

His Worship the Mayor
Councillors
City of Marion

Notice of Special Finance, Risk and Audit Committee

Council Chamber, Council Administration Centre
245 Sturt Road, Sturt

Tuesday, 20 June 2023 at 2.00 pm

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

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

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



Tony Harrison
Chief Executive Officer

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 16 May 2023	3
5	BUSINESS ARISING - NIL	19
6	CONFIDENTIAL ITEMS	19
	6.1 Cover Report - Marion Administration Centre Internal Fit-out Project - Section 48	19
	6.2 Cover Report - Quarterly Incident and Claims Report	20
7	REPORTS FOR DISCUSSION	21
	7.0 3rd Budget Review 2022/2023.....	21
	7.2 Results of the Bi-Annual Performance and Effectiveness Review of the Finance, Risk and Audit Committee	35
	7.3 Internal Audit - Implementation of Recommendations Review	41
8	REPORTS FOR NOTING	66
	8.1 Business Continuity Annual Report 2022-23	66
	8.2 Service Review / Process Improvement Program	68
	8.3 Work Health and Safety Management System Annual Report	71
9	WORKSHOP / PRESENTATION ITEMS - NIL	83
10	OTHER BUSINESS	83
11	MEETING CLOSURE	83

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 16 May 2023**

Report Reference	SFRAC230620R4.1
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 16 May 2023 be taken as read and confirmed.

ATTACHMENTS

1. FRA C 230516 - Final Public Minutes [4.1.1 - 15 pages]



**Minutes of the Finance, Risk and Audit Committee
held on Tuesday, 16 May 2023 at 2.00 pm
Council Chamber, Council Administration Centre
245 Sturt Road, Sturt**



**PRESENT**

Ms Emma Hinchey (Chair)
Ms Nicole Rantanen
Mr Josh Hubbard (from 2.07pm)
Councillor Jason Veliskou
Councillor Jayne Hoffmann

In Attendance

Acting Chief Executive Officer - Ben Keen
Acting General Manager City Services - Merran Fyfe
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
Chief Financial Officer - Ray Barnwell
Unit Manager Strategy and Risk - Maddie Frew
Manager Operations – Brian Green
Unit Manager Asset Solutions – Brendon Lyons
Eric Beer (KPMG)
Kylie Netherwood (KPMG)

1 Open Meeting

The Chair opened the meeting at 2.01pm.

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 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

- Nil interests were disclosed.



4 Confirmation of Minutes

4.1 Confirmation of Minutes of the Finance, Risk and Audit Committee Meeting held on 21 February 2023

Report Reference FRAC230516R4.1

Moved Ms Rantanen

Seconded Councillor Hoffmann

That the minutes of the Finance, Risk and Audit Committee Meeting held on 21 February 2023 be taken as read and confirmed.

Carried Unanimously

5 Business Arising

5.1 Business Arising Statement - Action Items

Report Reference FRAC230516R5.1

The Committee reviewed and noted the Business Arising Statement and made the following comments:

- The Committee noted the reference to the introduction of lean six sigma across the organisation and queried what the plan for the roll out of this entailed. Management provided a summary of the training program noting the proposal had been considered at a recent ELT / SLT training day with the plan to commence from mid-June. ELT and SLT would be trained first to a yellow belt standard. Following this, the program will be rolled out across the organisation with the intent that each group going through the training would comprise a mix of different business units. Management will ensure there is appropriate governance backing the program to ensure it is embedded into business-as-usual practices with a focus on service improvements.

Moved Ms Rantanen

Seconded Councillor Veliskou

That the Finance, Risk and Audit Committee:

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

Carried Unanimously

6 Reports for Discussion

6.1 Council Member Report

Report Reference FRAC230516R6.1

2.07pm Mr Hubbard entered the meeting



The Committee noted the Council Member Report commenting on the report relating to the Council Member Training and Development Requests. They acknowledged the benefits Councillors Hoffmann and Taylor would receive by completing the Australian Company Directors Course in August 2023, noting this was a good investment. The Committee also queried the concept of the 4-Year Plan with Management noting this is the second 4-year plan Council have produced. The plan expires six months after the Council term, allowing the new term of Council to have input into the next 4-Year Plan, the first year of which is aligned to the next Annual Business Plan. Both plans are currently out for public consultation and will be brought back to Council in June.

Moved Ms Rantanen

Seconded Councillor Veliskou

That the Finance, Risk and Audit Committee:

1. Notes this report.

Carried Unanimously

6.2 Quarterly Corporate Risk Report

Report Reference FRAC230516R6.2

The Committee noted the Corporate Risk Register Report and provided the following feedback on the review outcomes:

- It was interesting to see the trend towards flexible working arrangements.
- Noted that the appointment of a talent acquisition advisor had made a significant difference in the attraction strategy with most vacancies now being filled.
- The Committee questioned what the real impact of the ESCOSA Review of Councils Asset Management Plans and Long-Term Financial Plan will be. Management commented that ESCOSA will review Council endorsed strategic plans including Council's Asset Management Plans, Long Term Financial Plans and recently endorsed Annual Business Plans which have just gone out for public consultation. ESCOSA will review Council's plans and how they are funded, the key underlying assumptions that drive the plans and whether Council is setting rates appropriately and in accordance with legislative requirements. It will provide oversight to Council on those Strategic Plans and provide their advice as to whether they are done appropriately and the plans are properly aligned. The Committee commented other Councils had been disappointed with the outcomes of the review, noting it was important that there is no duplication in our internal audit plan of what ESCOSA are planning to audit.
- The Committee questioned whether Management had looked at the learnings from other Councils to prepare for its review. Management noted they are involved in several opportunities to review learnings including sessions provided by the LGA with previous Councils and engaging them to discuss key issues, their perspective and lessons learnt.
- The Committee referenced the risk relating to poor data quality and data governance not supporting informed decision making and whether there was an organisational change process. Management advised of the introduction of the Business Intelligence Team who are focussing on data governance, collection, and storage of data, collaborating with the records management unit to review performance across the organisation. This data is especially useful for the development of corporate KPI's which will be developed by 1 July 2023. The challenge is around systems; however, the Business Intelligence team is working closely with Information Services to ensure the data is set up correctly. It is anticipated this risk may reduce in the next 12 months; however, data maturity needs to increase before this can occur.

FRAC230516 - Finance, Risk and Audit Committee - 16 May 2023



- The Committee noted it was good to see the opportunities register called out and was interested in how people can input into this. Management commented that the framework includes the risks and opportunities management. It was noted this was still under development and noted on the future work plan.
- The Committee discussed the risk through the Long-Term Financial Plan in relation to rising energy costs and were interested in what opportunities Council are looking for emerging technologies and models. Management confirmed the current energy contract is 100% renewable. Council is also working with LGA procurement on a new contract which may deliver a 40% reduction in usage cost with usage costs being 40% of the overall expenditure. Council also has solar panels on several of its facilities and will continue with 100% renewable energy. The committee commented it was important this was also flowing through to capital delivery.
- The risk relating to the difficulty attracting, recruiting, and retaining talent was discussed by the committee commenting that it was important to also look at culture and what it feels like to work at the organisation. There are lots of tactical ways to attract staff, however it is important to capture culture and staff retention.
- The Committee suggested re-framing risk descriptions to include an explanation of what's driving the probability and consequences. This will give a better understanding of the risk rating and enable more beneficial recommendations on reducing the risk.
- The Committee discussed the risks currently rated as High (or above) commenting they expected to see a risk from a general perspective in relation to environmental risk, around the ability for rate payers to pay their rates. Management acknowledged this was being monitored continuously, however there was no evidence to suggest any movement in this space. This will continue to be monitored and will be included if circumstances change.

ACTION: Re-frame the risk descriptions relating to the *High-Risk Plan-on-a-Page* items to include an explanation of what is driving the probability and consequences.

Moved Ms Rantanen

Seconded Mr Hubbard

That the Finance, Risk and Audit Committee:

1. Notes the Corporate Risk Register Report (Attachment 1) and provides their feedback on the review outcomes.

Carried Unanimously

6.3 Draft Internal Audit Plan 2023-25

Report Reference FRAC230516R6.3

Mr Eric Beere from KMPG was present for the item. The Committee took the report as read and provided the following comments:

- The Committee discussed the priorities for the City of Marion and how much this was reflected in the proposed plan and were seeking assurance this had been considered from a holistic approach. Mr Beere commented that City of Marion were definitive in their priorities and were able to separate these from Port Adelaide Enfield and Charles Sturt Councils based on their needs. It is very much fit for Marion's needs based on discussions.
- The Committee referenced the Cloud Vendor/Third Party Cyber Risk Assessment scheduled for 2023/24 and queried whether there was a BCP exercise or similar session planned in this



space. Management noted there is a BCP exercise schedule for June this year, however, given there has been a significant turnover in ELT and STL this would be focussed on the basics and bringing everyone up to speed. Management acknowledged the importance of a cyber related scenario and suggested this may be scheduled for a future exercise.

- The Committee also discussed the Cyber Risk Assessment with concerns this may be more of an advisory approach. Mr Beere noted the Assessment was a holistic review of the data held on the network and the processes and practices in place to verify and satisfy councils expectations that cyber risk has been addressed. Management commented the audit would focus on the City of Marion's oversight over cyber security, the control environment and how this is managed by vendors. The Committee was not convinced that processes are embedded and tested enough to lend itself to an audit and requested KMPG review the scope to determine whether an internal audit is warranted at this stage.
- The Committee commented on the recovery strategies from a ransomware attack and whether policies, procedures and communications have been established for when this may occur. Management noted there are practices in place should this occur and well-established data backup and recovery procedures within relevant teams and insurances in place for rectification work and payment of ransom where it may be appropriate and legal.
- The timing of the community safety audit was discussed, and the timing of the Audit was queried and whether it could be brought forward given there have been some concerns around service levels. Management commented the timing of this audit was based on the prioritisation of the other reviews. Management will review the timing and see if this can be brought forward from year 2 of the plan. It was also noted the purpose of the audit is to verify practices and processes are compliant and that issues or service improvements should be addressed as they arise.
- The Committee commented that they struggled to see the alignment with the assurance mapping work that was previously done. Mr Beere noted that the assurance mapping is only one input used and is not agile enough to align with the maturity of the organisation on its own, however there is a need to look practically of what lends itself to an internal audit. KPMG will take this feedback on board and look to integrating this further in the second iteration of the assurance mapping.
- The Committee suggested if there is going to be an updated assurance map included, the ideal timing for this would be prior to setting the next plan and be used to identify any gaps.
- The Committee commented that they would like to see the risk register and controls audit included in the internal audit program if possible..

ACTION: Management to review elements in the Risk register and core controls testing audit to determine if this would be beneficial and to review the elements within the Cloud Vendor/Third Party Cyber Risk Assessment to determine if an audit is warranted.

Moved Mr Hubbard

Seconded Ms Rantanen

That the Finance Risk and Audit Committee:

1. Endorses the Internal Audit Plan for 2023-2025

Carried Unanimously



6.4 Internal Audit Program 2022 - 2023

Report Reference FRAC221213R6.4

2.52pm Councillor Veliskou left the meeting
2.53pm Councillor Veliskou re-entered the meeting

Mr Eric Beere and Ms Kylie Netherwood from KMPG were present for the item.

Mr Beere introduced the item and provided a summary of the final reports for Customer Experience and Cyber Security. The objective of the Cyber Security internal audit was to assess the maturity of Council Information technology controls area against the Local Government Information Technology South Australia's (LAITSA) Local Government Securities Framework (LGSF) and supporting tool kit. The objective of the Customer Experience internal audit was to perform a review of the City of Marion's customer management strategies, planning and operations, and recommendation arising from the 2019 internal audit of CX (including complaints). The following discussion on the Customer Experience Report was noted:

- It was pleasing to see a lot of the recommendations already planned for or in train.
- The maturity assessment relating to tools and technology was rated as high. It was understood the City of Marion is going through a transition period through the deployment of the CRM, however it was noted the importance of investing in the processes to support the technology.
- The Committee queried the SLAs within the CRM especially the 17% that had no SLAs and the 19% that exceeded the timeframe and questioned whether there were any specific observations in relation to this.
- The Committee noted it was good to see the emphasis on communication across the organisation and the collective effort around this.
- Mr Beere commented that the SLAs vary, some had an incorrect closure date, others were not closed out at all. It showed there was inconsistency with how the system was being used and how the cases were being triaged.
- The Committee noted the assessment reads well and questioned what the benchmark is compared to others. Mr Beere commented the maturity assessment is global across all industries. Compared to other Local Governments, City of Marion is mid-tier. There is still a lot of work to be achieved, however it was acknowledged much of this is already recognised and in progress.
- Feedback was provided on customer management and the channels used and whether we are going to look at different people communicate differently, i.e., what is effective, who it is best suited to, who would benefit. It was noted that all the different communication channels had been looked at. A suggestion was integrating marketing tools such as social media and technology concepts to capture feedback from these various channels.
- The Committee discussed the tools and technologies element noting this is a function that crosses all business unity in the organisation and is included in the draft strategy to be rolled out.
- Concerns were raised by the Committee in relation to the target dates for the tools and technology element and whether they were realistic. Management commented the approach to be taken included the following elements:
 - finalising the customer experience strategy, with deployment and implementation to take time after the approval of the strategy
 - integrating the road map looking at how the data is captured and then made available for reporting. Several dashboards have already progressed to look at the different elements of the data. A review of categories within CRM has already taken place to simplify the data and ensure this is being captured accurately and the cases are allocated to the right team at inception.. This will allow the team to review SLA data more extensively.

FRAC230516 - Finance, Risk and Audit Committee - 16 May 2023



- Reviewing how this is reported back to the customer and having a clear system to provide current and accurate information.
- The Committee queried the process for applying fairness i.e., in the event an error is found, what is the process for determining other similar instances and correcting this.
- Mr Beere commented that management are reviewing the complaints framework and escalation process to incorporate this element. Further upgrades to the CRM system will look to rectify any anomalies and the Customer Systems Partner will continue to look at individual circumstances to ensure events are not systemic.
- The Committee commented on the importance of embedding the customer service ethos across the organisation.

Moved Mr Hubbard

Seconded Ms Rantanen

That the Finance, Risk and Audit Committee:

1. Notes the completion of the Internal Audit Program for 2022/23.
2. Considers and provides feedback on the:
 - a. Customer Experience (Attachment 1)

Carried Unanimously

The Chair sought and was granted Leave of the Meeting to vary the order of agenda items and bring forward item 7.1 to be considered next in the meeting.

7.1 Internal Audit Program - Implementation of Recommendations

Report Reference FRAC230516R7.1

Manager Office of the CEO introduced the item and provided a summary of the status of implementation of recommendations to date. It was noted that ELT had undertaken a thorough review of all recommendations. As part of this review, the ELT determined to amend how the implementation of recommendations are being reported. The significant difference is that the 'not on track' is any item not completed within the original due date tracking and therefore tracking as red. An additional column has been added which is a 'forecasted action completion date'. This change to the reporting is to increase awareness and accountability for those actions that are overdue, and ELT are focusing on reducing the number each quarter.

It was also noted several actions relating to the Digital Transformation Program are now being rolled into the new Information Systems Strategic Plan due for completion 30 June 2023. Project timing will be subject to budget prioritisation within that plan.

The Committee noted the status of the Internal Audit Program and provided the following feedback:

- Suggested that it may be useful to include the month and year of the audit to enable visibility of extensions to timeframes.
- The Committee commented on the number of overdue items, however acknowledged this was a result of the ELT review and change in reporting method. The item not on track in the Stakeholder Management item resulted from pressures in the business and the work has

FRAC230516 - Finance, Risk and Audit Committee - 16 May 2023



recently been relaunched with it expected to be completed within the next few months. The resourcing challenges were noted.

- The Committee commented it would be good to see the recommendations from Project Management on track soon. Management commented that the Manager Project Management Office would be commencing within the next month with an additional two positions in this team yet to be filled. The Project Management Framework has now been endorsed by Council and will come into effect from 1 July 2023.
- The Committee raised concerns regarding some of the completed items, and whether they were in fact completed. The final comments didn't appear to align with the original recommendation. It was also noted there needs to be enough detail in the recommendation to be able to complete findings appropriately. The Committee suggested a thorough review of completed items to ensure they had met the intent of the findings.
- The Committee noted Action 1.1 on the Collaborative Model Health Check has the same recommendation as agreed management action. It was requested this be updated prior to the next meeting. Management advised that the 3 councils did meet on 12 May to discuss the way forward for this audit.
- Mr Beere acknowledged this is the first year a formal review has been undertaken of the tracking of internal audits with any process improvements incorporated into following plans.

ACTION: Review comments of completed items to ensure they align to the original recommendations and intent of the findings. Re-open any that are not actually complete e.g:

- 9.1 in ITT Governance
- 5.1 in Asset Inspection Schedule
- 1.1 Project Management (check that the intent of the finding in relation to CAMMS has been completed)

ACTION: 1.1 on the Collaborative Model Health Check has the same recommendation as agreed management action. It was requested this be updated prior to the next meeting.

ACTION: The Committee requested in future this report be listed under reports for decision and not reports for noting.

Moved Councillor Hoffmann

Seconded Ms Rantanen

That the Finance, Risk and Audit Committee:

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

Carried Unanimously

The Chair sought and was granted leave of the meeting to vary the order of the agenda and consider the following items next on the agenda:

- Item 9.2 *Cyber Security Internal Audit*
- Item 9.1 *Quarterly Cyber Security Update*



9.2 Cover Report - Cyber Security Internal Audit

Report Reference FRAC220516F9.2

Moved Councillor Veliskou

Seconded Ms Rantanen

That pursuant to Section 90(2) and (3)(e) of the Local Government Act 1999, the Committee orders that all persons present, with the exception of the following persons: Eric Beer (KPMG), Heather Martins (KPMG), 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, 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 security of the City of Marion.

Carried Unanimously

3.33pm the meeting went into confidence.

Moved Councillor Veliskou

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 'Cyber Security Internal Audit Report', having been considered in confidence under Section 90(2) and (3)(e) of the Act be kept confidential and not available for public inspection upon the basis that the information contains details of security risks to the Council. 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

3.52pm the meeting came out of confidence

9 Confidential Items

9.1 Cover Report - Quarterly Cyber Security Update

Report Reference FRAC230516F9.1

Moved Councillor Veliskou

Seconded Ms Rantanen

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, 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.

