks impacted, roads melting in patches, railway lines affected by heat/ power outages. Communication & internet networks unreliable, business hours impacted, supply chains disrupted. Power outage to the suburbs of Sturt, Oaklands Park and Park Holme, with restoration time unknown. 		
Impacts	<ul style="list-style-type: none"> The CoM frontline Customer Service Centre team have experienced a 30% reduction in staff members attending for work. Heat related deaths are being reported from across the State, hospitals are registering an increase in people presenting with heat stroke. Community members in the more rural areas are struggling to feed and shelter their livestock, in anticipation, several offers for short term stabling have been received from the O'Halloran Hill area. Service delivery at the Libraries & Neighbourhood Centres is being impacted due to reduced staff numbers and the need to ensure safety of general public. The Marion Cultural Centre and Library, the Marion Outdoor Pool Admin & Park Holme Library are all impacted by the power outage. Positive Ageing Team are finding many vulnerable clients are fearful of calling for support and have anxieties that services will not be delivered. The media are reporting various incidents of native wildlife making their way into residential areas for water, prompting Fauna Rescue to contact Council for assistance with animal transportation vehicles and experienced drivers Air conditioning motors have seized in the heat and two are reported as failed at Admin Building. Burst irrigation pipes at Oaklands Reserve is causing local residents to report that water's collected and started to stream onto nearby roadways causing a danger with traffic congestion. 		
Tactics	<ul style="list-style-type: none"> The IMT is being formed at 1400hrs on 24 January to identify incident response priorities in accordance with council's BCP and tactics for implementing these. All field staff will operate in accordance with the i-Responda operating platform. 		
Resources	<ul style="list-style-type: none"> To support council's response to the incident, an IMT has been established at the CoM Civic Centre, Sturt Road Oaklands Staff. The Level 2 IMT comprises a Council Commander and 7 functional roles. A generator has been commissioned at Admin Building for use in power outages to ensure ICT systems and back ups are maintained. The additional generator capacity provided, is allocated for power and air conditioning in the Chamber and Public Meeting rooms, the Finance and Customer Service Centre areas. 		
External Agencies	<ul style="list-style-type: none"> SES is the Control Agency for Extreme Heat. The SES is liaising with the LGFSG to coordinate with local government. The LGFSG is activated, and is representing the local government sector at the State Emergency Centre. The LGFSG has contacted the Council Commander, requesting an update about council impacts and activities in response to the heatwave. SAPOL have attended Oaklands Reserve and contacted City Services with instructions to urgently put diversion signage in place. 		

Problems	<ul style="list-style-type: none"> Final arrangements need to be made for the City of Marion Australia Day Citizenship Ceremony on Monday at the Hallett Cove Foreshore. A public holiday long weekend community event, followed by a BBQ hosted by the Lions, expected to attract 2,000 attendees from the local community. The Elected Member for Hallett Cove calls directly to speak to the Commander, demanding priority assistance with provisioning additional shade cover for the Australia Day Citizenship ceremony on the Foreshore at 1pm. The Outdoor workforce are seeking clarification on work plans over the following week as there are conflicting interpretations across the different work teams regarding the 50/50 working arrangements within their Enterprise Agreement. Disgruntled Community members are contacting their Elected Members to request hardship assistance from Council to cover increased costs relating to caring duties, financial assistance with the expense of emergency air conditioning repairs and/or the increased electricity costs of running air conditioning systems. A Seaford train becomes stranded at Brighton and LGFSG called to speak to the Commander (1.30pm) asking for help to shelter and provision a large number of stranded commuters. Rolling power outages and blackouts across Sturt, Oaklands Park and Park Holme.
Safety	<ul style="list-style-type: none"> Council is monitoring the ongoing safety of all staff and no reports of injury or heat related illness. Council buildings remain safe for staff working Safety of general public to be maintained at all Council Facilities, including libraries and Neighbourhood Centres.

PART C: Findings

Positives/ Strengths	<p>General</p> <ul style="list-style-type: none"> The scenario was realistic and plausible. The simulation style was useful to build capability and confidence of the CIMT. Everyone came to the CIMT prepared, with relevant information and resources. Staff are aware of their functions within the CIMT and demonstrated competence in performing these. The CIMT functioned well, with great collaboration and communication throughout the exercise. The CIMT identified that this collaboration was required and beneficial to help carry out individual roles and tasks. Images of the CIMT are documented in Appendix A. Tested CIMT proxies instead of primary roles to build the capability of all staff present. Everyone was calm, participated well and took the exercise seriously. The team kept to time throughout exercise. Everyone used resources including evidential notebooks, samples provided in Appendix B. good briefings from all CIMT. <p>IMT Coordinator</p> <ul style="list-style-type: none"> MCC/Hallett Cove/Glandore relief centre discussion very realistic and showed good knowledge of Council arrangements. Xmatters notifications worked well to activate and deactivate IMT. CEOC was organised and set up appropriately. <p>CIMT Administration</p> <ul style="list-style-type: none"> LGFS council effects summary was completed. Provided minutes of briefings. <p>Council Commander</p> <ul style="list-style-type: none"> The CIMT was comfortable to discuss and confirm tasks and priorities with Commander outside of regular briefings. Commander allocated spare functions within IMT and tasked these effectively with actions to support the CIMT. Commander was calm and ensured staff welfare throughout exercise – checking if everyone is ok, getting IMT coffee. Good briefings by IMT Commander including initial SITREP report. Kept to time and kept briefings on time. used evidential notebook to record LGFS request about CFS bushfire support. Council Commander pushed CIMT on decisions and actions that he considered were important to resolve quickly. <p>IMT Comms & Customer Service</p> <ul style="list-style-type: none"> Demonstrated strong understanding of Council's role in communications and clear understanding that they will echo/relay the communication messages of Control Agency. Identified that communications was required to have a role in public messaging about the bushfire. Worked collaboratively to undertake a number of important and time critical tasks. Used templates within BCP to draft media release.
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	<p>Operations</p> <ul style="list-style-type: none"> • Had a significant role in the IMT. • Responded well to a large number of tasks throughout incident with collaboration with other functions. • Added additional knowledge that was not identified in the exercise e.g. operations identified trees and footpaths as being areas of concern and identified daily toolbox and all staff meetings. • Provided detailed statistical information (825L/day - fuel to run generator need to fill morning and afternoon – two tankers of fuel). <p>Governance</p> <ul style="list-style-type: none"> • Provided excellent advice and resolution of Hallett Cove Australia Day ceremony problem. • Worked closely with IMT Comms to resolve issue and prepare information to community and External Members enquiries. • Identified roles of external agencies e.g. Department of Immigration. <p>Planning/Logistics & Facilities/ICT Service Recovery</p> <ul style="list-style-type: none"> • Supported CIMT functioning by providing water, food. • Looked at staff mobile phone charging • Identified additional areas that they were concerned about outside the initial identified in original scenario (internet, computer room and IT systems) • Sourced relevant information about Seaford line capacity to provide information to Operations <p>People</p> <ul style="list-style-type: none"> • Considered emergency services leave for CFS volunteers, staff • Assisted Operations to clarify 50/50 working arrangements • Considered staff welfare
<p>Weaknesses/ Opportunities</p>	<p>The exercise demonstrated a high level of capability within the City of Marion to function as an Incident Management Team and respond to a heatwave.</p> <p>Opportunities to focus on include:</p> <p>IMT functioning</p> <ul style="list-style-type: none"> • The IMT could be put on standby on receipt of warnings. • IT would be beneficial for IMT briefings to include time at the conclusion of the briefing for questions for members to check their understanding of requests or information. • A Common Operating Picture (COP) would be useful to ensure all IMT have the same information about the incident. • Once the IMT is established there needs to be consideration of how the IMT will be rostered for the anticipated duration of the event. • Consider setting up a cost code early in the incident to record any expenditure. • Consider appointing a Deputy Incident Controller when the incident is beginning to escalate. This will enable the CE to respond to Elected Members and external requests as required. • Consider appointing a LGFSG liaison as the incident escalates, or for large incidents. • Operations has a very large role and could benefit from additional support. <p>Resources</p> <ul style="list-style-type: none"> • ICT - A number of IMT members identified that the COP and relevant information could have been documented on whiteboards or similar for reference by IMT. • IMT - Feedback identified that there was an assumption that ICT are available during an incident. This may not be the case and there needs to be redundancies in place. • Purchasing of batteries for black outs and power charging supply for phones during prolonged incidents could be considered. • Feedback indicated a printer would be useful. • Feedback indicated maps could be useful. • Other Council sites need to be considered and communicated with. <p>Requests for Council assistance</p> <ul style="list-style-type: none"> • These requests should be documented in evidential notebooks and in the Council Provision of Resources Form within the BCP. It is acceptable for Council to say no to requests asking for support by state agencies. • Feedback identified that "CoM said 'yes' to everything – what should we have pushed back on – if anything?" • Council should respond to requests through the appropriate channel instead of attempting to fill this request by asking neighbouring councils or personal contacts. The LGFSG can assist with coordinating the response with other councils. <p>Documents</p> <ul style="list-style-type: none"> • The IMT focused largely on the tasks identified in the SITREP and delegated to them by the Council Commander.

- The BCP should have been formally invoked and actions within been considered and actioned by IMT.
 - The Extreme Heat Guide and communications guide were not referenced by the IMT.
 - The BCP contains a range of templates that can be accessed and used during an incident.
- Future Planning**
- There is an opportunity to consider putting in place some policies for heat e.g. no outside events after midday on days over 35C.

PART D: Recommended Improvement Actions

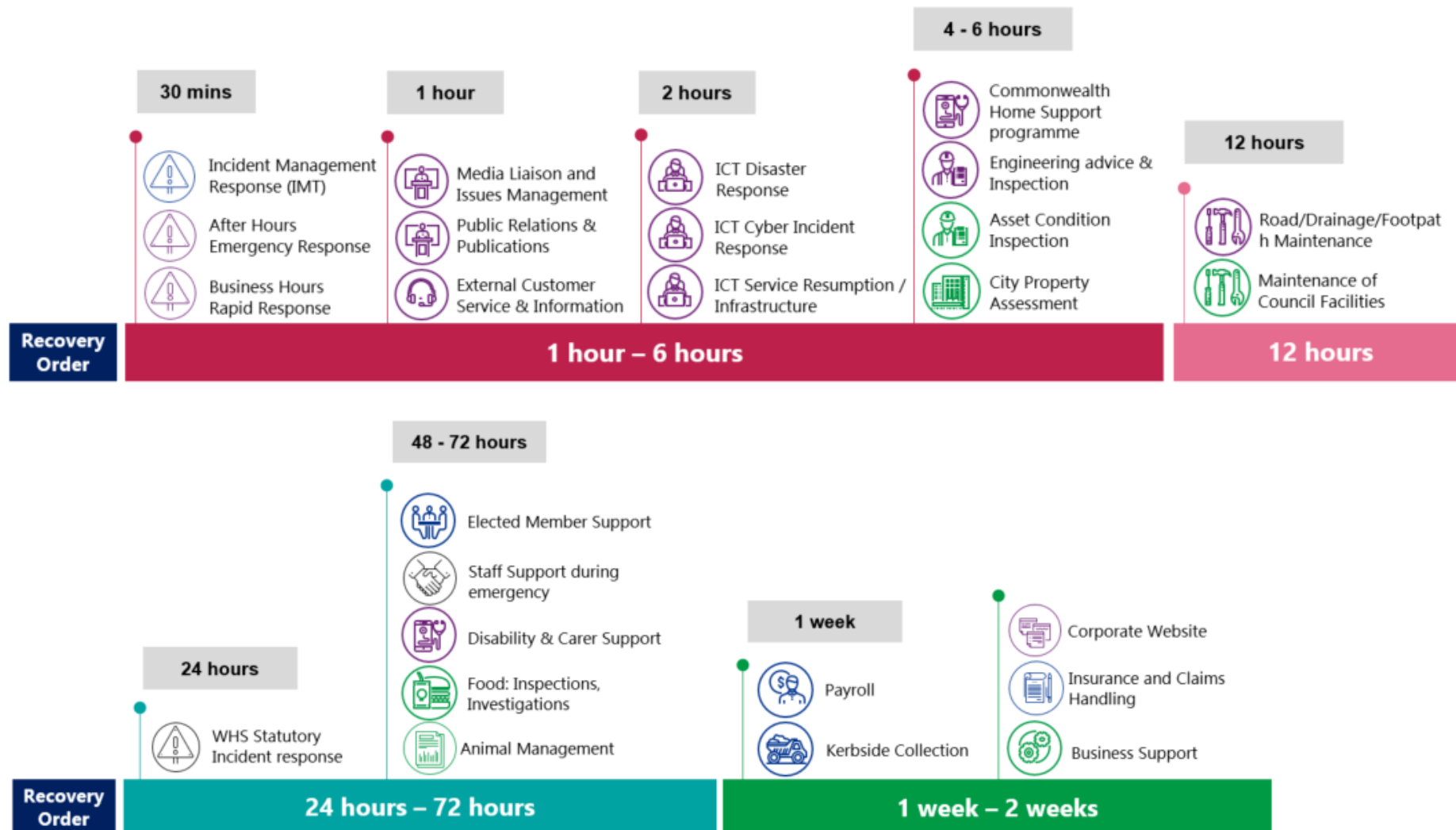
Actions:	Action Owner:	Date:
Review the requirements for recording decisions in evidentiary notebooks, update the evidentiary notebook guideline and provide an overview at the next BCP exercise <i>Update: COVID-19 has seen electronic IMT note-taking/records management, therefore will review in conjunction with recent experiences/practices to provide holistic update.</i>	Risk Coordinator	April 2020
Include specific events to force the practice of using BCP templates in the next BCP exercise <i>Update: Next exercise scheduled to be Storm event May/June – incident management of current COVID-19 situation will defer planning of this exercise.</i>	Risk Coordinator	April 2020
Include Heat mitigation strategies in the development of the Event Management Procedure <i>Update: COMPLETE - this is drafted into the Event Management Procedure due for consultation in April 2020</i>	Unit Manager Communications	April 2020
Review need for role specific induction/training for IMT member groups <i>Update: COMPLETE - reviewed with a pilot for IMT Operations and deemed beneficial for clarity of role and strengthening of specific team relations.</i>	Risk Coordinator	April 2020
Include a prolonged event scenario with further simulation activities (including rostering, handover of roles, LGFSG reporting, sitreps from front-line workers and 2-way radio communications between worksites) in the next BCP exercise <i>Update: this will be included into next event scenario – deferred at present due to COVID-19</i>	Risk Coordinator	April 2020
Develop a Common Operating Procedure template (including cost code) for IMT to work from in the next BCP exercise <i>Update: revised templates drafted as result of Incident Management of COVID-19. Financial code updated to IMT Admin Support Responsibility Statement for conveying during IMT response.</i>	Risk Coordinator	April 2020
Include the 'role of the LGFSG' overview at the next BCP exercise <i>Update: this will be included into next event scenario – deferred at present due to COVID-19</i>	Risk Coordinator	April 2020
Book IMT Commander alternatives into IM3 training <i>Update: COMPLETE – January 2020</i>	Risk Coordinator	April 2020

Strategic Business Impact Analysis Assessment - KPMG Strategic Workshops & Executive Leadership Team Review

February 2020

Recovery Order:

Functions - The Critical Function Timeline below shows the recovery priority order of the functions with MAO of 12 hours or less, through to 2 weeks.



