His Worship the Mayor
Councillors
City of Marion

Notice of Finance, Risk and Audit Committee

Council Chamber, Council Administration Centre
245 Sturt Road, Sturt

Tuesday, 16 August 2022 at 4.00 pm

The CEO hereby gives Notice pursuant to the provisions under Section 83 of the *Local Government Act 1999* that a Finance, Risk and Audit Committee 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.

Tony Harrison

Chief Executive Officer

1 Open Meeting

2 Kaurna Acknowledgement

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

3 Elected Member Declaration of Interest (if any)

4 Confirmation of Minutes

4.1 Confirmation of Minutes of the Finance, Risk and Audit Committee Meeting held on 17 May 2022	
Report Reference	FRAC220816R4.1
Originating Officer	Unit Manager Governance and Council Support – Victoria Moritz
Corporate Manager	Manager Office of the Chief Executive – Kate McKenzie
General Manager	Chief Executive Officer – Tony Harrison

RECOMMENDATION

That the minutes of the Finance, Risk and Audit Committee Meeting held on 17 May 2022 be taken as read and confirmed.

ATTACHMENTS

1. FRA C 220517 - Final Public Minutes [**4.1.1** - 14 pages]

Minutes of the Finance, Risk and Audit Committee held on Tuesday, 17 May 2022 at 2.00 pm Electronic Webinar

PRESENT

Ms Emma Hinchey (Chair)
Ms Nicolle Rantanen
Mr David Papa
Councillor Maggie Duncan

In Attendance

Chief Executive Officer - Tony Harrison
General Manager City Services - Mat Allen
General Manager Corporate Services - Sorana Dinmore
General Manager City Development - Tony Lines
Manager Office of the CEO - Kate McKenzie
Unit Manager Governance and Council Support - Victoria Moritz
Chief Finance Officer – Ray Barnwell
Manager City Activation – Charmaine Hughes
Registered Architect Strategic Projects – Birgit Stroeher
Risk Partner – Tania Del Torre
Director BRM Advisory - Michael Richardson
Director BRM Advisory - Lisa Teburea
Director KMPG – Ms Heather Martens
Senior Consultant KMPG - Susan Blight
Partner, Galpins - Tim Muhlhausler

1 Open Meeting

The Chair opened the meeting at 2.00pm

2 Kaurna Acknowledgement

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

3 Elected Member Declaration of Interest (if any)

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

The following interests were disclosed:

- Ms Rantanen declared a perceived conflict of interest in the item *Cove Sports and Community Club Stage 1 - Prudential report*.

4 Confirmation of Minutes

4.1 Confirmation of Minutes of the Special Finance, Risk and Audit Committee Meeting held on 26 April 2022
Report Reference FRAC220517R4.1

Moved Ms Rantanen **Seconded Mr Papa**

That the minutes of the Special Finance, Risk and Audit Committee Meeting held on 26 April 2022 be taken as read and confirmed.

Carried Unanimously

5 Business Arising

5.1 Business Arising Statement - Action Items
Report Reference FRAC220517R5.1

The Committee reviewed the Business Arising from previous meetings of the Finance, Risk and Audit Committee meetings, the meeting schedule, and upcoming items. The Committee questioned the outstanding item on the Business Arising Statement relating to the *Service Review Program and Recommendations Progress Update* and whether a revised date had been considered. The Committee also questioned and raised concerns over the standing item on the indicative work program *Service Review Program - Scopes, Reviews and Monitoring,* which relates to the tracking of outstanding service review action items, noting this report was not provided to the Committee in this agenda.

Management advised of recent internal discussions with ELT and the proposal of a varied approach with a hybrid model proposed until 30 June 2023 to address the current service review program and recommendations and a formal model from 1 July 2023. They hybrid approach is suggested as a result of an array of different priorities including the Digital Transformation Project as well as additional post implementation reviews that are occurring. Anthony Jones has been commissioned across the three Councils to undertake continuous system reviews with the first report with the Chief Executives of the Councils. The additional 12 months will allow the organisation to stabilise through significant change and DTP and will be the organisation in a better position for this method and process to occur.

Action:

- **Item 2 on the Business Arising Statement – Action: A report be brought back to the Finance and Audit Committee in August with a status updated including a program detailing expectations and commitments for this year and next (original due date Aug 21). Ensure this report comes back in August 2022 including a detailed structured approach.**
- **Standing Item: *Service Review Program - Scopes, Reviews and Monitoring,* to be presented to the FRAC in August.**
- **Look at the Budget Review report placement for next year's schedule to ensure the deadline is met for FRAC.**

Moved Mr Papa **Seconded Councillor Duncan**

That the Finance, Risk and Audit Committee:

1. Notes the business arising statement, meeting schedule and upcoming items.

Carried Unanimously

6 Reports for Discussion

6.1 Internal Audit Program - Implementation of Recommendations
Report Reference FRAC220517R6.1

Manager Office of the CEO provided a brief overview and summary of the status of the Internal Audit Program and Implementation of Recommendations.

The Committee provided the following feedback:

- The Committee queried whether the tracking of the recommendations was part of the change program moving forward in terms of the Service Reviews and whether these initiatives would be considered. Management acknowledged the alignment between the work that has already been done, and that will be done, with the intent to consolidate the pieces with a main focus.
- Noted the number of high rated findings that are not on track and raised concerns for slippage querying what else can be done to rectify these. The Committee also noted the significant number of low rated items and questioned whether it was practical and realistic to achieve a completion rate for all these items or whether resources should be focusing on completing the high-risk items. They also acknowledged a significant number of low-risk items can amount to a high risk in itself. Management advised the intent is to complete all actions and recommendations where reasonable to do so. There was an undertaking from management to go through the comments in detail and place a lens over what is material value and what may not be. Management will work with the Senior Leadership Team to determine any recommendations that may be closed out and will bring this back to the Committee to close out.
- Management provided assurance with regards to the challenges with resourcing to progress and accelerate some of this work was not due to a lack of trying, with the current market being considerably difficult.
- The committee cautioned the amount of low risk and low rating recommendations can still have a significant impact on the organisation and are key to helping performance improvement.
- Suggested a number of the items need a revised due date with the current due date well expired. There is a risk if a revised date is not determined, the actions will not be prioritised.
- The Committee further noted a number of the comments did not correctly relate to either the percentage complete or were in fact a duplicate of the previous quarter or duplicate of another comment.
- The Committee questioned the timing around the completed item in the Cyber Security report, noting the previous quarter this was off-track and has now been completed. Management confirmed through additional training, inclusion in the induction process and collaborative work with IT staff and individuals on cyber awareness, this item had progressed. Staff will continue with individual process but will also secure processes and systems as much as possible to lessen the risk. The rate of responses for phishing responses had decreased as there has been more interaction between cyber staff and staff who failed tests with a higher IT presence.
- The Committee noted there had been some good progress in closing actions out and commended staff on actioning these.
- The challenge in resources was noted regarding various updates, in particular the Metrics that Matter. It was noted the Chief Data Officer position who was appointed across all three Councils and the associated responsibilities may have been ambitious, however this work will be picked up through the work being done with the Service Reviews as well as the intended work for the incoming Business Intelligence Unit.
- The Committee noted the high number of actions completed in the Asset Inspection Schedule progress report and sought confirmation that everything was completed when creating the new processes / procedures. Management confirmed the inspection procedure includes

different types of asset classes and responsibilities, record keeping procedures and reporting procedures have been completed through adapting the Power BI system. The challenge now is to implement the procedures, however there is a training plan to manage this and a 3-month review to be overseen by ELT to review the progress.

- The Committee highlighted the importance of ensuring any close out comments identify how the initial finding has been addressed with sufficient evidence to suggest the process created by the auditor has been met.

Moved Ms Rantanen **Seconded Councillor Duncan**

That the Finance, Risk and Audit Committee:

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

Carried Unanimously

6.2 Council Member Report
Report Reference FRAC220517R6.2

The Committee noted the report was taken as read. Questions were asked regarding the *Section 270 Internal Review of Decision - Spinnaker Circuit Reserve.* Management advised this was relating to a grievance from resident regarding the revocation of the community land classification and the associated public consultation process. Management also clarified the decision process relating to the Pump track, confirming Council have resolved a reduced scope for the track, which is no longer classed as UCI accredited.

The Chair sought and was granted leave of the meeting to move into confidence at the end of the Agenda to discuss the following items:

- Unsolicited Proposal – 262 Sturt Road, Sturt
- SWBMX and Southern Soccer Facility Project Update

Moved Ms Rantanen **Seconded Mr Papa**

That the Finance, Risk and Audit Committee:

1. Notes this report.

Carried Unanimously

6.3 Draft Annual Business Plan 2022-23 and Long-Term Financial update
Report Reference FRAC220517R6.3

The Chief Finance Officer provided an update on the Draft Annual Business Plan (ABP) 2022-23 and Draft Long Term Financial Plan (LTFP) since it was last presented to the Committee in February and noted the participation and feedback to date from the community consultation, due to close on 13 May 2022. Key features of the plan include the increased use of cash reserves. In particular, $2m previously set aside for Major Infrastructure Failure from the Asset Sustainability Reserve has now been incorporated into the Annual Business Plan to support the delivery of unfunded priorities and reduce the impact on the community. In addition, Council decided not to increase some reserves including the CFPP and Walking and Cycling fund. Council has supported a move away from a 'cash holding' position in the current environment. Rather than retaining cash reserves in a number of different reserves Council proposes to minimise the number of separate reserve funds and assess projects on their merit going forward for inclusion in the development of future ABP's and LTFP's.

The Committee provided the following comments and feedback:

- Noted it was excellent to see the utilisation of cash reserves. Management confirmed they are managing this through the planning documents and Council Member workshops with this emphasis moving forward.
- Commented on the breakdown within the report and the positive message this sends to the community. The Committee acknowledged a lot of information and effort has gone into the plan and it was good body of work.
- The Committee tested some of the assumptions around the proposed KPI's in particular the employee costs target of less than 3%, questioning how this would be achieved with the current challenges in the market. Management advised these are based on draft KPI's and a further workshop with Council Members has been scheduled to discuss these in further detail before being finalised. Management also noted they are in the confidential stages of the Enterprise Agreement.
- The Committee acknowledged the Council are actively looking at this with Council Members aware of the risks accordingly. In particular Staff have re-iterated the key risk is on the big project scopes and escalation.
- The Committee commented it was fortunate the Council was in a strong financial position.
- Further understanding was sought from the Committee on the unit rates in asset plans. It was queried whether we are using current unit rates or old unit rates. The Committee stressed the importance of using updated unit rates on projects like Coastal Walkway and Marino Hall.
- The Committee questioned whether we had discussed the impact of climate change on infrastructure and queried how we are future proofing ourselves. Management confirmed this was at the forefront and has been taken into consideration. Initiatives such as the COMPAS and building the environmental impact into renewal plan was addressing this issue. A forward plan is being prepared with timing and spendings to inform long term financial planning. This is due for completion by the end of the year. It was also noted that this is one of our high risks with a body of work being undertaken on an implementation plan that will also capture climate change.
- The Committee raised concerns over the number of responses from the Community Consultation and questioned what strategies we are looking at to increase this moving forward. It was noted that although the numbers are still low, they are higher than last year. With a new Communications and Engagement Team, there is opportunity to review the strategies. Community engagement this year included drop-in sessions at MCC, online surveys, social media, public submission opportunity, newsletters and hard copy distribution. It was acknowledged that topic / project specific consultation resulted in a higher response rate. The Committee also suggested potentially focussing on area specific consultation.
- The Committee suggested including the results of the KPI reporting in the Annual Report to enable visibility to the Community. Management confirmed these results are also reports through Council each quarter and also inform the CEO's annual performance review.
- Feedback was provided on the Reserves Fund Policy including to consider amending the wording around increasing expenditure (p87 IV) to aligning expenditure, otherwise it may appear this is continually increasing. Suggested aligning borrowings to the strategy, considering it is not appropriate to have no borrowings forever, rather to optimise these.
- The Committee also noted it would be good to see the reserves match the actual liabilities and suggested this could be tightened up. Management noted they have considered what is in the Asset Sustainability Reserve restricting the inputs into this and minimise the number of separate reserves. The Committee suggested this be in the policy.

Moved Ms Rantanen **Seconded Mr Papa**

That the Finance, Risk and Audit Committee:

1. Notes the new initiatives and service improvements incorporated into the Draft ABP 2022-23 and Draft LTFP since its February 2022 meeting.

2. Provides feedback on the current iteration of the Draft ABP 2022-23 and Draft LTFP (Attachment 1).

3. Provides feedback on the proposed changes to the Reserve Funds Policy (Attachment 2)

4. Notes the community consultation feedback received to date (Attachment 2)

Carried Unanimously

6.4 Cove Sports and Community Club Stage 1 - Prudential report

Report Reference FRAC220517R6.4

Ms Rantanen declared a perceived conflict of interest in the item *Cove Sports and Community Club Stage 1 - Prudential report* as she sits on the Audit Committee for the Office of Recreation, Sport and Racing who have some minor involvement in the Cove Sport Centre funding capacity.

General Manager City Development introduced the item and provided a summary of the project to date noting this is an exciting opportunity to redefine what the facility is. The project consists of two stages with the first stage to include internal and external funding. Following the review from the Committee, a report will be prepared for Council and progress tracked over the next few months.

The following comments were provided:

- The Committee raised some concerns over some elements of the report. One of the main concerns being the operating model as well as questions over the actual costs. The Committee had concerns recommending the prudential report to Council when key pieces of information were outstanding and were uncomfortable with the unknowns.
- Staff advised the costings are accurate as of February 2022 and were rechecked at this time following the fallout from COVID-19 and supply resources. This is considered a fairly recent cost report given the time period and the project evolving. No specifications have changed with everything identified in the document included in the cost.
- It was noted the operating model is in the early days with the target deadline of August this year to develop the model. A proposed operating model for the site could be similar to the of Morphettville, given there are no function, food, beverage etc revenue streams and you would not have multiple clubs using multiple spaces. A logical model would consist of the main club shared seasonally between the football and cricket club.
- Council Members were keen to see the Section 48 report before this is endorsed as a live project. Further engagement with the Clubs would need to occur to work through the impact any proposed model may have before there is a preferred model to recommend.
- Questions were raised around the financial consequences and worst-case scenario if there was no operating model in place. It was noted that Council would be left with any running costs (e.g. water, electricity), however no staff resources would be impacted.
- Further concerns were raised from the committee around the guarantee of funding from the State Government, however staff advised that the funding was highly likely and they are in the final stages of the application. It was noted in the event the funding is not received, the project will not go ahead at this point in time.
- Additional questions were asked relating to the distribution of funding and clarification sought on whether the State Government Funding of $2.5m was for the whole project or specifically stage 1. Management confirmed the $2.5m was against the whole project, however suggested

using this towards Stage 1, with further discussions to occur with Council Members around funding for Stage 2. The cost of the two projects combined is around $16.7m (stage 1 $5.7m and stage 2 sitting around $11m)

- The Committee queried the community consultation and expectations around the delivery of stage 2, further if stage 2 was delivered at a later date, whether there would be a cost risk and if Stage 1 would still be usable or if it was dependant on stage 2. Management confirmed the consultation was specifically relating to stage 1, however they were seeking feedback and input into stage 2, noting they were not committed in any way to stage 2. Management were conscious of this going into the engagement and clearly tried to define the two with no expectations around the second stage. Staff further clarified that each stage can operate separate and independent to each other and that Stage 2 was unfunded. If Stage 2 doesn't go ahead, it will be maintained as current circumstances with the multi sport field to the side only.
- Management commented on the timeframes proposed to ensure as much work is done in the financial year as possible. It was suggested to bring the tender forward and fast track the program.

Moved Ms Rantanen **Seconded Mr Papa**

That the Finance, Risk and Audit Committee:

1. Notes that the Section 48 Prudential Report addresses requirements under the Local Government Act 1999 and notes that requirements of Section 48 (2)(f) have yet to be met.

2. Recommends to Council the adoption of the Section 48 Prudential Report and confirms the report adequately addresses the following issues in relation to the Cove Sports and Community Centre Stage 1 project:

   a) The project's support of Council's strategic objectives.
   b) The project's alignment with the objectives of the Council's Development Plan.
   c) The assessment of the potential economic impacts of the Project.
   d) The level of consultation identified for the Project.
   e) The Project's estimated financial costs and financial viability in the short and long term (noting that the funding has yet to be approved by Council and requires consideration of the Prudential Report prior to doing so)
   f) The assessment of the Project's risks and the appropriateness of the mitigation strategies developed.
   g) Council's capacity to deliver the project within its financial sustainability targets.

Carried Unanimously

ORDER OF AGENDA ITEMS

The chair sought and was granted leave of the meeting to vary the order of the agenda and consider the item External Audit Engagement Letter for the Year Ending 30 June 2022 next on the agenda.

6.8 External Audit Engagement for the Year Ending 30 June 2022
Report Reference FRAC220522R6.8

Tim Muhlhausler, Partner Galpins provided a summary of the details of the proposed Audit Engagement Plan for the year ending 30 June 2022. Mr Muhlhausler, commented the plan is fairly typical of the audit plans we have seen before. He spoke to a few things that may appear different,

including the use of Artificial Intelligence audit techniques to enhance the audit process. There was also a focus on IT general controls that have an impact on financial risk. This testing assists to identify red flags withing transactions that may be indicative of fraud, error, unusual workflows etc. and helps to target audit testing. The Plan Looks at a comprehensive suite of controls that directly mitigate against fraud and risk. A key focus is infrastructure and the depreciation of assets with emphasis on analysing depreciation and underlying assumptions in the asset management system and alignment between actual engineer strategies and depreciation expenses.

The Committee questioned the Audit dates and whether a date had been set for the final audit visit and report and raised concerns as to whether this would meet our timeframes for Committee dates. Mr Muhlhausler, advised this was not locked in yet with conversations with Chief Finance Officer still to be had. They are aiming for late September / early October ready for sign off for the October Committee meeting.

The Committee encouraged anything that can be done in preparation for the final to be considered.

Moved Councillor Duncan **Seconded Ms Rantanen**

That the Finance, Risk and Audit Committee:

1. Considers the outline of Galpins Audit Plan for the financial year ending 30 June 2022. (Attachment 1)

2. Notes the scope of the audit to be carried out by Galpins for the year ending 30 June 2022.

3. Notes the Chief Executive Officer has executed acknowledgement of Galpins engagement letter on 20 April 2022. (Attachment 2).

Carried Unanimously

ORDER OF AGENDA ITEMS

The chair sought and was granted leave of the meeting to vary the order of the agenda and consider the item *Internal Audit 2021/22 Progress Update*.

6.6 Internal Audit 2021/22 Progress Update

Report Reference FRAC220517R6.6

Ms Heather Martens and Ms Susan Blight from KMPG provided an update on the status of the progress of the Internal Audit program and to seek the Finance, and a summary of the final reports for Project Management (Collaborative) and Desktop review of Stakeholder Management.

Project Management (Collaborative)
The impact from COVID-19 was noted and the impact this has on supply chains resulting in extension of project timeframes and rising costs. The economy has seen a steady increase in insolvencies. Local Government is facing heightened risks in delivering capital programs. The program seemed timely to be embedded with new project management.

City of Marion and City of Charles Sturt compared different systems and lifecyle practices, however there was generally good consistency. The take up of CAMMS Project Management Framework and training in CAMMS was positive. Both Councils had a number of consistent findings.

It also noted that although the Project Management Framework was developed it had not been embedded throughout project management. Items such as Variation Forms had differing templates used across different teams. Additional inconsistencies in tools used were also noted. There is a key opportunity for a fit for purpose framework that could allow for more robust processes for high-risk projects.

The Committee noted the matrix used by City of Charles Sturt that could be of benefit within the framework when determining the risks associated with the project, this would involve a tailored approach based on the risk of project.

KMPG identified inconsistencies in risk management practices, with the findings suggesting additional better practice controls.

Another area of focus was the 'close out' phase. Identifying additional roles and responsibilities in close out checklists would ensure there is accountability to these actions. This phase also included a lack of benefits realization observed. This was not consistently performed. It was also noted that document retention practices for project management appeared quite immature, however there were pockets of better practice identified some of the large projects.

The Committee made the following comments:

- It queried whether the Contractor Performance Review was also included in the Contractor Management and whether there was any duplication. It was confirmed there was reference to the Contractor Management, and this was further addressed in the close out meeting.
- The management responses appear very broad to very specific findings. The committee suggested going through specific findings to determine exactly what it is we are aiming to achieve with the findings and detailing the exact steps to resolve. This will also assist with tracking the findings and reporting on the actions.
- The Committee noted some findings are nearly six years old that have not been dealt with. It was suggested the findings have clear expectations around completion (e.g., 30 / 60 / 90 days).
- It was questioned whether we already have a forward procurement plan. Management advised discussions had been had recently with ELT around what the procurement pipeline was for the next 18 months. There is work in progress forecasting when and where we are going to market on certain projects, however the procurement plan still needs further work.
- The Committee raised concerns over CAMMS and the ability to review past projects learnings. A suitable outcome is being investigated in conjunction with risk and strategy.

Stakeholder management

The Committee provided the following feedback

- It was noted the turnover of staff was at a high. The Committee noted with this increase comes the importance of focusing on relationships. The Committee highlighted the importance of the road map on p192 recommending that City of Marion take a staged approach to implementing changes relating to its stakeholder management and encouraged Management to get in and get this done.
- The Committee questioned whether the Project Management Office was resourced adequately or whether project managers are overstretched. Staff advised there are no concerns regarding under resourcing at this stage. There is a plan to re-stabilise the framework piece of work. A key focus is on education and enabling project managers to

understand the framework to allow them to carry out the work. It was recognised there may be a gap with delivery contractors carrying out the actual work, however the stakeholder and risk management plans will take carriage of this.

Moved Mr Papa **Seconded Ms Rantanen**

That the Finance, Risk and Audit Committee:

1. Notes the progress of the Internal Audit Program.

2. Considers and provides feedback on the:
   a. Project Management (Collaborative) and
   b. Desktop review of Stakeholder Management.

3. Notes the Internal Audit Program for 2022/23

Carried Unanimously

6.5 Corporate Risk Review Report Q3 2021/22

Report Reference FRAC220517R6.5

The Committee noted the item as read and provided the following comments:

- Table 2 suggests a reduced risk regarding the pandemic. The Committee questioned whether there was actually a reduced risk. Management advised the Senior Executive have had good conversations around this based on the current control environment and planning. They were comfortable to drop this down to a medium risk with the organisation managing the ongoing risks and moving towards business as usual within the controlled environment.
- The Committee noted the good work that has been done on new causes and drivers in relation to the risk for poor data quality and information governance relating to the DTP. It was queried whether treatments become implemented controls once complete. Management confirmed this should be the case.
- The Committee suggested including the effectiveness of the control rather than the responsible officer and also questioned whether all ICT recommendations were complete
- Overall the Committee noted the good work on the Corporate Risk Reviews.

5.02pm Ms Rantanen left the meeting and did not return.

Moved Councillor Duncan **Seconded Mr Papa**

That the Finance, Risk and Audit Committee:

1. Notes the report.

Carried Unanimously

6.7 Business Continuity Program Annual Report 2021-22

Report Reference FRAC220517R6.7

Manager Office of the CEO introduced the item, noting work had progressed over the period, however recent staff turnover has resulted in a gap in the program with a setback of approximately 8 weeks. New staff will be upskilled and brought up to speed on the Business Continuity Program. It was acknowledged the appendices (revised Business Continuity Plan and KPMG report outlining the BIA

Recovery Strategy Project) were missing and that these would be brought back to the Committee in August.

The Committee noted the program was less robust compared with before COVID-19, however commented that the exercises look at major physical incidents and questioned the impact of an incident around the loss of access to systems and how this would look. Management acknowledged the comments, however, were also conscious of the number of new staff within the senior leadership team and whether a storm related exercise may be more beneficial to upskill the team on their roles and responsibilities if an incident were to occur. It was noted this would be looked at in further detail.

ACTION:

Bring the following document back to the next Finance, Risk and Audit Committee Meeting in August:

1. **Business Continuity Plan**
2. **KMPG report outlining the BIA and Recovery Strategy Project**

Moved Councillor Duncan **Seconded Mr Papa**

That the Finance, Risk and Audit Committee:

1. Notes the report and provides feedback on the annual program.

Carried Unanimously

7 Reports for Noting

7.1 DTP Update

Report Reference FRAC220517R7.1

The report was taken as read with the Committee commenting on the good work on completing the recruitments. The Committee questioned why the Payroll / HRIS project has not met its objectives. Management advised the system has been implemented, however we are finding some elements are still not working as expected and are therefore not seeing the full benefits. An external party has been engaged to assist with the review and staff are continuing to work with the vendor to address the issues.

Moved Councillor Duncan **Seconded Mr Papa**

That the Finance, Risk and Audit Committee:

1. Note the update on the Digital Transformation Program.

Carried Unanimously

8 Workshop / Presentation Items

Nil

9 Confidential Items

9.1 Cover Report - Cybersecurity Quarterly Update
Report Reference FRAC220517F9.1

Moved Councillor Duncan **Seconded Mr Papa**

That pursuant to Section 90(2) and (3)(e) of the Local Government Act 1999, the Committee orders that all persons present, with the exception of the following persons: Chief Executive Officer, A/General Manager City Development, General Manager Corporate Services, A/General Manager City Services, Manager Office of the CEO, Chief Financial Officer, Unit Manager Governance and Council Support and Governance Officer, be excluded from the meeting as the Committee receives and considers information relating to Cyber security of CoM, 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 the current status of the CoM Cyber Security and the impact on contractual expectations.

Carried Unanimously

5.11pm the meeting went into confidence.

Moved Councillor Duncan **Seconded Ms Hinchey**

In accordance with Section 91(7) and (9) of the Local Government Act 1999 the committee members order that this report, Cybersecurity – Quarterly Update, any appendices and the minutes arising from this report having been considered in confidence under Section 90(2) and (3)(e) of the Act, except when required to effect or comply with Council's resolution(s) regarding this matter, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2022.

Carried Unanimously

6.2 Council Member Report
Report Reference FRAC220517R6.2

Moved Councillor Duncan **Seconded Mr Papa**

That pursuant to Section 90(2) and (3)(b) of the Local Government Act 1999, the Committee orders that all persons present, with the exception of the following persons: Chief Executive Officer, General Manager City Development, General Manager City Services, General Manager Corporate Services, Manager of the Office of the CEO, Chief Financial Officer, Manager City Activation, Unit Manager Governance and Council Support, be excluded from the meeting as the Committee receives and considers information relating to *Unsolicited Proposal – 262 Sturt Road, Sturt* and *SWBMX and Southern Soccer Facility Project Update* upon the basis that the Council 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 report relates to commercial and financial information.

Carried Unanimously

5.25pm Mr Papa left the meeting and did not return

The Committee went into confidence to discuss the following Confidential Items from the Elected Member Report:

- SWBMX and Southern Soccer Facility Project Update (22 February 2022)
- Unsolicited Proposal – 262 Sturt Road, Sturt (10 May 2022)

5.31pm the meeting came out of confidence

10 Other Business

Nil

11 Meeting Closure

The meeting was declared closed at 5.31pm.

CONFIRMED THIS 16TH DAY OF AUGUST 2022

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CHAIRPERSON

5 Business Arising

5.1 Business Arising Statement - Action Items	
Report Reference	FRAC220816R5.1
Originating Officer	Unit Manager Governance and Council Support – Victoria Moritz
Corporate Manager	Manager Office of the Chief Executive – Kate McKenzie
General Manager	Chief Executive Officer – Tony Harrison

REPORT OBJECTIVE

The purpose of this report is to review the business arising from previous meetings of the Finance, Risk and Audit Committee meetings, the meeting schedule and upcoming items.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

1. **Notes the business arising statement, meeting schedule and upcoming items.**

ATTACHMENTS

1. Business arising statement 10 August 2022 [**5.1.1** - 7 pages]

CITY OF MARION

BUSINESS ARISING FROM FINANCE AND AUDIT COMMITTEE MEETINGS

AS AT 10 AUGUST 2022

	Date of Meeting	Item	Responsible	Due Date	Status	Completed / Revised Due Date
1.	18 May 2021	**Service Review Program and Recommendations - Progress Update** **Action:** A report be brought back to the Finance and Audit Committee in August with a status updated including a program detailing expectations and commitments for this year and next. Action: The CEO committed to having discussions around accountability of actions and closing out outstanding actions.	Chief Executive Officer	August 2021	The Service review program is currently being revisited. Due to the size of the August 2022 agenda, a report has not been presented to the Committee. A further verbal update can be provided at the meeting if required.	
	17 May 2022	**Action:** Ensure this report comes back in August 2022 including a detailed structured approach.	Chief Executive Officer	Revised Due Date October 2022		
2.	17 August 2021	**Australian Service Excellence Standards – Audit Outcome** **Action:** Investigate the options for tracking the recommendations and provide a report back to the Committee in August 2022 with an update on the implementation of actions.	Manager Community Connections	August 2022	Working with the Records team a List has been created in Sharepoint for managing and tracking the implementation of the recommended actions, with a number of actions underway as BAU, others commenced and others changed relevance due to changes in structures / resources. – FRAC Report has been developed for 16/8/22 FRAC Meeting with an	Complete 8 August 2022

City of Marion
Finance & Audit Committee Action Arising Statement and Work Program - 2022

	Date of Meeting	Item	Responsible	Due Date	Status	Completed / Revised Due Date
					update / status of all recommendations from the ASES audit. This includes those completed, not being implemented underway or ongoing.	
3.	17 May 2022	**Business Arising Statement – Action Items:** **Action:** Standing Item: *Service Review Program - Scopes, Reviews and Monitoring,* to be presented to the FRAC in August.	Chief Executive Officer	16 August 2022 October 2022	This has been reporting function has been impacted by staff departure. Currently working through resourcing for this matter.	
4.	17 May 2022	**Action:** Look at the Budget Review report placement for next year's schedule to ensure the deadline is met for FRAC.	Chief Finance Officer	Oct	The Budget Review report has now been planned for presentation at the Oct, Feb and May FRAC meetings.	August 2022
5.	17 May 2022	**Business Continuity Program Annual Report 2021-22** **Action:** Bring the following documents back to the next Finance, Risk and Audit Committee Meeting in August: 1. Business Continuity Plan	Manager Office of the CEO	16 August 2022 October 2022	Due to the size of the agenda, this item will be presented to the October 2022 meeting. A post event review for COVID-19 has also been completed which will be included as part of this report.	

City of Marion
Finance & Audit Committee Action Arising Statement and Work Program - 2022

	Date of Meeting	Item	Responsible	Due Date	Status	Completed / Revised Due Date
		2. KMPG report outlining the BIA and Recovery Strategy Project				

* Completed items to be removed are shaded

City of Marion
Finance & Audit Committee Action Arising Statement and Work Program - 2022

SCHEDULE OF MEETINGS 2022

Day	Date	Time	Venue
Tuesday	22 February 2022	2 pm – 5pm	Administration Centre
Tuesday	17 May 2022	2 pm – 5pm	Administration Centre
Tuesday	16 August 2022	4.00 – 6.00 pm Followed by 6.30 – 8.30 pm (Joint workshop with Council)	Administration Centre
Tuesday	11 October 2022	2 pm – 5pm	Administration Centre
Tuesday	13 December 2022	2 pm – 5pm	Administration Centre

INDICATIVE AUDIT COMMITTEE WORK PROGRAM – 2022

TUESDAY, 22 February 2022

Topic	Action
Elected Member Report	Communication Report
Draft Annual Business Plan and Budget 2022-23 and Draft Long Term Financial Plan - Update	Review and Feedback
Internal Audit Program – Scopes, Reviews, Plans	Review and Feedback
Internal Audit Program – Implementation of Recommendations	Noting
Service Review Program - Scopes, Reviews and Monitoring	Review and Feedback
Quarterly Risk Report	Review and Feedback
Budget Review 2 – 2021-22	Review and Feedback
External Audit Contract Review	Recommendation to Council
Cybersecurity – Quarterly Update	Noting
Digital Transformation Project – Quarterly Status Update	Noting

TUESDAY, 17 May 2022

Topic	Action
Elected Member Report	Communication Report
Draft Annual Business Plan and Budget 2022-23 (after public consultation) & Draft Long Term Financial Plan	Review and Feedback
Internal Audit Program – Scopes, Reviews, Plans	Review and Feedback
Internal Audit Program – Implementation of Recommendations	Noting
Service Review Program - Scopes, Reviews and Monitoring	Review and Feedback
Reserves Policy	(Present Policy to FRAC prior to presenting to Council) – Action from FRAC 211214
Annual Report on Business Continuity	Review and Feedback
Quarterly Risk Reporting	Review and Feedback
Internal Audit Plan for 2022-23 & 2023-24	Review and Feedback
External Audit Engagement Letter for the year ending June 2022	Review and Feedback
Budget Review 3 – 2021-22	Review and Feedback
Cybersecurity – Quarterly Update	Noting
Digital Transformation Project – Quarterly Status Update	Noting
Cove Sports and Community Club – Section 48 Report	Review and Feedback

TUESDAY, 16 August 2022 (Joint Workshop with Council)

Topic	Action
Elected Member Report	Communication Report
Australian Service Excellence Standards – Audit Outcome (Aug 21 - provide a report back to the Committee in August 2022 with an update on the implementation of actions)	Review and Feedback
Meeting with Internal auditors in camera	Seeking feedback from Auditors
Annual Insurance and Claims	Review and Feedback
Asset Valuations	Review and Feedback
Internal Audit Program – Scopes, Reviews, Plans	Review and Feedback
Internal Audit Program – Implementation of Recommendations	Noting
FRAC Annual Report to Council	For discussion prior to October
Quarterly Risk Reporting	Review and Feedback
Aged Care Quality Standards	Results of recent Audit
Cybersecurity – Quarterly Update	Noting
Digital Transformation Project – Quarterly Status Update	Noting
Joint Workshop with Council (6.30pm onwards)	TBA

City of Marion
Finance & Audit Committee Action Arising Statement and Work Program - 2022

TUESDAY, 11 October 2022

Topic	Action
Elected Member Report	Communication Report
FRAC Annual Report to Council 2021-22	Review and Recommendation to Council
Independence of Council's Auditor for the year end 30 June 2022	Review and Recommendation to Council
Audited Annual Financial Statements for the year end 30 June 2022	Review and Recommendation to Council
Investment Performance 2021-22	Noting
Debtors Report	Noting
Meeting with external auditors in camera	Seeking feedback from Auditors
Internal Audit Program – Scopes, Reviews, Plans	Review and Feedback
Internal Audit Program – Implementation of Recommendations	Noting
Service Review Program - Scopes, Reviews and Monitoring	Review and Feedback
Fraud and Corruption Annual Review	Review and Feedback
Annual Corporate Risk Profile & Strategic Risk Register	Review and Feedback
Annual Review of HSE Program	Review and Feedback
Asset management maturity assessment results summary	External consultants to present a summary of the results of asset management maturity assessment (electronically via zoom)
Business Continuity Program Annual Report 2021-22 • Business Continuity Plan KMPG report outlining the BIA and Recovery Strategy Project	
Service Review Program – Standing Item - Scopes, Reviews and Monitoring	Review and Feedback
Service Review Program and Recommendations - Progress Update including a detailed structured approach.	Review and Feedback

Tuesday, 13 December 2022

Topic	Action
Elected Member Report	Communication Report
Internal Audit Program – Scopes, Reviews, Plans	Review and Feedback
Internal Audit Program – Implementation of Recommendations	Noting
Service Review Program - Scopes, Reviews and Monitoring	Review and Feedback
Work Program and Meeting Schedule 2023	Review and Feedback
First Budget Review 2022-23	Review and Feedback

Framework and Key Assumptions for preparation of 2023/24 ABP and LTFP	Review and Feedback
Quarterly Risk Reporting	Review and Feedback
Cybersecurity – Quarterly Update	Noting
Digital Transformation Project – Quarterly Status Update	Noting

6 Confidential Items

6.1 Cover Report - Cybersecurity - Quarterly Update	
Report Reference	FRAC220816F6.1
Originating Officer	ICT Governance & Cybersecurity Lead – Jason Spalding
Corporate Manager	Manager IT Operations - Micheal Bowden
General Manager	General Manager Corporate Services - Sorana Dinmore

REASON FOR CONFIDENTIALITY

Local Government Act (SA) 1999 S 90 (2) 3

(e) matters affecting the security of the council, members or employees of the council, or council property, or the safety of any person

RECOMMENDATION

That pursuant to Section 90(2) and (3)(b)(i) and (ii) of the Local Government Act 1999, the Committee orders that all persons present, with the exception of the following persons: Chief Executive Officer, A/General Manager City Development, General Manager Corporate Services, A/General Manager City Services, Manager Office of the CEO, Chief Financial Officer, Unit Manager Governance and Council Support and Governance Officer, be excluded from the meeting as the Committee receives and considers information relating to Cyber security of CoM, 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 the current status of the CoM Cyber Security and the impact on contractual expectations.

6.2 Cover Report - City of Marion Property Asset Strategy (CoMPAS) Overview	
Report Reference	FRAC220816F6.2
Originating Officer	Manager City Property – Thuyen Vi-Alternetti
Corporate Manager	Manager City Property – Thuyen Vi-Alternetti
General Manager	General Manager City Development – Tony Lines

REASON FOR CONFIDENTIALITY

Local Government Act (SA) 1999 S 90 (2) 3

(b) information the disclosure of which (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and (ii) would, on balance, be contrary to the public interest

RECOMMENDATION

That pursuant to Section 90(2) and (3)(b) of the *Local Government Act 1999*, the Committee orders that all persons present, with the exception of the following persons: Chief Executive Officer, General Manager City Development, General Manager City Services, General Manager Corporate Services, Manager Office of the CEO, Manager City Property, Chief Financial Officer, Unit Manager Governance and Council Support and Governance Officer, be excluded from the meeting as the Committee receives and considers information relating to *City of Marion Property Asset Strategy (CoMPAS) Overview* upon the basis that the Committee is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to commercial information and the receipt, consideration or discussion of the information or matter in an information or briefing session open to the public would, on balance, be contrary to the public interest.

7 Reports for Discussion

7.1 Meeting with the Internal Auditors in Confidence	
Report Reference	FRAC220816R7.1
Originating Officer	Manager Office of the Chief Executive – Kate McKenzie
Corporate Manager	N/A
General Manager	Chief Executive Officer - Tony Harrison

REPORT HISTORY

This is an annual report and was last considered in August 2021.

Report Reference	Report Title
FRAC2108xxxx	Meeting with the internal auditors in Confidence (without management present)

REPORT OBJECTIVE

The Finance, Risk and Audit Committee Terms of Reference recognises that the Committee will meet with both the external auditors and internal auditors without management, at least once per year (Clause 4.1). This provides the Committee an opportunity to have a confidential conversation with the Auditors without management present.

The purpose of this report is to exclude the public and staff from the meeting to enable this conversation to occur.

The Chair of the Committee will provide a summary of the discussion to the Manager, Office of the CEO to be published in the minutes.

