



**Adelaide Hills**  
COUNCIL

## **AUDIT COMMITTEE**

### **NOTICE OF MEETING**

To: **Presiding Member** Cr Malcolm Herrmann

#### **Members**

David Moffatt  
Peter Brass  
Pamela Lee  
Cr Melanie Selwood

Notice is hereby given pursuant to the provisions under Section 87 of the *Local Government Act 1999* that the next meeting of the Audit Committee will be held on:

**Monday 19 February 2024**  
**6.00pm**  
**63 Mt Barker Road, Stirling**

A copy of the Agenda for this meeting is supplied under Section 87 of the Act.

Committee meetings are open to the public and members of the community are welcome to attend. Meetings will be conducted in accordance with the applicable COVID-19 social distancing guidelines and may result in Members participating electronically in accordance with the provisions of the Committee's Terms of Reference.

A Public notice of the Agenda for this meeting is supplied under Section 88 of the Act.

**Greg Georgopoulos**  
**Chief Executive Officer**



**Adelaide Hills**  
COUNCIL

## **AUDIT COMMITTEE**

**AGENDA FOR MEETING**  
**Monday 19 February 2024**  
**6.00pm**  
**63 Mt Barker Road, Stirling**

### **ORDER OF BUSINESS**

#### **1. COMMENCEMENT**

##### 1.1. Acknowledgement of Country

*Council acknowledges that we meet on the traditional lands and waters of the Peramangk and Kurna people. We pay our respects to Elders past, present and emerging as the Custodians of this ancient and beautiful land. Together we will care for this country for the generations to come.*

#### **2. APOLOGIES/LEAVE OF ABSENCE**

##### 2.1. Apology

##### 2.2. Leave of Absence

##### 2.3. Absent

#### **3. MINUTES OF PREVIOUS MEETINGS**

##### 3.1. Audit Committee Minutes – 20 November 2023

###### ***Recommendation***

*That the minutes of the Audit Committee meeting held on 20 November 2023, as supplied, be confirmed as an accurate record of the proceedings of that meeting.*

##### 3.2. Audit Committee Minutes – 12 February 2024

###### ***Recommendation***

*That the minutes of the Audit Committee meeting held on 12 February 2024, as supplied, be confirmed as an accurate record of the proceedings of that meeting.*

**4. PRESIDING MEMBER'S OPENING REMARKS**

**5. DELEGATION OF AUTHORITY**

The Audit Committee operates in accordance with the relevant sections of the Local Government Act 1999, and its Terms of Reference.

**6. DECLARATION OF CONFLICT OF INTEREST BY MEMBERS OF THE COMMITTEE**

**7. PRESENTATIONS, ACTION REPORT & WORKPLAN**

7.1 Risk Presentation  
Nil

7.2 Action Report and Work Plan Update – 19 February 2024

1. *That this report be received and noted.*
2. *That the 2024 Action Report be reviewed and adopted.*
3. *That the 2024 Work Plan and Reporting Schedule be reviewed and adopted.*

**8 OFFICER REPORTS**

8.1 Adelaide Hills Council Budget Review 2

1. *That the report on the 2023/24 Budget Review 2 be received and noted.*
2. *To recommend to Council the proposed budget adjustments presented in Budget Review 2 which result in:*
  - a. *A change to the Operating Surplus from of \$558k to an Operating Deficit of \$87k for the 2023-24 financial year.*
  - b. *A reduction of 605k in capital expenditure for the 2023-24 financial year to reflect estimated carry forwards relating to project delivery resulting in a revised capital expenditure budget for 2023-24 of \$25m.*
  - c. *Council's Net Borrowing Result for the 2023-24 financial year being reduced by \$1.3m to \$9.1m*

8.2 Debtors Report (Information for noting)

*The Audit Committee resolves that the report be received and noted.*

8.3 Quarterly Performance Report Q2 (Information for noting)

*The Audit Committee resolves that the Quarterly Council Performance Report – Q2 2023-24 be received and noted.*

8.4 Local Government Income Protection Fund (LGIPF) Report

*The Audit Committee resolves that the report on the Local Government Association Income Protection Fund be received and noted.*

- 8.5 Quarterly Risk Management Report  
*That the Quarterly Risk Management Report be received and noted.*
- 8.6 Implementation of internal audit actions progress report (Information for noting)
1. *That the report be received and noted*
  2. *To note the implementation status of Internal and External Audit actions.*
- 8.7 Implementation of external audit actions progress report – verbal update
- 8.8 Risk Management and Audit Review (Information for noting)
- That the report on Risk Management and Audit Review be received and noted and that Administration will propose a process for reviewing the risk management and auditing procedures at the April meeting.*

**9 QUESTIONS WITHOUT NOTICE**

**8. CONFIDENTIAL ITEMS**  
Nil

**9. NEXT MEETING**

The next Audit Committee meeting will be held at 6.00pm on ..... at 63 Mount Barker Road, Stirling.

**10. CLOSE MEETING**

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 20 NOVEMBER 2023  
63 MT BARKER ROAD STIRLING**

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**In Attendance****Members:**

Cr Malcolm Herrmann	Presiding Member
Peter Brass	Independent Member
Pamela Lee	Independent Member
Cr Melanie Selwood	Council Member

**In Attendance:**

Greg Georgopoulos	Chief Executive Officer
Terry Crackett	Director Corporate Services
Gary Lewis	Manager Financial Services
Jody Atkins	A/Governance and Risk Coordinator/Minute Secretary

**Guests in Attendance:**

Nil	
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**1. COMMENCEMENT**

The meeting commenced at 6.02pm.

**1.1 Acknowledgement of Country**

Council acknowledges that we meet on the traditional lands and waters of the Peramangk and Kurna people. We pay our respects to Elders past, present and emerging as the Custodians of this ancient and beautiful land. Together we will care for this country for the generations to come.

**2. APOLOGIES/LEAVE OF ABSENCE****2.1 Apology**

David Moffatt

**2.2 Leave of Absence**

Nil

**2.3 Absent**

Nil

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 20 NOVEMBER 2023  
63 MT BARKER ROAD STIRLING**

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**3. MINUTES OF PREVIOUS MEETINGS**

**3.1 Audit Committee Meeting Monday, 16 October 2023**

Moved Peter Brass  
S/- Pamela Lee

AC44/23

**That the minutes of the Audit Committee meeting held on Monday, 16 October 2023 as supplied, be confirmed as an accurate record of the proceedings of that meeting.**

<b>Carried Unanimously</b>
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Cr Melanie Selwood attended the meeting at 6.04pm.

**4. PRESIDING MEMBER'S OPENING REMARKS**

- Cr Malcolm Herrmann welcomed all members and staff to the meeting.
- On the recommendation of the Audit Committee, the Annual Financial Statements and End of Financial Year report were adopted by Council in October 2023.
- The Chief Executive Officer was queried regarding recruitment, he advised current shortlisting of candidates for interviews regarding the Governance and Risk Coordinator vacancy was occurring.
- Elected Members and Council staff attended a full day workshop on Saturday 18 November 2023 to develop the next Adelaide Hills Council Strategic Plan. The day was facilitated by an external party.

**5. DELEGATION OF AUTHORITY**

In accordance with the Audit Committee Terms of Reference, the Committee has no delegated decision-making powers. The Recommendations in Item(s) 6.1 are to be submitted to Council for consideration.

**6. DECLARATION OF CONFLICT OF INTEREST BY MEMBERS OF AUDIT COMMITTEE**

Nil

**7. PRESENTATIONS, ACTION REPORT & WORKPLAN**

**7.1 Action Report and Work Plan Update**

Moved Cr Melanie Selwood  
S/- Pamela Lee

AC45/23

- 1. That the report of the 2023 Action Plan and Work Plan Update be received and noted.**

<b>Carried Unanimously</b>
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**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 20 NOVEMBER 2023  
63 MT BARKER ROAD STIRLING**

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**8. OFFICER REPORTS – DECISION ITEMS**

**8.1 Presiding Member's report**

Moved Cr Malcolm Herrmann  
S/- Peter Brass

AC46/23

That the report of the Presiding Member for year ended 30 November 2023 be received and noted and a copy be included in the Audit Committee meeting minutes.

<b>Carried Unanimously</b>
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**8.2 Budget Review Quarter 1 2023-24**

Moved Peter Brass  
S/- Pamela Lee

AC47/23

1. That the report of the 2023-24 Budget Review 1 be received and noted.
2. To recommend to Council the proposed budget adjustments presented in Budget Review 1 which result in:
  - a. A decrease in the Operating Surplus from \$1,082k to \$608k for the 2023-24 financial year.
  - b. Changes to Capital Works, reducing capital income by \$480k and decreasing capital expenditure by \$3.046 million for the 2023-24 financial year resulting in a revised capital expenditure budget for 2023-24 of \$25.46 million.

<b>Carried Unanimously</b>
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**8.3 Draft Annual Report 2022-23**

Moved Pamela Lee  
S/- Peter Brass

AC48/23

1. That the Draft Annual Report 2022-23 be received and noted.
2. To advise Council that the Committee has reviewed the Draft 2022-23 Annual Report, as contained in Appendix 1, in terms of the reports adequacy in meeting its legislative requirements.
3. That, on the basis of the Committee's review, and feedback to recommend the Annual Report to Council for adoption.

<b>Carried Unanimously</b>
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**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 20 NOVEMBER 2023  
63 MT BARKER ROAD STIRLING**

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**8.4 Auditors Completion Report**

Moved Peter Brass  
S/- Pamela Lee

AC49/23

That the report of the Audit Completion dated 25 October 2023 be received and noted

<b>Carried Unanimously</b>
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**8.5 Annual Investment Performance 2022-2023**

Moved Cr Melanie Selwood  
S/- Cr Malcolm Herrmann

AC50/23

That the report of the Investment Performance for 2022-2023 be received and noted.

<b>Carried Unanimously</b>
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**8.6 Treasury Policy Review**

Moved Peter Brass  
S/- Pamela Lee

AC51/23

1. That the report of the Review of the Treasury Policy be received and noted.
2. To recommend to Council the adoption of the Treasury Policy as detailed at Appendix 1.

<b>Carried Unanimously</b>
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**8.7 Debt Recovery Policy Review**

Moved Peter Brass  
S/- Pamela Lee

AC52/23

1. That the report of the Debt Recovery Policy be received and noted.
2. To recommend to Council the adoption of the Debt Recovery Policy as detailed in Appendix 1

<b>Carried Unanimously</b>
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**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 20 NOVEMBER 2023  
63 MT BARKER ROAD STIRLING**

**8.8 Audit Committee's Self-Assessment Review**

Moved Cr Malcolm Herrmann  
S/- Peter Brass

AC53/23

The Audit Committee resolves that the report of the Audit Committee Self-Assessment 2023 be received and noted.

<b>Carried Unanimously</b>
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**8.9 Audit Committee Meeting Dates 2024**

Moved Cr Malcolm Herrmann  
S/- Cr Melanie Selwood

AC54/23

1. That the report of the Audit Committee Meeting Dates for 2024 be received and noted.
2. To approve the Audit Committee meeting schedule, timings, and locations for 2024 as follows:

Commencement	6.00pm
<b>Meeting Dates and Locations</b>	19 February 2024, 63 Mt Barker Road, Stirling
	15 April 2024, 63 Mt Barker Road, Stirling
	20 May 2024, 63 Mt Barker Road, Stirling
	19 August 2024, 63 Mt Barker Road, Stirling
	14 October 2024, 63 Mt Barker Road, Stirling
	18 November 2024, 63 Mt Barker Road, Stirling

<b>Carried Unanimously</b>
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**9. INFORMATION FOR NOTING**

**9.1 Accounting Standards on Environmental, Social and Governance Reporting**

Moved Pamela Lee  
S/- Cr Selwood

AC55/23

That the report of the Accounting Standards on Environmental, Social and Governance be received and noted.

