His Worship the Mayor
Councillors
CITY OF MARION

# NOTICE OF FINANCE AND AUDIT COMMITTEE MEETING

Council Chamber, Council Administration Centre
245 Sturt Road, Sturt

Tuesday, 18 August 2020 at 04:00 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 and interested members of this community are welcome to attend. Access to the Council Chamber is via the main entrance to the Administration Centre on Sturt Road, Sturt.

Adrian Skull
Chief Executive Officer

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**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 Special Finance and Audit Committee Meeting held on 10 July 2020**

| | |
|---|---|
| **Originating Officer** | Governance Officer - Angela Porter |
| **Corporate Manager** | Manager Corporate Governance - Kate McKenzie |
| **Report Reference:** | FAC200818R01 |

**RECOMMENDATION:**

That the minutes arising from the Special Finance and Audit Committee Meeting held on 10 July 2020 be taken as read and confirmed.

**ATTACHMENTS:**
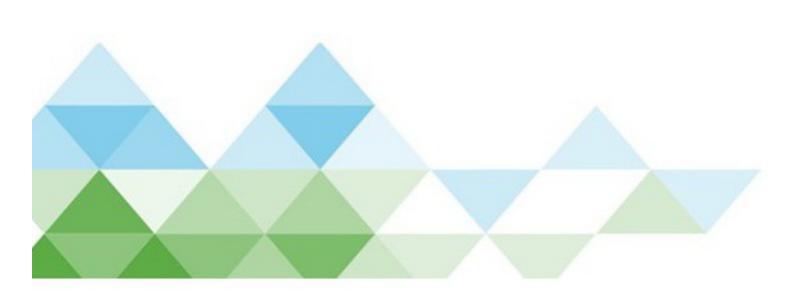
| # | Attachment | Type |
|---|---|---|
| 1 | SFAC200710 - Final Minutes | PDF File |

**SFAC200710 - FINANCE AND AUDIT COMMITTEE MEETING**

**Friday, 10 July 2020 at 09:30 AM**

**Council Administration Centre, 245 Sturt Road, Sturt**

**PRESENT:**

**Ms Emma Hinchey (Chair), Ms Natalie Johnston, Councillor Gard (from 9.40 am) and Councillor Crossland**

**In Attendance**

| | |
|---|---|
| Mr Adrian Skull | Chief Executive Officer |
| Mr Tony Lines | General Manager City Services |
| Mr Ilia Houridis | General Manager City Development |
| Ms Sorona Dinmore | General Manager Corporate Services |
| Ms Kate McKenzie | Manager Corporate Governance |
| Mr Ray Barnwell | Manager Finance |
| Mr Mathew Allen | Manager Engineering, Assets and Environment |
| Mr Greg Salmon | Manager City Activation |
| Mr Akos Szonyi | Manager Information Technology and Transformation |
| Ms Thuyen Vi-Alternetti | Manager City Property |
| Mr Brendon Lyons | Unit Manager Asset Solutions |
| Ms Cass Gannon | Performance and Innovation Leader |
| Ms Renee Pitcher | Unit Manager Open Space and Recreational Planning |
| Mr Carl Lundborg | Project Engineer |
| Mr Glynn Rickets | Water Resource Coordinator |
| Mr Eric Beere | KPMG |
| Ms Heather Martens | KPMG |
| Ms Janet Burdon | KPMG |
| Mr Andrew Gehling | Asset Management Consultant |

## OPEN MEETING

The Chair opened the meeting at 9.36 am.

## KAURNA ACKNOWLEDGEMENT

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

## COMMITTEE MEMBERS DECLARATION (if any)

The Chair asked if any Member wished to disclose an interest in relation to any item being considered at the meeting.

No interests were declared.

## CONFIRMATION OF MINUTES

### Confirmation of the minutes for the Finance and Audit Committee Meeting held on 19 May 2020

**Report Reference:** SFAC200710R01

**Moved Ms Johnston, Seconded Ms Hinchey**

That the minutes arising from the Finance and Audit Committee Meeting held on 19 May 2020 be taken as read and confirmed.

**Carried**

## REPORTS FOR DISCUSSION

### Internal Audit Program 2019/20 - Metrics that Matter, Leasing and Licensing and IT Governance

**Report Reference** FAC200710R02

9.40 am Councillor Tim Gard entered the meeting

Mr Beere (KPMG) introduced 3 Internal Audit Reports.  It was noted that they were all final reports although they did indicate final draft.  No further changes were made.  Mr Beere noted that the collaborative Council leasing report had a slight change to one recommendation after it had been considered by the Charles Sturt Audit Committee.  The Committee indicated that it would be good process to ensure that collaborative reports were consistent for both Audit Committees.

ITT Governance

Ms Burdon from KPMG provided an overview of the high recommendations within the report, noting that the ITT team displayed a positive level of engagement through the audit however, better alignment with the business is required to shift the team to a business enabler.  The high-risk recommendations included:

- Improved ITT Governance and principles at a strategic level

- Policies and procedures to be aligned to best practice

- Management of privileged access.  Certain areas were strong but no consistency across the business.

- No clear benefits realisation plan and how the benefits will be measured and monitored

- Lack of an Asset Information Technology register.  The need for this was further enhanced with COVID.

The Committee noted this was a good report and provided comments on the following:

- There is an increased cyber risk and it was noted that the report only briefly touches on this. Assurance was provided that staff cannot download general applications and security has been increased with better controls in place.

- Council would benefit from a more rigorous vendor management program

- A full review of privileged access needs to be completed

- Finding 4 may need to be reworked as management agree that a benefit realisation needs to be completed

- Check if the COVID event is an insurable event under our business interruption insurance

- PO2 does mention there is a risk of security breaches and this could be considered as part of the internal audit plan for next year.

- Elected Members raised that the issue for them is being able to find information and better access to systems.

<u>Leasing</u>

Ms Martens (KPMG) was invited to introduce the report and provided the Committee with an overview of the report and noted that in recent times there has been increased focus on the challenges and risks associated with leasing of Council facilities.  She highlighted that this review was a collaborative project with City of Charles Sturt which resulted in good knowledge sharing and efficiencies between the two Councils. She also highlighted that the use of spreadsheets and the lack of a system was creating challenges for robust process and some of the accuracy of data could be impacted.

The Committee:

- Suggested that the report was long given the level of the findings and could have benefited from being more summarised.

- Queried if the assessment of Finding Three (Monitoring and levels of cover required for public liability insurance) as, moderate was appropriate and whether it should have been assessed as a high risk. KPMG confirmed that the finding related to the value of insurance, not the lack of insurance and therefore felt the assessment of moderate was appropriate.  It was suggested by the Committee that a set of criteria needs to be developed to assist Management to determine the appropriate level of insurance to be held under a lease and that this work could be informed by collaboration across other Councils with the assistance of the Local Government Association on behalf of the sector because this would not be a unique issue to the City of Marion.  The Committee also advised that the insurance requirements should be fit for purpose, rather than adopting a "one size fits all" approach to levels of cover.

- Noted that page 35 of the report was useful but suggested should have showed the internal controls recorded in the risk register and the resulting current risk rating based on those controls. The Committee requested that  that the internal audit function should be testing the internal controls recorded in the register and commenting on their effectiveness at reducing risk, and the appropriateness of the current risk rating based on reliance on those controls, given their assessed effectiveness.

- Queried the appropriateness of including the specific details of lessees in the report and suggested that findings be anonymized in future reports, unless there were specific reasons to share identities.

<u>Metrics That Matter</u>

Mr Beere provided an overview of the report noting it was a hybrid report to add value in assisting to set up the KPI framework.

The Committee expressed that it was difficult to comment on the report as they had not been provided with the detailed KPI report that is referred to in the internal audit report.  Management noted that the Executive Team had received the KPI report as a separate confidential business advisory report.

The Committee suggested that in order for it to add value to this project, it would be useful for them to see the full list of KPIs suggested by KPMG.  This would assist to provide Council with assurance that the KPIs that are selected do not eliminate critical items of interest to Council.

The Committee suggested that the upcoming joint Elected Member and Committee Forum in August would provide a good opportunity for joint discussion of the metrics that matter and for the Committee to work with Council to provide independent review of the metrics to be measured.

The CEO commented that is was a good report and will assist management establish better optics on the business.


## Draft Asset Management Plans for comment
### Report Reference: SFAC200710R03

Manager Engineering, Assets and Environment provided an overview of the report highlighting that Asset Management Plans (AMPs) are a legislative requirement of the Local Government Act 1999 and must be reviewed every four (4) years.  During this review, the documents have been developed to ensure they provide value and will support effective programs for assets and services.

The Committee congratulated the team on the solid effort required to establish the AMPs.   It was evident that the work was of a good standard however the Committee noted that the volume of papers was difficult to get through for one meeting and in future should be broken down into more manageable volumes for meetings.

The Committee suggested that there may be an opportunity to present the information in a more concise way and that this needs to be considered prior to public consultation.  The Committee suggested a one-page summary to be attached to the front of each AMP.

The Committee suggested it would be useful to consider the presentation of information to the public and when seeking feedback, for the Council to be very clear about the items Council is seeking feedback on.  The documents need a final check for typos, grammar and a few sections that have been cut and pasted incorrectly.

10.35 am Mr Adrian Skull left the meeting
10.37 am Mr Adrian Skull returned to the meeting.

The Committee provided the following feedback:

Transport

-   During discussions it was felt that the term transport was a little confusing as it refers to the road infrastructure and not the provision of transport services. This should be made clear during public consultation in order to achieve useful feedback.
-   Council should be focusing on the last kilometer from transport to dwelling.
-   Ensure the AMP includes the frequency of the condition audits
-   The section relating to bus shelters / street furniture refers to a guideline.  Be clear on how these standards were set and investigate if it's possible to compare our chosen standards with those of other Councils.
-   The reference to CPI Indexation was discussed and it was noted that this was recorded in error.

Management agreed to remove the reference.
- Bridge maintenance in the AMP is was noted to be $15k.  It was also noted that historically, there has been a backlog for monitoring and maintenance of bridges.  Management advised that the $15k is deemed adequate until further information is available.

Stormwater
- The Committee noted that the budget is set at $2.9m consistently over 10 years apart from year one.  $1m had been removed to fund a wetland.
- Page 190 of the agenda is difficult to read.  This needs to be made bigger or removed.

Water treatment
- The Committee discussed the potential for cross referencing between the stormwater AMP and the Water Treatment AMP. Management advised that stormwater and water treatment assets both sit within engineering, however they are separate functions and the budgets are split for the purposes of asset management.

Buildings
- The Committee noted that the Council had a large catch up program however it is now getting back on track.
- Mr Andrew Gehling was engaged to assist Council develop multiple AMP's including this one.
- The Committee noted that the AMP can now be used to inform the figures in the Long Term Financial Plan.
- Frequency of condition audits should be based on risk/need as discussed in the internal audit report.
- Key parts of the AMP identify critical building assets as part of Councils Business Continuity Plan. Some further work is required to understand of the business impact risk association with critical buildings.
- The AMP needs to be clear on new infrastructure and the associated costs and/or if there is a cost sharing arrangement – for example – the new BMX track.

Open space
- Council is financially contributing to the Glenthorne Nature Playground.  Council will contribute to the costs for the benefit of the community but will have no ongoing financial responsibility.
- The impacts of purchasing and whole of life costs need to be included within decision making.
- Considerations of urban infill is needed
- Scenario planning / model could be included within the AMP.
- The Committee noted the use of smarttech for getting better data and building a better case for decision making.
- The table on page 289 needs to be updated

Coastal walkway
- The AMP refers to the new structure and that it will eliminate of risk of any future erosion.  The Committee suggested that the language needs to be clearer.
- CPI has been included but should be removed
- This project is a long-term collaboration with the state government.  It may be difficult to address in the AMP, but there may be unfunded liabilities for the future upkeep of the coastal walkway funding.
- Council needs to ensure a strategic approach to seek funding for ongoing maintenance.

Artworks, culture and heritage
- Council should engage / consult with peak groups about what public art they decide to build.
- The AMP refers to this not being a core service of Council. The Committee suggested to delete this.
- Council needs to review its art collection and determine what should be kept and was should be sold. Can an improvement plan be investigated? Management advised that a lot of public art is in storage. The Committee suggested that this should be considered.

The Committee congratulated the team for the work completed and suggested it was a professional foundation for the future.


## REPORTS FOR NOTING - Nil


## WORKSHOP / PRESENTATION ITEMS - Nil


## OTHER BUSINESS - Nil


## MEETING CLOSURE


**MEETING CLOSURE - Meeting Declared Closed at 12.22pm**

**CONFIRMED THIS 18TH DAY OF AUGUST 2020**


**......................................................**

**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**           FAC200818R02

## REPORT OBJECTIVE

The purpose of this report is to Review the Business Arising from previous meetings of the Finance and Audit Committee Meetings.

## RECOMMENDATION

**That the Finance and Audit Committee:**
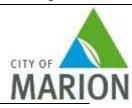
1. **Notes the report.**

## Attachment

| # | Attachment | Type |
|---|---|---|
| 1 | Business arising statement | PDF File |

**CITY OF MARION**

**BUSINESS ARISING FROM FINANCE AND AUDIT COMMITTEE MEETINGS**

**AS AT 13 August 2020**

|    | Date of Meeting | Item | Responsible | Due Date | Status | Completed / Revised Due Date |
|----|-----------------|------|-------------|----------|--------|------------------------------|
| 1. | 26 May 2020 | Draft Annual Business Plan 2020-21 and LTFP Update<br><br>Action: The Committee requested to see estimates of Council's cash position in future interactions of the LTFP and worst case scenario across the life of the LTFP. | Manager Finance | Dec 2020 | Will be incorporated into future iterations of Council's Long Term Financial Plans presented to the Finance and Audit Committee | |
| 2. | 26 May 2020 | Internal Audit Program – Implementation Recommendations<br><br>Action: The Committee requested that this rep0ort be listed at the top of the agenda for the meeting in August | Manager Corporate Governance | August | Completed | August 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 | *Special Meeting* 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 |

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| 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<br>- Metrics that matter (KPI's)<br>- 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 |
| 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 (6.30pm 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 |

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| | |
|---|---|
| Meeting with external auditors in camera | Seeking feedback from Auditors |
| Internal Audit Program – Scopes, Reviews and Monitoring | Review and Feedback |
| Asset Valuations | 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 LTFP | Review and Feedback |

**CONFIDENTIAL ITEMS - Nil**

**REPORTS FOR NOTING**

## 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** | FAC200818R03 |

## 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 times with five General Council Meetings and one Special Council Meeting. At these six meetings, Council made the following decisions that relate to the Finance and Audit Committee Terms of Reference in chronological order.

## DISCUSSION

**26 May 2020 - General Council Meeting**

**3rd Budget Review 2019/20**
**GC200526R04**
Council adopted the 3rd budget review, noting a favourable cash adjustment of $0.764M. Adding this to the 2nd Budget Review surplus of $0.835M brings the revised forecast full year cash surplus to $1.599M.

**Digital Transformation Program and Resources**
**GC200526R05**
Council endorsed 4 new positions and two shared resources within the ITT team for the delivery on the Digital Transformation Program. No additional budget was required and it was funded from within existing budget allocations.

**Disclosure Incident - Rescission Motion (Confidential)**
**GC200526M02**
This item was discussed in confidence. If the Committee wishes to discuss, it will need to move the following motion:

That pursuant to Section 90(2) and (3)(h) and (g) of the Local Government Act 1999, the Finance and Audit Committee orders that all persons present, with the exception of the following persons: Adrian Skull, Tony Lines, Ilia Houridis, Sorana Dinmore, Akos Szonyi, Kate McKenzie, Craig Clarke and Jaimie Thwaites, be excluded from the meeting as the Council receives and considers information relating to the Confidential - Rescission Motion - 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 given the information relates to legal advice and a matter currently under a confidential order.

## 9 June 2020 - General Council Meeting

**Draft Annual Business Plan and Budget 2020/21 and Long Term Financial Plan (LTFP) GC200609R04**
The Draft Annual Business Plan 2020/21 and Draft Long Term Financial Plan were considered and prepared for final consideration at the 23 June 2020 General Council Meeting with variations as approved by Council on the basis of:
- Average Rate increase of 0%
- Minimum Rate of $1,059
- Capping set at 12% with a $20 minimum and $200 maximum
- Differential Rate by land use:
  - Commercial 85%
  - Industrial 70%
  - Vacant Land 100%

**Proposed Biennial Service Review Program 2020/21 and 2021/22 Report Reference: GC200609R06**
Council endorsed the proposed Biennial Service Review Program and draft Service Review Program (FY2020/21).

## 23 June 2020 - General Council Meeting

**Annual Business Plan and Budget 2020/21 and LTFP GC200623R06**
The Council adopted the Annual Business Plan and Budget, LTFP and other ancillary reports such as the Rate Declaration, Rate Rebate, etc. Council adopted a 0% average rate increase for 2020/21.

Council also adopted the following financial policies:
- Rating Policy
- Treasury Management Policy
- Fees and Charges Policy
- Reserve Funds Policy
- Asset Accounting Policy
- Budget Policy

## 28 July 2020 - General Council Meeting

**Privacy Policy GC200728R05**
Council noted the Privacy Policy and associated Procedure – 'Investigating and Reporting a Privacy Breach'.

## 29 July 2020 - Special Council Meeting

**Marino Hall Redevelopment - Feasibility Options SGC200729R01**

Council noted the feasibility report and endorsed a full redevelopment of Marino Hall and commited $2.5M (50%) to the project for inclusion in Council's Long-Term Financial Plan subject to receiving a matching external funding commitment. Council endorsed to proceed to further refine the endorsed proposal and undertake stakeholder consultation, with consultancy fees capped at $18,000. Council noted that if required, a separate report as required under Section 48 of the Local Government Act, will be brought to Council for consideration.

**Representation Review Options Paper**
**Report Reference: SGC200729R05**
Council adopted the Representation Review Options Paper which considers the structures of Council (number of Council Members, Wards, etc.) for the purposes of community consultation. The consultation concludes at 5 pm, Monday, 14 September 2020 and the outcomes will be presented to Council at its meeting on Tuesday, 13 October 2020.

**Statutes Amendment (Local Government Review) Bill 2020**
**Report Reference: SGC200729R07**
Council adopted the submission to the Local Government Association (LGA) regarding the Statues Amendment (Local Government Review) Bill 2020. This was also provided to the Minister for Transport, Infrastructure and Local Government and Shadow Minister for Planning and Local Government.

## 11 August 2020 - General Council Meeting

**Draft Fleet, Plant and Equipment Asset Management Plan for Endorsement**
**Report Reference: GC200811R07**
Council endorsed the Fleet, Plant and Equipment Asset Management Plan.

**Draft City of Marion Asset Management Plans for Community Consultation**
**Report Reference: GC200811R08**

Council endorsed stakeholder and community engagement for the:
- Draft City of Marion Transport Asset Management Plan
- Draft City of Marion Stormwater Asset Management Plan
- Draft City of Marion Water Treatment and Resources Asset Management Plan

**Independent Member - Finance and Audit Committee**
**Report Reference: GC200811F03**
Council determined to commence a recruitment process for an Independent Member of the Finance and Audit Committee. Council expressed that Ms Natalie Johnston be invited to re-apply for the position of Independent Member if she wishes to do so.

## 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** | FAC200818R04 |

## REPORT OBJECTIVE

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

## EXECUTIVE SUMMARY

The FAC was provided with a status report at its meeting on 19 May 2020 regarding the City of Marion's Internal Audit Program. All Audits from previous IA Plans had been completed and work had commenced on the 2020-21 Plan.

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 in **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.

Note that the recent audits considered by FAC on 10 July 2020 have been added, however the progress has been limited due to the short time frame.

## RECOMMENDATION

**That the Finance and Audit Committee:**

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

## Attachment

| # | Attachment | Type |
|---|---|---|
| 1 | Internal Audit - Implementation of Recommendations | PDF File |

ATTACHMENT 1

**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 | | 2 | 7 | | 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 | | Complete (June '20) | | | | |
| Cyber Security 2019 | 6 | 1 | 1 | 4 | | 1 outstanding item is on track with 1 item overdue. Some items will be subsumed into the Digital Transformation Projects which will be reported separately. |
| Tendering 2019 | | Complete (March '20) | | | | |
| BCP and Emergency Management | | Complete (June '20) | | | | |
| Payroll 2020/21 | 6 | 4 | 1 | 1 | | 4 items commenced in April 2020 and 1 has been completed in its entirety. Procurement process is underway for a Payroll/HRIS system – submissions are currently being reviewed. 1 item is overdue. 2 items are Performance Improvement Opportunities which will be considered as part of the Digital Transformation Project. |
| ITT Governance * | 9 | 6 | | 1 | 2 | |
| Metrics that Matter * | 3 | | | | 3 | |
| Collaborative Leasing * | 10 | 7 | | | 3 | |

*\* The ITT Governance, Metrics that Matter and Collaborative Leasing audits are new (approved July 2020).*
*Due to the short timeframes, the progress data collected for these items is brief and will be updated in more detail for the next review.*

ATTACHMENT 1

**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 | The CoM will investigate on-line invoice approval options that exist with Civica to reduce the level of manual processing that currently exists. The CoM will also investigate the software options available and implementation costs for automatic invoice validation. | | 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. | Not on Track | 0% | We have now embarked on a finance transformation journey which is looking at our systems and processes in detail. This work commenced in April 2020 and includes process efficiencies and system automation. These items will be considered as part of the 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 include 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. | Not on Track | 0% | A key function of the new finance system will be the automation of invoice validation through AI and machine learning. |

**Customer Experience**

| RECOMMENDATION | ACTION # | AGREED MANAGEMENT ACTION | ACTION START DATE | ACTION DUE DATE | PREVIOUS QUARTER ACTION PROGRESS | PREV QRTR ACTN PRGRS % | PREVIOUS QUARTER ACTION PROGRESS (COMMENTS) | ACTION PROGRESS | ACTION PROGRESS % | ACTION PROGRESS (COMMENTS) |
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| 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). The CoM should also implement regular reporting for each department in relation to customer experience and the management of their KPI's. 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. | 2.3 | Long-term: 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. (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.) | | 31/12/2019 Revised Due Date 30/06/2020 | On Track | 80% | The CRM should be at tender by mid-May. Teams are using CES for KPI reporting, and our systems business partner is providing ongoing training to support this. CRM implementation will introduce better KPI reporting. | Completed | 100% | All reporting and forms have been optimised to improve the customer experience. This has now been moved to the digital transformation project and future investment and enhancements will be delivered via the CRM project. |
| 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 | 30% | Quotes have been sourced to undertake the work with completion expected in Q4. | Completed | 100% | Document has been translated into Chinese, Arabic and Spanish which are CoM's three most spoken languages other than English and has been uploaded to the CoM website Policy page and Feedback and Complaints page. |

ATTACHMENT 1

**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) |
|---|---|---|---|---|---|---|---|---|---|---|
| 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 | 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. | Completed | 100% | Move to Mimecast protection provides user education and monitoring of Phishing attempts. Regular Cyber Security awareness communications and reminders are now provided in multiple channels, regular weekly organisational newsletters and important security alerts sent from GM. Significant security improvements have been implemented with User initiated access through Microsoft Cloud based 2FactorAuthentication and Advance Threat Analytics on all devices. New Cross Council Cyber Security provider once selected will provide further input and develop to our Cyber Security Digital Literacy. |
| 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:<br><br>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<br><br>Revised Due Date 30/06/2021 | 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. | On Track | 50% | Some related progress is the adoption of a Privacy Policy across CoM which relates to the safeguarding of information. Additionally increased cybersecurity measures around accessing our data have been introduced, for example2 factor authentication. The shift to cloud based systems is another layer.<br><br>The timeframe for this item is aligned to item 9.1 within the ITT Governance internal audit. |
| 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 | 80% | The BIA Workshops have been undertaken and final validation against the ICT is planned to take place. | Not on Track | 80% | Departmental validation date revised due to COVID19 impact and benefits from ITT Digital Transformation utilising Cloud services will significantly change the availability of all services. |

**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) |
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| Internal Audit recommends that the CoM:<br>• Undertakes a formal holistic BIA to identify and document its critical business processes.<br>• 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.<br>• 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<br><br>Revised due date 31/03/2020 | 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. | Completed | 100% | Revised data has been transferred into the Recovery Strategies. |

**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) |
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| 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 | On Track | 10% | Request for Proposal for new Payroll/HRIS has been drafted. Procurement process is underway. | On Track | 20% | Request for Proposal for new Payroll/HRIS has been closed and submissions are currently being reviewed. |
| Develop an overarching organisational procedure that details the process for recording and managing TOIL/ATO. It is further recommended this procedure includes:<br>• Clearly defines the difference between TOIL/ATO and flexible work arrangements.<br>• Responsibilities for recording, monitoring and approval of TOIL/ATO<br>• Reporting processes for TOIL/ATO balances, and time taken<br>• The inclusion of a tool/mechanism for the recording of TOIL/ATO. | 2.1 | City of Marion currently reports on TOIL where it is recorded through the payroll system on a monthly basis. | | 30-Jun-20 | On Track | 75% | Toil is recorded in the payroll system. Payroll assessing how this can be further improved. | Completed | 100% | A draft TOIL procedure has been developed which encompasses when and how employees can accrue TOIL. People Leaders and employees will be made aware of the procedure |
| 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. | 2.2 | Expedite development of "Leave arrangements: TOIL" procedure per Council's Leave Arrangement Policy. | | 30-Jun-20 | On Track | 75% | Procedure has been drafted and being reviewed/finalised | Completed | 100% | A draft TOIL procedure has been developed which encompasses when and how employees can accrue TOIL. Reporting of TOIL continues to be reported through the excessive leave balances report. TOIL is recorded on an employee's time sheet by exception - toil banked and toil taken. More effective recording of TOIL will be achieved on the implementation of the HRIS. |
| 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. | 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.<br>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.<br>Before this is implemented we will focus on improving the timeliness of reconciliations.<br>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 | On Track | 10% | Request for Proposal for new Payroll/HRIS has been drafted. Procurement process is underway. | Not on Track | 20% | Request for Proposal for new Payroll/HRIS has been closed and submissions are currently being reviewed. |
| 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). | 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 | On Track | 10% | Request for Proposal for new Payroll/HRIS has been drafted. Procurement process is underway. | On Track | 20% | Request for Proposal for new Payroll/HRIS has been closed and submissions are currently being reviewed. |
| 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. | 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 | On Track | 10% | Request for Proposal for new Payroll/HRIS has been drafted. Procurement process is underway. | On Track | 20% | Request for Proposal for new Payroll/HRIS has been closed and submissions are currently being reviewed. |

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| 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) |
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| Ensure that reconciliation activities are undertaken in a timely manner (i.e. within one to two weeks) at the defined intervals. | 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.<br>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.<br>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 | On Track | 10% | Request for Proposal for new Payroll/HRIS has been drafted. Procurement process is underway. | On Track | 20% | Request for Proposal for new Payroll/HRIS has been closed and submissions are currently being reviewed. |

**ITT Governance**

| 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) |
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| Investigate opportunities to consolidate all the principles into an overarching ITT governance framework. | 1.1 | In reviewing the allocation of work and responsibilities across the ITT team, the development of an ITT Governance Framework will be prioritised and delivered over the first quarter of FY2021. To note, the Cross Council Service Review identified this as a priority and a Solution Development Framework was created in response. | | 31/10/2020 | Nil | Nil | Nil | On Track | 5% | Started to investigate COBIT5 principles to form the basis for the IT governance framework |
| Define how Corporate Governance ITT Principles and ITAS Principles will be applied. | 1.2 | ITT and ITAS principles will be aligned and incorporated into the new governance framework. | | 31/10/2020 | Nil | Nil | Nil | Not Commenced | | Action to be captured by the IT governance framework development work. |
| Work to embed principles in ITT policies and procedures, change management practices, workforce planning, business engagement protocols and data stewardship practices. | 1.3 | The new governance framework will be based on COBIT5 principles that assures coverage of all relevant topics such as resource planning, change management and business engagement protocols | | 31/10/2020 | Nil | Nil | Nil | Not Commenced | | Action to be captured by the IT governance framework development work. |
| For ITT practices and ITAS related works, embed regular (i.e. quarterly) reviews and reporting, to ensure principles are being adhered to and achieved through ongoing ITT operations and initiatives. | 1.4 | The ITT Governance framework regulates all relevant reviews, reporting, committee meetings. | | 31/10/2020 | Nil | Nil | Nil | Not Commenced | | Action to be captured by the IT governance framework development work. |
| Develop, agree and implement an ITT policy and documentation framework, to provide an appropriate level of governance and guidance to the IT team and help drive consistency amongst work practices and behaviours. | 2.1 | The ITT Governance Framework will include the required IT policies. This work is expected to be completed prior to the Finance and Audit Committees' December 2020 meeting (8 December 2020). | | 8/12/2020 | Nil | Nil | Nil | Not Commenced | | Action to be captured by the IT governance framework development work. |

| Recommendation | Ref | Management Response | | Date | | | | Status | % | Comment |
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| Consideration should be given to inclusion of policy or standard statements in relation to the following aspects of technology:<br>• Cloud Computing<br>• Privileged Access management<br>• Change Management<br>• Software Asset Management<br>• BYOD<br>• Remote Access<br>• Management of Third Party ITT Service Providers<br>• Service Desk<br>• IT induction, ITT literacy and training. | 2.2 | The new governance framework will be based on COBIT5 principles that assures coverage of all relevant topics | | 8/12/2020 | Nil | Nil | Nil | Not Commenced | | Action to be captured by the IT governance framework development work. |
| Develop and implement a Privileged Access Policy or Standard that outlines:<br>• What types of access is considered privileged<br>• Required approvals for privileged access<br>• Whether privileged users should have a standard account and a privileged account<br>• The extent of regular reviews over privileged access<br>• How system and service accounts that require privileged access are managed<br>• How accountability is assigned or monitored for the use of generically named privileged accounts<br>• What segregation of duties is required across the ITT team. | 3.1 | The current security review program has 3 key deliverables:<br>• Definition of privileged access<br>• All infrastructure (Cloud & on premise) related privileged access rights are reviewed and reconfigured according to best practices.<br>• Business application related privileged access rights are reviewed and reconsidered | | 31/10/2020 | Nil | Nil | Nil | On Track | 25% | Current security uplift project addresses the privileged access rights regarding the Microsoft Cloud. ITT continues the project with the On-premise business apps. |
| Develop and implement Privileged Access Guidelines / Procedures that outline how to conduct various activities stipulated in the policy or standard so staff can perform privileged access duties consistently. | 3.2 | CoM already contacted KPMG to seek best practices guidelines to devise the Policy | | 31/10/2020 | Nil | Nil | Nil | On Track | 25% | CoM contacted KPMG to seek best practices guidelines to develop the Policy |
| Develop and implement individual benefits realisation plans for both the ITAS and the Digital Transformation Program. The plans should outline the following:<br>• The benefits identification process<br>• How benefits will be assigned and managed on an ongoing basis<br>• How benefits will be measured and reported<br>• The feedback process to resolve identified gaps and issues to help ensure benefits will still be realised at their intended level(s). | 4.1 | The ITAS is the basis for the Digital Transformation Program (DTP). All the recommended actions in the ITAS are included in the DTP, therefore, only a DTP benefits realisation plan is required and this will be completed through a joint effort between CX and ITT with input from the People and Culture Change manager. | | 31/10/2020 | Nil | Nil | Nil | On Track | 30% | We are currently completing the program management framework for the DTP, which includes meeting the outcomes of this action. |
| Continue working to complete the recording and registration of all technology assets into the FreshWorks system. This includes assigning locations and users against each technology asset where applicable. | 5.1 | There is a scheduled work to complete the registration of IT assets in FreshWorks. It holds information on asset location, configuration, licences and users. | | 31/10/2020 | Nil | Nil | Nil | On Track | 50% | There is an ongoing work to complete the registration of IT assets in FreshWorks. All PC devices are enrolled with some missing info on asset location and user. |
| Consider which technology assets need to be included in the register and managed under IT Asset Management governance processes (e.g. software licences, software subscriptions, SaaS, desktops, laptops, mobile devices, servers, IaaS, PaaS, etc.).<br>Develop and implement a framework and processes for ongoing management of IT assets. | 5.2 | Following the ITT restructure a dedicated resource will be charged with the responsibility for the FreshWorks Asset management.<br>In addition, CoM will introduce and embed an IT asset management policy to ensure compliance. | | 31/10/2020 | Nil | Nil | Nil | Not Commenced | | While some assets have been captured in FreshWorks, a considerable gap remains and this will need to be addressed over the coming months and in correlation with the Governance Framework development to ensure updating occurs. |
| Implement a requirement for ITT involvement in all technology related procurements across the organisation.<br>Specific involvement should include:<br>• Input and advice to help ensure alignment<br>• Review of the proposed procurement process and proposed vendor(s)<br>• Input and/or review of proposed KPIs and SLAs for the contractual agreement | 6.1 | The Procurement team implemented the Tender Initiation Form for all market processes. As part of this implementation, Strategic Procurement now have the ability to pro-actively manage ITT team involvement.<br>A dedicated procurement resource has been included in the ITT team, reporting to the Strategic | | 30/09/2020 | Nil | Nil | Nil | On Track | 80% | Tender initiation forms for all procurement activities have been introduced.<br>Dedicated procurement resource assists IT since March 2020. |

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| | | Procurement Lead and will take over vendor management. | | | | | | | |
| Ensure all applications are included in the ITT service catalogue,and key details are recorded for each application or service, e.g.vendor, vendor contact details, etc. are all assigned to a vendor. | 7.1 | ITT Vendors have been classified as high level/critical as part of the IT Collaboration activity, utilising the Gartner Segmentation Tool.• Procurement are now starting to assist with Vendor Management, although it should be noted that Contractor Management as defined by the approved procedures is the responsibility of the contract owner, in this case ITT. | | 30/09/2020 | Nil | Nil | Nil | Not Commenced | | IT application catalogue will be developed as part of the IT Governance Framework. |
| Determine the level of vendor performance activities required relative to specific contract values or level of criticality. For example, for contract value of more than $100,000, SLAs shall be monitored and reported on each quarter in addition to bi-annual vendor performance meetings. A dedicated procurement specialist should lead ongoing vendor management and performance meetings. | 7.2 | • Failure to have SLAs/KPIs are legacy issues, with majority of contracts in place for a substantial period – as these are renegotiated appropriate changes will be made to contracts. • In April 2020 a dedicated ITT Contract was implemented, with specific focus on data security, ownership and associated measures. | | 30/09/2020 | Nil | Nil | Nil | On Track | 80% | Tender initiation forms for all procurement activities have been introduced. Dedicated procurement resource assists IT since March 2020. |
| Based on these determinations, develop and implement formal vendor performance management procedures that aligns to broader organisational procurement and contract management policies. | 7.3 | | | 30/09/2020 | Nil | Nil | Nil | On Track | 50% | In March 2020 a dedicated IT procurement resource was on-boarded within the Procurement Team, who is now focused on the IT category. The suppliers have all be categorised to enable the applicable management processes to be applied. |
| Conduct a review of the Digital Transformation Program, the ITAS and Digital Transformation Plan to ensure clear linkage and alignment between the plans, projects, and to the Council strategy. | 8.1 | A review is currently underway. The ITAS recommendations form the basis for the Digital Transformation Program and linkage will be formally documented and endorsed by ELT. | | 30/07/2020 | Nil | Nil | Nil | Completed | 100% | Completed- reviewed document submitted for ELT decision 24 August 2020. |
| Update and finalise the Data / Information Governance Framework and receive approval from the Finance and Audit Committee. | 9.1 | CoM is working with its partner councils PAE and CCS on developing a joint framework across the three, following the recruitment of a joint CDO. Following this, the associated policies and procedures will also be developed. | | 30/06/2021 | Nil | Nil | Nil | Not Commenced | | Cross Council Data Analytics Lead position not yet appointed, expected October 2020 onwards. Once this resource commences, this will be one of the issues to be addressed. |
| Implement the Framework and develop any further policies and procedures required to embed and operationalise data management processes within the organisation. | 9.2 | | | 30/06/2021 | Nil | Nil | Nil | Not Commenced | | Cross Council Data Analytics Lead position not yet appointed, expected October 2020 onwards. Once this resource commences, this will be one of the issues to be addressed. |

ATTACHMENT 1

**Metrics that Matter**

| 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) |
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| It is recommended that the CoM ensures that as the use of Power BI for KPI reporting increases, so the complete implementation of the Data Governance and Management Framework should be undertaken in parallel. This should include:<br>• Ensuring it is up to date and formally approved<br>• Key roles are formally assigned, and<br>• The necessary policies and procedures are developed and operationalised in order to embed the framework across the organisation.<br>This will be fundamental to helping build and maintain confidence in the data and the resultant reporting. | 1.1 | Aligned to the Internal Audit finding 9 in the ITT Governance Review, CoM is working with its partner councils PAE and CCS on developing a joint framework across the three, following the recruitment of a joint Chief Data Officer. Following this, the associated policies and procedures will be finalised. | | 31/06/2021 | Nil | Nil | Nil | Not Commenced | | Cross Council Data Analytics Lead position not yet appointed, expected October 2020 onwards. Once this resource commences, this will be one of the issues to be addressed.<br><br>This item is aligned to item 9.1 of the ITT Governance internal audit and item 3.1 of the Cyber Security 2019 internal audit and is pending appointment of a Chief Data Officer. |
| Future projects should ensure that change management and training issues are fully considered as early as possible in the project so that successful implementation of a solution can be better ensured.<br>A formal process of benefits realisation delivery and tracking will help ensure that lessons are learnt from the rollout process and that meeting the original justification and objectives of the project can be appropriately assessed.<br>The CoM should ensure that these requirements are part of the new Solution Delivery Framework. | PIO1.1 | Agree – this will be incorporated into process. | | 31/06/2021 | Nil | Nil | Nil | Not Commenced | NA | The Metrics that matter project was put on hold, but the recommendation can refer to any projects at CoM.<br><br>The Digital Transformation Program will embrace proper governance that assures that the key components such as stakeholder engagement, benefit realisation will be integral parts.<br><br>Early involvement of the CoM level Change Function will enable the Council to align organisation-wide changes. |
| Future projects should ensure full identification, documentation and management of risks to the project. These should be monitored and reported to the Steering Group on a regular basis such that potential problems are identified and managed early.<br><br>Typically risks, as they arise, flow into 'issues' where active management and action tracking ensures their resolution in a timely manner.<br><br>The CoM should ensure that these requirements are part of the new Solution Delivery Framework. | PIO2.1 | Agree – this action will be included within the Risk Management 3 Year Strategic Plan (currently under development) and work in partnership with the ITT Manager and the new Change Manager to embed better risk management practices with the CoM Project Management Framework. | | 31/06/2021 | Nil | Nil | Nil | Not Commenced | | Cross Council Data Analytics Lead position not yet appointed, expected October 2020 onwards. Once this resource commences, this will be one of the issues to be addressed.<br><br>This item has been included in the 3 year Strategic Risk Management Plan. |

**Collaborative Leasing**

| 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) |
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| Internal Audit recommends the CoM should investigate system opportunities to implement a property management system to support management of the lease and licensing process. | 1.1 | The CoM will undertake an assessment around the requirements of a property management system to support the management of leases and licensing process and will incorporate the requirements into the organisational wide Digital Transformation Project. | | 31/12/2020 | Nil | Nil | Nil | On Track | | |
| In the interim, Internal Audit recommends that the CoM should perform a review of the MPMT Excel spreadsheet to ensure key lease and licence obligations are up-to-date for all properties. | 1.2 | In the interim the CoM will perform a review of the MPMT excel spreadsheet to ensure key leases and licence obligations are up to date. | | 31/10/2020 | Nil | Nil | Nil | On Track | | |
| Investigate system opportunities to implement a property management system to support the management of building inspections (see Joint Finding 1 for further information). | 2.1 | As noted in finding 1, the CoM will include as a requirement to include a system to support the management of building inspections. | | 31/12/2020 | Nil | Nil | Nil | On Track | | |
| The Property team should ensure that work flowing and integration of inspection activities are considered as part of the functional specification of the digital transformation program. | 2.2 | As noted in finding 1, the CoM will include as a requirement to include a system to support the management of building inspections. | | 31/12/2020 | Nil | Nil | Nil | Not Commenced | | |
| Perform a risk based assessment of the amount of building inspections required for each property based on an assigned risk rating to each property. | 2.3 | The CoM will establish a risk rating matrix to inform the regularity of the building inspections for the leased sites. | | 31/10/2020 | Nil | Nil | Nil | Not Commenced | | |
| In the interim, Internal Audit recommends that the CoM should perform an overarching review to ensure that required insurances are in place across all leases and licenses. A summary report of this review should be provided to relevant CoM staff. | 3.1 | The CoM to perform a review of the leasing and licensing portfolio to ensure that required insurances are in place and also implement process to provide regular updates in a form of a report to the Manager City Property. | | 31/10/2020 | Nil | Nil | Nil | On Track | | |
| As part of the Digital Transformation Program, it is also recommended that the review over the monitoring of insurance as part of the broader contracts module is considered in relation to leases and licenses. This would include providing automated system functionality such as notifications for tenant insurance that will expire within two months. | 3.2 | As noted in finding 1, the CoM will include as a system requirement that is able to monitor the insurances and provide automated system functionality for notifications around tenants insurance that are due to expire within a certain period of time. | | 31/12/2020 | Nil | Nil | Nil | On Track | | |
| Internal Audit recommends both Councils investigate introducing a standard method for assessing required levels of public liability insurance on a case by case basis for each lease or licence. This would allow leases or licences with a higher public liability risk to pay a higher premium, and leases and licences with a lower public liability risk to pay a lower premium. | J3.1 | | | | Nil | Nil | Nil | Not Commenced | | |
| Investigate system opportunities to implement a property management system to support the monitoring and tracking of lease and licence agreement expiry (see Joint Finding 1 for further information). | 4.1 | As noted in finding 1, the CoM will include as a system requirement that is able to monitor and track lease and license agreement expiries. System reporting will also be investigated as part of the requirements for a new system. | | 31/12/2020 | Nil | Nil | Nil | On Track | | |

ATTACHMENT 1

| Recommendation | Ref | Management Response | | Due Date | | | | Status | |
|---|---|---|---|---|---|---|---|---|---|
| Review current processes for executing and extending lease and licence agreements to identify opportunities to streamline the process such as whether the letter of offer is required. The CoM should also consider the implementation of exception reporting to Management of all leases and licences holding over with key expiry dates highlighted to monitor and track the timeliness of lease or licence negotiation. | 4.2 | The CoM to undertake a review of the current process for executing and extending lease and license agreements to identify opportunities to stream line the process, to include the review of the Letter of Offer. | | 31/10/2020 | Nil | Nil | Nil | On Track | |
| Having alerts set to begin negotiating new lease agreements 6 to 12 months prior to expiry. This will allow adequate time to discuss new terms with tenants and review whether the agreement will be extended. | J4.1 | As noted in finding 1, the CoM will include as a system requirement that is able to monitor and track lease and license agreement expiries. System reporting will also be investigated as part of the requirements for a new system. | | 31/12/2020 | Nil | Nil | Nil | Not Commenced | |
| Upcoming lease or licence expiry reports to be provided to relevant Management staff, with ongoing monitoring and discussions held regarding the status of lease and licence renewals and the number of leases and licences holding over. | J4.2 | As noted in finding 1, the CoM will include as a system requirement that is able to monitor and track lease and license agreement expiries. System reporting will also be investigated as part of the requirements for a new system. | | 31/12/2020 | Nil | Nil | Nil | On Track | |
| Have staff conduct an annual review of lease and licence documentation to ensure all documents are retained. | J5.1 | The CoM will schedule in annual review of lease and license documentation to ensure that they are current and relevant. | | 31/12/2020 | Nil | Nil | Nil | Not Commenced | |
| Reinforce the documentation and record keeping requirements with all relevant staff. | J5.2 | City Property team to collaborate with the records team to stream line and ensure that documentation and record keeping requirements are being adhered to. | | 31/12/2020 | Nil | Nil | Nil | Not Commenced | |
| Customer event reporting is provided to the Unit Manager Sport & Community Facility Development, Unit Manager Land & Property and the Manager City Property. | 6.1 | The CoM to ensure that appropriate customer event reporting is provided regularly to the appropriate Unit Manager and Manager and ensuring that the distribution list are reviewed and updated on annual basis or as needs basis. | | 31/10/2020 | Nil | Nil | Nil | On Track | |
| The distribution list for customer event reporting should be reviewed and updated on a regular basis. | 6.2 | The CoM to ensure that appropriate customer event reporting is provided regularly to the appropriate Unit Manager and Manager and ensuring that the distribution list are reviewed and updated on annual basis or as needs basis. | | 31/10/2020 | Nil | Nil | Nil | On Track | |
| Consider establishing response times to tenant maintenance requests, these should give reference to:<br>• Customer expectations; and<br>• Where it is not possible to meet customer expectations, understand why this is not possible and have clear communication in place to bridge the gap with customer expectations.<br>Example priority ratings are included in Appendix 1 on Page 34 of this report. | 6.3 | The CoM will consider establishing response times and establishing KPIs to monitor the performance of these requests. | | 31/10/2020 | Nil | Nil | Nil | Not Commenced | |
| Internal Audit recommends for both Councils to establish departmental KPIs as appropriate that are relevant to the status of customer maintenance requests, and ensure these are monitored and regularly reported on. | J6.1 | The CoM will consider establishing response times and establishing KPIs to monitor the performance of these requests. | | 31/10/2020 | Nil | Nil | Nil | Not Commenced | |
| Investigate all leasing agreements in place which are currently being charged under a specified value. Where it is identified that the annual rental income has not been updated for a number of years, consider opportunities to re-align the rental fee to market conditions. Where appropriate, the 93% market subsidiary would be applied. | M1.1 | The CoM to investigate the agreements in place to ensure that the rental fee aligns with Council's current policy and the subsidy of up to 93% is applied appropriately. | | 31/12/2020 | Nil | Nil | Nil | On Track | |

ATTACHMENT 1

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Review the current process for monitoring and determining the level of rent subsidy to ensure that tenant's are adequately meeting their obligations according to their relevant lease or licence agreement and Council policy. | M1.2 | The CoM to undertake a review of the process for monitoring and determining levels of rent subsidy to ensure tenants are meeting their obligations. | | 31/12/2020 | | Nil | Nil | Nil | Not Commenced |
| It is recommend that the CoM further review and consider the current policy of obtaining external valuations for club and community properties. | M1.3 | The CoM to undertake a review of the current policy in determining the rental fee via external valuations and potential consideration for another fee structure for consideration. | | 31/12/2020 | | Nil | Nil | Nil | Not Commenced |

## Irrigation Construction Report

| | |
|---|---|
| **Originating Officer** | Executive Officer to General Manager City Services - Colleen Madsen |
| **Corporate Manager** | N/A |
| **General Manager** | General Manager City Services - Tony Lines |
| **Report Reference** | FAC200818R05 |

### REPORT OBJECTIVE

To provide the Finance and Audit Committee (FAC) an overview of the Irrigation Construction and Maintenance Service Review, including key recommendations and progress to date.

