

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, 21 February 2023 at 9.00 am

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

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

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



Tony Harrison
Chief Executive Officer

1 OPEN MEETING.....	3
2 KAURNA ACKNOWLEDGEMENT	3
3 ELECTED MEMBER DECLARATION OF INTEREST (IF ANY)	3
4 CONFIRMATION OF MINUTES	3
4.1 Confirmation of Minutes of the Finance, Risk and Audit Committee Meeting held on 13 December 2022	3
5 BUSINESS ARISING.....	16
5.1 Business Arising Statement - Action Items	16
6 CONFIDENTIAL ITEMS	23
6.1 Cover Report - Cybersecurity - Quarterly Update	23
6.2 Cover Report - Marion Water Business Section 48 Prudential Report; proposed expansion project	24
6.3 Cover Report - Internal Audit Contract.....	25
7 REPORTS FOR DISCUSSION.....	26
7.1 Council Member Report	26
7.2 Draft Annual Business Plan 2023-24 and Long Term Financial Plan	29
7.3 Aged Care Quality Standards	41
7.4 Strategic Risk Register Annual Review	57
7.5 Quarterly Corporate Risk Report	71
7.6 Internal Audit Plan 2022 - 2023	92
8 REPORTS FOR NOTING	140
8.1 Internal Audit Program - Implementation of Recommendations	140
8.2 DTP Status Update	160
8.3 DTP Financial Transformation Update.....	168
9 WORKSHOP / PRESENTATION ITEMS - NIL	170
10 OTHER BUSINESS	170
11 MEETING CLOSURE	170

1 Open Meeting**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)**4 Confirmation of Minutes****4.1 Confirmation of Minutes of the Finance, Risk and Audit Committee Meeting held on 13 December 2022**

Report Reference	FRAC230221R4.1
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 13 December 2022 be taken as read and confirmed.

ATTACHMENTS

1. FRA C 221213 Final Public Minutes [4.1.1 - 12 pages]



**Minutes of the Finance, Risk and Audit Committee
held on Tuesday, 13 December 2022 at 2.00 pm
Council Chamber, Council Administration Centre
245 Sturt Road, Sturt**



**PRESENT**

Ms Emma Hinchey (Chair)
Ms Nicole Rantanen
Mr Josh Hubbard
Councillor Jason Veliskou

In Attendance

Chief Executive Officer - Tony Harrison
General Manager City Services - Ben Keen
General Manager Corporate Services - Angela Allison
General Manager City Development - Tony Lines
Manager Office of the CEO - Kate McKenzie
Unit Manager Governance and Council Support - Victoria Moritz
Acting Chief Finance Officer – Andrew Doyle
Unit Manager Risk & Strategy - Maddie Frew
Eric Beere, KPMG
Michael Arman, BRM

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 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 11 October 2022

Report Reference FRAC221213R4.1

Moved Ms Rantanen

Seconded Ms Hinchey

That the minutes of the Finance, Risk and Audit Committee Meeting held on 11 October 2022 be taken as read and confirmed.

Carried Unanimously

5 Business Arising

5.1 Business Arising Statement - Action Items

Report Reference FRAC221213R5.1

The Committee took the Business Arising Statement as read and provided the following feedback:

- Raised some concerns around the December due dates and queried if these deadlines would be met, in particular the Service Review Program. The Chief Executive Officer provided an updated on the status of the Service Review Program with a plan to bring a proposed framework in February / March 2023 with the intention of this being used from 30 June 2023. It was also noted there a number of internal reviews, work-place audits, reforms, and work undertaken by Anthony Jones to complete internal reviews. Progressing with the Service Review Program at this time would have placed additional pressure across the organisation. The new formalised review process including reporting structure will be brought the Committee in 2023.
- Management further commented they are confident the remaining items with a December deadline will be completed in time.
- It was noted the Council Member Report was omitted in error. Staff will include any missed General Council Meetings in the next Council Member Report to the Committee.
- Management provided a verbal update on the Sam Willoughby BMX Track advising they are pursuing with the insurance claim.

Moved Ms Rantanen

Seconded Mr Hubbard

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 - Marino Community Hall Section 48

Report Reference FRAC221213F6.1

Moved Ms Rantanen

Seconded Mr Hubbard

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, Manager City Activation, Chief Financial Officer, Project Design Advisor, Unit Manager Governance and Council Support, be excluded from the meeting as the Council receives and considers information relating to Marino Community Hall prudential 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 commercial information including financial figures and concept designs.

Carried Unanimously

2.12pm the meeting went into confidence

Moved Ms Rantanen

Seconded Mr Hubbard

In accordance with Section 91(7) and (9) of the Local Government Act 1999, orders that the report, attachments and minutes arising from this report, 'Marino Community Hall prudential report', having been considered in confidence under Section 90(2) and (3)(b)(i) and (ii) of the Act be kept confidential and not available for public inspection upon the basis that the information contains commercial information including financial figures and concept designs. This order is to remain in force until such time as it is reviewed, at which time a further order of confidentiality may be made. This confidentiality order will be reviewed at the General Council Meeting in December 2023.

Carried Unanimously

2.58pm the meeting came out of confidence

6.2 Cover Report - Cybersecurity - Quarterly Update

Report Reference FRAC221213F6.2

Moved Councillor Veliskou

Seconded Mr Hubbard

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.

Carried Unanimously

FRAC221213 - Finance, Risk and Audit Committee - 13 December 2022



2.59pm the meeting went into confidence

Moved Ms Rantanen

Seconded Mr Hubbard

In accordance with Section 91(7) and (9) of the Local Government Act 1999 the committee members order that this report, Cybersecurity – Quarterly Update, any appendices and the minutes arising from this report having been considered in confidence under Section 90(2) and (3)(e) of the Act, except when required to effect or comply with Council's resolution(s) regarding this matter, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2023.

Carried Unanimously

3.07pm the meeting came out of confidence

7 Reports for Discussion

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

Report Reference FRAC221213R7.1

General Manager Corporate Services provided an overview of the preparation undertaken for the 2022-23 Annual Business Plan and Long-Term Financial Plan including the associated risks with the proposed framework and key budget assumptions. The following comments were made:

- It was noted that 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.
- This year will take into account a higher impact on inflation and what this means, looking at a further breakdown of CPI across various components.
- The Committee were happy with the framework and suggested further consideration may be given to safety given the large construction management component as well as a specific call out for climate and ESG principles.
- The Committee questioned the capacity for staff to deliver the resource requirement given the comments made around current market conditions. Management commented there will always be resource constraints, however the organisation needs to plan to deliver accordingly with these considerations being picked up in the Asset Management Plans. It was also noted the forward procurement plan has been flagged with relevant industries to help manage expectations.
- It was emphasized that robust evidence would be required to support an increase in revenue to demonstrate specifically where the additional costs were coming from.
- The Committee queried whether a 2.7% inflation rate seemed achievable. Management commented that different scenarios and modelling would be presented and discussed at the Council Member planning day in January 2023 to look at the difference indexes.
- The Committee provided feedback around including additional key assumptions around strategic investments with a need to consider the level of strategic projects to be identified through the Long Term Financial Plan.



- Staff were commended on the Environmental Scan. It was queried whether we had looked at bringing animal management in house. Management commented, this had been looked at 12 months ago, however it was determined that this sat best with the experts at the time given the risks involved. It is still on their radar.
- The Committee raised concerns around how the funding gap was being managed for the Community Centers given the cuts in grant funding. It was questioned whether there would be any impact on the provision of programs and services. Management advised they have applied for additional funding, and if granted, this would be split across the sites, however they will be requesting additional funding through the budget process to maintain services.
- The non-compliance around child safe reporting was raised and discussed. Management are prioritising this to meet the additional requirements. Where required additional training is being provided with this also being included in the standard requirements. Questions were asked around which positions are required to have mandatory training and well as community expectations around this. Management are continuing to work through this as a matter of priority.
- Another theme for consideration that was raised was the data maturity and the risks associated with the timeliness of the project due to the roll out of other systems which are key dependencies. Management confirmed that the Business Intelligence Lead had made good progress however there is still a large piece of work on data integration. The organisational KPI's are progressing with the intent for these to be ready for next financial year.
- The Committee reiterated the importance of playing out the scenarios for Council for them to see the impacts of various rate levels, with the need to balance programs and services with inflation and feel comfortable with the decision.

Moved Ms Rantanen

Seconded Mr Hubbard

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.

Carried Unanimously

The Chair sought and was granted leave of the meeting to vary the order of the agenda and bring forward the item *Internal Audit Plan 2022-2023* to be considered next on the agenda.

7.4 Internal Audit Plan 2022 - 2023

Report Reference FRAC221213R7.4

Manager Office of the CEO introduced the item and provided an overview of the progress of the Internal Audit program for 2022 – 2023.

Mr Beere (KMPG) summarised the findings in the Community Consultation – Final Report and outlined the scopes for Customer Experience and Cyber Security.

The Community Consultation audit was a collaborative internal audit project focusing on the City of Charles Sturt and the City of Marion Community Consultation. The findings relate to the opportunity

FRAC221213 - Finance, Risk and Audit Committee - 13 December 2022



to deepen focus on the customer, efficiency opportunities, greater engagement and involvement from Council Members, earlier planning, and accessibility.

The Committee provided the following feedback and comments:

- The Committee questioned the criteria and thresholds around the project methodology with Mr Beere commenting this was taken into consideration with the project management governance reports where there was a linkage, however there was an opportunity for improvement for the guidance for the consistency of application in regards to the tiers of projects.
- Management further commented on the current review of the project management framework which was engaging key stakeholders and undertaking a deep dive into this area.
- The Committee queried how best we can improve digital literacy and cover the gap. Mr Beere commented there was acknowledgement to this in joint finding 1 relating to community consultation methods requiring further enhancement to address accessibility and diversity. Further actions may be identified through addressing this finding. The Committee suggested potentially looking into allowances for employees assisting in translation. It was also suggested that the organisation could further consider offering Auslan as a service by Council at engagements and events.
- The Committee commented that the innovative opportunities were great for engaged communities, however queried whether there may be some risks association with this in terms of accessibility and diversity.
- Agreed there was a good approach to the findings, however suggested alternate wording could be used in the recommendation for PIO1 around the community consultation process in regard to feedback not determining the outcome of projects.
- Management advised some of these points would be picked up in the Customer Experience audit including how consultation groups are selected / engaged to ensure there is no exclusion and closing the loop back to residents.
- The Committee questioned the clarity of the scopes for customer experience and cyber security regarding historical discussions. The previous assurance mapping provided context on what should be included however, the scope appears to be more of a post implementation review for the CRM. It was noted that the scope can be amended to include a more fulsome approach to customer experiences and include the review of the strategic alignment and framework. In relation to the cyber security scope, the committee questioned whether the scope included the maturity aspects of each council. Mr Beere commented it was framed as testing design and effectiveness, however, can pivot to the maturity aspect. There were some discussions around the collaborative nature of the audits and noted that this could be further enhanced.
- Management will work with KMPG to revisit the two scopes and circulate these out of session. It was noted the scopes are endorsed subject to the changes identified.

Action: Circulate revised scopes with included identified changes to the Committee out of session.

Moved Mr Hubbard

Seconded Ms Rantanen

That the Finance, Risk and Audit Committee:

1. Notes the progress of the Internal Audit Program.
2. Considers and provides feedback on the:
 - a. Community Consultation – Final Report Attachment 1



b. Customer Experience Scope – Attachment 2

c. Cyber Security Scope – Attachment 3

Carried Unanimously

7.2 Quarterly Corporate Risk report

Report Reference FRAC221213R7.2

Manager, Office of the CEO introduced the item and provided a summary of the City of Marion Corporate Risk Register review for Q1 (July to September) 2022/23. There were no major changes this quarter, two risks were merged and there were two new risks from the Customer Experience area. There has been no change to the number of high risks we are reporting on.

The following comments were noted:

- The risks currently rated as high or above includes DTP01 referencing IT, however questioned whether it should also include cyber security given the current risks and recent breaches with other organisations. Management commented there had been discussions as to whether this should be included or not, noting that it currently also sits in the environmental scanning and will continue to monitor this as to whether it should be included or not.
- The Committee queried the reference to safety in relation to contractors as high, noting there was nothing for staff or community. Management confirmed this was specifically related to contractor management and that staff and community were captured through the public risk registers with these risks sitting at medium given the number of controls in place. There has been a significant amount of work done and internal controls put in place to reduce this risk.
- The risk relating to poor data quality and information governance not supporting informed decision making was discussed. This is currently sitting as high with no details around business requirements for the use of data. Management commented they anticipate this will shift over the course of the next 12 months with the Business Intelligence unit and DTP linking this back to records management. It was also noted the Data Governance Framework had been approved by ELT.
- The Committee commented on the planned treatments and relevant risks suggesting these may need to be reviewed and tidied up. When reviewing these it would also be worth reviewing the due dates to ensure the accuracy of these.
- The re-stated controls relating to the risk to supply chain issues creating an inability to complete projects on time and within allocated budget are good, however may not be mitigating the risk. The Committee questioned whether we had considered in-sourcing. Management noted there had been some in-sourcing as well as undertaking a rationalization process to ensure these are in place. The Committee commented that it is important the solution is realistic and may require the budget to be revisited.
- The Committee raised concerns that there was currently no IT Strategy. Management acknowledged this was a gap and have identified this as a business priority.
- The risk relating to understanding, planning, and responding to the projected impacts of climate change was discussed. It was noted the review dates had changed, however there didn't appear to be any reference to previous dates. It was suggested this visibility is important to understanding the risk. The Committee queried whether the training needs analysis due for review in 2022 had occurred.
- The Committee questioned the timeframes relating to contractors engaged by the City of Marion to undertake high risk land and property related activities and whether management were any closer to filling the role. Management advised the vacancy had been put on hold pending the re-structure within the unit, It is anticipated this vacancy will be filled relatively soon.



9

- The risk relating to labour market factors impacting on City of Marion to attract and retain talent was queried. The Committee felt the original wording was better as the labour market was a cause, not the entire risk.
- Management committed to undertaking a review of deadlines, formatting and wording prior to presenting to the Committee next time.

Moved Mr Hubbard**Seconded Councillor Veliskou**

That the Finance, Risk and Audit Committee:

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 risks rated as Medium.
3. Endorses the removal of Risk MOP03 (this has been merged risk MCC03).

Carried Unanimously

7.3 Work Program and Meeting Schedule for 2023

Report Reference FRAC221213R7.3

Moved Ms Rantanen**Seconded Councillor Veliskou**

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:
3.
 - a) Tuesday 21 February 2022 (9-12pm)
 - 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)

Carried Unanimously



8 Reports for Noting

8.1 Annual Ombudsman Report 2021/22

Report Reference FRAC221213R8.1

Manager Officer of the CEO provided a brief overview and summary of the items relating to the City of Marion noting that the complaints to the Ombudsman had increased slightly from 25 to 30. City of Marion was still sitting at a low % of complaints per 10,000 people. It was noted the Section 270 complaints were also at a reasonably low level and one relating to Coastal Walkway was being considered at the General Council meeting on 13 December. The Committee discussed the potential for learning from the community consultation process. Administration confirmed all improvement opportunities and learning from reviews were taken into consideration for future improvements and that some instances also require a case management approach. Overall, the statistics for City of Marion were slightly more than the previous year, however this was a common trend throughout all Councils.

4.43pm Ms Rantanen left the meeting and did not return.

Moved Councillor Veliskou

Seconded Mr Hubbard

That the Finance, Risk and Audit Committee:

1. Notes the report.

Carried Unanimously

8.2 Internal Audit Program - Implementation of Recommendations

Report Reference FRAC221213R8.2

Manager Office of the CEO introduced the item and provided an update of the status of implementation of recommendations from the Internal Audit program. The Committee provided the following feedback and comments:

- Comments on the number of findings with revised due dates. Management commented this was a result of the labour market and resource implications and DTP delays which has impacted on the implementation of recommendations. The Committee suggested that due date change be clearly articulated to enable as much transparency as possible.
- Discussed the centralised contract management team and the opportunity for council to make savings. Management advised this opportunity is being managed through the framework to include this function as part of the initial structure and up-front costs of the project.
- The Committee questioned how the organisation is managing low level fraud and dishonesty with contractors and staff and whether there was a policy or process in place. Management confirmed there are multiple controls in place which are tested by auditors each year including a fraud management survey completed by people leaders each year, internal audits and fraud awareness training which is mandatory for staff every twelve months.
- The Committee discussed the stakeholder management review noting the competing priorities across the organisation. The Stakeholder management map identifies the top 20 stakeholders



within the Community. Management acknowledged this has not progress as much as they would have liked, however this is back on track for January / February 2023.

- Given the number of deadlines that had not been met, or were unlikely to be met, the Committee suggested setting parameters and expectations for addressing the various risk ratings within a framework to ensure they are realistic and achievable. Management noted that managers are included in the close out meetings and reminded of setting realistic timeframes, taking into consideration the current needs of the business.
- The Committee questioned the recommendations from the Collaborative Health Check and how this was progressing.

Action: Circulate MOU that was developed to support the collaborative approach by the three Councils.

Action: develop a criteria for the timing of the implementation of recommendations based on the risk level of the finding.

Moved Mr Hubbard

Seconded Councillor Veliskou

That the Finance, Risk and Audit Committee:

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

Carried Unanimously

8.3 1st Budget Review 2022-2023

Report Reference FRAC221213R8.3

The report was taken as read noting 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 Committee discussed the following points:

- Carryovers and whether the organisation was in a good place with these. Management advised this is the lowest it has ever been. The \$2.9m mainly comprises of three projects and is a result of supply chain issues. This is a good outcome noting this year should see further improvement.
- The Committee commented on considerations when setting the budget including setting appropriate resources to deliver the projects. The Committee questioned with a 14% increase in workload can the teams deliver an additional 14% output? Management noted this review considered the impacts from last financial year, with the second budget review looking at how the budget including these carryovers will be delivered and whether the current program of work would require some of the budget to flow on to the next year. Management commented they are continuing to look at re-classification and identifying capital versus operating expenditure expecting to improve this process again this year.
- The Committee raised concerns around the DTP expenditure, however management advised this was due to the delay of three projects that were not ready for commission.
- It was noted that funds received from grant monies prior to 30 June 2022 was driving the first budget review reduction revenue cash flows for operations.
- The Committee questioned the borrowing amount included in the budget with management advising there is provision for this under the treasury management policy to cover capital

FRAC221213 - Finance, Risk and Audit Committee - 13 December 2022



works. This may not need to be included in the next review as the yearly spend would have been assessed. The Committee suggested exploring this from a strategy perspective and whether or not it needs to be cash backed.

- Given the high target for capital works lately the committee suggested keeping an eye on the Asset Consumption Ratio. Management confirmed they were working on this, and it was on their radar.

Moved Councillor Veliskou

Seconded Mr Hubbard

That the Finance, Risk and Audit Committee:

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

Carried Unanimously

The following items were not considered and will be held over until the Committee meeting to be held on 21 February 2023

- DTP Quarterly Status Update (FRAC221213R8.4)
- DTP Financial Transformation Update (FRAC221213R8.5)

11 Meeting Closure

The meeting was declared closed at 5.19pm.

CONFIRMED THIS 21 DAY OF FEBRUARY 2023

CHAIRPERSON

5 Business Arising

5.1 Business Arising Statement - Action Items

Report Reference	FRAC230221R5.1
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 February 2023 [5.1.1 - 6 pages]

CITY OF MARION
BUSINESS ARISING FROM FINANCE AND AUDIT COMMITTEE MEETINGS
AS AT 15 FEBRUARY 2023



	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 December 2022 Revised Due Date June 2023	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
	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 March 2022	Scope completed with the focus on closed out high recommendations. Scheduled for late March/April Currently working through these and will report back in the new year.	Feb 2022
4.	13 December 2022	Internal Audit Plan 2022-2023 ACTION: Circulate revised scopes with included identified changes to the Committee out of session	Manager Office of the CEO	Feb 2023	Scope on Customer Experience & Cyber security was sent to the Committee on 8/2/23.	8 Feb 2023
5.	13 December 2022	Internal Audit Plan Implementation of Recommendations ACTION: Circulate MOU that was developed to support the collaborative approach by the three Councils. ACTION: Develop a criteria for the timing of the implementation of recommendations based on the risk level of the finding.	CEO / Manager Office of the CEO Manager OCE	Feb 2023	MOU circulate to FRAC members (Confidentially) The following criteria will apply for timing of internal audits: Extreme – within 30 days High - within 3 months	8 Feb 2023

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

	Date of Meeting	Item	Responsibl e	Due Date	Status	Completed / Revised Due Date
					Moderate – within 6 months Low – 6 – 12 months POI - within 12 months	

* Completed items to be removed are shaded

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

SCHEDULE OF MEETINGS 2023

Day	Date	Time	Venue
Tuesday	21 February 2023	9am – 12pm	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
Quarterly Corporate Risk Report	Review and Feedback
Budget Review 2 – 2022-23	Review and Feedback
Internal Audit Contract (confidential)	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
Annual Report on Business Continuity	Review and Feedback
Quarterly Corporate Risk Report	Review and Feedback

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

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 (Followed by Joint Workshop with Council 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

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

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

6 Confidential Items

6.1 Cover Report - Cybersecurity - Quarterly Update

Report Reference	FRAC230221F6.1
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, Manager IT Operations and IT Governance & Cybersecurity Lead be excluded from the meeting as the Committee receives and considers information relating to Cyber security of CoM, upon the basis that the Committee is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to the current status of the CoM Cyber Security and the impact on contractual expectations.

6.2 Cover Report - Marion Water Business Section 48 Prudential Report; proposed expansion project

Report Reference	FRAC230221F6.2
Originating Officer	Executive Officer to General Manager City Services – Colleen Madsen
Corporate Manager	Manager Engineering, Assets and Environment - Mathew Allen
General Manager	General Manager City Services - Ben Keen

REASON FOR CONFIDENTIALITY

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

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

RECOMMENDATION

That pursuant to Section 90(2) and (3)(b) of the *Local Government Act 1999*, the Committee orders that all persons present, with the exception of the following persons: Chief Executive Officer, General Manager City Services, General Manager City Development, General Manager Corporate Services, Chief Financial officer, Manager Engineering, Assets & Environment, Manager Office of the Chief Executive, Unit Manager Engineering, Water Resources Coordinator, Unit Manager Governance and Council Support, be excluded from the meeting as the Committee receives and considers information relating to Marion Water Business Section 48 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 matters that may impact commercial contracts with 3rd parties.

6.3 Cover Report - Internal Audit Contract

Report Reference	FRAC230221F6.3
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

REASON FOR CONFIDENTIALITY

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

(d) commercial information of a confidential nature (not being a trade secret) the disclosure of which (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and (ii) would, on balance, be contrary to the public interest

RECOMMENDATION

That pursuant to Section 90(2) and (3)(d) of the *Local Government Act 1999*, the Committee orders that all persons present, with the exception of the following persons: Chief Executive Officer, General Manager City Development, General Manager City Services, General Manager Corporate Services, Manager Officer of the Chief Executive and Unit Manager Governance and Council Support, be excluded from the meeting as the Committee receives and considers information relating to Internal Audit Contract 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 management of the contract.

7 Reports for Discussion

7.1 Council Member Report

Report Reference	FRAC230221R7.1
Originating Officer	Unit Manager Governance and Council Support – Victoria Moritz
Corporate Manager	Manager Office of the CEO - Kate McKenzie
General Manager	Chief Executive Officer - Tony Harrison

REPORT OBJECTIVE

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

RECOMMENDATION

That the Finance, Risk and Audit Committee:

1. **Notes this report.**

DISCUSSION

Council Member Representative – Councillor Jason Veliskou and Councillor Jayne Hoffmann

Since the last Council Member report was presented to the Finance, Risk and Audit Committee (FRAC) meeting, Council has met five times for General Council Meetings. At these meetings, Council made the following decisions that relate to the Finance and Audit Committee Terms of Reference in chronological order. If the Committee wishes to discuss any of the items considered in confidence in further detail, the Committee will be required to move into confidence.

[General Council Meeting - 25 October 2022](#)

Annual Financial Statement for the year ended 30 June 2022

Council received and adopted the Annual Financial Statements for the year ended 30 June 2022. These were presented and endorsed by FRAC at its October meeting.

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

Council received and noted the FRAC Annual Report for 2021/22 reporting on the operation and activities of the Committee during the financial year.

Annual Investment Report 2021-22

Council received and noted the Annual Investment Report for 2021/22 which was presented to Council in accordance with Section 140 of the *Local Government Act 1999* and meet the requirements to review the performance of its investments on an annual basis.

Rates Explanation (Motion without Notice)

Council moved a motion that future rates notices be complemented with a succinct outline of the stepwise method by which rates are calculated, including the precise meaning of ‘rates increase’ which refers to total rates collection. The Motion resulted from recent feedback from residents who

queried the gap between the declared rates increase and the actual individual rates increase for any given property.

General Council Meeting - 29 November 2022

Council Members' Allowance and Benefits Policy

The Policy was presented to Council in accordance with Section 77(1)(b) of the *Local Government Act*. Minor amendments were adopted by Council which resulted from the amendments from the Local Government Reform.

Re-establishment of the Finance, Risk and Audit Committee Terms of Reference

Council received and adopted the FRAC Terms of Reference and determined the sitting fees payable to the Independent Members being \$1,000 per scheduled meeting and \$1,200 for the Chair per scheduled meeting. Council also re-established the Review and Selection Committee and Planning and Development Committee and established the Environment and Infrastructure Committees along with their relevant Terms of Reference.

Council Member Representatives for various positions 2022-2023

Council Appointed Councillor Veliskou to the Finance, Risk and Audit Committee for a term commencing on 30 November 2022 and concluding on 30 November 2023. Council also appointed Council members for various positions for 2022-2023.

General Council Meeting - 13 December 2022

Appointment of Council Representatives to SRWRA

Council appointed Mr Barnwell and Ms Allison as Council's representatives on the Board of the Southern Region Waste Authority. Councillor was appointed as Deputy for a term consistent with the provisions of the SRWRA Charter (currently four years).

1st Budget Review 2022-2023

Council adopted the revised budgeted statements including the Income Statement, Balance Sheet, Statement of Changes in Equity and Statement of Cash Flows for the first budget review for 2022-23. The completion of the 1st Budget Review identified a favourable cash adjustment of \$0.061m. Adding this to the Original Budget surplus of \$0.023m brings the revised forecast full year cash surplus to \$0.084m.

Finance, Risk and Audit Committee – Council Member Appointment

Following the appointment of Councillor Veliskou to the FRAC on 29 November 2022, Council further appointed Councillor Hoffmann to the Committee to fill the second vacancy allowed for in the Committee Terms of Reference.

Section 270 Internal Review of Decision – Coastal Walkway

Council appointed an independent investigator to undertake the Review of Decision regarding the coastal walkway in accordance with Councils Complaints and Grievance Policy.

Confidential Items

Coastal Walkway Gullies Report for Construction (dollar amounts not previously disclosed and references to legal advice and matters remain confidential in the report, attachment and minutes – all other information released)

Council endorsed final construction costs for Coastal Walkway Gullies Segment 5 (Grey Road Gully) and Segment 6 (Kurnabinna Gully) and allocated additional funding as part of the 2023/24 Annual Business Plan. Council resolved to write to the State Government and the Federal Government for additional funding for the Coastal Walkway Project.

Cove Sports Stage 1 – Scope Options (Financial Information within report, attachment and minutes remains confidential – all other information released).

Council received a report detailing a review of options to identify the opportunity for potential savings of the Cove Sports Stage 1 Project. Council resolved to proceed with option 2b (deliver the multi-sports field as per the original scope with the inclusion of the games standard lighting and irrigation controllers)

Potential Purchase 11, 13 & 15 Nunyah Avenue Park Holme (remains confidential)

General Council Meeting - 24 January 2023

Review of the Schedule of Delegations 2023

The report provided a full review of Councils Schedule of Delegations in line with the Local Government Association (LGA) Framework, to ensure that Council is compliant with the relevant legislation.

General Council Meeting - 14 February 2023

Finance Report December 2022

Council received and noted information relating to the management of financial resources under its control as of December 2022.

ATTACHMENTS

Nil

7.2 Draft Annual Business Plan 2023-24 and Long Term Financial Plan

Report Reference	FRAC230221R7.2
Originating Officer	Chief Financial Officer – Ray Barnwell
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 update on the development of Council's Draft Annual Business Plan for 2023-24 (2023-24 ABP) and Draft Long Term Financial Plan (LTFP).

RECOMMENDATION

That the Finance, Risk and Audit Committee provide feedback on:

- 1. The development of the Draft ABP 2023-24 and Draft LTFP (Attachment 1)**
- 2. The reasonableness, fairness and equity of potential rating approaches for 2023-24, including in the context of Councils LTFP and on-going financial sustainability.**

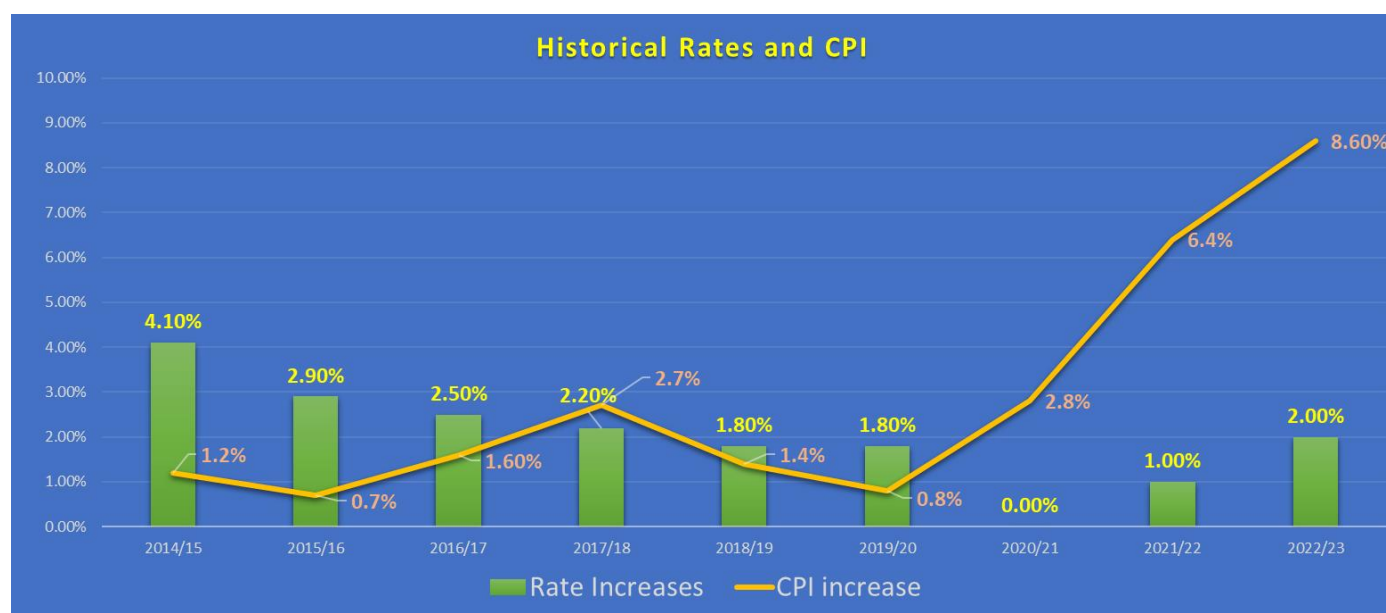
DISCUSSION

The City of Marion like many organisations are dealing with challenging market conditions and inflationary pressures – (the annual inflation rate in Australia climbed to 7.8% in Q4 of 2022 - the highest rate in over 32 years). Council in developing its 2023-24 ABP and LTFP need to be mindful of current conditions and plan accordingly to ensure continuity of service and project delivery in a financially sustainable way.