<b>Carried Unanimously</b>
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**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 20 NOVEMBER 2023  
63 MT BARKER ROAD STIRLING**

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**9.2 Financial Capacity Review – BRM Report**

**Moved Peter Brass  
S/- Cr Melanie Selwood**

**AC56/23**

**That the report of the Financial Capacity review – BRM dated October 2023 be received and noted.**

<b>Carried Unanimously</b>
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**9.3 Letter - Hon Geoff Brock MP – ESCOSA review**

**Moved Cr Malcolm Herrmann  
S/- Cr Melanie Selwood**

**AC57/23**

**That the letter from Hon Geoff Brock MP – ESCOSA Review dated 25 October 2023 be received and noted.**

<b>Carried Unanimously</b>
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**10. QUESTIONS WITHOUT NOTICE**

Nil

**11. CONFIDENTIAL ITEMS**

Nil

**12. NEXT MEETING**

The next ordinary meeting of the Audit Committee will be held on Monday 19 February 2024 from 6.00pm at 63 Mt Barker Road, Stirling.

**Additional Speech from Cr Malcolm Herrmann, Presiding Member:**

Tonight, is Independent Member Peter Brass's last meeting. As far as I can establish, Peter was first appointed in 2007 and has continued to be a member until 2023. During this time, he was also appointed as the Presiding Member in 2015 and 2016. Between 2016 and 2023, Peter has attended all but one (1) of the 50 meetings held. Peter has brought a breadth of skills and experience to assist the committee in its deliberations. His particular skills in risk management, internal controls and cyber security have been greatly appreciated. His deep interest in Long Term Financial Planning, Asset Management Planning and experience with other Audit Committees have assisted the Committee and Council to maintain financial stability. Thank you, Peter.

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 20 NOVEMBER 2023  
63 MT BARKER ROAD STIRLING**

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The Presiding Member wished members the compliments of the season and a safe, relaxing Christmas and New Year.

**13. CLOSE MEETING**

The meeting closed at 7.20pm.

**ADELAIDE HILLS COUNCIL SPECIAL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 12 February 2024  
63 MT BARKER ROAD STIRLING**

**In Attendance****Members:**

Cr Malcolm Herrmann	Presiding Member
Sarah Beesley	Independent Member
David Moffatt	Independent Member
Pamela Lee	Independent Member
Cr Melanie Selwood	Council Member

**In Attendance:**

Greg Georgopoulos	Chief Executive Officer
Gary Lewis	A/Director Corporate Services
David Waters	Director Environment and Infrastructure
David Collins	Manager Strategic Assets
Jody Atkins	A/Governance and Risk Coordinator
Zoe Gill	Governance and Risk Coordinator

**Guests in Attendance:**

Michael Richardson	Director, BRM Advisory
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Audit Committee notes that Michael Richardson, Director BRM Advisory, is in attendance not Michael Arman, Director BRM Advisory as noted in the agenda.

**1. COMMENCEMENT**

The meeting commenced at 6.00pm.

**Acknowledgement of Country**

Council acknowledges that we meet on the traditional lands and waters of the Peramangk and Kaurna people. We pay our respects to Elders past, present and emerging as the Custodians of this ancient and beautiful land. Together we will care for this country for the generations to come.

**2. APOLOGIES/LEAVE OF ABSENCE****Apology**

Nil

**Leave of Absence**

Nil

**Absent**

Nil

**ADELAIDE HILLS COUNCIL SPECIAL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 12 February 2024  
63 MT BARKER ROAD STIRLING**

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**3. MINUTES OF PREVIOUS MEETINGS**

**Audit Committee Meeting – 20 November 2023**

Moved Cr Melanie Selwood  
S/- Pamela Lee

**AC1/24**

**That the minutes of the Audit Committee meeting held on Monday 20 November 2023, as supplied, be confirmed as an accurate record of the proceedings of that meeting.**

<b>Carried Unanimously</b>
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**4. PRESIDING MEMBER'S OPENING REMARKS**

The Presiding member welcomed all present and introduced new members/attendees.

**5. DELEGATION OF AUTHORITY**

In accordance with the Audit Committee Terms of Reference, the Committee has no delegated decision-making powers. The Recommendations in Item 10 is to be submitted to Council for consideration.

**6. DECLARATION OF CONFLICT OF INTEREST BY MEMBERS OF AUDIT COMMITTEE**

**Under Section 75B of the *Local Government Act 1999* Cr Selwood disclosed a General (section 74) Conflict of Interest in Item 10 Amy Gillett Prudential Review, the nature of which is as follows:**

- I am involved with the Department for Infrastructure and Transport.

Cr Selwood intends to remain in the meeting and vote when this item is discussed.

**7. PRESENTATIONS, ACTION REPORT & WORKPLAN**

Nil

**8. OFFICER REPORTS – DECISION ITEMS**

Nil

**9. QUESTIONS WITHOUT NOTICE**

Nil

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Presiding Member \_\_\_\_\_ 19 February 2024

**ADELAIDE HILLS COUNCIL SPECIAL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 12 February 2024  
63 MT BARKER ROAD STIRLING**

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**10. CONFIDENTIAL ITEMS**

**10.1 Amy Gillett Bikeway Stage 4 Prudential Review – Exclusion of the Public**

Moved Cr Melanie Selwood  
S/- Sarah Beesley

AC2/24

Pursuant to section 90(2) of the *Local Government Act 1999* the Audit Committee (the Committee) orders that all members of the public, except:

- Chief Executive Officer, Greg Georgopoulos
- Acting Director Corporate Services, Gary Lewis
- Director Environment and Infrastructure, David Waters
- Governance and Risk Coordinator, Zoe Gill
- Manager Strategic Assets, David Collins
- Michael Richardson – BRM Advisory

The Committee is satisfied that it is necessary that the public, except for Council staff in attendance or as is specified above, be excluded to enable Council to consider the report at the meeting on the following grounds:

- (j) Under Section 90(3)(j) of the *Local Government Act 1999*, the information to be received, discussed, or considered in relation to this Agenda Item is information the disclosure of which –
- (i) would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the council, or a person engaged by the council); and
  - (ii) would, on balance, be contrary to the public interest.

Accordingly, on this basis the principle that meetings of the Committee should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential.

<b>Carried Unanimously</b>
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**ADELAIDE HILLS COUNCIL SPECIAL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 12 February 2024  
63 MT BARKER ROAD STIRLING**

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**10.2 Amy Gillett Bikeway Stage 4 Prudential Review – Confidential Item**

**ADELAIDE HILLS COUNCIL SPECIAL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 12 February 2024  
63 MT BARKER ROAD STIRLING**

**10.3 Amy Gillett Bikeway Stage 4 Prudential Review – Duration of Confidentiality**

Moved Cr Malcolm Herrmann  
S/ Sarah Beesley

AC4/24

Council resolves:

Subject to the CEO, or his delegate, disclosing information or any document (in whole or in part) for the purpose of implementing Council's decision(s) in this matter in the performance of the duties and responsibilities of office, Council, having considered Agenda Item 10.1 in confidence under sections 90(2) and 90(3)(j) of the *Local Government Act 1999*, resolves that an order be made under the provisions of sections 91(7) and (9) of the *Local Government Act 1999* to retain the Items in confidence as detailed in the Duration of Confidentiality Table below:

Item	Duration of Confidentiality NB: Item to be reviewed every 12 months if not released
Report	19 December 2024 or upon finalisation of all relevant agreements with the State and Federal Governments, whichever is the earlier.
Related Attachments	19 December 2024 or upon finalisation of all relevant agreements with the State and Federal Governments, whichever is the earlier.
Minutes	19 December 2024 or upon finalisation of all relevant agreements with the State and Federal Governments, whichever is the earlier.
Other	Nil

Notwithstanding, the fact that the Council is working with other levels of government to find a way to complete the Amy Gillett Bikeway extension within available funding levels shall not be subject to the confidentiality order.

Pursuant to section 91(9)(c) of the *Local Government Act 1999*, the Council delegates the power to revoke the confidentiality order either partially or in full to the Chief Executive Officer.

Carried Unanimously



**ADELAIDE HILLS COUNCIL SPECIAL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 12 February 2024  
63 MT BARKER ROAD STIRLING**

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**11. NEXT MEETING**

The next ordinary meeting of the Audit Committee will be held on Monday 19 February 2024 from 6.00pm at 63 Mt Barker Road, Stirling.

**12. CLOSE MEETING**

The meeting closed at 7.30pm

**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 19 February 2024  
AGENDA BUSINESS ITEM**

**Item:** 7.2

**Responsible Officer:** Jody Atkins  
A/Governance and Risk Coordinator  
Corporate Services

**Subject:** 2024 Action Report and Work Plan Update

**For:** Decision

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**SUMMARY**

A formal Audit Committee Action Report is maintained to record the items requiring 'actioning' that result from each of the Audit Committee meetings.

The Audit Committee Work Plan assists the Committee members and staff in scheduling both discussion and reports to ensure appropriate coverage of the Committee functions over the 12-month period.

The Draft Audit Committee Work Plan 2024 (*Appendix 2*) has been attached for review and adoption.

**RECOMMENDATION**

**The Audit Committee resolves:**

- 1. That this report be received and noted.**
  - 2. That the 2024 Action Report be reviewed and adopted.**
  - 3. That the 2024 Work Plan and Reporting Schedule be reviewed and adopted.**
- 

**1. BACKGROUND**

Action Report

The Action List tracks the implementation of resolutions of the Audit Committee.

Work Plan

The functions of the Audit Committee are set out in part 7 (Role) of the Committee Terms of Reference. A Work Plan has been developed to assist the Committee members and staff in scheduling discussion and reports to ensure appropriate coverage of the functions over the 12-month period.

This report provides an Audit Committee Work Plan and Reporting Schedule 2024 for review and adoption.

## 2. ANALYSIS

### ➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment

*Strategic Plan 2020-24 – A brighter future*

Goal 5	A Progressive Organisation
Objective O4	We actively represent our community
Priority O4.3	Attract and develop a diverse and capable elected body that represents, promotes and reflects the composition of the community
Priority O4.3	Advocate to, and exert influence with, our stakeholders on behalf of our community to promote the needs and ambitions of the region
Objective O5	We are accountable, informed, and make decisions in the best interests of the whole community
Priority O5.1	Enhance governance structures and systems to prudently adapt to changing circumstances and meet our legislative obligations
Priority O5.2	Make evidence-based decisions and prudently assess the risks and opportunities to our community before taking action.

### ➤ Legal Implications

Section 126 of the *Local Government Act 1999* sets out the functions of an audit committee. Management of Committee's action items and work plan facilitates the achievement of these functions.

### ➤ Risk Management Implications

The management of action items and the work plan will assist in mitigating the risk of:

*Poor governance practices occur which lead to a loss of stakeholder (i.e. customer and regulator) confidence and/or legislative breaches.*

Inherent Risk	Residual Risk	Target Risk
Extreme (5C)	Low (3E)	Low (3E)

The Audit Committee Action Report and Work Plan are current controls and therefore the Committee's approval of this item will not impact the Residual or Target Risk ratings.

Note that there are many other controls that assist in mitigating this risk.

### ➤ Financial and Resource Implications

Council's current budget contains provision for the costs associated with the notification and conduct of audit Committee meetings.

### ➤ Customer Service and Community/Cultural Implications

The timing and location of Audit Committee meetings should be considerate of the desire for community members to attend.