RECOMMENDATION

That the Finance and Audit Committee:

1. **Pursuant to Section 90(2) and (3)(g) of the Local Government Act 1999, orders that all persons present, be excluded from the meeting, with the exception of Eric Beere and Heather Martens from KPMG, as the Finance and Audit Committee meets with Council's Internal Auditors, on the basis that the Finance and Audit Committee is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to commercial information of the Council.**
2. **Include the following comments within the minutes:**

ATTACHMENTS

Nil

7.2 Council Member Report	
Report Reference	FRAC220816R7.2
Originating Officer	Unit Manager Governance and Council Support – Victoria Moritz
Corporate Manager	Manager Office of the CEO - Kate McKenzie
General Manager	Chief Executive Officer - Tony Harrison

REPORT OBJECTIVE

Section 3.5 of the Finance, Risk 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, Risk and Audit Committee:

1. **Notes this report.**

DISCUSSION

Council Member Representative – Councillor Maggie Duncan
Since the last FAC meeting, Council has met five times for General Council Meetings. At these meetings, Council made the following decisions that relate to the Finance and Audit Committee Terms of Reference in chronological order. If the Committee wishes to discuss any of the items considered in confidence in further detail, the Committee will be required to move into confidence.

24 May 2022 – GENERAL COUNCIL MEETING

3rd Budget Review 2021/22
Council adopted the revised budgeted statements including the Income Statement, Balance Sheet, Statement of Changes in Equity and Statement of Cash Flows.

Council Subsidiary SRWRA - Draft Annual Business Plan and Budget 2022-23
Considered and supported the Draft 2022-23 Annual Business Plan and Budget of Council's regional subsidiary - The Southern Region Waste Resource Authority (SRWRA).

Finance Report - April 2022
Council noted the report which is presented on a monthly basis to provide Elected Members with key financial information to assist in monitoring Council's financial performance against budget.

WHS Monthly Performance Report
Noted the WHS monthly performance report with the 2021-22 LTIFR as at the end of April 2022 being 1.8 with 1 lost time injury claim being submitted and accepted. 1 LTI injury claim has been submitted and is currently deferred.

Confidential
Coastal Walkway Gullies Report for Construction (Report and Minutes Released – Attachments remain confidential)

Council endorsed the Section 48 Prudential Report for the Coastal Walkway Project Segment 5 (Grey Road Gully) and Segment 6 (Kurnabinna Gully), and approval to proceed with construction of both Segments 5 and 6.

14 June 2022 – GENERAL COUNCIL MEETING

Cove Sports and Community Club Stage 1 - Prudential report
Council endorsed the Section 48 Prudential Report for the Cove Sports and Community Club Stage One upgrade.

Draft Annual Business Plan 2022-2023 and Long-Term Financial Plan
Provided feedback on the final Draft Annual Business Plan 2022-23 (ABP) and Draft Long Term Financial Plan 2022-32 (LTFP) in preparation for the final adoption of these documents at the General Council Meeting to be held on 28 June 2022.

28 June 2022 - GENERAL COUNCIL MEETING

Annual Business Plan 2022--23 and Long-Term Financial Plan
final consideration and adoption of the Annual Business Plan 2022-2023 (Attachment 1) and Long-Term Financial Plan 2022-2032

Valuation - Adoption for 2022-23 Financial Year
Report provided the information required by the Council to allow adoption of the Valuation for the 2022-23 financial year, as required by the Local Government Act 1999.

Rates Declaration 2022-23
Pursuant to Section 153(1)(b) and 156(1)(a) of the Local Government Act 1999 the Council declared differential general rates according to land use based on Capital Value within the area for the 2022-23 financial year.

Rate Rebate 202223
The Council reviewed applications received from community service organisations requesting rate rebates in accordance with the Council's Rate Rebate Policy.

WHS Monthly Performance Report
Noted the WHS monthly performance report with the 2021-22 LTIFR as at the end of May 2022 being 4.9 with 2 lost time injury claims being submitted and accepted. At this time, 1 LTI injury claim had been submitted and was currently deferred.

Finance Report - May 2022
Council noted the report which is presented on a monthly basis to provide Elected Members with key financial information to assist in monitoring Council's financial performance against budget.

Confidential
City Services Surplus Land

26 July 2022 - GENERAL COUNCIL MEETING

Southern Region Waste Resource Authority (SRWRA) - Charter Review 2022
Approved the Southern Region Waste Resource Authority Draft Charter 2022

LGA Behavioural Management Framework Draft Policies - Consultation Feedback
Council noted the draft policies provided by the Local Government Association as part of the Behavioural Management Framework. No further comment was provided.

Call for Nominations for GAROC Members
Nominated Councillor Hutchinson to fill one (1) position on the GAROC Committee to represent the Metro South Regional Grouping from the conclusion of the LGA AGM in 2022 and to remain in office until the conclusion of the LGA AGM in 2024.

WHS Monthly Performance Report
Noted the WHS monthly performance report with the 2021-22 LTIFR as at the end of June 2022 being 5.9 with 4 lost time injury claims being submitted and accepted.

Confidential
CoM Submission re LGA Draft Training Standards for Council Members

9 August 2022 - GENERAL COUNCIL MEETING

Finance Risk and Audit Committee – Independent Member
Council noted the proposed timeline for the recruitment process to be undertaken by the Review and Selection Committee, given Mr Papa has advised that he will conclude his appointment to the Committee at the expiry of his term on the Committee in November 2022.

Confidential
Southern Soccer & SWBMX Funding, Insurance and Closure

ATTACHMENTS
Nil

7.3 Annual Insurance and Claims Report	
Report Reference	FRAC220816R7.3
Originating Officer	Unit Manager Strategy and Risk – Maddie Frew
Corporate Manager	Manager Office of the CEO - Kate McKenzie
General Manager	Chief Executive Officer - Tony Harrison

REPORT OBJECTIVE

The purpose of this report is to provide the Finance, Risk and Audit Committee (FRAC) with an overview of the annual insurance renewal for 2022/23 and an evaluation of the public liability and asset incidents and claims for 2021/22.

EXECUTIVE SUMMARY

The City of Marion self-insures by contributing to the LGRS Schemes for coverage of Motor Vehicle and Property Assets as well as Public Liability/Professional Indemnity.

The Strategy and Risk team has worked with the Scheme to review CoM's Asset Schedule for 2022/23 Insurance renewal. This year saw an increase index of 5% for Asset Values due to the increase in construction material and Covid-19 which will increase the contribution rate paid to the Scheme.

Overview of CoM's incidents and claims lodged over the last 12 months and breakdown of the type of claim/incident reported is located within the below report. The Scheme is very supportive in managing the claims and assisting CoM with the incidents.

RECOMMENDATION

That the Finance and Audit Committee:

1. **Notes the report and claim information provided in Attachment 1.**

BACKGROUND

Local Government Risk Services (LGRS) have been the specialist risk and insurance providers to Local Government in South Australia since 1989.

Under the banner of the LGRS, the City of Marion (CoM) is provided with a comprehensive range of insurance products including asset protection, civil liability cover, workers compensation, journey insurance, personal accident insurance (for officers and volunteers) as well as income protection (provided to, and paid for by, employees).

This report focuses on two products:

1. Asset cover (motor vehicle and property) provided by Local Government Association Asset Mutual Fund (LGAAMF); and
2. Public liability cover provided by the Local Government Association Mutual Liability Scheme (LGAMLS).

Claims for workers compensation is reported through Work Health and Safety (WHS) reporting and claims submitted under the remaining insurance products are more of a personal nature and not necessarily related to the operations of Council and are therefore not included in this report.

PROCUREMENT OVERVIEW

The Local Government Asset Mutual Liability Scheme (LGAMLS) Member questionnaire for the 2022-23 financial year had a focus on the global impacts of building prices, factoring in of higher costs and demand for materials and labour, and professional services when valuing our Assets.

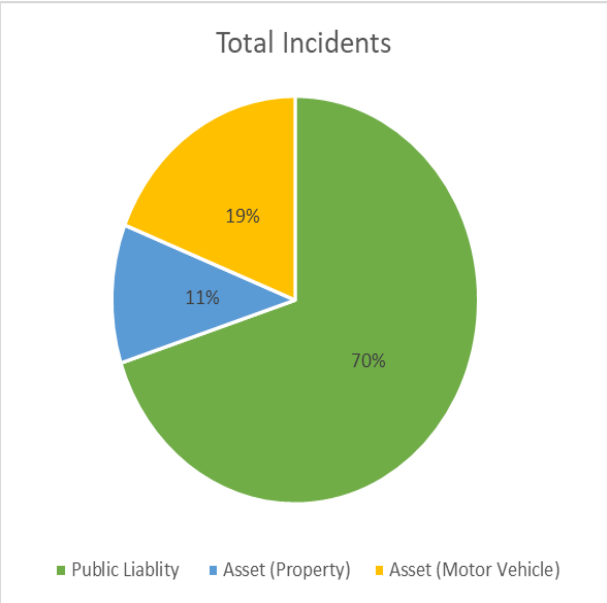
Previously fully funded by Local Government Association Asset Mutual Fund (LGAAMF), this year LGRS has passed a 50% co-contribution for Cyber protection to Local Government. Therefore, the Cybercrime contribution for 2022/23 increased from previous years.

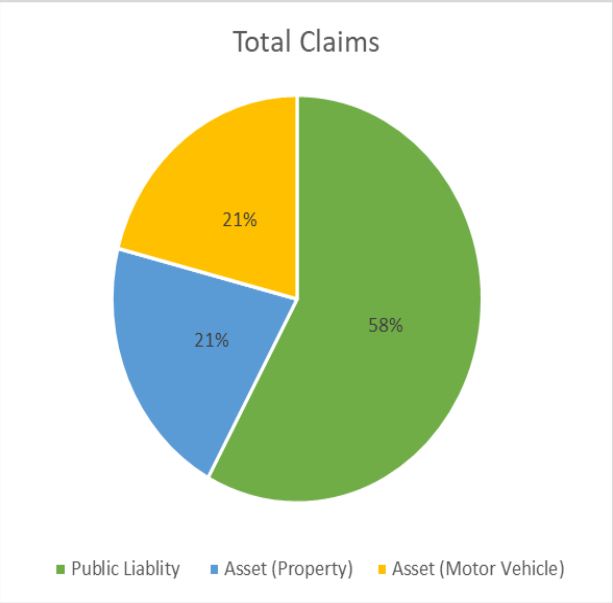
LGRS have passed on other modest increases in 2022/23 member contributions with:

- The Mutual Liability Scheme cover increasing by 5% from 21/22. This has been attributed to increased costs by underwriters due to a global hardening insurance market.
- The Asset Mutual fund has increased by 26% however this relates to approximate $31M increase in the value of assets being insured with multiple new venues in the City of Marion council area (i.e. Sam Willougby BMX Track, Southern Soccer Facility and Mitchell Park Sports and Community Centre), and playground improvements (i.e. Dwyer Park Reserve).
- Limits for coverage for Crime Protection has been increased from $1M to $2.5M limit and $250,000 to $500,000 Erroneous Funds Transfer which has increased the contribution slightly higher than previous year due to the increased amounts.

INCIDENTS AND CLAIMS

During 2021/22 there was a total of 209 incidents reported with 92 claims as a result, proportioned as below:





Please refer to **Attachment 1** – Insurance Claims Management 2021-22 for a more comprehensive break down of incidents and claims across the three insurance areas.

The CoM continues to focus on key risk areas including the review and implementation of the Risk Management Policy and Framework, Incident Management and Investigation Procedures, Workplace Emergency Management Plans, and the Business Continuity Plan.

CoM staff are working to identify improvement opportunities with a view to reducing incidents and minimise potential losses. This is clear in the small number of incidents and claims reported.

Incident and claim data is regularly reviewed by the Risk Team in collaboration with key stakeholders; primarily City Property, Civil Services, Open Space Operations and Operational Support to resolve public liability issues as promptly as possible. Further engagement with the

LGAMLS, when needed may result in site visits to assess and identify opportunities for improved management of public spaces with a view to minimising potential harm to others.

Significant incidents and/or claims are reported when required, fortnightly to the Executive Leadership Team to manage any incidents that may impact on CoM through public or political exposure. A quarterly report to check insurance incidents and claims, incident mitigation, comparative data, claim trends and on-going insurance risk exposure is delivered to relevant stakeholders.

ATTACHMENTS

Attachment 1: Incidents and Claims Review 2021-2022

1. Insurance Claim Review 2021 22 [**7.3.1** - 3 pages]

ATTACHMENT 1 – Insurance Claims Management 2021/22

A significant part of budgeted annual spend is devoted to repairing, maintaining and upgrading our public assets to deliver safe and sustainable services to our community. Asset Management Plans outline the financial and technical elements for managing assets to support the delivery of services to our community. This is also supported footpath maintenance programs, proactive reserve maintenance and investigation of incident reports.

Motor Vehicle Assets

There were 40 Motor Vehicle incidents reported to Council during the 2021/22 financial year resulting in a total of 19 claims as outlined in Table 1. Of the 19 Claims; 2 were denied by CoM (City of Marion), 1 was denied by the LGAAMF (Local Government Association Asset Mutual Fund), 1 was discontinued by the Claimant,1 settled by CoM, 1 repaired by CoM and 13 settled by LGAAMF.

Table 1: Motor Vehicle - Incident and Claims Statistics Over the Last 2 Financial Years

Party deemed at fault*	2020/21				2021/212			
	Incidents	Claims	Claims Value	Total Cost to CoM	Incidents	Claims	Claims Value	Total Cost to CoM
City of Marion	74	26	$26,195	$8,730	28	10	$26,882	$4,000
Third Party	15	11	$3,752	$1,902	12	9	$13,158	$2,000
TOTAL	**89**	**37**	**$29,947**	**$10,632**	**40**	**19**	**$40,040**	**$6,000**

**At Fault refers to any incident where a 3rd party is unable to be identified. This includes incidents that occur whilst the vehicle is parked and damaged whilst unattended, damaged by a falling tree branch, or when works is being undertaken by a registered piece of plant (backhoe) and damage is caused to 3rd party property.*

Key observations related to Motor Vehicle incidents and claims are:

- Incidents have decreased by 55% from 89 in 2020/21 to 40 in 2021/22.
- Claims have decreased by 47% from 37 in 2020/21 to 19 in 2021/22.
- The total value of Motor Vehicle insurance claims during 2021/22 was $40,040 which represents an increase on the total claim value of $10,093 from 2020/21. The difference is primarily due to 2 larger valued claims of $13,000 & $8,000, whilst the remaining claims were minor in nature with no claims over $5,000. There was only one claim with a value over $3,000 and no-one was injured in any of these incidents
- The actual cost to the CoM during 2021/22 was $6,000.00 which is a decrease from the previous year. The total cost is actual amounts incurred (when under the deductible amount) and the LGAAMF deductible ($500).

Property Assets

There were 23 property asset incidents reported to Council during the 2021/22 financial year resulting in a total of 19 claims made against Council as outlined in Table 2. Of the 19 Claims; 15 were settled by LGAMLS (Local Government Association Mutual Liability Scheme) and 1 settled by CGU third party Insurer. There are currently 3 claims outstanding that are under investigation: two vandalised toilets and one at the BMX Track due to significant water damage to track.

Table 2: Property - Incident and Claims Statistics Over the Last 2 Financial Years

Property Asset Insurance Category	2020/21				2021/22			
	Incidents	Claims	Claims Value	Total Cost to CoM	Incidents	Claims	Claims Value	Total Cost to CoM
Accidental Damage	13	8	15,493	3,254	5	1	$1,237	$500
Arson					1	1	$22,791	$2,000
Break-in	2				1	1	$4,500	$1,000
Data Breach								
Environmental	7		300	300	1	1	TBA	$1,000
Fire	1							
Machinery Breakdown	1	1	6,088	500	2	2	$9,919	$1,500
MV Impact	14	5	58,582	4,700	4	4	$27,030	$2,000
Theft	4	3	500	500	3	3	$12,288	$3,000
Vandalism	6		15,638	300	4	4	$40,420	$3,000
Water Damage	4	2	2,900	1,000				
Theft and Vandalism					2	2	$6,560	$2,000
TOTAL	**52**	**19**	**$99,501**	**$10,554**	**23**	**19**	**$124,745**	**$16,000**

Key observations related to Property Asset incidents and claims are:

- Incidents have decreased by 55% from 52 in 2020/21 to 23 in 2021/22
- Claims have remained static at 19 in both 2020/21 and 2021/22
- The total value of property claims during 2021/22 was $124,745 which is a 25% increase on the total claims value of $99,501 in 2020/21. The increase was due to the higher value of claim and the increased costs of goods & services over the last 12 months.
- The actual cost to the CoM during 2021/22 was $16,000 which is an increase on the actual costs of $10,554 in 2020/21. The total cost is actual amounts incurred (when under the deductible amount) and the LGAAMF deductible (generally $1,000 or $500 for computer assets).

Public Liability

There were 146 public liability incidents reported to Council during the 2021/22 financial year resulting in a total of 54 claims made against Council as outlined in Table 6. Of the 54 Claims; 27 were denied by CoM, 18 were denied by the LGAMLS,1 was discontinued by the Claimant, 1 was settled by CoM and 4 settled by LGAMLS. There are currently 3 claims that are under investigation. One claim has been carried forward from 2020, being an incident at Marion Outdoor Swimming Centre, where the claimant injured their ankle and injuries are still being assessed. It is anticipated that this will be ongoing for another 6 –12 months before the claim can be settled.

Table 6: Public Liability - Incident and Claims Statistics Over the Last 2 Financial Years

Public Liability Insurance Category	2020/21				2021/22			
	Incidents	Claims	Claims Value	Total Cost to CoM	Incidents	Claims	Claims Value	Total Cost to CoM
Community Facilities	143	6			4	0		
Community Land	10	2	330	330	5	1		
Contract Management	6	2	500					
Event Management	1	1			1	1	$1,000	$1,000
Footpaths	99	23	6,498	2,805	51	15		
Kerb & Water Table	16	7	1,663	556	11	6		
Non-Employ Relation								
Playgrounds	8				6	3	$5,150	$3,900
Professional Indemnity	1							
Reserves	3	2	662	480	6	3		
Road Management	24	11			11	2		
Road (other)	5	3	259		4	2	$2,570	$2,570
Tree Management	51	18	4,476		47	21		
TOTAL	**370**	**74**	**$14,388**	**$4,171**	**146**	**54**	**$8,720**	**$7,470**

Key observations related to Public Liability incidents and claims are:

- Incidents have decreased by 60% from 370 in 2020/21 to 146 in 2021/22.
- Claims have decreased from 74 in 2020/21 to 54 in 2021/22. Claims across all categories have decreased over the last 12 months.
- The total value of public liability claims during 2021/22 was $8,720 which is a decrease on the total claims value of $5,668 in 2021/22.
- The largest claim for 2021/22 was due to a claim at the Marion Outdoor Pool centre with full settlement offered for $5,000.
- The actual cost to the CoM during 2021/22 was $7,470 which is an increase from actual costs of $4,171 in 2020/21. The total cost is actual amounts incurred (when under the deductible amount) and the LGAMLS deductible ($3,750).
- During 2021/22 the largest value claim was Marion Outdoor Pool (separate claim to that discussed above) where the Scheme offered a settlement of $5,000 which was accepted by the claimant.

7.4 Quarterly Risk Report	
Report Reference	FRAC220816R7.4
Originating Officer	Risk Business Partner – Tania Del Torre
Corporate Manager	Manager Office of the Chief Executive - Kate McKenzie
General Manager	Chief Executive Officer - Tony Harrison

REPORT OBJECTIVE

The purpose of this report is to provide the Finance, Risk and Audit Committee (FRAC) with an overview of the City of Marion (CoM) Corporate Risk Register review for Q4 (April to June) 2022.

EXECUTIVE SUMMARY

The Corporate Risk Register was last reported for Quarter 3 (January to March 2022) to the Executive Leadership team on the 21 April 2022 and then to the Finance, Risk, and Audit Committee (FRAC) at their meeting on 17 May 2022 (FRAC220517R4.1).

During this quarterly review, the overall risk environment has remained reasonably unchanged with the current market conditions recognised and the ongoing impacts noted within the environmental scan.

One risk (PCU01) has been elevated to a high risk relating to the 'ability to attract new employees and retain high performing people'. This risk is reported to the FRAC on a risk on a page.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

1. **Notes the Corporate Risk Register Report (Attachment 1) and provides feedback on the review outcomes.**
2. **Notes the changes made to the DTP01 risk with the completed treatments being implemented as controls as queried by the FRAC on the 17 May 2022.**
3. **Endorses the risk rating changes for PCU01 moving from Medium to High risk, as detailed in Attachment 2.**

DISCUSSION

The Corporate Risk Register was distributed to the Senior Leadership Team (SLT) to undertake a review of risks relevant to their portfolio for the quarter 4 (Q4) period. SLT, as the primary risk owners, reviewed and updated their risks.

The Strategy and Risk Team supported reviews with Community Connections, City Services, People and Culture and Digital Transformation.

Scrutiny of the risks was placed on current controls, and the status of actions was updated with due dates being reviewed. When actions were confirmed as completed; they were then listed as controls. Risks were reassessed, in terms of likelihood and consequence ratings.

No risks were re-allocated, nor were any new risks identified. However, on-going and/or emerging risks and opportunities were identified through the environmental scan and were considered and

discussed throughout the Q4 review. Details of the on-going and/or emerging risks/opportunities are detailed in **Attachment 1,** section 1.5.

The detailed analysis of the Corporate Risk Register review for Q4 2021-22 are also included within **Attachment 1.**

The Q4 2021-22 corporate risk register review resulted in the number of:

- risks identified remaining static since Q1 at 103;
- high risks increasing from 6 in Q3 to 7 in Q4 (more discussion on this in section 4 below);
- medium risks decreasing from 67 in Q3 to 66 in Q4;
- low risks remaining static between Q3 and Q4 with 30 identified.

High Risks

High-Risk Plans-on-a-Page have been developed for all high risks that have been identified in Q4, to provide greater detail and context regarding how the risk is being managed. High-Risk controls, actions, and overall risk status are reviewed quarterly, and the status of the overall risk is updated with due dates being reviewed. All High-Risk Plans-on-a-page are included in **Attachment 2.**

During this review period, one (1) risk has been re-rated, as outlined below:

Risk ID	Risk Description
PCU01	CoM (City of Marion) ability to attract new employees and retain high performing people .

This has increased the identified high risks from 6 in Q3 to 7 in Q4. The subject risk previously had a likelihood rating of 'unlikely' but has been elevated to 'likely' for Q4, which has impacted the overall risk rating from a medium to a high risk. This risks along with the other six (6) risks sitting at a high-risk rating for Q4 are outlined below and detailed in **Attachment 2**.

Feedback from FRAC at their meeting on 17 May 2022 (FRAC220517R4.1) outlined the following:

- The Committee accepted the reduced risk rating GOV10 from High to Medium and were comfortable with the recommendation of managing the ongoing risks and moving towards business as usual within the controlled environment.
- The Committee suggested including the effectiveness of the control rather than the responsible officer.
- Overall, the Committee noted the good work on the Corporate Risk Reviews.

The Strategy and Risk team will implement the FRAC recommendations for control reporting in the next quarter for all High rated risks, as further work progresses on improved usability and software solutions for risk reporting.

ATTACHMENTS

1. CORPORATE RISK REGISTER report Q4 2021 22 (2) [**7.4.1** - 6 pages]
2. High Risk Plans on a Page Q 4 2021-22 [**7.4.2** - 10 pages]

CORPORATE RISK REGISTER REPORT

Quarter 4 2021/22

1. CORPORATE RISK REGISTER ANALYSIS

1.1 Analysis of Q4, 2021-22

The Quarter 4, 2021-22 review of the Corporate Risk Register resulted in a total of 103 risks identified. The current risk ratings are 8 high, 65 medium, and 30 low outlined in Table 1, which also illustrates the movement in our risk exposure over the previous 12 months.

Table 1: **Corporate Risk Register – Comparative outcomes across each quarter**

Period:	Qtr 1: Jul to Sep 2021			Qtr 2: Oct to Dec 2021			Qtr 3: Jan to Mar 2022			Qtr 4: April to June 2022			Overall Impact*
¹Corporate Risk	I	C	F	I	C	F	I	C	F	I	C	F	
Extreme	28	0	0	28	0	0	28	0	0	28	0	0	⟷
High	63	6	0	63	7	0	62	6	0	62	7	0	↑
Medium	11	67	60	12	66	60	13	67	61	13	66	61	↓
Low	0	29	42	0	30	43	0	30	42	0	30	42	⟷
Total	102	102	102	103	103	103	103	103	103	103	103	103	

Current High Risk %	6%	7%	6%	7%

¹Key: I = Inherent, C = Current, F = Forecast *Overall movement of current Risk Rating

This report provides further details on the outcomes of the quarterly review including;

- Changes to the risks reported in the Corporate Risk Register
- Ongoing and emerging risk/opportunity issues (currently not identified on the register)

During the supported reviews, scrutiny was placed on current controls, updating actions, and action due dates. This has resulted in the likelihood and consequence ratings being re-evaluated affecting current risk ratings for one (1) risk which is outlined in **Table 2**.

1.2 Re-assigned risks

No Risk were re-assigned for Quarter 4, 2021-22.

1.3 Re-rated risks

There is one (1) changes to a risk rating during the period. See table 2 (over page) for these details.

Table 2: Risks elevated to a high rating in Q4 2021-22

Risk ID	Risk Description	Risk Rating detail
PCU01	CoM (City of Marion) ability to attract new employees and retain high performing people	The likelihood has been re-rated from Unlikely to Likely which has increased the overall Risk Rating for Medium to High. Refer to Plans on Page for detailed information

1.4 New risks

There were no new Risks identified for Quarter 4, 2021-22.

1.5 On-going and emerging risks/opportunities

The environmental scan is reviewed quarterly as part of the risk review process to identify any emerging risks/opportunities that may have the potential to impact on Council's project and program delivery, business-as-usual activity, financially and reputational risk in the sector. The follow matters have been identified throughout Quarter 4, 2021-22.

Project delivery costs

Inflation, high demand in the construction sector, and material shortages in timber, steel, and concrete are still ongoing.

Staff shortages are prevalent in the construction sector are expected to have continued impacts as the sector struggles to deliver to agreed timelines (Financial review June 2022) Impacts to council include increased costs (that are currently unbudgeted) in delivering new projects with a high possibility of extended project construction timeframes.

Inflation

Inflation continues to rise at 6.1% for the July quarter. The Reserve Bank of Australia (RBA) forecasting that it is likely to rise to 7.75% by the end of 2022.
Impacts to Council may be residents face financial difficulties in paying their rates.

Employment market & talent retention

Ongoing skills shortage challenges fulfilling vacancies including project management, asset management, business analyst roles, data expertise roles.

Opportunities to promote the employee value proposition benefit actively to compete with the variety of promotion provided by other companies within the recruitment phase. Succession planning and the ability to attract and retain top talent may limit our ability to deliver on key bodies of work.

Energy costs

The global energy crisis due to the war in Ukraine is still ongoing. It is expected that there will be some pass-through charges however the increases are not expected to be significant. The LGA (Local Government Association) is investigating opportunities to reduce any cost impacts to council.

An opportunity for council to review and look at ways to reduce energy consumption activity.

Community wellbeing

Cost of living pressures includes successive interest rate rises, and notable increases in energy, fuel, gas, and food as well as other CPI increases on general services. The rental shortage crisis has also been exacerbated in recent months and combined with interest rate rises has seen an increased incidence of tenants being forced into homelessness. Combined, there is a risk that cost-of-living pressures can lead to overall well-being concerns including increased mental health and distress.

The new Mitchell Park Sports and Community Centre is now open and provides an appealing opportunity for the community to access thereby enhancing social connectedness and a sense of belonging that can positively impact mental health and wellbeing.

Covid and Flu Season

Increased sick and careers leave due to combination of COVID, and Flu has seen some impacts to service delivery.

There may be further disruption with the 3rd wave of COVID however Government has not changed restrictions and it's recommended if employees have symptoms to work from home.

Elections

Over $9.7m in funding was provided by the State Government to support new strategic projects reducing the reliance on ratepayers to fund new community infrastructure and progress the community vision with funding deeds executed by 30 June 2022. The Federal Government pledged significant funding to projects including Marino Hall and the upgrade to Basketball Facilities on Sturt Road. It is expected that funding deeds will be executed in the coming months.

As Local Government elections are approaching there may be instability whilst in 'caretaker' mode.

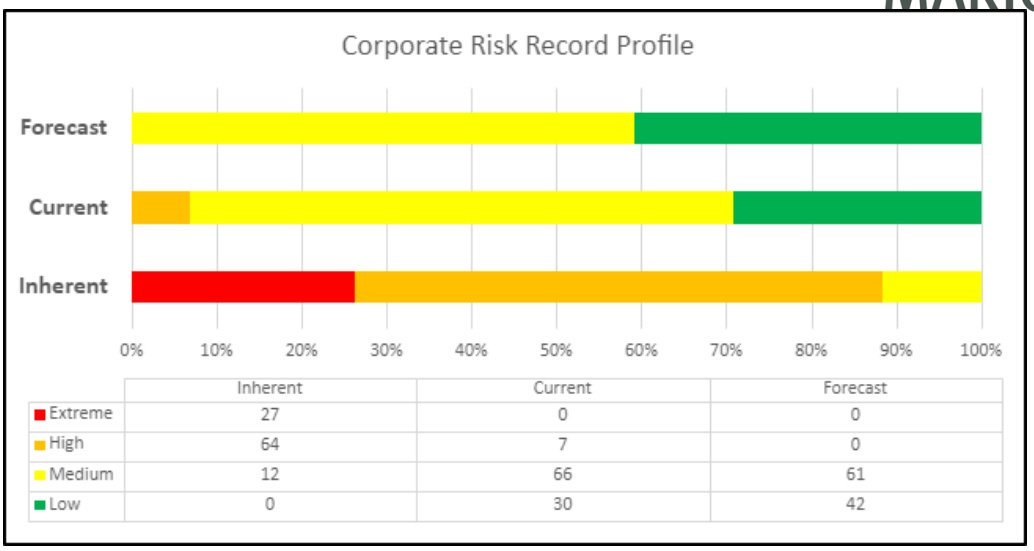
Asset Management

Through the Q4 2021/22 review, discussions were raised about asset management. Council has policies, plans and strategies in place for asset management, however processes are often reactive rather than proactive. The topic was heavily debate and although the risk was not re-rated to a high risk, it was agreed that further work would progress to understand potential gaps.

1.6 High risks

There are currently seven (7) risks currently assessed as outside the CoM's adopted risk appetite, as outlined in Table 3. Although the Risk Appetite outlined in the Risk Management Framework outlines varying tolerance levels for specific risk criteria, the reporting structure requires that risks with a current risk rating of extreme or high are to be reported to the ELT and subsequently, to Council via the Finance, Risk and Audit Committee.

Table 3. Corporate Risk Register Quarterly Review – Current Ratings



	Inherent	Current	Forecast
Extreme	27	0	0
High	64	7	0
Medium	12	66	61
Low	0	30	42

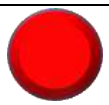
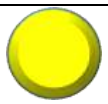
An excerpt of the Corporate Risk Register, outlining the seven (7) high-rated risks is provided in **Table 4**, which shows the movement in the current risk rating from last reporting period. One (1) risk has been re-rated from medium to high when reviewed this quarter (PBU01) and one re-rated to Medium (GOV10). Further detail on the mitigating actions identified by the risk owners, targeted to reduce the risk to within tolerance levels is outlined in the High-Risk Plans-on-a-Page.

Table 4: Risks Currently rated as High (or above)

Risk Ref	Risk Description	Inherent Risk Rating	Current Risk Rating	Qtr. Mvmnt
CDO01	Poor data quality and information governance not supporting informed decision making	Extreme	High	⇔
DTP01	Decentralised, unsupported, and unintegrated ICT systems to support current and future needs	High	High	⇔
ESU03	Failure to understand, plan and act to respond to the projected impacts of climate change.	Extreme	High	⇔
FIN06	Ineffective & inefficient organisational project and portfolio management/ monitoring to deliver strategic objectives and outcomes	High	High	⇔
GOV10	Inability to prevent, prepare, respond to, and promote resilience in the community in the event of an emergency i.e., pandemic (human disease), earthquake, flood, extreme heat, bushfire, and terrorism	Extreme	Medium	↓
LPR02	Injury or harm/damage arising out of a failure of CoM contractors to comply with contract conditions and CoM HSE requirements	High	High	⇔
CON04	Supply chain issues creating an inability to complete projects on time and within allocated budget	High	High	⇔
PCU01	CoM ability to attract new employees and retain high performing people	High	High	↑

To provide greater detail and context for High rated risks, a High-Risk Plan-on-a-Page was developed in collaboration with each of the risk owners for review, validation, and monitoring by ELT each quarter. The High-Risk Plans on a Page are located in **attachment 1** of the FRAC Report for 16 August 2022.

High Risk Plans on a Page Quarter 4 2021/22 Attachment 2

RISK ID	**CDO01**			
DATE LAST REVIEWED	1/07/2022			
ELT	Corporate Services			
SLT	Business Intelligence Lead			
Likelihood Rating **Consequence Rating**	Possible Major	INHERENT Risk Rating	**CURRENT Risk Rating**	TARGET Risk Rating

Risk Description

Poor data quality and information governance not supporting informed decision making.

Risk Statement

There is a risk that poor quality and access to data within CoM systems doesn't allow for data driven decision making.

Link to Strategic Plan	Council of Excellence
Link to Business Plan	Digital Transformation Project

Context/Background and Environmental considerations

Due to the limited functions of the business systems, the business has needed to make manual work arounds, this can lend to data entry errors, this can contribute to long processes for information gathering and decision making.

Stakeholders	**Consultation**
Council, ELT, SLT and SMEs wishing to use data to support decision making.	Digital Transformation Program

Risk source - Causes/Drivers

- Ineffective implementation of the DT program
- IT platform and operating systems no longer pertinent, potentially unfit for Business over the long term
- Lack of strategic planning & investment in Business systems as Information Management assets
- Lack of timely engagement with IT
- Business units implement their own technology solutions
- Lack of common IT architecture
- Shortage of IT resources

Potential Consequences

- Non-compliance with related regulations/ legislation
- Inability to measure outputs and outcomes, resulting in unsupported decision making
- Inability to address business issues through data analysis
- Decreasing value of data assets
- Perpetual increase in data quality concerns
- Manual effort required for reporting processes
- Unable to provide adequate data to elected members

	Implemented Controls	**Endorsed/last reviewed Date**	**Review Date**	**Responsible Officer**
1	DTP ELT Meetings (ICT steering committee)	Aug-21	Dec-23	GM Corp Serv
2	Vendor management reviews of software enhancements/faults	Jan-21	ongoing	Snr DTP IT Mgr
3	Software owner roles & responsibilities documented (org wide vs departmental)	ongoing	ongoing	Snr DTP IT Mgr
4	Core application systems user groups with ICT business unit account & manager roles	ongoing	ongoing	Snr DTP IT Mgr
5	Business intelligence/data analytics reporting toolset (MS PowerBI)	ongoing	ongoing	BI Lead
6	Data and Analytics strategy endorsed	Feb-22	ongoing	BI Lead
7	ICT Service Reviews and ICT Internal Audit recommendations implemented	Dec-21	ongoing	GM Corp Serv
	Planned Treatment	**Status**	**Due Date**	**Responsible Officer**
3	Cross Council collaboration (peer review of initiatives)	On schedule	30/12/2022	Snr DTP IT Mgr
4	DTP - COM9 data analytics	Behind schedule	~~30/06/2022~~ 30/09/2022	BI Lead
6	Seek endorsement of Data Governance Framework	Behind schedule	~~30/06/2022~~ 30/09/2022	BI Lead
7	Implement and oversee the strategy and framework	Behind schedule	~~30/06/2022~~ 30/09/2022	BI Lead

Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"

PT4 Due date extended
PT6 & PT 7 . Data Governance Framework still to be developed. Data & Analytics schedules and due dates are shifting regularly while the project finds its feet with strategy sign off - due date extended to Sep 2022
'PT1Implementation of ICT Service Review recommendation - Complete(31/12/2021)
'PT2Implementation of ICT Internal Audit recommendations - Complete(31/12/2021)
PT05 Seek Endorsement of Data Governance Framework - Completed (1/02/2022)

High Risk Plans on a Page Quarter 4 2021/22 Attachment 2

RISK ID	**DTP01**			
DATE LAST REVIEWED	1/07/2022			
ELT	Corporate Services			
SLT	Manager IT Operations • Information Services			
Likelihood Rating **Consequence Rating**	Likely Moderate	INHERENT Risk Rating	**CURRENT Risk Rating**	TARGET Risk Rating

Risk Description

Decentralised, unsupported and unintegrated ICT systems to support current and future needs.

Risk Statement

There is a risk that having decentralised IT systems that are not fit for purpose through the lack of strategic planning for IT will cause unstable systems or failures, inefficiencies, and not allow progression of key business developments resulting in poor customer experience, frustrated staff.

Link to Strategic Plan	Engaged
Link to Business Plan	Digital Transformation Program

Context/Background and Environmental considerations

Old systems and old technologies used, these have caused inefficient work arounds for the systems. The planning and endorsement of the Digital Transformation Project has taken time to scope and present for endorsement from Council. Budget endorsement from Council was needed. The restructure of the organisation has moved the ownership of addressing these risks to the DTP.

Stakeholders	**Consultation**
All data users within the business	ELT, SLT & work areas via meetings

Risk source - Causes/Drivers

- Ineffective implementation of the DT program
- IT platform and operating systems no longer pertinent, potentially unfit for Business over the long term
- Lack of strategic planning & investment in Business systems as Information Management assets
- Lack of timely engagement with IT
- Business units implement their own technology solutions
- Lack of common IT architecture
- Shortage of IT resources

Potential Consequences

- Inefficient corporate software systems
- Ineffective use of IT staff resources
- Inability to support & progress key business developments
- Lack of flexibility, capacity &/or capability for future options
- Poor customer experience
- Frustrated staff - low morale
- Increase turnover of staff
- Business inefficiency
- System instability &/or failures

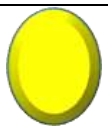
	Implemented Controls	**Endorsed/last reviewed Date**	**Review Date**	**Responsible Officer**
1	DTP ELT Meetings (ICT steering committee)	Aug-20	Dec-23	GM Corp Serv
2	DTP Communications Plan	Nov-20	Nov-22	Mgr Cust Ex
3	DTP Change Management Plan	Feb-22	Aug-22	Mgr Cust Ex
4	Digital Literacy training plan	Jan-21	Dec -22	Snr DTP IT Mgr
5	DTP team of qualified & experienced personnel inc dedicated BA and PM resources (service review undertaken)	June 2022	Ongoing	GM Corp Serv
6	DTP performance reporting to ELT & FRAC	Aug-20	Dec-23	Snr DTP IT Mgr
7	Cross Council collaboration (peer review of initiatives)	Jun-20	Jun-22	Snr DTP IT Mgr
8	CRM system	Jan-22	Jan-23	Mgr Cus Exp
9	HR/payroll system	Jul-22	Jul-23	Mgr P&C
10	Finance system	Jul-22	Jul-23	Mgr Fin

	Planned Treatment	**Status**	**Due Date**	**Responsible Officer**
1	Digital Transformation Project	On schedule	30/06/2023	GM Corp Serv
4	Asset Mgt new system	On schedule	30/12/2022	Mgr Fin

Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"

IC05 - resourcing is an continuing concern control will be reviewed on going
PT02 - CRM system replacement - Completed (31/01/2022)
PT03 - Finance system replacement - Completed (July 2022)
PT05 - HR/Payroll system replacement - Completed (July 2022)

High Risk Plans on a Page Quarter 4 2021/22 Attachment 2

RISK ID	FIN06			
DATE LAST REVIEWED	1/07/2022			
ELT	Corporate Services			
SLT	Finance			
Likelihood Rating **Consequence Rating**	Likely Major	INHERENT Risk Rating	**CURRENT Risk Rating**	TARGET Risk Rating

Risk Description

Ineffective & inefficient organisational project and portfolio management/monitoring to deliver strategic objectives and outcomes

Risk Statement

There is a risk that work areas across the organisation are managing projects and project risk through differing methodology and that projects are not easily able to be monitored by the Executive Leadership Team.