Funding for future project aspirations currently not funded in Council's adopted LTFP will in turn impact on the forecast rating strategy in order to successfully deliver these projects.

Considerable work has been undertaken to date to assess the funding requirements for 2023-24 and over the long term financial plan with the development a high level draft budget for 2023-24 and LTFP forecast presented to Elected Members in January at their planning day (Attachment 1).

The chart below depicts the historical average rate increases applied over the past nine years and corresponding figures for year on year CPI to June with the exception of the 8.6% in the final year which is Adelaide CPI year to Dec 2022.



In developing this budget for 2023-24 Council will seek to balance the impact on our community but also enable the achievement of its long term strategic objectives while maintaining a long term financial sustainability position for the City of Marion.

Council have to date considered two LTFP models as presented in this paper. The following key assumptions relate to Model 1. Model 2 mirrors the bulk of these assumptions but also includes potential capital expenditure reflecting future aspirational CoMPAS projects that may be considered over time for potential implementation. The incorporation of some or all of these projects into Councils Draft LTFP will require a higher level of funding from Grants and Borrowings and include a higher ongoing maintenance cost as a result of a higher asset base.

Further modelling will be considered by Council through the development of the draft 2023-24 ABP and LTFP over the coming months.

KEY ASSUMPTIONS

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.

Rate Revenue – Rating models have been developed to assess with average rate increases applied ranging from **3.95%** in 2023-24 moving gradually back to a forecast 2.0% average from 2027-28 onwards (Model 1 - Attachment 1). Further modelling will be undertaken throughout the development of the Draft 2023-24 ABP and LTFP.

The rating position modelled is well below current CPI but is at a rate that enables the achievement Councils long term strategic objectives while maintaining a long term financial sustainability throughout the 10 years of the LTFP.

For the second model presented in this paper a further rate position has been developed to demonstrate the impact of incorporating additional funding into the draft LTFP to support the City of Marion Property Asset Strategy - CoMPAS (Model 2 - Attachment 2)

Both rating models are based on a rates indexation rate below current Adelaide CPI (8.6%

year on year to Dec 2022). The key financial indicators for each model also remain within the target bands over the term of the LTFP with the exception of the debt servicing ratio for Model 2 which ranges from 5.4% to 6.4% from year 5 to 10 of the LTFP which is slightly above the target of 5%.

Indexation – The 2023-24 budget will be based on historical actuals adjusted where appropriate by indexation to reflect current cost pressures and future anticipated costs. The indexation rate applied to operating expenditure for 2023-24 is based on forecast expenditure levels indexed to take into consideration major contract escalation and other market pressures. (*Note Adelaide CPI - Dec 2022 has risen to 8.6%*).

Some key movements reflected in operating costs are an allowance for the continued price escalation in utility costs particularly electricity with a further \$203k (17.7%) required from the adjusted 2022-23 levels. Key contracts also aligned to CPI such as waste contract will see significant increases for 2023-24 in the order of \$650k.

The continued price escalation and disruption to supply chains makes the forecasting task more challenging leading to a higher than normal degree of uncertainty the further one looks into the future. Indexation beyond 2023-24 will be aligned to the Reserves Bank's projected inflation estimates in the medium and longer term, with the following exceptions;

Employee Costs – The overall increase in employee costs is forecast at 4.38%. This increase is in alignment with Council's Enterprise Agreement provisions, with the indoor agreement capped at 3% for 2023-24 and outdoor agreement in its final year, having a CPI catch-up provision. The remaining three scheduled annual increases of 0.5% to the Superannuation Guarantee are also incorporated into the LTFP. In addition, any costs relating to Council approved staff resources to meet operational requirements or Council endorsed initiatives will be incorporated into future iterations of the Draft ABP and LTFP.

It should be noted that in current market conditions the attraction of appropriately skilled resources is proving challenging.

Interest Expenses – are directly related to Council borrowings and cash flows. Forecast interest rates are based on current market rates with an added margin giving consideration for future potential rate increases.

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

Non-Recurrent Costs – An adjustments schedule is maintained to account for any future variations in operating activities (e.g.–Adjustment is made for LG election expenses to reflect that they only occur once every four years). Following the completion of local government election in 2022 a forecast reduction of \$437k has been applied to the 2023-24 ABP.

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.

Note - 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 final 2023-24 ABP and LTFP.

Breakeven or Better Funding (Cash Position)

A positive cash flow is vital to support operating requirements to continually deliver council services in addition to providing cash to fund:

- Renewal of existing assets over time to maintain community service standards
- Scheduled principal loan repayments and
- Provision of funding for future long term asset management objectives

Council will aim to set rates that minimise the impact on our community but also enable the achievement of its long term strategic objectives while maintaining a break-even or better (cash) position over the LTFP thus ensuring the long term financial sustainability for the City of Marion.

KEY RISKS IN THE PREPARATION OF THE 2023-24 ABP AND LTFP

There are a number of potential risks that Council are aware of and will 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 – 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.

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. 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.

CAPITAL WORKS FUNDING

The total capital works program for 2023-24 is currently forecast at \$37.712m. This will be a reduction on 2022-23 year budget of \$3.145m, primarily due to the funding required for major projects in 2023-24 compared to 2022-23.

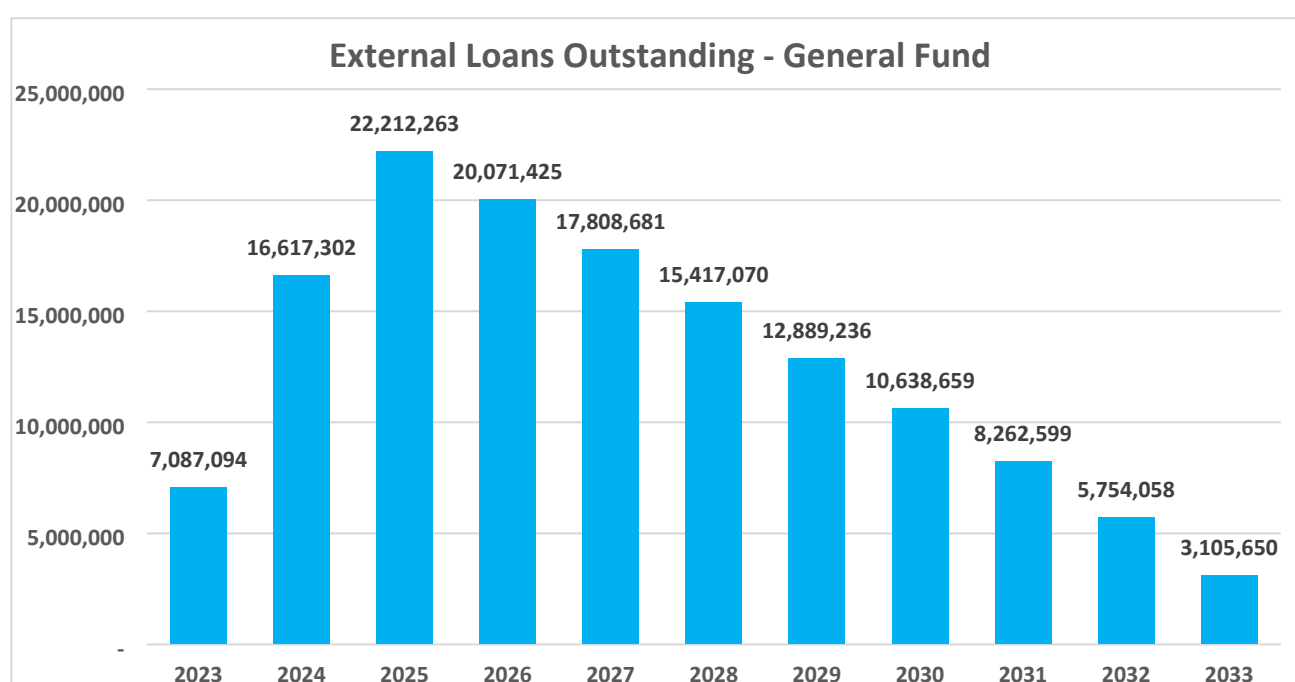
However, due to current market conditions including supply chain disruption, contractor availability and volatile pricing in the marketplace there is a risk that funding in relation a small number of larger capital projects may be carried over into the 2023-24 year. As we work through tender evaluations and progress through the 2022-23 capital works program further updates will be provided as we develop the 2023-24 ABP and LTFP.

Ref	Classification	2022/23 Budget \$000	2023/24 Budget \$000
	Civil		
	Road Reseals	4,351	4,354
	Kerbs	465	450
	Drains	2,700	2,700
	Footpaths	2,830	2,348
	Kerb Ramps	400	400
	Traffic Control Devices	554	349
	Retaining Walls	-	375
	Car Parks	-	738
	Streetscapes	1,750	2,700
	Other Infrastructure	1,148	630
	Total Civil	14,198	15,044
	Open Space		
	Open Space Reserves	2,118	4,370
	Edwardstown Oval Toilet	180	-
	Total Open Space	2,298	4,370
	Property & Buildings		
	Property & Buildings	2,278	1,355
	Sports Courts & Facilities	270	-
	Furniture & Fittings	208	221
	Total Property & Buildings	2,756	1,576
	Other Capital		
	Fleet Replacement	1,395	735
	IT Hardware	-	200
	Total Other Capital	1,395	935
	Subtotal Capital Works Program	20,647	21,925
	Major Projects		
	South Adelaide Basketball Redevelopment	-	6,000
	Marion Golf Club Redevelopment	-	2,312
	Marino Hall	6,000	-
	Cove Sports Club	750	6,470
	Warradale Tennis Club	1,090	-
	Alternative Water Supply	1,300	-
	Coastal Walkway	5,950	1,005
	Tarnham Road Reserve	2,220	-
	Marion Cultural Centre Plaza	2,900	-
	Total Major Projects	20,210	15,787
	Total Capital Works Budget	40,857	37,712
	Classification		
	Assets - Renewal	10,371	9,414
	Assets - New	30,486	28,298
	Total Capital Works Budget	40,857	37,712

BORROWINGS

Council borrowings are forecast to peak at 30 June 2024 (\$22.2m) under LTFP model 1. Council may apply any funds that are not immediately required to meet approved expenditure to reduce its level of borrowings or defer the drawn down of loan funds where temporary cash holdings are available.

No further borrowing is currently built into model 1 LTFP beyond 2024-25, however, Council is well placed to utilise borrowings as a long-term cash flow management tool as a means to construct, upgrade or renew community assets with the costs shared by multiple generations of ratepayers who benefit from the services. The following analysis relates to Model 1 however Model 2 outlines the higher level of borrowings to reflect future aspirational CoMPAS projects.



As indicated in the table below by Council's Debt Servicing Ratio further capacity exists for Council to increase borrowings should it be necessary to do so. The below ratio is based on an average increase in rates of 3.95% in 2023-24 but should the rate change in developing the 2023-24 ABP and LTFP so too does council's ability to service its levels of borrowings.

DEBT SERVICING RATIO

Debt Servicing Ratio											
		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Debt Servicing Ratio		1.6%	2.2%	3.0%	2.9%	2.8%	2.7%	2.3%	2.2%	2.2%	2.1%
Targeted upper limit		5%	5%	5%	5%	5%	5%	5%	5%	5%	5%

The following factors should be considered in deciding whether borrowings should be utilised by Council, including:

- **Capacity to Pay (Affordability)** – The forecast cash positions and financial ratios in Council's adopted LTFP indicate a capacity for further borrowings.
- **Intergenerational Equity** – Due consideration will be given to inter-generational equity for the funding of long-term infrastructure projects and therefore the equitable sharing of the debt burden between the past, current and future generations. Council's current position of utilising current cash reserves that have been contributed by current and past ratepayers and applying them in the short-term in providing service improvements and outcomes in the LTFP would be considered sound and reasonable.
- **Long-term Financial Sustainability** – Council delivers two core services for its community in the form of Operational Services (e.g., Libraries, Waste Collection, Community Services, etc.) and Capital Services for the ongoing renewal (i.e., effectively cyclical maintenance) of existing infrastructure (e.g., roads, footpaths, drains, etc.). It is considered sound and prudent business practice to not borrow for the delivery of core services and there have been many cases where the non-adherence to this principal has resulted in an organisations downfall. Council's Treasury Management Policy supports borrowings for major new infrastructure projects where this is considered necessary.
- **Cash** – The key to the long-term financial sustainability of any organisations, whether they be public or private, is Cash and Cash Flow. As part of Council's LTFP Framework Council maintains, on average, a break-even or better funding (cash) position over the LTFP.
- **Prevailing interest rates** – the following table provides a basic interest rate sensitivity analysis per \$1m in borrowings on current indicative market rates over the 10-year term of the LTFP:

Interest on \$1m borrowings Over 10 Years		
Current Indicative rate	5.45%	\$310,368
Sensitivity Adjustment	-0.50%	\$279,915
	+0.50%	\$341,209

Note - For every \$1m that Council wishes to borrow Council will need to generate \$131k per year over 10 years to repay those borrowings. In the 2023-24 years this equates to 0.15% average rates increase.

ABP 2023-24 FURTHER CONSIDERATIONS OF UNFUNDED INITIATIVES

The further development of the 2023-24 ABP will continue to focus on balancing the real cost of service provision and service demand from the community with the financial impact this may have on City of Marion ratepayers' and their capacity to pay.

Any new initiatives or project priorities which Council Members may wish to progress may be further considered in the development of the 2023-24 ABP and LTFP until its final adoption in June 2023.

There are number of factors that need to be considered when looking at the potential progression of any identified unfunded initiatives/ projects such as;

- Existing market conditions - we are experiencing challenging market conditions with regard to supply chain disruption, workforce availability and challenging procurement conditions which are impacting on the cost and timeframes in delivering projects
- Cost Pressures on existing projects and programs – as an outcome of the above mentioned conditions there have been real cost pressures on existing projects (an example – Coastal Walking Trail) – these cost pressures may well continue to impact other current and future planned capital programs and projects
- Grant funding opportunities - the potential to attract or otherwise partnership funding for projects – while Council has had great success in the past this is a factor that is not able to be controlled
- CoMPAS Project Outcomes - Council will consider its strategic priorities and seek to prioritise projects for implementation over the coming 10 years

CoMPAS and the impact its implementation has on funding

As noted earlier a second model (Attachment 2) has been developed which mirrors the bulk of the assumptions outlined above but also includes the additional required capital expenditure reflecting the funding requirements for the proposed CoMPAS aspirational plan . To model this impact the following assumptions have been made and applied to LTFP model 2;

- Additional Capital Expenditure indexed at 4% over the LTFP of \$88.2m
- Assumed Grant Income to support potentially eligible projects at 25%
- Additional borrowing requirement over the 10 years of the LTFP of \$51.4m – with offsetting repayments, Council debt is set to peak at \$44.5m in 2027-28
- Additional maintenance requirement for new facilities assumed at 5%

The table below demonstrates the impact on rates and the net funding position over the 10 years of the LTFP. To support all CoMPAS projects the increase in rates in year 2 and beyond would move from 3.5% in model one to 4.75% for 3 years then gradually reducing to 2.5% over the LTFP in model 2.

Cash/Funding Impact of Rate Models over the 10 Year LTFP												Net 10 Year Net Funding Position \$'000
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Model 1 - Base Position												
Average Rate increase 3.95% - 2023-24 gradually reducing to 2.00%												
Average Rate Increase	3.95%	3.50%	3.00%	2.75%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%		
Rate Revenue	88,432	92,482	96,245	99,917	102,978	106,129	109,375	112,718	116,161	119,707		
Capital Expenditure	37,713	25,393	18,751	20,276	20,808	22,489	24,167	24,717	24,341	25,065	243,720	
Loan Funds	10,800	7,100		-	-	-	-	-	-	-	17,900	
Budget Cash Surplus (Funding Position)	88	83	168	(7)	1,086	607	591	851	3,056	3,725		10,248
Model2 - Base with CoMPAS Funding												
Average Rate increase 3.95% - 2023-24 increasing to 4.75% - 2024-25, then gradually reducing to 2.5%												
Average Rate Increase	3.95%	4.75%	4.75%	4.75%	4.00%	2.95%	2.95%	2.95%	2.95%	2.50%		
Rate Revenue	88,432	93,589	99,036	104,793	110,095	114,505	119,088	123,851	128,802	133,369		
Capital Expenditure	40,365	35,181	28,650	31,975	33,279	30,713	32,063	33,613	35,016	31,065	331,920	
Loan Funding	13,300	16,300	7,200	8,000	7,100	5,000	4,600	4,600	3,200	-	69,300	
Budget Cash Surplus (Funding Position)	(64)	184	47	(197)	(138)	500	497	231	(118)	121		1,063

It is important to note that funding of up to almost \$32m for the following projects within CoMPAS, most having attracted grant funding (\$11.5m) have already been endorsed by Council and as such are **already incorporated into Model 1;**

- Marino Hall Redevelopment
- Cove Sports Netball Courts and Lower Oval redevelopment
- Marion Basketball Stadium
- Marion Culture Centre Plaza
- Marion Golf Park

Finally, potential funding for CoMPAS projects will be further considered by Elected Members as Council develops its overall strategy to progress unfunded projects in addition to Council's capacity to fund any new projects/unfunded initiatives through the responsible use of borrowings, balanced with the financial impact on City of Marion ratepayers' and their capacity to pay.

It should be noted that the high level budget models presented in attachment 1 and 2 are the first models of an iterative process that progresses until Council's final 2023-24 Annual Business Plan and LTFP are adopted in June of this year. Attachment 3 outlines the timing and future opportunities for further feedback and input into the development of the 2023-24 ABP and LTFP.

ATTACHMENTS

1. Model 1 - LTFP 2023-2033 Base [7.2.1 - 1 page]
2. Model 2 - LTFP 2023-2033 with CoMPAS Funding [7.2.2 - 1 page]
3. ABP 2023 24 Planning and Budget Process [7.2.3 - 1 page]

City of Marion 10 Year Financial Plan for the Years ending 30 June 2033 BUDGET SUMMARY - GENERAL FUND Scenario: LTFP 2023-2033										
	2023/24	2024/25	2025/26	2026/27	Projected Years					
	\$'000	\$'000	\$'000	\$'000	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Rates Indexation	3.95%	3.50%	3.00%	2.75%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Income										
Rates	88,432	92,482	96,245	99,917	102,978	106,129	109,375	112,718	116,161	119,707
Statutory Charges	2,551	2,620	2,686	2,753	2,822	2,892	2,964	3,039	3,114	3,192
User Charges	3,114	3,198	3,278	3,360	3,444	3,530	3,618	3,709	3,802	3,897
Grants, Subsidies and Contributions	6,935	7,122	7,300	7,482	7,670	7,861	8,058	8,259	8,466	8,677
Investment Income	425	325	325	325	325	325	325	325	325	325
Reimbursements	1,081	1,111	1,138	1,167	1,196	1,226	1,257	1,288	1,320	1,353
Other Income	701	720	738	756	775	795	815	835	856	877
Net gain - equity accounted Council businesses	365	376	387	399	411	423	436	449	462	476
Total Income	103,604	107,953	112,097	116,160	119,620	123,182	126,848	130,622	134,506	138,505
Expenses										
Employee Costs	43,662	45,137	46,669	47,836	49,032	50,258	51,514	52,802	54,122	55,475
Materials, Contracts & Other Expenses	41,425	42,667	43,819	45,380	46,038	47,189	48,369	50,063	50,817	52,088
Depreciation, Amortisation & Impairment	18,100	18,824	19,577	20,360	21,174	22,021	22,902	23,818	24,771	25,762
Finance Costs	389	906	1,203	1,081	952	816	678	553	420	281
Total Expenses	103,575	107,534	111,269	114,657	117,197	120,284	123,464	127,236	130,131	133,605
Operating Surplus	29	419	829	1,503	2,423	2,898	3,384	3,385	4,375	4,899
Operating Surplus Ratio	0.03%	0.39%	0.74%	1.29%	2.03%	2.35%	2.67%	2.59%	3.25%	3.54%
Amounts Received Specifically for New or Upgraded Assets	10,614	1,100	1,128	1,156	1,185	1,214	1,245	1,276	1,308	1,340
Net Surplus / (Deficit) for the Year	10,643	1,519	1,956	2,658	3,608	4,112	4,629	4,661	5,683	6,240
Capital (Balance Sheet) and Reserve Movements										
Capital Expenditure	(37,713)	(25,393)	(18,751)	(20,276)	(20,808)	(22,489)	(24,167)	(24,717)	(24,341)	(25,065)
Loan Repayments (External)	(1,270)	(1,505)	(2,141)	(2,264)	(2,392)	(2,528)	(2,251)	(2,376)	(2,509)	(2,648)
New Loan Borrowings (External)	10,800	7,100	-	-	-	-	-	-	-	-
Net Transfers (to)/from Reserves	(108)	(86)	(86)	(86)	(86)	(86)	(86)	(86)	(86)	(86)
Total Capital (Balance Sheet) and Reserve Movements	(28,291)	(19,884)	(20,978)	(22,626)	(23,286)	(25,103)	(26,504)	(27,180)	(26,936)	(27,800)
Net Result (including Depreciation & Other non-cash items)	(17,647)	(18,365)	(19,022)	(19,968)	(19,678)	(20,991)	(21,875)	(22,518)	(21,253)	(21,560)
Add back Depreciation Expense (non-cash)	18,100	18,824	19,577	20,360	21,174	22,021	22,902	23,818	24,771	25,762
Less Other Income (non-cash)	(365)	(376)	(387)	(399)	(411)	(423)	(436)	(449)	(462)	(476)
Cash Budget Surplus	88	83	168	(7)	1,086	607	591	851	3,056	3,725

City of Marion 10 Year Financial Plan for the Years ending 30 June 2033 STATEMENT OF COMPREHENSIVE INCOME - GENERAL FUND Scenario: LTFP 2023-2033 CompAS										
	2023/24	2024/25	2025/26	2026/27	Projected Years					
	\$'000	\$'000	\$'000	\$'000	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Rates Indexation	3.95%	4.75%	4.75%	4.75%	4.00%	2.95%	2.95%	2.95%	2.95%	2.50%
Income										
Rates	88,432	93,589	99,036	104,793	110,095	114,505	119,088	123,851	128,802	133,369
Statutory Charges	2,551	2,620	2,686	2,753	2,822	2,892	2,964	3,039	3,114	3,192
User Charges	3,114	3,198	3,278	3,360	3,444	3,530	3,618	3,709	3,802	3,897
Grants, Subsidies and Contributions	6,935	7,122	7,300	7,482	7,670	7,861	8,058	8,259	8,466	8,677
Investment Income	425	325	325	325	325	325	325	325	325	325
Reimbursements	1,081	1,111	1,138	1,167	1,196	1,226	1,257	1,288	1,320	1,353
Other Income	701	720	738	756	775	795	815	835	856	877
Net gain - equity accounted Council businesses	365	376	387	399	411	423	436	449	462	476
Total Income	103,604	109,061	114,888	121,036	126,737	131,557	136,560	141,755	147,147	152,167
Expenses										
Employee Costs	43,662	45,137	46,669	47,836	49,032	50,258	51,514	52,802	54,122	55,475
Materials, Contracts & Other Expenses	41,425	42,800	44,445	46,516	47,787	49,606	51,257	53,418	54,701	56,603
Depreciation, Amortisation & Impairment	18,100	18,824	19,577	20,360	21,174	22,021	22,902	23,818	24,771	25,762
Finance Costs	389	1,041	1,823	2,039	2,257	2,379	2,349	2,280	2,172	1,950
Total Expenses	103,575	107,802	112,515	116,751	120,250	124,264	128,023	132,318	135,767	139,790
Operating Surplus	29	1,258	2,373	4,285	6,487	7,293	8,537	9,436	11,380	12,377
Operating Surplus Ratio	0.03%	1.15%	2.07%	3.54%	5.12%	5.54%	6.25%	6.66%	7.73%	8.13%
Amounts Received Specifically for New or Upgraded Assets	10,614	1,144	3,078	3,406	3,497	2,839	2,745	2,901	3,183	1,340
Net Surplus / (Deficit) for the Year	10,643	2,402	5,450	7,690	9,984	10,132	11,282	12,337	14,562	13,717
Capital (Balance Sheet) and Reserve Movements										
Capital Expenditure	(40,365)	(35,181)	(28,650)	(31,975)	(33,279)	(30,713)	(32,063)	(33,613)	(35,016)	(31,065)
Loan Repayments (External)	(1,270)	(1,699)	(3,057)	(3,787)	(4,620)	(5,430)	(5,702)	(6,376)	(7,087)	(7,730)
New Loan Borrowings (External)	13,300	16,300	7,200	8,000	7,100	5,000	4,600	4,600	3,200	-
Net Transfers (to)/from Reserves	(108)	(86)	(86)	(86)	(86)	(86)	(86)	(86)	(86)	(86)
Total Capital (Balance Sheet) and Reserve Movements	(28,443)	(20,666)	(24,593)	(27,848)	(30,885)	(31,230)	(33,251)	(35,475)	(38,989)	(38,882)
Net Result (including Depreciation & Other non-cash items)	(17,799)	(18,264)	(19,143)	(20,158)	(20,902)	(21,098)	(21,969)	(23,138)	(24,427)	(25,165)
Add back Depreciation Expense (non-cash)	18,100	18,824	19,577	20,360	21,174	22,021	22,902	23,818	24,771	25,762
Less Other Income (non-cash)	(365)	(376)	(387)	(399)	(411)	(423)	(436)	(449)	(462)	(476)
Cash Budget Surplus	(64)	184	47	(197)	(138)	500	497	231	(118)	121

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

7.3 Aged Care Quality Standards

Report Reference	FRAC230221R7.3
Originating Officer	Team Leader Positive Ageing & Inclusion – Rima Sallis
Corporate Manager	Manager Community Connections - Merran Fyfe
General Manager	General Manager City Services - Ben Keen

REPORT OBJECTIVE

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

RECOMMENDATION

That the Finance, Risk and Audit Committee:

- 1. Notes the report from the Aged Care Quality and Safety Commission dated 16 January 2023.**

BACKGROUND

The City of Marion (CoM) receives \$2,046,477 funding per annum through the Federal Government to deliver a Community Home Support Programme (CHSP). This is delivered through the Positive Ageing and Inclusion (PAI) team.

The first Aged Care Quality & Safety Commission audit against the new Aged Care Standards was conducted on 8-10 March 2022. The outcome of the audit was as follows:

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

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

The PAI team undertook a large body of work since the March 2022 audit with a focus on client reviews, goal planning, onboarding of two additional agencies to assist with workforce planning and ensuring service delivery. In addition, data collection, trend analysis, reporting and transparency between PAI and other areas of the organisation, particularly the Executive Leadership Team, have all increased.

The Commission, post the March 2022 audit, advised that CoM would be provided with a Compliance Officer to support the PAI team achieving compliance. To date this has not been provided.

On 19-20 December 2022, the Aged Care Quality and Safety Commission conducted a desktop reassessment via MS Teams of the 11 individual requirements not met in March 2022. The Assessors acknowledged the continuous improvement actions and the work the PAI team, and the organisation has undertaken to improve the quality-of-service delivery. The assessors found 7 of the 11 requirements previously identified as not compliant in the March 2022 audit to be compliant with 4 requirements needing additional improvements, and as such remaining as non-compliant.

DISCUSSION

Below is a summary of information to inform the Finance, Risk and Audit Committee of the results of the Aged Care Quality Standard re-assessment, and the actions to be undertaken by the team in seeking compliance in the remaining 4 requirements.

City of Marion 2022 Re-assessment Audit Result

CoM received the final report on 16 January 2023 and the document is now a public document on the Aged Care Quality and Safety Commission's website. A link to the CoM report is as follows www.agedcarequality.gov.au/services/city-marion-home-assist-sturt-600129. A copy of the report is also included as attachment 1 to this report.

Themes of the re-assessment Not Compliant

Although the Assessment Team acknowledged that improvements had been made to address non-compliance, there were still inconsistencies with documentation and governance of feedback and complaints, as well as communication between the service and providers of brokered services. The report findings show the Not Compliant requirements relate to two specific areas:

- Requirement 2(3)(d) and 4(3)(d) relate to making available to client and brokered agencies the comprehensive care plans which capture the client's health and wellbeing or the outcomes of the assessment and planning. Also obtaining feedback from the brokered service to inform of the client's progress and support monitoring of client's health and wellbeing.
- Requirements 6(3)(c) and 8(3)(c) relate to an inconsistent documentation of Feedback and Complaints and the actioning of feedback improvements in a timely manner, particularly demonstrating open disclosure principles.

The report informs us there will be a further reassessment of the 4 not compliant requirements. The reassessment will most likely be a similar process to a desktop audit. Confirmation of dates and timings for these actions has not been confirmed by the Commission. Due to the nature of the non-compliance, it is unlikely any formal action will be pursued (as clarified during the December 2022 audit).

Actions to achieve a Compliant outcome

In the period between when the audit was undertaken on the 19-20 December 2022 and the final report being provided on the 16 January 2023, PAI commenced implementing a range of actions to meet areas of non-compliance identified by the auditors. This work is continuing, and actions are summarised in the table included as attachment 2. To assist in ensuring compliance is achieved and maintained, staff are:

- In discussions with one of the councils (of a similar size to CoM and that provide similar services) who have recently been assessed as compliant against all Standards to gain an understanding of their systems, processes, and documentation
- Investigating other solutions to support meeting and maintaining compliance (eg BGN NGO Services Online)
- Seeking a dedicated and experienced compliance resource to join the team
- Continuing to liaise with other councils delivering CHSP services through the Local Government Ageing Well Network (LGAWN)

ATTACHMENTS

1. City of Marion Home Assist - Quality Audit Performance Report – 16 January 2023
2. Actions to Achieve Compliance Table



Australian Government
Aged Care Quality and Safety Commission

Engage
Empower
Safeguard



Name of service:	City of Marion Home Assist - STURT
Service address:	245 Sturt Road STURT SA 5047
Commission ID:	600129
Home Service Provider:	Corporation of the City of Marion
Activity type:	Assessment Contact - Desk
Activity date:	19 December 2022
Performance report date:	16 January 2023

This performance report **is published** on the Aged Care Quality and Safety Commission's (the **Commission**) website under the Aged Care Quality and Safety Commission Rules 2018.