➤ **Sustainability Implications**

Not applicable.

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

*Council Committees:* Not Applicable  
*Council Workshops:* Not Applicable  
*Advisory Groups:* Not Applicable  
*External Agencies:* Not Applicable  
*Community:* Not Applicable

➤ **Additional Analysis**

The review by the Audit Committee of the Action Report and Work Plan is an important element of Council’s commitment to open and transparent decision making which facilitates public accountability.

Action Report

There are two outstanding items on the Audit Committee Action Report (**Appendix 1**) arising from previous Committee meetings. Commentary against the items is provided for the Committee’s information.

Work Plan and Reporting Schedule

As per the *2024 Audit Committee Work Plan and Reporting Schedule (Appendix 2)*, the following items are detailed below are included in this meeting:

<b>Item</b>	<b>Commentary</b>	<b>Month Scheduled</b>
<b>Financial Reporting</b>		
Long Term Financial Plan (LTFP)	Deferred to April	April
Annual Business Plan		April
Budget Review 1		November
Budget Review 2	Included in this meeting	February
Budget Review 3		May
End of Year Financial Report		November
End of financial year reporting timetable		May
End of financial year update		August
Final Annual Financial Statements (incl management representation letter)		October
<b>Internal Control and Risk Management</b>		
Placement of Council’s insurance portfolio (for noting)		August

Item	Commentary	Month Scheduled
Internal Financial Controls update		May
Risk Management Plan update	Included in this meeting	February/ August/November
Results of LGRS Risk Management Review		February (Biennial)
LGRS Risk Evaluation - Action Plan Review		May/November
<b>Internal Audit</b>		
Internal Audit quarterly update	Included in this meeting	February/May/ October/November
Internal audit reports		As Required
Implementation of internal audit actions progress report	Included in this meeting	February/August
Internal Audit Plan review		November
<b>External Audit</b>		
External audit interim letter		August
Implementation of external audit actions progress report	Verbal update for this meeting	February/August
External Audit Plan review		April
Meeting attendance by external auditors		April/October
Review of auditor independence and legislative compliance		October
Audit Committee Completion Report		October/November
<b>Public Interest Disclosure</b>		
Public Interest Disclosure Policy review (replaces Whistle-blowers)		April
Public Interest Disclosure Arrangements and Compliance		May
<b>Service Review</b>		
Service Review Brief		November
Service Review Report		November
Implementation of service review actions progress report		April/August
<b>Other Business</b>		
Audit Committee self-assessment review		November
Presiding Member's Report		November
Work Plan and Reporting Schedule		November
Audit Committee Meeting Dates		November
Debtors Report	Included in this meeting	February/August
Council's Annual Report		November

Item	Commentary	Month Scheduled
Action Report & Work Plan Update	Included in this meeting	All Meetings
Audit Committee Terms of Reference		October
Climate Changer Adaptation Governance Assessment Report -		October
Quarterly Performance Reports	Included in this meeting	February/April/ August/October
Directorate Presentation		April/August/ November
Other Reports	As required	As Required

### 3. OPTIONS

The Audit Committee has the following options:

- I. To note and adopt the status of the Action Report at **Appendix 1** (Recommended).
- II. To note and adopt the 2024 Work Plan and Reporting Schedule at **Appendix 2** (Recommended).
- II. To alter or substitute elements of the Action Report or Work Plan (Not Recommended).

### 4. APPENDICES

1. Audit Committee Action Report
2. 2024 Work Plan and Reporting Schedule

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# **Appendix 1**

## *Audit Committee Action Report*

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**Adelaide Hills Council  
Audit Committee  
Action Report Update  
February 2024**

Meeting Date	Res No.	Item Name	Previously Declared COI	Action Required (Council Resolution)	Responsible Director	Responsible Officer	Status	Date of Update	Due Date	Status (for Council reporting)
16/10/2023	AC43/23	Local Government Income Protection Fund	Nil	I move that the CEO investigates the operation of the Local Government Income Protection Fund (LGIPF) and provides a report to the February 2024 Audit Committee meeting. Among other topics which the CEO may identify, the report should address the following points between 2019/2020 and 2023/2024: 1. When did the LGIPF commence; 2. Was it part of an Enterprise Bargaining Agreement process at the time; 3. The premiums paid; 4. The number of claims lodged; 5. The number of claims approved; 6. The amount paid to employees under the provisions of the Plan; 7. The eligibility criteria; 8. The value for money of the Fund to both the council (as the employer) and employees; 9. Whether this form of benefit is common within the SA Public Service, the Local Government Sector, neighboring councils and/or the Group 2 councils; 10. Whether there are alternatives to the current arrangements; 11. If changes are to be considered, whether such changes could be incorporated into the next Enterprise Development Agreement.	Terry Crackett	Kira-Marie Laverty	In Progress	6/02/2024	19/02/2024	Research is currently underway on the questions. A report will then be written to be provided to the February 2024 audit committee meeting as per the request.
31/10/2023	AC39/23	Development Services Service Review - Implementation Plan	Nil	1. That the report be received and noted. 2. To receive and note the Management Review and Action Plan in response to the Service Review 2022-23 – Development Services, as contained in Appendix 4. 3. To note that that the implementation status of the agreed actions will be reported to Audit Committee and Council on a biannual basis, nominally March and August.	Natalie Armstrong	Deryn Atkinson	In Progress	30/01/2024	25/03/2024	Implementation of Action Plan in progress



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## **Appendix 2**

### *Audit Committee 2024 Work Plan and Reporting Schedule*

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**ADELAIDE HILLS COUNCIL**  
**SPECIAL AUDIT COMMITTEE MEETING**  
**Monday 19 February 2024**  
**AGENDA BUSINESS ITEM**

**Item:** 8.1  
**Responsible Officer:** Gary Lewis  
Manager, Financial Services  
Corporate Services

**Subject:** 2023-24 Budget Review 2

**For:** Decision

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**SUMMARY**

The *Local Government (Financial Management) Regulations 2011* (the Regulations) requires Council to formally consider its budget three times per year. This statutory requirement recognises the likelihood that events will occur that require or offer opportunities for changes to the budget during the year.

This report presents the second Budget Review (BR2) of the 2023-24 financial year to the Audit Committee for review. BR2 will be submitted to Council for consideration on 27 February 2024.

The proposed budget changes in this report come on top of a significant change in the surplus following the first budget review. In the first budget review the surplus was reduced from an adopted surplus of \$1,082k to \$558k. The primary cause for the change was not due to a change in income or expenditure but the timing of the recognition of grant income and related expenditure. This change in timing meant that \$435k in grants was reported in 2022/23 with the associated expenditure of the same amount in 2023/24.

This current review has identified a net increase in operating expenditure of \$225k. This would reduce the Operating Result to a surplus of \$332k. However, a review of the CRM project has also identified that this project will not result in an asset and therefore the expense will be reclassified from capital to operating. This means that the capital budget of \$420k for this project will be transferred to the operating budget with the budgeted Operating Result to a deficit.

The expenditure for the current financial year will be \$57.193m resulting in an operating deficit for FY 2023/24 of \$87k.

A comprehensive review of all capital projects has been conducted as a part of this review. This review identified \$1.445m of capital projects that will not be carried out in 2023/24. Where appropriate, these will be reintroduced through the Annual Business Plan and Long Term Financial Plan under development. In addition, the capital budget for the CRM system of \$420k is being reclassified to operating bring the total reduction in capital expenditure to be \$1.865m.

However, this review also found an additional \$1.261m of expenditure required on existing projects or additional critical works. This leaves a net reduction in the capital expense budgets of \$605k.

A review of the capital income identified additional grants to be captured in the budget. This includes Supplementary Local Road grants of \$600k for the work on Croft Road in Cudlee Creek and \$550k for Tiers Road stage 2 in Lenswood. An increase of \$200k for the Warren Rd Blackspot project is also included.

In general, pressures following the cost cutting measure that were incorporated in the 2023/24 budget continue to appear and are addressed by budget holders on an ongoing basis. This has the potential for further deterioration in the surplus through the remainder of the year.

## **RECOMMENDATION**

**The Audit Committee resolves:**

- 1. That the report on the 2023/24 Budget Review 2 be received and noted.**
  - 2. To recommend to Council the proposed budget adjustments presented in Budget Review 2 which result in:**
    - a. A change to the Operating Surplus from of \$558k to an Operating Deficit of \$87k for the 2023-24 financial year.**
    - b. A reduction of 605k in capital expenditure for the 2023-24 financial year to reflect estimated carry forwards relating to project delivery resulting in a revised capital expenditure budget for 2023-24 of \$25m.**
    - c. Council's Net Borrowing Result for the 2023-24 financial year being reduced by \$1.3m to \$9.1m**
- 

## **1. BACKGROUND**

The Regulations require Council to formally consider its budget three times per year. This statutory requirement recognises the likelihood that events will occur that require, or offer opportunities for changes to, the budget during the year. This report presents the second Budget Review (BR2) of the 2023-24 financial year.

The latest adoption of Council's revised Budget occurred at the Council meeting held on the 28 November 2023, where Council adopted the 2023-24 Budget Review 1 (BR1) with a Budgeted Operating Surplus before Capital Revenue of \$558k and the Net Borrowing Result decreased to \$9.1m.

### **Budget Review Presentation**

In accordance with the Regulations, the Budget Review presentation for BR2 for the year needs to include the full budgeted financial statements presented in a manner consistent with the Model Financial Statements.

In addition, a council must also include in this report revised forecasts for the relevant financial year of the council's operating surplus ratio, net financial liabilities ratio and asset renewal funding ratio compared with estimates set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators (**Appendix 1**).

## 2. ANALYSIS

### ➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment

*Strategic Plan 2020-24 – A brighter future*

Goal 5                      A Progressive Organisation

Objective O3              Our organisation is financially sustainable for both current and future generations.

Priority O3.1              Ensure the delivery of agreed strategic plan requirements whilst meeting endorsed long term targets for a sustainable operating surplus and level of debt.

Objective O5              We are accountable, informed, and make decisions in the best interests of the whole community.

Priority O5.1              Enhance governance structures and systems to prudently adapt to changing circumstances and meet our legislative obligations.

Priority O5.3              Demonstrate accountability through robust corporate planning and reporting that enhances performance, is relevant and easily accessible by the community

A key aspect of Council's formal budget reviews is to review and monitor Council's Annual Budget with reference to its overall financial position and its *Long Term Financial Plan* (LTFP) to ensure Council continues to be financially sustainable.

With the *Audit Committee Terms of Reference* does not set out a specific function with respect to budget reviews, it has been the practice for these reviews to come to the Committee prior to being considered by Council.

### ➤ Legal Implications

The undertaking of formal budget reviews is a requirement of the *Local Government Act 1999*, (the Act) and the *Local Government (Financial Management) Regulations 2011* (the Regulations). In particular:

- Section 123(13) of the Act states that a council must, as required by the regulations, and may at any time, reconsider its annual business plan or its budget during the course of a financial year and, if necessary or appropriate, make any revisions.
- Section 9 of the Regulations requires a council to prepare and consider the following reports:
  - (a) at least twice, between 30 September and 31 May (both dates inclusive) a report showing a revised forecast of its operating and capital investment activities for the relevant financial year compared with the estimates for those activities set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances; and

- (b) between 30 November and 15 March (both dates inclusive) a report showing a revised forecast of each item shown in its budgeted financial statements for the relevant financial year compared with estimates set out in the budget presented in a manner consistent with the Model Financial Statements.