Annual Corporate Risk Report

Originating Officer	Unit Manager Risk - Sherie Walczak
Corporate Manager	Manager Corporate Governance - Kate McKenzie
General Manager	General Manager City Services - Tony Lines
Report Reference	FAC200519R08

REPORT OBJECTIVE

This report provides the Finance and Audit Committee (FAC) with an overview of the Risk Management Program in 2019-20 in accordance with the FAC's Terms of Reference to provide "*effective management of risk and the protection of Council assets*" and to provide assurance of the continued implementation of effective risk management initiatives across the organisation.

EXECUTIVE SUMMARY

The Risk Management Program is reported annually and was last presented to the FAC at its meeting held on 28 May 2019 (FAC280519R06). In addition, quarterly reports are also provided to the FAC and Council to identify and manage high rated risks, the control environment and further actions to mitigate risk materialisation and impacts to Council.

This report provides an overview of the initiatives undertaken through the Risk Management Program in 2019-20 to ensure that risks are managed through the approved suite of documents including Risk Management Policy, Framework and the Corporate Risk Register, in their alignment with ISO31000:2018 Risk Management - Guidelines.

The Risk Management Program has continued building organisational maturity through:

- continual improvement of systems and documentation
- risk management maturity assessment
- risk register analysis
- sector comparison

RECOMMENDATION

That the Finance and Audit Committee:

- 1. Notes the current risk profile.**
- 2. Notes the report and the Risk Management Program initiatives undertaken in 2019-20.**
- 3. Provides feedback on the Risk Management Program priorities planned for 2020-21.**

DISCUSSION

Continual Improvement of Systems and Documentation

The Risk Management Policy and Framework were reviewed and adopted by Council at its meeting 25 February 2020 (GC200225R12). They were revised to include:

- use of the new corporate policy template and updated terminology, references, definitions and diagrams;
- inclusion of the newly endorsed risk appetite statement;
- key elements of the LGRS Risk Management Framework and frameworks of comparative Councils;

- key elements of the updated ISO 31000:2018 Risk Management Guidelines, highlighting the importance of managing opportunities as well as risks; and
- expansion of the risk management processes to incorporate the monitoring and review undertaken by ELT, in particular the identification and prompt risk management of extreme and high risk issues once identified.

Risk Management Maturity Assessment

The Risk Management Maturity Assessment was undertaken in June 2019 via a series of workshops with Senior Leadership Team members. The purpose of this assessment was to identify the 'current' and 'desired' state of risk management maturity. The result will inform the development of a Strategic Risk Management Plan 2020-23 outlining activities and initiatives to continuously improve our risk management systems, processes and culture over coming years.

Risk Register Analysis

Risks are monitored on an ongoing basis with a formal review undertaken each quarter. The outcomes from the quarterly monitoring and review process are presented in Table 1 within the Risk Management Report – Quarter 3 2020 (**Attachment 1**) and highlight the movement in Council's overall risk exposure. During the quarter ending 31st March, the Corporate Risk Register totalled 109 risks, with current risk ratings as follows; 10 high, 78 medium and 21 low. All 20 inherently rated extreme risks remain steady and well managed with all inherently high risks reduced to a rating of high or medium after current controls are considered.

During the January to March 2020 quarter, two current risk ratings were revised to high due to the direct impact of the COVID-19 pandemic on our workforce strategies and on our capacity to deliver services to the Community under the Public Health Act. These risks were:

- *DSE09: Failure to deliver Health & Safety services for the Community (eg: re Food Act, Public Health Act, animals, fire prevention, parking, Local Nuisance and Litter Control, Local Government Act, Council By-Laws).* This risk was heightened due to the urgency and magnitude of demand for Community Health & Safety enforcement services and Environmental Health inspections as directed by State agencies and/or legislated by the Public Health Act during a pandemic. The required response included re-allocation of appropriate personnel from elsewhere in the existing workforce and activation of various initiatives in order to meet increased obligations.
- *PCU05: Ineffective strategic workforce planning.* This risk was re-rated high due to the scale of the Covid-19 impact on the organisation's workforce as, in order to ensure social distancing, the majority of CoM work sites were closed and staff rapidly transferred to working remotely. Regular Incident Management Team (IMT) meetings have ensured staff wellbeing and workforce planning are key considerations in the response and recovery decision making. Future months will need to incorporate crucial strategic workforce planning in order to achieve a return of staff to their recognised work practices and a successful return to full delivery of Council services.

Additional risks, related to COVID-19, which are being monitored include:

- *GOV10 - Failure in Council's ability to prevent, prepare, respond to and promote resilience in the community in the event of an emergency i.e. pandemic (human disease), earthquake, flood, extreme heat, bushfire and terrorism.* This risk continues to be rated as high due to the severe impacts to the community however the likelihood is rated unlikely which is currently being justified by the way that the organisation's IMT is responding to and managing the current incident.
- *FIN02 - Failure to raise an appropriate level of rate revenue to fund Operational and Capital Renewal requirements.* This risk continues to be rated as medium but is being monitored given potential decreases in revenue whilst we are assisting the community who may be experiencing financial hardship.
- *ITT03 - Failure to maintain Cyber Security assurance across all CoM systems and worksites.* This risk continues to be rated as medium given current controls however further controls have also been implemented to heighten security given recent phishing scams related to COVID-19.

- *GOV08 - Failure to meet Work Health Safety statutory and legislative requirements to ensure provision of a safe workplace.* This risk continues to be rated as medium given current controls however detailed risk assessments are being undertaken and hazard reduction controls being implemented to ensure safety of staff and the community, particularly in relation to closure of services/sites, social distancing of staff, hygiene requirements and specific initiatives targeted at ensuring the wellbeing of staff.
- *CAC05 - Failure to maximise partnerships, business relationships, networks and opportunities for growth and prosperity.* This risk continues to be rated as medium given current controls however an action plan is being developed to partner with businesses and assist their economic recovery.

The ongoing response to COVID-19 and transition to recovery is being monitored closely by the Incident Management Team (IMT). The IMT initially met daily to formulate the organisation's response and manage related risks however they now have twice-weekly meetings scheduled and call additional meetings as required, generally in response to new government directions as they are announced. Council has received regularly updates, a detailed briefing at the Infrastructure and Strategy Committee and at an EM forum.

All risks, with particular attention to the high risks, will be closely reviewed during coming weeks as the risk exposure changes as Federal and State directives progress the management of this pandemic situation.

The 10 high rated risks, reported are actively managed by Risk Owners and monitored by the Executive Leadership Team through Risk Working Group. A detailed analysis of the these risks is provided in the Corporate Risk Register HIGH risks as at March 2020 (**Attachment 2**). In response to a request from the FAC at its meeting held 25 February 2020, risk owners were asked to review risk controls and contingencies during Quarter 3, in order to address current risk consequence ratings. Identifying contingencies within the Corporate Risk Register recognises contingency plans that are in place, to be enacted as and when risks materialise, hence lessening the potential impact. Although this request occurred, there has been little to no change with consequence ratings. Further engagement is required with the organisation to ensure that risk owners have reviewed this correctly. During this engagement activity, it is also planned to review the high risks to develop a detailed risk management plan for each high rated risk.

Sector Analysis

Each year Local Government Risk Services undertakes a risk management survey with Chief Executive Officers of councils across South Australia which results in a document being published titled the 'Local Government CEO's Ranking of the Top Risks in the Sector', most recently produced in August 2019. The identified top risks in the sector are:

1. Financial Sustainability
2. ICT Infrastructure /Cyber Security
3. Reputation Risk
4. Natural Catastrophes / Climate Change
5. Property & Infrastructure
6. Increased Statutory & Regulatory Requirements
7. Ineffective Governance
8. Business Continuity & Community
9. Effective HR and WHS Management
10. Environmental Management
11. Errors, omissions or civil liability exposure
12. Theft, Fraud and Crime
13. Terrorism

To provide a local government sector comparison, our risks are profiled against the sector top risks and provided as the Corporate Risk Profile 2020 (**Attachment 3**). Analysis of the risk data informs that the City of Marion's risk exposure varies when compared against those reported by the sector. Therefore, City of Marion risk data is referenced against similar risk headings in order to provide a comparison to the sector top risks. Given the importance of effective management of Work Health and Safety within councils to ensure the safety of staff, we have renamed Increased Statutory & Regulatory Requirements, to reflect the safety element of this risk rather than the compliance focus.

For 2019-20, Reputation Risk has been separately identified, however errors, omissions or civil liability exposure have been treated as a consequence of other risks materialising, and so is not separately reflected in the profile. In recognition of the increased threat from cyber attacks, Fraud and Corruption has been included within the ITT Infrastructure/Cyber Security category and Terrorism is reflected in our Business Continuity & Community category. Environmental Management and Natural Catastrophes/Climate Change have also been reflected together as one risk.

These revisions result in ten categories reflected in our profile as Contractor Management is also rated as a high risk within the City of Marion. It is worthy of note that two of these sector high risks are currently rated as medium at the City of Marion, they include Financial Sustainability and Reputation Risk which reflect good internal controls, processes and systems designed to mitigate these risks.

NEXT STEPS

In addition to continuing current risk management practices, a Strategic Risk Management Plan 2020-23 will be developed to project risk management forward to the identified desired state over the next 3 years. It will define activities and initiatives to continuously improve our risk management systems and processes including:

1. Improving the risk linkage to corporate strategy.
2. Embedding risk into corporate governance processes to ensure accountability and ownership of risk.
3. A review of the risk assessment process to ensure integration and alignment with corporate processes including the implementation of mitigation controls and contingency plans to reduce both likelihood and consequence of risk materialisation.
4. Building risk culture and capability through ELT support, staff training and a business partner approach.
5. Undertaking a review of current systems and investigate an enterprise risk management system option.

CONCLUSION

The Corporate Risk Reporting to FAC and Council, provides a high level of assurance that the organisation is managing its risk exposure and provides an understanding of our Risk Profile comparative to the industry sector ratings where the City of Marion rates well. The Risk Management program for 2020-21 aims to further embed and mature risk management across the organisation and, with implementation of the Strategic Risk Management Plan 2020-23, the program will develop more efficient and effective systems and processes to increase the resilience of the business going forward, which will in turn provide assurance to the Council and all key stakeholders.

Attachment

#	Attachment	Type
1	Summary Table as at March 2020	PDF File
2	HIGH risks as at March 2020	PDF File
3	Corporate Risk Profile 2019_20	PDF File

Risk Management Report – Quarter 3 2020

An objective of the City of Marion's Risk Management Policy is to 'implement consistent risk management processes to manage risk and opportunities throughout City of Marion's organisational systems and functions'. The Risk Management Framework outlines the risk management process including the development of a risk register to record the following:

- Risk Identification
- Risk Analysis
- Risk Evaluation
- Risk Treatment
- Monitoring and Review

The monitoring and review process requires risk owners to review their risk environment and provide updates the progress on identified actions. This occurs on a quarterly basis in conjunction with Work Area Reporting. 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 (through Risk Working Group) to provide assurance of validation to the corporate risk management framework and consistency across the organisational structure.

Table 1: Corporate Risk Register Review Quarterly Outcomes

Period:	Qtr 4: Apr to Jun 2019			Qtr 1: Jul to Sept 2019			Qtr 2: Oct to Dec 2019			Qtr 3: Jan - Mar 2020			Current Risk Impact
Corporate Risk	I	C	F	I	C	F	I	C	F	I	C	F	
Extreme	20	0	0	20	0	0	20	0	0	20	0	0	↔
High	74	9	0	71	8	0	71	8	0	71	10	0	↑ Risk
Medium	17	84	68	18	81	67	18	79	65	18	78	70	↑ Tolerance
Low	0	18	43	0	20	42	0	22	44	0	21	39	↓
Total	111	111	111	109	109	109	109	109	109	109	109	109	

Current High Risk %	8%	7%	7%	9%
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* Key: I = Inherent, C = Current, F = Forecast

Corporate Risk Register - extract showing current HIGH risks (Mar 2020)