This performance report

This performance report for City of Marion Home Assist - STURT (**the service**) has been prepared by S Bickerton, delegate of the Aged Care Quality and Safety Commissioner (Commissioner)¹.

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

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

Services included in this assessment

Commonwealth Home Support Programme (CHSP):

- Community and Home Support, 24502, 245 Sturt Road, STURT SA 5047

Material relied on

The following information has been considered in preparing the performance report:

- the assessment team's report for the Assessment Contact - Desk; the Assessment Contact - Desk report was informed by review of documents and interviews with staff, consumers/representatives and others
- the provider's response to the assessment team's report received 6 January 2023

¹ The preparation of the performance report is in accordance with section 68A of the Aged Care Quality and Safety Commission Rules 2018.

Assessment summary for CHSP

Standard 1 Consumer dignity and choice	Not applicable as not all requirements have been assessed
Standard 2 Ongoing assessment and planning with consumers	Non-compliant
Standard 3 Personal care and clinical care	Not applicable as not all requirements have been assessed
Standard 4 Services and supports for daily living	Non-compliant
Standard 5 Organisation's service environment	Not applicable as not all requirements have been assessed
Standard 6 Feedback and complaints	Non-compliant
Standard 7 Human resources	Not applicable as not all requirements have been assessed
Standard 8 Organisational governance	Non-compliant

A detailed assessment is provided later in this report for each assessed Standard.

Areas for improvement

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

Requirement 2(3)(d)	The outcomes of assessment and planning are effectively communicated to the consumer and documented in a care and services plan that is readily available to the consumer, and where care and services are provided.	Non-compliant
Requirement 4(3)(d)	Information about the consumer's condition, needs and preferences is communicated within the organisation, and with others where responsibility for care is shared.	Non-compliant
Requirement 6(3)(c)	Appropriate action is taken in response to complaints and an open disclosure process is used when things go wrong.	Non-compliant
Requirement 8(3)(c)	Effective organisation wide governance systems relating to the following: (i) information management; (ii) continuous improvement; (iii) financial governance; (iv) workforce governance, including the assignment of clear responsibilities and accountabilities; (v) regulatory compliance; (vi) feedback and complaints.	Non-compliant

Other relevant matters:

Non-compliance of requirements 2(3)(b), 2(3)(c), 2(3)(d), 2(3)(e), 4(3)(d), 6(3)(c), 6(3)(d), 7(3)(a), 8(3)(b), 8(3)(c) and 8(3)(d) was identified during a quality audit conducted on 6 May 2022.

Standard 2

Ongoing assessment and planning with consumers		CHSP
Requirement 2(3)(b)	Assessment and planning identifies and addresses the consumer's current needs, goals and preferences, including advance care planning and end of life planning if the consumer wishes.	Compliant
Requirement 2(3)(c)	The organisation demonstrates that assessment and planning: <ul style="list-style-type: none"> (i) is based on ongoing partnership with the consumer and others that the consumer wishes to involve in assessment, planning and review of the consumer's care and services; and (ii) includes other organisations, and individuals and providers of other care and services, that are involved in the care of the consumer. 	Compliant
Requirement 2(3)(d)	The outcomes of assessment and planning are effectively communicated to the consumer and documented in a care and services plan that is readily available to the consumer, and where care and services are provided.	Non-compliant
Requirement 2(3)(e)	Care and services are reviewed regularly for effectiveness, and when circumstances change or when incidents impact on the needs, goals or preferences of the consumer.	Compliant

Findings

At the time of performance report decision, the service was:

- Demonstrating consumer assessment processes plan care and services in partnership with consumers and those they chose to involve
- Evidencing that consumer assessments include considerations of risks, health and well-being, and changing needs and preferences
- Evidencing discussion and provision of information regarding advanced care planning and end of life preferences

At the time of performance report decision, the service was not:

- Evidencing that outcomes of assessment and planning processes are communicated effectively, including documented care and service plans that are readily available for consumers, their representatives, and service staff

The service demonstrated assessment and planning processes identify and plan consumer services aligned with needs, goals and preferences including advance care planning. Service care planning documentation evidenced personalised consumer goals and planned consumer actions, however did not evidence measures describing how service staff support consumers in meeting these goals. While the service did not evidence consistent documentation of advance care planning outcomes and information sharing with brokered service providers, the service did demonstrate conversations around this are held with consumers as are discussions relevant to consumers needs, goals, and preferences.

The service demonstrated assessment and planning is underpinned by ongoing partnership with consumers and others they wish to be involved. Consumers interviewed by the assessment

Name of service: City of Marion Home Assist - STURT
Commission ID: 600129

RPT-ACC-0155 v3.0
OFFICIAL: Sensitive
Page 5 of 11

team described in different ways that they are involved in assessment and planning process including the setting of their goals.

The service did not demonstrate that outcomes of assessment and planning are effectively documented and made available to consumers or the service workforce at the point of service delivery. The assessment team evidenced through interviews with consumers and reviewing service documentation that comprehensive care plans capturing all aspects of consumer health and wellbeing are not made readily available. The assessment team interviewed a sample of consumers who described in different ways that a service agreement is provided to them however, associated service documentation evidenced generic information and did not include outcomes of assessment and planning, to guide and inform care and service delivery.

The service demonstrated consumer care and services are reviewed regularly, when circumstances change, or when incidents impact consumer needs, goals, or preferences.

In response to the assessment teams report, the service evidenced a proactive plan for continuous improvement and demonstrated a commitment to taking prompt action where possible. As decision maker, this instils trust and confidence in the service. At the time of performance report decision, I find the service non-compliant with requirement 2(3)(d) and recognise planned improvement measures will require re-assessment to assess their utility and allow the service to demonstrate that changes are embedded, practised by service staff consistently, and are effective for consumers.

Standard 4

Services and supports for daily living		CHSP
Requirement 4(3)(d)	Information about the consumer's condition, needs and preferences is communicated within the organisation, and with others where responsibility for care is shared.	Non-compliant

Findings

At the time of performance report decision, the service was not:

- Evidence the effective communication of information relevant to consumers conditions, needs and preferences with other organisations where the responsibility is shared

The service did not demonstrate that information regarding consumers condition, needs, goals and preferences is consistently and effectively communicated with other organisations who are involved service delivery. The assessment team reviewed documentation for four consumers receiving brokered services and evidenced insufficient information recorded to inform the delivery of safe and effective services. When interviewed by the assessment team, consumers expressed in different ways, frustration with multiple staff providing their services and found they needed to repeat information several times. Some consumers described having negative experiences with some brokered. For example:

- One consumer described how their domestic assistance service is completed by multiple staff. This consumer described varying levels of satisfaction with adherence to specific instructions, and found they had to write down information for staff to follow because the service usually sends a new worker each week
- One consumer expressed displeasure with service staff consistency and described not receiving notification of who will arrive at their home to complete domestic assistance. This consumer described training new service staff regularly
- The care planning documentation for one consumer evidenced a high falls risks, and referenced the consumer uses a 4-wheel walker and walking stick. This information was not evidenced in associated domestic service plans provided to brokered staff
- Service management explained and demonstrated that at the time of assessment contact, the service did not seek ongoing communication or updates from external organisations providing brokered services to individual consumers. Feedback was evidenced to come from consumer feedback
- The service evidenced a 'brokerage, collaboration & referral procedure' defining regular and timely updates and the sharing of information relating to consumer reviews, progress towards achieving goals, changes in circumstances and referrals.
 - Adherence to this was not evidenced in documentation for sampled consumers

In response to the assessment teams report, the service evidenced a proactive plan for continuous improvement and demonstrated a commitment to taking prompt action where possible. As decision maker, this instils trust and confidence in the service. At the time of performance report decision, I find the service non-compliant with requirement 4(3)(d) and recognise planned improvement measures will require re-assessment to assess their utility and allow the service to demonstrate that changes are embedded, practised by service staff consistently, and are effective for consumers.

Standard 6

Feedback and complaints		CHSP
Requirement 6(3)(c)	Appropriate action is taken in response to complaints and an open disclosure process is used when things go wrong.	Non-compliant
Requirement 6(3)(d)	Feedback and complaints are reviewed and used to improve the quality of care and services.	Compliant

Findings

At the time of performance report decision, the service was:

- Demonstrating that feedback is reviewed and used to improve services provided to consumers

At the time of performance report decision, the service was not:

- Evidencing consistent records relating to feedback and complaints, and the actioning of feedback improvements in a timely manner, using an open disclosure approach

The service did not demonstrate appropriate action is taken in resolving complaints and did not evidence an open disclosure process is employed when things go wrong. While consumers explained to the assessment team in different ways that service is prompt when following up complaints, they advised that complaints about brokered services are often not resolved and any outcomes are not communicated to them. The assessment team reviewed the services feedback register, and consumer progress notes did not evidence a consistent open disclosure approach is used by the service.

While the service demonstrated that complaints are actioned, and open disclosure principles are used sometimes, the service did not evidence this occurs consistently and did not demonstrate effective oversight is maintained of complaints made about brokered services.

Service staff and service management demonstrated using consumer feedback and complaints to inform continuous improvements, and associated documentation evidenced that the service uses consumer feedback to improve the quality of services. Service management demonstrated complaint and feedback information is trended and used to inform discussions at all levels of the service.

Minutes of the services 'continuous improvement committee' meetings evidenced feedback and complaint data is analysed and improvements are designed and linked to the services continuous improvement register. The services continuous improvement register evidenced several service improvements derived from consumer feedback.

In response to the assessment teams report, the service evidenced a proactive plan for continuous improvement and demonstrated a commitment to taking prompt action where possible. As decision maker, this instils trust and confidence in the service. At the time of performance report decision, I find the service non-compliant with requirement 6(3)(c) and recognise planned improvement measures will require re-assessment to assess their utility and allow the service to demonstrate that changes are embedded, practised by service staff consistently, and are effective for consumers.

Standard 7

Human resources		CHSP
Requirement 7(3)(a)	The workforce is planned to enable, and the number and mix of members of the workforce deployed enables, the delivery and management of safe and quality care and services.	Compliant

Findings

At the time of performance report decision, the service was:

- Evidencing that sufficient numbers of its workforce are engaged to deliver safe and quality care and services to consumers

At the time of assessment contact, the service did not evidence detailed data and metrics to demonstrate its workforce is planned with appropriate detail to adhere to requirement 7(3)(a).

When interviewed by the assessment team, most consumers described in different ways that they had several missed shifts, and that impacted their happiness and wellbeing. Service management demonstrated that brokered service providers had been engaged to increase the number of staff available to deliver services and described actively working to reduce missed shifts.

Service management evidenced regular meetings being held with brokered service providers to discuss rostering issues, missed shifts and staff capacity. Service management described working to reschedule all missed shifts for consumers where possible, and promptly changing brokered providers where problems persist.

The service provided data and information to the assessment team at the time of assessment contact relevant to cancelled services in 2022. This data did not evidence a comprehensive breakdown of missed shift information and did not adequately reference consumer services that had been rescheduled.

The service evidenced a detailed analysis and deconstruction of metrics linked to consumer service delivery, and evidenced data representing a workforce that has responded to contemporary and persistent challenges. I consider this information demonstrates the services workforce is sufficiently planned and actively monitored to provide safe and quality care and services, and on balance after considering the evidence presented by the assessment team and the service, I find the service compliant with requirement 7(3)(a).

Standard 8

Organisational governance		CHSP
Requirement 8(3)(b)	The organisation's governing body promotes a culture of safe, inclusive and quality care and services and is accountable for their delivery.	Compliant
Requirement 8(3)(c)	Effective organisation wide governance systems relating to the following: (i) information management; (ii) continuous improvement; (iii) financial governance; (iv) workforce governance, including the assignment of clear responsibilities and accountabilities; (v) regulatory compliance; (vi) feedback and complaints.	Non-compliant
Requirement 8(3)(d)	Effective risk management systems and practices, including but not limited to the following: (i) managing high impact or high prevalence risks associated with the care of consumers; (ii) identifying and responding to abuse and neglect of consumers; (iii) supporting consumers to live the best life they can (iv) managing and preventing incidents, including the use of an incident management system.	Compliant

Findings

At the time of performance report decision, the service was:


- Evidencing that consumer risks and incidents continuously inform and improve the safe and effective delivery of services
- Demonstrating the promotion of a culture of safe, inclusive and quality services

At the time of performance report decision, the service was not:

- Evidencing the effective organisation-wide governance of feedback and complaints

The service demonstrated the organisation promotes a culture of safe, inclusive and quality care and services, and is accountable for their delivery. The service evidenced a range of reporting mechanisms to ensure the organisation is aware and accountable for the delivery of care and services. Service management evidenced established and enhanced reporting mechanisms to ensure the organisation has oversight to ensure safe and effective services are being delivered.

The service did not demonstrate effective organisation-wide governance systems in relation to feedback and complaints, however, the organisation did demonstrate effective governance systems in information management, continuous improvement, financial governance, workforce governance, and regulatory compliance.



In relation to feedback and complaints, service management evidenced a range of actions undertaken to address identified non-compliance from a previous quality audit conducted in 2022, including:

- Improved reporting processes for feedback and complaints to ensure executive leadership have effective oversight
- Improved communication with brokered service providers to enable effective management of feedback and complaints
- Training delivered to staff and management in feedback and complaints and open disclosure

Service management evidenced improvements made to feedback registers ensure oversight of all feedback and complaints and manage high level complaints being escalated. The assessment team evidenced meeting minutes that demonstrate feedback and complaints data is analysed and discussed at team and executive level, and with brokered service providers.

While the service did demonstrate effective reporting of feedback and complaints data, it did not demonstrate that individual complaints are consistently documented to evidence open disclosure principles are practised. The services feedback register and progress notes for consumer complaints did not evidence the consistent application of open disclosure processes for all consumer complaints. Standard 6, requirement (3)(c) provides further information.

The service demonstrated an embedded and effective incident management system that includes communication with consumers, detailed documentation, trend analysis, and reporting. The assessment team reviewed service incident reports that evidenced appropriate action is taken after incidents including the consideration and implementation of strategies to mitigate risks and avoid future incidents. The assessment team noted that documentation of incidents in the services incident register and consumer progress notes was inconsistent, and did not reflect follow up actions taken, and open disclosure principles. While documentation of incidents was not always consistent, the service did demonstrate effective systems manage and prevent consumer incidents.

In response to the assessment teams report, the service evidenced a proactive plan for continuous improvement and demonstrated a commitment to taking prompt action where possible. As decision maker, this instils trust and confidence in the service. At the time of performance report decision, I find the service non-compliant with requirement 8(3)(c) and recognise planned improvement measures will require re-assessment to assess their utility and allow the service to demonstrate that changes are embedded, practised by service staff consistently, and are effective for consumers.

Actions to Achieve Compliance – Updated January 2023

Related Standard	Area(s) of non-compliance	Action(s) to achieve compliance/ comment	Status*	Timeframe
2(3)(d)	The outcomes of assessment and planning are effectively communicated to the consumer and documented in a care and services plan that is readily available to the consumer, and where care and services are provided.	<p>After receiving feedback from the assessment team, PAI team are developing one document that can be provided to both the client and brokered service / worker to ensure consistency of information is shared.</p> <p>Steps:</p> <ol style="list-style-type: none"> 1 - Review of current support plan - Completed 2 - Collaboration with other Local Governments delivering similar services – initiated 3 - Discussion and consultation with brokered agencies to ensure the new support plan meets worker/agency need. 4 - Client's interviewed by assessors will be consulted about the new support plan, as a sample group in the first instance. 5 - Staff trained in completing new support plan 6 – Review of staff documentation and completed support plan 	<ol style="list-style-type: none"> 1 -Completed 2-Commenced 3-Commenced 4-Planned 5-Planned 6-Planned 	<ol style="list-style-type: none"> 1 - January 2023 2 – End of February 2023 3 – End of February 2023 4 – End of February 2023 5 – End of February 2023 6 – Mid March 2023
4(3)(d)	<i>Client monitoring and review was not demonstrated where services were provided by external parties.</i>	<ol style="list-style-type: none"> 1. The development of one document to be shared with client, worker and agency will ensure consistent information sharing takes place. The support plan will further expand on job sheets and client service agreements by ensuring all client information is shared. The support plan will detail client circumstances, emotional, spiritual and cultural needs as well as health, wellbeing, preferences, goals, needs, WHS and risks. This will ensure safe and effective service delivery. 2. Client monitoring & feedback will be sought in a consistent format from all brokered agencies. Consultation with brokered agencies has commenced to ensure PAI obtain the information required about 	<ol style="list-style-type: none"> Commenced Commenced 	<ol style="list-style-type: none"> 1. End of February 2023 2. End of February 2023

Related Standard	Area(s) of non-compliance	Action(s) to achieve compliance/ comment	Status*	Timeframe
		<p>client's progress and the format and reporting requirement is not onerous to the brokered staff.</p> <p>The development of the monitoring & feedback form will provide a more consistent and timely information from each agency regarding service levels, client progress towards goals, issues, and difficulties.</p>		
6(3)(c)	Not consistent in using an open disclosure approach to feedback and complaints, and actions of feedback is not consistently provided to clients.	<p>To ensure Open Disclosure principles are consistently recorded, noting at this stage there is confidence the team is undertaking this process but not consistently or clearly documenting it as open disclosure steps / actions in client files, further documentation training has been developed and delivered in January 2023.</p> <p>Monthly client complaint and feedback reports increased in frequency to fortnightly, to ensure timely resolution, actions and outcomes are provided to clients.</p> <p>Meetings with brokered agencies held, reminding of their contractual obligations to report client complaints made direct to the agency to be reported to PAI in a timely manner to ensure PAI oversight and appropriate action is taken, monitoring of resolution and client outcomes is to the individual client's satisfaction.</p> <p>The March edition of the client's Newsletter will feature an article encouraging client feedback and continuous improvement suggestions.</p> <p>Documentation refresher training scheduled in February.</p>	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Planned</p> <p>Planned</p>	<p>January 2023</p> <p>January 2023</p> <p>January 2023</p> <p>March 2023</p> <p>February 2023</p>

Related Standard	Area(s) of non-compliance	Action(s) to achieve compliance/ comment	Status*	Timeframe
		Further – Complaints Management Training session scheduled.	Planned	March 2023
8(3)(c)	While the service did demonstrate effective reporting of feedback and complaints data, it did not demonstrate that individual complaints are consistently documented to evidence open disclosure principles are practised. The services feedback register and progress notes for consumer complaints did not evidence the consistent application of open disclosure processes for all consumer complaints. Standard 6, requirement (3)(c) provides further information.	<p>Staff documentation training completed in January 2023.</p> <p>Case note template developed to ensure open disclosure principles is consistently recorded.</p> <p>Weekly spot checks of client files updated to ensure staff documentation includes open disclosure principles and is timely.</p> <p>Incident management training scheduled for March.</p> <p>Incident and hazard monthly reports to provide oversight of staff actions, documentation and use of open disclosure.</p> <p>Support plan will include client incidents and strategies to inform brokered agencies and ensure client safety.</p> <p>As per 6 (3)(c) documentation training completed January, refresher training scheduled to reinforce the requirement of documentation and ensure open disclosure principles consistently noted.</p>	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Planned</p> <p>Completed</p> <p>Planned</p> <p>Planned</p>	<p>January 2023</p> <p>January 2023</p> <p>January 2023</p> <p>March 2023</p> <p>January 2023</p> <p>February 2023</p> <p>Review and further training - February and March 2023</p>

*As per internal assessment by PAI team

7.4 Strategic Risk Register Annual Review

Report Reference	FRAC230221R7.4
Originating Officer	Unit Manager Strategy and Risk – Maddie Frew
Corporate Manager	Manager Office of the Chief Executive - Kate McKenzie
General Manager	Chief Executive Officer - Tony Harrison

REPORT HISTORY

Report Reference	Report Title
FAC211012R6.8	Strategic Risk Review

REPORT OBJECTIVE

To seek feedback from the Finance, Risk and Audit Committee on amendments and updates proposed to be made to the Strategic Risk Register.

EXECUTIVE SUMMARY

Following a KPMG Internal Audit, in November 2021, the City of Marion's Strategic Risk Register was endorsed by General Council, after being developed by the Executive Leadership Team (ELT) and the Finance, Risk and Audit Committee.

The Strategic Risk Register is monitored throughout the quarterly Corporate Risk Register review, but ultimately is scrutinised in detail on an annual basis. At the review process in November 2022, the ELT requested that the Strategic Risk Register be brought back to them for a dedicated workshop. This workshop was held in January 2023 and a number of amendments / updates were made.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

- 1. Review SR003, and provide feedback regarding the suitability of this risk within the Strategic Risk Register**
- 2. Review the updates made to the Strategic Risk Register and provide any relevant feedback.**

DISCUSSION

Following an internal audit undertaken by KPMG in 2021, a Strategic Risk Register was developed with ELT and the Finance, Risk and Audit Committee. The first draft of the Strategic Risk Register included 18 risks, however after consultation with the FRAC, to keep this register at a high level and only to major strategic risks, some were 'rolled up' to create the 8 Strategic Risks in the register today. This register was also noted by the General Council at their meeting, 23 November 2021.

The Strategic Risk Register was taken to the Executive Leadership Committee meeting in November 2022. At this meeting, the risks were discussed in detail, but ultimately it was determined that the register should go back to ELT as a dedicated workshop for a thorough annual review. As such, on 23 January 2023, the ELT undertook a workshop of the Strategic Risk Register, and several amendments / updates were made. The amendments / updates have been made in track changes so the FRAC can understand these, and can be found in **Attachment 1**.

Amendments / updates

1. Some updates to the Risk title, to be more encompassing or more understandable.
2. Updates to the risk context, removing reference to Covid-19 impacts where no longer relevant and providing updates based on current environment/work that has been finalised over the past 12 months.
3. Some amendments to the forecast risk rating.
4. References on how each strategic risk related to City of Marion's Strategic Plan.
5. Updates to the controls in place.
6. Review and amendments where necessary of the related risks from the Corporate Risk Register.
7. Providing a cover page so that it is clear that ELT will be the 'risk owner' of the strategic risk register and that a review will be undertaken twice yearly moving forward.

The Finance, Risk and Audit Committee are asked to review the amendments / updates made and validate the Strategic Risk Register. The ELT request that the FRAC consider SR003 (inadequate protection of natural assets and provision of natural spaces) in particular and whether this is in fact a 'strategic risk'.

ATTACHMENTS

1. Attachment 1: Strategic Risks v2 2023 [7.4.1 - 12 pages]



Strategic Risk Register

The Strategic Risk Register is owned by the Executive Leadership Team.

ELT review requirements:
February and October each year.

Document Version History


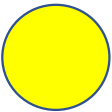

<u>Version</u>	<u>Date</u>	<u>Author</u>	<u>Description</u>	<u>Endorsed by</u>
<u>1</u>	<u>2021</u>	<u>S Walczek</u>	<u>Version 1 following KPMG Audit</u>	<u>FAC</u>
<u>2</u>	<u>2023</u>	<u>M Frew</u>	<u>Annual review of register</u>	

Strategic Risk Report

SR001

Inadequate recognition of and provision of services in response to the community's changing social health, cultural diversity, environmental, vibrant, diverse and economic conditions

Strategic Plan 2019-2029 link: Liveable and Engaged

Inherent Risk Rating	Current Risk Rating	Forecast Risk
		
Possible x Severe = H	Unlikely x Major = Medium	Unlikely x Moderate = Low

Risk Context

~~While~~ The Australian economy is currently being impacted by a number of changes with the impact of increased interest rates, increased utility and the uncertainty increase cost of living. With the increase inflation rate. ~~Currently there is an indication that currently performing very well the reduction of Covid-19 support packages may induce recessionary inactivity, including increased unemployment, this may impacting the council areas economic prosperity as well as impacting psychological health, community wellbeing and overall resilience of many people in the community.~~ This coupled with urban infill and ongoing population increase continues to place increasing demand for accessible community facilities and quality formal and informal recreational facilities. The change of community expectations and their perception of governments will place an impetus upon the local government sector to remain flexible at the local level to the changing needs of the community to ensure that it maintains a social licence to operate.

Control Environment

Monitoring of the changing community environment is undertaken through community engagement, program/service evaluation and environmental scanning which together inform the Strategic Planning process.

Core controls:	Supporting controls:
<ul style="list-style-type: none"> Strategic Plan Framework Community Engagement Plan City of Marion Community Facilities Policy Equity Access and Social Inclusion Policy Libraries Plan 2021-2025 Buildings and Facilities Asset Management Plan - Community Facilities Level of Service Disability Access and Inclusion Plan 2020-2024 	<ul style="list-style-type: none"> Environmental Scanning process Program evaluation and customer surveys

Risk Prediction

The current external environment is in a period constant change with uncertainty on how Covid-19 impacts will play out long term. Despite this significant ambiguity, the City of Marion is well placed to respond to the changes in community needs currently and has strategic plans that has well considered initiatives to respond to longer term issues. ~~During the next planning phase, it is will be~~ important to continue to define what the "CoM Brand", and therefore what "success" from the perspective of the community, looks like.

Key Related Corporate Risks

Risk Ref	Risk Title	Current rating
<u>LIB01CR0033</u>	Provision of library facilities and/or services which are not valued, or are not required by the CoM community	<u>Low</u>
<u>PCU07CR0001</u>	Inability to encourage or engage the community to attract, retain and deliver volunteer services to support CoM operations and programs	<u>Medium</u>
<u>OCE016CR0038</u>	Inability to attract funding to deliver community projects and key strategic outcomes.	<u>Medium</u>
<u>CR0029</u>	<u>A cultural & social place not provided by the CoM for indigenous spiritual & cultural renewal, ceremonies, celebration, ritual gathering & business</u>	<u>Low</u>
<u>CR0037</u>	<u>Failure to innovate to meet the changing needs of the City of Marion residents</u>	<u>Medium</u>

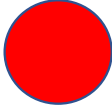

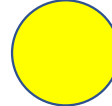
<u>CR0040</u>	<u>Inability to deliver key strategic outcomes, manage emerging issues and pursue new opportunities</u>	<u>Low</u>
<u>CR0080</u>	<u>Failure to deliver quality community wellbeing education, engagement, events and initiatives.</u>	<u>Low</u>

Strategic Risk Report

SR002

Inappropriate response to, or preparation for, climate change impacts

[Strategic Plan 2019-2029 link: Valuing Nature](#)

Inherent Risk Rating	Current Risk Rating	Forecast Risk
		
Likely x Severe = Extreme	Possible x Major = High	Unlikely x Major = Medium

Risk Context

Local government's role is focused on managing local impacts to avoid maladaptation and to build resilience while ensuring planned responses exist to known hazards and risks. Known climate impacts for the city that have been identified through climate change scenarios are: sea level rise, coastal erosion, a drying and warming trend, hotter areas identified on heat maps and increased frequency and intensity of extreme weather events, including floods, storms and heat waves. Adaptation to climate change requires efforts on a global, national and local scale. Within Council's sphere of influence and control, implementation of policy and initiatives that promote practical action from the community, federal, state and the broader local government sector will enable Council to mitigate its risk exposure.

Control Environment

The Resilient South Regional Climate Change Adaptation Plan, a partnership with Cities of Onkaparinga and Holdfast Bay, focuses on adaption to climate change impacts including heat, flood and sea level rise. Council has used study findings in its advocacy and in coastal protection activities. Coastal and flood inundation modelling has been applied in relevant Stormwater Management Planning. Council has made a commitment to set a tree canopy target to reduce the impacts of urban heat. Council works in partnership with other councils and the Green Adelaide Board to deliver a number of initiatives that support community led approaches to climate change adaptation and impact on the environment from current practices.

Core controls:	Supporting controls:
<ul style="list-style-type: none"> Climate Change Policy Resilient South Regional Climate Change Adaptation Plan Resilient South Local Government Regional Implementation Plan Coastal Climate Change Adaptation Plan Energy Efficiency and Renewable Energy Plan Carbon Neutral Plan 	<ul style="list-style-type: none"> Community Emergency Management Plan Flood mapping Urban heat mapping Carbon Inventory Asset and public Liability Insurance Program and schedule of External Education via events, networking, workshops etc. Environmental induction Advocacy

Risk Prediction

~~In addition to maintaining current controls, new controls need to be identified in order to meet the Forecast Risk level of Medium.~~ A Resilient Assets Management Project is currently underway to integrate climate risk into asset management planning which will also aim to include embodied carbon. The effectiveness of all controls is however dependent on an appropriate policy setting at an international, federal and state level with community action; failure to act will likely see an increase in the level of risk.

Key Related Corporate Risks


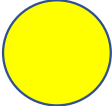

Risk Ref	Risk Title	Current rating
CR0060ESU01	Failure to deliver environmental functions that meet community and EM's expectations and environmental need	Low
CR0059ESU02	Negative impacts to the environment	Medium
CR0058ESU03	Failure to understand, plan and act to respond to the projected impacts of climate change	High

Strategic Risk Report

SR003

Inadequate protection of natural assets and provision of natural spaces

Strategic Plan 2019-2029 link: [Liveable, Valuing Nature and Connected](#)

Inherent Risk Rating	Current Risk Rating	Forecast Risk
 Likely x Major = High	 Possible x Moderate = Medium	 Unlikely x <u>Minor</u>Moderate = <u>Low</u> Medium

Risk Context

The City of Marion has largely been cleared firstly for agriculture and then urban development. Despite this, there are still some important historical remnant native vegetation. Council's coastline is the most significant and highest quality area of remnant native vegetation, however there are many small patches (relicts) throughout our City that is important to preserve. The State Government have set targets that 60% of all new housing will be built within close proximity to current and proposed fixed line (rail, tram) and high frequency bus routes by 2045. The impacts of tree loss will outweigh the planting efforts undertaken by Council. It will be important to consider more investment in future open space provision to ensure that denser communities have opportunities for access to sufficient open spaces. ~~The post Covid world is likely to continue to see a more flexible office/home models of work whereby have meant residents are expected want to explore their local communities more, therefore potentially increasing expectations to ensure that natural assets, including tree canopy and open spaces, are accessible and available within proximity to them.~~

Control Environment

The Environment Policy promotes positive environmental outcomes by: protecting existing natural environments and local biodiversity; enhancing the condition and extent of natural environments; avoiding impacts from excessive resource use, waste generation, pollution and pest species; adapting to a changing environment and developing resilience to changes in our climate; and building human connections to the natural world whilst respecting cultural, social and economic values. This informs supporting policies and plans outlined as core and supporting controls.

Core controls:	Supporting controls:
<ul style="list-style-type: none"> Environment Policy Waste Management Policy Climate Change Policy Carbon Neutral Plan Environmental sustainability design guidelines Sustainable building maintenance guidelines HSE Plan Tree Management Framework Remnant Native Vegetation Plan Asset Management Plans <i>Planning, Development & Infrastructure Act 2016 (SA)</i> (developers to plant / input to Council's fund to plant) 	<ul style="list-style-type: none"> Environmental Risk Register (SkyTrust) Environmental Induction & Training (as per TNA) Pre-design/work environmental checklist Environmental waste and recycling audits

Risk Prediction

There are areas currently identified as needing need additional open space and areas that need current provision of open space protected. The City of Marion has strategies in place to address these issues long term, hence mitigating the risk long term.