➤ **Risk Management Implications**

Conducting the budget review process as required by Regulations will assist in mitigating the risk of:

*Failure to conduct the budget review process as required by Regulations results in inaccurate budgets and unforecasted deficits leading to inadequate resourcing for current and future activities.*

Inherent Risk	Residual Risk	Target Risk
Medium (4D)	Low (2E)	Low (2E)

It ensures that financial resources are deployed in areas that align with Council’s Strategic Management Plans, are affordable and support Council’s LTFP.

➤ **Financial and Resource Implications**

The proposal of a deficit budget is not to be taken lightly. In considering this change it is important to be aware that the two major changes to the budgeted operating result this year do not stem from changes to expected cash flows and they do not change the long term financial sustainability of Council.

Proposed Deficit (BR2)	\$(87,000)
Accounting Adjustment -timing (BR1)	\$435,000
Accounting Adjustment – Capex to Opex (BR2)	\$420,000
Adding back the accounting adjustments:	
Underlying surplus	\$768,000

Following the review of the capital works program there is a significant degree of optimism from the project managers on the ‘deliverability’ of the remaining program. It remains the intention of the Administration that capital carry forwards will be minimal at the end of the year and that projects that are not substantially underway by the end of the year will only be brought back to Council through the Budget Review process where then can be considered in the light of available resources, both staff and financial.

It should be noted that the figures in this report and supporting appendices have been rounded and consequently individual sub-totals, whilst being correct, may differ slightly from the sum of the rounded amounts.

➤ **Customer Service and Community/Cultural Implications**

Not applicable.

**Sustainability Implications**

Not applicable.

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

<i>Council Committees:</i>	Not Applicable
<i>Council Workshops:</i>	Not Applicable
<i>Advisory Groups:</i>	Not Applicable
<i>External Agencies:</i>	Not Applicable
<i>Community:</i>	Not Applicable

➤ **Additional Analysis**

CRM Project

The expected change in the accounting treatment for the expenditure on CRM is the most material item in this review even though it does not change the cash flows related to the project nor impact the long-term sustainability of Council.

The project was initially budget for in the assumption that the implementation costs would be a capital expense creating an asset that would be depreciated over the useful life of the asset. This has been a common treatment for similar projects in the past.

However, in recent years there has been a continual shift in software providers to offering systems that are considered to be 'Software As A Service'. The treatment of these solutions under existing accounting standards has been the cause of some significant changes and challenges across all organisations across all sectors.

Following the selection of the vendor, the nature of the product was identified, and an initial review of the accounting treatment concluded that the implementation cost would be classified as a prepayment which would lead to it being treated in a similar manner to capital expenditure. Further discussions with Councils auditors which were concluded in February have concluded that the cost is unlikely to be considered as a prepayment and will need to be expensed at the completion for the works, which is currently scheduled for 30/06/2024. If the work is delayed, then the recognition of the expense will also be delayed.

The signed contracts will be provided to Auditors for their final review and further investigations will be made into the treatment of this expenditure however, it is prudent to reflect the change in the expected treatment in the budget at this point.

The value of the adjustment is the current estimate for the implementation of the project in 2023/24 not the whole cost. The stage 2 implementation costs which are expected to be incurred in 2024/25 and are expected to be treated as operating expenses in that period.

Budget Review

This second budget review for financial year 2023/24 has been prepared in consultation with Directors and Managers who have provided information for each budget area.

### **Budget Review 2 Proposed Adjustments**

<b>\$000s</b>	<b>2023-24 Current Budget</b>	<b>Proposed BR2 Adjustments</b>	<b>Revised Budget after BR2</b>
Operating Income	56,754	353	57,106
Operating Expenditure	56,196	998	57,193
<b>Operating Surplus</b>	<b>558</b>	<b>645</b>	<b>(87)</b>
Depreciation	11,004	-	11,004
Capital income	3,462	1,382	4,844
Capital Expenditure	(25,516)	605	(24,911)
<b>Net Borrowing Position</b>	<b>(10,492)</b>	<b>1,342</b>	<b>(9,150)</b>

#### **Operating:**

Operating Income - \$353k increase.

More significant items include:

One off

- An increase in Statutory Charges of \$25k to reflect the actual increase in revenue from planning fees.
- Additional Reimbursements from DIT of \$83k for the costs of tree risk mitigation works on DIT road corridors.
- Other income (insurance) of \$136k for storm damages in Mylor. The expense for this will be covered by existing capital budgets.
- An increase of \$37k in user charges following a 'bin audit' which has led to more households contributing to waste collections services.

On-going

- Rates – other charges budget is being increased by \$50k. This relates to the recovery of expenditure incurred through debt recovery activities from overdue rate payers. As the debt recovery program has increased this year this budget will increase and is offset by associated expenditure. This income (& costs) are expected to be ongoing.

Operating Expenditure - \$998k increase.

The more significant items relate to:

- Material Contracts and other increase of \$961k
  - One off
    - I. A transfer of the CRM budget of \$420k from Capital to Operating following a review of the accounting treatment for this project.
    - II. A correction to the Resilient Communities budget of \$40k
    - III. A transfer of \$30k from capital to operating relating to expenditure on the FOGO trial Strategic Initiatives.
    - IV. Additional \$35k in property maintenance costs where budgets were not previously indexed due to a savings strategy. This is currently being treated as a one-off but there is a material chance that it will be ongoing to some extent.



- V. Unexpected costs of \$246k related to the Arboriculturally works pruning and removing a number of dead trees on DIT road corridors (partially offset by the reimbursement above).

On-going

- I. A \$50k increase in legal costs supporting the additional debt recovery work being undertaken, this is offset by the revenue reported above.
- II. Additional \$20k to cover newly identified traffic management costs for waste collection.
- III. An increase in software licensing cost of \$40k for the Sales Force license. This is the cost for the remainder of the year only.

A full break list of budget adjustments is shown in **Attachment B**.

**Capital Items**

\$000s	2023-24 Current Budget	Adjustment	Proposed BR2 Budget
<b>Capital income</b>	<b>3,462</b>	<b>1,382</b>	<b>4,844</b>
Capital - Renewal Expenditure	(13,711)	295	(14,006)
Capital - New Capital Expenditure	(11,805)	900	(10,905)
<b>Tota Capital Expenditure</b>	<b>(25,516)</b>	<b>605</b>	<b>(24,911)</b>
<b>Net Capital Position</b>	<b>(22,054)</b>	<b>2,187</b>	<b>(20,067)</b>

Following the adoption of two tranches of carry forward of capital projects into the 2024/25 budget the capital program reached a total of \$28,512k which is considered to be beyond the capability of the existing resources to deliver. With an aim to reduce the potential carry forwards at the end of the year the program was reviewed in BR1 and reduced to \$25.516m. A further review was conducted for budget review 2 with the intention of reducing the total budgeted capital spend to a level that was considered achievable within the year.

This identified \$970k in Building and Property related projects that could be removed, most material of which was the reduction by \$700k of the accommodation review project which was originally \$2m, reduced to \$1m in BR1 and is now \$300k.

The capital budget for the CRM project of \$420k has been removed and is now in the operating budget.

Various other projects of value \$380k have been delayed until 2024/25 and will be included in the upcoming Annual Business Plan and Budget setting process.

A full list of the budget adjustments is shown in **Attachment B**.

**Financial Indicator Analysis**

The BR2 Revised Budget Financial Indicators are shown with reference to the Current Adopted Budget for 2023-24 BR1 adopted in November 2023.

Financial Indicator	Council Adopted Target	Current Budget for 2023-24 (BR1 Nov 2023)	Proposed BR2 Budget 2023-24
Operating Surplus Ratio	1% to 5%	1.0%	-0.2%
Net Financial Liabilities Ratio	25% to 75%	49.1%	43.6%
Asset Renewal Funding Ratio	95% to 105%	133.2%	136.1%

Contributing factors that have impacted on the changes in ratios since they were last reported as per the table above are as follows:

#### Operating Surplus Ratio

This ratio is now negative due to the major items in both Budget Review 1 and 2 which have impacted the surplus.

#### Net Financial Liabilities Ratio

The improvement of the Net Financial Liabilities Ratio is due to the inclusion of LRCP grant funding for project costs that were already in the budget. The deterioration in the Operating Surplus due to the change in accounting treatment of the CRM project does not influence the NFL ratio as it does not affect expected cash flows.

#### Asset Renewal Funding Ratio

The reduction in capital expenditure on renewal and replacement of existing assets as part of estimated carry forwards adjusted in BR2 has reduced the asset renewal ratio from 106% to 104%.

### 3.3 Summary

As Council has approved a number of the 2023-24 Budget changes from Council's original adopted budget, a summary of those adjustments has been detailed in the budget reconciliation included as part of this report as **Appendix 2**.

A summary of the elements impacting on Council's Net Borrowing Position is shown below:

\$000s	\$
BR1 Adopted Budget Net Lending (Borrowings) Result	(10,492)
Impact of Operating Budget Adjustments for BR2	(645)
Impact of Capital income and Expenditure BR2	1,987
<b>BR2 Revised Net Lending (Borrowing) Result</b>	<b>(9,150)</b>
<b>2023-24 Underlying Operating Surplus</b>	<b>768</b>

### **Quarterly Finance Performance Results**

At its 19 June 2018 meeting, Council adopted (Res 128/18) the *Corporate Planning & Performance Framework*, of which a key element was the establishment of a suite of Corporate Business Performance Indicators which are aligned with Adelaide Hills Council's Strategic Plan goals and will enable the tracking of performance over time.

As a result Quarterly Council Performance Reports were prepared showing the performance against the Corporate Performance indicators, strategic initiatives and key activities of the Council's *Annual Business Plan*.

To reflect the alignment to the Strategic Plan 2020-24 – A brighter future the format of the Quarterly Council Performance Report is formatted to show Council's performance against the 5 strategic goals with the report also includes the Customer Service Standards, Capital Works performance, and Quarterly Financial Performance.

As the financial performance information contained in that report is only preliminary at that meeting it was agreed for completeness to include the final quarterly financial performance as part of each Budget Review. As a result this information is shown as Appendix 4.

### **3. OPTIONS**

The Committee has the following options:

- I. To receive and note this report and recommend to Council the proposed budget adjustments presented in Budget Review 2 as prepared (Recommended).
- II. To make additional comments or suggestions to Administration to consider prior to finalising Budget Review 2.