Carried Unanimously

FRAC230516 - Finance, Risk and Audit Committee - 16 May 2023



3.52pm the meeting went into confidence

Moved Mr Hubbard

Seconded Ms Rantanen

In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Committee orders 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

4.04pm the meeting came out of confidence

4.04pm Ms Rantanen left the meeting

4.04pm Mr Hubbard left the meeting

6.5 Tree Asset Management Plan

Report Reference FRAC230516R6.5

4.05pm Mr Hubbard re-entered the meeting

4.06pm Ms Rantanen re-entered the meeting

Acting Chief Executive Officer provided the Committee with an update on urban tree management and a summary of the draft Tree Asset Management Plan noting this as a leading industry approach to managing trees through data management and Forestree.

The Committee provided the following feedback:

- The Committee acknowledged the good progressive work that had been done in this space and given it is the first management strategy of its kind, queried what other opportunities may arise. Management noted they have been actively working with Forestree with regards to how it's being used and will promote and work collaboratively with other Councils as improvements are made.
- The Committee queried the resourcing levels required and encouraged staff to drive the conversation around this before the final document is endorsed. It was suggested that a best practice approach be adopted with the resources allocated to achieve this outcome. The Committee also suggested it would be important to include the modelling of various scenarios versus the experience and financial considerations to ensure it has been designed to be as effective and efficient as possible and meet the needs and expectations of the community. Management confirmed that budget considerations would come through the annual business plan process.

Moved Councillor Hoffmann

Seconded Councillor Veliskou

That the Finance, Risk and Audit Committee:

1. Reviews and provides feedback on the Draft Tree Asset Management Plan (Attachment 1).

Carried Unanimously

FRAC230516 - Finance, Risk and Audit Committee - 16 May 2023



6.6 Draft Annual Business Plan 2023-24 and Long-Term Financial update

Report Reference FRAC230516R6.6

The Committee noted the Draft Annual Business Plan 2023-24 and Long-Term Financial Plan and provided the following comments and feedback:

- The Committee discussed the borrowings beyond 2023-24 forecast to peak at \$55.3m in the 2031-32 year of the LTFP, noting that the borrowings in the Long-Term Financial Plan incorporated funding required for the recently endorsed CoMBAS with most projects supported through borrowing over 10-years. This is in line with the Committees previous suggestions and aims to change the cycle of borrowings and enable residents to share the intergenerational equity.
- The Committee queried the capital program and realistic ability to deliver this given the current economic environment. Management commented with the implementation of the Project Management Office to track and monitor projects there would be greater oversight on this, noting that some of the projects also have contingencies built in. It was also noted some of the projects are already heading into the construction phase and have already gone through the planning phase. It was acknowledged there is a lot of pressure on Council to find the resources to manage projects appropriately.
- The proposed rate increase of 5.2% was discussed with the Committee raising concerns this may be too low to accomplish the deliverables outlined in the plan. Management noted considerable work has been undertaken to set a rate increase that balances the impact on our community without compromising on operational service or capital project delivery while also maintaining a long term financially sustainable position for the City of Marion. The Committee reiterated the importance of communicating this message to the community and the amount of work that had gone into determining this rate rise and associated Annual Business Plan.
- The Committee commended the staff working on the Draft Annual Business Plan resulting in a high-quality document being produced.

Moved Mr Hubbard

Seconded Ms Rantanen

That the Finance, Risk and Audit Committee:

1. Provides feedback on the current iteration of the Draft ABP 2023-24 and Draft LTFP released for public consultation (Attachment 1).

Carried Unanimously

6.7 Finance, Risk and Audit Committee - Effectiveness Survey

Report Reference FRAC230516R6.7

Moved Councillor Hoffmann

Seconded Councillor Veliskou

That the Finance, Risk and Audit Committee:

1. Endorse the survey components and statements included in Attachment 1 to be used for the Bi-Annual Effectiveness Survey.

Carried Unanimously

FRAC230516 - Finance, Risk and Audit Committee - 16 May 2023



7 Reports for Noting

7.2 Sam Willoughby International BMX Claim Update

Report Reference FRAC230516R7.2

Moved Councillor Veliskou

Seconded Ms Rantanen

That pursuant to Section 90(2) and (3)(b) of the Local Government Act 1999, the Committee orders that all persons present, with the exception of the following persons: Chief Executive Officer, General Manager City Development, General Manager City Services, General Manager Corporate Services, Manager of the Office of the CEO, Chief Financial Officer, Unit Manager Governance and Council Support, Unit Manager Strategy and Risk and Risk Business Partner, be excluded from the meeting as the Committee receives and considers information relating to Sam Willoughby BMX Track Claim Progress Update, upon the basis that the Committee is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to commercial and financial information.

Carried Unanimously

4.40pm the meeting went into confidence

The Committee went into confidence and discussed some of the financial and commercial details around the matter that remain confidential and requested additional information be provided in due course.

ACTION: Management to provide Committee Members with additional information out of session.

Moved Ms Rantanen

Seconded Mr Hubbard

That the Finance, Risk and Audit Committee:

1. Notes the LGA Asset Mutual Fund letter dated 16 March 2023.
2. Notes that no further action on this matter will be undertaken, and that repairs to the Sam Willoughby International BMX track are underway.

Carried Unanimously

7.3 Digital Transformation Program - Quarterly Status Update

Report Reference FRAC230516R7.3

The Committee noted the update on the Digital Transformation Program and the DTP – Benefit Realisation Table and provided the following feedback and comments:

- It was noted that 78.25% of the benefits had been realised, however, the Committee questioned what was missing and what the risk of not actually achieving 100% close out on all items. Management noted that some benefits won't be realised for example the HRIS System, given the modules do not exist in the selected solutions.



- A key learning noted was around the description of benefits when going to market and the importance of engaging with key stakeholders to develop the benefits realisation piece, specifically noting the difference between realisation and financial savings.
- Management further commented that as of the 30th of June, the Digital Transformation Program will no longer exist as all projects are completed, except for the upgrade of the Property and Rates module to a Cloud version that will be implemented in February 2024 to accommodate business needs and reduce IT security risk and phase 2 of the Assetic implementation. Ongoing enhancements to the Financial Force system will continue with anticipated completion by the end of September 2023. It was noted that work had commenced on the overarching Information Services (IS) Strategic Plan and the planning required for its implementation which will include any remaining projects or elements embedded.
- The Committee discussed the importance of the close out review and ensuring applied lessons were incorporated into the new strategy. Management confirmed this was a key piece of work with much of the information already provided through the DTP health check and is reflective of the findings in the KPMG Report.

Moved Mr Hubbard

Seconded Ms Rantanen

That the Finance, Risk and Audit Committee:

1. Note the update on the Digital Transformation Program
2. Note the DTP – Benefit Realisation Table

Carried Unanimously

7.4 2nd Budget Review 2022/2023

Report Reference FRAC230516R7.4

The Committee noted the 2nd Budget Review for 2022/2023 with the following queries:

- The Committee queried the Asset Consumption Ratio, noting this seems incredibly high and queried whether the target needed to be moved. Management acknowledged this could be re-assessed for the next financial year.
- The Committee also questioned the main driver for the forecast deficit relating to operations. Management commented that the DTP projects are being driven through operations, noting the net funding position was fine, this was more a result of where the costs sit from an accounting perspective in Council's funding statement.

Moved Ms Rantanen

Seconded Mr Hubbard

That the Finance, Risk and Audit Committee:

1. Note the 2nd Budget Review position and revised budgeted statements including the Income Statement, Balance Sheet, Statement of Changes in Equity and Statement of Cash Flows.

Carried Unanimously

8 Workshop / Presentation Items

Nil

FRAC230516 - Finance, Risk and Audit Committee - 16 May 2023



10 Other Business

Nil

11 Meeting Closure

The meeting was declared closed at 5.00pm.

CONFIRMED THIS 15 DAY OF AUGUST 2023

CHAIRPERSON

5 Business Arising - Nil

6 Confidential Items

6.1 Cover Report - Marion Administration Centre Internal Fit-out Project - Section 48

Report Reference	SFRAC230620F6.1
Originating Officer	Business Support Officer - Governance and Council Support – Cassidy Mitchell
Corporate Manager	- N/A
General Manager	General Manager City Development - Tony Lines

REASON FOR CONFIDENTIALITY

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

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

RECOMMENDATION

That pursuant to Section 90(2) and (3)(b) of the *Local Government Act 1999*, the Council orders that all persons present, with the exception of the following persons: Chief Executive Officer, General Manager City Development, General Manager City Services, General Manager Corporate Services, Manager Office of the CEO, Manager City Property, Unit Manager Property Strategy & Delivery, Unit Manager Governance and Council Support, be excluded from the meeting as the Council receives and considers information relating to Marion Administration Centre Internal Fit-out Project – Section 48, 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.

6.2 Cover Report - Quarterly Incident and Claims Report

Report Reference	SFRAC230620F6.2
Originating Officer	Business Support Officer - Governance and Council Support – Cassidy Mitchell
Corporate Manager	Manager Office of the Chief Executive - Kate McKenzie
General Manager	Chief Executive Officer - Tony Harrison

REASON FOR CONFIDENTIALITY

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

(i) information relating to actual litigation, or litigation that the council or council committee believes on reasonable grounds will take place, involving the council or an employee of the council

RECOMMENDATION

That pursuant to Section 90(2) and (3)(i) of the Local Government Act 1999, the Council orders that all persons present, with the exception of the following persons: Chief Executive Officer, General Manager City Development, General Manager City Services, General Manager Corporate Services, Manager Office of the CEO, Chief Financial Officer, Unit Manager Strategy and Risk, Risk Business Partner - Insurance and Claims and Unit Manager Governance and Council Support be excluded from the meeting as the Council receives and considers information relating to Quarterly Incident and Claims 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 ongoing litigation.

7 Reports for Discussion

7.1 3rd Budget Review 2022/2023

Report Reference	SFRAC230620R7.1
Originating Officer	Assistant Accountant Partnering – Katherine Galea
Corporate Manager	Chief Financial Officer – Ray Barnwell
General Manager	General Manager Corporate Services – Angela Allison

REPORT OBJECTIVE

The purpose of this report is to provide the Finance, Risk and Audit Committee with the financial results for the 3rd Budget Review for 2022-2023. The budget review was adopted by Council at the 23rd May General Council Meeting. The review is a revised forecast of the original 2022-2023 budget and as such any savings identified during the budget reviews will not be confirmed until the financial statements are prepared and audited at the end of the financial year.

EXECUTIVE SUMMARY

The completion of the 3rd Budget Review has identified a **favourable net cash adjustment of \$0.388m**. The 3rd Budget Review identified net favourable adjustments of \$0.744m offset with funding allocated through council resolutions of \$0.356m.

The net cash impact of this review will increase the 2nd Budget Review forecast surplus of \$0.026m to **\$0.414m**.

The 2022-2023 3rd Budget Review adjustments can be attributed to the following:

Cash Statement Reconciliation	\$
2nd Budget Review Surplus	25,990
3rd Budget Review Adjustments	
Timing of Grant Funding received for Coastal Trail	796,732
Marion Outdoor Pool net operating adjustments	191,691
Investment Income Increase (favourable)	80,000
Reduction in anticipated rate rebates	100,000
Tree Stock purchases in advance for planting season (unfavourable)	(156,000)
Other various net adjustments (unfavourable)	(267,812)
Total 3rd Budget Review adjustments	744,611
Revised 2022/2023 Cash Surplus/(Deficit) before Council Resolutions	770,601
Less Council Resolutions funded from Rates	
Mitchell Park Neighbourhood Centre (Cumbria Crt) (GC230214R11.1)	(150,000)
SWBMX Additional Funding (GC230509R11.2)	(106,500)
Open Space Plan Amendments (GC220809R11.6)	(50,290)
Hallett Cove Sea Pool Concept Design (GC230509R11.3)	(27,780)
National Reconciliation Week (GC230328R12.2)	(13,450)
Council Member Development Training (GC230509R11.10)	(8,449)
	(356,469)
Total 3rd Budget Review adjustments including Council Resolutions	388,142
Revised 2022-2023 Cash Surplus	414,132

RECOMMENDATION

That the Finance, Risk and Audit Committee:

1. **Note the 3rd Budget Review position and revised budgeted statements including the Income Statement, Balance Sheet, Statement of Changes in Equity and Statement of Cash Flows.**

BACKGROUND

Council is required to reconsider the approved budget three times during the year in accordance with *Section 123 (13) of the Local Government Act 1999* and *Section 9 of the Local Government (Financial Management) Regulations 2011*.

The original 2022-23 budget was developed within the context of a long-term framework to achieve a balance between meeting the objectives of the Strategic Plan and attaining financial sustainability in the long term.

FRAMEWORK

This budget review continues the focus on achieving the framework set by Council when developing the 2022-2023 budget, this being:

- Support the achievement of the City of Marion's Strategic Directions;
- Address issues arising and opportunities identified from internal audit reviews and business excellence assessments;
- Maintain, on average, a breakeven or positive funding (cash) position over the Long Term Financial Plan;
- Continue to improve the maintenance of assets in accordance with Council's Asset Management Plans, with a priority on maintenance before renewal, and renewal before new where it is cost effective to do so;
- Review existing services and assets to ensure they meet prioritised community needs;
- Council only approve new major projects where it has the identified funding capacity to do so;
- Maintain Council's position for an average residential rate which remains among the lower rating metropolitan councils.

DISCUSSION

Cash Position

The completion of the 3rd Budget Review has identified a **favourable net cash adjustment of \$0.388m**. The 3rd Budget Review identified net favourable adjustments of \$0.744m offset with funding allocated through council resolutions of \$0.356m.

The net cash impact of this review will increase the 2nd Budget Review forecast surplus of \$0.026m to **\$0.414m**.

The 2022-2023 3rd Budget Review adjustments can be attributed to the following:

Cash Statement Reconciliation		\$
2nd Budget Review Surplus		25,990
3rd Budget Review Adjustments		
Timing of Grant Funding received for Coastal Trail		796,732
Marion Outdoor Pool net operating adjustments		191,691
Investment Income Increase (favourable)		80,000
Reduction in anticipated rate rebates		100,000
Tree Stock purchases in advance for planting season (unfavourable)		(156,000)
Other various net adjustments (unfavourable)		(267,812)
Total 3rd Budget Review adjustments		744,611
Revised 2022/2023 Cash Surplus/(Deficit) before Council Resolutions		770,601
Less Council Resolutions funded from Rates		
Mitchell Park Neighbourhood Centre (Cumbria Crt) (GC230214R11.1)	(150,000)	
SWBMX Additional Funding (GC230509R11.2)	(106,500)	
Open Space Plan Amendments (GC220809R11.6)	(50,290)	
Hallett Cove Sea Pool Concept Design (GC230509R11.3)	(27,780)	
National Reconciliation Week (GC230328R12.2)	(13,450)	
Council Member Development Training (GC230509R11.10)	(8,449)	(356,469)
Total 3rd Budget Review adjustments including Council Resolutions		388,142
Revised 2022-2023 Cash Surplus		414,132

The cash result:

- Identifies the cash difference between total forecast revenues and expenditures of Council after allowing for funding from loans, investments, cash drawdowns and reserves.
- Includes capital expenditures, which are excluded from the operating result.
- Provides information of changes in uncommitted financial resources available to Council
- Returns a cash surplus where savings arise from the original budget, representing an increase in uncommitted financial resources or returns a cash deficit when costs are greater than the original budget, representing a decrease in available financial resources.

The 3rd Budget review is based upon actual results to the end of April 2023 and forecast to June 2023. In accordance with the Local Government (Financial Management) Regulations

2011 a revised budgeted income statement, balance sheet, statement of changes in equity and statement of cash flows are provided in the Attachments to Appendix 1.

Operating Position

The 3rd Budget Review forecasts a favourable adjustment of \$0.032m to the forecast operating deficit noted in the 2nd Budget Review of \$5.852m, reducing the forecast deficit to \$5.821m for 2022-2023.

The 2022-23 3rd Budget Review adjustments can be attributed to the following:

Operating Statement Reconciliation		\$
2nd Budget Review Deficit		(5,852,403)
3rd Budget Review Adjustments		
Investment Income Increase (favourable)		290,000
Marion Outdoor Pool net operating variance (favourable)		191,691
Reduction in anticipated rate rebates (favourable)		100,000
Tree Stock purchases in advance for planting season (unfavourable)		(156,000)
Other various net adjustments (unfavourable)		(237,719)
Total 3rd Budget Review Adjustments		187,972
Revised 2022-2023 Operating Surplus/(Deficit) before Council Resolutions		(5,664,431)
Less Operating Council Resolutions		
SWBMX Additional Funding (GC230509R11.2)		(106,500)
Hallett Cove Sea Pool Concept Design (GC230509R11.3)		(27,780)
National Reconciliation Week (GC230328R12.2)		(13,450)
Council Member Development Training (GC230509R11.10)		(8,449)
Total 3rd Budget Review Council Resolutions		(156,179)
Total 3rd Budget Review adjustments including Council Resolutions		31,793
Revised 2022-2023 Operating Deficit		(5,820,610)

Revised Capital Budget 2022-2023

The 3rd Budget Review forecasts capital expenditure increasing by \$2.525m from \$35.671m to \$38.196m (Renewal \$14.004m, New \$24.192m). This increase is predominantly due to the purchase of land (\$2.761m) offset by the retiming of capital projects into 2023-2024.

Capital Works Retimed to 2023-2024		\$'000
Cohen Court Reserve, Tonsley	works aligned to open space plan program	455
Aldridge Avenue Reserve, Plympton Park	works aligned to open space plan program	200
Total Capital Works Retimed to 2023-2024		655

Borrowings

The 3rd Budget review forecasts no change to loan funding or loan principal repayments for 2022-23.

Under council's Treasury Management Policy, cash balances are continuously being monitored and, if required, debt will be either secured or deferred to ensure sufficient cash balances are maintained and do not reduce below that required for capital projects and working capital purposes.

Reserves

The 3rd Budget Review reports a decrease in the use of Reserves of \$0.208m mainly as a result of transactions relating to the sale and purchase of land.

Decrease in use of Reserves	\$'000
Movements in Open Space Reserve as a result of the sale & purchase of land parcels	799
Operating Projects retimed to 2023-2024	(624)
Capital Works retimed to 2023-2024	(368)
Other net Reserve movements	(15)
Total Decrease in use of Reserves	(208)

Labour Budgets

Overall labour budgets remain unchanged at \$41.825m following the 3rd Budget Review.