Link to Strategic Plan	Council of Excellence
Link to Business Plan	Digital Transformation Program

Context/Background and Environmental considerations

The Project Management Office was introduced a number of years ago with a Project Leader and a Project Support Officer. The team developed a Project Management Policy and Framework and implemented CAMMS project management software however, the implementation and uptake of these documents and software solution was inconsistent.

Stakeholders	**Consultation**
All data users within the business	Digital Transformation program

Risk source - Causes/Drivers

- inefficient set-up & utilisation CAMMS system
- lack of PMO resources
- inadequate assessment of organisational PM needs
- omission of key considerations in project outline eg: risk/WHS/finance/reporting/contracts

Potential Consequences

- Failure to achieve strategic objectives
- Poor business/project planning-. Inability to effectively delivery of projects
-. Inappropriate use of resources
- Inadequate staff levels for projects
- Community dissatisfaction
- Reputation damage

	Implemented Controls	**Endorsed/last reviewed Date**	**Review Date**	**Responsible Officer**
1	Prudential Management Policy	Dec-21	Dec -22	CFO
2	Project Management Framework	Dec-21	Dec -22	Snr PM FT
3	CAMMS project management software (contract)	Mar-22	Mar-23	Snr PM FT
4	Monthly Project Steering Group meetings	ongoing	ongoing	Snr PM FT
5	Monthly financial reporting	ongoing	monthly	CFO
6	Project Management Office	May-21	ongoing	Snr PM FT
7	Cross Council collaboration (peer review of initiatives)	ongoing	ongoing	Snr PM FT
8	Monthly Capital Works Meeting and Monthly Capital Works Report	ongoing	ongoing	Snr PM FT
9	CAMMS training conducted for users	ongoing	ongoing	Snr PM FT
10	KPMG Internal Audit - Project Management Framework- endorsed	Jun-22	ongoing	Snr PM FT

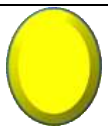
	Planned Treatment	**Status**	**Due Date**	**Responsible Officer**
2	Internal review and refresh of Project Management Framework- draft to be shared with SLT and ELT for review by May 2022, and to presented to Council in June 2022	Behind schedule	~~30/06/2022~~ 30/09/2022	Snr PM FT
5	Continual training has been occurring across the organisation	On schedule	ongoing	Snr PM FT

Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"

PT01 Implement KPMG Internal Audit Report outcomes - Project Carryovers - report to be presented to FRAC (action and due date included in report) - Completed (31/12/2021)
'PT03 Briefing of existing PM Framework and re-training of CAMMS to key Project Managers and Project Coordinators in Capital Works delivery - Completed (31/03/2022)
PT04 KPMG Internal Audit - Project Management Framework- draft review presented to Council in May 2022. Completed (30/06/2022)
PT02 PMO resource has left which has impacted drafting of PM Framework - due date extended to Sept 2022
PT05 - Continual training has been occurring across the organisation

Project Management across the org not at a maturity level to warrant a change to risk

High Risk Plans on a Page Quarter 4 2021/22 Attachment 2

RISK ID	**ESU03**			
DATE LAST REVIEWED	1/07/2022			
ELT	City Services			
SLT	Engineering Assets and Environment			
Likelihood Rating **Consequence Rating**	Possible Major	INHERENT Risk Rating	**CURRENT Risk Rating**	TARGET Risk Rating

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
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 initiative, Local Member, Resilient South Regional Climate Partnership collaboration, 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) and decision making (climate hazard mapping)
- Failure to include Climate Change consideration in business activities/operations (inc events, asset management planning & CapX projects)
- Inadequate stakeholder engagement
- Poor inter-departmental collaboration and communication
- increasing carbon emissions
- Planning application approvals in unsuitable areas

Potential Consequences

- Catastrophic damage to assets and infrastructure during extreme weather (e.g. flooding and fire)
- Increased cost of remedial works
- Increased cost of mitigation works
- Dissatisfied community
- Damage to coastal zone from storm surge
- Reduced rates revenue as property values go down
- Increased difficulty in obtaining insurance cover/increased premiums
- Increased difficulty in obtaining loans if financial institutions require evidence of responses to climate change impacts
- Adverse impact of vulnerable people during extreme weather events (e.g. heat wave)
- Increased operating costs
- Reduction in asset lifecycle

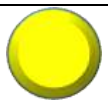
	Implemented Controls	**Endorsed/last reviewed Date**	**Review Date**	**Responsible Officer**
1	Resilient South Regional Climate Change Adaptation Plan	2019	2022	UM ES
2	Resilient South Local Government Regional Implementation Plan	2019	Dec -22	UM ES
3	Coastal Climate Change Adaptation Plan inc monitoring to detect changes to risk.	2019	2023	UM ES
4	Carbon Neutral Plan	2021	2030	UM ES
5	Cross Council collaboration (peer review of initiatives)	1/01/2021	Ongoing	UM ES
6	Insurance; Asset & Public Liability	1/07/2022	30/06/2023	UM ES
	Planned Treatment	**Status**	**Due Date**	**Responsible Officer**
1	Update Review of climate change projections/observations & use of pathways approaches	On schedule	Ongoing	UM ES
2	Develop & implement Resilient Asset Management Pilot (RAMP) program	On schedule	30/06/2025	UM ES
3	Deliver the Coastal Climate Change Monitoring Program	On schedule	30/06/2024	UM ES
4	Undertake a skills/capability audit & document training gaps in the TNA	Behind schedule	~~30/06/2022~~ Dec 2022	UM ES

Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"

High Risk Plans on a Page Quarter 4 2021/22 Attachment 2

IC01 - Out to tender as at March 2022 with support to develop new Regional Climate Action Plan
IC02 - Resilient South Local Government Regional Implementation Plan Both Resilient South Plans listed here will likely be merged into a single Plan (items 2&3)
during the review to be completed 2022 calendar year.
IC04 - Consultant appointed to develop Fleet Transition plan for CoM
IC05 -This is an ongoing activity delivered in collaboration with Resilient South partner councils (Mitcham, Holdfast Bay, Onkaparinga); COVID has meant that the
number of events has been greatly reduced, but the intent is to build this activity again when able to do so
PT01 - Going forward Resilient South will use State-generated climate change projections / observations upon which to base our planning; will also commission our own reports to fill any gaps in this work (e.g. coastal climate change monitoring). This will ensure consistency with other Regional Climate Partnerships in SA. This is an ongoing activity.
PT04 Specific roles in CoM need to be understood on how CC is part of their role. Large task - need to work with P&C and L&D. Ann to follow up with L&D. TNA due for review in 2022

High Risk Plans on a Page Quarter 4 2021/22 Attachment 2

RISK ID	LPR02			
DATE LAST REVIEWED	1/07/2022			
ELT	City Development			
SLT	City Property			
Likelihood Rating **Consequence Rating**	Likely Moderate	INHERENT Risk Rating	**CURRENT Risk Rating**	TARGET Risk Rating

Risk Description

Injury or harm/damage arising out of a failure of CoM contractors to comply with contract conditions and CoM HSE requirements

Risk Statement

There is a risk of non-performance of contractors engaged by City of Marion to undertake high risk Land & Property related activities as a consequence of a failure to effectively apply a rigorous, commercial and proactive contractor induction and management process which may result in a failure to deliver services within the intended scope, budget and timeframe and to the required standard of safety and legislative compliance leading to additional operational costs, the potential for injury or harm, litigation and reputational and community relationship degradation

Link to Strategic Plan	Council of Excellence
Link to Business Plan	Develop the City Property Strategic Asset Management Plan to meet community, sport and recreation needs

Context/Background and Environmental considerations

CoM Contractor Management processes are manual, with no clear process or system having been implemented into the City Property team through a trained and supported approach.

Stakeholders	**Consultation**
SafeWork SA, Community (facility users), Staff (facility users), Elected Members, Risk Unit, City Activation, Operational Support	Consultation through City Property team meetings and regular engagement with the Risk Team

Risk source - Causes/Drivers

- Ineffective procurement processes that evaluate Contractors' WHS practices/performance
- Inconsistent / Ineffective WHS induction of contractors
- Ineffective monitoring and evaluation of Contractors' WHS practices/performance
- Failure to undertake site inspection and hazard identification prior to commencement of work.

Potential Consequences

Serious injury to Workers, Contractors or member of Public
- Disruption to works impacting CoM & team
- Disruption to works impacting local community
- CoM exposure to liability
- Officers' exposure to criminal litigation
- Reputation damaged through adverse media coverage
- Net increase in operating costs

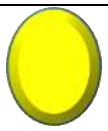
	Implemented Controls	**Endorsed/last reviewed Date**	**Review Date**	**Responsible Officer**
1	Contract Management Procedure (inc Checklist)	Jun-21	May-23	Mgr St Procurement
2	Cross Council collaboration (peer review of initiatives)	Jul-21	Jul-25	Mgr St Procurement
3	Contractor Site Induction (inc handover of CoM risk assessment plus contractor generated site hazard and risk assessment before commencement)	Oct-19	Oct-23	Mgr St Procurement
4	Contractor Insurance - recording and monitoring process	ongoing	ongoing	Mgr St
5	CoM Insurance	Jul-22	Jul-23	UM Strategy &
6	Contractor Management Inductions forms	Jun-22	ongoing	UM Strategy &
7	Contractor Induction/Observation/Monitoring forms are completed for site induction, observation and monitoring (inc record keeping)	Jun-22	ongoing	UM Strategy & Risk

	Planned Treatment	**Status**	**Due Date**	**Responsible Officer**
4	Implement Contract Performance Evaluation process	Behind schedule	~~30/06/2022~~ 30/09/2022	Mgr City Property

Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"

IC4 - Recording and monitoring of Public Liability Insurance currency for ongoing contracts is a manual process managed by Procurement using Excel, considering new opportunities with new Financial Management System
PT3 - The City of Marion's HSE Contractor Induction document forms the L&P team's process for contractor management. - Completed
PT4 - Staffing vacancy within the L&P team has delayed implementation - extended to September 2022
PT5 - The City of Marion's HSE Contractor Induction document forms the L&P team's processes for site induction, observation and monitoring. - Completed

High Risk Plans on a Page Quarter 4 2021/22 Attachment 2

RISK ID	CON04			
DATE LAST REVIEWED	27/06/2022			
ELT	Corporate Services			
SLT	Mgr Strat Procurement			
Likelihood Rating **Consequence Rating**	Likely Moderate	INHERENT Risk Rating	**CURRENT Risk Rating**	TARGET Risk Rating

Risk Description

Supply chain issues creating an inability to complete projects on time and within allocated budget

Risk Statement

Increases in prices of materials, along with a shortage of materials from suppliers has created a risk of projects not being able to be completed on time and within the allocated budgets. Risks associated with COVID-19 impacts - interstate restrictions, close contacts isolation requirements etc has also provided additional challenges to have adequate resources on hand to complete projects.

Link to Strategic Plan	Liveable
Link to Business Plan	

Context/Background and Environmental considerations

Supply issues have emerged in many sectors commonly used by councils for delivery of capital projects. The number of tenderers has dramatically reduced this is having a twofold effect: the pricing is fluctuating significantly, often leading to a lack of options when budgets are factored in. This is still prevalent even with close reviews and requests for pricing revisions; and workloads on particular suppliers is becoming a risk. Pricing on 'like for like' projects, eg streetscapes etc have increased. In several recent examples at COM across major projects, reserve upgrades and civil works all submissions have been above the allocated budget, thus leading to requesting additional funding via Council.
This is a by-product of the current supply and demand market forces.

Stakeholders	**Consultation**
Strategic Procurement City Activation Open Space and Rec Planning Civil Services Land and Property	Strategic Procurement Strategy and Risk

Risk source - Causes/Drivers

- building stimulus package
- fluctuating pricing
- increase in price of materials
- shortage of available materials from suppliers
- availability of suitable contractors
- reduced numbers of tender submission
- tenderers withholding submissions waiting on grant approvals before committing
- variations on contracts
- Dept Health COVID-19 directions (isolation, travel etc)

Potential Consequences

1. Additional costs to complete projects
2. Delays in completion, not meeting deadlines
3. Reputation damaged
4. Community dissatisfaction
5. Adverse media coverage

	Implemented Controls	**Endorsed/last reviewed Date**	**Review Date**	**Responsible Officer**
1	Contract Management Policy & Procedures	Nov-21	Nov-25	Mgr St Procurement
2	CoM Procurement procedure	Jul-21	Jul 23	Mgr St Procurement
3	CoM Tender Evaluation procedure	Jul-21	Jul 23	Mgr St Procurement
4	Targeted pricing reviews	ongoing	ongoing	Mgr St Procurement
5	Cross Council collaboration (peer review of initiatives)	ongoing	ongoing	Mgr St Procurement
6	Itemised, quantity focused pricing schedules utilised for tenders	ongoing	ongoing	Mgr St Procurement
7	Tendering process engagement is managed outside of peak period	ongoing	ongoing	Mgr St Procurement

	Planned Treatment	**Status**	**Due Date**	**Responsible Officer**

Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"

High Risk Plans on a Page Quarter 4 2021/22 Attachment 2

PT01 Revised process (to be incorporate in procedure review) - Complete30/11/2021
PT02 Deliver Contractor Management training on revised Policy/Procedures - Completed 31/08/2021
PT03 Implementation of Vendor Panel - Complete30/04/2022
PT04 Pre-tender communication with identified suppliers (to ascertain participation intent)Complete - 30/06/2022 '
PT 5 Progressed the tendering a little earlier - Closed
PT 6 we haven't completed that element and won't need to, we've tweaked the process to 'proactively' prompt suppliers and also amended response requirements to be a little easier - this has had a positive effect on price and competition in the past 3-4 months, which is what we will adopt moving forward - Closed

IC6 - new implemented control, where itemised, quantity based pricing schedules are being utilised for relevant tenders, this is having a positive effect on the submitted pricing and seeing pricing within budget for relevant tenders. Continued monitoring to ensure this proves to be a strong risk mitigation.
IC7 - New Control

Changes to tendering documentation, whereby itemised quantities are utilised for pricing (quantity based pricing), has seen tenderers submitted pricing lower than recent trends and within budgets. Continued monitoring of this over the upcoming tenders will be required to ensure this is an

High Risk Plans on a Page Quarter 4 2021/22 Attachment 2

RISK ID	PCU01			
DATE LAST REVIEWED	1/07/2022			
ELT	Corporate Services			
SLT	People & Culture			
Likelihood **Consequence**	Likely Moderate	INHERENT Risk Rating HIGH	**CURRENT Risk Rating - HIGH**	TARGET Risk Rating - MEDIUM

Risk Description

CoM ability to attract new employees and retain high performing people

Risk Statement

Inability to create and attract a strong talent pool and retention of high performing people. Labour market factors driving talent shortages, higher turnover and higher employee costs. Vacancies across CoM are taking longer to fill and to attract the right people for the roles.

Link to Strategic Plan	Council of Excellence
Link to Business Plan	

Context/Background and Environmental considerations

Over the last 24 months there has been a shift in employee/potential employees as well as shortages of people applying for advertised roles and ability to offer competitive salaries.

Stakeholders	**Consultation**
All Business Units	P&C

Risk source - Causes/Drivers

- High levels of employment driving labour market shortages and higher salaries for specialist roles
- Inadequate talent attraction strategies
- Branding and employee value proposition fails to attract candidates in a tight labour market
- Remuneration and benefits lag
- perceived lack of career pathways at CoM
- Ageing workforce issues
- Covid concerns

Potential Consequences

1. Damage to culture
2. Staff dis-engage
3. Reduced productivity
4. Difficulties attracting and retaining staff
6. Absenteeism
7. Increase cost of service
8. Reputational damage
9. Unable to deliver key operations targets & projects

	Implemented Controls	**Endorsed/last reviewed Date**	**Review Date**	**Responsible Officer**
1	Organisational monitoring and action planning through Teamgage	Jul-22	ongoing	Mgr P&C
2	CEO advocates for and leads our vision and values	Jul-22	ongoing	CEO
3	Organisational skills gap analysis informs recruitment and training program	Jul-22	ongoing	Mgr P&C
4	Vacancy Management Policy	Aug-13	Dec-22	Mgr P&C
5	Marion Accerate Program (MAP) and LEAD In the Field program delivered annually	Jul-22	Jul-22	Mgr P&C
6	Performance Development Plans	Jul-22	Jul-23	Mgr P&C
7	Revised approach to graduate employment and development	Jul-22	ongoing	Mgr P&C
8	GAP year program	Jul-22	ongoing	Mgr P&C
9	Workforce Action Plans planning action planning in place for each SLT area	Jul-22	Jul-23	Mgr P&C
10	Work on revised Employee Value Proposition as part of Workforce of the Future Program	Jul-22	ongoing	Mgr P&C
11	AWU & ASU EA in place	Jul-22	Jul-26	UM P&C
14	Recruitment guidelines reflect ICAC recommendations and police checks for applicable roles	Jul-22	ongoing	UM P&C
15	Flexible work options and RDOs available to employees under EAs	Jul-22	ongoing	UM P&C
16	Employee engagement and learnings from UniSA culture study are embedded	Jul-22	ongoing	UM P&C

	Planned Treatment	**Status**	**Due Date**	**Responsible Officer**
1	Development of a recruitment promotional video	On schedule	30/12/2022	UM P&C
3	Partnership with external subject matter expert to support revised enterprise-wide workforce planning approach	On schedule	31/12/2022	Mgr P&C
4	Leadership framework to be developed and implemented (will replace/revamp the LEAD program)	On schedule	30/12/2022	L&D Partner
6	Review the recruitment strategy with regards to the HRIS capability and in-source/out-source assessment	On schedule	30/12/2022	Mgr P&C
7	Development of revised approach to Graduate recruitment and development	On schedule	30/09/2022	Mgr P&C

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8	Establishing strategic relationships with recruitment providers to support candidate attraction	On schedule	31/12/2022	UM P&C
9	Embedded identified future workforce skills into recruitment practices	On schedule	31/12/2022	UM P&C
10	Recruitment of a Talent Acquisition Partner to develop talent attraction strategies and improve quality of recruitment processes	On schedule	31/12/2022	UM P&C

Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"

PT2 - Employee engagement and embed learnings from UniSA culture study - Completed (30/06/2022)
PT5 - ASU EA negotiations - Closed as negotiations have been completed

Comments

Risk Description amended from Culture, values and conditions adversely impacts on CoM ability to attract new employees and retain high performing people to CoM ability to attract new employees and retain high performing people

Overall Risk Rating changed from Medium to High
LIKELIHOOD amended from Unlikely to Likely
CONSEQUENCE no change - Moderate

7.5 Aged Care Quality Standards	
Report Reference	FRAC220816R7.5
Originating Officer	Unit Manager Community Wellbeing – Jaimie Thwaites
Corporate Manager	Manager Community Connections - Merran Fyfe
General Manager	General Manager City Services - Ben Keen

REPORT OBJECTIVE

The purpose of this report is to advise the outcome of the City of Marion's Aged Care Quality Standards Audit conducted in March 2022.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

1. **Notes the report from the Aged Care Quality and Safety Commission dated 6 May 2022.**

DISCUSSION

The City of Marion (CoM) is the recipient of approximately $1.85 million funding per annum through the Federal Government to deliver a Community Home Support Programme (CHSP). This is delivered through the Positive Ageing and Inclusion team (PAI).

The funding is subject to an audit held every three years. CoM was due to be audited in 2020, however due to COVID-19 the Commission's audit schedule was delayed. The external audit was conducted on 8-10 March 2022. This is a compulsory component of the Federal Government funding which enables the CHSP services to be offered within CoM.

Below is a summary of information to inform the Finance, Risk and Audit Committee of the results of the Aged Care Quality Standard Audit, the environmental factors that impacted the audit and actions planned and / or implemented to correct the areas of the assessment that were not compliant.

City of Marion 2022 Audit Result

The Aged Care Quality Standards cover 8 overarching standards, with a total of 42 individual requirements within 8 standards. CoM, due to the services offered (e.g. home support and not residential care), was assessed against:

- 7 overarching Standards (as one standard applies to personal and clinical care which is not provided by CoM), and
- 34 individual requirements (noting an additional one was not assessed as it did not relate to CoM services).

The outcome of the audit was as follows:

- Of the overarching 7 Standards relevant to CoM - Compliant against 2, and Not Compliant against 5.
- Of the 34 individual requirements relevant to CoM - Compliant against 23, and Not Compliant against 11.

Note - If an organisation is Not Compliant against one of the individual requirements within a Standard, it is considered Not Compliant for the overarching Standard, regardless if a majority were found as Compliant.

CoM received the final report on 12 May 2022 and the document is now a public document on the Aged Care Quality and Safety Commission's website. A link to the CoM report is as follows www.agedcarequality.gov.au/services/city-marion-home-assist-sturt-600129. A copy of the report is also included as attachment 1 to this report.

Background

This audit follows previously successful audits with CoM for this service. The last audit (which was assessed against the previous standards) was in 2017 and CoM was found to be 100% compliant. The 2022 audit was the first time CoM has been audited against the new Aged Care Quality Standards which came into effect on 1 July 2019. It is the first audit post the Royal Commission into Aged Care and Quality Safety, from which a final report was made public in February/March 2021.

In September 2019 there was a GAP analysis of City of Marion's compliance with the new standards undertaken by external consultants Standard Wise. This provided a range of actions to consider and/or implement. Further to this report, a specific focus on Standard 8 (Governance) was presented to ELT in January 2020. Between September 2019 and February 2020, 85% of the GAP analysis recommendations were implemented.

In March 2020 the impact of COVID-19 drastically impacted this team and its service model. Every service was impacted and has continued to be for the duration of the pandemic. PAI has been required to:

- Constantly adjust their service design, offering services at short notice that have not been planned for or previously tested or modelled by CoM.
- Work through the impacts of high workforce turnover of staff, contractors, volunteers and brokered services.
- Consistently respond to changing State and Federal health directions to continue supporting older community members in need with critical and essential services.

The PAI team was provided with approximately 4 weeks' notice of the March 2022 audit, which included a self-assessment and evidence of current practice. At this point, PAI was of the understanding that they would be found to be compliant with the standards, based on past audit outcomes, implementation of GAP analysis recommendations, continuation of administration and business processes, and self-assessment against the Standards.

Themes of the Not Compliant

The findings show most of the Not Compliant areas relate to CoM / PAI administration processes, including areas where detailed reporting and system processes were not in place, were inconsistent or that have not been implemented to a level appropriate for compliance. The audit did not find negligence of client safety, care, hygiene, etc. and both the report and the auditors recognised this. In seeking clarification with staff at Aged Care Quality Standards and Safety Commission post the final report being provided, it was confirmed the result is considered low risk and not an isolated result. At the time of the report being provided in May 2022, the Commission verbally advised that CoM will be provided with a Compliance Officer (Aged Care and Quality Safety Commission funded position) in due course to support the PAI team achieving compliance. This will most likely be followed by a desktop audit to confirm if compliance has been achieved. Confirmation of dates and timings for these actions has still to be confirmed by the Commission. Due to the nature of the Not Compliant, it is unlikely any formal action will be pursued.

Actions to achieve a Compliant outcome

In the period between when the audit was undertaken and the final report being provided (approximately three weeks), PAI commenced implementing a range of changes suggested by and discussed with the auditor (predominantly administration processes) that work towards achieving compliant outcomes. This work is continuing, and actions are summarised in the table included as attachment 2. To ensure appropriate actions are undertaken prior to being reassessed, staff have engaged an external provider (CHSP funded) to review actions taken to date and provide any additional recommendations. In addition, CoM continues to collaborate and consult with other Local Government bodies (offering similar services) to ensure that the steps taken would, from an audit perspective, be assessed as Compliant. These actions place CoM in the strongest position to achieve compliance when reassessed later in 2022.

Senior Managers are working with PAI to ensure these changes are sustainable and efficient, and create a greater shared ownership of data collection, trend analysis, reporting and transparency between PAI and other areas of the organisation, in particular the Executive Leadership Team. To ensure Standards 8(3)(b), 8(3)(c) and 8(3)(d) are compliant the first quarterly report will be tabled to ELT on the 25 August 2022. This report has been developed from direct feedback from the auditors and is comparable with other reporting within Local Government.

ATTACHMENTS

1. City of Marion Home Assist Quality Audit Performance Report 6 [**7.5.1** - 37 pages]
2. Actions to Achieve Compliance Table 22 July 2022 [**7.5.2** - 7 pages]

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City of Marion Home Assist - STURT

Performance Report

245 Sturt Road
STURT SA 5047
Phone number: 08 8375 6649

Commission ID: 600129

Provider name: Corporation of the City of Marion

Quality Audit date: 8 March 2022 to 10 March 2022

Date of Performance Report: 6 May 2022

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Performance report prepared by

M Murray delegate of the Aged Care Quality and Safety Commissioner.

Publication of report

This Performance Report **will be published** on the Aged Care Quality and Safety Commission's website under the Aged Care Quality and Safety Commission Rules 2018.

Services included in this assessment

CHSP:

- CHSP - Transport, 4-23PMXAR, 245 Sturt Road, STURT SA 5047
- CHSP - Meals, 4-23PMWXB, 245 Sturt Road, STURT SA 5047
- CHSP - Social Support - Group, 4-23PMX3C, 245 Sturt Road, STURT SA 5047
- CHSP - Social Support - Individual, 4-23PMX7R, 245 Sturt Road, STURT SA 5047
- CHSP - Domestic Assistance, 4-23PIAD0, 245 Sturt Road, STURT SA 5047
- CHSP - Home Maintenance, 4-23PIAY3, 245 Sturt Road, STURT SA 5047
- CHSP - Home Modifications, 4-23PIAZ6, 245 Sturt Road, STURT SA 5047
- Other Food Services, 4-G4YJN9P, 245 Sturt Road, STURT SA 5047

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Overall assessment of Service/s

Standard 1 Consumer dignity and choice

	CHSP	**Compliant**
Requirement 1(3)(a)	CHSP	Compliant
Requirement 1(3)(b)	CHSP	Compliant
Requirement 1(3)(c)	CHSP	Compliant
Requirement 1(3)(d)	CHSP	Compliant
Requirement 1(3)(e)	CHSP	Compliant
Requirement 1(3)(f)	CHSP	Compliant

Standard 2 Ongoing assessment and planning with consumers

	CHSP	**Not Compliant**
Requirement 2(3)(a)	CHSP	Compliant
Requirement 2(3)(b)	CHSP	Not Compliant
Requirement 2(3)(c)	CHSP	Not Compliant
Requirement 2(3)(d)	CHSP	Not Compliant
Requirement 2(3)(e)	CHSP	Not Compliant

Standard 3 Personal care and clinical care	**CHSP**	**Not Assessed**

Standard 4 Services and supports for daily living	CHSP	Not Compliant
Requirement 4(3)(a)	CHSP	Compliant
Requirement 4(3)(b)	CHSP	Compliant
Requirement 4(3)(c)	CHSP	Compliant
Requirement 4(3)(d)	CHSP	Not Compliant
Requirement 4(3)(e)	CHSP	Compliant
Requirement 4(3)(f)	CHSP	Compliant
Requirement 4(3)(g)	CHSP	Compliant

Standard 5 Organisation's service environment	CHSP	Compliant
Requirement 5(3)(a)	CHSP	Compliant
Requirement 5(3)(b)	CHSP	Compliant
Requirement 5(3)(c)	CHSP	Compliant

Standard 6 Feedback and complaints	CHSP	Not Compliant
Requirement 6(3)(a)	CHSP	Compliant
Requirement 6(3)(b)	CHSP	Compliant
Requirement 6(3)(c)	CHSP	Not Compliant

Requirement 6(3)(d)	CHSP	Not Compliant
Standard 7 Human resources	**CHSP**	**Not Compliant**
Requirement 7(3)(a)	CHSP	Not Compliant
Requirement 7(3)(b)	CHSP	Compliant
Requirement 7(3)(c)	CHSP	Compliant
Requirement 7(3)(d)	CHSP	Compliant
Requirement 7(3)(e)	CHSP	Compliant
Standard 8 Organisational governance	**CHSP**	**Not Compliant**
Requirement 8(3)(a)	CHSP	Compliant
Requirement 8(3)(b)	CHSP	Not Compliant
Requirement 8(3)(c)	CHSP	Not Compliant
Requirement 8(3)(d)	CHSP	Not Compliant
Requirement 8(3)(e)	CHSP	Not Assessed

Detailed assessment

This performance report details the Commissioner's assessment of the provider's performance, in relation to the services, against the Aged Care Quality Standards (Quality Standards). The Quality Standard and requirements are assessed as either compliant or non-compliant at the Standard and requirement level where applicable.

The report also specifies areas in which improvements must be made to ensure the Quality Standards are complied with.

The following information has been taken into account in developing this performance report:

- the Assessment Team's report for the quality audit report was informed by a site assessment, observations at the service, review of documents and interviews with staff, consumers/representatives and others
- the provider's response to the quality audit report received 13 April 2022.

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STANDARD 1 Consumer dignity and choice

CHSP Compliant

Consumer outcome:

1. I am treated with dignity and respect, and can maintain my identity. I can make informed choices about my care and services, and live the life I choose.

Organisation statement:

2. The organisation:

(a) has a culture of inclusion and respect for consumers; and
(b) supports consumers to exercise choice and independence; and
(c) respects consumers' privacy.

Assessment of Standard 1

Consumers and representatives sampled are satisfied they are treated with dignity and respect, supported to maintain their identity, make informed choices about their care and services and live the life they choose.

Consumers confirmed that they are treated with respect and their culture and diversities are valued.

Consumers and representatives stated they receive information about the consumers' services and can easily understand this information.

Consumers felt their privacy is respected and their personal information is kept confidential.

The service was able to demonstrate they have effective policies and procedures in place that have an inclusive, consumer-centred approach to organisational practices and service delivery; including supporting consumers to take risks and how the service protects their confidentiality and privacy.

Staff were able to describe how they support consumers to make informed choices about their services and make decisions about when others should be involved in their supports and decision making.

The Quality Standard for the Commonwealth home support programme services are assessed as Compliant as six of the six specific requirements have been assessed as Compliant.

Assessment of Standard 1 Requirements

Requirement 1(3)(a)	CHSP	Compliant

Each consumer is treated with dignity and respect, with their identity, culture and diversity valued.

Requirement 1(3)(b)	CHSP	Compliant

Care and services are culturally safe.

Requirement 1(3)(c)	CHSP	Compliant

Each consumer is supported to exercise choice and independence, including to:

(i) make decisions about their own care and the way care and services are delivered; and

(ii) make decisions about when family, friends, carers or others should be involved in their care; and

(iii) communicate their decisions; and

(iv) make connections with others and maintain relationships of choice, including intimate relationships.

Requirement 1(3)(d)	CHSP	Compliant

Each consumer is supported to take risks to enable them to live the best life they can.

Requirement 1(3)(e)	CHSP	Compliant

Information provided to each consumer is current, accurate and timely, and communicated in a way that is clear, easy to understand and enables them to exercise choice.

Requirement 1(3)(f)	CHSP	Compliant

Each consumer's privacy is respected and personal information is kept confidential.

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STANDARD 2 Ongoing assessment and planning with consumers

CHSP **Not Compliant**

Consumer outcome:

1. I am a partner in ongoing assessment and planning that helps me get the care and services I need for my health and well-being.

Organisation statement:

2. The organisation undertakes initial and ongoing assessment and planning for care and services in partnership with the consumer. Assessment and planning has a focus on optimising health and well-being in accordance with the consumer's needs, goals and preferences.

Assessment of Standard 2

The Assessment Team found requirements (3)(b), (3)(c), (3)(d) and (3)(e) were not met in relation to Standard 2 Ongoing assessment and planning with consumers.

The service was not able to demonstrate that assessment and planning consistently identifies and addresses the consumer's current needs, goals and preferences, including supports for consumers to achieve their wellness and reablement goals. Additionally, consumers' advance care and end of life planning wishes were not consistently identified.

The service was not able to demonstrate effective assessment and planning includes partnership with others who are involved in the delivery of care.

Outcomes of assessments and planning are not effectively communicated to consumers or adequately documented in their care planning documents.

The service was not able to demonstrate care and services are reviewed regularly, and when circumstances change or when incidents impact on the needs, goals or preferences of the consumer.

The service was able to demonstrate assessment and planning, including consideration of risks to consumer's health and well-being, informs the delivery of safe and effective care and services.

Consumers and/or representatives interviewed confirmed they have input into their services needs and preferences, which informs the assessment and care planning process and the safe and effective delivery of their care and services. Consumers felt they were receiving the services they need.

Staff and management described the service's assessment and planning processes, and how they involve consumers, to inform the delivery of safe and effective care.

Documentation viewed in relation to sampled consumers showed consumers had been assessed on admission, including consideration of risks, and service plans developed to inform delivery of supports.

The service has policies and procedures to guide staff in relation to assessment and planning, including in relation to risks.

The Quality Standard for the Commonwealth home support programme services are assessed as not compliant as four of the five specific requirements have been assessed as not compliant.

Assessment of Standard 2 Requirements

Requirement 2(3)(a)	CHSP	Compliant

Assessment and planning, including consideration of risks to the consumer's health and well-being, informs the delivery of safe and effective care and services.

Requirement 2(3)(b)	CHSP	Not Compliant

Assessment and planning identifies and addresses the consumer's current needs, goals and preferences, including advance care planning and end of life planning if the consumer wishes.

Findings

The service was not able to demonstrate that assessment and planning consistently identifies and addresses the consumer's current needs, goals and preferences, including in relation to supporting consumers achieve their wellness and reablement goals. Consumers' advance care and end of life planning wishes were not being consistently identified.

Management acknowledged, and care documentation reviewed showed, the service does not effectively gather and document individual goals and preferences tailored for each consumer, nor consistently discuss advance care planning wishes with consumers at entry to service.

Consumers interviewed in relation to this requirement felt they were receiving the services they need; however, care planning and service documentation viewed for four consumers showed goals documented were generic, not individualised to the consumer's needs, and did not identify how consumers were supported to achieve their goals.

The Assessment Team noted that the intake process details a discussion about advance care planning and that consumers should be provided an information brochure about advance care planning; however, this information was not consistently reflected in intake documentation within consumer files. Advance care planning was also not discussed at client annual reviews.

At the time of assessment, management acknowledged the service was not effectively documenting individual goals and preferences tailored to the needs of each consumer, nor consistently discussing and documenting advance care planning wishes with consumers at entry to service. They reported they had also identified a gap in staff knowledge in relation to identifying achievable and personalised goals for consumers and an intention to resume training for staff in this area.

In response to the Assessment Team's report, and as part of their continuous improvement, the service has developed a form specific to goal planning which will now accompany the service agreement. All current service agreements have been updated to reflect the new document and staff procedures updated to reflect the new process. Staff training in goal planning is also scheduled in April 2022. Review forms have been updated to include a question around advanced care planning and a plan is in place to review this information for existing clients. A quad-council initiative has also commenced to promote the importance of Advanced Care Directives to the community and recruit interested individuals to become peer educators and support community members in this area.

It is noted that the service responded proactively to the Assessment Teams' findings and planned corrective action, however, at the time of the quality review, the service was not able to demonstrate compliance with this requirement.

Requirement 2(3)(c)	**CHSP**	**Not Compliant**

The organisation demonstrates that assessment and planning:

(i) is based on ongoing partnership with the consumer and others that the consumer wishes to involve in assessment, planning and review of the consumer's care and services; and

(ii) includes other organisations, and individuals and providers of other care and services, that are involved in the care of the consumer.

Findings

The service was not able to demonstrate assessment and planning is based on ongoing partnership with others who are involved in the care of consumers. The Assessment Team identified assessment and planning processes were not consistently effective, specifically when other external organisations were involved.

Care planning documents viewed for two consumers attending a fitness program provided by an external provider showed assessment and planning was not coordinated and communicated between the service and the other organisation. Staff and management acknowledged the external fitness program provider does not involve or update the service when they complete assessment and planning for a consumer, nor is that information requested by the service.

The Assessment Team viewed the service's Assessment Planning Policy and Care Plan Development and Delivery Procedure; however, these documents do not describe arrangements or responsibilities in relation to assessment and planning when external providers are involved in care and services.

The service was able to demonstrate some understanding and application of this requirement, for example:

Care planning documents viewed for other sampled consumers showed partnership with consumers and/or their representatives at commencement of services or review. Additionally, roles and responsibilities of all involved in the consumer's services were documented, including how consumers participate in the service delivery, for example, organising transport or completing some domestic duties.

Staff were able to describe how consumers are involved in the development of their services as part of the admission and review process, or as required, for example, when they wish to attend group activities.

The service's policies and procedures related to assessment and planning show the process is based on partnership with consumers.

In response to the Assessment Team's report and as part of their continuous improvement, the provider has confirmed they have met with brokered agencies to identify strategies to increase their oversight of supports delivered through brokered agencies. The service's Care Planning Development and Delivery Procedure has also been reviewed to reflect responsibilities when working in partnership with external provider to deliver consumer care. Support planning documentation for all current consumers has also been requested and provided.

It is noted that the service responded proactively to the Assessment Teams' findings and planned corrective action, however, at the time of the quality review, the service was not able to demonstrate compliance with this requirement.

Requirement 2(3)(d)	CHSP	Not Compliant

The outcomes of assessment and planning are effectively communicated to the consumer and documented in a care and services plan that is readily available to the consumer, and where care and services are provided.

Findings

The service was not able to demonstrate outcomes of assessment and planning are effectively communicated to consumers or adequately documented in a care plan that is readily available to consumers. Care planning documents viewed showed care plans were not consistently provided to consumers.

The service advised outcomes of assessment and planning are documented on Service Agreements for each service provided, which are provided to consumers to sign and retain a copy. However, care planning documents viewed for three of seven sampled consumers showed they had not been provided service agreements.

Consumers interviewed in relation to this requirement felt outcomes of assessment and planning had been discussed with them, one of these consumers confirmed they had been provided a service agreement.

The service has processes in place to enable outcomes to assessment and planning to be communicated to consumers and documented. However, the Assessment Team identified this was not consistently implemented to ensure all consumers are provided with up-to-date service agreements.

In response to the Assessment Team's report the service acknowledged the issue and confirmed that a plan was in place to remedy annual client reviews that were behind. The service detailed that in lieu of formal reviews in the 18 months prior to assessment, the service had been conducting informal reviews with some clients by way of a scripted wellbeing call to ensure each client's safety and wellbeing.

It is noted that work has commenced to bring service reviews up to date which will enable care plans to be readily available to consumers and where care and services are provided however, at the time of the quality review, the service was not able to demonstrate compliance with this requirement.