ELT Risk Owner (ELT)	SLT Risk Owner (SLT)	Strategic Link	Ref	Risk Description	Risk Causes /Sources	Potential Consequences	INHERENT Level of Risk			Current Controls/Contingencies 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	Engineering, Assets & Environmental	Liveable	ASY02	Property & Infrastructure Failure to appropriately manage assets and associated funding, including planning, acquisition, renewal , maintenance, management and disposal.	- Lack of lifecycle and whole of life controls utilised in corporate decision making. - Poor asset related data - Ineffective asset management systems - Ineffective asset management planning - Lack of clarity regarding service standards/levels - Change in strategic priorities - Increased workload/ inadequate staffing/specialised skills - Inadequate funds allocated for asset management - Increased quality expectations from the community, Australian standards and legislation - Climate change	1.Death or critical injury (contractor mgt) 2.Reputational damage 3.Asset deterioration/ failure 4.Financial burden - short & long term 5.Poor staff morale 6.Non compliance with legislation, regulations and industry standards 7.Dissatisfied community 8.Service level cuts	Likely	Severe	EXTREME	1. Strategic Plan 2. Asset Management Plans (x5) 3. Long Term Financial Plan (LTFF) 4. Annual Budget Planning process 5. Valuation program 6. Asset Management Governance (Asset Steering Committee) 7. Annual Asset Management Maturity Assessments 8. Asset Inspection & Audit Program 9. Asset Management Policies/Procedures/Processes 10. Asset induction & training program 11. Community Satisfaction Survey 12. Professional memberships 13. Annual Audit of Financial Statements 14. Annual Internal Control Audit 15. Monitoring of Complaints via CES 16. Asset Management Strategy	Unlikely	Severe	HIGH	1. Update Asset Management Plans (x 9) - will incorporate reference to Climate Change Adaptation & SMART Cities 2. Review asset condition inspection regime 3. Finalise 'single point of truth' for all asset data 4. Finalise review and setting of asset service levels 5. Development of the City Property Strategic Asset Management Plan 6. Undertake activity level process mapping 7. Develop & implement ICT Asset Management Information System (AMIS) 8. Implement Asset Mgt Improvement Program (AMIP 3.0) 9. Implement a Key Performance Indicator (KPI) program	1.31/12/20 2.30/06/20 3.30/06/20 4.31/12/20 5.30/06/20 6.30/06/20 7.30/06/21 8.30/06/21 9. 30/06/21	1.UM AS 2.UM AS 3.UM AS 4.UM AS 5.Mgr CP 6.UM AS 7.Mgr ITT 8.UM AS 9.UM AS	Rare	Severe	MEDIUM
Corporate Services	Strategic Procurement	Council of Excellence	CON03	WHS Management Failure to manage contractors appropriately to ensure that contractual obligations are met	- Inadequate awareness for the procurement and contracting process - Inconsistent approach for the procure-to-pay process - Lack of knowledge regarding corporate requirements for contract management - Lack of training regarding contractor management	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 coverage	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 \$200,000 8.Recruitment of appropriately skilled staff within Contracts Team 9. Sharepoint used to manage records 10. Staff trained in Contract Management Oct/Nov 2016 11. Review of Contract Management activities by Internal Audit has been undertaken and considered by F&AC 12. Contractor Audit program outlined in HSE Plan 13. Pilot contractor surveillance & monitoring to SkyTrust	Unlikely	Severe	HIGH	1.Contract Management Internal Audit recommendations 2.WHS KPI Action Plan 2020	1.30/06/19 2.31/10/20	1.Strat.Proj.Lead 2.UM Risk	Rare	Severe	MEDIUM
City Services	Engineering, Assets & Environmental	Valuing Nature	ESU03	Environmental Management /Climate Change Failure to understand, plan and act to respond to the projected impacts of climate change.	- Lack of climate change awareness / understanding - Lack of recognition for climate risk mapping in urban planning (PDI Act) - Planning application approvals in unsuitable areas - Poor decision making - Poor project management - Inadequate communication - Poor inter-departmental working	1.Catastrophic damage during extreme weather (e.g. flooding) 2.Cost of remedial works 3.Cost of mitigation works 4. Dissatisfied community 5. Damage to coastal zone from storm surge 6. Reduced rates revenue as property values go down 7. Increased difficulty in obtaining insurance cover 8. Increased difficulty in obtaining loans if financial institutions require evidence of responses to climate change impacts 9. Infrastructure damage	Likely	Severe	EXTREME	1. Valuing Nature CoM Community Vision 2. CoM Climate Change Policy 3. Resilient South regional Climate Change Adaptation Plan 4. Resilient South Local Government Regional Implementation plan 5. CoM Climate Risk & Governance Assessment gap analysis 6. Coastal Climate Change Adaptation Plan being developed including baseline monitoring to detect early changes to risk. 7. Professionally qualified staff 8. Education via events, networking, workshops etc. 9. Building community resilience through partnership & education 10.Evaluation of the Regional ImplementationPlan undertaken with program partners 11. Development of a Carbon Neutral Plan to achieve carbon neutrality by 2030 for Council operations (includes development of ESD Guidelines for Council Buildings) 12. integration of environmental impacts and climate change into AMPs.	Possible	Major	HIGH	1. Update Review of climate change projections/observations & use of pathways approaches in adaptation planning as part of the Resilient South Regional Implementation Plan review. 2. Develop & implement a Climate Risk Governance program 3. Implement findings of Coastal Climate Adaption Plan 4. Elected Member engagement & education 5. Undertake a skills/capability audit & document training gaps in the TNA Build organisational skills/capacity in responding to climate change impacts through appropriate training (eg: UMAS & ME&FS on IPWEA training Feb2020) 6. Provide training & capability building opportunities with identified staff	1.30/06/20 2.30/06/20 3.30/06/20 4.30/06/20 5.30/06/20 6.31/12/20	1.UM ES 2.UM ES 3.UM ES 4.UM ES 5.UM ES 6.UM ES	Rare	Severe	MEDIUM
City Services	Corporate Governance	Council of Excellence	GOV06	WHS Management Failure of CoMs officers to discharge Due Diligence obligations under the WHS Act	- Failure to advise and train staff of WHS obligations - Officers' having low levels of WHS knowledge & awareness - Ineffective training - Inadequate WHS Management System	1. Criminal Charges 2. Incarceration 3. Financial Penalty 4. Reputation Risk	Likely	Severe	EXTREME	1.Skilled and experienced WHS Staff 2.TSLW WHS Management system (SkyTrust) 3.Specialist WHS Coordinator 4.Due diligence training 5.Ongoing consultation, training and advice to staff across CoM 6.ELT Support and briefings on emerging risk issues 7.WHS induction new staff 8.Monthly reporting to Council, ELT and SLT regarding hazard and incident management 9.Annual WHS KPI Action Plans 10.Internal WHS Audits undertaken 11.Implementation of Work Area Inspections 12.WHS training with Elected Members 13.SWMs, SOPs, related policy & procedures regularly reviewed	Unlikely	Severe	HIGH	1.Implementation of Contractor Mgt/ Skytrust S3 (Pilot undertaken but awaiting Contract team to identify system) 2.WHS KPI Action Plan 2020	1.30/09/19 2.31/10/20	1.Strat.Proj.Lead 2.UM Risk	Rare	Major	MEDIUM
Corporate Services	ITT	Council of Excellence	ITT02	ICT Infrastructure/ Cybersecurity Poor data quality and governance not supporting informed decision making	---Human-error - Strategic awareness/oversight of corporate data and processes unknown - Lack of standardised Data Quality Assurance processes in place - Lack of awareness that there is a Data Governance Framework - Lack of organisational resource and capacity to oversee the Data Governance Framework and embed the principles - Poor capture of data due to inconsistent processes ---Increased workload of team - Lack of specialised skills across work units to capture quality data - Reluctance to use Corporate System databases versus personal spreadsheets due to systems not supporting business needs - 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 business outcomes 4.Failure to address business issues. 5.Inability to provide innovation and improve efficiencies 6. Lack of data integrity 7. Failure to measure data value	Likely	Severe	EXTREME	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 8.Business Systems "Fitness" Review completed & distributed to senior management with findings Dec 2018. 9. Development of the Information Technology Application Strategy 2019 10.Business Intelligence (data analytics reporting toolset (Microsoft PowerBI) deployed. 11.Information Technology Application Strategy (ITAS) plan implemented.	Possible	Severe	HIGH	1. Implementation of the ICT Service Review recommendations 2. Embed the Data Governance Framework across the organisation 3. Seek endorsement of Data Governance/Database Administrator to implement and oversee the Data Governance Framework	1.30/06/20 2.30/06/20 3.30/06/20	1.Mgr ICT 2.Mgr ICT 3.Mgr ICT	Unlikely	Major	MEDIUM
City Development	Development & Reg Services	Liveable	DSE09	Business Continuity & Community Safety Failure to deliver Health & Safety services for the Community (eg: re Food Act, Public Health Act, animals, fire prevention, parking, Local Nuisance and Litter Control, Local Government Act, Council By-Laws)	- lack of strategic direction - inadequate number of appropriately qualified and/or trained staff including administrative/business support staff -increase in legislation to be administered: Local Nuisance and Litter Control Act -State Govt is reviewing the Local Nuisance and Litter Control Act with a view to further increasing Council's responsibilities and workload -Council resolution to reduce Community Safety Inspectors by 5 -introduction of DACO the statewide dog registration system has significantly increased the tasks and workload of a Community Health and Safety Unit Business Support Officer, which has impacted on other tasks and workload including attending to expiation appeals, which in turn could lead to unrealised revenue - inadequate community education - inadequate staff supervision and training - non compliant schedule of inspections - absent, out-dated and/or ineffective policies, procedures & processes - insufficient budget - inadequate equipment - lack of access to appropriately trained temp staff	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	Possible	Major	HIGH	1.Implementation of KPMG audit actions (Financial Receipting/Fines & Enforcement) 2.Implementation of Service Review actions (Parking & Abandoned Vehicles/Community Safety Inspectorate) 3.Implementation of Dog & Cat Management Board audit actions 4.Review new Comm.Safety service delivery standard & report to Council (operational hours & resources post 1.4.20) 5.Implementation of Management Plan in alignment with Council 's Strategic Plans 6.Annual reports to State Government re SA Public Health Act/Food Act/Dog&Cat Management Act 7.Professionally qualified EHO staff 8.Appropriately trained staff - inc. Customer Experience Training & aggressive people training 9.Unit Manager on Adelaide Mount Lofty Ranges Bushfire Management Committee 10.Fire Prevention Officer(s) trained by CFS 11.Delegations updated in consultation with Governance Department (and reviewed regularly) 12.Process maps used for key duties (and reviewed regularly) 13.Work of unit conducted in line with legislated requirements, policies, procedures and processes 14.Existing staff resources can deliver majority of current content within Plans 15.Grant funding received from Govt.re immunisation 16.Other grant funding opportunities are actively sought where appropriate 17.Partnering with other internal and external stakeholders 18.Appropriate ICT technology available	Possible	Major	HIGH	1. Implement IMT actions regarding increased EHO inspections 2. Clarify LG exemptions to the Public Health Act re: legislated requirements to inspect/assess businesses/premises 3. Liaise with People & Culture team to ensure adequate resourcing for increased volume of workload/inspections	1.immediate 2.immediate 3.immediate	1.Mgr D&RS 2.Mgr D&RS 3.Mgr D&RS	Unlikely	Major	MEDIUM
City Services	Corporate Governance	Council of Excellence	GOV02	Ineffective Governance Break down of Council Administration and Elected Members working relationship, impacting on sound and effective decision making process for the delivery of aligned and strategic business outcomes.	- Poor strategic level decision making - Administration managing requests from Council without due consideration and adequate time - Council and Administration failing to communicate with each other, resulting in unfunded, unplanned initiatives gaining Council endorsement - 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- Local Government Elections	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. Committee's bi-annual self evaluation effectiveness survey 6.GM's induction on governance processes 7. Due diligence and prudential report to Council. 8. Elected Member Code of Conduct (Mandatory) and Elected Member Code of Code Procedure for Investigating Complaints 9. Caretaker Policy reviewed and adopted by Council 10. Caretaker training delivered to EMs and Staff 11. Joint Forum - July 2019 12. Elected Member Planning Day (18/01/20) 13. CEO/Mayor weekly meetings 14. Manager CG & Mayor fortnightly meetings 15. Elected Member Training & Development 16. Post Election (Nov18) Policy review completed	Likely	Moderate	HIGH	1.Consider SLT joint forum /effectiveness survey	1.30/06/20	1.Mgr CG	Unlikely	Moderate	MEDIUM

Corporate Risk Register - extract showing current HIGH risks (Mar 2020)

ELT Risk Owner (ELT)	SLT Risk Owner (SLT)	Strategic Link	Ref	Risk Description	Risk Causes /Sources	Potential Consequences	INHERENT Level of Risk			Current Controls/Contingencies 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	Corporate Governance	Council of Excellence	GOV10	Business Continuity & Community Safety Failure in Council's ability to prevent, prepare, respond to and promote resilience in the community in the event of an emergency ie pandemic (human disease) , 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. Fire prevention activities 3. Planning/Building Fire Committee 4. Community education/development 5. Community Emergency Management Plan 6. Workplace Emergency Management Plan for each CoM worksite 7. Business Continuity Plan & Recovery Strategies 8. Emergency Management Training Needs Analysis/conduct of required training (inc.iResponda etc) 9. Response personnel/Incident Management Team 10.Events Mgt (CSC) - implementation of Crowded Place Risk Assessment and Notification Processes issued by SAPOI 11.Monitoring and management of Emergency Management program actions (via EPC/BCWG/ZEMC) 12.Generator installed and commissioned to provide ICT backup/select power for IMT/EOC activities at Admin Building 13.ZEMC Recovery Exercise - increased understanding of Council's roles & responsibilities (Exercise RUMBLE 4/9/18) 14.Participation in LGA Council Ready Emergency Management program Management health check October 2018 15.Draft Corporate Emergency Management Risk Assessment 16. IMT Commander/Liaison/Coordinator trained in Incident Management 3 (IM3) 17. BCP exercise for extreme heat - Exercise Swelter 24/10/19 18.LGFSG training of IMT officers 19.Emergency Mgt landing page on CoMBI gives access to BC docs inc iResponda 19.Formal induction/iResponda refresher session with IMT Ops	Unlikely	Severe	HIGH	1. Distribute reviewed Corporate Emergency Management Risk Assessment 2. Finalise LGA Council Ready Action Plan 3. Implementation of Ex Rumble's recommendations 4. Implementation of Ex Unile's recommendations 5. Implementation of Ex Swelter's recommendations 6.Implementation of IMT response to COVID19 for staff /EMs and community eg: remote working/communications updates & strategies/community engagement/reduced services 7.Implemetation of Commonwealth & State directives re 'Stop the Spread' etc	1.31/01/20 2.28/02/20 3.24/04/20 4.24/04/20 5.24/04/20 6.Immediate & ongoing 7.Immediate & ongoing	1.UM Risk 2.UM Risk 3.Risk Ctr 4. Risk Ctr 5. Risk Ctr 6.IMT Commander 7.IMT Commander	Rare	Severe	MEDIUM
Corporate Services	ITT	Council of Excellence	ITT04	ICT Infrastructure/ Cybersecurity Failure to deliver key corporate initiatives/projects as identified by the business	- Lack of consistent organisation wide project management framework - Lack of appropriate business and ICT resource for project delivery - Too many projects - Strategic Plan and Annual Business Plan projects don't consider ICT resource implications - Business as usual work commitments under estimated resource-wise - System failure and data breaches - Lack of detailed project planning including project brief/scope, budget, resourcing, risks and quality assurance	4-Reputational risk of not delivery and utilising council funds effectively 2.Legislative requirements not being able to be met 3.Productivity loss due to system failures 4.Service Delivery impacts may lead to industrial action	Likely	Major	HIGH	1. Project Management Leader recruited 2.Use of ICT project management methodology and templates 2. Full scoping of project to create accurate/relevant project initiation document (PID) 3. Clearly identified roles & responsibilities within project team 4. Regular team/partnership meetings 5. Regular monitoring and review 6.Regularly reviewed ICT policies, procedures & processes 7.Regular project status reporting, monitoring and reviews (ELT Project Control Group and Project Steering Committees) 8.Part of the annual business planning process, ensure Work Area Plans are resourced and achievable 9.Project Management software solution implemented 10.CoM Project Management Office (PMO) framework completed 11. Cyber Security Awareness Program in place 12. Corporate Cyber Security Audit and CQR Program in place	Possible	Major	HIGH	1.Implement the ICT Service Review outcomes	1.30/06/20	1.Mgr ICT	Rare	Major	MEDIUM
CEO	People & Culture	Council of Excellence	PCU05	Effective HR Ineffective strategic work force planning	- lack of strategic approach in resourcing - lack of focus on service delivery & business needs	1.Skills deficiencies 2.Staff dis-engaged 3. Reduced productivity 4. Difficulty attracting and retaining staff 5. Ageing workforce issues 6. Lack of succession planning 7. Perceived inequities across the business 8. Negative impacts of vacancy management 9. Lack of reduced work pattern/retirement management 10. Skills deficiencies	Almost Certain	Moderate	HIGH	1. Strong change management processes whilst embedding change 2. Policies, procedures and processes to endorse the importance of culture and values to service delivery 3. Employee Pulse Survey & Action Plan - embedded with the CoM and run/reported on quarterly with SLT accountable for action planning with teams 4. LEAD (Leadership Exploration and Development) Program 5. GAP Year Program 6. Work Placements Program 7. Workforce plan developed 8. ELT continual assessment of resourcing needs, whole of CoM approach	Possible	Major	HIGH	1.Further implementation of Workforce Planning Framework (CAMMs Project) to support all (future) workforce related HR policies, procedures and processes to include visits to organisations doing this well. 2.Continue to collaborate with Port Adelaide Enfield and Charles Sturt Councils for workforce needs and change management 3.Change management framework in development 4. Pilot Workforce Planning Process (WFP) with ITT 5.Implement IMT actions for strategic management of CoM workforce following immediate closure of key worksites as a consequence of legislated COVID-19 restrictions	1.30/12/20 2.30/06/20 3.31/12/20 4.30/06/20 5.Immediate	1.Mgr P&C 2.Mgr P&C 3.Mgr P&C 4.Mgr P&C 5.Mgr P&C	Unlikely	Moderate	MEDIUM