Key Related Corporate Risks

Risk Ref	Risk Title	Current rating
CR0060ESU01	Failure to deliver environmental functions-that meet community and EM's expectations and environmental need	Low
CR0059ESU02	Negative impacts to the environment	Medium

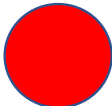

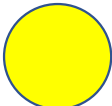
CR108	The inability of council to commit operational resources to the inspection, assessment, treatment and monitoring of tree related issues. Preserving tree Asset whilst mitigating the risk of personal injury, private property damage, public liability exposure and damage to infrastructure through the impact of Council trees	Medium
CR0011	Inability to plan and deliver open space and recreation capital projects	Low

Strategic Risk Report

SR004

Inadequate use and protection of technology and data to improve services and operational efficiency

Strategic Plan 2019-2029 link: Innovative

Inherent Risk Rating	Current Risk Rating	Forecast Risk
		
Likely x Severe = Extreme	Possible x Major = High	Unlikely x Moderate = Medium

Risk Context

Current technology systems are ageing, inefficient, and do not talk to each other. This means they are unable to provide a single view of our customers, provide our decision-makers with real-time reporting or provide staff with the systems they need to work smarter not harder. ~~Working from home and mobility of work force has potentially increased Cyber threats and people and systems require strong cyber security measures including training. and mobility of work force which oCoM are vulnerable to The current environment has changed the way we work in response to Covid-19 which has resulted in increased cyber threat actions globally, including the Local Government sector locally, requiring stronger cyber security measures.~~

Control Environment

The City of Marion is transforming its systems to place our community at the centre of everything we do through the Digital Transformation Program.

Core controls:	Supporting controls:
Cyber Security Assurance Policy & Framework Digital Transformation Plan <ul style="list-style-type: none"> Digital Literacy and cybersecurity Payroll and HRIS Single view of the Customer Asset Management Information System Financial Transformation Microsoft 365 Rollout SharePoint transfer – intelligent intranet Geographic Information System – ESRI Data analytics Unified Communications Devices fleet management AV access in meeting room 	<ul style="list-style-type: none"> Disaster Recovery Plan & testing regime Business Continuity Plan DTP Change Management and Communication Plan DTP ELT Meetings (ex ICT steering committee) DTP team of qualified & experienced personnel inc dedicated BA and PM resources LTFP budget

Risk Prediction

~~The transformation of our systems to put our customer at the centre of what we do will revolutionise our services making the City of Marion a place where people want to live, work and play.~~ The implementation of the strategies “Essential 8 Maturity Model to mitigate cyber threats” will aid to protect our systems from disruption and ensure continuity of services to the community, in a climate where the threat of cyber-attacks are becoming more prominent and likely. However, projects may be impacted by the heavy competition in the market for skilled professionals.

Key Related Corporate Risks


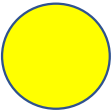
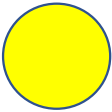
Risk Ref	Risk Title	Current rating
CR0095C DO01	Poor data quality and data information governance not supporting informed decision making	High
CR0064D TP01	Decentralised, unsupported and unintegrated IT systems to support current and future needs	High
CR0042O CEO12	Inability to access business information	Medium
CR0036I S01	Cyber Security breach in a CoM system and/or worksite	Medium
CR0035I S02	Inability to deliver key Council services due to disruption or loss of critical business systems	Medium
PCU05	Ineffective strategic workforce	

Strategic Risk Report

SR005

Inability to attract and retain businesses ~~supported by innovation hubs~~, which build a thriving economy and promote economic resilience

Strategic Plan 2019-2029 link: Prosperous

Inherent Risk Rating	Current Risk Rating	Forecast Risk
		
Likely x Major = High	Possible x Moderate = Medium	Unlikely x Moderate = Medium

Risk Context

Projects like Tonsley and the Edwardstown Precinct Project play an important role in attracting innovation and technology to the Council area. Globally, the shifting consumer attitude and buyer behaviour has been impacting on the retail sector for some time, changing retail landscape with some retail precincts converting to warehousing. The steady increase of inflation as well as increasing interest rates may see a decrease in Local entrepreneurship and new ventures. ~~new ventures. This is expected to continue in the post Covid-19 landscape which will have an impact for the Council with retain being a key economic output in the City. Local entrepreneurship and new ventures previously seen in the hospitality sector will also reduce significantly as the sector hardest impacted by COVID-19.~~

Control Environment

Council continues to seek opportunities to collaborate with government and businesses to create avenues for new businesses to commence and existing to relocate or establish a presence. Council's Economic Development Policy and associated initiatives will drive the collaborative efforts of Council and is supported by the Cove Business Hub and the Southern Business Partnership and Mentoring Program which aims to assist business success and the retention of businesses in the city.

Core controls:	Supporting controls:
<ul style="list-style-type: none"> Economic Development Strategy Marketing & Communications Strategy Customer Engagement Strategy Strategic Project / Placemaking Plan Southern Business Partnership and Mentoring Program 	<ul style="list-style-type: none"> Engagement with Renewal SA Liaison State and Commonwealth Governments on key projects that aim to create local job opportunities Industry sector briefings & business recovery workshops

Risk Prediction

New businesses will naturally be attracted to the city on the back of the Tonsley and Edwardstown precinct projects. The Southern Business Partnership and Mentoring Program continues to gain positive engagement with business and will assist success and retention of businesses in the city however there is further engagement and consultation required with business to define our business brand/services and ensure alignment to their needs.

Key Related Corporate Risks


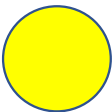

Risk Ref	Risk Title	Current rating
CR0098C AC03	Failure to activate our city through quality street scapes and place making initiatives to deliver vibrant and prosperous business precincts	Medium
CR0097C AC04	Failure to work with Universities, business peak groups, Regional, State and Federal Govt's to facilitate local economic growth and infrastructure.	Medium
CR0096C AC05	Failure to maximise partnerships, business relationships, networks and opportunities for growth and prosperity	Medium

Strategic Risk Report

SR006

Failure to activate and maintain vibrant and attractive community places ~~which attract people to the City~~

Strategic Plan 2019-2029 link: Liveable and Engaged

Inherent Risk Rating	Current Risk Rating	Forecast Risk
		
Likely x Major = High	Possible x Moderate = Medium	Unlikely x Minor = Low

Risk Context

Encouraging visitors, new residents and business to the city requires activated, vibrant and well-maintained reserves, parks, libraries and community centres which encourage the inclusion of all. The City of Marion's steady population growth, rise in urban infill and increase in the diversity of cultures and ethnicities increase the demands on services and requires a change in the traditional service offering to meet the changing needs of the community.

Control Environment

Management and maintenance of the public realm is one of the primary functions of local government and there are broad strategies across Council to meet community expectations. Streetscapes are a key element of the public realm that along with open spaces and public plazas, play a significant role in how people experience the City of Marion. Guidance on the elements of streetscapes is found in the Streetscape Policy. This is supported by Council's Open Space Policy which provides for accessible and diverse open spaces that are distributed across the City that contribute to neighbourhood character, provide opportunities for active living and community engagement. ~~This is further supported by Council's playground policy which provides guidance on the planning, development and management of playgrounds.~~

Core controls:	Supporting controls:
<ul style="list-style-type: none"> • Open Space Policy • Streetscape Policy • Playground Framework • Walking and Cycling Guideline • Public Lighting Guidelines • Public Art Guidelines • LTFP public realm program budget commitments • Disability, Access and Inclusion Plan 2020-2024 	<ul style="list-style-type: none"> • Community Engagement Policy • Stakeholder Engagement processes • Marketing and Engagement Strategy

Risk Prediction

Although there are effective guiding documents to mitigate the impact of this risk, further engagement and consultation may be required to define the needs of the community and create a recognisable CoM 'brand'. ~~Playgrounds are a particular area of focus in determining community acceptable service levels. MCC Plaza and the Majors Road development are both high profile projects that are big opportunities that however carry risk if not managed appropriately.~~

Key Related Corporate Risks

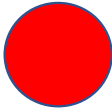
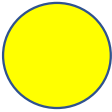

Risk Ref	Risk Title	Current rating
<u>CR0102A</u> <u>GU01</u>	Failure to include arts and cultural aspects resulting in a failure to celebrate our rich artistic, cultural and vibrant destinations	<u>Low</u>
<u>CR0099C</u> <u>AC02</u>	Inability to deliver strategic projects	<u>Medium</u>
<u>CR0037D</u> <u>TP04</u>	Failure to innovate to meet the changing needs of the City of Marion residents	<u>Medium</u>

Strategic Risk Report

SR007

Asset management planning not supporting ~~accessible~~ community ~~needs connection with our services and facilities~~

Strategic Plan 2019-2029 link: Prosperous, Innovative and Engaged

Inherent Risk Rating	Current Risk Rating	Forecast Risk
		
Likely x Severe = Extreme	Unlikely x Major = Medium	Rare x Moderate = Low

Risk Context

Asset management is a key current challenge for Local Government where aging assets, availability of resources, inadequate condition assessments, lack of systems and the balancing of service level sustainability and budgets and all noted as key issues. Future challenges are the same plus increasing cost pressures (staff and asset upgrades), change in use of assets, responsibility shifting from other agencies and increase in data standards.

Control Environment

The City of Marion Property Asset Strategy is a 10 year 10-year forward outlook strategy that uses evidence, service level benchmarks and local context to inform future decision making and prioritisation to maximise the value and quality of assets and service delivery to the Marion community, within the City of Marion's financial capacity. The City of Marion's also has eight Asset Management Plans with an Asset Management vision "to maintain the City of Marion's assets to agreed levels of service which maximise community value throughout an asset's life". This vision is supported by four Strategic Objectives: Maximise Community Value, Deliver Agreed Levels of Service, Informed Decision Making and Optimally Managed. Council will make effective and informed decisions through each stage of the asset lifecycle to achieve the Asset Management Vision and Strategic Objectives, by achieving four Outcome Areas: Skilled people, Accurate data, Improved processes and Intelligent systems.

Core controls:	Supporting controls:
<ul style="list-style-type: none"> Asset Management Plans <ul style="list-style-type: none"> Building and Structures Transport Open Space Artworks, Culture and Heritage Coastal Walkway Water Treatment and Resources Stormwater Fleet and Plant Community Facilities Policy Disability Access and Inclusion Plan Long Term Financial Plan (LTFP) 	<ul style="list-style-type: none"> Community Satisfaction Survey Asset Management Policies/Procedures/Processes Civil Works Program Land & Property Maintenance schedule <u>CoM Property and Assets Strategy</u>

Risk Prediction

The new Asset Management System being implemented as part of the Digital Transformation Program presents significant opportunities for more efficient asset management planning. ~~There is also a Strategic Property Asset Management Plan under development and the CoM Property Asset Strategy (CoMPAS).~~ Further opportunities for consideration include cross-council collaboration

Key Related Corporate Risks

Risk Ref	Risk Title	Current rating
CR0101ASY02	Failure to strategically manage assets and associated funding, to effectively inform future planning, acquisition, renewal, maintenance, management and disposal	Medium
CR0082CSE03	Lost opportunity or inability to create, renew, manage and maintain Infrastructure assets (roads, drainage, footpaths etc)	Medium
CR0061ENG04	Non-compliant, inappropriate, ineffective and/or substandard design of infrastructure resulting in failed infrastructure	Low

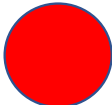

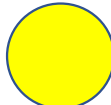
<u>CR0027</u> 04	Inability to use Council owned land or property asset as a consequence of non-compliance with legislated safety, access and/or building requirements or lack of maintenance rendering property unfit for required use	Medium
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Strategic Risk Report

SR008

Inadequate engagement, collaboration and partnerships with community, government and private sector partners

Strategic Plan 2019-2029 link: Engaged

Inherent Risk Rating	Current Risk Rating	Forecast Risk
		
Likely x Severe = Extreme	Possible x Major = High	Unlikely x Major = Medium

Risk Context

Community engagement seeks to better engage the community to achieve long-term and sustainable relationships, outcomes, processes, decision-making or implementation. Collaboration and partnerships can deliver many internal and external benefits. They can be an excellent strategy for increasing leadership and communication plus it enhances knowledge of local and sector issues. They can deliver insights that can facilitate 'break-through' thinking in both the community and within Council thus promoting our brand and reputation in the community. Although partnerships can create many benefits, they also present some challenges and risks. Risks are most evident when partners are misaligned in their organisational cultures, priorities and practices.

Control Environment

The current control framework is formalised for engagement and collaboration with the community and with other Councils however is informal in relation to engagement and collaboration with government and private sector partners.

Core controls:	Supporting controls:
<ul style="list-style-type: none"> Cross Council Collaboration Framework Council website inc Making Marion Community Engagement Framework Customer Experience <u>standards Framework</u> Communications Strategy <u>Marketing and Engagement Strategy Plan</u> <u>Marion 100</u> 	<ul style="list-style-type: none"> Council public meetings Community perception survey <u>Code of Conduct Behavioural Management Standards</u> <u>Advocacy</u>

Risk Prediction

Community Engagement is being further strengthened through ~~a review of~~ the Customer Experience Charter and Framework and the implementation of the Marion 100 initiative which aims to have a diverse group of 100 CoM residents engaged to provide feedback, ideas and innovations. ~~The new CRM software work is also near delivery stage, supported by the development of a Relationship Matrix, which will optimise the relationships we have with key stakeholders, particularly those in State Government.~~ Increasing the effectiveness of our collaboration and partnerships aims to ensure delivery of services and facilities that are in line with community expectations and the provision of excellent value to the community, which increases community sentiment whereby ratepayers understand the value of paying rates. ~~are 'happy' to pay their rates.~~

Key Related Corporate Risks

Risk Ref	Risk Title	Current rating
<u>CR0094C</u> <u>QM01</u>	Ineffective and inconsistent strategic marketing and communications to ensure active engagement in services activities and events.	<u>Low</u>
<u>CR0093C</u> <u>QM02</u>	Failure to respond effectively to an incident where there is potential for reputational damage or adverse media.	<u>Low</u>
<u>CR0092C</u> <u>QM04</u>	Damage to the Local Government sector reputation impeding on CoM's successful delivery of services to the community.	<u>Medium</u>
<u>CR0052Q</u> <u>CEO02</u>	Ineffective relationships between elected members or with Council Administration which does not facilitate or support good decision making	<u>Medium</u>

7.5 Quarterly Corporate Risk Report

Report Reference	FRAC230221R7.5
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 HISTORY

Report Reference	Report Title
FRAC221213R7.2	Quarterly Corporate Risk report

REPORT OBJECTIVE

To provide the Finance, Risk and Audit Committee (FRAC) with an overview of the City of Marion Corporate Risk Register review for Quarter 2, 2022/23 (October to December).

EXECUTIVE SUMMARY

The Corporate Risk Register was last reported for Quarter 1 (June to September) 2022/23 to the Finance, Risk, and Audit Committee (FRAC) at their meeting on 13 December 2022.

During this review (quarter 2), two (2) risks have been assessed with changes to the ratings (1 from medium to high, and 1 from high to medium) and four (4) new risks have been added to the Corporate Risk Register. FRAC are requested to review and validate the recommendations.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

- 1. Notes the Corporate Risk Register Report (Attachment 1) and provides feedback on the review outcomes, ahead of this report being provided to Council at the 14 March 2023 General Council Meeting.**

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 2 2022-23 (Q2) period. SLT, as the primary risk owners, reviewed and updated their risks.

The Strategy and Risk Team supported reviews with People and Culture, Information Services and Business Intelligence.

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.

Two risks were re-allocated and four new risks were identified. On-going and / or emerging risks and opportunities were identified through the Environmental Scan and were discussed by the Strategy and Risk team with Senior Leadership Team members throughout the Q2 review process.

Details of the Environmental Scan are detailed in **Attachment 1**, section 1.4.

The detailed analysis of the Corporate Risk Register review for Q2 is also included within **Attachment 1**.

The Q2 2022-23 Corporate Risk Register review resulted in the number of:

- Risks identified increased from 104 to 108, with 4 new risks added.
- High risks in Q2 increased to 8, subject to discussion from ELT to consider re-rating 1 High risk down to Medium and 1 Medium risk to High which would see Q2 have 7 High risks
- Medium risks increased from 67 to 70 in Q2, this is not including the High risk being re-rated to Medium
- Low risks remain static from Q1 at 30

Changes made to the Corporate Risk Register in Q2 2022-23

Four new risks have also been added in Q2 2022-23, as shown in Table 1 below:

Table 1: New Risks

Risk ID	Risk Description	Owner
CR105	Employing person without DHS screenings in a prescribed position or working in vulnerable position	People & Culture
CR106	Use of images/material of children, young person, and vulnerable people without parental/guardian consent and/or sharing information without consent	People & Culture
CR107	CoM employees/volunteers and contractors do not understand their obligations to provide a child and vulnerable person safe environment	People & Culture
CR108	Ineffective Urban Tree Management	Open Space

The above risks have been added to the register as they have potential to lead to an impact to the City of Marion brand and result in reputational damage. Controls are in place to ensure processes are in place to mitigate these risks, resulting in all risks having a current risk rating of Medium.

There are two proposed amendments to the High risks, as outlined in Table 2, and detailed in Attachment 1 at section 1.3. This report seeks FRACs endorsement for these re-ratings.

Table 2: Re-rated high risks

Risk ID	Risk Description	Re-rating detail
CR0087	Supply chain issue creating an inability to complete projects on time and within allocated budget	Risk rating changed from High to Medium
CR0076	Inability to attract and preserve external funding required for Community Services delivery (eg Hubs, CHSP)	Risk rating changed from Medium to High

CORPORATE RISK REGISTER REPORT

Quarter 2 2022-23

1. CORPORATE RISK REGISTER ANALYSIS

1.1 Analysis of Q2, 2022-23

The Quarter 2, 2022-23 review of the Corporate Risk Register resulted in a total of 108 risks identified. The current risk ratings are 8 high, 70 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

Table 1: Corporate Risk Register Quarterly - Comparative Outcomes

Period:	Qtr 3: Jan to Mar 2022			Qtr 4: April to June 2022			Qtr 1: July to Sept 2022/23			Qtr 2: October to Dec 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	62	6	0	62	7	0	62	7	0	66	8	0	↑
Medium	13	67	61	13	66	61	14	67	62	14	70	66	↑
Low	0	30	42	0	30	42	0	30	42	0	30	42	↔
Total	103	103	103	103	103	103	104	104	104	108	108	108	
Current High Risk %	6%			7%			7%			7%			

*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 4 new risks added to the register and the likelihood and consequence ratings being re-evaluated affecting current risk ratings for one (1) risk which is outlined in **Table 2**.

All current risk has been allocated new Unique Risk Numbers which replaced their previous Risk Number, this should provide an easier re-assigning of risk owner.

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. Three risks have been identified and added to the Corporate Risk register for quarter 2, 2022-23 relating to the risk of harm to children, young and vulnerable people.



1.2 Re-assigned risks

Two Risk were re-assigned for Quarter 2, 2022-23, as outlined in the below table.

Risk ID	Risk Description	Re-assigned detail
CR0026	Injury or harm/damage arising out of a failure of CoM contractors to comply with contract conditions and CoM HSE requirements	Re-assigned to People & Culture from City Property
CR0053	Ineffective & inefficient organisational project and portfolio management/monitoring to deliver strategic objectives and outcomes	Re-assigned to City Services from Finance

1.3 Re-rated risks

During this review period consideration is given to re-rating the below two risks, one risk from High to Medium and one from Medium to High for Quarter 2, 2022-23. The below tables detail the changes and the reasoning.

Risk ID	Risk Description	Re-rating detail
CR0087	Supply chain issue creating an inability to complete projects on time and within allocated budget	Likelihood rating no change Consequence has changed from Moderate to Minor Overall Risk rating changed from High to Medium

Ongoing treatment plan will be monitored.

All factors for this Risk are 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, moving the overall risk rating to Medium.

Risk ID	Risk Description	Re-rating detail
CR0076	Inability to attract and preserve external funding required for Community Services delivery (eg Hubs, CHSP)	Likelihood rating has changed from Unlikely to Almost Certain Consequence remained same Moderate Overall Risk rating changed from Medium to High

Justification for likelihood change CoM is required to respond to 2022 Aged Care Standards Audit outcomes post March 2021 Audit. Outstanding actions are due for completion by March 2023 and reaudit in Dec 2022 found 4 areas of non-compliance. Reform changes relating to Commonwealth Home Support Programme (CHSP) funding will be known Mar/Apr 2023.

Commonwealth Network for Disadvantaged People (CNDP) funding has announced changes to funding from July 2023, with major reform changes now due from July 2024 (initially July 2023).



1.4 New risks and merged risks

There were four new Risks identified Quarter 2, 2022-23:

Risk ID	Risk Description	Owner
CR105	Employing person without DHS screenings in a prescribed position or working in vulnerable position	People & Culture
CR106	Use of images/material of children, young person and vulnerable people without parental/guardian consent and/or sharing information without consent	People & Culture
CR107	CoM employees/volunteers and contractors do not understand their obligations to provide a child and vulnerable person safe environment	People & Culture
CR108	Ineffective Urban Tree Management	Open Space

1.5 On-going and emerging risks/opportunities

The environmental scan is reviewed quarterly as part of the risk review process to identify any emerging risks/opportunities that may have the potential to impact on council's project and program delivery, business-as-usual activity, financially and reputational risk in the sector. The follow matters have been identified throughout Quarter 2, 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

The Consumer Price Index (CPI) continues to rise at 7.8% for quarter 2 2022-23, a 1.8% increase from previous quarter.

The significant price rises for Adelaide were Domestic holiday travel and accommodation (+14.2%), New dwelling purchase by owner occupiers (+2.6%), Automotive fuel (+4.5%) and Vegetable (-10.4%). Adelaide CPI for quarter 2 2022-23 was 8.6%.

It is anticipated that there will potentially be 4 interest rates rises by August 2023, which will also impact household budgets.

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.

Insurance Premium



Increase cost of building materials, floods and cyber-attacks across Australia may have a flow on impact to CoM's costs of insurance premiums.

Updated property valuations are being completed this year and this may see a dramatic increase in our property values due to current Economic environment. Last valuation was completed in 2018 (prior Covid).

It is anticipated that Local Government Risk Services (LGRS) will have a 12% indexation for 23/24 an increase of 7% from previous year.

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.

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



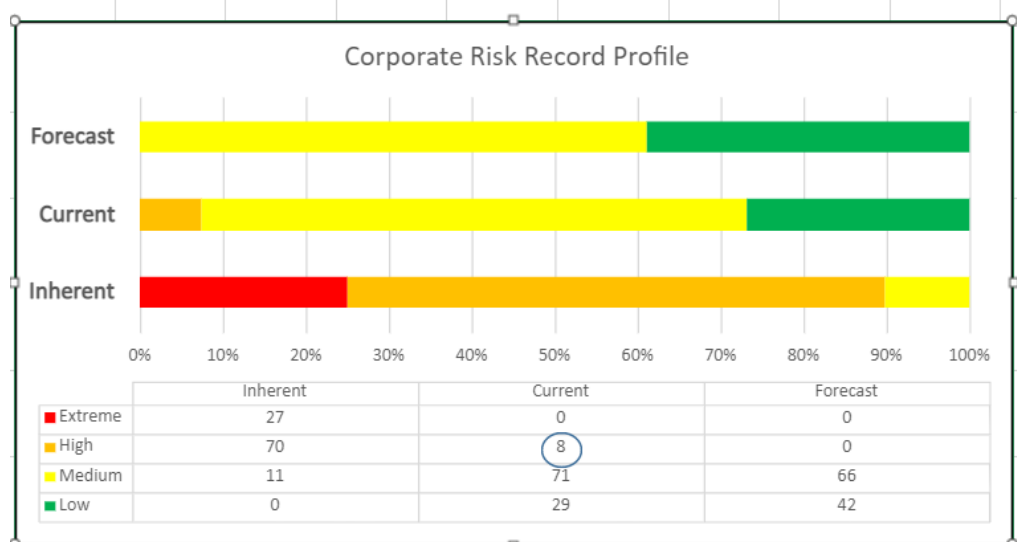
assumptions including potential new Planning and Design Code Amendments and new infrastructure (i.e. North South Corridor, Tonsley) to understand the future needs for the area.

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.

1.6 High risks

There are currently eight (8) 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. It is recommended that 1 of the High risk move to a Medium risk rating.

Table 3. Corporate Risk Register Quarter 1 2022-23 Review – Current Ratings






An excerpt of the Corporate Risk Register, outlining the eight (8) high-rated risks is provided in **Table 4**, which shows the movement in the current risk rating from last reporting period. There were two changes from the previous reporting Q1 to this reporting Q2. 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
CR0095	Poor data quality and data governance not supporting informed decision making	Extreme	High	↔
CR0064	Decentralised, unsupported, and unintegrated ICT systems to support current and future needs	High	High	↔
CR0058	Failure to understand, plan and act to respond to the projected impacts of climate change.	Extreme	High	↔
CR0053	Ineffective & inefficient organisational project and portfolio management/ monitoring to deliver strategic objectives and outcomes	High	High	↔
CR0026	Injury or harm/damage arising out of a failure of CoM contractors to comply with contract conditions and CoM HSE requirements	High	High	↔
CR0087	Supply chain issues creating an inability to complete projects on time and within allocated budget	High	Medium	↓
CR0007	Labour Market factors impacting on CoM to attract and retains talent.	High	High	↔
CR0076	Inability to attract and preserve external funding required for Community Services delivery (eg Hubs, CHSP)	Extreme	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**.

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

RISK ID	CR0095				
DATE LAST REVIEWED	January 2023"				
ELT	Office of CEO				
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 data governance not supporting informed decision making.					
Risk Statement					
There is a risk that poor quality and access to data within CoM systems doesn't allow for data driven decision making.					
Link to Strategic Plan	Council of Excellence				
Link to Business Plan	Digital Transformation Project				
Context/Background and Environmental considerations					
Due to the limited functions of the business systems, the business has needed to make manual work arounds, this can lend to data entry errors, this can contribute to long processes for information gathering and decision making.					
Stakeholders		Consultation			
Council, ELT, SLT and SMEs wishing to use data to support decision making.		Digital Transformation Program			
Risk source - Causes/Drivers					
<ul style="list-style-type: none">- Ineffective implementation of the DT program- Business units implement their own technology solutions- Lack of single source of truth for Corporate data- Inadequate strategic awareness/oversight of corporate data processes- Lack of standardised Data Quality Assurance processes- Obsolete Data Governance Framework- No resource/capacity to review/embed the Data Governance Framework- Poor data capture due to inadequate training around business processes & systems- Lack of IT training for staff (no IT Trainer role)- Lack of mobility tools for outdoor staff to capture data- Ineffective use of end user reporting and query tools					
Potential Consequences					
<ul style="list-style-type: none">-Non-compliance with related regulations/ legislation- Unsupported decision making- Inability to deliver identified business outcomes Inability to address business issues- Inability to provide innovation and improve efficiencies- Lack of data integrity- Inability to measure outputs and outcomes, resulting in unsupported decision making- Increased errors due to inefficient work processes- Decreasing value of data assets					
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	IT Manager
3	Software owner roles & responsibilities documented (org wide vs departmental)	ongoing	ongoing	Effective	IT Manager
4	Core application systems user groups with ICT business unit account & manager roles	ongoing	ongoing	Effective	IT Manager
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-22	Dec-26	Effective	Mgr. OoCEO
Overall Control Effectiveness				Effective	Quarter Ending December 2022
Planned Treatment		Status	Due Date	Revised Due Date	Responsible Officer
7	Finalise the data analytics road map for the implementation of the strategy and framework	On schedule	30/06/2022	30/07/2023	BI Lead
8	Implementation of Data and Analytics program	On schedule	01/12/2024		BI Lead
Ratio					

Planned Treatment Updates Q2

'PT3Cross Council collaboration (peer review of initiatives)-removed as no longer an initiative

'PT04 - DTP - COM9 data analytics completed

New PT 8 - Implementation of Data and Analytics program

Control Updates Q2

IC1 - DTP ELT Meetings (ICT steering committee) - removed no longer a control

Risk Description amended slightly - Poor data quality and information governance not supporting informed decision making to



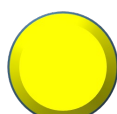
Poor data quality and data governance not supporting informed decision making

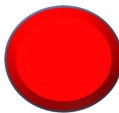


Risk causes and consequences have been reviewed and updated

Owner changed from Corporate Services to Office of CEO




SLT Risk Owner amended from Chief Data Officer to Business Intelligence Lead

Work Area Amended from Chief Data Officer to Business Intelligence




RISK ID	CR0064				
DATE LAST REVIEWED	January 2023"				
ELT	Corporate Services				
SLT	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					
- Ineffective implementation of the DT program - IT platform and operating systems no longer pertinent, potentially unfit for Business over the long term - Lack of strategic planning & investment in Business systems as Information Management assets - Lack of timely engagement with IT - Business units implement their own technology solutions - Lack of common IT architecture - Shortage of IT resources					
Potential Consequences					
- Inefficient corporate software systems - Ineffective use of IT staff resources - Inability to support & progress key business developments - Lack of flexibility, capacity &/or capability for future options - Poor customer experience - Frustrated staff - low morale - Increase turnover of staff - Business inefficiency - System instability &/or failures					
Implemented Controls		Endorsed/last reviewed Date	Review Date	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	Requires Improvement	Mgr. Cust Ex
3	DTP Change Management Plan	Feb-22	Aug-22	Requires Improvement	Mgr. Cust Ex
4	Digital Literacy training plan	Jan-21	Jun -23	Partially Effective	CIO
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	CIO
7	Cross Council collaboration (peer review of initiatives)	Jun-20	Jun-23	Partially Effective	CIO
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	On schedule	30/12/2022	July 2023	Mgr. Fin
5	Reviewing CoM Technology landscape and developing an IT strategy	On schedule	01/03/2023		CIO
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	CR0053					
DATE LAST REVIEWED	February 2023'					
ELT	City Services					
SLT	Information Services/Manager Operations/Manager City Activation					
Likelihood Rating Consequence Rating	Likely Major	INHERENT Risk Rating	CURRENT Risk Rating	TARGET Risk Rating		
Risk Description						
Ineffective & inefficient organisational project and portfolio management/monitoring to deliver strategic objectives and outcomes						
Risk Statement						
There is a risk that work areas across the organisation are managing projects and project risk through differing methodology and that projects are not easily able to be monitored by the Executive Leadership Team.						
Link to Strategic Plan	Council of Excellence					
Link to Business Plan	Digital Transformation					
Context/Background and Environmental considerations						
The Project Management Office was introduced a number of years ago with a Project Leader and a Project Support Officer. The team developed a Project Management Policy and Framework and implemented CAMMS project management software however, the implementation and uptake of these documents and software solution was inconsistent.						
Stakeholders		Consultation				
All data users within the business		All stakeholders				
Risk source - Causes/Drivers						
<ul style="list-style-type: none">- Inefficient set-up & utilisation CAMMS system- Lack of PMO resources- Inadequate assessment of organisational PM needs- Omission of key considerations in project outline e.g.: risk/WHS/finance/reporting/contracts						
Potential Consequences						
<ul style="list-style-type: none">- Failure to achieve strategic objectives- Poor business/project planning-. Inability to effectively delivery of projects- Inappropriate use of resources- Inadequate staff levels for projects- Community dissatisfaction- Reputation damage						
Implemented Controls			Endorsed/last reviewed Date	Review Date	Control Effectiveness	Responsible Officer
1	Prudential Management Policy		Dec-21	Dec -22	Requires Improvement	CFO
2	Project Management Framework		Dec-21	Dec -22	Requires Improvement	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 December 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