Requirement 2(3)(e)	CHSP	Not Compliant

Care and services are reviewed regularly for effectiveness, and when circumstances change or when incidents impact on the needs, goals or preferences of the consumer.

Findings

The service was not able to demonstrate care and services are reviewed regularly. Care planning documentation for five consumers showed their support needs were not reviewed in accordance with schedule or at least annually. Management acknowledged consumers' annual reviews are not up to date and advised they have developed a plan to complete outstanding consumer annual reviews.

Four consumers interviewed in relation to this requirement could not remember a recent review of their services, however, they advised there has not been any recent changes to their care and support needs.

Management advised the service identified 6 months prior, that some consumer reviews were overdue. They provided records showing, 305 of 2500 consumer's reviews are outstanding.

At the time of assessment, the service has implemented an overdue reviews management plan and ran monthly reports to monitor progress. Management advised additional resources had been allocated to the process and all liaison officers' targets for reviews have been increased. It was anticipated all overdue reviews and current planned reviews will be up to date by end of April 2022.

The service was able to demonstrate some understanding and application of this requirement, for example:

Care planning documents viewed for one consumer showed the service reviewed her support needs following a fall, when the consumer expressed fear of falls whilst showering.

In response to the Assessment Team's report and as part of their continuous improvement, the service advises that strategies have been developed and work had commenced to ensure reviews are up to date by the end of April 2022.

It is noted that the service responded proactively to the assessment teams' findings and planned corrective action, however, at the time of the quality review, the service was not able to demonstrate compliance with this requirement.

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STANDARD 3 Personal care and clinical care

CHSP Not Assessed

Consumer outcome:

1. I get personal care, clinical care, or both personal care and clinical care, that is safe and right for me.

Organisation statement:

2. The organisation delivers safe and effective personal care, clinical care, or both personal care and clinical care, in accordance with the consumer's needs, goals and preferences to optimise health and well-being.

Assessment of Standard 3

This Quality Standard for the Commonwealth home support programme services was not assessed as personal and clinical care is not delivered.

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STANDARD 4 Services and supports for daily living

CHSP Not Compliant

Consumer outcome:

1. I get the services and supports for daily living that are important for my health and well-being and that enable me to do the things I want to do.

Organisation statement:

2. The organisation provides safe and effective services and supports for daily living that optimise the consumer's independence, health, well-being and quality of life.

Assessment of Standard 4

The service was not able to demonstrate information about consumers' condition, needs and preferences is consistently and effectively communicated, specifically when other external organisations were involved in delivery of services.

Consumers were satisfied with the services delivered and considered that they receive supports for daily living that optimises their independence, wellbeing and quality of life, and that enable them to do things they want to do.

Staff described how they were supporting consumers with their activities of daily living and participate in their community, such as participating in social groups, fitness classes, providing meals and transport services.

Documents viewed for sampled consumers showed they received safe and effective services and supports for daily living which were in line with their needs, goals and preferences, and that optimised the consumer's independence, health, well-being and quality of life.

Consumers confirmed they enjoy the meals provided by the service and staff described how menus are developed taking into consideration consumers' dietary needs and preferences.

The service was able to demonstrate, and consumers confirmed that, when equipment is provided, it is safe, suitable, clean and well maintained.

The Quality Standard for the Commonwealth home support programme services are assessed as not compliant as one of the seven specific requirements have been assessed as not compliant.

Assessment of Standard 4 Requirements

Requirement 4(3)(a)	CHSP	Compliant

Each consumer gets safe and effective services and supports for daily living that meet the consumer's needs, goals and preferences and optimise their independence, health, well-being and quality of life.

Requirement 4(3)(b)	CHSP	Compliant

Services and supports for daily living promote each consumer's emotional, spiritual and psychological well-being.

Requirement 4(3)(c)	CHSP	Compliant

Services and supports for daily living assist each consumer to:

(i) participate in their community within and outside the organisation's service environment; and
(ii) have social and personal relationships; and
(iii) do the things of interest to them.

Requirement 4(3)(d)	CHSP	Not Compliant

Information about the consumer's condition, needs and preferences is communicated within the organisation, and with others where responsibility for care is shared.

Findings:

The service was not able to demonstrate information about consumers' condition, needs, goals and preferences is consistently and effectively communicated, specifically when other external organisations were involved in delivery of services. The Assessment Team viewed care planning documents for three consumers attending fitness programs and identified the service was not provided updates from the external providers. Additionally, there is no evidence to show these services are monitored to ensure they are meeting consumers' needs.

At the time of the quality review, management acknowledged the service does not seek ongoing communication or updates from external organisations providing fitness programs. The Assessment Team however, did view documented evidence of communication within the organisation related to the delivery of services, and consumers interviewed were overall satisfied with the services delivered.

Management reported brokered agencies are expected under the contractual agreement to report any concerns to them. The Assessment Team was not provided documented policies and procedures related to monitoring and review of consumers' services when these are shared with other organisations. The Client Monitoring and Review Procedure viewed did not demonstrate the service had effective processes to monitor services such as fitness programs delivered by external organisations.

In response to the Assessment Teams' report and as part of their continuous improvement the provider has clarified and strengthened the expectations of both themselves and brokered agencies in relation to communication.

It is noted that the service responded proactively to the assessment teams' findings and planned corrective action, however, at the time of the quality review, the service was not able to demonstrate compliance with this requirement.

Requirement 4(3)(e)	CHSP	Compliant

Timely and appropriate referrals to individuals, other organisations and providers of other care and services.

Requirement 4(3)(f)	CHSP	Compliant

Where meals are provided, they are varied and of suitable quality and quantity.

Requirement 4(3)(g)	CHSP	Compliant

Where equipment is provided, it is safe, suitable, clean and well maintained.

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STANDARD 5 Organisation's service environment

CHSP Compliant

Consumer outcome:

1. I feel I belong and I am safe and comfortable in the organisation's service environment.

Organisation statement:

2. The organisation provides a safe and comfortable service environment that promotes the consumer's independence, function and enjoyment.

Assessment of Standard 5

Consumers sampled confirmed they feel welcome and safe at the centre, which is well maintained and clean.

Staff and management described processes to ensure the service environment and equipment are clean, safe and maintained, including to reduce the risk of infections. They advised the service has reactive and preventative maintenance processes.

Observations of the service environment showed it was welcoming, clean and well maintained. The service's processes to minimise the risk of infections include regular cleaning, mandatory masks, social distancing and health related screening of visitors.

Documents viewed showed the service has reactive and preventative processes in place to ensure the service environment and equipment is safe, clean and maintained.

The Quality Standard for the Commonwealth home support programme services are assessed as Compliant as three of the three specific requirements have been assessed as Compliant.

Assessment of Standard 5 Requirements

Requirement 5(3)(a)	CHSP	Compliant

The service environment is welcoming and easy to understand, and optimises each consumer's sense of belonging, independence, interaction and function.

Requirement 5(3)(b)	CHSP	Compliant

The service environment:

(i) is safe, clean, well maintained and comfortable; and
(ii) enables consumers to move freely, both indoors and outdoors.

Requirement 5(3)(c)	CHSP	Compliant

Furniture, fittings and equipment are safe, clean, well maintained and suitable for the consumer.

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STANDARD 6 Feedback and complaints

CHSP Not Compliant

Consumer outcome:

1. I feel safe and am encouraged and supported to give feedback and make complaints. I am engaged in processes to address my feedback and complaints, and appropriate action is taken.

Organisation statement:

2. The organisation regularly seeks input and feedback from consumers, carers, the workforce and others and uses the input and feedback to inform continuous improvements for individual consumers and the whole organisation.

Assessment of Standard 6

The service was not able to demonstrate how they work with consumers to resolve their individual complaints to a satisfactory resolution and open disclosure principles were not consistently applied in the resolution of complaints.

While the service has a complaints management system and policies and procedures in relation to management of feedback and complaints, the complaints and feedback procedure does not reference nor provide any guidance regarding the principles of open disclosure.

The service did not demonstrate how they use the input and feedback to inform continuous improvement. Feedback and complaints were not consistently recorded, reviewed and used to improve the quality of services for consumers receiving aged care services.

Consumers and representatives confirmed they feel safe, encouraged and supported to give feedback and make complaints. Consumers and representatives are given information regarding access to advocacy, language services, and methods of raising complaints both internally and externally.

Management discussed processes to ensure consumers are made aware of other methods for raising and resolving complaints and have access to advocates and language services if required.

The Quality Standard for the Commonwealth home support programme services area assessed as not compliant as two of the four specific requirements have been assessed as not compliant.

Assessment of Standard 6 Requirements

Requirement 6(3)(a)	CHSP	Compliant

Consumers, their family, friends, carers and others are encouraged and supported to provide feedback and make complaints.

Requirement 6(3)(b)	CHSP	Compliant

Consumers are made aware of and have access to advocates, language services and other methods for raising and resolving complaints.

Requirement 6(3)(c)	CHSP	Not Compliant

Appropriate action is taken in response to complaints and an open disclosure process is used when things go wrong.

Findings

The service was not able to demonstrate how complaints are adequately addressed and that an open disclosure process is used when things go wrong. Four consumers provided feedback that the service did not respond to and resolve complaints that have been raised. The service does not consistently record and resolve complaints as per their policies and procedures.

The Assessment Team reviewed progress notes that detailed consumers were raising concerns via the phone and in emails to the coordinators, however, these had not been recorded in the online complaints system or actioned as per the service's policies and procedures.

Staff interviewed were unable to confirm if they had received complaints and feedback training.

Progress notes viewed for consumers who had made complaints did not demonstrate any details about actions taken to resolve complaints or if any detail about outcomes were communicated to the consumer or their representative.

While consumers stated staff were apologetic and helpful when things go wrong, the complaints and feedback procedure does not reference nor provide any guidance regarding the principles of open disclosure.

The service has policies and procedures in place to action complaints, however, the service was not able to demonstrate how they work with consumers to resolve their individual complaints to a satisfactory resolution and open disclosure principles were not consistently applied in the resolution of complaints.

In response to the Assessment Team's report and as part of their continuous improvement, the provider has scheduled complaints management refresher training to be delivered in May 2022; updated the complaints and feedback procedure to include open disclosure principles and provide information and guidance to staff; have revised reporting schedules and; is exploring the extension of the organisations client record management system to the Positive Aging and Inclusion team to allow for improved end to end complaint management for CHSP consumers.

It is noted that the service responded proactively to the assessment teams' findings and has planned improvements and corrective action, however, at the time of the quality review, the service was not able to demonstrate compliance with this requirement.

Requirement 6(3)(d)	CHSP	Not Compliant

Feedback and complaints are reviewed and used to improve the quality of care and services.

Findings

The service was not able to demonstrate it has used feedback and complaints to improve the quality of care and service it delivers.

Three consumers interviewed regarding the resolution of their complaints could not describe changes made to their services because of their feedback.

While the service has policies and procedures outlining the requirement for monitoring, reporting and analysing trends in feedback and complaints, the service could not demonstrate they were implemented. Feedback and complaints have not been consistently captured, reviewed, analysed or used to improve the quality of care and services for consumers. At the time of assessment, the service did not have effective systems and processes in place for reporting to the Executive Management team regarding feedback and complaints, including trends and improvements made that have come out of feedback and complaints received.

In response to the Assessment Team's report and as part of their continuous improvement, the service acknowledged that in the 18 months prior to assessment, complaints had been resolved on a case by case basis and that continuous improvement based on complaints and feedback was not being considered. The service has committed to increasing oversight and reporting of complaints by way of implementing a system upgrade and improving reporting templates.

It is noted that the service responded proactively to the assessment teams' findings and planned corrective action, however, at the time of the quality review, the service was not able to demonstrate compliance with this requirement.

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STANDARD 7 Human resources

CHSP Not Compliant

Consumer outcome:

1. I get quality care and services when I need them from people who are knowledgeable, capable and caring.

Organisation statement:

2. The organisation has a workforce that is sufficient, and is skilled and qualified, to provide safe, respectful and quality care and services.

Assessment of Standard 7

The service was not able to demonstrate that the workforce is planned to enable, and the number and mix of members of the workforce deployed enables, the delivery and management of safe and quality services.

The service demonstrated that the workforce receives ongoing support, training, professional development and feedback to meet the needs of aged care consumers and deliver the outcomes of the Quality Standards.

Consumers and representatives advised consumers receive quality services when they need them and from people who are kind, capable and caring.

The service demonstrated they regularly assess, monitor and review the performance of each member of the workforce through an effective human resources system. The service demonstrated they regularly evaluate how staff are performing their role, including staff subcontracted through brokerage arrangements.

The Quality Standard for the Commonwealth home support programme services are assessed as not compliant as one of the five specific requirements have been assessed as not compliant.

Assessment of Standard 7 Requirements

Requirement 7(3)(a)	CHSP	Not Compliant

The workforce is planned to enable, and the number and mix of members of the workforce deployed enables, the delivery and management of safe and quality care and services.

Findings

The service was not able to demonstrate that the workforce is planned, and the number and mix of members of the workforce deployed enables, the delivery and management of safe and quality services. The service was also not able to demonstrate how it utilises its monitoring systems for gathering intelligence, via cancelled services reports or through the review of the feedback process to inform if the numbers of the workforce deployed, are sufficient for meeting consumer's needs and preferences.

At the time of assessment, documentation showed ongoing brokered staff shortages and progress notes showed sampled consumers and representatives' dissatisfaction with staffing levels, which impacted on the continuity of services being delivered in a timely manner. Where consumers had been impacted by the workforce shortage, some consumers and staff confirmed difficulties in communicating with the brokered service providers.

Brokered service providers advised that current staff shortages were in most part due to the mandating of COVID-19 vaccinations and furloughing of staff and acknowledged the impact on consumers' services when shifts needed to be cancelled.

The Assessment Team viewed reports for cancelled services for the period 1 July 2021 to 9 March 2022 which detailed 239 cancelled services from 5 brokered cleaning services because of worker availability. In addition, consumers cancelled over 300 services due to COVID restrictions and hesitancy to have workers in their homes during this period of uncertainty. The service provided an assurance that contact was made with all consumers to ensure safety and offer support when services were cancelled by consumers.

At the time of assessment, the service had already identified that additional domestic assistance service providers were required to meet the needs of consumers and advised that nominations for the contract panel were soon to be actioned for the next 5-year period, commencing 1 July 2022.

In response to the Assessment Team's report the service provided information to demonstrate variations have been made to contracts clarifying expectations of brokered services when services cannot be provided. Contractor schedules have

also been reviewed to affirm responsibilities of contractors to provide comprehensive details to the service in relation to the number of staff available, qualifications and skills and that mandatory training for staff is complete and up to date.

It is noted that the service responded proactively to the assessment teams' findings and planned corrective action, however, at the time of the quality review, the service was not able to demonstrate compliance with this requirement.

Requirement 7(3)(b)	CHSP	Compliant

Workforce interactions with consumers are kind, caring and respectful of each consumer's identity, culture and diversity.

Requirement 7(3)(c)	CHSP	Compliant

The workforce is competent, and the members of the workforce have the qualifications and knowledge to effectively perform their roles.

Requirement 7(3)(d)	CHSP	Compliant

The workforce is recruited, trained, equipped and supported to deliver the outcomes required by these standards.

Requirement 7(3)(e)	CHSP	Compliant

Regular assessment, monitoring and review of the performance of each member of the workforce is undertaken.

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STANDARD 8 Organisational governance

CHSP Not Compliant

Consumer outcome:

1. I am confident the organisation is well run. I can partner in improving the delivery of care and services.

Organisation statement:

2. The organisation's governing body is accountable for the delivery of safe and quality care and services.

Assessment of Standard 8

Standard 8 requirement 8(3)(e) was not assessed as the service is not funded for and does not provide clinical or personal care.

The organisation was not able to demonstrate that the organisation's executive team and governing body ask for, and receive the information it needs from the service, to meet its responsibilities to promotes a culture of safe, inclusive and quality services and is accountable for their delivery.

The organisation does not have effective organisation wide governance systems in place for managing and governing all aspects of the provision of services in relation to workforce governance, feedback and complaints, continuous improvement, and incident management.

The organisation was in part able to demonstrate effective governance systems in relation to information management, financial governance, regulatory compliance and risk management systems and practices, including but not limited to, managing high impact or high prevalence risks associated with the care of consumers, identifying and responding to abuse and neglect of consumers, and supporting consumers to live the best life they can.

The organisation was able to demonstrate consumers are engaged in the development, delivery and evaluation of care and services. Consumers and representatives said they have input about services provided to consumers.

Management and staff described how consumers have input about their experience and services through feedback processes and consumer surveys.

The Quality Standard for the Commonwealth home support programme services is assessed as not compliant as three of the four relevant requirements have been assessed as not compliant.

Assessment of Standard 8 Requirements

Requirement 8(3)(a)	CHSP	Compliant

Consumers are engaged in the development, delivery and evaluation of care and services and are supported in that engagement.

Requirement 8(3)(b)	CHSP	Not Compliant

The organisation's governing body promotes a culture of safe, inclusive and quality care and services and is accountable for their delivery.

Findings

The organisation did not demonstrate the organisation's executive team and governing body promotes a culture of safe, inclusive and quality services and is accountable for their delivery.

The City of Marion has a framework for robust reporting and monitoring processes in place for the range of services it delivers to its community, with 6 sub-committees reporting to the governing body. However, there was no evidence that the executive team or governing body asks for, and receives the information it needs from the service, to provide oversight of service delivery of CHSP services or to satisfy itself that the Quality Standards are being met within the service.

Executive management confirmed that the executive leadership team and the governing body does not receive data or information from the service through reporting mechanisms to enable them to monitor the quality of CHSP services delivered, apart from monthly budget reviews.

At the time of assessment, Executive Management acknowledged this is an area for improvement and advised they would consider what reporting mechanisms can be implemented from the service and would commence this as soon as possible.

The organisation did demonstrate some understanding and application of this Requirement.

Staff, management and executive management described how the governing body has driven the organisation's response to the COVID-19 pandemic and provided examples of improvements implemented to minimise infection-related risks for aged care consumers and the general community, that have been driven by the governing body.

In response to the Assessment Team's report and as part of their continuous improvement the service advised they have reviewed their schedule of reports to address the deficiencies identified, with the intention to improve performance.

It is noted that the service responded proactively to the assessment teams' findings and planned corrective action, however, at the time of the quality review, the service was not able to demonstrate compliance with this requirement.

Requirement 8(3)(c)	CHSP	Not Compliant

Effective organisation wide governance systems relating to the following:

(i) information management;
(ii) continuous improvement;
(iii) financial governance;
(iv) workforce governance, including the assignment of clear responsibilities and accountabilities;
(v) regulatory compliance;
(vi) feedback and complaints.

Findings

The organisation did not demonstrate it has effective organisation wide governance systems in place for managing and governing all aspects of the provision of services in relation to workforce governance, feedback and complaints, and continuous improvement, however, could demonstrate effective systems in relation to information management, financial governance, and regulatory compliance.

Workforce governance, including the assignment of clear responsibilities and accountabilities

The organisation did not demonstrate effective workforce governance to ensure the workforce is planned to enable, and the number and mix of members of the workforce deployed enables, the delivery and management of safe and quality services.

As outlined in Standard 7, requirement (3)(a), the service could not demonstrate brokered service providers have deployed the required numbers of staff and have the capacity to undertake the services that has been contracted to them.

Evidence demonstrated, and the executive team acknowledged they do not request or analyse data of missed services by in house staff, volunteers or brokered service providers to enable an analysis of sufficiency of staff to deliver safe and quality services to consumers. The executive acknowledged that they have not been active in monitoring this and are aware of PAI management having to manage issues and find a solution for consumers on an individual basis.

Management advised that the COVID-19 pandemic and the subsequent mandating of vaccinations has greatly impacted on the brokered service providers' ability to deliver the services.

Feedback and complaints

While the service has policies and procedures describing feedback and complaints contributing to continuous improvement, the organisation was unable to demonstrate how they effectively monitor, analyse and use feedback and complaints data to improve the quality of care and services.

As outlined in Standard 6, requirements 6(3)(c) and 6(3)(d), the service does not consistently capture feedback, and complaints have not been reviewed, analysed or used to improve the quality of care and services for consumers. The service does not have effective systems and processes in place for reporting to Executive Management regarding feedback and complaints, including trends and improvements that have stemmed from feedback and complaints received.

Executive Management acknowledged they only receive information on the number of complaints received and that there is no level of interrogation of complaints data to make informed decisions regarding the safety and quality of services to consumers.

Continuous improvement

The organisation did not demonstrate an effective continuous improvement system and processes in place to assess, monitor and improve the quality and safety of services provided by the service. While the service implements an effective continuous improvement process, the organisation has no monitoring or evaluation processes to identify and respond to any risks to the quality and safety of CHSP services.

Executive management advised they have not overseen the continuous improvement process for CHSP services to date with responsibility of CHSP services sitting with the PAI Team leader. No reporting from the service to the Executive team against the continuous improvement plan was in place at the time of assessment.

Executive Management advised they oversee larger City of Marion improvements that will lead to improvements in service provision for CHSP consumers such as the implementation of a new communication systems.

Information management

The service was unable to demonstrate information about the consumer's outcomes of assessment and planning are documented and communicated within the service and with other organisations, including staff delivering brokered services. This is discussed further in Standard 2, requirement 2(3)(d).

Staff interviewed stated they can readily access the information they need including policies and procedures, staff communications and resources which informs best practice service delivery. Volunteers interviewed described the information they require to enable them to provide the services to the consumers.

Management advised service staff are guided by the assessments received from My Aged Care and will liaise with and support consumers to access information for additional external services, where identified.

The assessment team confirmed that all consumer information is stored securely, in line with legislative requirements and electronic data is password protected and accessed with relevance to staff position and role. Policies, procedures and other documentation are available on the electronic systems and are reviewed regularly.

Financial governance

The Governing body provides governance and oversight to the financial position of the organisation. There is an annual budget for the PAI service, and this is monitored monthly with the finance team who meet with the manager of Community Connections and the PAI Team Leader. Any variances to budget are explained and may be escalated to the Chief Financial Officer who reports to the governing body on a quarterly basis.

The organisation has a range of policies and procedures to inform practices regarding financial management of consumer services in CHSP.

Regulatory compliance

Management advised there are no adverse findings by another regulatory agency or oversight body in the last 12 months.

The organisation has systems and processes in place to ensure the organisation is complying with all relevant legislation, regulatory requirements, professional standards, and guidelines. Information regarding any changes are communicated through various methods, for example through membership with aged care peak bodies, Local Government Association, monitoring of Australian Government websites, correspondence and media releases.

Management demonstrated the oversight of legislative requirements for brokered services, including undertaking annual desktop audits and providing reports of areas of concern to be addressed by the brokered service provider.

In response to the Assessment Team's report and as part of their continuous improvement, the provider has added items to their meeting agenda to review complaints trends and increase the efficacy of reporting. Additionally, continuous improvement work instructions have been updated to ensure the continuous improvement spreadsheet is updated in a timely manner with intention to ensure action, monitoring and review of added items.

It is noted that the service responded proactively to the assessment teams' findings and planned some corrective action, however, at the time of the quality review, the service was not able to demonstrate compliance with this requirement.

Requirement 8(3)(d)	CHSP	Not Compliant

Effective risk management systems and practices, including but not limited to the following:

- *(i) managing high impact or high prevalence risks associated with the care of consumers;*
- *(ii) identifying and responding to abuse and neglect of consumers;*
- *(iii) supporting consumers to live the best life they can*
- *(iv) managing and preventing incidents, including the use of an incident management system.*

Findings

At the time of assessment, the service was able to demonstrate effective risk management systems and practices, including but not limited to managing high impact or high prevalence risks associated with the care of consumers, identifying and responding to abuse and neglect of consumers, and supporting consumers to live the best life they can. However, the service was unable to demonstrate it has an effective incident management system, which includes policies and procedures to ensure a systemic approach is taken to minimise the risk of incidents occurring.

At the time of assessment, consumer incidents were not consistently logged in one system, with incidents occurring on council property entered into the corporate incident management system and all other incidents recorded in the services consumer information system.

Executive Management stated they do not request or review incident data from the service to identify trends and drive continuous improvement to improve the quality of the services and to prevent similar incidents from occurring.

While the service demonstrated they record and respond to individual incidents, they were unable to demonstrate how consumer incidents are investigated, analysed and reported to prevent incidents from occurring for other consumers.

In response to the Assessment Team's report, the service confirmed an incident management procedure was in place which outlines organisation wide incident reporting and agency contractual obligations. The service advised that planned quarterly reports to the Executive Management Team moving forward will include reporting on incident management for CHSP consumers.

It is noted that the service responded proactively to the assessment teams' findings and has planned corrective action to address deficiencies, however, at the time of the quality review, the service was not able to demonstrate compliance with this requirement.

Requirement 8(3)(e)	CHSP	Not Assessed

Where clinical care is provided—a clinical governance framework, including but not limited to the following:

(i) antimicrobial stewardship;
(ii) minimising the use of restraint;
(iii) open disclosure.

Areas for improvement

Areas have been identified in which improvements must be made to ensure compliance with the Quality Standards. This is based on non-compliance with the Quality Standards as described in this performance report.

Requirement 2(3)(b)	CHSP	Not Compliant

Assessment and planning identifies and addresses the consumer's current needs, goals and preferences, including advance care planning and end of life planning if the consumer wishes.

Requirement 2(3)(c)	CHSP	Not Compliant

The organisation demonstrates that assessment and planning:

(i) is based on ongoing partnership with the consumer and others that the consumer wishes to involve in assessment, planning and review of the consumer's care and services; and

(ii) includes other organisations, and individuals and providers of other care and services, that are involved in the care of the consumer.

Requirement 2(3)(d)	CHSP	Not Compliant

The outcomes of assessment and planning are effectively communicated to the consumer and documented in a care and services plan that is readily available to the consumer, and where care and services are provided.

Requirement 2(3)(e)	CHSP	Not Compliant

Care and services are reviewed regularly for effectiveness, and when circumstances change or when incidents impact on the needs, goals or preferences of the consumer.

Requirement 4(3)(d)	CHSP	Not Compliant

Information about the consumer's condition, needs and preferences is communicated within the organisation, and with others where responsibility for care is shared.

Requirement 6(3)(c)	CHSP	Not Compliant

Appropriate action is taken in response to complaints and an open disclosure process is used when things go wrong.

Requirement 6(3)(d)	CHSP	Not Compliant

Feedback and complaints are reviewed and used to improve the quality of care and services.

Requirement 7(3)(a)	CHSP	Not Compliant

The workforce is planned to enable, and the number and mix of members of the workforce deployed enables, the delivery and management of safe and quality care and services.

Requirement 8(3)(b)	CHSP	Not Compliant

The organisation's governing body promotes a culture of safe, inclusive and quality care and services and is accountable for their delivery.

Requirement 8(3)(c)	CHSP	Not Compliant

Effective organisation wide governance systems relating to the following:

(i) information management;
(ii) continuous improvement;
(iii) financial governance;
(iv) workforce governance, including the assignment of clear responsibilities and accountabilities;
(v) regulatory compliance;
(vi) feedback and complaints.

Requirement 8(3)(d)	CHSP	Not Compliant

Effective risk management systems and practices, including but not limited to the following:

(i) managing high impact or high prevalence risks associated with the care of consumers;
(ii) identifying and responding to abuse and neglect of consumers;
(iii) supporting consumers to live the best life they can
(iv) managing and preventing incidents, including the use of an incident management system.

Attachment 2

Actions to Achieve Compliance – Updated July 2022

Section	Standard	Area(s) of non-compliance	Action(s) to achieve compliance / comments	Status*	Timeframe
Standard 2 Req. 2(3)(b)	*Assessment and planning identifies and addresses the consumer's current needs, goals and preferences, including advance care planning and end of life planning if the consumer wishes.*	*Inconsistent detail and documentation of goal setting and advance care planning.*	A Goal setting form has now been developed to separate this process from assessment and intake process. Advance Care Planning (ACP) is discussed at intake assessment and has now been incorporated into the service review. A system setting recently introduced in SMS Alchemy (provider of the Client Management Software) has defaulted all client records to 'unspecified'. This record will be updated as part of the annual client service review cycle with all client records amended to either 'yes' or 'no' rather than 'unspecified'. This will be up to date over the next 12 months as reviews are undertaken. A new `My Goals' form has been developed to better capture the client goals and how they will achieve their desired results. The service review form has been updated to better discuss goal setting and goals training has occurred (3/5/22) with the PAI team to increase staff knowledge and skills re goal planning. The Client Service Agreement has been amended to capture client preferences, risks and other identified needs.	Completed In progress Completed Completed	March 2022 By March 2023 May 2022 March 2022
Standard 2 Req. 2(3)(c)	*The organisation demonstrates that assessment and planning:* *i. is based on ongoing partnership with the consumer and others that the consumer*	*Inconsistent processes for assessment and planning of clients, specifically with external providers.*	PAI have reviewed and updated the MOU with SCC (external fitness provider), to include a timeframe for reporting and sharing of information.	Completed	May 2022

Section	Standard	Area(s) of non-compliance	Action(s) to achieve compliance / comments	Status*	Timeframe
	wishes to involve in assessment, planning and review of the consumer's care and services; and *ii. includes other organisations, and individuals and providers of other care and services, that are involved in the care of the consumer.*		Changes to reporting from other providers (e.g. brokered Taxi services) have been updated to include monthly reports. MOU for brokered Taxi service has been reviewed, updated and signed by both parties.	Completed Completed	June 2022 June 2022
Standard 2 Req. 2(3)(d)	*The outcomes of assessment and planning are effectively communicated to the consumer and documented in a care and services plan that is readily available to the consumer, and where care and services are provided.*	*Service agreement not consistent for all clients*	Additional agency staff have been employed to assist with outstanding reviews. Portal has been closed and will not accept additional clients until the outstanding reviews have been completed. All clients are provided with a service agreement in the welcome pack however monitoring the return has not been effective. A new administrative process has been added to enable monitoring and follow up with clients if the signed document not returned. A report will be regularly run to showing the agreements that have not been returned. Staff will follow up with these clients and record the follow up on their files.	In progress In progress (will be up to date once outstanding reviews are completed)	August 2022 August 2022
Standard 2 Req. 2(3)(e)	*Care and services are reviewed regularly for effectiveness, and when circumstances change or when incidents impact on the needs,*	*Regular / Annual reviews were not up to date.*	A review schedule has been developed to complete backlog reviews. Additional temporary staff recruited to assist this body of work.	In progress	August 2022

Section	Standard	Area(s) of non-compliance	Action(s) to achieve compliance / comments	Status*	Timeframe
	goals or preferences of the consumer.		Changes have been implemented to include running a report at the start of each month listing client reviews due that month. Clients who have not received services in over 12 months will be made inactive so the client pool is reduced to current clients only. As changes to client circumstances or requests arise services are informally reviewed to address the issue. Statistical information of workflow and outstanding reviews to be discussed at monthly team meeting effective June 2022.	Completed Completed	March 2022 June 2022
Standard 4 Req. 4(3)(d)	*Information about the consumer's condition, needs and preferences is communicated within the organisation, and with others where responsibility for care is shared.*	*Client monitoring and review was not demonstrated where services were provided by external parties.*	The new "My Goals" form commenced being shared with the contract panel along with the client preferences, relevant health needs and WHS issues. External brokered providers such as taxis are given information on a `need to know` basis, e.g. wheelchairs, mobility issues, memory issues. As new goals are developed during the review process, the information is shared with other providers when it pertains to the shared service. MOU with SCC has been updated to reflect the reporting requirements. Further ongoing meetings have been scheduled to review reporting frequency, format and other identified gaps.	Completed Completed Ongoing Completed	June 2022 Has been in place Ongoing May 2022
Standard 6 Req. 6(3)(c)	*Appropriate action is taken in response to complaints and an open disclosure process is used when things go wrong.*	*Inconsistent recording and resolving of complaints.*	Procedure updated to include the Principles of Open Disclosure; service agreements updated to include Open Disclosure.	Completed	April 2022

Section	Standard	Area(s) of non-compliance	Action(s) to achieve compliance / comments	Status*	Timeframe
			SMS Alchemy reporting system updated and now has filters to identify complaints by worker/contractor. Complaints and Open Disclosure training delivered to all PAI staff on the 31 May 2022 to ensure consistent complaint handling process and `closing the loop' that ensures client satisfied with the resolution and outcome. Complaints and incident report to be undertaken monthly and trends analysis undertaken to inform continuous improvement. This will be done out of multiple systems as a manual process due to SMS & Skytrust being independent CoM systems. *Note – 2 of the 4 complaints referred to in this section of the Audit were no longer active clients of CoM who continued to contact Council about issues relevant to another provider.*	Completed Complete Ongoing	April 2022 May 2022 Monthly meetings from May 2022
Standard 6 Req. 6(3)(d)	*Feedback and complaints are reviewed and used to improve the quality of care and services.*	*Insufficient evidence that feedback and complaints are used for continuous improvement and reported to management.*	Monthly reporting schedule updated to include complaints and incidents. Trend analysis added to Continuous Improvement meeting Agendas. Initiatives to resolve issues will be developed when trends and issues are identified to improve the quality and care of services.	Completed Ongoing Ongoing	March 2022 Commenced June 2022 Commenced March 2022

Section	Standard	Area(s) of non-compliance	Action(s) to achieve compliance / comments	Status*	Timeframe
			Complaints that need to be escalated will be reviewed, reported and escalated accordingly and recorded in meeting minutes.	Ongoing	Commenced March 2022
Standard 7 Req. 7(3)(a)	*The workforce is planned to enable, and the number and mix of members of the workforce deployed enables, the delivery and management of safe and quality care and services.*	*Insufficient evidence of adequate monitoring of services to ensure numbers of the workforce deployed are sufficient for meeting client's needs and preferences.*	Weekly email reports are received from the agency regarding their worker availability. Procurement team and PAI have completed the engagement process of 2 additional agencies to join the Contract Panel to increase worker availability. Monthly monitoring of statistical data re clients entering and exiting the service will enable improvements to workforce planning. Undertaking closer tracking of trends in transport/taxi service delivery as this has been identified as an area of concern. *Note – the area of non-compliance predominantly relates to worker shortages experienced by contractors and brokered agencies due to COVID- 19 Vaccination mandate by Federal Government and quarantine / isolation rulings, and CoM response to overcome that worker shortage.*	Ongoing Completed Ongoing Ongoing	Commenced December 2021 July 2022 Commenced July 2022 Commenced July 2022
Standard 8 Req. 8(3)(b)	*The organisation's governing body promotes a culture of safe, inclusive and quality care and services and is accountable for their delivery.*	*No evidence that Executive team or governing body asks for and receives reporting to ensure oversight of the*	Quarterly reports to line management and ELT commenced to inform and provide oversight of the PAI/CHSP performance, compliance with the Standards, complaint trends and quality of service provision. First report will be tabled on 25 August 2022 reporting on April – June 2022.	Completed	April – June Report 25 August 2022

Section	Standard	Area(s) of non-compliance	Action(s) to achieve compliance / comments	Status*	Timeframe
		CHSP service delivery.	*Note – it is intended that the governing body is ELT, and we will wait for advice from the allocated Compliance Officer as to if this is considered compliant.*		
Standard 8 Req. 8(3)(c)	*Effective organisation wide governance systems relating to the following:* *i. information management;* *ii. continuous improvement;* *iii. financial governance;* *iv. workforce governance, including the assignment of clear responsibilities and accountabilities;* *v. regulatory compliance;* *vi. feedback and complaints.*	*Insufficient systems in place for managing and governing the provision of services in relation to workforce governance, feedback and complaints and continuous improvement.*	As per actions in Standards 6(3)(c), 7(3)(a) and 8(3)(b) above. Monthly monitoring of data, tracking of trends and addressing any findings. Quarterly reporting to ELT.	Completed Ongoing Ongoing	Manager & SLT July 2022, ELT 25 August 2022 Commenced June 2022 Commenced August 2022
Standard 8 Req. 8(3)(d)	*Effective risk management systems and practices, including but not limited to the following:* *i. managing high impact or high prevalence risks associated with the care of consumers;* *ii. identifying and responding to abuse and neglect of consumers;*	*Inconsistency in how incidents were lodged, investigated, analyzed and reported.*	Skytrust is the organisation wide incident management system and there is a City of Marion Incident Management Procedure for reporting and managing incidents. SMS is the specific software for client management that sits isolated from CoM programs. Incidents are reported in one of the two systems subject to the incident / risk type. The Contract Panel has a contractual obligation to monitor, investigate, action and report when incidents occur.	In progress Ongoing	April – June reporting provided to line managers and ELT April-June reporting provided to line

Section	Standard	Area(s) of non-compliance	Action(s) to achieve compliance / comments	Status*	Timeframe
	iii. supporting consumers to live the best life they can *iv. managing and preventing incidents, including the use of an incident management system.*		Reporting on incident management for CHSP clients has been included as part of the quarterly report to ELT as well as incidents logged in both Skytrust.	Ongoing	managers and ELT April-June reporting provided to line managers and ELT

**As per internal assessment by PAI team*

7.6 Interim External Audit - 2021-2022	
Report Reference	FRAC220816R7.6
Originating Officer	Chief Financial Officer – Ray Barnwell
Corporate Manager	Chief Financial Officer - Ray Barnwell
General Manager	General Manager Corporate Services - Sorana Dinmore

REPORT OBJECTIVE

The objective of this report is to provide the Finance Risk and Audit Committee (the Committee) with Interim External Audit 2021-2022 findings.

EXECUTIVE SUMMARY

In line with the external audit plan presented to the Committee on 17 May 2022 (FRAC 220517R6.8) Galpins, our new external auditors completed their interim external audit for year ending 30 June 2022 which is provided in **Attachment 1**.

Overall, our external auditors found that Council demonstrated a high level of compliance with the implementation of an internal control framework consistent with the principles within the Better Practice Model. During their interim visit they found that the majority of key internal controls reviewed were in place and were operating effectively (92 out of 100 core controls reviewed).

The principles underpinning the Better Practice Model were used by the Council in the identification of its business cycles, the establishment of its internal controls and the implementation of its financial risk management processes

The key findings and managements responses to those findings are outlined in the interim external audit report provided as per Attachment 1.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

1. **Receive and Note the Interim External Audit Report for 2021-2022**

DISCUSSION

Council's legislative requirements for external audit and financial reporting are stipulated under the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. In addition to Council's external auditors providing an opinion on the financial statements, section 129 of the Local Government Act 1999 requires our auditors to provide an opinion regarding the effectiveness of the internal financial controls of councils.

Following their appointment as our external auditors for the year ending 30 June 2022, Galpins have completed their interim external audit for year ending 30 June 2022.

The interim audit overall found that Council demonstrated a high level of compliance with the implementation of an internal control framework and that the majority of key internal controls reviewed were in place and were operating effectively (92 out of 100 core controls reviewed).

The report noted 8 findings none of which were rated high with 5 findings with a moderate risk rating and 3 rated low risk.

The key findings in addition to management's response to the findings are detailed in the interim external audit report highlighting the actions underway to address findings outlined in the report

ATTACHMENTS

1. Galpins - Interim Management Letter 2021-22 [**7.6.1** - 29 pages]

Galpins

Accountants, Auditors & Business Consultants

Financial Controls Review

City of Marion

2021/22 Interim Management Letter

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1. EXECUTIVE SUMMARY

1.1 Background

During our interim audit we perform procedures to gain an understanding of the internal controls in place relevant to the financial statements and perform tests of design and effectiveness for these controls. Based on the results of the control testing, we then assess the audit risks to define the extent and nature of our substantive procedures (e.g. inspection of documents, recalculation, reconciliation, etc) for our final visit.

