

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, 13 December 2022 at 2.00 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

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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 11 October 2022

Report Reference	FRAC221213R4.1
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 11 October 2022 be taken as read and confirmed.

ATTACHMENTS

1. FRA C 221011 - Final Minutes [4.1.1 - 13 pages]



**Minutes of the Finance, Risk and Audit Committee
held on Tuesday, 11 October 2022 at 2.00 pm
Council Chamber, Council Administration Centre
245 Sturt Road, Sturt**



**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 - Ben Keen
General Manager City Development - Tony Lines
Chief Financial Officer - Ray Barnwell
Manager Office of the CEO - Kate McKenzie
Unit Manager Governance and Council Support - Victoria Moritz
Manager IT Operations - Micheal Bowden
Unit Manager Strategy and Risk - Maddie Frew
Risk Business Partner - Tania Del Torre
Unit Manager -Statutory Finance and Payroll - Andrew Doyle
Tim Muhlhausler – Galpins
Juliano Freitas - Galpins

Guest Speaker

University of Newcastle, Dr Trevor Seymour-Jones

1 Open Meeting

The Chair opened the meeting at 2.00pm.

2 Kurna Acknowledgement

We acknowledge the Kurna 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:

- NIL



4 Confirmation of Minutes

4.1 Confirmation of Minutes of the Finance, Risk and Audit Committee Meeting held on 16 August 2022

Report Reference FRAC221011R4.1

Moved Councillor Duncan

Seconded Ms Rantanen

That the minutes of the Finance, Risk and Audit Committee Meeting held on 16 August 2022 be taken as read and confirmed.

Carried Unanimously

5 Business Arising

5.1 Business Arising Statement - Action Items

Report Reference FRAC2210115.1

The Committee noted the report. Clarification was sought on the process around the CEO Credit Card Statement to confirm the Mayor was required to sign off on the statement and not just review. Management confirmed the process in place was for the Mayor to physically sign off on this.

The Committee questioned the revised due date relating to Item 2 around the Service Review Program and sought commentary around overdue items. Management advised the Service Review Program is progressing with the other two Councils in preparation of this to be presented back to the Committee. Management also confirmed other revised due dates were not of concern and there was no risk within these items.

Moved Ms Rantanen

Seconded Mr Papa

That the Finance, Risk and Audit Committee:

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

Carried Unanimously

6 Confidential Items

6.1 Cover Report - Fraud and Corruption 2021-22 Report

Report Reference FRAC221011F6.1

Moved Ms Rantanen

Seconded Mr Papa

That pursuant to Section 90(2) and (3)(e) of the Local Government Act 1999, the Council orders that all persons present, with the exception of the following persons: Chief Executive Officer, Chief Financial Officer, General Manager City Development, General Manager City Services, General Manager Corporate Services, Manager Office of the Chief Executive, Unit Manager Governance and Council Support, Unit Manager Strategy and Risk, Risk Business Partner, be excluded from the meeting as the Council receives and considers information relating to Fraud and Corruption 2021-22 Report 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 information relates to matters affecting the security of the council.



Carried Unanimously

2.04pm the meeting went into confidence

Moved Councillor Duncan

Seconded Ms Rantanen

In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Committee orders that this report, Fraud and Corruption 2021-22 Report, 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 upon which a review will be conducted. This confidentiality order will be reviewed at the General Council Meeting in December 2022.

Carried Unanimously

2.13 pm the meeting came out of confidence

6.2 Cover Report - Sam Willoughby BMX Track Claim Progress Update

Report Reference FRAC221011F6.2

Moved Councillor Duncan

Seconded Mr Papa

That pursuant to Section 90(2) and (3)(b) of the Local Government Act 1999, the Council 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, Unit Manager Strategy and Risk and Risk Business Partner, be excluded from the meeting as the Council receives and considers information relating to Sam Willoughby BMX Track Claim Progress 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 information relates to commercial and financial information.

Carried Unanimously

2.14pm the meeting went into confidence

Moved Mr Papa

Seconded Councillor Duncan

In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Committee orders that this report, Sam Willoughby BMX Track Claim Progress Update, any appendices and the minutes arising from this report having been considered in confidence under Section 90(2) and (3)(b) 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 upon which a review will be conducted. This confidentiality order will be reviewed at the General Council Meeting in December 2022.

Carried Unanimously

2.29pm the meeting came out of confidence

7 Reports for Discussion



7.1 Council Member Report

Report Reference FRAC221011R7.1

Moved Councillor Duncan

Seconded Ms Rantanen

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 Services, General Manager City Development, Chief Financial Officer, Manager Engineering, Assets and Environment, Manager Office of the Chief Executive, 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 an update on the City of Marion Water Business, 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 matters that may impact commercial contracts with 3rd parties.

Carried Unanimously

2.29pm the meeting went into confidence

The Committee went into confidence and a brief overview was provided on the following Confidential Item from the Elected Member Report:

- City of Marion Water Business Update (SGC220823F8.2)

2.30pm the meeting came out of confidence.

Moved Ms Rantanen

Seconded Councillor Duncan

That the Finance, Risk and Audit Committee:

1. Notes this report.

Carried Unanimously

7.2 Independence of Council's Auditors

Report Reference FRAC221011R7.2

Moved Mr Papa

Seconded Ms Rantanen

That the Finance Risk and Audit Committee:

1. Notes the statement provided by Council's Auditor attesting to their independence in accordance with the Local Government (Financial Management) Regulations 2011 for the 2021-22 financial year (Attachment 2).
2. Notes that the CEO will be signing a statement that Council's external auditor Galpins maintained their independence in accordance with the Local Government (Financial Management) Regulations 2011 for the 2021-22 financial year.



3. Endorses the Chairperson signing a statement that Council's external auditor Galpins maintained their independence in accordance with the Local Government (Financial Management) Regulations 2011 for the 2021-22 financial year.

Carried Unanimously

7.3 Annual Financial Statements for the year ended 30 June 2022

Report Reference FRAC221011R7.3

The Chief Financial Officer introduced the item and provided a summary of the City of Marion's Annual Financial Statements for the financial year ended 30 June 2022. Council achieved an Operating Surplus of \$0.542m compared to an operating surplus of \$0.256m for 2020-21. The key factors contributing to the movement in operating surplus are detailed in Attachment 2 (Analytical Review -). The Annual Financial Statements for the year ended 30 June 2022 have been completed with Council's Auditors indicating they expect to issue an unmodified audit opinion, subject to subsequent events review up to the date of the audit opinion and receipt of management's signed representation letters.

The Committee provided the following comments:

- Sought confirmation on the Asset Revaluation movements and the application of unit rate increases on infrastructure assets revaluation with Management confirming this was applied with the desktop infrastructure revaluation assessment.
- The Committee queried the plan to lift the renewal ratio. Moving forward, the renewal ratio will be close to 90 – 100%, however will may pull back in times of focus on new infrastructure.
- Management commented on the CoMPAS which includes \$73m - \$75m of renewal and upgrades built in over 10 years. With the CoMPAS, heightened levels of governance and due diligence, we should see this increase and will build more predictability into the regime.
- The DTP projects were discussed noting increased operational costs on prior year. The Chief Financial Officer commented the increase cost in relation to the DTP program is spread over three years commenced in back half of 2020-21 and in full implementation in 2021-22 impacting the increase in cost on prior year.
- It was noted that there is no additional notes required in the statements in relation to the impacts of COVID-19 with the organisation operating business as usual now.
- The Committee questioned the description in the report of the Asset Funding Renewal and thought we had moved towards a using the targeted renewal expenditure in calculating the ratio. It was confirmed that we use the targeted renewal expenditure as the denominator in the ratio as stated correctly in the Financial Statements and that the description in the report itself should be changed to reflect that.
- It was noted the interest rate used for borrowings in the Long-Term Financial Plan is 4.85% and will be adjusted to cater for interest rate movements since adoption in the next iteration.
- The Committee queried the reduction in the risk incentive and whether this was related to performance. Management advised this relates to the reimbursement of costs related to risk related activities. Special distribution schemes can be applied for specific projects if they meet criteria. Planning is underway for 2023/24 and this can be canvassed in an upcoming meeting with the scheme.
- It was noted there was an increase in CHSP grant funding and the Committee queried what this was for. Chief Financial Officer advised this grant was for Emergency Support for Covid that we had applied for.
- The Committee also noted in the functions note the \$1.9m increase in cost for Governance function. Staff advised this includes a direct allocation for costs associated to the DTP. Rather than spreading these across many other functions and distorting the comparatives, they have been allocated as a once off expenses in Governance under organisational excellence.

FRAC221011 - Finance, Risk and Audit Committee - 11 October 2022



7

- Commented on the short-term deposits and queried whether we were exploring longer term deposits with the average around 90 days. Staff provided reassurance that they are exploring these longer periods. The shorter period was preferred while rates were low and longer-term investments is applied on a cashflow requirement basis which some recent deposits being pushed out to 180 days.

Moved Councillor Duncan**Seconded Ms Rantanen**

That the Finance, Risk and Audit Committee:

1. Recommends to Council that the audited Annual Financial Statements for the year ended 30 June 2022, as included at Attachments 3-4, be adopted.
2. Notes Galpins Audit Completion Report, as included at Attachment 5.
3. Notes the comparative analysis to prior year audited Annual Financial Statements and original adopted 2021-22 budget (Analytical Review), as included at Attachment 2.

Carried Unanimously

7.4 Meeting with the External Auditors in Confidence

Report Reference FRAC221011R7.4

Moved Mr Papa**Seconded Ms Rantanen**

That the Finance, Risk 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 Tim Muhlhausler from Galpins, as the Finance, Risk and Audit Committee meets with Council's External 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.

Include the following comments within the minutes:

- The committee met with the external financial auditors in camera and discussed the audit process and that it was a relatively smooth process for their first year. They noted the work they had performed on the asset valuations and the depreciation charges. They noted some delays in receiving initial information but advised that staff were very cooperative overall.

Carried Unanimously

2.49pm the meeting went into confidence

3.27pm the meeting came out of confidence

The Chair sought and was granted leave of the meeting to vary the order of the agenda and consider the item *City of Marion 2022 Asset Management Maturity Assessment Results* next on the agenda

FRAC221011 - Finance, Risk and Audit Committee - 11 October 2022



9.1 City of Marion 2022 Asset Management Maturity Assessment Results

Report Reference FRAC221011R9.1

Dr Trevor Seymour-Jones from the University of Newcastle provided a presentation and summary of the City of Marion's 2022 Asset Management maturity assessment results. In the 2021 assessment, Council achieved Core Maturity in all assessment elements, except Data & Systems.

The Committee noted the report and presentation. It was queried whether staff have had a chance to digest the results, and whether there was an action plan to address the findings. The General Manager City Services has de-briefed in detail with Dr Seymour-Jones and agrees with the findings. The team is working to have the connection from the bottom up through the implementation of new systems, consolidating data, lifecycle processes and testing roles and responsibilities. This will ensure CoM has the capacity to identify any gaps within the framework and being able to enforce this across the organisation. The results will be included in the audit actions and reported through this.

Moved Mr Papa

Seconded Councillor Duncan

That the Finance, Risk and Audit Committee:

1. Notes the report and presentation, providing feedback to support the progress of Asset Management at the City of Marion.

Carried Unanimously

7.5 Asset Valuations

Report Reference FRAC221011R7.5

Moved Mr Papa

Seconded Ms Rantanen

That the Finance, Risk and Audit Committee,

1. Notes the outcome of the 2021-2022 desktop valuation for all infrastructure assets.

Carried Unanimously

7.6 Business Continuity Program Annual Report 2021-22

Report Reference FRAC221011R7.6

The Manager Office of the CEO provided a brief overview of the item and of the initiatives undertaken through the BCM Program in 2021—22 which aim to ensure that disruptive events are managed in accordance with the BCM Framework. It was noted that further work had also progressed with KPMG on the Business Impact Assessment and the Recovery Strategies Project. There is a lot of work continuing in this space and current plans for exercises and further work on IT recovery strategies.

The Committee provided the following comments and feedback:

FRAC221011 - Finance, Risk and Audit Committee - 11 October 2022



- Noted the findings were moderate in relation to adequate equipment and queried whether this was an accurate reflection of the risk. Management advised this was on the back of the Business Continuity Audit, however Management are not hearing of any concerns in relation to this across the organisation. One of the key areas identified through the team gage results is in relation to resources and equipment, which is reported on monthly. There is no further indication of this through these results.
- Suggested including a description of how we have addressed the key observations against what the key observations are. Management have done a large amount of work on business recovery and working through the observations, taking on board the comments from the committee.
- The Committee noted there was a lot of effort put into larger physical disaster recovery efforts given the likelihood they may occur compared to smaller internal scenarios that may occur and questioned how prepared we would be for these smaller events if they occurred.
- The Committee discussed the criticality of the payroll function and if the recovery time could be two weeks (rather than one) based on work arounds? Management agreed that potentially it could.
- It was queried why the Council's northerly neighbours e.g. City of West Torrens had not been included within the BCP. Management advised the listed neighbouring councils are in our zone identified through the Emergency Management Zone set up by the Local Government Functional Support Group, however acknowledged that if needed, we could engage with different networks if needed.

Moved Ms Rantanen

Seconded Mr Papa

That the Finance, Risk and Audit Committee:

1. Notes the report and provides feedback on the annual program.
2. Notes the KMPG report outlining the BIA and Recovery Strategy Project
3. Endorses the revised Business Continuity Plan

Carried Unanimously

7.7 Finance, Risk and Audit Committee Annual Report to Council 2021/22

Report Reference FRAC221011R7.7

Moved Ms Rantanen

Seconded Mr Papa

That the Finance, Risk and Audit Committee:

1. Endorse the Annual Report to Council for 2021/22 provided in Attachment 1 to this report, subject to amendments as required, prior to being presented to the General Council Meeting on 25 October 2022.

Carried Unanimously

7.8 Internal Audit Program - Implementation of Recommendations

Report Reference FRAC221011R7.8

FRAC221011 - Finance, Risk and Audit Committee - 11 October 2022



Manager Office of the CEO introduced the item and provided an update on the status of implementation of recommendations from the Internal Audit (IA) program. It was noted staff had progressed through the implementation of the outstanding actions and the team was working with Managers to keep things progressing.

The Committee queried whether we had a new Project Management Officer. Management advised they are currently undertaking a full review of the Project Management Framework. This includes defining the four pillars, people, data, process and things across the organisation. General Manager City Services has taken accountability for this review with the aim of increasing the maturity level across the organisation. At the conclusion of the review senior management will be able to determine where this function best sits to enable organisational wide disciplines and methodologies to be implemented.

The Committee raised concern that historically this function has sat with the responsibility of one person rather than a team and is supportive of Management increasing the resources of the PMO.

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

7.9 Internal Audit Plan 2022 - 2023

Report Reference FRAC220816R7.9

The Committee noted the report as read and noted the scope for the Volunteer Management. The Committee queried if the onboarding process for volunteers was included within the scope and if the audit would look at how volunteer resources are allocated to services and if they are required with volunteers doing valuable work. It is noted if we over recruit, we may be increasing the risk unnecessarily. Management confirmed this is part of the considerations, however, will specifically request this is part of the scope. The Committee commented the scope should deliver a good result.

Moved Ms Rantanen

Seconded Councillor Duncan

That the Finance, Risk and Audit Committee:

1. Notes the progress of the Internal Audit Program.
2. Considers and provides feedback on the:
 - a. Volunteer Management Check scope (Attachment 1)

Carried Unanimously

8 Reports for Noting

8.1 Annual HSE Report

FRAC221011 - Finance, Risk and Audit Committee - 11 October 2022



Report Reference	FRAC221011R8.1
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The Committee noted the report as read and provided the following feedback:

- While Council has progressed in making significant improvements in organisational safety practices and culture. It should be noted that this progress is now being restrained by complex and overlapping WHS management system processes.
- Future continuous improvement in WHS performance will be contingent on improving workflow within our management system and focusing on the capacity of the end user to operate the system.
- Staff noted there was a lot to do, however all very doable.
- The Committee commented on the near miss reports and the increase of 5% from the previous year, suggesting although it is good to report on these, this might not be the right indicator. It was suggested that more training and positive activity would theoretically reduce near misses / hazards.
- Staff commented the Health and Safety Plan expires next year, and the revised plan will consider soft indicators includes how staff are engaged and the level of reporting.
- The Committee queried some of the dates in in Attachment A - WHS Management System Review, however, staff advised the report was written for the financial year as well as some of the item being held back pending review of the management system and plan.
- It was noted there are 1062 entries on the risk register. 966 of the entries are overdue for review. The Committee raised concerns around this number. Staff commented this was a reflection of how data had been entered into the system, not providing a holistic view. This has been reviewed with common entries pulled into one risk, now with 123 entries.
- It was noted these recommendations are specifically tracked through the Health and Safety Committee. The Committee also suggested a completed date could be included as well as a date raised to assist with the tracking of the recommendations.

Moved Mr Papa

Seconded Ms Rantanen

That the Finance, Risk and Audit Committee:

1. Notes this report and provides feedback on the priorities and organisational engagement

Carried Unanimously

8.2 Australian Service Excellence Standards - Update

Report Reference	FRAC221011R8.2
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Moved Mr Papa

Seconded Ms Rantanen

That the Finance, Risk and Audit Committee:

1. Notes the report.

Carried Unanimously

8.3 DTP - Quarterly Status Update
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Report Reference	FRAC221011R8.3
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The Chief Executive Officer (CEO) introduce the item and provided an update on the progress of the progress of the Digital Transformation Program (DTP). The CEO also updated the Committee on recent structural changes with the departure of the General Manager Corporate Services. The CEO advised that over the last six weeks, the DTP had undergone significant review of the projects to properly identify system needs and integration.

The review provides better clarity and scheduling and has included the consolidation of budget to itemise expenditure to date through to June next year. It also includes the review of the impact on licenses, pressure points and costs over the next three years. It is expected the DTP will run through to the end of September 2023 and will embed the 12 projects through to December 2023.

The Executive team have commenced work on CoM 5 looking at enhancements and functionality across projects to capitalise on data analytics. It was there is still a lot of work to do and uncertainty, however there is a better understanding of where the risks lie, and the lessons learnt.

The Committee made the following comments:

- Noted that previously there were going to be quite a few delays and queried whether this was still the case. Management advised there could still be some delays with HRIS stage 2 and the Asset Management System where the organisation is not business ready to implement, however don't believe this will impact on the 30 June – September timeframe for next year.
- The Committee queried in relation to the recent Optus breach, what we were doing in relation to security.
- Manager IT Operations provided an update to the Committee on our actions and advised his team are continuing to build the robustness of the organisations cyber security to reduce any risk the organisation may be exposed to and to reduce any threat level.
- The Committee had concerns relating to CoM 2: HRIS (Human Resources Information System including Payroll Project). The CEO noted this was more of an integration issue between payroll and HRIS and Management are working through the options to ensure one integrates with the other.
- The Committee requested further information on CoM 5: Finance System. The CEO acknowledged there were significant challenges relating to data for reporting. Senior Management are working through the identified issues to determine whether the system will be able to function to the service levels required.
- The Committee also suggested doing some work on benefits realisation to ensure clear focus.

Action: The Committee requested a report be brought back in December 2022 on the Finance Project identifying any concerns and planned action.

Moved Mr Papa

Seconded Councillor Duncan

That the Finance, Risk and Audit Committee:

1. Note the update on the Digital Transformation Program.

Carried Unanimously

8.4 Annual Investment Report 2021-22

Report Reference FRAC221011R8.4

Moved Mr Papa

Seconded Councillor Duncan

FRAC221011 - Finance, Risk and Audit Committee - 11 October 2022



That the Finance, Risk and Audit Committee:

1. Notes the Investment Performance Report 2021-22.

Carried Unanimously

8.5 Debtors Report

Report Reference	FRAC221011R8.5
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Moved Mr Papa

Seconded Ms Rantanen

That the Finance and Audit Committee:

1. Note this Report

10 Other Business

The Committee thanked Mr Papa for his significant contribution to the Committee over the last few years and for sharing his knowledge and experience.

11 Meeting Closure

The meeting was declared closed at 5.09pm.

CONFIRMED THIS 13 DAY OF DECEMBER 2022

CHAIRPERSON

5 Business Arising

5.1 Business Arising Statement - Action Items

Report Reference	FRAC221213R5.1
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 December 2022 [5.1.1 - 6 pages]

CITY OF MARION
BUSINESS ARISING FROM FINANCE AND AUDIT COMMITTEE MEETINGS
AS AT 7 December 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. 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 June 2023	How service reviews will be conducted in the future is still being reviewed. The existing contract with Cities of Port Adelaide, Charles Sturt and Anthony Jones has now concluded. Further time is required to assess the business need	
2.	17 May 2022	Business Arising Statement – Action Items: Action: Standing Item: <i>Service Review Program - Scopes, Reviews and Monitoring</i> , to be presented to the FRAC in August.	Chief Executive Officer	16 August 2022	As above	

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

	Date of Meeting	Item	Responsible	Due Date	Status	Completed / Revised Due Date
				December 2022		
	16 August 2022	Interim External Audit - 2021-2022 ACTION: Perform a self-assessment on procurement internal controls.	Chief Finance Officer	31 Dec 2022	Finance will work with Procurement Team to perform self-assessment on internal control processes.	
3.	16 August 2022	Internal Audit Plan 2022 – 2023 ACTION: Include an Audit for the implementation of recommendations. ACTION: Review findings of previous Contract Management and Procurement Audits to determine any relevant findings and recommendations. These are to be highlighted and brought back to the Committee.	Manager Office of the CEO	Dec 2022 Dec 2022	Working with KPMG to scope this review. Currently working through these and will report back in the new year.	
4.	11 October 2022	DTP - Quarterly Status Update ACTION: The Committee requested a report be brought back in December 2022	Senior DTP IT Manager	Dec 2022	A report has been prepared and included in the Agenda for the Meeting on 13 December 2022.	Dec 2022

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

	Date of Meeting	Item	Responsible	Due Date	Status	Completed / Revised Due Date
		on the Finance Project identifying any concerns and planned action.				

* Completed items to be removed are shaded

City of Marion
Finance Risk & 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

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

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

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

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

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
Fraud and Corruption Annual Review	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 <ul style="list-style-type: none"> Business Continuity Plan KMPG report outlining the BIA and Recovery Strategy Project	Review and Feedback
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
Asset Valuations	

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
Sam Willoughby BMX Insurance & Claims Report	Requested at August meeting
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
Annual Strategic Risk Register	ELT discussed and will workshop further. Requested this be brought back to the Committee in February 2023.
Annual Ombudsman Report 2021/22	Noting

6 Confidential Items

6.1 Cover Report - Marino Community Hall Section 48

Report Reference	FRAC221213F6.1
Originating Officer	Registered Architect Strategic Projects – Birgit Stroeher
Corporate Manager	Manager City Activation – Charmaine Hughes
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: Tony Lines, Tony Harrison, Charmaine Hughes, Ray Barnwell, Birgit Stroeher, Michael Arman, be excluded from the meeting as the Committee receives and considers information relating to Marino Community Hall prudential report, 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 including financial figures and concept designs.

6.2 Cover Report - Cybersecurity - Quarterly Update

Report Reference	FRAC221213F6.2
Originating Officer	Business Support Officer - Governance and Council Support – Cassidy Mitchell
Corporate Manager	Manager IT Operations - Micheal Bowden
General Manager	General Manager Corporate Services - Angela Allison

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)(e) and 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 Corporate Services, General Manager City Services, Manager Office of the CEO, Chief Financial Officer, Unit Manager Governance and Council Support, Governance Officer and Manager IT Operations 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.

7 Reports for Discussion

7.1 Framework and Key Assumptions for the preparation of the 2022-23 ABP and LTFP

Report Reference	FRAC221213R7.1
Originating Officer	Unit Manager Statutory Finance & Payroll – Andrew Doyle
Corporate Manager	Chief Financial Officer - Ray Barnwell
General Manager	General Manager Corporate Services - Angela Allison

REPORT OBJECTIVE

The purpose of this report is to present to the Finance, Risk & Audit Committee (FRAC) for its consideration and feedback:

- The proposed framework in setting the 2023-24 Annual Business Plan (ABP) & Long-Term Financial Plan (LTFP) including a review of financial parameters and key budget assumptions
- The associated risks with the proposed framework and key budget assumptions

EXECUTIVE SUMMARY

The Annual Business Planning process has recently been initiated for the development of Council's 2023-24 Annual Business Plan (ABP) and annual review of Council's Long Term Financial Plan (LTFP).

Prior to the preparation of the next iteration of Council's LTFP and 2023-24 ABP as part of the Annual Business Planning process which has recently commenced, the FRAC'S feedback is sought on the proposed framework and key assumptions outlined in this report.

The table in Attachment 1 outlines the key steps and indicative time frames in the planning and budgeting process. It also highlights the critical decision points for Council through the process (highlighted in the blue shaded areas) and the opportunities for FRAC feedback (highlighted in the green shaded areas).

RECOMMENDATION

That the Finance, Risk and Audit Committee:

- 1. Provide feedback on the proposed framework, key assumptions, and associated risks in setting the Annual Business Plan for 2023-2024 and the Long-Term Financial Plan**
- 2. Provide feedback on the Environmental Scan (Attachment 3) as input into the Draft ABP 2023-2024 and draft LTFP.**

DISCUSSION-

The next iteration of Council's LTFP is being drafted and will be aligned with the required funding to maintain service delivery levels at current levels in addition to future funding requirements identified in Council's adopted asset management plans.

The proposed framework for 2023-24 is based on the framework included in Council's adopted 2022-23 ABP and LTFP as detailed below:

Framework:

- **Support the achievement of the City of Marion's Strategic Directions**
Comments: No Change Proposed
- **Address issues arising and opportunities identified from internal audit reviews, service reviews and business excellence assessments.**
Comments: No Change Proposed
- **Maintain, on average, a break-even or better funding (cash) position over the Long-Term Financial Plan.**
Comments: No Change Proposed
- **Continue to improve the maintenance of assets in accordance with Council's Asset Management Plans, with a priority on maintenance before renewal, and renewal before new when it is cost effective to do so.**
Comments: No Change Proposed
- **Review existing services and assets to ensure they meet prioritised community needs.**
Comments: No Change Proposed
- **Council only approve new Major Projects where it has the identified funding capacity to do so.**
Comments: No Change Proposed
- **Maintain Council's position for an average residential rate which remains among the lower rating in metropolitan councils.**
➤ *Comments: Council understands the cost pressures on the community and will seek to maintain a rating strategy that balances the real cost of service provision with the financial impact this may have on City of Marion ratepayers' and their capacity to pay. Sufficient revenue targets will need to be met to maintain ongoing service provision and address the funding requirements to ensure sustainable levels of capital expenditure are provided for in the long term to responsibly maintain and renew the community assets under Council's control.*

Key Assumptions

In developing the Draft LTFP and Draft ABP 2023-24, the following key assumptions and variables are proposed:

Service Levels - Where changes to service delivery are prioritised and approved by Council subject to financial capacity, these changes will be incorporated into the 2023-24 Budget and Long-Term Financial Plan. Where no other endorsement exists, service delivery levels will be maintained at current levels.

Indexation - The 2023-24 budget will be based on historical actuals adjusted where appropriate by indexation to reflect current costs pressures and future anticipated costs.

The indexation rate applied to operating costs in Council's currently adopted LTFP for year 2 and 3 is 2.7%, reverting to 2.5% for the remaining years of the LTFP. This indexation will require adjustment through the development of this year's iteration of the LTFP and ABP taking into consideration major contract escalation and other market forces.

Comment:

The City of Marion, like many councils is experiencing challenging market conditions regarding supply chain disruption, workforce availability and challenging procurement conditions all impacting on the cost and timeframes in delivering projects. Inflationary pressures on future projects and programs as an outcome of these conditions will need to be recognised in developing the 2023-24 ABP and LTFP as these cost pressures may well continue to impact future planned capital programs and projects.

Indexation beyond 2023-24 will be aligned to the Reserve Bank's projected inflation estimates in the medium and longer term, with the following exceptions:

Rates - Council's decision to implement a 2% rate increase in 2022-23 and across the remaining years of the LTFP to support our community will need to be considered based on the current economic climate as outlined in this paper.

Comment:

Council rate modelling options will need to consider balancing the real cost of service provision and service demand from the community with the financial impact this may have on Marion ratepayers' and their capacity to pay. As in the past, these modelling options will be centred on Council adopting and maintaining a LTFP that ensures the Council operates in a financially sustainable manner.

The table below demonstrates Council's focus on maintaining a low rating strategy with the reduction in average rate increases over the past eight years.



Council in delivering its Annual Budget for 2023-24 and the next iteration of its LTFP will ensure that long term financial sustainability is maintained by delivering a LTFP that will achieve a breakeven or better cash position over the 10-year term of the LTFP.

Employee Costs - Will be increased in alignment with Council's Enterprise Agreement provisions. In addition, any costs relating to Council approved staff resources to meet operational requirements or Council endorsed new initiatives will be incorporated into the ABP and LTFP. The remaining 3

scheduled annual increases of 0.5% to the Superannuation Guarantee will also be incorporated into the LTFP.

Comment:

In the current market conditions the attraction of appropriately skilled resources is proving challenging. With the attraction of Commonwealth and State Government stimulus funding the impact on resource requirements to deliver such projects and initiatives will need to be carefully considered in the development of the 2023-24 draft ABP.

In addition, Council's outdoor Enterprise Agreement is set to expire at 30 June 2023.

Interest expenses - are directly related to Council borrowings and cash flows.

Comment:

Forecast interest rates are based on current rates with an added margin giving consideration for future potential rate increases.

Interest revenue - is directly related to Council's investments and cash flows and is carefully monitored in line with interest rate movements.

Non-Recurrent Costs/ Revenues - An adjustments schedule is maintained to account for any future variations in operating activities (e.g.- an adjustment is made for election expenses to reflect that they only occur once every four years).

Capital Grants, subsidies and monetary contributions - reflect tied monies received in relation to the purchase/construction of new assets and are budgeted in accordance with information known at the time of preparing this document.

Comment:

The impact of the attraction of grant funding and the resource requirements to deliver identified projects and initiatives will be monitored and considered in the development of the 2023-24 ABP and LTFP.

Contributed Assets - from developers (includes roads, footpaths, drains etc. provided by developer or new subdivisions occurring in the Council area) will be budgeted in accordance with information known at the time of preparing this document.

Risks in the preparation of the 2023-24 ABP and LTFP

There are a number of potential risks that Council should be aware of and consider when assessing the Framework and Key Assumptions:

1. **Current Market Conditions**- Inflation flows onto the cost of delivering core services and projects and is expected to continue through to 2023-24. Core materials including steel, concrete, and timber are still in high demand – projects costs for some projects may be impacted anywhere from 10% – 40% potentially.
2. **Employee Costs** – As noted above Council's outdoor Enterprise Agreement is set to expire on 30 June 2023. In the current market conditions the attraction of appropriately skilled resources is proving challenging. The impact on resource requirements to deliver grant-funded projects and other significant initiatives will need to be carefully monitored in the development of the 2023-24 ABP.

3. Rates - Council will need to continue to investigate and develop strategies to reduce the reliance on rate increases, with a balanced approach to project delivery aligned with the real cost of service provision and service demand from the community.
4. Competing priorities and community expectations - A large volume of infrastructure projects received Federal and State funding in 2022 and will either commence or are due to be completed in FY 2023-24. It is crucial that further aspirational strategic projects are prudently assessed with appropriate due diligence and in a disciplined manner to ensure Council's long-term financial sustainability is preserved and resource capability is applied to new projects and considered alongside other priorities.
5. Capital Renewal requirements - currently identified funding requirements in Council's adopted Asset Management Plans (AMPs) for existing assets have been assessed against the LTFP, which currently indicates sufficient funding in total, however timing of funds and works for different asset classes may need further alignment during the development of the 2023-24 ABP and LTFP.

An environmental scan is undertaken periodically as part of the Annual Business Planning process to identify and analyse critical issues and opportunities through application of the PESTLER framework (Political, Economic, Social, Technological, Environmental, Legal and Relationships). The findings may have potential to impact on council's project and program delivery, business-as-usual activity. A detailed review is provided in Attachment 3.