### **4. APPENDICES**

- (1) 2023-24 Budget Review 2 Statutory Financial Statements
- (2) 2023-24 Budget Adjustments subsequent to Original Budget Adoption
- (3) Financial Performance Report for Quarter Ended 31 December 2023

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# **Appendix 1**

*2023-24 Budget Review 2 Statutory Financial  
Statements*

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**Adelaide Hills Council**  
**BUDGETED UNIFORM PRESENTATION OF FINANCES**  
**2023-24 Adopted Budget**

2022-23 Actuals		2023-24 Adopted Budget \$'000	2023-24 Revised Budget \$'000
	<b>INCOME</b>		
44,401	Rates	48,357	48,407
1,428	Statutory charges	1,544	1,490
901	User charges	968	1,005
292	Grants, subsidies and contributions - Capital	788	788
6,090	Grants, subsidies and contributions -Operating	4,299	4,493
37	Investment income	25	25
306	Reimbursements	196	281
821	Other income	367	518
169	Net gain - equity accounted Council businesses	100	100
<u>54,445</u>	<b>Total Income</b>	<u>56,644</u>	<u>57,106</u>
	<b>EXPENSES</b>		
20,693	Employee costs	23,172	23,197
21,273	Materials, contracts & other expenses	20,556	22,411
10,479	Depreciation, amortisation & impairment	11,106	11,004
551	Finance costs	582	582
19	Net loss - equity accounted Council businesses	0	0
<u>53,015</u>	<b>Total Expenses</b>	<u>55,416</u>	<u>57,193</u>
<u>1,430</u>	<b>NET BUDGETED SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS</b>	<u>1,228</u>	<u>(87)</u>
	<b>Net Outlays on Existing Assets</b>		
(10,070)	Capital Expenditure on Renewal and Replacement of Existing Assets	(10,424)	(14,006)
427	Proceeds from Sale of Replaced Assets	899	899
10,479	Depreciation	11,106	11,004
<u>836</u>	<b>NET OUTLAYS ON EXISTING ASSETS</b>	<u>1,581</u>	<u>(2,103)</u>
	<b>Net Outlays on New and Upgraded Assets</b>		
(5,200)	Capital Expenditure on New and Upgraded Assets & Remediation costs	(7,485)	(10,905)
538	Capital Grants and Monetary Contributions for New and Upgraded Assets	2,150	3,821
778	Proceeds from Sale of Surplus Assets	124	124
<u>(3,884)</u>	<b>NET OUTLAYS ON NEW AND UPGRADED ASSETS</b>	<u>(5,211)</u>	<u>(6,960)</u>
<u>(1,618)</u>	<b>NET LENDING/ (BORROWING) RESULT FOR FINANCIAL YEAR</b>	<u>(2,402)</u>	<u>(9,150)</u>
(24,015)	Net Financial Liabilities at Beginning of Year	(24,746)	(22,836)
(374)	Decrease / (increase) in Other	(440)	(440)
1,952	Non Cash Equity Movement	(100)	(100)
<u>(24,055)</u>	<b>Net Financial Liabilities at End of Year</b>	<u>(27,688)</u>	<u>(32,526)</u>

In any one year, the financing transactions identified below are associated with either applying surplus funds stemming from a net lending result or accommodating the funding requirement stemming from a net borrowing result.

<b>Financing Transactions</b>			
(1,618)	<b>NET LENDING/ (BORROWING) RESULT FOR FINANCIAL YEAR</b>	(2,402)	(9,150)
-	New Community Loans	0	0
-	Community Loans repaid to us	0	0
-	Proceeds from Bonds & Aged Care Facilities deposits	0	0
(8,030)	Increase/(Decrease) in Short Term Draw Down	(70)	(122)
2,511	(Increase)/Decrease in Cash & Investments	0	0
	Estimate of Capital Carry Forward to be transferred to next Year	(3,000)	0
4,683	Increase/(Decrease) in Grants Received in Advance	0	0
(199)	(Increase)/Decrease in Working Capital	0	0
-	Principal Repayments on Borrowings	(561)	(561)
(374)	Repayment of Lease Liabilities	(440)	(440)
-	Reinstatement/Restoration Provision Payment	(427)	(427)
-	Retirement Village Debenture Payment on Sale	0	0
1,952	Non Cash Equity Movement	(100)	(100)
<u>(1,075)</u>	<b>Reduction in Borrowings/(New Borrowings) for Financial Year</b>	<u>(7,000)</u>	<u>(10,800)</u>

It should be noted that the figures in this appendix have been rounded and consequently individual sub-totals, whilst being correct, may differ slightly from the sum of the rounded amounts.

## Adelaide Hills Council

### STATEMENT OF COMPREHENSIVE INCOME 2023-24 Revised Budget

2022-23 Actuals \$'000		2023-24 Revised Budget \$'000
	<b>INCOME</b>	
44,401	Rates	48,407
1,428	Statutory charges	1,490
901	User charges	1,005
292	Grants, subsidies and contributions	788
6,090	Grants, subsidies and contributions	4,493
37	Investment income	25
306	Reimbursements	281
821	Other income	518
169	Net gain - equity accounted Council businesses	100
<b>54,445</b>	<b>Total Income</b>	<b>57,106</b>
	<b>EXPENSES</b>	
20,693	Employee costs	23,197
21,273	Materials, contracts & other expenses	22,411
10,479	Depreciation, amortisation & impairment	11,004
551	Finance costs	582
19	Net loss - equity accounted Council businesses	-
<b>53,015</b>	<b>Total Expenses</b>	<b>57,193</b>
<b>1,430</b>	<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(87)</b>
<b>(1,300)</b>	Asset disposal & fair value adjustments	<b>(50)</b>
2,283	Amounts received specifically for new or upgraded assets	3,821
551	Physical Resources Received Free of Charge	-
<b>2,964</b>	<b>NET SURPLUS / (DEFICIT)</b>	<b>3,684</b>
47,645	Changes in revaluation surplus - infrastructure, property, plant & equipment	5,300
23	Other Comprehensive Income	-
43	Share of Other Comprehensive Income JV	-
<b>47,711</b>	<b>Total Other Comprehensive Income</b>	<b>5,300</b>
<b>50,675</b>	<b>TOTAL COMPREHENSIVE INCOME</b>	<b>8,984</b>

**Adelaide Hills Council**  
**STATEMENT OF FINANCIAL POSITION**  
**2023-24 Revised Budget**

2022-23 Actuals		2023-24 Revised Budget
\$'000	ASSETS	\$'000
	<b>Current Assets</b>	
489	Cash and cash equivalents	(2,211)
3,573	Trade & other receivables	3,573
17	Inventories	17
<u>4,079</u>		<u>1,379</u>
-	Non-current Assets held for Sale	-
<u>4,079</u>	<b>Total Current Assets</b>	<u>1,379</u>
	<b>Non-current Assets</b>	
-	Financial assets	-
2,631	Equity accounted investments in Council businesses	2,731
<u>492,588</u>	Infrastructure, property, plant & equipment	<u>511,153</u>
<u>495,219</u>	<b>Total Non-current Assets</b>	<u>513,884</u>
<u>499,298</u>	<b>Total Assets</b>	<u>515,263</u>
	<b>LIABILITIES</b>	
	<b>Current Liabilities</b>	
6,107	Trade & other payables	6,107
1,721	Borrowings - Short Term Draw Down	1,599
-	Borrowings - Other	8,071
5,257	Provisions	4,830
<u>13,085</u>	<b>Total Current Liabilities</b>	<u>20,607</u>
	<b>Non-current Liabilities</b>	
13,230	Borrowings	15,398
583	Provisions	583
<u>13,813</u>	<b>Total Non-current Liabilities</b>	<u>15,981</u>
<u>26,898</u>	<b>Total Liabilities</b>	<u>36,588</u>
<u>472,400</u>	<b>NET ASSETS</b>	<u>478,675</u>
	<b>EQUITY</b>	
150,021	Accumulated Surplus	153,705
322,268	Asset Revaluation Reserves	327,568
111	Other Reserves	111
<u>472,400</u>	<b>TOTAL EQUITY</b>	<u>481,384</u>
<u>22,836</u>	<b>NET FINANCIAL LIABILITIES</b>	<u>35,226</u>

## Adelaide Hills Council

### STATEMENT OF CHANGES IN EQUITY 2023-24 Revised Budget

	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
2023-24	\$'000	\$'000	\$'000	\$'000
Balance at end of previous reporting period	150,021	322,268	111	472,400
<b>Net Surplus / (Deficit) for Year</b>	<b>3,684</b>	-	-	<b>3,684</b>
<b>Other Comprehensive Income</b>				
Gain on revaluation of infrastructure, property, plant & equipment	-	5,300	-	5,300
Transfers between reserves		-		-
<b>Balance at end of period</b>	<b>153,705</b>	<b>327,568</b>	<b>111</b>	<b>481,384</b>

2022-23				
Balance at end of previous reporting period	147,004	274,623	99	421,726
Restated opening balance				
<b>Net Surplus / (Deficit) for Year</b>	<b>2,964</b>	-	-	<b>2,964</b>
<b>Other Comprehensive Income</b>				
Changes in revaluation surplus - infrastructure, property, plant & equipment	-	47,645	-	47,645
Share of Other Comprehensive Income Equity Businesses	23			23
Other Equity Adjustments - equity accounted Council businesses	42			42
Transfers between reserves	(12)		12	-
<b>Balance at end of period</b>	<b>150,021</b>	<b>322,268</b>	<b>111</b>	<b>472,400</b>

#### FINANCIAL INDICATORS

	Council Adopted Target	2023-24 Proposed Budget
<b>Operating Surplus Ratio</b>		
<u>Operating Surplus</u> Total Operating Revenue	1% to 5%	(0.2%)
<b>Operating Surplus Ratio using Underlying Surplus</b>		
<u>Operating Surplus</u> Total Operating Revenue	1% to 5%	1.7%
<b>Net Financial Liabilities Ratio</b>		
<u>Net Financial Liabilities</u> Total Operating Revenue	25% to 75%	62%
<b>Asset Renewal Funding Ratio</b>		
<u>Asset Renewals</u> Infrastructure & Asset Management Plan required expenditure	95% to 105%	136%



# Adelaide Hills Council

## CASH FLOW STATEMENT 2023-24 Revised Budget

2022-23 Actuals		2023-24 Revised Budget
\$'000	<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	\$'000
	<u>Receipts</u>	
41,289	Rates - general & other	48,407
1,428	Fees & other charges	1,490
901	User charges	1,005
8,225	Grants	4,493
37	Investments	25
306	Reimbursements	281
292	Other revenues	518
	<u>Payments</u>	
(19,191)	Employee costs	(23,197)
(19,972)	Materials, contracts & other expenses	(22,838)
(551)	Finance payments	(582)
12,764	<b>NET CASH USED IN OPERATING ACTIVITIES</b>	9,602
	<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>	
	<u>Receipts</u>	
-	Proceeds from Borrowings	10,800
-	Proceeds from Aged Care Facility Deposits	-
	<u>Payments</u>	
-	Repayment from Borrowings	(561)
(374)	Repayment of Lease Liabilities	(440)
-	Repayments of Aged Care facility deposits	-
(374)	<b>NET CASH USED IN FINANCING ACTIVITIES</b>	9,799
	<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
	<u>Receipts</u>	
2,552	Grants for new or upgraded assets	3,821
756	Sale of replaced assets	899
778	Sale of surplus assets	124
-	Repayment of loans from Community Groups	-
-	Distributions received from Equity Accounted Businesses	-
	<u>Payments</u>	
(5,200)	Expenditure on new/ upgraded assets	(10,905)
(10,070)	Expenditure on renewal/ replacement of assets	(14,006)
(11,184)	<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(20,067)
1,206	<b>NET INCREASE / (DECREASE) IN CASH HELD</b>	(666)
(4,563)	<b>CASH AT BEGINNING OF YEAR</b>	(3,357)
(3,357)	<b>CASH AT END OF YEAR</b>	(4,023)
489	Cash & Investments	(2,211)
(1,721)	Short Term Drawdown	(1,599)
(1,232)		(3,810)