Progress on Capital Works Carried over from 2021-22

The current unspent balance of capital works budgets carried over from 2021/22 to 2022/23 as at the 30th of April 2023 is \$0.893m.

	Carry Over Budget	Completed	Works Deferred to 2023/24	Budget Remaining
Infrastructure	1,563,063	934,961	383,800	244,302
Land & Property	421,731	203,780	0	217,951
Open Space Planning	99,177	51,490	0	47,687
Other	914,834	914,834	0	0
Total	2,998,805	2,105,065	383,800	509,940

Year to Date Actual v Annual Budget

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

During the budget review process all budgets are reviewed to ensure that the current budget for the year is still appropriate. Where the year-to-date actual is off track, either favourable or unfavourable, and it is not related to the timing of the monthly budget allocations, budget review adjustments are made that will impact on the end of year position against the adopted budget.

Appendix 1 of the financial statements contains the Year-to-Date Actual v Annual Budget Comparison Report.

ATTACHMENTS

1. Appendix 1 - Budget Review Report Actual to Budget [7.1.1 - 1 page]
2. Appendix 2 - Budget Review Financial Statements [7.1.2 - 7 pages]

APPENDIX 1

CITY OF MARION Budgeted Funding Statement		YTD Actual (30 Apr 2023) \$'000	2022-2023 3rd Review Budget \$000's
OPERATING REVENUE			
	Rates	70,262	84,314
	Statutory Charges	1,467	2,470
	User Charges	3,086	3,553
	Operating Grants and Subsidies	5,785	7,974
	Investment Income	734	1,150
	Reimbursements	752	1,212
	Other Revenues	397	1,054
	Share of Profit - Equity Accounted Investments	-	365
		82,483	102,092
OPERATING EXPENSES			
	Employee Costs	33,377	41,825
	Contractual Services	26,560	33,749
	Materials	4,013	6,158
	Finance Charges	100	194
	Depreciation	14,565	17,478
	Other	6,563	8,509
		85,178	107,913
	Operating Surplus/(Deficit) before Capital revenues	(2,695)	(5,821)
<i>Add</i>			
(a)	Capital Revenue		
	Capital Grants and Contributions	13,773	17,425
	Physical Resources received free of charge	-	-
	Asset disposal and fair value adjustments	1,986	1,981
<i>Equals</i>	Net Surplus/(Deficit) resulting from operations	13,064	13,585
<i>Add</i>	Depreciation	14,565	17,478
	(Gain)/Loss on disposal of assets		-
	Share of Profit SRWRA	0	(365)
<i>Equals</i>	Funding available for Capital Investment expenditure	27,629	30,698
	Capital		
<i>Less</i>	Capital Expenditure - Renewal	8,380	14,004
<i>Less</i>	Capital Expenditure - New	10,887	24,192
<i>Less</i>	Capital - contributed assets		-
<i>Equals</i>	Net Overall funding Surplus/(Deficit)	8,362	(7,498)
Funding transactions associated with accomodating the above net overall funding deficit (or applying the net overall funding surplus) are as follows:			
LOANS			
	Loan Principal Receipts (Net)	-	1,400
	Loan Receipts from Sporting Clubs (Net)	-	-
<i>Less</i>	Loan Principal Payments	432	876
	Loan funding (Net)	(432)	524
Movement in level of cash & accruals			
(b)	Cash Surplus/(Deficit) funding requirements	15,318	414
	Reserves Net (transfer to/(transfer from))	(7,388)	(7,388)
	Cash/Investments/Accruals Funding	7,930	(6,974)
<i>Equals</i>	Funding Transactions	(8,362)	7,498

Attachment 7.1.2

CITY OF MARION				
Budgeted Funding Statement				
		2022-2023	2022-2023	
		2nd Review	3rd Review	Variance
		\$000's	\$000's	\$000's
OPERATING REVENUE				
Rates				
	General	82,057	82,157	100
	Other	2,157	2,157	-
	Statutory Charges	2,527	2,470	(57)
	User Charges	3,081	3,553	472
	Operating Grants and Subsidies	7,465	7,974	509
	Investment Income	860	1,150	290
	Reimbursements	1,087	1,212	125
	Other Revenues	811	1,054	243
	Share of Profit - Equity Accounted Investments	365	365	-
		100,410	102,092	1,682
OPERATING EXPENSES				
	Employee Costs	41,825	41,825	-
	Contractual Services	32,449	33,749	1,300
	Materials	5,989	6,158	169
	Finance Charges	202	194	(8)
	Depreciation	17,478	17,478	-
	Other	8,318	8,509	191
		106,261	107,913	1,652
Operating Surplus/(Deficit) before Capital rev's		(5,851)	(5,821)	30
Add				
(a)	Capital Revenue			
	Capital Grants and Contributions	16,315	17,425	1,110
	Physical Resources received free of charge	-	-	-
	Asset disposal and fair value adjustments	-	1,981	1,981
Equals	Net Surplus/(Deficit) resulting from operations	10,464	13,585	3,121
Add				
	Depreciation	17,478	17,478	-
	(Gain)/Loss on disposal of assets	-	-	-
	Share of Profit SRWRA	(365)	(365)	-
Equals	Funding available for Capital Investment exp	27,577	30,698	3,121
Capital				
Less	Capital Expenditure - Renewal	13,980	14,004	24
Less	Capital Expenditure - New	21,691	24,192	2,501
Less	Capital - contributed assets	-	-	-
Equals	Net Overall funding Surplus/(Deficit)	(8,094)	(7,498)	596

Attachment 7.1.2

CITY OF MARION
Budgeted Funding Statement

	2022-2023 2nd Review \$000's	2022-2023 3rd Review \$000's	Variance \$000's
--	------------------------------------	------------------------------------	---------------------

Funding transactions associated with accomodating the above net overall funding deficit (or applying the net overall funding surplus) are as follows:

LOANS				
	Loan Principal Receipts	1,400	1,400	-
	Loan Receipts from Sporting Clubs	-	-	-
Less	Loan Principal Payments	876	876	-
	Loan funding (Net)	524	524	-
Movement in level of cash & accruals				
(b)	Cash Surplus/(Deficit) funding requirements	26	414	388
	Reserves Net (transfer to/(transfer from)	(7,596)	(7,388)	208
	Cash/Investments/Accruals Funding	(7,570)	(6,974)	596
Equals	Funding Transactions	8,094	7,498	(596)

Attachment 7.1.2

Financial Indicators

To assist Council in meeting its objective of financial sustainability a series of financial indicators endorsed by the Local Government Association are provided. The following table provides a matrix of indicators of the 2022-2023 3rd Budget Review and compares the forecast results against the target rate.

Key Ratios	Target	2022-23 Forecast
Operating Surplus Ratio	0 - 10%	-5.70%
<i>This ratio expresses the operating surplus as a percentage of total operating revenue</i>		
Target :	Average between 0-10% over each consecutive 5-year period	
Comment :	Positive ratio indicates that Council has sufficient operating revenue to cover operational expenses The average Operating Surplus over the past five years is 6%.	
Net Financial Liabilities Ratio	0 - 50%	-3.21%
<i>This ratio indicates the extent to which net financial liabilities can be met by total operating revenue</i>		
Comment :	This result indicates Council's financial assets currently exceed its Financial Liabilities. Council's capacity to meet its financial obligations remains strong	
Debt Servicing Ratio	0 - 5%	1.06%
<i>This ratio identifies Council's ability to service its debt obligations (principal & interest) from operating revenues</i>		
Comment :	This ratio falls within the target range and indicates Council has a low debt holding and is well positioned for future borrowings outlined in the Long Term Financial Plan	
Asset Renewal Funding Ratio	90 - 110%	100%
<i>This ratio indicates whether Council is renewing or replacing existing assets at the rate of consumption</i>		
Comment :	The ratio can vary from year to year dependant on the renewal capital expenditure. Council's Long Term Financial Plan is set to achieve an average Asset Renewal Funding Ratio of 100% over the next three years	
Asset Consumption Ratio	80 - 100%	75%
<i>This ratio shows the consumption of the asset stock at a point in time and indicates the assets remaining useful life</i>		
Comment :	This ratio indicates that while falling under the target range Council's overall asset base has on average a relatively high remaining useful life	

CITY OF MARION Budgeted Income Statement		
	Actual 2021-2022 \$000's	3rd Review 2022-2023 \$000's
OPERATING REVENUE		
Rates		
General	79,822	82,157
Other	2,057	2,157
Statutory Charges	2,348	2,470
User Charges	3,010	3,553
Operating Grants and Subsidies	11,742	7,974
Investment Income	365	1,150
Reimbursements	690	1,212
Other Revenue	1,506	1,054
Net Gain - Equity Accounted Council Businesses	882	365
TOTAL OPERATING REVENUE	102,422	102,092
OPERATING EXPENSES		
Employee Costs	40,134	41,825
Contractual Services	30,127	33,749
Materials	5,936	6,158
Finance Charges	271	194
Depreciation	16,334	17,478
Other Expenses	9,078	8,509
Net Loss - Equity Accounted Council Business	-	-
TOTAL OPERATING EXPENSES	101,880	107,913
Operating Surplus/(Deficit) before Capital Revenues	542	(5,821)
CAPITAL REVENUES		
Capital Grants, Subsidies and Monetary Contributions	6,259	17,425
Physical resources received free of charge	1,396	-
Asset disposal and fair value adjustments	(1,384)	1,981
Net Surplus/(Deficit) resulting from Operations	6,813	13,585

CITY OF MARION		
Budgeted Statement of Financial Position		
	Actual	3rd
	2021-2022	Review
	\$000's	2022-2023
		\$000's
<u>CURRENT ASSETS</u>		
Cash & Cash Equivalents	27,039	20,065
Receivables	5,279	5,279
Inventory	500	500
TOTAL CURRENT ASSETS	32,818	25,844
<u>CURRENT LIABILITIES</u>		
Trade & Other Payables	11,029	11,029
Provisions	6,346	6,346
Borrowings	876	876
Lease Liabilities	10	10
TOTAL CURRENT LIABILITIES	18,261	18,261
Net Current Assets/(Liabilities)	14,557	7,583
<u>NON-CURRENT ASSETS</u>		
Investment in SRWRA & Council Solutions	7,855	8,220
Infrastructure, Property, Plant & Equipment	1,198,015	1,218,733
Other Non-Current Assets	6,659	6,659
TOTAL NON-CURRENT ASSETS	1,212,529	1,233,612
<u>NON-CURRENT LIABILITIES</u>		
Provisions	594	594
Borrowings	2,687	3,211
Lease Liabilities	-	-
TOTAL NON-CURRENT LIABILITIES	3,281	3,805
NET ASSETS	1,223,805	1,237,390
<u>EQUITY</u>		
Accumulated surplus	427,628	448,601
Asset Revaluation Reserves	769,508	769,508
Other Reserves	26,669	19,281
TOTAL EQUITY	1,223,805	1,237,390

Attachment 7.1.2

CITY OF MARION		
Budgeted Statement of Changes in Equity		
	Actual	3rd
	2021-2022	Review
	2021-2022	2022-2023
	\$000's	\$000's
ACCUMULATED SURPLUS		
Balance at beginning of period	403,189	427,628
Net Surplus/(Deficit)	6,813	13,585
Adjustments	-	
Transfers from Reserves	17,626	24,692
Transfers to Reserves	-	(17,304)
Balance at end of period	427,628	448,601
ASSET REVALUATION RESERVE		
Balance at beginning of period	732,120	769,508
Net change this year	37,388	-
Balance at end of period	769,508	769,508
OTHER RESERVES		
Balance at beginning of period	44,295	26,669
Net change this year	(17,626)	(7,388)
Balance at end of period	26,669	19,281
Total Reserves	796,177	788,789
TOTAL EQUITY	1,223,805	1,237,390

Attachment 7.1.2

CITY OF MARION Budgeted Statement of Cash Flows		
	Actual 2021-2022 \$000's	3rd Review 2022-2023 \$000's
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Receipts</i>	111,632	101,727
<i>Payments</i>	(97,801)	(90,435)
NET CASH PROVIDED BY OPERATING ACTIVITIES	13,831	11,292
CASH FLOWS FROM FINANCING ACTIVITIES		
<i>Receipts</i>		
Loans Received	-	1,400
Proceeds from Bonds & Deposits	-	-
<i>Payments</i>		
Principal	(828)	(876)
Repayment of Finance Lease Liabilities	(117)	-
Repayment of Bonds & Deposits	-	-
NET CASH (USED IN) FINANCING ACTIVITIES	(945)	524
CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Receipts</i>		
Capital Grants/Subsidies & Contributions/Investments	4,153	17,425
Sale of surplus assets	97	1,981
Sale of replaced assets	266	-
Distributions from Equity Accounted Investments	34,900	-
<i>Payments</i>		
Purchase of IPP&E	(44,375)	(38,196)
NET CASH (USED IN) INVESTING ACTIVITIES	(4,959)	(18,790)
NET INCREASE/(DECREASE) IN CASH HELD	7,927	(6,974)
CASH AT BEGINNING OF REPORTING PERIOD	19,112	27,039
CASH AT END OF REPORTING PERIOD	27,039	20,065

7.2 Results of the Bi-Annual Performance and Effectiveness Review of the Finance, Risk and Audit Committee

Report Reference	SFRAC230620R7.2
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 HISTORY

Report Reference	Report Title
FRAC230516R6.7	Finance, Risk and Audit Committee – Effectiveness Survey

REPORT OBJECTIVE

To review the results of the Bi-Annual Performance and Effectiveness Review of the Finance, Risk and Audit Committee (FRAC) with the intent to determine any improvement actions, amend the Terms of Reference and / or include items within the work program over the next two years.

EXECUTIVE SUMMARY

Regular review of a governing body's performance (including Committees) provides the time to reflect on how effective the group is operating. Understanding performance directly relates to improving the operations and outcomes of the Committee that will also improve the overall performance of the Council.

The FRAC Terms of Reference states that the FRAC will review its performance on a bi-annual basis to ensure the continual improvement of its performance. The Committee has now completed its review, with the results suggesting that the FRAC is performing well overall.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

- 1. Review the results of the Performance and Effectiveness Review for 2023 and notes the following improvements to be implemented over the next two years:**
 - a.
 - b. xx

DISCUSSION

The survey includes 52 statements across the following areas:

- Committee Structure and Membership
- Committee Meetings
- Leadership and Integrity
- Relationship and Reporting
- Roles and Responsibilities

The survey was distributed to all FRAC Members, Council Members and key Senior Staff. A total of 9 people completed the survey. Individuals were asked to rate the questions based on the scale of

strongly agree, agree, disagree and strongly disagree.

Overall, the survey was positive with the majority of the questions responded to with either 'strongly agree' or 'agree'. There are some 'disagree' responses, however these were from different respondents and not the same person each time. Full details of the responses and comments are provided in **Attachment 1**.

It is noted that the survey results indicated there some who disagreed with the statement that the size of the agenda was manageable within the meeting. This will be taken into consideration when reviewing the proposed items and meeting for 2024. An additional meeting can be considered if necessary. It was also noted that the service review program is currently under review.

It is also noted that Councillor Jayne Hoffman (Council Member Representative) will be undertaking the Australian Company Directors Course in August 2023, which will assist in her training and development of this Committee.

Potential focus areas for improvement and the Committee's work program for 2023/24 may include:

- Structuring the agenda to ensure it aligns with the Committee's Terms of Reference and is manageable within the allocated meeting time.
- Review and determine oversight from the FRAC of the revised service review program.

ATTACHMENTS

1. Results 2023 2 [7.2.1 - 4 pages]

1. COMMITTEE STRUCTURE AND MEMBERSHIP	Strongly Agree	Agree	Disagree	Strongly Disagree
Statement				
1. The structure of the Committee is appropriate to manage workload and obligations	4	5		
1.2 The balance of independent v/s Council membership is appropriate	7	2		
1.3 The Committee's Terms of Reference clearly outline roles and responsibilities	5	4		
1.4 Committee members have the right skills, experience and knowledge	4	4	1	
1.5 Committee members are appropriately inducted	1	7	1	
1.6 Committee members are recruited based on required skills, experience and knowledge	4	4	1	
1.7 All Committee members understand their legal duties on behalf of the Council	1	6	1	
1.8 The Committee does not rely on any one Committee Member to provide appropriate advice and experience	3	6		
	1	7	1	
1.9 The remuneration of the Committee is appropriate based on role, responsibility, skills / experience, time commitment and retention				
3. COMMITTEE MEETINGS	Strongly Agree	Agree	Disagree	Strongly Disagree
Statement				
	4	5		
3.1 The Committee has a comprehensive work plan that covers the requirements of the Committee's Terms of Reference				
3.2 The Committee meetings are appropriately scheduled (i.e. frequency, timing, duration, etc.)		8	1	
3.3 Agendas and reports are distributed in a timely manner	2	6	1	
3.4 The size of the agenda is manageable within the meeting		5	4	
	3	6		
3.5 Committee reports are well written and can be easily understood				
3.6 The business of the Committee is accurately captured in the minutes	6	3		
3.7 The discussions within the Committee meetings are relevant and useful for decision making	2	7		
3.8 Management does not unduly influence the recommendations of the Committee	4	5		
	5	4		
3.9 The Committee uses confidential orders appropriately and conducts sessions without management present from time to time				
3.10 The Committee has a useful process to following up actions from previous meetings	4	4	1	

2. General Comments
Excellent working and diverse committee
Newly appointed council members may not have the skills at commencement of their terms so we should support them in gaining identified skills.
As a newly elected councillor, as a suggestion, it would be good to have a half day's training on current financial position, and financial training in general and roles and responsibilities. The committee is an enjoyable one to be on.
The members of the Committee provide a broad independent view across risk, governance and finance based on their professional knowledge experience which provides great guidance to management and Elected Members .
4. General Comments

The Agenda can at times be challenging to comprehensively cover in the meeting time.