### EXECUTIVE SUMMARY

The Irrigation Construction and Maintenance Service Review across the Cities of Marion (CoM), Charles Sturt (CCS) and Port Adelaide Enfield (PAE) estimated savings of $170 - $200 k across the three councils, and resulted in the formation of a joint irrigation construction team. The team has constructed three projects for CoM to date. Year 1 performance data will be released later in August 2020.

### RECOMMENDATION

**That the Finance and Audit Committee:**

1. **Notes the Irrigation Construction and Maintenance Cross Council Service Review as provided in attachment 1 and the outcomes of year one.**

### DISCUSSION

The 2019 Irrigation Construction and Maintenance Service Review was the inaugural cross council service review for the Cities of Marion (CoM), Charles Sturt (CCS) and Port Adelaide Enfield (PAE), covering the Irrigation Maintenance and Irrigation Construction for those cities.

Irrigation construction cost increases and supply issues across all three councils triggered this review.

The service review had the following objectives with regard to the in-scope services:
- Improve service levels, productivity, quality, risk management and customer experience;
- Balance programmed and reactive maintenance tasks;
- Use contracted services effectively;
- Create value for the community;
- Increase supply capacity in the market; and
- Identify opportunities for effective collaboration.

Irrigation construction services included in the review were:

- Irrigation replacement planning;
- Irrigation system design and estimation; and
- Irrigation system construction and installation including excavation, pipe-laying backfill, sprinkler assembly and install, controller, tank and pump installations.

CoM was also a benchmark for a review of CCS and PAE maintenance services.

The following key recommendations, along with the risk mitigation actions set out in Section 7.0 of the review, (attachment 1) encapsulate the key actions that were implemented as a result of this review.

The irrigation construction recommendations were estimated to save the three councils $170 - $200 k per annum in capital construction costs.

Table: Key findings and recommendations.

| Findings | Recommendations | Impact |
|---|---|---|
| • Tendered prices and quotes are not able to be compared to the panel contracts in place. | • Request tenderers and respondents to provide pricing broken out between labour and materials. | • Improved transparency and vendor management. |
| • Information may be provided into the market that may drive tenderers toward pre-defined pricing. | • Assess presentation method for capital budgets to non set expectations regarding pricing of works. | • More competitive pricing. |
| • Bring construction in-house is likely to deliver a 10% reduction in the cost of the irrigation construction program across councils. | • Bring irrigation construction in-house with team of 4 staff initially. | • Approx. $170-200K per annum in capital savings.<br>• Reduced supplier exposure through providing additional resources into market. |
| • Using already employed FTE would improve the benefit position. | • Undertake construction using freed up CCS resources (augmented with external supervisor). | • Quantified benefits included above.<br>• Retention of roles in local government and the provision of skill development, greater job satisfaction and meaningful work to staff freed up through productivity improvements. |
| • Materials costs are based on current CCS contract that was for maintenance only. Improved pricing may be available based on the higher volumes likely following in-sourcing construction. | • Re-tender for parts or seek more competitive pricing for parts following commencement of the team. | • Not valued. |

| | | |
|---|---|---|
| <ul><li>AMPs and LTFP forecasts don't align.</li><li>AMPs are not in alignment with operational expectations.</li><li>AMPs are not developed using water efficiency as a quantitative trigger for asset replacement or upgrade.</li></ul> | <ul><li>Update AMPs including incorporation of water efficiency analysis.</li></ul> | <ul><li>Not valued.</li></ul> |

The combined recommendations needed to be supported by a net $450 k investment in specialised plant and equipment required by the irrigation construction team and recruitment of an added irrigation team member and supervisor. This cost has been taken into account in the evaluation.

Overall the NPV benefit of the above recommendations is $3.9 M (6%, 7 years/equipment life) which represents a 15% improvement on the current baseline. Annual operating surplus impacts (including depreciation) are expected to be a $0.6 M or 30% improvement on current operating costs.

A review of actual irrigation construction delivery for 2019/20 for CoM is as follows:
- All design and compliance documentation is contracted out to 3rd parties. The internal construction team are not resourced to provide this service.
- The actual program of works, subject to a final reconciliation that is not yet available, was $244 k.
- Sites renewed include, Rosslyn Street Reserve, Warriparinga, Crown Street Reserve, Oliver Terrace Reserve, Christopher Grove Reserve and Bandon Terrace Reserve.
- Workmanship, supervision, communication and after service was excellent.
- A re-tender for supply of parts has not yet commenced and staff continue to use the Council Solutions previous panel contractors.
- AMPs have been updated, including incorporation of water efficiency analysis to drive replacement/renewal program.

Staff have requested a final reconciliation of costs invoiced to date. A qualitative assessment of internal costs compared to a contractor estimate indicates an excellent value proposition for CoM.

## Attachment

| # | Attachment | Type |
|---|---|---|
| 1 | Irrigation Construction Review | PDF File |

# CROSS COUNCIL SERVICE REVIEW

Irrigation Construction and Maintenance

Contents

## Acknowledgement

Over the past 9 months the Cities of Marion, Charles Sturt and Port Adelaide Enfield have worked together to establish a collaborative partnership to identify and implement process improvements and initiatives to improve service, cost and quality to the mutual benefit of their communities.

This is the inaugural cross council service review for the Cities of Marion, Charles Sturt and Port Adelaide Enfield.

The process has involved a large degree of consultation and engagement across the three councils.  The frank and honest contribution of the many people involved has ensured the recommendations and benefits have been stress tested, risk adjusted and improved.  The process has been supported by the significant expertise, effort, contribution and input from many people and in particular:

| City of Charles Sturt | City of Marion | City of Port Adelaide Enfield |
|---|---|---|
| Jan Cornish | Mat Allen | Simon Trill |
| Peter Kinnersley | Glynn Rickets | Colin Donnelly |
| Toni Hinton | Anthony Harris | Troy Moffat |
| Mick Davey | Brett Jaggard | Andrew Smithson |
| James Baum | David Harman | Daniel Pitt |
| Justin Figg | Colin Heath | |
| Nicholas Pallet | | |
| Greg Prichard | | |
| Kerry Constantine | | |

## 1. Executive Summary

This service review covers Irrigation Maintenance and Irrigation Construction at the Cities of Marion (CoM), Charles Sturt (CCS) and Port Adelaide Enfield (PAE).

### Service Overview

Irrigation is a key contributor to the amenity of a city, providing highly valued green space for visual impact, safe and appropriate sporting surfaces and play areas, and micro-climates and cooling points from a thermal and environmental perspective. Communities continually request more irrigated green space.

The councils collectively have more than 560 actively irrigated sites. The combined irrigated area is over 3.6 million square metres – or the equivalent of 180 Adelaide Ovals. The watering cost across the councils is more than $5.5M per annum.

11 FTE maintain the associated irrigation systems and controllers with annual maintenance costs being $1.8M (excluding depreciation).

In addition to maintenance and water costs, $1.5-$2.1M is typically spent on replacing and renewing irrigation systems each year, with renewal providing an opportunity to reduce reactive maintenance tasks and improve environmental outcomes associated with irrigation efficiency and water utilisation.

In the 17/18 financial year it became apparent that irrigation construction supply was constrained as a number of councils were increasing their irrigation replacement programs in the market.

### Recommendations and Impacts

Extensive analysis has been undertaken to determine opportunities to improve these services from a community, cost and quality perspective. The key recommendations from this service review will result in:

- Revised work practices at CCS which will reduce programmed inspection activity and increase productivity management, freeing up 3 FTE from the irrigation maintenance team saving $210K per annum in wages costs and $90K per annum in materials costs

- Improved productivity management being implemented at PAE freeing up 3 staff and $210K per annum

- Creation of an insourced irrigation construction team saving at least 10% of the cost of the irrigation construction program and $150-210K per annum. It should be noted the saving assumption of 10% of construction costs is conservative as detailed testing showed a saving range of 8-25% against contractor costs was possible based on time trials undertaken by CCS in-house irrigation team members.

- Creation of an additional construction team and additional supply into the market supporting reduced price pressure in the market. At the same time this will result in creation of meaningful work for staff freed up through productivity measures.

- Changed approach to pump and water feature maintenance saving $20K per annum

- Improved productivity and reduced materials costs through PAE accessing the CCS and CoM materials contracts saving $10K per annum

- Improved service levels and better understanding asset condition through monitoring repeat calls and first call resolution

The combined recommendations will need to be supported by a net $450K investment in specialised plant and equipment required by the irrigation construction team and recruitment of an added irrigation team member and supervisor. This cost has been taken into account in the evaluation.

Overall the NPV benefit of the above recommendations is $3.9M (6%, 7 years/equipment life) which represents a 15% improvement on the current baseline. Annual operating surplus impacts (including depreciation) are expected to be a $0.6M or 30% improvement on current operating costs.

## 2. Overview

This service review covers Irrigation Maintenance and Irrigation Construction at the Cities of Marion[1], Charles Sturt and Port Adelaide Enfield.

Irrigation is a key contributor to the amenity of a city, providing highly valued green space for visual impact, safe and appropriate sporting surfaces and play areas and micro-climates and cooling points from a thermal and environmental perspective. Communities continually request more irrigated green spaces.

The combined councils have more than 560 actively irrigated sites. The combined irrigated area of the councils is over 3.6 million square metres – or the equivalent of 180 Adelaide Ovals. The annual watering cost across the councils is more than $5.5M per annum and 11 FTE maintain the associated irrigation systems on an annual basis. $1.5-$2.1M a year is typically spent on replacing and renewing irrigation systems with renewal providing an opportunity to improve environmental outcomes associated with irrigation efficiency and water utilisation.

### Irrigation Construction

Irrigation design and construction is contracted out across all of the councils with the exception of minor works undertaken by the Irrigation Maintenance team at CCS and PAE. Overall combined construction spend ranges between $1.5M and $2.1M per annum. 25-40 irrigation system specific construction projects are undertaken annually. These can vary in cost from $10K to $900K and, similarly, they vary in cost and complexity and the extent of replacement or upgrade of the system.

Four key vendors are used for irrigation construction across the three councils being Belair Turf Management, Lomman Irrigation, Hugall and Hoille and Landscape Construction Services LCS. Services are procured through Council Solutions panel contracts at CoM and CCS, while PAE seek competitive prices from a panel group established through a separate tender process. The Council Solutions contract provides maximum prices while the PAE panel contract is non-price terms and conditions only.

Construction costs appear to have increased in 17/18 and irrigation projects were carried over at each of the councils in 2017/18. This has been due to designs not being ready at the start of the financial year, contractors not being able to meet demand when requests do start to feed into the market, as well as prices being unexpectedly higher and budget not being available. PAE's investment in irrigation infrastructure has increased significantly in the last 2 years and this appears to have contributed to the reduced supply availability.

Irrigation construction cost increases and supply issues across all three councils triggered this review.

### Irrigation Maintenance

Irrigation maintenance costs $1.6M annually with 11.8FTE supporting the function.

Maintenance activities are generated from reactive requests from the community or colleagues in other teams, and programmed inspections which are planned and undertaken on a regular basis to proactively detect issues with irrigation. PAE manages their irrigation systems largely on a reactive basis augmented by one annual inspection prior to irrigation season start, while the CoM and CCS have typically undertaken programmed inspections on a monthly basis to detect issues.

Requests from the community are relatively low with an irrigation request being received every 1-2 days on average. Community demand is quite seasonal with the majority of requests coming in from the community during the September to April irrigation season.

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[1] Note the City of Marion Irrigation Maintenance Service was subject to a service review in July 2018. The baseline for the Irrigation Maintenance service for the City of Marion reflects the findings of that service review and as a result Marion sets the cost benchmark for this cross council review.

The services are summarised in the table below.

**TABLE 1: Description of services included in the review**

| Service | Description |
|---|---|
| **Irrigation Construction** | <ul><li>Irrigation replacement planning</li><li>Irrigation system design and estimation</li><li>Irrigation system construction and installation including excavation, pipe-laying backfill, sprinkler assembly and install, controller, tank and pump installations</li></ul> |
| **Irrigation Maintenance** | <ul><li>Routine inspection of irrigation systems</li><li>Ad hoc repairs to irrigation systems</li><li>Periodic manual adjustment of timers on irrigated sites during irrigation season</li><li>Marking out for events on irrigated reserves</li></ul> |

## 3. Cross Council Observations

The high level indicators relating to irrigation are included in the table below.  At a high level the primary observations across the irrigation service indicators are:

- CCS has the largest active network in size and composition.
- PAE has adopted a more reactive approach to maintenance however they have the lowest Customer Events per reserve while having the oldest network.
- Tasks completed per site are very high for CCS, in part due to weekly irrigation visits to sportsgrounds and water features.
- Higher average handling times at PAE in part due to two person crews being used.
- Water costs vary significantly across the councils with the recycled water presence and a stricter approach to watering to Turf Quality Visual Standards (TQVS) levels at CoM and CCS appearing to deliver improved water cost outcomes.

These observations have been further investigated and understood as part of the analysis.

**TABLE 2: Irrigation Service Parameters**

| Service Parameters 17/18 Actuals | Marion | Charles Sturt | Port Adelaide Enfield | TOTAL |
|---|---|---|---|---|
| Irrigated Sites | 90 | 286 | 185 | 561 |
| Irrigated SQMs | 535,600 | 1,818,188 | 1,242,721 | 3,596,509 |
| Average Irrigated Site Area | 5,951 | 6,357 | 6,717 | 6,411 |
| Water Costs $M | 0.5 | 2.1 | 3.0 | 5.6 |
| Water cost / SQM | $0.94 | $1.16 | $2.40 | $1.56 |
| **Irrigation Construction** | | | | |
| Irrigation Construction Costs $M | 0.5 | 0.6 | 1.0 | 2.1 |
| Irrigation Construction Projects | 19 | 13 | 6 | 38 |
| Irrigation Construction FTE | - | - | - | - |
| Systems Replaced / Upgraded last 3 years | 45 | 20 | 8 | 73 |
| **Irrigation Maintenance** | | | | |
| Irrigation Maintenance Costs $M | 0.2 | 0.8 | 0.6 | 1.6 |
| Irrigation Maintenance FTE | 0.5[2] | 6.0 | 5.3 | 11.8 |
| Customer Events | 97 | 224 | 129 | 450 |
| Customer Event per Reserve | 1.1 | 0.8 | 0.7 | 0.8 |
| Annual Workload | 1,177 | 5,669 | 2,296 | 9,142 |
| % Programmed | 92% | 92% | 8% | 68% |
| Tasks per FTE | 5.3 | 4.9 | 2.2 | 4.0 |
| Tasks per reserve | 13 | 20 | 12 | 16 |

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[2] Note adjusted for July 2018 Service Review Outcomes

## 4. Service Review Objectives

The service review has the following objectives with regard to the in-scope services:

- Improve service levels, productivity, quality, risk management and customer experience
- Balance programmed and reactive maintenance tasks
- Use contracted services effectively
- Create value for the community
- Increase supply capacity in the market
- Identify opportunities for effective collaboration

## 5. Analysis Undertaken

A broad range of analysis was undertaken in order to identify opportunities for improving outcomes for the community in relation to the in-scope services.  In every instance a detailed review of each council's activities was undertaken in addition to a comparison of key indicators between each council with the aim of understanding work practices and opportunities to improve.

### Irrigation Maintenance

#### Workload

The tasks undertaken by each of the maintenance teams at the councils were reviewed to understand the nature of the tasks, the driver for the task and the outcome for the community that was achieved from undertaking it.

Key findings were programmed maintenance on irrigation systems only generated an actual change at a site 1 in every 12 visits.  Also programmed maintenance does not appear to contribute to better community service levels provided other team members at irrigated reserves supported identification and reporting of irrigation issues at the site.

#### Customer Events

All customer events received from the community were analysed individually to determine the root cause of the need for the community to call, as well as to identify service level gaps and opportunities to reduce community demand.

Observations were that generally, customer events for irrigation issues are low at less than 1 per day per council. 40% of events are community driven while the remainder are due to service issues some of which can be prevented through testing sprinkler configuration at the start of the season, replacing back up batteries in controllers on a regular basis, actively using controller data and having thorough handover of new construction projects to maintenance teams.

#### Invoice analysis

All materials, contractor and other invoices incurred in the irrigation maintenance space were reviewed to determine opportunities for improvement.

While CCS and PAE have a similar number of active irrigation systems, controllable costs at CCS were more than double those at PAE in 17/18 ($0.2M higher).   Key reasons for this were CCSs more proactive maintenance programs around bore pumps, and their risk averse approach to water feature management.  In addition there were increased materials costs at CCS in 17/18 as the team used available time to undertake proactive replacement of parts to align field parts to those retained in the stores.

#### Resourcing

Irrigation maintenance team sizes range from less than 1 FTE (normalised) to 6 FTE.  This variation is attributable to programmed versus reactive task management, productivity levels and service levels for sporting grounds at CCS (which is fully cost recovered).

#### Resource Planning

A resource forecast based on expected tasks, average handling times, frequencies and program changes was prepared for the councils.   These resource plans indicated the maintenance teams could reduce by around 50% over time through managing productivity and changing approaches to task planning and management.

## Irrigation Construction

### Historic Costs

Historic project costs were collected and compared.  Unit rates per SQM varied significantly and started to increase with projects late in 17/18 with some of these subsequently needing to be carried over into the 18/19 financial year.

### Contract Pricing

Contract prices were tested from base principles.  40 16/17 and 17/18 projects were assessed to test whether there was compliance with contract pricing.  The key observations from this process were there was a high degree of difficulty in being able to test pricing back to panel contracts, that panel contract rates for base labour appeared high and that overall pricing still seemed to be high, despite competitive prices being sought.

### Desk-top Insource Analysis

24 projects were costed based on a desktop analysis to determine whether the prices returned were reasonable based on first principles.  While this was a ballpark analysis, the assessment was conducted consistently across projects and showed significant variation in margin (per quoted hour of labour) between tenders and projects.

A high level insource costing was also developed for the annual construction program across the three councils using a "top down" method working back from the planned projects and budgets.  This indicated savings of 10-20% per annum appeared possible across the irrigation construction budget.

### Insource Project Cost Estimation

An estimation tool was developed to allow for costs to be built up from first principles and direct costs for each irrigation job based on internal costs.  This tool was then refined and used by the CCS Arboriculture Coordinator and Projects and Maintenance Coordinator to develop estimates of a number of projects that have been undertaken during the 17/18 and 18/19 financial years at the councils to test the high level program savings expected.

The range of savings of the insourced estimates calculated on this basis against the tendered prices has been 8% to 25% with an average of 16% across the tested prices.  This supports the range of expected savings from the top down analysis.

It should be noted the assumption used in the financial impact assessment of the recommendations

### Time Trials

In order to further validate the time estimates included in the insource cost estimates, the CCS Irrigation Maintenance Team undertook time trials to validate project handling times.  These time trials validated the handling times used in the estimation model and further support the 10% average construction benefit.

### Irrigation Design Review

Provision of irrigation design services was reviewed across the councils due to concerns poor irrigation construction design was leading to failures in projects.  Key observations from this work were the cost and volume of design work required would not support a full time resource.

### Asset Management Plans

The Asset Management Plans (AMP) at all three councils were reviewed.  Key observations from this analysis were the AMPs for irrigation were not strongly supported by the asset owners and that funds included in the LTFP were supported but did not align with the AMPs.  Water cost optimisation also did not feature as a driver for replacement or upgrade in the existing AMPs.

## 6. Key Findings and Recommendations

The following key recommendations, along with the risk mitigation actions set out in Section 7.0, encapsulate the key actions to be implemented as a result of this review.

These combined actions have the following impacts:
- a $150-200K saving per annum in capital construction costs.
- 6FTE freed up from irrigation maintenance activities across the councils through improved productivity and reduced programmed inspections with an annual operating benefit of $420K per annum (3 of these FTE will be redirected to the irrigation construction program in 18/19)
- materials and contractor cost savings from a number of recommendations to the value of $120K per annum

The key themes around findings and recommendations, and their primary impacts, have been summarised below. Note the estimated impacts are based off of actual spend in the 17/18 financial year.

**TABLE 3: Key Findings and Recommendations**

| Findings | Recommendations | Impact |
|---|---|---|
| **Irrigation Maintenance** | | |
| **Resourcing Levels** | | |
| • Programmed inspections at CCS only result in an actual outcome once every 13 visits.<br>• PAE only respond to reactive jobs and have lower requests from the community. | • Reduce programmed inspections of irrigation systems from monthly to pre-season | • 3 FTE freed up<br>• $210K per annum operating benefit |
| • CCS maintenance team have high materials costs as they use spare resource capacity to proactively replace working parts to align with stock | • Reduce this practice to reactive repairs only | • $90K reduction in materials spend per annum |
| • Handling times per task at PAE are 25-100% higher than their peers.<br>• If the whole team matched the performance of the top 2 performers – one FTE would be able to be freed up.<br>• If the team matched the future state productivity of CCS and CoM – 3.0 FTE would be able to be freed up. | • Undertake time trials, work order analysis and resource planning for PAE<br>• Implement metrics and productivity reporting for the irrigation maintenance teams | • 3 FTE freed up<br>• $210K per annum operating benefit by year 3 |
| **Controllable Costs** | | |
| • CCS weekly water testing regimes at key water features could be performed internally | • Train staff and insource weekly water feature testing as part of daily testing routine | • $20K reduction |
| • Contractor invoice pricing doesn't always align with contracts (pump servicing and electrical) | • Validate invoices against contracts | • Not valued |

**Cross Council Service Review**
Irrigation Construction and Maintenance

| Findings | Recommendations | Impact |
|---|---|---|
| • Proactive bore servicing programs at CCS are not carried out at the other councils with the view to managing risk of a bore breaking down.  These cost $27K per annum.<br>• CCS have had a pump breakdown despite programmed planning<br>• CoM do not have a program, have risk mitigation in place should pumps break down, and have had a major breakdown in the past 3 years | • Review benefits / value of proactive maintenance programs versus risk mitigation and repair | • $27K potential saving per annum to be investigated |
| • Materials costs appear higher at PAE<br>• PAE lose time picking up parts from their vendor when alternative vendors in the market provide funded stock free on site at the depots | • Consolidate materials agreements across PAE, CoM and CCS including delivery and on site stock management practices | • $10K per annum in costs (minimum)<br>• Productivity improvements (unquantified) |
| **Customer Events** | | |
| • The PAE non-irrigation teams support the irrigation maintenance crew by raising drainage, leak and other irrigation issues while they are at site, sustaining high levels of service without high volumes of programmed maintenance. | • Implement mowing and landscaping team inspections of irrigation quality at CCS | • Maintain community service levels with reduced cost. |
| • First contact resolution of community calls was lower at CoM than at the other councils resulting in higher service failure calls per site than the other councils | • Monitor calls / contacts and jobs per site to gain understanding of systemic issues and to drive improvement in service levels | • Service improvement |
| • New installations or works on site are one of the higher causes of contacts from the community | • PC to be added to the standard project tasks for all projects at each council to help improve asset handover | • Service Improvement |
| **Irrigation Construction** | | |
| • Tendered prices and quotes are not able to be compared to the panel contracts in place | • Request tenderers and respondents to provide pricing broken out between labour and materials | • Improved transparency and vendor management |
| • Information may be provided into the market that may drive tenderers toward pre-defined pricing | • Assess presentation method for capital budgets to not set expectations regarding pricing of works | • More competitive pricing |

Attachment 1

**Cross Council Service Review**
Irrigation Construction and Maintenance

| Findings | Recommendations | Impact |
|---|---|---|
| • Bringing construction in-house is likely to deliver a 10% reduction in the cost of the irrigation construction program across councils | • Bring irrigation construction in-house with team of 4 staff initially | • ~$170-200K per annum in capital savings<br>• Reduced supplier exposure through providing additional resources into market |
| • Using already employed FTE would improve the benefit position | • Undertake construction using freed up CCS resources (augmented with external supervisor) | • Quantified benefits included above<br>• Retention of roles in local government and the provision of skill development, greater job satisfaction and meaningful work to staff freed up through productivity improvements |
| • Materials costs are based on the current CCS contract that was for maintenance only.  Improved pricing may be available based on the higher volumes likely following insourcing construction | • Re-tender for parts or seek more competitive pricing for parts following commencement of the team | • Not valued |
| • AMPs and LTFP foreasts don't align<br>• AMPs are not in alignment with operational expectations<br>• AMPs are not developed using water efficiency as a quantitative trigger for asset replacement or upgrade | • Update AMPs including incorporation of water efficiency analysis | • Not valued |

## 7. Risks, Issues and Mitigations

The changes encapsulated in the recommendations amount to a significant amount of change from prior practice for the councils.  Through the course of discussions a significant number of concerns and risks were raised most of which have been able to be mitigated or will be through the implementation process.

A number of risks have been mitigated by allowing for additional resource or costs in the evaluation, while others require either actions through the implementation of the recommendations, or they require additional process ongoing.  Key controls relate to clear reporting on team performance and a joint governance group to monitor the irrigation construction crews and maintenance impacts on a monthly basis.

Key unmitigated risks relate to:

- Demand not being able to be confirmed due to AMPs being reviewed at present.  The maximum exposure is likely to be an $80K risk to CCS as they could potentially have stranded resource if there is 25% lower demand than 17/18 actual project demand.

- Approval of changes to the terms and conditions of the CCS staff who will be moving from irrigation maintenance to irrigation construction.

TABLE 4: Key Risks, Issues and Mitigations

| Risk | Mitigation | Status |
|---|---|---|
| **Overall Collaboration** | | |
| **Collaboration not sustained beyond current executive relationships** | • Collaboration agreement to be put in place with the Councils with the term for shared irrigation insource to be 7 years (term of equipment investment)<br>• CCS alternative insource work to be identified if team are underutilised or agreement ends unplanned<br>• Each council to make a contribution to the set up of the team through contributed staff or assets | Mitigated |
| **Procurement** | • Team is a shared in-house team managed through a collaboration agreement and managed through a shared governance group | Mitigated |
| **CCS bears risk as host council** | • Estimation based on full cost recovery (with no margin) apportioned based on use of the team<br>• Councils agree to ensure there is recovery of all costs of the shared in-house team<br>• Monitor cost recovery against team on a monthly basis through shared governance group | Mitigated |
| **Insurance risk** | • Insurance Schemes have been contacted and confirmed that use of equipment and employees across councils is covered from an insurance perspective. | Mitigated |
| **Construction Insourcing** | | |
| **In-house skill-set** | • Dedicated supervisor with private sector irrigation construction experience to be hired<br>• In-house team to work on CCS projects through 18/19 to build up skills prior to working on collaboration council projects | Mitigated |
| **Local Government Sector Productivity levels can't compete with private sector** | • Dedicated supervisor selected by the three councils  to help drive the team<br>• Costings and savings have been based on local government productivity levels (conservative) | Mitigated |

| Risk | Mitigation | Status |
|---|---|---|
| | • Monthly governance meetings with reporting in place to ensure competitive productivity levels are attained | |
| **Confidence in ability of supervisor from partner councils** | • Each council to participate in recruitment of supervisor and potentially leading hand in team | Mitigated |
| **Loss of support early on due to teething issues** | • Governance Group to be established to meet monthly to track performance of team, review delivery of projects and agree improvements needed if any | Mitigated |
| **AMPs don't provide adequate demand** | • Modelling based on lowest year of spend in recent history<br>• Team will be built to this level<br>• Contingency plans to be built at CCS to use labour on alternative projects | Partially Mitigated – risk may be up to $80K for CCS |
| **Host organisation relying on collaboration councils to have designs ready in time** | • Design bring forward funded at each of the councils<br>• Planning meeting to be held in March/April each year to agree program and timing between the councils<br>• Will also support allowing collaboration councils time to go to market for any projects that may not be scheduled | Mitigated |
| **Design defects/variations cause delays** | • Recipient councils to provide firm and final designs to the host council as part of the annual planning process.<br>• Site visits to be conducted at this point to confirm designs are appropriate (as per current practice). | Mitigated |
| **Meeting peak demand seasons** | • Group have confirmed team can work all year round and consideration to be given to time of year and type of reserve<br>• Governance group have agreed to work to a set of priorities to determine the program with sporting fields taking priority between sporting seasons, beachfront non-summer etc | Mitigated |
| **Handing over program risk management to another council** | • CCS will put some of their projects at the end of the year to ensure if there is a run-over, that carry over risk sits with the host councils<br>• Cost risk to be managed by councils budgeting for 19/20 as they would have otherwise rather than budgeting with savings included in the initial year | Mitigated |
| **Demand can't be met** | • Any additional labour needed to fill demand if higher will be sought on a casual and project by project basis if needed<br>• Annual programming of irrigation works to be supported | Mitigated |
| **Contractor risk – price under cutting etc** | • Team will not be competing for work against contracts as any other internal team wouldn't | Mitigated |
| **Maintaining competitiveness ongoing** | • Develop estimation model and compare to projects from 17/18 and 18/19 to test savings<br>• Test savings for future projects by referencing historic plan and quote library | Mitigated |
| **Confidence in tank and pump installations** | • Sub-contract out this component<br>• Work with PAE construction team to put in pumps and tanks | Mitigated |
| **Warranty Management** | • Instil Practical Completion handover discipline on each project<br>• Ensure processes in place to flush the system before filters etc installed | Mitigated |

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| Risk | Mitigation | Status |
|---|---|---|
| | • Each council to support warranty management where possible with active review of any defects at the governance group to determine improvements to process in future | |
| **Absenteeism or weather** | • Have replacement FTE protocols in place. Each council has offered to work with CCS on this to support locally. | Mitigated |
| **Employee Conditions Changing** | • Commuter use of vehicles being paid out allowed in costs<br>• Staff comfortable with changes in conditions | Mitigated |
| **Employees needing to travel further** | • Additional hour per day of wage allowed in costs in project to ensure start on job at non-council depots | Partially mitigated |
| **Work Health and Safety** | • New processes for irrigation construction and new equipment to be supported by new and approved SOPs | Mitigated |
| **Irrigation Maintenance Improvements** | | |
| **Loss of service levels with reduced programmed inspections at CCS** | • Put processes in place with mowing teams and other maintenance staff to identify browning or drainage issues and raise service requests<br>• Monitor irrigation community requests and include on agenda for governance group | Partially mitigated |
| **Community service levels drop at CCS and PAE** | • Monitor irrigation community requests and include on agenda for governance group | Partially mitigated |
| **Reduced maintenance FTE not able to support workload at CCS** | • Detailed resource planning undertaken at CCS using current handling times and workload data from works and assets<br>• Implement monthly reporting on irrigation team jobs outstanding and handling time to Governance Group | Partially mitigated |
| **Reduced maintenance FTE not able to support workload at PAE** | • 1 FTE able to be freed up based on alignment in handling times at the council<br>• Additional FTE likely to be able to be freed up with additional analysis and work with the operations team<br>• Implement monthly reporting on irrigation team jobs outstanding and handling time and provide to Governance Group | Partially Mitigated |

## 8. Impacts

The impact of the recommendations on the overall spend, operating surplus and indicators of the operations has been assessed and is contained in the table below.

Adoption of the recommendations would result in a net improvement in the NPV of the cost position of the councils by $3.9M or 15% improvement. Note the NPV is measured until 2026/27 which represents the life of the equipment required.

The operating position of the organisations should improve by $0.6M per annum (30%) by 21/22 with the majority of the benefit being in PAE and CCS (with CoM having already gone through a service review for irrigation maintenance in July 2018).

Broader metrics by council over time are contained in the Benefits Realisation sections below.

Indirect benefits of the recommendations include:

- Increasing irrigation construction supply in the market
- Reducing procurement effort for the operations and procurement teams
- Working together to create demand to redeploy staff effectively (noting the benefits realised would be less if the councils were working alone)
- Retaining jobs in local government by finding valued and valuable work for staff availed via productivity improvements
- Building deep connections across local government through a purposeful collaboration effort
- Putting in place the foundations for future collaboration initiatives – which will establish a framework to guide and lower the effort and cost of working together in the future

**TABLE 5: Scenarios and NPV Outcomes**

| $M Scenario | Overview | CoM NPV Cost 7 years (change) | CCS NPV Cost 7 years (change) | PAE NPV Cost 7 years (change) | TOTAL NPV Cost 7 years (change) |
|---|---|---|---|---|---|
| **Base Case** | Irrigation construction spend as per current LTFPs and irrigation maintenance costs as per 17/18 base year with the exception of CoM whose base case reflects the impacts of their July 18 Open Space Service Review. | 5.7 | 11.6 | 8.3 | 25.6 |
| **In-house** | Bring irrigation construction in-house with new resources saving 10% per annum, a dedicated supervisor and acquisition of new equipment to support team's operations saving 10% per annum in construction costs with capital spend outlay per schedule below. | 5.4 (0.3F) | 11.4 (0.2F) | 8.0 (0.3F) | 24.8 (0.8F) |
| **In-house- using redirected resources** | As above however supply 3 FTE from irrigation maintenance team at CCS following review of programmed maintenance practices. | 5.4 (0.3F) | 9.6 (2.0F) | 8.0 (0.3F) | 23.0 (2.6F) |
| **In-house – redirected resources and added optimisation** | As above with added benefits from wider service review of irrigation maintenance activities and benchmarking across the councils. | 5.4 (0.3F) | 9.3 (2.4F) | 7.1 (1.2F) | 21.7 (3.9F) |
| **U = Unfavourable  F = Favourable** | | | | | |

**Cross Council Service Review**
Irrigation Construction and Maintenance

**TABLE 6: Cashflow Savings Relative to Baseline by Council**

| Savings $000s | | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
|---|---|---|---|---|---|---|---|---|
| **City of Marion** | Operating | - | - | - | - | - | - | - |
| | Capital | 60 | 60 | 60 | 60 | 60 | 60 | 60 |
| | **TOTAL** | **60** | **60** | **60** | **60** | **60** | **60** | **60** |
| **City of Charles Sturt** | Operating | 297 | 304 | 311 | 318 | 326 | 334 | 342 |
| | Capital | 65 | 85 | 96 | 74 | 49 | 73 | 73 |
| | **TOTAL** | **362** | **389** | **407** | **392** | **374** | **407** | **414** |
| **City of Port Adelaide Enfield** | Operating | 86 | 159 | 232 | 232 | 232 | 232 | 232 |
| | Capital | 86 | 58 | 15 | 56 | 41 | 37 | 37 |
| | **TOTAL** | **172** | **217** | **247** | **287** | **273** | **269** | **269** |
| **TOTAL** | Operating | 383 | 463 | 543 | 550 | 558 | 566 | 573 |
| | Capital | 211 | 203 | 171 | 189 | 150 | 170 | 170 |
| | **TOTAL** | **593** | **666** | **714** | **739** | **707** | **736** | **743** |

## Key Assumptions

The key assumptions underpinning the financial evaluation are:

- 17/18 financial year is used as the base year for the purposes of operating costs and FTE forecasts
- Irrigation Replacement and Upgrade cost forecast is based on the LTFPs of the councils as at June 2018
- CPI of 2.0%, Wages CPI of 2.3%
- Average cost per employee for maintenance savings is average cost per employee based on 17/18 actual costs by Council
- Average cost per employee for construction costs (and benefits) is based on target wages rates plus penalties as per Field Services Manager CCS
- Capital cost savings assumed as 10% of capital costs included in LTFP (which is conservative as the savings range found through detailed estimates being compared to contractor quoted prices being 8%-25%)
- Evaluation period 7 years based on the life of the equipment purchases for irrigation construction
- Discount rate – 6% compared to 4.6-4.85% long term fixed borrowing rate through LGFA

## Change Impacts

The key change impacts are:

- Recruitment of an ASU supervisor by PAE to be seconded to CCS construction team (to be found in budget)
- Recruitment of an additional irrigation team member by CCS (to be found in budget)
- Irrigation Maintenance staff at CCS moving to work on Irrigation Construction with minor changes to conditions
- Use of a shared council construction team rather than contract resources at CoM
- Use of a shared council construction team rather than contract resources at PAE
- A review of work practices at PAE

Attachment 1

**Cross Council Service Review**
Irrigation Construction and Maintenance

**Investment Cost**

The forecast costs include project spend related to implementation of the recommendations included in the table below.

TABLE 7: Project spend

| $000s | Cost |
|---|---|
| Chain Trencher | 140,000 |
| 1.7 T Excavator | 70,000 |
| Trailer | 15,000 |
| 5T Tipper | 130,000 |
| Loader - Yanma | 90,000 |
| Ute 1 | 40,000 |
| Ute 2 | 40,000 |
| **Gross Capital Investment** | **525,000** |
| Saved Utes | 90,000 |
| **Net Capital Investment** | **435,000** |

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## 9. Delivery against objectives

The combined recommendations of the review deliver on its objectives as follows:

TABLE 8: Delivery against objectives

| Objective | How delivered |
|---|---|
| **Improve service levels, productivity, quality, risk management and customer experience** | • Productivity improved through undertaking programmed maintenance annually only and implementing productivity management and reporting<br>• Improve customer experience and service quality by reducing repeat calls to site and using all on reserve field crews to identify irrigation issues |
| **Balance programmed and reactive maintenance tasks** | • Undertake programmed irrigation maintenance annually to avoid undertaking programmed inspections that have low outcome yield for the community |
| **Use contracted services effectively** | • Insource irrigation construction and use contractors for work unable to be performed by in-house crew |
| **Create value for the community** | • Insource irrigation construction lowering costs of investment in irrigation and creating valuable redeployment opportunities for staff freed up through productivity management. |
| **Increase supply capacity in the market** | • Creation of additional construction crew in the SA market to reduce pressure on demand and price for irrigation construction |
| **Identify opportunities for effective collaboration** | • Work together to create demand to allow for cost competitive services to be provided in-house |

## 10. Benefits Realisation

The following measures will be put in place to ensure the project is a success and meets the goals, targets and assumptions reflected in this review:

- Monthly reporting dashboards to be put in place to track these metrics and support the long term realisation of benefits.

- Monthly governance meetings with the irrigation construction and maintenance leaders at each council to ensure targets (including construction quality) are being met and remediation is put in place if necessary

- Bi-monthly review of actions and progress by the council Corporate Service Directors to ensure this and other service review actions are being appropriately implemented

- Formal annual review of the irrigation operations of the three councils against the plans and the assumptions in this review.

## 11. Consultation and Engagement

Significant consultation has been undertaken across the three councils regarding this review and the recommendations included within it including:

- Briefing sessions with the Executive Groups at each of the three councils

- Engagement of cross council Asset Services leadership through the Cross Council Asset Management Group

- Specific engagement with executive and senior leadership staff responsible for irrigation maintenance and construction individually at all three councils on a number of occasions

- Irrigation Construction working group sessions with the unit and section managers responsible for Irrigation Construction and Irrigation Maintenance at each of the three councils

- Operational staff at CoM, CCS and PAE have been engaged in detail in the process

Each of these sessions involved briefing the participants on the initiative at its various stages, gaining input and understanding concerns, risks and issues to be mitigated.

## 12. Key Implementation Milestones

Key milestones relating to the implementation of the project are included below:

- Trial Construction Projects CCS – underway

- Design Bring Forward Approved – 31 December 2018

- Service Review Approval – 31 December 2018

- Approval to Recruit – 31 January 2019

- Funding Approval – 31 January 2019

- Implement Cross Council Governance Group for irrigation – 31 January 2019

- Equipment Orders placed – 15 February 2019

- Recruitment – March 2019

- Designs Complete – March 2019

- Productivity Management in place – March 2019

- Annual Program Agreed Cross Councils – April 2019

- Procurement for shortfall – April – June 2019

- Commence Cross Council Construction Program – July 2019

- Review benefits monthly throughout 2019/20

- Annual Benefits Review – July 2020

# ATTACHMENT A
Analysis undertaken

## ATTACHMENT A – ANALYSIS UNDERTAKEN

### 1. Irrigation Maintenance

#### Workload

The tasks undertaken by each of the maintenance teams at the council were reviewed to understand the nature of the tasks, the driver for the task and the outcome for the community that was achieved from undertaking it.

The breakdown of the maintenance workload is included in the table below:

TABLE 9: Maintenance Workload

| Maintenance Workload | CoM | Charles Sturt | Port Adelaide Enfield | TOTAL |
|---|---|---|---|---|
| **Maintenance Tasks per Site per annum** | **13** | **20** | **12** | 45 |
| **Maintenance Tasks Per Annum** | **1,177** | **5,669** | **2,296** | **9,142** |
| Programmed Maintenance Tasks | 1,080 | 5,233 | 185 | 6,498 |
| Internally Generated Tasks | - | 212 | 1,982 | 2,194 |
| Customer Event Driven | 97 | 224 | 129 | 450 |
| % tasks programmed | 92% | 92% | 8% | 71% |
| **Outcomes from Programmed Maintenance** | | | | |
| Recorded outcomes from programmed maintenance | 95 | 403 | - | 498 |
| Ratio of outcomes to programmed maintenance visit | 1:11 | 1:13 | - | 1:12 |
| **Future Outcomes** | | | | |
| Future Maintenance Tasks | 510 | 3,250 | 2,296 | 6,056 |
| Future tasks per site per annum | 6 | 11 | 12 | 11 |

Key observations were:

- There are quite different approaches to servicing and work generation between the councils. CoM and CCS both have had monthly programmed maintenance inspections for all active irrigation systems. PAE however perform one pre-season programmed inspection per annum.

- The monthly programmed inspection tasks at CoM and CCS only lead to an action that will benefit the community in one out of every 12 visits. This is due to the fact that in the majority the issues affecting irrigation systems are reactive such as vandalism or damage.

- Issues due to asset deterioration are not detectable in advance and are low cost to fix when they occur (ie: sprinkler head blow off).

- Higher levels of programmed activity do not appear to reduce service related customer events from the community. This is due to it being unlikely the programmed inspection will be timed such that someone is at the reserve on the day the unpredictable event occurs.

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- CCS have structured lease arrangements in place with sporting and community clubs. These require weekly irrigation inspections of sporting ovals. This is a higher service level than delivered at the other councils however this is funded specifically through the lease fees from tenants. It is close to cost recovery.

- CCS have an intensive daily and weekly water testing regime at their two key water features at Henley Square and Bowden Common as the sites are available for interactive play and submersion. This drives additional workload volumes.

With respect to programmed versus reactive maintenance models:

- Frequent programmed maintenance is highly beneficial in many cases where there is rapid and systematic change in assets (ie: where grass or weeds are growing at a rapid rate). In the case of irrigation assets where deterioration is slow and damage is unpredictable, the value of undertaking frequent programmed maintenance is much lower for the community with data showing 12 site visits need to be undertaken on average before work is needed.

- Less frequent programmed maintenance is also valuable where there is an ability to optimise system performance and extend asset life through systemic cleaning, oiling and maintenance of high value/ high risk assets. An annual program to test and clean valves, replace batteries in controllers and to run irrigation systems prior to their first run for the season is deemed to be a more cost effective and appropriate programmed maintenance regime.

It is expected that altering the focus of irrigation maintenance more toward that of the PAE annual programmed inspections will allow for 3 resources to be freed up to perform more valuable tasks for the community at CCS. The benefits of making these changes at CoM have already been taken into account in the service review conducted in July 2018.

**Customer Events**

All customer events received from the community were analysed individually to determine the root cause of the need for the community to call, as well as to identify service level gaps and opportunities to reduce community demand.

450 customer events are received for irrigation related matters across the three councils with irrigation customer events being 1 per business day or less per council.

Customer events can be treated as acceptable or not depending on whether the contact is made as part of a request from the community for a service or an added service (Community Driven), or if the request is made as the council has not performed to the community's expectations (Service Driven). The breakdown of the service and community related events per site is included in the table below.