In addition to an opinion on the financial statements, section 129 of the Local Government Act 1999 requires auditors to provide an opinion regarding internal controls of councils. This opinion focuses on Council's obligations under s125 of the Local Government Act 1999:

> *"A council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the council's assets, and to secure (as far as possible) the accuracy and reliability of council records."*

The audit opinion is restricted per s129 of the Act to the application of s125 as it relates to financial internal controls, specifically the controls exercised by the Council during the relevant financial year in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.

In order to assist the Council in addressing the requirements of s129, we have reviewed a prioritised list of controls from the better practice model based on our initial audit risk assessment. Further details about our scope can be found in item 1.2 of this report.

1.2 Objectives and scope

The objectives of our interim audit were to:

- understand Council's business, business cycles and processes relevant to the financial statements
- understand the internal controls in place for the areas we consider critical for the audit of the financial statements
- design internal controls tests for the internal controls identified
- perform the internal controls tests to determine the final risks of material misstatements in the financial statements to be addressed in our final audit
- review a prioritised list of internal financial controls we consider critical for the purpose of issuing a controls opinion.

The scope of our audit included a review of internal controls we consider key controls to be in place for the purpose of addressing the requirements of s129.

These key internal controls consist of a prioritised list of controls from the better practice model. This list was defined based on our risk assessment to determine the key business cycles, and key risks within these business cycles, that we understand should be the focus of the Council's control self-assessment.

The identification of key core controls and key business risks included the following risk assessment procedures:

Risk review – A review of Council's inherent risk assessment for internal financial controls.

Financial statement review – A high level financial statement review performed to identify key accounts and transaction streams.

Internal / external audit results review – The findings and recommendations of internal / external financial audits are reviewed to identify known areas of weakness, and areas known to be attracting audit attention.

The key core controls for the following key business cycles have been identified as critical for the purpose of issuing a controls opinion this financial year:

- General Ledger
- Fixed Assets
- Purchasing and Procurement/Contracting
- Accounts Payable
- Rates / Rates Rebates
- Receipting
- Payroll
- Credit Cards
- Banking
- Debtors

We have included a list of key controls identified by the audit for these business cycles as an appendix to this report (see Appendix 1). This list does not represent a complete population of internal controls that the Council should have in place. There is an expectation that controls not in this list will still exist and be operating effectively within Council.

The list of controls is only intended to be a guide for Council to prioritise its resourcing in readiness for the audit opinion, and for the ongoing monitoring of internal controls i.e. it is a risk based listing of controls which may be desirable for Council to include in its ongoing monitoring program for internal financial controls.

The list should not be considered a minimum standard – rather, it is a starting reference point for Council to consider. It is expected that Council will have performed a risk assessment of financial risks, and given consideration to the need to monitor controls that address High / Extreme risks that may not be included in this listing.

1.3 Category of findings

In order to assist the Council in establishing the overall level of control effectiveness and prioritising areas for attention, we have provided an overall assessment of the business cycles for which we have identified performance improvements opportunities (this report is prepared on an exception basis).

We assessed each business cycle using our risk assessment which was focused on the risk of finding material weaknesses which could lead to a modified controls opinion in the 2021/22 financial year. An overall assessment of the risk of a potential modified audit opinion per business cycle is provided in item 1.5 of this report.

Detailed findings including the controls tested as per the Better Practice Model, findings and recommendations are provided in section 2 of this report. The individual findings are also rated to assist the Council in prioritising corrective actions.

The overall assessment of the risk of non-compliance with s125 of the Local Government Act 1999 and the related findings and recommendations were rated as follows:

Category	Description
High Risk Weaknesses	The issue described could lead to a material weakness in the Council's internal controls and non-compliance with s125 of the Local Government Act.
Moderate Weaknesses	The issue described does not represent a material weakness due to the existence of compensating controls. However, the failure of the compensating controls or the existence of any other moderate weakness within the same business cycle may lead to a material weakness in the Council's internal controls and non-compliance with s125 of the Local Government Act.
Low Risk Weaknesses	The issue described is a low risk weakness due to the existence of compensating controls and/or the failure or absence of the internal controls does not impact significantly on the Council's financial risk. However, multiple low-level risk weakness within the same business cycle may lead to a material weakness in the Council's internal controls and non-compliance with s125 of the Local Government Act.
Better Practice Weaknesses	The issue described has been included in this report as an opportunity for better practice.

The Council should also perform its own assessment of priority based not only on audit risks, but also other risks management considers relevant such as non-compliance with pertinent legislations and regulations, and reputational risks.

1.4 Overall review of the Council's internal controls

Overall the Council demonstrated a high level of compliance with the implementation of an internal control framework consistent with the principles within the Better Practice Model.

During our interim visit we found that the majority of key internal controls reviewed were in place and were operating effectively (92 out of 100 core controls reviewed).

The principles underpinning the model were used by the Council in the identification of its business cycles, the establishment of its internal controls and the implementation of its financial risk management processes.

A summary of the results of our review is provided in the table below:

Business cycles	Controls Reviewed	Operating Effectively	2022 Findings			
		2022	H	M	L	BP
General Ledger	11	10	-	1	-	-
Fixed Assets	16	14	-	2	-	-
Purchasing & Procurement/Contracting	10	8	-	2	-	-
Accounts Payable	13	13	-	-	-	-
Rates / Rates Rebates	10	10	-	-	-	-
Receipting	5	5	-	-	-	-
Payroll	19	18	-	-	1	-
Credit Cards	5	4	-	-	1	-
Banking	5	5	-	-	-	-
Debtors	6	5	-	-	1	-
Total	**100**	**92**	**-**	**5**	**3**	**-**

We recommend that Council prioritises the moderate risk findings, as failure in compensating controls addressing the same risk or existence of multiple moderate weakness within the same business cycle may lead to a material weakness and non-compliance with s125 of the Local Government Act.

Audit have concluded that there is a high likelihood of issuing an unmodified controls opinion at the end of the financial year. This will depend on the Council demonstrating continued progress towards addressing identified control weaknesses, ensuring that the existing core controls in place continue to operate effectively and that the annual internal control activities are performed at year end.

1.5. Summary of findings

Business Cycle	Findings	Risk
General Ledger	2.1.1 Council does not have general ledger policies and/or procedures in place	M
Fixed Assets	2.2.1 Absence of a central electronic asset management system capturing and maintaining all key asset management data, and linked/reconciled to the GIS system	M
	2.2.2 Amounts related to disposals of infrastructure assets are recorded as revaluation decrement / Absence of a process for approval of disposal of assets	M
Purch. Procurem. Contracting	2.3.1 Instance where a purchase over $200,000 was exempted from public tender without a formal approval from the Tender Board	M
	2.3.2 Instances of purchases with contract value above the contracting financial limit of the officer who executed the contract	M
Accts Payable	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act.	N/A
Rates	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act.	N/A
Receipting	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act.	N/A
Payroll	2.4.1 The payroll system (Aurion) is not integrated with the general ledger	L
Credit cards	2.5.1 CEO's credit card statements and transactions are not reviewed by Council or the audit committee	L
Banking	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act.	N/A
Debtors	2.6.1 Absence of a formal review of a complete list of credit notes, adjustments and write offs.	L

2. DETAILED AUDIT FINDINGS

2.1 GENERAL LEDGER

2.1.1 Council does not have general ledger policies and/or procedures in place		Moderate
Control	General ledger policies and procedures are appropriately created, updated and communicated to relevant staff	
Risk	General Ledger does not contain accurate financial information / Data contained within the general ledger is permanently lost.	

Finding	Recommendations	Management Response
Council does not have general ledger policies and/or procedures in place.	Consideration is given to implementing general ledger policies and/or procedures. Examples of topics that may be included in the policy or procedures include: - Guidance for posting journals in the system; - Approvals to be obtained before processing a journal entry; - Process for creating/modifying general ledger accounts; - Procedures to ensure that changes to the structure of the general ledger framework are formally approved; - Reconciliations to be performed at end of month; - Procedures for opening and closing an accounting period in the system; - Use of monthly procedures checklist; and - Control and review of general ledger access.	With the implementation of Council's new Finance System – Financial Force, new general ledger procedures and guidelines have been developed. On refinement of these new procedures and guidelines further consideration will be given to the development of a General Ledger Policy .

2.2 FIXED ASSETS

2.2.1 Absence of a central electronic asset management system capturing and maintaining all key asset management data, and linked / reconciled to the GIS system	Moderate
Control	There is a process in place for the verification of fixed assets which is reconciled to the FAR.
Risk	Fixed asset acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed Asset Register (FAR) does not remain pertinent.

Finding	Recommendations	Management Response
Asset data is the foundation for enabling many key asset management functions. It is essential for asset intensive entities such as local government entities to maintain complete and reliable asset registers. Better Practice in local government is for councils to have integrated asset management systems / asset registers that capture and maintain the following data: - Valuation data: commissioning dates, estimated asset life, estimated remaining life, construction cost, replacement cost, unit cost, written down value, depreciation rate, etc - Physical features: dimension, size - Maintenance data: work completed and work to be completed - Condition data: condition assessment, date of the assessment and assessor - Performance data: target performance indicators, year of assessment, actual performance indicator, delivery of level of services - Risk data: criticality rating, probability of failure, consequence of failure Council maintains its valuation data for infrastructure assets in manual spreadsheets provided by APV valuers.	Council maintains a single centralised asset register/asset system containing the following asset data: - Valuation data: commissioning dates, estimated asset life, estimated remaining life, construction cost, replacement cost, unit cost, written down value, depreciation rate, etc - Physical features: dimension, size - Maintenance data: work completed and work to be completed - Condition data: condition assessment, date of the assessment and assessor - Performance data: target performance indicators, year of assessment, actual performance indicator, delivery of level of services - Risk data: criticality rating, probability of failure, consequence of failure Council ensures that all assets included in its asset register / asset system are linked and/or	Management as part of its Digital Transformation Program are implementing a comprehensive centralised integrated Asset Management Information System (Assetic). This implementation is currently underway with implementation anticipated during the 2022-23 year. The implementation of this system will address the recommendations outlined.

The physical features and condition data are captured in Council's GIS system (ESRI FieldMap). The GIS system is considered the Single Point of Truth (SPOT) data set. Some maintenance data is captured by the 'RAMM' system. RAMM is a system used only by the Open Space Operation Team to undertake rolling maintenance programs on open space assets. Valuation and physical features data for assets other than infrastructure assets are maintained in asset registers within the Authority system. The workflow for updating and/or creating new asset data relies on emails sent to the Asset Solutions Team and files saved on shared drives. This data is then provided to officers who create and/or update asset data in the APV spreadsheet and in the Authority system asset register, and also provided to asset officers who maintain the GIS system. There is no integration and/or reconciliation in place between the asset registers (APV spreadsheet and Authority system asset register) and the GIS system. Audit acknowledges that City of Marion is currently working on its Digital Transformation Program. The program is comprised by 12 projects including the ESRI Geographic Information System and Asset Management Information System projects. Management intends to implement Assetic during the 2022/23 financial year as its asset management system. The Assetic system will capture valuation, physical features, maintenance, condition, performance and risk data. The data included in Assetic will be directly linked to the Council's Single Point of Truth (SPOT) data set provided by the ESRI Geographic Information System.	reconciled to the ESRI Geographic Information System. Council implements an asset data collection process whereby an asset is created/edited using a centralised asset management system (i.e. without relying on emails or files saved on shared drives). This process should enable users to manage all the key asset management data related to an asset (e.g. valuation, physical features, condition, performance and risk data) from a single location.	

2.2.2 Amounts related to disposals of infrastructure assets are recorded as revaluation decrement / Absence of a process for approval of disposal of assets	Moderate
Control	All fixed asset acquisitions and disposals are approved in accordance with Delegation of Authority and relevant Procurement and Fixed Asset Policies / Profit or loss on disposal calculations can be substantiated and verified with supporting documentation.
Risk	Fixed assets acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed asset register does not remain pertinent.

Finding	Recommendations	Management Response
As discussed in finding 2.2.1, Council maintains its valuation data for infrastructure assets in manual spreadsheets provided by APV valuers. Audit noted that the APV spreadsheets containing the annual desktop revaluation of all infrastructure assets do not provide information on valuation of disposals of infrastructure assets for the reporting period. The amounts related to disposals of infrastructure assets are instead recorded as a revaluation decrement in the asset movements during the reporting period disclosed in note 7 of the financial report (by default, as the difference between the opening balance, the additions, the depreciation expense for the period and the closing balance is recorded as a balancing item in revaluation increment/decrement in note 7). In addition, Council does not have a process to ensure that asset disposals are approved by Finance Management and/or Asset Management.	Council ensures that disposals of infrastructure assets are recorded in the Statement of Comprehensive Income as an 'Asset Disposal & Fair Value Adjustment', and reflected as disposals in the Note 7 movement table. Council establishes a process to ensure that asset disposals are appropriately documented and approved. Best practice in local government is to provide the following documentation: - Infrastructure assets – approved asset handover forms providing an allocation of costs to different components of infrastructure assets and a calculation of the amount related to the component of infrastructure assets being disposed. - Other assets – approved asset disposal forms providing a description and written down value of assets being disposed.	Management agrees and accepts these findings. As part of the digital transformation process the *Assetic* asset management system will be implemented. This finding has been communicated to the project implementation team to be investigated as part of the system specification. It is envisaged that the *Assetic* system will be more adept at tracking all aspects of infrastructure asset movements, including elements disposed of as part of the normal renewal and replacement program for each infrastructure class.

2.3 PURCHASE AND PROCUREMENT/CONTRACTING

2.3.1 Instance where a purchase over $200,000 was exempted from public tender without a formal approval from the Tender Board	Moderate
Control	Council has a Procurement Policy that provides direction on acceptable methods and the process for procurement activities to ensure transparency and value for money within a consistent framework, with consideration of any potential conflicts of interest.
Risk	Council does not obtain value for money in its purchasing and procurement.

Finding	Recommendations	Management Response
The Procurement Procedure provides that a purchase over $100,000 can be exempted from public tender when the exemption is approved by the Manager Strategic Procurement Services (for purchases up to $200,000) and the Tender Board (for purchases greater than $200,000). Audit identified one instance of a purchase over $100,000 (supplier 1033.01 – in 2021/22 the total cumulative spend was $385,386) where the supporting documentation for the exemption from public tender provided was an email trail showing approval from the Manager Strategic Procurement Services. An approval from the Tender Board (a group of three Senior Leadership Team members) was not provided. Audit noted that there are inconsistencies in relation to the supporting documentation used for a tender exemption. Examples of supporting documents used include a formal exemption form, a formal memorandum or an email trail. The procurement policy and the procurement framework are silent in relation to the preferred supporting documentation.	Council ensures that tender exemptions are approved in accordance with the Procurement Procedure. Council defines and documents in the procurement policy and/or in the procurement procedure the required supporting document to evidence tender exemptions.	Management agrees and accepts these findings. The procurement procedures and internal forms have been updated to reflect a more rigorous approval process and adequately document the evidence required for a tender exemption. Internal communications will be distributed to remind end users of the cumulative expenditure total to be utilised, rather than any initial expenditure total.

2.3.2 Instances of purchases with contract value above the contracting financial limit of the officer who executed the contract	Moderate
Control	Employees must ensure all purchases are in accordance with Council's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies.
Risk	Council does not obtain value for money in its purchasing and procurement.

Finding	Recommendations	Management Response
The Schedule of Delegations and Sub-delegations provides that the only officers who can execute contracts with a value over $1 million (provided funds are part of the Council approved budget) are the General Manager City Services, the General Manager Corporate Services, the General Manager City Development and the Chief Executive Officer. Audit identified the following instances of purchases with contract values above $1 Million that were approved by the Manager Strategic Procurement Services with a contract financial limit of $1 Million: - Supplier 22858.01 – contract value: $1,120,558.33 - Supplier 24240.01 – contract value: 1,247,595.00	Council to ensure the contracts are executed by officers with the appropriate contacting financial limit as provided in the Schedule of Delegations and Sub-delegations.	Management agrees and accepts findings. Internal communications have been distributed within the team (along with delegations listings) to ensure future delegation hierarchies are followed.

2.4 PAYROLL

2.4.1 The payroll system (Aurion) is not integrated with the general ledger	Low
Control	Payroll is periodically reconciled to the General Ledger accounts.
Risk	Payroll disbursements are made to incorrect or fictitious employees.

Finding	Recommendations	Management Response
The payroll system (Aurion) is not integrated with the general ledger (Authority). The Aurion system generates a CSV format file containing the costings report. This file is manually uploaded into Authority and the amounts are allocated to different general ledger codes in Authority in accordance with the general ledger codes included in the costing report. Importantly, a reconciliation between amounts recorded in Aurion and in Authority is performed and independently reviewed. The Authority system provides mechanisms to prompt users if inconsistencies exist and Authority codes need to be updated. Audit acknowledges that City of Marion is currently working on its Digital Transformation Program. The program is comprised by 12 projects including the Payroll and HRIS project. Management plan to implement a new finance system during the 2022/23 financial year that will interface with the payroll system (Aurion).	Council to investigate ways to ensure that Council's general ledger is integrated with Aurion.	Following the implementation of the new Finance System – Management will investigate the options available for future integration of the Aurion system data with the new Finance System.

2.5 CREDIT CARDS

2.5.1 CEO's credit card statements and transactions are not reviewed by Council or the audit committee	Low
Control	There is a process in place to approve all credit card transactions to ensure compliance with the policies and procedures covering credit card usage.
Risk	Credit cards are used for purchases of a personal nature.

Finding	Recommendations	Management Response
We noted that the CEO's credit card statements and transactions were approved by the general manager (i.e. a Council officer who reports to the CEO). Recent credit card audits performed by the South Australian Auditor-General's Department (*Examination of Credit Card Use and Management for a number of councils in SA – March 2020*) indicated that better practice is to send the CEO's and Mayor's credit card transactions to the audit committee for review to ensure the expenditure is reasonable and for business purposes. The Victorian Auditor-General Office (*Fraud and Corruption Control in Local Government audit – June 2019*) consider better practice to refer the CEO credit card full transaction history to the audit committee or Council. The Western Australian Auditor General's Report (*Controls Over Corporate Credit Cards – May 2018*) consider better practice to report CEO's credit card transactions to Council on a regular basis.	Council ensures that the CEO's credit card transactions are reviewed by an appropriate authority. Better practice provided by credit card audits performed by Auditor-General's departments across Australia recommend that this process can be improved by reporting the CEO's credit card transactions to Council or to the audit committee.	Council will consider an appropriate review and reporting mechanism to ensure the CEO's credit card expenditure is reasonable and for business purposes.

2.6 DEBTORS

2.6.1 Absence of a formal review of a complete list of credit notes, adjustments and write offs.	Low
Control	Management and/or Council review and approve all rebates, credit notes, bad debt write offs and movements in the provision for doubtful debts, in accordance with the delegation of authority and Local Government Act.
Risk	Credit notes to debtors are either inaccurately recorded or not recorded at all.

Finding	Recommendations	Management Response
Audit noted absence of a formal review of a complete list of credit notes, adjustments and write offs.	Finance Management review on a regular basis the general ledger transaction listing for all accounts where credit notes, adjustments and write offs are recorded. This will identify a complete population of credit notes, adjustments and write offs for independent scrutiny.	Finance Management will put in place a regular review of general ledger transactions for all accounts where credit notes, adjustments and write offs are recorded to ensure an independent review of these transactions occurs on a regular basis.

APPENDIX 1 – CRITICAL INTERNAL FINANCIAL CONTROLS

GENERAL LEDGER

Risks	
R1	General Ledger does not contain accurate financial information
R2	Data contained within the General Ledger is permanently lost.

RISKS	Control	Control Type
R1,R2	All major updates and changes to General Ledger finance system are authorised, tested and documented.	Core
R1,R2	Access to General Ledger maintenance is restricted to appropriately authorised personnel.	Core
R1	Reconciliation of all balance sheet accounts are completed in accordance with a schedule of review and/or procedure.	Core
R1	All balance sheet reconciliations are reviewed by a person other than the preparer at least annually.	Core
R1	Journal entry access is restricted to appropriately authorised personnel.	Core
R1,R2	Financial data is backed up and stored offsite.	Core
R1	Finance system does not allow posting of unbalanced journals or if it does regular reviews are conducted on the suspense account and discrepancies investigated and actioned.	Core
R1	Amendments to the structure of the General Ledger framework and accounts are reviewed and approved by appropriately authorised personnel.	Core
R1,R2	General Ledger policies and procedures are appropriately created, updated and communicated to relevant staff.	Core
R2	Formal disaster recovery plan is in place and communicated to relevant staff.	Core
R1	There is a process in place to review actual vs budget and significant variances investigated.	Core

FIXED ASSETS	
Risks	
R1	Fixed asset acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed Asset Register (FAR) does not remain pertinent.
R2	If fixed assets are not securely stored, they may be subject to damage or theft.
R3	If fixed assets are not valued correctly, the management reports and financial statements will be misstated. For example, incorrect carrying values may result from the use of inappropriate depreciation rates.
R4	Depreciation charges are either invalid, not recorded at all or are inaccurately recorded which includes inappropriate useful lives and residuals.
R5	Fixed Asset maintenance and/or renewals are inadequately planned.

RISKS	Control	Control Type
R1	There is a process in place for the verification of fixed assets which is reconciled to the FAR.	Core
R1	Recorded changes to the FAR and/or masterfile are approved by appropriate staff compared to authorised source documents and General Ledger to ensure accurate input.	Core
R1	All fixed asset acquisitions and disposals are approved in accordance with Delegation of Authority and relevant Procurement and Fixed Asset Policies.	Core
R1	Maintenance of the fixed asset register is limited to appropriate staff with consideration to segregation of duties.	Core
R1	Council has an asset accounting policy which details thresholds for recognition of fixed assets which is monitored to ensure adherence.	Core
R1	Reconciliation of fixed assets to the General Ledger is performed in accordance with schedule of review or procedure.	Core
R1	Asset register calculations are reviewed for accuracy.	Core
R1	Fixed assets are recorded on acquisition, creation or when provided free of charge to facilitate accurate identification of assets and recording of details with regards to the Asset Accounting Policy.	Core
R1	Asset maintenance is planned and monitored with relevant staff in accordance with the Asset Management Plans	Additional
R2	Where appropriate, fixed assets are secured and access is restricted to appropriate staff and authorised users.	Core

RISKS	Control	Control Type
R2	Where appropriate, identification details are recorded for portable and attractive assets such as IT and fleet assets, on acquisition to facilitate accurate identification.	Additional
R3	Relevant staff review useful lives, residuals, valuations, depreciation methodology and test for impairment as required by Accounting Standards and legislation to ensure that methods used are still appropriate and significant changes are incorporated into Asset Management Plans.	Core
R3	Profit or loss on disposal calculations can be substantiated and verified with supporting documentation.	Core
R4	Depreciation charges are calculated in accordance with the asset accounting policy and compliant with relevant accounting standards, including the useful life, depreciation method and residual values.	Core
R5	Asset Management Plans are prepared and renewal expenditure and programmed maintenance required is reviewed periodically to reflect changing priorities, additional asset data and other relevant factors.	Core
R5	Asset Management Plans for all major asset classes are adopted and reviewed by Council as required by the Local Government Act 1999.	Core

Purchasing and Procurement

Risks	
R1	Council does not obtain value for money in its purchasing and procurement.
R2	Purchases of goods and services are made from non-preferred suppliers.
R3	Purchase orders are either recorded inaccurately or not recorded at all.
R4	Purchase orders are made for unapproved goods and services.

RISKS	Control	Control Type
R1	Council has a Procurement Policy that provides direction on acceptable methods and the process for procurement activities to ensure transparency and value for money within a consistent framework, with consideration of any potential conflicts of interest.	Core
R1,R2	Employees must ensure all purchases are in accordance with Council's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies.	Core
R1	The organisation has a process in place to ensure use of preferred suppliers where relevant to maximise the best value for money to Council	Core
R2,R3	There is a process in place to review purchasing patterns and ensure maximum use of preferred suppliers	Additional
R3	Purchase order numbers are either system generated and/or sequentially numbered.	Core
R3	There is a process in place to ensure all invoices for payment are matched to relevant source documents such as purchase orders where applicable and are in line with Procurement Policy guidelines.	Core
R3	There is a process in place to follow up and action incomplete purchase orders.	Additional

CONTRACTING

Risks	
R1	Council is not able to demonstrate that all probity issues have been addressed in the Contracting process.
R2	Council does not obtain value for money in relation to its Contracting.

RISKS	Control	Control Type
R1,R2	There are robust and transparent evaluation and selection processes in place to engage contractors where relevant in accordance with the Code of Conduct, Conflict of Interest and Procurement Policy.	Core
R1	The selection panel is made up of appropriate personnel who have declared any relevant conflict of interest to ensure that informed and objective decision is made when selecting contractors.	Core
R1	Council maintains a current contract register.	Core

ACCOUNTS PAYABLE

Risks	
R1	Accounts payable amounts and disbursements are either inaccurately recorded or not recorded at all.
R2	Credit notes and other adjustments to accounts payable are either inaccurately recorded or not recorded at all.
R3	Disbursements are not authorised properly.
R4	Accounts are not paid on a timely basis.
R5	Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file.

RISKS	Control	Control Type
R1,R2,R4	Statements received from suppliers are reconciled to the supplier accounts in the accounts payable subledger regularly and differences are investigated.	Additional
R3	Records must be maintained of all payments with supporting documentation.	Core
R1	Payments are endorsed by relevant staff separate to the preparer, who ensures that they are paid to the correct payee.	Core
R5	Access to the supplier masterfile is restricted to authorised staff	Core
R2,R5	Separation of Accounts Payable and Procurement duties.	Core
R3	All invoices and payment requests are approved in accordance with relevant policies and/or Delegations of Authority.	Core
R1	Predetermined variances between Purchase Orders and Invoices are assessed and payment released only after verification by the officer with delegation to do so.	Additional
R1	Payments are verified to appropriate supporting documentation and are in line with Delegations of Authority.	Core
R4	Relevant staff to review aged payables listing on a predetermined basis and investigate where appropriate.	Core
R5	Recorded changes to the supplier master file are compared to authorised source documents to ensure that they were input accurately.	Core

RISKS	Control	Control Type
R5	Requested changes or additions to supplier masterfile are verified independently of source documentation.	Additional
R4	There is a system generated report detailing supplier invoices due for payment at any one time.	Core
R5	There is a process in place to ensure the supplier master file is periodically reviewed for ongoing pertinence.	Additonal

RATES / RATES REBATES

Risks	
R1	Council does not raise the correct level of rate income.
R2	Rates and rate rebates are either inaccurately recorded or not recorded at all.
R3	The Property master file data does not remain pertinent.
R4	Rates are not collected on a timely basis.

RISKS	Control	Control Type
R1,R2	Rates are automatically generated by the rate system, including the calculation of rate rebates and other parameters as applicable.	Core
R2	Rates are generated and tested for accuracy of calculation methodology prior to the rates billing run	Core
R1	All software changes to rate modelling functionality fully tested and reviewed by relevant staff.	Core
R1	There is a rating policy in place that is reviewed annually that provides clear guidance on rating methodology and relevant rebates and remissions in line with legislation.	Core
R2	Annual valuation update is balanced prior to the generation of rates; all mismatches resolved prior to finalising rate generation.	Core
R2	All rate rebates and adjustments including write offs are appropriately authorised, with reference to Delegations of Authority and source documents.	Core
R4	There is a process in place to ensure that rates are collected in a timely manner and overdue rates are followed up.	Core
R3	Recorded changes to property master file data and any rate adjustments are compared to authorised source documents to ensure that they were input accurately. An audit trail is maintained for all changes.	Core
R3	Access to the Property master file is restricted to appropriately designated personnel, with a process in place to ensure changes are in line with policies and procedures.	Core
R2	Employees responsible for processing rate payments and rebates cannot process their own payments or rebates unless the transaction is approved by someone independent of the process	Core

RECEIPTING	
Risks	
R1	Receipts are either inaccurately recorded or not recorded at all.
R2	Receipts are not deposited at the bank on a timely basis.

RISKS	Control	Control Type
R2	Prior to and during the banking process, cash is stored securely at all times.	Core
R1	Customers are provided with a system generated or pre-numbered (manual) sequential tax compliant receipt detailing payment made.	Core
R1	There is a review process for the authorisation of the reversal of transactions.	Additional
R1	Receipt transactions are reconciled to the daily takings and out-of-balance banking is corrected promptly.	Core
R2	Receipts are deposited regularly at the bank by a person independent from the initial recording of the cash receipts.	Additional

PAYROLL	
Risks	
R1	Payroll expense is inaccurately calculated.
R2	Payroll disbursements are made to incorrect or fictitious employees.
R3	Time and/or attendance data is either invalid, inaccurately recorded or not recorded at all.
R4	Payroll master file does not remain pertinent and/or unauthorised changes are made to the payroll master file.
R5	Voluntary and statutory payroll deductions are inaccurately processed or without authorisation.
R6	Employees termination payments are not in accordance with statutory and enterprise agreements.

RISKS	Control	Control Type
R1	Where possible standard programmed formulae perform payroll calculations.	Core
R1, R3	There is a process to ensure all overtime is verified and approved by relevant appropriate staff.	Core
R1	All calculations for generating payroll payments are verified for accuracy.	Core
R4,R5	Managers periodically review listings of current employees within their departments and variances are investigated.	Additional
R1	Payroll is periodically reconciled to the General Ledger accounts.	Additional
R2	The payment for the payroll must be reconciled to a system generated report detailing amount and employee prior to payment.	Core
R2	There is a process to ensure an independent review of proposed payroll payments by authorised staff.	Additional
R2	The payment of the payroll is authorised by appropriate staff not involved in the preparation of the payroll.	Core
R2	Employee records to include employment details and/or contract terms and conditions, authorisations for payroll deductions and leave entitlements.	Core
R2	There is a process to ensure employees are made inactive in payroll records upon termination	Core

RISKS	Control	Control Type
R5	All payroll deductions must be approved by the relevant employee.	Core
R3	Relevant staff are required to complete timesheets and/or leave forms, authorise them and have approved by the relevant supervisor.	Core
R2	There is a segregation of duties from those preparing the payroll to those responsible for preparation of source documents (e.g. timesheets, leave requests etc).	Core
R2	Payroll system generates audit reports detailing all payroll changes and there is a process in place to ensure all changes are reviewed and verified against source documents.	Core
R2	There is a process in place to ensure employees are not added to the payroll masterfile, nor details amended or amounts paid without receipt of the appropriate forms which have been authorised by relevant staff.	Core
R5	Access to the payroll deduction listing is restricted to authorised staff.	Core
R6	There is a process in place to ensure termination payments comply with relevant policies, procedures and legislation.	Core
R3	Time recording and attendance exceptions such as TOIL or flexitime are based on relevant policies/agreement are identified, monitored and corrected.	Core
R4	The ability to access, modify or transfer information contained in the payroll master files is restricted to authorised staff.	Core

CREDIT CARDS

Risks	
R1	Credit Cards are issued to unauthorised employees.
R2	Credit Cards are used for purchases of a personal nature.
R3	Credit Card limits are set at inappropriate levels.

RISKS	Control	Control Type
R1,R3	There is a process in place to ensure there are appropriate approvals prior to the issuing of Credit Cards and limits.	
R1,R2	Credit card holders sign a declaration confirming compliance with Council policy and procedures prior to the Credit Card being released.	
R2	There is a process in place to approve all credit card transactions to ensure compliance with the policies and procedures covering credit card usage.	
R2	Cardholders must check their statement to ensure all transactions are correct and identify any transactions of a personal nature which must be reimbursed to Council.	
R3	There is a process in place to ensure credit card limits and usage is reviewed for operational efficiency.	

BANKING

Risks	
R1	Banking transactions are either inaccurately recorded or not recorded at all.
R2	Fraud (i.e. misappropriation of funds)

RISKS	Control	Control Type
R1,R2	There is a process in place to ensure all cash, blank cheques and/or cheque signing machine are adequately safeguarded.	Core
R1	Access to EFT Banking system is restricted to appropriately designated personnel.	Core
R1,R2	Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated.	Core
R2	Cash transfers between bank accounts and investment bodies are undertaken by appropriate staff.	Core
R2	There is a process in place to ensure all cash collected is adequately recorded and banked regularly.	Core

DEBTORS	
Risks	
R1	Debtors are either inaccurately recorded or not recorded at all.
R2	Rebates and credit notes to debtors are either inaccurately recorded or not recorded at all
R3	An appropriate provision for doubtful debts is not recorded
R4	Debtors are either not collected on a timely basis or not collected at all
R5	The Debtors master file data does not remain pertinent.

RISKS	Control	Control Type	CSA Importance Weighting
R1, R4	Debtor's reconciliation performed on a regular basis to the General Ledger and reviewed by an independent person.	Core	4
R1	Council maintains a Debt Collection Policy.	Core	5
R2, R3, R4	Management and/or Council review and approve all rebates, credit notes, bad debt write-offs and movements in the provision for doubtful debts, in accordance with delegations of authority and Local Government Act.	Core	5
R3, R4	Management reviews debtors ageing profile on a regular basis and investigates any outstanding items.	Core	4
R5	Access to the debtor's master file is restricted to appropriately designated personnel and is reviewed by management for accuracy and on-going pertinence.	Core	5
R5	Recorded changes to debtor's master file data are compared to authorised source documents or confirmed with customers/ratepayers to ensure that they were input accurately.	Core	4

7.7 Asset Valuations	
Report Reference	FRAC220816R7.7
Originating Officer	Unit Manager Statutory Finance & Payroll – Andrew Doyle
Corporate Manager	Chief Financial Officer - Ray Barnwell
General Manager	General Manager Corporate Services - Sorana Dinmore

REPORT OBJECTIVE

This report provides a summary of the process and outcomes of the 2021-2022 asset valuation.

EXECUTIVE SUMMARY

Council's asset valuation process includes the engagement of independent professionally qualified valuers to provide comprehensive valuations of Council's assets, undertaken in accordance with council's Asset Accounting Policy every 5 years, with independent desktop valuations undertaken by the valuers in interim years for Infrastructure Assets. Desktop valuations for Infrastructure assets are undertaken as a means to monitor and counteract large valuation fluctuations, as these represent 78% of Councils total depreciable asset base subject to valuation.

In accordance with Council's Asset Accounting Policy all infrastructure assets were subject to a desktop valuation for the year ended 30 June 2022. New non-infrastructure assets are being included at cost for 2021-2012. Plant & Equipment and Furniture and Fittings are also recognised 'At Cost'. The desktop valuation of infrastructure assets was undertaken by Australia Pacific Valuers (APV).

The carrying value of Council's Infrastructure assets (excluding WIP) as at 30 June 2021 was $599.669m. The outcome of the desktop infrastructure valuation for 2021-2022 showed an increase in the Fair Valuation of $31.741m to $631.410m (5.29%).

RECOMMENDATION

1. **That the Finance Risk and Audit Committee notes the outcome of the 2021-2022 desktop valuation for all infrastructure assets.**

DISCUSSION

As noted above Council engages external, independent and qualified valuers to determine the fair value of the council's non-current assets. This is conducted in accordance with the Australian Accounting Standards AASB13 Fair Value Measurement. The definition of Fair Value is:

- the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Under this overarching Accounting Standard all assets (with the exception of assets held for sale) are valued in accordance with AASB13 at Fair Value.

Under Australian Accounting Standards assets are required to be componentised and categorised. For example, roads are valued as formation, pavement and seal; buildings valued as structure, roof, fit out, and services; stormwater pipes valued depending on materials (e.g. reinforced concrete, PVC, or Ribloc).

Council's current valuation methodology is comprised of the previous year's valuation data being provided to asset owners who provide up to date information in relation to quantities, materials, unit rates, condition rating, acquisitions and disposals and contributed assets (assets constructed on Council land by external parties). This updated data is then provided to the independent valuers to utilise in their desktop valuation assessment each year.

Infrastructure Assets

Council's infrastructure assets had a $31.741m (5.29%) total increase in value for 2022 from the desktop valuation, with significant increases noted in Stormwater Drainage ($14.433m) and Roads ($12.759m), offset by smaller decreases in Footpaths ($2.260m) and Signage ($0.137m).

The key driver for the increase in the asset fair values for the 2021-2022 financial year relates the increase in unit rates for replacement cost (Gross Value) measured against mostly consistent condition assessment ratings. Footpaths showed a minor negative fair value movements stemming from the condition assessments at the time of audit and some of the Signage assets fleet reaching the end of their useful life.

The following table shows the valuation movements for the infrastructure assets for 2021-2022:

	2022			2021				
Asset Class	Gross Or Mv	Accumulated Depreciation	Fair Value	APV Reported 2021 Gross Or Mv	APV Reported 2021 Accumulated Depreciation	APV Reported 2021 Fair Value	% Variance of Gross	% Variance of Fair Value
Bridge Assets	5,920,068	1,615,585	4,304,483	5,655,865	1,497,838	4,158,027	4.67%	3.52%
Footpath Assets	144,666,342	45,438,015	99,228,327	136,659,630	35,171,501	101,488,129	5.86%	-2.23%
Kerb and Gutter Assets	165,959,929	40,397,694	125,562,234	158,087,879	37,205,163	120,882,716	4.98%	3.87%
Parking Bay Assets	274,630	23,819	250,811	253,958	18,121	235,837	8.14%	6.35%
Retaining Wall Assets	7,047,102	1,084,999	5,962,103	6,616,997	973,409	5,643,588	6.50%	5.64%
Road Assets	266,508,804	52,561,744	213,947,060	246,759,955	45,571,700	201,188,255	8.00%	6.34%
Signage Assets	3,592,011	2,433,665	1,158,346	3,473,898	2,178,373	1,295,525	3.40%	-10.59%
Stormwater Drainage Assets	194,741,458	54,492,350	140,249,108	168,615,923	42,800,276	125,815,648	15.49%	11.47%
Stormwater Structure Assets	39,810,506	7,070,658	32,739,848	37,462,463	6,379,647	31,082,816	6.27%	5.33%
Traffic Device Assets	13,025,092	5,017,090	8,008,002	12,334,367	4,455,754	7,878,613	5.60%	1.64%
	$841,545,941	**$210,135,619**	**$631,410,322**	**$775,920,936**	**$176,251,782**	**$599,669,154**	**8.46%**	**5.29%**

Building/Other Infrastructure and Other Assets

As these assets are not subject to a desktop review in 2021-2022, they will be included in the annual financial statements as a combination of cost (assets constructed since the 2017-2018 comprehensive valuation) and fair value. A full comprehensive valuation is due to be conducted for these non-infrastructure assets in 2022-2023.