The scan was developed with senior staff in October 2022 and several risks and opportunities were identified and are being considered through the development of the 2023-24 Annual Business Plan, including:

- Rising costs of service delivery
Inflation will impact several areas of council operations including capital works and major project delivery with continued demand and supply issues within the sector. Electricity prices are expected to see strong increases in 2023 (RBA 2022) with the impact unknown to council at this stage as the electricity contract is in current negotiations for next year, however, increased costs to the council's operations are expected. As example the first budget review for 2022-23 reflects an anticipated \$360,000 increase for the later 6 months.

Council has an opportunity to review priorities or to increase funding to deliver projects.

Project delivery impacts

High demand in the civil and construction sector, shortages of key workers are prevalent. A strict 'zero- Covid' strategy in China as of November 2022 (as a result of COVID-19) will likely impact the flow of materials into Australia and therefore result in potential project delays. Opportunities to review the schedule of programming to ensure that realistic expectations are set with project time frames.

Cost of living challenges

Rising inflation and increases in fuel, energy, and food have impacted households. Rising interest rates will also impact household disposable income. The Australian Energy Regulator has forecast increases by up to 50% nationally by late 2022 and a further 30% in 2023-24 as the impact of higher fuel costs and ageing coal plants flows onto the consumer.

The risks to the council are potential impacts on the capacity of the community to pay household liabilities including rates. The community is likely to be sensitive to any significant rise in household bills in 2023-24. Financial stress in the community can impact community well-being.

There is also a potential for increased service demand for community centres, libraries, and business hubs as the community looks to drive down rising household electricity costs.

State Government review of regional level plans

The State Government is currently drafting a directions report and undertaking community engagement to inform revisions to *The 30-Year Plan for Greater Adelaide*.

The State Government has also appointed an expert panel to review the current Planning and Design Code and planning legislation, which will consider the policies related to infill, trees, character, heritage, and car parking.

Under the Act, council's plans must consider broader regional plans, therefore any changes enacted by the State Government will require council to revise its strategic plans.

Climate

New research in Australia and around the world including the State of the Climate 2022 (CSIRO and Bureau of Meteorology), and IPCC Sixth Assessment Report provide a snapshot of the state of the future climate.

Continued warming with more hot days and fewer extremely cold days, longer periods of drought, increasing short-duration rainfall events, and associated flash flood and erosion risks, are some of the projections expected. Opportunities to integrate climate mitigation strategies into the review of the council's Asset Management Plans.

In 2022, Council integrated permeable pavers as part of the footpath program and will look to continue this where feasible. Council's Stormwater Management Plan for the Sturt River catchment is being developed that will highlight any potential flood risk to the council area and proposed mitigation actions. It is expected that further investment will be required to build new infrastructure in key areas.

The Resilient South Asset Management Project (RAMP) will assess the suitability of market-ready and in-development products, tools, and guidelines for assessing asset risks to climate change and identify options to mitigate these risks.

Continued Focus on Ongoing Efficiencies

As in prior years there will continue to be a strong focus on identifying on-going efficiencies during the preparation of the 2023-24 ABP. Council services will be reviewed during the preparation of the 2023-24 ABP and any areas where further efficiency and effectiveness savings are identified through Business Service Reviews will be incorporated into the development of the 2023-24 ABP and LTFP.

ATTACHMENTS

1. Attachment 1 - ABP 2023-24 Planning and Budget Process [7.1.1 - 1 page]
2. Attachment 2 - Adopted LTFP 2022-2032 [7.1.2 - 1 page]
3. Attachment 3 Environmental Scan [7.1.3 - 7 pages]

Annual Business Plan 2023-24 - Planning and Budgeting Process

Stage	Focus	Timing
1	Staff analysis of planning inputs – Research and Engagement for the Environmental Scan, committed projected/program and required labour budgets.	Nov 2022 To Jan 2023
2	Elected Member Input to High level draft budget model development: <ul style="list-style-type: none"> Setting tolerance/ key assumptions, parameters for management Consideration of unfunded initiatives, new priority initiatives Draft Budget Model developed based on parameters set 	Dec 2022 to Jan 2023
3	Finance Risk & Audit Committee - Feedback on the proposed framework, assumptions and associated risks in setting the Annual Business Plan for 2023-24 and the Long-Term Financial Plan	13 Dec 2022
4	EM Planning Day <ul style="list-style-type: none"> Presentation of High Level 1st Draft 2023-24 Budget and LTFP model LTFP aligned with set parameters, Council resolutions and prioritised new activities 	EM Planning Day 21 Jan 2023
5	Finance Risk & Audit Committee – Update provided on Development Draft Annual Business Plan & LTFP, Framework and Assumptions – FAC feedback sought prior to Public Consultation	Feb 2023
6	Elected Member Forum <ul style="list-style-type: none"> Update on Rating data 2022-23, Rates discussion, 2023-24 Priority projects confirmation Draft Annual Business Plan and Comprehensive Draft Budget 	March 2023
7	<ul style="list-style-type: none"> Set Tentative Rates Set draft priority projects list for consultation 	March-April 2023
8	Elected Members : Endorse and Adopt - Draft Annual Business Plan for Community Consultation	April 2023
9	Community Consultation period (Min. 21 Days)	April 2023 To May 2023
10	Finance Risk & Audit Committee – Update on Community Consultation Feedback	May 2023
11	Elected Members: Community Consultation Feedback presented to Council	24 May 2023
12	<ul style="list-style-type: none"> Final rates discussion Final priority projects discussions 	May - June
13	Elected Members: Endorse - Final Draft Annual Business Plan and LTFP with any final amendments to be brought to Council for Adoption	13 June 2023
14	Council Adopt - 2023-24 Annual Business Plan and LTFP	27 June 2023

City of Marion 10 Year Financial Plan for the Years ending 30 June 2032 BUDGET SUMMARY - GENERAL FUND Scenario: LTFP 2022-2032										
	2022/23	2023/24	2024/25	2025/26	Projected Years		2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	2026/27	2027/28	\$'000	\$'000	\$'000	\$'000
Rates Indexation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Income										
Rates	84,146	86,660	89,249	91,916	94,662	97,490	100,403	103,403	106,493	109,675
Statutory Charges	2,194	2,253	2,314	2,372	2,431	2,492	2,555	2,618	2,684	2,751
User Charges	2,765	2,834	2,555	2,619	2,685	2,752	2,821	2,891	2,964	3,038
Grants, Subsidies and Contributions	6,929	6,176	6,331	6,489	6,651	6,817	6,988	7,163	7,342	7,525
Investment Income	200	358	365	380	395	407	421	435	443	465
Reimbursements	1,159	1,188	1,218	1,249	1,280	1,312	1,345	1,378	1,413	1,448
Other Income	780	752	756	761	765	770	774	779	784	789
Net gain - equity accounted Council businesses	365	365	365	365	365	365	365	365	365	365
Total Income	98,538	100,587	103,154	106,150	109,234	112,405	115,671	119,033	122,487	126,056
Expenses										
Employee Costs	41,584	43,216	44,117	45,440	46,804	48,208	49,654	51,144	52,678	54,258
Materials, Contracts & Other Expenses	37,959	35,698	36,087	37,010	38,577	38,880	39,665	40,585	42,120	42,801
Depreciation, Amortisation & Impairment	16,651	17,317	18,010	18,730	19,479	20,258	21,069	21,912	22,788	23,700
Finance Costs	202	370	754	685	606	524	436	352	281	208
Total Expenses	96,397	96,601	98,968	101,866	105,466	107,870	110,824	113,992	117,867	120,966
Operating Surplus	2,141	3,986	4,186	4,284	3,768	4,535	4,847	5,041	4,620	5,089
Operating Surplus Ratio	2.17%	3.96%	4.06%	4.04%	3.45%	4.03%	4.19%	4.23%	3.77%	4.04%
Amounts Received Specifically for New or Upgraded Assets	6,651	8,945	-	-	-	-	-	-	-	-
Net Surplus / (Deficit) for the Year	8,792	12,931	4,186	4,284	3,768	4,535	4,847	5,041	4,620	5,089
Capital (Balance Sheet) and Reserve Movements										
Capital Expenditure	(40,395)	(38,827)	(20,394)	(20,915)	(21,172)	(22,329)	(23,477)	(24,649)	(25,588)	(26,259)
Loan Repayments (External)	(876)	(1,281)	(1,437)	(1,512)	(1,591)	(1,674)	(1,761)	(1,432)	(1,503)	(1,576)
New Loan Borrowings (External)	4,400	9,500	-	-	-	-	-	-	-	-
Net Transfers (to)/from Reserves	11,817	809	(86)	(86)	(86)	(86)	(86)	(86)	(86)	(86)
Total Capital (Balance Sheet) and Reserve Movements	(25,055)	(29,799)	(21,917)	(22,513)	(22,849)	(24,089)	(25,325)	(26,168)	(27,177)	(27,922)
Net Result (including Depreciation & Other non-cash items)	(16,263)	(16,868)	(17,731)	(18,229)	(19,081)	(19,554)	(20,478)	(21,127)	(22,557)	(22,832)
Add back Depreciation Expense (non-cash)	16,651	17,317	18,010	18,730	19,479	20,258	21,069	21,912	22,788	23,700
Less Other Income (non-cash)	(365)	(365)	(365)	(365)	(365)	(365)	(365)	(365)	(365)	(365)
Cash Budget Surplus	23	84	(86)	136	34	340	226	419	(134)	502

City of Marion Environmental Scan

Components (PESTLER)	Themes for consideration	Emerging Opportunities	Emerging issues (risks if applicable)	Time frames for action			Actions (for short term actions where applicable)
				Short term 12-24 months	Medium 2-4 years	Long term 5-10 years	
Political							
	Housing policy	Federal Government budget commits to building more dwellings to alleviate the housing crisis in Australia, reviewing population growth and potential scope for supply stock of housing and working with strategic housing partners/developers.	Activity is likely to be slow until economic pressures such as inflation, current interest rate hikes, cost of building, and shortage of workers and materials. Tariffs still apply to timber imports from Russia and Belarus that will flow onto the cost of new builds. Potential that further housing will also exacerbate existing issues including congestion, parking, and services.	X	X	X	
	Planning and design code	State Government appointed expert panel review of the Planning and design code. Increased housing choice. Opportunity to investigate structure plans for precincts across the city. The southern suburbs code amendments to be tabled with council in December 2022 seeking approval to engage the community in April 2023.	Urban infill is likely to exacerbate issues such as parking and congestion potentially impacting perceptions of decreased liveability of suburbs.	X	X	X	Council will be submitting a formal response to the expert panel review of the Planning system. that is currently under review by the State Government. Staff suggesting that council consider Precinct planning as a project in the next Draft 4 Year Business Plan 2023-2027.
	Animal Management	A long term service option is being negotiated with a suitable provider a new 3 year Animal Management plan is being developed by council	Above CPI increased in costs (10% equating to an extra \$20,000) associated with service delivery in 23/24 and then CPI increases for future years.	X	X		Resolution to be achieved by June 2023 for a contract with RSPCA.
	Code Amendments	Four new code amendments lodged with the State Government.	Liveability opportunities and economic development opportunities may not be realised if not approved.	X	X		
	Boundary realignment	Awaiting outcomes of the Seacliff Park boundary realignment proposal. A stage 1 proposal was accepted by the boundaries commission, council will submit a stage 2 proposal by August 2023 to submit.	Risk that the land may not be retained within the council area as part of commission enquiry process. Depending on the commission outcomes there may be potential financial implications, positive or negative to council.	X			
	North -South Corridor	Funding to enhance the road level is an opportunity for council. The project provides opportunity to review the urban realm near impacted areas including traffic management and open space provision, and enhanced amenity.	Impact on the council's prosperous vision that aims to be a diverse economy that attracts investment and jobs. Some businesses have relocated out of the area. Community unrest with the final plans not being released to the public as yet despite the project starting. Negative growth on rate payer base.	X	X	X	Watching brief, the State Government will be providing more detail on the design impacts by the end of 2022/early 2023.
	Positive Ageing and Inclusion & neighbourhood centres, libraries funding/reforms	Opportunities to partner with other organisations should Government funding be redirected to the private sector/other Government agencies. Continue dialogue with the relevant Government departments and advocating for residents.	Funding reductions have now been confirmed or potential loss of funding for neighbourhood centres. An allocation of \$400,000 is designated across 7 organisations which provides uncertainty on council's eligibility to obtain funding (\$270,000 per annum in funding to council). Furthermore, changes to funding models may impact PAI Federal Government funding (More detail will be provided in 2022.) Funding remains committed for PAI until June 2023/24. The State Government offered a 4 Year Library funding agreement negotiated by the LGA and the Libraries Board. Funding was renewed without CPI indexation for the term of the agreement. If this continues in the next agreement, this will start to have a larger impact to council budgets as Marion will need to fund the gap not covered by State Govt funding or reduce service levels.	X			Watching brief until more information can be provided by the State Government in 2022.
	Climate	Increased dialogue at Federal Government level. All states and territories have now committed to achieving net zero carbon emissions by 2050. National carbon emissions need to decline on a significantly steeper trajectory if this goal is to be met. The new SA Labor Government has declared a Climate Emergency (May 2022). Previous SA Liberal Govt had set a goal of reducing greenhouse gas emissions by more than 50% by 2030 and achieving net zero emissions by 2050. The new Federal Labor Government has set an emissions reduction target of 43% on 2005 levels by 2030 and net zero by 2050. Local government will need to prepare for disaster preparedness and climate adaptation.	Extreme weather- heavy rainfall events are becoming more intense and expected to increase in the future. (State of the Climate 2022 report). Climate fuelled extreme weather is compounding costs for councils including mounting damage to council owned assets, rising insurance premiums and increasing liability risks. (citiespowerpartnership.org.au) The Intergovernmental Panel on Climate Change (IPCC) finalised the second part of the Sixth Assessment Report, Climate Change 2022: Impacts, Adaptation and Vulnerability in February 2022. The report states that "Climate change impacts and risks are becoming increasingly complex and more difficult to manage." Demand in the construction sector is set to increase up to 2030. An increase in pollution and waste is likely.	X	X	X	The City of Marion endorsed Carbon Neutral Plan 2020-2030 aims to reduce carbon emissions from Council operations by 2030. Resilient South- Resilient Asset Management Project- looking at the risks of climate on infrastructure and addressing ways to mitigate the risks. This 4 year project is in development and will help inform future asset planning. Coastal Protection Plan and Greening and adaptation plans mitigate urban heat.
	Carbon Policy	Federal Government committed to reaching net zero by 2050 and cutting greenhouse emissions by 43 percent by 2030 (based on 2005 levels)		X	X	X	See above

City of Marion Environmental Scan

Components (PESTLER)	Themes for consideration	Emerging Opportunities	Emerging issues (risks if applicable)	Time frames for action			Actions (for short term actions where applicable)
	Elections- Federal, State and Local	Significant funding pledged to complete strategic priorities	New resources- staffing and financial input- will be required to deliver more work to the community. Concerns that current costings do not account for current inflation forecasts.	X			Report to council outlining impact to projects
	Unfunded major projects	The City of Marion, has relatively low debt levels, with the capacity to take on further debt.	The risk appetite of the new council is to be explored. Resource impacts need to be considered aligned to high volumes of work being delivered within the organisation.	X	X		
	Council's Strategic Directions	The new council to formulate the 4YBP 2023-2027 that includes a range of data including feedback from the Shape your Future campaign, youth engagement campaign, Community Satisfaction Survey data, and the outcomes of engagement on the City of Marion Property Asset Management Strategy Opportunities around existing assets, smart cities, broader strategic planning at an economic development, city planning level. Review of council's Strategic Plan required within two years of the new council.		X	X		Council to commence planning from January 2023.
	ESCOSA review	Opportunities to achieve transparency and strategic alignment over asset management and long term financial management. Greater transparency with the community..	Reputational risk to the council if they do not meet the standards imposed by ESCOSA.	X			Asset owners are updating AMP's to inform the 23/24 budget cycle and integrated into the LTFP.
Economic				Short term 12-24 months	Medium 2-4 years	Long term 5-10 years	
Cost of living pressures	Election grant funding	Opportunities to progress council's strategic themes and enhance Liveability for the community	A current project risk related to the Marion Cultural Centre Plaza due to the Federal Government denying a City of Marion extension request.	X			Council to review options to assign Federal funding to capital works projects and transfer internal budget to the KMCC project.
	Rising inflation- September 2022 CPI 7.3% up from 5.1% in the previous year	Cross- council procurement opportunities to increase bargaining power along with utilising the LGA procurement services to ensure that council is capitalising on delivering the most cost efficient services. Consideration of rate increases that respond to the LTFP and ambitious projects.	Inflation forecast to approach 8% in Q4 (Capital economics) that need to be applied to capital works and new infrastructure projects may require council to either reduce the scope of works or to endorse additional funding.	X			
	Energy sector	Opportunities for all levels of Government to look at efforts to assist people to reduce their power consumption and implement innovations such as community batteries programs and solar technologies. Council's electricity contract is being renewed at present. Advancements in community battery technologies may evolve to allow council to explore this for its own assets	Power prices are expected to increase substantially. Impacts to councils electricity service costs unknown as the contract is currently being negotiated.	X			Likely to be embedded as part of the Resilient South action plan that includes household solar batteries, business supports and community level batteries to support low socio-economic areas.
	Cost of living crisis	Libraries and community centre's to review services to cater to community needs as a result of the cost of living crisis	Disposable income reduced as households grapple with rising costs in fuel, food, energy costs, rising interest rates and general inflation across a range of sectors that has flow on impacts to general prices across goods and services. Greater reliance on community centre's to service residents extreme weather events such as heatwaves are likely to see an increase in visits to community centre's to access cooling. Cost of living likely to see changes in behaviour.	X			Potential for support workshops to help people mitigate the cost of living crisis. Improving partnerships with crisis support agencies/potential for onsite attendance to support community needs.
	Rising interest rates	N/A	Increasing inflation will result in higher interest rates exacerbating financial stress in the community	X			
	Business attraction	Council has an opportunity to broaden funding to attract new business to the area, expand on the efforts of work in Edwardstown undertaken in previous years, increase mentoring, and expand business hubs (also forecast to be exacerbated by cost of living prices as people won't), opportunities to partner to install a community battery to reduce power costs for the business community. Opportunities for regional partnerships.	Risks of inaction are further relocation of businesses out of the council area other councils may pitch investors which may attract investors/businesses to other council areas. Risks to local jobs and flow on impacts to the local economy.	X			Currently profiling and segmenting the business community to develop a strategy
	Project impacts	Opportunity for council to review and prioritise future projects to combat inflationary costs and align with future strategies.	Significant Inflationary costs and impacts to projects An increasing number of developers, builders and contractors are entering external administration squeezed by rising costs, supply shocks and labour shortages (Deloitte 2022) Lag times between tender time frames and 'onboarding' of contractors to deliver work. Need to tender as quickly as possible.	X			Manager Strategic Procurement Services will put forward a report to council to outline the current market status, impacts to projects, delivery time frames, inflationary costs etc.

City of Marion Environmental Scan

Components (PESTLER)	Themes for consideration	Emerging Opportunities	Emerging issues (risks if applicable)	Time frames for action			Actions (for short term actions where applicable)
	Unemployment	Job reskilling, work skills services has been identified as a core need based on the community needs analysis and is being provided by the City of Marion.	N/A	X			Potential to offer employment skills programs (resume writing, interview skills etc) in NHC & Libraries.
	Skilled labour shortages	Borders are now reopened which provides a greater pool of talent that may address skills shortages facing certain sectors including IT and construction.	Risks that council's project pipeline may be disrupted due to changes in staff and intellectual property departing the workplace. Job vacancies have grown more than 40% in the last year (National Skills Commission report 2022).	X	X		
	Property market	The opportunities for increased housing choice in the Planning Development & Infrastructure Act may alleviate some of the current demand stress. Two key developments- Tonsley and Oaklands green provide options for affordable housing.	Anecdotal feedback from the Community Connections teams is that there has been some movement of residents of out of the council area due to the housing affordability crisis. High-interest rates may deter or inhibit some from entering the housing market.	X			
	Industry impacts	Opportunity to establish new timing for when projects are tendered (Q4 of the financial year for the ensuing period, where possible.) Opportunities to utilise procurement panels to benefit from price capping options.	High demand in the construction industry along with supply shortages is resulting in inflated project costs and delayed time frames. A lack of resourcing in the sub contractor market & financial viability poses risks. Engineers, trades sector are impacted	X	X		Revised internal capital works forward planning to ensure that council is in a position to tender at an early stage in the new financial year. Increased emphasis on supplier engagement and progress updates with the contractor. Recent training with project managers has reinforced this approach.
	Supply chain	Where applicable potential to procure materials direct. Potential risks associated with the supply chain which will see inflationary costs, interest rate increases on liabilities, staff cost increases etc	Shortages in timber, steel and products coming from overseas is ongoing. . China's 'Zero-Covid' policy has seen continued lockdowns which will impact accessibility to materials in the construction sector.	X			Council has utilised the LGA's procurement services to access streamlined and aggregated procurement arrangements. City of Marion undertake an external audited health check of suppliers before a contract is awarded.
	Household debt	N/A	Household liabilities may have an impact on people's capacity to pay household utilities including rates.	X	X		
Social				Short term 12-24 months	Medium 2-4 years	Long term 5-10 years	
	Community Expectations/sentiment	Opportunities to further promote City of Marion assets including incorporating new project opening activation events to engage the community and increase brand awareness of the range of new initiatives. Marion 100 is to increase engagement across broader diversity.	Expectations on LGA'S will increase through the fact that people are working from home will continue, this will have a significant impact on our city. LGA's will become compartmentalised into fully serviced mini cities and regional hubs (Bernard Salt, Social Commentator).	X			Continuing to monitor community expectations. Ensuring that the City of Marion is marketing its key brand attributes- assets and services to balance community expectations
	Homelessness	Opportunities to greater understand the prevalence of homelessness in the community and the role State Government is taking to address issues across the LGA.	N/A	X	X		
	Community wellbeing	Opportunity for a social planner to be employed in order to review relevant community data that can inform service delivery and support grant applications.	Risks of not reviewing data may mean council is not responsive to emerging needs or major shifts in the community	X			Business case to be put forward to EBC
	Community Health and food security	A new tool called Hunger Map has been developed which uses ABS statistics to predict food demand to postcode level. Opportunities to partner with Food providers to undertake a pilot in identified areas to support in need community members.	Risks of food insecurity and poorer community health with some residents at risk of not maintaining recommended fruit and vegetable consumption due to rising prices across fresh food.	X			
	Community safety	CCTV to enhance feelings of community safety particularly in areas of increased crime across the city.	risks of inaction impact feelings of Liveability in the community	X			CCTV
	Public health	Partnering with Headspace to use the neighbourhood centre to deliver programs and SONDER (Cultural and linguistically diverse). Funding increased from Federal Government towards mental health support. To ensure that our services and programs cater to a broad range of needs.	Significant increase in mental health and isolation are being experienced in the community and may be an increased expectation on council and public facing staff as to what support can be provided.	X			

City of Marion Environmental Scan

Components (PESTLER)	Themes for consideration	Emerging Opportunities	Emerging issues (risks if applicable)	Time frames for action			Actions (for short term actions where applicable)
	Business continuity in a COVID-19 world	Business continuity plans ensure that council can remain responsive to any business impacts due to COVID-19 .	Additional administrative requirement for ongoing monitoring and oversight on impacts (if any) to council. Rising cases of COVID-19 projected toward the end of 2022. Potential impacts to staffing if case numbers reach projected levels.	X			
	Population growth	City of Marion is growing above the rate of Greater Adelaide at approximately 1% annually. Opportunities for precinct planning to look at the future needs of the community.	Lack of future planning may result in decreased feelings of liveability due to poor provision in services.	X	X		Precinct Planning to be suggested as a project for the Draft 4 Year Business Plan
	Ageing population	The population will continue to age, mostly because of improved life expectancy and low fertility. (Australian Intergenerational report 2021, Department of Treasury)	Community expectations may change requiring further investment to assets.	X			
	Transport trends	ABS data highlights an increase in households with 3 or more cars. 77% of residents travel outside of the council area for work (ABS 2021). Opportunities to advocate for better public transport and walking and cycling paths to encourage behaviour changes	Potential increase in deterioration of our road assets.	X	X		
	Business community	Opportunities to work with the business community and undertake a greater level of analysis to ensure there is a strong rationale that selected projects truly reflect community and business needs. Social needs analysis	Risks of not doing so are that council deliver projects not in line with community needs, future needs or expectations and are potentially under-utilised or not built fit for purpose.	X			
	ABS data	Census data releases to provide opportunities for future planning	Risks that council will not invest in appropriate forward planning.	X			
	Literacy rates	Literacy rates- year 12 attainment rates					
	Shifting demographics	ABS Stats 2021 Greater number of empty nesters and retirees (50 to 69) 11.8% compared to 11.2% for Greater Adelaide	Government support for people aged 50 to 65 is minimal. PAI funding supports people over 65.	X			
	Volunteering	Skilled volunteering opportunities	60 percent of baby boomers are in the retirement age group. Volunteering decreased during COVID-19 and there are number of volunteers who have indicated they are not comfortable to volunteer, or don't wish to wear masks, community bus concerns etc. Capacity limits further perpetuate this. Confidence is an issue.	X			
Technological				Short term 12-24 months	Medium 2-4 years	Long term 5-10 years	
	Digital Literacy-Community	Continue to strengthen our digital literacy support services including the potential of new developments providing Wi-Fi (Oaklands Green) and enact council's digital inclusion policy.	At a community level there is an increasing divide- inequitable access to Wi-Fi technology. Access issues in some pockets of the community due to costs. https://www.digitalinclusionindex.org.au/ Digital inclusion index shows Marion is slightly behind neighbouring councils. Libraries are implementing technology for the community so that people can still have their needs met, as well as offering support and programs to improve digital literacy skills in the community.	X			CoM implemented free community WIFI recently at Oaklands Wetlands. Further initiatives in the open space are being investigated at other Sport and Rec facilities.
	Coastal mapping/trees & urban heat mapping.	State Government considering managing coastal mapping for the State thereby reducing the requirement for council to source it.		X			
	Scenario modelling	capacity within the new Asset Management to undertake scenario modelling to assist with future planning		X			
	Cyber- security	The 'essential 8' mitigation strategies are designed to protect organisations and achieve a 'managed and measurable status' in line with the legislated Protective Security Policy Framework. Whilst council does is not required to comply to the framework, there are opportunities to develop maturity across all 8 strategies. A range of security steps are continuing to be implemented across the organisation to integrate information security into key processes and procedures.	Likelihood of compromise by not developing greater maturity. Cyber security targeted attacks are increasing towards people working from home through 'spear fishing' campaigns that aim to steal user details. Exploitation of the pandemic environment targeted at individuals and businesses has increased.	X	X		Ongoing capability and vulnerability assessments will be carried out. Continued implementation of the essential 8 mitigation strategies into key processes and procedures. Review of technology to enable effective change control, and security analysis.

City of Marion Environmental Scan

Components (PESTLER)	Themes for consideration	Emerging Opportunities	Emerging issues (risks if applicable)	Time frames for action			Actions (for short term actions where applicable)
	Sensors	Opportunities to develop greater capacity and maturity to synthesize and understand the data that is generated from existing sensor technology 'smart cities technology'. Ensure that there is a strong understanding of how smart technologies and data can be scalable across the organisation.	Risks that council may not be responding to key information about our community. Return on investment may not be met.	X	X		Analytics of the Oaklands Precinct will be investigated to inform council around opportunities for scalability of solutions.
	Emerging technology	Any emerging technologies that are utilised need to be considered in relation to the digital/data literacy of the organisation.	Currently data and analytics can not be readily consumed by staff. There is a risk that as systems are rolled out staff are not trained or equipped with the skills to utilise the technology.	X	X		As the DTP rolls out it is expected that digital literacy training will be improved.
Legal				Short term 12-24 months	Medium 2-4 years	Long term 5-10 years	
	SAPN policies regarding street trees under powerlines	Retaining canopy cover and greening	Tree removal in streets. SAPN species list does not align with some of the tree plantings by council, any removal will reduce canopy cover.	X			The sector is working with SAPN to discuss this policy.
	Community Engagement reforms- awaiting advice from State Government	Update the community engagement framework to reflect the proposed State Government charter and underlying policy. The framework provides greater rigour as to how council engages with the community.	non compliance with legislative requirements under the LGA Act 1999 potential exposure to legal liability	X			
	Child safe reporting		Current risk as we are identified as non -compliant	X			
	Aged Care Standards	Aged Care Standards currently being reviewed.	Governance obligations may have adverse impacts due to staff resourcing and administration costs of adhering to the standards may be unattainable for the level of service we apply.	X			
	Positive Ageing and Inclusion- Commonwealth Government Aged Care reform	Still awaiting outcomes to understand any additional opportunities expected in March 2023	Still awaiting outcomes to understand any emerging risks March 2023.	X			Awaiting outcomes to understand impact to the organisation.
Environmental				Short term 12-24 months	Medium 2-4 years	Long term 5-10 years	
	Climate risks	Embed climate resilience and sustainability into asset management decision making.	Every asset is designed to withstand a climate threshold as climate risk increases those thresholds will be exceeded. Risks could be nonlinear as damage changes from minimal to critical (McKinsey & Co 2020). Prolonged drought and extreme weather events could materially lower economic activity in certain sectors and may have significant costs in terms of property damage, the health and wellbeing of the population. (oecd.org economic survey, September 2021)	X	X		Climate resilience and sustainability will continue to be embedded into decision making. Resilient South Resilient Asset Management Project (RAMP) is responding to this risk. Councils risk management practices will identify risks and appropriate controls to mitigate risks across the service portfolio.
	South Australia 'National Park City'	South Australia granted 'National Park City' status in November 2021. Opportunities to enhance tourism, environmental and wellbeing benefits. Government focus towards creating a cooler, greener and wilder city (premier.sa.gov.au, Nov 2021)	N/A	X	X	X	City of Marion Mayor has signed the Adelaide National Park City Charter. (GC210727M14.3)
	Urban infill impacts	Opportunities to further increase tree planting, accessibility to quality walking and cycling paths and increase of modal filters (features used on streets to allow walking and cycling on streets including parklet seating etc). The Green Building Council of Australia has drafted a 'Climate Positive Roadmap for Precincts' that sets the trajectory and actions that need to happen to decarbonise precincts. It is intended to be used to inform decision making on land development project, urban infill and greenfield projects.	Existing stormwater infrastructure has insufficient design capacity to cope with increased runoff from development - increased frequency of property flooding and damage. Expected increased community dissatisfaction at any increase in parking and road congestion. Urban areas that are not resilient to the impacts of climate change and are less attractive, safe, comfortable and affordable for people.	X	X	X	
	Government focus	The Federal government are prioritising: renewable energy carbon emissions reductions State Government focus areas: Green hydrogen made with renewable electricity and recycled water; A strong focus on the hydrogen economy and is investing more than half a billion dollars to accelerate new hydrogen projects, shipping infrastructure and modelling tools for investors and developers.	There is some 'hype' around green hydrogen, and Council needs to ensure that what is being promoted aligns with community expectations and is not perceived as 'greenwash'.	X	X	X	
	EV infrastructure	Opportunities for new buildings to have recharging infrastructure in order to future proof itself with the demand for EV vehicles.	increased costs	X			
	SRWRA	New Southern Materials Recovery Facility opened in July 2021 to process materials collected in the yellow kerbside bins	N/A	X			Investigation of opportunities to educate the community through site visits (underway)