CORPORATE RISK PROFILE 2019/20



Attachment 3

HIGH RISK AREAS

WHS Management

GOV06	Failure of CoMs officers to discharge Due Diligence obligations under the WHS Act
CSE01	Failure to appropriately manage high risk activities by CoM Staff (underground services, excavation, confined space, hot works etc)
GOV08	Failure to meet Work Health Safety statutory and legislative requirements to ensure provision of a safe workplace

Property & Infrastructure

ASY02	Failure to appropriately manage assets and associated funding, including planning, acquisition, renewal, maintenance, management and disposal.
CSE03	Failure to appropriately manage high risk activities by Contractors (underground services, excavation, confined space, hot works etc)
DSE02	Failure to deliver significant projects, legislative reviews and/or priority workloads against tight timeframes eg: Housing Diversity DPA/new Planning Development & Infrastructure Act

Contractor Management

CON03	Failure to manage contractors appropriately to ensure that contractual obligations are met
CSE02	Failure to appropriately manage high risk activities by Contractors (underground services, excavation, confined space, hot works etc)

Effective HR

PCU04	Non compliant, inappropriate and/or ineffective Human Resource processes to deliver key HR requirements & initiatives
PCU05	Ineffective strategic work force planning

Ineffective Governance

GOV02	Break down of Council Administration and Elected Members working relationship, impacting on sound and effective decision making process for the delivery of aligned and strategic business outcomes.
GOV03	Inappropriate, ill-advised or incorrect staff decision/action or advice

Inherent Current Forecast

EXTREME	HIGH	MEDIUM
EXTREME	MEDIUM	MEDIUM
EXTREME	MEDIUM	MEDIUM
EXTREME	HIGH	MEDIUM
EXTREME	MEDIUM	MEDIUM
HIGH	MEDIUM	MEDIUM
EXTREME	HIGH	MEDIUM
EXTREME	MEDIUM	MEDIUM
HIGH	MEDIUM	MEDIUM
HIGH	HIGH	MEDIUM
HIGH	HIGH	MEDIUM
HIGH	HIGH	MEDIUM
HIGH	MEDIUM	MEDIUM
HIGH	MEDIUM	MEDIUM

HIGH RISK AREAS

ITT Infrastructure, Cyber Security

ITT02	Poor data quality and governance not supporting informed decision making
ITT03	Failure to maintain Cyber Security assurance across all CoM systems and worksites
ITT04	Failure to deliver key corporate initiatives/projects as identified by the business
GOV05	Fraud and corruption risk materialises

Financial Sustainability

FIN01	Failure to meet statutory and legislative requirements (eg: LG Act, AASBs, GST, FBT, grant funding)
FIN02	Failure to raise an appropriate level of rate revenue to fund Operational and Capital Renewal requirements

Environmental Management/Climate Change

ESU03	Failure to understand, plan and act to respond to the projected impacts of climate change.
ESU01	Failure to deliver environmental services that meet community expectations and environmental need

Business Continuity & Community Safety

GOV10	Failure in Council's ability to prevent, prepare, respond to and promote resilience in the community in the event of an emergency ie pandemic (human disease), earthquake, flood, extreme heat, bushfire and terrorism
DSE09	Failure to deliver Health & Safety services for the Community (eg: re Food Act, Public Health Act, animals, fire prevention, parking, Local Nuisance and Litter Control, Local Government Act, Council By-Laws)

Reputation Risk

COM04	Damage to the Local Government sector reputation impeding on CoM's successful delivery of services to the community
COM02	Damage to the CoM reputation impacts on successful delivery of services to the community

Inherent Current Forecast

EXTREME	HIGH	MEDIUM
EXTREME	MEDIUM	MEDIUM
HIGH	HIGH	MEDIUM
HIGH	MEDIUM	MEDIUM
EXTREME	MEDIUM	MEDIUM
HIGH	MEDIUM	MEDIUM
EXTREME	HIGH	MEDIUM
HIGH	MEDIUM	MEDIUM
HIGH	HIGH	MEDIUM
HIGH	MEDIUM	MEDIUM
HIGH	MEDIUM	MEDIUM
HIGH	MEDIUM	MEDIUM
HIGH	MEDIUM	MEDIUM
HIGH	MEDIUM	MEDIUM

Neighbourhood and Community Centres Service Review - Progress update and discussion

Originating Officer	Performance & Innovation Leader - Cass Gannon
Corporate Manager	Manager Community Connections - Liz Byrne
General Manager	General Manager City Services - Tony Lines
Report Reference	FAC200519R09

REPORT OBJECTIVE

To provide the Finance and Audit Committee (FAC) with:

- A progress update on the overall status of the Neighbourhood and Community Centres' (N&CC) Service Review.
- A discussion item: to inform the future of N&CC's, with particular focus on the impact of COVID-19 on the emerging needs of the community post pandemic.

DISCUSSION

Background

Council adopted the Service Review Program for FY2019/20 at the 25 June 2019 meeting (GC190625), the N&CC Service Review forms part of this program of work. The N&CC Service Review scope was provided to the 20 August 2019 FAC meeting (FAC190820), with the review commencing in January 2020.

Progress update

The COVID-19 pandemic has impacted the completion of the N&CC Service Review, delaying the delivery of the review by a month due to:

- The redeployment of the Performance and Innovation Team to support the Incident Management Team.
- The availability of key staff from the N&CC as they responded to the COVID-19 pandemic.

The review, originally due to be presented to this meeting will now be circulated out of session to the members of the FAC before 19 June 2020. An update of progress against the approved scope of work, as at 4 May 2020, is attached in Attachment 1.

In response to the COVID-19 pandemic, the N&CC's team has had to change the way that they deliver to ensure that service continuity to the community is maintained. This has required pivoting to an online and digital service delivery model. Examples of this adapted service delivery, feedback from participants and staff, and key learning (qualitative) can be reviewed in Attachment 2.

Discussion item

To inform the completion of the review, and in light of the impact of the COVID-19 pandemic, we are seeking the committee's view on:

- The adapted service delivery model in response to the COVID-19 pandemic in the N&CC's (Attachment 2).
- The draft review recommendation; *Continue with current management model (fully managed by council) and move to include facilitating community inputs (coordination of long term strategic programs designed to support our community).*

- The draft review recommendation; *Include and involve the community with planning related to programming and the use of centre spaces.*

RECOMMENDATION

That the Finance and Audit Committee:

- 1. Notes the overall status of the Neighbourhood and Community Centres' Service Review.**
- 2. Informs the discussion of the future of Neighbourhood and Community Centres.**

Attachment

#	Attachment	Type
1	Neighbourhood and Community Centres Service Review - Progress update and discussion	PDF File
2	Neighbourhood Centres COVID-19 Response	PDF File

ATTACHMENT 1- Progress update against endorsed scope

Service Review Scope		
Areas of Focus	Progress Update	Commentary
Review the operations of the Neighbourhood/Community Centres to;		
1. Test the operating model and utilisation	85%	Final utilisation to be completed
2. Conduct benchmarking of our service provision across Local Government in SA and assess for opportunities for collaboration	100%	COVID-19 impact has meant that no further benchmarking surveys are expected. Benchmarking Data received from nine SA councils and seven interstate.
3. Test the capacity to increase programs and program attendance, as per recent Council reports and motions	85%	Includes incorporating the outcomes of the analysis of extended opening hours trial, community bus and utilisation
4. Analyse and assess data from the third community bus trial (commencing in July 2019)	60%	Implementation of the 3 rd bus was hindered due to vehicle suitability, recruitment of volunteers, public engagement activities and analysis of feedback. Prior to COVID-19 the additional bus was being utilised 3 to 4 times a week from the end of January and this data will be considered as we close out the review.
5. Analyse and assess data from the extended opening hours trial (occurring during daylight savings months i.e. October 2019 to March 2020)	100%	Data collected up until closure of NHC's to physical attendees due to COVID-19 response
6. Assess how the current overall operations support the strategic direction of Council and align to Neighbourhood/Community Centres of the future	85%	Finalise the NHC of the future piece, need to incorporate the impact of COVID-19 on the emerging needs of the community post pandemic
7. Identify opportunities for broader process and system improvements	85%	Opportunity to learn from and input the outcomes of the COVID-19 response to service delivery e.g. digital service offering
Deliverables	Progress Update	Commentary
1. Service Review report with meaningful recommendations	60%	Dependent on the outcomes of the Areas of Focus work
2. Implementation plan for recommendations	0%	To be developed post recommendation development
Constraints	Commentary	
1. Availability of key stakeholders	Since the COVID-19 pandemic was declared key staff in the N&CC's and P&I Team have been focussed on the response	
2. Ability to access appropriate data and systems	As above re key staff availability impacts due to COVID-19, this is in addition to the need to manually input large quantities of paper based data into systems for analysis	

NEIGHBOURHOOD CENTRES

COVID-19 RESPONSE

OUR TEAM CONTACTED OVER **4,000** PEOPLE ACROSS **202** PROGRAMS AND **31** VARIOUS EXTERNAL HIRERS TO ADVISE THAT ALL FOUR CENTRES WERE CLOSING. STAFF ACTED QUICKLY AND WERE ABLE TO ACHIEVE THIS IN ONLY TWO DAYS.

WE ADAPTED OUR STRUCTURE TO 'ONE CENTRE'.

Senior staff took on roles to ensure the whole team stayed focussed and strategic in their thinking. Virtual programming, Adult Community Education, Administration and External Funding are our streams. All NHC staff stayed working within the Centres to ensure we were able to support new ways of working. *"Nothing will be the same again and we need to continue to connect and support people".*

PHYSICALLY DISTANCED
SOCIALLY+CONNECTED

One of the single most important things we did was to be very clear in our messaging and made a promotion around it! Being physically distanced whilst staying socially connected with our community helped the team to focus and understand what was needed.

ACE

129 CLASSES WERE MOVED ONLINE OVER 13 DIFFERENT COURSES



INTERNAL & EXTERNAL PARTNERSHIPS WERE FORMED TO MOVE COURSES TO ONLINE PLATFORMS.

COMMUNICATIONS | GOVERNANCE | LIBRARIES | INTERSKILL
ICT | DEPT OF INDUSTRY & SKILL | COMMUNITY CENTRES SA

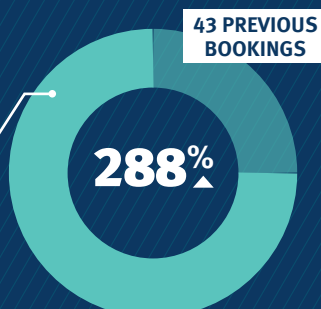


WE SUCCESSFULLY LOBBIED THE DEPT. OF INDUSTRY & SKILLS ON BEHALF OF THE WHOLE SECTOR TO ROLL OVER ACE FUNDING FOR 20/21. WE CAN NOW PROVIDE SERVICES FOR ANOTHER YEAR.



125 NEW

PEOPLE SIGNED UP FOR ONLINE ACE COURSES AFTER RESTRICTIONS WERE IMPLEMENTED.



INTEREST IN MINDFUL LIVING COURSES INCREASED SO DRAMATICALLY THAT AN EXTRA CLASS WAS CREATED TO COPE WITH DEMAND.

ONLINE PROGRAMS



127 PEOPLE HAVE JOINED TWO FACEBOOK GROUPS AS PART OF THE APART PROJECT. THESE ENABLE OUR COMMUNITY TO CONTINUE TO CONNECT WITH OUR ART TUTORS ONLINE AS WELL AS SHARE THEIR THOUGHTS & FEELINGS THROUGH THEIR CREATIVE PURSUITS.



36 PEOPLE HAVE SIGNED UP TO 'WALK AROUND AUSTRALIA', WHICH ENCOURAGES PEOPLE TO STAY PHYSICALLY ACTIVE IN A NEW AND FUN WAY DURING THIS TIME.



\$20,000 IN FUNDING WAS SECURED THROUGH THE DEPT. OF HUMAN SERVICES TO HELP ROLL OUT DIGITAL LITERACY SUPPORT FOR OUR COMMUNITY.

**FILLING
IN THE
BLANKS**

A NEW INITIATIVE OFFERING YOUNG PEOPLE AGED 16-25 THE CHANCE TO MAKE A DIFFERENCE IN THEIR COMMUNITY WHILE UPSKILLING THEM IN AREAS SUCH AS SOCIAL MEDIA, GRAPHIC DESIGN, EVENT MANAGEMENT AND LEADERSHIP.



OUR VERSION OF CARPOOL KARAOKE PROVED A HUGE SUCCESSFUL POST ON FACEBOOK.