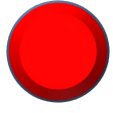


3	CAMMS being reconfigured, reimplemented and retrained	On schedule	01/09/2023		Snr PM FT
4	Prudential Management Policy being refreshed	On schedule	30/04/2023		CFO
5	Prudential Management Policy being refreshed	On schedule	30/04/2023		CFO
6	PMO implementation	On schedule	July 2023'		CIO
Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete" Risk Owner has been transferred from Corporate Services to GM City Services Control Update December 2022 IC01 - Prudential Management Policy - policy is being refreshed <input type="checkbox"/> IC02 - Project Management Framework - framework is being refreshed <input type="checkbox"/> IC06 - Project Management Office - has been removed as no longer exist IC07 - Cross Council Collaboration remove - no longer applicable Two new PT add PT 3 & PT 4 Project Management across the organisation is not at a maturity level to warrant a change to risk rating					

RISK ID	CR0007				
DATE LAST REVIEWED	January 2023'				
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					
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					
Labour market demand is outstripping supply and ability to offer competitive salaries					
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- Organisational Culture					
Potential Consequences					
<ul 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 Teamgaze	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
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-22	ongoing	Effective	UM P&C
18	Talent Attraction strategies managed by talent Acquisition Partner	Oct-22	ongoing	Effective	UM P&C
19	Explore opportunities to promote CoM as an employer of choice, e.g. Career fairs	Oct-22	ongoing	Effective	UM P&C
20	Leadership framework implemented (Marion Accerate Program)	Dec-22	ongoing	Effective	L&D Partner
21	Partnership with external subject matter expert to support enterprise-wide workforce planning approach	Dec-22	ongoing	Effective	L&D Partner
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	30/06/2023	UM P&C




Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" "	
Planned treatment update PT01 has been extended from Dec 2022 to June 2023	
Comments	
Controls added 20. Leadership framework implemented (Marion Accelerate Program) 21. Partnership with external SME to co-develop organisational approach to the Workforce of the Future strategy No change to risk rating - will review next quarter to see if new controls have made any impact.	
Completed Controls and Treatment plans	
Two PT's have been closed 3. Partnership with external subject matter expert to co-develop organisational approach to the Workforce of the Future strategy - completed 4. Leadership framework to be developed and implemented (will replace/revamp the LEAD program) replaced with Marion Accelerat Program - completed	

RISK ID	CR0058				
DATE LAST REVIEWED	30/01/2023				
ELT	City Services				
SLT	Engineering Assets and Environment				
Likelihood Rating	Possible Major	INHERENT Risk Rating	CURRENT Risk Rating	TARGET Risk Rating	
Risk Description					
Failure to understand, plan and act to respond to the projected impacts of climate change					
Risk Statement					
There is a risk that extreme weather events, coastal inundation and protracted and enduring changes in weather patterns caused by climate change/global warming will result in an increase in operating costs due to asset damage and accelerated deterioration, damage to Council natural and built environments and an increasing disconnect between Councils capacity to deliver facilities and services and the community's expectations					
Link to Strategic Plan	Valuing Nature				
Link to Business Plan	Series of supporting processes and guidelines (i.e. ESD guidelines for new building and refurbishments) guide project/initiatives such as the development of the Asset Management Plans				
Context/Background and Environmental considerations					
Climate change is already affecting aspects of CoM operations including how we undertake business and activities and how we design, build and refurbish facilities and infrastructure. It is recognised that unless we ensure we have a sound understanding of the projections and impacts of climate change and incorporate this knowledge into the design and management of infrastructure and the mode of delivery of services we risk exposing the community to increased operating costs and a decrease in the utility of infrastructure and service.					
Stakeholders		Consultation			
Community, Elected Members, State and Federal Governments, Risk Unit/ Governance, City Activation, City Development, SME's and Local Business, Resilient South, Regional Climate Partnership, Consultants		Consultation through the Climate Risk Governance assessment (internal survey/SLT interview/ focus/group interview). Common Thread engagement initiative, Local Member, Resilient South Regional Climate Partnership collaboration, Community of Practice (through RCP)			
Risk source - Causes/Drivers					
<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 - Property value decreases - 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 approaches in adaptation planning as part of the Resilient South Regional Implementation Plan review.	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	On schedule	30/06/2022	01/06/2023	UM ES
Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"					
Following consequence reworded Reduced rates revenue as property values go down to Property values decrease					
No Change to Risk Rating					

RISK ID	CR0026				
DATE LAST REVIEWED	January 2023'				
ELT	CEO				
SLT	People & Culture				
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 of Marion Property Asset Strategy 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					
<ul style="list-style-type: none">Serious injury to Workers, Contractors or member of Public- Disruption to works impacting CoM & team- Disruption to works impacting local community- CoM exposure to liability- Officers' exposure to criminal litigation- Reputation damaged through adverse media coverage- Net increase in operating costs					
Implemented Controls		Endorsed/last reviewed Date	Review Date	Control Effectiveness	Responsible Officer
1	Contract Management Policy & Procedure	Jun-21	May-23	Effective	Mgr. St Procurement
2	Contract Management Checklist - include incidents/near misses or hazards the	ongoing	ongoing	Effective	UM WHS
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 currency	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	Mgr. St Procurement
7	Contractor Induction/Observation/Monitoring forms are completed for site induction, observation and monitoring (inc record keeping)	Jun-22	ongoing	Effective	Mgr. St Procurement
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
5	Review of WHS process for Contractors	Plan & Scoping	30/09/2023		UM WHS
Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"					
IC2 Cross Council collaboration (peer review of initiatives) - removed as no longer completed					
January 2023 - New PT added					
Review of WHS process for Contractors - WHS currently reviewing the process across CoM.					

RISK ID	CR0087					
DATE LAST REVIEWED	January 2023'					
ELT	Corporate Services					
SLT	Mgr. Strat Procurement					
Likelihood Rating	Likely	INHERENT Risk Rating	CURRENT Risk Rating Medium	TARGET Risk Rating		
Consequence Rating	Minor					
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.						
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, e.g. streetscapes etc have increased. In several recent examples at COM across major projects, reserve upgrades and civil works all submissions have been above the allocated budget, thus leading to requesting additional funding via Council. This is a by-product of the current supply and demand market forces.						
Stakeholders		Consultation				
Strategic Procurement City Activation Open Space and Rec Planning Civil Services Land and Property		Strategic Procurement Strategy and Risk				
Risk source - Causes/Drivers						
- building stimulus package - fluctuating pricing - increase in price of materials - shortage of available materials from suppliers - availability of suitable contractors - reduced numbers of tender submission - tenderers withholding submissions waiting on grant approvals before committing - variations on contracts - Shortage of skilled labour for contract/project delivery - Material increase in costs - inflationary and availability pressures						
Potential Consequences						
1. Additional costs to complete projects 2. Delays in completion, not meeting deadlines 3. Reputation damaged 4. Community dissatisfaction 5. Adverse media coverage 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
1	Schedule tendering outside of sector wide peak periods of tendering - ongoing in current market conditions (FRAC to see)	On schedule	ongoing		Mgr. St Procurement
Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"					
Completed Controls and Treatment plans					
Ongoing treatment - being monitored					
Comments					
<p>January 2023</p> <p>Forward procurement plan for upcoming 12-18 months in progress, will enable elements to be published to market.</p> <p>Upcoming high value construction projects were shared with market in December, to ensure increased competition (with positive feedback).</p> <p>Continue to monitor moving forward.</p> <p>Recommendation for Q2</p> <p>'Overall rating rerated from HIGH to MEDIUM</p> <p>Risk has been rerated this quarter from High to Medium, All factors for this Risk is taken into consideration at project scope and earlier tender process as well as actual costs to budgeted costs are monitored which has lowered 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.</p> <p>Risk Rating Changed to Medium</p> <p>Likelihood - Likely - Likely</p> <p>Consequence - Moderate to Minor</p>					

RISK ID	CR0076				
DATE LAST REVIEWED	January 2023*				
ELT	City Services				
SLT	Unit Manager Community Wellbeing				
Likelihood Rating	Almost Certain	INHERENT Risk Rating	CURRENT Risk Rating	TARGET Risk Rating	
Consequence Rating	Moderate				
Risk Description					
Inability to attract and preserve external funding required for Community Services delivery (eg Hubs, CHSP)					
Risk Statement					
CoM may not be able to provide Community Wellbeing programs if funding is reduced or will need to limit the programs and services offered.					
Link to Strategic Plan	Engaged				
Link to Business Plan					
Context/Background and Environmental considerations					
Future funding of CNDP and CHSP remains a risk. Community Hubs (CNDP) funding model has changed with no future funding guaranteed. CHSP funding beyond June 2023 still TBC, with some providers, including LG, withdrawing from this sector (only 3 of the 68 in SA). Others are remaining in. Risk profile therefore changed from Unlikely to Almost Certain for Oct 2022 and unable to control outcome until funding outcome is known.					
Stakeholders		Consultation			
Council, ELT, SLT		Unit Manager Community Wellbeing			
Risk source - Causes/Drivers					
<ul style="list-style-type: none"> - Failure to meet CHSP audit, other mandatory requirements or Aged Care Quality Standards that leads to funding reduction / cessation, - Failure to meet CNDP funding requirements - Political or policy change that impacts funding allocation / availability - Changes to funding availability and distribution 					
Potential Consequences					
1.Cessation of CHSP funding, Community Care services, Cessation of Community Hubs project (CNDP). 2.Displacement of CoM employees 3.Reputation harmed 4. Decreased or low / no engagement with vulnerable and isolated groups within the community. 5. Lost opportunity to maximise principles of equity, access and social inclusion.					
Implemented Controls		Endorsed/last reviewed Date	Review Date	Control Effectiveness	Responsible Officer
1	Formal Grant Acquittal process - Program practices comply with external funding providers	TBA	TBA	Effective	UM CWB
2	Equity access and Social Inclusion Policy	TBA	TBA	Effective	UM CWB
3	Procurement, Contracting and Tendering controls and processes	TBA	TBA	Effective	UM CWB
4	Accounts payable controls and processes	TBA	TBA	Effective	UM CWB
5	Accounts Receivable controls and processes	TBA	TBA	Effective	UM CWB
6	Work Area comprising suitably skilled and qualified staff	TBA	TBA	Effective	UM CWB
7	Respond to audit and accreditation findings once undertaken	TBA	TBA	Effective	UM CWB
Overall Control Effectiveness				Effective	Quarter Ending December 2022
Planned Treatment		Status	Due Date	Revised Due Date	Responsible Officer
1	Completion of audit actions	On schedule	March 2023*		UM CWB
2	CoM to respond to 2022 Age Care Standards Audit outcome	On schedule	March 2023*		UM CWB
Rationale for Controls "Overdue for Review" & Treatments "Behind Schedule" or reported "Complete"					

7.6 Internal Audit Plan 2022 - 2023

Report Reference	FRAC221213R7.6
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**
Completed – Attachment 1
- **Volunteer Management – Q2** – Complete – Attachment 2
- **Community Consultation – Q2/3** – Audit complete – presented December 2022
- **Customer Experience – Q3** – in progress
- **Cyber Security – Q4** – scope complete. Kick off Meeting scheduled for end of Feb 23.

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

Digital Transformation Health Check – Final Report Attachment 1

The objective of the DTP Health Check internal audit was to perform a mid-program review of the CoM's DTP focusing on project management and lessons learnt. This included consideration of the processes, policies and procedures in place to govern the program.

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

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

Overall, there were five (5) findings with four (4) process improvement opportunities. Of the five findings, four (4) were high and one moderate (1).

The four high findings relate to:

1. Strain of program resourcing
2. Stakeholder engagement
3. Insufficient requirements scoping prior to going to market
4. Minimal information on integration strategy.

A full copy of the report is included in **Attachment 1**.

Volunteer Management – Attachment 2

The objective of the **Volunteer Management** internal audit was to assess arrangements in place to manage and oversee volunteers working with the CoM.

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

- Examine documented policies, procedures and plans intended to provide governance over the volunteer management processes, including the CoM's 21 – 24 Volunteer Strategy.
- Review volunteer coordinator roles and responsibilities and consistency of volunteer management practices across different areas of council.
- The end-to-end process for volunteers, including attraction, selection/acceptance, induction, engagement, volunteering activities and cessation, with a focus on key risks, controls and any gaps.
- High-level consideration of better practice and improvement opportunities.
- Review of the effective implementation of recommendations related to the 2018 internal audit.

Overall, there was one (1) moderate finding with three (3) process improvement opportunities. the one finding related too:

- Gaps identified in the retention of volunteer records

A full copy of the report is included in **Attachment 2**.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

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

ATTACHMENTS

1. Co M Digital Transformation Health Check Final Report 31.01.23 [7.6.1 - 23 pages]
2. Co M Volunteer Management Internal Audit Report Final [7.6.2 - 23 pages]



City of Marion

Digital Transformation Program Internal Audit

January 2023



Table of Contents

1.0 Executive Summary	Page 3
2.0 Background	Page 5
3.0 Internal Audit Findings	Page 7
4.0 Performance Improvement Opportunities	Page 17
Appendix 1 – Staff Consultation	Page 19
Appendix 2 – Classification of Findings	Page 20



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1.0 Executive Summary

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

In accordance with the 2022/2023 Internal Audit Plan for the City of Marion (CoM), an internal audit focussing on the CoM's Digital Transformation Program was performed.

Objective & Scope

The objective of this internal audit was to perform a mid-program review of the CoM's Digital Transformation Program, focussing on project management and lessons learned. This included consideration of the processes, policies and procedures in place to govern the program. The scope of the Digital Transformation Health Check internal audit included consideration of the following areas:

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

Key Observations

The Digital Transformation Program (DTP) is an initiative by the CoM to uplift and transform its current system and process. The project commenced in 2020 with an estimated 3 year timeline, tackling 12 key areas ranging from Digital Literacy to Financial Transformation.

A total of 5 findings and 4 performance improvement opportunities were identified as a part of the internal audit.

Listed below are several key observations observed in relation to the findings:

- With a high staff turnover and constant role re-allocation, the CoM has struggled to retain resources in programs. Although external parties have been hired to address this gap, it has been noted that the tight employment market has affected the CoM's ability to hire staff with the right expertise and background to support the project.
- Preparation prior to the procurement of the system was inadequate. Insufficient requirement scoping and the lack of an integration strategy has affected the implementation stage of the program planning. Gaps in the scoping and integration were noticeable.
- Change management was initially managed well but has since digressed across the program. Communication and stakeholder management has not been consistent with a number of key stakeholders not consulted or informed of changes within the program.
- There are opportunities to improve business processes and create a more cohesive collaboration within the program. These recommendations align with the key findings, particularly in regards to stakeholder engagement and requirement scoping of a system.
- It has been identified that there is a lack of post implementation reviews supporting the program. As this has already been flagged in the Project Management Internal Audit FY21-22, this was not included in our findings.

Positive Observations

A number of positive observations were identified during the course of this internal audit, and are summarised below:

- ✓ Overall budget management for the program was tracked and managed well. Issues surrounding resourcing and budget was within tolerance. Budget variations were raised and reported to the Project Board Committee to be reviewed.
- ✓ Digital Literacy amongst staff members has increased as the program progressed. This was identified as a high risk in the program and was mitigated by identifying and training staff members with low digital literacy.
- ✓ Data migration was conducted well based on past programs, specifically the Microsoft 365 rollout and the Intranet transfer. The projects were handled well due to staff's knowledge and expertise in Microsoft and SharePoint.

1.0 Executive Summary (cont.)

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Summary of internal audit findings

Through our discussions with stakeholders, documentation review and sample testing performed, Internal Audit identified four (4) high rated finding, one (1) moderate rated findings, and four (4) performance improvement opportunities (PIO). The following table provides a summary of our risk rated findings, the relevant issue owner and target date for implementation.



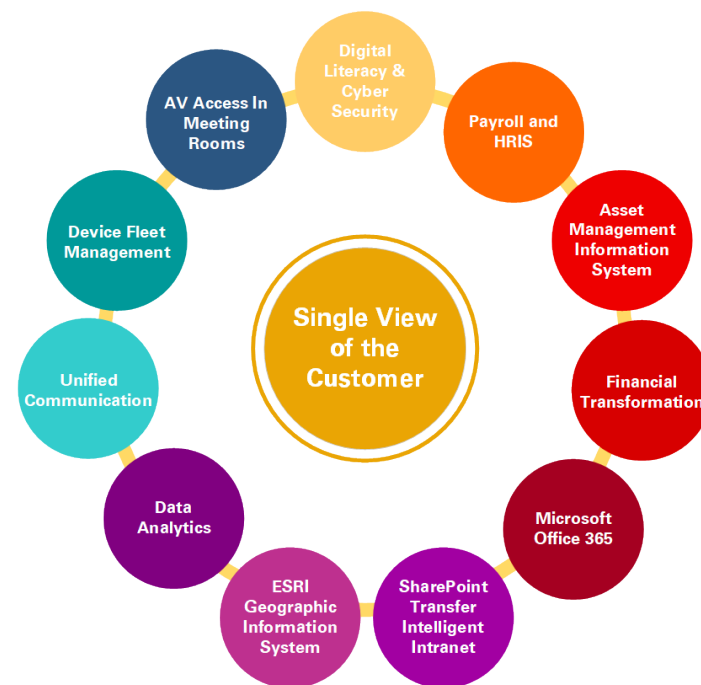
Rating	Ref #	Description	Issue Owner(s)	Target Date(s)
High	F1	Strain on program resourcing	Chief Information Officer	30 June 2023
High	F2	Stakeholder engagement was inadequate	Chief Information Officer	30 June 2023
High	F3	Insufficient requirement scoping prior to go-to-market	Chief Information Officer	30 June 2023
High	F4	Minimal information on integration strategy	Chief Information Officer	31 March 2023
Moderate	F5	Change management not monitored	Chief Information Officer	Implemented
PIO	PIO1	Opportunity for Council to chose fit-for-purpose systems	Chief Information Officer	Implemented
PIO	PIO2	Content of Project Board Meeting focused on technical knowledge	Chief Information Officer	Implemented
PIO	PIO3	Project driven by committed Go-Live dates	Chief Information Officer	Implemented
PIO	PIO4	Opportunity to map business process	Chief Information Officer	Implemented

Overview

The CoM is in the process of transforming its IT systems to uplift and transform its current systems and processes. The Digital Transformation Program (DTP) tackles 12 key areas:

- Digital Literacy & Cyber Security:** To improve confidence with technology and ensure systems and tools are utilised to its full capacity.
- Payroll and HRIS:** To replace the paper-based payroll system into a digital system, allowing staff access to payroll information online 24/7, complete time sheets, apply for leave and check RDO balances. It also includes several HR modules providing data in real time.
- Single view of the customer:** A new Customer Relation Management (CRM) system, My Marion, has been implemented to provide a single integrated view of each customer and their interaction, enabling the CoM to deliver a more personalised service.
- Asset Management Information System (AMIS):** This base focuses on improving, monitoring and maintaining the CoM's \$1 billion asset through an improved Asset Management Information System.
- Financial Transformation:** The CoM plan to adopt a cloud-based system to enable real-time financial reporting and create a more agile and data-driven access to Elected Members, executive and leaders.
- Microsoft Office 365 Rollout:** Microsoft 365 to be rolled out within the organisation for a more integrated ecosystem for efficiency. On-premise environment will be transitioned to a cloud-based environment.
- Intranet Transfer – Smart Transfer:** Enables staff to access files when working from home or off-site, helping staff to work better and collaborate.
- Geographic Information System (GIS):** GIS environment replaced by Esri GIS platform to provide tools to develop the Smarter Cities project and deliver better services to the community.
- Data Analytics:** Project focuses on transforming data into decision-ready information. This will provide the CoM the tools to analyse the data to create a robust, evidence-based decision to will help serve and support the community.

- Unified Communication:** CoM aims to redesign their desktop environment enabling a more mobile usage.
- Device List and Management:** Staff are to be equipped with the necessary up-to-date hardware to assist with their roles and responsibilities.
- AV Access in Meeting Rooms:** Meeting rooms are to be redesigned to facilitate video conferencing, telepresence, and interactive meetings.



Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Project Status

The DTP commenced in 2020 and is expected to be completed in early 2023 over a 3 year timeline. The overall project status and timelines have been amended but no major changes are scheduled within the programs.

Projects	Original End Date	Forecasted End Date	July 2022 Status	Comments
1. Digital Literacy & Cyber Security	May 2020	August 2021	Amber	Revised short term plan drafted and staff training underway.
2. Payroll and HRIS	January 2022	January 2022	Amber	HRIS Scope amended and payroll processing issue escalated to vendor. Some issues with Aurion solution.
3. Single View of the Customer (CRM)	July 2022	July 2022	Green	Hard-waste project underway on track with schedule.
4. Asset Management Information System (AMIS)	July 2022	January 2023	Amber	Project timeline and roadmap revised. Additional resources required to meet scheduled timeline.
5. Financial Transformation	October 2022	February 2023	Amber	Change Manager engaged for additional support. Staff training to commence. Some contention with business process and system configuration. Property and Rates outstanding.
6. Microsoft Office 365 Rollout	October 2022	October 2022	Green	Project completed.
7. Intranet Transfer – smart Intranet	April 2021	August 2021	Green	Project completed.
8. Geographic Information System	May 2021	July 2021	Green	Project is in integration stage and is on track to completion.
9. Data Analytics	April 2022	November 2022	Amber	Project is overdue and un-resourced. Recruitment currently underway for key project resources.
10. Unified Communications	January 2021	December 2022	Green	Headsets to be reviewed.
11. Device List and Management	January 2021	December 2021	Amber	Additional resources acquired to assist. Hardware deployment on track.
12. AV Access in Meeting Rooms	December 2020	December 2021	Green	Remaining hardware acquired and to be deployed. Minor issue regarding security software upgrade.

LEGEND:

Project has high risks and is behind schedule

Project has some minor risks but is on track or completed

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Finding 1 – Strain on program resourcing**High****Observation**

With increased staff turnover in the program, staff resourcing has been a source of contention between programs. There was a consensus amongst the stakeholders interviewed that project resourcing has become a major risk from a program continuity perspective. Employees conducting Business as Usual (BAU) activities or were already assigned to a project were re-allocated to projects that urgently required additional resources.

Re-allocated employees have typically been unprepared for the changed role with insufficient training and preparation prior to the role re-allocation. Due to the constant re-allocation and redefinition of roles and responsibilities, staff have been increasingly uncertain about their roles with some having departed as they were not performing the role they were hired for.

Alternatively, internal resources within the CoM from other departments (i.e. ICT staff) have been called upon to address the resource shortage. Staff called upon from within the CoM often had limited knowledge of the program or lacked the expertise and knowledge required for their assigned roles.

Resourcing concerns has been an ongoing issue with it flagged since the February 2022 Executive Lead Team meeting. It has been noted in the ELT meetings that the increased staff turnover and the role re-allocation has affected staff morale and retention. Project Managers were asked to monitor and improve 'Team culture' within their team but loss of key resources remain high. This has affected program continuity, resulting in:

- Inconsistent vendor relationship management with contractors and suppliers due to changing staff members.
- A smaller pool of resources with the necessary knowledge and skills to assist in the project.
- Additional time required to train new staff members or replacement.

The CoM has attempted to mitigate this by sourcing through an external consulting organisation but are ultimately still lacking the required resources with the skill and capabilities. Current projects such as AMIS and Data Analytics are in need of Business Analysts to assist with business requirements and the project delivery to meet the forecasted completion date. Other projects require specific skillsets or technical knowledge regarding the system, such as in the case of the Salesforce CRM project which requires a Salesforce expert to support the CoM with defining their requirements.

The employment market has played a part in the decreasing talent pool as people with niche skills and knowledge required for the program have been scarce and in high demand. A recruitment drive for Business Analysts is in process but it has been noted that with depleting resource pool within Adelaide, this may continue to be unfruitful.

(Continued on following page)

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Finding 1 – Strain on program resourcing**High**

Risks	Recommendation(s)	Agreed Management Action(s)
<p>A lack of resourcing within the program may result in:</p> <ul style="list-style-type: none"> Disparity with the project quality with some deliverables fully defined and up to standard while others remain at a sub-standard level. Hiatus or delays with the project timeline. Increased costs in the projects. Higher staff turnover due to the uncertainty of their role and lack of assurance from program managers. Program delay due to lack of expertise and knowledge. Employee inadequately trained for their role, increasing likelihood of errors and issues within programs. 	<p>Internal Audit recommends the CoM:</p> <ol style="list-style-type: none"> Allow adequate planning and preparation to source resources with the necessary skillsets for each project. This will then need to be resourced from either internal resources with backfill into the business as usual (BAU) roles (contractors) or contract external resources direct to the projects and use business resources as Subject Matter Experts (SME). The backfill will enable business and project continuity should a resource be re-allocated or a position becomes vacant. This will also assist with resource contention between BAU and project work. Potentially look at a delivery partner model to divest the risk of program resourcing. By engaging a delivery partner, the CoM can tap into resources that have the necessary skillset to assist with the current projects. This will provide a consistent program workforce, especially given the tight employment market. 	<ol style="list-style-type: none"> Notwithstanding that the CoM's project management framework is still under development, all new ICT projects will be using a project management discipline with currently available tools and templates tailored for ICT projects. The budget development will include a requirement for articulating the funding required for business area backfill, CoM project management and administration, Vendor Implementation, licensing and ongoing BAU costs. The implementation of a revised Information services structure in December 2022 will also assist in ensuring adequate resourcing. Any new projects moving forward will consider the benefits of delivery partners.
<p>Responsibility: Chief Information Officer</p> <p>Target date(s): Recommendation 1 - 30 June 2023 (subject to CoM Project Management Framework approval)</p> <p>Recommendation 2 – Completed as new projects will adopt this approach</p>		

3.0 Internal Audit Findings

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Finding 2 – Stakeholder engagement was inadequate

High

Observation

While a Project Delivery Plan was established in each project, approval for key program decisions were driven by the Project Sponsor with minimal evidence of stakeholder consultation and without the awareness of the Project Board Members.

Instances of this were noted in the decision log for Financial Transformation with the Project Sponsor approving FinancialForce into Production without evidence of consultation from Subject Matter Expert (SME) or key stakeholders such as the business owner or IT Operations.

Minor changes, such as scope or timeline adjustments, which required the approval of a key stakeholder were communicated by the Project Sponsor through short meetings or email. Through these channels, an undertone of urgency was felt which required the stakeholder's quick approval without providing evidence or rationale explanation behind the decision. Although decisions are documented in a register, not enough information was provided for clear justification.

Whilst it has been noted that there was disengagement between the Project Sponsor and key stakeholders, it was indicated that there was a sense of disconnect between senior management and employees.

Stakeholder engagement had been highlighted as a risk in change management but engagement between project manager to business was ultimately inadequately managed. There is a lack of stakeholder identification from the business level which has contributed to the issues surrounding stakeholder engagement. Although important changes and decisions were communicated to the employees, minor changes in the system were not conveyed effectively and could have been better managed.

Although stakeholder management has since improved after the departure of the previous Project Sponsor, better measures and controls should be in place to ensure relevant stakeholders are aware and across any key decision that affect their projects.

(Continued on following page)

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Finding 2 – Stakeholder engagement was inadequate**High****Risks**

- Implementation failure due to lack of consultation and support from subject matter experts.
- Failure in engaging critical stakeholders increase the risk of implementing a system that does not deliver the CoM's business needs. This will result in potential business disruption.
- Implementation failure due to lack of consultation and support from subject matter experts.
- Increased likelihood of change resistance amongst BAU staff due to lack of transparency and communication behind the decision process.

Recommendation(s)

- Internal Audit recommends the CoM:
1. Develop and implement a project approval process for each project outlining:
 - a) The roles and responsibilities
 - b) Clear reporting lines
 - c) Approval process workflow.
 2. Provide further information within the decision log document, capturing:
 - a) Details of the decision
 - b) Proposed completion date
 - c) Responsible party or parties
 - d) Status
 - e) Closing remarks or action conducted.

Agreed Management Action(s)

1. Whilst the ICT projects have a discreet set of templates and tools tailored to ICT requirements, all ICT projects will apply the governance, decision making and reporting requirements outlined in the CoM's upcoming Project Management Framework which includes roles and responsibility, reporting lines and approval processes.
2. The ICT projects management tools and templates now includes a decision log.

Responsibility: Chief Information Officer**Target date(s):** Recommendation 1 – 30 June 2023 (subject to CoM Project Management Framework approval)

Recommendation 2 – Completed as tools are now in place and new projects will adopt this approach

3.0 Internal Audit Findings

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Finding 3 – Insufficient requirement scoping prior to go-to-market

High

Observation

The requirement scoping for systems was inadequate prior to the CoM going to the market.

To ensure a system is able to address the business and technical needs of an organisation, the functional and non-functional requirements are scoped and released to the vendors to assess against their proposed solution.

The CoM's Procurement Procedure includes a section regarding requirement scoping, but the content lacked details. The section focused on the documentation required and the Project Manager's role rather than the scoping process itself and the verification of the above mentioned requirements.

As a result, the CoM was unable to conduct sufficient deep-dive sessions to fully understand the needs and requirements of the new solution. This has potentially impacted the system selection, with systems unable to address areas that were insufficiently scoped in the initial requirement specification.

Sessions were conducted with minimal consultation of SME's, thus resulting in a more generic requirement scoping. As part of the process, the requirements undergo a peer review but the process itself focused on adhering to the outlined procurement process rather than ensuring the requirements are relevant and sufficient prior to the go-to-market phase.

The inadequate requirement scoping has resulted in the following issues:

- Issues with Salesforce FinancialForce (financial system) back-end process further straining resources as employees spend additional time and effort attempting to resolve the issues while conducting their day jobs.
- Salesforce Customer Relationship Management (CRM) user licensing was insufficient, due to high-level assumptions being made about user numbers and licence types, rather than defining the CoM users and confirming with the vendor what would be required.