Valuation Cycle

In accordance with the report on Improved Asset Valuation Process presented to the committee on 26 February 2019 (FAC190226R11), the current valuation cycle is as follows:

Financial Year	Accounting Infrastructure	Accounting Non Infrastructure	Insurance
2019-2020	Desktop	Not Applicable	Indexation
2020-2021	Desktop	Not Applicable	Desktop
2021-2022	Desktop	Not Applicable	Indexation
2022-2023	Comprehensive	Comprehensive	Comprehensive
2023-2024	Desktop	Not Applicable	Indexation

7.8 Internal Audit Program - Implementation of Recommendations	
Report Reference	FRAC220816R7.8
Originating Officer	Business Support Officer - Governance and Council Support – Cassidy Ryles
Corporate Manager	Manager Office of the Chief Executive – Kate McKenzie
General Manager	Chief Executive Officer - Tony Harrison

REPORT OBJECTIVE

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

EXECUTIVE SUMMARY

The Finance and Audit Committee is provided with a status report at its meeting on 16 August 2022 regarding the City of Marion's Internal Audit Program.

The implementation of recommendations from these reports continues to be monitored by the FRAC. 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.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

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

ATTACHMENTS

1. FRAC220517 - Internal Audit - Implementation of Recommendations - Appendix 1 [**7.8.1** - 25 pages]

Overall Summary

Project	Findings/PIO	On Track	Overdue	Completed	Not Commenced	General Comments
Procure to Pay (2018/19)	9	2		7		The two Performance Improvement Opportunities captured through the Finance Transformation Project have commenced. New finance system went live on schedule at start of July 2022
Customer Experience			Complete (June '20)			
Cyber Security 2019	6	0	3	3		All recommendations have now commenced. CoM Information Security Policy' has been endorsed by ELT. Data Classification Framework is being developed. 1 recommendation on hold with further consult required
Tendering 2019			Complete (March '20)			
BCP and Emergency Management			Complete (June '20)			
Payroll 2020/21	6	3		3		The new Payroll/HRIS system has now gone live. A number of items are pending implementation of the finance system in July 2022. The remaining items have a revised due date to reflect this and are 95% complete.
ITT Governance	11	2		9		ELT has ratified IT Governance Framework and Policies. The Asset management policy is under development. New BA resources are being recruited. 2 recommendations remain offtrack.
Metrics that Matter	3		2	1		Staff are working through foundations before developing a data governance strategy. There has been progress towards this goal and work is commencing on the data governance framework. PMO is planning for re-training of the PM Framework and CAMMS to PMs in Feb 2022. BI Lead commences with CoM on 31st August.
Collaborative Leasing			Complete (Dec '21)			
Stores Management	5	2		3		3 items have been completed in entirety with 2 remaining items and progress is linked to the digital transformation program and new Finance System. Continue to work with the project group
Business Continuity Plan and COVID-19 Response	7	3	2	2		2 items are overdue and should be completed by end of February 2022.
Assurance Mapping			Complete (November '21)			
Asset Inspection Schedule	6	0	4	2		Some parts have already been completed with the remainder on track and progressing well. PIO are related to item 3.2 and are not on track.
Project Carryovers	6	5		1		All have commenced or commenced in part and are on-track, some have been completed in part. Eight items are now complete. Some items have been identified as ongoing tasks and marked as complete. One item has a revised start date of May 2022. One PIO is considered has not yet commenced.
Fraud Management Framework	6	3	2		1	A performance opportunity has been completed and one item is yet to commence. Parts of 2 items are off-track. One will form a part of the People and Culture Policy & Procedure review commencing in 2022. The other is in relation to training for responsible officers and is being followed up through the Ombudsman.
Community Facilities Management Models	4	2	2			All items have commenced. 3 PIO's were completed as a result of council endorsement of the revised Leasing and Licensing Policy at the General Council Meeting 14 December. One PIO and part of another item are off-track and are

			awaiting capacity within the Digital transformation team to progress the Property Management System.
Collaborative Model Health Check	1	1	A meeting has been set up for 16 May 2022 between the three councils.
Collaborative Contract Management	2	2	Risk assessments are being reviewed. CA's to be included in tender assessments effective immediately. SharePoint site currently under construction.
Project Management	10		
Stakeholder Management Review	5		Stakeholder Relationship mapping is about to commence. Other projects will commence in the second half of the year and into 2023.

Procure to pay

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER 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.	PIO1.1	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.	N/A	~~31/12/2019~~ Revised due date 31/12/2022	On Track	50%	Build phase of the project is at 80%. Testing to be conducted during May.	On Track	90%	New finance system went live on schedule at start of July 2022 - which includes online procure to pay processes. When the new system and new processes are embedded further enhancements are scheduled to include OCR invoice validation processes. There will be further development once the new system is embedded and all the minor new system issues are sorted.
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.	PIO1.2	as above	N/A	~~31/12/2019~~ Revised due date 31/12/2022	On Track	50%	Build phase of the project is at 80%. Testing to be conducted during May.	On Track	90%	New finance system went live on schedule at start of July 2022 - which includes online procure to pay processes. When the new system and new processes are embedded further enhancements are scheduled to include OCR processes.

Cyber Security 2019

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
The following should be considered as recommendations for increasing maturity in the Information Risk Management domain, particularly when implementing, operationalising, and embedding the Cyber Security Assurance Framework and Cyber Security Operating Manual: 1. Clearly define and communicate the requirements for sharing of information both internally and externally. Consideration should be also given to implementing controls for removable and portable media control as part of a data loss prevention strategy, such as storage, handling, whitelisting allowed USB devices, encryption and destruction.	3.1	Implement Data Governance Framework to classify CoM's information and define appropriate resources to manage this function to communicate requirement for information sharing.	Moderate	~~31/03/2020~~ Revised Due Date 30/06/2021	Not on Track	40%	ELT have ratified Information Security Policy. Data classification framework is being developed as part of cross council works with LGITSA	Not on Track	45%	LGA Security Toolkit released, including a 3-tier data labelling structure for data classification. Engagement with Records Management team to review labels and assure that these are usable for CoM We are working with the business units around implementing these changes but they are changes to process, so they are taking a long time. We have also only received the data governance framework from the LGA in the last 2 months.
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.	Low	~~30/06/2020~~ Revised Due Date 31/10/2021	Not on Track	80%	On Hold. IT advice indicates further consultation necessary to completely define achievable recovery objectives and outcomes	Not on Track	80%	On hold. Risk team has been in discussions with IT for BCP physical recovery systems, SLA agreements outstanding for analysis of achievable recovery objectives and outcomes. We are working with the business units around implementing these changes but they are changes to process, so they are taking a long time. We have also only received the data governance framework from the LGA in the last 2 months.

The following were identified as areas for improvement in the 2017 report which have not been fully addressed by the CoM through the activities undertaken since 2017: 1.Whilst an informal compliance assessment has been undertaken by Corporate Governance, this has not been formalised or communicated. There is also no central register maintained to ensure that all areas of CoM are aware of and comply with all relevant statutory, regulatory or contractual requirements, industry based requirements (such as PCI-DSS) or industry better practice relating to cyber security where deemed relevant (such as ISO/IEC 27001).	PIO6.1	1.IT will, in conjunction with Corporate Governance, review processes identifying legislative change to cyber security to be incorporated into future policy governance frameworks.	Low	31/10/2021	Not on Track	30%	No change	Not on Track	30%	An incomplete legislation is held by Governance, and a review of each item for information technology requirements is to be completed. This review informs changes to the IT Governance Framework and ongoing cybersecurity directions We are working with the business units around implementing these changes but they are changes to process, so they are taking a long time. We have also only received the data governance framework from the LGA in the last 2 months.

Payroll 2020/21

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
Investigate system opportunities with specific focus on increased functionality, reporting, elimination of manual processes, and systems integration.	1.1	The findings and relevant recommendations identified across this review, and specifically from Finding 1, will be addressed through the CoM's Digital Transformation Program. It is further noted that a number of separate projects are also currently in progress.	Moderate	~~30/06/2021~~ ~~31/08/2021~~ ~~31/07/22~~ Revised Due Date 30/09/2022	On Track	95%	Payroll system went live in August 2021. Functionality has been enhanced and a large number of manual processes have now been automated (timesheets & interpretation, leave forms). Integration is pending the implementation of the HRIS system and Finance System - setup of recruitment and onboarding modules are currently in progress and forecast for July 2022.	On Track	95%	The City of Marion engaged an external party to undertake a post implementation review (PIR) of the project - this is to further advise on future decision making relating to the Payroll and HR modules and the future direction of technology supporting payroll and HR processes. While there has been considerable automation of processes in payroll (timesheets, interpretation, leave forms etc.,) - next steps for further integration with HRIS and Finance systems will be further considered following the PIR. There is a post project implementation review which has occurred and the DTP team are looking at options around the implementation of HRIS and future system integrations
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. Through the Digital Transformation process, CoM will be aiming for these accruals to be built into the new system, removing the need for manual calculations to be performed. Before this is implemented we will focus on improving the timeliness of reconciliations. Capability around one source for record keeping relating to employee recruitment and retention will also be included as a key requirement for the new system.	Moderate	~~30/06/2021~~ ~~31/08/2021~~ ~~31/07/22~~ Revised Due Date 30/09/2022	On Track	95%	Payroll system went live in August 2021 and provides reports on required accruals for leave balances. Integration with finance system is pending implementation forecast for July 2022.	On Track	95%	The City of Marion engaged an external party to undertake a PIR of the project - this is to further advise on future decision making relating to the Payroll and HR modules and the future direction of technology supporting payroll and HR processes. Next steps for further integration with HRIS and Finance systems will be further considered following the PIR. There is a post project implementation review which has occurred and the DTP team are looking at options around the implementation of HRIS and future system integrations

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. Through the Digital Transformation process, the CoM will be aiming for these accruals to be built into the new system, removing the need for manual calculations to be performed. Before this is implemented we will focus on improving the timeliness of reconciliations. Capability around one source for record keeping relating to employee recruitment and retention will also be included as a key requirement for the new system.	Low	~~30/06/2021~~ ~~31/08/2021~~ ~~31/07/22~~ Revised Due Date 30/09/2022	On Track	95%	Payroll system went live in August 2021 and provides reports on required accruals for leave balances. Integration with finance system is pending implementation forecast for July 2022.	On Track	95%	Monthly and quarterly reconciliations will continue to be performed and with the implementation of Financial Force in July further integration with finance system is anticipated following the outcome of the PIR. There is a post project implementation review which has occurred and the DTP team are looking at options around the implementation of HRIS and future system integrations

ITT Governance

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
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.). 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. In addition, CoM will introduce and embed an IT asset management policy to ensure compliance.	High	31/10/2020	Not on Track	50%	Assets are being added into the Freshworks system. The Asset management policy is under development.	Completed	100%	CoM have developed an SOP that all new devices which come into the origination are entered into Fresh Service before they are deployed. Software is also listed in SP with all details which are needed.
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.	Low	~~30/06/2021~~ 31/12/2022	Not on Track	50%	New BA resources being recruited.	Not on Track	50%	After several attempts to recruit for a BI Lead, CoM has finally secured someone for the role who will be commencing on the 31st August 2022. The Development of a data governance framework will be progressed once they start.
Implement the Framework and develop any further policies and procedures required to embed and operationalise data management processes within the organisation.	9.2		Low	30/06/2021	Not on Track	10%	New BA resources being recruited.	Not on Track	10%	After several attempts to recruit for a BI Lead, CoM has finally secured someone for the role who will be commencing on the 31st August 2022. The Development of a data governance framework will be progressed once they start.

Metrics that Matter

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
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: • Ensuring it is up to date and formally approved • Key roles are formally assigned, and • The necessary policies and procedures are developed and operationalised in order to embed the framework across the organisation. 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.	Low	~~30/06/2021~~ Revised Due Date 31/12/2022	On Track	15%	The Data Analytics projects has struggled with resourcing. Both the Chief Data Officer (Cross Collaboration Role) and the Business Intelligence Lead left. The roles have been redesigned and recruitment is underway for a Business Intelligence Lead and Business Intelligence Analyst. These two roles will support the development of data analytics across the business including the development of a Data Governance Framework. However, due to the resourcing implication, this recommendation needs to be extended to the end of the calendar year.	On Track	15%	After a long recruitment process, a Business Intelligence lead is commencing on the 31st august. The position has been vacant for 6 months meaning that work has stalled. This work will progress between now and the end of the year.
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. Typically risks, as they arise, flow into 'issues' where active management and action tracking ensures their resolution in a timely manner. 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.	N/A	~~]30/06/2021~~ Revised Due Date 31/12/2022	On Track	80%	This issue has also been picked up in the Project Management Review. Inline with the comments within that Audit, the Strategy and Risk Team will work with the PMO to have this further embedded in the PMF. Existing PM framework provides guidelines on use of risk. A review of the PM framework is currently underway (by the PMO) to further improve on the guidelines for project risk management; target to complete by end of June 2022.	On Track	80%	The PMO position has left CoM. This project has been delayed as a result. Risk met with the PMO prior to his departure to ensure that the project management framework was picking up multiple points for a check-in on risks. Risk will continue to engage on this project once the new PMO is onboard. In the meantime, the Risk team are setting up regular meetings with the relevant project areas, to ensure risks are being discussed and managed.

Stores Management

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
Review the current manual practices and determine if any manual processes can be reduced though automation (e.g. barcodes and scanners, or PPE vendors – see Benchmarking page 5).	J3.1	Digitising processes is part of the broader digital transformation program, and will be considered as part of the Asset Management and Financial Management System replacements.	Low	30/06/2023	On Track	35%	Working with IT Implementation Team and Agilyxgroup to implement Finance Force. It is anticipated that this new program will meet our needs in this space.	On Track	35%	Working with IT Implementation Team and Agilyxgroup to implement Finance Force. It is anticipated that this new program will meet our needs in this space.

Internal Audit recommends that the Councils investigate further system opportunities to implement or modify their inventory management systems to better support their needs. This includes improved stock ordering, monitoring and reporting capabilities.	JPIO1.1	Improving elements of the inventory management process is part of the broader digital transformation program, and will be considered as part of the Asset Management and Financial Management System replacements.	Low	30/06/2023	On Track	35%	Working with IT Implementation Team and Agilyxgroup to implement Finance Force. It is anticipated that this new program will meet our needs in this space.	On Track	35%	Working with IT Implementation Team and Agilyxgroup to implement Finance Force. It is anticipated that this new program will meet our needs in this space.

Business Continuity Planning and COVID-19 Response

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
Provide guidance on activation thresholds.	1.2	Risk Team to work with P&C to review BIA for critical activities and the interaction with spreadsheet of staffing to enable the continuation of critical activities by June 2021.	Moderate	~~30/06/2021~~ Revised due date 31/03/2022	Not on Track	90%	The business impact assessment has been completed and approved by ELT. Manager P&C was part of the process. Final check will occur to ensure P&C have planned resources for critical functions.	Completed	100%	P&C have been provided with the Business critical function. This action can be closed out
Long-term remote working solutions, such as call centre technologies that meet business requirements.	3.3	Implement long-term remote working solutions, such as call centre technologies that meet business requirements by January 2021.	Moderate	31/01/2021	Not on Track	85%	Currently trialling Proof of Concept for Teams calling and Salesforce calling, which are the last items necessary to support a full working from home solution	Not on Track	85%	Teams calling is being prepared for go-live in August 2022. Salesforce calling will follow. Implementation of both will close out this item. Due to supply issues, we have been having issues sourcing the equipment and skills to implement the new phone system. We have resources lined up to implementing this system in August if the handsets arrive.
Training needs and/or capability requirements for the workforce.	3.4	Identify new technologies, update these in the TNA & offer identified training by December 2022.	Moderate	31/12/2022	On Track	30%	Updated to include new Senior Digital Transformation Project IT Manager (Marcel Althoff). New DTP Training & Project Officer has commenced in March (Isabel Telfer). 01/04/2022 - We received approval for funding for foundation skills assessment and training from the Department for Education, Skills and Employment for the Foundation Skills for Your Future project. Meeting booked with new Digital Literacy Project Teama nd Navitas to plan implementation of the assessment and training program.	On Track	50%	Lisa Jones now leading the project. RTO Navitas delivering Foundation Skills Federal Funding - Assessments of X 30 Pax in Operations completed and training program to commence 29th August.
What tool is most appropriate for the creation and communication of Recovery Action Plans to avoid duplication of effort and enhance ease of use.	PIO2.2	Risk Team to incorporate the IMT risk assessments in the system specifications of the Enterprise Risk Management Software business case by June 2021.	Low	~~30/06/2021~~ revised due date ~~31/03/2022~~ 31/09/22	On Track	20%	The recruitment for the Unit Manager Strategy and Risk has just been finalised. The task of looking at software will be a high priority for this position	On Track	20%	New UM Strategy and Risk has now started. Initial meeting with DTP Manager to seek BA assistance. Another meeting has been set up to commence business requirements piece for a multi-purpose software solution for risk, strategy with integration with asset management and project management.
Formats of risk assessments moving forward and consider how this information integrates into and interacts with other BCP activities and assessments.	PIO2.3	Risk Team to incorporate the IMT risk assessments in the system specifications of the Enterprise Risk Management Software business case by June 2021.	Low	~~30/06/2021~~ revised due date ~~31/03/2022~~ 31/09/22	On Track	20%	The recruitment for the Unit Manager Strategy and Risk has just been finalised. The task of looking at software will be a high priority for this position	On Track	20%	This is reliant on commencement of PIO2.2 and will commence when this project gets up and running (August 2022). In the meantime, risk are exploring use of SharePoint to improve usability of the risk registers.

Asset Inspection Schedule

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
Investigate system opportunities to implement an asset management system that supports effective record keeping for asset inspections, (see Finding 1).	2.1	To be developed as part of the AMIS implementation through the DTP. This will be progressed in conjunction with the Senior Project Manager – Financial Transformation.	Moderate	~~31/12/2021~~ Revised Due Date ~~31/3/2022~~ 30/10/2022	Not on Track	20%	AMIS Project is currently on track. Implementation is in progress Group 1 Open Space - Target Go Live - End Apr 2022 Group 2 Plant & Fleet - Target Go Live - End Jul 2022 Group 3 Transport & Drainage - Target Go Live - End Aug 2022 Group 4 Buildings & Property - Target Go Live - End Oct 2022 Group 5 - IT & Trees - Target Go Live - TBD	Completed	100%	An Enterprise Asset Mangement System was purchased in 2021. The Asset Management system is owned by Brightly. Brightly is completing a takeover by Siemens. The Software purchased is called Assetic. Assetic is a cloud based Asset Management system that has an asset register, asset maintenance module and predictivie analysis. This project is under review for scope and schedule. Once complete, the project rollout will be made available - current estimates are full implementation will be complete in 2024.
Due to the diverse asset categories under the CoM's management, each asset class should be considered, and specific functionality investigated to ensure all necessary requirements are met.	3.2	These recommendations are in progress as part of the digital transformation Project and AIMS procurement process.	Moderate	~~30/06/2022~~ Revised Due Date 30/10/2022	On Track	20%	AMIS Project is currently not on track. Additional scope of work has been identified to perform current capability and data maturity level assessment, and establish a roadmap to progress from Gen 1 to the appropriate Gen level for City of Marion. This additional work is necessary to align all Asset Owners towards a common Asset Mgmt Framework goal. The additional scope of work will be tabled to ELT for review and approval before commencement Group 1 Open Space - Target Go Live - To be revised Group 2 Plant & Fleet - Target Go Live - To be revised Group 3 Transport & Drainage - Target Go Live - To be revised Group 4 Buildings & Property - Target Go Live - To be revised Group 5 - IT & Trees - Target Go Live - TBD	On Track	50%	As part of the Asset Management Project reffered to in RECO 2.2, Asset classes and their requirements are worked through to ensure suitability. Data has now been uploaded into Assetic. Outstanding Assets for plant and Fleet and Building and Property are being worked through to ensure each asset class functions as required. Training has taken place so CoM key staff can now see how the data sits together in the system. Full UAT will be undertaken once all data has been loaded into Assetic
See Finding 1 for recommendations regarding a fit for-purpose asset management system which would track key inspection data to enable other staff to conduct inspections in lieu of the Technical Officer.	5.1	This item is progressing as part of the DTP – AMIS	Moderate	~~31/12/2021~~ Revised Due Date ~~31/3/2022~~ 30/09/2022	On Track	Refer 2.1	Recommendation under the control of Senior Project Manager - Financial Transformation – Achievement is tied to recommendation 2.1	On Track	50%	As Part of the Asset Management Project, Asset Data will be LIVE for use from early October. The first milestone for the project is to have all asset data in Assetic and for CoM identified staff to create and maintain asset data.

While performing the data cleanse, special consideration should be taken to update any assets with multiple functions (e.g. culverts that act as bridges). This should be reflected in the system to ensure that both the culvert and the bridge would be inspected at the same time (where applicable).	PIO1.1	Consider adding a notation in the Asset Data clarifying asset dual function however ensure there isn't duplication within the system.	Moderate	~~31/12/2021~~ Revised Due Date 30/09/2022	Not on Track	Refer 3.2	Recommendation under the control of Senior Project Manager - Financial Transformation – Achievement is tied to recommendation 3.2	On Track	50%	As part of data workshops and User Acceptance testing (UAT) in August and September, this requirement will be tested and reviewed. Once satisified, this will be accepted through the UAT process.
In some cases, assets should be considered on a location basis rather than an asset class basis. This will reduce duplication of efforts and allow for a more streamlined approach to some inspections (particularly inspections that take place on reserves, parks, beaches, etc).	PIO1.2	This recommendation requires discussion on the structure and responsibilities for asset inspections.	Moderate	~~31/12/2021~~ Revised Due Date ~~31/3/2022~~ 30/09/2022	Not on Track	Refer 3.2	Recommendation under the control of Senior Project Manager - Financial Transformation – Achievement is tied to recommendation 3.2	On Track	50%	Location and asset class are considered as part of the Asset Management system. The set up has been considered and structure has been applied in the schema. This will be tested through UAT in August and September.

Project Carryovers

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
The CoM has recently hired a new Senior Project Manager reporting to the CFO and the Senior Leadership Team (SLT). Based on better practice, consideration for this role could include: 1. Working directly with project managers/ relevant staff to coordinate and plan project timelines and milestones to ensure bottlenecks do not occur.	1.1	The PMO will work together with the Project Managers during the project planning period (Sept –April) and ensure the information is accurately captured in CAMMS.	Moderate	31/12/2021 Revised Due Date 31/09/2022	On Track	90%	1st Draft of FY 22 / 23 Program and Budget completed. To proceed with Consultation with General Council. Set up of FY 22/23 projects in CAMMS will commence in May 2022 For ongoing current projects - Monthly meetings with PMs have been set up to discuss: - 1. Program schedule and progress 2. Budget forecast 3. Program risks and issues 4. Any other business	On Track	95%	Set up of FY 22/23 projects in CAMMS will commence in May 2022 For ongoing current projects - Monthly meetings with PMs have been set up to discuss: - 1. Program schedule and progress 2. Budget forecast 3. Program risks and issues 4. Any other business
Refresh and re-distribute standardised project templates.	1.5	The PMO will review the existing project templates and improve/redistribute as necessary	Moderate	31/12/2021 Revised Due Date 31/09/2022	On Track	75%	No new / revised templates were introduced during this period. New templates will be introduced in conjunction with introduction of revised PM framework (target end June 2022	On Track	80%	Due to change in PMO resources we will be reviewing the makeup, roles, responsibilities, expectations and structure of the PMO
In conjunction with Finding 1, a focus on Project Managers applying the CoM's PMF project planning processes should continue to be supported by the PMO	2.1	The PMO will work together with the Project Managers during the project planning period (Sept – April) and ensure the information is accurately captured in CAMMS.	Moderate	31/12/2021 Revised Due Date 31/03/2022	On Track	90%	1st Draft of FY 22 / 23 Program and Budget completed. To proceed with Consultation with General Council. Set up of FY 22/23 projects in CAMMS will commence in May 2022 For ongoing current projects - Monthly meetings with PMs have been set up to discuss: - 1. Program schedule and progress 2. Budget forecast 3. Program risks and issues 4. Any other business	Completed	100%	Information is now captured and in CAMMs

See Finding 1 and 2 for recommendations regarding the re-distribution of the PMF and templates.	3.2	See responses in Findings 1 and 2	Low	31/12/2021 Revised Due Date 31/03/2022	On Track	75%	No new / revised templates were introduced during this period.	Not on Track	80%	Due to change in PMO resources we will be reviewing the makeup, roles, responsibilities, expectations and structure of the PMO
It is recommended that the CoM considers transitioning to an open rolling plan where appropriate.	4.1	Finance will work with the PMO and project owners in aligning future funding in the Annual Business Plan and LTFP to support the transition to an open rolling plan where appropriate.	Low	30/06/2022	On Track	75%	1st Draft of FY 22 / 23 Program completed. To proceed with detailed program budget planning in Feb - March 2022 Finance to continue engagement with Capital Works SLT from Jan - Mar 2022 to review budgets, classification of spend, funding and timing of planned expenditure	Completed	100%	Set up of FY 22/23 projects in CAMMS commenced
Consideration of actual project scopes and delivery methodology to inform the appropriate project delivery cycle.	4.2	The PMO will review the PMF to consider the suitability of its project life cycle for use by all projects.	Low	~~30/06/2022~~ Revised Due Date 31/09/2022	On Track	35%	In progress of reviewing PM Framework - Identified areas of improvements to framework. Target to complete next draft of PM Framework by end of May 2022 for review by CoM SLT and ELT	On Track	45%	Due to change in PMO resources we will be reviewing the makeup, roles, responsibilities, expectations and structure of the PMO
Further consideration to be provided to allow for resourcing requirements to ensure program planning is performed.	4.3	The PMO will support the Project Managers with past implementation resource data for resource planning use.	Low	~~30/06/2022~~ Revised Due Date 31/09/2022	On Track	90%	1st Draft of FY 22 / 23 Program and Budget completed. To proceed with Consultation with General Council.	On Track	90%	Due to change in PMO resources we will be reviewing the makeup, roles, responsibilities, expectations and structure of the PMO
A process to be put in place requiring Project Managers to flag multi-year projects to the PMO, Finance and Procurement.	4.4	PMO, Finance and Procurement will review the internal process to address tracking and reporting of multi year projects.	Low	~~30/06/2022~~ Revised Due Date 31/09/2022	Not Commenced	0%	Revised to start review in May 2022	Not Commenced	0%	Due to change in PMO resources we will be reviewing the makeup, roles, responsibilities, expectations and structure of the PMO
It is recommended that the CoM consider further detailing the renewal programs within respective Asset Management Plans. As an example, this could include a detailed breakdown of anticipated expenditure for areas such as Open Space –which would then provide an opportunity subsequent to endorsement, for planning to occur within an earlier timeframe.	4.5	Finance will work with the owners of each Asset Management Plan to further refine the detailed future funding requirements and timing of planned expenditure. This will support the potential transition to an open rolling plan where possible.	Low	30/06/2022	On Track	90%	1st Draft of FY 22 / 23 Program and Budget completed. To proceed with Consultation with General Council. Finance to continue engagement with Capital Works SLT from Jan - Mar 2022 to refine budgets (based on Consultation feedback), classification of spend, funding and timing of planned expenditure	Completed	100%	This has been completed, and we are now starting the Capital Works budgets for the following year.
Currently, the lessons learned section is in the last phase of CAMMS (and therefore cannot be updated until this phase is unlocked). The CoM should investigate system opportunities to have the lessons learned section permanently unlocked. This would allow for: •Lessons to be identified at any point in time during the project. •Learnings to be recorded as soon as practical, to ensure factual accuracy and that all project management staff are notified as early as possible.	PIO2.2	The PMO will consider the feasibility of implementing this improvement opportunity in CAMMS given its cost implications.	Low	~~31/12/2021~~ Revised Due Date 31/09/2022	Not Commenced	N/A	PMO is maintaining an internal register of system enhancement requests from the users, and are regularly prioritising enhancements for implementation	Not Commenced	N/A	Due to change in PMO resources we will be reviewing the makeup, roles, responsibilities, expectations and structure of the PMO

Fraud Management Framework

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)

PID training should be delivered during new starter induction with annual PID refresher training conducted in line with the fraud awareness training (Recommendation 1). It is further noted that this training could be updated to also include additional fraud training elements.	1.2	Manager Office of the CEO will work with the Manager P&C regarding the training.	Low	~~31/03/2022~~ 30/06/2022	On Track	30%	These will be run prior to the end of the financial year. Just waiting for staff to return to the office as better face to face than from zoom. Need to adjust due date to 30 June 22	Completed	100%	9 PID sessions delivered between 15/6/2022 and 29/07/2022 (293 participants). Two further sessions scheduled in August (70 staff required to attend).
The CoM prioritise conducting three FRA workshops with the following Business Units: •City Services •City Development •Corporate Services (Finance, IT and Procurement)	2.1	Unit Manager Risk & Strategy will conduct FRA workshops with business units.	Low	~~28/02/2022~~ Revised Due Date 30/10/2022	Not on Track	50%	Meetings were established to provide an overview, it was agreed to establish the meeting in Q4 individually with teams to allow teams the opportunity to digest the information and provide feedback. Need to adjust due date to 30 June 22	On Track	50%	New UM Strategy and Risk has begun. There is a fraud induction PowerPoint presentation available. The content is correct but needs looking at for better engagement. The Risk team will work with Learning and Development Partner, once the induction PowerPoint is polished, we will book meetings with teams to go over the essentials. New Due date required for 30 October 2022.
Refresh the current Fraud Risk Register, with specific consideration to the following: •Including targeted risks that may impact each business unit. •Leveraging the Fraud Control Self Assessment checklists to highlight current risks and controls in place. •Consider digital fraud related risks and their potential impacts on the organisation and each business unit.	2.2	Unit Manager Risk & Strategy will refresh the current Fraud Risk Register including targeted risks, those issues highlighted through the self assessment process and in consideration of digital fraud risks	Low	~~31/03/2022~~ Revised Due Date 30/10/2022	Not on Track	50%	The draft Fraud Risk register was presented at the workshop. Staff were advised that individual meetings were to be established in Q4. Need to adjust due date to 30 June 22	On Track	60%	(Risk Business Partner has had meetings with relevant SLT on the fraud risk register. And questionnaire will go out shortly. Through this process, the register will be updated when next reported to FRAC in October 2022.
As part of the CoM Fraud & Corruption Framework, there is an opportunity for the CoM to reference the results of the consolidated fraud risk assessments to help further identify the key areas of internal controls which should be reviewed. As an example, the output of these reviews could help to inform potential internal audit projects.	2.3	Unit Manager Risk & Strategy will update the Fraud & Corruption Framework to reflect the FRA outcomes.	Low	~~30/04/2022~~ 31/10/2022	Not Commenced	0%	This action is based on the above actions being finalised. Need to amend due date to 31 August 22.	Not Commenced	0%	This action requires 2.1 and 2.2 being completed. It will take place after these. Change due date to 31 December 2022.
A pre-employment screening policy should be developed and endorsed by ELT.	3.1	Unit Manager People & Culture will develop a pre-employment screening policy.	Low	31/12/2021	On Track	50%	Pre-employment Screening is being included in the Recruitment & Selection Policy, Procedure and Guideline which are being developed as part of the P&C Policy & Procedure Review.	Completed	100%	Pre-employment Screening is being included in the Recruitment & Selection Policy, Procedure and Guideline which are being developed as part of the P&C Policy & Procedure Review. This action was agreed by the Strategic Workforce Committee at their meeting of 9 June 2022.
As police check requirements have been implemented for certain roles, this requirement and a register of the roles should be included in the above policy. Special consideration should be given to the following: •Whether it is appropriate to retrospectively conduct police checks for staff currently in police check-required roles. •Staff moving to a role that requires a police check should undergo the check. •Guidance to be developed regarding steps to be taken in the event of adverse outcomes resulting from staff police clearance checks.	3.2	Unit Manager People & Culture will include the register of roles requiring police checks into the pre-employment screening policy. Consultation will take place with ELT as to whether it is appropriate to a) retrospectively conduct policy checks for existing staff, b) perform police checks for staff moving into a role that requires a police check, c) guidelines to be developed regarding adverse outcomes from staff checks.	Low	31/12/2021	On Track	50%	Present roles requiring police checks have been identified. A list/register of roles exists. This register will be reviewed and included in the Recruitment & Selection Policy, Procedure and Guideline.	Completed	100%	Present roles requiring police checks have been identified. A list/register of roles exists. This register will be reviewed and included in the Recruitment & Selection Policy, Procedure and Guideline. A procedure for Disclosable Court Outcomes has been developed - Returned Convictions Procedure - which includes a Returned Convictions Assessment Form. SWC agreed police checks for existing staff should not be undertaken, existing employees moving into management or prescribed positions must have a police check and all new potential staff will have a police check
Internal Audit recommends the CoM implement a cab charge procedural document or add to existing policy, with specific considerations including but not limited to the following: •The employees roles and responsibilities •Lost or stolen cards •Manual dockets •Use of EFTPOS machine.	3.3	Unit Manager Operational Support will Implement a Cab Charge Procedure.	Low	28/02/2022	Not Commenced	90%	Report with Procedure has been provided for ELT approval	Completed	100%	Has been created and uploaded to our Policy/Procedures Database

Formally document and communicate these fraud reporting mechanisms to staff.	4.2	Unit Manager Risk & Strategy will communicate any fraud reporting changes to staff.	Low	31/12/2022	Not Commenced	0%	See above, awaiting implementation. Training is deferred to May.	On Track	90%	Awaiting approval on the Stopline webpage. Once this page is approved and launched, comms will go out to staff.
Internal Audit recommends the CoM amend the investigation procedural document to include the following: •Established check in points between the two Responsible Officers. •Further rigour around sharing of investigation status and relevant information between the two Responsible Officers.	4.3	Manager Office of the CEO will work with Manager, P&C regarding process for Responsible Officers.	Low	31/12/2021	On Track	25%	Have followed he ombudsman's office again in regards to training	On Track	90%	Manager People & Culture and A/UM People and Culture have been able to access and complete ICAC Responsible Officers training on 7 July 2022. Whistle-blower hotline engaged for COM staff. Further work to commence to finalise internal investigations procedural document and promotion of Whistle-blower hotline.
Internal Audit recommends the CoM consider implementing data mining/analytics fraud detection programs as part of the Digital Transformation Program.	PIO1.1	The Chief Financial Officer will explore the opportunity with the Business Intelligence Lead of implementing data analytics fraud detection programs in the future. The CoM is developing its data analytics capability recently employing a data analytics lead with further resourcing to support the function being addressed. Following the completion of FRA as noted in finding 2, options will be explored regarding the introduction of data analytics for fraud detection purposes.	Low	~~30/06/2022~~ Revised Due Date 31/12/2022	Not Commenced	0%	Business Intelligence team are being recruited for and this action with be further considered when the team are on board and considering their priorities	Not Commenced	0%	The Business intelligence team are currently being recruited with the lead set to commence in late August. Will seek to prioritise work in this space when the team is onboard.

Community Facilities Management Models

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
It is recommended that if the CoM continues to implement the current subsidy rebate, that supporting guidelines are developed which details: Guidance on the documentation allowable to evidence the meeting of each criteria item. Review the documentation requirements for the subsidy and consider developing weighted criteria base on the importance of each item. Clarify compliance requirements for ongoing annual assurance checks. Develop annual reporting to be provided to the CoM which outlines the current status of compliance of community facilities leasing tenants.	1.2	The future fee model will include a supporting procedure that will provide guidance to support the Policy which will include the following items: Associated documentation requirements; and On-going compliance requirements.	Moderate	~~31/04/2022~~ Revised Due Date 31/07/2022	On Track	80%	Supporting Guidelines have been drafted and currently being reviewed by Management, once this takes place they will be presented to ELT for endorsement. Seeking an extension of this action to 31 July 2022 to take into consideration ELT presentation and implementation timeframes.	Not on Track	80%	Draft guidelines have been finalised and will be presented to ELT in August for endorsement.
	1.3	Further reporting methods will be investigated following the implementation of a supporting system. In the interim, annual compliance spot checks will be performed by CoM Management.	Moderate	~~31/04/2022~~ ~~31/12/2022~~ Revised Due Date 31/07/2023	On Track	80%	Majority of annual inspections have occurred over the past 6 months. Spot checks will continue to be undertaken every quarter. Seeking an extension of this action to 31 December 2022 to allow for PMS software to selected, procured and portfolio transitioned.	On Track	80%	Majority of annual inspections have occurred over the past 6 months. Spot checks will continue to be undertaken every quarter. The Digital transformation team have advised the PMS is 12 months away.
To address the inadequate and inconsistent monitoring processes, it is recommended that the CoM: •Review the current monitoring processes in place and evaluate the ineffectiveness with consideration to the frequency, thoroughness, tenant compliance, and resource requirements required to undertake these processes. •Consider standardising the monitoring and reporting periods across the community facility portfolio.	2.1	As noted in the Finding 1 Management Actions, pending the implementation of a supporting system, further reporting will be investigated.	Moderate	~~31/04/2022~~ ~~31/12/2022~~ Revised Due Date 31/07/2023	On Track	20%	Business requirements have been developed and finalised for the Property Management System (PMS), confirmation received that the Digital Transformation team have allocated a project resource to progress the PMS - meeting to take place in the next few weeks. Seeking an extension of this action to 31 December 2022 to allow for PMS	On Track	20%	Business requirements have been developed and finalised for the Property Management System (PMS). The Digital transformation team have advised the PMS is 12 months away.

•Consider the implementation of a supporting system with functionality to automate monitoring of compliance requirements, such as reminders for key actions and non-compliance flags, as well as integration into other systems, such as records management.							software to selected, procured and portfolio transitioned.			
	2.2	The Governance and Compliance Excel spreadsheet will also be reviewed to include conditional formatting to facilitate the tracking of compliance requirements.	Moderate	~~31/04/2022~~ Revised Due Date 31/07/2022	On Track	20%	The spreadsheet is continually being reviewed to ensure appropriate data requirements and formatting can be achieved however there has been limitations on the capacity of the team. The recent recruitment of Property Officer there will be capacity within the team to focus on the spreadsheet. Seeking an extension of this action to 31 July 2022 given the current leasing work load	Completed	100%	The Governance and Compliance Excel spreadsheet has been amended to include conditional formatting to facilitate the tracking of compliance requirements.
	2.3	To reduce documentation requirements at one set period, the CoM will investigate the alignment of documentation requirements to annual property inspection dates to increase the efficiency of the process with available resources.	Moderate	~~31/04/2022~~ Revised Due Date 31/07/2022	On Track	80%	Majority of annual inspections have occurred over the past 6 months with compliance documentation being requested to align with these inspection dates. Currently collating information as they are returned to Council by Lessees. Seeking an extension of this action to 31 July 2022 to allow for all inspections to occur with the compliance information provided	Completed	100%	CoM have aligned the documentation requirements to annual property inspection dates
It is recommended that the CoM developed a procedural document or guidelines to include at a minimum the following: •Guidance for the practical application of the areas covered in the Policy. •Procedure for conducting risk ratings of tenants, including the basis for the rating. •Frequency of inspections, including ongoing monitoring and follow up procedures. •Defined roles and responsibilities performed by supporting CoM teams. •Key definitions to ensure consistency. •Re-enforce the requirements, principles and objectives stated within the Policy.	3.1	Refer to Finding 1 Management Actions.	Moderate	31/04/2022	On Track	80%	Refer to Action Progress Comments in Management Action 1.	Not on Track	80%	Refer to Action Progress Comments in Management Action 1.
	3.2	Subsequent to the development of procedure documents, staff will be made aware of the updated procedure to ensure a clear understanding of expectations required to comply with Council policy and procedures and provide high levels of customer service.	Moderate	~~31/04/2022~~ Revised Due Date 31/07/2022	Not Commenced	80%	Supporting Guidelines have been drafted, with Management for review followed by ELT endorsement which will act as a manual for property management staff. Seeking an extension of this action to 31 July 2022 to take into consideration ELT presentation and implementation timeframes.	Not on Track	80%	Refer to Action Progress Comments in Management Action 1.
As noted on p. 13, the CoM may improve the efficiency of the current processes with the following recommendations: •Review the administrative processes involved with the current fee revenue model with consideration to streamlining processes that have a no/negative financial benefits, such as the yearly CPI rental increase calculation. •Review the annual tenant documentation requirements with consideration to the necessity of items and removing non-value adding items. •Consider standardising the monitoring and reporting periods to increase process efficiency, as well as, reduce the resource burdens. •Implementation of a supporting system that will remove highly manual processes, such as those include within the Microsoft Excel Governance and Compliance master document sheet, as well as the integration into other key system.	PIO1.1	Refer to Finding 1 Management Actions.	Low	31/04/2022	On Track	80%	Refer to Action Progress Comments in Management Action 1.	Not on Track	80%	Refer to Action Progress Comments in Management Action 1.
	PIO1.5	Management will also further explore the clear need for the implementation of the effective supporting system at the earliest opportunity.	Low	~~31/04/2022~~ Revised Due Date 31/07/2023	On Track	20%	Business requirements have been developed and finalised for the Property Management System (PMS), awaiting for capacity within the the Digital transformation team to progress the PMS.	On Track	20%	Business requirements have been developed and finalised for the Property Management System (PMS), the Digital transformation team have advised the PMS is 12 months away.