TABLE 10: Customer Events per active irrigated reserve

| Customer Events # (#/reserve) | Marion | Charles Sturt | Port Adelaide Enfield | TOTAL |
|---|---|---|---|---|
| Service | 0.7 | 0.4 | 0.4 | 0.4 |
| Community | 0.3 | 0.3 | 0.3 | 0.3 |
| Other | 0.1 | 0.1 | - | 0.0 |
| **TOTAL** | **1.1** | **0.8** | **0.7** | **0.8** |

Key observations are:

- While CCS has a similar number of customer events per annum, it has more community contacts related to items such as false reports, community events needing marking out on reserves and browning inquiries often regarding sites that aren't irrigated.

Attachment 1

- PAE have fewer service related calls per irrigated reserve than CoM and similar to CCS despite not having programmed maintenance in place.  PAE however have the highest number of internally generated jobs per reserve.  It is expected the support provided by the non-irrigation teams proactively identifying irrigation related issues on reserves when they are there to perform other tasks helps reduce the number of service issues needing to be detected by the community.

- Service related customer requests per reserve at CoM are higher than at other councils.  This is driven by issues not being resolved first time as often as they are at other councils.  Many sites have the same issue called in a number of times at CoM a number of days apart whereas this is rarely the case at CCS and PAE.

The key incidents leading to customer events being recorded are included in the table below.

**TABLE 11: Major Customer Event Categories**

| Customer Event Categories 17/18 | Marion | Charles Sturt | Port Adelaide Enfield | TOTAL |
|---|---|---|---|---|
| **Service Related** | **66** | **109** | **70** | **245** |
| Leaks | 24 | 53 | 66 | 143 |
| Timers | 36 | 23 | 4 | 63 |
| Alignment | | 18 | | 18 |
| Drippers | | 13 | | 13 |
| Hazards | 6 | 2 | | 8 |
| **Community Driven** | **24** | **96** | **59** | **179** |
| Vandalism / Damage | 13 | 33 | 50 | 96 |
| Browning / Policy | 10 | 35 | 9 | 54 |
| No issue | | 16 | | 16 |
| Events | 1 | 12 | | 13 |
| **Other** | **7** | **19** | **-** | **26** |
| SA Water | 2 | 13 | | 15 |
| Other | 5 | 6 | | 11 |
| **TOTAL** | **97** | **224** | **129** | **450** |

Key observations are:

- The number of leaks detected by the community per reserve is quite consistent across the three councils, while issues with timers (batteries flat, controllers needing re-programming, battery issues) and sprinkler alignment (fences, windows, playgrounds being hit with water) feature in the CCS and CoM areas but not PAE.

- Timer issues at CoM were primarily caused by battery failures following storm events while those at CCS were more oriented toward over-watering during mid-summer and issues related to drip irrigation timers.

- New installations or upgrades often lead to a number of issues needing to be reported at each of the councils with issues being caused by sprinkler configuration, timers not being changed after watering in and issues with valves usually caused by detritus from construction being caught in filters.

- More than 20% of the issues identified by the community relate to vandalism, or damage to sprinklers often caused by the council's own contractors.

Attachment 1

### Invoice analysis

All materials, contractor and other invoices incurred in the irrigation maintenance space were identified and reviewed to determine opportunities for improvement.

While CCS and PAE have a similar number of active irrigation systems, controllable costs at CCS were more than double those at PAE in 17/18 ($0.2M higher).   The key drivers are contained in the table below:

**TABLE 12: Major Controllable Cost Variances**

| Actual Controllable Costs 17/18 $000s | Marion | Charles Sturt | Port Adelaide Enfield | TOTAL |
|---|---|---|---|---|
| **Identified Controllable Costs** | **19** | **346** | **153** | **518** |
| Less capital works / claims | | 34 | 24 | **58** |
| Less Major Variations | | | | |
| Proactive Spares Replacement | | 93 | | 93 |
| Controller Installation | | | 58 | 58 |
| Proactive Pump Servicing | | 20 | | 20 |
| Henley / Brompton Water Feature Servicing | | 26 | | 26 |
| Controller replacement | | 43 | | 43 |
| **Underlying** | **19** | **130** | **71** | **220** |

The remaining variance between CCS and PAE remains in materials costs and reflects more irrigation systems.

Detailed comparison of materials unit pricing was also undertaken which indicated there may be an opportunity in combining parts purchasing across the three councils.  This would benefit PAE who are not part of the existing council solutions contract.  It would also provide PAE with productivity benefits by providing access to supplier funded materials stocks at the depots reducing time to pick up parts from the current supplier's single outlet.

### Resourcing

The current resources performing irrigation maintenance are included in the table below.

**TABLE 13: Current FTE Allocations**

| FTE Allocations | Marion | Charles Sturt | Port Adelaide Enfield | TOTAL |
|---|---|---|---|---|
| Actual maintenance FTE | 2 | 6 | 5.3 | 13.3 |
| Jobs per FTE per annum | 588.5 | 944.8 | 433.2 | 687.4 |
| Jobs per day per FTE | 3.0 | 4.9 | 2.2 | 3.5 |

Key observations from the analysis were:

- Productivity levels are significantly lower at PAE than at the other two councils.  When this was assessed in more detail there was a 30% disparity between the handling times of 2 of the members of the team and the rest of the team.  Lifting the performance of the bottom 4 performers in the team to the top 2 performers in the team would free up 1.0 maintenance FTE.

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- Productivity levels would still sit below the other two councils and an additional 2 FTE would need to be freed up to match the levels at the other councils. Additional analysis is required to understand the task mix at PAE to confirm these additional savings as valid and realisable.

### Resource Planning

A resource forecast based on expected tasks, average handling times, frequencies and program changes has been prepared for each of the councils. Taking into account the findings from the analysis the future FTE and job forecasts are included in the table below.

**TABLE 14: Future FTE Allocations**

| FTE Allocations | Marion | Charles Sturt | Port Adelaide Enfield | TOTAL |
|---|---|---|---|---|
| Future maintenance FTE | 0.5 | 3.0 | 3.0 | 6.5 |
| Future Maintenance Tasks per FTE per annum | 1,020 | 1,083 | 765 | 932 |
| Future Jobs per day per FTE | 5.3 | 5.6 | 3.9 | 4.8 |

It should be noted an accuracy factor has been included for Port Adelaide. If mix in tasks between the councils is approximately the same then the target future FTE should be 2.3 FTE and productivity would be more aligned.

The service review conducted earlier in the year at CoM has forecast expected resources to be at around 0.5FTE per annum to support the reactive work and an annual programmed inspection and associated repairs. The savings associated with this change have been included in that review and the Baseline scenario for this project.

## 2. Irrigation Construction

This review was initiated due to concerns regarding increasing costs and supply constraints with irrigation construction.

### Historic Costs

Historic project costs were collected and compared. Unit rates per SQM varied significantly and started to increase with projects late in 17/18 with some of these subsequently needing to be carried over into the 18/19 financial year.

**Figure 1: Average Irrigation Construction Rates per SQM by Year**

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ATTACHMENT A – Analysis Undertaken

This preliminary desktop analysis supported growing concern that unit rates were increasing however there was not a factual understanding of why. It was expected to be, in part, due to the change in complexity of jobs however individual project costs appeared to be high regardless of complexity when converted to the number of labour hours that could be afforded a project.

## Contract Pricing

Pricing appeared to be increasing even though there are panel contracts in place for some of the councils. In addition, while competitive prices were being sought through tendering and quoting, costs still seemed to be significant for the amount of work expected to be performed.

In order to test this, 40 16/17 and 17/18 projects were assessed to test whether there was compliance with contract pricing. This proved difficult due to the information sought from, and provided by, contractors. It produced the following observations:

- Base panel contract rates were relatively high for base labour when compared to other per hour contract rates for skilled labour

- Data was not returned by contractors in a format that allowed for validation of the competitively tendered prices against the Council Solutions panel contract maximum prices

- Compliance with contracts was not part of the tender or quote evaluation process and best price (for service) from the competitive process was typically accepted without reference to contract rates

- Data returned by contractors had internal inconsistencies. By example in many cases the labour hours deemed by the methodology for the works did not line up with labour hours quoted in price breakdown tables

- In some instances indicative project costs were provided as part of the tender process

- The tender and quote review process is time consuming and needs more analytical support availed to it

## Desk-top Insource Analysis

In order to understand the margin contractors were earning, 24 projects were costed based on a desktop analysis to test whether the prices returned were reasonable based on first principles. The methodology presented by the tender respondents (where available) was used to determine plant and labour requirements. Designs were also assessed to determine approximate materials costs using retail pricing.

While this was a ballpark analysis, the assessment was conducted consistently and showed significant variation in margin (per quoted hour of labour) between projects. This indicated either pricing inaccuracies or prices being based on what the market can bear. Other observations included:

- time to undertake a reserve renewal did not vary significantly between projects. Very typically there was a team of 4 people working for 8 days or 15 days for larger sites with team size not extending beyond 5 people. This also inferred that costings may not be very detailed.

- the equipment used by the contractors was quite standard with a chain trencher, loader and excavator typically required. There was some variation in the towing equipment used or needed.

- methodologies provided suggested the contractors would be there for the quoted lapse time however operational management highlighted there would not always be the full team on site with all of the equipment for all of the estimated days, with contractors often using teams across a number of projects.

Finally, a high level insource costing was developed for the annual construction program across the three councils using the following approach:

- Using the information gathered from the contractors methodologies, a top down estimate of the labour needed to deliver projects of certain spend size was derived. This was then applied to the total project portfolio to determine staffing requirements (after allowing for 20% lost productivity compared to contract labour - see risks).

Attachment 1

**Cross Council Service Review**
Irrigation construction and Maintenance
ATTACHMENT A – Analysis Undertaken

- 50% of planned / actuals costs were allocated to materials based on estimates indicating this was typically the split of current costs,

- a dedicated supervisor was added to support and drive the team (see risks),

- a full set of required equipment was costed (including depreciation recoveries) and allocated to the program.

This indicated a team of 5 (excluding the supervisor) could manage an annual program of around $1.5M per annum with a saving of 8-20% across the 16/17 to 18/19 years. 14% improvement is estimated for the current planned works for 19/20.

Based on the above it could be conservatively assumed that savings of 10% per annum could be expected across the capital program.

**Insource Project Cost Estimation**

An estimation tool was developed to allow for costs to be built up from first principles and direct costs prepared for each irrigation job based on internal costs. This tool also allows for a comparison of the actual tendered prices for projects and what is chargeable under panel contracts and what the task would cost if performed for internally.

This tool was then refined and used by the CCS Arboriculture Coordinator and Projects and Maintenance Coordinator to develop estimates of a number of projects that have been undertaken during the 17/18 and 18/19 financial years at the councils to test the high level program savings expected.

The estimates are based on the following assumptions:

- 1 dedicated workgroup supervisor (see risk mitigation)

- A 4 person field team based on 1 head gardener / leading hand and 3 irrigation plumbers

- 76% productivity or 6.5 productive hours per day

- Additional 1 hour per day paid to support on the job start at all council depots

- Materials at cost

- Full cost recovery of assets (operating costs and depreciation) and resources dedicated to the team – in a similar way as an in-house team

- Projects run consecutively meaning supervisor and equipment costs are not shared between projects in current estimates (ie: a project with 10 lapse days includes 10 dedicated full days of supervisor time and at present 10 days of chain trencher day rates)

- Plant and equipment costs for the dedicated team equipment included in the table below:

Figure 2: Plant and Equipment Assumptions

| Plant and Equipment | Acquisition Cost (excl GST) | Maintenance and Fuel Cost | Annual Cost | Estimated Useful Life | Day rate (productive) |
|---|---|---|---|---|---|
| Chain Trencher | 140,000 | 12,000 | 30,000 | 7 | 155 |
| 1.7 T Excavator | 70,000 | 12,000 | 21,000 | 7 | 108 |
| Trailer | 15,000 | 1,000 | 2,929 | 7 | 15 |
| 5T Tipper | 130,000 | 15,000 | 31,714 | 7 | 163 |
| Loader - Yanma | 90,000 | 7,500 | 19,071 | 7 | 98 |
| Ute 1 | 40,000 | 4,000 | 11,200 | 5 | 58 |
| Ute 2 | 40,000 | 4,000 | 11,200 | 5 | 58 |
| | **525,000** | **55,500** | **127,114** | | |
| Saved Utes | - 90,000 | - 12,000 | - 33,600 | | |
| | **435,000** | **43,500** | **93,514** | **-** | **-** |

Attachment 1

**Cross Council Service Review**
Irrigation construction and Maintenance
ATTACHMENT A – Analysis Undertaken

It should be noted the insource estimates exclude contractor margin however would carry higher direct cost than when compared to contractors due to the supervisor to team ratio assumed (see risk mitigation), productivity differences (see risk mitigation) and equipment being dedicated to one single project for the entire duration of the project (based on current assumptions).

The range of savings of the insourced estimates calculated on this basis against the tendered prices has been 8% to 25%.  This supports the range of expected savings from the top down analysis and the 10% assumed in the financial justification.

## Time Trials

In order to further validate the time estimates included in the insource cost estimates, the CCS Irrigation Maintenance Team re-organised themselves to commence trialling irrigation construction to help validate the do-ability of insources irrigation construction in November 2018.  Debney Reserve and a prior project at Buladelah Reserve were timed and used to test the handling used in the insource project estimates.

These time trials validated the per unit handling times used to work up the time estimates in the insource estimates.  As part of these time trials, opportunities for improvement in the process and equipment configuration were also identified.

It should be noted the projects used for time trials were smaller in scale, the team were not practiced and they worked as a three person crew and met with some issues.  As the crew  build up skill and work on larger scale projects (where economies of scale should be realised) and are supported by a dedicated supervisor who should be able to support improved productivity and some parallel management of projects, it is expected margins should improve.

## Overall Benefits Range

Overall the benefits range from the above analysis is between 8% and 40% improvement on contractor costs with the range for the more detailed estimation methods being 8%-25%.  The financial model assumes savings of 10% which is conservative – especially as the most detailed method uses handling time assumptions based on time trials of a relatively new irrigation construction team.  It is expected the benefits in the financial assessment should be exceeded over time.
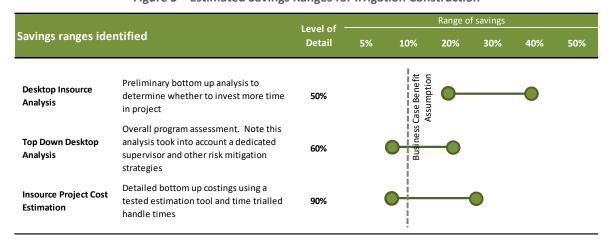
**Figure 3 – Estimated Savings Ranges for Irrigation Construction**



## Irrigation Design Review

Provision of irrigation design services was reviewed across the councils due to concerns poor irrigation construction design was leading to failures in projects.  The hypothesis that having an in-house and shared irrigation designer across the three councils would help solve this issue was tested. The root cause of failed designs was sought with the irrigation construction coordinators, and the overall costs of design at the three councils was reviewed.

Attachment 1

**Cross Council Service Review**
Irrigation construction and Maintenance
ATTACHMENT A – Analysis Undertaken

Findings regarding the root cause of irrigation project failures were:

- Irrigation maintenance staff not being involved with the on-site design review where issues such as terrain type and slope could be highlighted (in one case understanding the slope of the property significantly reduced the cost of the project)

- Decisions not being linked across major and complex multi-infrastructure projects (ie; footpath design being changed and this not being communicated to all impacted landscape and irrigation design and construction parties

- Irrigation maintenance staff not being involved with Practical Completion meetings and not being able to confirm the system was working and in order as expected

- Cleanliness of system lines following construction with valves often becoming blocked soon after installation due to construction debris and waste causing obstruction

- Practical Completion meetings not being held and contractors not being held to account on warranty issues

- The preferred irrigation design vendor for the industry not being on the irrigation design panel for the Council Solutions contract due to an omission.  This has recently been remediated.

Irrigation design costs for the $2.1M 17/18 program were less than $100K including detailed design for the Semaphore Foreshore Project (which was significant and unusual).  Findings were:

- the total existing design cost across three councils was not likely to cover the salary, on-costs and licensing of a suitable person for the role,

- relying on a single role to deliver designs is likely prove problematic from a capacity management perspective.

- significant technical risk would also be brought in-house, where current service providers have the capacity to provide peer and internal review of designs prior to submission.

The recommendation was to ensure the industry preferred vendor was on the Council Solutions panel and that the current arrangements continued.

Per design costs varied between councils and could be explained in some instances by the size of the site however the variation in cost per SQM between CoM and CCS where the projects appear similar needs further investigation.

## Asset Management Plans

The Asset Management Plans at all three councils were reviewed.  While funds were included in the LTFP at all 3 councils there was a disconnect between the funding in the LTFPs and the Asset Management Plans with the AMPs usually including less funding than deemed to be required by the operations and included in the LTFPs.

Recent increases in unit rates and greater scrutiny on project management and delivery had also highlighted issues with the unit rates used in the AMPs being too low.

Current AMP replacement triggers for irrigation assets are perceived age and condition, or coincident replacement of irrigation systems, as part of reserve upgrade projects.  The opportunity to replace systems to reduce water costs through adaptation to recycled water and to increase watering efficiency only featured at CoM.

While CoM have significantly lower water costs relative to CCS and PAE they are expected to have differing service levels. CCS and PAE have more aligned service levels however watering costs at PAE and similar per SQM savings at PAE would equate to more than $1M per annum.

Each of the councils are now in the process of refreshing their irrigation AMPs and are assessing the value of having water efficiency (utilisation and source) as a replacement trigger.

## Service Review Program and Recommendations - Progress Update

| | |
|---|---|
| **Originating Officer** | Business Improvement Officer - Melissa Nottle-Justice |
| **Corporate Manager** | Manager Customer Experience - Karen Cocks |
| **General Manager** | General Manager Corporate Services - Sorana Dinmore |
| **Report Reference** | FAC200818R06 |

## REPORT OBJECTIVE

To provide the Finance and Audit Committee (FAC) with:
- the outcome of the Service Review Program for FY2019/20
- the adopted Biennial Service Review Program for FY2020/21 including a progress update
- a progress update on the implementation of the Service Review Program recommendations as at 20 July 2020

## EXECUTIVE SUMMARY

At the 25 June 2019 meeting of General Council, Council adopted the Service Review Program for FY2019/20 (GC190625). The program proposed the review of nine services, with the reviews being a blend of City of Marion (CoM) only and cross council reviews based on the opportunities identified. This program has concluded with two service reviews completed and seven cross council reviews (that were in progress) transferred to the program for FY2020/21, refer Table 1.

In addition, at the 9 June 2020 meeting of General Council, Council adopted the proposed Biennial Service Review Program for FY2020/21 (GC200609), refer Appendix 1. This program focuses on carrying out cross council service reviews to allow CoM to focus on the delivery of the Digital Transformation Project. This program has commenced with nine service reviews in progress, refer Table 2.

## RECOMMENDATION

**That the Finance and Audit Committee notes the:**
1. **Outcome of the Service Review Program for FY2019/20 (Table 1)**
2. **Adopted Biennial Service Review Program for FY2020/21 (Appendix 1)**
3. **Overall status of the Service Review Program for FY2020/21 (Table 2)**
4. **Implementation progress of the Service Review Program recommendations (Appendix 2)**

## DISCUSSION

**Service Review Program for FY2019/20**
During FY2019/20 two service reviews were completed with seven cross council reviews delayed which have subsequently been transferred to the program for FY2020/21. The outcome of the Service Review Program for FY2019/20 can be viewed in Table 1.

Table 1: Service Review Program FY2019/20 - Outcome

| Service Review Title | No. of Services | Outcome |
|---|---|---|
| City of Marion Service Reviews | | |
| Neighbourhood/Community Centres | 1 | Completed |
| Cross Council Service Reviews | | |
| Capital Construction and Maintenance | 5 | In progress (transferred to FY2020/21 program) |
| Open Space Planning and Construction (previously referred to as Open Space Recreation and Planning) | 1 | In progress (transferred to FY2020/21 program) |
| Utilities Optimisation (previously referred to as Utilities Management) | 1 | Completed |
| Fleet Maintenance | 1 | In progress (transferred to FY2020/21 program) |
| Total | 9 | (original proposed service reviews) |
| Total | 2 | (service reviews completed within FY2019/20) |

**Service Review Program for FY2020/21**
A proposed Biennial Service Review Program was provided to Council (GC200609) in draft format only to allow time for the collaborative councils to understand the true impact of COVID-19. The draft program was adopted by Council (GC200609) and has since been confirmed by the collaborative councils, the full program can be viewed in Appendix 1.

This program focuses on carrying out cross council service reviews to allow CoM to focus on the delivery of the Digital Transformation Project.

The first stage of the cross council service review methodology involves conducting a desktop analysis. The review is subsequently based on the outcomes of the desktop analysis. Due to this approach and the program and resource being managed and applied across the three councils, the specific number of service reviews delivered may vary from the original proposed.

Tracking of the progress of reviews can be viewed in Table 2, noting that only the service reviews that are likely to impact CoM are displayed.

Table 2: Service Review Program FY2020/21 – Progress Update as at 20/7/20

| Service Review Title | No. of Services | Current Status | Comments |
|---|---|---|---|
| Cross Council Service Reviews | | | |
| Capital Construction and Maintenance | 5 | In progress | • Transferred from FY2019/20 program<br>• Desktop analysis underway |
| Open Space Planning and Construction (previously referred to as Open Space Recreation and Planning) | 1 | In progress | • Transferred from FY2019/20 program<br>• Desktop analysis underway |
| Fleet Maintenance | 1 | In progress | • Transferred from FY2019/20 program<br>• Desktop analysis complete<br>• Service Review document being prepared |
| Public Litter | 1 | In progress | • New review added to FY2019/20 program by City of Charles Sturt<br>• Desktop analysis complete<br>• Service review document being prepared |
| Fleet Management | 1 | In progress | • New major review in FY2020/21<br>• Desktop analysis complete<br>• Service review document being prepared |
| Sport and Recreation | 1 | Not commenced | • New major review in FY2020/21 |
| Total | 10 | | |

**Implementation of recommendations from service reviews**

Since the last report to the Finance and Audit Committee, (FAC200519) and as of 20 July 2020, the implementation of recommendations from service reviews has progressed and highlights since the last report include:

- Cross council ICT projects have been identified and planned for FY2020/21, a Solution Delivery Framework and templates have been developed for use with these projects.
- Within Open Space, new software for tree management has been reviewed and a new Arborist appointed who will further support implementation of recommendations.
- The Records Management Team have been upskilling in new technologies which will enable them to offer more services and support across the organisation.
- As part of the Utilities Optimisation implementation, audits of water and electricity meters and reconciliations have progressed cross councils to resolve over-payments and billing inaccuracies.

More detail on the progress of the implementation of recommendations from the Service Review Programs are outlined in Appendix 2.

The Performance and Innovation Team are currently exploring an alternative approach to the reporting components of the Service Review Program, with a renewed focus of communicating key findings, deliverables and benefits realised in place of comprehensive reports. The new approaches to reporting will be shared with the FAC once finalised.

## Attachment

| # | Attachment | Type |
|---|---|---|
| 1 | FAC200818 - Service Review Program and Recommendations - Progress Update - Appendix 1 | PDF File |
| 2 | FAC200818 - Service Review Program and Recommendations - Progress Update - Appendix 2 | 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.
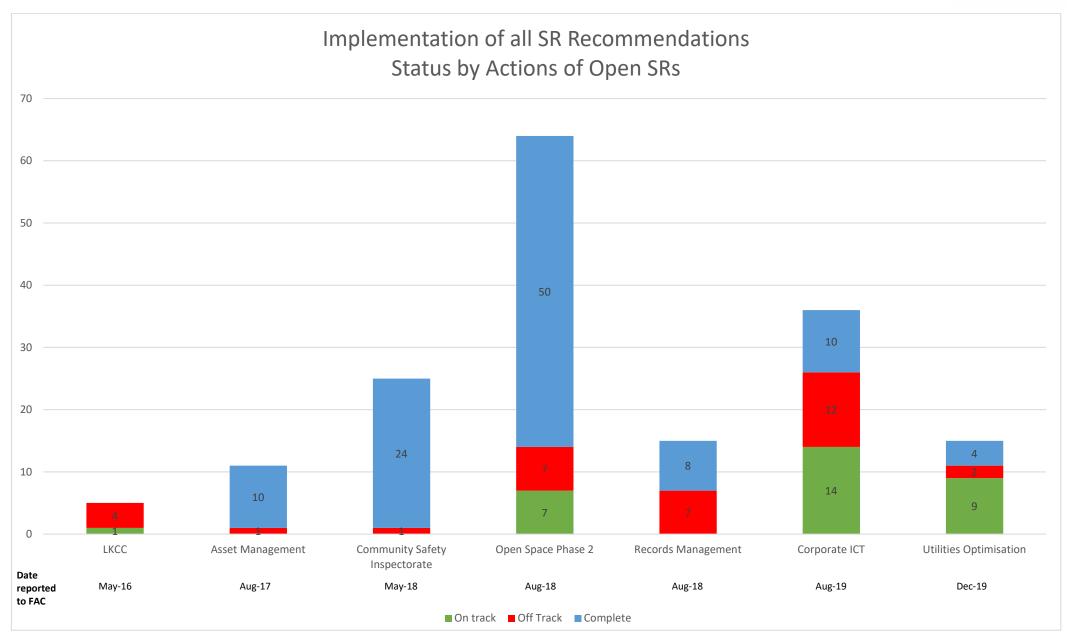
| 20/21 Cross Council Improvement Program \| Priorities | | Likely Impacted Councils | | |
|---|---|---|---|---|
| | | Marion | Charles Sturt | Port Adelaide Enfield |
| **Implementation of 19/20 Service Review recommendations** | **Utilities Optimisation**<br>· Complete implementation | ✓ | ✓ | ✓ |
| | **Fleet Management**<br>· Implementation | ✓ | ✓ | ✓ |
| | **Capital Construction and Maintenance**<br>· Required Detailed Reviews<br>· Implementation of Recommendations | ✓[1] | ✓ | ✓ |
| | **Open Space Planning and Construction**<br>· Implementation | ✓[1] | ✓ | ✓ |
| | **Parks and Gardens**<br>· Detailed Review | | ✓ | ✓ |
| **New Major Reviews** | **Sport and Recreation**<br>· Desktop review | ✓ | ✓ | ✓ |
| | **Civil Operations**<br>· 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.

# All Open Service Review Recommendations - Progress Update (Appendix 2)
### (Status as at 20/7/2020 based on tracking against original completion dates)

CITY OF
MARION



Implementation of all SR Recommendations
Status by Actions of Open SRs

| | LKCC | Asset Management | Community Safety Inspectorate | Open Space Phase 2 | Records Management | Corporate ICT | Utilities Optimisation |
|---|---|---|---|---|---|---|---|
| On track | 1 | | 1 | 7 | | 14 | 9 |
| Off Track | 4 | 1 | | 7 | 7 | 12 | 2 |
| Complete | | 10 | 24 | 50 | 8 | 10 | 4 |

Date reported to FAC

| May-16 | Aug-17 | May-18 | Aug-18 | Aug-18 | Aug-19 | Dec-19 |

Legend: On track, Off Track, Complete

# Open Service Reviews - Recommendations - Progress Update
**(Status as at 20/7/2020 based on tracking against original completion dates)**

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

CITY OF MARION

| 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 Kaurna Cultural Centre | May-16 | Dec-17, Dec-21 | 5 | 5 | 1 | 4 | - | 0% | The Kaurna Yerta Aboriginal Corporation (KYAC) wrote to Council on 29 May 2020 advising that COVID-19 restrictions meant that the vulnerable Kaurna people could not hold face-to-face meetings to progress the proposal due to Council by end of May and requesting a 3-month extension of the due date to 31 August 2020. Council resolved to grant the extension. If no proposal is received by the extended due date Council will automatically commence an Expression of Interest (EOI). KYAC will also be able to submit an EOI whether they make a submission to Council before the due date. Any successful EOI must include an ongoing partnership with the Kaurna people at the Living Kaurna Cultural Centre. |
| | 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 | 7 | 7 | 50 | 78% | The implementation has re-commenced. Software has been reviewed to assist in managing our tree population. A new Arborist has been recently appointed who will be assisting with these changes. |

# Open Service Reviews - Recommendations - Progress Update
**(Status as at 20/7/2020 based on tracking against original completion dates)**

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

CITY OF MARION

| 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Corporate Governance | Records Management | Aug-18 | Dec-19 | 15 | 15 | - | 7 | 8 | 53% | Highlights of progress include:<br>- Strategic Records Management Framework draft and Records Management Team 2-year business plan draft has been submitted for review.<br>- The archiving project is ready to recommence within COVID-19 limitations.<br>- Records Management components of Digital Literacy initiative have been developed. Only induction training components now need refining.<br>- New RMT services and staff up-skilling progressing steadily including MS SharePoint & Teams administration, webform administration and network drive auditing and migration. |
| | | | | **Division Total** | **39** | **90** | **7** | **15** | **68** | **76%** | |
| Corporate Services | ITT | Corporate ICT | Aug-19 | June-21 | 15 | 36 | 14 | 12 | 10 | 28% | Progress includes:<br>- ICT Solution Delivery Framework and templates developed, ready for official launch for 2020/21 projects<br>- New cross council Service Desk solution being implemented<br>- Business cases (appropriate to investment level) prepared for all joint 2020/21 projects<br>- 2020/21 projects identified and planned together<br>- Cross Council Strategy & Architecture Group established<br>- Joint business case prepared for cross council Data & Analytics initiative and 2020/21 budget bid submitted<br>- Joint procurement and contract renewals underway |

**Open Service Reviews - Recommendations - Progress Update**

(Status as at 20/7/2020 based on tracking against original completion dates)

**Key**
- Complete
- On Track
- Watch Closely
- Off Track

CITY OF MARION

| 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | - CoM focusing on end user Training Needs Analysis<br>- Initial meetings held with ICT workflow resources at PAE and COM<br>- ICT communication plan template drafted<br><br>The priority focus has been ITT delivery and support across the organisation to the COVID 19 response.. |
| Corporate Services | Strategic Procurement | Utilities Optimisation | Dec-19 | Feb-23 | 10 | 15 | 9 | 2 | 4 | 27% | The remediation of invoicing, and resolution of over-payments and billing inaccuracies has commenced with the team undertaking audits of meters and reconciliations with SA Power Networks and SA Water. Refunding of overpayments has commenced. The audits will continue to complete all sites. |
| | | | | **Division Total** | **25** | **51** | **23** | **14** | **14** | **27%** | |

*\*\*\*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 20/7/2020 based on tracking against original completion dates)**

**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 |

## REPORTS FOR DISCUSSION

## Insurance and Claims Management 2019/20 Annual 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** | FAC200818R07 |

## REPORT OBJECTIVE

The objective of this report is to provide the Finance and Audit Committee (FAC) with an overview of the insurance renewal program and statistics on the insurance related incidents and claims reported to the City of Marion (CoM) for the period 1 July 2019 to 30 June 2020.

## EXECUTIVE SUMMARY

The following outlines the insurance incidents and claims reported against the City of Marion in 2019/20, including those submitted to the Local Government Risk Services (LGRS), which encompasses the Local Government Association Mutual Liability Scheme (LGAMLS) and the Local Government Association Asset Mutual Fund (LGAAMF). The CoM is provided with a comprehensive range of insurance products including public liability and professional indemnity cover, motor vehicle and property assets cover and event cancellation cover.

## RECOMMENDATION

**That the Finance and Audit Committee:**

1. **Receives and notes this report.**
2. **Provides comment on the adequacy of the mitigating actions in response to the incident data for the period 2019/2020.**

## DISCUSSION

During 2019/20, 346 incidents were reported across the four portfolios of insurance, resulting in 116 claims.

Of those incidents reported:

- 89 related to motor vehicle incidents resulting in 40 claims;
- 42 related to property assets resulting in 19 claims;
- 215 related to public liability incidents resulting in 57 claims; and
- Event cancellation insurance was procured for one event which wasn't enacted as the event successfully went ahead.

Further details on these incidents and claims are outlined in **Attachment 1.**

The Risk Management Unit continues to record all reported incidents and claims received and work in collaboration with the relative work areas to ensure that these incidents are investigated, corrective and/or preventative actions are implemented and any issues are managed, monitored and resolved effectively to mitigate the risk to the public and property. Risks are reviewed and monitored regularly via relevant risk registers, which identify appropriate risk controls and treatments.

Insurance and claims reports are reviewed quarterly by the Executive Leadership Team and the risk registers are reviewed regularly by the Senior Leadership Team with all high rated risks reported to the Risk Working Group and to Council.

## CONCLUSION

The CoM continues to take a proactive response to incidents and claims. Attention is given to key risk areas including ongoing review and implementation of risk management systems, asset management plans, workplace emergency management plans and business continuity plans.

### Attachment

| # | Attachment | Type |
|---|---|---|
| 1 | Insurance and Claims Annual Report - Attachment 1 | PDF File |

## Insurance and Claims Management 2019/20 Annual Report

### Motor Vehicle Assets

During 2019/20, a total of 89 motor vehicle incidents resulted in 40 claims. 8 were managed in-house and 32 claims were lodged with LGAAMF, as outlined in Table 1 with additional details provided.

**Table 1. Motor Vehicle - Incident and Claim Statistics Over the Last 2 Financial Years**

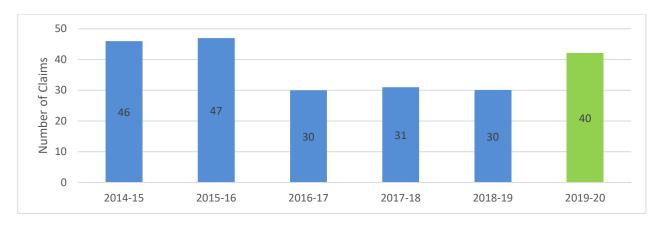| Motor Vehicles | 2018/19 | | | | 2019/20 | | | |
|---|---|---|---|---|---|---|---|---|
| Insurance Category | Incidents | Claims | Claims Value | Total Cost to CoM | Incidents | Claims | Claims Value | Total Cost to CoM |
| CoM | 53 | 25 | 27,047 | 5,859 | 80 | 34 | 42,155 | 13,720 |
| Third Party | 8 | 5 | 24,367 | 500 | 9 | 6 | 25,065 | 1,500 |
| TOTAL | 61 | 30 | $51,414 | $6,359 | 89 | 40 | $67,220 | $15,220 |

- Incidents have increased by 46% from 61 in 2018/19 to 89 in 2019/20.
- Claims have increased by 33% from 30 in 2018/19 to 40 in 2019/20.
- The total value of motor vehicle claims made against Council during 2019/20 has increased from $51,414 in 2018/19 to $67,220 in 2019/20.
- The actual cost of motor vehicle claims made against Council increased from $6,359 in 2018/19 to $15,220 in 2019/20. Note: The total cost represents actual amounts incurred (when under the deductible amount) and the LGAAMF deductible ($500).
- Nine (10%) of incidents occurred whilst our vehicle was stationery, 24 (27%) of incidents occurred at low speed e.g. reversed into a stationery object whilst maneuvering to park or hit a branch/rock on a reserve, 38 (43%) of incidents were not motor vehicle incidents whilst travelling on a road, they were incidents that occurred whilst we were operating plant to perform works, such as damage to Telstra infrastructure when lifting footpaths with backhoe and only 18 (20%) actually occurred whilst driving on a road with most being minor e.g. truck hit a parked car's side mirror in a narrow street.
- Only three incidents exceeded value of $5,000 and no-one was injured in any of these incidents; The most severe incident involved an employee driving a vehicle which was caught up in a four-car collision but not deemed 'at fault', the second involved a volunteer entering into a car park too low for the height of the bus which damaged its ceiling and the other involved an employee driving a vehicle which was hit when a parked car door opened.

### Mitigation Strategies

- The fleet renewal program incorporates safety considerations via a pre-purchase risk assessment, highlighting the appropriateness of the vehicle to the task being performed. This will often include provision of additional safety features such as GPS, reversing sensors and cameras.
- Regular corporate messaging reinforces the safety focus via emails, newsletters, toolbox talks and General Staff Meetings.
- Investigation into driver training was undertaken early in 2020 in response to feedback from the Finance and Audit Committee however the scheduling of this training has been delayed due to COVID-19.
- The Executive Leadership Team continues to monitor insurance incidents and claims through quarterly reporting on comparative data, incident mitigation, claim trends and on-going insurance risk exposure.

The motor vehicle claim volume data for the last 5 years is shown in Figure 1 below.

**Figure 1. Motor Vehicle Claims 2019/20 Compared to the Last 5 Financial Years**

## Property Assets

During 2019/20, a total of 42 incidents were reported in relation to CoM property which resulted in 19 claims. 4 were managed in-house and 15 were lodged with the LGAAMF, as outlined below in Table 2 with additional details provided below.

**Table 2. Property Asset - Incident and Claim Statistics Over the Last 2 Financial Years**

| Property Asset Insurance Category | 2018/19 | | | | 2019/20 | | | |
|---|---|---|---|---|---|---|---|---|
| | Incidents | Claims | Claims Value | Total Cost to CoM | Incidents | Claims | Claims Value | Total Cost to CoM |
| Accidental Damage | 4 | 1 | 17,284 | 1,000 | 7 | 4 | 9,008 | 1,875 |
| Arson | 3 | 1 | 25,000 | - | 2 | 1 | 3,758 | 1,000 |
| Break-in | 3 | 2 | 2,110 | 1,500 | 4 | 3 | 6,417 | 2,500 |
| Data | | | | | 1 | 1 | - | - |
| Environmental | 12 | 3 | 25,210 | 2,000 | 1 | - | - | - |
| Fire | 2 | 1 | 9,009 | 1,000 | 1 | 1 | 10,000 | - |
| Machinery Breakdown | 1 | 1 | 4,303 | - | | | | - |
| Motor Vehicle Impact | 7 | 5 | 9,895 | 3,754 | 8 | 3 | 6,750 | 1,000 |
| Theft | 7 | 3 | 6,304 | 1,000 | 4 | - | - | - |
| Vandalism | 7 | 1 | 929 | 929 | 12 | 5 | 18,008 | 4,000 |
| Water Damage | 1 | 1 | 4,109 | - | 2 | 1 | 1,192 | 1,000 |
| **TOTAL** | **47** | **19** | **$104,153** | **$11,183** | **42** | **19** | **$55,133** | **$11,375** |

- Incidents have decreased by 11% from 47 in 2018/19 to 42 in 2019/20
- Claims have remained static at 19 in both 2018/19 and 2019/20.
- The total value of property claims made against Council has decreased from $104,153 in 2018/19 to $55,133 in 2019/20.
- The actual cost of property claims made against Council increased from $4,578 in 2018/19 to $9,604 in 2019/20. Note: The total cost represents actual amounts incurred (when under the deductible amount) and the LGAAMF deductible (generally $1,000).
- The largest claim managed during 2019/20 was vandalism to a light pole in Hallett Cove. The overall cost of repair was $9,675 with an actual cost to the CoM being an excess of $1,000.

## Mitigation Strategies

- Incident and claim data is regularly reviewed by key stakeholders, primarily between the Risk Management and the City Property Units, in conjunction with Civil Services, Open Space Operations and Operational Support in order to resolve property issues as promptly as possible.
- Further collaboration with the LGAAMF assists in identifying opportunities for improved asset management, maintenance and security with a view to minimising potential losses.

ATTACHMENT 1

- The Executive Leadership Team continues to monitor insurance incidents and claims through quarterly reporting on comparative data, incident mitigation, claim trends and on-going insurance risk exposure.

A comparison to previous years' claims data is outlined in Figure 2 below.

**Figure 2. Property Asset Claims 2019/20 Compared to the Previous 5 Financial Years**



## Public Liability and Professional Indemnity

During 2019/20, a total of 215 public liability and professional indemnity incidents were reported which resulted in 57 claims. 38 were managed in-house and 19 were lodged with the LGAMLS outlined below in Table 3 with additional details provided on the next page.

**Table 3: PL and PI - Incident and Claims Statistics Over the Last 2 Financial Years**

| Public Liability | 2018/19 | | | | 2019/20 | | | |
|---|---|---|---|---|---|---|---|---|
| Insurance Category | Incidents | Claims | Claims Value | Total Cost to CoM | Incidents | Claims | Claims Value | Total Cost to CoM |
| Community Facilities | 20 | 1 | - | - | 16 | 1 | - | - |
| Community Land | 5 | 1 | - | - | 7 | - | - | - |
| Contract Management | 8 | 1 | - | - | 4 | 1 | 600 | - |
| Event Management | 6 | - | - | - | 4 | 1 | 2,000 | - |
| Footpaths | 72 | 14 | 7,362 | 2,453 | 85 | 17 | 10590 | 3,000 |
| Kerb & Water Table | 9 | 6 | 1,102 | 301 | 10 | 2 | 1,252 | - |
| Non-Employment Relationships | 4 | - | - | - | 2 | - | - | - |
| Playgrounds | 11 | 2 | - | - | 4 | - | - | - |
| Professional Indemnity | - | - | - | - | 5 | 3 | 300,606 | 4,356 |
| Reserves | 8 | 2 | 240 | 50 | 4 | 3 | 6645 | 1,320 |
| Road Management | 25 | 14 | 2,216 | - | 23 | 13 | 314 | 314 |
| Road (other) | 13 | 4 | 15,925 | 242 | 9 | 4 | - | - |
| Tree Management | 73 | 29 | 14,188 | 1,532 | 42 | 12 | 2,128 | 614 |
| TOTAL | 254 | 74 | $41,033 | $4,578 | 215 | 57 | $324,135 | $9,604 |

- Incidents have decreased by 15% from 254 in 2018/19 to 215 in 2019/20
- Claims have decreased by 23% from 74 in 2018/19 to 57 in 2019/20
- The total value of public liability and professional indemnity insurance claims made against Council has increased from $41,033 in 2018/19 to $324,135 in 2019/20.
- The actual cost of public liability and professional indemnity insurance claims made against Council increased from $4,578 in 2018/19 to $9,604 in 2019/20. Note: The total cost represents actual amounts incurred (when under the deductible amount) and the LGAMLS deductible ($3,750).

- During 2019/20 the largest claim was a development assessment claim valued at $300,000 which was denied by LGAMLS. The actual cost of this claim to CoM was $3,750 which represents the deductible paid.
- The second largest claim managed was a trip over a disused sign-post sleeve on a verge, which is an ongoing claim form 2016 and therefore not recorded in the statistics above. This claim was settled by LGAMLS on the 8/7/2020 for $120,000. The actual cost of this claim to CoM was $3,750 which represents the excess paid.
- Tree incidents and claims have decreased during 2019/20, however footpath incidents have increased.

**Mitigation Strategies**

- Incident and claim data is regularly reviewed by key stakeholders, primarily between the Risk Management and the City Property, Civil Services, Open Space Operations and Operational Support in order to resolve public liability issues as promptly as possible.
- Further collaboration with the LGAAMF assists in identifying opportunities for improved management of public spaces with a view to minimising potential harm to others.
- The Executive Leadership Teams continue to monitor insurance incidents and claims through quarterly reporting on comparative data, incident mitigation, claim trends and on-going insurance risk exposure.

An overview of the volume of claims over the last 5 years is outlined in Figure 3.
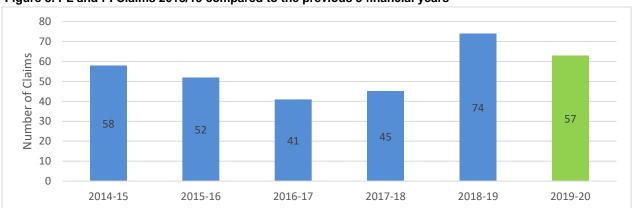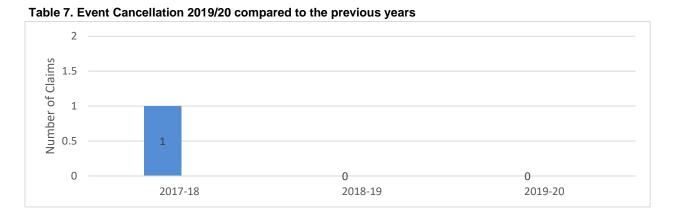
**Figure 3. PL and PI Claims 2018/19 compared to the previous 5 financial years**



**Event Cancellation**

Event Cancellation insurance continues to be purchased and utilised for large scale CoM run events such as the Twilight Symphony, Marion Celebrates and Concert at the Cove. There were no incidents reported and no event cancellation claims during the 2019/20 period.

**Table 7. Event Cancellation 2019/20 compared to the previous years**

## Corporate Risk Quarterly 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** | FAC200818R08 |

## REPORT OBJECTIVE

To seek feedback from the Finance and Audit Committee (FAC) on the review of the Corporate Risk Register in line with the Risk Management Framework. This will provide assurance to FAC in accordance with their 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

In response to feedback from the FAC, a more comprehensive quarterly review has been undertaken in a supported partnership by the Risk Coordinator, with the relevant Senior Leadership Team members. An overview of the risk review process and methodology is provided in **Attachment 1**.

This review resulted in the Corporate Risk Register identifying 102 risks, with current risk ratings as follows: 6 high, 70 medium and 26 low. The summary of quarterly review outcomes for the last 12 months illustrates recent movement in our risk exposure as provided in **Attachment 2/Table 1**.