City of Marion Environmental Scan

Components (PESTLER)	Themes for consideration	Emerging Opportunities	Emerging issues (risks if applicable)	Time frames for action			Actions (for short term actions where applicable)
	community renewables	Likely to be embedded as part of the resilient south action plan that includes household solar batteries, business supports and community level batteries to support low socio economic areas.		X			
	reduced kerbside pick ups	other councils have pioneered a reduction in pick ups for waste		X			
	Carbon neutral aspirations	Opportunities for council to engage with the community in the formation of the next 4YBP to identify initiatives	Commonwealth and State level policy may not meet community expectations balancing community expectations aligned to new infrastructure	X	X		The National Construction Code is currently being reviewed; the Green Building Council of Australia has developed a draft submission on proposed amendments that will be shared with Councils to support development of their own submissions.
	Container deposit legislation	Opportunity for reduction of recyclables through the yellow bin system through the monetary incentive scheme.	N/A	X			
	Embodied carbon	To understand what council's carbon footprint from embodied carbon (contained within construction materials used in assets and infrastructure) and then take steps to reduce the embodied carbon used in future projects through more informed design and procurement decisions.	While undertaking this work other business as usual demands may take precedence. Educating staff and awareness across the organisation.	X			This is an action that forms part of the ESD guidelines in the Carbon Neutral Plan to be delivered over the next 12 months
	Community sentiment	Opportunities to connect closer with the community to educate and promote on council's greening initiatives.	There is strong community interest in trees and greening that may not be met by Council's delivery programs	X			
Relationships				Short term 12-24 months	Medium 2-4 years	Long term 5-10 years	
	Relationships with Governments, service providers, private partners	Opportunities to centralise councils management of its key stakeholder relationships through the new CRM system.	Ineffective stakeholder engagement by not appropriately managing each of council's key external stakeholders.	X			Investigating a relationship map as part of the CRM.
	New council	with the more than a 50% turnover of members, opportunities to induct new council members in line with the new behavioural standards.	Risk that council operate ineffectively	X			
	Cross council collaboration	Information sharing, procurement and shared resources provides an ability to reduce councils cost of service delivery.	Collaboration can inhibit projects from being delivered in a timely manner particularly where it requires one council to develop further in service/technology maturity before a project can advance.	X			
Microforces							
Service delivery				Short term 12-24 months	Medium 2-4 years	Long term 5-10 years	
	Project prioritisation	Opportunities for a review by council to consider prioritisation of any new aspirational ideas for later years.	Poorly scoped DTP projects require further work which places competing demands on project managers and other staff to derive information from systems at present. A highly competitive market may continue to impact certain areas of the organisation.	X			
	Stakeholder Management	Opportunities of centralising contacts and information	No system to manage stakeholder details and communication. An add on option to salesforce is an option but is an additional cost.	X			
	Climate impacts on the workforce	increased rainfall/heatwaves impacts on workforce, schedules and budgets and overall staff wellbeing. The Resilient South Asset Management Project will support opportunities to review data.	Potential impacts to budgets, schedules and staff wellbeing	X			
	Ongoing operating costs of projects	opportunities to enhance internal processes to ensure ongoing costs of a new asset are captured and managed within the teams.	Risks that certain assets or open spaces may not be maintained in line with community expectations and levels of service.	X			The senior leadership team will be doing a review of their forward works in December and outlining requirements.
	Staff resources	Opportunities to review council's capacity to deliver on future works Commitment to a pipeline of projects to match existing staff levels.	A finite set of resources to deliver the same or higher volumes of work is likely to result in extended carry overs across future periods. Burnout and fatigue are likely which has impacts to wellbeing and absenteeism.	X			The senior leadership team will be doing a review of their forward works in December and outlining requirements.
	Asset Management	AMIS will provide greater capability to optimise our assets and services		X			
	Open Space provision	State Government providing funding towards land acquisition.	Identified areas of low open space provision in the north of the council area compared to the south.	X			A land acquisition strategy is likely to be presented to council as a draft 4 year business plan project

City of Marion Environmental Scan

Components (PESTLER)	Themes for consideration	Emerging Opportunities	Emerging issues (risks if applicable)	Time frames for action			Actions (for short term actions where applicable)
	Strategic reviews	The City of Marion Property Asset Strategy (COMPAS) will identify future needs.		X			
	Procurement- RAP	Required to implement a strategy to align with RAP principles '		X			
	Project Management maturity	Further opportunities to increase project management planning to ensure appropriate scoping of projects and user acceptance testing is undertaken Alignment of methodology across the organisation. Role of PMO in supporting project teams. Opportunity to further communicate milestone processes to (EBC, ELT). Opportunities to do a post- implementation review of projects.	Project Management Framework Review is underway.	X			Consultant working across the organisation at present to develop the Framework.
	Duplication of effort across the business	reporting across the business can be consolidated	further time required to develop and implement systems may see further inefficiencies	X			
	Data Maturity	The roll out of the Data Analytics project will increase the level of maturity and governance of data.	The timeliness of the project due to the roll out of other systems which are key dependencies.	X	X		Whilst a cross council approach was originally anticipated, the CoM are now proceeding with this as a standalone priority to ensure that the project can be delivered in a timely manner. The project is likely to take up to 2 years to allow for the implementation of other systems.
Workforce				Short term 12-24 months	Medium 2-4 years	Long term 5-10 years	
	Enterprise bargaining agreements	Leverage opportunities to consider new ways of working	The outdoor EB agreement will be negotiated in 2023. Risks include the process being drawn out which can impact negatively on culture and staff productivity.	X			
	DTP 12 projects- 7 delivered, 5 in progress)	high-level strategic review aligned with an IT strategy is being undertaken of all DTP projects to ensure they build greater efficiencies across the business and deliver business transformation within realistic operational budgets. Opportunities to simplify the operating model for the project.	risks include a number of projects that require further funding by the new council that factors the integration of specific projects.	X			
	Change fatigue	Opportunity to review the number of projects being delivered holistically and apply change management broadly across all projects.	Risks of that due to competing communications across a number of priorities staff may not engage with the change management messages and feel disengaged from the 'bigger picture' of what is being delivered.	X			
	Workload impacts	Undertake a review at the program level to appropriately manage and have better oversight of the impact of new systems and projects on the business to adequately identify resourcing needs, and critical times for business areas.	Ambitious projects being delivered in several areas simultaneously which may impact business productivity and operations broadly. Risks of staff burnout and dissatisfaction.	X			
	Future workforce needs	Opportunity to take a more holistic and strategic approach to management of the City of Marion workforce	Constraints of the Enterprise agreements to provide flexibility	X			
	Workforce turnover	Organisational renewal and the ability to refresh skill sets	Loss of corporate knowledge and efficiency.	X			Monitoring turnover rates and employee exit survey results.
	Retention of talent	Opportunities to provide career pathways and opportunities for staff to broaden their skill sets. Ensuring we remain flexible with a place of work policy and other work place benefits to ensure we are remaining competitive with the market.	Potential to lose the best talent, intellectual capital, and low morale of staff.	X			Workforce strategy underway
	Digital Literacy	Implementation of new systems creates opportunities to build employee capability and skills	Baseline capability contributes to missed opportunities to leverage systems and business improvement. There is a risk that if staff are not engaged in the journey they may resist the change, or that we end up with a two speed organisation	X			Training needs analysis to identify requirements
	Volunteer attraction & retention	Opportunity to further engage and attract skilled volunteers to the organisation	COVID-19 has impacted on the number of volunteers.	X			
	COVID-19 workforce impact	Revisiting ways of working and employer value proposition.	Management of employee leave (and business continuity).	X			
	Employment market	Opportunity to revisit what our workforce needs are in a restricted labour market and attractiveness as an Employer. Increasing number of high profile organisations trialling the 4 day work week also drives changes in the employment market.	High demand industries at the moment include IT and roles for tactical expertise including business analysts are highly competitive. Risk of not attracting appropriately skilled talent and meeting industry expectations around remuneration.	X			
	Upskilling of staff	Elevate the skills of the workforce to leverage the capacity to utilise new technologies	Risk that business as usual work is delayed due to the requirement for staff to be upskilled in new programs/processes and technologies.	X			

7.2 Quarterly Corporate Risk report

Report Reference	FRAC221213R7.2
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 Corporate Risk Register review for Q1 (July to September) 2022/23.

EXECUTIVE SUMMARY

The Corporate Risk Register was last reported for Quarter 4 (April to June 2022) to the FRAC at their meeting on 16 August 2022 (FRAC220816R4.1).

During the quarter 1 (Q1) review, two (2) risks were merged, and two (2) new Risks added to the Corporate Risk Register. FRAC are requested to validate and review the recommendations.

RECOMMENDATION:

That FRAC:

- 1. Notes the Corporate Risk Register Report (Attachment 1) and provides feedback on the review outcomes.**
- 2. Endorses the new risks CRR104 - Ineffective and inconsistent event management & CRR105 Ineffective and inconsistent direct mail management both risk rated as Medium.**
- 3. Endorses the removal of Risk MOP03 (this has been merged risk MCC03).**

DISCUSSION:

The Corporate Risk Register was distributed to the Senior Leadership Team (SLT) to undertake a review of risks relevant to their portfolio for quarter 1 2022-23 (Q1) period. SLT, as the primary risk owners, reviewed and updated their risks.

The Strategy and Risk Team supported reviews with City Property, Community Connection, Engineering, Assets and Environment, Customer Experience, City Activation, People and Culture, Dev and Reg Services, Operations & Finance.

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, two new risks were identified, and two risks were merged. On-going and / or emerging risks and opportunities were identified through the Environmental Scan and were discussed by the Strategy and Risk Team with SLT members throughout the Q1 review process. Details of the Environmental Scan are detailed in Attachment1, section 1.4.

The detailed analysis of the Corporate Risk Register review for Q1 are also included within **Attachment 1**.

The Q1 2022-23 Corporate Risk Register review resulted in the number of:

- Risks identified increasing from 103 to 104, with 1 risk being merged with another and 2 new risks added.

- High risks remain static from Q4 at 7, subject to discussion from ELT to consider re-rating 2 high risks down to medium.
- Medium risks increased from 66 to 67 in Q1
- Low risks remain static from Q4 at 30

Changes made to the Corporate Risk Register in Q1 2022-23

MOP03 & MCC03 have been merged to one risk. The risks were identical but covered different sites, being Marion Outdoor Pool and Marion Culture Centre. As these sites are managed by City Property, the risks have been merged and controls reflect both sites.

Two new risks have also been added in Q1 2022-23, as shown in Table 1 below:

Table 1: New Risks

Risk Ref	Work Area	Risk Description	Inherent Risk Rating	Current Risk Rating	Forecast Risk Rating	Comment
CRR104	Customer Experience	Ineffective and inconsistent event management	High	Medium	Medium	It has been identified that across CoM there are different processes for Event management
	Customer Experience	Ineffective and inconsistent direct mail management	High	Medium	Medium	It has been identified that across CoM there are different processes for direct mail management.

The above risks have been added to the register as they both have the potential consequence of providing inconsistent and confusing messaging to the community, leading to an impact to the City of Marion brand and resulting in reputational damage. Controls are in place to ensure appropriate risk mitigation, resulting in both risks having a current risk rating of Medium.

High Risks

High-Risk Plans-on-a-Page have been developed for all high risks that have been identified in Q1, 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**.

Conclusion

The Strategy and Risk team have implemented FRAC recommendations for control reporting for all High rated risks.

ATTACHMENTS

1. Attachment 1: CORPORATE RISK REGISTER Report - Q1 2022-23 [7.2.1 - 5 pages]
2. Attachment 2: Plans on a Page for HIGH Risks Q1 22-23 [7.2.2 - 9 pages]



CORPORATE RISK REGISTER REPORT

Quarter 1 2022-23

1. CORPORATE RISK REGISTER ANALYSIS

1.1 Analysis of Q1, 2022-23

The Quarter 1, 2022-23 review of the Corporate Risk Register resulted in a total of 104 risks identified. The current risk ratings are 7 high, 67 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 2: Oct to Dec 2021			Qtr 3: Jan to Mar 2022			Qtr 4: April to June 2022			Qtr 1: July to Sept 2022/23			Overall Impact*
*Corporate 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	7	0	62	6	0	62	7	0	62	7	0	↔
Medium	12	66	60	13	67	61	13	66	61	14	67	62	↑
Low	0	30	43	0	30	42	0	30	42	0	30	42	↔
Total	103	103	103	103	103	103	103	103	103	104	104	104	

Current High Risk %	7%	6%	7%	7%
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*Key: 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**.

During this quarter, DHS identified a gap on how CoM identifies and manages risk of harm to children, young and vulnerable people. CoM has controls in place for sites that manage at risk of harm to children, young and vulnerable people and is noted in the risk.

People and Culture and Strategy and Risk team are identifying the risks across the organisation, current controls, and actions to minimise the risk of harm.

Re-assigned risks

No Risks were re-assigned for Quarter 1, 2022-23.

1.2 Re-rated risks

No Risks were re-rated for Quarter 1, 2022-23.



1.3 New risks and merged risks

There were two new Risks identified Quarter 1, 2022-23:

Risk ID	Risk Description	Owner
CRR104	Ineffective and inconsistent event management	Customer Experience
CRR105	Ineffective and inconsistent direct mail management, risk owner Customer Experience	Customer Experience

City Property merged MOP03 & MCC03 - Failure to appropriately manage high risk activities undertaken by contractors (such as provision of lifeguards, Plant servicing provision of technicians, plant servicing and maintenance, ad hoc training providers etc) Risk to one as the risk was the same for each site and are both managed by City Property.

1.4 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 following matters have been identified throughout Quarter 1, 2022-23.

Project delivery costs

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

Staff shortages prevalent in the sector are expected to have continued impacts as the sector struggles to deliver significant volumes of projects procured by various levels of government and private enterprise.

Impacts to council include increased costs (that are currently unbudgeted) of delivering capital works and new projects with a high possibility of extended project construction timeframes.

Inflation

Inflation continues to rise at 7.3% for quarter 1 2022-23. The Reserve Bank of Australia (RBA) is forecasting that it is likely to rise to 8% by the end of 2022. Impacts on household disposable income may impact residents' ability to meet household liabilities including rates.

The cost of delivering services also increases which is an opportunity for council to review services and future projects to combat inflationary issues.

Employment market & talent retention

The employment market continues to provide skills shortages and challenges fulfilling vacancies. Opportunities to promote the employee value proposition benefit actively to compete with the variety of promotion provided by other companies within the recruitment phase. Lack of succession planning combined with a competitive market may hinder the ability to attract and retain top talent over the long term. We do now have talent acquisition officer on staff and the opening of borders will improve this, however, there are some professions that remain highly competitive including IT and data professionals along with construction professionals. It is predicted that this on-going challenge will impact project delivery and servicing for up to 2 years.



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 which result in budget increases to CoM. The LGA (Local Government Association) is investigating opportunities to reduce any cost impacts to council and CoM staff have been involved in some discussion on this.

An opportunity for council to review and look at ways to reduce energy consumption activity and to investigate new innovations such as community batteries that can reduce the burden on residents and businesses.

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 continue. 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, food security, 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.

There is a high likelihood for greater demand on services as more people seek support services and respite from the heat over summer (and potential impacts of flooding) and seek to reduce energy costs at home by utilising community assets more frequently, including those remotely working.

Greater scrutiny on council's plans

Council is advised that its Asset Management Plans and Long Term Financial Plan will be reviewed by ESCOSA (Essential Services Commission of South Australia) as part of a broad reform under the *Local Government Act, 1999* (SA). The opportunity for the Council's plans to have third party oversight provides greater transparency to residents. The risks are that if council does not meet the expectations covered in the review reputational damage may occur.

Future planning

ABS 2021 data was released this quarter and confirmed a consistent growth in 1% annual growth forecast for the council area. Opportunities to consider forecasting tools to consider assumptions including potential new Planning and Design Code Amendments and new infrastructure (i.e. North South Corridor, Tonsley) to understand the future needs for the area.

The State Government, Planning and Land Use Services Department is also reviewing the Regional Plan (30 Year Plan for Greater Adelaide) to which the council is legislatively required to ensure documents within its strategic management framework reference any relevant state planning policies or regional plan to set the councils priorities for future planning policies.

Asset Management

Through the quarter 4 2021/22 review, discussions were raised about asset management. Council has policies, plans and strategies in place for asset management, however when it comes to repairs, the approach is often reactive rather than proactive. Whilst this does not raise any liability risk for Council, it did raise discussions about the service level the Council wants to provide in this space. The discussions on this did not re-rate any current risks but did elevate understanding of potential gaps. Collaborative discussions with the areas with a

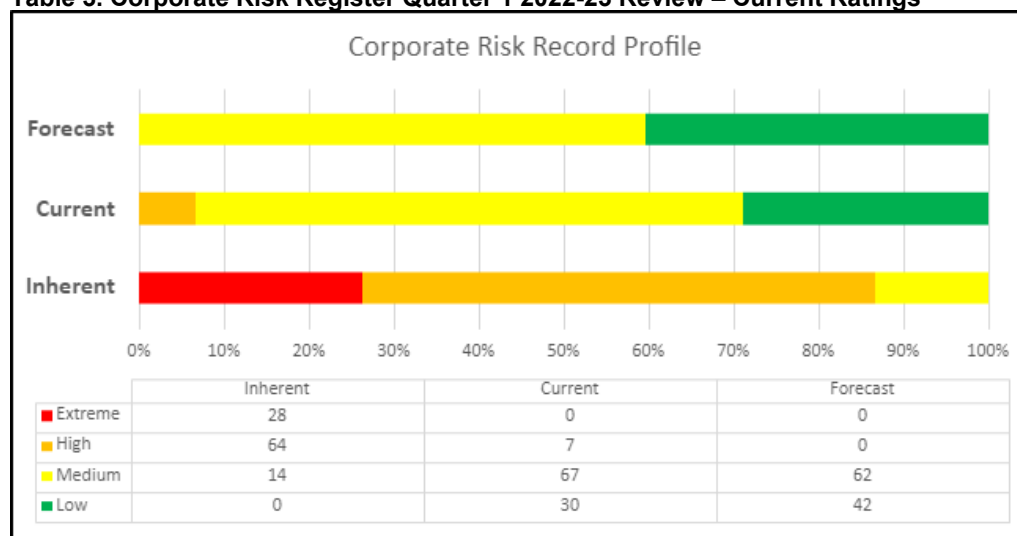


touch point into asset management and maintenance occurred through the quarter 1 2022-23 review and there has been no change since last quarter. Therefore, the related risk has remained as a medium risk in Q1 2022-23.

1.5 High risks

There are currently seven (7) risks 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 Quarter 1 2022-23 Review – Current Ratings



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. There were no changes from previous reporting Q4 to this reporting quarter Q1. 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)

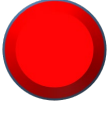

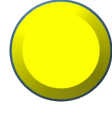
Risk Ref	Risk Description	Inherent Risk Rating	Current Risk Rating	Qtr. Mvmnt
CDO01	Poor data quality and information governance not supporting informed decision making	Extreme	High	↔
DTP01	Decentralised, unsupported, and unintegrated ICT systems to support current and future needs	High	High	↔
ESU03	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	↓



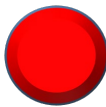


LPR02	Injury or harm/damage arising out of a failure of CoM contractors to comply with contract conditions and CoM HSE requirements	High	High	
CON04	Supply chain issues creating an inability to complete projects on time and within allocated budget	High	High	
PCU01	Labour Market factors impacting on CoM to attract and retains talent.	High	High	



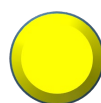
To provide greater detail and context for High rated risks, a High-Risk Plan-on-a-Page was developed in collaboration with each of the risk owners for review, validation, and monitoring by FRAC each quarter. The High-Risk Plans on a Page are located in **Attachment 2** of the FRAC Report for 13 December 2022.

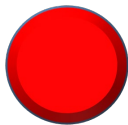


High Risk Plans on a Page Quarter 1 2022/23 Attachment 2




RISK ID	CON04				
DATE LAST REVIEWED	01/10/2022				
ELT	Corporate Services				
SLT	Mgr Strat Procurement				
Likelihood Rating	Likely	INHERENT Risk Rating	CURRENT Risk Rating	TARGET Risk Rating	
Consequence Rating	Moderate				
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					
<ul style="list-style-type: none"> - 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 - Shortage of skilled labour for contract/project delivery - Material increase in costs - inflationary and availability pressures 					
Potential Consequences					
<ol style="list-style-type: none"> 1. Additional costs to complete projects 2. Delays in completion, not meeting deadlines 3. Reputation damaged 4. Community dissatisfaction 5. Adverse media coverage 6. Grant funding reduced 					
Implemented Controls		Endorsed/last reviewed Date	Due Date	Control Effectiveness	Responsible Officer
1	Contract Management Policy & Procedures	Nov-21	Nov-25	Effective	Mgr St Procurement
2	CoM Procurement procedure	Jul-21	Jul 23	Effective	Mgr St Procurement
3	CoM Tender Evaluation procedure	Jul-21	Jul 23	Effective	Mgr St Procurement
4	Targeted pricing reviews	ongoing	ongoing	Effective	Mgr St Procurement
5	Cross Council collaboration (peer review of initiatives)	ongoing	ongoing	Effective	Mgr St Procurement
6	Itemised, quantity focused pricing schedules utilised for tenders	ongoing	ongoing	Effective	Mgr St Procurement
7	Tendering process engagement is managed outside of peak period	ongoing	ongoing	Effective	Mgr St Procurement



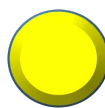
Overall control Effectiveness			Effective	Quarter Ending September 2022
Planned Treatment	Status	Original Due Date	Revised Due Date	Responsible Officer
Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"				
Added 2 new Risk Causes - Shortage of skilled labour for contract/project delivery - Material increase in costs - inflationary and availability pressures New Potential Consequence - Grant funding reduced				
Completed Controls and Treatment plans				
Comments				
Added 2 new Risk Causes - Shortage of skilled labour for contract/project delivery - Material increase in costs - inflationary and availability pressures One Risk Cause removed - Dept Health COVID -19 directions (isolation, travel etc) - removed as no restrictions or limited restrictions in place suggesting going forward this can be managed via the BCP risk New Potential Consequence - Grant funding reduced No change to Risk Rating Likelihood - Likely Consequence - Moderate Overall rating remains as HIGH Consideration for next quarter to move to Consequence to Minor which will decrease overall risk rating to Medium. All factors for this Risk is taken into consideration at project scope and earlier tender process which should lower the consequence. The Likelihood would still be Likely as we may have one or more contractors that would not be able to deliver the services however anticipate the Consequence of this would be reduced				




RISK ID	CDO01				
DATE LAST REVIEWED	08/11/2022				
ELT	Corporate Services				
SLT	Business Intelligence Lead				
Likelihood Rating	Possible	INHERENT Risk Rating	CURRENT Risk Rating	TARGET Risk Rating	
Consequence Rating	Major				
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 lead 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					
<ul style="list-style-type: none">- 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					
<ul style="list-style-type: none">- 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	Control Effectiveness	Responsible Officer
1	DTP ELT Meetings (ICT steering committee)	Aug-21	Dec-23	Effective	GM Corp Serv
2	Vendor management reviews of software enhancements/faults	Jan-21	ongoing	Effective	Snr DTP IT Mgr
3	Software owner roles & responsibilities documented (org wide vs departmental)	ongoing	ongoing	Effective	Snr DTP IT Mgr
4	Core application systems user groups with ICT business unit account & manager roles	ongoing	ongoing	Effective	Snr DTP IT Mgr
5	Business intelligence/data analytics reporting toolset (MS PowerBI)	ongoing	ongoing	Effective	BI Lead
6	Data and Analytics strategy endorsed	Feb-22	ongoing	Effective	BI Lead
7	ICT Service Reviews and ICT Internal Audit recommendations implemented	Dec-21	ongoing	Effective	GM Corp Serv
8	Data Governance Framework	Dec-21	ongoing	Effective	Mgr OoCEO
Overall Control Effectiveness				Effective	Quarter Ending September 2022
Planned Treatment		Status	Due Date	Revised Due Date	Responsible Officer
3	Cross Council collaboration (peer review of initiatives)	On schedule	30/12/2022	30/12/2022	Snr DTP IT Mgr
4	DTP - COM9 data analytics	On schedule	30/06/2022	30/12/2022	BI Lead
7	Finalise the data analytics road map for the implementation of the strategy and framework	Behind schedule	30/06/2022	30/07/2023	BI Lead
Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"					
PT4 Due date extended. BI Lead is now on board and this work is back on track					
PT6 Data Governance Framework has been developed and seeking ELT endorsement in December.					
PT7 Data & Analytics schedules and due dates are shifting regularly while the project finds its feet with strategy sign off - due date extended to July 2023					

RISK ID	DTP01				
DATE LAST REVIEWED	30/10/2022				
ELT	Corporate Services				
SLT	Manager IT Operations • Information Services				
Likelihood Rating	Likely	INHERENT Risk Rating	CURRENT Risk Rating	TARGET Risk Rating	
Consequence Rating	Moderate				
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					
<ul style="list-style-type: none">- 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					
<ul style="list-style-type: none">- 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	Control Effectiveness	Responsible Officer
1	DTP ELT Meetings (ICT steering committee)	Aug-20	Dec-23	Effective	GM Corp Serv
2	DTP Communications Plan	Nov-20	Nov-22	Effective	Mgr Cust Ex
3	DTP Change Management Plan	Feb-22	Aug-22	Effective	Mgr Cust Ex
4	Digital Literacy training plan	Jan-21	Dec-22	Effective	Snr DTP IT Mgr
5	DTP team of qualified & experienced personnel inc dedicated BA and PM resources (service review undertaken)	June 2022	Ongoing	Effective	GM Corp Serv
6	DTP performance reporting to ELT & FRAC	Aug-20	Dec-23	Effective	Snr DTP IT Mgr
7	Cross Council collaboration (peer review of initiatives)	Jun-20	Jun-22	Effective	Snr DTP IT Mgr
8	CRM system	Jan-22	Jan-23	Effective	Mgr Cus Exp
9	HR/payroll system	Jul-22	Jul-23	Partially Effective	Mgr P&C
10	Finance system	Jul-22	Jul-23	Partially Effective	Mgr Fin
Overall control Effectiveness				Effective	Quarter Ending September 2022
Planned Treatment		Status	Due Date	Revised Due Date	Responsible Officer
1	Digital Transformation Project	On schedule	30/06/2023		GM Corp Serv
4	Asset Mgt new system	Behind schedule	30/12/2022	July 2023	Mgr Fin
5	Reviewing CoM Technology landscape and developing an IT strategy	On schedule	01/03/2023		Snr Mgr DTP IT Manager
Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"					
IC05 - resourcing is an continuing concern control will be reviewed on going IC9 & 10 have been implemented however not all features are working as intended New Plan Treatment added PT 5 - Reviewing CoM Technolgy Landscape and developing an IT Strategy PT4 - has a revised due date from 30 December 2022 to July 2023 No change to overall Risk Rating					

RISK ID	FIN06				
DATE LAST REVIEWED	30/10/2022				
ELT	Corporate Services				
SLT	Finance				
Likelihood Rating	Likely Major	INHERENT Risk Rating	CURRENT Risk Rating	TARGET Risk Rating	
Consequence 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					
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					
Implemented Controls					
1	Prudential Management Policy	Dec-21	Dec -22	Effective	CFO
2	Project Management Framework	Dec-21	Dec -22	Effective	Snr PM FT
3	CAMMS project management software (contract)	Mar-22	Mar-23	Effective	Snr PM FT
4	Monthly Project Steering Group meetings	ongoing	ongoing	Effective	Snr PM FT
5	Monthly financial reporting	ongoing	monthly	Effective	CFO
6	Project Management Office	May-21	ongoing	Effective	Snr PM FT
7	Cross Council collaboration (peer review of initiatives)	ongoing	ongoing	Effective	Snr PM FT
8	Monthly Capital works Meeting and Monthly Capital works Report	ongoing	ongoing	Effective	Snr PM FT
9	CAMMS training conducted for users	ongoing	ongoing	Effective	Snr PM FT
10	KPMG Internal Audit - Project Management Framework- endorsed	Jun-22	ongoing	Effective	Snr PM FT
11	System Training	Sep-22	ongoing	Effective	Snr PM FT
Overall Control Effectiveness			Effective	Quarter Ending September 2022	
Planned Treatment		Status	Due Date	Revised Due Date	Responsible Officer
2	Internal review and refresh of Project Management Framework- draft to be shared with SLT and ELT, and presented to Council for endorsement.	On schedule	30/06/2022	30/04/2023	Snr PM FT
5	Continual training has been occurring across the organisation	On schedule	30/09/2022	ongoing	Snr PM FT
Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"					
PT02 - PMO project taken over by GM City Services as Project Sponsor. External consultant brought in to drive with					

RISK ID	ESU03				
DATE LAST REVIEWED	25/10/2022				
ELT	City Services				
SLT	Engineering Assets and Environment				
Likelihood Rating	Possible	INHERENT Risk Rating	CURRENT Risk Rating	TARGET Risk Rating	
Consequence Rating	Major				
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					
<ul style="list-style-type: none"> - 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					
<ul style="list-style-type: none"> - 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	Control Effectiveness	Responsible Officer
1	Resilient South Regional Climate Change Adaptation / Implementation Plan	2015-2019	Jun-23	Effective	UM ES
2	Coastal Climate Change Adaptation Plan inc monitoring to detect changes to risk.	2019	Jun-24	Effective	UM ES
3	Carbon Neutral Plan	2021	2030	Effective	UM ES
4	Cross Council collaboration (peer review of initiatives e.g. ESD training, utilities)	01/01/2021	Ongoing	Effective	UM ES
5	Insurance; Asset & Public Liability	01/07/2022	30/06/2023	Effective	UM ES
Overall control Effectiveness				Effective	Quarter Ending September 2022
Planned Treatment		Status	Original Due Date	Revised Due Date	Responsible Officer
1	Update Review of climate change projections/observations & use of pathways	On schedule	01/06/2023		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	30/06/2024	UM ES
4	Undertake a skills/capability audit & document training gaps in the TNA	Behind schedule	30/06/2022	01/06/2023	UM ES
Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"					
<p>IC04 - Consultant appointed to develop Fleet Transition plan for CoM</p> <p>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</p> <p>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.</p> <p>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</p> <p>No Change to Risk Rating</p>					

RISK ID	LPR02					
DATE LAST REVIEWED	01/10/2022					
ELT	City Development					
SLT	City Property					
Likelihood Rating	Likely	INHERENT Risk Rating	CURRENT Risk Rating	TARGET Risk Rating		
Consequence Rating	Moderate					
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						
<ul style="list-style-type: none">- 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						
<p>Serious injury to Workers, Contractors or member of Public</p> <ul style="list-style-type: none">- 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	Control Effectiveness	Responsible Officer
1	Contract Management Procedure (inc Checklist)		Jun-21	May-23	Effective	Mgr St Procurement
2	Cross Council collaboration (peer review of initiatives)		Jul-21	Jul-25	Effective	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	Effective	Mgr St Procurement
4	Contractor Insurance - recording and monitoring process		ongoing	ongoing	Effective	Mgr St Procurement
5	CoM Insurance		Jul-22	Jul-23	Effective	UM Strategy & Risk
6	Contractor Management Inductions forms		Jun-22	ongoing	Effective	UM Strategy & Risk
7	Contractor Induction/Observation/Monitoring forms are completed for site induction, observation and monitoring (inc record keeping)		Jun-22	ongoing	Effective	UM Strategy & Risk
8	Contractor Insurance		Jun-22	ongoing	Effective	UM Strategy & Risk
Overall control Effectiveness					Effective	Quarter Ending September 2022
Planned Treatment			Status	Due Date	Revised Due Date	Responsible Officer
4	Implement Contract Performance Evaluation process		Behind schedule	30/06/2022	30/12/2022	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						
PT4 - Staffing vacancy within the L&P team has delayed implementation - extended to December 2022						
October 2022 - review of the controls and that they are effective consideration to re-rate the risk to Medium						
Likelihood rating to move from Likely to Possible and Consequence rating to remain at Moderate which would re-rate the risk to Medium.						