Collaborative Model Health Check

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
An action plan with timeframes and resources will be developed for implementation of the recommendations from the internal audit and reported through to the Audit Committees of the three Councils.	1.1	An action plan with timeframes and resources will be developed for implementation of the recommendations from the internal audit and reported through to the Audit Committees of the three Councils.	High		Not Commenced	0%	A meeting has been set up for 16 May 2022 between the three councils	On Track	15%	Initial planning has occurred between the three councils. The action plan will be developed soon.

Collaborative Contract Management

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
Ensure that risk assessments are conducted for all contracts and form part of the contract profiling process. Further, ensure that contract risk profiles are dynamically managed, reported and used for informed decision making, throughout the lifecycle of the contract.	2.1.1	Procurement procedures have been endorsed December 2021, which detail the mandatory inclusion of Risk Assessments, as part of the Tender Initiation process. Strategic procurement to ensure risk assessments are completed for each tender, inclusive of recommendations.	High	30/06/2022	On Track	50%	Risk assessments are being reviewed for all new TIF requests to ensure they contain all relevant risks	On Track	75%	TIF being updated to include more guidance on Risk Assessments. TIF completion will occur by 31/8/22
Develop and implement a robust contract profiling tool to help inform contract governance requirements. The tool should have defined methodology criteria and is used for all contracts in the pre-award phase. All priority/higher risk contracts should require a contract management plan, steering/governance committee and reporting whilst routine contracts could be streamlined to only require a contract management checklist.	2.1.2	Implementation of contract profiling tool to be included as part of Tender Initiation form process.	High	30/09/2022	Not Commenced	Nil	Nil	Not Commenced	0%	

Implement a Contract Management Plan template and mandate the use for all priority/higher risk contracts, which should be developed in the pre-award phase. This document should be used as an active management tool throughout the lifecycle of the contract.	2.1.3	Implementation of Contract Management Plans to be completed for each tender and handed over to Contract Administrator at exaction of contract. To be recorded in the contract handover form.	High	30/09/2022	Not Commenced	Nil	Nil	Not Commenced	0%	
Contracts with multiple sites or materially different portions of work should have separate risk profiles and risk treatments.	2.1.4	Strategic Procurement to work collaboratively with Risk team to update processes to include risk assessments for each site.	High	30/06/2022	Not Commenced	Nil	Nil	Not on Track	0%	Task not commenced yet, to be completed by 30/9/2022
Consider the opportunity for the procurement and risk teams to leverage their skill sets, on a risk based approach, beyond their initial input into risk identification as part of the pre-award process, to supporting Contract Administrators within ongoing dynamic risk management across the contract life cycle for priority/higher risk contracts.	2.1.5	Investigation of ability to resource contract management support within Council.	High	30/09/2022	Not Commenced	Nil	Nil	Not Commenced	0%	
Implement financial management reporting to monitor contract spend profiles against the contract commitment value (original contract and variations) and POs to ensure compliance with procurement thresholds over the contract lifecycle. Further, consider providing this reporting to relevant Committee or governing body, as required.	2.2.1	Ensure implementation of Contracts Module within new Finance System includes elements relating to spend versus contract sum. (implementation due September – November 2021).	Moderate	31/12/2022	Not Commenced	Nil	Nil	Not Commenced	0%	
Consider implementing an additional requirement for contract variations to consider the percentage to overall contract spend and require an additional approver where this threshold is reached (e.g. for total variations exceed 10% of overall contract value).	2.2.2	Undertake review of variation management procedures and frameworks.	Moderate	30/09/2022	Not Commenced	Nil	Nil	Not Commenced	0%	
Consideration should be given to include CAs in the tender phase as standard practice, including involvement in the negotiations leading to contract award and draft contract management plan (when applicable). This would enable CAs to have improved understanding of the contractor's commercial offer, and the contract terms and conditions.	2.3.1	Tender process checklist to be updated to include Contract Administrator for inclusion in tender process. Additional handover to be included in contract handover process to ensure Contract Administrator understand all elements.	Moderate	30/06/2022	On Track	50%	CA's to be included in tender assessments effective immediately, as highlighted in TIF. TIF being updated to include this as a mandatory field.	Completed	100%	CA's now included in evaluation panels, SP team checklist updated to include this.
Councils to explore the feasibility of developing a centralised Contractor Management Team. Benefits of this model include:•Effectively managing the capacity, skills and experience of the team.•Ensuring consistency with the application of the new contract management framework.•Managing performance and continuous improvement.	2.3.2	Feasibility study to be undertaken to explore central Contract Management Team.	Moderate	31/12/2022	Not Commenced			Not Commenced	0%	
For the Contract Management Plans and Checklists implemented (based on contract profile per Finding 2.1), ensure the contract specific performance management details (e.g. contractual metrics and reporting required) are documented and maintained.	2.4.1	KPIs and metrics to be included in contract profiling and contract management plans when implemented.	Moderate	30/09/2022	Not Commenced	Nil	Nil	Not Commenced	0%	
As part of spot audits to be undertaken by the Strategic Procurement team, check there is a risk-based performance management process in-place, with regular reporting of KPIs and metrics, minuted meetings and adequate records management.	2.4.2	The recently implemented Contract Management Procedure outlines the requirement for spot audits. During implementation, a risk-based performance management process will be put in place, with regular reporting of KPIs and metrics, minuted meetings and adequate records management.	Moderate	30/06/2022	On Track	50%	Procedure now includes the spot audit forms, spot audits to commence in coming months	Completed	100%	Procedure has been implemented, form is within procedure and SharePoint
Update the draft 'Contract Management Procedure' to provide more context and requirements for CAs regarding contractor performance management best practice principles. For example:•KPIs and metrics are fully documented in executed contracts.•Implement a process to ensure that CAs are regularly monitoring and formally documenting contractor performance per the Councils' record management requirements.•Performance	2.4.3	Procedures include these elements. Implementation of contract management templates and forms to support the processes to be undertaken by Contract Administrators.	Moderate	30/06/2022	On Track	50%	Included in the procedure, to be verified as part of the spot audit process	Completed	100%	SharePoint updated with new forms.

management is a standing agenda item on minuted contractor meetings capturing key date resolution.										
Revise relevant policy or procedure(s) to define and implement responsibility for identifying and reporting any relevant declared conflicts of interests, including required mitigating controls, to ensure that Contract Administrators are aware of all declared conflicts for the contracts they are administering.	2.5.1	Undertake review of conflict of interest process and end to end recognition (pre tender and post tender).	Low	30/09/2022	Not Commenced	Nil	Nil	Not Commenced	0%	
Further to the development of the robust training and awareness program (see Finding 2.2), implement a process to monitor and report on attendance and completion of modules for all Contract Administrators.	2.5.2	All training to be recorded in the training register with People and Culture.	Low	31/12/2022	Not Commenced	Nil	Nil	Not Commenced	0%	
Ensure that there are robust contract extension controls in place to identify contracts up for renewal in a timely manner and ensure adequate governance over delegated approval.	2.5.4	Contracts module within the new finance system to be implemented with alerts around expiring contracts and anniversaries.	Low	31/12/2022	Not Commenced	Nil	Nil	Not Commenced	0%	
Consider implementing, on a risk based approach as part of the contract profiling process, a governing body or committee for operational and strategic contracts where there is a significant risk profile to the Councils. Furthermore, ensure regular key contract activity reporting (contract value, number and cost of variations, spend, claims/disputes, etc.) is conducted as required.	2.6.1	Review the potential to create a Contracts Governance Committee to review ongoing contracts and their performance that meet periodically throughout the year.	Low	31/12/2022	Not Commenced	Nil	Nil	Not Commenced	0%	
Following implementation of the practical and final completion certificate templates, ensure that both the 'Contract Management Procedure' and contract templates are updated to reference the requirements of the issuing of Practical Completion and Final Completion Certificates.	3.1.1	Template library currently being developed in collaboration with Manager – Operations to pilot the use of standard templates for key contract management processes and activates. Will be implemented and stored centrally for ease of access by all Contract Administrators.	Low	30/06/2022	On Track	Nil	Nil	Completed	100%	SharePoint site now created
As part of spot audits to be undertaken by the Strategic Procurement team, ensure that practical completion and final completion certificates have been issued and are saved on the CoM document management system as required.	3.1.2	Update contract management review form to include evidence of certificates.	Low	30/06/2022	On Track	Nil	Nil	Completed	100%	Form updated

Project Management

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
1.The development (CCS) and further embedding (CoM) of a Council wide PMF, with consideration given to the following areas: a. Use of a scalable approach as referenced in Appendix 1, allowing flexibility in the processes and governance required based on the project's perceived risk or cost. b. Stage gates/hold points should be outlined. Each hold point should list the required approvals for the project to proceed. c. Reference the use of standard templates, such as the PMP template. d. The use of standardised project management tools, i.e. CAMMS (CoM) to track project budgets and variations. e. Clearly outline the governance structures including	1.1	The CoM's PMO is currently in the progress of updating the existing PMF to include more detailed project management guidelines and instructions for Project Managers. The recommendations will be included in the updated PMF. Upon completion and approval of the revised PMF, the CoM's PMO will roll out the revised framework to the ELT, SLT and Capital Works Delivery Team.	High	30 June 2022 (for approval of revised framework) Due to staff change revised date 31 Sept 2022	Nil	Nil	Nil	On Track	95%	Set up of FY 22/23 projects in CAMMS will commence in May 2022 For ongoing current projects - Monthly meetings with PMs have been set up to discuss: - 1. Program schedule and progress 2. Budget forecast 3. Program risks and issues 4. Any other business

relevant roles and responsibilities. A template Responsible, Accountable, Consulted and Informed (RACI) matrix should also be developed for use in project planning to clearly outline the roles and responsibilities for significant project tasks should be completed. For reference, an example Project Close Phase RACI has been provided to Management. f. Throughout the development of the PMF, consideration should also be given to aligning the PMF to the current ICT Solution Delivery Framework (SDF) and leveraging existing tools and resources where possible.										
Once developed the PMF should be formally implemented through communications to the Project Managers and training on the application of the PMF.	1.2	The CoM's PMO is currently in the progress of updating the existing PMF to include more detailed project management guidelines and instructions for Project Managers. The recommendations will be included in the updated PMF. Upon completion and approval of the revised PMF, the CoM's PMO will roll out the revised framework to the ELT, SLT and Capital Works Delivery Team.	High	30 June 2022 (for approval of revised framework) Due to staff change revised date 31 Sept 2022	Nil	Nil	Nil	On Track	80%	Due to change in PMO resources we will be reviewing the makeup, roles, responsibilities, expectations, and structure of the PMO
Introduce regular Project Manager meetings where Project Manager's share project updates, PMF implementation, challenges, lessons learned, etc. This would allow Senior Management to monitor the utilisation of the PMF and identify where problems might lie.	1.3	Currently, there is an ongoing monthly engagement between the PMO and the Project Managers. The PMO will leverage on this existing engagement to include the recommendation as a formal agenda item.	High	From 31 July 2022 (for briefing / training of revised framework to CoM stakeholders).	Nil	Nil	Nil	Completed	100%	Process has been implemented
The organisational wide PMF (see Joint Finding 1) provides guidelines for requirements for risk management throughout the project lifecycle.	2.1	The CoM's PMO will include the recommendation in the updated Project Management Framework. This work will progress in partnership with the Strategy and Risk Team and compliment the CoM Risk Management Framework.	Moderate	30 June 2022 (for approval of revised framework); From 31 July 2022 (for briefing / training of revised framework to CoM stakeholders). Reviewed date due to staff changes 31 Sept 2022	Nil	Nil	Nil	On Track	80%	Due to change in PMO resources we will be reviewing the makeup, roles, responsibilities, expectations and structure of the PMO
The PMF should include reporting requirements with the project delivery team, including commentary of key risks/risk changes in each and every project report (weekly, monthly, etc).	2.2	The CoM's PMO will include the recommendation in the updated Project Management Framework. This work will progress in partnership with the Strategy and Risk Team and compliment the CoM Risk Management Framework.	Moderate	30 June 2022 (for approval of revised framework); From 31 July 2022 (for briefing / training of revised framework to CoM stakeholders).	Nil	Nil	Nil	Completed	100%	Set up of FY 22/23 projects in CAMMS commenced

Project Manager's should report risk using a standardised risk management spreadsheet (or software) and report on key risks and opportunities at regular PM reviews.	2.3	The CoM's PMO re-introduced the use of the CoM risk register template to the Project Managers in November 2021. Currently, there is an ongoing monthly engagement between the PMO and the Project Managers. The PMO will leverage on this existing engagement to formally review the relevant project risk register with the Project Managers. The Risk Management Team will have a representative at these monthly meetings to provide connection back to corporate risk reporting.	Moderate	Review of Risk Register to occur by 30thJune and attendance by the Risk Management team to commence from May 2022.	Nil	Nil	Nil	Completed	100%	Implemented and being actioned monthly
Review risk register in conjunction with the main contractor.	2.4	The CoM's PMO re-introduced the use of the CoM risk register template to the Project Managers in November 2021. Currently, there is an ongoing monthly engagement between the PMO and the Project Managers. The PMO will leverage on this existing engagement to formally review the relevant project risk register with the Project Managers. The Risk Management Team will have a representative at these monthly meetings to provide connection back to corporate risk reporting.	Moderate	Review of Risk Register to occur by 30thJune and attendance by the Risk Management team to commence from May 2022.	Nil	Nil	Nil	Completed	100%	Implemented and being actioned monthly
Risks should be reviewed at least monthly.	2.5	The CoM's PMO re-introduced the use of the CoM risk register template to the Project Managers in November 2021. Currently, there is an ongoing monthly engagement between the PMO and the Project Managers. The PMO will leverage on this existing engagement to formally review the relevant project risk register with the Project Managers. The Risk Management Team will have a representative at these monthly meetings to provide connection back to corporate risk reporting.	Moderate	Review of Risk Register to occur by 30thJune and attendance by the Risk Management team to commence from May 2022.	Nil	Nil	Nil	Completed	100%	Implemented and being actioned monthly
Detailed guidance is provided to Project Managers of the steps to be undertaken during the project close phase. An example Project Close Phase RACI has been provided to Management for the Councils' reference.	3.1	The CoM's PMO will include the recommendations in the updated PMF. The CoM's PMO will periodically check with the Project Managers when a project has been closed off to ensure project close out activities / reports have been completed	Moderate	30 June 2022 (for approval of revised framework); From 31 July 2022 (for briefing / training of revised framework to CoM stakeholders).	Nil	Nil	Nil	Completed	100%	This has been completed, and we are now starting the Capital Works budgets for the following year.

A project closure checklist is provided to Project Managers ensuring all the necessary quality checks, reporting and documentation have been completed.	3.2	The CoM's PMO will include the recommendations in the updated PMF. The CoM's PMO will periodically check with the Project Managers when a project has been closed off to ensure project close out activities / reports have been completed	Moderate	30 June 2022 (for approval of revised framework); From 31 July 2022 (for briefing / training of revised framework to CoM stakeholders).	Nil	Nil	Nil	Completed	100%	Implemented and being actioned at the end of each project
All defects and omissions recorded are stored in a central register, including the person responsible and the timeframe for completion. This register should note defects which are past due, with these defects to be reported to Executive meetings for escalation.	3.3	CoM PMO will work together with CoM Records Management Team to implement a centralised defect register to track defects and omissions from capital works projects completed.	Moderate	31 August 2022.	Nil	Nil	Nil	On Track	80%	Due to a change in resources, we need to ensure these processes are being action correctly
Project close out and evaluation reports are completed to evaluate performance and review project outcomes.	3.4	The CoM's PMO will include the recommendations in the updated PMF. The CoM's PMO will periodically check with the Project Managers when a project has been closed off to ensure project close out activities / reports have been completed	Moderate	30 June 2022 (for approval of revised framework); From 31 July 2022 (for briefing / training of revised framework to CoM stakeholders).	Nil	Nil	Nil	Completed	100%	Implemented and being actioned at the end of each project
Management should also reiterate the requirements to Project Managers for completing and documenting project close out activities, such as issuing of the practical completion certificate, financial acquittals, and monitoring during the defects liability period.	3.5	The CoM's PMO will include the recommendations in the updated PMF. The CoM's PMO will periodically check with the Project Managers when a project has been closed off to ensure project close out activities / reports have been completed	Moderate	30 June 2022 (for approval of revised framework); From 31 July 2022 (for briefing / training of revised framework to CoM stakeholders).	Nil	Nil	Nil	Completed	100%	Implemented and being monitored periodically
Lessons learned list should be finalised at the completion of a project and stored in a central depository. The lessons learned can be referenced for future projects of similar nature.	3.6	CoM PMO will work together with CoM Records Management Team to implement a centralised lessons learnt register to store findings from capital works projects completed.	Moderate	30 June 2022 (for approval of revised framework); From 31 July 2022 (for briefing / training of revised framework to CoM stakeholders).	Nil	Nil	Nil	Completed	100%	Implemented and being actioned at the end of each project
Internal Audit Recommends that as part of the recommended Framework in Joint Finding 1, formal guidance is outlined for all areas of the Councils with regards to benefits realisation requirements. The Framework should be developed to include: •The objective of benefits realisation •The phases of benefits realisation(define, plan and manage) •Definitions and terminology •Roles and responsibilities •When benefits realisation is completed	4.1	The CoM's PMO will include the recommendations in the updated PMF. The CoM's PMO will periodically check with the Project Managers for when a project has been closed off to ensure benefits realisation review / report has been completed.	Moderate	31/12/2022	Nil	Nil	Nil	Completed	100%	Implemented and being monitored with interviews with each PM each month

•A template for capturing detailed benefits for each project (noting the CCS has developed a template for capturing project benefits).										
Internal Audit recommends the Councils reinforce the requirement to consistently undertake a formal lessons learned exercise for each project. This should consider: •A lessons learned register should be included in the PMF. •A lessons learned register should be established at project commencement to ensure relevant lessons from previous projects are recognised and a location is available for new lessons learned as the project progresses. •Lessons can be identified at any point in time during a project. •Learnings should be centrally recorded as soon as practicable to ensure it is accurately captured, and made available to all project management staff. •Including a formal agenda item at monthly divisional performance meetings to discuss lessons learned.	5.1	The CoM's PMO will include the recommendation in the updated PMF. The CoM's PMO will periodically check with the Project Managers when a project has been closed off to ensure a lessons learnt review / report has been completed. The CoM's PMO will work together with the CoM's Records Management Team to implement a centralised lessons learnt register to store findings from capital works projects completed.	Low	30 June 2022 (for approval of revised framework); From 31 July 2022 (for briefing / training of revised framework to CoM stakeholders); 31 August 2022 (for updating, briefing and integration of register).	Nil	Nil	Nil	Completed	100%	Implemented and being actioned at the end of each project
CCS/CoM Management review the outstanding observations and recommendations outlined within the 2019 Capital Project Delivery Review and the FY16/17 Capital Works Review and prioritise the completion of outstanding recommendations.	6.1	The CoM's PMO will review and coordinate the completion of outstanding actions from the FY16/17 Capital Works Review with previous and current action owners.	Low	May 2022 (extended to 30 Sept)	Nil	Nil	Nil	On Track	50%	Due to changes in PMO staff these need to be re-confirmed
Moving forward, the continuation of Executive Leadership Team and Audit Committee monitoring and reporting of past due Internal Audit recommendations should be a strong focus.	6.2	The CoM's PMO will review and coordinate the completion of outstanding actions from the FY16/17 Capital Works Review with previous and current action owners.	Low	May 2022 (extended to 30 Sept)	Nil	Nil	Nil	On Track	50%	Due to changes in PMO staff these need to be re-confirmed
In conjunction with the recommendations outlined in Finding 2.4 of the February 2022 CoM and CCS Collaborative Contract Management Internal Audit Report, the Councils should consider implementing contractor performance reviews as part of current project closure and lessons learned processes. This may include development of a standard criteria or KPIs to measure performance against. For example: •Quality of plans and specifications •Project scheduling •Material ordering and staging •Communication •Safety •Environmental management •Commercial (LDs, EOTs, etc.) •Project close out. The contractor performance expectations should be communicated to third party contractors (such as a supplier scorecard) to enable this measurable assessment of contractor performance.	PIO1.1	The CoM's PMO will include the recommendations in the updated PMF and will work with the CoM's Procurement Team on a standard report template for the contractor performance review. The CoM's PMO will work with the Project Managers to ensure a contractor performance review is completed after a project has been delivered.		30 June 2022 (for approval of revised framework); From 31 July 2022 (for briefing / training of revised framework to CoM stakeholders).	Nil	Nil	Nil	Completed	100%	We have amended our processes to mitigate this risk, including: • prompting emails to identified suppliers in that category • Amended pricing structures for response, itemised approach to reduce additional costs of 'unknown quantities' • Longer timeframes for responses • More focus on clarifications Given these (which are all part of the tendering checklist completed for each tender), that risk can be closed, as we've evolved the mitigation strategies.

It is recommended that the Councils consider the following: •Contingency management will become even more important going forward. It is recommended that both Councils track and report on the overall pool of project contingency on a monthly basis, to allow for greater oversight. •Implement peer review of project budgets. •Plan and allow for longer procurement lead times. •Undertake further market research to better understand current forecasted price increases. This information should then be provided to Project Managers and Council staff to help update forecast project costs. •Further consider opportunities to lock in contracts with suppliers and contractors. •Consider staggering upcoming capital expenditure work to ensure projects do not all start at once. •Consider how key head contractors / sub-contractors could look to secure continuity of project work and reduce stress on material supply and labour availability.	PIO2.1	A forward procurement plan will be created and distributed to adequately plan for upcoming tendering activities and to ensure a uniform volume of tenders are open at any one time. Lead times and the use of 'helpful hints' on the intranet will further support guidance of tenders for end users to communicate expected cycle times and requirements. All recommendations are currently under review and align with the mitigation strategies identified in the corporate risk register.		31/07/2022	Nil	Nil	Nil	Completed	100%	We have amended our processes to mitigate this risk, including: • prompting emails to identified suppliers in that category • Amended pricing structures for response, itemised approach to reduce additional costs of 'unknown quantities' • Longer timeframes for responses • More focus on clarifications Given these (which are all part of the tendering checklist completed for each tender), that risk can be closed, as we've evolved the mitigation strategies.
Include a standardised document retention process as part of the Framework being developed for Joint Finding 1. This should outline documents which should be retained on SharePoint.	1.1	The CoM's PMO will include the recommendations in the updated PMF with guidance from the CoM's Records Management Team	Moderate	30 June 2022 (for approval of revised framework); From 31 July 2022 (for briefing / training of revised framework to CoM stakeholders). Extend date 30/09/2022	Nil	Nil	Nil	On Track	5%	Due to change in PMO staff this has not been completed and will now be followed up
Prescribing consistent folder structures and naming conventions for project documents, i.e. use of project reference numbers.	1.2	The CoM's PMO will include the recommendations in the updated PMF with guidance from the CoM's Records Management Team	Moderate	30 June 2022 (for approval of revised framework); From 31 July 2022 (for briefing / training of revised framework to CoM stakeholders). Extend date 30/09/2022	Nil	Nil	Nil	On Track	10%	Discussion have been underway and will be implemented shortly

Implementing a document retention checklist into the close process: a. Checklist which lists key documentation to be retained in Sharepoint. b. Internal Audit identified an opportunity for the CoM to explore the capability of CAMMS to link to documentation within Sharepoint.	1.3	The CoM's PMO will include the recommendations in the updated PMF with guidance from the CoM's Records Management Team	Moderate	30 June 2022 (for approval of revised framework); From 31 July 2022 (for briefing / training of revised framework to CoM stakeholders). Extend date 30/09/2022	Nil	Nil	Nil	On Track	10%	Discussion have been underway and will be implemented shortly
Refer to ISO 9001 for document retention periods. ISO 9001 is particularly critical for project quality documentation.	1.4	The CoM'S PMO will include the recommendations in the updated PMF with guidance from the CoM's Records Management Team	Moderate	30 June 2022 (for approval of revised framework); From 31 July 2022 (for briefing / training of revised framework to CoM stakeholders).	Nil	Nil	Nil	On Track	10%	Discussion have been underway and will be implemented shortly
Continue to roll out CAMMS training to Project Managers. On a periodic basis, the use of CAMMS by Project Managers should be spot checked by PMO.	2.1	The CoM's PMO currently provides ad-hoc CAMMS training upon request by staff and the management team. Feedback on the PM's experience with the use of CAMMS is currently obtained through monthly engagements between the PMO and PMs	Low	31/07/2022 Due to staff change revised date 31 Sept 2022	Nil	Nil	Nil	On Track	50%	Currently over 15 PM have been retrained
CAMMS processes are reviewed for opportunities to: a. Streamline questions for different project types. b. Enable items included in the Project Schedule to be adjusted as the project evolves. c. Provide read-only access to closed projects to leverage previous learnings, including through the review of risk assessments and the completion of the Project Schedule.	2.2	The CoM's PMO will consider these CAMMS recommendations and prioritise its implementation based on priority and the needs of the Council.	Low	31/07/2022 Due to staff change revised date 31 Sept 2022	Nil	Nil	Nil	On Track	10%	Discussion have been underway and will be implemented shortly
Consider reviewing the capability of CAMMS to automate workflows for approvals	2.3	The CoM's PMO will consider these CAMMS recommendations and prioritise its implementation based on priority and the needs of the Council.	Low	31/07/2022 Due to staff change revised date 31 Sept 2022	Nil	Nil	Nil	On Track	10%	Discussion have been underway and will be implemented shortly

Stakeholder Management Review

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)

Due to the diverse nature of the CoM's stakeholders, holistic guidance on stakeholder management should be developed at an organisation level. Specific consideration should be given to the following: •Define roles & responsibilities for staff regarding stakeholder management. •Protocols for addressing specific high-level stakeholders. •Holistic principles-based guidance to all staff-levels, specifying methods and approaches for interacting with stakeholders. •Stakeholder assessment tools/criteria (See Finding 3).	1.1	Agreed that the development of a framework to provide organisational guidance would be useful. This work will progress in the second part of 2022.	Moderate	~~30/06/2022~~ Revised due date 31/12/22	Nil	Nil	Nil	Not yet commenced	0%	Stakeholder Relationship mapping is about to commence. The SLT will be asked to engage their areas to document current stakeholder relationships
See Finding 2 for recommendations relating to training and onboarding to embed a stakeholder-centric mindset and culture within the CoM.	1.2	Agreed that the development of a framework to provide organisational guidance would be useful. This work will progress in the second part of 2022.	Moderate	31/12/2022	Nil	Nil	Nil	Not yet commenced	0%	Stakeholder Relationship mapping is about to commence. The SLT will be asked to engage their areas to document current stakeholder relationships. On track to meet deadline.
Consideration should be given to the level of resourcing required to implement the recommendations of this report and drive continuous improvement of stakeholder management.	1.3	Agreed that the development of a framework to provide organisational guidance would be useful. This work will progress in the second part of 2022.	Moderate	31/12/2022	Nil	Nil	Nil	Not yet commenced	0%	Stakeholder Relationship mapping is about to commence. The SLT will be asked to engage their areas to document current stakeholder relationships. On track to meet deadline.
Apply sufficient resources to implement appropriate onboarding/training for stakeholder management.	2.1	Agreed that onboarding and training regarding the management of key stakeholders is critical. This will be progressedbut also requires recommendation 1 to be fully implemented first. This will also be completed in partnership with People and Culture.	Low	31/03/2023	Nil	Nil	Nil	Not yet commenced	0%	This will be a later stage in this project and will require the completion of Action 1 first.
Conduct training and onboarding sessions specifically for staff in stakeholder facing roles, with specific consideration of the following: •The importance of stakeholder management, benefits and examples of poor management. •Key stakeholders of the CoM. •Situations where stakeholder management is required (including tailored and relevant examples for each business unit). •Who is best positioned in the CoM to consult on stakeholder management issues.	2.2	Agreed that onboarding and training regarding the management of key stakeholders is critical. This will be progressedbut also requires recommendation 1 to be fully implemented first. This will also be completed in partnership with People and Culture.	Low	31/03/2023	Nil	Nil	Nil	Not yet commenced	0%	This will be a later stage in this project and will require the completion of Action 1 first.
It would also be recommended that the CoM consider additional communication and high-level guidance to all levels of staff, to identify why stakeholder management is important.	2.3	Agreed that onboarding and training regarding the management of key stakeholders is critical. This will be progressedbut also requires recommendation 1 to be fully implemented first. This will also be completed in partnership with People and Culture.	Low	31/03/2023	Nil	Nil	Nil	Not yet commenced	0%	This will be a later stage in this project and will require the completion of Action 1 first.

Implement an organisation-wide campaign to foster a stakeholder-centric mindset and culture within the CoM.As part of this, the CoM could designate a network of 2-4 internal 'champions' to oversee stakeholder management within the CoM and act as a point of contact for all stakeholder-facing staff.	2.4	Agreed that onboarding and training regarding the management of key stakeholders is critical. This will be progressedbut also requires recommendation 1 to be fully implemented first. This will also be completed in partnership with People and Culture.	Low	31/03/2023	Nil	Nil	Nil	Not yet commenced	0%	This will be a later stage in this project and will require the completion of Action 1 first.
Implement a policy to ensure that SEPs are developed for all CoMprojects and plans.	3.1	This recommendation needs to feed into the review of the Project Management Framework. The Strategy and Risk team will work with the Project Management Office (PMO) regarding the information to be included during development of the SEPs.	Low	31/12/2022	Nil	Nil	Nil	On Track	10%	This item may need to be delayed due to the departure of the PMO. Strategy and Risk did meet with the person in the PMO position prior to their departure to have an early discussion on this point. A stakeholder policy will be developed concurrently with the relationship map.
Review the current methodology for developing SEPs and adapt to include further detail, with specific consideration of the following: •Additional detail in the plan for engaging with each stakeholder. •Include whether the stakeholder supports or opposes the plan. •Assessment of the stakeholders to identify areas of risk or potential issues arising. •Frequency and level of detail delivered to the stakeholder. •Prioritisation of each stakeholder due to Influence/importance.	3.2	This recommendation needs to feed into the review of the Project Management Framework. The Strategy and Risk team will work with the Project Management Office (PMO) regarding the information to be included during development of the SEPs.	Low	31/12/2022	Nil	Nil	Nil	Not yet commenced	0%	Strategy and Risk have had some early discussion with the community engagement team to discuss this action.
Using the current register as an initial base, continue to populate for the key stakeholders in the organisation. The register could then be used in the future to assist with the implementation of a digital CRM system.	PIO1.1	Further work needs to progress regarding the opportunities to use SalesForce as a stakeholder management tool. In the interim, the top 20 key stakeholder map will be produced but this is only a short term measure with a long term approach required.		31/12/2022	Nil	Nil	Nil	Not yet commenced	0%	The 'current' register is not an accurate representation of our stakeholder relationships. We need this list to be refreshed and then it will be taken to ELT to determine the top 20 of high interest/influence stakeholders that they have a key role in maintaining relationships with.
Utilise the register as a 'safety net' for leadership staff to periodically assess and ensure the critical stakeholders are recorded and overlaps between business units are identified.	PIO1.2	Further work needs to progress regarding the opportunities to use SalesForce as a stakeholder management tool. In the interim, the top 20 key stakeholder map will be produced but this is only a short term measure with a long term approach required.		31/12/2022	Nil	Nil	Nil	Not yet commenced	0%	Salesforce will be investigated as the software solution to maintain relationships. Work commencing on this investigation within second half of 2022.
In the interim, the top 20 key stakeholders could be identified across the CoM, including information such as: •Internal relationship owner •Stakeholder's strategic alignment •Strength of relationship	PIO1.3	Further work needs to progress regarding the opportunities to use SalesForce as a stakeholder management tool. In the interim, the top 20 key stakeholder map will be produced but this is only a short term measure with a long term approach required.		31/12/2022	Nil	Nil	Nil	Not yet commenced	0%	A high/low interest and high/low influence matrix will be used to assist in the ranking of stakeholder relationships.
Internal Audit recommends the CoM review the current approach for engaging Indigenous communities, with specific consideration to the following: •Consider the re-allocation of RAP oversight, implementation and indigenous communities engagement tasks previously performed by the Team Leader –	PIO2.1	Agreed. The improvements listed within this PIO will be further considered.		31/12/2022	Nil	Nil	Nil	Not yet commenced	0%	Work will commence on this action in the second half of 2022. Early investigations definitely indicate that relationships with KYAC should be built as a priority, and better connections made with other groups such as Turkindi, Southern Cultural

Community Cultural Development and the Living Kaurna Cultural Centre Coordinator to existing roles within the organisation. •Continuation of the Warriparinga Advisory Team to assist with the current engagement challenges faced by the CoM. •Engage an 'Indigenous employment specialist' to achieve improved engagement and services purchased from Indigenous business.										Immersions, SA Aboriginal Advisory Council and LKCC.

7.9 Internal Audit Plan 2022 - 2023	
Report Reference	FRAC220816R7.9
Originating Officer	Manager Office of the Chief Executive – Kate McKenzie
Corporate Manager	Manager Office of the Chief Executive - Kate McKenzie
General Manager	Chief Executive Officer - Tony Harrison

REPORT OBJECTIVE

To provide a status report of the progress of the Internal Audit program for 2022 – 2023 and to seek the Finance, Risk and Audit Committee (FRAC) feedback on the attached scopes.

EXECUTIVE SUMMARY

The City of Marion (CoM) and City of Charles Sturt (CCS) tendered the Internal Audit (IA) Services as a joint tender. KPMG was the successful tenderer and was awarded a two-year contract. Both Councils have extended this contract for a further two years. The two Councils worked collaboratively (with KPMG) to develop a joint IA Plan.

The FRAC endorsed the IA Plan for 2022/23 at the May 2022 meeting. The IA Plan identifies five (5) projects for this financial year, with three (3) projects identified as collaborative projects with CCS. The Projects include:

- Digital Transformation Health Check (Including Human Resources) Q1
- Volunteer Management – Q2
- Customer Experience – Q3
- Community Consultation – Q2/3
- Cyber Security – Q4

Two scopes have been drafted. It is proposed to commence both audits as soon as possible. Commencement of the scoping of the volunteer management will also commence shortly to be presented at the October 2022 meeting.

Digital Transformation Health Check (Attachment 1)

The objective of this internal audit project will be to perform a mid-program review of the CoM's Digital Transformation Program, focusing on project management and lessons learned. This will include consideration of the processes, policies and procedures in place to govern the program.

Community Consultation (Collaborative) (Attachment 2)

The objective of this internal audit project will be to assess the adequacy and effectiveness of the community consultation process, policies and procedures that are in place.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

1. **Notes the progress of the Internal Audit Program.**
2. **Considers and provides feedback on the:**

a. **Digital Transformation Health Check scope (Attachment 1)**
b. **Community Consultation Scope (Collaborative) (Attachment 2)**

ATTACHMENTS

1. Co M Digital Transformation Health Check Draft Scope 19.07.22 [**7.9.1** - 4 pages]
2. Co M Collaborative Community Consultation Internal Audit Scope [**7.9.2** - 4 pages]

City of Marion

Internal audit project scope:

Digital Transformation Health Check

July 2022

DRAFT

Internal Audit Program 2022/23: Digital Transformation Health Check

In accordance with the 2022/23 Internal Audit Plan for the City of Marion (CoM), an internal audit project focussing on the CoM's Digital Transformation is to be performed. The objective, scope and approach are outlined below.

Objective

The objective of this internal audit project will be to perform a mid-program review of the CoM's Digital Transformation Program, focussing on project management and lessons learned. This will include consideration of the processes, policies and procedures in place to govern the program.

Scope

To address the overall objective above, the scope of this internal audit will include consideration of the following:

- Governance structures in relation to project management, including consideration of monitoring, reporting and approval mechanisms.
- Project activities associated with the planning of projects, including resourcing, scheduling, budgeting and project decision gateway and approval processes.
- Risk management and change controls including identification, assessment and authorisation processes.
- Impact to the CoM's information technology (IT) and broader business operating models including process controls for change management, capability, procurement and supplier engagement.
- Processes for transition and data migration, including consideration of access to archived data.
- Improvement opportunities to consider for future phases of the program.

Approach

The approach to this engagement will include:

- Review of relevant documentation and systems in place relating to project management methodologies and processes, including selected guidelines, templates and tools.
- Consultation with relevant Digital Transformation Program stakeholders to understand approach and adherence to relevant processes (as noted above), and project deliverables against scope and expected outcomes.
- Review of governance and monitoring activities to assess reporting of program progress, issue escalation, change, risks, and authorisation processes in place.
- High-level post implementation review of HR/Payroll system implementation, including lessons learned.
- Close-out meeting with the internal audit project sponsor and key stakeholders to discuss initial findings and recommendations.
- Drafting and finalisation of an internal audit report outlining internal audit findings, recommendations and any performance improvement opportunities.

Stakeholders

The following stakeholders have been identified based on preliminary discussions with the CoM. Any additional stakeholders will be identified during the course of the internal audit.

Personnel	Position title
Tony Harrison	Chief Executive Officer
Kate McKenzie	Manager Office of the Chief Executive
Sorana Dinmore	General Manager Corporate Services
Marcel Althoff	Senior Digital Transformation Program & IT Manager

Resources and Budget

The team members and proposed budget for the Digital Transformation Health Check internal audit project are listed in the following table:

Name	Position	Hourly rate (excl. GST)	Est. hours	Sub-total (excl. GST)
Eric Beere	Partner	$361	6	$2,166
Glen Winkler	Subject Matter Expert	$361	9	$3,249
Sharyn Delbridge	Manager	$264	45	$11,880
David Castine	Consultant	$112	65	$7,280
Total (excl. GST)				**$24,575**

Timing

The proposed timing for the Digital Transformation Health Check internal audit project is for the project to commence in August 2022 with a draft report completed for consideration by early-September 2022.