5. LEADERSHIP & INTEGRITY	Strongly Agree	Agree	Disagree	Strongly Disagree
Statement				
5.1 All Committee members express their professional view within the meeting	3	6		
5.2 All Committee members appropriately disclose any conflicts of interests	5	4		
5.3 Committee members act in accordance with the City of Marion values being Respect, Integrity, Achievement and Innovation	4	5		
5.4 The Committee works effectively as a team	3	6		
5.5 The Committee presiding member has an effective and constructive working relationship with Council and Management	5	3	1	
5.6 The Committee presiding member builds healthy room dynamics	4	4	1	
5.7 The Committee presiding member ensures that the Committees workload is managed appropriately		8	1	
5.8 The Committee presiding member keeps the meeting focused and does not get side tracked	2	7		
5.9 The Committee is adding value to the work of the City of Marion	4	5		
7. RELATIONSHIPS & REPORTING	Strongly Agree	Agree	Disagree	Strongly Disagree
Statement				
7.1 All Committee members understand how their role operates and the Committees reporting obligations to Council	3	5	1	
7.2 The Council actively seeks the views of the Committee on matters relating to its terms of reference	3	5	1	
7.3 The Committee's operations does not diminish the ultimate responsibility of the Council	4	5		
7.4 The Committee has a constructive relationship with the Council	2	7		
7.5 The Committee has a constructive relationship with Management	3	6		
7.6 The Committee has appropriate access to information and staff	5	4		
7.7 Management keep the Committee informed of relevant information and risks between meetings	1	7	1	
7.8 The minutes, decisions and actions of the Committee are reported to Council in a timely and accurate manner	5	4		

6. General Comments
The Chair can sometimes deliver feedback in a critical manner.

Agree with the sentiments, that all Committee Member are allowed and encouraged to express their opinion on any agenda item. In fact, it is sought.

8. General Comments
Due to experience on this committee, I may not fully understand the Terms of Reference

9. ROLES AND RESPONSIBILITIES	Strongly Agree	Agree	Disagree	Strongly Disagree
<i>Statement</i>				
9.1 The Committee has a clear understanding of the Council's risk tolerance	1	7	1	
9.2 The Committee ensures that the organisation has appropriate internal controls, frameworks, systems and processes established for the management of risks	3	6		
9.3 The Committee reviews and understands the organisations risk profile	2	6	1	
9.4 The Committee is confident that senior executives understand their responsibilities for managing risks	4	5		
9.5 The Committee is confident that the Council has appropriate internal controls established to manage risks	3	5	1	
9.6 The Committee receives comprehensive reporting that assesses the effectiveness of internal controls	2	6	1	
9.7 The Committee has oversight of compliance with regulations, policies, best practice guidelines, instructions and contractual arrangements	2	7		
9.8 The Committee has oversight and recommends to Council the engagement of the City of Marion's Internal Audit contract	3	6		
9.9 The Internal Audit function is appropriately resourced and managed	4	4	1	
9.10 The Internal Audit work plan is endorsed by the Committee and has the right balance of risk, compliance and financial matters to be reviewed.	4	5		
9.11 The Committee has robust discussion and agrees to the basis upon how financial reporting will be prepared	2	6	1	
9.12 The Committee undertakes an in-depth review of the financial reporting disclosures for the City of Marion	2	7		
9.13 The Committee receives comprehensive financial information and analysis that is used to support and assist Council with its prudential management and fiduciary responsibilities.	4	5		
9.14 The conditions of the External Auditors engagements are consistent with all relevant statutory requirements and accepted best practice principles	4	5		
9.15 The Committee has oversight and recommends to Council the engagement of the City of Marion's External Audit Contract	4	5		
9.16 The External Audit function is appropriately resourced and managed	4	4	1	
9.17 The External Audit Work Plan is comprehensive and aligned to the requirements of the financial obligations of the Council	3	6		
9.18 The Committee has oversight of the service review program and is confident it will deliver efficiencies to the organisation		6	1	2
9.19 The Committee receives service reviews reporting and critically analyses the data provided		7		2

10. General Comments

Service Review Program is under review

Have not seen a service review in my time but understand that they have previously been provided.

11. Role on the Committee	who completed the survey
Finance, Risk & Audit Committee Member (incl. Council Member appointed to the Committee)	3
Council Member (who is not on the Committee)	2
Staff Member	4

7.3 Internal Audit - Implementation of Recommendations Review

Report Reference	SFRAC230620R7.3
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 the Finance, Risk and Audit Committee a copy of the Implementation of Recommendations Internal Audit report.

EXECUTIVE SUMMARY

The Implementation of Recommendation Internal Audit review was an additional audit undertaken during 2022/23. The scope of this review was to spot check the implementation of recommendations from the past few years internal audit plan. Focus was placed on the audit findings that were rated high.

A copy of the report is included in **Attachment 1**. Overall, the review noted that CoM has made strong progress in implementing a number of recommendations. However, several items were identified as being overdue (14 in total) and various revised completion dates noted as requiring updates. It was observed by KPMG that a key factor in many of the overdue recommendations has been due to resource constraints. This specifically includes roles which have not yet been filled and specifically for skilled capability.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

1. **Notes the report.**

ATTACHMENTS

1. Co M Implementation of Recommendations Internal Audit Report (Final) [7.3.1 - 24 pages]



Implementation of Recommendations

Internal Audit Report
City of Marion

June 2023

Acknowledgement of Country

KPMG acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia. We pay our respects to Elders past, present, and future as the Traditional Custodians of the land, water and skies of where we work.

At KPMG, our future is one where all Australians are united by a shared, honest, and complete understanding of our past, present, and future. We are committed to making this future a reality. Our story celebrates and acknowledges that the cultures, histories, rights, and voices of Aboriginal and Torres Strait Islander People are heard, understood, respected, and celebrated.

Australia's First Peoples continue to hold distinctive cultural, spiritual, physical and economical relationships with their land, water and skies. We take our obligations to the land and environments in which we operate seriously.

We look forward to making our contribution towards a new future for Aboriginal and Torres Strait Islander peoples so that they can chart a strong future for themselves, their families and communities. We believe we can achieve much more together than we can apart.

*This acknowledgement of country has been developed within KPMG Indigenous Network (KIN) should you wish to modify the wording please reach out for consultation of the KIN. The KIN is a culturally safe and supportive space for Aboriginal and Torres Strait Islander colleagues from all geographies, divisions, and levels of the firm and you can get in touch by emailing smoates@kpmg.com.au

Table of Contents



1.0 Executive summary	Page 04
2.0 Status of Internal Audit Recommendations	Page 05
Appendix 1 - Scope	Page 19
Appendix 2 - Staff Consultation	Page 20
Appendix 3 - Classification of Findings	Page 21



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1.0 Executive summary

Executive Summary

Status

Appendices

Context

In accordance with the City of Marion (CoM) 2022/23 Internal Audit Plan, an internal audit over the implementation of internal audit recommendations was performed. The detailed scope is included in Appendix 1.

The scope of this internal audit included reviewing the status of 52 recommendations, which covered the following past Internal Audit reports:

- Stakeholder Management
- Collaborative Community Consultation
- Communities Facilities Management Model
- Digital Transformation Health Check
- Fraud Framework
- Project Management
- Collaborative Contract Management
- Carryovers
- Collaborative Health Check Model.

Selection of action items was based on the risk rating and the targeted completion date noted in the relevant reports. The actions have been classified as follows:

- **Completed action items:** These items were marked as completed by Management. Internal Audit obtained an update from Management on the actions taken and validated the status of these items based on inspection of supporting evidence and documentation and assessed if any further action is still required.
- **In progress action items:** These items were marked as in progress by Management with actions still outstanding to address these recommendations. Internal Audit obtained an update from Management on the actions taken.
- **Overdue action items:** These items are considered overdue as Internal Audit was not able to evidence the implementation progression of the action item and additionally did not obtain an update to the completion date.

Current Status

The table below shows Internal Audit's assessment of the current status of the CoM's 52 agreed actions selected for testing:

Status	No. of Actions	Comments
Actions completed	20	Items marked as closed.
Actions in progress	22	Management has revised target dates within the Progress Update spreadsheet that tracks all Internal Audit recommendations.
Overdue Items	10	A number of actions have been delayed or commencement has been stalled for various reasons.

Overall, our review noted that the CoM has made strong progress in implementing a number of recommendations. However, a number of items were identified as being overdue (14 as per the table above) and various revised completion dates noted as requiring updates.

Through discussion with Management and review of source documentation, it was observed that a key factor in many of the overdue recommendations has been due to resource constraints. This specifically includes roles which have not yet been filled and specifically for skilled capability (such as the Enterprise Architect role).

A detailed summary of the selected findings has been included from Page 5.

2.0 Status of Internal Audit Recommendations

Executive Summary

Status

Appendices

Project	Risk Rating	Recommendations	Agreed Management Action	Status	KPMG Observation
Finding 1 – Minimal information on integration strategy					
Digital Health Transformation Check	High	<ol style="list-style-type: none"> 1. Appoint an Enterprise Architect (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 EA 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>Completion date: 31 March 2023</p>	In Progress	<p>CoM Management have advised that filling the EA role has been difficult noting the current market demand and the CoM is considering an outsourced delivery partner to fulfill these activities.</p> <p>Further, due to the technical nature of the recommendations, this role must be filled prior to progressing the recommendations and developing the Integration Strategy.</p> <p>Revised completion date: 30 September 2023</p>

2.0 Status of Internal Audit Recommendations

Executive Summary

Status

Appendices

Project	Risk Rating	Recommendations	Agreed Management Action	Status	KPMG Observation
Finding 2 – Stakeholder engagement was inadequate					
Digital Health Transformation Check	High	<ol style="list-style-type: none"> Develop and implement a project approval process for each project outlining : <ul style="list-style-type: none"> The roles and responsibilities Clear reporting lines Approval process workflow. Providing further information within the decision log documents, capturing: <ul style="list-style-type: none"> Details of the decision Proposed completion date Responsible party or parties Status Closing remarks or action. 	<ol style="list-style-type: none"> Whilst the Information and Communications Technology (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. The ICT projects management tools and templates will include a decision log. <p>Completion date: 30 June 2023</p>	Complete	<ol style="list-style-type: none"> Complete: Internal Audit evidenced a Change Management Strategy which is a set of tools and templates tailored to ICT Projects. This strategy outlines roles and responsibilities, clear reporting lines and approval process. Complete: All new ICT Project management tools and templates include decision logs. Decision logs are regularly monitored and updated to ensure the appropriateness of details for the decision taken.

2.0 Status of Internal Audit Recommendations

Executive Summary

Status

Appendices

Project	Risk Rating	Recommendations	Agreed Management Action	Status	KPMG Observation
Finding 3 – Strain on program resourcing					
Digital Health Transformation on Check	High	<p>Internal Audit recommends the CoM:</p> <ol style="list-style-type: none"> 1. 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. 2. 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"> 1. Notwithstanding that the CoM's Project Management Framework (PMF) is still under development, all new ICT projects will be using a project management discipline with 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. <p>The implementation of a revised Information services structure in December 2022 will also assist in ensuring adequate resourcing.</p> <ol style="list-style-type: none"> 2. Any new projects moving forward will consider the benefits of delivery partners. <p>Completion date:</p> <ol style="list-style-type: none"> 1. 30 June 2023 2. 31 January 2023 	Complete	<ol style="list-style-type: none"> 1. Complete: Internal Audit noted that the CoM is now using standardised business plan and financial model templates. These templates are utilised to articulate the resourcing required on a given project and allows for appropriate oversight on the required resources and backfilling in the business where necessary. Additionally, it is noted that the Information Services Strategy Plan that has been developed and is awaiting approval will include guidelines for managing ICT projects. 2. Complete: As per stakeholder consultations, this is considered on a project-by-project basis and is based on the level of risk, budget constraints and the objectives of the project. The consideration of a delivery partner is included within the financial template.

2.0 Status of Internal Audit Recommendations

Executive Summary

Status

Appendices

Project	Risk Rating	Recommendations	Agreed Management Action	Status	KPMG Observation
Finding 4 – Insufficient requirement scoping prior to go-to market					
Digital Health Transformation Check	High	<ol style="list-style-type: none"> Priorities 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"> 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. Refer to action above. Stakeholder mapping which will identify SMEs and others that are required to be engaged in requirement scoping and signoff. The CoM is currently developing an Information Services Strategy (IS) that will help define the current and future CoM enterprise architecture moving forward. <p>Completion date: 1 – 3: 31 January 2023 4: 30 June 2023</p>	In Progress	<ol style="list-style-type: none"> Complete: A business case template is utilised when identifying the requirements and business needs of ICT projects. Complete: Refer to Observation 1. Complete: A business case template which details stakeholder mapping as part of the mandatory requirements to identify SMEs in scoping and signoff confirmed is in place. In Progress: The CoM has completed drafting an IS and it is now undergoing the approval process. Review of the IS noted that it defines the current and future enterprise architecture. <p>Revised completion date: 30 September 2023</p>

2.0 Status of Internal Audit Recommendations

Executive Summary

Status

Appendices

Project	Risk Rating	Recommendations	Agreed upon actions	Status	KPMG Observation
Finding 5 – Risk Management					
Collaborative Contract Management	High	<ol style="list-style-type: none"> Ensure that risk assessments are conducted for all contracts and form part of the contract profiling process. Further, ensure that contract risk profiles are dynamically managed, reported and used for informed decision making, throughout the lifecycle of the contract. 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.. 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. Contracts with multiple sites or materially different portions of work should have separate risk profiles and risk treatments. 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. 	<ol style="list-style-type: none"> Procurement procedures have been endorsed December 2021, which detail the mandatory inclusion of Risk Assessments, as part of the Tender Initiation process. Strategic procurement to ensure risk assessments are completed for each tender, inclusive of recommendations. Implementation of contract profiling tool to be included as part of Tender Initiation form process. 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. Strategic Procurement to work collaboratively with Risk team to update processes to include risk assessments for each site. Investigation of ability to resource contract management support within Council. <p>Completion Date: 31 August 2022</p>	In Progress	<ol style="list-style-type: none"> Complete: The procurement procedure confirmed as being updated detailing the mandatory inclusion of risk assessments as part of the Tender Initiation process. Complete: Contract profiling tools confirmed as being in place which includes the Contract Management Guide and Tender Initiation Process. Complete: The Contract Management Plan confirmed as in place and utilised for all priority/high risk contracts. Internal Audit has reviewed an example of a plan currently being developed. Complete: Internal Audit evidenced the Procurement Procedure confirmed as being updated to include risk assessments for different sites. In Progress: This recommendation has been considered as part of the Project Management Framework (PMF) which is currently being reviewed and updated. Subsequent to the PMF being implemented, the CoM will action this recommendation. <p>Revised completion date: 30 June 2023</p>

2.0 Status of Internal Audit Recommendations

Executive Summary

Status

Appendices

Project	Risk Rating	Recommendations	Agreed Management Action	Status	KPMG Observation
Finding 6 - An organisational wide Project Management Framework (PMF) is not utilised					
Project Management	High	<ol style="list-style-type: none"> The development and further embedding of a Council wide PMF, with consideration given to use of standardised project management tools, i.e., CAMMS to track project budgets and variations. Once developed the PMF should be formally implemented through communications to the Project Managers and training on the application of the PMF. Introduce regular Project Manager meetings where Project Manager's share project updates, PMF implementation, challenges, lessons learned, etc. This would allow Senior Management to monitor the utilisation of the PMF and identify where problems might lie. 	<ol style="list-style-type: none"> The CoM's Project Manager Office (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. Currently, there is an ongoing monthly engagement between the PMO and the Project Managers. The PMO will leverage on this existing engagement to include the recommendation as a formal agenda item. <p>Completion Date: 1-2: 30 June 2022 3: 31 July 2022</p>	In Progress	<ol style="list-style-type: none"> In Progress: The PMF has been approved by Council and is scheduled for implementation in July 2023. The PMF is a Council wide document that includes standardised project tools. In the interim, the CoM has been utilising SharePoint to track projects. In Progress: It is anticipated that the new PMF will be rolled out to these cohorts during the implementation phase. Complete: Agenda for the regularly held engagement meetings between the Project Managers and the Senior Project Manager was noted to include discussions on implementation, challenges and lessons learned. Once the PMO position is filled this responsibility will be shifted to that role once again. <p>Revised completion date: 30 June 2023</p>

2.0 Status of Internal Audit Recommendations

Executive Summary

Status

Appendices

Project	Risk Rating	Recommendations	Agreed upon actions	Status	KPMG Observation
Finding 7 – Limited documented guidance over certain aspects of WHS management					
Collaborative Health Check Model	High	<ol style="list-style-type: none"> 1. Implement a scaled process (scale of process based on risk) within the Collaborate Model Framework to ensure adequate consideration of Work Health and Safety (WHS) risks. 2. Nominate a Risk Manager from one of the Councils to be engaged in the preliminary phases of a new initiative. 3. Risk assessments are formally considered and risk registers are completed for every new and existing Collaborative Model initiative. 	<p>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.</p> <p>Completion Date: May 2022</p>	Overdue	<p>The draft action plan was submitted to the Executive Leadership Team (ELT) in December 2022 and is currently in the review process.</p> <p>The General Managers of Corporate Services for each Council met in May and are in the process of plotting a way forward.</p> <p>As timelines are still to be agreed upon with the other Councils the revised completion date is still to be set and the finalisation of these actions is pending.</p> <p>Revised completion date: 31 July 2023</p>
Finding 8 – No formalised guidance in place to holistically govern stakeholder management across the CoM					
Stakeholder Management	Moderate	<ol style="list-style-type: none"> 1. Define roles & responsibilities for staff regarding stakeholder management. 2. Protocols for addressing specific high-level stakeholders. 3. Holistic principles-based guidance to all staff-levels, specifying methods and approaches for interacting with stakeholders. 4. Stakeholder assessment. 	<p>Agreed that the development of a framework to provide organisational guidance would be useful. This work will progress in the second part of 2022.</p> <p>Completion Date: December 2022</p>	In Progress	<p>The Collaborative Framework has been delayed. This is due to the fact that the CoM is still in the process of completing the stakeholder relationship mapping. The completion date has been moved to September 2023.</p> <p>Revised completion date: 30 September 2023</p>