In response to feedback from the FAC there is a need to provide higher level management of those risks currently assessed as outside of the City of Marion adopted risk appetite (any current risk assessed as High or Extreme). Therefore each identified high/extreme risk will have 'Risk Plan on Page' developed. An example is included in **Attachment 3.**

## RECOMMENDATION

**That the Finance and Audit Committee:**

1. **Provides feedback on the risks process and methodology undertaken.**
2. **Provides feedback on the new risks, consolidation of risk and risk movement.**
3. **Provides feedback on the future management and reporting of high risk.**

## BACKGROUND

The Corporate Risk Register is reviewed and reported on a quarterly basis, with the Risk Unit offering support to risk owners (SLT members) and control owners (generally Unit Managers). This quarterly review process is well entrenched in the risk reporting schedule.

The Corporate Risk Register was last reported for Quarter 3 (January to March) 2020 and feedback from the FAC recommended that a comprehensive desktop review of the Corporate Risk Register be undertaken to provide:

- A clearer description of the identified risk.
- A consistent, appropriate and supported transition from Inherent, Current and Forecast risk ratings.
- Confirmation that the documented control framework is current.
- Current treatment plans with a deadline management system in place.

## RISK REVIEW PROCESS AND METHODOLOGY

In response to feedback from the FAC, a more intensive review has been undertaken with the relevant SLT members. The review has been undertaken as a desk-top exercise through one on one meetings between the Risk Unit (Risk Coordinator) and the SLT Risk Owner, and where appropriate the relevant Unit Manager. Further detail of the risk review process and methodology is provided in **Attachment 1**.

## REVIEW OUTCOMES

As at the end of Quarter 3, January to March 2020, the Corporate Risk Register contained 109 risk records comprising current risk ratings of ***10 High, 78 Medium and 21 Low***. The outcome of the comprehensive desktop undertaken has resulted in the profile of risk being revised, with a total of 102 risks identified in the Corporate Risk Register with current risk ratings of ***6 High, 70 Medium and 26 Low***

An overview of the Risk movement resulting from the risk review is provided in **Attachment 2**.

## MANAGEMENT OF HIGH RISK

The FAC have identified the need to provide higher level management of those risks currently assessed as outside the City of Marion adopted risk appetite (any current risk assessed as High or Extreme). To provide the RWG with greater details on the context of High or Extreme risks and the treatments currently being undertaken, a Risk Plan on a Page (**Attachment 3**) is proposed for the RWG's review and approval.

Moving forward, it is proposed that the template be applied to all currently rated Extreme or High risks. Further it is proposed that risk owners present directly to the RWG to provide a first-hand account of the risk and actions being taken. Presentations can be scheduled for two per RWG meeting.

## ENVIRONMENTAL SCANNING

Every quarter, the organisation undertakes an environmental scan using the PESTLER model, focussing on the micro and macro environment. The latest environmental scan suggests areas for continued observation to be:

- Downturn in economic indicators from COVID-19 related restriction measures present the potential for an increase in the rate of financial distress and inability to pay rates.
- The effects of COVID-19 causing mental distress amongst the community, which may lead to an increase in demand on our facilities and services (which may be an opportunity). It may also lead to an increase in aggressive customer interaction and antisocial behaviour in the community.
- COVID-19 has seen a decline in volunteer availability, in part because of our facility close downs, but now also because many of our volunteers are in the 'at risk' population group (specifically elderly) and are now reportedly reluctant to return to volunteer duties.
- Increasing rate of Cyber-attack being experienced across all levels of government and within the private sector. ITT continue to be vigilant with required mitigation strategies and communication to employees on matters to heighten awareness.
- Increase in the motivation elements of Fraud & Corruption being both pressure from the situational context and potential opportunity from workarounds enacted quickly to enable our people to work remotely.
- Changes being implemented within the Planning and Development areas with the introduction of new legislation.
- Significant proposed amendments to the Local Government Act 1999 to increase accountability for Elected Members and to streamline processes.

## CONCLUSION

The quarterly risk review process, culminating in an updated Corporate Risk Register, provides assurance to the organisation and its stakeholders of an integrated approach to identifying and managing risks. Opportunities for improvement identified during the current review will, when implemented, streamline future reviews and improve reporting of progress updates on further actions.

## Attachment

| # | Attachment | Type |
|---|---|---|
| 1 | Attachment 1 - Review Process and Methodology as at Q4 2020 | PDF File |
| 2 | Attachment 2 - Risk Movement as at Q4 2020 | PDF File |
| 3 | Attachment 3 - Risk Plan on a Page | PDF File |

**Risk Review Process & Methodology - Quarter 4 2020 Review**

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 identify, analyse, evaluate, treat and monitor risk.

**Risk Review Process**

Risk owners were asked to consider each risk against the strategic and operational deliverables and to ensure an alignment between the two. They were also asked to review the control framework to ensure that the nominated controls were current and mitigated the risks. Initiatives that do not constitute a control have been marked for removal from the register or have been transferred to the further treatment section.

From a process perspective the main areas of focus were:
- A review of each risk for currency and relevance
- An analysis of each risk description to ensure it adequately describes the uncertainty in achieving strategic and operational objectives
- A review of current controls having regard to the identified causes and consequences
- A consideration of the impact of the controls on the identified causes and consequences and of contingency plans should the risk materialise
- A review of further actions and deadline management for their completion
- Consideration of the accuracy of assessed Inherent, Current and Forecast risk ratings in line with revisions made

Leaders were asked to consider the risk description in consideration of the uncertainty to their objectives and then rate the Inherent, Current and Forecast risk with a specific focus on the impact of controls and treatments on the consequence ratings.

Where it was determined that the current risk required further action, Leaders confirmed the proposed treatments, reviewed the delivery time frames and assigned a responsible officer.

This process has produced clearer risk descriptions and a greater alignment of controls to cause/consequence profiles. Managers' report that they have a greater comprehension of the risk they are accountable for and have more confidence that the controls in place are addressing the uncertainty facing their respective services.

**Risk Register Revision Methodology**

The Corporate Risk Register has been updated with minor and non-material changes. These comprise of 'common amendments' as outlined below. This will continue as an iterative process at each review in line with the principles of the Risk Management standards.

**Common amendments**
- **Risk Description**
  Risk is described as "the effect of uncertainty on objectives". A number of risk records have been amended so that they more clearly describe the uncertainty that may impact on our objectives. The focus has been on identifying and describing the uncertainty which may impact our operations rather than a generic description of "There is a risk of failure to deliver…. ".  This aspect requires ongoing review

- **Controls**

  A control is described as "a measure that maintains and/or modifies a risk" and can include any process, policy, device, practice, or other conditions and/or actions which maintain and/or modify risk. From an organisational perspective where resources are committed to implement the control it is important that we can measure the cost and effectiveness of the initiative. A number of records have been amended to remove reference to initiatives where it was unclear that a formalised and measurable program, process or policy was being applied. Similarly, a number of Controls have been transferred to the treatment column as they are initiatives that are still in planning or implementation.

- **Treatments**

  A treatment can be described as "a specific initiative to maintain or modify risk through the development and establishment of a new control or a project to specifically treat an aspect of the risk". Treatments should be framed as 'SMART' goals, assigned to a specific officer and time constrained. Treatments have been reviewed to seek to include initiatives that are specific, measurable, actionable (in the time frame proposed), reportable and time constrained. Where treatments were prefixed by actions such as "review" or "consider", SLT members were asked to revise the initiative to reflect the action that will be taken to modify or maintain the risk.

Significant or material changes or revisions are recorded in blue font within the register. An outline of these changes is provided in **Attachment 2**.

ATTACHMENT 2

## Risk Outcomes - Quarter 4 2020 Review

The quarterly movement of risks identified in the Corporate Risk Register is outlined in Table 1 with the high risks being highlighted in red.

**Table 1: Quarterly Movement of Corporate Risks**

| Period: | Qtr 1: Jul to Sept 2019 | | | Qtr 2: Oct to Dec 2019 | | | Qtr 3: Jan to Mar 2020 | | | Qtr 4: Apr to Jun 2020 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ¹Corporate Risk | I | C | T | I | C | T | I | C | F | I | C | T | | Overall Impact* |
| Extreme | 20 | 0 | 0 | 20 | 0 | 0 | 20 | 0 | 0 | 26 | 0 | 0 | | ←→ |
| High | 71 | **8** | 0 | 71 | **8** | 0 | 71 | **10** | 0 | 62 | **6** | 0 | | ↓ |
| Medium | 18 | 81 | 67 | 18 | 79 | 65 | 18 | 78 | 70 | 14 | 70 | 58 | | ↓ |
| Low | 0 | 20 | 42 | 0 | 22 | 44 | 0 | 21 | 39 | 0 | 26 | 44 | | ↑ |
| Total | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 102 | 102 | 102 | | |
| | | | | | | | | | | | | | | |
| Current High Risk % | | 7% | | | 7% | | | 9% | | | 6% | | | |

¹**Key: I = Inherent, C = Current, T = Target**          *Overall impact from Inherent Risk Rating to Target Risk Rating*

## New Risks Identified

Risk Owners have proposed four new risk records either to bridge an identified gap or as part of a rationalisation of records. Risk records proposed for addition to the Corporate Risk Register are:

| Risk Ref | Work Area | Risk Description | Inherent Rating | Current Rating | Rationale |
|---|---|---|---|---|---|
| OSR05 | City Activation / Open Space | Non-compliant, inappropriate and/or ineffective systems and processes for the planning and delivery of open space and recreation capital projects | High | Low | Risk record to rationalize OSR01, OSR02 and OSR03 |
| LPR04 | City Property / Leasing | Breach of tenure agreement arising out of the ineffective management of third-party use (leasing, Licensing, hiring) of council land or property assets | High | Low | New risk record to address tenancy risk |
| MCC02 | City Property / Marion Cultural Centre | Failure to appropriately manage high risk activities by staff (such as working from heights/platforms, work with hoists and gantry systems, low visibility work environment, electrical systems etc) | Extreme | Medium | New risk to manage high risk activities at MCC by staff |
| MCC03 | City Property / Marion Cultural Centre | Failure to appropriately manage high risk activities by contractors (such as provision of technicians, plant servicing and maintenance, stage and set construction) by contractors | Extreme | Medium | New risk to manage high risk activities at MCC by contractors |

## Proposed deletion of risk records

Risk Owners have proposed to remove eleven risk records due to obsolescence or rationalization of records:

| Risk Ref | Risk Description | Rationale |
|---|---|---|
| ASY01 | Lack of strategic positioning for the future management of assets | proposed for deletion as risk controls in ASY02 are cover this uncertainty |
| FIN03 | Non-compliant, inappropriate and/or ineffective systems and processes for financial services across the CoM community | Proposed deletion of FIN03 as FIN04 covers cause/consequence and control framework addresses uncertainty |
| OSR01 | Failure to deliver planned strategic objectives in addition to new high-level projects | new risk OSR05 to replace OSR01, OSR02, OSR03. This aligns risk records to City Activation projects and focusses on Project planning and development (OSR05) and Project construction (OSR04) |
| OSR02 | Failure to maximise collaboration opportunities for CoM | |
| OSR03 | Non-compliant, inappropriate, ineffective and/or substandard delivery of Open Space Planning initiatives | |
| CAC06 | Inappropriate and/or ineffective systems and processes for the development of city activation for the CoM community | Record proposed for deletion as it is substantially captured in the risk and controls identified in CAC03 |
| INN02 | Lack of measurable and demonstrable outcomes from the service review program | Record proposed for deletion as Service Reviews have been suspended until after the Digital Transformation project has been implemented |
| COM03 | Inability to identify, respond and manage key emerging external risks and issues | Risk Records COMM02 and COM04 cover this record |
| OSU03 | Failure to appropriately manage relationships with internal/external stakeholders | management of stakeholder relationships is a core component of operations and there is no overt risk impacting on service delivery which is not already managed through existing policies and procedures. Record not required as a discrete risk record |

| OSP06 | Lost opportunity or inability to create, renew, manage and maintain Open Space assets (Reserves, Play Spaces & Streetscapes etc) | Implementation of the 10yr open space plan removes the uncertainty around the delivery of open space facility projects. The plan also allows appropriate programming and maintenance planning |
| --- | --- | --- |
| LIB05 | Non compliant, inappropriate and/or ineffective customer service processes deliver a sub-standard customer experience | Record proposed for deletion as risk (including corporate controls) is being incorporated into LIB01 |

## Risk records scheduled for further review

The desktop review has identified several risks where it is recommended that a more comprehensive review be undertaken. This has arisen where a risk owner seeks more detailed input from their teams and other stakeholders to better inform the risk assessment and proposed management strategy. The specific risk records scheduled for further review include:

| Risk Ref | Risk Description | Rationale |
| --- | --- | --- |
| GOV12 | The records management system/process is inadequate to support the business | Mgr CG has identified that that there are two distinct risks in this space and has directed further engagement with the TL Records management to better detail the risk and management strategy |
| INN01 | Failure to innovate to meet the changing needs of the City of Marion residents/demographics | This service represents a new addition to the Mgr CE portfolio. Accordingly the Mgr CE seeks input from the key staff and stakeholders before updating this risk record. |
| DSE09 | Adverse public health incident arising out of a failure to deliver effective and timely Health & Safety services for the Community | Time constraints have not permitted a comprehensive review of these risks ( being 4 of the 12 risks aligned to this service) . Time has been scheduled with the Mgr DRS to undertake a review prior to the end of the current quarter |
| DSE10 | Lack of integrity in data, systems and support processes to enable accurate record keeping and enforcement | |
| DSE11 | Failure to meet the legislative requirements of the Dog And Cat Management Act | |
| DSE12 | Failure to provide legislated building services due to increased workloads ie: influx of private sector referrals due changes in industry's Professional Indemnity cover | |
| STR01 | Failure to deliver key strategic outcomes, manage emerging issues and pursue new opportunities | Mgr CG seeks further stakeholder engagement before updating these risks |
| STR02 | Failure of operational business planning (ABP&B & Work Area Plans) leading to gaps in service provision | |
| STR03 | Absent, out dated and/or ineffective public policies, procedures & processes to support delivery of key strategic outcomes | |

Further, given the significant changes proposed with the Digital Transformation program it is recommended that a more comprehensive review of ICT risk be undertaken.

## Current High Risks

Council's Risk Appetite, as outlined in the Risk Management Framework, is "*The City of Marion is committed to the achievement of its strategic objectives and 'improving our residents' quality of life; continuously, smartly and efficiently'. It acknowledges that it must take and accept risk to gain benefit. In so doing, it also accepts that failures and setbacks may occur. The Council therefore has a risk appetite, which is HIGH for pursuing opportunities to become more innovative in the delivery of our services and creating partnerships, which benefit our community through increased active participation in our services and facilities. The City of Marion expects that its people conduct themselves with integrity, respectfully strive for achievement and aim for continuous delivery of services. It has a MEDIUM risk appetite for activities that may impact on our role as a significant contributor within the community and a LOW risk appetite for legislative non-compliance or practices and behaviours that could reasonably be expected to harm the organisation, its people or the environment.*"

Although the Risk Appetite outlines varying tolerance levels for specific risk criteria, the reporting structure outlined in the Risk Management Framework requires that risks with a current risk rating of extreme or high are to be reported to the Risk Working Group and therefore, to Council via its Finance and Audit Committee.

The current profile of risks identified through the Corporate Risk Register is outlined in Table 2 with the high risks being circled in red. There is also an alternative profile provided in Table 2.1 for discussion with the FAC for preferred table moving forward.

**Table 2. Profile of Corporate Risks as at end July 2020**



Corporate Risk Record Profile

| | Target | Current | Inherent |
|---|---|---|---|
| Severe | 0 | 0 | 26 |
| High | 0 | 6 | 62 |
| Medium | 58 | 70 | 14 |
| Low | 44 | 26 | 0 |

**Table 2.1  Alternate Profile of Corporate Risks as at end July 2020**

| | Insignificant | Minor | Moderate | Major | Severe |
|---|---|---|---|---|---|
| Almost Certain | 0 | 0 | 0 | 0 | 0 |
| Likely | 0 | 1 | 2 | 0 | 0 |
| Possible | 0 | 2 | 10 | 3 | 1 |
| Unlikely | 0 | 13 | 23 | 13 | 0 |
| Rare | 0 | 0 | 13 | 6 | 15 |

The last Corporate Risk Quarterly Report, for the period January to March 2020, identified 10 risks that had a current risk rating of High. An outcome of the current Corporate Risk Register review is to propose that the number of High risks be reduced to 6. The risks identified as high last quarter and this quarter is provided in Table 3 which outlines the movement of rating up or down.

ATTACHMENT 2

**Table 3. Evaluation of High Risks in Quarter 4**

| Risk Ref | Risk Description | Inherent Risk Rating | Current Risk Rating | Mvmnt this Qtr | Ongoing treatments |
|---|---|---|---|---|---|
| LPR02 | Harm, injury, damage or near miss incident arising out of a failure of CoM contractors to comply with contract conditions and CoM HSE requirements | High | High | ⬆️ | 1. City Property staff to undertake Procurement & Contractor Management training<br>2. Establish a contractor management process for Property Maintenance |
| ITT02 | Poor data quality and information governance not supporting informed decision making | Extreme | High | ↔️ | 1. Implementation of the ICT Service Review recommendations<br>2. Embed the Data Governance Framework across the organisation<br>3. Seek endorsement of Data Governance/Database Administrator to implement and oversee the Data Governance Framework<br>4. DTP project - data warehouse project |
| ESU03 | Failure to understand, plan and act to respond to the projected impacts of climate change. | Extreme | 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.<br>2. Develop & implement a Climate Risk Governance program<br>3. Implement findings of Coastal Climate Adaption Plan<br>4. Undertake a skills/capability audit & document training gaps in the TNA<br>5. Implementation of CoM Climate Risk & Governance 2019 Assessment gap analysis recommendations<br>6. Development of a Carbon Neutral Plan to achieve carbon neutrality by 2030 for Council operations (includes development of ESD Guidelines for Council Buildings)<br>7. integration of environmental impacts and climate change into AMPs. |
| 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. | High | High | ↔️ | 1. Implementation of LG reforms including introduction and application of revised behavioural standards code<br>2. Undertake a Council effectiveness survey (Dec 2020) |
| 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 | High | High | ↔️ | 1. .Distribute reviewed Corporate Emergency Management Risk Assessment<br>2. Finalise LGA Council Ready Action Plan<br>3. Implementation of Ex Rumble's recommendations<br>4. Implementation of Ex Unite's recommendations<br>5. Implementation of Ex Swelter's recommendations<br>6. Implementation of IMT response to COVID19 for staff /EMs and community eg: remote working/communications updates & strategies/community engagement/reduced services<br>7. Implementation of Commonwealth & State directives re 'Stop the Spread' etc |
| ITT04 | Failure to deliver key corporate initatives/projects as identified by the business | High | High | ↔️ | 1. Implement Digital Transformation program management framework<br>2. Align DT program with CoM change agenda<br>3. Recruit 2 x Project Managers to DT program<br>4. Finalise stabilisation of current operating environment for BAU activities |
| GOV06 | Failure of COMs officers to discharge Due Diligence obligations under the WHS Act | Extreme | Medium | ⬇️ | Current control framework assessed as effective. No additional resources to further mitigate this risk beyond the implement of existing controls I proposed at this stage |
| DSE09 | Failure to deliver Health & Safety services for the Community (eg: re Food Act, Public Health Act, animals, fire prevention, parking, Local | High | Medium | ⬇️ | 1. Risk profile was raised in response to the increased demand on CoM teams to respond to undertake and assist with COVID 19 response. Demand for additional resource has abated allowing CoM teams to resume more BAU operations<br>2. Risk restored to pre COVID assessment |

ATTACHMENT 2

| | Nuisance and Litter Control, Local Government Act, Council By-Laws) | | | | Ongoing treatments inlc:<br>1. Implement IMT actions regarding increased EHO inspections<br>2. Clarify LG exemptions to the Public Health Act re: legislated requirements to inspect/assess businesses/premises<br>3. Liaise with People & Culture team to ensure adequate resourcing for increased volume of workload/inspections |
|---|---|---|---|---|---|
| ASY02 | Failure to strategically manage assets and associated funding, to effectively inform future planning, acquisition, renewal , maintenance, management and disposal | Extreme | Medium | ⬇ | 1. Update Asset Management Plans (x 8) - will incorporate reference to Climate Change Adaptation & SMART Cities<br>2. Review asset condition inspection regime and implement action plan (refer to AM Plans - Improvement plans<br>3. Finalise 'single point of truth' for all asset data<br>4. Finalise review and setting of asset service levels<br>5. Finalise and adopt the City Property Strategic Asset Management Plan<br>6. Undertake activity level process mapping.<br>7. Develop & implement ICT Asset Management Information System (AMIS)<br>8. Implement Asset Mgt Improvement Program (AMIP 3.0)<br>9. Develop a Key Performance Indicator (KPI) program |
| PCU05 | Ineffective strategic work force planning | High | Medium | ⬇ | 1. Further implementation of Workforce Planning Framework<br>2. Research , report and action best practice models for workplace planning<br>3. Change management framework<br>4. Pilot Workforce Planning Process (WFP) with ITT<br>5. Workforce plan<br>6. Implement IMT actions for strategic management of CoM workforce following immediate closure of key worksites as a consequence of legislated COVID-19 restrictions |
| CON03 | Failure to manage contractors appropriately to ensure that contractual obligations are met | High | Low | ⬇ | 1. Contract Management Internal Audit recommendations<br>2. WHS KPI Action Plan 2020<br><br>Financial/HSE/Bus Cont/Org criteria controls considered adequate to mitigate to a low level<br>Note other work areas report a higher degree of risk with activities involving contractors and contract management |

## Monitoring of Treatment initiatives.

Risk Owners remain responsible for ensuring the timely delivery of further actions identified to mitigate and manage risk. Progress is being monitored and reported as part of the quarterly review process

To assist Risk Owners the Risk Unit proposes to prepare and issue monthly reports highlighting any overdue treatments and treatments falling due in the current quarter.

## Adding Value and Realising Opportunity

Observations from the Risk Coordinator and feedback from the Risk Owners has identified opportunities for further improvement and adding of value, these are outlined in Table 1 and will be implemented as bespoke initiatives in the Risk Strategic Plan 2020-23.

**Table 1. Observations and Opportunities for Improvement**

| Framework component | Observation | Proposed Action |
|---|---|---|
| Risk Criteria and consequence tables | The application of the consequence table is not well understood, and the risk criteria being applied to the register is unclear and inconsistently applied | 1. Produce a guide for Risk Owners to follow in completing a risk assessment.<br>2. Formulate and implement a process to clearly identify the risk criteria used to record risk ratings on the CRR<br>3. Provide a formalised training program for both Risk Owners and all employees. |
| Control impact on Consequence | The cumulative impact of controls is not being applied to our assessment of consequences. This is most prevalent with risks where the inherent rating is premised on the HSE consequence category and the | 1. Formulate a common approach to the assessment of controls on consequence based on the most probable consequences having regard to the control framework. |

ATTACHMENT 2

| | | | |
|---|---|---|---|
| | most probable consequence is assessed as death or critical injury. This consequence does not change despite controls which serve to mitigate the consequences to the organisation. | 2. | Consider the range of corporate controls which mitigate adverse corporate consequence (such as Insurance) |
| Corporate v Operational controls | Inconsistency in the level of controls and treatments that are being recorded in the CRR with some controls being operationally focused. Further there are controls which, whilst potentially maintaining or modifying a risk are not implemented in a formal or consistent manner or which, as recorded, do not drive an action which will modify or maintain a risk rating. | 1. 2. | Adopt protocols on the type and nature of risk records to be entered into the CRR Adopt and apply a formal process for the addition and/or removal of risk from the CRR |
| Control Owner | uncertainty around who the control owner is. In some instances the control owner is listed as the officer delegated with responsibility to ensure that the control framework is in place ( HSE framework, policy and procedures – WHS coordinator for example) in other the control owner is recorded as the officer directly responsible for ensuring that the control is being implemented in their respective work area. | 1. | Adopt a formal position on the Control Owner (for example Risk Framework is the responsibility of the UM Risk however each SLT member is responsible to ensure the framework is applied to there are of operation) |
| Operational Risks | There is an expectation that Work Areas are compiling and managing their respective operational risks but there is no consistent framework or tool kit for Work Areas to undertake this process. | 1. | Develop and make available risk Management tools, including operational risk registers for individual work areas to allow the identification, recording and management of operational risk and to inform the corporate risk register |
| Review and Update process | It is unclear what process is undertaken to review and update risk records on a quarterly basis, including how Risk Owners are obtaining progress reports from Treatment owners or how this progress is being recorded and reported | 1. 2. 3. | Provide a guide to SLT members to follow when updating a risk register Apply a process for the review process including record of the officer undertaking the review and the changes made Provide SLT members with a monthly report on current and due treatment initiatives to inform the quarterly review process |
| Due Date Management | The CRR does not clearly provide the RWG and Finance and Audit an indication of the status of progress of risk treatment initiatives other than | 1. | Include a further column in the CRR to provide a high-level progress status indicator for each initiative |

## HIGH Risk - Management Plan

| RISK ID | **ESU03** | | |
|---|---|---|---|
| DATE LAST REVIEWED | 23/06/2020 | | |
| ELT | City Services | | |
| SLT | Engineering, Asset & Environment | | |

| E | H | M |
|---|---|---|
| INHERENT | **CURRENT** | FORECAST |

### Risk Description

Failure to understand, plan and act to respond to the projected impacts of climate change.

### Risk Statement

There is a risk that extreme weather events, coastal inundation and protracted and enduring changes in weather patterns caused by climate change/global warming will result in an increase in operating costs due to asset damage and accelerated deterioration, damage to Council natural and built environments and an increasing disconnect between Councils capacity to deliver facilities and services and the community's expectations

| Link to Strategic Plan | Valuing Nature, Liveable |
|---|---|
| Link to Business Plan | Series of supporting processes and guidelines (i.e ESD guidelines for new building and refurbishments) guide project/initiatives such as the development of the Asset Management Plans |

### Context/Background and Environmental considerations

Climate change is already affecting aspects of CoM operations including how we undertake business and activities and how we design, build and refurbish facilities and infrastructure. It is recognised that unless we ensure we have a sound understanding of the projections and impacts of climate change and incorporate this knowledge into the design and management of infrastructure and the mode of delivery of services we risk exposing the community to increased operating costs and a decrease in the utility of infrastructure and service.

| Stakeholders | Consultation |
|---|---|
| Community, Elected Members, State and Federal Governments, Risk Unit/ Governance, City Activation, City Development, SME's and Local Business, Resilient South, Regional Climate Partnership, Consultants | Consultation through the Climate Risk Governance assessment (internal survey/SLT Interview/ focus/group interview), Common Thread engagement initiatives, Local Members, Resilient South Regional Climate Partnership collaborations, Community of Practice (through RCP) |

### Risk source - Causes/Drivers

Lack of climate change awareness / understanding, Lack of recognition for climate risk mapping in urban planning (PDI Act), Poor decision making ( eg failure to incorporate ESD guidelines), Inadequate communication, Poor inter-departmental working

| Current Controls in place to manage Risk | Implementation Date | Review Date | Responsible officer |
|---|---|---|---|
| 1. CoM Climate Change Policy | 2016 | 2020 | UM ES |
| 2. Resilient South Regional Climate Change Adaptation Plan | 2015-2019 | 2020 | UM ES |
| 3. Resilient South Local Government Regional Implementation Plan | 2015-2019 | 2020 | UM ES |
| changes | 2019 | 2023 | UM ES |
| 5. Energy Efficiency and Renewabe Energy Plan | 2018 | 2022 | UM ES |
| 6. Program and schedule of External Education via events, networking, workshops etc. | 2020-2021 | Annual | UM ES |
| 7. EM and Staff induction and education program (as outlined in the TNA) | 2020-2021 | Annual | UM ES |
| 8. Insurance | 2020-2021 | Annual | UM Risk |
| | | | |
| | | | |

| Treatments required to further mitigate Risk | Current Status | Due Date | Responsible Officer |
|---|---|---|---|
| 1. Update review of climate change projections/observations and use of pathway approaches in adaption planning as part of the Resilient South Regional Implementation Plan review | On schedule | 30/06/2021 | UM ES |
| 2. Develop and implement a Climate Risk Governance program | On schedule | 30/12/2021 | UM ES |
| 3. Implement findings of Coastal Climate Adaption Plan | Behind schedule | 30/06/2024 | UM ES |
| appropriate training program which build organiational skills/capacity in responding to climate change impacts | Not commenced | 30/06/2020 | UM ES |
| 5. Development of a Carbon Neutral Plan to achieve carbon neutrality by 2030 for Council operations (includes development of ESD Guidelines for Council Buildings) | On schedule | 31/12/2020 | UM ES |
| 6. Integration of environmental impacts and climate change into AMPs | On schedule | 31/12/2020 | UM ES |
| | | | |
| | | | |
| | | | |
| | | | |

## Risk Management Strategic Plan

| | |
|---|---|
| **Originating Officer** | Unit Manager Risk - Sherie Walczak |
| **Corporate Manager** | Manager Corporate Governance - Kate McKenzie |
| **General Manager** | General Manager City Services - Tony Lines |
| **Report Reference** | FAC200818R09 |

### REPORT OBJECTIVE

The purpose of this report is to seek feedback and endorsement for the proposed 'Risk Management Strategic Plan 2020-23' from the Finance and Audit Committee (FAC).

### EXECUTIVE SUMMARY

In June 2019, a series of Risk Management Maturity Assessment workshops were undertaken with the Senior Leadership Team (SLT) to identify current and desired states of risk management design and implementation effectiveness. Assessment was made against the criterion of Strategy, Governance, Process, Culture & Capability and Tools & Technology. The workshops resulted in SLT assessing the organisation's risk management at a Beginner/Basic/Normative state of design and implementation effectiveness and the desired state to be at an Advanced/Leading. These results were provided to the FAC in August last year as part of the joint workshop with Council. To address the gap between the current and desired state of risk management, a proposed Risk Management Strategic Plan has been drafted, which outlines success measures aimed to increased maturity against the assessed criterion.

### DISCUSSION

The proposed Risk Management Strategic Plan 2020-23 (**Attachment 1**), is the outcome of collaborative review and feedback through the Risk Management Maturity Assessment, and through feedback from the Risk Working Group (RWG) and FAC. It is based on the five criterion of the Risk Management Maturity Framework modelling tool utilised in the Maturity Assessment, with the feedback being used to inform the proposed actions.

### NEXT STEPS

A series of implementation initiatives and sessions will be held with key stakeholders across the organisation to plan and implement the activities required to achieve the Plan's priorities and programmed actions. The Plan will then be monitored and reported through set KPI's and the RWG.

### RECOMMENDATION

**That the Finance and Audit Committee:**

1. **Provides feedback on the draft Risk Management Strategic Plan 2020-23.**

### Attachment

| # | Attachment | Type |
|---|---|---|
| 1 | Risk Management Strategic Plan 2020-23 Report | PDF File |

# Risk Management Strategic Plan 2020-23

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

**CoM Community Vision:**   A community that is Liveable, Valuing Nature, Engaged, Prosperous, Innovative and Connected

**CoM 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

**CoM Risk Management Vision:**   To integrate Risk Management into the culture and strategic decision-making process to enable the achievement of strategic objectives, maximise the realisation of opportunities and improve the City of Marion's overall performance.

**Context:**   The demand for Council services and facilities continues to grow. Effective risk management is an integral component of informed decision-making to ensure the continued delivery of services and organisational resilience during major change and transformation. This Risk Management Strategic Plan supports the achievement of our key priorities and service delivery to the community.

**CoM Risk Management Goal:**   To identify and evaluate potential uncertainty impacting on the City of Marion and to develop effective ways to eliminate, reduce and/or manage both potential adverse outcomes and maximise opportunities.

**Our Risk Management Opportunity:**   The Risk Team aspires to engage its customers through a professional business partner approach, delivering high quality services with innovative and effective systems and tools to appropriately balance risk and opportunity.

**CoM Risk Maturity Criteria:**   Strategy, Governance, Process, Culture & Capability and Tools & Technology.  (Criteria that the risk management maturity is assessing against).

# Risk Management Strategic Plan 2020-23

## Strategy

| 1. | Commitment | Success Measures | Who | 2020-21 | 2021-22 | 2022-23 |
|----|-----------|-----------------|-----|---------|---------|---------|
| 1.1 | Focus on optimising opportunities | Develop an Opportunities Matrix in alignment with the Risk Matrix | UM Risk | x | - | - |
| 1.2 | Align risks to CoM's community vision | To review the risk register to ensure all risks are aligned to a community vision | Risk Co | x | - | - |
| 1.3 | Integrate RM into strategic planning | Development of a methodology for integrating Risk Management into Strategic Planning | Mgr CG | - | x | - |

## Governance

| 2. | Commitment | Success Measures | Who | 2020-21 | 2021-22 | 2022-23 |
|----|-----------|-----------------|-----|---------|---------|---------|
| 2.1 | Strive for best practice RM | 100% compliance with LG sector RM baselines in the biennial LGAMLS risk evaluation | UM Risk | 100% | - | 100% |
| 2.2 | Enable ELT oversight & accountability | Hold four Risk Working Group meetings annually with ELT and key SLT in attendance | UM Risk | 100% | 100% | 100% |
| 2.3 | Be accountable for out of tolerance risks | Develop an Unacceptable Risk Plan on a Page, 2 per RWG meeting to be presented by the Risk Owner | Risk Co | 2/mtg | 2/mtg | 2/mtg |

## Process

| 3. | Commitment | Success Measures | Who | 2020-21 | 2021-22 | 2022-23 |
|----|-----------|-----------------|-----|---------|---------|---------|
| 3.1 | RM processes are acknowledged as important, are standardised and consistently applied across the organisation | Every SLT receives a quarterly partnered review of their corporate risk portfolio to proactively / systematically identify, assess, control, monitor & review their risks | Risk Co | 100% | 100% | 100% |
| | | Relaunch RM Policy & Framework and tools in a 'business led' manner | UM Risk | x | - | - |
| | | Develop and implement a formal process for Risk Owners, SLT & ELT to add/remove risks and update, review and approve the Corporate Risk Register (CRR) | Risk Co | x | - | - |
| | | Review the management of corporate, operational, grant application and project risks for RM consistency and adopt protocols on the type and nature of risk records to be entered into the CRR, CAMMS or other record management | Risk Co | - | x | - |
| | | Develop and make available risk management tools, including operational risk registers for individual work areas to utilise to inform the CRR | Risk Co | - | x | - |
| | | Develop and implement a process to clearly identify the risk criteria used to record ratings | Risk Co | - | x | - |
| 3.2 | Risk Controls are tested in line with the RM program | Undertake the Assurance Map Internal Audit by KPMG | Mgr CG | x | - | - |
| | | Develop a control register to improve identified controls and mitigate risk ratings to as low as reasonably practicable | Risk Co | x | - | - |
| | | Identify the range of corporate controls which mitigate adverse corporate consequences (such as insurance) | Risk Co | x | - | - |
| | | Develop a common approach to the assessment of controls on consequence based on the most probable consequences having regard to the control framework | Risk Co | - | x | - |

## Risk Management Strategic Plan 2020-23

| | | | | | |
|---|---|---|---|---|---|
| | Adopt a formal position on the operational Control Owner acknowledging that the relevant SLT is ultimately responsible for the identified controls | Risk Co | - | x | - |
| | Undertake gap analysis for untested controls and recommend controls for testing to RWG | Risk Co | - | x | |
| | Enable implementation of identified control testing required as outlined in the gap analysis | UM Risk | | | x |
| 3.3 Support accountability for timely closure of further risk mitigations identified | Include a further column in the CRR to provide a high-level progress status indicator for progress on risk treatment | Risk Co | x | | |
| | Develop and disseminate an SLT Monthly Risk Report to monitor overdue risk treatments | Risk Co | x | 100% | 100% |
| | Introduce SLT Monthly Risk Report being raised at monthly SLT meetings | Mgr CG | x | 100% | 100% |

### Culture & Capability

| 4. Commitment | Success Measures | Who | 2020-21 | 2021-22 | 2022-23 |
|---|---|---|---|---|---|
| 4.1 Risk responsibility is recognised as important and is monitored by ELT | Develop a process where the quarterly review is communicated by the relevant GM | Risk Co | x | 100% | 100% |
| | Implement a process where risk responsibilities are included in job descriptions | UM Risk | x | Leaders | All staff |
| | Implement a process where risk responsibilities are included in the PDP/LDP process | UM Risk | x | 100% | 100% |
| 4.2 To improve risk language used by CoM | Review risk definitions to reduce/simplify where appropriate | UM Risk | x | - | - |
| | Include risk definitions and terminology in leadership / fundamentals training & Risk Bites | Risk Co | x | - | - |
| 4.3 Empower our people to understand their RM responsibilities through capacity building | Develop and implement RM leadership training monitored for 100% completion | Risk Co | x | 75% | 100% |
| | Develop and implement RM fundamentals training monitored for 100% completion | Risk Co | x | 75% | 100% |
| | Develop and introduce a program of quarterly 'Risk Bites' to further enhance capability | UM Risk | x | 4 | 4 |

### Tools & Technology

| 5. Commitment | Success Measures | Who | 2020-21 | 2021-22 | 2022-23 |
|---|---|---|---|---|---|
| 5.1 Enable the organisation through an advanced technological solution | Investigate the benefits of a RM software and scope appropriate specifications for risk | UM Risk | x | | |
| | Collaborate with Governance and WHS with the aim of an integrated solution | UM Risk | x | | |
| | Submit a business case to ELT outlining technological solutions available | UM Risk | x | | |
| | Implement the recommended solution approved by ELT with key stakeholders | Risk Co | | x | |
| | Further embed the recommended solution approved by ELT across the organisation | Risk Co | | | x |

## Health Safety and Environment (HSE) - Annual Performance Report 2020

| | |
|---|---|
| **Originating Officer** | Unit Manager Risk - Sherie Walczak |
| **Corporate Manager** | Manager Corporate Governance - Kate McKenzie |
| **General Manager** | General Manager City Services - Tony Lines |
| **Report Reference** | FAC200818R10 |

### REPORT OBJECTIVE

To provide the Finance and Audit Committee (FAC) with an overview of the Health, Safety and Environment (HSE) Plan and Management System performance for the 2019-20 financial year.

### EXECUTIVE SUMMARY

Historically, Work Health and Safety has been identified as an out of tolerance risk with two risks being rated as high in the Corporate Risk Register. Dedicated resources and initiatives have been prioritised, primarily through the HSE Plan 2019-23, to mitigate the risk to within the corporate risk appetite resulting in both risks now being rated as medium.

The City of Marion 'Think Safe Live Well' - HSE Management System has continued to mature over the past 12 months.  The HSE Management System aligns with the organisational values and corporate indicators with the focus on:

- Developing proactive safety **leadership**
- Embedding a **culture** with safety and the community at the forefront of everything we do
- Applying HSE **systems** to our operations with a focus on opportunities for improvement.

HSE performance is monitored through a number of programs and indicators including;

- Performance against the HSE Plan 2019-23 (**Attachment 1**)
- Key WHS Positive and Lag indicators (**Attachment 2**)

The HSE Performance Report outlines 27 (63%) success measures as conforming, 3 (7%) as neutral and 13 (30%) as non-conforming.

The key corporate indicator monitored by Council is '10% or greater reduction to our Lost Time Injury Frequency Rate (LTIFR) from the previous year'. As at the 30th June 2020, the LTIFR was 6.1 which demonstrates a 44% decrease from the 2018-19 financial year LTIFR of 11.0 and meets the KPI set by Council.

The LGA WHS Audit Action Plan for 2018 resulted in 91% of actions completed at the completion of the plan on 30 September 2019. To date, 49% of the actions outlined in the LGA WHS Audit Action Plan for 2019 have been completed however the plan is not due for completion until 30 September 2020.

### RECOMMENDATION

**That the Finance and Audit Committee:**

1. **Notes the report and statistical data attached.**

2. **Reviews and provides feedback on the WHS Performance noting initiatives outlined for improving and embedding WHS outcomes.**

## GENERAL ANALYSIS

### Health Safety and Environment Plan 2019-23

Continual improvement has progressed building the HSE Management System, with key initiatives planned through the HSE Plan 2019-23. Performance achieved in 2019-20 against the HSE Plan 2019-23 is provided in the HSE Plan Performance Report 2020 (**Attachment 1**).

The HSE Performance Report outlines the outcomes of the inaugural year of the HSE Plan which reports 27 (63%) success measures as conforming, 3 (7%) as neutral and 13 (30%) as non-conforming. The is a good outcome for the first year of the plan, particularly given the impacts of Covid-19 on some of the planned initiatives. The report was presented to Risk Working Group which resulted in the Executive Leadership Team supporting a higher focus for 2020-21.

### Positive and Lag Performance Indicators

To measure continual improvement, safety indicators are measured and monitored against our sector counterparts being Group A Councils as reported in **Attachment 2**. Performance against these targets are measured in two ways:
- positive performance indicators (PPI's); and
- lag performance indicators (LPI's)

### Positive Performance Indicators

LGA WHS Audit

The most recent Local Government Association Workers Compensation Scheme (LGAWCS) audit took place from 10 -12th September 2018 and the results are shown in *Attachment 2 Table 1*. The results demonstrate significant improvement and that conformance has been achieved in WHS Management System areas being standards 1, 2, 4 and 5. The non-conformances identified are due to the inability to demonstrate full implementation of the WHS Management System into front-line work areas across the organisation. Key non-conforming areas are hazard management, contractor management and training.

As a result of the LGA WHSMS audit, Council is required to set an annual action plan to address the outcomes of the audit. In 2018, Council was successful in closing out 91% of actions in 2019. As at 31 July 2020, 49% of actions outlined in the 2020 Action Plan have been completed as outlined in *Attachment 2 Table 2* with most actions on track to be completed by the end of the Plan (September). The successful close out of the actions outlined in the action plan, usually results in the receipt of a rebate based on the percentage of completed actions however, due to Covid-19, all Councils will be granted the full applicable rebate if they have completed at least 33% of actions.

Hazard and Near Miss Reports

The 112 Hazard and Near Miss Reports outlined in *Attachment 2 Table 4* when compared to the 114 outlined in Table 2 represents a 2% decrease in reporting over the last 12 months. This has not met the 5% increase target set out in the HSE Plan 2019-2023.

### Lag Performance Indicators

Lost Time Injury Frequency Rate

The key lag performance indicator was to reduce Lost Time Injuries (LTIs) reported in 2019-20 through the Lost Time Injury Frequency Rate (LTIFR) outlined in *Attachment 2 Table 6* by 10% from those reported in 2018-19 as outlined in *Attachment 2 Table 7.* The data extracted from internal HSE Management System (SkyTrust) outlines 4 LTIs reported this year which is a decrease from the 7 LTIs reported last year.

Analysis of the LTIs in 2019-20, outlined in **Attachment 2 Table 8**, shows two primary mechanisms of injury:
1. Two falls from the same or differing levels (slips, trips and falls)
    - Lower back injury from slipping on a wet surface
    - Knee injury from dismounting mechanical plant
2. Two manual handling injuries (muscular stress while lifting, carrying or putting down objects)
    - Elbow injury from using mechanical plant
- Back injury from using manual equipment

The Rolling LTIFR represented in blue in **Attachment 2 Figure 1**, from data extracted from the internal WHS Management System (SkyTrust), is reported at 6.1*. This represents a 44% decrease over the previous 12 months being the 2018-19 result of 11.0.

The Lost Time Injury Frequency Rate (LTIFR) represented in blue in **Attachment 2 Figure 2**, from data extracted from the Local Government Association Workers' Compensation Scheme (LGAWCS) Claim Analysis Portal, is recorded at 4.6* based on 3 LTI claims being accepted with one still awaiting determination.

The City of Marion has recorded significant reductions over the past four years recording 78.8% reduction from 28.8 LTIFR in 2015-16 to this year's LTIFR of 6.1 which demonstrates the commitment to putting the community and safety at the forefront of everything we do. The City of Marion, historically, has also recorded a higher LTIFR when compared against our industry counterparts being the Group A Councils however this is the fourth year in a row that a lower than sector average LTIFR has been recorded.

*The difference between internal and external data is due to appropriate determination deferrals and the payroll data transfer process associated with the end of financial year, which can result in delays to the LTIs being recorded in the LGAWCS data. It is expected that the outstanding claim will be accepted and the result will represent the same 6.1 that our internal data reports.*

Total Recordable Injury Frequency Rate

The rolling Total Recordable Incident Frequency Rate (TRIFR) represented in green in **Attachment 2 Figure 3**, extracted from the City of Marion's WHS Management System (SkyTrust), is reported at 15.2 which represents a 28% decrease over the previous 12 months.

Lost Time Injury Duration Rate

The Lost Time Injury Duration Rate (LTIDR) represented in blue in **Attachment 2 Figure 4**, from data extracted from the Local Government Association Workers' Compensation Scheme (LGAWCS) Claim Analysis Portal, is recorded at 17.3 which is 15% less than the 20.3 recorded at the same time last year and is also 3.5% below the industry comparison LTIDR rate of 18.0.

**Initiatives Planned for 2020-21**

A review has been undertaken of WHS Training and Verification of Competency. The planned HRIS system may support this administratively however a framework is planned for development with resourcing being considered.

Contractor management, hazardous manual task risk assessments and roof access risk assessments are planned for development, supported by an LGRS Member Funded HSE and Risk Specialist 12 month contracted resource.

A review of the Internal Audit program is planned to develop a three year program aligned to the HSE Plan which is currently undertaken by the internal team being supported by a contractor.