Approvals

We are in agreement with the scope document for the internal audit project focussing on the CoM's Digital Transformation Health Check.

CoM Internal Audit Project Sponsor:	KPMG Internal Audit Partner:
Name: Sorana Dinmore	*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 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.

COVID-19

1. COVID-19 has the potential to materially and adversely affect our ability to provide the Services under the Agreement.
2. Each party will co-operate with the other in implementing reasonable mitigation measures to enable us to perform the Services in a way that seeks to limit the risk or potential impact related to COVID-19.
3. If the performance of the Services is delayed or otherwise adversely affected by COVID-19 or any circumstances related to COVID-19 (including, without limitation, unavailability of personnel), we will not be liable for any failure to perform the Services and the time for performance of the Services will be extended by any such reasonable period as is advised by us.
4. If COVID-19, or any circumstances related to COVID-19, result in the parties being unable to put in place service performance mitigation measures that we consider appropriate or we conclude that we are not able to perform the Services, either party may terminate the Agreement by providing 5 business days' notice in writing.

City of Marion

Internal audit project scope:
Community Consultation

(Collaborative project with the City of Charles Sturt)

August 2022

DRAFT FOR DISCUSSION

Internal Audit Program 2022/23: Community Consultation

In accordance with the 2022/23 Internal Audit Plan for the City of Marion (CoM), an internal audit project focussing on the CoM's Community Consultation is to be performed. This project will be a collaborative internal audit with the City of Charles Sturt (CCS) (collectively 'the councils').

Objective

The objective of this internal audit project will be to assess the adequacy and effectiveness of the community consultation processes, policies and procedures in place.

Scope

To address the overall objective above, the scope of this internal audit will include consideration of the following:

- Community consultation policies, procedures and methodologies, including consideration if they are fit-for-purpose and supporting robust decision-making.
- Review of the consistency in current practices and adherence between different projects and geographical areas across the organisation, to measure the appropriateness of community consultation and engagement processes.
- Processes for monitoring and reporting of community consultation issues and conflict escalation and management.
- Consistency of practices in implementing policies and procedures to support alignment with the International Association for Public Participation (IAP2).
- Alignment of the CoM's processes and policies with the proposed Local Government Association of SA (LGA) Community Engagement Charter and Model Community Engagement Policy.
- High-level consideration will be given to improvement opportunities (*including data improvement opportunities*) and better practice insights (*including data insights*).

Approach

The approach to this engagement will include:

- Desktop review of the relevant CoM key documentation, including policies, procedures and guidelines relevant to the community consultation methodology and processes.
- Consultation with key stakeholders to obtain an understanding of the relevant community consultation processes.
- Sample testing over three (3) community consultation projects to determine the effectiveness of the consultation process, adherence to policies and lessons learned.
- Reporting, including the identification of any performance improvement opportunities and better practice insights as they relate to community consultation processes.
- Discussion of findings with Management and subsequent issuance of a draft internal audit report, for feedback and finalisation.

Stakeholders

The following CoM stakeholders will be consulted as part of the Community Consultation internal audit project:

Personnel	Position title
Kate McKenzie	Manager Office of the Chief Executive
Sorana Dinmore	General Manager Corporate Services
Megan Bradman	Manager Customer Experience
Nick Marwe	Unit Manager Engagement, Media and Events
Matt Green	Community Engagement Coordinator
Other	TBA

Resources and Budget

The team members and proposed budget for the Community Consultation internal audit project are listed in the following table:

Name	Position	Est. days
Eric Beere	Partner	1
Heather Martens	Director	1
Keirstyn Spencer	Subject Matter Expert	3
Danielle Hibbard	Senior Consultant	6
Hugo Fahlbusch-Moore	Consultant	9
Total days		20

Timing

The proposed timing for the Community Consultation internal audit project is for the project to commence in August 2022 with a draft report completed for consideration by early October 2022.

Approvals

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

CoM Internal Audit Project Sponsor:	KPMG Internal Audit Partner:
Name: Sorana Dinmore	*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 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.

COVID-19

1. COVID-19 has the potential to materially and adversely affect our ability to provide the Services under the Agreement.
2. Each party will co-operate with the other in implementing reasonable mitigation measures to enable us to perform the Services in a way that seeks to limit the risk or potential impact related to COVID-19.
3. If the performance of the Services is delayed or otherwise adversely affected by COVID-19 or any circumstances related to COVID-19 (including, without limitation, unavailability of personnel), we will not be liable for any failure to perform the Services and the time for performance of the Services will be extended by any such reasonable period as is advised by us.
4. If COVID-19, or any circumstances related to COVID-19, result in the parties being unable to put in place service performance mitigation measures that we consider appropriate or we conclude that we are not able to perform the Services, either party may terminate the Agreement by providing 5 business days' notice in writing.

7.10 Finance and Audit Committee Annual Report to Council	
Report Reference	FRAC220816R7.10
Originating Officer	Manager Office of the Chief Executive – Kate McKenzie
Corporate Manager	N/A
General Manager	Chief Executive Officer - Tony Harrison

REPORT OBJECTIVE

To seek input from the Finance, Risk and Audit Committee (FRAC) regarding the matters to be included within the Committee's Annual Report to Council.

EXECUTIVE SUMMARY

Each year, the Committee reports to Council on its operations for the past year (Clause 4.21 of the Terms of Reference). This report is traditionally presented to Council in October. A draft report will be presented to the Committee in October for endorsement first.

Feedback is sought from the Committee regarding items to include. Items that were covered in the 20/21 Annual report included:

- Risk and Control Framework
- Digital Transformation Program
- Assurance Mapping
- Internal Audit
- External Audit
- Annual Business Plan
- Prudential Reporting
- Service Reviews

Standards items that will be included are:

- details of meetings and meeting attendance
- future work program proposal

RECOMMENDATION

That the Finance, Risk and Audit Committee:

1. **Request that the following be included in the draft Finance and Audit Committee Annual Report to Council to be considered at its meeting in October 2022:**
    a. **X**
    b. **x**

ATTACHMENTS

Nil

8 Reports for Noting

8.1 Australian Service Excellence Standards - Update	
Report Reference	FRAC220816R8.1
Originating Officer	Manager Community Connections – Merran Fyfe
Corporate Manager	Manager Community Connections - Merran Fyfe
General Manager	General Manager City Services - Ben Keen

REPORT HISTORY

Report Reference	Report Title
FAC210817R8.2	8.2 Australian Service Excellence Standards – Audit Update

REPORT OBJECTIVE

To update the Finance, Risk and Audit Committee (FRAC) about the Australian Service Excellence Standards (ASES) assessment recommendations and implemented actions.

EXECUTIVE SUMMARY

The City of Marion (CoM) undertook ASES assessment and accreditation in March 2021 and achieved 100% compliance against all requirements. These findings were presented to FRAC on 17 August 2021 (FRAC210817R8.2).

The Australian Service Excellence Standards (ASES) assessment and accreditation measures an organisation's commitment to quality through the lens of community development. This accreditation helps secure and/or maintain external funding for CoM in the Community Connections department, specifically the Community Hubs Program funding.

CoM currently receives $285,308 (GST exclusive) per annum of funding from the State Government through the Department of Human Services (DHS) to run the Community Hubs Program. The Community Connections team through the Community Wellbeing business unit, manages the funding that delivers a variety of programs primarily through our Neighbourhood Centres. The Community Hubs funding agreement was recently extended for a further eight months, expiring 30 June 2023. There is no guarantee of continued funding.

On 17 August 2021 FRAC allocated the following action to staff:

> *Investigate the options for tracking the recommendations and provide a report back to the Committee in August 2022 with an update on the implementation of actions.*

The ASES panel identified 19 recommendations for continuous quality improvements throughout the organisation. These actions are not required to meet future ASES accreditation. Staff have considered these recommendations and, where appropriate, been working to implement the actions in part or in full (see Attachment 2).

RECOMMENDATION

That the Finance, Risk and Audit Committee:

1. **Notes the report.**

DISCUSSION

In March 2021 CoM hosted a three-day onsite assessment, including interviews with the CEO, Executive Leadership Team, Senior Leadership Team, Unit Managers, Program Managers, coordinators, staff, volunteers, external stakeholders and clients. The assessment team also visited seven CoM sites to determine compliance with the required standards. For the second time the assessment panel found that CoM had 100% of the requirements 'Fully in Place' for the nationally recognised accreditation, which lasts for three years, refer Attachment 1.

Post the presentation of assessment outcomes to FRAC in August 2021, staff created a SharePoint file with the purpose of being able to track the implementation and/or consideration of recommendations (see Attachment 2). This is a singular tool for tracking all 19 continuous quality improvements that were recommended and shared across multiple departments throughout the organisation.

Resignation of several key staff within weeks of this project being reported to FRAC resulted in recommendations sitting inactive for several months, however it was readdressed early in 2022 following recruitment processes of those positions being completed. At this point, all actions were allocated and/or reassigned to relevant staff within CoM.

In some cases it was noted that projects included in the recommendation had already commenced and were significant existing organisational wide projects separate to ASES recommendations being provided (e.g. Digital Transformation Project as noted in recommendation C.2.3.4 in Attachment 2). In all cases, staff have reviewed the ASES recommendations and provided updates regarding these actions as of July 2022.

The current progress of the 19 recommended continuous quality improvements is summarised below:

	Ongoing	In Progress	Completed
Recommendations	10	3	6

Those noted as ongoing have been considered by staff as not being a defined project and/or not having a time specific outcome. They are to be incorporated into general business unit activities (eg exploring partnerships, cultural awareness and improvements in community feedback). Those in progress will have a defined end date.

Progress on some actions has been affected by staffing changes and the effect of COVID-19 within the organisation, and others have been noted as not being adopted/not applicable with rationale for this decision and/or noting provided.

ATTACHMENTS

Attachment 1 - Summary results extracted from full report: City of Marion, ASES Certificate Level - External Assessment Report 2021. June 2021, Part 3, page 9.

Attachment 2 - Updates on implementation of actions.

Attachment 1

Extracted from the full report. Reference ASES Certificate Level – External Assessment Report 2021. V.8 FINAL Report June 2021, Part 3, page 9

Australian Service Excellence Standards (ASES) External Assessment (EA) Report SUMMARY TABLE	To be completed by External Assessor				
Certificate Level	Number of 'Essential' Requirements				
Category/Topic	Max. Achievable	Not in Place (NIP)	Partly in Place (PIP)	Fully in Place (FIP)	% Fully in Place
Leadership and Management					
1 Planning	9			9	100%
2 Governance	25			25	100%
3 Financial and Contract Management	12			12	100%
People, Partnership and Communication					
4 People	19			19	100%
5 Partnerships	6			6	100%
6 Communication	7			7	100%
Service Provision					
7 Service Outcomes	8			8	100%
8 Consumer Outcomes	13			13	100%
TOTAL	99			99	100%

Owner	Recommendation	Status	Due Date	FRAC Update	Applicable report/Supporting documenta
Megan Bradman	C.1.1.1 CQI Recommendation: The Vision and Values could be consistently promoted at all sites so that they are visible to staff and the community.	Completed		The City of Marion Vision and Values are running in rotation on all public digital display screens including the Administration building, Libraries and Neighbourhood Centres, as well as staff screen savers. They have been added to the website, E-talk, City Limits, and other internal and external City of Marion Publications. They are also displayed at Council run facilities with location at each site determined on case by case basis.	
Victoria Moritz	C.2.2.2 CQI Recommendation: As policies and procedures come up for review, consider how user friendly and accessible they are for a broad audience. Consistency of language and reducing the text complexity could make the documents easier to follow.	Ongoing	N/A	A policy consultant has been engaged to undertake a review of public and legislative policies as part of the review process. The focus of the review is to consider consistency of language and ensure the context is easily understood by the end reader. This is an ongoing process as items come up for review.	
Victoria Moritz	C.2.2.4 CQI Recommendation: Continue with plans to review and update all Administration policies and procedures.	Ongoing	N/A	A new Governance Officer has been appointed and commenced June 2022. Prior to this the role had been vacant for some time. In collaboration with the policy consultant, one of the key responsibilities of the Governance Officer is to complete this recommendation as items come up for review.	
Marcel Althoff	C.2.3.4 CQI Recommendation: Continue with full implementation of the Digital Transformation Program.	In Progress	Ongoing	The City of Marion is transforming our IT systems over the next three years to place our community at the centre of everything we do. There are 12 projects within the Digital Transformation Program, the progress of each can be viewed on the CoM Intranet. Regular updates and training are provided to staff as the project progresses. Some key milestones that have been achieved in the last 12 months are: - Digital Literacy & Cyber Security Awareness - Targeted August 2023 - HRIS Phase 1 - Due July 2022 - CRM System Phase 1 - Completed June 2022 - Asset Management System - Targeted June 2023 - Financial Transformation - Implemented June 2022 - Unified Communications - Due July 2022 - Devices Fleet Management - Completed June 2022	Examples FRAC220222R8.2 EMF220215R1.5
Sheree Tebyanian	C3.1.3 CQI Recommendation: monitoring financial requirements for funding bodies could be systemised utilising other compliance management systems.	Completed		Grants are managed in two different ways, subject to the nature of the grant. All grant management regarding finance, reporting and acquittal are the responsibility of the budget/project owner. For grants of recurrent nature - they are part the Annual Business Plan process, subject to three budget reviews, and are reported on through monthly budget processes with ELT, SLT and budget/project owners. For grants of more 'ad hoc / one off' nature (e.g., BeConnected in Libraries, Open Space opportunities, DIT, etc) these are collated in a spreadsheet and is reported on monthly to ELT. The PowerBi capability for this report has been established and requires some further technical support prior to full implementation, which is considered additional to this ASES recommendation. ELT and Strategy teams are satisfied with the current process and outcome.	Monthly reports to ELT

Ann Gibbons	C3.2.4 CQI Recommendation: A checklist or set of practice standards could be developed to guide the facilities in consistently implementing sustainability measures aligned to the environmental plan. Implementation could be checked as part of the site inspections. Leading practice examples shared across sites.	Ongoing	N/A	All WHS site and process audits include environmental considerations. Funding was received from Green Industries SA to support an independent waste assessment, documenting waste management systems across all council facilities and identifying improvements for resource recovery. 15 sites have been reviewed and recommendations from these inspections will be implemented during 2022/23. Targeted and site specific staff awareness sessions are also being planned. Carbon Neutral Plan / Environmental Sustainable Design Guidelines: A key action in the CNP endorsed by Council last year was to develop some Environmental Sustainable Design Guidelines for New Buildings and Refurbishments (ESD Guidelines) and a Sustainable Buildings Maintenance Guideline (SBMG). The documents were endorsed by ELT in September 2021 along with an Implementation Plan to guide how they will be embedded across the organisation. Several activities to support this have been progressed this year including: • Embedding in key documents such as the Buildings and Structures Asset Management Plan, the Procurement and Contractor Management Policy and the Facilities Design Specification. • Measurement of emissions benefits, benchmarking against the performance of Council partners and reporting on savings. A key project outcome has been approval to replace some of the gas water boilers at the Marion Outdoor Pool with electric water heaters. A review of solar capacity at the site is also underway to identify the feasibility of increasing the size of the existing 17.1kW rooftop solar system to meet some of the increased demand.	ASC220802R Environmental Sustainability Update GC220222R11.2 12.1 Carbon Offset Project - Next Steps EMF211109R1.1 Carbon Offset Project ASC211102R7.1 Environmental Sustainability ESD Guidelines discussed with ELT on 9 September 2021 An update on the Carbon Neutral Plan was provided to the 2 August ASC meeting as part of the Environmental Sustainability Update listed above and progress towards Council's carbon neutral by 2030 goal will be reported in the 4th Quarter Corporate KPI Report.
Jessica Lynch	C.4.1.3a CQI Recommendation: Introduce a more consistent approach to reviewing job descriptions with evidence included in employee files.	In Progress	December 2022	In the 2021/22 PDP/LDP cycle People Leaders have worked to ensure staff have an up-to-date Position Description saved in their personnel file, or alternatively have notified P&C to assist in this omission. This will then be uploaded into each Aurion profile when the platform has the capability to do so, planned to be later in 2022.	
Jessica Lynch	C.4.1.3b CQI Recommendation: Continue with implementing a consistent approach to identifying which positions (outside of legislated or contractual requirements) require police checks taking into consideration risk and reputation.	Completed		All new positions require a police check, with some identified positions needing further checks/clearances as deemed appropriate, depending on duties.	
Merran Fyfe	C.4.1.9 CQI Recommendation: Consider a more consistent approach to maintaining supervision records.	Completed		Recommendation relates to PDs, Performance Plans and ongoing supervision. See notes in 4.1.3a and 4.1.3b. Additionally there has been a new PDP process developed during 2022 and launched July 2022 to be used for all 2022/23 PDPs.	
Jessica Lynch	C.4.3.1 CQI Recommendation: Consider the need to reinstate the Diversity and Inclusion Working Group.	Completed		At this stage People & Culture have decided not to reinstate the Diversity and Inclusion working group. This group was formed for a specific purpose (the implementation of the Workplace Diversity and Inclusion Plan) and fulfilled this purpose. City of Marion has a group of Diversity and Inclusion Contact Officers who are employees of the organisation that receive training and become a safe space for all staff to speak with in relation to issues within the workplace. City of Marion does provide training around cultural diversity as part of the induction package for all staff and is working towards a specific cultural literacy program, which would further opportunities for staff.	

Melissa Batt	C.4.3.2 CQI Recommendation: Consider potential to use the Living Kaurna Cultural Centre (LKCC) to increase staff awareness of Aboriginal culture with a local focus.	Ongoing	N/A	At the time of the Audit the LKCC was managed by Council and toured by the Assessors as part of their visit. It is now managed by Southern Cultural Immersion (SCI) and opportunities for staff to engage at the LKCC have changed. Council still supports the SCI and staff are encouraged to participate in events and workshops there, wellness walks have been held at the site for staff and City of Marion recently supported (through funding) a large community event at the site. Future opportunities to use LKCC to increase staff awareness of Aboriginal culture will be investigated as the opportunities arise.	Refer CEO email (27/5/22) National Reconciliation Week and event support to SCI.
Melissa Batt	C.4.3.3 CQI Recommendation: Increase promotion of Aboriginal culture across sites – consider undertaking a cultural inclusion and engagement audit.	Ongoing	N/A	A Workplace Reconciliation Action Plan Barometer will be undertaken with all staff mid to late 2022. This will give baseline understanding of current First Nations Awareness within the organisation. This process is promoted by Reconciliation Australia as a tool to better understand cultural awareness and inclusion within an organisation. Developing Culturally Aware Perspectives was offered to staff and community in July 2022, as well as Kaurna Language Workshops in June, the latter which were held at various sites and fully booked. 15 Acknowledgment of Country plaques are being located throughout main Council facilities (e.g., admin, pool, neighbourhood centres, etc) to increase profile and awareness of Kaurna culture at each site. A new Reconciliation Action Plan is being progressed and staff and stakeholder consultation will commence in August 2022, for implementation from July 2023.	
Jessica Lynch	C.4.3.4 CQI Recommendation: Consider strengthening the monitoring and reporting of workforce diversity data. Include the process in the Diversity and Inclusion Plan.	In Progress	June 2023	People and Culture is reviewing what diversity data can be captured under our workforce reporting (e.g., currently gender data is reported monthly; Aboriginal employment data is reported against the corresponding action in our Reconciliation Action Plan). People and Culture will review options for a revised Diversity & Inclusion Plan in 2022/2023.	
Megan Bradman	C.6.1.5 CQI Recommendation: Consider using technology (e tools and apps) to improve level of feedback from the community.	Ongoing	N/A	The Customer Relationship Management (CRM) platform has now been implemented and is accessible on the CoM website. The CRM allows us to capture and report on complaints organisationally and at the divisional level. At this stage any analysis for business improvements or common themes sits at the divisional level. Customer Satisfaction (CSAT) questions are being implemented to survey customers across a range of channels (CRM, email, phone and face-to-face).	

Victoria Moritz	C.6.1.7 CQI Recommendation: Consider increasing exposure to the Information Sharing Guidelines and Protocols by use of the ISG Audit Tool to ensure ongoing compliance. Provide online training for all frontline staff and managers as part of induction.	Completed		ISG information shared to key / relevant staff, additional to the existing processes regarding the sharing of information that front line staff received through their specific role inductions. Ongoing support on this topic is also provided through records and governance departments to all staff. Council operates in accordance with relevant legislation which promotes honest, open and accountable government and encourages community participation in the business of Council. In particular, the Code of Practice – Access to Council Meeting and Documents sets out the policy framework for access to meetings and documents and provides guidance as to the application of provisions in the Local Government Act 1999. Council is also subject to the Freedom of Information Act 1991. The objects of the Freedom of Information Act 1991 are: • To promote openness in government and accountability; and • To facilitate more effective participation by members of the public in the processes involved in making and administration of laws and policies. These objects are to be achieved as follows: • Ensuring that information concerning the operations of Council is readily available to members of the public and to Members of Parliament; • Promoting a legally enforceable right to be given access to documents held by government, subject to restrictions that are consistent with the public interest and the preservation of personal privacy; and • Enabling each member of the public to apply for the amendment of such government records concerning his or her personal affairs as are incomplete, incorrect, out-of-date or misleading.	
Jessica Lynch	C.8.1.5 CQI Recommendation: Consider ways of measuring and promoting the impact of community connections and volunteering on employment pathways.	Ongoing	N/A	At this stage this is not formally measured or promoted, however pathways of volunteering, traineeships and placements within Community Connections are often used as 'testing' space for potential future workforce with CoM, including transition to casual employment if suitable opportunities arise within the organisation. Community Connections will also work specifically on expanding skills during volunteering to better employment opportunities external to City of Marion if this is identified through their onboarding as a reason for volunteering with CoM. Considerations are being given to future measurement and promotion tools.	
Damian Garcia	C.8.1.6 CQI Recommendation: Explore partnerships with Centrelink and Job Network Providers to support employment pathways through libraries and other facilities.	Ongoing	N/A	While there are no formal partnerships in place, there are a number of informal arrangements in place. For example, given the proximity of the Marion Cultural Centre Library to Centrelink, Library staff have ensured that Centerlink is aware of services offered at the library that may assist. Customers are regularly referred to the library to use resources, such as printing, PC's and WiFi as well as programs. There is an agreement between the Library and Sarina Rosso (employment agency) around use of meeting rooms to provide employment services from the library. Further partnerships will be explored through Neighbourhood Centres once full recruitment of new structure is complete, which includes a Grants and Partnerships role (expected mid 2023).	
Megan Bradman	C.8.2.1 CQI Recommendation: Improve the level of feedback from the community and the capacity to capture and analyse all feedback and complaints. Consider the use of technology, for example digital tools and apps.	Ongoing	N/A	Refer C.6.1.5	

Megan Bradman	C.8.2.5 CQI Recommendation: Consider capturing trends in community feedback and complaints. Ensure that all feedback and complaints are recorded for analysis.	Ongoing	N/A	Refer C.6.1.5	

8.2 DTP - Quarterly Status Update	
Report Reference	FRAC220816R8.2
Originating Officer	Senior Digital Transformation Program IT Manager – Marcel Althoff
Corporate Manager	- N/A
General Manager	General Manager Corporate Services - Sorana Dinmore

REPORT HISTORY

List any relevant report references - optional field, remove table and heading if not required

Report Reference	Report Title
FRAC220517R7.1	Digital Transformation Program Update
FAC211012R7.5	Digital Transformation Program Update

REPORT OBJECTIVE

The purpose of the report is to update the Committee members on the progress of the Digital Transformation Program (DTP).

RECOMMENDATION

That the Finance, Risk and Audit Committee:

1. Note the update on the Digital Transformation Program.

DISCUSSION

The City of Marion Digital Transformation Program (DTP) is supporting a wholesale change in approach for CoM, putting the community at the centre of our service delivery and responding to the strategic plan imperatives set by Council, through replacing and renewing major technology systems across twelve projects. It is an ambitious program that has delivered among others, a new finance system, a customer relationship system and cloud-based, collaboration tools like Microsoft 365 and GIS ESRI. All projects are underpinned by a digital literacy and cybersecurity awareness project, aimed at our staff, our elected members, and our community.

The focus over the next twelve months will be the refinement and improvement of the foundational digital transformational projects which have been completed and the implementation of the Asset Management System, ongoing digital literacy and cybersecurity awareness and a series of projects to further enhance the CoM transformational journey.

<u>Resourcing</u>
Recruitment and retention of resources remains an ongoing challenge. Over the last quarter we had several resignations, including two Project Managers, two Business Analysts (yet to be filled), two support staff and a new Change Manager.

<u>Governance reviews & audits and project implementation reviews (PIR)</u>

The EQI Consulting report has been reviewed and the recommendations are currently being actioned. The Payroll / HRIS project review has now been completed and we are beginning to implement its recommendations with the support of a specialised Payroll / HRIS third party to help us met the objectives of the project in the short term. The external review also recommended that

we seek a different Payroll / HRIS solution due to changes in the company's products roadmap and deficiencies in the product that have resulted in additional operating costs.

AUGUST 2022 UDPDATE

CoM 1: DLCA (Digital Literacy and Cybersecurity Awareness)

A Pilot has commenced with the Open Spaces area to assess, benchmark and train qualifying staff to raise skill levels to a digital literacy framework competency level of 2. Twenty-five staff attended assessment. With twenty-two people qualified for training. This means that twenty-two people have been assessed as at competency level 3 or below. Training will take place, with our vendor, Navitas onsite at the end of August. This will provide 20 hours of Digital Literacy training for each participant over a 10-week period. The training is funded by a federal program.

Investigation is underway to increase the scope of this pilot across the business.

Upcoming horizons include: Stakeholder Management and Communications Plan is a priority deliverable for August, a page within the City of Marion website for our community to enable one place for the community to view Digital Literacy support programs and deeper engagement with community partners.

CoM 2: HRIS (Human Resources Information System including Payroll Project)

While a review of the overall project has been conducted, work is continuing to deliver some of the objectives. The Recruitment and Onboarding Module is currently on track for a soft launch over August as teams initiate new recruitment.

CoM 3: CRM (Customer Relationship Management)

The CRM project is live, and our rates portal is live for the community as well. A review of the initial CRM implementation has been completed with several suggested improvements to the workflow being developed and updated within the product. The intention is to re-implement these improvements and re-train / re-focus throughout the business within the next 1 to 2 months.

The Elected Member Portal is now complete, and its functionality demonstrated to the Elected Members and has received valuable feedback. Additionally, the integrated Hard Rubbish module is scheduled to be implemented in early September 2022.

CoM 4: Asset Management System

A new PM has commenced with the City of Marion which has helped reset the project. Due Diligence is being carried out, which has highlighted areas requiring further development. These areas include better developed Business Requirements and Journey Mapping, a full security assessment of the system and better controls over data sharing. The scope and schedule are being worked through with the Business and Vendor to ensure the City of Marion gains value early and frequently.

The scope of the Asset Management Project is under review. Original scope of delivery was for software implementation only, however it has become clear that there is an increased need for process transformation and an uplift in data and process maturity in order for the City of Marion to realise the reporting benefits and predictive modelling required. The impact of the additional scope is under review. Once the review and impacts are understood, a paper will be sent for approval by senior stakeholders. Once the scope is approved, a full schedule will be made available on future milestone delivery for this project.

CoM 5: Finance System

The Finance Project has been implemented and is operational throughout the business, we are continuing to work through initial issues, and are a couple of weeks from where we expected to be by now due to sickness and other resources constraints. We are on track to resolve the majority of the outstanding items within the month, with a plan to further improve the workflow and effectives over the coming months.

CoM 6: Microsoft 365

This Project will require ongoing support with administration now that the external contract has ended. Further options are being canvassed currently.

CoM 7 and 8: The SharePoint Project and GIS

These have transferred into ongoing maintenance, post completion.

CoM 9: Data and Analytics Project

No progress was made on this project due to lack of resources.

CoM 10: The Unified Communications Project

The Pilot Project has been rolled out to use Teams as our communication tool including phones.

The broader technical rollout is complete, we are now planning and actioning the change management activities over the month of August.

CoM 11: The Devices Fleet Management Project

Stage 1 of the Project is complete with new devices purchased and allocated to staff by the Helpdesk Team.

CoM 12: AV Access in meeting rooms

All meeting rooms are now equipped with Meeting Owl Pros and TVs. Additionally, the Chamber now has a splitter installed that allows the TV screens to now work.

Digital Transformation Update: August 2022

Digital Transformation Program	Orig. End date	F/cast End date	Fortnightly Project Status - RAG Status					Last Period	This period	PM	Key Risks / Issues emerged this period	Comments
			Scope	Schedule	Cost	Benefits / outcome	Resource					
Overall Program	**Oct-22**	**Oct-23**	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Marcel Althoff	Refer to project issues below.	Solid improvement on all projects over the last three months. Improved levels of Stakeholder engagement have occurred across all projects.
Dig. literacy & cyber sec. awareness	May-20	Aug-23	Green	Green	Green	Green	Amber	Amber	Amber	Lisa Jones	Scope: Short term plan drafted. Deliverables drafted and to be endorsed over the next 2 weeks. Schedule: Short term schedule on track to deliver navitas training pilot in July. Currently in Discovery Phase. Full Project schedule to be completed by the end of July. This will move the status to Green. Resources: Isabel and Llyod moved onto Finance Project.	Overall: Amber - Several indicators will revert to green when the draft Plan with the forward outlook for schedule, budget, and attainment of scope (delivered products) is approved. Scope: Initial scope drafted Schedule: Draft deliverables created. Cost: TBD Benefits: Measures are to be associated with the Objectives, and measurement method and process is to be defined. Resources: Training Coordinator back on the project. Change Manager engaged. BA to return next week.This will send the resource status to Green
HRIS 1 (HR modeules)	Jan-22	Sep-22	Green	Green	Green	Amber	Green	Green	Green	Rob McLean	Activities for resolvoing outstading tickets are continuing. business is being involved and dates are being communicated from Aurion as to when resolutions will occur.	Schedule: Recruitment/onboarding module Go Live August Scope: The scope of this project is looking to implement the recruitment and onboarding component. This will give us a good foundation for understanding of what we will need in this capability moving forwards and give additional benefit of informing IT and payroll through new staff coming into the org. This will also give P&C an understanding of their workforce levels and movement of staff around the organisation. The solution we are implementing should be viewed as a tactical solution and the learnings we find over the next few months will inform any future projects embarking on a more enterprise HRIS solution.
HRIS (Review)	Jan-22	Aug-22	Amber	Amber	Amber	Red	Amber	Amber	Amber	Rob McLean		External review completed, findings and recomendations outliined in DTP ELT July paper
CRM system (Hard-Rubbish)	Jul-22	Sep-22	Green	Amber	Green	Green	Green	Green	Green	Rob McLean	Risk: Business has been unavailable to conduct required tasks for the PDF generation. The project is now at risk to miss the current go live date. The business has indicated they will commence the task in the week commencing the 25th. External vendor integrations of Tip tickest and hard waste due to nothing agreed as yet. This is still being monitored and managed by the project.	Hard Waste project Sprint 3, Demo to key business stakeholders complete, and recieved very favourably. and practically signed off as acceptable. currently wating on business users to provide automated responses and provide PDF's required to go out to customers. This was to be done by internal resource hosevr the resource has left and we are in discussions with the vendor to casrry our this work. Meetings for the truck drivers for the App is being organised and will occure by the end of this week.
AMIS	Jul-22	Jan-23	Amber	Amber	Green	Amber	Red	Red	Red	Lisa Jones	Scope: Workshops in place to agree integration process scope Schedule: New Roadmap produced focusing on realising system value early. Roadmap endorsed. Detailed whole of project schedule to be complete for end of July. Resource: BA and GIS Specialist on leave Only one BA to work with the PM for the month of July.	Overall: Red: Scope: Focusing on next 3 milestones. Workshops are in place to verify gap in requirements for integration for HRIS. Schedule: Roadmap Approved. Full schedule in progress. Resources: 2 additional BAs required. Change Manager coming up to speed Due to planned leave, 2 members of the project team will be on leave for the month of July.

Digital Transformation Update: August 2022

Financial transformation	Oct-22	Sep-22	Green	Amber	Amber	Green	Amber	Green	Amber	Dave Winfield	Risk: Potential audit issue with change in Requisitioning process (Agilyx are working on the solution)	Go live has gone very well to date, with numerous requisitions raised across the business. We are expecting issues to arise as more users engage in additional processing over the next weeks, and the project team will conitnue to work with the Business and Agilyx to resolve them. Work has now resumed on implementing the Vena Budgeting Tool. A Point of Sale (POS) solution is to be identified, and POS activities will continue to be maintained in Authority for the short terrm. We are targeting other operational items cosmetic changes to be addressed this week.
Data analytics	Apr-22	Nov-22	Green	Red	Green	Amber	Red	Red	Red	Kate McKenzie	Schedule: overdue since June 2021 Cost: we aren't spending the allocated budget and the draft strategy exceeds budget. Benefit: High level summary in scope doc. Resource: Project currently unresourced	Resource: Recruitment for two Business Intelligence Analysts is current in progress.
Unified comms	Jun-21	Aug-22	Amber	Amber	Amber	Green	Green	Amber	Green	Rob McLean	A plan for the next few weeks has been developed to assist go live. This is now out for review and waiting for approval to go ahead.	Finalisation of user groups, go live has been extended to the end of August to allow suitable time for appropriate Change Management activities.
Devices Fleet management	Jan-21	Jul-22	Green	Green	Amber	Green	Green	Green	Green	Carl Funk	No issues	Project complete - handed over to the business for the next refreash of laptop, lessons learnt and project close out report to be completed by the 20th of August
AV access in meeting rooms	Dec-20	Jul-22	Green	Green	Green	Green	Green	Green	Green	Carl Funk	No issues	Project complete now handed over to the business - lessons learnt and project close out report to be completed by the 20th of August
IMaaS Infringments & Fines	Jul-22	Sep-22	Green	Amber	Green	Green	Amber	Green	Green	Matt Kovarik	Schedule: There could be a delay in schedule due to payment gateway vendor not yet setup which is needed for Go-Live, talking with Finance to push along Resources: Monitor training/BA resource needed to assist with as in documentation & training in month of August	Overall: Green Vendor Building solution ready for UAT Key SME's identified for UAT and training Start developing user guides/FAQ for staff Identify financial process needed between IMaaS and FinForce
Property & Rates	Nov-22	Dec-22	Green	Green	Green	Green	Green	Green	Green	Dave Winfield	P&R Team will need to continue to work in Authority until new (Altitude) system is live.	Contract negotiations with Civica in final stages

Digital Transformation Program Status Update Discussion areas

Key Program Achievements this Period

Financial Transformation: Has now gone live on the 4th July
HRIS recruitment module planned for a soft launch in mid August
CRM hard rubbish module to go live end of early September
Unified Comms on track for launch end of August
DL&S training has started week of the 4th July

Key Program Focus areas for next period

Refer to comments to address Ambers and Reds at Program and Project Level
Need to address the two PM and Change Manager resource shortfall
Team is focsued to support the Financial Transformation implementation over the coming weeks

Program Decisions Required and outcomes

The loss of the CoM Change Manager resulted in the DTP team needing to find an alternative solution to help support the business during the upcoming Financial Transformation implementation date.

Key Program Actions

Refer to comments to address Ambers and Reds at Program and Project Level

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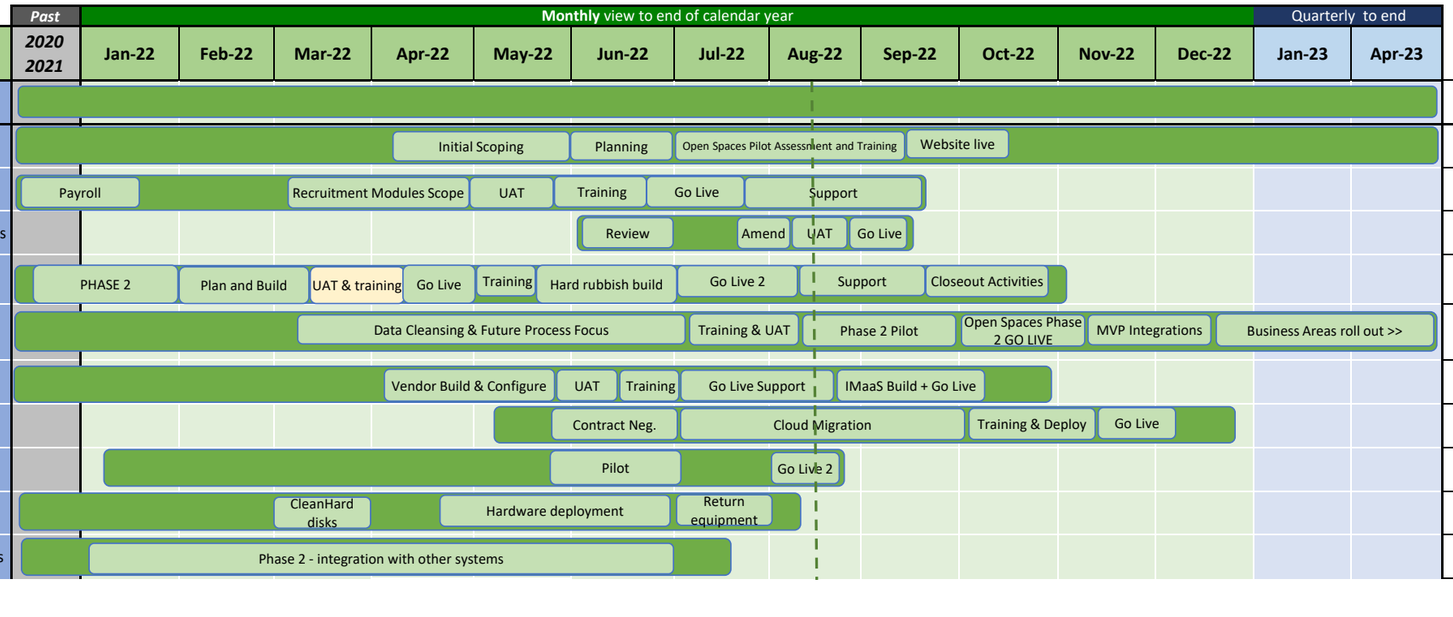
Digital Transformation Program



#	Project Name			
0	**Overall Program**	Marcel Althoff	Business units impacted	SLT members
1	Digital literacy and cybersecurity awareness	Lisa Jones	All business units, esp. Outdoor workforce.	All SLT
2	Payroll +HRIS	Rob McLean	All business units	All SLT
2	Payroll System Amendments	TBC	All business units	All SLT
3	CRM system	Rob McLean	All maintenance reqts.	Bradman, Troop
4	AMIS	Lisa Jones	Engineering, Assets & Envo	Allen, Lyons, Vi-Alternetti, Troop, Hughes
5	Financial transformation	Dave Winfield	Finance & all business units	Ray Barnwell & all SLT.
5.1	Property & Rates	Dave Winfield	All business units	Ray Barnwell
10	Unified communications	Rob McLean	All business units	All SLT
11	Device Fleet management	Micheal Bowden / Carl Funk	All business units	All SLT
12	AV access in meeting rooms	Carl Funk	All business units	All SLT

9 Workshop / Presentation Items

10 Other Business

11 Meeting Closure

The meeting shall conclude on or before 5.00pm unless there is a specific motion adopted at the meeting to continue beyond that time.