(Continued on following page)

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Finding 3 – Insufficient requirement scoping prior to go-to-market**High**

Risks	Recommendation(s)	Agreed Management Action(s)
<ul style="list-style-type: none"> Sub-standard system quality with some processes done manually or require workarounds. Strain in resources as they are re-allocated to assist with issues that the vendor is unable to manage or issues that surfaced due to the insufficient scoping. Potential for the project to undertake the procurement process again if the vendor is unable to address the gaps and inadequacies with the procured system. This can cause the project to go over the allocated budget and extended the timeline Procured system unable to fully assist the CoM's organisational needs as business requirement were inadequate or not fully defined. Issues with the integration of system as this was not defined in the technical requirements. Increased costs if there is a requirement for new functionality, configuration of systems or user licensing. 	<p>Internal Audit recommends the CoM:</p> <ol style="list-style-type: none"> Prioritise internal planning for requirements gathering prior to go-to-market. When business requirements span across business units or functions, a business process approach should be followed to gather the functional and business needs. This will enable the process to inform the business and data requirements across functions and prevent siloed requirements and data. Provide more focus on requirements (mandatory) in the Procurement Procedure, highlighting it as an importance process in defining the scope of the system. Ensure all key stakeholders and SMEs are involved in the requirement scoping. Identify which stakeholders should be involved and at what stage of the process. A validation meeting should be included to confirm that the requirements meet business needs. All requirements should be endorsed by the key business stakeholders defined in the project development plan and approved by the business owner. Review enterprise architecture to ensure principles are clearly defined and the future state architecture supports ongoing procurement decisions. 	<p>Notwithstanding that the CoM's project management framework is still under development, all new ICT projects will be using a project management discipline with currently available tools and templates tailored for ICT projects which includes:</p> <ol style="list-style-type: none"> 1 & 2. High level requirements gathering as part of the business case development and then as required, detailed requirements gathering with those considered mandatory clearly identified and incorporated in tender documents. 3. Stakeholder mapping which will identify SMEs and others that are required to be engaged in requirement scoping and signoff. 4. The CoM is currently developing an IS Strategy that will help define the current and future CoM enterprise architecture moving forward.
<p>Responsibility: Chief Information Officer</p> <p>Target date(s): Recommendation 1, 2 and 3 - Completed as tools are now in place and new projects will adopt this approach</p> <p>Recommendation 4 - 30 June 2023</p>		

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Finding 4 – Minimal information on integration strategy**High****Observation**

Although integration was taken into consideration in the requirement scoping of a system, an integration strategy was not established.

Through stakeholder consultation, Internal Audit identified that the program does not have an integration strategy that outlines:

- Digital Strategy Roadmap or integration mechanisms, defining key activities, deliverables, dependencies, critical data flow.
- API integration table detailing the systems and data required for the integration piece.
- System or solution architecture to provide an overview of the current ICT infrastructure, data flow and integration interfaces.

The lack of documentation or strategy has caused issues related to data silos – data managed by one division that is not partially or fully accessed by other divisions. As systems and technologies were chosen via a best-of-breed approach, they were selected based on a siloed requirement and function rather than as a result of a cross business process.

Due to the lack of preparation and integration strategy, issues have arisen and been worked on in an ad-hoc manner. Furthermore, there is an absence of an Enterprise Architecture (EA) role across the current programs. The EA provides technical guidance and governs components required for a seamless integration of systems and data.

With Financial Transformation and AMIS nearing the integration phase, an EA role is required to oversee this phase.

Inability to address the integration strategy and data silos could potentially increase the risk of a delay to the timeline and inefficient business processes and practices in the new systems.

(Continued on following page)

3.0 Internal Audit Findings

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Finding 4 – Minimal information on integration strategy

High

Risks	Recommendation(s)	Agreed Management Action(s)
<p>The lack of an integration strategy can create a knock-back effect and may result in:</p> <ul style="list-style-type: none"> • Double entry across systems. • Loss of information and inaccurate data due to incorrect integration. • Unclear direction on which systems are required to be integrated. • Poor data quality and end-user experience. • Data contention between systems. • Disparate reporting from systems. • Potential for system to be re-structured wasting time and resources. • Data silo creating a less collaborative environment. • Data issues across systems as well as issues with processes that span business units and functions, i.e. HR, Finance and Payroll. 	<p>Internal Audit recommends the CoM:</p> <ol style="list-style-type: none"> 1. Appoint an EA to the program to govern integration, including defining the system reference architecture and integration patterns. 2. Develop a formalised integration strategy to guide the program and projects. The strategy should provide clear direction and guidance on what is required to create a successful integration between systems. 3. Review the integration phase from successfully completed projects and capture any key actions that can be replicated in the current programs. Provide documentation outlining key areas of improvement and aspects that made the integration successful to reduce risks related to the integration phase. 4. Consideration of the ongoing operating model for integration aspects. 	<p>The lack of an integration strategy is seen as a key risk in the ongoing sustainability of the current product suite and new developments. As a result:</p> <ol style="list-style-type: none"> 1. An Enterprise Architect will be engaged as required to provide program governance over integration of the program. 2. An integration strategy to help guide future projects will be developed. 3. The integration strategy will include reference to integration post implementation reviews and continuous improvement. 4. The integration strategy will include the requirement for an application support framework to be developed for each project as they transition into BAU.
<p>Responsibility: Chief Information Officer</p> <p>Target date(s): 31 March 2023 for development of strategy (note implementation of integration layer for existing systems will be subject to funding availability)</p>		

3.0 Internal Audit Findings

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Finding 5 – Change management not monitored

Moderate

Observation

Change management has not been monitored as the program progressed leading to an increased risk for project failure and change resistance amongst staff members.

Change management was well executed at the beginning of the project with a well-established foundation and the change process managed efficiently. Projects such as the Microsoft roll-out and Intranet transfer were successfully completed due to robust change management.

However, through stakeholder consultation, Internal Audit identified the following gaps:

- Current change management processes are lacking, impacting the current projects such as Financial Transformation and Payroll & HRIS.
- End-users of the Financial Transformation Projects were not informed of the upcoming changes. Staff were informed that the project was designed as a transformational piece rather than a 'lift and shift'. This has increased dissatisfaction amongst end-users as the current system functioned similarly to their old system and was not an improvement on current work.

As it stands, the current Finance system has been in use and configured and customised for many years to meet changing business needs and requirements. This will require additional change management detail and support to bring all staff into the new ways of working with the Salesforce Financial Force system.

Although a Change Manager has been allocated for the program, the capability has yet to be fully realised due to the need to work through the existing backlog of issues within the project and allow time for the Change Manager to get up to speed on the current projects within the overall Program.

(Continued on following page)

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Finding 5 – Change management not monitored**Moderate**

Risks	Recommendation(s)	Agreed Management Action(s)
<ul style="list-style-type: none"> Increased staff dissatisfaction and change-resistance throughout the Council due to the lack of training and awareness of the system and its functionalities. Risk that opportunity for improvement may be replaced with the current ways of working. Ongoing miscommunication of issues amongst internal staff members. Increased risk of the project stagnating or for Go-Live to be pushed back. Risk that original program benefits will not be achieved due to change support across the business units. 	<p>Internal Audit recommends the following:</p> <ol style="list-style-type: none"> Utilise previous Change Management Model/Framework to provide consistent change management across the program. Develop a Change Management Plan which aligns with the current Change Management Model/Framework. The document needs to be formalised and should outline: <ol style="list-style-type: none"> Risks mitigation strategies Stakeholder Communication Plan Training/awareness of the system's functionalities. Ensure that opportunities for improvement are provided sufficient Change Management time and effort to succeed. 	<p>Effective change management is seen as a key success factor for projects. A full time Change Manager has been employed and is being used across multiple existing projects.</p> <p>For future projects the:</p> <ol style="list-style-type: none"> The CoM will be utilising the recommended Change Management Framework across all future projects. Change management plans are now in place for projects not yet completed. As part of the existing suite of ICT project management tools and templates there will be confirmation of the time required for effective change management activities.
<p>Responsibility: Chief Information Officer</p> <p>Target date(s): Completed as tools are now in place and new projects will adopt this approach</p>		

4.0 Performance Improvement Opportunities

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

PIO 1 – Opportunity for Council to chose fit-for-purpose systems

PIO

Observation

There is an opportunity for the CoM to procure fit-for-purpose systems rather than best-of-breed.

The procurement of a system was conducted through the procurement process with the chosen system often being best-of-breed; capable of addressing the required functionalities and needs. Although the process itself was adhered to, there are areas that a best-of-breed system is not able to fully address as the solution focuses on a one-size-fits all approach and has limited flexibility.

A fit-for-purpose system provides a more configurable and flexible system, offering a wide variety of configuration to specifically suit the CoM's operational and technical requirements.

Recommendation(s)

Internal Audit recommends the CoM to conduct a gap-analysis to identify whether a fit-for-purpose or best-of-breed approach would be most suitable for the project. The analysis should consider whether a tailored system would best address the CoM needs and requirements.

This should be captured within the Enterprise Architecture and have clearly defined principles to govern decisions.

Agreed Management Action(s)

Future projects will consider both “fit-for-purpose” and “best-of-breed” approaches. Steps have already been made to integrate these processes into future project delivery.

Responsibility: Chief Information Officer

Target date(s): Completed with new projects expected to adopt this approach

PIO 2 – Content of Project Board Meeting focused on technical knowledge

PIO

Observation

There is an opportunity to create a more cohesive and collaborative environment when discussing the program in Project Board Meetings.

The content of Project Board Meetings were previously heavily focused on ‘technical talk’, disengaging Project Board Members that had insufficient technical know-how or knowledge.

Whilst there has been a reduction in ‘technical talk’, the risk of disengaged Project Board Members remains present due to the nature of the content.

Recommendation(s)

Internal Audit recommends the CoM:

1. Create a more collaborative environment by engaging Project Board Members to actively participate and provide feedback.
2. Create a glossary of technical terms to be released to all stakeholders.
3. Ensure the focus of the Project Board Meetings is on business outcomes and benefits.

Agreed Management Action(s)

The composition of Project Board Meetings as outlined in the upcoming CoM Project Management Framework ensures there is representation from the Business in addition to the technical skill set.

Current operating approach for Project Boards is being modified to ensure there is more engagement with the business leads negating the need for a glossary of technical terms.

Responsibility: Chief Information Officer

Target date(s): Completed

4.0 Performance Improvement Opportunities

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

PIO 3 – Project driven by committed Go-Live dates

PIO

Observation

There is an opportunity to manage the program as it progresses and develop a better timeline, which was initially unconstrained.

Due to COVID-19 and time commitments, current projects are performed concurrently with a tighter timeline and bigger impact on the CoM. Deliverables are expected to be completed by the forecasted Go-Live date. Due to the significant pressure to meet committed milestones and completion dates, risks were not managed well.

Furthermore, the decreased resource pool has caused additional strain to the project with project grappling to retain existing employees and attract new talent.

Recommendation(s)

Internal Audit recommends:

1. Project Managers to re-assess their project and provide a more realistic timeline based on current issues and risks that has been presented.
2. Work through an unconstrained plan and then apply business constraints to assess the impact of the timelines; budget, resources, quality, business calendar, contract end dates, etc.
3. Go-Live approvals to be handled by the Project Board Members with the consultation of Business Owners and key stakeholders.

Agreed Management Action(s)

Future projects will be defined and managed in accordance with these recommendations.

Responsibility: Chief Information Officer

Target date(s): Completed with new projects expected to adopt this approach

PIO 4 – Opportunity to map business process

PIO

Observation

There is an opportunity to improve business process to showcase the desired state. The new systems have been implemented as a 'lift and shift' approach to replicate current business processes, causing confusion amongst stakeholders as the process was not communicated well at the beginning of the program.

Inefficient processes should not be configured in new systems or will carry across legacy issues and frustrations. There have been areas of process contention identified in the Finance Project, where the new system offers 'out of the box' processes that are in contention with current processes.

Mapping out the desired state business process will create a more enhanced customer experience and better operations as the process will become streamlined for future projects.

Recommendation(s)

Internal Audit recommends the CoM utilise a Business Process Framework to provide guidance for the mapping out of business process based on desired state to provide clear direction in the configuration of the newly procured systems.

CoM should look to leverage new systems and technology that provide 'out of the box' processes and capabilities, i.e. Finance, HCM... etc. This can assist in transforming, improving current issues, frustrations and removing 'process contention'.

Agreed Management Action(s)

Future projects will be defined and implemented in accordance with these recommendations.

Responsibility: Chief Information Officer

Target date(s): Completed with new projects expected to adopt this approach

Appendix 1 – Staff Consultation

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

The tables below summarises the CoM personnel who were involved in discussions and consulted during the audit review. Each personnel has contributed to the findings and actions detailed in this Internal Audit Report.

Name	Title
Jamie Dunnicliff	Manager Strategic Procurement Services
Karlheins Sohl	Team Leader Records and Information Management
Marcel Althoff	Senior Digital Transformation Program IT Manager
Megan Bradman	Manager Customer Experience
Ray Barnwell	Manager of Finance

Appendix 2 - Classification of Findings

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

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 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 Definition:

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 2 - Classification of Findings (cont.)

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Consequence(s) Definition:

	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 2 - Classification of Findings (cont.)

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Consequence(s) Definition:

	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

Disclaimers

Inherent Limitations

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

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, the CoM' 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 the CoM' 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 Finance and Audit Committee or its delegate in connection with our engagement to perform internal audit services as detailed in contract "Provision of Internal Audit Services – Cities of Charles Sturt and Marion", executed 10 July 2019. 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' external auditor, on this internal audit report. Any reliance placed is that party's sole responsibility.

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City of Marion
Volunteer Management
Internal Audit Report

February 2023



Table of Contents



1.0 Executive summary	Page 03
2.0 Background	Page 05
3.0 Internal Audit Findings	Page 07
4.0 Performance Improvement Opportunities	Page 09
Appendix 1 – Co-design in the Volunteer Environment	Page 11
Appendix 2 – FY17-FY18 Volunteer Management Internal Audit Findings	Page 12
Appendix 3 – Staff Consultation	Page 19
Appendix 4 – Classification of Findings	Page 20



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1.0 Executive Summary

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

In accordance with the 2022/23 Internal Audit Plan for the City of Marion (CoM), an internal audit project focusing on the CoM's Volunteer Management was performed.

1.1 Objective

The objective of this internal audit project was to assess the arrangements in place to manage and oversee volunteers working with the CoM. This included consideration of the processes, policies and procedures in place to govern the program.

1.2 Scope

The scope of this internal audit included consideration of the following:

- Examine documented policies, procedures and plans intended to provide governance over the volunteer management processes, including the CoM's 2021-2024 Volunteer Strategy.
- Review volunteer coordinator roles and responsibilities, and consistency of volunteer management practices across different areas of the CoM.
- The end-to-end process for volunteer management, including attraction, selection/acceptance, induction, engagement, volunteering activities and cessation, with a focus on key risks, controls and any gaps.
- High-level consideration of better practice and improvement opportunities.
- Review of the effective implementation of recommendations related to the 2018 KPMG Volunteer Management Report.

1.3 Key Observations

The CoM recognises volunteer management as a vital component in promoting civic participation and community engagement.

The CoM has taken a number of positive measures to ensure that the volunteers and staff feel supported to act and work together to create a stronger sense of community.

As a result of our review 1 medium rated finding and 3 performance improvement opportunities were identified. Our key observations included:

- The CoM utilises 'Better Impact' as their primary database and volunteer management system to onboard and retain volunteer information. However, gaps were identified in the retention of volunteer records.
- To ensure that volunteer information is being appropriately retained, further training and awareness for Volunteer Managers on role responsibilities around record retention and the utilisation of Better Impact is required.

1.4 Positive Observations

Since the last review conducted in 2018, CoM has made a number of improvements in the management of their volunteer programs. Several positive observations were identified over the course of this internal audit and are summarised below:

- ✓ A Volunteer Strategy was implemented at the beginning of 2022 which sets out the 2021 - 2024 vision for the CoM's volunteer program.
- ✓ Key steps of the Volunteer Management lifecycle have been clearly documented in the Volunteer Strategy, Volunteer Policy and Induction Checklists which provide guidance over key volunteer management processes.
- ✓ The 2021-22 Annual Volunteer Survey yielded extremely positive results with a 435% increase in respondents from the prior year (17 respondents in 2020-21 and 74 respondents in 2021-22), and 94% of the respondents stating that they look forward to their volunteering with the CoM.
- ✓ Volunteer Managers hold informal catch-ups with volunteers to obtain feedback and build and maintain relationships. Additionally, the Volunteer Program Coordinator and the Volunteer Managers meet quarterly to discuss insights and improvement opportunities for the volunteer programs. All the Volunteer Managers interviewed demonstrated strong expertise in their respective volunteer programs.

1.0 Executive Summary (cont.)

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

1.5 Summary of internal audit findings

Through our discussions with stakeholders, documentation review and sample testing performed, Internal Audit identified one (1) medium rated finding and three (3) performance improvement opportunities (PIO). The following table provides a summary of our risk rated findings, the relevant issue owner and target date for implementation.



Rating	Ref #	Description	Issue Owner(s)	Target Date(s)
Moderate	F1	Gaps identified in the retention of volunteer records	Volunteer Program Coordinator	30 September 2023
PIO	PIO1	Opportunity to enhance the volunteer feedback process	Volunteer Program Coordinator	30 June 2023
PIO	PIO2	Misalignment between the Volunteer Strategy and the Volunteer Policy and Procedures (the Framework)	Volunteer Program Coordinator	30 September 2023
PIO	PIO3	Consider the volunteer voice in the design of future programs	Volunteer Program Coordinator	31 December 2023

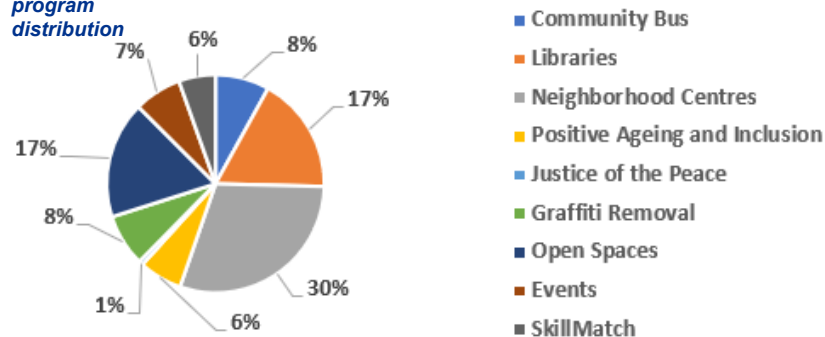
2.0 Background and Context

[Executive Summary](#)
[Background](#)
[Internal Audit Findings](#)
[Performance Improvement Opportunities](#)
[Appendices](#)

Background and Context

The CoM currently has a total of 308 active volunteers participating across the nine (9) volunteer programs, the split of which is shown in the graph below:

Fig 1: Volunteer program distribution



Systems

Better Impact is the primary volunteer management system used at the CoM to maintain pertinent volunteer information including background checks, records of relevant training, Work Health and Safety (WHS) documentation and other administrative paperwork.

Through stakeholder consultations the following additional systems were noted that are utilised in the volunteer management lifecycle:

1. *Service Management System:* This database is used for complaints management. All complaints are recorded and reported in the annual report.
2. *Skytrust WHS Management System:* This system is used for incident management related to WHS matters.
3. *Department of Human Services (DHS) portal:* This is utilised to run DHS checks.

Volunteer Management

The CoM has a dedicated Volunteer Program Coordinator who co-ordinates all volunteer programs at a high-level.

Each of the CoM's volunteer programs has a Volunteer Manager who is responsible for the onboarding, training and induction of the volunteers within their respective programs.

The CoM has an open-door policy for grievances, complaints and concerns, which allows volunteers the opportunity to raise concerns on a real-time basis.

Governance & Reporting

Since the last review, the CoM has made considerable improvements to its Volunteer Management processes. This is reflected clearly in the governance model which has seen a number of changes.

1. Policies and Procedures:

Volunteer management is governed at the CoM through the following policies and guidelines:

- Volunteer Strategy
- Volunteer Operations Manual
- Volunteer Handbook
- Volunteer Policy
- Volunteer Induction Checklist

The induction checklist was introduced in 2022 and the volunteer handbook has been updated to further expand on certain key aspects such as the inclusion of the Code of Conduct and other guidelines as recommended in the 2018 review (*Refer to Appendix 2.*)

2. Reporting:

The Volunteer Strategy sets out within its 5 key objectives, 12 KPIs to be achieved. The progress on these KPIs are reported by way of the Volunteer Program Annual Report. The report also contains the results of the Annual Volunteer Survey.

2.0 Background and Context (cont.)

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Volunteer Strategy:

The recently approved Volunteer Strategy of 2021–2024 commits to 5 aspirational objectives:

- 1. Increased diversity and inclusion:** The CoM encourages and invites volunteers from different cultural, professional and ethnic backgrounds to join the community. There are also volunteers from different age groups. The CoM has created an environment of inclusion and acceptance to ensure necessary support to the volunteers. Fig. 2 and Fig 3 provide a graphical representation of the age distribution of volunteers and the different countries of origin that the volunteers belong to.

Fig 2: No. of volunteers by age group.

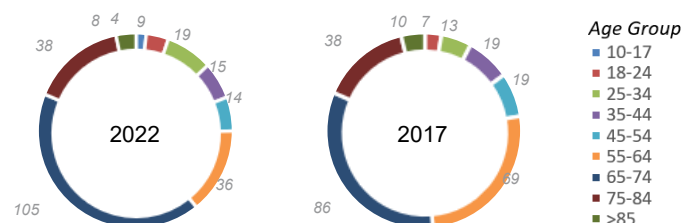


Fig. 3: Countries of Origin



Note: Only the top 8 countries have been represented above. It is to be noted that CoM has onboarded volunteers from more than 40 different countries of origins such as Bangladesh, France, Ireland, Greece, Nepal, Albania, PNG, etc.

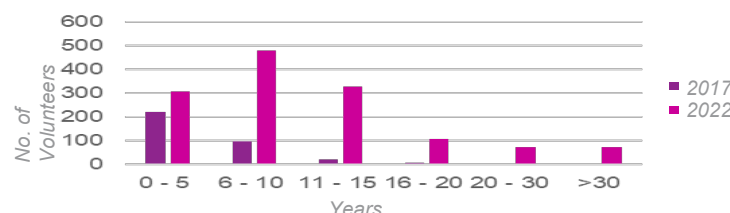
*Our analysis also identified that many volunteers have incomplete records, and are missing details such as age, country of origin, postcode and volunteer program.

- 2. Improved risk management:** As per the Volunteer Program Annual Report of 2021–2022, evidence of robust risk management and compliance practices to ensure safety and well-being of the volunteers was noted.
- 3. Training opportunities:** The Volunteer Program Annual Report showed that 96% of the volunteers had completed all induction trainings.
- 3. Increased volunteer engagement:** The annual volunteer survey showed an increase in feedback from volunteers. Feedback indicated volunteers expressed that they felt respected, safe and happy to be volunteering at the CoM.
- 4. Be an organisation of choice:** The volunteer program 'SkillMatch' was undertaken to ensure that volunteers are aligned to the volunteer programs based on the right and relevant skillset.

In addition to key objectives of inclusivity, diversity, safety and respect, the CoM has improved on the longevity of its volunteer members over the last 5 years.

Fig. 4 below shows the parallels and changes in volunteer longevity between the years 2017 and 2022.

Fig. 4: Volunteer years of service for 2022 in comparison to 2017.



3.0 Internal Audit Findings

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Finding 1 – Gaps identified in the retention of volunteer records

Moderate

Finding(s):	Recommendation(s)	Agreed Management Action(s):
<p>Gaps were identified in the CoM's recording and retention of volunteer records. The requirements around the retention of volunteer information is detailed under the CoM's Volunteer Framework. Under the Volunteer Management Operations Manual, it is stated in the Volunteer Induction Procedure that "Immediate managers/supervisors have responsibility for overseeing the induction process for volunteers and will ensure all the required documents are complete and volunteer information has been entered into Better Impact." To further clarify the volunteer management process, a comprehensive induction checklist was developed and introduced for the onboarding of volunteers. This checklist sets out all documentation that is required to be retained on Better Impact. Through sample testing of 15 CoM volunteers, the following issues were highlighted:</p> <ul style="list-style-type: none"> • 1 volunteer did not have a signed Statement of Policies Agreement. • 3 volunteers did not have the induction checklist completed and 2 volunteers utilised the old version of the checklist. • 3 volunteers did not have a signed acknowledgment of role description form. • 3 volunteers did not have a completed Work Health Safety checklist. • 2 DHS clearance checks, 1 Work Health Safety and 2 Statement of Policies had not been maintained within Better Impact, however the original documentation was able to be sourced and was subsequently stored onto Better Impact. <p>Currently, recruitment and screening, training and engagement for all volunteers is completed by the Volunteer Manager / Coordinator, as outlined in the Volunteer Management Handbook 22-23. However, as a result of the decentralised screening practices and limited staff capacity, record keeping procedures are being performed inconsistently.</p> <p><i>(Continued on following page)</i></p>	<p>Internal Audit recommends:</p> <ol style="list-style-type: none"> 1. The CoM reviews the policies and handbook to ensure there is clear documentation on the expectations around record keeping. 2. Quality spot checks are performed on a sample of volunteer records within Better Impact. 3. Further education and awareness is provided to relevant staff on the requirements of required volunteering documentation and documentation retention practices, including the purpose and use of Better Impact. 	<p>Management agree that these recommendations are achievable. The incoming person to this role (while the present incumbent takes 12 months leave), along with the support of our Volunteer Managers in the business, will review these recommendations and ensure they are implemented.</p>
Responsibility: Volunteer Program Coordinator		
Target Date: 30 September 2023		

3.0 Internal Audit Findings

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Finding 1 – Gaps identified in the retention of volunteer records

Moderate

Finding(s):	Recommendation(s)	Agreed Management Action(s):
<p><i>(Continued from previous page)</i></p> <p>By further investigation and stakeholder consultation it was identified that there is a lack of awareness on the appropriate retention of documentation and to whom this responsibility falls on. There is therefore a need to promote more utilisation of Better Impact for record retention as well as introducing additional training to support Volunteer Manager' understanding of the volunteer management process.</p> <p>In addition, there is an opportunity for management to mandate this training to staff taking on the role of a Volunteer Manager.</p> <p>Risk(s):</p> <ul style="list-style-type: none"> • Inaccurate or incomplete volunteer information is acquired and retained. • The CoM will not be able to defend itself due to absence of compliance documentation if legal action is taken as a result of volunteer misconduct. 		
Responsibility: Volunteer Program Coordinator		
Target Date: 30 September 2023		

4.0 Performance Improvement Opportunities

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

PIO 1 – Opportunity to enhance the volunteer feedback process

PIO

Observation

There is an opportunity to utilise-volunteer feedback as a tool to further enhance the volunteer programs.

Section 8.4 of the National Standards for Volunteer Involvement (NSVI) states that for effective volunteer management to be in place "Opportunities are available for volunteers to provide feedback on the organisation's volunteer involvement and relevant areas of the organisation's work."

The CoM currently has the following avenues for obtaining feedback:

- A volunteer exit interview – this is made available to any volunteer but is not a requirement. This feedback is not formally captured into Better Impact or collated and kept in a centralised place for review and analysis.
- An annual survey – which is sent out to all active volunteers.
- Informal feedback received by Volunteer Managers during the programs.

Though feedback is received organically in many forms, the CoM has not developed an organisational approach to facilitate the capture and review of volunteer feedback. An important aspect of an effective volunteer management program is how it utilises feedback received from stakeholders and allows it to inform the overall volunteer programs and strategies. Ensuring volunteer feedback is being utilised to inform and shape the volunteer experience is also a key way to make volunteers feel valued.

Recommendation(s)

Internal Audit recommends that the COM develop and implement a council-wide process to capture and learn from volunteer feedback.

Agreed Management Action(s)

Whilst we are comfortable with the current survey process in place, further consideration will be given as to how this recommendation can be implemented.

Responsibility: Volunteer Program Coordinator

Target date(s): 30 June 2023

4.0 Performance Improvement Opportunities

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

PIO 2 – Misalignment between the Volunteer Strategy and the Volunteer Policy and Procedures (the Framework)

PIO

Observation

Misalignment has been identified between the Volunteer Strategy and the Volunteer Policy and Procedures (the Framework). The Volunteer Strategy was approved in January 2022 which identified key objectives and metrics for the CoM. Examples of these objectives include a focus on diversity, the quarterly audit of Better Impact data, the utilisation of SkillMatch and an emphasis on recognition and rewards. There is opportunity to ensure the Strategy's overall objectives are being addressed within the Volunteer Framework. An example of this could be

- Including Better Impact quarterly reviews as part of the Volunteer Coordinators roles and responsibilities.

An alignment between the overarching strategy and the policies and procedures is essential as it ensures that CoM is addressing and identifying all appropriate risks and objectives that surround the volunteer management process.

Recommendation(s)

Internal Audit recommends that the CoM review the Volunteer Strategy objectives and KPIs and ensure supporting policies and procedures sufficiently cover these key areas.

Agreed Management Action(s)

Management agree that this recommendation is achievable. The incoming person to this role (while the present incumbent takes 12 months leave), along with the support of our Volunteer Managers in the business, will review this recommendation and ensure it is implemented.

Responsibility: Volunteer Program Coordinator

Target date(s): 30 September 2023

PIO 3 – Consider the volunteer voice in the design of future programs

PIO

Observation

There is an opportunity for the CoM to further include the community in the design and implementation of future volunteer programs.

The CoM has recently updated its volunteer programs to include SkillMatch, a program that was created to better adapt to the changing needs of volunteers by matching volunteers to their skillset as much as is practical. Further collaboration with the CoM's volunteers during the design of volunteering programs will only increase the CoM's adaptability to the ever-changing volunteering landscape.

Refer to Appendix 1 for further details.

Recommendation(s)

Internal Audit recommends that the CoM consider the implementation of co-design principles within the process of future improvement or development of the CoM volunteer program/s.

Agreed Management Action(s)

Management agree that this recommendation is achievable. The incoming person to this role (while the present incumbent takes 12 months leave), along with the support of our Volunteer Managers in the business, will review this recommendation and ensure it is implemented.

Responsibility: Volunteer Program Coordinator

Target date(s): 31 December 2023

Appendix 1 – Co-design in the Volunteer Environment

Executive Summary

Background



Internal Audit Findings

Performance Improvement Opportunities

Appendices

Co-designing Volunteer Programs

The following summary outlines thought leadership to consider in the future design of volunteer programs.