Broader organisational input, focus and change is being committed to the improvement of Corrective & Preventative Actions, Hazard Reporting and Incident investigation through existing resources.

## Attachment

| # | Attachment | Type |
|---|------------|------|
| 1 | Attachment 1 - HSE Plan Performance Report 2020 | PDF File |
| 2 | Attachment 2 - WHS Annual Performance Report 2020 | PDF File |

**ATTACHMENT 1 - HSE Plan Performance Report 2020**

| | Commitment | Achieved by | Success Measure | Target | 2019/20 | 2020/21 | 2021/22 | 2022/23 | Result | Result % |
|---|---|---|---|---|---|---|---|---|---|---|
| **HSE LEADERSHIP** | 1.1 Exhibit & actively promote worker & environmentally safe behaviours | Setting an example through visible leadership | Percentage of leaders review their HSE Risks in the SkyTrust Safety Risk Register each year as scheduled. | 100% of leaders | 70% | 85% | 100% | 100% | | 57% |
| | | | WHS Committee meetings will have ELT representation | 100% attendance | 100% | 100% | 100% | 100% | | 100% |
| | | | Leaders undertake their allocated Safety Observations each year. | 100% occurrence | 70% | 85% | 100% | 100% | | 42% |
| | | | General Staff, ELT and SLT meetings have safety on the agenda | 100% of meetings | 100% | 100% | 100% | 100% | | 100% |
| | | | Leadership visibility of HSE culture through new initiatives | 2 initiatives each year | 2 initiatives | 2 initiatives | 2 initiatives | 2 initiatives | | 100% |
| | | Actively promoting safety & the environment | Promotion of HSE & wellbeing through the monthly TSLW newsletters | 12 newsletters per year | 100% | 100% | 100% | 100% | | 100% |
| | | | Delivery & promotion of monthly Wellbeing themes based on annual Wellbeing Plan | 12 themes per year | 12 themes | 12 themes | 12 themes | 12 themes | | 100% |
| | | | Green @ Work initiatives | 2 initiatives / year | 2 activities | 2 activities | 2 activities | 2 activities | | 100% |
| | | Acknowledging safe & environmentally sustainable behaviours | STAR award nomination for HSE related behaviours | STAR Award introduced with 10% increase in nominations each year | HSE added to STAR Award program | HSE STAR Awards introduced | 10% increase in HSE STAR Award nominations | 10% increase in HSE STAR Award nominations | | 100% |
| | 1.2 Empower people to understand their HSE responsibilities & processes as we build capacity, ownership & achieve safe outcomes | Training all leaders in WHS | Percentage of ELT, SLT & identified UMs undertake Due Diligence training every 4 years | 100% of identified staff | 100% | 100% | 100% | 100% | | 82% |
| | | | Percentage of CoM leaders complete the WHS Leadership 1, 2 & 3 eLearning modules within the timeframe | 100% of identified staff | 100% | 100% | 100% | 100% | | 89% |
| | | Training all relevant roles in Environmental impacts | Competency based Environmental impacts training (eLearning or face-to-face) for relevant staff included in Organisational TNA | 100% of identified staff | Training developed | 100% | 100% | 100% | | 0% |
| | 1.3 Encourage those impacted by our operations to be included in discussions that may affect their health & safety or the environment | Consulting & communicating WHS matters with staff, volunteers & contractors | Percentage of WHS / ERM Policy & Procedures, introduced or revised, include consultation and communication with all affected staff | 100% of documents reviewed | 70% | 85% | 100% | 100% | | 100% |
| | | | Options, including advantages / disadvantages, of merging the ERM and WHS Committees is considered with recommendation approach approved to commence from July 2020 | Identify and implement options | Identify options and recommendation made | Action recommended option | Evaluate recommended option | Monitor recommended option | | 100% |
| | | Communicating environmental requirements with staff, volunteers & contactors | Percentage of staff, agency staff with a ≥6 month contract, contractor & volunteer inductions include environmental requirements | 100% of staff | 70% | 85% | 100% | 100% | | 100% |
| | | Gain feedback on staff sense of safety while at work | Percentage result for Safety questions within Organisational Pulse Survey results maintained | 80% | 80% | 80% | 80% | 80% | | 79.5% (Q1-3) 85 & 89 (Q4) |
| **HAZARD MANAGEMENT** | 2.1 Take pride in delivering safe outcomes for our people, community & environment | Improving reporting as part of building an overall positive HSE culture | Increase in WHS hazard & near miss incident reports year on year for the life of the plan | 5% increase per year | 10 per month | 5% increase per year | 5% increase per year | 5% increase per year | | -2% |
| | | | Increase in environmental incident reports year on year for the life of the plan | 10% increase per year | 10% increase per year | 10% increase per year | 10% increase per year | 10% increase per year | | 43% |
| | 2.2 Proactively undertake systematic identification, assessment, control, monitoring & review of hazards associated with our operations | Identifying, assessing & controlling all high priority hazards. | Percentage of plant that is risk assessed prior to entering service & reviewed at least 5 yearly | 100% | 80% | 90% | 100% | 100% | | 94% |
| | | | Percentage of chemicals that are risk assessed prior to being used & reviewed at least 5 yearly | 100% | 80% | 90% | 100% | 100% | | 100% |
| | | | Percentage of SWMS, SWPs & SOPs that are reviewed as scheduled | 100% | 80% | 90% | 100% | 100% | | 0% |
| | | | Spot audits of all relevant projects in CAMMS to ensure their predesign environmental checklist was completed | Quarterly audits undertaken | 4 audits completed | 4 audits completed | 4 audits completed | 4 audits completed | | 50% |

| | Commitment | Achieved by | Success Measure | Target | 2019/20 | 2020/21 | 2021/22 | 2022/23 | Result | Result % |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | TRIFR reduction of 10% or greater on previous year) | 10% reduction each year | 10% reduction | 10% reduction | 10% reduction | 10% reduction | | 43% |
| | 2.3 Be accountable for continual improvement of risk reduction processes | Taking action to improve our risk controls | Percentage of corrective and preventative actions that are closed out within their scheduled timeframe | 100% completed within timeframe | 70% | 80% | 90% | 100% | | 36% |
| **INCIDENT MANAGEMENT** | 3.1 Promptly report safety & environmental hazards, near misses, incidents and harm | Improving reporting as part of building an overall positive HSE culture | Percentage of all incidents that are reported in SkyTrust within 1 working day of the incident occurring | 100% | 80% | 90% | 100% | 100% | | 85% |
| | | | Comprehensive monthly & extended quarterly WHS report by the 10th day of the following month | Monthly Reports | 12 reports | 12 reports | 12 reports | 12 reports | | 100% |
| | 3.2 Reduce or eliminate contributing factors to incidents to reduce risk of reoccurrence | Undertaking incident investigations to identify contributing factors | Percentage of all medium or above risk rated incidents are investigated by the responsible person and corrective actions identified within 10 business days of the incident being reported | 100% | 80% | 90% | 100% | 100% | | 73% |
| | | | Recurring contractor incidents investigated by the contactor manager (with support from the Risk and/or Environmental Sustainability Teams) and corrective actions identified within 7 days of the incident being reported | 100% | 80% | 90% | 100% | 100% | | 100% |
| | | Improving the quality of incident investigation & reporting. | Percentage of all incidents risk rated as high or above reviewed by the Risk team | 100% | 80% | 90% | 100% | 100% | | 100% |
| | | | Percentage of all incidents with an environmental impact is reviewed by the Environment team | 100% | 100% | 100% | 100% | 100% | | 100% |
| | 3.3 Prioritise and support injured employees with treatment and provision for staying at work while they recover | Providing suitable duties to staff who are injured during work activities | LTIDR Reduction of 10% or greater on previous year | 10% annually | 10% | 10% | 10% | 10% | | 28% increase |
| | | | LTIFR Reduction equal to or greater than target set up council | Council a target | 10% | % | % | % | | 44% |
| | | | All Lost Time Injuries will have a 48 hour meeting scheduled by the people leader inviting the HR Business Partner and WHS Coordinator | 48 hr meeting scheduled for all LTIs | 100% | 100% | 100% | 100% | | 75% |
| **CONTINUAL IMPROVEMENT** | 4.1 Provide a management system that complies with the requirements of the Return to Work SA's Performance Standards for Self Insurers (RTW PSSI) | Undertaking a RTW PSSI compliance self-assessment as part of the management review reported to RWG | Increase of conformances from previous self-assessment | 10% increase each assessment | 10% | 10% | 10% | 10% | | 16% |
| | | | Increase of conformances from previous LGAWCS audit | 10% increase each audit | na | 0.1 | na | 10% | | - |
| | | Undertaking an annual ERM compliance self-assessment and report to RWG | Practical transition of ERM system elements to SkyTrust | 100% of all agreed system elements | 50% of all agreed system elements | 75% of all agreed system elements | 90% of all agreed system elements | 100% of all agreed system elements | | 80% |
| | 4.2 Be accountable for making positive differences to health, safety & environment | Undertaking a proactive schedule of audits | WHSMS audits being performed | At least 10% / year | 10% | 10% | 10% | 10% | | 11% |
| | | | ERM process and sites/activities audits conducted per year | 1 process audit & 1 site/activity audit / year | 2 Audits | 2 Audits | 2 Audits | 2 Audits | | 50% |
| | | | Contractor HSE Audits conducted per year | At least 6 / year | 6 audits | 6 audits | 6 audits | 6 audits | | 100% |
| | 4.3 We will build a culture of performance excellence | Training and educating our workforce to ensure they have the key skills to deliver our services | An organisational TNA where worker training records are checked to ensure that all training identified has been delivered | 100% of training delivered | 70% | 80% | 90% | 100% | | 50% |
| | | | Percentage of staff competency verified for operation of plant as per training needs analysis | 100% of competencies verified | 70% | 80% | 90% | 100% | | <20% |
| | | Reviewing LGA Circulars & Government Gazettes | 'Legal Requirements' is a mandatory agenda item in the WHS & ERM Committee agendas and reflected in the minutes | 100% of meeting agendas | 100% | 100% | 100% | 100% | | 100% |
| | | Maintaining HSE compliance obligations ie monitoring, licences and permits | Scheduling of legislative inspection, testing and servicing requirements using the Inspection and Audit Module in SkyTrust | 100% being tested when due | 70% | 80% | 90% | 100% | | Unable to verify |

**ATTACHMENT 2 – WHS Performance Report 2020**

The HSE Plan outlines a vision; '*We can all make a difference towards achieving zero harm, to people and the environment*'. The Plan's commitments focus on further developing our *leadership* styles, organisational *culture* and WHS *systems* through Safety Leadership, Hazard Management, Incident Management and Continual Improvement. Key positive and lag performance indicators are reported and monitored through regular reporting to Senior Leadership Team, Risk Working Group, Finance and Audit Committee and Council.

## POSITIVE PERFORMANCE INDICATORS

**LGRS Audit**
The LGAWCS conducts WHS audit to test conformance of councils' WHS Management System against the Return to Work SA Performance Standards for Self Insurers and the results are outlined in Table 1.

**Table 1. Audit outcomes**

| RTW SA Performance Standards for Self Insurers | 2015 | | | | 2018 | | |
|---|---|---|---|---|---|---|---|
| | C | O | NC | | C | O | NC |
| 1. Commitment & Policy | 0 | 0 | 1 | | 1 | 0 | 0 |
| 2. Planning | 0 | 0 | 1 | | NA | NA | NA |
| 3. Implementation | 0 | 2 | 5 | | 2 | 2 | 4 |
| 4. Measurement & Evaluation | 0 | 0 | 1 | | 1 | 0 | 0 |
| 5. Management Systems Review & Improvement | 0 | 0 | 1 | | 1 | 0 | 0 |
| **Total** | **0** | **2** | **9** | | **5** | **2** | **4** |

The LGAWCS Board, in conjunction with Return to Work SA, has formally postponed the 2020 audit program until 2021 however we have requested that an audit still be undertaken.

## Completion of actions against the LGA Action Plan
Periodically, the LGAWCS conducts an audit to test conformance of Council's WHS Management System against Return to Work SA's Performance Standards for Self Insurers. In response, Council sets an action plan which outlines the commitment to addressing non-conforming elements by October each year and the cumulative performance against this plan is outlined in Table 2.

**Table 2: LGAWCS Action Plan – 2019-20**

| Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 0% | 6% | 11% | 14% | 20% | 23% | 37% | 15% | 46% | 49% | | | **49%** |

Good progress has been made towards completion of identified actions in the LGAWCS Action Plan with 17 (49%) of the 35 identified actions completed with most actions on track to be completed by the end of the Plan (October). The successful close out of the actions outlined in the action plan, usually results in the receipt of a rebate based on the percentage of completed actions however, due to Covid-19, all Councils will be granted the full applicable rebate if they have completed at least 33% of actions.

Table 3 summarises the outcomes of the rebate process in comparison to previous years. There has been significant input and effort from many work areas across the organisation in order to achieve 91% close out of identified actions.

**Table 3: LGAWCS Premiums and Action Plan Results**

| Year | Premium | Rebate (claims history & actions results) | Special Distribution | Net Cost | Net Rate (as a % of payroll) | Action Plan Results |
|---|---|---|---|---|---|---|
| 2019-20 | $1,385,092 | $475,135 | $91,456 | $818,501 | 2.55% | 91% Actions Complete |
| 2018-19 | $1,299,250 | $406,173 | $128,373 | $764,704 | 2.28% | 98% Actions Complete |
| 2017-18 | $1,364,259 | $390,178 | $125,030 | $849,051 | 2.64% | 96% Actions Complete |

Note: The net rate is above the Return to Work SA base industry rate for local government administration of 2.192% in 2019 however this rate would not include non-administrative workers.

Report Reference: GC230719R

**Hazard and Near Miss Reports (Internal WHS SkyTrust reporting data)**
Historical statistics inform us that when there is a healthy culture of Hazard/Near Miss Reporting, there is a consequential reduction in injuries to Workers. Hazards and Near Misses reported to date for this financial year, outlined in Table 4, can be compared against those reported last financial year which are outlined in Table 5.

Note: The reduction of employees at workplaces during Covid-19 may have reduced numbers of workplace hazards reported.

**Table 4: Hazard and Near Miss Reports - Financial Year 2019-20**

| Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Total | Ave |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-----|
| 14 | 13 | 10 | 9 | 10 | 9 | 9 | 6 | 7 | 6 | 7 | 12 | **112** | **9.3** |

**Table 5: Hazard and Near Miss Reports - Financial Year 2018-19**

| Jul-18 | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Total | Ave |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-----|
| 17 | 9 | 13 | 12 | 3 | 10 | 6 | 8 | 9 | 1 | 11 | 15 | **114** | **9.5** |

**LAG PERFORMANCE INDICATORS**

**Lost Time Injuries Reported (Internal WHS SkyTrust reporting data)**
Lost Time Injuries (LTIs) are those injuries where a whole work day or more has been lost due to a workplace injury. LTIs reported to date for this financial year, outlined in Table 6, can be compared against those reported last financial year which are outlined in Table 7.

**Table 6: Number of LTI's per month - Financial Year 2019-20**

| Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Total |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | **4** |

**Table 7: Number of LTIs per month - Financial Year 2018-19**

| Jul-18 | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Total |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 3 | 1 | **7** |

**Table 8: Outline of LTIs reported - Financial Year 2019-20**

| No. | Description of Incident | Mechanism of Injury | Injury Description |
|-----|-------------------------|---------------------|--------------------|
| 1 | Slipped on wet floor of hard rubbish truck | Slip and fall on same level | Lower back strain |
| 2 | Slipped dismounting a line marking machine | Slip on same level | Right knee strain |
| 3 | Pain in elbow from mulching activities | Muscular stress while lifting, carrying or putting down objects | Left elbow tendon strain |
| 4 | Pain in lower back from screeding concrete | Muscular stress while lifting, carrying or putting down objects | Lower back strain |

## Rolling Lost Time Injury Frequency Rate (Internal WHS SkyTrust reporting data)

Lost Time Injury Frequency Rate (LTIFR), is an industry standard tool for measuring LTI's within a given reporting period which enables comparison to other organisations. Council's Rolling LTIFR, outlined in Figure 1 is extracted from internal WHS Management System (SkyTrust) incident report data, provides analysis of the average LTIFR over the last 12 months.
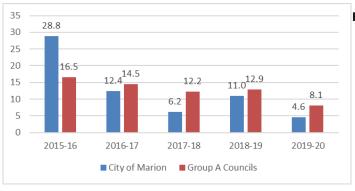
**Figure 1: Rolling LTIFR**



## Total Recordable Incident Frequency Rate (Internal WHS SkyTrust reporting data)

Total Recordable Incidents include fatalities, LTI's and incidents resulting in the employee receiving medical treatment and/or is certified as only fit to undertake suitable duties. The Rolling Total Recordable Incident Frequency Rate (TRIFR), outlined in Figure 3 is extracted from internal incident report data, provides analysis of the average TRIFR over the last 12 months.
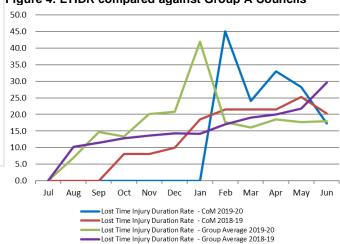
**Figure 3: Rolling TRIFR**



## Lost Time Injury Frequency Rate (LGAWCS Claims Data)

Council's LTIFR outlined in Figure 2, data is sourced from the Local Government Association Workers' Compensation Scheme (LGAWCS) Claim Analysis Portal, once claims have been determined and can be measured and monitored against our local government sector counterparts being the Group A Councils (GAC[1]).

**Figure 2: LTIFR compared against Group A Councils**



## Lost Time Injury Duration Rate (LGAWCS Claims Data)

The Lost Time Injury Duration Rate (LTIDR), is an industry standard tool for measuring the average days lost from LTI's within a reporting period to enable comparison to other organisations. Council's LTIDR is outlined in Figure 4, data is sourced from the Local Government Association Workers' Compensation Scheme (LGAWCS) Claim Analysis Portal, once claims have been determined and can be measured and monitored against our local government sector counterparts being the GAC.

**Figure 4: LTIDR compared against Group A Councils**



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1 GaC are metropolitan councils with more than 300 staff (Marion, Adelaide, Charles Sturt, Onkaparinga, Playford, Port Adelaide Enfield, Salisbury and Tee Tree Gully).

CITY OF
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## Service Review - Report - Neighbourhood and Community Centres

**Originating Officer**
Manager Community Connections - Liz Byrne
Team Leader Community Hubs - Anne Minion
Business Improvement Officer - Mel Nottle-Justice
Business Analyst - Karen Brewster

**Corporate Manager**
Manager Community Connections - Liz Byrne

**General Manager**
General Manager City Services - Tony Lines

**Report Reference**
FAC200818R11

## REPORT OBJECTIVE

To provide the Finance and Audit Committee (FAC) with the final report for the Neighbourhood and Community Centres (N&C Centres) Service Review (SR).

## EXECUTIVE SUMMARY

The review of City of Marion's N&C Centres has been finalised, an overview is included in Attachment 1 and the final report in Attachment 2. The report details recommendations, costs and proposed changes to maintain and enhance service delivery into the future.

In addition to the report and as suggested by the FAC in May 2020, feedback was sought and received from various community members on what they would like from City of Marion's N&C Centres post COVID-19, viewable in Attachment 3.

## RECOMMENDATION

**That the Finance and Audit Committee:**

1. **Provides comment on the Neighbourhood and Community Centres Service Review.**
2. **Notes the recommendations identified.**

## DISCUSSION

Council adopted the Service Review Program for FY2019/20 at the 25 June 2019 meeting (GC190625). The N&C Centre Service Review forms part of this program of work, with the scope being provided to the FAC at the 20 August 2019 meeting (FAC190820).

As discussed at the 20 May 2020 FAC meeting, the COVID-19 pandemic impacted the completion of the review, delaying the delivery of the review by a month. The SR overview and report (Appendix 1 and 2) was circulated via email to the FAC out of session on 18 June 2020 and scheduled for discussion at the August 2020 meeting of FAC.

The following key findings have emerged from the service review:

- CoM's four N&C Centres offer a place that create an opportunity for our community to meet, socialise and connect

- Through the research undertaken it was identified many community centres are increasingly developing or redefining themselves as community 'hubs' housing different service providers that offer a range of activities, programs and services to a broad demographic

- It is anticipated that as the community services industry evolves and grant funding is either reduced or the requirements change, it will become necessary to look for alternative sources of not only funding but also service provision (grants acquired by centres account for approximately 65% of the total overall income)

- Each centre has the capacity to increase overall utilisation

- Programming to-date has been based on funding criteria, staff ideas (supply-based) and feedback from evaluation forms

- Anecdotally retirees, the elderly and Culturally and Linguistically Diverse (CALD) people form the majority of the N&C Centres base and are the main sources of program feedback

- Consistent data collection and data management is not integrated into the roles of centre staff (the focus of data collection is for reporting to funding bodies).


When the recommendations identified in the service review are implemented the key outcomes will deliver:

- Continuation of management by CoM of the four N&C Centres

- Strategic monitoring of land and/or building opportunities to potentially house future community centric sites

- A formal workforce planning exercise to align the workforce to current and future service demands

- Fostering of existing and new long-term committed partnerships, invested in community-centric outcomes and service provision

- Reduced reliance on external grant funding to run the centres

- Centralised coordination of programs, activities and events

- Centralised management and coordination of volunteers

- Increased community involvement in needs analysis and program-related planning, use of centre spaces, and other modes of delivery,

- Increased breadth of services offered

- Revised data collection practices and improved data management and usage

- Establishment of outcome-based metrics and pre-defined measurable outcomes

- Increased utilisation, attendance at all four centres, with a particular focus on Trott Park,

- Continuation of extended hours at N&C Centres including a trial at Cooinda during non-daylight savings months

- Improvements to internal systems and processes to improve customer experience and better facilitate staff rotation across all centres

While significant cost benefits will not be realised in the short term, it is anticipated that key changes to internal systems, processes and the adoption of a facilitative model would significantly reduce the reliance on grant and council funding into the future, with the hiring of spaces by service providers likely providing revenue for the centres.

The financial costs from implementing the recommendations of the service review are estimated at $70k to cover expenses relating to extended hours and new technology.

$50k of this additional funding will need to be approved via Council resolution.

## Attachment

| # | Attachment | Type |
|---|---|---|
| 1 | Attachment 1 - Overview of Neighbourhood and Community Centres Service Review | PDF File |
| 2 | Attachment 2 - Final Report - Neighbourhood and Community Centres | PDF File |
| 3 | Attachment 3 - Consultation Feedback - Neighbourhood and Community Centres | PDF File |

# Overview of Neighbourhood and Community Centres Service Review

CITY OF MARION

## What is it?

A review of City of Marion's (CoM) four Neighbourhood and Community Centres (N&C Centres) focussing on identifying improvement opportunities for current centre operations against the context of what will be required of them in the future.

## How did it come about?

N&C Centres was identified in CoM's Service Review Program for review in FY2019/20.

## What were the objectives?

- Test the operating model and utilisation,
- Conduct benchmarking of our service provision across Local Government in SA and assess for opportunities for collaboration,
- Test the capacity to increase programs and program attendance,
- Analyse and assess data from the third community bus trial,
- Analyse and assess data from the extended opening hours trial,
- Assess how the current overall operations support the strategic direction of Council and align to N&C Centres of the future; and
- Identify opportunities for broader process and system improvements.
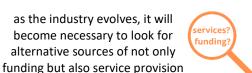
## What was the approach?

A broad range of analysis was undertaken including, but not limited to:

- Surveying of both users and non-users of the centres,
- Conducting Local Government benchmarking with 9 South Australian and 7 interstate Councils,
- Undertaking desktop research of future trend literature from different countries and entities,
- The use of smart technology (iBeacons) to collect additional statistical data; and
- Consulting with key stakeholders.

## What were the key findings?

- the centres offer a place that creates an opportunity for our community to meet, socialise and connect
- many centres across Australia and the world are increasingly redefining themselves as community 'hubs'*
- inconsistent approaches to key processes and data collection/management across all centres
- as the industry evolves, it will become necessary to look for alternative sources of not only funding but also service provision
- each CoM centre has the capacity to increase overall utilisation
- programming to-date has been based on funding criteria, staff ideas and feedback from evaluation

## What were the key recommendations?

- council to continue to manage the four N&C Centres
- strategically monitor land and/or building opportunities to potentially house future community centric sites
- undertake a formal workforce planning exercise including centralising of program coordination and management of volunteers
- initiate further collaboration with other LG Councils who expressed interest through the benchmarking survey
- increase collaborative long term strategic partnerships to deliver programs designed to support our community
- revise and improve key processes and data collection/management practices
- establish outcome based metrics and pre-defined measurable outcomes
- increase community involvement in needs analysis and program-related planning
- continue extended hours including a trial at Cooinda during non-daylight savings months

## What were the key outcomes/impacts?

| alignment of the workforce to current and future service demands | reduced reliance on external grant funding to run the centres | increased collaborative long term partnerships invested in community-centric outcomes and service provision | increased breadth of service offerings and the times they are offered reflective of what the community values | improved customer experience | increased utilisation, attendance at all centres (in particular at Trott Park) | improvements to internal systems and processes |

## What were the financial impacts?

- While significant cost benefits in the short term will not be realised, it is anticipated that key changes to internal systems, processes and the adoption of a facilitative model would significantly reduce the reliance on grant and council funding into the future, with the hiring of spaces by service providers likely provide revenue of the centres; and
- The costs of implementing recommendations is estimated at $70k to cover expenses relating to extended hours and new technology.

*Hubs = housing different service providers that offer a range of activities, programs and services to a broad demographic

CITY OF
MARION

**SERVICE REVIEW**

Neighbourhood and
Community Centres

**REPORT**

## Contents

# 1. Executive summary

The City of Marion (CoM) currently manages four Neighbourhood and Community Centres (N&C Centres) – Cooinda, Glandore, Mitchell Park and Trott Park.

The aim of the N&C Centres is to provide "…a fun, diverse and accessible range of social, recreational and educational activities and programs that develop personal growth, encourage wellbeing and a sense of identity and community" by responding "…to the health, welfare, individual and community needs…".[1]

Each of the centres facilitate a range of activities and events for the community, with Recreation and Social events (34%), Exercise (29%) and Art and Craft (14%) forming the top three categories of programs and activities attended by the community.

The centres mainly operate Monday – Friday between the hours of 9am – 4.00pm and Glandore, Cooinda and Trott Park open every Saturday morning 8:30am to 12:30pm (externally funded) plus have recently trialled extended opening hours (see *Section 12*). The centres and their rooms/spaces can also be hired both inside and outside of these opening hours for private events and programs.

The N&C Centres are predominately funded by grants (65% of the total income) and the overall team running the centres comprises of 9.99FTE (see *Section 16*), at an annual cost of $1.10M to Council (see *Section 9*). The largest expenditures for N&C Centres overall is staff costs (43%) followed by contractors for additional staff and tutors of programs, activities and events (31%). The average unit cost per attendee at a N&C Centre program, activity or event was estimated at $18 per person.

This service review (SR) has focussed on identifying improvement opportunities for current centre operations against the context of what will be required of them in the future. In considering the future of community services, research was undertaken as part of this review and has been included in *Section 8*. Attendance and utilisation data included in this report and in support of recommendations is indicative based on the quality of data available during the review.

If the recommendations identified in the SR are implemented the key outcomes will deliver:

- Continuation of management by CoM of the four N&C Centres,
- Strategic monitoring of land and/or building opportunities to potentially house future community centric sites,
- Capacity analysis of N&C Centre staff in line with the identified future skills required and provision of relevant training,
- Fostering of existing and new long-term committed partnerships, invested in community-centric outcomes and service provision,
- Reduction in the reliance on external grant funding to run the centres, programs, and events,
- Centralised coordination of programs, activities and events across centres,
- Revised data collection practices, improved data management, and the use of data as a tool to better understand N&C Centre customer personas and identify potential gaps,
- Increased breadth of services offered to be more inclusive, diverse and reflective of our community as a whole increasing attendance and engagement and attract new customers to the centres,
- Centralised management and coordination of volunteers,
- Engagement on the CRM project and gathering of business requirements for future use,
- Establishment of KPIs for centres, programs and events that management, council and funding bodies can use to monitor and measure performance,
- Enhanced customer experience through improved consistency across centres, diverse programming, and the provision of different options (channels) for the community to engage with N&C Centres programs and events,
- Increased utilisation, attendance and volunteer contributions at Trott Park,
- Continuation of extended hours at N&C Centres including a trial at Cooinda during non-daylight savings months; and
- Improvements to internal systems and processes to better facilitate staff rotation across all centres.

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[1] https://www.marion.sa.gov.au/venues-and-facilities/neighbourhood-centres/cooinda-neighbourhood-centre as viewed on 15/05/2020

While significant cost benefits will not be realised in the short term, it is anticipated that key changes to internal systems, processes and the adoption of a facilitative model would significantly reduce the reliance on grant and council funding into the future, with the hiring of spaces by service providers likely providing revenue for the centres.

The financial costs from implementing the recommendations of the SR are estimated at $70k to cover expenses relating to extended hours and new technology.

## 2. Background

At the 25 June 2019 meeting of General Council, Council adopted the SR Program for FY2019/20, and N&C Centres was identified in this program for review.

### 2.1 Service overview

CoM's four N&C Centres offer a place that create an opportunity for our community to meet, socialise and connect. They are inclusive hubs of activity in the CoM providing programs and services for all ages and levels of ability. Customers participate in a wide range of programs, including arts and crafts, health, fitness, dance, classes for parents, children and seniors, social outings and meals. The centres are Cooinda (Sturt), which is located centrally, Mitchell Park and Glandore serve the north east, and Trott Park is in the south. For an overview of each centre and further information refer to *Section 7*.

### 2.2 Objectives

The SR had the following objectives with regard to the in-scope services:

- Test the operating model and utilisation,
- Conduct benchmarking of our service provision across Local Government in SA and assess for opportunities for collaboration,
- Test the capacity to increase programs and program attendance, as per recent Council reports and resolutions,
- Analyse and assess data from the third community bus trial (commenced January 2020),
- Analyse and assess data from the extended opening hours trial (occurred during daylight savings months i.e. October 2019 to March 2020),
- Assess how the current overall operations support the strategic direction of Council and align to N&C Centres of the future; and
- Identify opportunities for broader process and system improvements.

### 2.3 Deliverables

The deliverables of the SR was a report with meaningful recommendations and an implementation plan.

### 2.4 Analysis approach

A broad range of analysis was undertaken in order to identify opportunities for improving outcomes for the community and customers in relation to N&C Centres, this included (but not limited to):

- Surveying of non-users of the centre to understand why they don't attend,
- Conducting Local Government benchmarking with 9 South Australian and 7 interstate Councils,
- Undertaking desktop research of approximately 20 community centres both in Australia and overseas,
- Undertaking desktop research of future trend literature from different countries and entities; and
- The use of smart technology (iBeacons) to collect additional statistical data,

Details on all approaches for the SR can be viewed in *Section 5*.

## 3. Recommendations

*Table 1: Service Review Recommendations*

| No. | Recommendation |
|---|---|
| 1. | Council to continue to manage the four N&C Centres. |
| 2. | Strategically monitor land and/or building opportunities to potentially house future community centric sites. |
| 3. | In collaboration with People and Culture, undertake a formal workforce planning exercise to include succession planning, professional development requirements and a staff skills audit to align the workforce to current and future service demands. |
| 4. | Continue seeking and look to increase collaborative long term strategic partnerships to deliver programs designed to support our community. This would include targeting alternative sources of funding and service provision, including seeking service providers to deliver services from/through N&C Centres. *(benefits are partially dependent on Recommendation 4)* |
| 5. | Explore the opportunity for centre hire income to be channelled into N&C Centre management and programming. |
| 6. | Centralise coordination of programs and events for N&C Centres through a Program and Partnerships Coordinator, who would also work with other areas across CoM that deliver events or who have expressed an interest to collaborate (through the internal partners survey) to look for synergy and partnering opportunities (using existing FTE). |
| 7. | Increase community involvement in needs analysis and program-related planning, use of centre spaces, and other modes of delivery to ensure that they are holistic and complementary and planned further in advance (>1yr). |
| 8. | Engage and collaborate with the Inclusion Reference Group (members include people with a disability) to consider how N&C Centres could support non-NDIS funded programs. |
| 9. | Initiate further collaboration with other Local Government Councils who expressed interest through the benchmarking survey in opportunities to share knowledge and resources, network, undertake joint projects and create partnerships. |
| 10. | Centralise management and coordination of volunteers (using existing FTE). |
| 11. | Undertake a 2 year program focusing on increasing utilisation, attendance and volunteer contributions at Trott Park Neighbourhood Centre. |
| 12. | Trial Extended Hours at Cooinda Neighbourhood Centre only during non-daylight savings months. |
| 13. | Continue Extended Hours at three N&C Centres (Cooinda, Trott Park and Glandore) during the daylight savings months with increased promotion of the offerings. |
| 14. | Ensure N&C Centres are stakeholders in the development and roll out the new CRM system. |
| 15. | Revise data collection practices, improve data management and instil the importance of data as a tool and part of everyone's role. |
| 16. | Use data to better understand N&C Centre customer personas and identify potential gaps in service offerings to a broader cross section of our community. |
| 17. | Establish outcome-based metrics to identify what success looks like for N&C Centres and measure performance against this criteria. |
| 18. | Ensure programs, activities and events have pre-defined measurable outcomes. |
| 19. | Upgrade televisions at three N&C Centres (Cooinda, Glandore and Trott Park), connect to the corporate digital system and centralise the marketing of content to these screens. |
| 20. | Review and map key processes to look for opportunities to improve consistency and efficiency across the centres. |
| 21. | Automate all manual processes (where possible). *(Dependency on Recommendations 19)* |
| 22. | Continue with the trial of the third Community Bus until June 2021 (original expected trial end date) to gain further data to analyse the ongoing need. *(this is managed by the Positive Ageing and Inclusion Team)* |

Industrial awards and enterprise agreements applying to the City of Marion require a consultative process to be undertaken with employees and their representative union where those employees will be impacted by the formulation of plans that have a direct impact on them. This requirement applies where the formulation of plans impacts on the composition, operation, size of the workforce or in the skills required, alteration in the hours of work, the need for retraining or transfer of employees to other work location and the restructuring of jobs.

The purpose of these industrial arrangements is to provide an opportunity for employees and their union to have their viewpoints heard and taken into account prior to a decision being made.

## 4. Implementation schedule

Proposed timing relating to the implementation of the SR recommendations are included in *Table 2*. These timings need to be validated with leaders as part of their program planning and may be subject to change.

*Table 2: Implementation schedule*

| Recommendation (summarised) | FY2020/21 | | | | FY2021/22 | | | |
|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| 1. Council to continue to manage the four N&C Centres | ■ | | | | | | | |
| 2. Strategically monitor land and/or building opportunities to potentially house future community centric sites | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| 3. Undertake a formal workforce planning exercise | ■ | ■ | ■ | | | | | |
| 4. Increase collaborative long term strategic partnerships to deliver programs | | ■ | * | | ■ | ** | | |
| 5. Explore the opportunity for centre hire income to be channelled into N&C Centres | ■ | ■ | | | | | | |
| 6. Centralise coordination of programs and events for N&C Centres through a Program and Partnerships Coordinator | ■ | ■ | ■ | | | | | |
| 7. Increase community involvement in needs analysis and program-related planning, use of centre spaces, and other modes of delivery | ■ | ■ | ■ | ■ | ■ | ■ | | |
| 8. Engage and collaborate with the Inclusion Reference Group (members include people with a disability) | ■ | | | | | | | |
| 9. Initiate further collaboration with other Local Government Councils who expressed interest | ■ | ■ | | | | | | |
| 10. Centralise management and coordination of volunteers | ■ | ■ | ■ | | | | | |
| 11. Increase utilisation, attendance and volunteer contributions at Trott Park Neighbourhood Centre (2 year program) | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| 12. Trial Extended Hours at Cooinda Neighbourhood Centre only during non-daylight savings months | | | | ■ | ■ | ■ | | |
| 13. Continue Extended Hours at three N&C Centres during daylight savings months | | ■ | ■ | | | | | |
| 14. Be stakeholders in the development and rollout of the new CRM | ■ | ■ | ■ | | | | | |
| 15. Revise data collection practices to improve data management and instil the importance of data | ■ | ■ | | | | | | |
| 16. Use data to better understand N&C Centre customer personas and identify potential gaps | ■ | * | | | | | | |
| 17. Establish outcome based metrics and measure performance against this criteria | ■ | ■ | ■ | | | | | |
| 18. Ensure programs, activities and events have pre-defined measurable outcomes | ■ | ■ | ■ | | | | | |
| 19. Upgrade televisions and central marketing of content | ■ | ■ | ■ | ■ | | | | |
| 20. Review and map key processes to look for improvement opportunities | | | | ■ | ■ | ■ | ■ | |
| 21. Automate all manual processes | | | | ■ | ■ | ■ | ■ | |
| 22. Continue with the trial of the third Community Bus | ■ | ■ | ■ | ■ | | | | |

\* Formalise approach

\*\* Review progress

# ANALYSIS, FINDINGS AND RECOMMENDATIONS

## 5. Analysis approach

A broad range of analysis was undertaken in order to identify opportunities for improving outcomes for the community and customers in relation to N&C Centres, the approaches for the SR can be viewed in *Table 3*.

*Table 3: Analysis approach*

| Approach | Detail |
|---|---|
| Gathering, consolidating and analysing statistical data | To test the operating model and utilisation, with a focus on;<br>• Resourcing (both staff and volunteers)<br>• Funding<br>• Programs and events offered<br>• Attendance (at programs/activities/events and visitors*)<br>• Utilisation of centres (CoM programmed hire and external hire)<br>• Food/meals provided<br>• Extended hours trial<br>• Third community bus trial |
| Collecting additional statistical data | • Via manual recording, to understand how many and why visitors* attend centres<br>• Via smart technology (iBeacons), to record attendance both inside and outside the centres |
| Consulting with the community | Surveying of current users of the centre to understand:<br>• Their current utilisation<br>• Why they attend<br>• Their overall experience<br>• What additional services, programs/activities and learning opportunities they would like offered<br>• What centre elements are important to them e.g. community spaces (buildings and surroundings), access to support information, etc.<br>• Their ideas for centres of the future<br>Surveying of non-users of the centre to understand:<br>• Why they don't attend<br>• What centre elements are important to them e.g. community spaces (buildings and surroundings), access to support information, etc.<br>• Their ideas for centres of the future |
| Consulting with key stakeholders | Surveying of CoM Elected Members to:<br>• Gain insights into their experiences and interactions with centres<br>• Understand feedback they have received from the community regarding centres<br>• Understand the role that they see centres playing in the future<br>• Identify potential opportunities to improve customer experience<br>Surveying of internal partners (CoM staff) to:<br>• Gain insights into their experiences and interactions with centres<br>• Identify partnering opportunities<br>• Understand their first impressions of centres<br>• Identify potential opportunities to improve customer experience<br>Surveying of CoM N&C Centre volunteers to:<br>• Understand the current support they provide N&C Centres<br>• Identify potential opportunities to improve volunteering at N&C Centres |
| Consulting with N&C Centre staff | Surveying, interviewing and group brainstorming with centre staff to:<br>• Reflect on what they felt was working well<br>• Understand what they would like changed or eliminated<br>• Identify potential opportunities for improvement |

*Visitors to N&C Centres who were not there to attend a scheduled program/activity or event.

| Approach | Detail |
|---|---|
| Conducting Local Government benchmarking and research | Surveying of 9 South Australian Councils to understand:<br>• Their management, programming and funding models<br>• How they determine measures of success<br>• Collaboration opportunities<br>Surveying of 7 interstate Councils to understand:<br>• Their management, programming and funding models<br>• How they determine measures of success<br><br>Undertaking desktop research of approximately 20 community centres both in Australia and overseas to understand:<br>• Their management, programming and funding models<br>• What they were doing differently to CoM<br>• Identify potential opportunities for improvement |
| Assessing the current overall operations | Reflected through various activities including:<br>• Testing the operating model and utilisation<br>• Testing the capacity to increase programs and attendance<br>• Analysing and assessing the data from the extended opening hours trial<br>• Assessing how the current overall operations support the strategic direction of Council<br>• Identifying opportunities for broader process and system improvements<br>• Looking at what services could be provided that currently the National Disability Insurance Scheme (NDIS) to not provide |
| Researching future trends | Undertaking desktop research of future trend literature from different countries and entities to:<br>• Identify future profiles of community services industry<br>• Forecast what the future needs/requirements are<br>• Outline the imperatives for success<br>• Identify potential opportunities for improvement |
| Reviewing of core processes | • Interviewing centre staff regarding core process that impact all N&C Centres<br>• Undertaking an exercise with centre staff to understand what activities and processes they are spending their time on<br>• Identifying streamlining opportunities |

# 6. Delivery against objectives

*Table 4: Delivery against objectives*

| SR Objectives | How it was delivered | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Gathering, consolidating and analysing statistical and financial data* | Collecting additional statistical data* | Consulting with the community* | Consulting with key stakeholders** | Consulting with N&C Centre staff | Conducting LG benchmarking* | Assessing the current overall operations* | Researching future trends | Reviewing core processes* |
| Test the operating model and utilisation | ■ | ■ | ■ | ■ | ■ | | ■ | | ■ |
| Conduct benchmarking of our service provision across LG in SA and assess for opportunities for collaboration | | | | | | ■ | | ■ | |
| Test the capacity to increase programs and program attendance, as per recent Council reports and motions | ■ | ■ | ■ | ■ | | | ■ | | |
| Analyse and assess data from the third community bus trial | ■ | ■ | | | | | | | |
| Analyse and assess data from the extended opening hours trial | ■ | ■ | | | | | ■ | | |
| Assess how the current overall operations support the strategic direction of Council and align to N&C Centres of the future | | | | | ■ | | ■ | ■ | |
| Identify opportunities for broader process and system improvements | ■ | ■ | ■ | ■ | | | ■ | | ■ |

The Finance and Audit Committee provided the following comments when the scope was presented to them for consideration:

1. Look outside for opportunities, not just at the bricks and mortar but the service profile,
2. Look at what services could be provided that currently the National Disability Insurance Scheme cannot do through their current structures as it may provide the ability to get non rate income while providing a service to the community; and
3. Encourage an agile approach to the service review that focuses on opportunities for improvement.

Both comment and 1 and 2 have been considered in the SR. An agile approach was unable to occur due the need for manual entry of data (that had not been collated or entered electronically) required for the review and impacts from the COVID-19 pandemic.

*Work undertaken in collaboration with various staff across N&C Centres and SR Delivery Group members.
**Key stakeholders include: Elected Members, CoM internal partners and CoM volunteers.

## 7. Overview of N&C Centres

*Table 5: N&C Centre service parameters* (2019 calendar year, unless stated otherwise)

| | Cooinda | Glandore | Mitchell Park | Trott Park | TOTAL | Comments |
|---|---|---|---|---|---|---|
| **Facts** | | | | | | |
| N&C Centre building age | 41 | 130 & 100 | 33 | 34 | NA | • Years |
| **Resourcing** | | | | | | |
| **CoM staff** | | | | | | |
| Headcount | 4 | 3 | 1 | 2 | **14** | • Includes 4 additional staff (2.39FTE) who rotate sites. |
| FTE | 2.5 | 2.6 | 0.7 | 1.8 | **9.99** | • Based on current staff. |
| **Volunteers** | | | | | | |
| Headcount | 47 | 46 | 23 | 13 | **129** | • Contribution based on $43.65 per hour. |
| Contribution (hours) | 10,300 | 6,000 | 5,200 | 2,800 | **24,300** | |
| Contribution ($s) | $450k | $262k | $227k | $122k | **$1.06M** | |
| **Financial performance** | | | | | | |
| Income | -$507k | -$121k | -$63k | -$50k | **-$741k** | • FY1819 actuals. |
| Expenditure | $808k | $642k | $171k | $236k | **$1.85M** | • Includes expenditure and income that is distributed to Land & Property Team. |
| **Total (cost to Council)** | **$301k** | **$521k** | **$108k** | **$186k** | **$1.10M** | |
| **Centre performance** | | | | | | |
| **Programs, activities and events** | | | | | | |
| Programs and activities offered | 565 | 493 | 211 | 230 | **1,499** | • Excludes extended hours trial. |
| One off events offered | 19 | 57 | 18 | 34 | **128** | |
| **Total offered** | **584** | **550** | **229** | **264** | **1,627** | |
| Programs and activities attendance | 25,989 | 15,099 | 7,362 | 10,700 | **59,150** | |
| One off events attendance | 203 | 2,542 | 413 | 738 | **3,896** | |
| **Total attendance** | **26,192** | **17,641** | **7,775** | **11,438** | **63,046** | |
| Most attended program or activity area | Recreation & Social | Recreation & Social | Recreation & Social | Exercise | **NA** | |
| Most attended one off event | Animal Encounters | Carols in the Park | Christmas in the Park | Orchestra Fantastica | **NA** | |
| **Extended hours trial** | | | | | | |
| Programs, activities and events offered | 56 | 41 | NA | 31 | **128** | • Oct 2019 to Mar 2020. • Includes recurring events. |
| Attendance | 720 | 305 | NA | 452 | **1589** | |
| Drop ins/calls | 73 | 40 | NA | 104 | **217** | |
| **Visitors to the centre** | | | | | | |
| Visitors | 2,694 | 1,627 | 704 | 457 | **5,482** | • Manual count. • Jan to Feb 2020 only. • Excludes attendees at a program, activity or event. |
| Attendance (inside) | 2,877 | 3,414 | 543 | 474 | **7,308** | • iBeacon count. |
| Attendance (outside) | 9,089 | 3,900 | 696 | 522 | **14,207** | • Feb to Mar 2020 only. |
| **Food/Meals** | | | | | | |
| Provided (events) | 5,214 | 1,876 | 1,322 | 961 | **9,373** | • Funded by CHSP (99%). |
| Provided (extended hours) | 636 | 95 | NA | 11 | **742** | • Funded by Family and Community Development (100%). |
| **Utilisation** | | | | | | |
| External hire bookings | 5% | 36% | 13% | 13% | | • Includes recurring bookings. • Based on: − Regular opening hours, − 49 week opening; and − Available spaces. |
| Utilisation of centre | 94% | 71% | 35% | 25% | | |

**KEY POINTS AND OBSERVATIONS**

**Section: Overview of N&C Centres**

- Cooinda and Glandore had the greatest number of volunteers, 47 and 46 respectively, while Trott Park had the least (13).
- Cooinda had the greatest volunteer contribution (10,300 hours) and Trott Park had the least (2,800 hours).
- Cooinda and Glandore offered the most number of programs, activities and events and Mitchell Park offered the least.
- Cooinda and Glandore had the greatest number of attendees at programs, activities and events and Mitchell Park had the lowest attendance.
- During the extended hours trial, Cooinda had the greatest number of attendees and provided the most food/meals.
- Glandore had the lowest attendance during the extended hours trial.
- During the recorded 2 month period, Cooinda had the greatest number of visitors (2,694) and Trott Park had the least visitors (457).
- Cooinda provided the greatest number of food/meals (5,214) and Trott Park provided the least (961).
- Cooinda had the greatest utilisation rate of the entire centre (94%) and Trott Park had the lowest utilisation (25%).
- Glandore had the most external hire bookings (36%) and Cooinda had the lowest (5%).
- There is great capacity to increase utilisation, attendance and volunteer contribution at Trott Park.
- There is also opportunity to increase utilisation, attendance and volunteer contribution at Mitchell Park, however, this

# 8. Future trends of N&C Centres

N&C Centres worldwide have arisen to strengthen and support social cohesion, inclusion and the infrastructure required to promote community resilience and empowerment to the community at whole and also particularly within vulnerable groups. They strive to deliver a sense of place and community where everyone is welcome.