   191 POST REACTIONS

 2,398 PEOPLE REACHED

NEIGHBOURHOOD CENTRES COVID-19 RESPONSE

Attachment 2

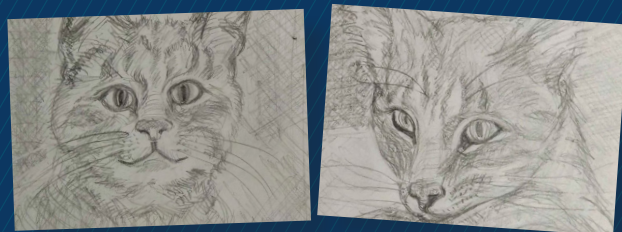


COMMUNITY FEEDBACK



The 'A-Team' has made a world of difference to my kids; they love it. It's not easy to find activities for three siblings who experience autism differently to enjoy at the same time.

LISA, A-TEAM ACTION PACK RECIPIENT



Thank you Val for your continuing support and encouragement. I support City of Marion's Facebook initiative, to keep us motivated to practice art and stay connected during these challenging times.

MIRA, ApART ONLINE PARTICIPANT



Every day is a celebration for me isolated or not. It is full of firsts.

KATHY, BEING ApART JOURNALS PARTICIPANT

STAFF FEEDBACK



Very proud of the way the Team has come together, keen to learn and understand the changes and adapt. Plus the amazing support from other Departments to help us get online – thank you.



I was on leave as Covid-19 started taking affect in Australia. I returned to an empty centre at the end of March. It has been quite isolating, however the weekly Zoom meetings, thinking creatively on how to connect with our community, visits from managers, and working with a wide variety of Council Departments has been a positive outcome for our team and will for our community as we move forward.



We had frozen food in all our four Centre freezers and I gathered them all up and delivered it to MarionLife – they were so appreciative.



In the ACE (Adult Community Education) Program we have pivoted very quickly. I feel proud and dizzy!!!!. My head is still spinning. I know this is having a huge impact in our student's lives and we know that many people need this support to move forward in this changing climate.

LEARNINGS

People whom are vulnerable do have some capacity to take action and support themselves.

Don't always assume older people cannot use Digital Literacy.

Volunteers have been flexible and willing to take on new roles.

The Team has increased their Digital Literacy skills.

Speed at which the Team launched into the changes.

ACE LEARNINGS

Managing expectations of the tutors and how a couple have not been easy to adapt.

The amount of work needed to bring these courses online and meet funding requirements for the RTO.

We would not have been able to "pivot" so quickly without our internal IT Department.

Good conversations with the participants up front gave them the opportunity to advise if they wished to continue or not. Many continued.

Mindset for adaptation and change is paramount for this to have been successful – across the team, tutors and participants.

Proposed Biennial Service Review Program FY2020/21 and 2021/22

Originating Officer	Performance & Innovation Leader - Cass Gannon
Corporate Manager	Manager Customer Experience - Karen Cocks
General Manager	General Manager Corporate Services - Sorana Dinmore
Report Reference	FAC200519R10

REPORT OBJECTIVE

To provide the Finance and Audit Committee (FAC) with a proposed biennial plan for the Service Review Program for FY2020/21 and FY2021/22, comprising of:

- Cross Council Service Reviews
- City of Marion focus on Digital Transformation Project

EXECUTIVE SUMMARY

By the end of FY19/20 the Service Review (SR) Program will have delivered the review of eight services, with the commencement of a ninth cross council review. These reviews have been delivered as a combination of cross council and City of Marion only.

Based on the success of the cross council reviews and the delivery of the Digital Transformation project for the City of Marion it is proposed that a biennial SR Program comprised of cross council reviews is implemented. The draft SR Program for FY20/21 can be reviewed in Appendix 1, with FY21/22 program to be developed in May 2021 based on cross council priorities identified at that time.

DISCUSSION

Proposed Biennial Service Review Program FY2020/21 and 2021/22

The Service Review program is a strategy, 'continuously improve through the service review program', within the Our Council of Excellence: An Innovative Business section of the City of Marion Business Plan 2019-2023 (page 8).

To implement this strategy over the next two financial years, FY2020/21 and FY2021/22, CoM is proposing that a biennial program is adopted focused on the delivery of cross council reviews. The draft program for FY2020/21 can be reviewed in Appendix 1. It is worth noting that the cross council review methodology involves the following steps:

- conducting a desktop analysis of the identified opportunity
- determine scope and deliverables of the service review
- conduct review

This methodology can result in variance in the number of service reviews completed.

Appendix 1 is in draft format only to allow time for the collaborative Councils to understand the true impact of Covid-19. It is anticipated that a full program will be bought to August FAC.

This approach will allow CoM to focus the service review program on the delivery of the Digital Transformation Project.

RECOMMENDATION

That the Finance and Audit Committee:

1. Notes and provides comment on the following:

1.1 The proposal of a Biennial Service Review Program of cross council reviews

1.2 Appendix 1 - draft Service Review Program (FY2020/21)

Attachment

#	Attachment	Type
1	Appendix 1 - draft Service Review Program FY2020-21	PDF File

20/21 Cross Council Improvement Program

The Cross Council Improvement Program for 20/21 will be undertaken by the Cross Council Improvement Lead and will be focussed on areas not likely to be heavily impacted by Marion's ICT transformation program including:

- ongoing implementation of recommendations from the 19/20 reviews,
- performance of new major reviews focussed on Civil Operations and sporting and recreation facility management models across the three councils, as well as
- an update of the overall benchmarks across the three councils to determine priorities for 21/22 and to establish a performance baseline and requirements for the Business Intelligence project to be undertaken across the three councils as part of the ICT project delivery collaboration.

Minor reviews will also occur during 20/21 focussed on sharing specific equipment, assessing opportunities in smaller functions at the Charles Sturt and Port Adelaide Enfield councils and any budget assurance reviews as prioritised by the council executive teams. Governance and monitoring of the performance of implemented initiatives will also continue, with some functions expected to transition to business as usual in 20/21.

A summary of the major work objectives for 20/21 Cross Council Improvement Program is included in the table below.

20/21 Cross Council Improvement Program Priorities		Likely Impacted Councils		
		Marion	Charles Sturt	Port Adelaide Enfield
Implementation of 19/20 Service Review recommendations	Utilities Optimisation • Complete implementation	✓	✓	✓
	Fleet Management • Implementation	✓	✓	✓
	Civil Construction • Required Detailed Reviews • Implementation of Recommendations	✓ ¹	✓	✓
	Open Space Planning and Construction • Implementation	✓ ¹	✓	✓
	Parks and Gardens • Detailed Review		✓	✓
New Major Reviews	Sport and Recreation • Desktop review	✓	✓	✓
	Civil Operations • Desktop Review		✓	✓
Sustainable Benchmarking	Update 3 council benchmarking review	✓	✓	✓
	Establish BI platform to enable ongoing benchmarking and performance reporting	✓	✓	✓

Note: implementation of recommendations at Marion will be reviewed in light of whether they would be best delivered ahead of, in parallel to or as part of the Marion ICT Transformation program.

REPORTS FOR NOTING

Service Review Program and Recommendations - Progress Update

Originating Officer	Performance & Innovation Leader - Cass Gannon
Corporate Manager	Manager Customer Experience - Karen Cocks
General Manager	General Manager Corporate Services - Sorana Dinmore
Report Reference	FAC200519R11

REPORT OBJECTIVE

To provide the Finance and Audit Committee (FAC) with a progress update on:

- The overall status of the Service Review Program for FY2019/20
- The implementation of the Service Review Program recommendations as at 22 April 2020

Executive Summary

At the 25 June 2019 meeting of General Council, Council adopted the Service Review Program for FY2019/20 (GC190625). Quoting from that report *“The draft 4 Year Business Plan, 2019-2023 contains in the ‘Our Council of Excellence’ section, a strategy under Innovative Business’ to ‘continuously improve through the service review program’. Table 1 outlines the proposed list of 9 services for review in FY2019/20, with the reviews being a blend of CoM only and cross council reviews based on the opportunities identified. Currently with the cross council reviews there is a methodology proposed to conduct a desktop analysis as a first stage in the process, and then based on the findings, determine the focus of comprehensive reviews. This approach may result in the specific number of service reviews being delivered in FY2019/20 varying from the initial 9 proposed.”*

The Service Review Program has progressed, with the review of eight services (a blend of City of Marion only and cross council reviews) now expected to be completed within the FY2019/20. This is one less than originally proposed due to the delay of the cross council review of Open Space Recreation and Planning, with the desktop review expected to commence in May 2020.

As at 5 May 2020 three service reviews remain in progress (Neighbourhood and Community Centres, Civil Capital Construction and Maintenance and Fleet Maintenance) and are expected to be completed and submitted to the Executive Leadership Team for review before the end of FY1920. These reviews will subsequently be circulated to the Finance and Audit Committee (FAC) out of session and provided at the August FAC meeting.

Tracking of the progress of all reviews can be viewed in Table 1.

Table 1: Service Review Program FY2019/20

Service Review Title	No. of Services	Current Status	Comments
City of Marion Service Reviews			
Neighbourhood/Community Centres	1	In Progress	The service review report was originally planned to be presented at the May FAC meeting. The impact of the COVID-19 pandemic has delayed this review. The review will now be delivered in FY19/20 and circulated out of session to members of the FAC.
Cross Council Service Reviews			
Capital Construction and Maintenance	5	In Progress	Scope presented (FAC190820). Desktop review underway – initial findings to be released April 2020. Expected to be completed within FY2019/20.
Open Space Recreation and Planning	1	Not commenced	Deferred - desktop review expected to commence in May 2020. Expected to be completed by July 2020.
Utilities Management (previously referred to as Water and Electricity Bill Validation)	1	Complete	Final report presented (FAC191210).
Fleet Maintenance	1	In Progress	Analysis complete. Service Review document and approvals deferred until completion of joint procurement. Draft document to be released early May 2020. Expected to be completed within FY2019/20.
Total	9	(original proposed service reviews)	
Total	8	(service reviews expected to be completed within FY2019/20)	

Since the last report to the Finance and Audit Committee, (FAC200225) and as of 22 April 2020, the implementation of recommendations from service reviews has progressed. Implementation of a number of the recommendations has been impacted by the response to the COVID-19 pandemic. Highlights since the last report include:

- The recruitment of the two new roles for the Shared Procurement team is now complete, with both roles due to be fully in place by the end of April 2020.
- The Records Team archiving project progressed, however was ceased due to COVID-19 (closure of the administration building and therefore reducing non-essential contractors in the building).
- Incremental progress has occurred with implementing the Corporate ICT cross council service review recommendations, however the priority focus for the team has been delivery and support across the organisation due to the COVID-19 pandemic.

More detail on the progress of the implementation of recommendations from the Service Review Programs are outlined in Appendix 1.

RECOMMENDATION

That the Finance and Audit Committee:

1. Notes the overall status of the Service Review Program for FY2019/20 (Table 1)
2. Notes the implementation progress of the Service Review Program recommendations (Appendix 1)

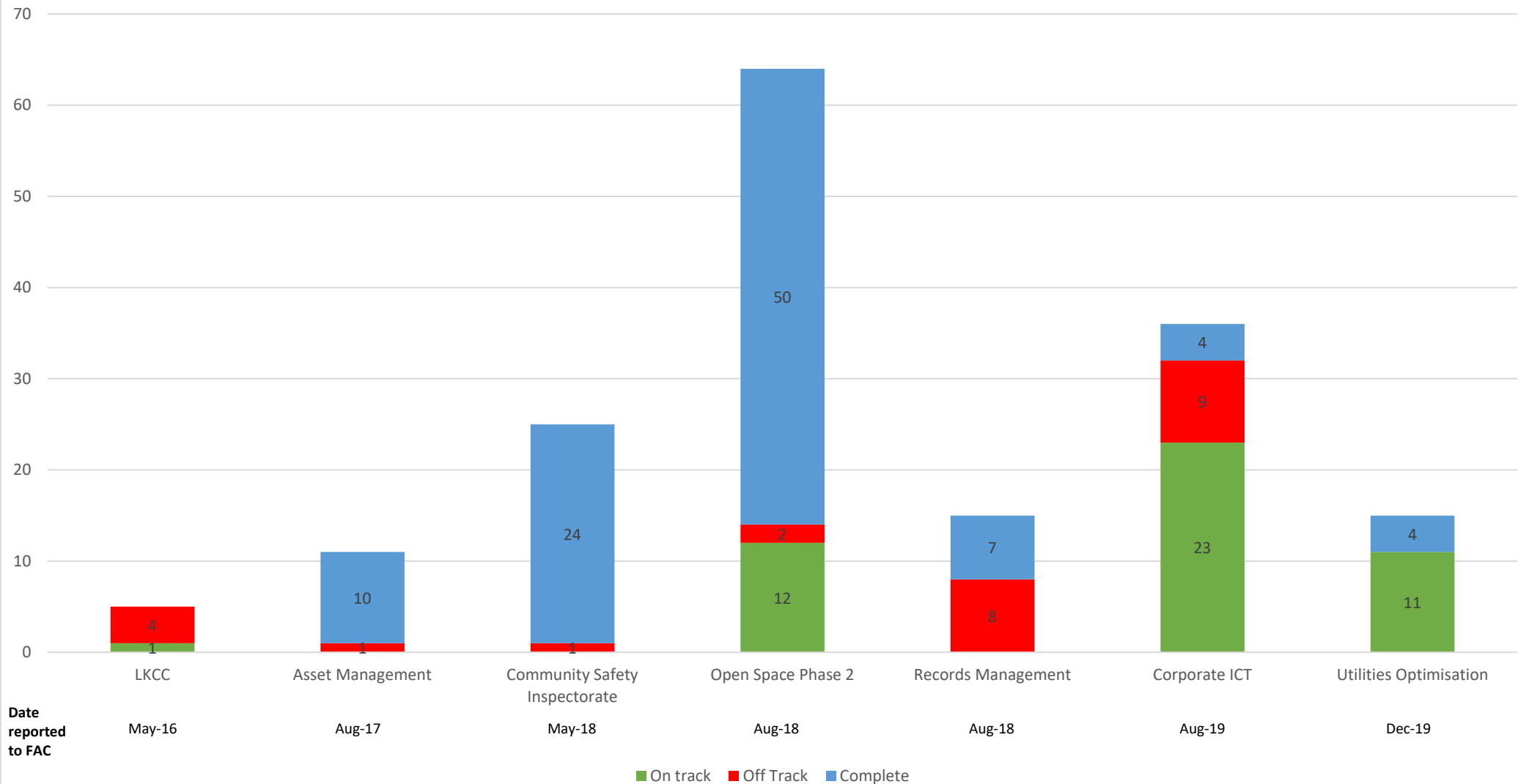
Attachment

#	Attachment	Type
1	FAC200519 - Service Review Program and Recommendations - Progress Update - Appendix 1	PDF File

All Open Service Review Recommendations - Progress Update (Appendix 1)

(Status as at 22/4/2020 based on tracking against original completion dates)

Implementation of all SR Recommendations Status by Actions of Open SRs



Open Service Reviews - Recommendations - Progress Update

(Status as at 22/4/2020 based on tracking against original completion dates)

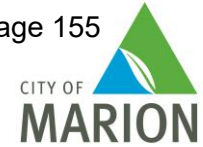
Key
 ● Complete ● Watch Closely
 ● On Track ● Off Track

Division	Department	Service Review	Date Reported to FAC	Original Full Implementation Date	# of Recommendations	# of Actions	# On Track Actions	# Off Track Actions	# Actions Complete	% of Actions Complete	Comments
City Development	City Activation	Living Kurna Cultural Centre	May-16	Dec-17, Dec-21	5	5	1	4	-	0%	No further progress to report until end of May 2020. February 2020 update: A progress report was presented to Council in January 2020 noting that while Warriparinga Development Group have met monthly since July 2019, a preferred model for management had yet to be reached. A resolution was moved at Council to request that Kurna Yerta Aboriginal Corporation (KYAC) provide Council with a proposal for its preferred model by end of May 2020. If no proposal is received, Council will commence an Expression of Interest (EOI) process noting that KYAC will be able to submit an EOI whether or not they make a submission to Council before the due date.
	Development and Regulatory Services	Community Safety Inspectorate	May-18	Jul-19	7	25	-	1	24	96%	Awaiting finalisation of the Customer Event System App by the ICT department. Once App is finalised and functional, the iPads will be distributed to staff.
				Division Total	12	30	1	5	24	80%	
City Services	Engineering, Assets and Environment	Asset Management	Aug-17	Jun-18	4	11	-	1	10	91%	Ongoing as part of Asset Management Plan updates.
	Operations	Open Space Phase 2	Aug-18	Jun-22	20	64	12	2	50	78%	Work was anticipated to be completed by the end of April 2020, however has been delayed and will be undertaken over the next 2-3 months pending key stakeholder availability.