RISK ID	PCU01					
DATE LAST REVIEWED	01/10/2022					
ELT	CEO					
SLT	People & Culture					
Likelihood Consequence	Likely Moderate	INHERENT Risk Rating HIGH	CURRENT Risk Rating HIGH	TARGET Risk Rating - MEDIUM		
Risk Description						
Difficulty attracting, recruiting and retention of talent Labour Market factors impacting on CoM to attract and retain talent						
Risk Statement						
Inability to create and attract a strong talent pool and retention of high performing people. Labour market factors driving talent shortages resulting in high turnover, higher turnover and increased higher employee costs, difficulty to attract suitably qualified talent. 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. Labour market demand is outstripping supply						
Stakeholders		Consultation				
All Business Units		P&C				
Risk source - Causes/Drivers						
<ul style="list-style-type: none">- High labour market demand levels of employment is resulting in 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						
<ol style="list-style-type: none">1. Damage to culture2. Staff dis-engage3. Reduced productivity4. Difficulties attracting and retaining staff6. Absenteeism7. Increase cost of service8. Reputational damage9. Unable to deliver key operations targets & projects10 Inability to deliver community expectations11. Increased attrition rates12. Increased number of vacant positions						
Implemented Controls			Endorsed/last reviewed Date	Review Date	Control Effectiveness	Responsible Officer
1	Organisational monitoring and action planning through Teamgate		Jul-22	ongoing	Effective	Mgr P&C
2	CEO advocates for and leads our vision and values		Jul-22	ongoing	Effective	CEO
3	Organisational skills gap analysis informs recruitment and training program		Jul-22	ongoing	Effective	Mgr P&C
4	Vacancy Management Policy Recruitment Selection and Appointment policy and procedure		Oct 22'	Oct-25	Effective	Mgr P&C
5	Marion Accerate Program (MAP) and LEAD In the Field program delivered annually		Jul-22	Jul-23	Effective	Mgr P&C
6	Performance Development Plans		Jul-22	Jul-23	Effective	Mgr P&C
7	Revised approach to graduate employment and development		Oct 22'	ongoing	Effective	Mgr P&C
8	GAP year program		Jul-22	Jul-23	Effective	Mgr P&C
9	Workforce Action Plans planning action planning in place for each SLT area Workforce planning		Jul-22	Jul-23	Effective	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	Effective	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	Effective	UM P&C
16	Employee engagement and learnings from UniSA culture study are embedded		Jul-22	ongoing	Effective	UM P&C
17	Future workforce skills embedded into recruitment practices		Oct-23	ongoing	Effective	UM P&C
18	Talent Attraction strategies managed by talent Acquisition Partner		Oct-23	ongoing	Effective	UM P&C
Overall control Effectiveness					Effective	Quarter Ending September 2022

Planned Treatment		Status	Due Date	Revised 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
Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"					
<p>All Planned treatments are on schedule</p> <p>In light of amended Risk Description the following controls have been removed for this Risk</p> <p>IC10 Work on revised Employee Value Proposition as part of Workforce of the Future Program</p> <p>IC11 AWU & ASU EA in place <input type="checkbox"/></p> <p>IC14 Recruitment guidelines reflect ICAC recommendations and police checks for applicable roles</p> <p>IC15 Flexible work options and RDOs available to employees under EAs <input type="checkbox"/></p> <p>Two new controls add <input type="checkbox"/></p>					
Comments					
<p>Risk Description amended from CoM ability to attract new employees and retain high performing people to Labour Market factors impacting on CoM to attract and retain talent</p> <p>Overall Risk Rating remained unchanged: High</p> <p>LIKELIHOOD amended from Unlikely to Likely</p> <p>CONSEQUENCE no change - Moderate</p>					
Completed Controls and Treatment plans					
<p>PT 6 - 10 Implemented</p> <p>6 Review the recruitment strategy with regards to the HRIS capability and in-source/out-source assessment - completed <input type="checkbox"/></p> <p>7 Development of revised approach to Graduate recruitment and development - completed <input type="checkbox"/></p> <p>8 Establishing strategic relationships with recruitment providers to support candidate attraction strategies - completed <input type="checkbox"/></p> <p>9 Embedded identified future workforce skills into recruitment practices - completed <input type="checkbox"/></p> <p>10 Recruitment of a Talent Acquisition Partner to develop talent attraction strategies and improve quality of recruitment processes - completed</p>					

7.3 Work Program and Meeting Schedule for 2023

Report Reference	FRAC221213R7.3
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

To set an annual work program for 2023 for the Finance, Risk and Audit Committee (FRAC) to ensure the Committee addresses the scope of activities identified in the Committee's Terms of Reference. This provides the opportunity to review the program and ensures that the workload of the Committee is planned, managed and resourced. It allows the Committee to relay the dates and times of the meetings to the community and provides for upcoming business to be dealt with in a timely manner.

EXECUTIVE SUMMARY

The FRAC Terms of Reference requires that the Committee meet at least quarterly at a time and place determined by the Committee, provided that all meetings are open to the public at the City of Marion building (clause 4.12). A schedule of meetings is to be determined by the Committee Members (clause 4.14).

The proposed dates in this report are based on the 2022 Committee Meeting schedule and can be amended. Consideration could also be given to the holding of the meeting outside of normal business hours, however care should be taken to avoid City of Marion General Council Meetings and Forums held on Tuesday nights. It is also noted that the Council Assessment Panel meets on Wednesday nights as determined.

A work program and meeting schedule for 2023 satisfying the requirements set out in the Terms of Reference has been compiled in **Attachment 1** for the Committee's consideration. The items included on the program are indicative only as items may be added, changed or moved during the year depending on areas of identified risk. As can be seen, the program addresses areas of responsibility as defined with the Committee's Terms of Reference, as well as providing opportunity for the improvement of the Committee's operations.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

1. **Notes the proposed work program for 2023 identified at Attachment 1 to the report.**
2. **Adopts the following schedule of meetings for 2022:**
 - a) **Tuesday 21 February 2022 (2-5pm)**
 - b) **Tuesday 16 May 2022 (2-5pm)**
 - c) **Tuesday 15 August 2022 (3-6pm and followed by a joint workshop with Council from 6.30pm onwards)**
 - d) **Tuesday 10 October 2022 (2-5pm)**
 - e) **Tuesday 12 December 2023 (2-5pm)**

ATTACHMENTS

1. FRAC SCHEDULE OF MEETINGS 2023 [7.3.1 - 3 pages]

SCHEDULE OF MEETINGS 2023

Day	Date	Time	Venue
Tuesday	21 February 2023	2 pm – 5pm	Administration Centre
Tuesday	16 May 2023	2 pm – 5pm	Administration Centre
Tuesday	15 August 2023	3.00 – 6.00 pm Followed by 6.30 – 7.30 pm (Joint workshop with Council)	Administration Centre
Tuesday	10 October 2023	2 pm – 5pm	Administration Centre
Tuesday	12 December 2023	2 pm – 5pm	Administration Centre

INDICATIVE COMMITTEE WORK PROGRAM – 2023**TUESDAY, 21 February 2023**

Topic	Action
Council Member Report	Communication Report
Annual Strategic Risk Register	Review and Feedback
Draft Annual Business Plan and Budget 2023-24 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 Corporate Risk Report	Review and Feedback
Budget Review 2 – 2022-23	Review and Feedback
Internal Audit Contract	Recommendation to Council
Cybersecurity – Quarterly Update	Noting
Digital Transformation Project – Quarterly Status Update	Noting

TUESDAY, 16 May 2023

Topic	Action
Council Member Report	Communication Report
Draft Annual Business Plan and Budget 2023-24 (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
Annual Report on Business Continuity	Review and Feedback
Quarterly Corporate Risk Report	Review and Feedback
Internal Audit Plan for 2023-24	Review and Feedback
External Audit - Interim Audit Report	Review and Feedback
Budget Review 3 – 2022-23	Review and Feedback
Cybersecurity – Quarterly Update	Noting
Digital Transformation Project – Quarterly Status Update	Noting
FRAC Effectiveness Survey	Review and Feedback

TUESDAY, 15 August 2023 (Joint Workshop with Council to follow from 6.30pm – 8.30pm)

Topic	Action
Council Member Report	Communication Report
Meeting with Internal auditors in camera	Seeking feedback from Auditors
Annual Review of HSE Program	Review and Feedback
Annual Insurance and Claims	Review and Feedback
Comprehensive valuation for non-infrastructure assets	Review and Feedback
Comprehensive valuation for infrastructure assets	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 Corporate Risk Report	Review and Feedback
Service Review Program – Scopes, Reviews and Monitoring	Review and Feedback
Cybersecurity – Quarterly Update	Noting
Digital Transformation Project – Quarterly Status Update	Noting
Fraud and Corruption Annual Review	Review and Feedback
Risk Management Plan, Framework and Strategic Plan review and update	Review and Feedback
Effectiveness Survey – Results	Noting
Joint Workshop with Council (6.30pm onwards)	TBA

TUESDAY, 10 October 2023

Topic	Action
Council 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 2023	Review and Recommendation to Council

Audited Annual Financial Statements for the year end 30 June 2023	Review and Recommendation to Council
Investment Performance 2022-23	Noting
Debtors Report	Noting
Effectiveness Survey – Results	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
Annual Strategic Risk Report	Review and Feedback
Marion Basketball Stadium – S48 Report (tentative)	Review and Feedback

Tuesday, 12 December 2023

Topic	Action
Council 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 - 2023-24	Review and Feedback
Framework and Key Assumptions for preparation of 2024-25 ABP and LTFP	Review and Feedback
Quarterly Corporate Risk Report	Review and Feedback
Cybersecurity – Quarterly Update	Noting
Digital Transformation Project – Quarterly Status Update	Noting

7.4 Internal Audit Plan 2022 - 2023

Report Reference	FRAC221213R7.4
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**
Audit Complete – finalising management comments with new General Manager, Corporate Services. Audit Report will be presented in February 2023.
- **Volunteer Management – Q2** – In progress. Field work complete. Drafting of report. Close out meeting not yet scheduled.
- **Community Consultation – Q2/3** – Audit complete - Attachment 1
- **Customer Experience – Q3** – Scope included as Attachment 2
- **Cyber Security – Q4** – Scope included as Attachment 3

An additional IA has been added to review the implementation of recommendations. This is currently being scoped with KPMG.

Community Consultation – Final Report Attachment 1

The objective of the Community Consultation Internal Audit was to assess the adequacy and effectiveness of the community consultation processes, policies and procedures in place. This was a collaborative audit between the CoM and CCS.

The scope of the review has included consideration of the following items:

- Review of the consistency in current practices and adherence between different projects and geographical areas across the Council, to measure the appropriateness of community consultation and engagement processes, including if they are fit-for purpose and support robust decision making.
- 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 processes and policies with the proposed Local Government Association of SA (LGA) Community Engagement Charter and Model Community Engagement Policy.

- High-level consideration was given to improvement opportunities and better practice insights.

Overall, there were 4 joint findings with one (1) moderate, one (1) low and two (2) performance improvement opportunities. For CoM, there were two (2) low findings and one (1) performance improvement opportunities. It is noted that there were no high rated findings for this audit.

Customer Experience Scope – Attachment 2

The objective of this internal audit is to perform a review of the adequacy and effectiveness of the CoM's customer relationship management (CRM) system. The scope will include:

- Clarity of the roles and responsibilities in relation to the customer experience across the CoM, with specific regard to the level of awareness and consistency of practices in the use of the CRM.
- Relevant policies and procedures which provide governance and guidance over the CoM's customer experience, including record keeping and the use of the recently implemented CRM.
- The initial objectives of the CRM, the current status of implementation of those objectives, and the identification of current gaps and/or issues together with recommendations for improvement. This will include consideration of:
 - Achievement of project benefits, including if the CRM project has delivered the specific objectives defined within the business case.
 - Alignment of the CRM with the CoM's Customer Experience Strategy objectives.
 - Alignment of the CRM with better practice, with a particular focus on customer journey and experience.
 - High level consideration of lessons learned from the CRM implementation.

It is proposed that this audit commence mid-December 2022.

Cyber Security Scope – Attachment 3

The objective of this audit is to assess the maturity of CoM's IT control areas against the LG Information Technology SA Local Government (LGITS) Local Government Security Framework.

The scope includes consideration of the following:

- Design effectiveness testing control areas against the Framework and support security toolkit, for a selection of systems which will be agreed with Management considering the CoM risk appetite and the effort will require:
 - Remote access security
 - Threat and vulnerability management
 - Operating systems patch management
 - Multi-factor authentication configuration
 - Endpoint security configuration
- Operating effectiveness testing control areas against the Framework and support security toolkit, for a selection of systems which will be agreed with Management considering the CoM risk appetite and the effort will require:
 - Operating systems patch management
 - Multi-factor authentication configuration

It is proposed that this audit commence in January 2023.

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. **Community Consultation – Final Report Attachment 1**
 - b. **Customer Experience Scope – Attachment 2**
 - c. **Cyber Security Scope – Attachment 3**

ATTACHMENTS

1. Co M Collaborative Community Consultation Internal Audit Report Final [7.4.1 - 38 pages]
2. Co M Customer Experience Internal Audit Scope (Draft) 0911 [7.4.2 - 4 pages]
3. Co M Collaborative Cyber Security Draft Internal Audit Scope Nov 22 [7.4.3 - 4 pages]



Cities of Charles Sturt and
Marion
Collaborative
Community Consultation
Internal Audit Report

November 2022

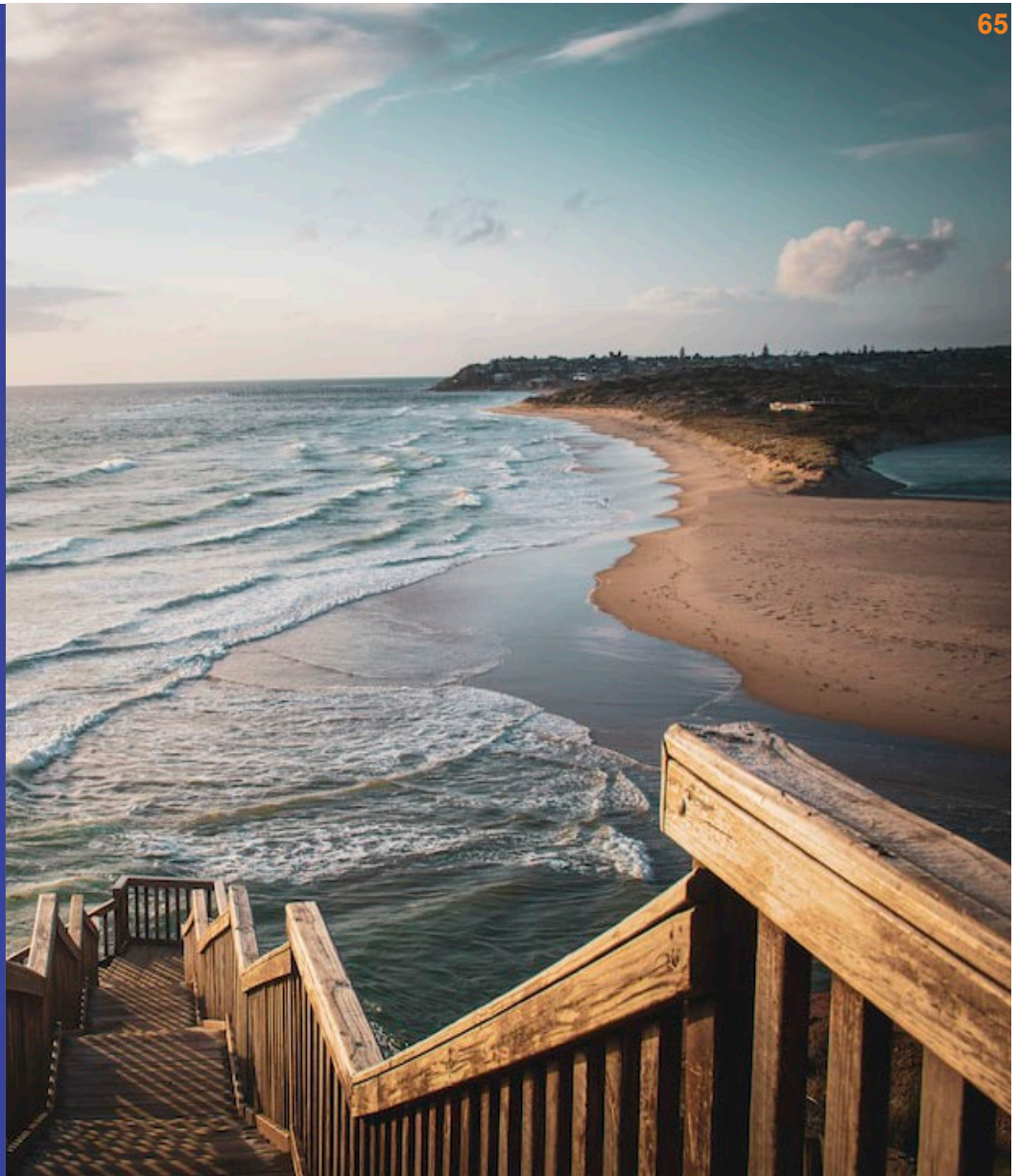


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In accordance with the 2022/23 Internal Audit Plan for the City of Charles Sturt (CCS) and the City of Marion (CoM) (collectively 'the Councils'), a collaborative internal audit project focusing on the CCS and the CoM Community Consultation was performed.

Key drivers for embarking on this collaborative project have included:

- To build a stronger and connected community where decisions are made in the best interest of the community.
- Greater representation of community's input in decisions made by Council.
- Identification of better practices to provide more efficient and tailored services for the community.

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

The scope of this review has included consideration of the following items:

- Review of the consistency in current practices and adherence between different projects and geographical areas across the Council, to measure the appropriateness of community consultation and engagement processes, including if they are fit-for-purpose and support robust decision making.
- 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 processes and policies with the proposed Local Government Association of SA (LGA) Community Engagement Charter and Model Community Engagement Policy.
- High-level consideration was given to improvement opportunities and better practice insights.

What's working well



Community Consultation Websites | 'Your Say Charles Sturt' and 'Making Marion' are interactive and informative, capturing mandatory information in surveys, including suburb fields to identify community representation.



Good Foundation | Guidelines provided by the IAP2, provide a good foundation used by both Councils in their policies/procedures and planning to provide guidance to staff.



Key Items Captured in the Planning Process | Capturing and identifying key stakeholder groups as part of the planning process has been performed quite well.



Early Wins | Moving towards pop-up hubs and a roving van (CoM) for in person consulting events, particularly where sufficient budgets are provided.



Policies and Procedures | The policies and procedures (where relevant) are sufficient to direct the consultation process of the Councils and ensure legislative requirements are met.

Opportunities



Deepening Focus on the Customer | Opportunities to move towards a community focused approach, rather than just meeting legislative requirements and IAP2 guidelines.



Efficiency Opportunities | Capturing hardcopy survey feedback to reduce labour and increase efficiency.



Greater Engagement and Involvement From Elected Members | Increased role of Elected Members to encourage community participation in consultation processes.



Earlier Planning | Ensuring sufficient timeframes are provided for thorough consultation processes and awareness throughout the Council.



Accessibility | Opportunities to enhance community engagement to ensure diversity and inclusion is being catered for, to allow everyone the opportunity to contribute.

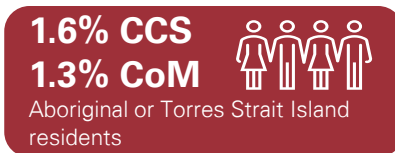
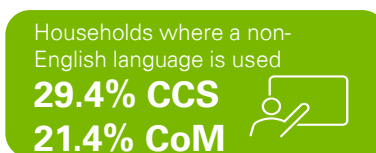
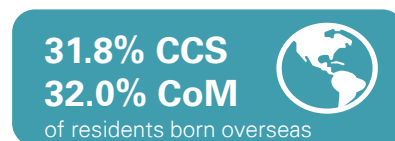
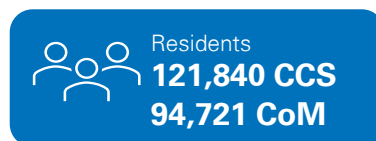
Community Consultation in Local Government

The CCS and CoM use community consultation to assist in identifying community priorities, in informing decision making, and to better connect the community with the Council. Community consultation coupled with internal collaboration have been key to creating a shared vision and forming a connected community.

Communities within the Councils include people who live, work, study, own property, conduct business, visit or use the services, facilities and public spaces of Council.

The CCS and CoM have a legislative responsibility to set out appropriate community consultation processes for its Council projects as prescribed under the Local Government Act 1999 (the Act). To ensure community consultation planning and processes are performed to best suit the project, the International Association for Public Participation (IAP2) resources are used as guidelines to define the expectations for community participation. The Local Government Association of SA (LGA) has also developed a proposed Community Engagement Charter and Community Engagement Model Policy to further guide community consultation within local government.

Per the 2021 census data, a snapshot of each Council's community diversity profile is below:



Relevant Risks Associated with Community Consultation for LGs

Community consultation, if performed incorrectly or where risks are not correctly identified, can have a significant impact on the Council, including the projects themselves.

- **Reputational** – The community may perceive they were not adequately consulted, or the Council is not operating in their best interest.
- **Litigation** – There is a risk of legal action being taken against Council, where it is viewed that inadequate community consultation has occurred.
- **Not meeting community expectations** – Conflicts with stakeholder groups where decisions are made by Council prior to, or without, consulting with the community.
- **Misdirection of Council investment** – Council investments may not be aligned with the community if individual views are not balanced with broader community views.
- **Loss of community trust** – Lack of public trust and confidence in the Council where ineffective community engagement occurs.

The following outline key considerations for what should be assessed in the management and decisions of community consultation methods and approaches:

- **Community Demographic** – Ensuring the Council's approach is developed based on an understanding of the community's demographic and the community's preferences.
- **Accessibility** – Creating an equitable level of access to information for all community members.
- **Alignment** – The degree of engagement weighting to be in line with the Council's strategic priorities.
- **Costs** – The amount that the Council is comfortable investing and spending on service maintenance and upgrades.
- **Perception** – The community's perception of why the Council is using a new way to be engaged.
- **Transition Risk** – The risks associated with providing a new and additional engagement method.



Across the CoM and CCS, each Council has the following supportive key policies, procedures, frameworks, teams and systems supporting the process.

CoM

- **Making Marion** – ‘Making Marion’ is a dedicated online platform for the community to contribute their ideas and share their thoughts on any active projects the Council is managing.
- **Marion 100** – 100 residents and ratepayers in the CoM were selected to collectively represent the demographic profile of the Council at a summit event. The purpose was to learn how the Council can better engage with the community on decisions made.
- **Public Consultation Policy** – Sets out the CoM’s commitment to effective community engagement regarding Council decisions, with inclusion of the IAP2 core values as their methods to include the community.
- **Public Consultation Procedure** – Guides staff on how to fulfil the Council’s statutory obligations as per the Local Government Act 1999 in relation to public consultation.
- **Community Engagement Plan (CEP)** – Provides guidance to staff in planning, implementing and evaluating successful and appropriate activities for their project.
- **Community Consultation Role** – Performed by the project team with support and coordination with the Community Consultation Officer.
- **Community Vision – Towards 2040** – Sets out the community vision for the future of the CoM, which includes an outcome where people are engaged, empowered to make decisions and work together to build strong neighbourhoods.

CCS

- **Your Say Charles Sturt** – The CCS ‘Your Say Charles Sturt’ webpage is an online community engagement hub where community members are encouraged to share and provide their inputs and feedback on important topics and active projects.
- **IntraMaps** – Intramap is a geographical information system. The CCS uses IntraMaps to provide real time geospatial data delivery through Web Feature Service (WFS) and Web Mapping Service (WMS).
- **Site Podium** – Site Podium is a mobile phone application used by the CCS to inform the community on concept plans and receive updated information on construction work.
- **Public Consultation Policy** – Articulates the steps that the Council must take when performing community consultation as per the Act.
- **Community Engagement Approach (CEA)** – Template document used by project teams to outline the proposed scope and approach to community consultation with regards to the Act.
- **Community Consultation Role** – Performed by the project teams with support and coordination provided by the Community Engagement Coordinator and Community Engagement Officers.
- **Our Community Plan 2020-2017** – Sets out the CCS’ vision in reflection to the five pillars that shape the CCS community. The plan also identifies the outcomes and aspirations for each pillar.

3.0 Internal Audit Findings

- Joint Findings

3.0 Internal Audit Findings - Joint Findings and Improvement Opportunities

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Joint internal audit findings

Internal Audit findings in this report have been organised into two categories, as follows:

- Joint findings in relation to consistent observations and opportunities identified across both Councils (Section 3.0).
- Specific findings that apply to only one Council (Section 3.1).

Through discussions with stakeholders, documentation review and sample testing performed for the Councils a total of two (2) joint findings and two (2) performance improvement opportunities were identified.

Overall, there are a number of opportunities moving forward for both Councils to collaborate and share learnings from each other as they address the identified findings. These include:

- Discussing best practice for effective community consultation across the diverse Council areas.
- Developing and adopting frameworks and templates.
- Opportunities to leverage learnings and feedback from the community.
- Opportunities to further engage and involve Elected Members within the community consultation process.

This section outlines the joint findings identified as part of this review. The risk rating for each finding has been mutually agreed by both Councils during the closing collaborative workshop. A section has been provided in each finding for a Management response from each Council.

Rating	Ref #	Description
Moderate	F1	Community Consultation methods require further enhancement to address accessibility and diversity
Low	F2	Inconsistent use of templates
PIO	PIO1	Opportunity to improve community education on consultation and capture feedback
PIO	PIO2	Opportunity to further engage Elected Members in community consultation process

3.0 Internal Audit Findings - Joint Findings and Improvement Opportunities

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Finding 1 – Community Consultation methods require further enhancement to address accessibility and diversity

Moderate

Finding(s):	Recommendation(s)
<p>Community consultation approaches are not consistently tailored to the diversity and inclusion needs of the community.</p> <p>The CCS and CoM are both diverse and multicultural Councils, reflected by the 2021 Census data which identified:</p> <ul style="list-style-type: none"> Households which speak a language other than English at home equated to 29.4% in the CCS and 21.4% in the CoM. Members of the community aged over 65 years were represented as 19.7% in the CCS and 19.0% in the CoM. <p>Although sample testing identified the Councils' use diverse methods to consult with the community, including online methods (website and social media) and face-to-face events such as pop-up stalls and meetings, Internal Audit identified the following gaps:</p> <ul style="list-style-type: none"> Councils' do not offer material, such as project information, surveys (hardcopy or online), brochures and flyers, in a language other than English. There is difficulty in locating the language translation button on the Making Marion website. Your Say Charles Sturt and Making Marion websites have accessibility barriers for users with a disability. Accessibility is not formally addressed in the community consultation process for those living with a disability. Community consultation methods are not tailored consistently to meet the diversity of areas and groups within the Council. For example, areas with an aging population who may have low digital literacy may require more in-person events. No formal approaches are in place to ensure inclusion and accessibility are being met. <p>It has been advised that the CCS is currently expanding it's Your Say Charles Sturt capabilities to include a translate function. Both Councils have a Disability and Inclusion Plan that outlines the council's commitment to creating an accessible and inclusive community.</p> <p>Risk(s):</p> <ul style="list-style-type: none"> Lack of representative feedback from the community due to lack of resources available in a language other than English. Community dissatisfaction and reputation decline as residences are not supported to provide feedback. Community members are unable to participate in community consultation. <p><i>(Continued on following page)</i></p>	<p>Internal Audit recommends:</p> <ol style="list-style-type: none"> Both Councils develop translated content to be provided to residents, based on the top three spoken languages in the Council area. Both Councils utilise the census data to identify Council areas which may have low digital literacy or low access to the internet to develop tailored offline consultation methods. The CoM to consider hosting in-person meetings, specifically for the aging population who may have limited digital literacy. Meetings could include attendance from Councillors and/or Elected Members to promote community relationship development. Accessibility should be formally considered by both Councils during the community consultation planning process and may include: <ol style="list-style-type: none"> Consideration of partnership opportunities with local disability organisations in the Council area to develop material that it accessible for people with disabilities (e.g., have low vision, are deaf or have an intellectual disability). Inclusion of accessibility add-ins to the Your Say Charles Sturt and Making Marion websites. For face-to-face events, consider accessibility of location, transport options nearby, sign language and translators for largest events. Discuss with the IT team to research accessibility add-ins or applications that could be added to the Making Marion and Your Say Charles Sturt websites.

3.0 Internal Audit Findings - Joint Findings and Improvement Opportunities

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Finding 1 – Community Consultation methods require further tailoring to address accessibility and diversity (cont.)

Moderate

CCS Management Action(s):	CoM Management Action(s):
<ol style="list-style-type: none"> 1. The CCS will amend the Community Engagement Approach template to include reference to diversity and inclusion under the heading “Communities of Interest” and within that consider target audience, catchment, demographics including dominant languages spoken at home. Recommendations on what communications need to be adapted and translated to increase participation rates will also be addressed. 2. The CCS will also amend the Community Engagement Approach template to include reference to community radio stations and community newspapers (e.g. Vietnamese newspaper, Ethnic radio) under the heading “Communication and Engagement Techniques and Promotions”. 3. The adjustments to the Community Engagement Approach will be made at the time the Public Consultation Policy is next reviewed. 	<ol style="list-style-type: none"> 1. The CoM will explore translated content options and discuss with the CCS on further insight into their systems. 2. Census data will be used to create a map identifying digital literacy levels in each Council Ward to assist in the planning of engagements, particularly to guide engagement methods. 3. The CoM will place greater focus on in-person meetings, specifically with Engagement/Events pop-up van to be used to facilitate on-site pop-up meetings. 4. Accessibility will be included in the planning templates for community engagement.
Responsibility: Community Engagement Coordinator	Responsibility: Unit Manager – Engagement, Media and Events
Target Date: 31 January 2023	Target Date: 1, 3 and 4) 28 February 2023 2) 31 December 2022

3.0 Internal Audit Findings - Joint Findings and Improvement Opportunities

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Finding 2 – Inconsistent use of templates

Low

Finding(s):	Recommendation(s)
<p>Gaps were identified in the consistent use of reporting and community communication documents. The template documents used for reporting on the community consultation results and the communication documents provided to the community are utilised inconsistently, in particular:</p> <ul style="list-style-type: none"> • The CoM does not utilise a community consultation reporting template, which has resulted in inconsistent reporting outcomes. • The CCS communication document designs (i.e. brochures and letters) utilised by each project team when communicating with the community are inconsistent. <p>There is a further opportunity for the Councils to develop reporting templates based on the complexity and tier of each project.</p> <p>Robust reporting can assist in demonstrating a thorough and transparent community consultation process has been followed.</p> <p>Risk(s):</p> <p>Without consistent templates to assist in liaising with residents and reporting on community consultation projects, it raises the risks of:</p> <ul style="list-style-type: none"> • Community miscommunication and misunderstandings. • Inconsistent understanding on the effectiveness of community consultation processes. 	<p>Internal Audit recommends:</p> <ol style="list-style-type: none"> 1. The CoM develop a reporting template and checklist to ensure that key items are included and reporting is consistent. This may be developed with consideration of the CCS reporting template. 2. The CCS and CoM adopt template reports to be dependent on the complexity of each consultation project. 3. Develop standardised design for brochures and letters to ensure consistency of formatting and structure.
CCS Management Action(s):	CoM Management Action(s):
<p>Whilst it is possible to develop some principles to enhance reporting consistency, in a number of cases one size does not fit all. Also, in a number of projects consultation is undertaken by consultants who use their own communication advisers and companies but follow Councils' standards. This process will be reviewed in partnership with Marketing and Communications teams and the CoM.</p>	<p>A plan, reporting template and checklist will be rolled out across the Council with training provided to business units.</p>
Responsibility:	Responsibility:
Community Engagement Coordinator	Unit Manager – Engagement, Media and Events
Target Date:	Target Date:
31 March 2023	31 December 2022

3.0 Internal Audit Findings - Joint Findings and Improvement Opportunities

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PIO 1 – Opportunity to improve community education on consultation and capture feedback

PIO

Finding(s):	Recommendation(s)
<p>There is an opportunity to improve community education and awareness of the community consultation process, purpose and results.</p> <p>Through stakeholder consultations, Internal Audit identified that there is potential for the community to not clearly understand the nature and purpose of community consultation and there was a misconception that their individual vote would directly impact the project outcome.</p> <p>There is an opportunity to educate the community on the community consultation process and where survey responses are incorporated into the process, through:</p> <ul style="list-style-type: none"> • Social media posts and communications on the purpose of community consultation. • Articulate within each project requesting feedback: <ul style="list-style-type: none"> • The process is part of obtaining community information. • The process does not involve a vote on the final project outcome and whether or not it goes ahead. • Ensures all considerations of the project are obtained, to identify consistent themes and help direct decisions. <p>There is a further opportunity to capture feedback from the community on the effectiveness of the consultation process, as well as identifying the community's preferred method of engagement.</p> <p>This would aid in further improving community education and understanding of the community consultation process and prevent potential conflicts from opposition stakeholder groups.</p> <p>Whilst feedback on the community consultation process is received from the community through the Annual Community Survey, Internal Audit identified the following gaps:</p> <ul style="list-style-type: none"> • Feedback on the community consultation process is sought from the community inconsistently, following conclusion of the consultation. • The community is not consistently consulted on their preferred method of consultation, for example in-person events, online surveys etc. • <i>(Continued on following page)</i> 	<p>Internal Audit recommends both Councils:</p> <ol style="list-style-type: none"> 1. Improve the community's education and awareness by: <ol style="list-style-type: none"> a) Developing social media posts outlining the community consultation process and purpose. b) Include on marketing material a blurb such as "Community Consultation process is part of obtaining your feedback, and does not determine the outcome of projects." c) Involving Elected Members as advocates and create opportunities to engage the community early in the project. 2. Capture feedback from the community more consistently by: <ol style="list-style-type: none"> a) Requesting feedback on community consultation process where appropriate. b) Inclusion within closing the loop to capture feedback from participants / community where appropriate. c) Inclusion of a query to address the community's preferred method of engagement where appropriate.