N&C Centre staff and volunteers progressively experience communities with increasingly complex needs and demands, often without additional funding, training or support to be able to assist them. There can be no doubt, however, regarding the commitment and positive intent of everyone who works in the N&C Centres, both staff and volunteers alike and their dedication to supporting the community.

It is important to note that N&C Centres have traditionally been place-based, with programs and events run from them. They are places for people to meet and connect. Through the COVID-19 pandemic, however, the idea of community and how we connect has shifted. Community is a mindset and if the pandemic has shown us anything, then it has been how we continue to connect in a virtual world both to ease isolation and provide support to one another.

Going forward, this has shone a light on the opportunity to provide community services through different channels to continue to connect with people who are not always able to connect in person. Classes can be live streamed, virtual catch ups organised, online groups set up as community services become less place-based and more facilitative and can be run from any location. This would also incorporate other programs and events run by other departments at CoM and would benefit from a centralised coordinated approach.



*Image 1: Local resident* Byambasyren (*Bymba*) *making the most of her time during COVID-19 restrictions by learning the skills to find a job for free thanks to N&C Centres. Bymba signed up to five new online Adult Community Education (ACE) courses, which Council delivered online for the first time during the COVID-19 pandemic*

In researching the future state of community services, literature from different countries and entities was reviewed for insight on current practices, lessons learnt, different models, and the strategic thinking taking place on the future of these services. Closely resonating with CoM's experience was a report by Deloitte Access Economics, authored in April 2016.

The report provides a "…future profile of the Community Services Industry in Queensland…"[2] and was co-commissioned by the Community Services Industry Alliance and the Department of Communities, Child Safety and Disability Services in Queensland. Titled Forecasting the future: community services in Queensland 2025 (PDF, 5 MB) Forecasting the future: community services in Queensland 2025 (RTF, 646 KB), the report outlined imperatives for success for the Community Services industry per the below:

**Imperatives for success as defined by Deloitte Access Economics[3]**
- ***Outcomes focus*** – *approaching service planning and provision of services based on the desired end state for the client or community;*
- ***Research and innovation*** – *the process of systematically investigating and studying new materials and methods (research), and the process of applying these materials and methods to improve products and processes (innovation);*
- ***Digital disruption*** – *the impact of digital innovation, including advances in computing, networks and devices, and the capabilities they hold;*
- ***Funding and financing*** – *the mechanisms by which services are commissioned and paid for, by private investors, Government, and clients;*
- ***Productivity*** – *focus on the efficient delivery of goods and services to achieve the desired outcome;*

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[2] https://www.communities.qld.gov.au/industry-partners/forecasting-future-community-services-queensland-2025 as viewed 6/03/2020
[3] https://www.communities.qld.gov.au/resources/dcdss/industry-partners/forecasting-future/forecasting-future-community-services-qld-summary.pdf as viewed 4/03/2020, Pg. 23

- ***Collaboration and cooperation*** – *partnerships and collaborative models within the Industry, with other businesses, institutions, investors, clients and communities; and*
- ***Policy and regulation*** – *principles, plans and courses of action developed by Government to enable or discourage certain behaviours of individuals, communities and industries.*

The current service offerings at CoM N&C Centres are broadly reviewed against what is considered imperatives for success by Deloitte, and considers what future success might look like for CoM and the subsequent benefits.

## 8.1  Funding in the future

Through the literature reviewed, it is anticipated that as the community services industry evolves and grant funding is either reduced or the requirements change, it will become necessary to look for alternative sources of not only funding but also service provision. Building partnerships will be critical and those partnerships are increasingly likely to require demonstrable and measurable social impact to attract and retain funding[4].

Evidence-based data particularly around social impact initiatives will be required by partners and/or investors to ensure that their support is producing measurable results that benefit the intended recipients. Long term committed partnerships will require data and evidence in order to collectively adapt programs in real time[5] to ensure outcomes are met.

"Government investment in community services is unlikely to be able to keep pace with growing demand. This will drive organisations to **seek diversified revenue and funding sources…Investors in service provision**, whether they be the Government, private partners, consumers, or organisations themselves, will be **seeking better value for money and return on investment**. Insufficient collection of, and access to, appropriate and accurate data will limit the **ability for Government and other organisations to strategically plan and evaluate programs**."[6]

## 8.2  Programs and Events – Future Trends and Opportunities

N&C Centres worldwide are increasingly offering facilitated support to communities via service offerings such as parenting skills, education, health, and income generation, particularly where entrenched disadvantaged exists. This is a shift from the traditional focus of N&C Centres around social cohesion to supporting community strengthening and functioning through integrated service offerings.

This shift, however, would require multi-layered integrated partnerships to develop and implement strategies that focus on disadvantage in the community. Key to this is working with the community to create partnerships both with funding and implementing partners and also the community. Through the development of community partnership N&C Centres are able to understand their lived experience, their needs, and aspirations to inform strategies and work on co-designing programs. This is turn fosters ownership and uptake of programs as the community and N&C Centres "…take collective action and generate solutions to common problems…".[7]

 "…focusing on collective and collaborative action, active engagement and partnership with communities so that all stakeholders see themselves as active participants…"[8]

To ensure the programs are more community-centred and inclusive of all groups, needs analysis and improved data collection would be required to undertake gap analysis. This would help ensure that we have measurable outcomes in mind and that we are reaching our intended customers, including the most vulnerable people within our community.

"A key component is **data collection and analysis that efficiently provides an understanding of community-level outcomes, as well as effective data systems at other levels that provide markers of success and progress**."[75]

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[4]      https://www.communities.qld.gov.au/resources/dcdss/industry-partners/forecasting-future/forecasting-future-community-services-qld-summary.pdf p. 19 as viewed 24/02/2020

[5] https://www.communities.qld.gov.au/community/place-based-approaches/overview as viewed 26/02/2020

[6] https://www.communities.qld.gov.au/resources/dcdss/industry-partners/forecasting-future/forecasting-future-community-services-qld-summary.pdf p. 25 as viewed 4/03/2020

[7] https://web.archive.org/web/20140714225617/http://unterm.un.org/DGAACS/unterm.nsf/8fa942046ff7601c85256983007ca4d8/526c2eaba978f007852569fd00036819?OpenDocument as viewed 5/03/2020

[8] https://www.communities.qld.gov.au/community/place-based-approaches/overview as viewed 26/02/2020

## 8.3 Location – Future Trends and Opportunities

The rationale regarding where N&C Centres should be located varies in the literature reviewed based on the intent or vision for the centre. The common theme across the literature, however, proposes that centres should be located where they are easily accessible via public transport whilst factoring in the intended targeted community.

The following description is a common shared experience that is relevant to CoM N&C Centres:

"Current community buildings were purchased and provided to organisations up to 45 years ago based on a single purpose, single service model. This results in a lack of coordinated service delivery, a culture of competition, a lack of shared space and a lack of fit-for-purpose accommodation."[9]

Many community centres are increasingly developing or redefining themselves as community 'hubs'. Community hubs are typically defined as public spaces that house different service providers that offer a range of activities, programs and services to a broad demographic.

The co-location of services or 'hubs' would present the opportunity to provide a holistic and responsive approach to community needs and provide better access to limited resources[10]. Renting space or making it bookable for 'anchor' tenants and partnerships as mentioned above would have a twofold benefit of delivering programs and events while reducing the reliance on external funding and resources.[11]

## 8.4 Resourcing - Skills required: Digital Literacy, Data Collection and Analysis – Future Trends and Opportunities

The Deloitte report suggests that:

"The current skills profile of the workforce will need to adjust to meet future needs of the Industry to **address skills shortages in growing areas** of need such as data management and analysis, outcome measurement, ability to adopt digital solutions, and finance and business acumen."[12]

Training in the areas described above and digital literacy in general would be recommended to address and prepare for improved centre management and future requirements, particularly in light of COVID-19. These skills are seen as a critical component to future success.

"Pursuing adoption of digital solutions to improve efficiency of data collection will be vital to ensure the accuracy of data sets, whilst preserving core service provision."[13]

Centralised coordination and processes and the adoption of digital solutions and working with the community to also embrace them would be advantageous not only in the current COVID-19 environment but moving into the future and working through ways to connect with the community virtually. Going forward this may look like a consolidated list of all activities and events offered by CoM and options on how to attend them, either in person when restrictions lift, or in the place of the community's choosing, virtually.

It will be critical that the centres embrace data and its collection moving forward.

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[9] https://www.ryde.nsw.gov.au/files/assets/public/community/community-hubs/community-hubs-model-the-seven-stages-of-creating-community-hubs.pdf p. 5 as viewed 24/02/2020
[10] https://www.ryde.nsw.gov.au/files/assets/public/community/community-hubs/community-hubs-model-the-seven-stages-of-creating-community-hubs.pdf p. 2 as viewed 24/02/2020
[11] https://www.ryde.nsw.gov.au/files/assets/public/community/community-hubs/community-hubs-model-the-seven-stages-of-creating-community-hubs.pdf p. 19 as viewed 24/02/2020
[12] https://www.communities.qld.gov.au/resources/dcdss/industry-partners/forecasting-future/forecasting-future-community-services-qld-summary.pdf p. 26 as viewed
[13] https://www.communities.qld.gov.au/resources/dcdss/industry-partners/forecasting-future/forecasting-future-community-services-qld-summary.pdf p. 29 as viewed 4/03/2020

"…we need to make better use of data. The current approach to data use is fragmented and too focused on compliance. We need to see data not as a means of punishment but as a tool – one that can allow us to identify or 'find' those most in need of support before they fall into disadvantage."[14]

Currently N&C Centres use event management and room booking applications and in addition, Excel for some data collection. These applications and practices, however, have not been uniformly adopted across the four centres creating inconsistent data management processes and data entry. With the introduction of a new Customer Relationship Management (CRM) system at CoM, it is recommended that the N&C Centres use this for all community engagement data management.

Use of the future CRM will improve data management, analysis and reporting exponentially going forward. This will also facilitate being able to reach out and make contact with our community during a crisis, such as what we are currently experiencing through COVID-19. It would also facilitate analysis of our community and how they connect with us through N&C Centres and provide a deeper understanding of the community's pain points from which to inform programming and the various delivery modes required.

"Insufficient collection of, and access to, appropriate and accurate data will limit the **ability for Government and other organisations to strategically plan and evaluate programs**."[15]

Use of a CRM will also facilitate agility in potentially putting together information easily for different audiences as the data and subsequent analysis will be readily available and staff won't be reliant on their current practices (time-consuming paper-based collation and entry of information).

**KEY POINTS AND OBSERVATIONS**
**Section: Future Trends of N&C Centres**
- N&C Centres have traditionally been place-based, the idea of community and how we connect has shifted and there is an opportunity to provide community services through different channels.
- Imperatives for success for the Community Services industry include:
  - Outcomes focus
  - Research and innovation
  - Digital disruption
  - Funding and financing
  - Productivity
  - Collaboration and cooperation
  - Policy and regulation
- It is anticipated that as the community services industry evolves and grant funding is either reduced or the requirements change, it will become necessary to look for alternative sources of not only funding but also service provision.
- There is a shift from the traditional focus of N&C Centres around social cohesion to supporting community strengthening and functioning through integrated service offerings.
- A key for success is working with the community to create partnerships both with funding and implementing partners and also the community.
- To ensure programs are more community-centred and inclusive of all groups, needs analysis and improved data collection would be required to undertake gap analysis.
- Centres should be located where they are easily accessible via public transport whilst factoring in the intended targeted community.
- Many community centres are increasingly developing or redefining themselves as community 'hubs' housing different service providers that offer a range of activities, programs and services to a broad demographic.
- The current workforce will need to be able to adjust and address skills shortages to meet future needs of the Industry including data management and analysis, outcome measurement, finance and business acumen and have the ability to adopt digital solutions.
- CoM N&C Centres need to improve data management and analysis and make better use of data.

[14] https://www.ceda.com.au/CEDA/media/General/Publication/PDFs/CEDA_DisruptingDisadvantageS1brochure_Nov2019.pdf, p. 2, as viewed 24/02/2020 - Committee for Economic Development of Australia (CEDA)

[15] https://www.communities.qld.gov.au/resources/dcdss/industry-partners/forecasting-future/forecasting-future-community-services-qld-summary.pdf p. 25 as viewed 4/03/2020

# 9. Funding of Neighbourhood Centres at CoM (current state)

Current programs run through N&C Centres are funded by (and dependent on) funding from Council and grants to operate. The largest expenditures for N&C Centres overall is staff costs (43%) followed by contractors for additional staff and tutors of programs, activities and events (31%).

Grants acquired to contribute to funding of the N&C Centres account for approximately 65% of the total overall income received by CoM and currently fund approximately 2.71FTE positions and various programs, activities and events delivered across the centres. The grant provider stipulates how the funding is to be used, intended community recipients, and have reporting requirements. There are two main grants received from the State Government that account for 56% of the total overall income received by CoM, these include:

**Family and Community Development**
*$250k per financial year (approximate)*
The purpose of this funding is to offer a range of opportunities and activities with a focus on alleviating social isolation to enable people to form friendships and build personal and collective capacity to address future needs and issues.

**Skills SA**
*$165k per financial year (approximate)*
The purpose of this funding is to deliver the Adult Community Education (ACE) program, a pathway to traditional formal learning. The program is designed to improve learning skills and can be the first step towards further training, employment or volunteering opportunities.

Should the State Government reallocate or redistribute the current funding made available to N&C Centres, the financial sustainability of these programs and services would be unlikely[16] given that the programs and services are unbudgeted by CoM.

There are additional staff members (approximately 2.36FTE) that are housed at N&C Centres delivering CHSP funded activities. These staff report to the Positive Ageing and Inclusion Team and fund approximately 50% of programs delivered at Cooinda.

The full operating statement of N&C Centres for FY2018/19 can be viewed in *Table 6*, note the following annotations:

- Expenditure and income is distributed between both N&C Centres and the Land and Property Team e.g. Land and Property receive all income for hire charges and rent, however pay for the majority of maintenance on buildings.
- While the State Government Subsidy resides in one centre's budget it is distributed across the centres.
- During 2020 work has been undertaken in conjunction with Finance to combine individual budgets into one holistic view, the external grant funds will be kept separate from operational and program CoM budgets.
- The CHSP funded programs are not included in the operating statement.

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[16] https://www.ryde.nsw.gov.au/files/assets/public/community/community-hubs/community-hubs-model-the-seven-stages-of-creating-community-hubs.pdf p. 1 as viewed 24/02/2020

*Table 6: Operating statement FY2018/19      $'000s*

| | Cooinda | Glandore | Mitchell Park | Trott Park | TOTAL |
|---|---|---|---|---|---|
| **Income** | **-507** | **-121** | **-63** | **-50** | **-741** |
| State Government subsidy | -437 | - | - | - | -437 |
| Tuition income | -35 | -54 | - | -41 | -130 |
| Hire charges | -15 | -41 | -6 | -9 | -71 |
| Other grants | - | -1 | -45 | - | -46 |
| Rent | - | -16 | - | - | -16 |
| Other user charges | - | -2 | -12 | - | -14 |
| Sales income | -11 | - | - | - | -11 |
| Donations and contributions income | -5 | - | - | - | -5 |
| Other subsidies | - | -5 | - | - | -5 |
| Other reimbursements | -1 | -2 | - | - | -3 |
| Council facilities - internal recovery | -2 | - | - | - | -2 |
| **Expenditure** | **808** | **642** | **171** | **236** | **1850** |
| Wages | 403 | 228 | 98 | 64 | 793 |
| Contractors (other*) | 64 | 128 | 13 | 100 | 305 |
| Contractors (staff) | 205 | 47 | 9 | 15 | 276 |
| Contractors (maintenance) | 56 | 138 | 22 | 36 | 252 |
| Other | 26 | 26 | 14 | 7 | 74 |
| Materials | 28 | 10 | 6 | 4 | 49 |
| Electricity | 6 | 28 | 6 | 4 | 44 |
| Insurances | 11 | 11 | 3 | 3 | 28 |
| Water | 1 | 20 | - | - | 21 |
| Furniture and fittings | 7 | 5 | - | 2 | 15 |
| **Grand Total (cost to Council)** | **301** | **521** | **108** | **186** | **1108** |
| **Unit cost (average per attendee**)** | | | | | **$18** |

**KEY POINTS AND OBSERVATIONS**
**Section: Funding of N&C Centres (current state)**
- N&C Centres are funded by (and dependent on) funding from Council and grants to operate.
- The largest expenditures to operate N&C Centres overall is staff costs (43%) followed by contractors for additional staff and tutors of programs, activities and events (31%). Grants acquired to contribute to funding of the N&C Centres account for approximately 65% of the total overall income received by CoM.
- There are two main grants received from the State Government that account for 56% of the total overall income received by CoM.
- Should the Government reallocate or redistribute the current funding made available to N&C Centres, the financial sustainability of these programs and services would be unlikely.
- Expenditure and income is distributed between both N&C Centres and the Land and Property Team e.g. Land and Property receive all income for hire charges and rent, however pay for the majority of maintenance on buildings. This is not a consistent approach across CoM e.g. libraries receive all their hire income and are able to utilise at their discretion.

* Tutors for programs, activities and events.
**Approximate based on total cost divided by total attendance per centre. Will be different if the State Government subsidy was correctly distributed across the centres.

## 10. Programs and Events at Neighbourhood Centres (current state)



*Image 2: Member at the
Trott Park Community Garden*

With the noted reliance on grant funding, the N&C Centres are compliance-driven and output-focused. Programming and events at CoM N&C Centres are largely based on the eligibility criteria and reporting requirements stipulated by the funding body. Programming is therefore largely 'supply-based' dependent on the funding received and not people-centred or demand-driven.

The outcome of this is that the people attending programs and events at CoM N&C Centres represent a particular demographic based on the programs offered and are not necessarily representative of the communities as a whole living in the surrounding suburbs of the N&C Centres or CoM. Anecdotally, retirees, the elderly and CALD form the majority of the N&C Centres base who attend programs and events on a regular basis which is a reflection of the services offered and the times they are offered within (Monday to Friday 9am – 4.00pm). There has been a recent trial of extended hours (see *Section 12*), however, demographic data was not collected to be analysed.

The limited opening hours from 9am – 4.00pm Monday to Friday (and additionally Saturday mornings at Cooinda and Glandore 8:30am to 12:30pm – for the last 2 years and Trott Park from October 2019), suggests that services are for those in the community who are not working (retirees (approx. 17.4%), unemployed (7%) or stay-at-home parents). Ongoing programs are generally on a term-by-term basis and not during school holidays. Some programs have started to be run during the school holidays but need better coordination and promotion. *Table 7* provides a snapshot of ABS data provides an overview of CoM's community.

*Table 7: CoM's Community - City of Marion – ABS Quick Stats[17]*

| Descriptor | Statistic |
|---|---|
| Median Age | 39 |
| Aged 65+ | 17% |
| Birth Country Overseas | 32% |
| Birth Country of Parent/s Overseas | 35% |
| Language other than English spoken at home | 19% |
| ATSI | 1% |
| Median Weekly Household Income | $1,263 |
| Household Income <$650/Week | 23% |
| Unemployed | 7% |
| Internet not accessed at home | 16% |

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[17] https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/LGA44060 as viewed on 23/04/2020

The programming model for each N&C Centre is a combination of scheduled activities, programs, events and venue/room hire (venue/room hire is predominately out of hours and on weekends), although the extent of each varies from centre to centre.

During 2019, Cooinda and Glandore offered the most number of programs (584 and 550 respectively), activities and events and Mitchell Park offered the least (229). This was also reflected in the attendance data with Cooinda and Glandore having the greatest attendance (26,192 and 17,641 respectively) at programs, activities and events and Mitchell Park having the lowest (7,775).

Recreation and social activities, programs and events were the most popular program areas overall followed by exercise. The top 5 attendance by program area can be viewed in *Table 8*.

*Table 8: Top 5 attended program type (all N&C Centres)*

| Program area | Cooinda | Glandore | Mitchell Park | Trott Park | Grand Total | % of total attendance |
|---|---|---|---|---|---|---|
| Recreation and social | 10,708 | 4,924 | 2,304 | 2,112 | 20,048 | 34% |
| Exercise | 5,819 | 3,330 | 1,945 | 6,070 | 17,164 | 29% |
| Art and craft | 3,673 | 2,300 | 1,909 | 591 | 8,473 | 14% |
| Literacy and numeracy | 3,287 | | | | 3,287 | 6% |
| Children and youth | 695 | | 345 | 1,189 | 2,229 | 4% |

Analysis undertaken on the utilisation of each centre during 2019 displayed varying capacity to increase utilisation at each centre through both CoM programed activities and events and venue/room hire. Trott Park has the greatest capacity to increase overall utilisation of the centre (utilisation = 25%). Cooinda had the lowest external hire bookings (5%), however has the least capacity to increase overall utilisation (utilisation = 94%). Both Mitchell Park and Trott Park has capacity to increase external hire bookings (external utilisation for both = 13%).

**Chart 1: Utilisation of each N&C Centre**



Note: Utilisation based on regular opening hours, 49 week opening and available spaces.

Coordination of programs and events would be optimised if centralised. This would mean not organising programs and events out of each centre independently. It would be anticipated that centralised coordination would work with other departments at CoM that run events to look for synergy, opportunities to collaborate, and potential support from those areas.

Centralised coordination would also enable programs and events to be planned much further in advance and look to increase overall utilisation. Currently programs and events at N&C Centres are planned on a term-by-term basis. An example where longer term planning has worked well is the City of Unley.

The City of Unley produces a booklet of programs and events for the year ahead at its N&C Centres. They deliver few of the programs themselves, instead attracting regular service providers who book space and run their programs through the centres. The advantage of this approach is that there is less of a reliance on grant funding.

CoM N&C Centres could seek Expressions of Interest from service providers to run events compatible with the community's requirements and that are complimentary to other services provided[18]. The range of services would need to be curated and should be broad enough that it is not exclusive to a particular portion of the community/demographic.

Fundamentally, this approach would lead to an improved and consistent experience for our community.

To support a coordinated model across all centres, processes would need to be mapped and made consistent across all N&C Centres so that staff and volunteers can move between the centres as required. This has been done to some extent but would need to be worked through further if a centralised coordination is adopted.

Through the course of this SR, N&C Centre staff have provided anecdotes of the increasingly complex needs of the community that staff are not always in a position to be able to provide direct support. Moving towards a more facilitative model would enable staff to assist the community connect and access programs, services and/or the support they need.

An example of this is the City of Rockingham which has a facilitative approach and produces a Community Support Services Directory that is available both online and as a hardcopy which provides information of all of the support services, community groups and other providers in their Council area by category or need.[19]

Having services listed would enable staff to facilitate connection between the community and a service or even better, a service provider who is available at the N&C Centres or runs regular events from them. The intent is not to turn people in need away, but better assist them in accessing specialised services and support by having it listed and ready to refer to. Booklets and other information are currently available within centres this approach however, would provide an overview of support and services available.

Queensland has a slightly different approach to this having identified centres located in areas with high need communities. They offer Community Connect Services whereby Community Service workers within the N&C Centres work *"…closely with local specialist services and develop networks across the region for advocacy, referrals and assistance…"* which effectively frees up N&C Centre staff to focus on managing the N&C Centre.[20] It also reduces stress on N&C Centre staff to assist in areas best suited to specialist services.

The recent impact of the global pandemic COVID-19 has forced closures of N&C Centres and has further highlighted the importance of coordination, processes and data collection across the centres. These are essential to deliver services and programs via different modes in an effort to ensure community connectedness while social distancing is in place.

Digital delivery of particular programs has emerged through closures, which has required upskilling in digital literacy not only of N&C Centre staff and volunteers but also the community in order to facilitate and optimise their engagement through this mode. Virtual connection has proved critical during socially restricted and uncertain times. Refer to *Section 28* to review the N&C Centres response to COVID-19.

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[18] https://www.ryde.nsw.gov.au/files/assets/public/community/community-hubs/community-hubs-model-the-seven-stages-of-creating-community-hubs.pdf p. 6 as viewed 24/02/2020
[19] https://rockingham.wa.gov.au/communitysupport as viewed 27/04/2020
[20] https://www.communities.qld.gov.au/community/neighbourhood-community-centres as viewed 26/02/2020

*Image 3: Collage of different programs, activities and events across the N&C Centres*



**KEY POINTS AND OBSERVATIONS**

**Section: Programs and Events at Neighbourhood Centres (current state)**

- Programming is largely 'supply-based' dependent on the funding received and not people-centred or demand-driven.
- People attending programs and events at CoM N&C Centres represent a particular demographic based on the programs offered and are not necessarily representative of the communities as a whole.
- The limited opening hours suggests that services are for those in the community who are not working.
- The programming model for each N&C Centre is a combination of scheduled activities, programs, events and venue/room hire (venue/room hire is predominately out of hours and on weekends), although the extent of each varies from centre to centre.
- During 2019, Cooinda and Glandore offered the most number of programs (584 and 550 respectively)
- Cooinda and Glandore had the greatest attendance (26,192 and 17,641 respectively) at programs, activities and events.
- Recreation and social activities, programs and events were the most popular program areas overall followed by exercise.
- Trott Park has the greatest capacity to increase overall utilisation of the centre (utilisation = 25%).
- Both Mitchell Park and Trott Park have capacity to increase external hire bookings (external utilisation for both = 13%).
- Coordination of programs and events would be optimised if centralised.
- Currently programs and events at N&C Centres are planned on a term-by-term basis.
- Centralised coordination would also enable programs and events to be planned much further in advance and look to increase overall utilisation.
- Staff provided anecdotes of the increasingly complex needs of the community that staff are not always in a position to be able to provide direct support.
- Moving towards a more facilitative model would enable staff to assist the community connect and access programs, services and/or the support they need.

## 11.    Support for non-NDIS funded programs

When presented the SR scope, the Finance and Audit Committee suggested to consider during the SR how N&C Centres could support non-National Disability Insurance Scheme (NDIS) funded programs.

NDIS funding supports Australian residents who are aged between 7 to 65 years old who require support and/or specific equipment because of a permanent and significant disability. Funding is also available for early intervention support which is deemed to reduce the future need for support for children under the age of 7 with a permanent and significant disability.[21]

NDIS funding does not support anything that is unrelated to:
- a person's disability,
- services which are the responsibility of another government system or community service
- costs unrelated to support needs
- anything that would pose harm to the individual or another person.[22]

Anecdotally, CoM N&C Centres focus and funding has been to support services to retirees and the CALD community.

For CoM N&C Centres to become a registered NDIS provider, staff and centres would need to have relevant qualifications and approvals pertaining to specific support that might be proposed to provide.

Recently, however, the Cities of Marion, Mitcham and Holdfast Bay established an Inclusion Reference Group whose purpose is to assist in shaping an inclusive community and enhance consumer voice in influencing services and matters affecting them. It aims to be instrumental in creating change and help to raise awareness of matters impacting on people with a disability. Engaging with this group in the future could gain insights on what services not covered by the NDIS could be potentially provided by N&C Centres.

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**KEY POINTS AND OBSERVATIONS**
**Section: Support for non-NDIS funded programs**
- NDIS funding supports Australian residents who are aged between 7 to 65 years old who require support and/or specific equipment because of a permanent and significant disability.
- There is opportunity to engage and collaborate with the Inclusion Reference Group (members include people with a disability) to consider how N&C Centres could support non-NDIS funded programs.

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[21] https://www.ndis.gov.au/understanding/supports-funded-ndis as viewed on 12/05/2020
[22] https://www.ndis.gov.au/understanding/supports-funded-ndis as viewed on 12/05/2020
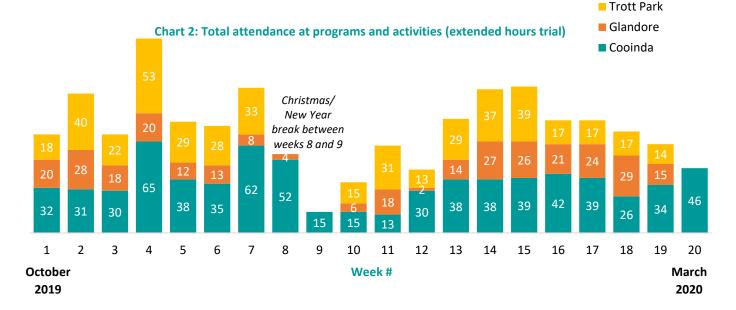
## 12. Extended hours trial
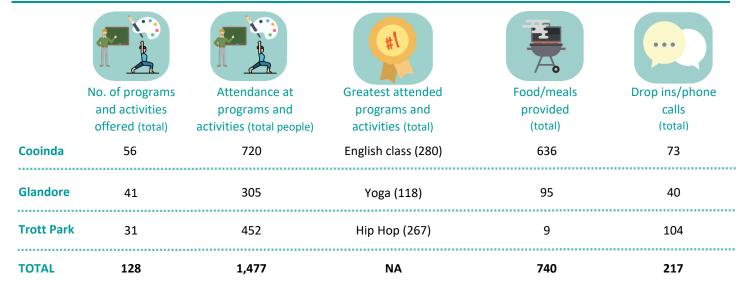


*Image 3: Twilight barbeque in full swing at Cooinda Neighbourhood Centre*

As per the *CoM Business Plan 2019 -2023* (project 10), the N&C Centres trialled the implementation of extended operating hours at three centres. The trial occurred during daylight savings months (October 2019 through to March 2020), finishing one week early than planned due to the COVID-19 pandemic. The centres were open until 7pm at Cooinda (Tuesdays), Glandore (Wednesdays) and Trott Park (Thursdays). Various programs and activities were run from each centre with food/meals also available.

From analysing the trial's attendance data, it would be recommended to undertake a trial at Cooinda during non-daylight savings months to test the ongoing desire for all year round. It would also be recommended to continue with extended hours at all three centres during daylight savings months with increased promotion of the offerings. Although Glandore had the lowest uptake, it still had uptake displaying a desire for extended hours in this area.

**Chart 2: Total attendance at programs and activities (extended hours trial)**

Legend: ■ Trott Park  ■ Glandore  ■ Cooinda



*Christmas/ New Year break between weeks 8 and 9*

Week #

October 2019 ................ March 2020

| | No. of programs and activities offered (total) | Attendance at programs and activities (total people) | Greatest attended programs and activities (total) | Food/meals provided (total) | Drop ins/phone calls (total) |
|---|---|---|---|---|---|
| **Cooinda** | 56 | 720 | English class (280) | 636 | 73 |
| **Glandore** | 41 | 305 | Yoga (118) | 95 | 40 |
| **Trott Park** | 31 | 452 | Hip Hop (267) | 9 | 104 |
| **TOTAL** | 128 | 1,477 | NA | 740 | 217 |

**KEY POINTS AND OBSERVATIONS**

**Section: Extended hours trial**

- The extended hours trial was completed, finishing one week earlier due to the COVID-19 pandemic.
- Cooinda and Trott Park had the highest attendance during the trial.
- There is opportunity to test the desire for all year round extended hours at Cooinda.
- The trial highlighted a desire from community to have extended hours during daylight savings months.

## 13. Location of Neighbourhood Centres (current)

In trying to attract and accommodate future service offerings including combined 'hub' services the current N&C Centres may find that the buildings are not 'fit for purpose', are somewhat limited in being able to accommodate hubs and/or may not be easily accessible to the intended community.



*Image 4: Cooinda Neighbourhood Centre*

### Cooinda Neighbourhood Centre

**Address:** 245 Sturt Road, Sturt, South Australia
**Building age:** 41 years old
**Owned by:** State Government (pay peppercorn rate)
**Number of bookable spaces:** 6
**Median age:** 37 years old
**Nearby:** CoM's Administration Centre, a State Government's Housing SA Centre, Westfield Marion Shopping Centre, Marion Sports and Community Club and Marion Bowling Club.
**Transport:** The bus interchange hosted at Westfield, has numerous bus routes that run nearby to Cooinda.



*Image 5: Glandore Community Centre*

### Glandore Community Centre

**Address:** 25 Naldera Street, Glandore, South Australia
**Building age:** 130 and 100 years old (multiple buildings)
**Owned by:** CoM (heritage listed)
**Number of bookable spaces:** 8
**Median age:** 38 years old
**Nearby:** Glandore Sports and Community Club and Oval
**Transport:** Nearby access to public transport via the tramway, railway and Mike Turtur Bikeway. The closest bus stop requires an approximate 2 minute walk (for an able bodied person) to get to the centre.



*Image 6: Mitchell Park Neighbourhood Centre*

### Mitchell Park Neighbourhood Centre

**Address:** 1 Cumbria Court, Mitchell Park, South Australia
**Building age:** 33 years old
**Owned by:** CoM land, built over a boundary
**Number of bookable spaces:** 2
**Median age:** 38 years old
**Nearby:** A reserve, kindergarten and is an approximate 15 minute walk (for an able bodied person) to the Tonsley Innovation District.
**Transport:** Nearby access to transport including buses and trains.

As per the *CoM Business Plan 2019 -2023* (project 20), this centre will relocate from its current site to the rebuilt Mitchell Park Sport and Community Facility in 2022. In addition to housing the centre, the new facility will cater for the needs of a range of outdoor sporting and community groups, dog training facilities and indoor courts.



*Image 7: Trott Park Neighbourhood Centre*

### Trott Park Neighbourhood Centre

**Address:** 34 Hessing Crescent, Trott Park, South Australia
**Building age:** 34 years old
**Owned by:** CoM
**Number of bookable spaces:** 5
**Median age:** 37 years old
**Nearby:** Resides on a reserve within a housing district. The closest facilities include the Trott Park Shopping Centre, Hallett Cove Shopping Centre and Cove Civic Centre (Hallett Cove facilities are approximately a 12 minute drive away). The topography of this area is different to the other 3 sites (incline is steeper).
**Transport:** The closest bus stops require an approximate 8 minute walk (for an able bodied person) to get to the centre.

During the SR, a discussion paper was undertaken to understand the feasibility of moving the programs, activities and events from Trott Park to CoM's Cove Civic Centre, with Trott Park remaining as a 'hall for hire'. The conclusion from this paper was that:

- Combining libraries and N&C Centres is a great concept, but should ideally be done at the concept/design/build phase.
- Combining Trott Park and Cove Civic Centre is possible but would now be a challenge, particularly from scheduling, space and community expectation perspectives, and is not recommended.

A map highlighting the N&C Centres locations and other community facilities is viewable in *Image 11*.

\* Median age based on the age of population in suburbs surrounding the centre.

Recent surveys of the community and studies of CoM have been undertaken which have captured some of the desires and needs of the community from future N&C Centres.

During the SR, a Community Survey was undertaken to gain insights from community members who do and don't attend the N&C Centres with 563 respondents. Eighty one percent of all respondents felt community spaces (buildings and surroundings) were either very important or important elements of a N&C Centre.

The top three categories identified as desirable by respondents who do not attend N&C Centres included: programs and activities, diversity, and a welcoming environment. A similar response was provided by those who currently attend N&C Centres, however, they also identified that they would like the centres of the future to be similar to what they are now.

CoM recently commissioned the Australian Industrial Transformation Unit at Flinders University to undertake a study of The Liveability for Older Residents for CoM which, in regard to Community Programs noted that:

*Older residents' access to community gardens and community centres is limited in some areas, particularly in the central and southern parts of the council. Provision of additional community services in alternate venues and establishment of new community gardens would benefit older residents and aid in creating a cohesive, connected and inclusive community.*[23]

*Areas such as Seacombe Heights and Seaview Downs have poor access to services such as community programs or community gardens and above average older residential populations. Council could explore options for introducing services to these areas, or better connecting these residents to services in other areas (where this isn't already available). The terrain in these areas is quite steep so residents will need to be supported by community bus services.*[24]

The Youth Engagement and Consultation Report 2019-2023 noted that young people wanted *"…safe, welcoming and free spaces to meet, socialise with friends and family to connect with their community."*[25]

Young people were also interested in "maker space[s]" to share tools, technology and ideas, greater access to digital community noticeboards to keep them informed of upcoming events and opportunities, information and support to create entrepreneurial and sustainable business opportunities and practices, and pathways to employment.[26]

Similarly, Community Survey respondents also highlighted they would like to utilise the N&C Centres for informal use (non-programmed) for various purposes including book swaps, produce swaps, social hang out, maker spaces and meal nights.

> **KEY POINTS AND OBSERVATIONS**
> **Section: Location of Neighbourhood Centres (current)**
> - To attract and accommodate future service offerings including combined 'hub' services the current N&C Centres may find that the buildings are not 'fit for purpose'.
> - The median age of centres is 38 years old.
> - Trott Park is the least accessible location when compared to the other three centres.
> - Mitchell Park will move from its current site to the rebuilt Mitchell Park Sport and Community Facility in 2022.
> - 81% of all community survey respondents felt community spaces (buildings and surroundings) were either very important or important elements of a N&C Centre.
> - Older residents' access to community gardens and community centres is limited in some areas, particularly in the central and southern parts of the council.
> - Young people desire "…safe, welcoming and free spaces to meet, socialise with friends and family to connect with their community".
> - Young people were also interested in "maker space[s]" to share tools, technology and ideas, greater access to digital community noticeboards to keep them informed of upcoming events and opportunities, information and support to create entrepreneurial and sustainable business opportunities and practices, and pathways to employment.
> - Community Survey respondents also highlighted they would like to utilise the N&C Centres for informal use (non-programmed) for various purposes including book swaps, produce swaps, social hang out, maker spaces and meal nights.

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[23] Crossman, S and Hordacre, A, "Liveability for Older Residents, City of Marion", Australian Industrial Transformation Institute, Flinders University, January 2020, p. 69
[24] Ibid, p. 69-70
[25] *City of Marion and Youth Affairs Council of SA*, Youth Engagement and Consultation Report 2019-2023 – City of Marion, p.15
[26] *City of Marion and Youth Affairs Council of SA,* Youth Engagement and Consultation Report 2019-2023 – City of Marion, p.15 - 16

## 14. Other community facilities in CoM

There are numerous other community facilities in CoM, a combination of council operated and externally operated, a map highlighting these is viewable in *Image 11*. The CoM operated community facilities include the following:



*Image 8: Cultural Centre Library*

**Libraries**

*Park Holme, Cove Civic Centre and Cultural Centre*
In addition to the hiring out of physical and digital resources through the One Card* network, the CoM libraries offer adult, youth and digital literacy programs. They also offer free internet and computer services at each library. Both the Cove Civic Centre and Cultural Centres are located within close proximity to major shopping centres.

**Sports and leisure**

*Edwardstown Soldiers' Memorial Recreation Ground*
This centre, a sporting and recreation complex, hosts football, bowling, cricket, triathlon and cycling clubs. The complex also has a fully functioning bar and offers venue hire. In February 2020, CoM terminated the lease of Edwardstown Soldiers' Memorial Community Club board and took over the management of the complex. Council took this step after a review of the Board's financial records found it was trading insolvent. Council decided to manage the facility to protect ratepayers' money and secure the future of the club. Council will continue to run the facility while seeking an Expression of Interest for future management options.

*Marion Outdoor Pool*
The pool, open during daylight savings months, offers an array of water activity spaces including an Olympic Pool, learner and toddler pools, waterslides, an obstacle course, a kiosk, barbeques and grassy areas. The pool also offers services to improve fitness and training and venue hire.

**Arts and Culture**

*Marion Cultural Centre and Gallery*
The Marion Cultural Centre houses a performing arts space being the Domain Theatre, in addition it incorporates the Cultural Centre Library, Gallery M, Next Chapter Gourmet Cafe and meeting spaces and rooms for hire.



*Image 9: Living Kaurna Cultural Centre*

*Living Kaurna Cultural Centre*
The centre is located at Warriparinga and offers Aboriginal and environmental education programs, events and performances and is also available for hire.

**Business**

*Cove Civic Centre*
In addition to housing a library, Cove Civic Centre is the home to the Cove Business Hub, a place for local businesses to meet, network and acquire new skills. The centre also has meeting rooms and conference facilities (with various technologies) available for hire.
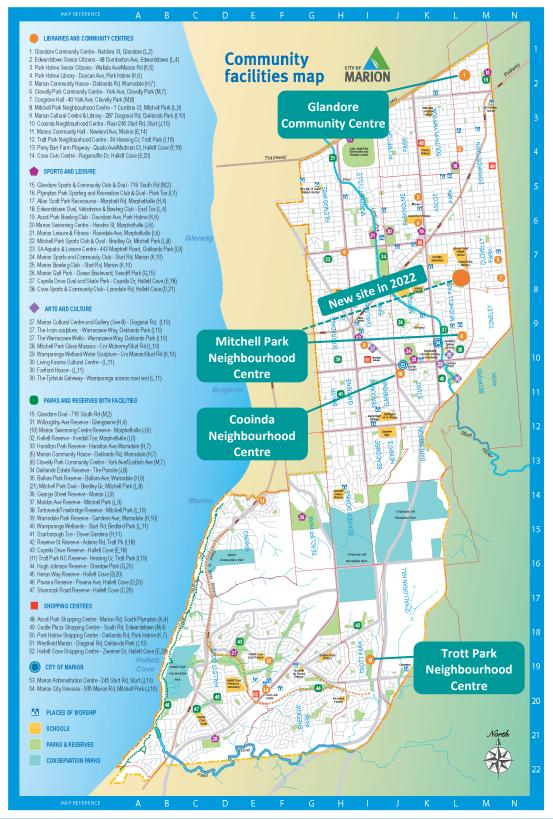


*Image 10: Cove Civic Centre*

*A network where members can borrow and return items to any public library in South Australia.

Service Review – Neighbourhood and Community Centres

*Image 11: CoM community facilities map*



**KEY POINTS AND OBSERVATIONS**

**Section: Other community facilities in CoM**

- There are numerous other community facilities in CoM, a combination of council operated and externally operated.
- The CoM managed community facilities provide various functions including:
  - Programs, events and activities
  - Venue/room hire
  - Access to technology
  - Food/meals
- There is opportunity to work with other CoM managed facilities to look for synergy and opportunities for collaboration.

## 15.   Third Community Bus trial

As per the CoM Business Plan 2019 -2023 (project 9), the N&C Centres were a key stakeholder in the trial of a third community bus which was managed and lead by the Positive Ageing and Inclusion Team.

Implementation of the third bus was hindered due to vehicle suitability, difficulty recruiting volunteers, community engagement activities and analysis of feedback.

Through community consultation undertaken by the Positive Ageing and Inclusion Team, two previously unvisited Centres were identified as potential additional destinations. Although the third bus did not physically attend, both Trott Park and Glandore were added to the Community Bus route made possible due to freed up capacity of the other buses.
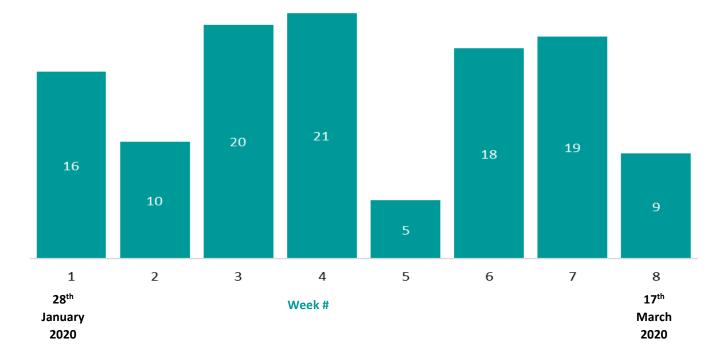


*Image 12: Facebook post introducing the third community bus*

The third bus commenced being utilised 3 to 4 times a week from the end of January, however, due to the COVID-19 pandemic all regular Community Bus services were suspended in March 2020 and extensive data is not available to determine the success, however, the data available is displayed below.  It is recommended to continue with the trial to gain further data to analyse the ongoing need.