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## **Appendix 2**

*2023-24 Budget Adjustments subsequent to Original  
Budget Adoption*

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Budget Review 2 2023/24		Budget Review 2 2023/24					
Budget Holder	Account No	Account Description	Current Budget: Exp / (Inc)	Change: FAV / (UNFAV)	Revised Budget	Status One-off or Ongoing	Comments
<b>CEO</b>							
<b>COMMUNITY &amp; DEVELOPMENT</b>							
D Atkinson	238125415	PLANNING AND DEVELOPMENT: Revenue: Expiation Fees	-9,380	1,500	-10,880	One-off	Slight increase to reflect response to enforcement of building notifications
D Atkinson	238125532	PLANNING AND DEVELOPMENT: Revenue: Planning Fees	-393,000	25,000	-418,000	One-off	Increase to reflect increase in actual planning fees
D Atkinson	238008072	PLANNING AND DEVELOPMENT: Assessments: Contractors	21,710	-3,000	24,710	Ongoing	Increase to provide budget for expert reports for planning applications
D Atkinson	238059072	PLANNING AND DEVELOPMENT: Heritage Advisory: Contractors	8,500	-3,500	12,000	Ongoing	Heritage Advisory Service Provider changing in 2024
D Atkinson	238008312	PLANNING AND DEVELOPMENT: Assessments: Refund of Fees Received	7,450	-7,550	15,000	Ongoing	Increase in refunds where fees are not required due to change in applicant amendment/assessment
J Charlton	122150236	LIB SERV : MANGT: Stationery: Materials	13,430	5,000	8,430	One-off	Move budget to accommodate purchase of minor furniture from equipment and supplies
J Charlton	122096114	LIB SERV : MANGT: Operations: Equipment & Supplies	13,530	-5,000	18,530	One-off	Move budget to accommodate purchase of minor furniture from equipment and supplies
J Charlton	301784072	CUSTOMER EXPERIENCE: Customer experience improvement projects: Cont	0	-420,000	420,000	One-off	Reallocate budget from Capex for new CRM system
M Hampton	126804072	COMMY - MANGT: Preparing Australian Communities: Contractors	224,563	116,563	108,000	One-off	Budgets were not accurately allocated originally. This figure is far more likely with current projections. Note: This project extends over 3 years.
M Hampton	126804236	COMMY - MANGT: Preparing Australian Communities: Materials	3,000	-4,684	7,684	One-Off	
M Hampton	126804329	COMMY - MANGT: Preparing Australian Communities: Salaries Office	304,540	-19,457	323,997	One-Off	
Marcela A	126803072	COMMY - MANGT: Black Summer Bushfire Recovery: Contractors	74,430	-155,570	230,000	One-Off	
Marcela A	126803329	COMMY - MANGT: Black Summer Bushfire Recovery: Salaries Office	0	-20,000	20,000	One-Off	
M Rankin	120125175	FABRIK: Revenue: Grant	0	15,606	-15,606	One-off	History Trust of SA grant
M Rankin	120114144	FABRIK: Programs: Grant - Expense	0	-15,606	15,606	One-off	Expenditure of History Trust of SA grant
<b>CORPORATE SERVICES</b>							
J Sinden	300061219	INFORMATION SYSTEMS: Software Licenses: License - Software	887,700	-40,000	927,700	Ongoing	Salesforce License Subscription
L Packer	258080209	RATES - PROCESSING: Litigation: Legal Fees	58,300	-50,000	108,300	Ongoing	Additional expenditure for debt recovery processes including S184's and increased referral of long term debtors to Credit Solutions (debt collection agency).
L Packer	258122209	RATES - PROCESSING: Recoverables: Legal Fees	-58,300	50,000	-108,300	Ongoing	Expenditure incurred in debt recovery activities are recovered from the ratepayer. Increased budget in line with anticipated increase in expenditure.

Budget Holder	Account No	Account Description	Current Budget: Exp / (Inc)	Change: FAV / (UNFAV)	Revised Budget	Status One-off or Ongoing	Comments
<b>ENVIRONMENT &amp; INFRASTRUCTURE</b>							
C Janssan	220258072	ROAD RESERVES: Arboriculture Programmed Nth: Contractors	69,970	-246,784	316,754	One-off	Site # 1. Terlinga Road, Mount Torrens – Costs associated with mass dead tree removal and pruning works conducted of Cuddle Creek Bushfire impacted vegetation that spanned over the DIT road corridor. Due to the extent of decline in timber integrity the subject trees displayed partial and imminent failure potential over a 2km section of this 100kph B-Double truck freight route. Arboricultural risk assessments conducted demonstrated that the vegetation posed unacceptable levels of material risk to road users. Council gained an additional \$20,000 funding contribution from DIT to the management works.  Site # 2. Lobethal Road, Basket Range - In response to mass clearance of vegetation occurring within private land directly adjacent to an 80kph section of Lobethal Road. These sudden changes to the surrounding environment had compromised the structural stability of various mature Pinus radiata trees situated within the Council Road verge. Due to the trees sudden exposure to increased wind loading, many of the subject trees posed probable failure potential in the form of failure from root zone. Failure impact of the trees primary stems within both lanes of Lobethal Road was predicted to be the most likely outcome in the event of tree failure occurring. Council notified DIT of the risk posed by these trees to road uses and declined Council's request to contribute to the costs associated with the urgent tree removal works.
Marcela A	220001315	ROAD RESERVES: Arboriculture: Reimbursements	0	83,000	-83,000	One-off	DIT contributions to offset Tree Risk Mitigation Works in prep for TDU and for Terlinga Road
Marcela A	241084071	BIODIVERSITY: Maintenance: Contract Labour	50,000	20,000	30,000	One-off	Money for an apprentice under Biodiversity.
Marcela A	213125025	OPEN SPACE: Revenue: Apprenticeship Contribution	0	5,600	-5,600	One-off	
A. Curtis	224096363	STORMWATER: Operations: Sweeping	143,000	-17,000	160,000	Ongoing	to reflect fuel pricing surcharge, new contract rates, and the additional events workload which is not reimbursed to civil
A. Curtis	212096072	CIVIL SERVICES: Operations: Contractors	32,500	-7,000	39,500	Ongoing	Council resolution 305/23 (with the report identifying that an additional \$7,000 would be required and would form part of BR2 if the motion was carried)
K. Cummings	154054531	BUILDINGS: General Property: Reimbursements Outgoings	-5,890	-5,890	0	Ongoing	This line has had very little income for a few years so reducing to zero
K. Cummings	154054209	BUILDINGS: General Property: Legal Fees	17,940	-6,000	23,940	One-off	This increase is largely due to the rollout of the new Community and Recreation Facilities project with new leases and open space agreements. Will be ongoing
K. Cummings	154084072	BUILDINGS: Maintenance: Contractors	160,070	-20,000	180,070	One-off	Increase to reflect actual anticipated to 30/06/2024 - based on cost increases for contractors and maintenance
K. Cummings	154084182	BUILDINGS: Maintenance: Fire Safety	24,760	-15,000	39,760	One-off	Increase to reflect actual anticipated to 30/06/2024 - cyclical 7 yearly maintenance required this year
K. Cummings	264807072	SPORT & RECREATION PLANNING: LRCIP Adel 100 Walking Route: Contract	0	-1,700	1,700	One-off	Increase to reflect actual
K. Cummings	154074210	BUILDINGS: Levies: Council Properties	10,390	-1,500	11,890	One-off	Increase to reflect actual
Marcela A	154125257	BUILDINGS: Revenue: Other Income	0	5,000	-5,000	Ongoing	Not budgeted
Marcela A	154084370	BUILDINGS: Maintenance: Telephone - Voice	1,600	1,600	0	Ongoing	Budget not needed , all phone bills consolidated under ICT
Marcela A	202125317	LAND: Revenue: Rental of Unmade Roads	-13,480	4,000	-17,480	One-off	Increase to reflect actuals
Marcela A	154067308	BUILDINGS: Insurance: Recoveries	0	136,000	-136,000	One-off	Storm damage to Mylor facilities with offset Expenditure in Capex not booked ye
J.McArthur	265090257	WASTE MANGT: Multiple And Sundry Bins: Other Income	-112,000	33,000	-145,000	Ongoing	Due to an extra bin audit numerous households are now contributing to additional paid bins to assist in providing an equitable service.
J.McArthur	265024059	WASTE MANGT: Domestic Waste Disposal: East Waste	10,000	-20,000	30,000	One-off	There is an increased expenditure due to disposal of waste to Integrated Waste Solutions rather than the Brinkley landfill. This will be followed up with East Waste.
J.McArthur	265031059	WASTE MANGT: Domestic Waste Collections: East Waste	2,958,330	-20,000	2,978,330	Ongoing	Due to traffic management requirements in Glen Street Crafrers with new WHS requirements
J.McArthur	265031493	WASTE MANGT: Domestic Waste Collections: Bin Purchase	47,000	-30,000	77,000	One-off	Money from Capex project #4097 FOGO Trial
J.McArthur	225280072	SUSTAINABILITY: Energy & Greenhouse Gas: Contractors	0	-12,000	12,000	Ongoing	The cost benefit analysis for further solar PV panels and battery storage (ex #4029). Operational budget required in an ongoing capacity.
				-645,372			

**2023-24 CAPITAL BUDGET REVIEW 2**

Proj #	Project Name	Project Description	Type	Current Budget	Change FAV / (UNFAV)	Revised Budget	Comment
<b>CAPITAL EXPENDITURE</b>							
<b>BRIDGES</b>							
4096	Montacute Rd bridge	Urgent renewal of bridge structure under Montacute Rd.	Renewal	\$250,000	(540,000)	\$790,000	These are urgent works in response to recent Council wide bridge condition audit works which found that Montacute Rd bridge was failing.
			<b>Total</b>	<b>\$250,000</b>	<b>(540,000)</b>	<b>\$790,000</b>	
<b>BUILDINGS</b>							
3706	Workflow system development	Building security upgrades.	New	\$30,000	10,000	\$20,000	This is for a security upgrade to our buildings which is already underway and due for completion shortly
3903	Stirling Rotunda Replacement	Replacement of the Stirling Rotunda.	Renewal	\$170,000	130,000	\$40,000	Funds spent to date have been utilised on master planning, with implementation of those plans to be considered as part of a future budget process
4044	Operational Workplace Review	Upgrade of accommodation.	New	\$1,000,000	700,000	\$300,000	Only review and planning work to be completed in 2023/24, with implementation of those plans to be considered as part of a future budget process
4089	New Dog and Cat Facility	Upgrade of dog and cat impound facilities at Heathfield.	New	\$200,000	130,000	\$70,000	Temporary works completed, with further planning and design work required before final solution is implemented, subject to future budget approval.
			<b>Total</b>	<b>\$1,400,000</b>	<b>\$970,000</b>	<b>\$430,000</b>	
<b>FOOTPATHS</b>							
4092	Trails - Lobethal Bushland Park		New	\$130,000	130,000	\$0	Planning to be delivered in 2024-25
			<b>Total</b>	<b>\$130,000</b>	<b>\$130,000</b>	<b>\$0</b>	
<b>LOCAL ROADS &amp; COMMUNITY INFRASTRUCTURE PROGRAM</b>							
4075	Oakbank SW	Upgrade of stormwater infrastructure at the intersection of Pike St and O. V. Rds	New	\$78,810	(70,000)	\$148,810	Additional funds required to complete project following market response.
4077	Woodside School Crossing	Construction of a pedestrian refuge on Robert St, Woodside, to improve pedestrian safety.	New	\$50,000	(25,000)	\$75,000	Additional funds required to complete project following market response.
			<b>Total</b>	<b>\$78,810</b>	<b>(95,000)</b>	<b>\$148,810</b>	
<b>OTHER</b>							
4097	FOGO		New	\$30,000	30,000	\$0	
4010	Resilient communities		New	\$65,800	65,800	\$0	
			<b>Total</b>	<b>\$95,800</b>	<b>\$95,800</b>	<b>\$0</b>	
<b>ROADS</b>							
4041	Warren Rd Blackspot	Safety upgrade at the intersection of Warren Rd/ Lucky Hit Rd/ Martin Hill Rd	New	\$461,000	(200,000)	\$661,000	Increase expenditure budget to match best price from open tender process, offset by additional revenue from increase in Blackspot Grant.
4043	Montacute Rd blackspot	Safety upgrades along Montacute Rd as part of the Federal Blackspot Program	New	\$186,550	(291,064)	\$477,614	Works commenced on this significant road safety project in 2023/23 and were completed early in 2023/34. Whilst this grant funded project was fully budgeted for in 2022/23 it appears insufficient funds were carried forward
			<b>Total</b>	<b>\$647,550</b>	<b>(491,064)</b>	<b>\$1,138,614</b>	