3.0 Internal Audit Findings - Joint Findings and Improvement Opportunities

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PIO 1 – Opportunity to improve community education on consultation and capture feedback (cont.)

PIO

CCS Management Action(s):

1. The CCS will provide a consistent upfront statement in both digital and print material that consultation is not a vote or referendum and is but one way councils gather information to make an informed decision.
2. The CCS will create report templates where a clear approach to evaluation can be documented and to ensure feedback from community is captured more consistently. Templates might vary depending on the nature of the engagement, complexity of the matter, and resources available.

Responsibility: Community Engagement Coordinator

Target Date: 31 December 2022

CoM Management Action(s):

1. The CoM will commit to closing the loop in project plans, with feedback survey included in the closing the loop process.
2. The CoM will include a question on the preferred method of engagement on the Making Marion sign up form.
3. The CoM will explore opportunities with bulk text messaging.

Responsibility: Unit Manager – Engagement, Media and Events

Target Date: 31 December 2022

3.0 Internal Audit Findings - Joint Findings and Improvement Opportunities

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PIO 2 – Opportunity to further engage Elected Members in community consultation process

PIO

Finding(s):	Recommendation(s)
<p>Opportunities were identified in the process to further engage Elected Members as advocates within the community consultation process, to share understanding and application of engagement between Community Consultation and Councillors.</p> <p>Whilst the Council consultation methods have generated participation from the community, there is an opportunity to involve Elected Members as advocates in this process to develop a stronger relationship between the community and its Elected Members.</p> <p>Further, Internal Audit were advised during stakeholder consultations that there is a lack of definition surrounding roles and responsibilities for tasks related to community consultation, between the administrative functions and Elected Members in the Councils.</p> <p>In encouraging Elected Member advocacy involvement within the community consultation process, the following should be considered:</p> <ul style="list-style-type: none"> • Impacts on decision making. • Political overlay when planning the community consultation and any associated risks. • Ensuring there is clear independence in roles, with the administrative function working with the Elected Members to prepare them for community consultation events and methods, in particular whether Elected Members may be challenged by the community. • Ensuring Elected Members are not defining the survey questions. • Developing clear procedures to define and outline governance and Elected Member involvement. 	<p>Internal Audit recommends:</p> <ol style="list-style-type: none"> 1. Distinguish between the administrative function and Elected Member responsibilities with regards to community consultation and communication, and formally document this. 2. Consideration of opportunities and protocols for Elected Representatives to engage as advocates with the community, which may include: <ol style="list-style-type: none"> a) Radio advertisements, including community radio. b) Attending Community Events. c) Linking particular Elected Members to specific events / projects. d) Social media posts (depending on the policies of the Council), directed by the Council.
CCS Management Action(s):	CoM Management Action(s):
<ol style="list-style-type: none"> 1. The CCS will reinforce responsibilities during New Council inductions and deliver awareness training for Councillors. 2. The Community Engagement Approach will be updated to articulate the role of Mayor, Ward Councillors and Councillors within the engagement. 	<ol style="list-style-type: none"> 1. The CoM will involve Elected Members in pop-up meetings, utilising the pop-up van. 2. The CoM Major will be the spokesperson on social media and mainstream media. 3. Webinars with relevant Elected Members will be used as an engagement method.
Responsibility: Manager Governance & Operational Support and Community Engagement Coordinator	Responsibility: Unit Manager – Engagement, Media and Events
Target Date: 31 January 2023	Target Date: 28 February 2023

3.1 Internal Audit Findings – Individual Findings

3.1 Internal Audit Findings – City of Charles Sturt

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Internal audit findings

Through our discussions with stakeholders, documentation review and sample testing performed, Internal Audit identified one (1) performance improvement opportunity. The following table provides a summary of our risk rated findings. Management has accepted the findings and has agreed action plans to address the recommendation.

Rating	Ref #	Description
PIO	CCS – PIO1	Inefficiencies identified in the recording of customer survey feedback

3.1 Internal Audit Findings – City of Charles Sturt

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PIO 1 – Inefficiencies identified in the recording of customer survey feedback

PIO

Finding(s):	Recommendation(s)
<p>Inefficiencies were identified in the process to capture hardcopy customer survey feedback.</p> <p>The CCS receive survey responses in either a hardcopy format, or through online surveys. The format in which survey responses are received is dependent on the project scope, location of the project and determined by the project team.</p> <p>Through stakeholder consultations and sample testing performed, Internal Audit identified the following:</p> <ul style="list-style-type: none"> • Hardcopy surveys and reply paid envelopes are provided to the community for consultation. • 1,375 direct mailouts, including reply-paid envelopes and hardcopy surveys, were provided to the community for the Freshwater Lake project, with over 400 hard copy surveys returned. This was due to the high proportion of aging residents in the project location. • Each hardcopy survey received is manually input into Your Say Charles Sturt, which requires an average of 1.5 minutes. <p>There is the capacity to continue to receive online survey results whilst the CCS team input the hardcopy survey data, however for some projects this function is turned off.</p> <p>As a result, a significant amount of resources are directed towards the provision of hardcopy surveys and manual capturing of this information.</p>	<p>Internal Audit recommends Management investigate opportunities to reduce the number of hardcopy surveys provided in the community consultation, for example:</p> <ol style="list-style-type: none"> a) Speaking at community events and on project location. b) Pop-up hubs. c) Radio advertisement, including community radio, and on-hold messages to encourage listeners to visit the Council's website and complete an online survey. d) Direct in-person attendance to libraries, and provide training to librarians to take survey responses / direct community members to enter survey responses into iPads. e) Utilise further innovative techniques, refer page 23. f) Speak to the community to identify preferred communication methods other than hardcopy surveys.
CCS Management Action(s):	
<p>The CCS acknowledges that hard copy surveys will continue for the time being to be distributed on mass so as not to exclude community members. Whilst hardcopy is a safety net, the Council also understands that it is a process that requires substantial time and cost. The Council will do more to enhance its customer relationship management system and promote engagement feedback by other channels, and over time the CCS should receive more responses via other channels which should slowly reduce the number of hardcopy responses.</p>	
Responsibility:	Community Engagement Coordinator
Target Date:	On-going

3.1 Internal Audit Findings – City of Marion

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Internal audit findings

Through our discussions with stakeholders, documentation review and sample testing performed, Internal Audit identified two (2) low rated findings and one (1) performance improvement opportunity. The following table provides a summary of our risk rated findings. Management has accepted the findings and has agreed action plans to address the recommendations.

Rating	Ref #	Description
Low	CoM – F1	Partial gaps identified in community consultation process
Low	CoM – F2	Uplifting the closing the loop process
PIO	CoM – PIO1	Opportunity to formally capture lessons learned

3.1 Internal Audit Findings – City of Marion

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Finding 1 – Partial gaps identified in community consultation process

Low

Finding(s):	Recommendation(s)
<p>Partial gaps have been identified in the planning process of community consultation activities.</p> <p>Whilst the Policy and Procedure sets out the Council's strategic objectives and process to approaching and managing effective community engagement and consultation, the following gaps within the community consultation planning processes were identified:</p> <ul style="list-style-type: none"> • Lack of internal staff awareness and establishment of timeframes required for thorough community consultation processes. • Lack of planning resulted in an inability to immediately commence the community consultation process following Council endorsement where the project became publicly available. • Budgets are either not provided, or are in some cases, insufficient for adequate community consultation. • The IAP2 core values are not formally considered during planning discussions with Project Leaders when determining project tiers. • The participation percentage of the community area to identify the success of the consultation (e.g. "what would good look like") is not formally captured in the community engagement plan and reported against. <p>A thorough planning process can assist in ensuring legislative requirements are met and an adequate community consultation process is followed.</p> <p>Risk(s):</p> <ul style="list-style-type: none"> • Lack of planning and timeliness results in delivery of poor quality deliverables. • Inability to ensure representative feedback is received due to lack of planning and budgeting. • Potential non-compliance with the IAP2 core values. 	<p>Internal Audit recommends:</p> <ol style="list-style-type: none"> 1. Develop an overarching calendar highlighting proposed community consultation projects for the year and established timeframes. This should also include: <ol style="list-style-type: none"> a) Proposed Council endorsement dates. b) Any additional rounds of community consultation required for multi-stage projects. 2. Develop and provide consultation awareness training to staff. 3. Inclusion of "what would good look like" in the Community Engagement Plan. 4. A budget is developed for community consultation projects and included within the Community Engagement Plan. Further consideration whether this is an internal cost or included within the project budget should be performed.
<p>CoM Management Action(s):</p> <ol style="list-style-type: none"> 1. The CoM will roll out a calendar identifying the all of Council's community engagement activities for the year. 2. The updated Community Engagement Framework will be presented to business units along with delivery of consultation awareness and training. 3. The CoM will include "what would good look like" in the Community Engagement Plan template. 4. Discussions on best processes to manage project budgets will be held with the Engagement Leadership Team. 	
<p>Responsibility: Unit Manager – Engagement, Media and Events</p>	
<p>Target Date: 28 February 2023</p>	

3.1 Internal Audit Findings – City of Marion

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Finding 2 – Uplifting the closing the loop process

Low

Finding(s):

The closing the loop process is performed inconsistently across the Council.

Closing the loop on a community consultation process ensures participants are aware of how their input has been considered in the decision making process and conveys that their contribution was valued. This process requires the Council to summarise project feedback received and to report back to the community on how the feedback has been used to inform the project. This practice also ensures alignment with the IAP2 core values, which reference communicating to participants on how their input impacted the decision.

During stakeholder consultations, Internal Audit noted that smaller tier projects (e.g., Tier 2 and 3 projects), typically have either a smaller budget or no budget dedicated to community consultation. As such, this has impacted the project teams ability to appropriately close the loop and the process is not being performed adequately for all community consultations.

Risk(s):

- Inability to demonstrate how community participation has helped inform the Council decisions.
- Community input is not considered during decision making.
- Loss of community trust.

Recommendation(s)

Internal Audit recommends closing the loop processes are performed for all community consultation projects, including at the end of each engagement activity for multi-stage projects.

CoM Management Action(s):

1. The CoM will include a process where a project cannot be closed until closing the loop process with the community has been completed.
2. The CoM will consider inclusion of the closing the loop process within all project planning / budgets.

Responsibility: Unit Manager – Engagement, Media and Events

Target Date: 31 October 2022

3.1 Internal Audit Findings – City of Marion

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PIO 1 – Opportunity to formally capture lessons learned

PIO

Finding(s):

Further improvements could be gained from formally capturing lessons learned and continuous improvements from post project discussions.

Following the conclusion of a project's community consultation, an informal meeting is held amongst the project team to discuss the project and what went well, what did not go well, lessons learned and future actions. There is no requirement within policies or procedures for this meeting to be held after completion of a project.

There is an opportunity to formalise this process to ensure that key information, especially lessons learned, is captured and documented for future implementation. Formalising this process would also contribute to a more consistent understanding of the community consultation processes within the organisation.

Recommendation(s)

Internal Audit recommends that as part of the reporting process, include an internal assessment / evaluation of the process and formally capture this for future projects.

CoM Management Action(s):

The CoM will include a process where a project cannot be closed until a formal 'lessons learned' document has been created with relevant stakeholders.

Responsibility: Unit Manager – Engagement, Media and Events

Target Date: 31 October 2022

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Appendix 1 – Innovative Opportunities

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Innovative Community Engagement Opportunities: Social Contract

Below is a potential opportunity for the Council to consider as a way to expand its community engagement channels. Included is a description of the opportunity (seen below) and some of the opportunity's potential benefits (seen to the right).



Opportunity 1 – Community Contract

Utilised by Wigan Council named *The Deal 2030*, a community contract is an agreement signed between the Council and residents. It notes ways each party is required to actively contribute to making a strong community for the future, rather than the Council contributing and the residents complaining.

One agreement in The Deal is that Council will 'cut red tape and provide value for money', provided residents will 'get online' – supporting the Council's ability to streamline its service delivery model. Additional elements of the deal can be seen in the image above.

Benefits

- ✓ Encourage residents to **actively contribute to the Council strategy**.
- ✓ **Reduce the number of passive complainers** within the community.
- ✓ **Start the conversation** with the residents who want the best for the community.
- ✓ **Empower communities** to shape their future with the opportunity to promote innovative ideas.
- ✓ Decisions become informed by a **wide range of opinions**.

Appendix 1 – Innovative Opportunities (cont.)

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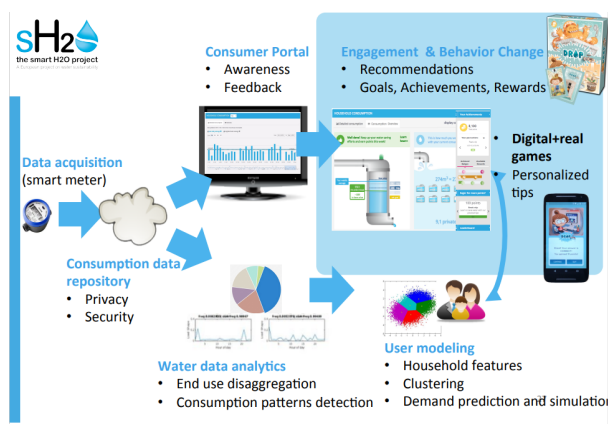
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Innovative Community Engagement Opportunities: Gamification

Below is a potential opportunity for the Council to consider as a way to expand its community engagement channels. Included is a description of the opportunity (seen below) and some of the opportunity's potential benefits (seen to the right).



Benefits

- ✓ **Promote new services** such as energy rebates offered by the Council through a digital channel.
- ✓ Increase **adoption and uptake of e-learning opportunities**.
- ✓ **Engage the community** in an enjoyable way.
- ✓ Collect a **bank of usable community data** to analyse and optimise service delivery.
- ✓ **Influence community behaviours** through simulation.
- ✓ **Provide residents with insights** regarding the problems the Council is trying to solve.



Opportunity 2 – Gamification

Games are quickly becoming one of the most used ways for Councils to engage with residents, influence behaviours and capture data. Examples include offering digital badges for adopting smart metering or letting residents simulate their ideal UX environment through games. Once gamified, the organisation can then use the data collected to inform service delivery improvements. WaterSmart software (seen above) utilises game-like features to impact how residents use water. The app provides users with a WaterScore, compares users' water consumption to similar households and provides tailored recommendations for ways to reduce water consumption.

Appendix 1 – Innovative Opportunities (cont.)

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Innovative Community Engagement Opportunities: Virtual Information Centre

Below is a potential opportunity for the Council to consider as a way to expand its community engagement channels. Included is a description of the opportunity (seen below) and some of the opportunity's potential benefits (seen to the right).



Opportunity 3 – Virtual Information Centre

Community consultation is a necessary part of any major Council change. These consultations tend to occur at meeting halls or information centres. Today, companies like ARUP can create virtual versions of these locations that can be accessed through mobile devices or computers. These virtual centres can serve as an immersive way to present information and can be utilised to host live events, with chat sessions and feedback portals to engage with the community in real-time. Brisbane City Council recently utilised a virtual information centre to exhibit the new Brisbane Metro. This room can be found via [Brisbane Metro Virtual Engagement](#).

Benefits

- ✓ **Increase the accessibility of information** whilst allowing community members to feel immersed in the location.
- ✓ **Enable community awareness and connectedness** in times when isolation is required.
- ✓ Provide a clear depiction of how the proposed change may **look and feel for community members**.
- ✓ **Cost savings** associated with physical events, including venue hire, staff time, content production and printing costs.
- ✓ Efficient **data capture** to help shape future engagement.

Appendix 1 – Innovative Opportunities (cont.)

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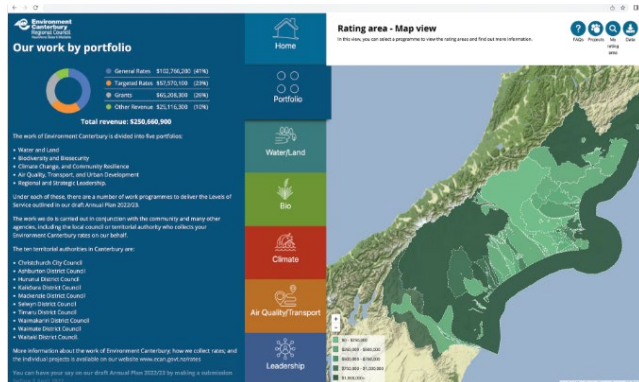
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Quick Wins: Data Visualisation

Below is a potential opportunity for the Council to consider as a way to expand its community engagement channels. Included is a description of the opportunity (seen below) and some of the opportunity's potential benefits (seen to the right).



Benefits

- ✓ **Better understanding** by raising awareness within the community, increasing engagement and getting better feedback.
- ✓ Improves the **transparency and accessibility** of public spending information.
- ✓ **Promote projects** and positive outcomes within the community.
- ✓ **Increase engagement** with clear, effective and visual communication.
- ✓ **Creates and improves trust** between the Council and community.



Opportunity 4 – Data Visualisation

A number of local government organisations in New Zealand, are utilising data as a dynamic storytelling tool to help communities visualise projects and knowledge within data. This is particularly useful in engaging with individuals who may not understand particular projects, or how they may be impacted.

Companies like Orbiz are assisting Councils to utilise their data within the community engagement process. The Bay of Plenty Regional Council used a Rates Calculator (seen above) to show the community different projects they could vote for and how each project would impact their rates bill, securely pulling the rates data from the Council's database.

Appendix 1 – Innovative Opportunities (cont.)

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Background

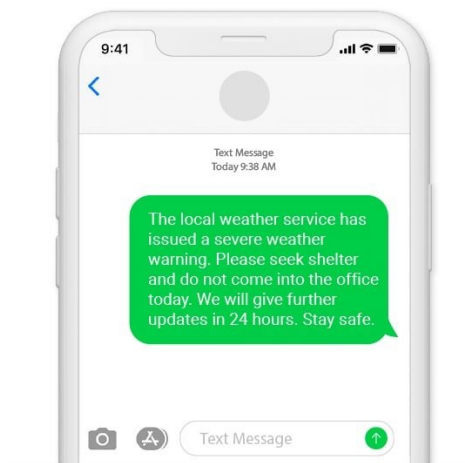
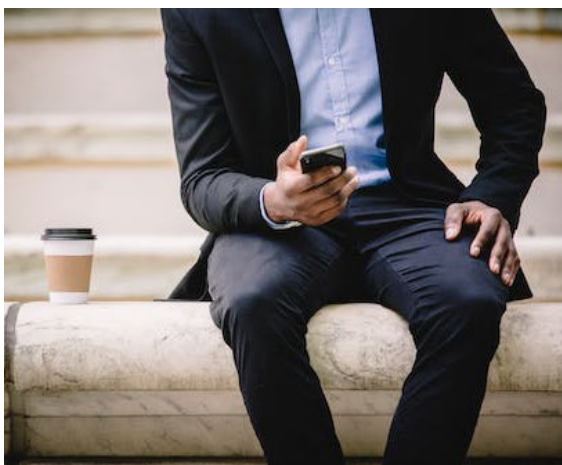
Joint Findings

Individual Findings

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Quick Wins: Bulk SMS Services

Below is a quick-to-implement opportunity for the Council to consider as a way to expand its community engagement channels. Included is a description of the opportunity (seen below) and some of the opportunity's potential benefits (seen to the right).



Opportunity 5 – Bulk SMS Services

Bulk SMS is a service offered by numerous operators to create contact between an organisation and a community. Utilising bulk SMS messaging service would allow the Council to send a text message to (almost) all individuals within that Council area. Messages sent in this way have a length limit of 160 words, however, this would likely be sufficient to get any critical messages across to the community. An example of a Bulk SMS would be Lismore City Council which utilised the service to send urgent flood warning messages ahead of the 2022 floods.

Benefits

- ✓ **Capitalise on people's preferences** for using mobile devices to receive information resulting in a high open rate of messages.
- ✓ Highly cost-effective way to **boost awareness about new services** within the local community.
- ✓ Council can **measure satisfaction** with SMS surveys to improve service quality.
- ✓ **Ask the community** for their opinions on changes that may impact them.
- ✓ Alert the community about highly important **safety alerts**.

Appendix 1 – Innovative Opportunities (cont.)

Executive Summary

Background

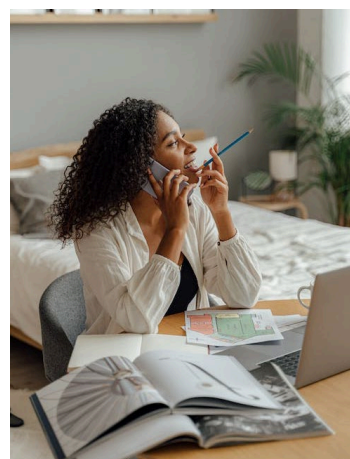
Joint Findings

Individual Findings

Appendices

Quick Wins : Automated Call Messaging

Below is a quick-to-implement opportunity for the Council to consider as a way to expand its community engagement channels. Included is a description of the opportunity (seen below) and some of the opportunity's potential benefits (seen to the right).



Opportunity 6 – Automated Call Messaging

On-hold messaging is a service used by organisations of all sizes to deliver information to their callers waiting on hold or while they are being transferred. Automated call messages tend to provide information relating to relevant FAQs or direct callers to web locations that may contain the information they are seeking, allowing the caller to more efficiently receive the information they are seeking. Additionally, the messages played while callers are on hold can be utilised to convey the thankfulness of the Council for the caller's patience or let the caller know about any significant events occurring in the near future.

Benefits

- ✓ **Save time** for callers and Council officers by automatically answering simple questions.
- ✓ Can be used to **promote upcoming Council events**.
- ✓ Provides an opportunity to let callers know that the **organisation recognises that their time is valuable**.
- ✓ An effective way to **provide information to less tech-savvy community members**.
- ✓ Direct community members to **more efficient** channels to receive information such as relevant websites.

Appendix 2 - Summary of observations across scope areas

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Below are the high level results for both Councils' community consultation approaches and methods across the key scopes areas for the review.

Scope area	CoM	CCS	Relevant Findings		
			Joint	CoM	CCS
Consideration of community consultation policies, procedures and methodologies are fit-for-purpose and support robust decision-making.	<ul style="list-style-type: none"> Community Consultation Policy and Procedure in place, last updated in 2019. Sufficient guidance in place regarding Council's obligations. Feedback from stakeholder consultations noted Policy / Procedure Framework is fit-for-purpose and being further developed. 	<ul style="list-style-type: none"> Public Consultation Policy is comprehensive and includes template Community Engagement Approach. Feedback from stakeholder consultations noted Policy / Procedure Framework is fit-for-purpose. 	F1	CoM - F1	-
Consistency in current practices and adherence between different projects and geographical areas.	<ul style="list-style-type: none"> Community Engagement Plan used. A Community Consultation Officer works with project teams across the geographical locations. Overall consistency in adherence across geographical areas. Opportunity for more consistent reporting. 	<ul style="list-style-type: none"> Community Engagement Approach used. Projects in a financial year are captured centrally, with individual teams managing their projects within their areas/geographical locations. Overall consistency in adherence across geographical areas. Opportunity for more consistent communication templates. 	F2	CoM - F1	-

Appendix 2 - Summary of observations across scope areas (cont.)

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Scope area	CoM	CCS	Relevant Findings		
			Joint	CoM	CCS
Monitoring and reporting issues, conflict escalation and management.	<ul style="list-style-type: none"> Conflicts (i.e. petitions / deputations) are reported to Council, with other conflicts followed up individually. All are captured in the reporting of each consultation project. 	<ul style="list-style-type: none"> Conflicts (i.e. petitions / deputations) are reported to Council, with other conflicts followed up individually. All are captured in the reporting of each consultation project. 	-	-	-
Alignment with IAP2.	<ul style="list-style-type: none"> Overall documentation review and stakeholder consultations noted alignment with IAP2, excluding a robust closing the loop process. 	<ul style="list-style-type: none"> Overall documentation review and stakeholder consultations noted alignment with IAP2. 	-	CoM - F2	-
Alignment with LGA Community Engagement Charter & Model Community Engagement Policy.	<ul style="list-style-type: none"> Methods and processes in policy and procedure align with LGA's Community Consultation Charter, other than the outcome of decision communicated to persons who made submissions. 	<ul style="list-style-type: none"> Methods and processes in policy and procedure align with LGA's Community Consultation Charter. 	-	CoM - F2	-

Appendix 3 – Stakeholder Consultation

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The tables below summarises the Council's personnel who were involved in discussions and contributed to the findings and actions detailed in this Internal Audit Report.

City of Marion

Name	Title
Kate McKenzie	Manager Office of the Chief Executive
Megan Bradman	Manager Customer Experience
Nick Marwe	Unit Manager Engagement, Media and Events
Mark Hubbard	Unit Manager, Sport and Recreation Community Facilities
Sean O'Brien	Sport and Community Facilities Planner
Sheree Tebyanian	Strategic Planner

City of Charles Sturt

Name	Title
Adam Filipi	Manager Public Health and Safety
Kristy Noakes	Customer Experience Project Lead
Sue Tripodi	Administration and Consultation Officer Open Space, Recreation and Property
Bruce Williams	General Manager City Services
Georgina House	Community Engagement Coordinator Urban Projects
Kerrie Jackson	Manager Governance and Operational Support
Mary Del Giglio	Team Leader Governance and Business Support
Danielle Picicella	Internal Controls Officer
Kath Mardon	Community Engagement Officer Engineering
Craig Daniel	Manager Urban Projects
Sam Adams	Manager Engineering Strategy & Assets
Sam Higgins	Manager Open Space, Recreation and Property
Mark Hannan	Strategic Planner
Shannan Smith	Permits and Senior Administration Officer
Caitlin Tierney	Executive Assistance to the CEO

Appendix 4 – Example Risk Matrix

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This example risk matrix demonstrates potential community consultation risks and respective impact on the level of community consultation.
(Shire of Cocos (Keeling) Islands Community and Stakeholder Engagement Framework 2019)

Increasing Level of Risk			
	LOW RISK	MEDIUM RISK	HIGH RISK
Increasing Level of Engagement	Level 1 INFORM <u>L1-L</u> Ordinary planning or statutory processes Ordinary project promotion and associated media No risk to reputation No media attention Limited potential for complaints Little or no community expectation Required aspect of the project Collaborative stakeholders No ability to impact the outcome Minimal numbers of attendees	<u>L1-M</u> Mostly non-contentious issues Limited ability to effect reputation Limited media attention Limited potential for complaints Easily managed community expectations Required aspect of part of the project Collaborative stakeholders Limited ability to impact the outcome Minimal to moderate number of attendees	<u>L1-H</u> Some contentious issues Potential impacts upon reputation Potential for moderate media attention Some potential for complaints Careful management of community expectations Required aspect of part of the project Potential non-collaborative stakeholder groups Some ability to impact the outcome Moderate to high number of attendees
	Level 2 CONSULT <u>L2-L</u> Little potential for contentious issues Little ability to effect reputation Minimal media or other attention Little potential for complaints Some expectation management necessary No ability to impact the outcome One or more collaborative stakeholders Minimal number of participants Minimal Shire resource allocation	<u>L2-M</u> Limited contentious issues Some ability to effect reputation Limited potential to attract media attention Some potential for complaints Considered management of community expectations Limited ability to impact the outcome Stakeholders with managed influence groups Minimal to moderate number of participants Moderate Shire resource allocation	<u>L2-H</u> Potential contentious issues Some potential impacts upon reputation Potential for media attention Moderate potential for complaints Careful management of community expectations Some ability to impact the outcome Multiple stakeholder groups with self-interest Moderate to high number of participants Minimal to moderate Shire resource allocation
	Level 3 INVOLVE <u>L3-L</u> Little potential for contentious issues Little ability to effect reputation Low potential for media attention Little potential for complaints Expectations of the community easily managed Some ability to impact the outcome One or more collaborative stakeholder groups Minimal number of participants Minimal to moderate Shire resource allocation Some potential government/funding body attention	<u>L3-M</u> Some potential for contentious issues Some ability to effect reputation. Some potential for media attention Some potential for complaints Moderate community expectation management Moderate impact on the outcome Moderate number collaborative of stakeholder groups Moderate Shire resource allocation Minimal to moderate number of participants Moderate Shire resource allocation Likely potential government/funding body attention	<u>L3-H</u> Moderate potential for contentious issues Moderate impacts on reputation Moderate potential for media attention Some potential for complaints Careful management of community expectations Moderate to high impact on the outcome Potential for multiple stakeholder groups with self interest Moderate to high number of participants Moderate to high Shire resource allocation High potential government/funding body attention

Appendix 4 – Example Risk Matrix (cont.)