2.0 Status of Internal Audit Recommendations

Executive Summary

Status

Appendices

Project	Risk Rating	Recommendations	Agreed Management Action	Status	KPMG Observation
Finding 9 – Community Consultation methods require further enhancement to address accessibility and diversity					
Collaborative Community Consultation	Moderate	<ol style="list-style-type: none"> 1. Development of translated content to be provided to the residents, based on the top three spoken languages in the Council area. 2. Utilisation of census data to identify Council areas which may have low digital literacy. 3. Consider hosting in-person meetings, specially for aging population. 4. Accessibility should be formally considered by both Councils during the community consultation planning process. 	<ol style="list-style-type: none"> 1. The CoM will explore translated content options and discuss with the CCS on further insight into their systems. 2. Census data will be used to create a map identifying digital literacy levels in each Council Ward to assist in the planning of engagements, particularly to guide engagement methods. 3. The CoM will place greater focus on in-person meetings, specifically with Engagement/Events pop-up van to be used to facilitate on-site pop-up meetings. 4. Accessibility will be included in the planning templates for community engagement. <p>Completion Date: 1,3-4: 28 February 2023 2: 31 December 2022</p>	In Progress	<ol style="list-style-type: none"> 1. In Progress: The CoM is currently exploring potential collaboration with the CCS to implement content translation in at least 3 highly spoken languages. This is still in progress with no formal plans noted. 2. Complete: Discussions with stakeholders indicated that current census data does not have the right information to be able to accurately utilise it for this purpose. Census data is used to provide statistical views when starting new projects, however without there being more resources utilised to improve the quality of the census data this is the extent this recommendation can be actioned. 3. Complete: The CoM has placed focus on in-person meetings and pop-ups events. Internal Audit evidenced that the draft of the Community Engagement Plan has a strategy that references in-person meetings, engagements and events. 4. Complete: The CoM has included accessibility in the planning templates. Internal Audit evidenced the 'Collaborative Engagement Plan' template which includes potential ways to offer better accessibility to the community. Considerations on accessibility are also included in the PMF. <p>Revised completion date: 30 September 2023</p>

2.0 Status of Internal Audit Recommendations

Executive Summary

Status

Appendices

Project	Risk Rating	Recommendations	Agreed Management Action	Status	KPMG Observation
Finding 10 – Further rigor is required related to the CoM's Subsidy Model					
Community Facilities Management	Moderate	<ol style="list-style-type: none"> 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. Develop annual reporting to be provided to the CoM which outlines the current status of compliance of community facilities leasing tenants. 	<ol style="list-style-type: none"> The CoM Leasing and Licensing Policy is currently under review and will be presented to the November Elected Member Forum. The future fee model will include: <ul style="list-style-type: none"> Associated documentation requirements; and Ongoing compliance requirements. 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. <p>Completion Date: 30 April 2022</p>	In Progress	<ol style="list-style-type: none"> Complete: Internal Audit noted that the Leasing and Licensing Policy was approved by the Council on 14 December 2021 and the associated Guidelines were endorsed by the Executive Leadership Team on 3 November 2022. Complete: The Future Fee Model is in place and includes associated documentation requirements and on-going compliance requirements. In Progress: Whilst CoM Management performs quarterly spot checks in SharePoint to review the compliance status, further development of a Property Management System is in progress to support a formalised reporting channel. <p>Revised completion date: 31 July 2023</p>

2.0 Status of Internal Audit Recommendations

Executive Summary

Status

Appendices

Project	Risk Rating	Recommendations	Agreed Management Action	Status	KPMG Observation
Finding 11 – Further work is required to implement an organisational wide programming approach					
Carryovers	Moderate	<ol style="list-style-type: none"> 1. Training for staff, including for PMF and CAMMS. See PIO 2 for specific recommendations related to training. 2. Project Managers should also ensure the inputting and following of project scheduling, with a focus on more accurate timing of projects to allow for less carryovers. As an assurance mechanism, routine spot checks could be performed to validate the effective implementation of the PMF by Project Managers. 3. Further develop PMO reporting which is based on standardised phases and milestones. This reporting should also specifically incorporate cost estimating, scheduling and cashflow forecast guidance. 4. Refresh and re-distribute standardised project templates. 	<ol style="list-style-type: none"> 1. Training will be provided by the PMO to selected staff that requires additional support on learning the PMF and using CAMMS. 2. The PMO, on a monthly basis, will randomly select projects to check on the progress and information entered CAMMS. 3. The PMO will review the existing reporting format and engage with stakeholders to identify additional reporting requirements and to improve, as necessary. 4. The PMO will review the existing project templates and improve/re-distribute as necessary. <p>Completion Date: 31 December 2021</p>	In Progress	<ol style="list-style-type: none"> 1. In progress: Due to resource constraints and the PMO role being vacant, this action has not been fully implemented. Previously, a training session of CAMMS was conducted for key Capital Works Project Managers in March 2022. 2. In Progress: With the PMO role vacant this is not currently being completed or captured. In the interim, the Project Management and Finance teams were advised as performing checks of the information entered into CAMMS on a monthly basis. As this process has not been formally documented, completion of this action could not be confirmed as closed. 3. In Progress: In the absence of a PMO, the Senior Project Manager Consultant is currently responsible for this action. Internal Audit noted that the reporting meeting format of the Monthly Capital Works meeting had been revamped to focus on issues of project delivery, risk and progress. 4. In Progress: The new PMO will be in charge of the new templates, which are to be introduced alongside the new PMF. <p>Revised completion date: 31 July 2023</p> <p>Target date to be revisited once new PMO role commences in mid June 2023.</p>

2.0 Status of Internal Audit Recommendations

Executive Summary

Status

Appendices

Project	Risk Rating	Recommendations	Agreed Management Action	Status	KPMG Observation
Finding 12 – Inconsistent application of governance framework applied across individual initiatives					
Collaborative Model Health Check	Moderate	<ol style="list-style-type: none"> The Councils consider refreshing the principals of the Collaborative Model, key Collaboration Framework activities and critical aspects of the supporting Framework is fit-for-purpose and meets the needs of the three Councils, specifically: <ul style="list-style-type: none"> Including the remit and membership of governance bodies and how information should flow between the various groups and to ELT and Managers. Redefine and strengthen the role of Managers in supporting collaborative projects and delegate lower risk items to empower and further develop Manager capabilities. Build out critical program frameworks, including items such as a calendar of agreed key activities and dates. For reference and planning, consideration could be given to creating a governance, risk and compliance map that outlines various governance, risk and compliance groups that are in operation throughout each Council. The relevant General Manager from each Council should oversee a review of the Collaborative Framework and advise on areas of improvement in line with the above recommendations. Roles and responsibilities relating to change management and communications need to be more clearly defined across Collaborative Model stakeholders and specific projects to ensure accountability. Future reporting is undertaken on a program wide level on a quarterly basis against schedule, detailed activities, RAG status, risks / issues, as well tracking against communication and change management. 	<p>The recommendation to refresh the current Collaborative Governance Framework to ensure it is fit for purpose and applied consistently to collaboration initiatives is timely as we now enter another phase of the collaboration.</p> <p>In January 2022 the three Councils engaged a Cross Council Improvement Lead (a business performance consultant). The three Councils will ensure that the appropriate governance and resourcing support is provided to the Improvement Lead Consultant and agreement for program documentation established to ensure lessons learned are not lost over time.</p> <p>Completion Date: 31 May 2022</p>	Overdue	<p>Internal Audit noted that given other organisational priorities, progress has been slower than anticipated as additional meetings with the other Councils are yet to be scheduled to discuss and finalise the action plan.</p> <p>Revised completion date: 30 September 2023</p>

2.0 Status of Internal Audit Recommendations

Executive Summary

Status

Appendices

Project	Risk Rating	Recommendations	Agreed Management Action	Status	KPMG Observation
Finding 13 – Fraud training and awareness					
Fraud Framework	Low	<ol style="list-style-type: none"> The CoM implement an organisation wide fraud awareness training program which is refreshed and delivered on a regular basis. The CoM should consider the most appropriate method of delivering the fraud awareness training program, which may be through internal delivery or engaging with an external fraud awareness training provider. PID training should be delivered during new starter induction with annual PID refresher training conducted in line with the fraud awareness training (Recommendation 1). It is further noted that this training could be updated to also include additional fraud training elements. Record completed fraud awareness and PID training in Training Manager. 	<p>Unit Manager Risk & Strategy will facilitate the Fraud & Corruption training being uploaded to Kineo for distribution to all staff and enabling of automatic recording of training completed. Manager Office of the CEO will work with the Manager P&C regarding the training to be delivered by 31 March 2022.</p> <p>Unit Manager Risk & Strategy will provide a record of completed training to be provided to P&C to be recorded in Training Manager.</p> <p>Completion Date:</p> <ol style="list-style-type: none"> 31 December 2021 31 March 2022 31 October 2021 	Complete	This process has been implemented and it is noted that 9 PID sessions were delivered between June and July 2022 with 293 participants. The training materials are regularly reviewed and updated to ensure appropriateness of the material. Internal Audit reviewed the training logs for this training.

2.0 Status of Internal Audit Recommendations

Executive Summary

Status

Appendices

Project	Risk Rating	Recommendations	Agreed Management Action	Status	KPMG Observation
Finding 14 – Inconsistencies identified in the understanding and effective use of CAMMS					
Carryovers	Low	<ol style="list-style-type: none"> Investigate system opportunities to improve CAMMS and streamline tasks. Specific investigation should be conducted in order to ascertain whether load times can be improved. Refresh and re-distribute standardised project templates. 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: <ul style="list-style-type: none"> 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. 	<p>A review was undertaken between CoM and the CAMMS vendor on CAMMS and the conclusion was the PMF set up in CAMMS did not need to change and report improvements were made. The PMO will monitor the system's performance and make the necessary recommendations to IT and CAMMS vendor to improve performance if needed.</p> <p>Completion date: 31 December 2021</p>	Overdue	<p>As per stakeholder consultation it has been identified since the Carryovers internal audit that CAMMS is no longer meeting the CoM's business requirements and would need to be reset and reconfigured.</p> <p>Management is investigating other options through a business case for a Project Management System and will be deciding on the next steps to be taken on this in the coming months.</p> <p>Internal Audit noted that SharePoint is currently being utilised in the place of CAMMS until an alternative solution is found.</p> <p>Revised completion date: 30 June 2023</p> <p><i>Target date to be revisited once new PMO role commences in mid June 2023.</i></p>

2.0 Status of Internal Audit Recommendations

Executive Summary

Status

Appendices

Project	Risk Rating	Recommendations	Agreed Management Action	Status	KPMG Observation
Finding 15 – Lack of sufficient detail in stakeholder engagement plans within reports					
Stakeholder Management	Low	<ol style="list-style-type: none"> Working directly with project managers/ relevant staff to coordinate and plan project timelines and milestones to ensure bottlenecks do not occur. Implement a policy to ensure that Stakeholder Engagement Plans (SEPs) are developed for all CoM projects and plans. Review the current methodology for developing SEPs and adapt to include further detail, with specific consideration of the following: <ul style="list-style-type: none"> 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. 	<ol style="list-style-type: none"> 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. This recommendation needs to feed into the review of the Project Management Framework (PMF). The Strategy and Risk team will work with the Project Management Office (PMO) regarding the information to be included during development of the SEPs. <p>Completion date: 31 December 2022</p>	In Progress	<ol style="list-style-type: none"> In Progress: This item has been delayed due to the role of the PMO being currently vacant. In Progress: The PMF is still being developed. Review of the draft shows that the PMF will include policies to ensure the development of SEPs for all future CoM projects and plans. In Progress: In the absence of a PMO the Strategy and Risk team is working together with the Project Management team to include a methodology for developing SEPs. <p>Revised completion date: 31 July 2023</p>

Appendix 1: Scope

Objectives

The objective of this internal audit was to perform testing over the implementation of internal audit recommendations. This was to enable an assessment of the current actions undertaken by the CoM to address the recommendations issued from the 2021/2022 and 2022/2023 internal audits.

Scope

The scope of this engagement included the following:

- Testing to consider the implementation of all high risk rated recommendations, as well as a risk-based sample selection from the medium to low rated recommendation from other relevant internal audit reports..
- Review of the management actions undertaken to assess whether they have addressed the recommendations and the identified risks.

Approach

The approach for this engagement consisted of the following:

- Obtaining the relevant recommendations and agreed Management actions for testing.
- Perform testing on the selected sample of Management action times to validate that they have been implemented as agreed.
- Close-out meeting to validate and confirm findings.
- Preparation of an internal audit report containing the status of each of the findings review.

Appendix 2- Staff Consultation

Executive Summary

Status

Appendices

The table below outlines all personnel who were involved in discussions and contributed to the observations in this report.

Name	Title	Project
Marcel Althoff	Chief Information Officer	Digital Transformation Health Check
Kate McKenzie	Manager, office of the CEO	Stakeholder management and Fraud Framework
Ben Keen	General Manager City Services	Project management and Carryovers
Michael Collins	Unit Manager Land and Property	Community Facilities Management
Bernadette Lee	Senior Property Officer	Community Facilities Management
Nick Marwe	Unit Manager Media and Engagement	Collaborative Community Consultation
Angela Allison	General Manager Corporate Services	Collaborative Model Health Check
Jamie Dunicliff	Manager Strategic Procurement Services	Collaborative Contract Management

Appendix 3 - Classification of Findings

[Executive Summary](#)
[Status](#)
[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 3- Classification of Findings (cont.)

Executive Summary

Status

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 3 - Classification of Findings (cont.)

Executive Summary

Status

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.

Electronic Distribution of Report

This KPMG report was produced solely for the use and benefit of the CoM and cannot be relied on or distributed, in whole or in part, in any format by any other party. The report is dated June 2023 and KPMG accepts no liability for and has not undertaken work in respect of any event subsequent to that date which may affect the report. Any redistribution of this report requires the prior written approval of KPMG and in any event is to be the complete and unaltered version of the report and accompanied only by such other materials as KPMG may agree. Responsibility for the security of any electronic distribution of this report remains the responsibility of the CoM and KPMG accepts no liability if the report is or has been altered in any way by any person.

8 Reports for Noting

8.1 Business Continuity Annual Report 2022-23

Report Reference	SFRAC230620R8.1
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
FRAC221011R7.6	Business Continuity Program Annual Report 2021-22

REPORT OBJECTIVE

The objective of this report is to provide the Finance, Risk and Audit Committee (FRAC) with an overview of the Business Continuity Management Program in 2022-23 in accordance with the FRAC's Terms of Reference to provide "effective management of risk and the protection of Council assets" and to provide assurance of the continued implementation of effective business continuity management initiatives across the organisation.

EXECUTIVE SUMMARY

This report provides an overview of the initiatives undertaken through the Business Continuity Management (BCM) Program in 2022-23 which aim to ensure that disruptive events are managed in accordance with the BCM Framework.

The BCM Program objective is to build organisational maturity through capacity building, testing of key controls plus continual improvement of systems and documentation.

The BCM Program has been impacted over the past 12 months due to resourcing impacts, however the relevant position will be filled within the next month.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

- 1. Notes the report.**

DISCUSSION

The Business Continuity Management (BCM) Program is reported annually and was last presented to the Finance, Risk and Audit Committee at its meeting held 11 October 2022. At this meeting, the FRAC endorsed a revised Business Continuity Plan, which refreshed the document and update the Incident Management Team (IMT) members, based on learnings through the active and ongoing business disruption caused by the Covid-19 pandemic.

In November 2022, the newly endorsed IMT undertook the I-Responda Essentials Training. Due to the active event of Covid-19, training had not occurred since 2019. The I-Responda Essentials course is a foundational activity that explains the principle of 'Ordinary Operations in Extraordinary Situations' and provides the basis upon which Local Government workers can work in a safe, consistent and supported way during incident operations. The training covered:

- Roles and responsibilities of Local Government in incident operations.

- i-Responda principle and action plans.
- Working with emergency services.
- Communicating during incident operations.
- Incident management awareness.
- Briefing, situation reports & debriefing.
- Situational Awareness & Personal Survival.

In February 2023, the Risk Business Partner position was vacated. The Council had one Risk Business Partner role who looked after the Councils Risk Management Framework, insurance, incidents and claims and business continuity. It was evident that expectations for the role were more than 1 FTE. Therefore, a business case was developed to split the role into two, being:

1. Risk Business Partner – Insurance and Claims
 - Risk Management
 - Insurance
 - Incidents and Claims
2. Risk Business Partner – Business Continuity
 - Risk Management
 - Business Continuity

The roles were advertised early March 2023, however only one appointment could be made, for the Risk Business Partner – Insurance and Claims position, with the starter commencing late April 2023.

The Risk Business Partner – Business Continuity role was reconsidered in terms of how it was promoted and advertised to ensure we were getting candidates with the desired skillset. Re-advertising the role was delayed to see a shift in the market. The role was re-advertised in May 2023 and an appointment was made with the person starting in late June 2023.

Once the Risk Business Partner – Business Continuity role is onboard, work will recommence on the Business Impact Assessment and Recovery Strategies which require review. The new started will also look at the suite of documents within the Business Continuity Framework for currency, and any proposed amendments will be brought back to FRAC later this year.

On 28 June 2023, the Incident Management Team (IMT) (primary and all alternate members) will be conducting a Business Continuity exercise. An exercise under the Business Continuity Plan has not been undertaken since prior to Covid, due to the prolonged nature of the IMT being active. However, there has also been some staff turnover, and the roles of the IMT were updated when the Business Continuity Plan was endorsed by the Finance, Risk and Audit Committee on 11 October 2022. The exercise will be facilitated by an external party, with the State Emergency Services and Local Government Functional Support Group also attending to provide an oversight of their role in an emergency situation. It has hoped that the exercise will re-educated the IMT members on their roles and responsibilities during an incident which impacts business operations or the community, as well as provide a real life scenario for the team to work through how they would respond. The exercise will be observed and a report on the success and/or areas of weakness will be brought back to the FRAC later this year.

ATTACHMENTS

Nil

8.2 Service Review / Process Improvement Program

Report Reference	SFRAC230620R8.2
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 inform the Finance, Risk and Audit Committee (FRAC) of the status of the Service Review Program.

EXECUTIVE SUMMARY

The way that the City of Marion has conducted Process Improvement / Service Reviews over the past few years has varied with different approaches, however the intent has remained the same, to improve efficiency and reduce waste.

The Service Review program was paused for approximately 12 months whilst it was determined how to progress. Although the program is yet to be define, it is proposed that Lean 6 Sigma will be introduced as the methodology for improvement and embedded into organisational culture.

Further information will be brought the the FRAC in due course.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

- 1. Notes the report.**

DISCUSSION

The Terms of Reference for the FRAC state the following regarding the Service Improvement Program:

- Critically analyse and follow up any internal audit or service reviews report that raises significant issues and review management's response to, and actions taken as a result of issues raised.
- Review the appropriateness of special assignments undertaken by the internal audit and service reviews provider at the request of the Chief Executive.
- Review the level of resources allocated to service review and the scope of its services and authority.
- Facilitate liaison between the internal audit/service review provider, and external auditor to promote compatibility, to the extent appropriate, between their programs.