Open Service Reviews - Recommendations - Progress Update

(Status as at 22/4/2020 based on tracking against original completion dates)

Page 155



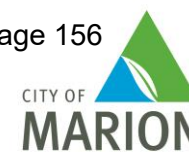
Key
 ● Complete ● Watch Closely
 ● On Track ● Off Track

Division	Department	Service Review	Date Reported to FAC	Original Full Implementation Date	# of Recommendations	# of Actions	# On Track Actions	# Off Track Actions	# Actions Complete	% of Actions Complete	Comments
City Services	Corporate Governance	Records Management	Aug-18	Dec-19	15	15	-	8	7	47%	Highlights of progress include: <ul style="list-style-type: none"> - Re-focus of the service delivery model. - Preparation and involvement relating to Office 365 and Digital Literacy initiatives in progress. - Strategic Records Management Framework draft has been submitted for review. - Records Management Team 2 year business plan draft has been submitted for review. - Records Management training program currently being developed. - The archiving project progressed, however was ceased due to COVID-19 (closure of the admin building and therefore reducing non-essential contractors in the building).
				Division Total	39	90	12	11	67	74%	
Corporate Services	ITT	Corporate ICT	Aug-19	June-21	15	36	23	9	4	11%	Small Increments of progress has been made across the following recommendations: <ul style="list-style-type: none"> - Utilise CCS capability to undertake Marion and PAE architecture roadmaps. - Implement Collaborative ICT Project Delivery across the organisations. - Align ICT systems project by project through Collaborative Project Delivery. - Trial value of a shared Gartner subscription for twelve months with a view to ongoing licencing. - Engage Civica in negotiations regarding application licencing and

Open Service Reviews - Recommendations - Progress Update

(Status as at 22/4/2020 based on tracking against original completion dates)

Page 156



Key
 ● Complete ● Watch Closely
 ● On Track ● Off Track

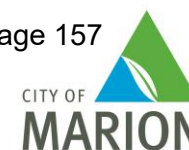
Division	Department	Service Review	Date Reported to FAC	Original Full Implementation Date	# of Recommendations	# of Actions	# On Track Actions	# Off Track Actions	# Actions Complete	% of Actions Complete	Comments
											support arrangements as part of upgrade discussions. The priority focus for the team has been delivery and support across the organisation to the COVID-19 response.
Corporate Services	Strategic Procurement	Utilities Optimisation	Dec-19	Feb-23	10	15	11	-	4	27%	<p>The recruitment of the new roles has now concluded, with the Optimisation Lead commencing in March, and the Business Analyst to commence 27th April 2020.</p> <p>The remediation of invoicing, and resolution of over-payments and billing inaccuracies will be the area of focus over the coming months.</p> <p>Additionally, the research into appropriate management systems will be a focus of the Optimisation Lead moving forward.</p> <p>Key stakeholders across the three councils have met with the Utilities Lead, to form the relationships and communication channels.</p>
Division Total					25	51	34	9	8	16%	

***A Service Review is considered Off Track when an action has not been completed by the original completion date

Open Service Reviews - Recommendations - Progress Update

(Status as at 22/4/2020 based on tracking against original completion dates)

Key
 ● Complete ● Watch Closely
 ● On Track ● Off Track



Completed Service Reviews (Fully Implemented) (March 2016 – April 2020)

Department	Service Review	Date Reported to FAC	Original Complete Date	Actual Complete Date
Community Connections	Libraries	28-Feb-2017	31-Mar-2017	10-Oct-2017
Human Resources	Recruitment	15-Dec-2016	31-Dec-2017	29-May-2018
City Property	Marion Outdoor Swim Centre	15-Dec-2016	31-Oct-2017	02-Oct-2018
Corporate Governance	Council Reporting and EM Support	15-Dec-2016	31-Aug-2017	02-Oct-2018
Engineering and Field Services	Management of Recycling Depot and Stores	30-May-2017	29-Dec-2017	02-Oct-2018
Finance and Contracts	Public Place Litter	12-Dec-2017	30-Jun-2018	02-Oct-2018
Engineering and Field Services	Drainage	30-May-2017	30-Jun-2018	11-Dec-2018
Engineering and Field Services	Roads	15-Aug-2017	29-Jun-2018	11-Dec-2018
Engineering and Field Services	Hard Waste and Dumped Rubbish	08-Mar-2016	01-Jul-2019	26-Feb-2019
City Property	Maintenance of Council Facilities	10-Oct-2017	30-Nov-2018	28-May-2019
Community Connections	Marion Celebrates	30-May-2017	30-Mar-2019	28-May-2019
Development and Regulatory Services	Parking Management and Regulation	30-May-2017	31-Dec-2018	28-May-2019
Engineering and Field Services	Open Space Phase 1	12-Dec-2017	30-Jun-2022	28-May-2019
Customer Experience	Customer Service	27-Feb-2018	31-Mar-2020	20-Aug-2019

Internal Audit Program 2020/21

Originating Officer	Manager Corporate Governance - Kate McKenzie
Corporate Manager	Manager Corporate Governance - Kate McKenzie
General Manager	General Manager City Services - Tony Lines
Report Reference	FAC200519R12

REPORT OBJECTIVE

The purpose of this report is to provide a status update on the progress of the Internal Audit Plan and to review the audits planned for 2020/21.

DISCUSSION

KPMG was appointed as the City of Marion's Internal Auditor in July 2019. The FAC considered and endorsed the Internal Audit (IA) Plan 2019 - 2021 at its meeting of 8 October 2019.

The IA Plan for 2019/20 is progressing, however work was delayed by approximately four weeks when the organisation was required to adjust and respond to the impacts of COVID-19. Two reports were due to be presented to this meeting being Corporate Reporting and Metrics and the ITT Governance. These reports will now be presented to a Special Meeting of the FAC in July 2020. The status of each of the reviews are:

- Payroll (Collaborative) (Completed) - reported to FAC in Feb 2020
- Corporate Reporting and Metrics (In progress) - report to be presented to FAC in July 2020
- Collaborative Model Health Check (Delayed)
- ITT Governance Review (In progress) - report to be presented to FAC in July 2020
- Leasing (Collaborative) - report to be presented in July/August 2020

Work is commencing on scoping the audits for first and second quarter of 2020/21. The IA Plan has been reviewed by the Executive Leadership Team (ELT) in conjunction with the Corporate Risk Profile and a list of other potential audits provided by KPMG. Overall, the ELT were satisfied with the IA Program and recommended the following amendments:

- that a timing change occur for the Asset Inspection Schedule (currently Q1 to Q3)
- COVID-19 Risk Assessment and Business Continuity Review be included in Q1

A copy of the proposed IA Plan for 2020/21 is included in **Attachment 1**. Details of other potential internal audits for consideration are included in **Attachment 2**.

RECOMMENDATION

That the Finance and Audit Committee:

1. **Notes the amendments to the Internal Audit Plan for 2020/21.**

Attachment

#	Attachment	Type
1	Proposed Internal Audit Plan 2020/21	PDF File
2	Alternative Projects	PDF File

Attachment 1 – Proposed Internal Audit Plan 20/21

REF.	Project Title and Description	Category	Timing	Collaborative Project
NEW	COVID-19 – Risk Assessment and Business Continuity Review the current disaster recovery and business continuity plans of the CoM, in particular in response to COVID-19. The review will focus on the relationship between business continuity processes and disaster recovery requirements. Additionally, a review will be conducted over the IT infrastructure and associated policies which support the CoM disaster recovery and business continuity. The review will focus on the response to COVID-19 and address any gaps or lessons learnt from the Council's experience, as well as provide recommendations for improving the BCP and DR going forward.	Governance	Q1	TBA
21-02	Stores management - The scope of the stores management internal audit will include the current internal processes and work practices to manage stock and general stores items. Areas of focus will include comparison to better practices over purchasing and issuing of stock, physical controls, segregation of duties and stock levels held.	Operations	Q2	Yes
21-03	Project carryovers - Assessment of the framework for the management of project carryovers and project variations, including: <ul style="list-style-type: none"> • Project planning processes in place to minimise the level of project carryovers. • Project status reporting and forecasting of project variations and/or carryovers. • Governance processes for management of project carryovers including review and approval. 	Asset Management	Q2	-
21-01	Asset inspection schedule - Review of asset inspection processes, including planning and scheduling of asset inspections and consideration to a risk-based assessment regime. For a sample of assets, ensure that inspections have been completed in line with Council's requirements. The audit will also consider the extent to which all levels/types of Council assets are included in inspection regimes.	Asset Management	Q3	-
21-04	Financial controls health check - The project will include a health check of key financial controls including accounts payable, accounts receivable, month-end financial reporting, treasury and cash management. The project will include a benchmarking assessment between councils.	Financial Controls	Q3	-
21-05	Community facility management models - The audit will review the community facility management models, including assessment of the governance, options analysis and decision-making processes for selection of management models utilised for the CoM's community facilities, and the management framework for the oversight, monitoring and reporting on community facility management models.	Operations	Q4	-

Alternative Internal Audit

Projects:

1. Project: Compliance Focused Payroll Review

Risk: Increased regulatory focus and scrutiny on payroll compliance has led to the need for organisation's to review payroll compliance to ensure that all staff are being compensated in accordance with relevant EBAs obligations. Incorrect payments may also lead to reputational damage internally and externally, potential for increased staff turnover, regulatory investigation and other legal consequences.

Details of Project: This internal audit will review the City of Marion's payroll payments to ensure the organisation is complying with relevant legislative requirements and Enterprise Agreement obligations. Areas of focus will include sample testing of staff payments in relation to current awards, Enterprise Agreements and employment contracts to identify whether payments are accurate and have been made in accordance with relevant requirements and statutory obligations.

2. Project: COVID-19 Fraud Focused review

Risk: Workforces working remotely could mean financial controls become less effective and could increase the risk of significant financial loss due to fraud. Controls may not have been designed for complete remote working conditions (e.g., review of supporting documentation for payments, critical pressure on segregation of duties due to limited workforce availability). Similarly, the current environment increases the opportunity for fraud from contractors and suppliers, especially within major contracts.

Details of Project: Review the existing financial control environment to understand how remote working and reduced human interactions impact the CoM's controls. The review would pay attention to supplier payment controls, including whether the Council has implemented increased transactional review, exception reporting or other controls (i.e. through data analytics or other mechanisms). Where an instance of fraud, corruption or serious misconduct is identified, KPMG can undertake the necessary fact-finding investigation to determine whether the allegations are substantiated or not. Investigations can be used to deter or disrupt other potential inappropriate action by internal or external stakeholders and assist in setting the tone during uncertain times.

3. Project: Economic and Business Growth Fund Business Assistance (Grant Assistance)

Opportunity: As part the SA Government's recently announced stimulus packages, a further \$70 million has been added to the [Economic and Business Growth Fund](#). The Fund is intended to support projects that have a significant impact on the SA economy and provide broad benefits to an industry or sector. There is an opportunity for the City of Marion to leverage this Fund to deliver an impactful Smart City initiative. This could either be an initiative directly related to COVID-19, or to support the community in other ways as they navigate this period of uncertainty.

Project Overview: KPMG's assistance would be tailored to your needs, and could include assistance to:

- a) Identify and frame a project aligned with the intent of the Fund;
- b) Prepare for and make an initial approach to our Departmental contacts;
- c) Based on feedback from State Government, prepare a proposal and relevant supporting documentation for formal submission to the Fund.

4. Project: Remote working arrangements

Risk: A number of organisations have been recently forced by COVID-19 to shift the majority of their workforce to remote working arrangements, including both staff and contractors. Remote working arrangements increases the organisation's exposure to a number of risks, including but not limited to, financial fraud (see project 2), cyber security threats through VPN and other connections, changing WH&S risk through changing working arrangements, as well as a threat to employees' wellbeing from the lack of contact with colleagues and the change in work routine.

Details of Project: Review the current working arrangements in place for staff and contractors, including:

- Contractual arrangements
- WH&S arrangements
- Cyber security protocols

- Wellbeing arrangements

The review would pay attention to how each of the above was implemented during the COVID-19 and where improvements may be required going forward to ensure a sustainable remote working arrangement can be maintained by the Council in the future. This review would also look at areas of the Council that are not appropriately prepared for remote working arrangements and identify ways to improve this going forward.

5. **Project: Working Capital review**

Risk: Due to the impacts of COVID-19, almost all organisations have felt an impact on their Working Capital requirements, including cash, receivables, inventory and accounts payable management. This is through several operational disruptions, such as supply chain failures, inventory shortages, staff quarantine and reduction in demand by customers. The change in immediate Working Capital poses the risk of serious financial and operational risks to the organisation in the short term, with potentially large long-term ramifications.