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(Shire of Cocos (Keeling) Islands Community and Stakeholder Engagement Framework 2019)

Increasing Level of Risk			
	LOW RISK	MEDIUM RISK	HIGH RISK
Increasing Level of Engagement	Level 4 COLLABORATE <u>L4-L</u> Little to some potential for contentious issues Some ability to effect reputation Some potential for media attention Some potential for complaints Considered management of community expectations Some ability to impact the outcome Cross-organisational impact Conflicting stakeholders Minimal number of participants Moderate Shire resource allocation Some potential government/funding body/politician attention	<u>L4-M</u> Moderate to high potential for contentious issues Likely impacts upon reputation Likely potential for media attention Moderate potential for complaints Careful management of community expectations Likely impacts on outcome Cross-organisational impact Dominant and conflicting stakeholders Moderate to high Shire resource allocation Minimal to moderate number of participants Likely potential government/funding body/politician attention	<u>L4-H</u> High potential for contentious issues High reputational risk High likelihood of media attention High potential for complaints High potential for unrealistic community expectation Potential for major impacts on the outcome Cross-organisational impact High profile, conflicting and dominant stakeholders Moderate to high Shire resource allocation Moderate to high number of participants Moderate to high potential for attention from High potential government/funding body/politician attention
	Level 5 EMPOWER <u>L4-L</u> Potential for contentious issues Likely to affect reputation Likely potential for media attention Moderate potential for complaints Likely potential for unrealistic community expectations Likely impacts on the success of the project or outcome Cross organisational impact Dominant and conflicting stakeholders Minimal to moderate Shire resource allocation Likely potential government/funding body/politician attention	<u>L5-M</u> High potential for contentious issues High reputational risk High likelihood of media attention High potential for complaints High potential for unrealistic community expectations Potential for major impacts on the success of the project or outcome Cross organisational impact High profile, conflicting and dominant stakeholders Moderate to high Shire resource allocation High potential government/funding body/politician attention	<u>L5-H</u> Very high potential for contentious issues Very high reputational risk Very high likelihood of media attention Very high potential for complaints Very high potential for unrealistic community expectations Very high potential for major impacts on the success of project or outcome Cross organisational impact Very high profile, conflicting and dominant stakeholders High Shire resource allocation Very high potential government/funding body/politician attention

Appendix 5 - Classification of Findings

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City of Marion (CoM)

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

Risk and Opportunity Matrix

Likelihood	Consequence				
	Insignificant	Minor	Moderate	Major	Extreme
Almost Certain	Moderate	High	High	Extreme	Extreme
Likely	Moderate	Moderate	High	High	Extreme
Possible	Low	Moderate	Moderate	High	High
Unlikely	Low	Low	Moderate	Moderate	High
Rare	Low	Low	Low	Moderate	Moderate

Likelihood

Rating	Likelihood	Probability by %
Almost Certain	Consequences expected to occur in most circumstances.	>90%
Likely	There is a strong possibility that the event will occur in normal circumstances.	>75%
Possible	The event could occur at some time.	>50%
Unlikely	There is a slight possibility that it could occur at some time.	<25%
Rare	Highly unlikely will occur and only in very exceptional circumstances.	<5%

Appendix 5 - Classification of Findings

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Risk and Opportunity Consequence(s) Definitions:

	Community Impact	Financial Impact	Business Continuity/Organisational Impact	Reputation & Public Administrative Impact
Insignificant	<ul style="list-style-type: none"> Issue is insignificant with no impact to the community 	<ul style="list-style-type: none"> Financial impact and loss up to \$10,000 Project is up to 5% of original project budget 	<ul style="list-style-type: none"> Insignificant impact on the CoM ability to achieve strategic outcomes. Nil impact on achievement of key project objectives. Project duration extended up to 10% of original project timeframe 	<ul style="list-style-type: none"> Slight but manageable increase in the number of adverse resident/stakeholder complaints. Sporadic, low level negative commentary on an isolated social media platform for 1-3 days
Minor	<ul style="list-style-type: none"> Issue is temporary and may cause minor inconveniences; impact minimal to the community 	<ul style="list-style-type: none"> Financial impact and loss between \$10,000 - \$100,000 Project between 5%-10% of original budget 	<ul style="list-style-type: none"> Minor impact on strategic initiatives but overall strategic intent still achievable. Some impact on isolated key project objectives. Additional minor effort require to ensure all objectives are met. Project duration extended by 10-20% of original project timeframe 	<ul style="list-style-type: none"> Increased number of residents/stakeholder complaints requiring direct effort to resolve/attend to. Regular, low level negative coverage on multiple media platforms for 1-7 days Elected member dissatisfied, complaint
Moderate	<ul style="list-style-type: none"> Issue is significant and is an inconvenience to the community (i.e. site outage); potentially a medium-long term impact 	<ul style="list-style-type: none"> Financial impact and loss between \$100,001 - \$1M Project between 10%-20% of original budget 	<ul style="list-style-type: none"> Some key components of the strategic plan could not be achieved as a result of risk event. Additional funding/resources required to rectify. Impact numerous key project objectives. Considerable effort required including some changes in project scope to achieve outcome Project duration extended by 21-35% of original project timeframe 	<ul style="list-style-type: none"> High volume of resident/stakeholder complaints. Heightened medium level negative coverage in media platforms for up to 2 weeks Majority of Elected Members dissatisfied, Council motion affecting CEO/Administration Ombudsman or Office of Public Integrity Partner organisation complaint resolved within portfolio

Appendix 5 - Classification of Findings

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Risk and Opportunity Consequence(s) Definitions:

	Community Impact	Financial Impact	Business Continuity/Organisational Impact	Reputation & Public Administrative Impact
Major	<ul style="list-style-type: none"> Issue impacting the community and is a major inconvenience; has a long term impact 	<ul style="list-style-type: none"> Financial impact and loss between \$1M - \$4M Project between 20%-35% of original budget 	<ul style="list-style-type: none"> Council unable to deliver on numerous key strategic initiatives without additional funding/resources Major review of strategic plan required Significant portion of key project objectives impacts. Major changes to project scope and work necessary to achieve required outcomes Project duration extended by 36-50% of original project timeframe 	<ul style="list-style-type: none"> Publicised adverse resident/stakeholder comments and complaints Ongoing significant and regular campaign of negative media on multiple social media platforms. Forced resignation of General Manager/s, Ombudsman or Office of Public Integrity involvement Relationship with partner organisation harmed, requires CEO involvement
Severe	<ul style="list-style-type: none"> Issue severely impacting and inconveniencing the whole community; Has a long term or permanent impact and cannot be resolved immediately 	<ul style="list-style-type: none"> Financial impact and loss between exceed \$4M Project exceed >35% of original budget 	<ul style="list-style-type: none"> Majority of initiatives and/or key initiatives within the CoM's strategic plan unattainable Failure of project to meet all required objectives Project duration extended by >50% of original project timeframe 	<ul style="list-style-type: none"> Widely publicised resident/stakeholder comments and complaints Ongoing high level and sustained campaign of negative media on multiple social media platforms Forced resignation of CEO/Mayor. Council stood down and Minister intervention required Relationship with partner organisation harmed affecting achievement of a strategic project/objective

Appendix 6 – IAP2 Spectrum of Public Participation

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The IAP2 Spectrum of Public Participation can be used to assist decision-making on public engagement. It identifies five levels of public participation, which is selected based on the organisation's goals. The spectrum also recognises the implied promise to the public for each level of participation.

IAP2 Spectrum of Public Participation



IAP2's Spectrum of Public Participation was designed to assist with the selection of the level of participation that defines the public's role in any public participation process. The Spectrum is used internationally, and it is found in public participation plans around the world.

INCREASING IMPACT ON THE DECISION					
	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

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Disclaimers

Inherent limitations

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

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

Third party reliance

This report is solely for the purpose set out in the Executive Summary of this report and for CoM's information, and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent. This internal audit report has been prepared at the request of the CoM Audit Committee or its delegate in connection with our engagement to perform internal audit services as detailed in the contract. Other than our responsibility to the CoM, 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 the CoM's external auditor, on this internal audit report. Any reliance placed is that party's sole responsibility.

Electronic distribution of report

This KPMG report was produced solely for the use and benefit of the CoM and cannot be relied on or distributed, in whole or in part, in any format by any other party. The report is dated November 2022 and KPMG accepts no liability for and has not undertaken work in respect of any event subsequent to that date which may affect the report. Any redistribution of this report requires the prior written approval of KPMG and in any event is to be the complete and unaltered version of the report and accompanied only by such other materials as KPMG may agree. Responsibility for the security of any electronic distribution of this report remains the responsibility of the CoM and KPMG accepts no liability if the report is or has been altered in any way by any person.



City of Marion

Internal audit project scope:
Customer Experience

DRAFT

November 2022



Internal Audit Program 2022/23: Customer Experience

In accordance with the 2022/23 Internal Audit Plan for the City of Marion (CoM), an internal audit project focussing on the CoM's customer experience 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 review of the adequacy and effectiveness of the CoM's customer relationship management (CRM) system.

Scope

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

- Clarity of the roles and responsibilities in relation to the customer experience across the CoM, with specific regard to the level of awareness and consistency of practices in the use of the CRM.
- Relevant policies and procedures which provide governance and guidance over the CoM's customer experience, including record keeping and the use of the recently implemented CRM.
- The initial objectives of the CRM, the current status of implementation of those objectives, and the identification of current gaps and/or issues together with recommendations for improvement. This will include consideration of:
 - Achievement of project benefits, including if the CRM project has delivered on the specific objectives defined within the business case.
 - Alignment of the CRM with the CoM's Customer Experience Strategy objectives.

- Alignment of the CRM with better practice, with a particular focus on customer journey and experience.
- High level consideration of lessons learned from the CRM implementation.

Scope exclusions

- The scope will not consider the Councillor CRM portal.

Approach

The approach to this engagement will include:

- Desktop review of relevant key documentation, including CoM policies, procedures, templates and tools pertaining to the CRM.
- Consultation with key stakeholders, including a walkthrough of the CRM system to understand key controls, and the current functionality and future aspirations for the CRM.
- Facilitation of a workshop with key stakeholders to understand the initial project objectives, current state system functionality and intended future state.
- Sample testing to assess the design and effectiveness of key controls relating to the close out of customer queries.
- 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. This will include the development of a roadmap of recommendations to further refine and align the CRM with the CoM's Customer Experience Strategy and better practice.



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
Megan Bradman	Manager Customer Experience
Marcel Althoff	Senior Digital Transformation Program IT Manager
Raelene Govett	Manager Customer Service
Russell Troup	Manager Operations
Claire Bircumshaw	Change Manager

Resources and Budget

The team members and proposed budget for the Customer Experience 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	5	\$1,805
Heather Martens	Director	\$264	8	\$2,112
Kathryn Murray	Subject Matter Expert	\$264	15	\$3,960
Kylie Netherwood	Manager	\$264	22	\$5,808
Avalon Kay	Senior Consultant	\$158	49	\$7,742
TBC	Consultant	\$112	35	\$3,920
Total (excl. GST)				\$25,347

Timing

The proposed timing for the Customer Experience internal audit project is for the project to commence in mid-December 2022 with a draft report completed for consideration by February 2023.



Approvals

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

CoM Internal Audit Project Sponsor: KPMG Internal Audit Partner:

Name: Kate McKenzie

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: Cyber Security

(Collaborative project with the City of Charles Sturt)

November 2022

DRAFT



Internal Audit Program 2022/23: Cyber Security

In accordance with the 2022/23 Internal Audit Plan for the City of Marion (CoM), a cyber security internal audit 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 will be to assess the maturity of the CoM's information technology (IT) control areas detailed in the scope section below, against the Local Government Information Technology South Australia's (LGITSA) Local Government Security Framework (LGFS).

Scope

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

- Design effectiveness testing of the following control areas, against the LGITSA LGFS and supporting security toolkit, for a selection of systems which will be agreed with Management considering the CoM's risk appetite and the effort required:
 - Remote Access Security
 - Threat and Vulnerability Management
 - Operating Systems Patch Management
 - Multi-factor Authentication Configuration
 - Endpoint Security Configuration.
- Operating effectiveness testing of the following control areas, against the LGITSA LGFS and supporting security toolkit, for a selection of systems which will be agreed with Management considering the CoM's risk appetite and the effort required:
 - Operating Systems Patch Management
 - Multi-factor Authentication Configuration.

Scope Exclusion

This internal audit will not consider the following:

- The implementation of remediation activities to address any gaps or weaknesses identified.
- Testing of control areas not listed in the scope section above.

Approach

The approach to this engagement will include:

- Identify key CoM stakeholders for the internal audit scope areas.
- Desktop review relevant CoM key documentation, including policies, procedures, and guidelines supporting the implementation and maintenance of the in-scope control areas.
- Conduct workshops with key stakeholders to perform cyber security maturity assessment activities.
- Assess the design effectiveness of the in-scope control areas, against the LGITSA LGFS and supporting security toolkit, based on key stakeholder consultations and evidence reviews.
- Conduct sample operating effectiveness testing, against the LGITSA LGFS and supporting security toolkit, for the two in-scope control areas.
- Provide observations which will be collated and confirmed with relevant stakeholders along with details and initial recommendations.
- 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 cyber security internal audit project

Personnel	Position title
Kate McKenzie	Manager Governance
Michael Bowden	Manager IT Operations
Jason Spalding	ICT Governance & Cybersecurity Lead

Resources and Budget

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

Name	Position	Hourly rate (excl. GST)	Est. hours	Sub-total (excl. GST)
Eric Beere	Partner	\$409	4	\$1,636
Gergana Winzer	Partner	\$409	4	\$1,636
Swapnil Aglawe	Cyber Security Subject Matter Resource - Manager	\$283	45	\$12,746
Martin Gofton	Cyber Security Subject Matter Resource - Consultant	\$154	82.5	\$12,705
Total (excl. GST)				\$28,723

Timing

The proposed timing for the cyber security internal audit is for the project to commence in January 2023 with a draft report completed for consideration by early March 2023.



Approvals

We are in agreement with the scope for the cyber security internal audit.

CoM Internal Audit Engagement Sponsor:

Name:

Signed:

Date:

KPMG Internal Audit Partner:

Name: Eric Beere

Signed:

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.

8 Reports for Noting

8.1 Annual Ombudsman Report 2021/22

Report Reference	FRAC221213R8.1
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 provide information on complaints received by the Ombudsman SA regarding the City of Marion during the 2021/22 financial year.

EXECUTIVE SUMMARY

Each year, after the Ombudsman SA released their Annual Report, a report is presented to the Finance, Risk and Audit Committee that reports on all complaints made about the City of Marion to the Ombudsman's office in that financial year. The Ombudsman's Annual Report recorded 30 complaints relating to the City of Marion for 2021/22. This is a slight increase on the 2020/21 recorded complaint number of 25.

In addition to complaints to the Ombudsman's office, four (4) requests were received direct to the City of Marion to conduct an internal review of a decision in accordance with the City of Marion Complaints and Grievance Policy. These are referred to and known as 'Section 270 Reviews' as the right is provided via this clause of the *Local Government Act 1999*.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

1. Notes the report.

DISCUSSION

In 2021/22 the Ombudsman's office received 921 complaints regarding local government and closed out a total of 893 complaints. Of these complaints, 30 related to the City of Marion. The Ombudsman has previously provided a six-monthly report to the Council which outlined how the complaints had been managed. They have now ceased this level of reporting and Council only receives the information within the annual report. The table below details the previous data over the last five financial years for comparison. It is noted that no matters relating to the City of Marion progressed to a full investigation under Section 25 of the Ombudsman Act.

Financial Year	Complaints Received by the Ombudsman	Complaints relating to City of Marion
2021/22	921	30
2020/21	892	25
2019/20	947	41
2018/19	968	36
2017/18	974	26

The table below provides an extract from the Ombudsman's Annual Report that provides the full statistics of complaints from all Councils across South Australia. This data is useful to benchmark and the City of Marion continues to track at a low percentage of complaints per population (3.16

complaints per 10,000 population).

Complaints Received and Completed

Council	Received	%	Completed	%	Population 30 June 2021	Received / 10,000 pop	Completed / 10,000 pop
Adelaide Hills Council	16	1.74%	16	1.79%	40,233	3.98	3.98
Adelaide Plains Council	7	0.76%	9	1.01%	9,655	7.25	9.32
Alexandrina Council	39	4.23%	33	3.70%	28,510	13.68	11.57
Barunga West Council	4	0.43%	4	0.45%	2,571	15.56	15.56
Berri Barmora Council	7	0.76%	8	0.90%	10,746	6.51	7.44
Campbelltown City Council	21	2.28%	24	2.69%	53,084	3.96	4.52
City of Adelaide	34	3.69%	32	3.58%	25,746	13.21	12.43
City of Burnside	15	1.63%	13	1.46%	45,869	3.27	2.83
City of Charles Sturt	54	5.86%	55	6.16%	121,065	4.46	4.54
City of Holdfast Bay	15	1.63%	14	1.57%	37,806	3.97	3.70
City of Marion	30	3.26%	30	3.36%	94,927	3.16	3.16
City of Mitcham	28	3.04%	25	2.80%	67,696	4.14	3.69
City of Mount Gambier	5	0.54%	4	0.45%	27,421	1.82	1.46
City of Norwood, Payneham & St Peters	14	1.52%	15	1.68%	36,930	3.79	4.06
City of Onkaparinga	70	7.60%	70	7.84%	175,711	3.98	3.98
City of Playford	26	2.82%	27	3.02%	98,120	2.65	2.75
City of Port Adelaide Enfield	61	6.62%	64	7.17%	129,539	4.71	4.94
City of Port Lincoln	11	1.19%	11	1.23%	14,826	7.42	7.42
City of Prospect	6	0.65%	6	0.67%	21,925	2.74	2.74
City of Salisbury	24	2.61%	24	2.69%	144,160	1.66	1.66
City of Tea Tree Gully	43	4.67%	44	4.93%	100,879	4.26	4.36
City of Unley	12	1.30%	12	1.34%	38,915	3.08	3.08
City of Victor Harbor	5	0.54%	6	0.67%	15,996	3.13	3.75
City of West Torrens	42	4.56%	43	4.82%	61,077	6.88	7.04
Clare and Gilbert Valleys Council	7	0.76%	6	0.67%	9,463	7.40	6.34
Coorong District Council	9	0.98%	5	0.56%	5,400	16.67	9.26
Copper Coast Council	4	0.43%	4	0.45%	15,352	2.61	2.61
Corporation of the City of Whyalla	7	0.76%	7	0.78%	21,260	3.29	3.29
Corporation of the Town of Walkerville	5	0.54%	4	0.45%	7,990	6.26	5.01
District Council of Ceduna	1	0.11%	0	0.00%	3,401	2.94	0.00
District Council of Cleve	1	0.11%	1	0.11%	1,785	5.60	5.60
District Council of Coorber Pedy	15	1.63%	14	1.57%	1,775	84.51	78.87
District Council of Elliston	1	0.11%	1	0.11%	1,004	9.96	9.96
District Council of Franklin Harbour	3	0.33%	4	0.45%	1,309	22.92	30.56

Council	Received	%	Completed	%	Population 30 June 2021	Received / 10,000 pop	Completed / 10,000 pop
District Council of Grant	12	1.30%	8	0.90%	8,646	13.88	9.25
District Council of Kimba	1	0.11%	1	0.11%	1,041	9.61	9.61
District Council of Lower Eyre Peninsula	3	0.33%	2	0.22%	5,851	5.13	3.42
District Council of Loxton Waikerie	10	1.09%	8	0.90%	11,780	8.49	6.79
District Council of Mount Remarkable	5	0.54%	5	0.56%	2,908	17.19	17.19
District Council of Orroroo/Carrieton	5	0.54%	5	0.56%	839	59.59	59.59
District Council of Peterborough	5	0.54%	3	0.34%	1,650	30.30	18.18
District Council of Renmark Paringa	8	0.87%	7	0.78%	9,909	8.07	7.06
District Council of Robe	3	0.33%	3	0.34%	1,496	20.05	20.05
District Council of Streaky Bay	1	0.11%	2	0.22%	2,226	4.49	8.98
District Council of Tumby Bay	7	0.76%	10	1.12%	2,756	25.40	36.28
District Council of Yankalilla	12	1.30%	11	1.23%	5,839	20.55	18.84
Kangaroo Island Council	24	2.61%	21	2.35%	5,108	46.99	41.11
Light Regional Council	8	0.87%	7	0.78%	15,626	5.12	4.48
Mid Murray Council	17	1.85%	14	1.57%	9,160	18.56	15.28
Mount Barker District Council	19	2.06%	19	2.13%	38,975	4.87	4.87
Naracoorte Lucindale Council	2	0.22%	1	0.11%	8,502	2.35	1.18
Northern Areas Council	7	0.76%	5	0.56%	4,650	15.05	10.75
Port Augusta City Council	16	1.74%	17	1.90%	13,536	11.82	12.56
Port Pirie Regional Council	10	1.09%	10	1.12%	17,473	5.72	5.72
Regional Council of Goyder	10	1.09%	10	1.12%	4,174	23.96	23.96
Roxby Council	2	0.22%	2	0.22%	3,853	5.19	5.19
Rural City of Murray Bridge	24	2.61%	23	2.58%	22,905	10.48	10.04
Southern Mallee District Council	6	0.65%	4	0.45%	2,064	29.07	19.38
Tatiara District Council	3	0.33%	3	0.34%	6,803	4.41	4.41
The Barossa Council	16	1.74%	15	1.68%	25,449	6.29	5.89
The Flinders Ranges Council	1	0.11%	1	0.11%	1,701	5.88	5.88
Town of Gawler	19	2.06%	20	2.24%	25,161	7.55	7.95
Wakefield Regional Council	8	0.87%	8	0.90%	6,807	11.75	11.75
Wattle Range Council	9	0.98%	9	1.01%	12,106	7.43	7.43
Yorke Peninsula Council	6	0.65%	4	0.45%	11,374	5.28	3.52
Total	921	100.00%	893	100.00%	1,762,514	5.23	5.07

In addition to complaints to the Ombudsman's office above, four (4) requests were received direct to the City of Marion to conduct an internal review decision in accordance with the Council's Complaints and Grievance Policy.

These complaints related to:

- Oakleigh Road, Installation of Pram Ramps (completed in 2022-23)
- De Laine Avenue, Driveway Link
- Spinnaker Circuit, public consultation process
- Coastal Walkway, public consultation process (Council has been working with the complainant to define the scope which has only recently been confirmed. The review is about to progress)

From these reviews, some improvement opportunities were noted, however, the reviews determined that Council decision making was lawful and no administrative errors were noted.

The full Ombudsman Annual Report for 2021/22 can be found on the Ombudsman SA website:
<https://www.ombudsman.sa.gov.au/publication-documents/annual-reports/2021-22-Ombudsman-SA-Annual-Report.pdf>

ATTACHMENTS

Nil

8.2 Internal Audit Program - Implementation of Recommendations

Report Reference	FRAC221213R8.2
Originating Officer	Business Support Officer - Governance and Council Support – Cassidy Mitchell
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 11 October 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. FRAC221213 - Internal Audit - Implementation of Recommendations - Appendix 1 [8.2.1 - 19 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, and are on track for completion in December.
Customer Experience	Complete (June '20)					
Cyber Security 2019	6	0	3	3		Data Governance & Management Framework draft has been reviewed and updated, Links to services and legislation are being generated.
Tendering 2019	Complete (March '20)					
BCP and Emergency Management	Complete (June '20)					
Payroll 2020/21	6	3		3		Following the resolution of the outstanding issues with Aurion, the full suite of transactional and accrual-based events will be able to be performed on a monthly and quarterly basis without 'work around' processes. Remaining issues have now been re-focussed with a plan to have these resolved by the end of the calendar year.
ITT Governance	11	2		9		The review of the Data Governance Management Framework document is in progress, which was bought to ELT for approval on the 1st of December.
Metrics that Matter	3	2		1		The development of the Data & Analytics Program is in progress. A program strategy has been developed with implementation roadmap being finalised.
Collaborative Leasing	Complete (Dec '21)					
Stores Management	5	2		3		Working with IT Implementation Team and Agilyx group to amend Finance Force to meet our needs. Timeframe of June 2023 will be met.
Business Continuity Plan and COVID-19 Response	7	3	1	3		1 item is overdue due to being put on hold until the business review is completed by the DTP team. A schedule of business needs analysis will be developed in the coming weeks.
Assurance Mapping	Complete (November '21)					
Asset Inspection Schedule	6	4	0	2		Requirements for the first business area and asset class has commenced for Open Spaces. Asset Ownership for cross functional assets, as well as roles and responsibilities are being worked through at a business level. The Major Maintenance Module will kick off for scoping and planning in late January 2023.
Project Carryovers	6	4		2		The action items are being revisited as part of the establishment of a CoM-wide PM Framework, implementation of an Enterprise PMO and the reconfiguration of CAMMs (TBC pending proposal from vendor).
Fraud Management Framework	6	2		3	1	3 items have now been completed – with two on track and the PIO not yet commenced.
Community Facilities Management Mode	4	4	0			All items have commenced and are on track, with some actions partially now completed.
Collaborative Model Health Check	1			1		

<i>Collaborative Contract Management</i>	2		1	1	Noting that the risk rating is high all the actions have been either commenced and are on track or are completed. An extension is required to align with phase 2 of the Finance System implementation. At this stage the date is not available however a holding date of 30 June 2023 is requested.
<i>Project Management</i>	10	6	4		Due to recent staff changes and a change in resources these due dates have been amended and now are showing a due date at the end of April 2023.
<i>Stakeholder Management Review</i>	5	1		4	Stakeholder Relationship mapping is in the process of being finalised and will be presented to staff in late September or early October. Other projects will commence in the second half of the year and into 2023.
<i>Collaborative Community Consultation</i>	3	1	2		All action items are on track for completion in February 2023 – 2 actions are already complete.

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	95%	Online approval workflows are in place for purchase order related invoices. Purchase order exempt invoice workflow has been built and tested and will be deployed into production environment in October.	On Track	95%	Deployment delayed due to resource availability. Still on track for December.
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	90%	Online approval workflows are in place for purchase order related invoices. Purchase order exempt invoice workflow has been built and tested and will be deployed into production environment in October. Further enhancements to automation are to be scoped as part of Phase 2.	On Track	90%	OCR Solution has been approved in principle, going to Executive Budget Committee for endorsement 24th November 2022

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 30/06/2021 Revised Due Date 31/07/23	Not on Track	45%	New staff member recently commenced. Reviewing work that has progressed on Data Governance Framework with this schedule to be endorsed by December 2022	On Track	50%	Data Governance and Management Framework draft has been reviewed and updated. The ELT has officially endorsed the Framework with some further clarifications to be made for terminologies. This will go back to ELT in Jan 2023 for final approval. Relevant Policies and Procedures are being drafted and will need to be reviewed by InfoSec, IT, RIM and Governance because it can be formally implemented.
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%	Recovery strategies have been completed. Meeting scheduled to progress consultation with IT to validate recovery priority and times.	Not on Track		Risk unit current organising a number of BCP activities, including training and an exercise. Review of BCP documents including recovery objectives will be included. A brief discussion between Risk and IT has occurred, but more is required to progress this action.
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%	Access to register is being generated with intent of IT linkages to business legislation.	Not on Track	30%	Governance register has been made available to IT. Links to services and legislation are being generated, and questions regarding CoM status under particular pieces of legislation being generated to verify compliance requirements

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 31/12/2022	On Track	95%	Following the outcome of the PIR - Staff are working closely with our vendor to remediate any outstanding configuration issues and address gaps in current processes to better manage the payroll service, which remains outsourced to our vendor Aurion. Many issues have been resolved with completion of these issues expected end of October 2022. In addition, the DTP team are working to implement part of the HRIS modules which will further integrate Payroll and HRIS processes.	On Track	95%	The vendor (Aurion) arranged a site visit of their key staff from Payroll Operations and the Systems Development teams. This was deemed essential to expedite a number of outstanding process and configuration issues. Some issues were resolved during the visit and the remaining issues have now been re-focused with a plan to have these resolved by the end of the calendar year.
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 31/12/2022	On Track	95%	In addition to the above comment further system integration will be a focus of the DTP team - integration of payroll data from Aurion (Payroll outsourced system) to Financial Force is a priority.	On Track	95%	Following the resolution of the outstanding issues with Aurion, the full suite of transactional and accrual-based events will be able to be performed on a monthly and quarterly basis without 'work around' processes. The transition to the Financial Force General Ledger structure and coding has been scoped and programmed for implementation in December with a view to eliminate the manual input of payroll costing data.
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 31/12/2022	On Track	95%	Monthly and quarterly reconciliations will continue to be performed and with the integration of payroll data from Aurion (Payroll outsourced system) and HRIS data to Financial Force being a priority for the DTP team.	On Track	95%	Monthly and quarterly reconciliations will continue to be performed and with the integration of payroll data from Aurion (Payroll outsourced system) and HRIS data to Financial Force being a priority for the DTP team. Some additional reconciliation processes are required while the issues are resolved and the actual and accrual based amounts are being calculated and reconciled using external processes.

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)
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 Revised Due Date 31/12/2022	Not on Track	50%	The new BI Lead commenced on 31st August, 2022. The development of the overall Data and Analytics Governance Framework has commenced.	On Track	80%	The review of the Data Governance Management was considered by ELT on the 1st of December 2022. They have requested some minor changes which will be considered in Jan 2023. If the FRAC wish to approve, it should be on track for the February 2023 meeting.
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 31/12/2022 Revised Due Date 31/03/2023	Not on Track	50%	The new BI Lead commenced on 31st August, 2022. The development of the overall Data and Analytics Governance Framework has commenced. Further discussions are required to determine implementation plan	On Track	50%	The relevant policies and procedures for the Data Governance Management Framework is being worked on. The Data Governance & Management Framework will be implemented together with the Data & Analytics Program. Current progress % is reflective of the components specific to the Data Governance & Management Framework.

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: <ul style="list-style-type: none"> 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 31/12/2022 Revised Due Date 31/12/2024	On Track	15%	A Business Intelligence Lead has been recruited, commenced on 31st of August. Whilst the strategy is being develop, a hold will be placed on the recruitment of the Business Intelligence Analyst role until the role is further defined and clarified. The development of the overall Data and Analytics Governance Framework has commenced.	On Track	18%	The development of the Data & Analytics Program is in progress. This is estimated to be a 2 years implementation project. A program strategy has been developed with implementation roadmap being finalised.
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%	The PMO position has not yet been filled and the PMO project is still on hold. IN the meantime, 6 weekly meetings with major project owners have been establishes to ensure risks are being considered and updated regularly and for improved oversight by the risk team. The first meeting has occurred.	On Track	85%	A contract PM has commenced to create a new PMO framework and ensure better risk management are incorporated into the framework. In the meantime, 6 weekly meetings with major project owners and the risk team continues, to ensure risks are being considered and updated regularly and for improved oversight by the risk team

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 through 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 Agilyx group to amend Finance Force to meet our needs. Some elements to resolve prior to moving forward with this item. I have been assured that we will meet the timeframe of June 2023.	On Track	35%	Working with IT Implementation Team and Agilyx group to amend Finance Force to meet our needs. Some element to resolve prior to moving forward with this item. I have been assured that we will meet the timeframe of June 2023.
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 Agilyx group to amend Finance Force to meet our needs. Some elements to resolve prior to moving forward with this item. I have been assured that we will meet the timeframe of June 2023.	On Track	35%	Working with IT Implementation Team and Agilyx group to amend Finance Force to meet our needs. Some element to resolve prior to moving forward with this item. I have been assured that we will meet the timeframe of June 2023.

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)
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	31/03/2023	Not on Track	85%	MS teams change over date has been put on hold till the business review is completed by the DTP Team.	Not on Track	85%	MS teams change over date has been put on hold till the business review is completed by the DTP Team. Staff are able to work from home
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	85%	Digital Literacy Foundation training underway in Operations. Meeting with local training providers to continue assessment and training more broadly throughout the business.	Completed	100%	Digital Literacy Federal Funding Training Program completed. Digital Literacy Level 1 & 2 in Corporate Training Needs Analysis for all employees. Ongoing Digital literacy training offered as part of Corporate Training program.
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 31/12/22	On Track	25%	Met with DTP to scope procurement documentation. Looking to schedule a business needs analysis in the coming weeks.	On Track	25%	Currently the recovery plans are within sharepoint. still looking at IT solutions however the project management software has been prioritised over this.
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 30/09/22	On Track	25%	Met with DTP to scope procurement documentation. Looking to schedule a business needs analysis in the coming weeks.	On Track	25%	Still looking at software options by the project management software has been prioritised over this.

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)
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 30/10/2022 Revised Due Date 31/03/2023	On Track	70%	Work continues to upload our complete in scope asset data to Assetic. Functionality will be tested in End to End testing which will be carried out in October	On Track	85%	Asset Data Schemas are loaded into Assetic. Test Scripts written. Testing and demos with SMEs and Asset Owners will occur in December.
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 31/3/2022 30/09/2022 Revised Due Date 31/03/2023	On Track	50%	Asset Data will be managed in Assetic in October. Managing inspections will occur in the Major Maintenance phase of the project which commences in 2023. Asset Data will be created, maintained and disposed in Assetic from October	On Track	50%	Requirements for the first business area and asset class has commenced for Open Spaces. A demo has occurred to work through some detailed scenarios. The Major Maintenance Module will kick off for scoping and planning in late January 2023, still an outstanding issue around having to manually assign workorders (multiple solutions are being reviewed).
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 30/09/2022 Revised Due Date 31/03/2023	Not on Track	70%	As part of further workshops and subsequent end to end testing before October, these requirements will be checked and stakeholders have been engaged throughout the data collection and training process.	On Track	75%	Asset Ownership for cross functional assets, as well as roles and responsibilities are being worked through at a business level. Business processes will be designed for the future maintenance of assets, and considering efficiencies in grouping assets together. This will be commenced in the data and process uplift work and tied into the Stage 2 system implementation
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 31/3/2022 30/09/2022 Revised Due Date 31/03/2023	Not on Track	70%	Assets can be searched using spacial data. There is a GIS integration, It has been deemed by stakeholders that grouping by functional location has no additional benefit to the maps available within the system. Searching or locating an asset or assets near a location can be executed by running a simple search. This will be covered in training. A GIS integration has also been completed to create new assets.	On Track	80%	Asset data schemes have considered this. An additional asset will also be included to allow for the grouping of assets within larger areas ie, Reserves.