Service Reviews

- Review and provide advice on service reviews, and in particular:
 - o The scope of the review before it is commenced.
 - o Input into the questions to be asked and the data to be collected and analysed.
 - o Comment on all draft service review reports before the final report is presented to Council.

The Internal Audit Program has proceeded as normal however, the Service Review Program has been suspended over the past 12 months whilst the organisation determines the best way forward to continue to seek efficiency within the business.

Previous Service Improvement Program:

The original Service Review Program was established in 2016 after the Council expressed a commitment to lower council rates without affecting service levels. The Service Review program was established with concerted effort focusing on achieving efficiency and effectiveness with the intent to achieve ongoing saving and reduced waste. The program was established to:

- improve service quality
- seek efficiencies
- streamline processes
- determine what services Council wishes to alter/cease or introduce for better community outcomes.

The intent was to embed the process within the business and a standard approach to be adopted for continuous improvement. This model was resourced with 2 FTE to support the process, with the reviews to be completed from within the teams.

This Program was a two-step process with each manager required to complete a Service Statement which included the following information:

- Provided a succinct history of the service
- Determine the level of alignment of the service with strategic goals, core business and the needs of the community – is Council providing the right service?
- Level of alignment with intended performance outcomes and whether the service is delivered in an efficient and effective manner – is Council providing the right service well?
- The viability of external business opportunities in relation to the service – what can we improve?

The data extracted was then analyzed in terms of organisational risk and capacity. Specific focus was given too:

- Had a high/low public value
- Had a high/low cost
- Was resourced and operating efficiently/inefficiently
- Had undertaken a high/low level of review previously
- Could be improved with minimal impost but maximum gain

Following the assessment from the Service Statements, certain services then progressed to a stage 2 process. The methodology used for this process was the Plan, Do, Check, Act (PDCA) with the intent that each review would include recommendations of:

- Maintain the service
- Reduce the service
- Increase or change the quality and/or delivery of the entire or elements of the service
- Not provide the service

Overall, there were a number of reviews completed. Various improvements and efficiencies were gained.

Following this, Council changed its approach and in 2017/18 financial year Council determined: *‘to undertake an evaluation and review of at least 12 services to ensure they continue to provide maximum value to our community now and in the future’.*

The model was changed, and the Performance and Innovation Team was established. This was a team of 3 FTE, and the service reviews were then completed within this team with the relevant areas as key stakeholders. This model created some further independence from those who were delivering the services.

There were a number of reviews completed under this program, again with various success. Some of the reviews included:

- Neighbourhood and Community Centers
- Capital Construction and maintenance
- Open Space Rec and Planning
- Water & Electricity Bill Validation
- Fleet Maintenance

In conjunction with this, a consultant was also bought in to work alongside this program and to also focus on cross council projects. The major success of this approach was savings were found within the budget process and process improvements were made.

Proposed approach for Process Improvement

With the varying approaches undertaken thus far, it is proposed that the service improvement program is amended with Lean 6 Sigma is embedded as the methodology to embed across the organisation for process improvement and efficiency. A number of staff have been trained to a yellow belt, with further staff to be trained in coming months. Management is working on the governance structures to support the implementation and also the Framework/tool kit for delivery. This work will progress over the next 8 weeks. Further information will be brought to the FRAC in due course.

ATTACHMENTS

Nil

8.3 Work Health and Safety Management System Annual Report

Report Reference	SFRAC2306208.3
Originating Officer	Unit Manager WHS – Mark Jentsch
Corporate Manager	Manager People and Culture - Sarah Vinall
General Manager	Chief Executive Officer - Tony Harrison

REPORT OBJECTIVE

This report provides an annual overview of the Work Health & Safety (WHS) Management Systems performance with respect to legislative obligations under the WHS Act (SA) 2012, Return to Work (RTW) Performance Standards for Self-Insured (PSSI) employers and internal policies, procedures, plans and programs.

The report further provides insight into the City of Marion's progress against the Key Performance Indicators identified in the Health Safety and Environment Plan 2019-23.

EXECUTIVE SUMMARY

This report considers 3 elements of the City of Marion's (CoM's) WHS management environment:

- Internal WHS Management Systems (WHSMS)
- HSE (Health, Safety and Environment) Plan 2019-23 Performance Summary
- Alignment with Performance Standards for Self-Insurers

CoM demonstrates a mature WHSMS that is entering a stage of substantial review driven by its internal audit program. A full review of Policies, Procedures and supporting documents is planned through to 2026.

Performance against the HSE Plan 2019-2023 is low. Whilst this could be an area of concern, consideration should be given to the lack of review of the applicability of the performance measures throughout the life of the plan.

An internal assessment of the WHSMS against the requirements of the PSSI demonstrates CoM has a high level of conformance. Where non-conformance have been identified, corrective action has been identified and planned.

RECOMMENDATION

That the Finance, Risk and Audit Committee:

1. Note this report

BACKGROUND

The CoM (City of Marion) operates within a mutual self-insured regime for Workers Compensation. As a self-insured organisation the CoM is required to comply with the Performance Standards for Self-Insurers (PSSI).

PSSI Standard 5 (WHS Management Systems Review and Improvement) requires the organisation to undertake regular reviews and to continually improve its systems. This leads to the development of continuous improvement strategies within the organisation.

Further, the Work Health and Safety Act 2012 places obligations on the Executive Leadership Team as Officers of the Corporation. These can be summarised in Section 27 (5) of WHS Act (SA) 2012, which requires Officers to:

- a. *Acquire and keep up-to-date knowledge of work, health and safety matters.*
- b. *Gain an understanding of the nature of operations of the business or undertaking of the person conducting the business or undertaking, and generally of the hazards and risks associated with those operations.*
- c. *Ensure that the person conducting the business or undertaking has available for use, and uses, appropriate resources and processes to eliminate or minimise risks to health and safety from work carried on as part of the conduct of the business or undertaking.*
- d. *Ensure that the person conducting the business or undertaking has appropriate processes for receiving and considering information regarding incidents, hazards and risks and respond in a timely way to that information.*
- e. *Ensure the person conducting the business or undertaking has, and implements, processes for complying with any duty or obligation of the person conducting the business or undertaking under the legislation.*
- f. *Verify the provisions and use of specified resources and processes.*

In recognition of these obligations the CoM has established a Work Health and Management System (WHSMS) that supports Officers in meeting these obligations.

To respond to the above requirements the WHS Unit have provided the following reviews:

- Internal WHS Management Systems (WHSMS) - Appendix A
- HSE (Health, Safety and Environment) Plan 2019-23 Performance Summary - Appendix B
- Alignment with Performance Standards for Self-Insurers - Appendix C

PERFORMANCE

Internal WHS Management System Review

A high-level review of the WHSMS (Appendix A) has identified that 95 of 118 WHS criteria were conforming with PSSI.

Key areas of identified non-conformance and related rectification activities are as follows:

- Safe Work Method Statements, Safe Operating Procedures, Safe Work Procedures
 - This suite of documents continues to be rewritten/reformatted and retained within Skytrust. Legacy documents remain effective but are broadly uncontrolled.
- Learning and Development
 - WHS Training Needs Analysis is expected to be completed by 31 May 2023 and fully incorporated into Skytrust
 - WHS Training Management Plan is expected to be completed by 30 June 2023 and fully incorporated into Skytrust
 - WHS Due Diligence Training is being scheduled for September/October 2023
- Organisational WHS Corrective & Preventative Action (CAPA) Register

- CAPA is now retained in Skytrust with monthly updates provided to ELT/SLT
- HSE Observations
 - The HSE Observation program has been placed on hold pending review during May 2023. Key concern is that the program is not focused on its key objective and creating an unmanageable administrative burden.
- HSE Hazard Register includes Risk Assessments
 - Risk register is under review to remove confusion between risks and hazards. Anticipated completion October 2023.
- Contractor Management
 - WHS Contractor management will be subject to audit by Business SA in May 2023. Identified opportunities for improvement will be recorded in the CAPA.
- Workplace Emergency Management
 - WHS Emergency Management Procedure will be subject to audit by Business SA in May 2023. Identified opportunities for improvement will be recorded in the CAPA.
 - Substantial work has been conducted by WHS Business Partner in reinvigorating the Emergency Control Organisation and sourcing alternate training providers.
- Remaining non-conformances revolve around document review periods and will be addressed during FY 2023/24 and aligned with the Internal Audit Program.

HSE Plan Performance Summary

An assessment of the HSE Plan 2019-23 (Appendix A) has identified that 18 of 43 targets were achieved during FY2022-23

- 18 Targets were met
- 11 targets were not met
- 14 targets are considered not applicable due to changes in systems and processes.

The Work Health, Safety and Wellbeing Framework 2023-26 is currently under consideration by ELT (Executive Leadership Team) and will reflect a more focused suite of WHS performance indicators for future reporting periods.

Alignment with Performance Standards for Self-Insurers

CoM WHSMS aligns consistently with the PSSI.

Identified areas for improvement include:

- Rationalisation of WHS Policies into a single document (Currently 8 WHS Policy documents)
- WHS review of Contractor/Purchasing Management. (Audit conducted for May 2023. Waiting report from Business SA)
- Integration of WHS Training Management Systems into Skytrust

CONCLUSION

It is the view of the author that CoM has a high level of compliance with the WHS legislative and regulatory framework, this view is extended to the level of compliance with the Performance Standards for Self-Insurers.

The substantial number of targets not met within the HSE Plan 2019-23 indicates that a scheduled mid-life or annual review of the plan and its measures is warranted for the future Work Health, Safety and Wellbeing Framework 2023-26.

Where opportunities for improvement have been identified, they have been incorporated into the WHS Action Plan 2022/23.

ATTACHMENTS

1. FRAC Annual Report 2023 Consolidated Appendices [8.3.1 - 8 pages]

APPENDIX A - WHS Management System Review

Document Name	Current Status of Implementation	RTW PSSI Compliant	Priority	Recommended Action	Action Owner	Due Date
WHS-POL-001 - WHS & RTW	Implemented and last endorsed February 2021	Y	2	Review WHS Policy suite for consolidation of documents	UM WHS	30/01/24
Workplace Return to Work	Implemented and last endorsed May 2022	Y	4			
HSE-POL-002 - ADMINISTRATION	Implemented and endorsed as at June 2021	Y	2	Review WHS Policy suite for consolidation of documents	UM WHS	30/01/24
HSE-PRO-2.01 - Document Management	Currently under review. Workflow being finalised.	Y	1	Complete review and implement	UM WHS	1/08/23
WHS Policies & Procedures	Internal audit process is reviewing all key WHS documents in a staged process over the life of the upcoming WHS Strategic Framework. Focus will be on achieving compliance and preferred outcomes through functionality for key stakeholders. Documents are stored and controlled through Skytrust with links to Sharepoint where applicable.	Y	2	Review WHS Policy suite for consolidation of documents	UM WHS	30/01/24
WHSMS Document Register	Document management is now conducted through Skytrust.	Y	4			
SWMS, SWP & SOP Document Register	All documents now retained in Skytrust as sole point of truth	Y	4			
SWMS, SWPs & SOPs for tasks & plant	SWMS, SOP's, SWP's remain in use. Entire suite is being rewritten and rationalised. The use of Plant Risk Operating Procedures (PROPS) is being phased out with a return to traditional processes and documents.	N	1	Complete review of documents. Apply effective document management and publish via Skytrust.	WHS Business Partners	31/09/2023
Delegations have been defined & documented	Delegations considered annually by Council	Y	4			
WHS responsibilities are defined & documented	WHS Responsibilities Matrix complete	Y	4			
Workers are held accountable for WHS performance relevant to their defined responsibilities	Overarching WHS responsibilities held in job descriptions	Y	4			
WHS objectives & targets have been assigned to all relevant functions / levels within the organisation	WHS Strategic Framework is in final stages of approval. Will provide suite of Objectives and measurable KPI's	Y	1	Final Framework to be presented to ELT June 2023. Tagline to be finalised post staff survey 5th June 2023.	UM WHS	30/06/23
Legislative Register and process for updating	Being revised to include updated via Govt Gazette & Legislation Alert plus LGRS WHS Practitioners communications	Y	3	Develop comprehensive WHS Obligations Register	WHS Business Partners	30/03/24
Process for implementation of required changes	SkyTrust Document Review & legislative monitoring	Y	4	-	-	-
A program for management & accessibility of health and safety records	Records to be contained in Skytrust as sole source of truth	Y	3	Investigate capacity of SharePoint to meet Skytrust capabilities.	UM WHS	30/12/24
HSE-PRO-2.02 - Planning & Program Development	Implemented and endorsed as at Dec 2019	Y	3	Review document	UM WHS	30/08/23
WHS Plan	WHS Strategic Framework is in final stages of approval. Will provide suite of Objectives and measurable KPI's	Y	1	Present final document to ELT for endorsement	UM WHS	30/06/23
WHS Plan Objectives & Targets	WHS Strategic Framework is in final stages of approval. Will provide suite of Objectives and measurable KPI's	Y	1	Present final document to ELT for endorsement	UM WHS	30/06/23
WHS Reporting	KPIs reported to Council monthly & FRAC annually. WHS Report to ELT/SLT Monthly. WHS included in Annual Report.	Y	4			
WHS Management System Review	Ongoing review through internal audit program and LGRS Audits	Y	3	Monitor internal audit program. Current target 7 key documents audited annually.	UM WHS	Ongoing
Adequate resources to implement WHS	4 FTE	Y	4			
P&C 4.1 - Learning & Development Procedure	Learning and Development Procedure in final stages of review	Y	3	Implement changes. Audit scheduled for second half 2023.	WHS Training and Assessment Officer	30/09/23
WHS Due Diligence (Officers)	Training scheduled when required for new Officers and those due for 4 year review. Last held in February 2020.	N	2	Due Diligence Training to be scheduled for second half 2023	WHS Training and Assessment Officer	1/09/23
WHS Responsibilities	WHSMS Responsibilities & Leadership Parts 1, 2 and 3 Implemented and delivered via e3 Learning.	Y	4			
WHS Training Needs Analysis - WHSMS	Currently transitioning TNA to Skytrust	Y	2	Cement TNA into Skytrust functionality. TNA transfer to Skytrust anticipated June 2023.	WHS Training and Assessment	30/06/23
WHS Training Needs Analysis - SWP & SOP	Currently transitioning TNA to Skytrust SWMS/SOP/SWP are being fully revised and updated.	N	1	Cement TNA into Skytrust functionality. TNA transfer to Skytrust anticipated June 2023.	UM WHS WHS Business Partners	30/08/22
WHS Training Plan and Budget	Development of TNA and TMP to determine Training Plan and Budgetary requirements	N	1	Integrate TMP and TNA into Skytrust June 2023	WHS Training and Assessment Officer	30/06/23
HSE Committee and HSR Training	Committee meetings held bimonthly with training undertaken as required	Y	4			
Licences and qualifications	Skytrust now being utilised for monitoring of Heavy Vehicle licences and qualifications. People leaders are notified via email and able to update licences as they are renewed.	Y	4			
P&C 4.2 - Induction Procedure	Implemented and endorsed as at May 2018	Y	4	-	-	-
WHS& SkyTrust Inductions completed by all staff	Incorporated into Corporate Induction & tracked by HR	Y	4	-	-	-

APPENDIX A - WHS Management System Review

HSE-PRO-2.04 - Corrective & Preventative Action	Implemented and endorsed as at June 2021	Y	4	-		
Organisational WHS Corrective & Preventative Action (CAPA) Register	Corrective actions are not being completed within timeframes set out with HSE Plan targets.	N	3	Increase focus at ELT, SLT and Department Meetings for accountability	UM WHS	Ongoing
HSE-PRO-2.05 - Internal Audit	Implemented and endorsed as at June 2019	Y	3	Review Procedure	UM WHS	30/09/23
Internal Audit Schedule	8 Internal audits scheduled for each FY to 2026	Y	4			
HSE-POL-003 - CONSULTATION & COMMUNICATION	Implemented and endorsed as at 11 August 2021	Y	4	-		
HSE-PRO-3.01 - Consultation & Communication	Implemented and endorsed as at August 2021	Y	4	-		
HSE Committee (Agenda/Meeting/Minutes)	TOR updated in November 2022	Y	4			
WHS Policy and Procedure Consultation	Primary methods include HSE Committee, emails, toolbox talks & meetings.	Y	4			
Team meetings and Toolbox Talks	Regular WHS attendance at leadership and team meetings for Libraries, Open Space Ops, Civil Services, Operational Support.	Y	4			
Health & Safety Representatives	Workgroups are identified, HSRs are nominated & encouraged to invest time	Y	4	-		
Reporting	Reporting to Council, ELT, SLT monthly. To HSE Committee BiMonthly.	Y	4	-		
WHS-PRO-3.02 - HSE Observation	Implemented and endorsed as at October 2020.	N	1	Observations process is overdue for review. Implementation and task allocation is flawed undermining its core purpose of communicating with the workforce. Proposal presented to ELT May 2023		
HSE Observations	Skytrust available for completing HSE observations on Apple and Android tablet or phone. Majority of leaders responsible for HSE observations are not meeting quantities agreed in procedure.	N	1	Observations process is overdue for review. Implementation and task allocation is flawed undermining its core purpose of communicating with the workforce. Proposal presented to ELT May 2023	UM WHS	31/05/23
HSE-POL-004 - HAZARD MANAGEMENT	Implemented and endorsed as at June 2021. Currently under review to reduce complexity and	Y	2	Review WHS Policy suite for consolidation of documents		
HSE-PRO-4.01 - Hazard Management	Implemented and endorsed as at June 2021. Currently under review to reduce complexity and	Y	2	Review in line with Business SA Audit report and implement recommendations where applicable. Focus on functionality of document.		
HSE Hazard Register inc Risk Assessments	Risk Register is under review to align it with the broader principles of a risk register.	N	2	Continue review and implement changes	WHS Business Partners	28/08/2023
Take 5	Take 5's are now incorporated into iAuditor	Y	4	Review and continue implementation opportunistically	WHS Business Partners	Ongoing
Noise Survey and Audiometric testing	Undertaken 2 yearly. Audiometrics last undertaken in November 2022 and on pre-employment.	Y	3	Engage competent person for undertaking of program of plant noise surveys	WHS Business Partners	30/03/24
4 HSE-PRO-4.02 - Incident Management	Implemented and endorsed as at September 2020.	Y	4	-		
Hazard & Near Miss Reporting	Increase in hazard and near miss incident reporting continues	Y	4			
Incident Reporting	Incident reporting is increasing, particularly with minor incidents	Y	4	-		
Incident Investigations	Incident investigations are becoming more thorough and open to review	Y	4			
HSE-PRO-4.03 - Work Area Inspection Procedure	Updated December 2021	Y	4	-		
Safe Work Areas; Low & High risk work areas	Successful transition to Skytrust customised for each site.	Y	4	Due for review late 2023	WHS Business Partners	1/11/23
HSE-PRO-4.04 - Plant Management Procedure	Implemented and endorsed as at December 2020.	Y	4	-		
Pre-start checklists	Utilising Skytrust and iAuditor	Y	4			
HSE Pre-Purchase Checklists	In place for larger or newly introduced items of plant	Y	4			
Plant Risk Assessments	Plant risk assessments in SkyTrust and now send automated emails to review.	Y	4			
Monitoring / maintenance of plant	Plant is monitored for maintenance, testing and inspection through manual plant register. Legislative requirements under WHS Act are tracked using Skytrust Inspection module	Y	4			
HSE-PRO-4.05 - Personal Protective Equipment & C	Implemented and endorsed as at February 2019.	N	2	Due for review. Requires greater specificity for items of PPE.	WHS Business Partners	28/08/2023
Training for fit and use of PPE&C	Scheduled in TNA to be undertaken bi-annually	Y	4			
HSE-POL-005 - CONTRACTOR MANAGEMENT	Implemented and endorsed as at August 2021	Y	4			
Procurement Procedure	Due for review December 2023	N	1	WHS Contractor Management is a core focus and will be subject to audit in May 2023	WHS Business Partners	31/05/23
WHS Due Diligence & Hazard Management	Processes will be reviewed during May 2023 systems audit	N	1	Waiting audit report	WHS Business Partners	31/05/23
Insurances & Licences	Processes will be reviewed during May 2023 systems audit	N		Waiting audit report	WHS Business Partners	31/05/23
Induction	Processes will be reviewed during May 2023 systems audit	N		Waiting audit report	WHS Business Partners	31/05/23
Contractor Hazard and Incident Reporting	Processes will be reviewed during May 2023 systems audit	N		Waiting audit report	WHS Business Partners	31/05/23