**2023-24 CAPITAL BUDGET REVIEW 2**

Proj #	Project Name	Project Description	Type	Current Budget	Change FAV / (UNFAV)	Revised Budget	Comment
<b>SPORT &amp; RECREATION</b>							
3743	Woorabinda trial	Renewal of the boardwalk through Woorabinda Reserve	Renewal	\$118,000	(135,000)	\$253,000	Additional cost to complete project after initially selected materials have become unavailable.
4021	Courts Carparks Driveway Renewal	Renewal of courts, carparks and driveways associated with Council owned oval sites.	Renewal	\$350,000	250,000	\$100,000	Council is currently conducting a condition audit of these sites to ensure these renewal funds are appropriately prioritised. Audit will be completed in 2023/24, and a renewal program developed for future years capital works programs.
			<b>Total</b>	<b>\$468,000</b>	<b>\$115,000</b>	<b>\$353,000</b>	
<b>ICT</b>							
3755	CRM Integration		New	\$420,000	420,000	\$0	
			<b>Total</b>	<b>\$420,000</b>	<b>\$420,000</b>	<b>\$0</b>	

**Total Expenditure Change**

**604,736**

**Capital Expenditure Changes**

Split as follows:

Renewal-  
New/Upgrade -

(295,000)

899,736

**604,736**

<b>CAPITAL INCOME</b>							
221276164	ROADS-SEALED: Blackspot Program: Grant - Capital	Federal Blackspot Program grant funding		\$1,483,883	200,000	\$1,683,883	Additional blackspot grant funding for Warren Rd Blackspot project
149182164	FINANCIAL MANGT: Capital: Grant - Capital	Aldgate, Bridgewater, Crafters and Stirling Stormwater Management Plan		\$0	32,457	\$32,457	189-19 Aldgate, Bridgewater, Crafters and Stirling Stormwater Management Plan - Claim 10
149182164	FINANCIAL MANGT: Capital: Grant - Capital	Supplementary Local Road (23/24) SLRP		\$0	600,000	\$600,000	Croft Rd Cudlee Creek
149182164	FINANCIAL MANGT: Capital: Grant - Capital	"Special Local Road Program (23/24) "		\$0	550,000	\$550,000	Tiers Rd Stage 2 Lenswood
			<b>Total Income Change</b>	<b>1,483,883</b>	<b>1,382,457</b>	<b>2,866,340</b>	

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## **Appendix 3**

*Financial Performance Report for Quarter Ended 31  
December 2023*

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# Adelaide Hills Council

## Financial Performance Report

as at December 2023





# Operating Statement

## Overall Funding Statement

as at December 2023

Overall Funding Statement as at December 2023	YTD Actual	YTD Budget	YTD Variance	Annual Revised Budget
	\$'000	\$'000	\$'000	\$'000
Rates	48,287	48,241	● 46	48,342
Statutory income	986	953	● 33	1,465
User charges	551	539	● 12	926
Grants, subsidies and contributions	2,128	2,085	● 43	5,264
Income - Other	422	281	● 140	720
<b>Total Operating Income</b>	<b>52,373</b>	<b>52,098</b>	<b>● 275</b>	<b>56,717</b>
Total Employment costs	12,257	12,807	● 549	23,283
Materials, contracts and other expenses	11,258	10,488	● (769)	21,292
Depreciation and amortisation	-	-	-	11,004
Finance costs	262	254	● (8)	582
<b>Total Operating Expenditure</b>	<b>23,777</b>	<b>23,549</b>	<b>● (229)</b>	<b>56,160</b>
<b>Operating Surplus / (Deficit) before Capital</b>	<b>28,595</b>	<b>28,549</b>	<b>● 46</b>	<b>557</b>
<b>Capital Expenditure</b>	4,469	-	● (4,469)	25,542
<b>Capital Income</b>	4,156	-	● 4,156	3,462
<b>Net expenditure - Capital projects</b>	<b>313</b>	<b>-</b>	<b>● (313)</b>	<b>22,079</b>
<b>Net Lending / (Borrowing) Result for Year</b>	<b>28,282</b>	<b>28,549</b>	<b>● (267)</b>	<b>(10,520)</b>

### Adelaide Hills Council Operating Summary By Directorate as at December 2023

\$'000s	YTD Actuals	YTD Budget	YTD Var fav / (unfav)	Annual Revised Budget
<b>Income</b>				
CEO	-	-	● -	-
Community & Development	2,839	2,794	● 45	4,007
Corporate Services	46,731	46,571	● 161	47,774
Environment & Infrastructure	2,802	2,734	● 69	4,936
<b>Income Total</b>	<b>52,373</b>	<b>52,098</b>	<b>● 275</b>	<b>56,717</b>
<b>Expenditure</b>				
CEO	249	193	● (55)	424
Community & Development	5,995	5,984	● (11)	12,493
Corporate Services	6,061	5,957	● (104)	10,990
Environment & Infrastructure	11,473	11,415	● (58)	32,253
<b>Expenditure Total</b>	<b>23,777</b>	<b>23,549</b>	<b>● (229)</b>	<b>56,160</b>
<b>Operating Surplus / (Deficit)</b>	<b>28,595</b>	<b>28,549</b>	<b>● 46</b>	<b>557</b>

Adelaide Hills Council Monthly Financial Performance											
as at December 2023	Income by Function					Expenditure by Function					Net Position
\$'000s	Last Year YTD Actuals \$'000	YTD Actuals	YTD Budget	YTD Var fav / (unfav)	Annual Revised Budget	Last Year YTD Actuals \$'000	YTD Actuals \$'000s	YTD Budget \$'000s	YTD Var fav/(unfav) \$'000s	Annual Revised Budget \$'000s	Variance \$'000s
CEO Office	-	-	-	-	-	88	249	193	(55)	424	(55)
<b>CEO Directorate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88</b>	<b>249</b>	<b>193</b>	<b>(55)</b>	<b>424</b>	<b>(55)</b>
C&D Director's Office	-	-	-	-	-	162	178	204	26	424	26
Policy Planning	-	-	-	-	-	78	103	97	(6)	197	(6)
Economic Development	96	110	110		110	250	411	413	2	623	3
Environmental Health	59	70	64	6	179	247	265	289	23	596	29
Fire Prevention	1	7	52	(45)	115	27	35	76	42	178	(4)
Animal Management	488	514	518	(4)	550	279	321	274	(47)	531	(51)
Parking and By-Laws	30	47	48	()	95	63	71	47	(24)	128	(25)
Development Assessment & Compliance	353	334	296	38	626	1,038	1,102	1,095	(7)	2,327	31
Community Management	-	1	-	1	-	167	160	176	16	442	17
Community Grants	-	-	-	-	-	107	133	102	(31)	215	(31)
Community Centres - TSCC	5	5	6	()	16	97	109	105	(4)	211	(4)
Community Centres - TVCC	14	17	20	(4)	40	102	133	104	(29)	209	(33)
Community Programs	67	38	37	2	72	49	16	35	19	72	21
Community Resilience	499	225	225	()	533	98	461	274	(187)	890	(187)
Cultural Development	-	-	-	-	-	70	71	87	15	195	15
Positive Ageing (Collaborative)	51	90	51	39	90	47	55	69	14	139	53
Positive Ageing (Home Support)	576	1,043	1,048	(5)	1,152	575	547	598	51	1,204	46
Volunteering	-	-	-	-	-	41	45	46	1	96	1
Youth Development	1	4	2	2	3	76	83	76	(8)	189	(6)
Customer Experience	-	-	-	-	-	16	64	76	12	145	12
Customer Service	-	-	-	-	-	389	404	450	46	925	46
Libraries	314	320	319	1	346	863	1,090	1,112	22	2,102	23
FABRIK	44	16	-	16	80	128	137	180	43	453	58
Bushfire Recovery	-	-	-	-	-	1	1	-	(1)	5	(1)
<b>Director Comunity and Development</b>	<b>2,600</b>	<b>2,839</b>	<b>2,794</b>	<b>45</b>	<b>4,007</b>	<b>4,971</b>	<b>5,995</b>	<b>5,984</b>	<b>(11)</b>	<b>12,493</b>	<b>34</b>
CS Director's Office	3	1	3	(2)	6	137	149	145	(4)	416	(5)
Governance Civic	-	-	-	-	-	1	1	1		2	
Governance EM	-	-	-	-	-	278	268	291	23	504	23
Governance & Performance	20	18	21	(3)	37	919	985	1,029	44	1,666	41
Communications, Engagement & Events	2	2	-	2	-	256	303	371	67	758	69
Corporate	121	197	73	124	1,121	314	447	431	(16)	880	108
Finance Operations	-	-	-	-	-	541	488	626	138	1,212	138
Rates	42,527	46,514	46,474	40	46,611	476	1,069	1,054	(15)	1,961	25
ICT	-	-	-	-	-	418	457	496	39	1,035	39
Information Management	-	-	-	-	-	240	273	276	3	543	3
Information Systems	-	-	-	-	-	653	1,170	788	(382)	1,206	(382)
People and Culture & WHS	-	-	-	-	-	422	451	448	(3)	807	(3)
<b>Corporate Services</b>	<b>42,672</b>	<b>46,731</b>	<b>46,571</b>	<b>161</b>	<b>47,774</b>	<b>4,653</b>	<b>6,061</b>	<b>5,957</b>	<b>(104)</b>	<b>10,990</b>	<b>56</b>
E&I Director's Office	-	-	-	-	-	326	276	346	71	708	71
Civil Services - Management	2	2	1	1	2	598	593	639	46	549	(16)
Civil Services - Maintenance	463	395	381	14	2,055	1,822	2,146	2,162	17	5,106	18
Civil Services - Private Works	7	-	3	(3)	6	-	-	-	-	4	184
Property Management	69	87	51	36	73	1,022	1,132	1,279	147	1,878	(1)
Sport & Recreation	-	-	-	-	11	590	495	570	75	868	75
AHBTC	157	162	159	3	343	91	128	110	(18)	245	31
Cemeteries	129	185	178	7	369	98	73	85	11	170	47
Retirement Villages	8	-	-	-	-	8	1	-	(1)	-	(3)
Manager Open Space	-	-	-	-	-	2	2	2	1	99	1
Open Space - Management	-	100	100	-	175	413	488	463	(25)	988	(25)
Open Space - Maintenance	-	-	-	-	-	1,144	1,578	1,341	(236)	3,454	(236)
Open Space - Stores	28	7	-	7	-	643	664	479	(185)	(716)	(178)
Open Space - Biodiversity	-	-	-	-	-	224	334	330	(4)	830	(4)
CWMS	1,719	1,711	1,719	(8)	1,743	300	277	356	79	1,011	71
Strategic Assets	-	-	-	-	-	243	298	299	1	387	-
Emergency Management	-	-	-	-	-	17	42	52	10	90	1
Sustainability	-	-	-	-	-	133	137	207	70	326	10
Waste	115	153	141	12	159	2,338	2,809	2,693	(116)	5,581	70
Depreciation	-	-	-	-	-	-	-	-	-	10,674	(104)
<b>Director Environment and Infrastructure</b>	<b>2,695</b>	<b>2,802</b>	<b>2,734</b>	<b>69</b>	<b>4,936</b>	<b>10,011</b>	<b>11,473</b>	<b>11,415</b>	<b>(58)</b>	<b>32,253</b>	<b>11</b>
<b>Total</b>	<b>47,968</b>	<b>52,373</b>	<b>52,098</b>	<b>275</b>	<b>56,717</b>	<b>19,722</b>	<b>23,777</b>	<b>23,549</b>	<b>(228)</b>	<b>56,160</b>	<b>46</b>