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 30/09/2022 31/10/2022 Revised Due Date 28/04/2023	On Track	96%	"Set up of FY 22/23 projects in CAMMS will commence in May 2022. New PM appointed will action 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	25%	As part of the PMO framework uplift the adherence to this will be monitored. This is being revisited as part of the establishment of a CoM-wide PM Framework, implementation of an Enterprise PMO and the reconfiguration of CAMMS (TBC pending proposal from vendor). Updated Action Officer and due date and % complete. These actions will transfer to the EPMO once implemented.
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 30/09/2022 30/11/2022 Revised Due Date	On Track	85%	Due to change in PMO resources we will be reviewing the makeup, roles, responsibilities, expectations and structure of the PMO. New PM appointed will action	On Track	25%	Currently work on a new PMO framework with supporting templates is in progress to support this item. Initial drafts by end of year This is being revisited as part of the establishment of a CoM-wide PM Framework,

				28/04/2023						implementation of an Enterprise PMO and the reconfiguration of CAMMS (TBC pending proposal from vendor). Updated Action Officer and due date and % complete. These actions will transfer to the EPMO once implemented.
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	30/06/2022 30/09/2022 30/11/2022 Revised Due Date 28/04/2023	On Track	85%	Due to change in PMO resources we will be reviewing the makeup, roles, responsibilities, expectations and structure of the PMO. New PM appointed will action	On Track	25%	<p>Currently work on a new PMO framework with supporting templates is in progress to support this item. Initial drafts by end of year</p> <p>This is being revisited as part of the establishment of a CoM-wide PM Framework, implementation of an Enterprise PMO and the reconfiguration of CAMMS (TBC pending proposal from vendor). Updated Action Officer and due date and % complete. These actions will transfer to the EPMO once implemented.</p>
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 30/09/2022 30/11/2022 Revised Due Date 28/04/2023	On Track	50%	Due to change in PMO resources we will be reviewing the makeup, roles, responsibilities, expectations and structure of the PMO. New PM appointed will action	On Track	25%	<p>Currently work on a new PMO framework with supporting templates is in progress to support this item. Initial drafts by end of year. Requirements analysis underway and reviewing of 3 potentials - Laevo, PMO365 & uplift of CAMMS</p> <p>This is being revisited as part of the establishment of a CoM-wide PM Framework, implementation of an Enterprise PMO and the reconfiguration of CAMMS (TBC pending proposal from vendor). Updated Action Officer and due date and % complete. These actions will transfer to the EPMO once implemented.</p>
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 30/09/2022 30/11/2022 Revised Due Date 28/04/2023	On Track	91%	Due to change in PMO resources we will be reviewing the makeup, roles, responsibilities, expectations and structure of the PMO. New PM appointed will action	On Track	25%	<p>As part of the PMO framework uplift and assessment of PMO tools this item will be addresses as a requirement of the PMO tool</p> <p>This is being revisited as part of the establishment of a CoM-wide PM Framework, implementation of an Enterprise PMO and the reconfiguration of CAMMS (TBC pending proposal from vendor). Updated Action Officer and due date and % complete. These actions will transfer to the EPMO once implemented.</p>
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 30/09/2022 30/11/2022 Revised Due Date 28/04/2023	Not Commenced	0%	Due to change in PMO resources we will be reviewing the makeup, roles, responsibilities, expectations and structure of the PMO. New PM appointed will action	On Track	25%	<p>As part of the PMO framework uplift and assessment of PMO tools this item will be addresses as a requirement of the PMO tool</p> <p>This is being revisited as part of the establishment of a CoM-wide PM Framework, implementation of an Enterprise PMO and the reconfiguration of CAMMS (TBC pending proposal from vendor). Updated Action Officer and due date and % complete. These actions will transfer to the EPMO once implemented.</p>
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	30/06/2022 30/09/2022 30/11/2022 Revised Due Date 28/04/2023	Not Commenced	0%	Due to change in PMO resources we will be reviewing the makeup, roles, responsibilities, expectations and structure of the PMO. New PM appointed will action	On Track	25%	<p>As part of the PMO framework uplift and assessment of PMO tools this item will be addresses as a requirement of the PMO tool. Requirements analysis has commenced and 3 potential systems - demos for PMO365 & Laevo already completed - CAMS uplift demo arranged</p> <p>This is being revisited as part of the establishment of a CoM-wide PM Framework,</p>

										implementation of an Enterprise PMO and the reconfiguration of CAMMs (TBC pending proposal from vendor). Updated Action Officer and due date and % complete. These actions will transfer to the EPMD once implemented.
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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)
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 Revised Due Date 31/01/2023	Not Commenced	10%	This is being looked in to against results of fraud and corruption questionnaire and the fraud risk register. The Management Policy and Framework will be updated accordingly and reported to FRAC. Changes to Policy will require Council endorsement, which will have to wait until the new Council is elected, therefore finalising any updates will be delayed until early 2023, when the new Council has completed inductions etc.	On Track	60%	This will be re-looked at now the new Council has been elected.
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	50%	Stopline has been granted approval by Manager of Office of CEO and is being rolled out to Council Intranet and external website. Comms are currently being prepared to go to staff.	On Track	90%	Comms are being finalised to go out to staff and the public. This was delayed due to questioning whether the current policy needed to be updates - but the comms will go out to get this live as any policy changes will take time.
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 31/12/2022 Revised Due Date 30/06/2023	Not Commenced	0%	The new BI Lead commenced on 31st August, 2022. The development of the overall Data and Analytics Governance Framework has commenced. The use of DnA for fraud detection purposes will be considered.	Not Commenced	0%	The use of Data & Analytics for fraud detection purposes is not included in the initial Initiatives Implementation Roadmap for the Data & Analytics Program. This will be reviewed in Dec 2023 (half way through the implementation of the Data & Analytics Program).

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.	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 31/07/2023	On Track	90%	Draft Guidelines have been further amended and are now due to be presented to ELT in October	Completed	100%	Draft Leasing and Licensing Guidelines were endorsed by ELT on 3 November 2022. Guidelines has now been finalised and implemented.

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.	1.3	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 . Annual inspections are ongoing.	On Track	80%	Interim reporting methods are being developed by the team through a new SharePoint and Power BI reporting system until the PMS is implemented. Spot checks of agreements will continue to be undertaken. Annual building inspections and agreement compliance are ongoing.
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. •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.	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 for the Property Management System (PMS). The Digital transformation team have advised the PMS is due middle of next year.	On Track	20%	Business requirements have been developed for the Property Management System (PMS). The Digital transformation team have advised the PMS is due middle of 2023. Interim reporting methods are being developed by the team through a new SharePoint and Power BI reporting system until the PMS is implemented.
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	31/07/2023	On Track	80%	Refer to Action Progress Comments in Management Action 1.	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 31/07/2023	Not Commenced	80%	Refer to Action Progress Comments in Management Action 1.	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	31/07/2023	On Track	80%	Refer to Action Progress Comments in Management Action 1.		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 for the Property Management System (PMS). The Digital transformation team have advised the PMS is due middle of next year.	On Track	20%	Business requirements have been developed for the Property Management System (PMS). The Digital transformation team have advised the PMS is due middle of 2023. Interim reporting methods are being developed by the team through a new SharePoint and Power BI reporting system until the PMS is implemented.

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)
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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	22/05/2022 31/12/2022	Not Commenced	15%	A draft action plan has been developed. Looking to report back to the FRAC in December 2022	On Track	15%	This item has stalled due to the current contract for service reviews not being supported by all Councils. Review in q1 2023
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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	30/09/2022 Revised Due Date 31/12/2022	On Track	75%	TIF has now been updated. Awaiting outcomes from the Project Management review, whereby risk assessments will be linked to the online tool (system) to be utilised moving forward.	Completed	100%	TIF has risk assessments as mandatory, Procurement staff now validate an assessment has been completed with each tender request. This may improve, dependent upon outcomes of Project Management review, however assessments now in place for tenders
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 Revised Due Date 31/12/2022	Not Commenced	0%	TIF has now been updated. Awaiting outcomes from the Project Management review, whereby the contract profiling tool will be linked to the online tool (system) to be utilised moving forward.	On Track	90%	Contract Management Guide in progress, which profiles contracts into four distinct types of contracts and provides direction on management of each type. This is on track to be implemented within the template/document library on the Strategic Procurement page on Sharepoint early December. Change Management to raise awareness will be via all staff communications and attendance at departmental team meetings, to ensure take up by end users.
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 Revised Due Date 31/12/2022	Not Commenced	0%	Contract Management plans are in progress, will be implemented as part of the Project Management framework update.	On Track	90%	Contract Management plan template created, to be implemented inline with Contract Management guide (due early December) for all new contracts moving forward. Change Management to raise awareness will be via all staff communications and attendance at departmental team meetings, to ensure take up by end users.
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	30/09/2022 Revised Due Date 31/12/2022	Not Commenced	50%	TIF has now been updated. Awaiting outcomes from the Project Management review, whereby risk assessments will be linked to the online tool (system) to be utilised moving forward.	Completed	100%	TIF has risk assessments as mandatory, Procurement staff now validate an assessment has been completed with each tender request, this element is included in the internal team checklist, completed for each and every tender.
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	31/12/2022 Revised Due Date 30/06/2023	Not Commenced	0%	Contract Management resource justification to be presented to ELT in the Q4 of calendar year 2022, as the Project Management updates provide more clarity on the requirement of this function.	On Track	10%	Initial discussions have commenced regarding capitalisation of these costs, as part of capital projects. The ongoing development of the Project Management Framework will consider this aspect. Given the ongoing progress of the Project Management Framework review, an extension is sought to align with the completion of that review - anticipate 30 June 2023.
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	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 Revised Due Date 30/06/2023	Not Commenced	0%	The contract module is yet to go live in the new Finance System, await further updates from the DTP project team around the expected go live date.	On Track	50%	Procedures, forms and variation registers have been implemented to support contract administrators. These elements will move to a system based approach when the contracts module is implemented, which is planned for

reporting to relevant Committee or governing body, as required.										phase 2 of the Finance System implementation. Reporting on contract spend elements will become system based and is planned to be included in a regular Executive Budget Committee update throughout the year. An extension is required to align with phase 2 of the Finance System implementation. At this stage the date is not available however a holding date of 30 June 2023 is requested.
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	31/12/2022 Revised Due Date 30/06/2023	Not Commenced	0%	Awaiting further outcomes from the Project Management review, whereby variation management will be linked to the online tool (system) to be utilised moving forward.	On Track	50%	Procedures, forms and variation registers have been implemented to support contract administrators. These elements will move to a system based approach when the contracts module is implemented, which is planned for phase 2 of the Finance System implementation. The requirements for the Contract Module have been scoped and awaiting implementation as part of Phase 2 of the Finance implementation. An extension is required to align with phase 2 of the Finance System implementation. At this stage the date is not available however a holding date of 30 June 2023 is requested.
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 Revised Due Date 30/06/2023	Not Commenced	0%	Contract Management resource justification to be presented to ELT in the Q4 of calendar year 2022, as the Project Management updates provide more clarity on the requirement of this function.	On Track	10%	"Initial discussions have commenced regarding capitalisation of these costs, as part of capital projects. The ongoing development of the Project Management Framework will consider this aspect. Given the ongoing progress of the Project Management Framework review, an extension is sought to align with the completion of that review - anticipate 30 June 2023.
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 Revised Due Date 31/12/2022	Not Commenced	0%	Awaiting further outcomes from the Project Management review, whereby variation management will be linked to the online tool (system) to be utilised moving forward.	On Track	90%	Tender process checklist updated to ensure KPI/SLA's are included in contract build. Contract Management plan template includes the KPI/SLA tracking element (to be implemented early December) Change Management to raise awareness will be via all staff communications and attendance at departmental team meetings, to ensure take up by end users.
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 Revised Due Date 31/12/2022	Not Commenced	0%	Conflict of Interest process review has commenced. The process will be updated to include a two-step approach to the COI for tendering and contract delivery phases	Completed	100%	COI's completed closure of tenders, contract administrator now part of tender assessment and subject to COI process.
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	75%	Online training modules have been procured. Currently in the process of implementing these in the online training system. On track for completion by 31/10/22	On Track	100%	Modules implemented, relevant staff now enrolled to complete modules
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 Revised Due Date 30/06/2023	Not Commenced	0%	The contract module is yet to go live in the new Finance System, await further updates from the DTP project team around the expected go live date.	On Track	50%	Procedures, forms and contract registers have been implemented to support contract administrators with notification of expiring contracts. These elements will move to a system based approach when the contracts module is implemented, which is planned for

										phase 2 of the Finance System implementation. The requirements for the Contract Module have been scoped and awaiting implementation An extension is required to align with phase 2 of the Finance System implementation. At this stage the date is not available however a holding date of 30 June 2023 is requested.
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 Revised Due Date 30/06/2023	Not Commenced	0%		On Track	10%	Efficiency of decision of contracts of governance committee will be subject to regular, accurate reporting, which is being scoped into the contracts management module of the Finance System. The requirements for the Contract Module have been scoped and awaiting implementation. An extension is required to align with phase 2 of the Finance System implementation. At this stage the date is not available however a holding date of 30 June 2023 is requested.

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 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.	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	New revised Forecast Date as part of the overall Project Mgt Framework review – 24/04/23	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	On Track	25%	Following a review of the PM maturity across all CoM projects, it was found that we are at a P3M3 maturity level 2. Target maturity is to achieve level 3 by end of FY 23, level 4 by end FY 24. An executive sponsor (BK) and dedicated senior PM consultant have been set up to drive the successful development and implementation of a CoM-wide project management framework, define and implement an appropriate Enterprise PMO and assess the capability of all Project related roles against required levels, identify gaps and a training/recruitment plan to close those gaps. Deep dives have been undertaken of our highest risk projects to identify early opportunities to focus on particular aspects.

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	New revised Forecast Date as part of the overall Project Mgt Framework review – 24/04/23	On Track	85%	Due to change in PMO resources we will be reviewing the makeup, roles, responsibilities, expectations and structure of the PMO. New PM has been appointed and will action	On Track	25%	As above
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	New revised Forecast Date as part of the overall Project Mgt Framework review – 24/04/23	On Track	85%	Due to change in PMO resources we will be reviewing the makeup, roles, responsibilities, expectations and structure of the PMO. New PM has been appointed and will action	On Track	50%	As part of the overall PM Framework, risk management processes, capability requirements and system will be reviewed, updated where necessary and incorporated into a full project/program/portfolio risk management approach.
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	New revised Forecast Date as part of the overall Project Mgt Framework review – 24/04/23	On Track	80%	Due to a change in resources, we need to ensure these processes are being action correctly. New PM has been appointed and will action	On Track	25%	As part of the overall PM Framework, appropriate handover, including defect identification and rectification will be documented through process/approvals and the PM system.
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	New revised Forecast Date as part of the overall Project Mgt Framework review – 24/04/23	On Track	55%	Due to a change in resources, we need to ensure these processes are being action correctly. New PM has been appointed and will action	On Track	10%	These actions will be subsumed by the overall PM Framework and a verification will occur to ensure that these are addressed sufficiently through this process. The PM Framework will adopt best practice and therefore provide consistency across project delivery. Capital works will not be treated differently and therefore not have unique PM processes.
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	New revised Forecast Date as part of the overall Project Mgt Framework review – 24/04/23	On Track	55%	Due to a change in resources, we need to ensure these processes are being action correctly. New PM has been appointed and will action	Completed	100%	181122 - BK - ELT and FRAC are key stakeholders in the governance of the development and implementation of a CoM PM Framework. These meetings/updates are in place in agendas.
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	New revised Forecast Date as part of the overall Project Mgt Framework review – 24/04/23	On Track	5%	Due to change in PMO staff this has not been completed and will now be followed up by newly appointed PM	On Track	5%	Our documents management team are included in the PM Framework working group and engaged to support this process. As part of the PM Framework, the process will clearly establish what documentation / audit trail of decisions needs to be retained, where and how.
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	New revised Forecast Date as part of the overall Project Mgt Framework review – 24/04/23	On Track	15%	Discussion have been underway and will be implemented shortly. New PM will assess and action	On Track	15%	Once we have confirmed the PM System, how it is configured and how this links to our PM processes, we will be able to define consistent naming conventions, folder structures, templates (or online forms), to ensure consistent best practice across all PM documentation, reporting and record keeping.

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	New revised Forecast Date as part of the overall Project Mgt Framework review – 24/04/23	On Track	15%	Discussion have been underway and will be implemented shortly. New PM will assess and action	On Track	15%	Once we have confirmed the PM System, how it is configured and how this links to our PM processes, we will be able to define consistent naming conventions, folder structures, templates (or online forms), to ensure consistent best practice across all PM documentation, reporting and record keeping.
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	New revised Forecast Date as part of the overall Project Mgt Framework review – 24/04/23	On Track	15%	Discussion have been underway and will be implemented shortly. New PM will assess and action	On Track	15%	Once we have confirmed the PM System, how it is configured and how this links to our PM processes, we will be able to define consistent naming conventions, folder structures, templates (or online forms), to ensure consistent best practice across all PM documentation, reporting and record keeping.
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	New revised Forecast Date as part of the overall Project Mgt Framework review – 24/04/23	On Track	55%	Currently over 15 PM have been retrained	On Track	0%	It has been found that the implementation of CAMMS was inadequate and did not continue sufficiently. Following a review of CAMMS on 161122 it was evident that we are not fully utilising CAMMS capabilities, we have not correctly configured CAMMS to meet our requirements, and we have not trained our staff in the use and administrative control of CAMMS. We have approached the vendor for a proposal to reconfigure CAMMS, train our staff and support a refreshed roll-out. We have also reviewed a number of competitor systems to ensure that if we continue with CAMMS, we have considered any other products that could be suitable.
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	New revised Forecast Date as part of the overall Project Mgt Framework review – 24/04/23	On Track	15%	Discussion have been underway and will be implemented shortly. New PM will assess and action	On Track	0%	It has been found that the implementation of CAMMS was inadequate and did not continue sufficiently. Following a review of CAMMS on 161122 it was evident that we are not fully utilising CAMMS capabilities, we have not correctly configured CAMMS to meet our requirements, and we have not trained our staff in the use and administrative control of CAMMS. We have approached the vendor for a proposal to reconfigure CAMMS, train our staff and support a refreshed roll-out. We have also reviewed a number of competitor systems to ensure that if we continue with CAMMS, we have considered any other products that could be suitable.

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	New revised Forecast Date as part of the overall Project Mgt Framework review – 24/04/23	On Track	15%	Discussion have been underway and will be implemented shortly. New PM will assess and action	On Track	0%	It has been found that the implementation of CAMMS was inadequate and did not continue sufficiently. Following a review of CAMMS on 161122 it was evident that we are not fully utilising CAMMS capabilities, we have not correctly configured CAMMS to meet our requirements, and we have not trained our staff in the use and administrative control of CAMMS. We have approached the vendor for a proposal to reconfigure CAMMS, train our staff and support a refreshed roll-out. We have also reviewed a number of competitor systems to ensure that if we continue with CAMMS, we have considered any other products that could be suitable.
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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 31/03/23	On Track	50%	The relationship map draft is being finalised and will be presented at a SLT meeting late September or early October as a training piece for the SLT and to explain where the work is coming from and the importance of it. The SLT will be provided with 4 weeks to complete the spreadsheet.	On Track	50%	Due to completing organisational priorities, awaiting the relationship map to be completed - and a framework will be developed soon after. Amend deadline to early-mid 2023 for this piece of work.
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	On Track	20%	The relationship map draft is being finalised and will be presented at a SLT meeting late September or early October as a training piece for the SLT and to explain where the work is coming from and the importance of it. The SLT will be provided with 4 weeks to complete the spreadsheet.	On Track	20%	Awaiting the relationship map to be completed - and a framework will be developed soon after. Amend deadline to early-mid 2023 for this piece of work.
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	On Track	20%	The relationship map draft is being finalised and will be presented at a SLT meeting late September or early October as a training piece for the SLT and to explain where the work is coming from and the importance of it. The SLT will be provided with 4 weeks to complete the spreadsheet.	On Track	20%	Awaiting the relationship map to be completed - and a framework will be developed soon after. Amend deadline to early-mid 2023 for this piece of work.
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 progressed but also requires recommendation 1 to be fully implemented first. This will also be completed in partnership with People and Culture.	Low	31/03/2023	Not Commenced	0%	This will be a later stage in this project, and will require the completion of Action 1 first.	Not Commenced	0%	This will be a later stage in this project, and will require the completion of Action 1 first. Will also be connected to the work being completed as part of the project management framework.

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 progressed but also requires recommendation 1 to be fully implemented first. This will also be completed in partnership with People and Culture.	Low	31/03/2023	Not Commenced	0%	This will be a later stage in this project, and will require the completion of Action 1 first.	Not 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 progressed but also requires recommendation 1 to be fully implemented first. This will also be completed in partnership with People and Culture.	Low	31/03/2023	Not Commenced	0%	This will be a later stage in this project, and will require the completion of Action 1 first.	Not 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 progressed but also requires recommendation 1 to be fully implemented first. This will also be completed in partnership with People and Culture.	Low	31/03/2023	Not Commenced	0%	This will be a later stage in this project, and will require the completion of Action 1 first.	Not 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 CoM projects 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	On Track	10%	Still awaiting PMO work to get back up and running. Strategy and Risk have been involved in stakeholder management workshops relating to major projects, being led by the City Activation SLT.	On Track	10%	This is being included as part of the PMO work progressing.
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	Not Commenced	0%	Still awaiting PMO work to get back up and running. Strategy and Risk have been involved in stakeholder management workshops relating to major projects, being led by the City Activation SLT.	Not Commenced	0%	Have been working with new contracted PM consultant to discuss relationship between PM and stakeholders and ensure consistency in projects. Stakeholder relationships and Community Engagement Plans have been identified in the draft PM framework. Will continue to work with PM Consultant - whose work is due for completion at the end of April 2023
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		31/12/2022	Not Commenced	0%	Once the SLT complete the register, this will be taken to ELT to determine the 'top 20'. Investigations will also commence about using Salesforce as the source of truth for stakeholder management. Work will commence this quarter on this.	Not Commenced	0%	The register is due for completion by work areas by 30 November 2022 however, management is currently being impacted by competing priorities. Once the register has

		produced but this is only a short term measure with a long term approach required.								been completed, further work to consolidate and finalise some relationships can continue.
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	Not Commenced	0%	Once the SLT complete the register, this will be taken to ELT to determine the 'top 20'. Investigations will also commence about using Salesforce as the source of truth for stakeholder management. Work will commence this quarter on this.	Not Commenced	0%	The register is due for completion by work areas by 30 November 2022. Once the register has been completed, further work to consolidate and finalise some relationships can continue.
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	Not Commenced	0%	Once the SLT complete the register, this will be taken to ELT to determine the 'top 20'. Investigations will also commence about using Salesforce as the source of truth for stakeholder management. Work will commence this quarter on this.	Not Commenced	0%	The register is due for completion by work areas by 30 November 2022, however management is currently being impacted by competing priorities. Once the register has been completed, further work to consolidate and finalise some relationships can continue.
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 – 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.	PIO2.1	Agreed. The improvements listed within this PIO will be further considered.		31/12/2022	Not Commenced	0%	Draft outline in progress to develop next City of Marion Reconciliation Action plan (proposed to be finalised before end of this financial year). Social & Cultural Partner working with the new Talent Acquisition Partner to examine improved employment strategies to attract First Nations candidates.	Not Commenced	0%	Indigenous engagement has been identified as a gap in CoM UM Strategy and Risk has discussed this action with relevant people in P&C and also presented to SLT on this. Some of this action will be coordinated by UM Strategy and Risk as part of broader stakeholder methodology work.

Collaborative Community Consultation

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)
Develop an overarching calendar highlighting proposed community consultation projects for the year and established timeframes. This should also include: a)Proposed Council endorsement dates. b)Any additional rounds of community consultation required for multi-stage projects.	1.1	The CoM will roll out a calendar identifying the all of Council's community engagement activities for the year.	Low	28/02/2023	Nil	Nil	Nil	On Track	60%	Working through the best solution to have publicly accessible calendar with IT & Records.
Develop and provide consultation awareness training to staff.	1.2	The updated Community Engagement Framework will be presented to business units along with delivery of consultation awareness and training.	Low	28/02/2023	Nil	Nil	Nil	Not Commenced	0%	Draft new Framework created – Incorporating IA actions & opportunities + further tweaking
Inclusion of "what would good look like" in the Community Engagement Plan.	1.3	The CoM will include "what would good look like" in the Community Engagement Plan template.	Low	28/02/2023	Nil	Nil	Nil	Not Commenced	0%	Determining 'what good looks like' to put in planning

A budget is developed for community consultation projects and included within the Community Engagement Plan. Further consideration whether this is an internal cost or included within the project budget should be performed.	1.4	Discussions on best processes to manage project budgets will be held with the Engagement Leadership Team.	Low	28/02/2023	Nil	Nil	Nil	Not Commenced	0%	
Internal Audit recommends closing the loop processes are performed for all community consultation projects, including at the end of each engagement activity for multi-stage projects.	2.1	The CoM will include a process where a project cannot be closed until closing the loop process with the community has been completed.	Low	31/10/2022	Nil	Nil	Nil	Completed	100%	Planning and process templates complete
Internal Audit recommends closing the loop processes are performed for all community consultation projects, including at the end of each engagement activity for multi-stage projects.	2.2	The CoM will consider inclusion of the closing the loop process within all project planning / budgets.	Low	31/10/2022	Nil	Nil	Nil	Completed	100%	Included in official plan templates and process
Internal Audit recommends that as part of the reporting process, include an internal assessment / evaluation of the process and formally capture this for future projects.	PIO.1	The CoM will include a process where a project cannot be closed until a formal 'lessons learned' document has been created with relevant stakeholders.		31/10/2022	Nil	Nil	Nil	Completed	100%	Added to CE project process

8.3 1st Budget Review 2022-2023

Report Reference	FRAC221213R8.3
Originating Officer	Assistant Accountant Partnering – Katherine Galea
Corporate Manager	Chief Financial Officer - Ray Barnwell
General Manager	General Manager Corporate Services - Angela Allison

REPORT OBJECTIVE

The purpose of this report is to provide the Finance Risk and Audit Committee (FRAC) with the financial results for the 1st Budget Review for 2022-23. The budget review is a revised forecast of the original 2022-23 budget and as such any savings identified during the budget reviews will not be confirmed until the projects are completed and/or the financial statements are prepared, inclusive of accruals, and audited at the end of the financial year.

EXECUTIVE SUMMARY

The completion of the 1st Budget Review has identified a favourable net Cash adjustment of **\$0.061m**. Adding this to the Original Budget Surplus of \$0.023m leaves a revised full year cash surplus of \$0.084m.

The 2022-2023 1st Budget Review adjustments can be attributed to the following:

Cash Statement Reconciliation		\$
Original Budget Cash Surplus		23,221
1st Budget Review Adjustments		
Favourable		
Additional Grants Commission Funding for 2022/2023	553,234	
Increase to Investment Income	320,290	873,524
Unfavourable		
Increase in Electricity costs due to new contract and market conditions	(359,738)	
Increase in Salaries to 4% (from 3%) for Admin Staff per Enterprise Bargaining Agreement	(241,445)	
Other various minor unfavourable adjustments	(122,077)	(723,260)
Total 1st Budget Review adjustments		150,264
Revised 2022/2023 Cash Surplus/(Deficit) before Council Resolutions		173,485
Less Council Resolutions funded from Rates		
Vista Street Reserve upgrade (GC220809R11.6)	(40,000)	
Hugh Johnson Reserve Maintenance (GC210608R08)	(21,000)	
Marion City Band one off additional funding (GC220322R11.1)	(10,000)	
Mitchell Park Sports - Indoor Courts Seating (GC220809R11.1)	(10,000)	
Mitchell Street Parking (GC220524R12.1)	(5,000)	
Metropolitan Seaside Councils Committee Contribution (GC220823R13.3)	(3,800)	(89,800)
Total 1st Budget Review adjustments including Council Resolutions		60,464
Revised 2022/2023 Cash Surplus		83,685

RECOMMENDATION

That the Finance, Risk and Audit Committee:

1. Note the 1st Budget Review 2022-23 position

DISCUSSION

The 1st Budget Review forecasts a revised cash surplus position of \$0.084m, a favourable adjustment of \$0.061m to the original adopted budget surplus of \$0.023m.

Operating Statement

The 1st Budget Review forecasts an operating deficit of \$6.006m, down from an operating surplus of \$2.141m in the original budget for 2022-23.

The revised forecast operating deficit of \$6.006m includes the impact of a reduction in the 2021-22 Grants Commission Funding received in advance (June 2022) of \$2.147m. Total cash funding remains unchanged however the adjustment reflects the timing of the funding being received. The net result to the operating position as a result of the carry over budgets being loaded into 2022-23 was an unfavourable adjustment of \$4.557m.

Operating Statement Reconciliation		\$
Original Budget Operating Surplus		2,141,408
1st Budget Review Adjustments		
Operating Carryovers		
Grants Commission Funding for 2022/23 received in advance (unfavourable)	(2,147,277)	
Grant Income received in 2021/22 for works to be completed in 2022/23 (favourable)	944,191	
Operating Expenditure relating to Carryover funds (unfavourable)	(3,354,654)	(4,557,740)
Increase in Electricity costs due to new contract and market conditions (unfavourable)	(359,738)	
Increase in Salaries to 4% (from 3%) for Admin Staff per approved EBA (unfavourable)	(241,445)	
Investment Income (favourable)	320,290	
Additional Grants Commission Funding for 2022/2023 (favourable)	553,234	
Other various net adjustments (favourable)	437,764	710,105
Non Cash Adjustments		
Reclassification from Capital to Operating (unfavourable) *	(3,403,032)	
Depreciation increase (unfavourable)	(827,000)	(4,230,032)
Total 1st Budget Review Adjustments		(8,077,667)
Revised 2022/2023 Operating Surplus/(Deficit) before Council Resolutions		(5,936,259)
Less Operating Council Resolutions		
Hugh Johnson Reserve Maintenance (GC210608R08)	(21,000)	
Marion City Band one off additional funding (GC220322R11.1)	(10,000)	
Mitchell Park Sports - Indoor Courts Seating (GC220809R11.1)	(10,000)	
Mitchell Street Parking (GC220524R12.1)	(5,000)	
Metropolitan Seaside Councils Committee Contribution (GC220823R13.3)	(3,800)	
YMCA Solar - Marion Leisure and Fitness Centre (GC220823M16.2)	(20,000)	(69,800)
Revised 2022/2023 Operating Deficit		(6,006,059)

*No cash impact. Relates to accounting classification only

The non-cash adjustments can be attributed to:

- Operating carryovers that were budgeted in 2021-22 or funding was received in 2021-22 but was not spent by 30 June 2022 (including funding for the multi-year Digital Transformation project of \$1.174m)
- Financial assistance grant income expected to be received in 2022-23 but paid in advance in June 2022 (2.147m)
- Reclassification of capital works budgets that have now been classified as operating in nature rather than capital, no change to overall budget for these works (including landscaping, contributions to capital works not on Council land)

- Increase in depreciation expense resulting from the completion of the 2021-22 financial statements, the full year impact of the completion of significant assets in 2021-22 and impact of rising CPI rates (\$0.827m)

Reclassification from Capital to Operating	\$'000
Operating Expenditure on Capital Carryover Projects from 2021/22	1,727
Reserve Development Works	779
Drainage Works	459
Footpath Works	231
Other various minor adjustments	207
Total reclassification from Capital to Operating	3,403

Labour Budgets

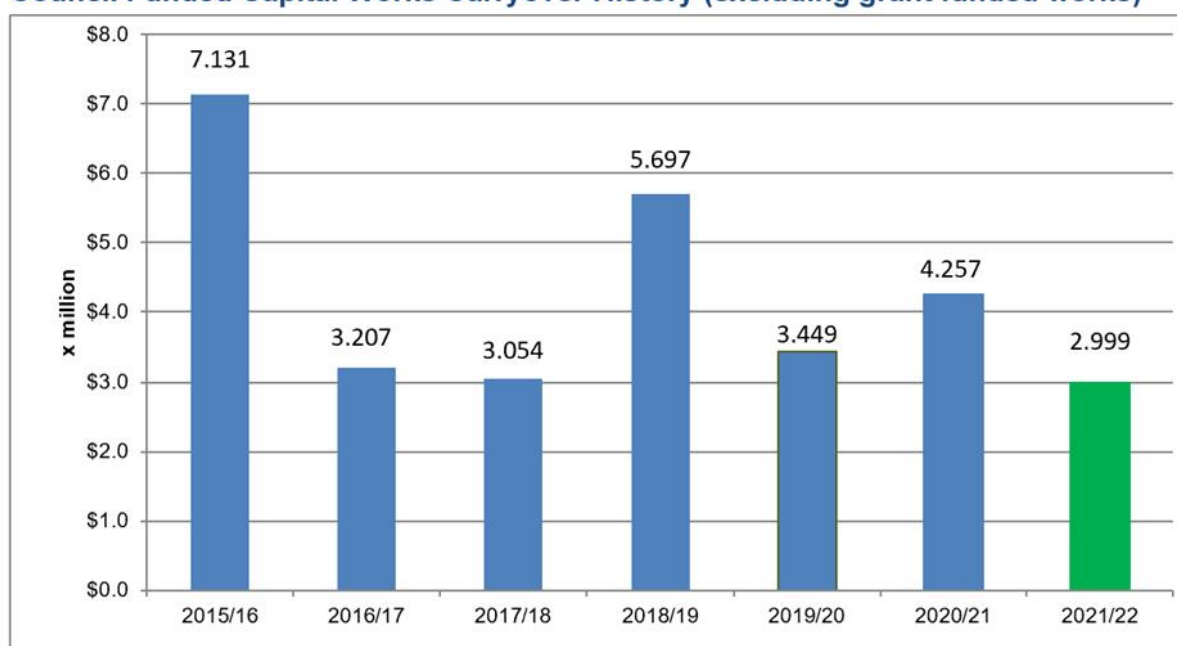
Overall labour budgets have increased by \$0.241m in the 1st Budget Review to \$41.826m following the signing of the new Enterprise Bargaining Agreement for Administration staff, approving an increase of 4% (original budget allowed for 3% in 2022-23).