APPENDIX A - WHS Management System Review

	Surveillance	Processes will be reviewed during May 2023 systems audit	N		Waiting audit report	WHS Business Partners	31/05/23
	Audits	Processes will be reviewed during May 2023 systems audit	N	1	Waiting audit report	WHS Business Partners	31/05/23
	HSE-POL-006 - WORKPLACE EMERGENCY MANAG	Due for review February 2022	Y	1	Emergency Management Policy and Procedure are subject to audit in 2023 and will be amended as required.	WHS Business Partners	31/05/23
	HSE-PRO-6.01 Workplace Emergency Management	Due for review August 2022	Y	1	Emergency Management Policy and Procedure are subject to audit in 2023 and will be amended as required.	WHS Business Partners	31/05/23
	Workplace Emergency Management Procedures	Compliant and conforming to RTW PSSI.	Y	1	Emergency Management Policy and Procedure are subject to audit in 2023 and will be amended as required.	WHS Business Partners	31/05/23
	Emergency personnel & respondees appointed	Risk Team & Emergency Wardens	Y	4			
	Emergency Management training for ECOs	Wardens being trained in April & May. Drills in May. Minor changes and improvements being incorporated in drills. Use of internal templates for drill reports.	Y	4	Reviewing training provider	WHS Business Partners	31/05/23
	Provision of EM equipment	Fire detection/suppression/fighting equipment and other EM response provisions as outlined in Site profiles	Y	4			
	Inspection of EM equipment	Inspections are undertaken & monitored by the contract owner. Recently added to SkyTrust to monitor. Gaps exist in the evidence recording of the monitoring and testing of emergency equipment.	Y	4			
	System to ensure emergency authorities are informed of relevant hazards on-site when attending an emergency	WEMP's are available from the Building Warden	Y	4			
	HSE-PRO-6.02 First Aid Procedure	Due for review April 2023	N	3			
	First Aid & Emergency Response resourcing	Compliant and conforming to RTW PSSI.	Y	4			
	HSE-POL-007 - HAZARDOUS WORK	Implemented and endorsed as at June 2021.	Y	4	Internal audit latter half of 2023	WHS Business Partners	1/11/23
	HSE-TOOL-7.01a - Hazardous Manual Tasks	Implemented and endorsed as at February 2020	Y	4			
	Hazardous manual task risk assessments	Currently being updated in Skytrust Risk Register	Y	4			
	HSE-TOOL-7.01b - Electrical Safety	Implemented and endorsed as at December 2020	Y	4			
	Thermal Imaging of Switchboards	Managed by Land & Property contract, added to SkyTrust for monitoring by WHS	Y	4			
	RCD testing	Managed by Land & Property contract, added to SkyTrust for monitoring by WHS	Y	4			
	Tagging & testing	Managed by Land & Property contract, added to SkyTrust for monitoring by WHS	Y	4			
	HSE-TOOL-7.01c - Hazardous Chemicals	Implemented and endorsed as at August 2020.	Y	4			
	ChemAlert Chemical Register & Risk Assessments	Review of holdings, storage & risk assess for all chemical holdings across all sites annually	Y	4			
	HSE-TOOL-7.01d - Prevention of Falls	Implemented and endorsed as at June 2020.	Y	4			
	Roof access Risk Assessments plus Harness, Rope, Roof access ladders & anchor point Inspections	Completed	Y	4			
	HSE-TOOL-7.01e - Isolation and Lock Out/Tag Out	Implemented and endorsed as at April 2020.	Y	4			
	HSE-TOOL-7.01f - UVR & Inclement Weather	Due for review February 2023	N	3		WHS Business Partners	31/09/2023
	UVR & Inclement Weather Risk Assessments	UV and Inclement Weather documented in Skytrust Safety Risk Register. Sharepoint folder & template created risk assessments to be recorded on days of inclement weather. Inconsistent completion of RAs.	Y	4			
	HSE-TOOL-7.01g - Hot Work Procedures	Implemented and endorsed as at October 2020.	Y	4			
	Designated Hot Work Areas	Workshop at City Services is designated and has hot work risk assessment. Hot work areas ID at NHC.	Y	4			
	Hot Work Permit	Hot work permit issuers nominated and training provided with register of issuers provided in Sharepoint.	Y	4			
	HSE-TOOL-7.01h - Remote & Isolated Work	Due for review December 2022	N	2		WHS Business Partners	31/09/2023
	Communication devices for Isolated Workers	Mandown lanyards provided for all identified roles, Internal WHS Audit conducted by Choose Safety June 2018	Y	4			
	HSE-TOOL-7.01i - Confined Space Management	Implemented and endorsed as at October 2019.	Y	4			
	Confined Space Register & Risk Assessments	Confined space risk register monitored by Skytrust Documents module.	Y	4			
	Confined Space Permit	Confined Space permit register created in Sharepoint.	Y	4			
	HSE-TOOL-7.01j - Excavation & Trenching	Implemented and endorsed as at December 2020.	Y	4			
	Trench Inspection	Good level of Inspection undertaken and documented	Y	4			

APPENDIX A - WHS Management System Review

	Before You Dig and Underground Service Location	Underground service location guide' implemented across relevant teams.	Y	4			
	HSE-TOOL-7.01k - Asbestos Management	Implemented and endorsed as at October 2020.	Y	4			
	Asbestos Register, Risk Assessments & Asbestos Management Plan	Contracted to Greencap, reduction program in place, annual review of registers and Asbestos Management Plan implemented	Y	4			
	HSE-TOOL-7.01l - WorkZone Traffic Management	Implemented and endorsed as at June 2020.	Y	4			
	HSE-TOOL-7.01m - WHS Management Plan	Implemented and endorsed as at October 2019.	Y	4			
	HSE-TOOL-7.01n - Construction HSE Pre Works Ch	Implemented and endorsed as at October 2019.	Y	4	-		
	HSE-POL-008 - WELLBEING	Due for review December 2022	N	2	Review WHS Policy suite for consolidation of documents	UM WHS	30/01/24
	Procedure(s) to assist workers who are exposed to critical incidents at work.	Employee Wellbeing/Assistance Program, nominated Peer Wellbeing Officers	Y	4	-		
	HSE-PRO- 8.01 Alcohol and Other Drug Procedure	Implemented and endorsed as at September 2020.	Y	4	Current under review with a broader consideration of Fitness for Work	UM WHS	30/079/2023
	Alcohol and Other Drug education and monitoring program	Training provided to all new employees , annual wellbeing refresher training offered to staff and quartler randon testing regime together with at cause or post incident	Y	4			
	HSE-PRO- 8.02 Smoke Free Workplace	Due for review February 2023	Y	3		UM WHS	30/09/23
	Smoke Free Workplace education & program	Resources available in SharePoint Wellbeing Site. QUIT Program available.	Y	4			
	HSE-PRO- 8.01 Infectious Disease Prevention	Due for review February 2023	N	3		WHS Business Partners	31/09/2023
	Infectious Disease education and vaccination program	Important imformation provided through the SharePoint annual vaccination program offered	Y	4			
	Environmental Policy	Last endorsed 25 November 2019. Next review date Nov 2023	Y	4			
	Climate Change Policy	Last endorsed 27 Sept 2016. Next Review date Sept 2020	N/A	4			
	Waste Management Policy	Last endorsed 25 November 2019. Next review date Nov 2023	N/A	4			
	ERM Integration	Environmental operational requirementments have been embeded in relevent SWMS and SV	N/A	4			
	Pre-design Environmental Checklist	Last updated September 2021. Next review date September 2023.	N/A	4			

Appendix B - HSE Plan 2019-23 Performance Summary														
	Commitment	Achieved by	Success Measure	Target	2019/20	2020/21	2021/22	2022/23	Result %	Commentary	Recommendations for consideration	Action Owner	Due Date	
HSE LEADERSHIP	1.1 Exhibit & actively promote worker & environmentally safe behaviours	Setting an example through visible leadership	Percentage of leaders review their HSE Risks in the SkyTrust Safety Risk Register each year as scheduled.	100% of leaders	70%	85%	100%	100%	100%	The Skytrust Risk Register contains 114 current entries after review during 2022-23.	Remove or archive non-current entries.	WHS Business Partner	30/09/23	
			WHS Committee meetings will have ELT representation	100% attendance	100%	100%	100%	100%	100%	HSE Committee are consistently well attended by ELT members.				
			Leaders undertake their allocated Safety Observations each year.	100% occurrence	70%	85%	100%	100%	NA	HSE Observation program is under review. Key concerns surround the intent vs conduct of the observations resulting in an ineffective distribution of the observations across the leadership team. The program has been put on hold pending ELT feedback in May 2023.	Implement approved recommendations	UM WHS	30/06/23	
			General Staff, ELT and SLT meetings have safety on the agenda	100% of meetings	100%	100%	100%	100%	100%	Standard agenda item for HSE Committee. Minutes reflect regular and timely legislative updates.				
			Leadership visibility of HSE culture through new initiatives	2 initiatives each year	2 initiatives	2 initiatives	2 initiatives	2 initiatives	100%	Peer Wellbeing Officers Mental Health First Aid Executive Health Evaluation Healthy Connections - Senior Leadership Committing to Change				
		Actively promoting safety & the environment	Promotion of HSE & wellbeing through the monthly TSLW newsletters	12 newsletters per year	100%	100%	100%	100%	NA	Discontinued. Communication now through P&C update or through specific marketing campaigns.				
			Delivery & promotion of monthly Wellbeing themes based on annual Wellbeing Plan	12 themes per year	12 themes	12 themes	12 themes	12 themes	NA	Transitioning from a calendar approach to a themed approach. Elements of the wellbeing program may run for many weeks or be of a very short duration. For example 10000 steps is perpetual. Skin Checks runs for 2 weeks etc	Complete program of events and activities with a focus on outcomes rather than calendar.	UM WHS	30/07/23	
			Green @ Work initiatives	2 initiatives / year	2 activities	2 activities	2 activities	2 activities	100%	Major focus areas: 1. Internal waste audit and delivery of "Be a Good Sort" office waste education program 2. Sustainable corporate wardrobe including improved clothing reuse and sustainable disposal.	Ongoing implementation and review of internal waste audit recommendations.	UM Enviro Sus	Ongoing	
			Acknowledging safe & environmentally sustainable behaviours	STAR award nomination for HSE related behaviours	STAR Award introduced with 10% increase in nominations each year	HSE added to STAR Award program	HSE STAR Awards introduced	10% increase in HSE STAR Award nominations	10% increase in HSE STAR Award nominations	100%	Replaced with Employee Recognition Program 3 Safety related awards presented			
			1.2 Empower people to understand their HSE responsibilities & processes as we build capacity, ownership & achieve safe outcomes	Training all leaders in WHS	Percentage of ELT, SLT & identified UMs undertake Due Diligence training every 4 years	100% of identified staff	100%	100%	100%	100%	40%	Due Diligence Training currently being scheduled	Engage L&D to ensure Due Diligence training is captured on Learning Management System for identified roles (CEO, GMs and select SLT)	UM WHS
	Percentage of CoM leaders complete the WHS Leadership 1, 2 & 3 eLearning modules within the timeframe	100% of identified staff			100%	100%	100%	100%	NA	System data cannot be collated by Learning and Development		WHS Business Partner	Ongoing	
	Training all relevant roles in Environmental impacts	Competency based Environmental impacts training (eLearning or face-to-face) for relevant staff included in Organisational TNA		100% of identified staff	Intro	70%	85%	100%	NA	Completed by 40 staff. A training needs analysis was not completed in 2022/23 due to staff absence.	Online Environmental Awareness Training module to be completed by key project management staff in the organisation. Training to be migrated from Skytrust to Kineo.	Environmental Officer	Ongoing	
		Consulting & communicating WHS matters with staff, volunteers & contractors		Percentage of WHS / ERM Policy & Procedures, introduced or revised, include consultation and communication with all affected staff	100% of documents reviewed	70%	85%	100%	100%	70%	238 of 794 documents are currently overdue for review. Document review is conducted on a 4-5 year review cycle unless legislative or operational demands drive a change.	These documents are all second tier management system documents (Safe Operating Procedures, Safe Work Method Statements). The system of SWMS/SWP/SOP's and supporting documents is currently being rationalised to bring greater integrity to the WHSMS. An intensive internal audit program of WHS Procedures is in progress and should continue across the WHS suite over the next 3 years.	UM WHS	30/10/23
	Communicating environmental requirements with staff, volunteers & contractors	Options, including advantages / disadvantages, of merging the ERM and WHS Committees is considered with recommended approach approved to commence from July 2020		Identify and implement options	Identify options and recommendation made	Action recommended option	Evaluate recommended option	Monitor recommended option	100%	Committee Terms of Reference have been reviewed and updated.				
		Percentage of staff, agency staff with a ≥6 month contract, contractor & volunteer inductions include environmental requirements		100% of staff	70%	85%	100%	100%	74%	40 Staff trained. 14 outstanding.	Migration of training Kineo will assist with tracking on training attendance.			
	Gain feedback on staff sense of safety while at work	Percentage result for Safety questions within Organisational Pulse Survey results maintained	80%	80%	80%	80%	80%	NA	Discontinued					
2.1 Take pride in delivering safe outcomes for our people, community & environment		Improving reporting as part of building an overall positive HSE culture	Increase in WHS hazard & near miss incident reports year on year for the life of the plan	5% increase per year	10 per month	5% increase per year	5% increase per year	5% increase per year	36%	Target 8.2 per month for FY21/22. Achieved 11.2 per month.				
	Increase in environmental incident reports year on year for the life of the plan		10% increase per year	10% increase per year	10% increase per year	10% increase per year	10% increase per year	-66%	6 incident reports in 2021/2022, 2 incidents in 2022/23 (Excluding CleanAway broken branches)	Online Environmental Awareness Training will increase awareness of need for reporting environmental incidents. Unaware of any unreported incidents. Consider changing target in future.	Environmental Officer	Ongoing		
	2.2 Proactively undertake systematic identification, assessment, control, monitoring & review of hazards associated with our operations	Identifying, assessing & controlling all high priority hazards.	Percentage of plant that is risk assessed prior to entering service & reviewed at least 5 yearly	100%	80%	90%	100%	100%	100%	For major items of plant.				
			Percentage of chemicals that are risk assessed prior to being used & reviewed at least 5 yearly.	100%	80%	90%	100%	100%	100%	For quantities greater than domestic use.				
			Percentage of SWMS, SWPs & SOPs that are reviewed as scheduled	100%	80%	90%	100%	100%	NA	Entire suite of SOP's, SWPs and SWMS being reviewed systematically to align with risk profile. Will result in removal of a substantial number of duplicate or unnecessary documents.		UM WHS	30/10/23	
			Spot audits of all relevant projects in CAMMS to ensure their redesign environmental checklist was completed	Quarterly audits undertaken	4 audits completed	4 audits completed	4 audits completed	4 audits completed	50%	4 audits undertaken in 2019-20, 4 audits undertaken in 2020-21, only 2 audits undertaken in 2021/22 and 2022/23 due to staff resourcing limitations				
2.3 Be accountable for continual improvement of risk reduction processes	Taking action to improve our risk controls	TRIFR reduction of 10% or greater on previous year)	10% reduction each year	10% reduction	10% reduction	10% reduction	10% reduction	5%	TRIFR at 21 down from 22 at end of the previous reporting period.					
		Percentage of corrective and preventative actions that are closed out within their scheduled timeframes	100% completed within timeframe	70%	80%	90%	100%	70%	70% of corrective and preventative actions were completed on time (98 of 140). Increase from 56% in previous financial year. Substantial improvement in focus by SLT/ELT and People Leaders	SLTs and HSE Business Partners to continue programming time to follow up and support action completion via Skytrust Weekly Action Summary' to ensure people leaders are completing actions on time.	UM WHS & Manager P&C	30/11/23		
INCIDENT MANAGEMENT	3.1 Promptly report safety & environmental hazards, near misses, incidents and harm	Improving reporting as part of building an overall positive HSE culture	Percentage of all incidents that are reported in SkyTrust within 1 working day of the incident occurring	100%	80%	90%	100%	100%	66%	186 of 280 incidents were reported within 1 day of occurrence. Previous year 328 from 406 incidents	Currently liaising with Skytrust to investigate introducing the SkyTrust app to mobile devices. Skytrust is negotiating with LGRS.	UM WHS & Manager P&C	30/09/23	
			Comprehensive monthly & extended quarterly WHS report by the 10th day of the following month	Monthly Reports	12 reports	12 reports	12 reports	12 reports	100%	Monthly reports compiled by UM WHS and presented to ELT/SLT by Manager P&C	UM to directly present report at second ELTmeeting of each month.	UM WHS & Manager P&C	31/06/2023	
	3.2 Reduce or eliminate contributing factors to incidents to reduce risk of reoccurrence	Undertaking incident investigations to identify contributing factors	Percentage of all medium or above risk rated incidents are investigated by the responsible person and corrective actions identified within 10 business days of the incident being reported	100%	80%	90%	100%	100%	32%	62 of 193 investigations for medium or greater potential risk were completed within 10 business days of incident report date.	This number reflects both public liability and WHS reporting. Data has been seperated across Salesforce and Skytrust to reflect the cohort of the injured person. This number will change substantially as public liability claims are seperated out.			
			Recurring contractor incidents investigated by the contractor manager (with support from the Risk and/or Environmental Sustainability Teams) and corrective actions identified within 7 days of the incident being reported	100%	80%	90%	100%	100%	100%	All environmental incidents are documented in the HSE Committee Minutes. There were no contractor incidents minuted in the HSE Committee minutes				
		Improving the quality of incident investigation & reporting.	Percentage of all incidents risk rated as high or above reviewed by the WHS team	100%	80%	90%	100%	100%	100%	15 incidents rated as high or extreme have been reviewed by WHS Unit.				
			Percentage of all incidents with an environmental impact is reviewed by the Environment team	100%	100%	100%	100%	100%	100%	The Environmental Representative Group (ERG) has continued to review any environmental incidents during the period.				
	3.3 Prioritise and support injured employees with treatment and provision for staying at work while they recover	Providing suitable duties to staff who are injured during work activities	LTIDR Reduction of 10% or greater on previous year	10% annually	10%	10%	10%	10%	10%	LTIDR is 18.6. A reduction from FY 21/22 at 20.9				
			LTIFR Reduction equal to or greater than target set up council	Council a target	10%	10%	10%	10%	10%	0%	LTIFR 8.9 at 1 May 2023 tracking equally for the same period 2021/22			
	4.1 Provide a management system that complies with the requirements of the	Undertaking a RTW PSSI compliance self-assessment as part of the management review reported to RWG	All Lost Time Injuries will have a 48 hour meeting scheduled by the people leader inviting the HR Business Partner and WHS Coordinator	48 hr meeting scheduled for all LTIs	100%	100%	100%	100%	100%	All LTIs included 48 hour meeting to discuss injury management and investigation actions to support return to work and risk reductions.				
			Increase of conformance from previous self-assessment	10% increase each assessment	10%	10%	10%	10%	NA	PSSI Audits are conducted by LGRS. CoM has introduced a regimen of WHSMS Internal Audits conducted by Business SA.	Next PSSI Audit due September/October 2023			
			Increase of conformance from previous LGAWCS audit	10% increase each audit	na	10%	na	10%	NA	LGAWCS Audit due in the latter half of 2023.				