### Chart 3: Total attendance on third Community Bus (trial) to various locations
Majority of trips were two way e.g. drop off and then pick up each person has only been counted once)



| Week # | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|---|
| Attendance | 16 | 10 | 20 | 21 | 5 | 18 | 19 | 9 |

Week 1: 28th January 2020 — Week 8: 17th March 2020

**KEY POINTS AND OBSERVATIONS**

**Section: Third Community Bus trial**

- Implementation of the third bus was hindered resulting in a later start date of the trial.
- The trial was suspended due to the COVID-19 pandemic.
- Further data is needed to analyse the ongoing need of a third bus.

## 16.    Resourcing (current) – N&C Centre staff

There are 14 different staff members (9.99FTE) who form the N&C Centres Team and are funded by three main bodies CoM, Family and Community Development and Skills SA. Two roles (0.78FTE) are currently contracted to cease on 30 June 2020 and another 3 roles (2.6FTE) on 30 June 2021, these are currently dependent on grant funding.

The average length of service for N&C Centre staff is 11 years with 43% of staff having worked 10 years or more in the centres.

In 2018 a Team Leader role was created to encompass leadership, planning and management of the four N&C Centres.

A Unit Manager oversees the N&C Centres along with other Council areas including the Positive Ageing and Inclusion Team, Community Bus, other transport options and the Vibrant Communities Team forming the Community Wellbeing Department. This position, however, has been vacant since July 2019. Through discussions it was highlighted that through this vacant position there has seen an increase in workload for leaders and less capacity for cross departmental leadership and collaboration.
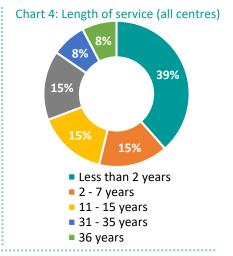

*Image 13: Collage of N&C Centre staff*
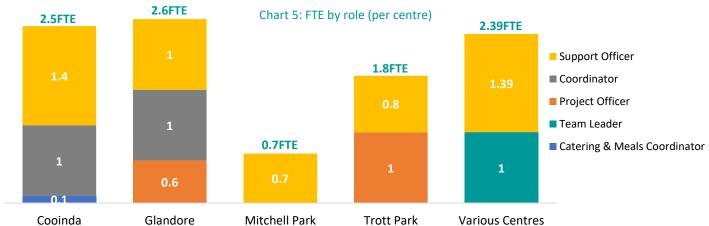
There are additional staff members (approximately 2.36FTE) that are housed at N&C Centres delivering CHSP funded activities. These staff report to the Positive Ageing and Inclusion Team and at times provide back up support to N&C Centre staff, however, this support is limited (as they are only able to undertake specific tasks and at certain times) and is not considered sustainable or reliable, particularly if the CHSP arrangements were to change.

Table 9: Headcount, FTE and funding body by role (all centres)

| Role | Headcount | FTE | CoM | Family and Community Development | Skills SA |
|------|-----------|-----|-----|----------------------------------|-----------|
| Team Leader | 1 | 1 | 1 | - | - |
| Coordinator | 2 | 2 | 2 | - | - |
| Support Officer | 8 | 5.29 | 4.28 | 1.01 | - |
| Project Officer | 2 | 1.6 | - | 1.6 | 0.6 |
| Catering & Meals Coordinator | 1 | 0.1 | | 0.1 | |
| **TOTAL** | **14** | **9.99** | **7.28** | **2.11** | **0.6** |

Chart 4: Length of service (all centres)

- 39%
- 15%
- 15%
- 15%
- 8%
- 8%

- ■ Less than 2 years
- ■ 2 - 7 years
- ■ 11 - 15 years
- ■ 31 - 35 years
- ■ 36 years

Chart 5: FTE by role (per centre)

**Cooinda 2.5FTE:** Support Officer 1.4, Coordinator 1, Catering & Meals Coordinator 0.1
**Glandore 2.6FTE:** Support Officer 1, Coordinator 1, Project Officer 0.6
**Mitchell Park 0.7FTE:** Support Officer 0.7
**Trott Park 1.8FTE:** Support Officer 0.8, Project Officer 1
**Various Centres 2.39FTE:** Support Officer 1.39, Team Leader 1

Legend:
- ■ Support Officer
- ■ Coordinator
- ■ Project Officer
- ■ Team Leader
- ■ Catering & Meals Coordinator

**KEY POINTS AND OBSERVATIONS**
**Section: Resourcing (current) – N&C Centre staff**
- The average length of service for N&C Centre staff is 11 years.
- 40% of N&C Centre roles are reliant on external grants.
- The additional staff housed at N&C Centres may give a false impression that centres are staffed more than the reality.
- The vacancy of the Unit Manager position has seen an increase in workloads for leaders, less capacity for cross departmental leadership and collaboration.

## 17. Resourcing (current) - Volunteers

In 2019, there were 129 different volunteers providing contributions to N&C Centres. The average length of service of volunteers was 6 years with 37% of volunteers having worked 5 years or more in the centres.

### Table 10: Headcount and contributions (all centres)

| Centre | Headcount | Contribution (hours) |
|---|---|---|
| Cooinda | 47 | 10,334 |
| Glandore | 46 | 5,967 |
| Mitchell Park | 23 | 5,173 |
| Trott Park | 13 | 2,831 |
| **TOTAL** | **129** | **24,305** |

**$1.06m**
value created from contributions from volunteers

(based on $43.65 per hour)

### Chart 6: Length of service (all centres)

- 33% Less than 2 years
- 40% 2 - 7 years
- 15% 8 - 10 years
- 6% 11 - 15 years
- 1% 16 - 19 years
- 5% 20 years and over

### Table 11: Hours by program area (all centres)

| Program area | Contribution (hours) |
|---|---|
| Kitchen, café and food prep | 5,815 |
| Reception/administration | 4,643 |
| Art and craft | 4,094 |
| Literacy and numeracy | 2,308 |
| General coordination | 1,750 |
| Unclassified | 1,365 |
| Recreation and social | 1,303 |
| IT | 924 |
| Handyman and maintenance | 804 |
| Exercise | 735 |
| General program assistance | 244 |
| Housekeeping | 213 |
| Once off events | 108 |



*Image 14: Collage of various N&C Centre volunteers*

**KEY POINTS AND OBSERVATIONS**

**Section: Resourcing (current) - volunteers**

- In 2019, the value of contributions provided by volunteers at N&C Centres equated to $1.06m.
- Volunteers provide contributions to a range of N&C Centre activities.
- There is capacity to increase the number of volunteers at both Trott and Mitchell Park.

## 18.   Data Collection (current)

Data collection in N&C Centres to-date has been done haphazardly and to support reporting requirements to funding bodies generally. The collection of data has been inconsistent both between centres and within individual centres and has not been collected to inform customer base and/or programming analysis. Currently N&C Centres use event management and room booking applications and Excel data collection. These applications and practices, however, have not been uniformly adopted across the four centres creating inconsistent data management processes and data entry.

An example of this identified through this review was that attendance and room booking data for the last half of 2019 had not been collated or entered electronically for most of the centres by March 2020. Staff from each centre were subsequently required to enter the information manually from collected hard copies for inclusion in this SR.

As a result, understanding the customer base of CoM's N&C Centres is anecdotal with a predominant view that CoM has an ageing community. This view is understandable given program criteria for the funding received, subsequent types of programs and events offered by the centres, and the times for which they are offered, which largely limits attendance to a particular subset of the community, not the wider community as a whole.

A critical component moving forward is the collection and entry of data; who is attending the centres, for which events, and how frequently. From this information, those who are not attending N&C Centres can also be determined.

**KEY POINTS AND OBSERVATIONS**
**Section: Data Collection (current)**
- Data collection in N&C Centres to-date has been done haphazardly.
- Collection of data has been inconsistent both between centres and within individual centres.
- Currently N&C Centres use event management and room booking applications and Excel for some data collection, however these have not been fully adopted uniformly across the four centres.
- Understanding the customer base of CoM's N&C Centres is anecdotal with a predominant view that CoM has an ageing community.
- A critical improvement opportunity moving forward is the collection and entry of data.

# 19. Processes (current)

During the SR, interviews were held with N&C Centre staff at each centre to discuss key processes that impact all centres including:

- Programming,
- Facilities management (hiring),
- Facilities management (maintenance),
- Attendance recording,
- Engagement regarding N&C Centres,
- Volunteer management; and
- Cash handling.

Through these discussions it became apparent that similar processes are done differently (although sometimes only slightly) at each centre. This was also highlighted by staff who work across multiple centres. An example includes programming, at some centres the regular programs are historically 'rolled' over each term whereas one centre tries to reinvent and introduce new programs each term.

The change in requirements to meet CoM's Volunteer Strategy has increased N&C Centre staff responsibilities to ensure our volunteers are managed in line with standards. This has seen an increase in administrative and management processes which have not been implemented consistently across the centres. Two centres have been hesitant in bringing on new volunteers due to the increased workload and lack of knowledge of the new processes.

The room/venue hiring process is a main focus at one centre providing in-depth inductions of the facilities and grounds prior to hiring where others do not go to this level. Another centre is required to also manage minor maintenance e.g. unblocking of toilets. The other centres manage maintenance by contacting CoM's Building Maintenance Officers in the first instance.

To gain further insights, an exercise was undertaken over a week's period with all N&C Centre staff to provide an example of what activities they were spending their time on. A snapshot of this exercise is viewable in *Table 9*.

*Table 12: Snapshot of processes and activities undertaken (all staff combined)*

| Category | Activities included | % of time spent on category |
|---|---|---|
| Administration | • Emails<br>• Phone calls<br>• Report writing<br>• Data entry | 36.6% |
| Reception | • Customer interactions<br>• Cash handling | 14.6% |
| Program management (ongoing) | • Advertising/developing marketing materials<br>• Program planning<br>• Setting up rooms | 14.4% |
| Meetings | • Internal, external and corporate | 10.4% |
| Other minor categories (each less than 3%) | • Hirers<br>• Building related<br>• Volunteer management<br>• Engagement<br>• Café | 10.3% |
| Events (one off) | • Organising<br>• Delivering | 6.3% |
| Financial management | • Reconciliation<br>• Payments<br>• Banking | 4.3% |
| Human Resources | • Rostering<br>• Staff management | 3.1% |

**KEY POINTS AND OBSERVATIONS**
**Section: Processes (current)**
- There are 7 key processes that impact all centres.
- Similar processes are done differently (although sometimes only slightly) at each centre, there is opportunity to streamline.
- The exercise undertaken (snapshot over a week's period) highlighted staff spent a lot of their time on administrative activities which includes data entry. Data entry was inflated during the exercise as staff were entering the last half of 2019 data that had not been collated or entered electronically for use in the SR.
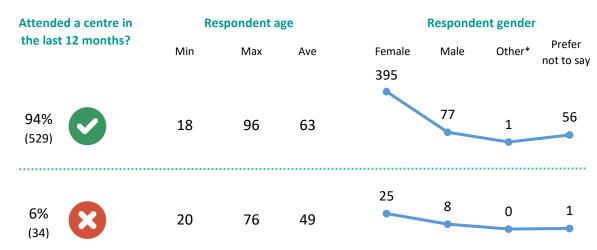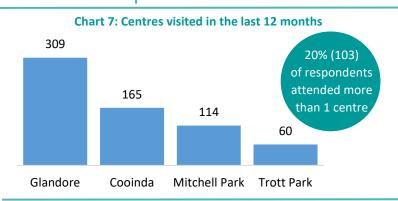
## 20. Insights from the community
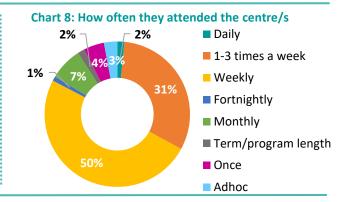
During the SR, a survey was undertaken over a 4 week period to gain insights from community members who do and don't attend the N&C Centres. The community survey was circulated for a month, promoted electronically (via City of Marion Facebook pages, website and email) and paper based (through centres only).

*Note: All percentages are based on the number of responses for each particular question (not all respondents answered all questions).*

### Survey results (February 2020)

**563** Community members completed the survey

**Attended a centre in the last 12 months?**

94% (529) ✓

6% (34) ✗

**Respondent age**

| | Min | Max | Ave |
|---|---|---|---|
| | 18 | 96 | 63 |
| | 20 | 76 | 49 |

**Respondent gender**

| | Female | Male | Other* | Prefer not to say |
|---|---|---|---|---|
| | 395 | 77 | 1 | 56 |
| | 25 | 8 | 0 | 1 |

**Chart 7: Centres visited in the last 12 months**



| Glandore | Cooinda | Mitchell Park | Trott Park |
|---|---|---|---|
| 309 | 165 | 114 | 60 |

20% (103) of respondents attended more than 1 centre

**Chart 8: How often they attended the centre/s**



- Daily 2%
- 1-3 times a week 31%
- Weekly 50%
- Fortnightly 1%
- Monthly 7%
- Term/program length 2%
- Once 4%
- Adhoc 3%
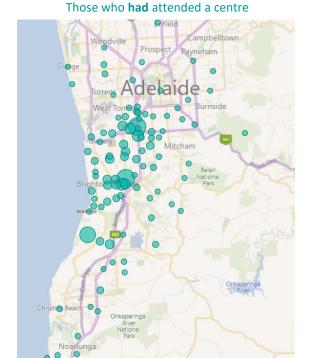
### Where the respondents live
(the larger the circle = more respondents live in that area)

**Those who had attended a centre**



**Those who hadn't attended a centre**



*Adults who identify as non-binary, gender diverse or with descriptors other than man or woman

## Survey results (February 2020)

### Chart 9: Main reasons for attending the centre/s

- Recreational/social — 221
- Art/craft — 148
- Exercise — 123
- Other* — 89
- Short course — 39
- Children/youth — 38
- Accredited courses — 34
- Literacy/numeracy — 22

28% (142) of respondents provided more than 1 reason

### Chart 10: How they got to the centre/s

- Drove themselves — 364
- Walked — 86
- Family/friend — 48
- Public transport — 41
- Other** — 36

9% (49) of respondents used more than 1 mode of transport

### Overall experience when they attended the centre/s

| 59% | 37% | 3% | -% | 1% |
|---|---|---|---|---|
| Very happy | Happy | Neutral | Unhappy | Very unhappy |

### Chart 11: Ideas for additional services, programs/activities and learning opportunities to be on offer
(of those who attended a centre)

- Recreation & social — 83
- Exercise — 54
- Other*** — 49
- Art/craft — 42
- Training — 14
- Open after hours/on weekends — 12
- Diversity in programs and activities — 12
- Once off events — 10

**Recreation & social**
- social groups, 27%
- other (18 minor categories), 25%
- cooking, 14%
- languages, 12%
- mindfullness/wellbeing, 10
- gardening, 5%
- recycling, 4%
- ukulele, 4%

**Exercise**
- general, 19%
- zumba, 17%
- other (8 minor categories), 15%
- dancing, 15%
- yoga, 11%
- pilates, 9%
- chair based yoga, 7%
- hula hoop, 4%
- self defence, 4%

*Includes a combination of 12 different reasons, each provided by less than 20 respondents

**Includes a combination of 6 different modes of transport, each provided by less than 20 respondents. Only 3 people identified the CoM Community Bus as a mode of transport

*** Includes a combination of 16 different suggestions to be on offer, each provided by less than 10 respondents

Service Review – Neighbourhood and Community Centres

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## Survey results (February 2020)

= those who **had** attended
= those who **hadn't** attended

**Chart 12: N&C Centre elements by importance**

Elements | Level of importance

| | Very important | Important | Neutral | Slightly important | Not important | Don't know |
|---|---|---|---|---|---|---|

**Community spaces (buildings and surroundings)**
- Very important: 13 / 223
- Important: 17 / 210
- Neutral: 1 / 51
- Slightly important: 1 / 12
- Not important: 9
- Don't know: 2 / 16

**Access to support information and referral services**
- Very important: 10 / 214
- Important: 15 / 195
- Neutral: 4 / 53
- Slightly important: 1 / 18
- Not important: 2 / 19
- Don't know: 2 / 18

**Access to programs and activities**
- Very important: 20 / 285
- Important: 10 / 182
- Neutral: 1 / 23
- Slightly important: 5
- Not important: 2 / 6
- Don't know: 1 / 13

**Opportunities for formal and informal learning**
- Very important: 12 / 213
- Important: 16 / 197
- Neutral: 2 / 18
- Slightly important: 15
- Not important: 2 / 18
- Don't know: 2 / 19

**Opportunities to make social connections**
- Very important: 12 / 237
- Important: 15 / 181
- Neutral: 4 / 37
- Slightly important: 1 / 20
- Not important: 1 / 7
- Don't know: 1 / 10

**Chart 13: Main reasons why people didn't attended a centre**
(of those who did not attended a centre in the last 12 months)

| Reason | Count |
|---|---|
| Programs/activities weren't of interest | 12 |
| Program/activity times were not suitable | 11 |
| Unsure of attending | 8 |
| Weren't aware that CoM had centres | 7 |
| Too busy to attend | 5 |
| Had trouble getting there | 3 |
| Opening times not suitable | 2 |
| Had a barrier to attend* | 2 |
| Programs too expensive | 2 |
| No crèche/childcare | 1 |

41% (14) of respondents selected more than 1 reason

*Barriers including language, cultural or disability

Service Review – Neighbourhood and Community Centres

## Survey results (February 2020)

### Ideas for N&C Centres of the future

Chart 14: Those who attended a centre in the last 12 months (responses summarised)

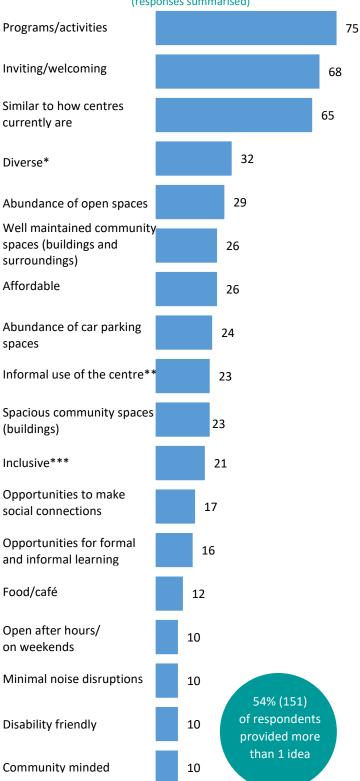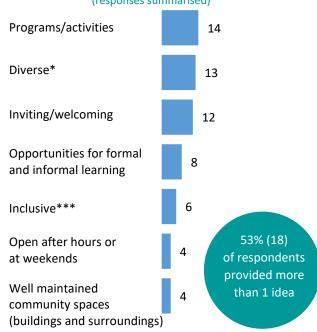| Category | Value |
|---|---|
| Programs/activities | 75 |
| Inviting/welcoming | 68 |
| Similar to how centres currently are | 65 |
| Diverse* | 32 |
| Abundance of open spaces | 29 |
| Well maintained community spaces (buildings and surroundings) | 26 |
| Affordable | 26 |
| Abundance of car parking spaces | 24 |
| Informal use of the centre** | 23 |
| Spacious community spaces (buildings) | 23 |
| Inclusive*** | 21 |
| Opportunities to make social connections | 17 |
| Opportunities for formal and informal learning | 16 |
| Food/café | 12 |
| Open after hours/ on weekends | 10 |
| Minimal noise disruptions | 10 |
| Disability friendly | 10 |
| Community minded | 10 |

54% (151) of respondents provided more than 1 idea

*(there were another 40 different ideas, provided by less than 10 respondents each)*

Chart 15: Those who did not attended a centre in the last 12 months (responses summarised)

| Category | Value |
|---|---|
| Programs/activities | 14 |
| Diverse* | 13 |
| Inviting/welcoming | 12 |
| Opportunities for formal and informal learning | 8 |
| Inclusive*** | 6 |
| Open after hours or at weekends | 4 |
| Well maintained community spaces (buildings and surroundings) | 4 |

53% (18) of respondents provided more than 1 idea

*(there were another 20 different ideas, provided by less than 4 respondents each)*

*Provides opportunities for different ages, genders, ethnicity, religion, socio-economic status, life experiences, disability, sexual orientation, education and national origin.

**Non-programmed use of the centre e.g. book swap/produce swap/social hang out/maker spaces/meal nights/etc.

***Provides a sense of belonging, feeling respected and valued as individuals or members of a group.

**KEY POINTS AND OBSERVATIONS**

**Section: Insights from the community**

- 563 community members completed the survey (less than 1% of CoM population).
- 6% of the survey respondents had not attended a centre in the last 12 months.
- The average age of survey respondents was 63 years old for those who had attended a centre and 49 years old for those hadn't attended.
- 50% of those who attended said they attended the centre/s weekly.
- The main reason for attending centre/s was for recreation and social activities, programs and events (221 responses).
- The main mode of transport used was car where respondents drove themselves (364 responses).
- 96% of those who attended said they were either 'very happy' or 'happy' with their overall experience at the centre/s.
- Of those who attended the centre/s they highlighted a need for additional programs and activities to be on offer in various areas with 'recreation and social' being the highest opportunity for improvement.
- Access to programs and activities was of highest importance to both those who had and hadn't the centre/s.
- The two main reasons why people hadn't attend a centre in the last 12 months was due to the programs and activities not being of interest (35%) and the times of these not being suitable (32%).
- When asked for ideas of the future for N&C Centres various opportunities were identified, the highest being:
  - Programs and activities and inviting/welcoming (both those who had and hadn't attended).
  - Similar to how they currently are (those had attended the centre/s)
  - Diverse (those who hadn't attended).

## 21. Insights from Elected Members

During the SR, a survey was undertaken to gain insights from Elected Members (EMs) regarding the N&C Centres and to identify potential opportunities to improve customer experience. The survey was forwarded to 13 people with seven surveys completed (54% response rate).

### Survey results (January 2020)

**Current N&C strengths and improvement opportunities**

**Satisfaction with services provided to the community**
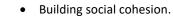
Programs and services on offer

Strengths
**3** felt this was a strength

Improvement opportunities
**4** felt this could be improved

Spaces (buildings and surroundings)

**3** felt this was a strength

**3** felt this could be improved

3.6 star average satisfaction rating of the services provided to the community

Customer experience

**4** felt this was a strength

**1** felt this could be improved

---

**Other commentary**

Strengths
- Building social cohesion.

Improvement opportunities
- After hours programs that cater for all.
- Offer to people from all backgrounds – not restricted to those that are disadvantaged.
- Limited transport to Trott Park.
- Additional programs targeting young people, especially the socially excluded.

---

**Feedback EMs have received from the community**
(verbatim)

- Those that go love them and put up with infrastructure deficiencies.
- Over time N&C Centres provide services for particular clique groups at specific activities.
- I have had good reports about all the centres.
- Negative about changes to costs and the process.
- All that use the N&C Centres become possessive of them and the programs that they attend and do not like anything to change.
- Some of the programs were cut short during the school holidays.
- There are often requests for more programs for after school but it is difficult for the youth as they rely on the parents to take them.

**Role that EMs see N&C Centres playing in the future**
(responses summarised)

- Greater role (1)
- Vital for social cohesion (1)
- Avoiding loneliness (1)
- Diverse and inclusive (1)
- Focal point for retirees (1)
- Respond to community need (1)
- Welcoming and safe (1)
- Utilised by third party providers to provide bespoke services to the community (1)
- Training for youth (1)

---

**KEY POINTS AND OBSERVATIONS**
**Section: Insights from Elected Members**
- 7 surveys were completed (54% response rate).
- 3.6 star average satisfaction rating of the services provided to the community.
- There is opportunity to improve programs and services on offer to respond to the community needs.

## 22. Insights from internal partners (CoM staff)

During the SR, a survey was undertaken to gain insights from internal partners (CoM Staff) regarding their experiences with N&C Centres and to identify potential opportunities to improve customer experience. The survey was forwarded to all CoM staff.
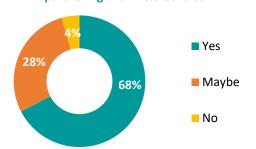
*Note: All percentages are based on the number of responses for each particular question (not all respondents answered all questions).*

### Survey results (February 2020)

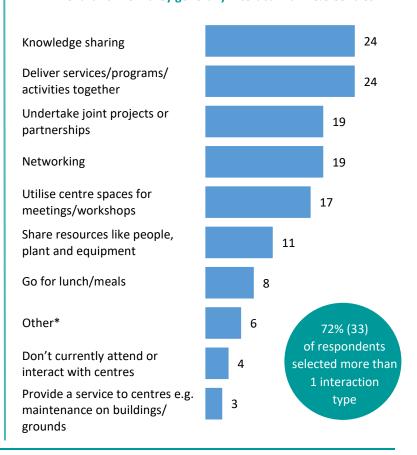**46** internal partners completed the survey from **13** different departments

- City Activation
- City Property
- Community Wellbeing
- Corporate Governance
- Customer Experience
- Development & Regulatory Services
- Engineering & Field Services
- Executive Team
- Human Resources
- ICT
- Innovation & Strategy

**Chart 16: How they generally interact with N&C Centres**

| Interaction | Count |
|---|---|
| Knowledge sharing | 24 |
| Deliver services/programs/activities together | 24 |
| Undertake joint projects or partnerships | 19 |
| Networking | 19 |
| Utilise centre spaces for meetings/workshops | 17 |
| Share resources like people, plant and equipment | 11 |
| Go for lunch/meals | 8 |
| Other* | 6 |
| Don't currently attend or interact with centres | 4 |
| Provide a service to centres e.g. maintenance on buildings/grounds | 3 |

72% (33) of respondents selected more than 1 interaction type

**Chart 17: Whether they could see themselves partnering with N&C Centres**



- 68% Yes
- 28% Maybe
- 4% No

### What these partnering opportunities could be
(of those who provided a response)

| Department | Opportunities | | | | | |
|---|---|---|---|---|---|---|
| | Deliver services/ programs/activities together | Joint projects/ partnerships | Utilise centre spaces | Share knowledge | Share resource | Provide a service |
| City Activation | ✅ | ✅ | ✅ | ✅ | | |
| Community Wellbeing | ✅ | ✅ | ✅ | ✅ | ✅ | |
| Corporate Governance | | | ✅ | | | |
| Customer Experience | ✅ | | | | | |
| Development & Regulatory Services | | | | | | ✅ |
| Finance | ✅ | | | | | |
| Human Resources | ✅ | | | | ✅ | |
| ICT | | | | | | ✅ |

*Includes a combination of 6 different interactions, each provided by 1 respondent only
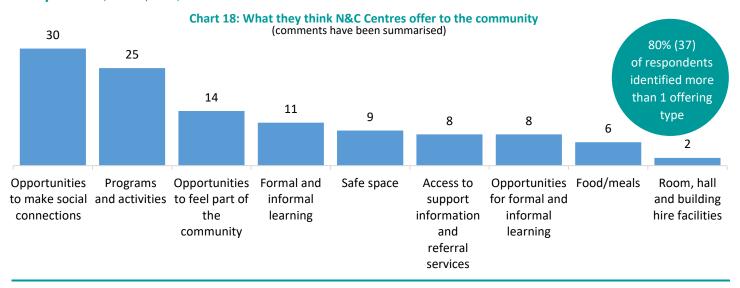
## Survey results (February 2020)

### Chart 18: What they think N&C Centres offer to the community
(comments have been summarised)



80% (37) of respondents identified more than 1 offering type

| Category | Value |
|---|---|
| Opportunities to make social connections | 30 |
| Programs and activities | 25 |
| Opportunities to feel part of the community | 14 |
| Formal and informal learning | 11 |
| Safe space | 9 |
| Access to support information and referral services | 8 |
| Opportunities for formal and informal learning | 8 |
| Food/meals | 6 |
| Room, hall and building hire facilities | 2 |

### Chart 19: N&C Centres would be even better if…
(comments have been summarised)



- Upgrade/improve community spaces (buildings and surroundings) 13
- Open after hours/on weekends 9
- Other* 9
- Increase internal promotion 8
- Increase resourcing 7
- Improved access to technology for staff/community 5
- Attract/target more demographics 4
- Increase external promotion 5
- Increase internal collaboration 4
- Become a Community Hub 2

**KEY POINTS AND OBSERVATIONS**
**Section: Insights from internal partners (CoM staff)**
- 46 internal partners completed the survey from 13 different departments.
- Internal partners highlighted that their greatest interactions with N&C Centres was 'knowledge sharing' and 'delivering services/programs and activities together'.
- 68% of respondents said they could see themselves partnering with N&C Centres.
- 8 departments identified the areas in which they could partner with N&C Centres.
- Internal partners identified many opportunities for improvement with upgrades/improvements to buildings and surroundings and being open after hours/on weekends the highest.

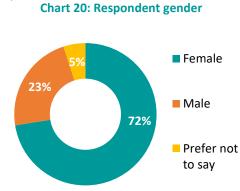*Includes 9 different ideas, each provided by 1 respondent only.

## 23. Insights from N&C Centre volunteers

During the SR, a survey was undertaken to gain insights from N&C Centre volunteers. The survey was forwarded to all N&C Centre volunteers.
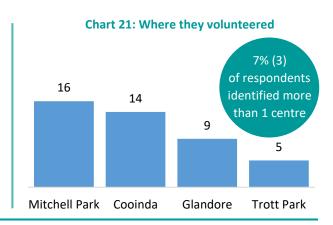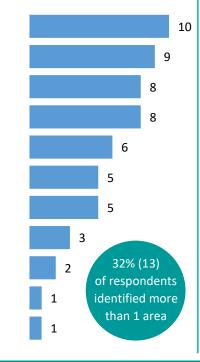
## Survey results (February 2020)

**41**

N&C Centre volunteers completed the survey

### Chart 20: Respondent gender

- Female 72%
- Male 23%
- Prefer not to say 5%

### Chart 21: Where they volunteered

7% (3) of respondents identified more than 1 centre

| | |
|---|---|
| Mitchell Park | 16 |
| Cooinda | 14 |
| Glandore | 9 |
| Trott Park | 5 |

### Chart 22: What area/s were they providing support?

| | |
|---|---|
| Programs/activities – art and craft | 10 |
| Programs/activities – general | 9 |
| Reception or administration | 8 |
| Kitchen, café or food preparation | 8 |
| Recreation or social programs/activities | 6 |
| Once off events | 5 |
| Programs/activities - literacy and numeracy | 5 |
| Programs/activities – general coordination | 3 |
| Handyman and maintenance | 2 |
| Programs/activities - exercise | 1 |
| Gardening | 1 |

32% (13) of respondents identified more than 1 area

### Chart 23: How they got to the centre/s

5% (2) of respondents used more than 1 mode of transport

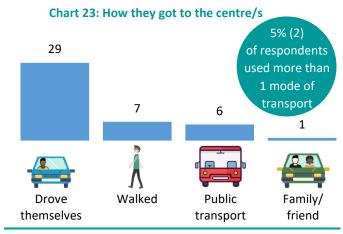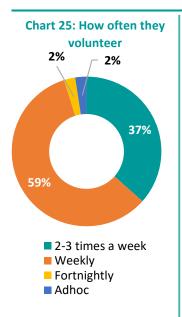| | |
|---|---|
| Drove themselves | 29 |
| Walked | 7 |
| Public transport | 6 |
| Family/ friend | 1 |

### Chart 24: How long they have volunteered for

- 6 months or less 14%
- Over 6 months up to 5 years 44%
- 6-10 years 27%
- 11-15 years 10%
- 20 years or more 5%

(no responses for 16 to 19 years)

### Chart 25: How often they volunteer

- 2-3 times a week 37%
- Weekly 59%
- Fortnightly 2%
- Adhoc 2%

**100%** felt their skills match their volunteer role

**12%** felt they needed further training to undertake their volunteering role

**22%** found the sign in/out process difficult

**4.5/5** average satisfaction rating regarding their volunteering role

### Ideas for improving volunteering at N&C Centres

(comments have been summarised)

- Increasing programs/activities to allow for more volunteers (2).
- More and better working maintenance tools (1).
- Improved communication between staff and volunteers (1).
- More male volunteers (1).
- Program/activity interactions to be less formal (1).
- Buildings and spaces were upgraded/ improved (1).
- Less expectation on volunteers to do the same as paid staff (1).

**KEY POINTS AND OBSERVATIONS**

**Section: Insights from N&C Centre volunteers**

- 41 volunteers completed the survey (approximately 32% of all current volunteers).
- The greatest area in which volunteers contributed was programs and activities for art and craft (10) and general (9).
- The majority of respondents drive themselves to the centre/s.
- 44% have volunteered over 6 years and up to 5 years.
- 59% volunteer weekly.
- 100% felt their skills match their volunteer role, with 12% feeling they need further training.
- 22% found the sign in/out process difficult.

## 24.    Insights from N&C Centre staff

During the SR, N&C Centre staff were asked to reflect on what they felt was working well, what they would like changed or eliminated and suggestions for improvement. Staff were given the opportunity to reflect through completing an online survey and via one-on-one and group discussions.

### Reflections (January and February 2020)
(comments have been summarised and combined into common themes)

**What's working well?**
- Extended hours trial
- Regular team meetings
- Staff characteristics
- Programs and events
- Delivery of N&C Centres marketing plan
- Increased promotion through Social Media
- Support and opportunities provided to volunteers
- Introduction of online booking systems
- Welcoming/embracing new centre attendees
- Positive impact centres make on the community
- New offerings provided (programs and events)

**What's not working well?**
- Consultation with the community (not enough)
- Some one off and weekend events and youth programs (low attendance)
- Online booking (elderly)
- Room availability (not enough space for everyone)
- Data collection
- Communication (both internally and externally)
- Job insecurity
- Language in promotional materials
- Paper based processes
- Fair distribution of work
- Online booking system (cumbersome)

**What should we do more of?**
- Collaboration both internally and externally
- Program planning
- Utilise technology
- Rotating staff across centres
- Standardisation
- Programs/events out of hours
- Consultation and communication with the community
- Research based programming
- Professional development

**What should we do less of?**
- Continuing programs year after year
- Events without proper planning and thought of outcomes
- Party hire
- Large events that require lots of planning and staffing
- Providing volunteering opportunities
- Assisting multi-cultural people to complete documents
- Identifying outcomes

**Improvement and innovation opportunities**
- Reduce outdated programs
- Coordinated approach to programming
- Digitise processes
- Record data in one system
- Collect visitor* data
- Have key people responsible for certain activities
- Rebrand as Wellbeing Centres
- Student to capture attendees stories
- Simplify complex processes
- Operate as one centre across 4 locations
- Combine the Venue Manager and Special Event Permit positions

*A visitor is someone who may attend a centre with an enquiry or to socialise, however does but does not participate in a planned program or event.

CITY OF
MARION

## 25.   Local Government Benchmarking (South Australia)

During the SR, a benchmarking survey was circulated to various South Australian councils with 10 councils (including CoM) participating. The exercise aimed to understand management, programming and funding models in place, how measures of success are determined and identify collaboration opportunities.
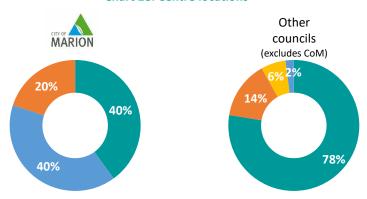
### Survey results (2020)

**Chart 26: # of centres in council area**

| Onkaparinga Centres: 8 (population = 166,766) | Charles Sturt Centres: 8 (population = 111,759) | Salisbury Centres: 7 (population = 137,979) | Marion Centres: 5 (population = 88,618) | Unley Centres: 4 (population = 37,721) | Holdfast Bay Centres: 4 (population = 35,360) |
|---|---|---|---|---|---|
| | | | Mitcham Centres: 5 (population = 64,805) | Burnside Centres: 4 (population = 43,911) | Tea Tree Gully Centres: 4 (population = 97,734) / Playford, Centres: 2 (population = 89,732) |

**Management models**

| | Fully managed by Council | Partially managed by Council and other | Fully managed by a group, board or other (not managed by Council) |
|---|---|---|---|
| CITY OF MARION | 80% | - | 20% (Marion LIFE Community Services) |
| Other councils (excludes CoM) | 61% | 4% | 35% |

**Chart 27: Programming models**



City of Marion: 80%, 20%

Other councils (excludes CoM): 88%, 4%, 4%, 4%

- Combination of scheduled activities, programs and venue/room hire
- Scheduled activities & programs (venue/room hire at night/weekend only)
- Scheduled activities & programs only (no venue/room hire)
- Used for venue/room hire only (no scheduled activities & programs)
- Unknown

**Chart 28: Centre locations**



City of Marion: 40%, 20%, 40%
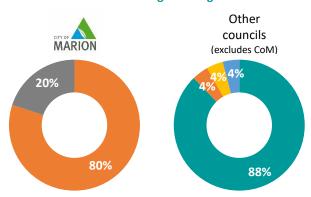
Other councils (excludes CoM): 78%, 14%, 6%, 2%

- Stand-alone centre e.g. a house or separate building
- In a community precinct (hub) e.g. separate centre but in direct proximity of other community services
- Other
- In a series of buildings e.g. separate centre but physically connected to other buildings providing other services

**Collaboration**

**100%** of councils were willing to collaborate through knowledge sharing, networking and undertaking joint projects/partnerships

**71%** were willing to share service delivery

**43%** were willing to share resources

## Survey results (2020)

### Table 13: Funding sources

| Council | Funding sources - operations | | | | | Funding sources - programs and projects | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Council | External grant | Self-funded | Hire income | other | Council | External grant | Self-funded | Hire income | Other |
| Burnside | ✓ | ✓ | | ✓ | | ✓ | ✓ | | ✓ | |
| Charles Sturt | ✓ | | | | | ✓ | | ✓ | ✓ | |
| Holdfast Bay | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | |
| Marion | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mitcham | ✓ | | | ✓ | | Details not provided | | | | |
| Onkaparinga | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | |
| Playford | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | |
| Salisbury | ✓ | ✓ | | | | ✓ | ✓ | ✓ | | |
| Tea Tree Gully | ✓ | ✓ | | | | ✓ | ✓ | ✓ | ✓ | |
| Unley | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

### Table 14: How each council determines success

| Council | Measures of success |
|---|---|
| Burnside | • Attendance numbers<br>• Utilisation (hours of use) |
| Charles Sturt | • Attendance numbers<br>• Number of programs offered<br>• Income derived |
| Holdfast Bay | • Attendance numbers<br>• Key performance indicators (increase attendance by % each year) |
| Marion | • New attendees<br>• Developing relationships with others<br>• Learning something new<br>• Attending more than 1 program |
| Mitcham | • Through community engagement |
| Onkaparinga | • Key performance indicators (attendance numbers, utilisation (hours of use), volunteer numbers and hours)<br>• Results Based Accountability practices |
| Playford | • Through annual community engagement<br>• Targets (attendance and satisfaction)<br>• Results Based Accountability practices |
| Salisbury | • Attendance numbers<br>• Utilisation (hours of use)<br>• Attendees are connected and participating<br>• Developing relationships with others<br>• Learning something new |
| Tea Tree Gully | • Results Based Accountability practices<br>• Budget and return on investment |
| Unley | • Attendance numbers<br>• Utilisation (hours of use)<br>• Key performance indicators |

**KEY POINTS AND OBSERVATIONS**

**Section: Local Government Benchmarking (South Australia)**

- The main management model for all centres was 'fully managed by council' (CoM = 80% and other councils = 61%).
- The main programming model for other council centres was a 'combination of scheduled activities, programs and venue/room hire' (88%), whereas CoM was 'scheduled activities & programs (venue/room hire at night/weekend only) (80%).
- 78% of other council centres were identified as a 'stand-alone centre e.g. a house or separate building' (CoM = 40%).
- 100% of councils were willing to collaborate through knowledge sharing, networking and undertaking joint projects/partnerships.
- All with the exception of two councils rely on external grants to fund centre operations.
- There is opportunity to learn from (and adopt where applicable) each councils approach to measuring success.
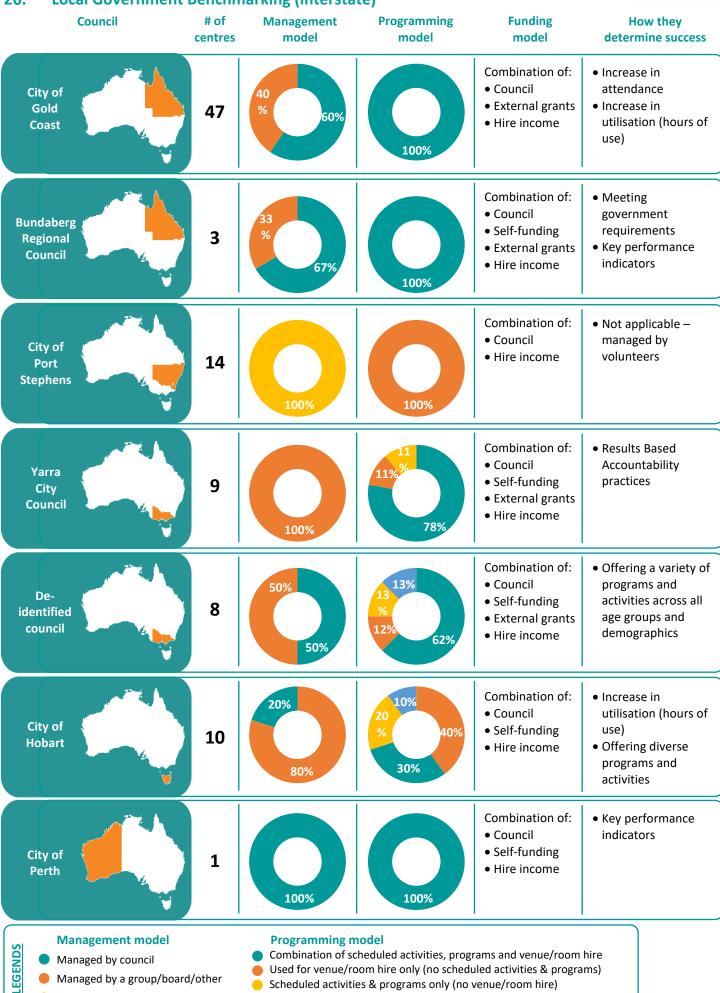
Service Review – Neighbourhood and Community Centres

## 26. Local Government Benchmarking (interstate)

| Council | # of centres | Management model | Programming model | Funding model | How they determine success |
|---|---|---|---|---|---|
| City of Gold Coast | 47 | 40% / 60% | 100% | Combination of:<br>• Council<br>• External grants<br>• Hire income | • Increase in attendance<br>• Increase in utilisation (hours of use) |
| Bundaberg Regional Council | 3 | 33% / 67% | 100% | Combination of:<br>• Council<br>• Self-funding<br>• External grants<br>• Hire income | • Meeting government requirements<br>• Key performance indicators |
| City of Port Stephens | 14 | 100% | 100% | Combination of:<br>• Council<br>• Hire income | • Not applicable – managed by volunteers |
| Yarra City Council | 9 | 100% | 11% / 11% / 78% | Combination of:<br>• Council<br>• Self-funding<br>• External grants<br>• Hire income | • Results Based Accountability practices |
| De-identified council | 8 | 50% / 50% | 13% / 13% / 12% / 62% | Combination of:<br>• Council<br>• Self-funding<br>• External grants<br>• Hire income | • Offering a variety of programs and activities across all age groups and demographics |
| City of Hobart | 10 | 20% / 80% | 10% / 20% / 30% / 40% | Combination of:<br>• Council<br>• Self-funding<br>• Hire income | • Increase in utilisation (hours of use)<br>• Offering diverse programs and activities |
| City of Perth | 1 | 100% | 100% | Combination of:<br>• Council<br>• Self-funding<br>• Hire income | • Key performance indicators |

**LEGENDS**

**Management model**
- Managed by council
- Managed by a group/board/other
- Managed by volunteers

**Programming model**
- Combination of scheduled activities, programs and venue/room hire
- Used for venue/room hire only (no scheduled activities & programs)
- Scheduled activities & programs only (no venue/room hire)
- Scheduled activities & programs (venue/room hire at night/weekend only)

**KEY POINTS AND OBSERVATIONS**
**Section: Local Government Benchmarking (interstate)**

- Management models varied from state to state with 'managed by council' and managed by a group/board' being the most prominent.
- The main approach to programming was a combination of scheduled activities, programs and venue/room hire
- Each council relies upon council and hire income to fund proportions of their centres.
- There is opportunity to learn from (and adopt where applicable) each councils approach to measuring success.