Capital Works and Carryovers

The Capital Works budgets have increased by \$6.592m in the 1st Budget Review to \$46.987m. This adjustment was predominantly resulting from the non-cash adjustments for Carryovers from 2021-22 of \$11.563m offset by the non-cash reclassification from Capital to Operating budgets on capital works of \$3.403m.

Following the completion of the 2021-22 Annual Financial Statements the total funding carried over into 2022-23 was \$15.933m. This carryover figure is inclusive of grant funded projects (capital and operating) of \$8.760m and Council funded capital works of \$2.999m.

Council Funded Capital Works Carryover History (excluding grant funded works)



Borrowings

The 1st Budget review forecasts no change to the original budget level of required loan funding or loan principal repayments. As at 30 June 2022 the City of Marion had a Cash at Bank balance of \$27.039m along with access to a short-term debt facility, if required. These cash balances have been quarantined to fund the cash backed Reserves and other liabilities such as Grants in advance required in the current financial year.

Under council's Treasury Management Policy, cash balances are continuously being monitored and, if required, debt will be secured to ensure cash balances do not reduce below that required for capital projects and working capital purposes. The need for potential borrowings is reviewed as part of the annual budget setting process and approval to access these funds is sought as part of the annual budget process.

Reserves

The use of Reserves increased through the 1st Budget Review by \$3.781 and is predominantly due to the transfer from Grants & Carryovers Reserve of \$12.904m, offset by Transfer to Reserve of Grant Funding received in advance for future capital projects.

Increase in use of Reserves	\$'000
Grants & Carryovers Reserve - Carryover budgets from 2021/2022	12,904
Other Reserve transfers relating to timing adjustments	(1,623)
Transfer to Reserve of Grant Funding Received for future year projects:	
Glandore Sports Club Redevelopment	(5,000)
Cove Sports Club Redevelopment	(2,500)
	<u>3,781</u>

Year to Date Actual v Annual Budget

During the original budget preparation, budget owners forecast monthly timing of their income & expenditure budgets. The basis for allocating timing of the budgets is to default to the applicable timing of the income & expenditure incurred from the prior year with adjustments made for expected variations. For new budgets and the capital works budgets, forecasts are provided based on the planned program of works. At any time during the year timing variances will occur where the income or expenditure does not fall into the predicted month. The first budget review has reset the year-to-date budgets to match actual and reforecast remaining budgets for the remainder of the year.

During the budget review process all budgets are reviewed to ensure that the current budget for the year is still appropriate. Where the year-to-date actual is off track, either favourable or unfavourable, and it is not related to the timing of the monthly budget allocations, budget review adjustments are made that will impact on the end of year variance against the adopted budget. Appendix 1 of the financial statements contains the Year-to-Date Actual v Annual Budget Comparison Report.

ATTACHMENTS

1. Appendix 1 - Budget Review Report Actual to Budget [8.3.1 - 1 page]
2. Appendix 2 - Budget Review Report Financial Statements [8.3.2 - 8 pages]

APPENDIX 1

CITY OF MARION Budgeted Funding Statement		YTD Actual (30 Nov 2022) \$'000	2022/23 1st Review Budget \$000's
OPERATING REVENUE			
	Rates	35,061	84,146
	Statutory Charges	879	2,500
	User Charges	918	2,946
	Operating Grants and Subsidies	1,974	7,367
	Investment Income	270	520
	Reimbursements	318	1,057
	Other Revenues	146	798
	Share of Profit - Equity Accounted Investments	-	365
		39,566	99,699
OPERATING EXPENSES			
	Employee Costs	14,792	41,825
	Contractual Services	13,718	31,809
	Materials	1,892	6,000
	Finance Charges	-	202
	Depreciation	7,283	17,478
	Other	3,650	8,391
		41,335	105,705
	Operating Surplus/(Deficit) before Capital revenues	(1,769)	(6,006)
<i>Add</i>			
	(a) Capital Revenue		
	Capital Grants and Contributions	8,523	16,843
	Physical Resources received free of charge	-	-
	Asset disposal and fair value adjustments	-	-
<i>Equals</i>	Net Surplus/(Deficit) resulting from operations	6,754	10,837
<i>Add</i>			
	Depreciation	7,283	17,478
	(Gain)/Loss on disposal of assets		-
	Share of Profit SRWRA	-	(365)
<i>Equals</i>	Funding available for Capital Investment expenditure	14,037	27,950
Capital			
<i>Less</i>	Capital Expenditure - Renewal	2,816	16,091
<i>Less</i>	Capital Expenditure - New	1,800	30,896
<i>Less</i>	Capital - contributed assets		-
<i>Equals</i>	Net Overall funding Surplus/(Deficit)	9,421	(19,037)
Funding transactions associated with accommodating the above net overall funding deficit (or applying the net overall funding surplus) are as follows:			
LOANS			
	Loan Principal Receipts (Net)	-	4,400
	Loan Receipts from Sporting Clubs (Net)	-	-
<i>Less</i>	Loan Principal Payments	-	876
	Loan funding (Net)	-	3,524
(b) Movement in level of cash & accruals			
	Cash Surplus/(Deficit) funding requirements	6,177	84
	Reserves Net (transfer to/(transfer from)	(15,598)	(15,598)
	Cash/Investments/Accruals Funding	(9,421)	(15,514)
<i>Equals</i>	Funding Transactions	9,421	19,037

APPENDIX 2

Budgeted Funding Statement

The following report details the proposed budget changes for the 1st Budget Review.

CITY OF MARION Budgeted Funding Statement				
	Budget Original \$000's	Carryovers \$000's	2022/23 1st Review \$000's	Revised Budget \$000's
OPERATING REVENUE				
Rates				
General	82,057	-	-	82,057
Other	2,089	-	-	2,089
Statutory Charges	2,194	-	306	2,500
User Charges	2,765	-	181	2,946
Operating Grants and Subsidies	6,929	(1,203)	1,641	7,367
Investment Income	200	-	320	520
Reimbursements	1,159	-	(102)	1,057
Other Revenues	780	-	18	798
Share of Profit - Equity Accounted Investments	365	-	-	365
	98,537	(1,203)	2,364	99,699
OPERATING EXPENSES				
Employee Costs	41,584	-	241	41,825
Contractual Services	24,314	3,355	4,140	31,809
Materials	5,242	-	758	6,000
Finance Charges	202	-	0	202
Depreciation	16,651	-	827	17,478
Other	8,404	-	(13)	8,391
	96,396	3,355	5,953	105,705
Operating Surplus/(Deficit) before Capital rev's	2,141	(4,558)	(3,589)	(6,006)
<i>Add</i>				
(a) Capital Revenue				
Capital Grants and Contributions	6,651	3,217	6,975	16,843
Physical Resources received free of charge	-	-	-	-
Asset disposal and fair value adjustments	-	-	-	-
<i>Equals</i> Net Surplus/(Deficit) resulting from operations	8,792	(1,341)	3,386	10,837
<i>Add</i>				
Depreciation	16,651	-	827	17,478
(Gain)/Loss on disposal of assets	-	-	-	-
Share of Profit SRWRA	(365)	-	-	(365)
<i>Equals</i> Funding available for Capital Investment exp	25,078	(1,341)	4,213	27,950
Capital				
<i>Less</i> Capital Expenditure - Renewal	10,548	5,207	336	16,091
<i>Less</i> Capital Expenditure - New	29,847	6,356	(5,307)	30,896
<i>Less</i> Capital - contributed assets	-	-	-	-
<i>Equals</i> Net Overall funding Surplus/(Deficit)	(15,317)	(12,904)	9,184	(19,038)

APPENDIX 2

CITY OF MARION Budgeted Funding Statement				
	Budget Original \$000's	Carryovers \$000's	2022/23 1st Review \$000's	Revised Budget \$000's
Funding transactions associated with accomodating the above net overall funding deficit (or applying the net overall funding surplus) are as follows:				
LOANS				
Loan Principal Receipts (Net)	4,400	-	-	4,400
Loan Receipts from Sporting Clubs (Net)	-	-	-	-
Less Loan Principal Payments	876	-	-	876
Loan funding (Net)	3,524	-	-	3,524
Movement in level of cash & accruals				
(b) Cash Surplus/(Deficit) funding requirements	23	-	61	84
Reserves Net (transfer to/(transfer from))	(11,816)	(12,904)	9,123	(15,598)
Cash/Investments/Accruals Funding	(11,793)	(12,904)	9,184	(15,514)
<i>Equals</i> Funding Transactions	15,317	12,904	(9,184)	19,038

(a) Capital Revenue excludes book gains/loss on sale of assets

(b) Relates to use of cash to fund major projects

The 1st Budget Review reports a cash surplus of \$0.084m.

APPENDIX 2

Financial Indicators

To assist Council in meeting its objective of financial sustainability a series of financial indicators endorsed by the Local Government Association are provided. The following table provides a matrix of indicators of the 1st Budget Review 2022/2023 and compares the forecast results against the target rate:

Key Ratios	Target	2022-23 Forecast
Operating Surplus Ratio	0 - 10%	-6.02%
<i>This ratio expresses the operating surplus as a percentage of total operating revenue</i>		
Target :	Average between 0-10% over each consecutive 5-year period	
Comment :	Positive ratio indicates that Council has sufficient operating revenue to cover operational expenses The average Operating Surplus over the past five years is 6%.	
Net Financial Liabilities Ratio	0 - 50%	8.29%
<i>This ratio indicates the extent to which net financial liabilities can be met by total operating revenue</i>		
Comment :	This result indicates Council's Financial Liabilities are forecast to exceed its Financial Assets. This ratio falls within the target range. Council's capacity to meet its financial obligations remains strong	
Debt Servicing Ratio	0 - 5%	1.09%
<i>This ratio identifies Council's ability to service its debt obligations (principal & interest) from operating revenues</i>		
Comment :	This ratio falls within the target range and indicates Council has a low debt holding and is well positioned for future borrowings outlined in the Long Term Financial Plan	
Asset Renewal Funding Ratio	90 - 110%	100%
<i>This ratio indicates whether Council is renewing or replacing existing assets at the rate of consumption</i>		
Comment :	The ratio can vary from year to year dependant on the renewal capital expenditure. Council's Long Term Financial Plan is set to achieve an average Asset Renewal Funding Ratio of 100% over the next three years	
Asset Consumption Ratio	80 - 100%	75%
<i>This ratio shows the consumption of the asset stock at a point in time and indicates the assets remaining useful life</i>		
Comment :	This ratio indicates that while falling under the target range Council's overall asset base has on average a relatively high remaining useful life	

APPENDIX 2

Attachments to Appendix 2

- Attachment 1 – Budgeted Income Statement
- Attachment 2 – Budgeted Statement of Financial Position
- Attachment 3 – Budgeted Statement of Changes in Equity
- Attachment 4 – Budgeted Statement of Cash Flows

APPENDIX 2

ATTACHMENT 1

CITY OF MARION Budgeted Income Statement		
	Actual 2021-2022 \$000's	1st Review 2022-2023 \$000's
OPERATING REVENUE		
Rates		
General	78,184	82,057
Other	1,995	2,089
Statutory Charges	2,175	2,500
User Charges	2,701	2,946
Operating Grants and Subsidies	9,819	7,367
Investment Income	503	520
Reimbursements	872	1,057
Other Revenue	902	798
Net Gain - Equity Accounted Council Businesses	173	365
TOTAL OPERATING REVENUE	97,324	99,699
OPERATING EXPENSES		
Employee Costs	38,238	41,825
Contractual Services	26,927	31,809
Materials	5,276	6,000
Finance Charges	335	202
Depreciation	15,963	17,478
Other Expenses	10,329	8,391
Net Loss - Equity Accounted Council Business	-	-
TOTAL OPERATING EXPENSES	97,068	105,705
Operating Surplus/(Deficit) before Capital Revenues	256	(6,006)
CAPITAL REVENUES		
Capital Grants, Subsidies and Monetary Contributions	9,542	16,843
Physical resources received free of charge	2,001	-
Asset disposal and fair value adjustments	(2,102)	-
Net Surplus/(Deficit) resulting from Operations	9,697	10,837

APPENDIX 2

ATTACHMENT 2

CITY OF MARION		
Budgeted Statement of Financial Position		
	Actual	1st
	2021/2022	Review
	\$000's	2022-2023
		\$000's
<u>CURRENT ASSETS</u>		
Cash & Cash Equivalents	27,039	11,526
Receivables	5,279	5,279
Inventory	500	500
TOTAL CURRENT ASSETS	32,818	17,305
<u>CURRENT LIABILITIES</u>		
Trade & Other Payables	11,029	11,029
Provisions	6,346	6,346
Borrowings	876	876
Lease Liabilities	10	10
TOTAL CURRENT LIABILITIES	18,261	18,261
Net Current Assets/(Liabilities)	14,557	(956)
<u>NON-CURRENT ASSETS</u>		
Investment in SRWRA & Council Solutions	7,855	8,220
Infrastructure, Property, Plant & Equipment	1,198,015	1,227,524
Other Non-Current Assets	6,659	6,659
TOTAL NON-CURRENT ASSETS	1,212,529	1,242,403
<u>NON-CURRENT LIABILITIES</u>		
Provisions	594	594
Borrowings	2,687	6,211
Lease Liabilities	-	-
TOTAL NON-CURRENT LIABILITIES	3,281	6,805
NET ASSETS	1,223,805	1,234,642
<u>EQUITY</u>		
Accumulated surplus	427,628	454,063
Asset Revaluation Reserves	769,508	769,508
Other Reserves	26,669	11,071
TOTAL EQUITY	1,223,805	1,234,642

APPENDIX 2

ATTACHMENT 3

CITY OF MARION		
Budgeted Statement of Changes in Equity		
	Actual	1st
	2021/2022	Review
	2021/2022	2022/2023
	\$000's	\$000's
ACCUMULATED SURPLUS		
Balance at beginning of period	403,189	427,628
Net Surplus/(Deficit)	6,813	10,837
Adjustments	-	-
Transfers from Reserves	17,626	23,184
Transfers to Reserves	-	(7,586)
Balance at end of period	427,628	454,063
ASSET REVALUATION RESERVE		
Balance at beginning of period	732,120	769,508
Net change this year	37,388	-
Balance at end of period	769,508	769,508
OTHER RESERVES		
Balance at beginning of period	44,295	26,669
Net change this year	(17,626)	(15,598)
Balance at end of period	26,669	11,071
Total Reserves	796,177	780,579
TOTAL EQUITY	1,223,805	1,234,642

APPENDIX 2

ATTACHMENT 4

CITY OF MARION Budgeted Statement of Cash Flows		
	Actual 2021/2022 \$000's	1st Review 2022/2023 \$000's
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Receipts</i>	111,632	99,334
<i>Payments</i>	(97,801)	(88,227)
NET CASH PROVIDED BY OPERATING ACTIVITIES	13,831	11,107
CASH FLOWS FROM FINANCING ACTIVITIES		
<i>Receipts</i>		
Loans Received	-	4,400
Proceeds from Bonds & Deposits	-	-
<i>Payments</i>		
Principal	(828)	(876)
Repayment of Finance Lease Liabilities	(117)	-
Repayment of Bonds & Deposits	-	-
NET CASH (USED IN) FINANCING ACTIVITIES	(945)	3,524
CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Receipts</i>		
Capital Grants/Subsidies & Contributions/Investments	4,153	16,843
Sale of surplus assets	97	-
Sale of replaced assets	266	-
Distributions from Equity Accounted Investments	34,900	-
<i>Payments</i>		
Purchase of IPP&E	(44,375)	(46,987)
NET CASH (USED IN) INVESTING ACTIVITIES	(4,959)	(30,144)
NET INCREASE/(DECREASE) IN CASH HELD	7,927	(15,513)
CASH AT BEGINNING OF REPORTING PERIOD	19,112	27,039
CASH AT END OF REPORTING PERIOD	27,039	11,526

8.4 DTP Quarterly Status Update

Report Reference	FRAC221213R8.4
Originating Officer	Senior DTP IT Manager – Marcel Althoff
Corporate Manager	Senior Digital Transformation Program IT Manager - Marcel Althoff
General Manager	General Manager Corporate Services – Angela Allison

Report Reference Report Title

FRAC221011R8.3 Digital Transformation Program Update

FRAC220517R7.1 Digital Transformation Program Update

FRAC211012R7.5 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).

EXECUTIVE SUMMARY

Good progress across the DTP has been achieved with eight of the twelve projects being implemented. The focus over the next six months will be the refinement and implementation of improvements across the foundational digital transformational projects, complete stage one of the Asset Management System, Property and Rates, Unified Comms and continue the ongoing digital literacy and cybersecurity awareness. Additionally, we have started planning for a series of projects for 2023/24 to enhance the CoM's transformational journeys.

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.

Resourcing

Recruitment and retention of resources remains an ongoing challenge. Over the last quarter one Business Analyst has resigned and recruitments are ongoing for the Salesforce Analyst (advertised multiple times over five months), two Business Analyst and a GIS specialist. The shortfall in recruitment will have an ongoing impact on program delivery.

Governance reviews & audits and project implementation reviews (PIR)

The EQI Consulting report has been reviewed and the recommendations are currently being actioned. The Payroll / HRIS Project review has now been completed and implementation of recommendations with the support of the vendor has commenced. The external review also recommended a new Payroll / HRIS solution due to changes in the company's products roadmap and deficiencies in the current product that have resulted in additional operating costs. The business requirements and business case are currently in the early stages of development.

Additionally, KPMG are currently completing an audit of the Digital Transformation Program with the report being available mid-December.

NOVEMBER 2022 UPDATE

CoM 1: DLCA (Digital Literacy and Cybersecurity Awareness)

The initial pilot, run by Navitas 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, has been completed by the 25 staff who attended the assessment. 22 people qualified, completing the 10 weeks of training, assessed at competency level 3 or below. This provided 20 hours of Digital Literacy training for each participant and the training was funded by a federal program.

Due to the success of the initial pilot, investigation is underway to increase the scope of this across the business.

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

While a review of the overall project was conducted, work has continued to deliver some of the objectives. The Recruitment and Onboarding Module has been implemented and is currently being piloted as teams initiate new recruitment.

CoM 3: CRM (Customer Relationship Management)

The CRM project has had future enhancements to improve the workflow and overall efficiency. A new Hard Rubbish module has been implemented with significant uptake of customer usage, with over 1,100 customers per month accessing the Customer Portal compared to less than 250 customer per month a year ago.

DTP will continue to work closely with the business to look for opportunities to leverage our new CRM solution for the betterment of the community and staff at the City of Marion.

CoM 4: Asset Management System

The implementation of the AMIS software has commenced with loading of the data sets for assets, with stage one targeted to be complete by the end of the financial year. As previously stated, there is a need for a stage two that will enable our process transformation and an uplift in data and process maturity for the City of Marion, to realise the reporting benefits and predictive modelling required. The impact of the additional scope has been costed and is expected to take an additional 18 to 24 months with benefits across CoM assets occurring in order of which assets provide the biggest savings.

CoM 5: Finance System

The Finance Project has been implemented and is operational throughout the business. Initial issues have been resolved, however reporting is still very challenging. A targeted project to run over the next four months with a new team of experienced Financial Force resources from our integration partner Agylix is expected to improve the reporting and address other outstanding issues.

Additionally, the upgrade to the new version of the Civica Property and Rates system has started and is planned for implementation in August 2023.

CoM 6: Microsoft 365

This Project has been completed and 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

This project has been completed and has transferred into ongoing maintenance, post completion.

CoM 9: Data and Analytics Project

With the recruitment of a Data Analyst and the support of a newly appointed Project Manager, initial good progress is being made on this project with some initial deliverables expected early 2023.

CoM 10: The Unified Communications Project

The Pilot Project has been rolled out to use Teams as our communication tool including phones. The rollout was postponed allowing more time to ensure we are fully covering off the communication needs for the wider community within the City of Marion with it's full implementation scheduled for early in the new year.


CoM 11: The Devices Fleet Management Project

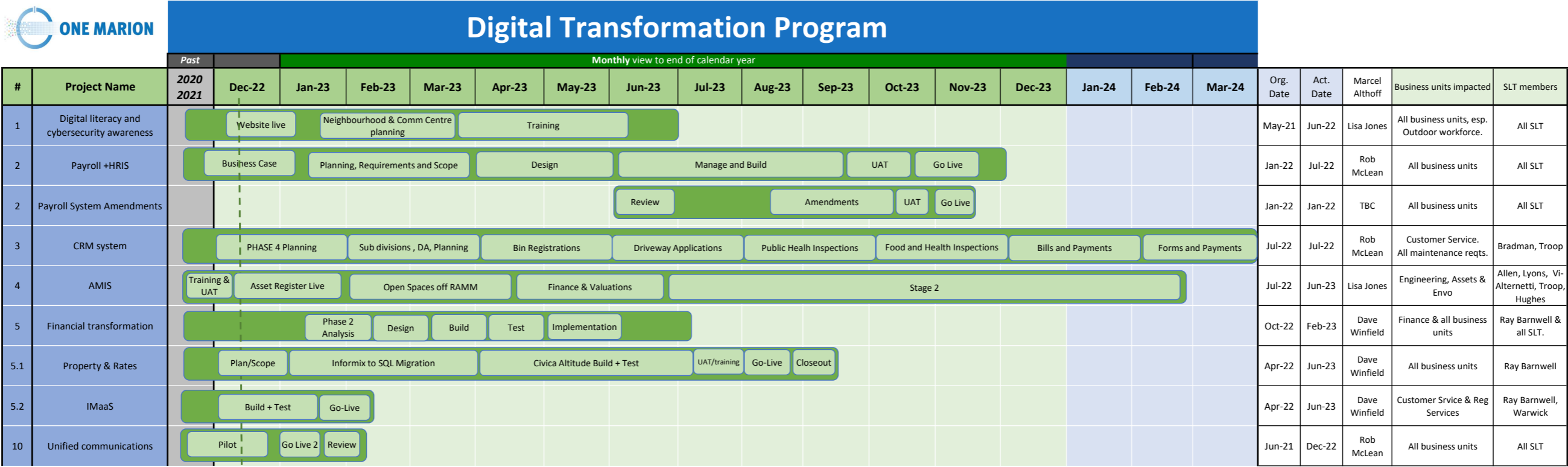
Stage 1 of the Project is complete with new devices purchased and allocated to staff by the Helpdesk Team.

CoM 12: AV Access in meeting rooms

All meeting rooms are now equipped with Meeting Owl Pros and TVs. Additionally, the purchase of a new splitter for the Chamber that will allow the TV screens to work more consistently.

Digital Transformation Update: Dec 2022											
Digital Transformation Program	Orig. End date	F/cast End date	Fortnightly Project Status - RAG Status					Last Period	This period	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	Financial Force implementation is still not meeting expectation, Refer to project issues below.	Solid improvement on all projects over the last three months, however Financial Force issues are still outstanding.
Dig. literacy & cyber sec. awareness	May-20	Aug-23	Green	Amber	Green	Green	Amber	Amber	Amber	Pilot Training: 3 weeks remain of Pilot training. Surveys will be sent next week in readiness to support participants post training. Kick off planning for Neighbourhood and Community Centres starts this week. Looking to work with a new RTO to deliver federally funded digital skills training for our Neighbourhood and Community Staff members in the new year. Further details will be provided in the December ELT meeting. Cyber Campaign for December has been reviewed and additional posters will be places around the office. Please remember to remind your teams to "Stop and Ask" Comm Support if they see any suspicious activity in the physical location or online.	* Overall: Amber - Resource and schedule indicator will turn green next period. * Schedule: Draft deliverables created. * Cost: TBD * Benefits: Navitas training is underway. Currently on week 7 of 10 for delivery.
HRIS 1 (HR modules)	Jan-22	Jan-22	Green	Green	Green	Green	Green	Green	Green	None	* Project Live
CRM system	Jul-22	Jul-22	Green	Green	Green	Green	Green	Green	Green	None	*Case backlog is being looked at and a report has been developed to identify the Action Officer responsible to action the case. The project is reaching out to each AO to update cases as well as fixing erroneouse cases in the background.
AMIS	Jul-22	Jun-23	Amber	Amber	Green	Amber	Amber	Amber	Amber	* Scope 2023 planning in place to lock in the scope of delivery for Stage 2 * Schedule: Stage 1 deliverables on track for Asset Register. * Key GIS Risk raised in last ELT has been worked through and risk mitigated. * GIS process now agreed by business. IT Signoff anticipated but not yet received. Scott Robinson has been liaising with Micheal Bowden regarding this. * Project Testing of Asset Data underway. Changes discussed with Plant and Fleet and with Civil team. Plant and fleet data to be updated by Assetic, week beginning 05/12/2022. * Finance and Valuations Module kicks off on 23 November. This will allow the planning and full scheduling of tasks contained within this module. Risks are currently being raised to allow for mitigation strategies to be worked through during the kick off meeting. * Open Spaces 1 hr demo of Assetic Maintenance and Mobility occurred.	* Overall: Amber: Working to the following horizons: 1) Asset Register Go live 2) Sign off of additional engagment to transform and uplift process and data 3) Data Synchronisation 4) Finance Valuations kick off in November 5) Planning for 2023
Financial transformation	Oct-22	Feb-23	Amber	Amber	Red	Amber	Amber	Amber	Amber	Issues: * Reporting is still not fit for purpose and is unable to provide required outputs * Handling of GST is still an issue as the system is unable to provide the required functionality and flexibility without significant rework	* FinancialForce is failing to deliver to our business requirements despite significant financial investment and internal effort * Implementation and licensing costs continue to escalate despite extended negotiations with the vendor
Mirosoft 365	Aug-20	Aug-20	Green	Green	Green	Green	Green	Green	Green	* No issues	* Project complete
SharePoint - intelligent intranet	Aug-20	Aug-20	Green	Green	Green	Green	Green	Green	Green	* No issues	* Project complete
Data analytics	Apr-22	Nov-22	Green	Amber	Green	Amber	Amber	Green	Green	* Schedule: overdue since June 2021 * Cost: we aren't spending the allocated budget and the draft strategy exceeds the budget. * Benefit: High-level summary in scope doc. * Resource: Project currently unresourced	* New PM Brian Fleming is starting to work with the BI Analyst Cathlyn Anderson on determining to understand her technical requirements and developing a scope and plan. Workshops held with all ELT to determine AS IS state and identify pain points Progressing with SLT level. Working with records management and IT Ops to determine AS IS use of power BI and Azure Datawarehouse
Unified comms	Jun-21	Dec-22	Green	Amber	Green	Green	Green	Green	Green	* Risk: business not ready for more change with 3 project going live at the same time.	*We will be pushing UC back to concentrate on AWS for CS as this will give greater benefit to the org, with links to CRM and better structured data for reporting. *UC - Teams calling can be done alongside to ensure there is no loss in momentum *We are engaging a icon to assist with the teams calling configuration and rollout at a cost of 16k
Devices Fleet management	Jan-21	Jun-22	Green	Green	Green	Green	Green	Green	Green	* No issues	* Project complete
AV access in meeting rooms	Dec-20	Dec-21	Green	Green	Green	Green	Green	Green	Green	* No issues	* Project complete

Digital Transformation Update: Dec 2022	
Digital Transformation Program Status Update Discussion areas	
Key Program Achievements this Period	Key Program Focus areas for next period
Finances FinancialForce reporting is still not meeting expectations Unified Comms now being push to 2023 to allow time to confirm CoM communicaiton needs AMIS implementation planning for Asset Register Go live early 2023	Refer to comments to address Ambers and Reds at Program and Project Level
Program Decisions Required and outcomes	Key Program Actions
Confirm next steps for the Financial Force implementation	Refer to comments to address Ambers and Reds at Program and Project Level 



8.5 DTP Financial Transformation Update

Report Reference	FRAC221213R8.5
Originating Officer	Senior Project Manager – Brian Fleming
Corporate Manager	Senior DTP IT Manager – Marcel Althoff
General Manager	General Manager – Angela Allison

REPORT HISTORY

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

Report Reference	Report Title
FRAC2210118.3	DTP – Quarterly Status Update

REPORT OBJECTIVE

Report on the Finance Project identifying any concerns and planned action.

RECOMMENDATION

That the Finance, Risk and Audit Committee

- 1. Notes the report.**

DISCUSSION

Background

Financial Force Implementation

Financial Force was implemented into CoM on July 1, 2022, during this time there have been a number of issues that have arisen requiring further work and investment to achieve a desirable outcome.

- Licencing Utilisation & Costs
- Higher than expected number of issues identified with the solution implementation partner
- Usability of the system – profiles and workflows
- Reporting capability shortfall

Licencing Utilisation & Costs

An audit of all access and profile configuration across the organisation is currently underway with the Vendor to identify potential changes to reduce the number of full licences and development activities that can serve the business need without additional licencing.

Outstanding Issues identified to be resolved & functionality still to be delivered

The finance system has been implemented and is functional, however there are a high number of high and medium priority issues that are resolved.

Remediation - A new internal Project manager has been assigned and the CoM has negotiated with the vendor to provide resource at no additional costs (984 hours of consulting time \$243k) to assist with the resolution of these issues. It is expected that these outstanding issues can be resolved

over the next four months, after which more transformational improvements to the finance system will be specified.

Usability of the system – profiles and workflows

There have been several discussions with the users and the vendor around the usability of the system and ways that the navigation of the system could be improved to better meet the business process needs.

Remediation - One of the items in this agreement is the assessment of all profiles for users to determine a better working experience and presenting the daily tasks for users in a more effective way.

Reporting capability shortfall

The reporting solution for the project was a mix of using Financial Force reporting and additional capabilities provided by the Vena reporting solution. In the day-to-day usage it has been found that the reporting functionality delivered has not been fit for purpose and required additional development and licences to meet CoM needs.

Remediation - Additional training in the Vena product to uplift the inhouse capability is being provided to make the CoM staff capable of building their own reports without a need for vendor involvement. There is now a Business Intelligence lead in the organisation and their expertise will also be leveraged to uplift the reporting needs.

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.