 What is Co-Design	 Examples of Co-design
<p>Co-design is an approach to design that emphasises the creative contribution that can be made by potential users or other stakeholders in developing products, systems or services. Codesign is widely used in the commercial sector to accelerate user acceptance and reduce product/service failure. Co-design is also becoming widespread in the public sector as a way of engaging citizens in design exploration. Co-design reflects a shift from user-centered design (user-as-subject) to participatory design (user-as-partner), which again aligns well with the concerns of the voluntary sector.</p>	<p>Below are some examples of successful co-design within the volunteer sector:</p> <ul style="list-style-type: none"> ▪ Horowhenua District Council (New Zealand) 'Reviewing Land Information Service' - this council piloted an approach to review the way in which its Land Information Memorandum report was delivered to stakeholders. This was achieved by increased collaboration with the community through feedback sessions and drawing on expertise within the community. ▪ Family Safety Services Hub (ACT Government and ThinkPlace) - the Family Safety Services Hub represents a massive change in the way family violence is addressed in the ACT. It was co-designed over 18 months by ThinkPlace and a range of stakeholders in a process led by the ACT Government's Coordinator General for Family Safety. ▪ Life Without Barriers - Life Without Barriers (LWB) set up a co-design approach that was new to the organisation and was commended for its success in engaging key stakeholders in decisions throughout the project; increasing buy-in to recommendations; and creating a general sense of excitement around the proposed direction.
<div data-bbox="176 798 238 1220" data-kind="parent" data-rs="2">Benefits</div> <ul style="list-style-type: none"> ✓ Strengthens community connections, leading to ongoing partnerships. ✓ Creates an environment of shared power and ownership. ✓ Increases community awareness and participation. ✓ Builds momentum and community change. ✓ Creates space for community members to step up and share. ✓ Provides opportunities for new ideas and solutions to challenges. ✓ Offers sustainable, long-term solutions to systemic issues. ✓ Provides opportunities for community members to work together and build networks. 	

Key Considerations

In determining the most appropriate way to integrate co-design the, the following aspects should be considered:

- **Community Demographics** – Ensuring the Council is aware of its community demographics to ensure the opportunity is most aligned to community preferences.
- **Accessibility** – Creating an equitable level of access to information for all community members.
- **Shared power:** Ensuring all parties involved have the same level of power, influence and responsibility (this can be difficult to manage but is very important to maintain the balance).
- **Alignment** – The degree of volunteer management alignment relative to the Council's strategy and objectives such as diversity and inclusion, being volunteer organisation of choice and program risk management.
- **Costs** – The amount that the Council is comfortable investing and spending on co-design engagement.
- **Perception** – The community's perception of why the Council is using a new way to engage volunteers.

Appendix 2 – FY17-FY18 Volunteer Management Internal Audit Findings

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

The table below details the 6 findings that were reported on in the FY17/18 Volunteer Management Internal Audit report. Internal Audit has collected comments from Management on the status of the findings to ascertain whether all agreed recommendations have been implemented. The report identified 4 moderate and 4 low rated findings.

Finding 1: Absence of comprehensive volunteer strategy

Ref #	Finding and Description	FY17/18 Recommendations	December 2022 Management Update	Internal Audit Evaluation
F1	<p>It was noted that the CoM does not currently have an overarching, standalone volunteer strategy that sets out the CoM's vision, strategic objectives (and associated targets) and initiatives with respect to volunteering at the CoM.</p> <p>Notwithstanding this, we noted that the CoM's volunteer programs broadly aligned with the CoM's Strategic Plan (2017-2027), specifically in relation to an "engaged" community.</p> <p>Similarly, it was noted that volunteering is included in the CoM's Business Plan (2016-2019) with goals over the timeframe in relation to "communities that embrace volunteering and social interaction".</p> <p>We also noted that the CoM has commenced the "Smart City" Volunteering project in July 2017, that aims to further activate volunteers in the community, attracting volunteers with different skills and experience who may not previously have been strong participants in volunteer programs, which is an exciting strategic initiative in the context of the CoM's volunteer environment.</p> <p>Risk(s)</p> <p>In the absence of a volunteer strategy, there is a risk that the CoM may not optimise the outcomes and benefits that can be achieved through its volunteer programs and workforce, or that initiatives and programs may not align to its overall strategic direction.</p> <p>Responsibility: Manager Human Resources and Unit Manager Human Resources</p>	<p>It is recommended that the CoM:</p> <ol style="list-style-type: none"> 1. Develops a volunteer strategy, taking into account the CoM's Strategy as well as articulating a long-term vision and strategic objectives in relation to its volunteer activities. The volunteer strategy should articulate what the CoM is looking to achieve through its volunteers, key targets and key initiatives which provide a roadmap for how it is going to achieve its objectives – this recommendation should be considered in the context of more than 350 volunteers (current), 41,000 hours and \$1.1 million in time value delivered p.a. (e.g. this level of activity/resource warrants a dedicated strategy). 2. Regularly reviews the volunteering strategy, at least on an annual basis, to help ensure that it stays current and to help it to respond to trends and changes in volunteering generally. 	<ol style="list-style-type: none"> 1. Volunteer Strategy was approved on 13 January 2022. 2. Regular reviews intended to be conducted on an annual basis. 	<ol style="list-style-type: none"> 1. Completed. Internal Audit evidenced the approval of an overarching Volunteer Strategy for the CoM and notes that the Volunteer Strategy is closely aligned to the CoM's overall "Towards 2040" vision. 2. In progress. Strategy was implemented in the current year and thus no reviews have been conducted to date.

Appendix 2 – FY17-FY18 Volunteer Management Internal Audit Findings

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Finding 2 – DCSI clearance checks not required for library volunteers

Ref #	Finding and Description	FY17/18 Recommendations	December 2022 Management Update	Internal Audit Evaluation
F2	<p>The Volunteer Handbook requires volunteers in prescribed positions to undertake DCSI screening. We noted that library volunteer positions are not classified as a prescribed position, therefore they are not required to have DCSI screening.</p> <p>However, consultation with key stakeholders identified that there are likely to be instances where library volunteers have direct interaction with children without supervision from a CoM staff member.</p> <p>The CoM Volunteer Management Operations Manual specifies, under the Volunteer Code of Conduct, <i>“Volunteer roles that involve contact with children ... will be required to consent to or provide a DCSI clearance”</i>.</p> <p>We understand that currently police clearances and background checks are required, and that Volunteer Program Managers are responsible for ensuring that these checks are completed.</p> <p>Risk(s)</p> <p>There is a risk that library volunteers are breaching the Code of Conduct by not providing a DCSI clearance, as a result of Volunteer Managers not enforcing the requirement. More importantly, the CoM is exposed to the risk of inappropriate behaviour by their volunteers.</p> <p>Responsibility: Volunteer Development Officer</p>	<p>It is recommended that the CoM:</p> <ol style="list-style-type: none"> 1. Immediately adjusts their requirements for library volunteers such that the provision of a DCSI clearance is made a mandatory requirement prior to commencing (or continuing) work, and to stand down all volunteers that do have the required clearance (please note that this finding and recommendation was made during this course of this internal audit project). 	<ol style="list-style-type: none"> 1. All volunteers are required to have a background/ police check. Each volunteer - with the exception of once-off event volunteers, graffiti removal and ad hoc open spaces volunteers - are required to get a DHS (formerly DCSI) check. These checks entail the “working with children check,” the “aged care sector employment check” and the “working with vulnerable people check.” 	<ol style="list-style-type: none"> 1. Completed. During testing for this internal audit, all 15 volunteers selected were confirmed as having the correct clearances in place. Recommendations have been made however, to improve the documentation retention of these clearance. (Refer Finding 1)

Appendix 2 – FY17-FY18 Volunteer Management Internal Audit Findings

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Finding 3 – Insufficient control environment surrounding volunteer recruitment and screening

Ref #	Finding and Description	FY17/18 Recommendations	December 2022 Management Update	Internal Audit Evaluation
F3	<p>A number of issues were identified regarding the design and implementation of volunteer screening and recruitment procedures.</p> <p>Currently, recruitment and screening for all volunteers is completed by volunteer program managers, as outlined in the Volunteer Manual. However, as a result of the decentralised screening practices and limited staff capacity, procedures are being performed inconsistently. This includes reference checking being limited or not carried out due to time constraints. In addition, there is no overarching control to ensure that checks and clearances are being done.</p> <p>Internal audit also identified that the CoM Volunteer Policy does not require a volunteer to stand down if their clearance expires.</p> <p>As part of our review, we tested recruitment and induction procedures and assessed the relevant documentation for 20 volunteers. The results of our review identified the following:</p> <ol style="list-style-type: none"> Three volunteers did not have a DSCI or police clearance form completed prior to commencing volunteering duties. This included two volunteers that did not have a current police and DCSI clearance, and one volunteer whose DSCI/police clearance was sighted by the relevant manager after the volunteer had commenced active duties. For nine volunteers, supporting induction documentation including position description, confidentiality agreement, statement of policies agreement was unable to be provided. <p>Continued on next page</p>	<p>It is recommended that the CoM:</p> <ol style="list-style-type: none"> Centralises volunteer recruitment responsibilities and gives volunteer recruitment equal importance as hiring of staff members (this will have a resource implication however; it will greatly improve consistency and completeness). Stores documents at a central location and ensures that volunteer files are given equal importance as staff files. Makes reference checks mandatory and provides training to relevant staff to emphasise the importance of the checks. Introduces a mandatory induction checklist for all programs, including review of the new volunteer's file for completeness by personnel independent of the volunteer's immediate manager. Defines the responsibility for ensuring checks are complete and up-to-date and empowers the responsible staff member to enforce completion of screening prior to volunteer commencement. 	<ol style="list-style-type: none"> CoM now has a Volunteer Program Coordinator who oversees the volunteer recruitment process in conjunction with the volunteer coordinators. Records are primarily kept and regularly updated on Better Impact which is a secure database management system with limited access and is overseen by the Coordinator. A minimum of 1 reference check is required per volunteer. Volunteer Managers are part of a Teams group where necessary updates and guides are updated regularly. An updated Mandatory Induction checklist was introduced in May 2022. Volunteer Coordinator conducts spot checks regularly to ensure checks have been completed and that that volunteers are up to date. 	<ol style="list-style-type: none"> Completed. A Volunteer Coordinator is in place whose role includes a focus on volunteer recruitment. In progress. Whilst improvements have been made in the use of Better Impact, improvements are still required in the documentation retention of volunteering records. (Refer to Finding 1) Completed. Through sample testing, reference checks were identified as being consistently completed and are documented within the new checklist. In progress. Further awareness and training is required on utilisation of the updated checklist. (Refer to Finding 1) In progress. The Volunteer Coordinator does perform some spot checks but these are not done consistently and the checks are not documented. (Refer to Finding 1.)

Appendix 2 – FY17-FY18 Volunteer Management Internal Audit Findings

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Finding 3 – Insufficient control environment surrounding volunteer recruitment and screening

Ref #	Finding and Description	FY17/18 Recommendations	December 2022 Management Update	Internal Audit Evaluation
F3	<p>Continued from previous page</p> <p>Finding(s)</p> <ol style="list-style-type: none"> One volunteer had an incomplete application form on file Two volunteers had their position summary signed by the manager after the joining date. <p>Risk(s)</p> <p>There is a risk that volunteers are either not appropriate for the role or do not perform it safely as a result of misunderstood requirements or inability. There is also a potential legal risk that the CoM cannot defend itself due to absent documentation if legal action is taken as a result of volunteer misconduct. Lastly, there is a significant reputational risk of an incident were to occur related to a volunteer that did not have all of the required documentation.</p> <p>Responsibility: Volunteer Development Officer & Unit Manager Human Resources</p>	<p>It is recommended that the CoM:</p> <ol style="list-style-type: none"> Updates the Volunteer Policy to require volunteers to stand down if their required clearances have expired, until such a time as their clearance is renewed. 	<ol style="list-style-type: none"> This is not explicitly stated in the Volunteer Policy but is addressed within the responsibilities of the CoM as the CoM is stated to have the responsibility to ensure all DHS clearances are "valid and satisfactory." 	<ol style="list-style-type: none"> Completed. The CoM Volunteer Policy has been confirmed as updated.

Appendix 2 – FY17-FY18 Volunteer Management Internal Audit Findings

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Finding 4 – Incomplete and inaccurate volunteer database

Ref #	Finding and Description	FY17/18 Recommendations	December 2022 Management Update	Internal Audit Evaluation
F4	<p>During our review, we observed the volunteer database to be incomplete. In some cases, it was found to contain inaccurate data. Specifically, we noted that emergency contact numbers and addresses of 85 volunteers were missing, and that police and DCSI clearance expiry dates were not current (i.e. we were informed that updated clearances had been obtained, but the database had not been updated to reflect this change).</p> <p>Furthermore, through discussion with relevant personnel, it was noted that there is no standardised system for capturing volunteer hours work across all programs. For example, community centres use timesheets to record hours worked whereas some library staff and volunteers clock in and out. For volunteers in graffiti removal program, hours are recorded on the basis of approximation.</p> <p>Risk(s)</p> <p>Incomplete recording of data may result in non-compliance with regulatory requirements. There is a risk that an emergency situation occurs relating to a volunteer for whom emergency contact details are not recorded.</p> <p>With regard to recording of volunteer hours, in the absence of accurate recording of hours, the figures provided as a part of the CoM Volunteer Program – Annual Report and other in-house reporting may be incorrect. There is also the risk that inaccurate reporting to Centrelink (for applicable participants) may occur.</p> <p>Responsibility: Volunteer Development Officer</p>	<p>It is recommended that the CoM:</p> <ol style="list-style-type: none"> 1. Based on the current data set, reviews all data and identify all gaps. Where the required data is not recorded in the system, the CoM should consider standing down relevant volunteers until the required information is provided and put into the system (in the case of DCSI clearance requirements not being met, there should be mandatory standing down) – In this instance, it is recommended that the system is the source of truth, not disparate records held (or otherwise) across the organisation. 2. Moving forward, requires a staff member to enter volunteer details data into the database, rather than the volunteer. Alternatively, a staff member should check the entries of the volunteer for completeness. 3. Considers timekeeping requirements across all programs and, where applicable, implement improved and standardised approaches to capturing volunteer workforce time. 4. For areas such as graffiti removal where the volunteers don't work on CoM's premises, it is recommended that the volunteer's supervisor be notified through a phone call when the volunteer starts and finishes his/her work which can be entered in the logbook. An acknowledgement from the premises owner may also be beneficial in accepting the hours worked. 	<ol style="list-style-type: none"> 1. This process has been implemented. 2. This has been implemented and included within the Induction checklist. 3. In progress. As compared to the CY 22-23, the time recording has improved by the use of iPad for the recording hours, books, BI App used for recording hours. 4. Graffiti removal get notified by phone call and Volunteer Coordinator is informed at the beginning and close of the task/shift. 	<ol style="list-style-type: none"> 1. Completed. The CoM Volunteer Policy has been confirmed as updated. 2. Completed. This process has been implemented with Better Impact being the primary volunteer management system and database for retention of volunteer records. The access to enter volunteer details into Better Impact lies only with the Volunteer Managers and Volunteer Program Coordinator. 3. In Progress. The Volunteer Program Coordinator confirmed that volunteers record time by way of an iPad, log books and the My Impact application. 4. Completed. Graffiti Removal volunteers only get notified by phone from the Volunteer Coordinator. The coordinator is informed about the beginning and ending of a volunteering shift.

Appendix 2 – FY17-FY18 Volunteer Management Internal Audit Findings

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Finding 5 – Lack of formal performance reviews

Ref #	Finding and Description	FY17/18 Recommendations	December 2022 Management Update	Internal Audit Evaluation
F5	<p>Through discussions with key stakeholders, it was noted that currently volunteer performance reviews are not being completed, or they are being conducted on a very informal basis not currently in line with the required procedure.</p> <p>The CoM Volunteer Handbook states that Volunteer Managers are to provide volunteers the opportunity to complete a Volunteer Performance Review each year. These reviews are important for understanding the volunteer's role satisfaction, the tasks which they perform, and the volunteer's future capacity within the role.</p> <p>We understand that this is a result of time and resource limitations. However, it is best practice to ensure that performance reviews are performed to ensure that volunteers are working to the standard required for the CoM, and that volunteers have a formal opportunity to provide feedback.</p> <p>Risk(s) In the absence of formal performance reviews, the following risks are presented:</p> <ul style="list-style-type: none"> • Low quality service to clients/customers • Low job satisfaction for volunteers • Lack of volunteer professional development opportunities <p>Responsibility: Volunteer Development Officer & Unit Manager Human Resources</p>	<p>It is recommended that the CoM:</p> <ol style="list-style-type: none"> 1. Develops (and implement) a streamlined performance review process for volunteers. This could include a formal one-year review for volunteers, which evaluates the extent to which the volunteer delivered services in accordance with customer needs and expectations, as well as the training and development needs of the volunteer. In addition, for new volunteers an interim performance review could be introduced at three or six months into their volunteering time (or also at cessation of volunteering as a means for the CoM to continue to capture what is working well and what are the areas for potential improvement). 2. Standardises the volunteer performance review process across all programs (and provided awareness sessions/training for Volunteer Managers). 	<ol style="list-style-type: none"> 1. The process is based on the staff performance feedback process and document so it is formal should volunteers choose to take part. Due to the fact it is deemed to replicate an employment relationship, the annual PDP is voluntary so in that sense it is informal. 2. The volunteers are provided with a voluntary option to seek performance feedback annually or on a need-based case but, it is not a mandatory process. 	<p>Outstanding. Noted that there has been no change to the this finding and this remains an open recommendation.</p>

Appendix 2 – FY17-FY18 Volunteer Management Internal Audit Findings

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Finding 6 – Lack of a comprehensive Code of Conduct (particularly in relation to requirements of volunteers)

Ref #	Finding and Description	FY17/18 Recommendations	December 2022 Management Update	Internal Audit Evaluation
F6	<p>The Code of Conduct included in the Volunteer Handbook appeared to be lacking in a number of areas. For example, it does not currently incorporate the core values of CoM, including integrity and respect. Similarly, within the Volunteer Rights and Responsibilities, there is minimal detail about the volunteers' obligations to the CoM. We note however, it does include reference to promoting a positive image, in line with the CoM's culture.</p> <p>It was also noted that some programs, such as the Glandore Community Centre, have adopted their own, separate Code of Conduct for volunteers to ensure their individual needs are catered to. Whilst this is reasonable it is own right, it further evidences the need to review and strengthen the Code of Conduct to provide a high-quality, fit-for-purpose Code which is consistent across the organisation.</p> <p>Risk(s) There is a risk that, should disciplinary action be required against a volunteer for inappropriate behaviour, the CoM does not have sufficient support from their Code of Conduct to enforce the action.</p> <p>Responsibility: Volunteer Development Officer & Unit Manager Human Resources</p>	<p>It is recommended that the CoM:</p> <ol style="list-style-type: none"> 1. Reviews the current Code of Conduct, and more broadly the Volunteer Handbook, with the aim of strengthening the Code of Conduct, particularly in relation to the roles, responsibilities and obligations of volunteers. All managers across volunteer programs should be consulted to ensure that the Code of Conduct incorporates the requirements of each program and the CoM as a whole. 	<ol style="list-style-type: none"> 1. The Volunteer Code of Conduct has been reviewed and updated to be more aligned with the Local Government Code of Expected Behaviours. 	<ol style="list-style-type: none"> 1. Completed. The Volunteer Handbook and Code of Conduct have been updated to more reflect CoM's values, and has expanded on the responsibilities of all parties involved.

Appendix 3 – Staff Consultation

[Executive Summary](#)
[Background](#)
[Internal Audit Findings](#)
[Performance Improvement Opportunities](#)
[Appendices](#)

The tables below summarises the CoM personnel who were involved in discussions and consulted during the audit review. Each personnel has contributed to the findings and actions detailed in this Internal Audit Report.

Name	Title
Kate McKenzie	Manager Office of the Chief Executive
Tim Sayer	Volunteer Development Officer
Jo McCarthy	Unit Manager, Organisational Development
Todd Boughen	Volunteer Coordinator, Neighbourhood Centres
Eileen Phan	Volunteer Coordinator, Neighbourhood Centres
Angela Bell	Volunteer Coordinator, Social Support
Renya Spratt	Volunteer Coordinator, Libraries
Mark Leibich	Volunteer Coordinator, Community Bus
Meeran Fyfe	Manager, Community Services

Appendix 4 - Classification of Findings

[Executive Summary](#)
[Background](#)
[Internal Audit Findings](#)
[Performance Improvement Opportunities](#)
[Appendices](#)

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 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 Definition:

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 4- Classification of Findings (cont.)

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Consequence(s) Definition:

	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 required 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 4 - Classification of Findings (cont.)

Executive Summary

Background

Internal Audit Findings

Performance Improvement Opportunities

Appendices

Consequence(s) Definition:

	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

Disclaimers

Inherent Limitations

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

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, 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 Finance and Audit Committee or its delegate in connection with our engagement to perform internal audit services as detailed in the contract. Other than our responsibility to 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.

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8 Reports for Noting

8.1 Internal Audit Program - Implementation of Recommendations

Report Reference	FRAC230221R8.1
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 21 February 2023 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.

The implementation of timing for recommendations based on the risk level of the findings are as follows:

- Extreme: within 30 days
- High: 3 months
- Medium: 6 months
- Low or Performance Improvement Opportunity: 12 months

RECOMMENDATION

That the Finance, Risk and Audit Committee:

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

ATTACHMENTS

1. FRAC230221 - Internal Audit - Implementation of Recommendations - Appendix 1 [8.1.1 - 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 are scheduled to go into production in March 2023 to align with production system updates with Customer Relationship Management reducing need for multiple changes in the one system.
Customer Experience	Complete (June '20)					
Cyber Security 2019	6	0	2	4		Performance Improvement Opportunity has been closed out, two actions are still outstanding. Relevant Policies and Procedures are being drafted and will be reviewed.
Tendering 2019	Complete (March '20)					
BCP and Emergency Management	Complete (June '20)					
Payroll 2020/21	6	3		3		The final three action items are progressing well and are now on track to be completed at the end of April. The transition to the Financial Force General Ledger structure and coding was scoped in December and implemented in January 2023
ITT Governance	11	2		9		The relevant policies and procedures for the Data Governance Management Framework is being worked on.
Metrics that Matter	3	2		1		The development of the Data & Analytics Program is in progress, this is estimated to be a 2 year implementation project. The Data Governance and Data Management policies are being drafted for review in Feb 2023.
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		4		Requirements agreed, waiting on external resources to complete tasks.
Assurance Mapping	Complete (November '21)					
Asset Inspection Schedule	6	3		3		Asset Ownership for cross functional assets, as well as roles and responsibilities are being worked through at a business level. There is still an outstanding issue around having to manually assign workorders in Assetic. As it is too late to progress this, RAMM will be used for a further year.
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). The framework is progressing well towards the completion date.
Fraud Management Framework	6	1		4	1	A holistic review of all policy and framework documents owned by the Risk and Strategy team is currently being undertaken and the framework will be updated with the other documents. 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).

<i>Community Facilities Management Models</i>	4	4	0		All items have commenced and are on track, with some actions partially now completed.
<i>Collaborative Model Health Check</i>	1		1		Engagement with the other Councils has been slow. Trying to source a further meeting to progress.
<i>Collaborative Contract Management</i>	2		1	1	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.
<i>Project Management</i>	10	6	4		All action items are on track for completion for April, the PMF is progressing as planned.
<i>Stakeholder Management Review</i>	5	2		3	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.

The implementation of timing for recommendations based on the risk level of the findings are as follows:

Extreme: 30 days

High: 3 months

Medium: 6 months

Low or Performance Improvement Opportunity: 12 months

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 31/12/2022 Revised due date 31/03/2023	On Track	95%	Deployment delayed due to resource availability. Still on track for December.	On Track	95%	Release scheduled to go into production in March 2023 to align with production system updates with Customer Relationship Management reducing need for multiple changes in the one system. Extension of due date requested to reduce impact on business.
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 31/12/2022 Revised due date 31/03/2023	On Track	90%	OCR Solution has been approved in principle, going to Executive Budget Committee for endorsement 24th November 2022	On Track	95%	Release scheduled to go into production in March 2023 to align with production system updates with Customer Relationship Management reducing need for multiple changes in the one system. Extension of due date requested to reduce impact on business.

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 30/06/2023	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.	Not on Track	50%	Data Governance and Management Framework has been endorsed. 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 31/10/2021 Revised Due Date 30/06/23	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.	Not on Track	30%	Risk team and IT Governance and Cyber Security Lead have meet to rediscuss this action. A project will be commenced to re-review the draft Recovery objectives with work areas and will be brought back to IT for ok before being finalised.
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	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%	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	Completed	100%	Legislation states that IT is no longer needed to be involved in this audit after review. Can be completed and closed out.

cyber security where deemed relevant (such as ISO/IEC 27001).										
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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 31/12/2022 Revised Due Date 30/04/2023	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-focussed with a plan to have these resolved by the end of the calendar year.	On Track	95%	The vendor (Aurion) arranged a site visit of their key staff from Payroll Operations and the Sytems Development teams in November 2022. This was deemed essential to expedite a number of outstanding process and configuration issues. Some additional issues were identified and some existing issues were resolved during the visit; the remaining issues have now been re-focussed with a plan to have these resolved by March 2023.
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 31/12/2022 Revised Due Date 30/04/2023	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.	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 was scoped in December and implemented in January 2023. This will eliminate a large portion of manual intervention in the Aurion/General Ledger interface. Further work is being undertaken on the automation of accrual calculations and is anticipated to completed by March 2023.
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 31/12/2022 Revised Due Date 30/04/2023	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.	On Track	85%	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 will still be required to mitigate error risks while the using some elements of the non automated 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	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.	On Track	95%	The updated Data Governance and Management Framework has been presented to ELTs on the 1st of December, 2022. It has been tentatively endorsed pending some updates based on feedback. This will be re-presented to ELTs on 25/01/2023 for final endorsement and approval.
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	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.	On Track	60%	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

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It is recommended that the CoM ensures that as the use of Power BI for KPI reporting increases, so the complete implementation of the Data Governance and Management Framework should be undertaken in parallel. This should include: <ul style="list-style-type: none">Ensuring it is up to date and formally approvedKey roles are formally assigned, andThe 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 31/03/2023	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.	On Track	85%	Draft KPI and Power BI reporting is being presented to ELT in Feb. This will be further defined over the coming months, however it is essentially implemented.

<p>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.</p> <p>Typically risks, as they arise, flow into 'issues' where active management and action tracking ensures their resolution in a timely manner.</p> <p>The CoM should ensure that these requirements are part of the new Solution Delivery Framework.</p>	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 31/12/2022 Revised Due Date 31/03/2023	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	On Track	80%	This is a fundamental driver and component of the new project management framework which is being developed and is anticipated to be endorsed by ELT and implemented across the organisation by the end of March 2023. While the Project Management Framework is being finalised, software solution for project management are also being investigated, as well as a risk module for all risks that would hopefully have an integration piece. The Strategy and Risk team continue to meet with Project Managers 6 weekly to discuss the risks of current and emerging projects.
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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 element 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%	No change from previous Quarter, working with IT to resolve.
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 element 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%	No change from previous Quarter, working with IT to resolve.

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	24/04/2023	Not on Track	85%	MS teams change over date has been put on hold till the business review is completed by the DTP Team. Staff are able to work from home	On Track	85%	Requirements agreed, waiting on external resources to complete tasks.
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 30/6/2023	Not 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.	On Track	25%	Resourcing from both IT and Risk has been an issues with resignation in both areas. Still pushing hard to have risk software procured by 30 June 2023 however, other DT projects have been the priority. Currently recruiting for a new Risk Business Partner – Business Continuity

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 30/6/2023	Not on Track	25%	Still looking at software options by the project management software has been prioritised over this.	On Track	25%	As above
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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 29/02/2023	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.	On Track	85%	Asset Data Schemas are loaded into Assetic. Test Scripts written. Testing and demos delayed due to changing order of implementation as required by SMEs and Asset Owners and will occur in January and February.
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 20/03/2023	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).	Not on Track	50%	As previously noted, still an outstanding issue around having to manually assign workorders in Assetic. As it is too late to progress this, RAMM will be used for a further year. \$20k funding for an Assetic fix was approved by EBC on 19/01/2023, but is not yet scheduled. Once the critical path tasks are at a point where project resources are available, work will commence on Maintenance and Mobility for Plant and Fleet (instead of Open Spaces) in Jan or Feb.
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 20/03/2023	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	On Track	75%	Asset Ownership for cross functional assets, as well as roles and responsibilities are being worked through at a business level. EBC approved the BPM work for Transport and Buildings on 19/01/2023 (including the backfilling of CoM resources). This will likely commence in March 2023 once a new PM and a backfill engineering resource is engaged.
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 20/03/2023	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.	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. This will happen as a consequence of the Maintenance and Mobility rollout across CoM.

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	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 EPMD once implemented.	On Track	25%	The Project Management Framework is progressing well and in line with plan. The Policy document has been reviewed internally and final comments are being addressed ready for final endorsement by ELT Feb 23. The PMO system is still under review and a business case is being prepared to provide resource to progress this project. At this time, it would appear that a re-set and re-configuration of CAMMS is the preferred solution.
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 28/04/2023	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, 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.	On Track	50%	The Project Management Framework is progressing well and in line with plan. The Policy document has been reviewed internally and final comments are being addressed ready for final endorsement by ELT Feb 23. The PMO system is still under review and a business case is being prepared to provide resource to progress this project. At this time, it would appear that a re-set and re-configuration of CAMMS is the preferred solution.
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	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, 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.	On Track	50%	The Project Management Framework is progressing well and in line with plan. The Policy document has been reviewed internally and final comments are being addressed ready for final endorsement by ELT Feb 23. The PMO system is still under review and a business case is being prepared to provide resource to progress this project. At this time, it would appear that a re-set and re-configuration of CAMMS is the preferred solution.
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	25%	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 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 EPMD once implemented.	On Track	50%	The review/implementation of the PMF includes a review of the project lifecycle and delivery methodology, with a pre-assessment of project classification which will govern the level of governance/project control required. I.e. we are not taking a one-size-fits-all approach. The lifecycle stages, with gate reviews and required documentation has now been approved. The next step which is already underway is to formalise templates to align with this.
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	On Track	25%	As part of the PMO framework uplift and assessment of PMO tools this item will be addresses as a requirement of the PMO tool	On Track	50%	A capability assessment will be conducted across the whole organisation, with particular focus on project delivery and enabling roles. This will be tested against requirements for the classification and volume of projects.

				Revised Due Date 28/04/2023			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 EP MO once implemented.			Through the Enterprise PMO we will be able to take a portfolio level view to ensuring that we are adequately and appropriately resourced for both current and pipeline projects. CAMMS will support this function of the EP MO once reconfigured.
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	On Track	25%	As part of the PMO framework uplift and assessment of PMO tools this item will be addresses as a requirement of the PMO tool 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 EP MO once implemented.	On Track	50%	This is covered within the EP MO high level planning capability and once implemented will provide the connection between Project Delivery and Financial/Strategic Planning.
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	On Track d	25%	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 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 EP MO once implemented.	On Track	50%	Lessons learnt is being considered within the project lifecycle and will be a responsibility of the EP MO to ensure these are not only captured throughout and at the end of a project, but also reviewed and implemented as changes to our processes going forward.