Details of Project: A review to be undertaken of the immediate working capital changes to the organisation, with a focus on cash, receivables, inventory and accounts payable management. In particular, the review will look at the current measures in place to adjust the working capital arrangements, such as:

- Short term arrangements in place with suppliers, customers and financiers to improve cash flow
- Adjustments to collecting receivables in a timely manner to support customers facing similar working capital changes (such as rate relief)
- Plans in place to pay suppliers given short-term cash-flow restrictions due to decline in commercial business and rental income
- Approach to adjusting inventory management due to a downturn in demand

6. **Project: Financial Sustainability Review**

Risk: In the current environment there is an increased risk of potentially decreasing revenue to impact on the Council's current borrowings. Future borrowings also need to be considered when factoring in any potential additional borrowings which may be required to fund any operating deficits.

Project Overview: Prior to the development of the situation surrounding COVID-19 KPMG undertook review of the budget management process which highlighted the consideration required in relation to the assessment of prudential limits during the budget development process. This review would include assessing the current state of the Council's financial sustainability, the drivers of debt accumulation and benchmarking across like Local Government organisations across Australia. The benefits able to be realised from these reviews includes increasing the Council's maturity around borrowing philosophies and more stringent borrowing limits based on affordable debt obligations. The impact of COVID-19 would be a key factor to consider through this project with the potential for decreased revenue in the medium term to impact on repayment of any borrowings.

7. **Project: Mental Health and Wellbeing**

Risk: Ensuring the safety and wellbeing of employees is a key priority for many organisations given the outbreak of COVID-19 and the change in working arrangements for their staff, as well as the emotional and social changes to employees' day-to-day lives. Reduction in an employees' mental health or wellbeing can create a risk of reduced connectivity with the workplace, their colleagues and the organisation's strategic goals, which may create adverse operational impacts for the business, but more importantly can create negative health implications for employees.

Details of Project: A review to be performed of the key mental health and wellbeing initiatives and arrangements in place at the CoM, including wellbeing programs and policies to support safe working environments. The review will focus on how the current arrangements support the employees in business as usual activities, as well as during changed working arrangements (such as remote working). In particular, the appropriateness, transparency, accessibility and flexibility of these arrangements will be reviewed, as well as the communication of the arrangements. A cross section of different departments will be assessed to determine the level and consistency of mental health and wellbeing support provided across the organisation, in order to highlight key areas for improvement.

8. Project: Leaders and Mental Health and Wellbeing

Risk: Ensuring the safety and wellbeing of employees is a key priority for many organisations given the outbreak of COVID-19 and the change in working arrangements for their staff presents challenges for leaders within the organisation. Leaders need to balance the strategic and operational needs of the business, including productivity in remote working environments, while navigating and ensuring the health and wellbeing of its employees. Reduction in an employees' mental health or wellbeing can create a risk of reduced connectivity with the workplace, their colleagues and the organisation's strategic goals, which may create adverse operational impacts for the business, but more importantly can create negative health implications for employees.

Details of Project: A review to be performed of the key mental health and wellbeing initiatives and arrangements in place at the CoM, including wellbeing programs and policies to support safe working environments. This will include a review of the use of an EAP (if relevant) and accessibility of the EAP by staff and their immediate family members. The review will also look at the current approach to maintaining mental health and wellbeing, including the approach and training undertaken by leaders within the business. In particular, practices for maintaining productivity, while avoiding 'micro-management' will be reviewed, as well the appropriateness, transparency, accessibility and flexibility of mental health and wellbeing arrangements. A cross section of different departments will be assessed to determine the level and consistency of mental health and wellbeing support provided across the organisation, in order to highlight key areas for improvement.

9. Project: Privacy

Risk: Organisations are facing unprecedented challenges in the wake of COVID-19, including maintaining privacy obligations in relation to personal information to ensure a safe workplace for staff, customers and visitors. Organisations should look to limit the collection, use and disclosure of personal information to the extent necessary to prevent and manage COVID-19, and take reasonable steps to keep personal information secure. Improper management of personal or sensitive information can have negative reputational impacts for the organisation, which may lead to adverse financial impacts.

Details of Project: Perform an assessment of the design of the Council's process for compliance with relevant privacy legislation. The review will include testing the operating effectiveness of key controls such as data management, data storage, privacy breach response and management. Our assessment will consider whether any changes to working arrangements will impact on the handling of personal information, to assess any new or emerging privacy risks and identify appropriate controls to be considered as part of BCP. The review will also include an assessment to contemporary best practice

10. Project: COVID-19 – Risk Assessment and Business Continuity

Risk: The occurrence of COVID-19 has seen many organisations implement their Business Continuity and Disaster Recovery Plans. In this real-life crisis, there is risk that current BCP and DRP are not up to date or reflect the requirements of the Council during COVID-19 and need to be updated.

Details of Project: Review the current disaster recovery and business continuity plans of the CoM, in response to COVID-19. The review will focus on the relationship between business continuity processes and disaster recovery requirements. Additionally, a review will be conducted over the IT infrastructure and associated policies which support the CoM disaster recovery and business continuity. The review will focus on the response to COVID-19 and address any gaps or lessons learnt from the Council's experience, as well as provide recommendations for improving the BCP and DR going forward.

Internal Audit Program - Implementation of Recommendations

Originating Officer	Governance Officer - Angela Porter
Corporate Manager	Manager Corporate Governance - Kate McKenzie
General Manager	General Manager City Services - Tony Lines
Report Reference	FAC200519R13

REPORT OBJECTIVE

To provide the Finance and Audit Committee (FAC) with an update of the status of implementation of recommendations from the 2017-19 Internal Audit program.

EXECUTIVE SUMMARY

The FAC was provided with a status report at its previous meeting on 25 February 2020 regarding the City of Marion's Internal Audit Program. It was reported that all audits from the previous IA plan had been completed.

The implementation of recommendations from these reports continue to be monitored by the FAC. A short summary of the status of recommendations for each audit is provided at **Attachment 1**. The relevant outstanding recommendations and agreed actions for items that have been commented on are included in the summary to give context to the comments made against each project.

RECOMMENDATION

That the Finance and Audit Committee:

- 1. Notes the status of the Internal Audit Program (Attachment 1).**

Attachment

#	Attachment	Type
1	Implementation of Recommendations	PDF File

Overall Summary

Project	Findings	On Track	Overdue	Completed	Not Commenced	General Comments
Capital Works Program 2015/16				Complete (August '19)		
Corporate Performance Reporting 2016/17				Complete (December '19)		
Accounts Receivable 2016/17				Complete (February '19)		
ICT Cyber Security Maturity (2016/17)				Complete (April '20)		
Policy Review (2016/17)				Complete (August '18)		
Property Portfolio Management (2016/17)				Complete (November '19)		
Volunteer Management (2017/18)				Complete (August '18)		
NDIS (2017/18)	1	1				Maintain watching brief
Contractor Management (2017/18)				Complete (April '20)		
Regulatory Fines and Enforcements (2017/18)				Complete (July '19)		
Development Assessment (Planning) (2017/18)				Complete (June '19)		
Procure to Pay (2018/19)	9			7	2	There are 2 outstanding recommendations. These are Performance Improvement Opportunities and will be captured through the Finance Transformation Project which commenced April 2020. Separate reporting will be brought to the committee on the Digital Transformation Projects.
Customer Experience	8	1	1	6		1 item is not on track with completion expected in Q4. 1 item is on track pending completion of the Metrics that Matter project. Extension granted with revised due date of June 2020. 6 items have been completed in entirety.
Cyber Security 2019	6	3		3		All items on track but some will be subsumed into the Digital Transformation Projects which will be reported separately.
Tendering 2019				Complete (March '20)		
BCP and Emergency Management	2	1	1			1 item is not on track due to impacts of COVID-19 but is 85% complete.
Payroll 2020/21	4	4				4 items commenced in April 2020 and are on track. Procurement process is underway for a Payroll/HRIS system.

Cyber Security

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	ACTION START DATE	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
Consider formally defining the requirements for third party cyber security obligations and including related clauses into each significant contract. This should include consideration of data ownership and storage, technical controls, backups, monitoring, notification of security incidents, and any associated security compliance requirements. A “right to audit” clause should also be considered for inclusion in contracts with technical service providers. Existing third party contracts should then be reviewed to determine compliance and any potential concerns moving forward should be renegotiated where possible. Continual due diligence and assurance activities on third parties should be performed to ensure that they adhere to CoM’s minimum requirements.	3.4	This will be further investigated and implemented where necessary	1/05/2017	Original Target Date 31/12/2018 Revised Due Date 30/06/2019	Not on Track	90%	A new IT contract draft has been completed that takes into account the Cyber Security elements, as well as a number of IT related provisions that have previously not been included. The contract template will now go through the process to be formally implemented.	Completed	100%	

Contractor Management

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	ACTION START DATE	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
As part of the 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.	2.2	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.	29/05/2018	28/02/2019 Revised Due Date 15/04/2020	Not on Track	75%	Work has been undertaken to create an end to end process for procurement activities, which includes contractor management. Contractor Management actions and tasks will be managed through the Skytrust system and be monitored with follow ups. As part of go live, a roadshow to all contract administrators will be undertaken	Completed	100%	The updated Procurement processes implemented 13/3/2020, which includes Tender Initiation Form and associated contractor management activities loaded into Skytrust. This was accompanied by a user reference guide to assist all users in the process.
It is recommended that the City of Marion considers introducing a risk based approach to manage it [sic] contractors, so that the level of effort in relation to contract management is matched to the overall contact [sic] risk.	3.1	The contract management procedure will be strengthened to provide additional guidance to Contract Administrators to promote a risk based approach to contract management activities.	29/05/2018	30/09/2018 Revised Due Date 28/02/2020	Not on Track	75%	Risk assessments now undertaken as part of the pre tender process (following pilot of the Tender Initiation Form), evidence to be saved in the appropriate SharePoint folder. The risk assessment will flow onto to the approach to contractor management, with Skytrust as the tool to track this.	Completed	100%	Risk assessments now mandatory for all tenders and form part of the Tender Initiation Form, implemented 13/3/2020
It is recommended that the 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: * Provide improved organisational wide visibility of the contracts registers (on a relevant user access basis).	4.1	Management will assess alternatives to the existing excel preferred contractor register and validate whether potential benefits could be realised. The outcome of this assessment will determine what further action is required. 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).	29/05/2018	30/06/2019 Revised Due Date 31/03/2020	Not on Track	75%	An updated excel register draft has now been completed that illustrates the City of Marion preferred suppliers, existing Council Solutions preferred supplier and LGA preferred suppliers. In addition to the register, the implementation of Vendor Panel is in progress to ensure the use of our suppliers is undertaken through this system to ensure transparency, maintain probity and result in an overall more efficient process. This will be fully implemented by 31/3/2020	Completed	100%	Register updated and stored on Contracts SharePoint site. Communication of this across the organisation to occur when appropriate (COVID restrictions to be lifted). Vendor Panel implementation on track for July 2020, which provides a tool for use of all panels.

Procure to pay

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	ACTION START DATE	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QRTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
It is recommended that the CoM perform a business process review to investigate the transition to an online procure to pay system which would help to reduce the need for manual invoice approval processing. This process should include benchmarking of the procure-to-pay cycle times and the average cost of processing per invoice against other Government agencies.	0	<p>The CoM will investigate on-line invoice approval options that exist with Civica to reduce the level of manual processing that currently exists.</p> <p>The CoM will also investigate the software options available and implementation costs for automatic invoice validation.</p>		31/12/2019	Not Commenced	0%	We have now embarked on a finance transformation journey which is looking at our systems and processes in detail. This work is commencing in April 2020 and as part of that work process efficiencies and system automation is being identified and considered as part of future finance system implementation. These items will be considered as part of this project.			
It is further noted that a number of other Councils in South Australia have transitioned the invoice validation process to a third party vendor. These services includes the use of machine learning technologies to match purchase orders to invoice payments and contract, and automating invoice approvals within a defined set of business rules. It is recommended that this option is also considered as part of the business process review.	0	as above		31/12/2019	Not Commenced	0%	We have now embarked on a finance transformation journey which is looking at our systems and processes in detail. This work is commencing in April 2020 and as part of that work process efficiencies and system automation is being identified and considered as part of future finance system implementation. These items will be considered as part of this project.			

Customer Experience

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	ACTION START DATE	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREV QRTER ACTN PRGRS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
<p>The CoM should investigate whether standardised templates can be designed in the CES to suit departmental reporting in relation to customer experience. However, given the CES is not user friendly, it is also recommended that the CoM investigate the possible use of a CRM system that may be better support the reporting requirements (see the recommendation in Finding 3).</p> <p>The CoM should also implement regular reporting for each department in relation to customer experience and the management of their KPI's.</p> <p>In the interim, it is recommended that the CoM provide training to staff in relation to key reports they would like to extract from CES, and how to access key information in CES. This could be supported by user guides.</p>	2.3	<p>Long-term:</p> <p>Once the CoM have implemented the 'Metrics that Matter' project, management will develop a corporate report for the ELT that includes the monitoring of customer events. This report will cascade to SLT and the wider leadership team for ongoing management of customer events.</p> <p>(The completion of this action 3 is reliant on the delivery of 'Metrics that Matter' (business intelligence reporting) project, which will give the CoM the reporting capability to monitor customer events more simply. The interim report within action 2 is manual and will be replaced with the new system.)</p>		<p>31/12/2019</p> <p>Revised Due Date 30/06/2020</p>	On Track	30%	The Metrics that Matter project has not yet completed. This action is reliant on this project completing. This will not be met by due date, and will need to be extended by 6 months	On Track	80%	<p>The CRM should be at tender by mid-May.</p> <p>Teams are using CES for KPI reporting, and our systems business partner is providing ongoing training to support this.</p> <p>CRM implementation will introduce better KPI reporting.</p>

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	ACTION START DATE	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREV QTR ACTN PRGRS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
It is recommended that the CoM undertake a review of those departments that are failing to meet KPIs in relation to meeting customer event targets and review if resourcing is a contributing factor to the delays. As part of the review, the departments should ensure that resources are being used efficiently and effectively to meet KPIs across the department and organisation.	5.1	Once the actions for Findings F1 and F2 are delivered Management will complete a review of resources within departments, making recommendations to allocate existing resources to meet customer demand. Where efficiencies are identified and savings made across departments, Management will recommend reallocation of resources to the Customer Experience team to continue to deliver Customer Experience Plan.		31/03/2020	On Track	50%	We have built a report to understand which customer events are not being closed on time. We will now work with relevant business units as per action. Note - when we implement a CRM every single event type will be reviewed when developing future state processes.	Completed	100%	This action has been built into the digital transformation project. It is a deliverable of this program to create efficiencies in the way we work, and to be able to realign resources to high demand areas.
It is recommended the CoM look to provide copies of the Complaints and Grievance Policy in the manner specified in section 4.5 of ISO 10002 2018 within the Customer Service Centre. The CoM should also look to provide copies of the policy online in other languages (the languages selected could be modelled on customer data if a CRM is developed). Additional internal communications should be provided to advise the organisation of the centralised complaints function that is available and explanation of how this fits into the CoM's overall Complaints and Grievance policies and procedures.	PIO3.1	This performance improvement opportunity will be investigated further and implemented based on available budget.		31/12/2019	On Track	25%	Have sought various volunteers to undertake this work and will be completed early in the new year.	Not on Track	30%	Quotes have been sourced to undertake the work with completion expected in Q4.