	Commitment	Achieved by	Success Measure	Target	2019/20	2020/21	2021/22	2022/23	Result %	Commentary	Recommendations for consideration	Action Owner	Due Date
CONTINUAL IMPROVEMENT	Return to Work SA's Performance Standards for Self Insurers (RTW PSSI)	Undertaking an annual ERM compliance self-assessment and report to RWG	Practical transition of ERM system elements to SkyTrust	100% of all agreed system elements	50% of all agreed system elements	75% of all agreed system elements	90% of all agreed system elements	100% of all agreed system elements	NA	ERM does not reside in Skytrust.	A full review of environmetnal risks is required in 2023	Environmental Officer	Ongoing
	4.2 Be accountable for making positive differences to health, safety & environment	Undertaking a proactive schedule of audits	WHSMS audits being performed	At least 10% / year	10%	10%	10%	10%	100%	Internal audit program targets 6- 8 key WHSMS procedures per year. Program is on track.			
			ERM process and sites/activities audits conducted per year	1 process audit & 1 site/activity audit / year	2 Audits	2 Audits	2 Audits	2 Audits	50%	Internal Waste Audit conducted and Be a Good Sort campaign launched. A second audit was not completed in 22/23 due to staff capacity			
			Contractor HSE Audits conducted per year	At least 6 / year	6 audits	6 audits	6 audits	6 audits	NA	Unable to verify	Review Contractor Audit program post Audit of Contractor Management Procedure	UM WHS	31/07/23
	4.3 We will build a culture of performance excellence	Training and educating our workforce to ensure they have the key skills to deliver our services	An organisational TNA where worker training records are checked to ensure that all training identified has been delivered	100% of training delivered	70%	80%	90%	100%	NA	Transition of TNA into Skytrust is a component of the WHS Plan 2023 and anticipated by 31 May 2023		UM WHS	31/07/23
			Percentage of staff competency verified for operation of plant as per training needs analysis	100% of competencies verified	70%	80%	90%	100%	NA	Transition of TMP into Skytrust is a component of the WHS Plan 2023 and anticipated by 30 June 2023	TNA and TMP to be developed prior to VOC program roll out.	UM WHS	31/07/23
		Reviewing LGA Circulars & Government Gazettes	'Legal Requirements' is a mandatory agenda item in the WHS & ERM Committee agendas and reflected in the minutes	100% of meeting agendas	100%	100%	100%	100%	100%	Standard agenda item for HSE Committee. Minutes reflect regular and timely legislative updates.			
		Maintaining HSE compliance obligations ie monitoring, licences and permits	Scheduling of legislative inspection, testing and servicing requirements using the Inspection and Audit Module in SkyTrust	100% being tested when due	70%	80%	90%	100%	NA	Skytrust is not used for the management of assets. All other records will be identified in the TNA.			

PSSI Reference	PSSI Requirement	CoM WHSMS Alignment	PSSI Compliant	Recommended Action	Priority	Action Owner	Target Date
1.1.1	The organisation's policy statement must recognise the requirement for legislative compliance	<u>Identified in objectives of HSE and RTW Policy</u>	Yes	Merge WHS Policy suite into single document		Unit Manager WHS	31/12/2023
1.1.2	The organisation's policy statement must recognise the pursuit of continuous improvement	<u>Identified in Scope and Objectives of HSE and RTW Policy</u>	Yes				
1.1.3	The organisation's policy statement must be integral and relevant to the organisation's mission statement, vision, core values and beliefs overall management system structure and system activities, products, services and people	Little cultural alignment	No	Merge WHS Policy suite into single document with clearly referenced alignment to organisational mission, values and beliefs		Unit Manager WHS	31/12/2023
1.1.4	The organisation's policy statement must identify responsibilities and accountabilities for all relevant employees	<u>Identified in Roles and Responsibilities of HSE and RTW Policy</u>	Yes				
1.1.5	The organisation's policy statement must recognise commitment that appropriate internal and/or external expertise will be utilised, when required, in all related activities	This is not considered in the Policy	No	Merge WHS Policy suite into single document with clearly referenced commitment that appropriate internal and/or external expertise will be utilised, when required, in all related activities		Unit Manager WHS	31/12/2023
1.1.6	The organisation's policy statement must recognise other organisational policies and procedures where relevant	The Policy makes general references in relation to a WHSMS and Claims Management Procedures	No	Clearly align this Policy with other related organisational Policies, for example Risk management, Training and Development. This will be effectively conducted during the merging of WHS Policies into a single document.		Unit Manager WHS	31/12/2023
1.1.7	The organisation's policy statement must recognise a commitment to communication of relevant information to all staff	<u>This is identified in the HSE Consultation and Communication Policy</u>	Yes	Merge WHS Policy suite into single document		Unit Manager WHS	31/12/2023
1.1.8	The organisation's policy statement must recognise the organisation's duty of care to all persons in the workplace including labour hire, contractors and subcontractors, volunteers and other visitors	This is lacking. The HSE and RTW Policy makes a general mention of workers without defining what this means. CoM has a Contractor Management Policy which focuses on the management of contractors without defining DOC accountabilities	No	Merge WHS Policy suite into single document with clearly referenced duty of care statement to various stakeholders.		Unit Manager WHS	31/12/2023
1.1.9	The organisation's policy statement must recognise a hazard management approach to WHS	<u>This is detailed in the HSE Hazard Management Policy</u>	Yes	Merge WHS Policy suite into single document		Unit Manager WHS	31/12/2023
1.1.10	The organisation's policy statement must incorporate a commitment to consultation	<u>This is identified in the HSE Consultation and Communication Policy</u>	Yes	Merge WHS Policy suite into single document		Unit Manager WHS	31/12/2023
1.2.1	The organisation must have supporting policies and/or procedures that show evidence of policies and/or procedures to support the policy statement	A comprehensive suite of supporting Policies, Procedures and Tools is accessible in the Skytrust Document Library	Yes				
1.2.2	The organisation must have supporting policies and/or procedures that show contingency arrangements are outlined for the organisation	A comprehensive suite of supporting Policies, Procedures and Tools is accessible in the Skytrust Document Library	Yes				
2.1.1	The organisation must ensure legislative compliance is addressed as part of the system, where relevant	Legislative and regulatory references are made throughout WHSMS documents. Draft WHS Strategic Framework has been submitted to the HSE Committee on 2 occasions with active feedback provided by HSR's and Management Representatives. Stakeholders are directly engaged in the development of SOP's SWP's WHSMS	Yes	Implement Legislative Audit program to verify legislative compliance in support of the WHS Internal and Systems audit programs		Unit Manager WHS	30/09/2023
2.1.2	The organisation must ensure employees or their representatives directly affected by the implementation of WHS plans are consulted when the plans are being formulated	WHS Strategic Framework defines core objectives and KPIs. The WHS (Action) Plan defines objectives, targets, actions and performance indicators.	Yes	Submit to ELT June 2023 for final endorsement		Unit Manager WHS	30/06/2023
2.1.3	The organisation must ensure programs have objectives, targets and performance indicators where relevant	WHS Strategic Framework defines core objectives and KPIs. The WHS (Action) Plan defines objectives, targets, actions and performance indicators.	Yes				
2.1.4	The organisation must ensure Action plans are in place to correct identified areas of non-conformance with documented procedures	Actions are recorded in Skytrust and allocated to a responsible individual. The organisation implements Take 5's, site inspections, independent audits, hazard reports, incident investigations and resulting CAPA to be taken.	Yes				
2.1.5	The organisation must ensure programs are in place to identify, evaluate and control hazards in the organisation	The organisation implements Take 5's, site inspections, independent audits, hazard reports, incident investigations and resulting CAPA to be taken.	Yes				
2.1.6	The organisation must ensure action plans are in place for dealing with corrective action identified as part of any incident investigation process	WHS Strategic Framework defines core objectives and KPIs. The WHS (Action) Plan defines objectives, targets, actions and performance indicators.	Yes				
2.2.1	The organisation must ensure the identification of objectives for the organisation	WHS Strategic Framework defines core objectives and KPIs. The WHS (Action) Plan defines objectives, targets, actions and performance indicators.	Yes				
2.2.2	The organisation must ensure the identification of appropriate strategies to measure, monitor, evaluate, and review the system's objectives	Performance is reported to SLT/ELT and HSE Committee as a standing agenda item. WHS Audits are reported to the above and identified concerns recorded and allocated as actions in Skytrust	Yes	Submit to ELT June 2023 for final endorsement		Unit Manager WHS	30/06/2023
2.3.1	The organisation must ensure appropriate training requirements have been identified	WHS TNA and TMP have been completed.	Yes	Complete transfer of TNA and TMP into Skytrust		Unit Manager WHS	30/06/2023
2.3.2	The organisation must ensure training plan(s) have been developed	WHS TNA and TMP have been completed.	Yes	Complete transfer of TNA and TMP into Skytrust		Unit Manager WHS	30/06/2023
3.1.1	The organisation must ensure adequate human, physical, and financial resources are being allocated to support the programs	WHS function is resourced with 3 tertiary qualified WHS practitioners. Further supported by WHS Training Coordinator. Total 4 FTE. The organisation is also supported by a full complement (6) HSR's. WHS Team operates under a fully funded budget with operational WHS needs funded at the department level.	Yes				
3.1.2	The organisation must ensure specialist expertise is used as required	WHS function is resourced with 3 tertiary qualified WHS practitioners. Further supported by WHS Training Coordinator. Total 4 FTE. The organisation is also supported by a full complement (6) HSR's. Where required external resources are engaged it provide support to the WHS function.	Yes				
3.2	The organisation must ensure a relevant training program is being implemented	WHS TNA and TMP have been completed. The TMP is actively pursued. WHS training is a component of the 2023 WHS Internal Audit Program	Yes				
3.3.1	The organisation must ensure defined responsibilities are communicated to relevant employees	Responsibilities are communicated during On-Boarding/Induction programs. Further communications occur during operational tool box talks, VOC and similar.	Yes				

3.3.2	The organisation must ensure accountability mechanisms are being used when relevant.	WHS performance measures, significant incidents, audit reports are presented to ELT/SLT monthly. Actions resulting from hazards, incidents or inspections are recorded in Skytrust. Overdue actions are compiled in the SLT/ELT and HSE Committee reports.	Yes		
3.4	The organisation must ensure system elements are aligned with, or integrated into, corporate business functions, where relevant	System elements are fully integrated and assessed during internal audits.	Yes		
3.5	The organisation must ensure arrangements for employee consultation, and involvement are known and integrated into the programs developed	Development and implementation of key programs is consulted with the HSE Committee, ELT/SLT. Team specific programs are discussed at Toolbox or Team meetings.	Yes		
3.6	The organisation must ensure communication arrangements for information dissemination and/or exchange are in place	This is identified in the HSE Consultation and Communication Policy, HSE Committee, SharePoint, Teams, CoMunity	Yes		
3.7	The organisation must ensure contingency plans are periodically tested and/or evaluated to ensure an adequate response, if required	HSE Emergency Management Policy ECO Emergency Drills BCP	Yes		
3.8.1	The organisation must ensure a hazard management process that includes identification, evaluation, and control is in place	Hazard Management Policy/Procedure Take 5's SOP's SWP's Risk register/Incident Reports Hazard Reports Actions Register	Yes		
3.8.2	The organisation must ensure employees or their representatives are consulted and participate in hazard management processes	HSR's are involved at a higher level through the HSE Committee. Operationally workers are directly involved in hazard assessments, inspections, Take 5's SWP/SOP development and similar.	Yes		
3.8.3	The organisation must ensure control measures are based on the hierarchy of control process	Investigations, SWMS, SWP's hazards reports etc are focused on delivering higher order controls on the traditional Hierarchy of Controls	Yes		
3.8.4	The organisation must ensure program(s) are in place to ensure an appropriate WHS consideration is given to change in the workplace and work practices	Operationally WHS Business partners engage in applying WHS principles in change management activities. HSE Planning and Program Development Procedure	No	Greater consideration needs to be given at the Project Development or Tender development stage.	WHS Business Partners
3.8.5	The organisation must ensure program(s) are in place to ensure appropriate WHS consideration is given at the time of purchase, hire, or lease of plant, equipment, and substances	Operationally WHS Business partners engage in applying WHS principles in change management activities. Plant Management Procedure	No	Greater WHS consideration needs to be given at the Project Development or Tender development stage.	WHS Business Partners
3.8.6	The organisation must ensure program(s) are in place to meet the organisation's duty of care for all persons in the workplace	Emergency Management Induction Security First Aid Peer Wellbeing Officers	Yes		
3.8.7	The organisation must ensure program(s) are in place to ensure work related injury/illness and incidents are investigated and action taken where relevant	Incident Management Procedure Skytrust reporting/Investigation and actions register	Yes		
3.9.1	The organisation must ensure that the implementation of relevant inspection and testing procedures are conducted by the relevant, competent person(s)	WHS-PRO-4.04 Plant Management Procedure (skytrust.co) Contractor Register	Yes		
3.9.2	The organisation must ensure that corrective/preventative action is taken on non-conformance issues identified by inspection, and testing procedures	Skytrust Registers - Hazard/Action/Risk	Yes		
3.10	The organisation must ensure all other activities arising out of policies and/or procedures are being implemented	Internal audit program	Yes		
3.11	The organisation must ensure the relevant level of reporting, records and/or documentation is maintained to support the system programs and legislative compliance	Internal Audit Program	Yes		
3.12	The organisation must ensure program(s) of documentation control for identification and/or currency of essential documents are in place and maintained	WHS-PRO-2.01 Document Management	Yes		
4.1	The organisation must ensure planned objectives, targets and performance indicators for key elements of program(s) are maintained, and monitored and reported	WHS Action Plan 2023 LGRS Action Plan SLT/ELT/HSE Committee Reports	Yes		
4.2	The organisation must ensure programmed internal audits are performed objectively by competent personnel to ensure	Business SA Contract	Yes		
4.3	The organisation must ensure outcomes of the audits are documented and the necessary corrective actions identified, prioritised, and implemented	Skytrust Actions Register	Yes		
5.1.1	The organisation must ensure it reviews the scope and content of the policy statement and supporting policies/procedures in consultation with employees or their representatives to ensure continued suitability and effectiveness	HSE Committee Actions Register	Yes		
5.2.1	The organisation must ensure the level of achievement of documented objectives, targets, and performance indicators is analysed and utilised to promote continuous improvement strategies	LGRS Systems Audit WHS Action Plan 2023	Yes		
5.2.2	The organisation must ensure results are analysed and used to determine areas of success and areas requiring corrective and preventative action	LGRS Systems Audit WHS Action Plan 2023	Yes		
5.3.1	The organisation must ensure the system is reviewed and revised, if required, in line with current legislation, the workplace and work practices	LGRS Audit Internal Audit Program	Yes		
5.3.2	The organisation must ensure the system's measurement outcomes are used as a basis for future system development	LGRS Systems Audit WHS Action Plan 2023	Yes		

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

The meeting shall conclude on or before 5.00pm unless there is a specific motion adopted at the meeting to continue beyond that time.