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 FRAC outcomes.	Low	30/04/2022 31/10/2022 31/01/2023 Revised Due Date 30/04/2023	On Track	60%	This will be re-looked at now the new Council has been elected.	On Track	60%	A holistic review of all policy and framework documents owned by the Risk and Strategy team is currently being undertaken and the framework will be updated with the other documents. Currently, things raised through the annual fraud questionnaire are recorded and actions to rectify are implemented, included any possible audit areas.
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	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.	Completed	100%	The comms on this process went out to all staff via 'Our community' at the end of 2022. The website has also been updated with this information.

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 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).	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).
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Community Facilities Management Models

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
It is recommended that if the CoM continues to implement the current subsidy rebate, that supporting guidelines are developed which details: Guidance on the documentation allowable to evidence the meeting of each criteria item. Review the documentation requirements for the subsidy and consider developing weighted criteria base on the importance of each item. Clarify compliance requirements for ongoing annual assurance checks. Develop annual reporting to be provided to the CoM which outlines the current status of compliance of community facilities leasing tenants.	1.3	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%	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.	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 2023. Interim reporting methods are being developed by the team through a new SharePoint and Power BI reporting system until the PMS is implemented.	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	On Track	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	PIO1.1	Refer to Finding 1 Management Actions.	Low	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.

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.	PIO1.5	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 2023. Interim reporting methods are being developed by the team through a new SharePoint and Power BI reporting system until the PMS is implemented.	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.
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Collaborative Model Health Check

RECOMMENDATION	ACTION #	AGREED MANAGEMENT ACTION	AUDITOR RISK RATING	ACTION DUE DATE	PREVIOUS QUARTER ACTION PROGRESS	PREVIOUS QUARTER ACTION PROGRESS %	PREVIOUS QUARTER ACTION PROGRESS (COMMENTS)	ACTION PROGRESS	ACTION PROGRESS %	ACTION PROGRESS (COMMENTS)
An action plan with timeframes and resources will be developed for implementation of the recommendations from the internal audit and reported through to the Audit Committees of the three Councils.	1.1	An action plan with timeframes and resources will be developed for implementation of the recommendations from the internal audit and reported through to the Audit Committees of the three Councils.	High	22/05/2022 31/12/2022	Not 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	On Track	15%	Engagement with the other Councils has been slow. Trying to source a further meeting to progress.

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)
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 31/12/2022 Revised Due Date 31/03/2023	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.	On Track	90%	Contract Management guide created and ready for implementation. An information/Change Management session will be scheduled for late February to raise awareness of the guide and the contract management checklist for use moving forward.
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 31/12/2022 Revised Due Date 31/03/2023	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.	On Track	90%	Contract Management guide and Pcontract Management Plan/Checklist created and ready for implementation. An information/Change Management session will be scheduled for late February to raise awareness of the guide and the contract management checklist for use moving forward. An extension is required (to 31/3/2023) to schedule and hold the information session, as the final element of completion of this implementation.

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	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.	On Track	10%	The Project Management Framework review is still in progress, awaiting the outcome of the review in order to finalise this task.
Implement financial management reporting to monitor contract spend profiles against the contract commitment value (original contract and variations) and POs to ensure compliance with procurement thresholds over the contract lifecycle. Further, consider providing this reporting to relevant Committee or governing body, as required.	2.2.1	Ensure implementation of Contracts Module within new Finance System includes elements relating to spend versus contract sum. (implementation due September – November 2021).	Moderate	31/12/2022 Revised Due Date 30/06/2023	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. 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.	On Track	50%	Still awaiting the contract module implementation to automate these elements, as part of phase 2 of the Finance System implementation.
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	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.	On Track	50%	The requirements for the Contract Module have been scoped and awaiting implementation as part of Phase 2 of the Finance implementation, as part of phase 2 of the Finance System implementation.
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	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.	On Track	10%	The Project Management Framework review is still in progress, awaiting the outcome of the review in order to finalise this task.
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 31/12/2022 Revised Due Date 31/03/2023	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	On Track	90%	Contract Management guide and Pcontract Management Plan/Checklist created and ready for implementation. An information/Change Management session will be scheduled for late February to raise awareness of the guide and the contract management checklist for use moving forward.

							attendance at departmental team meetings, to ensure take up by end users.			
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	On Track	50%	<p>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.</p> <p>The requirements for the Contract Module have been scoped and awaiting implementation</p> <p>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.</p>	On Track	50%	The requirements for the Contract Module have been scoped and awaiting implementation as part of Phase 2 of the Finance implementation.
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	On Track	10%	<p>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.</p> <p>The requirements for the Contract Module have been scoped and awaiting implementation.</p> <p>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.</p>	On Track	10%	<p>The requirements for the Contract Module have been scoped and awaiting implementation as part of Phase 2 of the Finance implementation.</p> <p>Once the contracts module is implemented, this task will be reviewed, with a recommendation to be made to ELT.</p>

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	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.	On Track	50%	We are progressing the PMF as planned.
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	25%	As above	On Track	50%	All key stakeholders, including Project Managers, have been involved in the PMF development. A full training and communication plan is being developed to roll out the PMF.
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	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.	On Track	50%	Further development of this recommendation is reliant on the Terms of Reference being finalised for the Enterprise PMO, along with implementing the re-configuration of our PMO System to accommodate.
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	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.	On Track	50%	This has been captured within the endorsed project lifecycle and associated documentation.

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	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.	On Track	75%	A full review of all governance meetings, including the Capital Works meeting has been undertaken and revised ToRs and meeting agenda and reporting will be implemented. This will enable a refresh of these reviews which will incorporate revisiting previous actions.
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%	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.	On Track	50%	This is progressing with the identification of key documentation required for the different stages of the lifecycle.
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%	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.	On Track	15%	This will be covered by the EPMO following standing-up this team, in conjunction with our records team.
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%	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.	On Track	50%	This has been captured as part of the gate reviews and final handover/close out within the project lifecycle. The reconfigured system will mandate document retention and the receiving party will need to sign off on that documentation.
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%	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.	On Track	15%	As per previous comment.
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	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	Not Commenced	0%	We have received a proposal from CAMMS for the reset and reconfiguration of the system, including support and training. This is now being reviewed and a business case is in development.

							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	0%	t 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.	Not Commenced	0%	We have received a proposal from CAMMS for the reset and reconfiguration of the system, including support and training. This is now being reviewed and a business case is in development.
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	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.	On Track	0%	We have received a proposal from CAMMS for the reset and reconfiguration of the system, including support and training. This is now being reviewed and a business case is in development.

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	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 31/12/2022 Revised due date 30/06/2023	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.	On Track		Work area were provided 7 weeks to complete a Stakeholder relationship map at the end of 2022. Unfortunately, do to work loads many areas were unable to complete this task. We will revisit the relationship map in February when most staff are back from leave. We need this completed first to understand the current status of our relationships. Request extension to 30 June 2023.

stakeholders. •Stakeholder assessment tools/criteria (See Finding 3).										
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 Revised due date 30/06/2023	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.	On Track		Work area were provided 7 weeks to complete a Stakeholder relationship map at the end of 2022. Unfortunately, do to work loads many areas were unable to complete this task. We will revisit the relationship map in February when most staff are back from leave. We need this completed first to understand the current status of our relationships. Request extension to 30 June 2023.
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 Revised due date 30/06/2023	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.	On Track		Work area were provided 7 weeks to complete a Stakeholder relationship map at the end of 2022. Unfortunately, do to work loads many areas were unable to complete this task. We will revisit the relationship map in February when most staff are back from leave. We need this completed first to understand the current status of our relationships. Request extension to 30 June 2023.
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 Revised due date 30/09/2023	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.	Not Commenced	0%	This will be a later stage in this project, and will require the completion of Action 1 first.
Conduct training and onboarding sessions specifically for staff in stakeholder facing roles, with specific consideration of the following: •The importance of stakeholder management, benefits and examples of poor management. •Key stakeholders of the CoM. •Situations where stakeholder management is required (including tailored and relevant examples for each business unit). •Who is best positioned in the CoM to consult on stakeholder management issues.	2.2	Agreed that onboarding and training regarding the management of key stakeholders is critical. This will be progressedbut also requires recommendation 1 to be fully implemented first. This will also be completed in partnership with People and Culture.	Low	31/03/2023 Revised due date	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 Revised due date	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 Revised due date 30/09/2023	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 Revised due date 30/09/2023	On Track	10%	This is being included as part of the PMO work progressing.	On Track		Work is still continuing on the Project Management work and am working with consultant to ensure alignment.
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 Revised due date 30/09/2023	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	Not Commenced	0%	Will also need to work with Community Engagement area to develop this, but await the stakeholder relationship map first.
Using the current register as an initial base, continue to populate for the key stakeholders in the organisation. The register could then be used in the future to assist with the implementation of a digital CRM system.	PIO1.1	Further work needs to progress regarding the opportunities to use Salesforce as a stakeholder management tool. In the interim, the top 20 key stakeholder map will be produced but this is only a short term measure with a long term approach required.		31/12/2022 Revised due date 30/09/2023	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.	Not Commenced	0%	
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 Revised due date 30/09/2023	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.	Not Commenced	0%	
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 Revised due date 30/09/2023	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.	Not Commenced	0%	This will be decided by the ELT when the stakeholder relationship map has been completed.
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 Kurna 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	PIO2.1	Agreed. The improvements listed within this PIO will be further considered.		31/12/2022 Revised due date 30/09/2023	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.	Not Commenced	0%	Further research indicated that the Warriparinga Advisory Team TOR does not include assisting with engagement and presents a challenge in delivery of this part of this action. We are exploring other opportunities for indigenous engagement, as detailed below. As per last update, the SLT are aware there is a gap in CoM in this space. Research continues about the options to move this forward,

CoM. •Engage an ‘Indigenous employment specialist’ to achieve improved engagement and services purchased from Indigenous business.									whether a formal s41 Committee be established as other Councils have done, dedicated staffing, or a regional approach. This will continue to evolve with the Stakeholder Management Framework work.
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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	On Track	60%	Working through the best solution to have publicly accessible calendar with IT & Records.	On Track	60%	Finalising some minor shareability issues and aligning with events calendar
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 Revised due date 31/3/2023	Not Commenced	0%	Draft new Framework created – Incorporating IA actions & opportunities + further tweaking	Not on Track	50%	Draft in progress. However requesting due date extension to 31/10/2023 due to Community Engagement Charter not being signed off by Local Government Minister. The Charter will dictate how all Councils must perform Community Engagement therefore the CoM Framework and CoM Public Consultation Policy will be heavily guided by this. Consultation awareness and training can be complete in the interim. 50% progress relates to first draft Framework and awareness training planned and ready to roll out.
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	Not Commenced	0%	Determining 'what good looks like' to put in planning	Completed	100%	Measurement checklist now included in all planning templates
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	Not Commenced	0%		On Track	90%	Discussions held. Budget planning for community consultation on major projects is now required by PMs under the New Enterprise Project Management Framework (EMPF). EMPF awaiting endorsement.

8.2 DTP Status Update

Report Reference	FRAC230221R8.2
Originating Officer	Chief Information Officer – Marcel Althoff
Corporate Manager	Chief Information Officer - 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

Resourcing continues to be a challenge. A structural realignment has brought together all remaining DTP projects under a new Chief Information Officer position to ensure a closer alignment across the DTP project teams. The current focus is on embedding the systems that have already been implemented, and on improving both the user and customer experiences of these systems. The focus over the next six months will be to complete all outstanding DTP Projects. In addition, a non DTP project – movement of the Property and Rates module to the Cloud will be implemented in August to accommodate business needs and reduce IT security risk.

Work has commenced on the overarching Information Services (IS) Strategic Plan and the planning required for its implementation over 2023/24 to stabilise and enhance the CoM's operational processes.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

1. Note the update on the Digital Transformation Program.

DISCUSSION

A general update on the DTP is provided below:

Realignment of DTP

There has been structural and staffing re-alignment, with all DTP Projects being brought together in a new Information Services (IS) team and reporting to a newly formed Chief Information Officer (CIO) position. The CIO role retains the function of DTP Program Manager in addition to responsibility for the Strategy development across the entirety of the CoM's ICT environment. The Helpdesk function has been transferred to IT Operations under the Manager IT Operations. A copy of the new

structure is attached (Attachment 8.1.3).

Governance reviews & audits and project implementation reviews (PIR)

KPMG has completed an audit of the Digital Transformation Program in January 2023 with all of the recommendations already actioned or in progress. See the Internal Audit Program – Implementation of Recommendations report prepared for noting at this meeting.

Resourcing

Since the last quarterly report, three Project Manager and three Business Analysts have resigned, and recruitments are ongoing for the vacant Salesforce Analyst and these now vacant Business Analysts and Senior Project Manager positions. This continues to impact program delivery.

QUARTERLY UPDATE

An update of individual DTP projects is provided below:

CoM 1: DLCA (Digital Literacy and Cybersecurity Awareness)

An initial pilot run by Navitas with the Open Spaces area to assess, benchmark and train staff to raise skill levels to a digital literacy framework competency level 2 was completed by the 25 staff who attended the assessment. In all, 22 people qualified, completing the 10 weeks of training, and were assessed at competency level 3 or below.

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

Work on this project has continued while a review is being conducted. The Recruitment and Onboarding Module has been implemented and is currently being piloted, while additional work is being carried out on a Workforce Planning module. Note any future modules will require additional funding.

CoM 3: CRM (Customer Relationship Management)

There have been enhancements to the CRM system to improve workflows, categorisation of cases, the user experience, customer experience, reporting and overall efficiency. A Hard Rubbish module has been implemented with 1,100 customers per month accessing the Customer Portal compared to less than 250 per month a year ago.

CoM 4: Asset Management System

The implementation of the AMIS software has commenced with loading of the data sets for assets. Stage one is targeted for completion by end of the financial year. Stage two will enable process transformation, provide an uplift in data and process maturity, realise reporting benefits and provide predictive modelling. This is expected to take an additional 18 to 24 months.

CoM 5: Finance System

The Finance system has been implemented and is operational. Initial issues have been resolved and a new team of experienced Financial Force resources from our integration partner Agilyx has been engaged. Outstanding issues, including reporting, are expected to be resolved over the next four to five months.

The proposed upgrade to the new cloud based version of the Civica Property and Rates system has started and is planned for implementation in August 2023.

CoM 6: Microsoft 365 - completed

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 - completed

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

CoM 9: Data and Analytics Project

The recent recruitment of a Data Analyst has delivered some immediate benefits, including improved reporting and dashboards.

CoM 10: The Unified Communications Project

The pilot project to use Teams as our communication tool, including phones, has commenced. The roll-out was delayed slightly to ensure the communication needs of the organisation were properly captured, with full implementation scheduled for early in 2023.

CoM 11: The Devices Fleet Management Project - completed

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

CoM 12: AV Access in meeting rooms - completed


All meeting rooms are now equipped with Meeting Owl Pros and TVs. A new splitter will be implemented for the Chamber that will allow the TV screens to work more consistently.

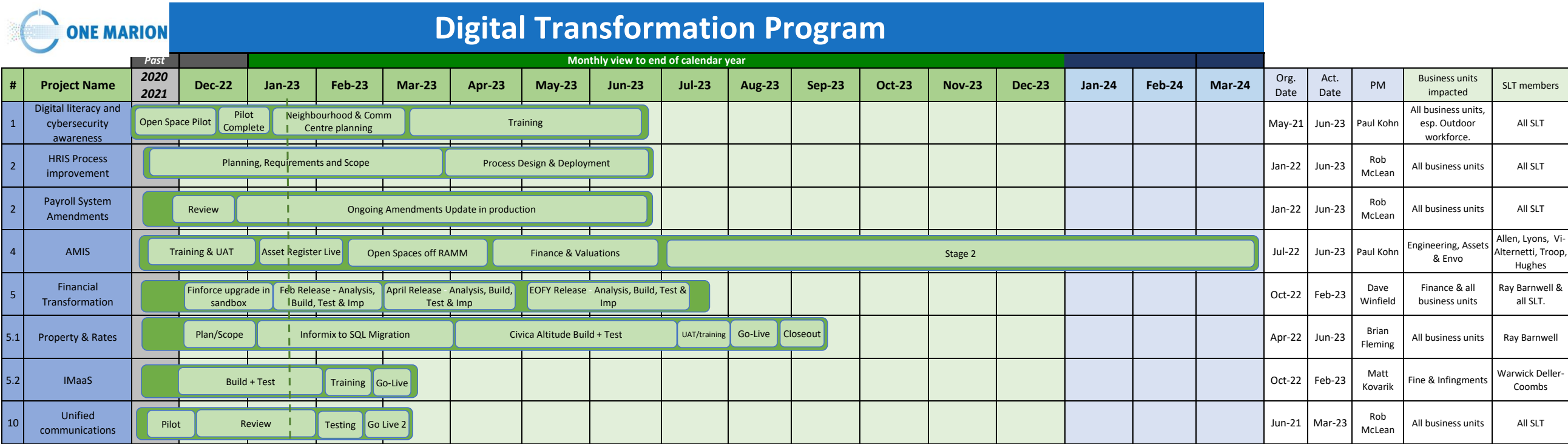
Focus for next quarter/s

The focus over the next six months will be to complete all outstanding DTP Projects, and the non DTP project - Property and Rates project that will be implemented in August to accommodate business needs.

Work has also commenced on the overarching Information Services (IS) Strategic Plan and the planning required for its implementation over 2023/24 to stabilise and enhance the CoM's operational processes.

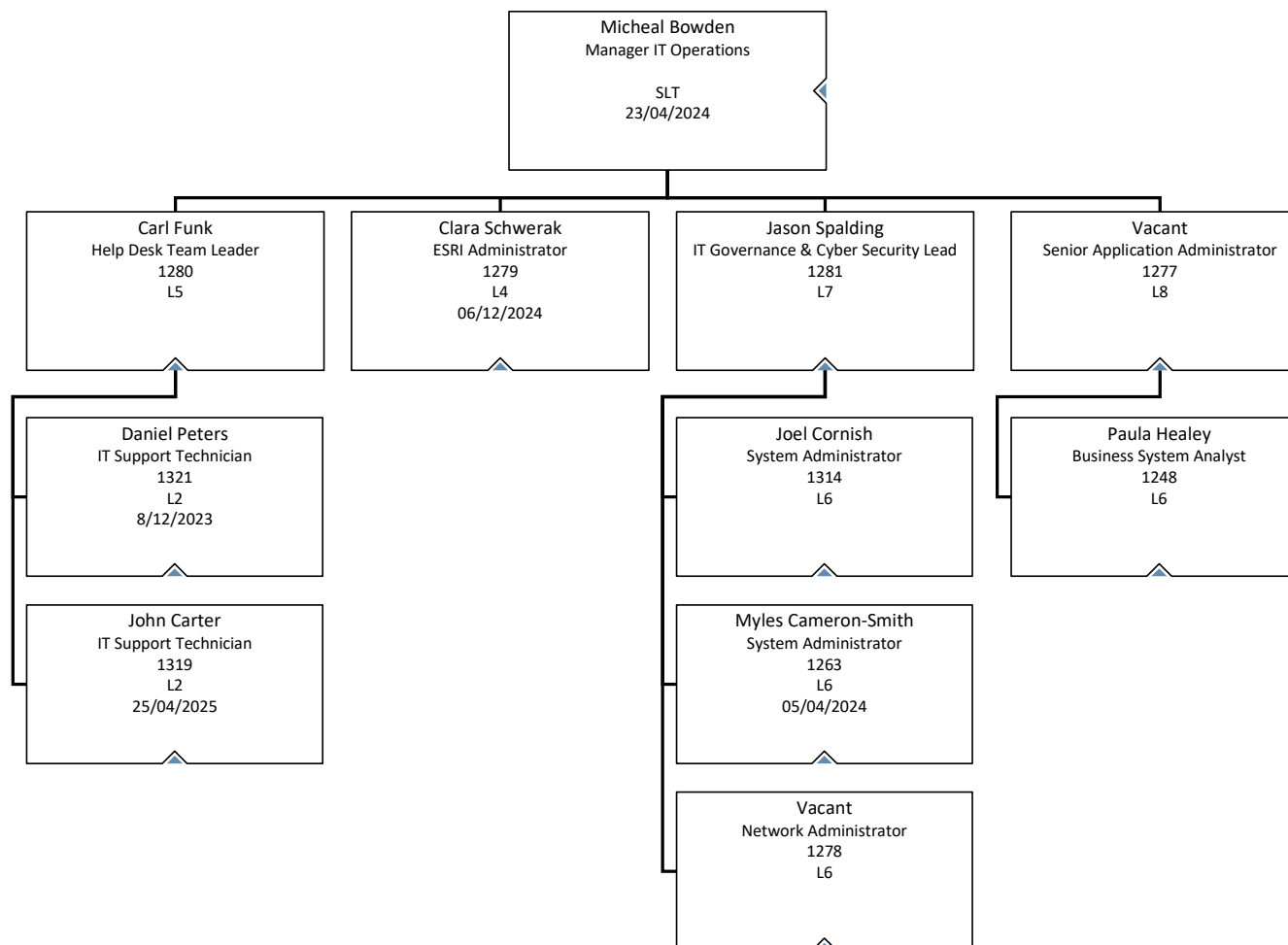
Digital Transformation Update: Jan 2023												
Digital Transformation Program	Orig. End date	F/cast End date	Fortnightly Project Status - RAG Status					Last Period	This period	PM	Key Risks / Issues emerged this period	Comments
			Scope	Schedule	Cost	Benefits / outcome	Resource					
Overall Program	Oct-22	Oct-23	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Marcel Althoff	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	Jun-23	Green	Amber	Green	Green	RED	Amber	Amber	Paul Kohn	* Resource Status is red due to PM leaving. There are no other allocated resources on this project.	*Pilot Training Complete and has been measured as a successful Pilot. All participants are now meeting the or exceeding foundation skills level - a great achievement on both a personal and professional level. *Planning for Neighbourhood and Community Centres to start in February. Initial engagement with a local RTO (STATUS) has commenced. *Cyber Campaign for December has been visible with screensavers and posters 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.
HRIS Process Improvement	Jan-22	Jun-23	Amber	Amber	Amber	Amber	Amber	Amber	Amber	Rob McLean		*Kick off project meeting help to give the direction to the teams in better utilising the processes and systems we currently have with Aurion. *Will be scheduling time with the product owner of the project to ensure each member of the team clearly understands what needs to be and by when.
Payroll Remediation	Jan-22	Jun-23	Green	Amber	Amber	Green	Amber	Amber	Amber	Rob McLean		*Remediation activities have commenced by the Vendor have discussed with the team *Project meeting being setup to ensure all are on the same page with requirements, progress and timing.
AMIS	Jul-22	Jun-23	Green	Green	Green	Green	Red	Amber	Amber	Paul Kohn	* Resource Status is red due to Lisa leaving. This position is currently being recruited for and the status indicator for Resource will return to green once the new PM is onboard. * The schedule and scope to the eofy is locked in, with a small scope variation agreed with AMIS Stakeholders to swap out a Business area (Plant & Fleet now takes the place of Opens Spaces) to enable delivery.	* Overall: Amber: Working to the following horizons: 1) Asset Register Go live 2) Sign off of additional engagement 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	Jun-23	Amber	Amber	Red	Amber	Amber	Amber	Amber	Brian Fleming	Issues: * Reporting is still not fit for purpose but improvements have been made in annual budget, budget review cycle 1 & budget officer reporting * 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
Property & Rates	Nov-22	Sep-23	Green	Green	Green	Green	Green	Green	Green	Dave Winfield	* Migration from current Informix Database to SQL must occur prior to April 2023 * Multiple single points of failure in Resourcing * Structure of NAR is changing - need for rework of CRM integrations, cost to be determined	* Draft Schedules Created * Project Brief created * Project Kick-off meeting scheduled 9th Jan, to be rescheduled
IMaaS - Fines & Expiations	Sep-22	Feb-23	Green	Amber	Green	Green	Green	Green	Green	Matt Kovarik	* Schedule: Vendor availability over xmas period and business owner on annual leave will push a new Go-live to Mid February 2023 * Vendor availability to fix issue with Authority test environment, this is causing delays in testing the integration payment file for IMaaS-Authority>FinForce	* Receipting & Reconciliation processes being documented and tested for Customer Service and Finance * Integration between IMaaS > Authority for daily transactions, to flow through to FinForce (Working with 3rd Party vendor Ingle)
Unified comms	Jun-21	Mar-23	Amber	Amber	Green	Green	Green	Green	Green	Rob McLean		*Completed the teams calling workshops waiting on the final report to be delivered. *Drafting the deployment schedule which will be circulated once complete to determine the best / optimal deployment date to reduce the impact to the business *AWS Receive the purchase exemption approved by procurement. *Finalising T&C's and will send contact to vendor once complete
Data analytics	Apr-22	Nov-22	Green	Amber	Green	Amber	Amber	Green	Green	Kate McKenzie / Brian Fleming	* Cost: we aren't spending the allocated budget as unable ti find suitable resources * 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 * Changes in progress for helpdesk to enable classification of BI queries and tracking KPI's work progressing * Initial mock up of metric dashboards in progress * Data Analytical framework presented to ELT with minor change required for endorsement * Work progressing on mapping of existing of dwh solution to assess capability
Digital Transformation Program Status Update Discussion areas												

Digital Transformation Update: Jan 2023					
<table border="1"><thead><tr><th>Key Program Achievements this Period</th></tr></thead><tbody><tr><td></td></tr></tbody></table>	Key Program Achievements this Period		<table border="1"><thead><tr><th>Key Program Focus areas for next period</th></tr></thead><tbody><tr><td>Refer to comments to address Ambers and Reds at Program and Project Level</td></tr></tbody></table>	Key Program Focus areas for next period	Refer to comments to address Ambers and Reds at Program and Project Level
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Corporate Services

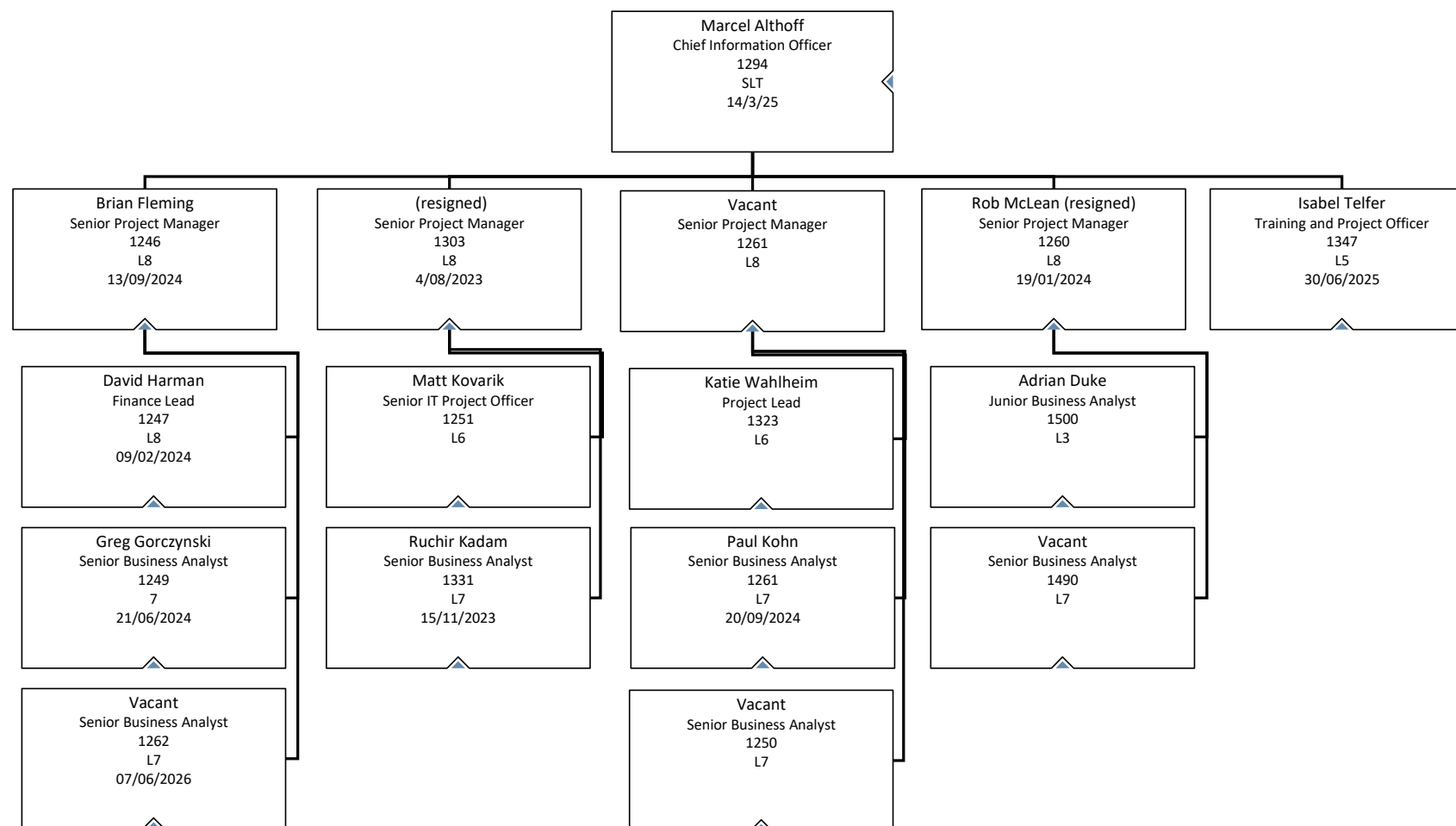
As At February 2023



Substantive employee shown first against role with contract end date
Acting employee shown second against role where applicable with contract end date

Corporate Services

As At February 2023



Substantive employee shown first against role with contract end date

Acting employee shown second against role where applicable with contract end date

8.3 DTP Financial Transformation Update

Report Reference	FRAC230221R8.3
Originating Officer	Senior Project Manager – Brian Fleming
Corporate Manager	Chief Information Officer – Marcel Althoff
General Manager	General Manager – Angela Allison

REPORT HISTORY

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

REPORT OBJECTIVE

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

RECOMMENDATION

That the Finance, Risk and Audit Committee

1. Note the report.

DISCUSSION

Background

Financial Force was implemented into CoM on 1 July 1 2022. Since this time the following issues have arisen that have required further work and investment to achieve a desirable outcome:

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

Licensing Utilisation & Costs

An audit of all access and profile configurations across the organisation is currently underway with the Vendor with a view to reducing the number of full licences and identifying development activities that can serve the needs of the business without additional licensing.

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

A new internal Project manager has been assigned to address the outstanding issues that have been identified with our solution implementation partner. The CoM has negotiated with the vendor to provide a 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 time 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 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 has 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.

CONCLUSION

After much analysis, negotiation and demonstration of enhanced support by the vendor, the Finance implementation is in a much better place.

CoM is more confident this product can meet the needs by resolving the outstanding issues and provide improved functionality in three separate releases that are planned over the next five months.

9 Workshop / Presentation Items - Nil**10 Other Business****11 Meeting Closure**

The meeting shall conclude on or before 12.00pm unless there is a specific motion adopted at the meeting to continue beyond that time.