Cyber Security 2019

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	ACTION START DATE	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PEV QUARTER AP %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
Formally define, agree and communicate the overall Executive level accountability for cyber security within the organisation (e.g. Chief Executive), with responsibility assigned to the Manager ICT. Additionally, position descriptions and associated key performance indicators should be updated and defined as appropriate for those roles accountable and responsible.	1.1	Engage HR to develop Management position descriptions as per recommendation and develop communication plan.		31/03/2020	Complete	40%	ICT are in the process of determining the required accountability, which is to be provided to HR who will then update the executive leadership PD's accordingly (this was originally going to align with the Performance Development Process, but as we are exploring a new system, the PD's will be reviewed and updated outside of this process).	Completed	100%	ELT PDs have been updated.
While it is noted that staff are tested at the end of each module within the current online security training, the CoM should also consider adding a few questions on cyber security to the existing Pulse survey to measure the strength of understanding and awareness of cyber security across the organisation. The output from this can then be used to tailor and further refine the current cyber security awareness program.	2.1	Review Pulse Survey appropriateness for cyber security questions, further develop security awareness program questions.		31/03/2020	On Track	40%	Kineo product also not the best tool for monitoring awareness. Cyber Security Survey questionnaire being drafted for release to the org. for end of March. (possibly via Survey Monkey etc).	Completed	100%	This will be subsumed into the new CoM1 Digital Literacy and Cybersecurity awareness project and reporting will be made on the progress of those.
Conducting more regular phishing assessments of staff (e.g. annually) so that staff are provided more training and awareness opportunities and to assist in uplifting employee focus on cyber security as part of performing their day-to-day activities.	2.2	Review effectiveness of cyber security awareness program with the view to adjust frequency of phishing scans as required.		30/06/2020	On Track	30%	Phishing exercise scheduled to be carried out in April 2020	On Track	70%	Phishing exercises will be developed as part of COM1 Digital Literacy and Cybersecurity awareness project and reporting will be made on the progress of those.

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	ACTION START DATE	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PEV QUARTER AP %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
The following have been identified as areas for improvement in 2019 to increase the CoM's cyber security maturity relating to the Information Risk Management: 1.While cyber security obligations have been identified and provided to Procurement for consideration in third party agreements, this has not been formalised or endorsed. It is also noted that the onus is still currently on the individual department engaging with the third-party vendor to ensure that appropriate due diligence has been performed prior to formally engaging the third party.	PIO3.1 (2019)				On Track		Meeting set up with ICT & Procurement to develop a process	Completed	100%	All systems related purchases will go through the scrutiny of the Strategic Procurement team and appropriate cyberclauses for contracts will be included.
CoM currently records their technical IT risks in two separate registers within SharePoint, a vulnerabilities register and an ICT risk register. However, there is no visibility of this corporately and not centralised, consistent and proactive process for cyber and IT related risks and vulnerabilities, to be reported to Executive, so that it can be tracked and managed centrally.	PIO3.3 (2019)				On Track	50%	ICT have further developed the ICT Vulnerabilities Register in CoMConnect to roll up significant ICT and Business Risks to the Corporate Risk Register making the ICT Risk register redundant. Risk to confirm this is acceptable given appropriate parties (Risk, ICTSC etc) can view the items.	Completed	100%	While the risk register records them, the new cybersecurity program will also provide more indepth reporting on the actions we're taking.
The following should be considered as recommendations for increasing maturity in the Information Risk Management domain, particularly when implementing, operationalising, and embedding the Cyber Security Assurance Framework and Cyber Security Operating Manual: 1.Clearly define and communicate the requirements for sharing of information both internally and externally. Consideration should be also given to implementing controls for removable and portable media control as part of a data loss prevention strategy, such as storage, handling, whitelisting allowed USB devices, encryption and destruction.	3.1	Implement Data Governance Framework to classify CoM's information and define appropriate resources to manage this function to communicate requirement for information sharing.		31/03/2020 30/09/2020	On Track	10%	No further update at this point. Currently reviewing the Data Governance Framework.	On Track	50%	While a data governance framework has been created, COVID has led to the delay in deploying a joint resource with CCS and PAE for the completion of the Data analytics project which this is now a part of.
3. Perform a formal risk assessment over tangible and intangible critical assets to ensure that all cyber security related risks are appropriately tracked, managed and mitigated, where possible. Ensure that risks are captured in a formal register.	3.3	Review and include ICT assets in risk assessment process.		30/06/2020	On Track	90%	The ICT Vulnerabilities Procedure has been incorporate into the Risk Framework review due to be submitted to Council on 24 Feb 2020.	Completed	100%	Endorsed by Council
4. Formalise and have the Executive Leadership Team endorse the cyber security obligations to be included in all third-party contracts. Existing third-party contracts should then be reviewed to determine compliance and any potential concerns moving forward should be renegotiated where possible. Continual due diligence and assurance activities on third parties should be performed to ensure that they adhere to the CoM's minimum requirements.	3.4	Contracts to include cyber security clauses into standard contracts.		31/12/2019	Not on Track	90%	A new IT contract draft has been completed that takes into account the Cyber Security elements, as well as a number of IT related provisions that have previously not been included. The contract template will now go through the process to be formally implemented.	Completed	100%	Conditions of Contract Template relating to IT now implemented for use in all IT related tenders. Includes all Cyber Security elements. This has been implemented 15/4/2020
1.Ensure that defined recovery objectives have been communicate and validated with IT to ensure that these are achievable.	4.1	1.Review validity of departmental recovery objectives and in conjunction with Risk Department run BCP workshops where recovery objectives are unrealistic or unachievable.		30/06/2020	On Track	60%	The BIA Workshops at an SLT level have been undertake this week with the ELT validation session booked in the last week of February. The processes will be finalised by the end of March.	On Track	80%	The BIA Workshops have been undertaken and final validation against the ICT is planned to take place.
Based on the size and nature of the CoM business and the supporting IT environment, and the role which CQR provides to the CoM for supporting technical cyber security elements, we have not provided any further specific recommendations to improve current maturity in this domain. However, we would encourage Management to continue to invest as appropriate in technology solutions as changes are considered and made throughout the organisation and to the IT environment, and as the external cyber landscape changes.	5.1	Continue to invest in Cyber Security program and appropriate technology.		Ongoing	On Track	75%	X-Council Budgets submitted. Consideration for a X-Council Security role to be determined.	Completed	100%	CoM Security program to continue through to Nov2020 and be reviewed with X Council consideration

Tendering 2019

RECOMMENDATION		AGREED MANAGEMENT ACTION	ACTION START DATE	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
We recommend the CoM Contracts team create a page on Combi (CoM Intranet) with reference point for all tender related documentation. We also recommend the CoM develop a quick reference guide summarising the overall tender process, including evaluation processes and key responsibilities of the TET. This guide could be maintained on the contracts section of SharePoint and provided to TET Members when they are appointed as part of the TET. We recommend the tender quick reference guide includes the following: <ul style="list-style-type: none"> High level summary of the CoM’s tendering requirements Standard timelines for the tender process TET roles and responsibilities (e.g. declare any conflicts of interest before being part of the TET and read all tender responses before the tender assessment) Links to the CoM’s Tender Evaluation Procedure, Procurement and Contractor Management Policy, Procurement Procedure, Contract Management Procedure, Conflict of Interest and Confidentiality Agreement and the Code of Conduct for Employees. 	PIO1	Management will be creating quick reference guides as part of the process improvements currently being considered.	28/05/2019	31/12/2019	Not on Track	90%	The Tender Initiation Form (online form) will go live in mid-February, following a pilot phase. This form will assist requestor's by detailing the details required for the tendering process. Additionally, the procurement team will be highlighting the TET requirements in the introductory email to members, with evidence stored in SharePoint. The implementation of these two initiatives will remove the requirement for Quick Reference Guides, by ensuring the procedures are the supporting elements to the forms	Completed	100%	Tender Initiation Form implemented 13/3/2020, detailing all requirements. User reference guide distributed as part of the implementation. Form is approved online by relevant SLT Manager and Procurement, prior to the tender being released

Business Continuity Management 2019

RECOMMENDATION		AGREED MANAGEMENT ACTION	ACTION START DATE	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
Internal Audit recommends that the CoM: <ul style="list-style-type: none"> Undertakes a formal holistic BIA to identify and document its critical business processes. Applies a risk rating to each critical business process identified during the BIA, which is used to prioritise business process recovery and determine where further business continuity and recovery plans or strategies may be required. Reviews existing emergency, crisis and business continuity plans to identify whether any additions, changes or updates are required based on the outcomes of the BIA. 		Agree with recommendations and will undertake a business impact assessment.	28/05/2019	1/09/2019 Revised due date 31/03/2020	Not on Track	60%	The BIA Workshops at an SLT level have been undertake this week with the ELT validation session booked in the last week of February. The processes will be finalised by the end of March.	Not on Track	85%	The BIA Workshops were undertaken in February culminating in a Strategic ELT workshop for validation. An organisational BIA spreadsheet has been finalised, complemented by a graphic to illustrate key recovery phases. The data is now being populated into the Recovery Strategies.
Internal Audit recommends that the CoM adopts a documentation structure similar to that detailed in Appendix 1.		The documentation hierarchy and structure can be reviewed as part of the BC Framework and Policy Review.	28/05/2019	1/10/2019 Revised due date 31/03/2020	Not on Track	90%	The draft has been incorporated into the BIA workshops with ELT & SLT and will be finalised as part of the SLT validation.	Completed	100%	

Payroll 2020/21

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	ACTION START DATE	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
Investigate system opportunities with specific focus on increased functionality, reporting, elimination of manual processes, and systems integration.	1.1	The findings and relevant recommendations identified across this review, and specifically from Finding 1, will be addressed through the CoM’s Digital Transformation Program. It is further noted that a number of separate projects are also currently in progress.		30-Jun-21	Nil	Nil	Nil	On Track	10%	Request for Proposal for new Payroll/HRIS has been drafted. Procurement process is underway.

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	ACTION START DATE	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
<p>Develop an overarching organisational procedure that details the process for recording and managing TOIL/ATO. It is further recommended this procedure includes:</p> <ul style="list-style-type: none">Clearly defines the difference between TOIL/ATO and flexible work arrangements.Responsibilities for recording, monitoring and approval of TOIL/ATOReporting processes for TOIL/ATO balances, and time takenThe inclusion of a tool/mechanism for the recording of TOIL/ATO. <p>Consider system opportunities for both recording and reporting on TOIL/ATO to reduce the level of manual input, and provide management with information to help monitor and manage TOIL/ATO effectively.</p> <p>Work to ensure that all internal audit recommendations are actioned and implemented as soon as practicable to ensure identified risks are mitigated, and issues are resolved. This should apply for all findings listed in this report, and previous internal audit findings that are not completely addressed.</p> <p>Investigate system opportunities that would allow for capture and reporting of staff overtime, and enable more effective reporting mechanisms including live dashboards. As first priority, work to implement overtime reporting to ensure overtime can be appropriately monitored and managed (CCS and CoM).</p> <p>The CCS and the CoM consider conducting more regular reviews over payroll activities and processes. This may be in the form of audits or spot checks of key controls for high rated risks.</p> <p>Ensure that reconciliation activities are undertaken in a timely manner (i.e. within one to two weeks) at the defined intervals.</p>	2.1	City of Marion currently reports on TOIL where it is recorded through the payroll system on a monthly basis.		30-Jun-20	Nil	Nil	Nil	On Track	75%	Toil is recorded in the payroll system. Payroll assessing how this can be further improved.
	2.2	Expedite development of “Leave arrangements: TOIL” procedure per Council’s Leave Arrangement Policy.		30-Jun-20	Nil	Nil	Nil	On Track	75%	Procedure has been drafted and being reviewed/finalised
	3.1	Since the 2016 Payroll internal audit, CoM has increased the frequency of reconciliations, particularly around accruals, from annually/quarterly to monthly to improve its financial reporting against budget and enable better variance analysis. Through the Digital Transformation process, CoM will be aiming for these accruals to be built into the new system, removing the need for manual calculations to be performed. Before this is implemented we will focus on improving the timeliness of reconciliations. Capability around one source for record keeping relating to employee recruitment and retention will also be included as a key requirement for the new system.		30-Jun-20	Nil	Nil	Nil	On Track	10%	Request for Proposal for new Payroll/HRIS has been drafted. Procurement process is underway.
	PIO1	City of Marion currently has limited payroll/HR reporting available in a PowerBI dashboard. We are looking to further extend these capabilities. CoM will also ensure that these recommendations are incorporated into the requirements as part of its Digital Transformation project.		30-Jun-21	Nil	Nil	Nil	On Track	10%	Request for Proposal for new Payroll/HRIS has been drafted. Procurement process is underway.
	PIO2	Payroll financial controls (both system and manual) are assessed for effectiveness on an annual basis, with independent review performed by Council’s external auditors. These controls are applied throughout the year and where issues/weaknesses are identified these are actioned to reduce the likelihood and/or consequence of any risks. We will be aiming to automate as many of these controls in a new payroll/HR system.		30-Jun-21	Nil	Nil	Nil	On Track	10%	Request for Proposal for new Payroll/HRIS has been drafted. Procurement process is underway.
	4.1	Since the 2016 Payroll internal audit, CoM has increased the frequency of reconciliations, particularly around accruals, from annually / quarterly to monthly to improve its financial reporting against budget and enable better variance analysis. Through the Digital Transformation process, the CoM will be aiming for these accruals to be built into the new system, removing the need for manual calculations to be performed. Before this is implemented we will focus on improving the timeliness of reconciliations. Capability around one source for record keeping relating to employee recruitment and retention will also be included as a key requirement for the new system.		30-Jun-21	Nil	Nil	Nil	On Track	10%	Request for Proposal for new Payroll/HRIS has been drafted. Procurement process is underway.

WORKSHOP / PRESENTATION ITEMS - Nil

OTHER BUSINESS

MEETING CLOSURE