## 27. Alignment to the CoM Strategic Plan

*Table 15: Alignment to City of Marion Business Plan 2019 - 2023*

| Community Vision Theme | Project/Initiative | Project Delivery | Role | How have N&C Centres delivered/supported this? |
|---|---|---|---|---|
| INNOVATIVE | Deliver an expanded online booking service for community managed facilities. *(reference: Business Plan Project 5)* | FY2019/20 | Key stakeholders | An online booking system has been developed through CoM's Customer Experience Department. N&C Centres have been a key stakeholder in trialling and testing this software providing feedback as required. |
| CONNECTED | Trial a third community bus. *(reference: Business Plan Project 9)* | FY2019/20 | Key stakeholder | Through community consultation undertaken by the Positive Ageing and Inclusion Team, two previously unvisited centres were identified as potential additional destinations. Both Trott Park and Glandore centres have been added to the Community Bus route through the third Community Bus trial. |
| CONNECTED | Trial implementation of extended operating hours at N&C Centres. *(reference: Business Plan Project 10)* | FY2019/20 | Lead | Extended operating hours trialled from October 2019 to March 2020 at three centres.<br>**Cooinda:** Had the greatest uptake and it is recommended to continue extended hours all year round.<br>**Glandore and Trott Park:** Recommended to continue extended hours during daylight savings months. |
| LIVEABLE | Renew the Mitchell Park sports and community facilities. *(reference: Business Plan Project 20)* | FY2019/20 FY2020/21 FY2021/22 | Key stakeholder | The Mitchell Park Neighbourhood Centre will relocate from its current site to the rebuilt Mitchell Park Sports and Community Facility. Leaders of N&C Centres are key stakeholders in this project providing advice and direction on community needs and expectations for the rebuild of the community centre. |

*Table 16: Alignment to City of Marion Strategic Plan 2019 - 2029*

| Community Vision Theme | 10 year goal | How are N&C Centres supporting this strategic direction? |
|---|---|---|
| LIVEABLE | By 2029 we will have attractive neighbourhoods with diverse urban development, vibrant community hubs, excellent sporting facilities, open spaces and playgrounds. *(reference: Strategic Plan L1, L2, L3, L4)* | • All centres run regular programs and events and introduce and trial new.<br>• Three centres are open on Saturday mornings.<br>• Extended opening hours trialled (October 2019 to March 2020).<br>• Two centres have gardens, however, the garden at Trott Park is run independently from the Centre.<br>• All centres offer art and craft programs and activities. |
| VALUING NATURE | By 2029 we will improve stormwater management, increase energy efficiency, promote biodiversity and improve opportunities for people to play in open spaces and interact with nature. *(reference: Strategic Plan VN2, VN3)* | • In partnership with CoM's Environmental Team, climate and sustainability workshops/events have been held at two centres.<br>• CoM energy efficiency and renewable energy workshops and presentations are held from one centre.<br>• Two centres have community gardens (see above), with another identified as a future community garden site.<br>• Solar panels are installed on the rooves at one centre.<br>• Nature play programs are held during school holidays at each centre.<br>• Two centres have a playground, Mitchell Park is located next to a reserve with another identified as a future playground site. |

*Table 16: Alignment to City of Marion Strategic Plan 2019 - 2029*

| Community Vision Theme | 10 year goal | How are N&C Centres supporting this strategic direction? |
|---|---|---|
| **ENGAGED** | By 2029 our community will feel engaged and empowered to influence the improvement of their own neighbourhood. *(reference: Strategic Plan E1, E2, E3, E4, E5)* | • All centres act as a community gathering point, creating opportunity for the community to meet, socialise and connect.<br>• A number of Government funded programs are delivered out of the centres including:<br>  – Community Services Support Program – Hubs Program (CSSP)<br>  – Commonwealth Home Support Programme (CHSP)<br>  – Adult Community Education (ACE)<br>• Programs are often trialled first to determine the community want and need.<br>• Feedback is sought from all participants by way of evaluation forms and conversations.<br>• Centres provide volunteering opportunities and links to organisations to new arrivals.<br>• Volunteers support each centre.<br>• Centres frequently host work experience and placement students.<br>• A *Neighbourhood Centres Marketing Plan 2016-2019* was developed to raise the profile of centres, attract new customers and build a brand. |
| **INNOVATION** | By 2029 we will be constantly ready to adapt to technological advances. We will be better and quicker at sharing relevant information. *(reference: Strategic Plan I1, I3, I4)* | • iPads are provided at centres for volunteers to track their attendance hours.<br>• Standalone television screens at each centre sharing information (not connected to the centrally managed corporate digital system).<br>• One centre has a computer suite, with 15 additional tablets/laptops recently ordered for community use.<br>• As part of the *Neighbourhood Centres Marketing Plan 2016-2019* online presence has been increased via CoM website, social media and the introduction of podcasts.<br>• Online evaluation forms have been developed and are being trialled. |
| **PROSPEROUS** | By 2029 our city will see realisation of the full potential of the Tonsley Precinct and other key commercial – industrial – retail zones. *(reference: Strategic Plan P2, P3)* | • Centres frequently host work experience and placement students.<br>• Research projects have been undertaken in collaboration with centres.<br>• Adult educational courses are delivered from centres, which are designed to improve learning skills and be the first step towards other training and education opportunities. |
| **CONNECTED** | By 2029 it will be easier and safer to move around our city which will have accessible services and plenty of walking and cycling paths. New technology and community facilities will better connect our community. *(reference: Strategic Plan C1, C2, C3)* | • Centres act as a community gathering point, creating opportunity for the community to connect.<br>• One centre has a computer suite.<br>• Three centres are located within close proximity to public transport.<br>• All centres provide free Wi-Fi access to the community. |

**KEY POINTS AND OBSERVATIONS**
**Section: Alignment to the CoM Strategic Plan**
- N&C Centres have displayed alignment to both CoM's Business Plan and Strategic Plan.
- The greatest area of alignment was in the 'engaged', 'connected' and 'liveable' spaces.
- There is opportunity to increase alignment in the 'innovation' space.

## 28. COVID-19 response

In response to the COVID-19 pandemic, the N&C Centre's team changed the way they deliver to ensure that service continuity to the community was maintained. This 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 *Image 15*.

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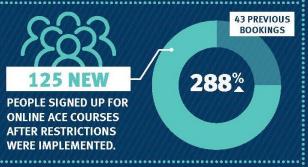
INTERNAL & EXTERNAL PARTNERSHIPS WERE FORMED TO MOVE COURSES TO ONLINE PLATFORMS.

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.

43 PREVIOUS BOOKINGS

**288%** ▲

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

### ONLINE PROGRAMS

**apART ONLINE**
**Being apART JOURNAL**

**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.

**12 GROUPS OF FOUR**

**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 HUGELY SUCCESSFUL POST ON FACEBOOK.

👍 ❤️ 😆 **191** POST REACTIONS

👁 **2,398** PEOPLE REACHED

## 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. |

## 29. Recommendations, key findings and benefits

*Table 17: Recommendations, key findings and benefits*

| No. | Recommendation | Findings | Benefit |
|---|---|---|---|
| 1 | Council to continue to manage the four N&C Centres. | • Currently centres are managed and operated by N&C Centre staff and volunteers.<br>• Of the other South Australian councils surveyed in the benchmarking exercise, 61% of the total N&C Centres were fully managed by council. | • CoM are able to continue to manage strategic direction of centres and programs and the subsequent curation of service providers and events to ensure inclusivity and diversity objectives are met. |
| 2 | Strategically monitor land and/or building opportunities to potentially house future community centric sites. | • Many community centres are increasingly developing or redefining themselves as community 'hubs' housing different service providers that offer a range of activities, programs and services to a broad demographic.<br>• To attract and accommodate future service offerings including combined 'hub' services the current N&C Centres may find that the current buildings are not 'fit for purpose'.<br>• The median age of CoM's N&C Centre buildings is 38 years old.<br>• 81% of all respondents of the community survey felt community spaces (buildings and surroundings) were either very important or important elements of a N&C Centre.<br>• Centres should be located where they are easily accessible via public transport whilst factoring in the intended targeted community.<br>• Trott Park is the least accessible location when compared to the other three centres. | • Supports the successful move from where N&C Centres are now to where they need to be in the future and continually adapt to changing needs.<br>• Enables the creation of a 'hub' experience for the community.<br>• A shift in location may broaden the demography of attendees at the centres and is likely to increase numbers and engagement. |
| 3 | In collaboration with People and Culture, undertake a formal workforce planning exercise to include succession planning, professional development requirements and a staff skills audit to align the workforce to current and future service demands. | • Workforce plans are not formally in place.<br>• Current and future requirements need to be further identified and a staff skill audit undertaken against the requirements e.g. understanding capacity of existing staff to improve their ability to manage and understand data. | • It will assist N&C Centres to grow and adapt in a strategic way.<br>• Provides opportunity to upskill current staff.<br>• Assists to match skills to current and future business needs and goals.<br>• Ensures the right people are recruited, developed and retained to enable quality service delivery and improved outcomes.<br>• Supports the successful move from where N&C Centres are now to where they need to be in the future and continually adapt to changing needs. |
| 4 | Continue seeking and look to increase collaborative long term strategic partnerships to deliver programs designed to support our community. This would include targeting alternative sources of | • Currently centres are funded by Council and grants.<br>• Grants acquired by CoM for centres account for approximately 65% of the total overall income (based on FY2018/19).<br>• Centres have relied on funding to deliver programs and events and would not be able to continue with their current operating model without it. | • Reduce reliance on external grant funding to run programs and events.<br>• Increase the breadth of services offered to be more inclusive, diverse and reflective of our community as a whole.<br>• A shift in service offerings will broaden the demography of attendees at the centres and is likely to increase numbers and engagement. |

Service Review – Neighbourhood and Community Centres

*Table 17: Recommendations, key findings and benefits*

| No. | Recommendation | Findings | Benefit |
|---|---|---|---|
| | funding and service provision, including seeking service providers to deliver services from/through N&C Centres.<br><br>*(benefits are partially dependent on Recommendation 5)* | • Of the nine South Australian councils surveyed in the benchmarking exercise:<br>  – 78% of councils rely on grant funding to fund operations.<br>  – 88% of the total N&C Centres have a combination of scheduled activities, programs and venue/room hire.<br>• Each centre has the capacity to increase overall utilisation.<br>• CoM generally only provides venue/room hire at night or on weekends.<br>• The proportion of private bookings of N&C Centres is approximately 17%, predominantly outside of Centre business hours. | • Long term committed partnerships invested in community-centric outcomes and service provision.<br>• Improve connectivity, engagement and partnerships with service providers.<br>• Holistic and complementary approach to services with targeted benefits and outcomes.<br>• Provide a 'hub' experience for community.<br>• CoM are able to continue to manage strategic direction of centres and programs and the subsequent curation of service providers and events to ensure inclusivity and diversity objectives are met. |
| 5 | Explore the opportunity for centre hire income to be channelled into N&C Centre management and programming. | • Expenditure and income is distributed between both N&C Centres and the Land and Property Team e.g. Land and Property receive all income for hire charges and rent, however pay for the majority of maintenance on buildings.<br>• Approximately $87k income generated in FY2018/19 through hire and rent was provided to Land and Property Team. | • The hire income generated could be used to fund programs and events, reducing reliance on CoM and grant funding (hire income FY2018/19 $87K/approx. $18pp = approx. 4,800 people through N&C Centres on hire revenue). |
| 6 | Centralise coordination of programs and events for N&C Centres through a Program and Partnerships Coordinator, who would also work with other areas across CoM that deliver events or who have expressed an interest to collaborate (through the internal partners survey) to look for synergy and partnering opportunities (using existing FTE). | • Programming and promotion is managed independently at each centre.<br>• Programming is largely 'supply-based' dependent on the funding received and not people-centred or demand-driven.<br>• Programming is planned on a term-by-term basis.<br>• N&C Centre staff reflected that they would like to have a coordinated approach to programming.<br>• Other areas at CoM (such as Libraries, Marion Cultural Centre and Living Kaurna Cultural Centre) deliver events and are not engaged or coordinated with when programming occurs.<br>• N&C Centre staff reflected that they want to collaborate more both internally and externally.<br>• Of the internal partners (CoM staff) surveyed:<br>  – 52% identified that they already deliver services/programs and activities with N&C Centres; and<br>  – 68% identified that they could see themselves partnering with N&C Centres. | • Coordination of programs, activities and events would be optimised across centres<br>• Holistic approach of what's on offer from CoM and promotion of events.<br>• Breakdown of silos across the centres and within CoM.<br>• Coordinated planning would allow programs, activities and events to be planned much further in advance, which would as a result would facilitate the production of annual programs of events for the community.<br>• N&C Centre Staff could focus on the management of the centres.<br>• Improved service offerings.<br>• Improved customer experience, which is consistent across centres.<br>• Opportunity across CoM to collaborate and:<br>  – Share knowledge,<br>  – Undertake joint projects/partnerships,<br>  – Share service delivery; and<br>  – Share resources. |
| 7 | Increase community involvement in needs analysis and program-related planning, use of centre spaces, and | • Programming to-date has been based on funding criteria, staff ideas (supply-based) and feedback from evaluation forms. | • Enables better informed decision making when coordinating programs, activities and events. |

*Table 17: Recommendations, key findings and benefits*

| No. | Recommendation | Findings | Benefit |
|-----|----------------|----------|---------|
| | other modes of delivery to ensure that they are holistic and complementary and planned further in advance (>1yr). | • Of the non-users of the centres survey respondents:<br>  − 86% identified that programs/activities weren't of interest to them; and<br>  − 79% identified that program/activity times were not suitable for them.<br>• N&C Centre staff reflected that they want to :<br>  − Consult more with the community; and<br>  − Reduce outdated programs.<br>• Anecdotally retirees, the elderly and CALD form the majority of the N&C Centres base and are the main sources of program feedback.<br>• Those who do not attend centres have minimal opportunities for input and might feel reluctant to.<br>• Programs and events are organised on a term-by-term basis.<br>• Some programs and events are 'rolled' over (repeated).<br>• Elected Members who undertook the survey, identified there is opportunity to improve programs and services on offer to respond to the community needs. | • A shift in service offerings will broaden the demography of attendees at the centres and is likely to increase numbers and engagement.<br>• Programs and events are inclusive and diverse and reflect what our community values, how they would like to engage with the centres and what they would like to participate in.<br>• Promotes community-centred buy-in and ownership.<br>• Improved customer experience.<br>• Coordinated planning would allow programs, activities and events to be planned much further in advance, which would as a result would facilitate the production of annual programs of events for the community. |
| 8 | Engage and collaborate with the Inclusion Reference Group (members include people with a disability) to consider how N&C Centres could support non-NDIS funded programs. | • Newly established cross-council Inclusion Reference Group whose purpose is to assist in shaping an inclusive community and enhance customer voice for people with a disability. | • Provision of new service offerings for people with disabilities, not covered by NDIS.<br>• Help raise awareness of matters impacting people with a disability.<br>• Promote community-centred buy-in and ownership.<br>• Provide an inclusive and diverse approach to planning.<br>• Programs and events are inclusive and diverse and reflect what our community values, how they would like to engage with the centres and what they would like to participate in. |
| 9 | Initiate further collaboration with other Local Government Councils who expressed interest through the benchmarking survey in opportunities to share knowledge and resources, network, undertake joint projects and create partnerships. | • Of the nine South Australian councils surveyed in the benchmarking exercise:<br>  − 100% were willing to collaborate through knowledge sharing or networking,<br>  − 71% were willing to share service delivery; and<br>  − 43% were willing to share resources. | • Opportunity to:<br>  − Gain knowledge,<br>  − Network,<br>  − Undertake joint projects/partnerships,<br>  − Share service delivery; and<br>  − Share resources. |
| 10 | Centralise management and coordination of volunteers (using existing FTE). | • To align with change in requirements there has been an increase in administrative and management processes which have not been implemented consistently across the centres. | • Consistent approach and process to volunteer management and coordination.<br>• Potential to increase number of volunteers with improved coordination. |

*Table 17: Recommendations, key findings and benefits*

| No. | Recommendation | Findings | Benefit |
|---|---|---|---|
| | | • Two centres have been hesitant in bringing on new volunteers due to the increased workload and lack of knowledge of the new processes. | |
| 11 | Undertake a 2 year program focusing on increasing utilisation, attendance and volunteer contributions at Trott Park Neighbourhood Centre. | • Low attendance to programs, activities and events. Overall attendance in 2019 approximately (10,700 total).<br>• Centre not being utilised to its full capacity (approximately 25% utilisation in 2019).<br>• Low usage by external hirers (approximately 13% utilisation in 2019).<br>• Capacity to increase number of volunteers at Trott Park (currently 13).<br>• Promotion of programs, activities and events will need to be a continued focus going forward. | • A shift and increase in service offerings and the times they are offered will broaden the demography of attendees at the centres and is likely to increase numbers, engagement and participation at Trott Park. |
| 12 | Trial Extended Hours at Cooinda Neighbourhood Centre only during non-daylight savings months. | • Original trial for three centres occurred during daylight savings months (from October 2019 through to March 2020).<br>• Cooinda Neighbourhood Centre had the greatest uptake and Trott Park Neighbourhood Centre second greatest during the extended hours trial.<br>• Although Glandore Community Centre had the lowest uptake during the extended hours trial the uptake of it demonstrated that the community embraced the extended hours in this area.<br>• Of the non-users of the centres surveyed:<br>  − 32% identified that programs/ activities weren't at a suitable time for them to attend; and<br>  − 6% identified that centre opening times weren't suitable for them to attend.<br>• Promotion of programs, activities and events will need to be a continued focus going forward. | • A shift and increase in service offerings and the times they are offered will broaden the demography of attendees at the centres and is likely to increase numbers, engagement and participation at these three centres.<br><br>**Estimated costs**<br>Extended hours trial during non-daylight savings at Cooinda = $10k (once off – further costs if continued after trial)<br>*Based on 24 weeks x 3 hours per week x 2 staff members.*<br><br>Extended hours during daylight savings months at Cooinda, Glandore and Trott Park = $30k (yearly ongoing – will increase with CPI)<br>*Based on 24 weeks x 3 hours per week x 2 staff members x 3 centres.*<br><br>Programming = $10k (total for both) |
| 13 | Continue Extended Hours at three N&C Centres (Cooinda, Trott Park and Glandore) during the daylight savings months with increased promotion of the offerings. | | |
| 14 | Ensure N&C Centres are stakeholders in the development and rollout of the new CRM system. | • Consistent data collection and data management is not integrated into the roles of centre staff.<br>• The focus of data collection is for reports for funding bodies.<br>• Demographic data of customers is not collected consistently, stored in a database, or used other than for reports for funding bodies. | • A CRM database of N&C Centre customers.<br>• Identify how our community would like to be contacted and connected with (mailing lists, sms, etc.).<br>• N&C Centres are able to easily maintain contact with customers, many of whom are vulnerable, during a crisis via a specified preferred channel (phone, sms, email, etc.) as the data is collected and stored consistently<br>• Improved data management, analysis and reporting.<br>• Improved data integrity. |

Service Review – Neighbourhood and Community Centres

*Table 17: Recommendations, key findings and benefits*

| No. | Recommendation | Findings | Benefit |
|---|---|---|---|
| | | • Unable to use what data there is to form single view of a N&C Centre attendee or any statistics on their attendance at events, or pattern of events attended.<br>• Lack of a CRM during COVID made it difficult to maintain consistent communication via a preferred channel to stay connected as collected variously.<br>• Information currently collected and stored via Eventbrite, hard copy attendance forms, and in spreadsheets. | • Improved ease and efficiency in sourcing and reporting on information.<br>• Potential to replace numerous manual reports.<br>• Facilitate analysis of our community and how they connect with N&C Centres.<br>• Provide an understanding of our community's pain points. |
| 15 | Revise data collection practices, improve data management and instil the importance of data as a tool and part of everyone's role. | • Data collection in N&C Centres to-date has been done haphazardly.<br>• Data collection is generally only done to support reporting requirements to funding bodies.<br>• Majority of data is collected on paper then transferred to spreadsheets, often with significant delay.<br>• Some paper based data had not been collated or entered electronically (requiring manual entry for the SR).<br>• N&C Centre staff reflected that they felt data collection was onerous and wasn't working well.<br>• Data is generally undervalued by the centres and typically only used for funding-related reporting purposes. | • Establishment of N&C Centre customer personas.<br>• Identification and analysis of segments of the community not attending centres and why.<br>• Facilitate analysis of our community and how they connect with N&C Centres and how they would like to into the future via different channels.<br>• Identification of gaps in service offerings.<br>• Opportunity to improve service offerings and delivery, thus improving customer experience.<br>• Enables monitoring and management of centre performance. |
| 16 | Use data to better understand N&C Centre customer personas and identify potential gaps in service offerings to a broader cross section of our community. | | |
| 17 | Establish outcome based metrics to identify what success looks like for N&C Centres and measure performance against this criteria. | • Each council benchmarked against has various measures of success that could be used as a starting point.<br>• Success currently is largely anecdotal and numbers based.<br>• Centres need to better define what success looks like and set up measures to manage performance against the success criteria. | • Shift from day-to-day operational focus to a medium to longer term strategic focus with measurable goals and outcomes.<br>• Monitoring and tracking performance provides the necessary visibility to adapt programs to ensure success.<br>• Centres and management can celebrate their successes and work on opportunities for improvement. |
| 18 | Ensure programs, activities and events have pre-defined measurable outcomes. | • Many programs and events are short term impact or impact is not measured.<br>• Measurable outcomes however are evident with Adult Community Education (ACE) programs amongst others.<br>• A shift towards more programs with measurable outcomes would be beneficial to understand need, impact, effectiveness and also performance. | • Ensure targeted groups are being reached.<br>• Measurable and adaptable outcomes based on monitoring and analysis findings.<br>• Strategic and sustainable outcomes.<br>• Evidence based data can be used to attract future funding, investors and/or service providers. |
| 19 | Upgrade televisions at three N&C Centres (Cooinda, Glandore and Trott Park), connect to the corporate digital system and centralise the | • Standalone televisions at each centre which are not connected to the centrally managed corporate digital system.<br>• Content and design is managed individually by each centre. | • Enable better and faster at sharing of relevant information.<br>• Centralised and coordinated approach to marketing content at centres.<br>• Supports N&C Centres to align better to CoM 'innovation' value. |

*Table 17: Recommendations, key findings and benefits*

| No. | Recommendation | Findings | Benefit |
|---|---|---|---|
| | marketing of content to these screens. | | • Holistic approach of what's on offer from CoM and promotion of events.<br>**Estimated cost**: $18k (once off)<br>*Based on 1 screen and installation ($6k) x 3 centres, includes purchase and installation (Mitchell Park not included due to relocation to new centre).* |
| 20 | Review and map key processes to look for opportunities to improve consistency and efficiency across the centres. | • Similar processes including programming and facilities management are done differently (although sometimes only slightly) at each centre.<br>• The difference in processes was highlight by staff who work across multiple centres.<br>• N&C Centre staff reflected that they want to :<br>  &minus; Simplify complex processes; and<br>  &minus; Rotate more staff across centres. | • Processes are clearly mapped and documented.<br>• Ensures that N&C Centre staff have a strong understanding of their key process which will:<br>  &minus; Support staff and volunteers who currently work across all centres.<br>  &minus; Instil confidence in staff and volunteers to work across centres.<br>• Ensures a consistent customer experience.<br>• Increases accountability for processes and reliability of information.<br>• Provides opportunity to continually review and improve processes. |
| 21 | Automate all manual processes (where possible).<br>*(Dependency on Recommendations 20)* | • Many processes (including data) collection are manual.<br>• N&C Centre staff reflected that they want to digitise processes. | • Potential to increase productivity and operational efficiency.<br>• Improved customer experience. |
| 22 | Continue with the trial of the third Community Bus until June 2021 (original expected trial end date) to gain further data to analyse the ongoing need. *(this is managed by the Positive Ageing and Inclusion Team)* | • Third bus trial was hindered due to vehicle suitability, difficulty recruiting volunteers and community engagement.<br>• Bus was trialled from 28/1/20, however due to COVID-19 pandemic all Community Bus services were suspended in March 2020.<br>• Extensive data is not available to determine the success. | • Will provide further data to analyse the ongoing need. |

Industrial awards and enterprise agreements applying to the City of Marion require a consultative process to be undertaken with employees and their representative union where those employees will be impacted by the formulation of plans that have a direct impact on them. This requirement applies where the formulation of plans impacts on the composition, operation, size of the workforce or in the skills required, alteration in the hours of work, the need for retraining or transfer of employees to other work location and the restructuring of jobs.

The purpose of these industrial arrangements is to provide an opportunity for employees and their union to have their viewpoints heard and taken into account prior to a decision being made.

## 30.    Acknowledgement

In January 2020, the SR of N&C Centres commenced, the process involved consultation and engagement across the CoM by Mel Nottle-Justice and Karen Brewster. The process has been supported and contributed to by many people in particular:

# NEIGHBOURHOOD AND COMMUNITY CENTRES
## What members of our community would like to see post COVID-19
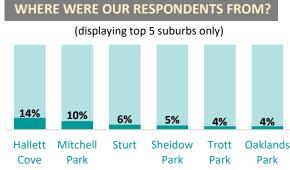
CITY OF MARION

During June 2020, **179 community members responded** to our question "post the impact that the COVID-19 pandemic has had on the community, what would you like to see at City of Marion's Neighbourhood and Community Centres?"
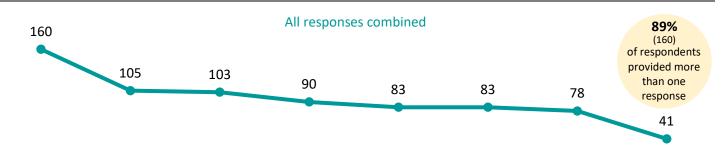
## WHO WERE OUR RESPONDENTS?

The question was included in the regular Neighbourhood and Community Centre (N&C Centre) evaluation form for the whole of June 2020. Respondents were those who have attended or are attending our centres during 2020.

TAKE SURVEY

## WHERE WERE OUR RESPONDENTS FROM?
### (displaying top 5 suburbs only)

| Hallett Cove | Mitchell Park | Sturt | Sheidow Park | Trott Park | Oaklands Park |
|---|---|---|---|---|---|
| 14% | 10% | 6% | 5% | 4% | 4% |

(remaining respondents were from 51 different suburbs both in and out of CoM area)

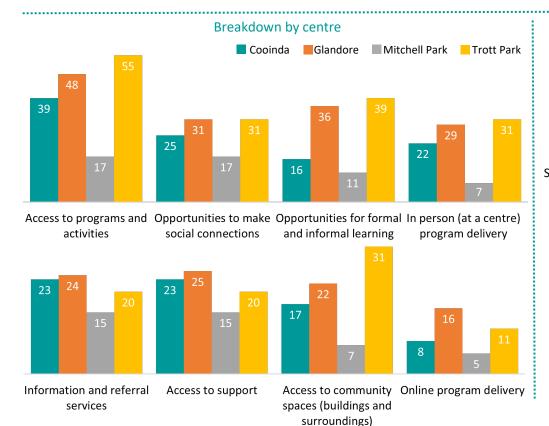## WHAT WOULD RESPONDENTS LIKE TO SEE POST COVID-19 AT OUR N&C CENTRES?

### All responses combined

| Access to programs and activities | Opportunities to make social connections | Opportunities for formal and informal leaning | In person (at a centre) program delivery | Information and referral services | Access to support | Access to community spaces (buildings and surroundings) | Online program delivery |
|---|---|---|---|---|---|---|---|
| 160 | 105 | 103 | 90 | 83 | 83 | 78 | 41 |

**89%** (160) of respondents provided more than one response

### Breakdown by centre

Legend: Cooinda | Glandore | Mitchell Park | Trott Park

**Access to programs and activities**
- Cooinda: 39
- Glandore: 48
- Mitchell Park: 17
- Trott Park: 55

**Opportunities to make social connections**
- Cooinda: 25
- Glandore: 31
- Mitchell Park: 17
- Trott Park: 31

**Opportunities for formal and informal learning**
- Cooinda: 16
- Glandore: 36
- Mitchell Park: 11
- Trott Park: 39

**In person (at a centre) program delivery**
- Cooinda: 22
- Glandore: 29
- Mitchell Park: 7
- Trott Park: 31

**Information and referral services**
- Cooinda: 23
- Glandore: 24
- Mitchell Park: 15
- Trott Park: 20

**Access to support**
- Cooinda: 23
- Glandore: 25
- Mitchell Park: 15
- Trott Park: 20

**Access to community spaces (buildings and surroundings)**
- Cooinda: 17
- Glandore: 22
- Mitchell Park: 7
- Trott Park: 31

**Online program delivery**
- Cooinda: 8
- Glandore: 16
- Mitchell Park: 5
- Trott Park: 11

## Other suggestions
(open ended responses which have been summarised)

**7** Well maintained community spaces (buildings and surroundings)

**5** Spacious community spaces (buildings)

**1** Open after hours/on weekends

**1** Affordable

**1** Keep centres as they are

**1** Food/meals

**1** Healthy instructors

**Internal Audit Program 2020/21 - Scope Documents, COVID-19 Business Continuity Response, Stores Management, Assurance Mapping**

| | |
|---|---|
| **Originating Officer** | Manager Corporate Governance - Kate McKenzie |
| **Corporate Manager** | Manager Corporate Governance - Kate McKenzie |
| **General Manager** | General Manager City Services - Tony Lines |
| **Report Reference** | FAC200818R12 |

## REPORT OBJECTIVE

To provide the Finance and Audit Committee (the Committee) with a progress update of the Internal Audit Plan for 2020/21.

## EXECUTIVE SUMMARY

At its meeting of 19 May 2020, the Committee considered and recommended that the following internal audits be completed in 2020/21.

- COVID-19 Business Continuity Response (Quarter 1) (scope attached)
- Stores Management (Collaborative) (Quarter 2) (scope attached)
- Assurance Mapping (replaced Financial Control Health Check) (Quarter 2/3) (scope attached)
- Project Carry-overs (Quarter 2) (scope to be presented October)
- Asset Inspections Schedule (Quarter 3) (scope to be presented December)
- Community Facilities Management Models (Quarter 4) (scoped to be presented December)

The following three scopes are attached for the Committee to review and provide feedback on:

**COVID-19 Business Continuity Response - due to commence - Attachment 1**
The objective of this internal audit will include a review of the Business Continuity Plan in relation to the current response to the COVID-19 pandemic. The review will also focus on any gaps and lessons learnt including further preparation that may be required relating to a second wave, as well as provide recommendations for improving the BCP going forward.

**Stores Management (Collaborative) (Quarter 2) - Attachment 2**
The objective of this internal audit will include a review of the City of Marion's (CoM) processes, risks and controls in relation to the management of stores stock held at the CoM's depot sites. The scope of the collaborative stores management internal audit is outlined within Attachment 2, however it includes consideration of relevant policy, procedures and operating guidelines, physical access controls, appropriateness of stocked items and stock levels, including the inventory write-off process, stocktaking and reporting processes, segregation of duties, delegations / approval processes, the user access of relevant systems.

**Assurance Mapping (Quarter 2/3) - Attachment 3**
The objective of this internal audit is to develop an assurance map for the CoM's sources of assurance against its corporate risks and business processes. The scope of the Assurance Mapping internal audit will review risks within the corporate risk register to identify assurance activities, consider the coverage and quality of assurance over key risks, processes and controls, specifically, the various types of assurance undertaken across the organisation, the frequency of assurance activity, whether or not the assurance is performed by an independent or internal team, the nature of the assurance activity itself (e.g. formal testing vs high level review), assess the level of assurance to consider any gaps and areas of under or duplicated assurance.

The Internal Audit Program is currently on track for completion within the 2020/21 financial year.

Outside the scope of the Internal Audit Program, Council has participated in a pilot Integrity Framework Review with Local Government Risk Services and Marsh Insurance.  The review aimed to assist and support Councils to appropriately respond to the increased attention and inquiry into Council's operating environment.  It focused on Finance, HR and Procurement to identify fraud risks and discuss the most appropriate fraud risk controls.  City of Marion was the first Council in SA to undertake the review with the Cities of Charles Sturt and Port Adelaide Enfield also being part of the pilot. The field work has been completed, however the findings report has not yet been provided. Any recommendations from this review will be reported to the Committee and will be tracked within internal audit recommendations.

## RECOMMENDATION

**That the Finance and Audit Committee provides feedback and endorses the following scopes:**

1. **COVID-19 Business Continuity Response -  Attachment 1**
2. **Store Management (Collaborative) - Attachment 2**
3. **Assurance Mapping - Attachment 3**

## Attachment

| # | Attachment | Type |
|---|------------|------|
| 1 | CoMFY21_COVID-19 BCP Internal Audit_Scope_Draft 11082020 | PDF File |
| 2 | CoM20_Stores Management Scope_Draft 11082020 | PDF File |
| 3 | CoM20_Assurance Mapping Internal Audit_Scope_Draft 110820 | PDF File |

# City of Marion

## Internal Audit Project Scope:
## COVID-19 Risk Assessment and Business Continuity

11 August 2020

**KPMG**

# Internal Audit Program 2020/21: COVID-19 Risk Assessment and Business Continuity

## Background

The ongoing COVID-19 pandemic has presented many challenges for local government. While local government themselves are experiencing many of the same challenges as other small to medium sized businesses, they are also the first point of contact with our communities and play a key role in supporting our local businesses and communities during times of challenge.

All areas of the Council have been impacted by this crisis. These include, but are not limited to, events and gatherings, community support, council meetings, staff wellbeing, IT systems used to support workforce, and revenue.

As a result of these impacts, the CoM implemented its Business Continuity and Disaster Recovery Plans to assist in overseeing and coordinating how the organisation responds to the COVID-19 pandemic. It is of paramount importance that the CoM responds clearly, decisively and pragmatically in the current environment to ensure that appropriate actions have and continued to be undertaken to manage the impacts of the virus.

## Objective

The objective of this internal audit will include a review of the CoM's Business Continuity Plan (BCP) in relation to the current response to the COVID-19 pandemic. The review will also focus on any gaps or lessons learnt including further preparations that may be required relating to a second wave, as well as provide recommendations for improving the BCP going forward.

## Scope of services

To address the overall objective above, the scope of this internal audit will include the following two phases:

*Phase 1 – Business Continuity and Disaster Recovery*

- Assess the implementation and compliance to the CoM's BCP in response to COVID-19, including consideration of the following:

- Key roles and responsibilities of the Incident Management Team.

- Activities undertaken to address the impacts of the crisis, including the prioritisation and implementation of the response activities, including risk assessments and/or issues logs undertaken to manage the impacts of COVID-19, and the sufficiency of utilised communication channels.

- The documentation of key decision points.

- Review the CoM's response related to the impacts of the pandemic on staff's mental health and well-being.

- Assess the process and controls around procured IT infrastructure required as a result of the pandemic, and the implementation of collaboration tools and remote working solutions including sufficiency of capacity to cope with the CoM's demand driven by remote working requirements.

- Review the reporting of activities to the Executive Leadership Team and relevant governing bodies such as the Councillors and the Finance and Audit Committee.

- Review of the CoM COVID Recovery Plan as part of the overall Disaster Recovery.

- Examine the implementation of recommendations from the 2019 Business Continuity, IT Disaster Recovery and Emergency Management Internal Audit Report into current BCP processes.

*Phase 2 – Lessons Learnt*

- Assess any gaps or lessons learnt, including consideration of the following:

  - Staff and community feedback in relation to how the CoM has managed its COVID-19 response.

  - Assessing challenges as a result of any change or failures in controls (in the event) of a second wave of COVID-19.

  - The CoM's ability to understand and manage the transitionary risks that occurred at an evolving pace, and in an extremely uncertain environment.

- The CoM's preparedness for a possible second wave or similar crisis.

- Conduct a "Ready for the Future - Building Resilience" Workshop to review how the CoM can harness, build on and sustain positive change to the organisation, across the four key areas of workforce, operations, financial and digital and data opportunities, informed by national and global perspectives.

## Approach

The approach for the COVID-19 Risk Assessment and Business Continuity internal audit project will include:

- Confirm our understanding of the business environment, including the current locations, operations facilities and contingent sites, as well as the people, processes and technologies supporting the locations.

- Conduct interviews with key stakeholders in relation to the CoM's BCP in relation to the response to the COVID-19 pandemic.

- Review of key documentation, including frameworks, policies and procedures, and any other relevant documentation in relation to the CoM's BCP and COVID-19 response.

- Conduct a two hour workshop with Council Executive to review key learnings and triggers for positive change across the four key areas of workforce, operations, financial and digital and data, with opportunities for change informed by national and global perspectives.

- Closing meeting with the internal audit project sponsor and key stakeholders to discuss initial findings and recommendations.

- Develop a high level roadmap, which captures the key Council priorities and actions identified from the "Ready for the Future - Building Resilience" Workshop.

- Drafting and finalisation of an internal audit report outlining internal audit findings, recommendations and any performance improvement or collaborative opportunities.

- Presentation of the report to the CoM Finance and Audit Committee.

## Stakeholders

The following stakeholders have been identified based on preliminary discussions with the CoM:

| Personnel | Position title |
|---|---|
| Adrian Skull | Chief Executive Officer |
| Sorana Dinmore | General Manager, Corporate Services |
| Tony Lines | General Manager, City Services |
| Ilia Houridis | General Manager, City Development |
| Kate McKenzie | Manager, Corporate Governance |
| Sherie Walczak | Risk Unit Manager |

**KPMG**

## Resources and Budget

The team members and proposed budget for the COVID-19 Risk Assessment and Business Continuity internal audit project are listed in the following table:

| Name | Position | Hourly rate (excl. GST) | Est. hours | Sub-total (excl. GST) |
|------|----------|-------------------------|------------|-----------------------|
| Eric Beere | Partner | $355 | 7 | $2,485 |
| Liz Watts | Partner in charge – Local Government | $355 | 5 | $1,775 |
| Janet Burdon | IT Associate Director | $260 | 13 | $3,380 |
| Heather Martens | Associate Director | $260 | 22 | $5,720 |
| Ally Newcombe | Assistant Manager | $155 | 72 | $11,160 |
| **Total (excl. GST)** | | | | $24,520 |

## Timing

The proposed timing for the COVID-19 Risk Assessment and Business Continuity internal audit is for the project to commence planning in late September 2020 with a draft report completed for consideration by mid November 2020, for delivery to the CoM Finance and Audit Committee scheduled for December 2020.

## Approvals

We are in agreement with the scope document for the internal audit project focussing on the CoM's COVID-19 Risk Assessment and Business Continuity.

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

*Name:*    *Name: Eric Beere*

*Signed:*    *Signed:*

*Date:*    *Date:*

## Disclaimers

*Inherent limitations*

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

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

*Third party reliance*

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

ATTACHMENT 2

**KPMG**

# City of Marion

## Internal Audit Project Scope:
## Stores Management

(Collaborative project with the City of Charles Sturt)

11 August 2020

**KPMG**

# Internal Audit Program 2020/21: Stores Management

In accordance with the 2020/21 Internal Audit Plan for the City of Marion (CoM), an internal audit project focussing on the CoM's stores management is to be performed. This project will be a collaborative project with the City of Charles Sturt (CCS). The objective, scope and approach are outlined below.

## Objective

The objective of this internal audit will include a review of the CoM's processes, risks and controls in relation to the management of stores stock held at the CoM's depot sites.

## Scope of services CoM's

The scope of the collaborative stores management internal audit will include consideration of the following areas:

- Relevant policy, procedures and operating guidelines.

- Physical access controls.

- Appropriateness of stocked items and stock levels, including the inventory write-off process.

- Stocktaking and reporting processes.

- Segregation of duties, delegations and approval processes.

- The user access of relevant systems.

- Review of the effectiveness of any controls identified within the CoM's risk register related to stores, including depot stock management.

- High level consideration of potential future collaborative areas, including shared procurement of items with the CCS.

- High level consideration of potential inventory systems and solutions, to address current manual processes.

- Benchmarking of current stores management processes and resources against the CCS and other local government organisations (maximum of two others) to share approaches and better practice.

- Review the effective implementation of recommendations from the FY2016/17 Inventory Management and Recycling Depot Internal Audit Report, including a specific focus on the implementation of recommendations for improvements to processes and controls related to the management of stock.

## Approach

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

- Desktop review of relevant documentation including existing policies, procedures, processes and controls documented by the CoM.

- Interviews with key staff to discuss and obtain an understanding of store stock processes, systems and key controls including site visit to the CoM Southern Depot and Recycling Depot.

- Assessing the appropriateness of the segregation of duties over store inventory, and the effectiveness of relevant system controls.

- High level data analytics to assess the aging profile and turnover of stock. It is noted that work performed will be based upon the availability and quality of relevant data sets.

- Performing walkthroughs and sample testing, where appropriate, to validate our understanding and to assess the design and operating effectiveness of controls associated with the management of CoM's store stock.

- Joint workshop with CCS and CoM stakeholders to validate risk findings, performance improvement opportunities and collaborative opportunities.

- Drafting and finalisation of an internal audit report (one joint audit report covering both the CoM and the CCS) outlining internal audit findings, recommendations and any performance improvement or collaborative opportunities.

## Stakeholders

The following stakeholders have been identified based on preliminary discussions with the CoM:

| Personnel | Position title |
|-----------|----------------|
| Tony Lines | GM City Services |
| Fiona Harvey | Manager Operations |
| Roger Belding | Unit Manager Operational Support |
| Kate McKenzie | Manager, Corporate Governance |

## Resources and Budget

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

| Name | Position | Hourly rate (excl. GST) | Est. hours | Sub-total (excl. GST) |
|------|----------|-------------------------|------------|-----------------------|
| Eric Beere | Partner | $355 | 6 | $2,130 |
| Heather Martens | Associate Director | $260 | 20 | $5,200 |
| Scott Jeffree | Consultant | $110 | 45 | $4,950 |
| Aaron Nachum | Consultant | $110 | 45 | $4,950 |
| **Total (excl. GST)** | | | | **$17,230** |

## Timing

The proposed timing for the stores management internal audit is for the project to commence in early September 2020 with a draft report completed for consideration by mid October 2020, for delivery to the CoM Finance & Audit Committee scheduled for December 2020.

## Approvals

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

| **CoM Internal Audit Project Sponsor:** | **KPMG Internal Audit Partner:** |
|---|---|
| *Name: Tony Lines* | *Name: Eric Beere* |
| *Signed:* | *Signed:* |
| *Date:* | *Date:* |

## Disclaimers

*Inherent limitations*

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

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*Third party reliance*

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# City of Marion

## Internal audit project scope:
## Assurance Mapping

August 2020

**KPMG**

# Internal Audit Program 2019/20: Assurance Mapping

In accordance with a request from Management as part of the 2020/21 Internal Audit Plan for the City of Marion (CoM), an internal audit project focussing on assurance mapping is to be performed. The objective, scope and approach are outlined below.

## Objective

The objective of this internal audit is to develop an assurance map for the CoM's sources of assurance against its corporate risks and business processes.

## Scope of services

The scope of the Assurance Mapping internal audit will:

- Review risks within the corporate risk register to identify assurance activities.
- Consider the coverage and quality of assurance over key risks, processes and controls. Specifically, this will consider:
    - the various types of assurance undertaken across the organisation
    - the frequency of assurance activity
    - whether or not the assurance is performed by an independent or internal team
    - the nature of the assurance activity itself (e.g. formal testing vs high level review.
- Assess the level of assurance to consider any gaps and areas of under or duplicated assurance.

## Approach

The approach for the assurance mapping internal audit project will include:

- Review the CoM's corporate risk register to inform the development of the assurance map.
- Discuss with Management the various sources of assurance currently and potentially being utilised by the City of Marion across its 'three lines of defence' model:
    - Line 1 – Line management and process controls.
    - Line 2 – Internal processes and management, independent of the relevant area.
    - Line 3 – Independent sources of assurance e.g. internal and external audit, regulators, etc.
- Consideration of relative ranking and impact of processes to identify areas of assurance that act as critical controls.
- Areas for improvement will be identified and agreed with stakeholders and draft report prepared for Management feedback and comment.
- Development of recommendations to improve assurance throughout the organisation, which considers better practice and other practices of similar organisations.

![KPMG logo]

## Stakeholders

The following CoM stakeholders will be consulted as part of the internal audit project.

| Personnel | Position title |
|-----------|----------------|
| Kate McKenzie | Manager Corporate Governance |
| Sorana Dinmore | General Manager Corporate Services |
| Ilia Houridis | General Manager City Development |
| Tony Lines | General Manager City Services |
| Ray Barnwell | Manager Finance |

## Resources and Budget

The team members and proposed budget for the assurance mapping internal audit project are listed in the following table:

| Name | Position | Hourly rate (excl. GST) | Est. hours | Sub-total (excl. GST) |
|------|----------|------------------------|-----------|----------------------|
| Eric Beere | Partner | $355 | 12.5 | $4,438 |
| Heather Martens | Associate Director | $260 | 20.0 | $5,200 |
| Ally Newcombe | Assistant Manager | $155 | 79.0 | $12,245 |
| **Total (excl. GST)** | | | | $21,883 |

## Timing

The proposed timing for the Assurance Mapping internal audit project is for the project to commence in mid-August 2020 with a draft report completed for consideration by 30 September 2020.

## Approvals

We are in agreement with the scope document for the Assurance Mapping internal audit project.

| **CoM Internal Audit Project Sponsor:** | **KPMG Internal Audit Partner:** |
|---|---|
| *Name:* | *Name: Eric Beere* |
| *Signed:* | *Signed:* |
| *Date:* | *Date:* |

## Disclaimers

*Inherent limitations*

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**WORKSHOP / PRESENTATION ITEMS - Nil**

**OTHER BUSINESS**

**MEETING CLOSURE**