**2023-24 CAPITAL WORKS PROGRAM**  
as at December 2023

as of 23/01/2024

Asset Category	YTD Actuals \$'000s	YTD Budget \$'000s	Annual Revised Budget \$'000s	% Spent to Annual Budget \$'000s	YTD Commitments \$'000s
BRIDGE	47	-	620	7.6%	95
BUILDINGS	648	-	6,831	9.5%	2,085
CEMETERIES	46	-	140	32.8%	-
CWMS	10	-	260	4.0%	2
FOOTPATHS	501	-	985	50.8%	18
GUARDRAILS	-	-	-	>100%	-
KERBING	-	-	67	0.0%	-
LRCIP	38	-	676	5.6%	200
OTHER: RW, SF, TRAFFIC Mngt	107	-	626	17.2%	48
ROADS	1,699	-	7,337	23.1%	1,505
SPORT & REC	315	-	2,198	14.3%	355
STORMWATER	30	-	610	5.0%	45
FLEET	555	-	2,167	25.6%	774
ICT	423	-	1,455	29.0%	36
PLANT & EQUIP	1	-	60	1.0%	10
PMC	-	-	1,511	0.0%	-
Unbudgeted	50	-	-	>100%	22
<b>Total</b>	<b>4,469</b>	<b>-</b>	<b>25,542</b>	<b>17.5%</b>	<b>5,195</b>

**Adelaide Hills Council Capital Works Summary**

	YTD Actuals \$'000s	YTD Budget \$'000s	Annual Revised Budget \$'000s	% Received
<b>Capital Income Total</b>	4,156	-	3,462	120.1%
New & Capital Replacement Expenditure	4,469	-	24,031	18.6%
Project Delivery Costs	-	-	1,511	0.0%
<b>Capital Expenditure Total</b>	<b>4,469</b>	<b>-</b>	<b>25,542</b>	<b>17.5%</b>
<b>Net Capital Expenditure</b>	<b>313</b>	<b>-</b>	<b>22,079</b>	

**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 19 February 2024  
AGENDA BUSINESS ITEM**

**Item:** 8.2

**Responsible Officer:** Gary Lewis  
Manager Financial Services  
Corporate Services

**Subject:** Debtors Report

**For:** Information

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**SUMMARY**

In accordance with the 2024 Work Plan a debtor's report is provided to the Audit Committee for consideration.

This report covers the period ending 31 December 2023. An analysis of rates debtors is provided annually to the first Audit Committee after 30 June of each year.

**RECOMMENDATION**

**The Audit Committee resolves that the report be received and noted.**

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**1. BACKGROUND**

Council generates income from a variety of sources including rates, grants, fines (infringements), development applications and fees and charges for the provision of goods and services to individuals, businesses, and other organisations in the community.

This income is managed using financial management systems that also enables recording of amounts owing to Council and information relating to amounts paid. Appropriate action can be taken to collect amounts owing where they are not paid in a timely manner.

The last debtors report covering balances as of 30 June 2023 was presented to the Audit Committee on 21 August 2023.

## 2. ANALYSIS

### ➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment

*Strategic Plan 2020-24 – A brighter future*

Goal A progressive Organisation

Objective O5 We are accountable, informed, and make decisions in the best interests of the whole community.

Priority O5.3 Demonstrate accountability through robust corporate planning and reporting that enhances performance, is relevant and easily accessible by the community.

It is important that debt recovery practices are monitored on a regular basis to ensure that Council's cash flow is optimised, and that the non-recovery of Council debts is minimised.

### ➤ Legal Implications

Council may obtain funds by recovering fees, charges, penalties, or other money payable to it under S133 of the *Local Government Act 1999*.

Council also has obligations specified within the current Community Wastewater Management Scheme (CWMS) licence that require an endorsed hardship policy for customers. Failure to establish this policy will result in Council breaching current licence conditions.

### ➤ Risk Management Implications

Monitoring the balances of debtors through regular reporting will assist in mitigating the risk of:

*Poor debt recovery practices which lead to increased levels of overdue debtors will negatively impact on Council's current cash flow as well as reduce the likelihood of future debt recovery.*

Inherent Risk	Residual Risk	Target Risk
Extreme (4B)	Medium (3D)	Medium (3D)

### ➤ Financial and Resource Implications

Close monitoring of debt supported by an agreed policy will ensure that any cash flow impact on Council is minimised.

### ➤ Customer Service and Community/Cultural Implications

Not applicable.

### ➤ Sustainability Implications

Not applicable.

➤ **Engagement/Consultation**

*Council Committees:* Not applicable

*Council Workshops:* Not applicable

*Advisory Groups:* Not applicable

*External Agencies:* Not Applicable

*Community:* Not applicable

➤ **Additional Analysis**

**Sundry Debtors**

A summary of the aged debtors as of 31 December 2023 is provided below with the total amount outstanding totalling approximately \$1.687m across 149 individual debtor accounts.

As of 30 June 2023 the amount outstanding was \$134k of which \$42k related to the timing of payments for monthly rent, outgoings and electricity charges for AHBTC, \$28k related to burial fees that were within Council's 30 day payment terms and \$23k related to contributions to be received from various hills sporting groups towards facility upgrades undertaken by Council during the year.

In relation to overall sundry debtors' management, Council is undertaking a similar approach to rates, in terms of consideration of postponement and/or payment plans over extended periods in relation to any debtor that contacts Council.

Description	TOTAL	No of Debtors	<30 Days	<60 Days	<90 Days	<120 Days	<150 Days	>150 Days
Burial Fees	28,661	16	11,679	8,567	364	0	7,717	334
Food Premises Inspection	10,924	57	1,470	2,514	700	0	1,814	4,426
Grants Receivable	1,588,271	1	1,256,071	332,200	0	0	0	0
Road Rent	5,858	48	5,726	0	0	0	0	132
AHBTC	34,188	1	34,188	0	0	0	0	0
Regulatory Services	131	1	0	0	0	0	0	131
Other Councils	115	1	115	0	0	0	0	0
Property	8,447	14	1,324	1,591	0	1,304	3,672	556
Sport & Recreation	792	2	594	198	0	0	0	0
Miscellaneous (Other)	10,260	8	9,792	50	0	74	0	344
<b>TOTAL: 31/12/2023</b>	<b>1,687,647</b>	<b>149</b>	<b>1,320,959</b>	<b>345,120</b>	<b>1,064</b>	<b>1,378</b>	<b>13,203</b>	<b>5,923</b>

In relation to the Aged Debtors as of 31 December 2023, the following points of clarification are provided:

- There is one Burial Fees debtor > 150 days who has been making fortnightly payments towards the original debt of \$4k raised in May 2023. The debt has been fully repaid in January 2024. There is one debtor < 150 days who is making monthly payments towards their debt. The outstanding balance of \$7,717 is estimated to be fully repaid by 30 June 2024 and relates to the purchase of a 100-year interment right at a cost of \$14k raised in Aug 2023.
- There were twenty-two Food Premises Inspection (FPI) debtors >150 days totalling \$4,426.00, of these:
  - Twelve of the debtors are for inspections undertaken in 2023 and due to the value of the debts (\$1,826.30) are not yet being considered for referral to council's debt collection agency. Follow up reminder letters will continue to be sent.
  - Six of these debtors paid their debts in full in January 2024 totalling \$1,204.00.
  - The largest (and oldest) debtor (pre-2013) totalling \$1,396.00 has been located via a skip trace search undertaken by Council's debt collection agency. The owner is a sovereign citizen and does not believe Council has authority to raise the invoices received. Correspondence sent to the owner is often returned. The debt will continue to be assessed for follow up action.
- There are two Road Rent debtors > 150 days totalling \$132.00. Council's assessment is that these debts are currently uneconomical to refer to debt collection.
- There is one Regulatory debtor > 150 days totalling \$131.00 relating to a dog impounding fee. This debtor is part of a larger legal case being pursued by Council. At this stage, the debt is uneconomical to refer to debt collection.
- There are three Property debtors > 150 days totalling \$556.00 all relating to outdoor dining licences. Two of the debts are impacted by the change of ownership of the business and all are currently uneconomical to refer to debt collection.
- The largest debt outstanding is \$1.588m in grant funding owed by the Department for Infrastructure and Transport. The monies relate to \$1.256m for the 21/22 Black Spot Program – Montacute Road and \$332k for the 21/22 Black Spot Program – Woods Hill Road (which has since been received in January 2024). Invoices were raised at the end of November 2023 following works being completed and the final reports being submitted.
- Excluding Grants, remaining sundry debt (\$99k) has decreased by 25% from 30 June 2023 (\$134k), including an 80% decrease in debt >150 days.

The CEO and delegated officers have not used their delegation in terms of writing off debts for the six (6) months ending 31 December 2023.

The comparison of debtor movement over the past five years is shown below.

Description	TOTAL	< 30 days	< 60 days	<90 days	<120 days	< 150 days	> 150 days
TOTAL: 30/6/2023	133,749	96,548	2,363	4,009	268	67	30,494
TOTAL: 31/12/2022	183,835	88,619	6,157	536	2,338	1,037	85,148
TOTAL: 30/6/2022	262,274	240,276	12,624	1,400	4,459	730	2,785
TOTAL: 31/12/2021	123,522	67,035	43,405	6,584	2,793	0	3,705
TOTAL: 30/6/2021	1,026,374	863,133	126,520	9,730	3,896	196	22,899
TOTAL: 31/12/2020	228,878	147,203	14,341	15,427	11,563	254	40,090
TOTAL: 30/6/2020	348,203	263,176	30,351	18,535	3,803	381	31,957
TOTAL: 31/12/2019	143,073	36,940	57,541	13,864	2,287	972	31,469
TOTAL: 30/6/2019	367,439	177,658	160,835	12,981	4,765	812	10,388
TOTAL: 31/12/2018	205,377	158,755	18,470	10,239	180	3,721	14,012
TOTAL: 30/6/2018	422,464	324,485	27,931	0	3,003	22,558	44,488

### 3. OPTIONS

The Audit Committee is limited to receiving this report.

### 4. APPENDICES

Nil



**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 19 February 2024  
AGENDA BUSINESS ITEM**

<b>Item:</b>	<b>8.3</b>
<b>Responsible Officer:</b>	<b>Kira-marie Laverty Corporate Planning &amp; Performance Coordinator Corporate Services</b>
<b>Subject:</b>	<b>Quarterly Council Performance Report – Q2 2023-24</b>
<b>For:</b>	<b>Information</b>

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## **SUMMARY**

As a local government entity, Council has a number of legislative obligations regarding the preparation and distribution of corporate planning and reporting information to the elected body and the community. In addition to these mandated requirements, Council has over time created a number of additional elements to improve the integration, transparency and accountability of its activities. The Quarterly Council Performance Report is just one of these elements.

A revised suite of corporate performance indicators and targets were developed in consultation with Council Members, the Strategic Leadership Team and relevant officers as part of the *2020-21 Annual Business Plan* process and have continued to be incorporated into the *Annual Business Plan 2023-24*. These were aligned to the new *Strategic Plan 2020-24 – A brighter future* adopted in April 2020.

The Quarterly Council Performance Report for Q2 (**Appendix 1**) covers the period 1 October 2023 to 31 December 2023, and shows the performance against the corporate performance indicators as well as discussing key highlights aligned with the Strategic Plan.

The purpose of this report is to inform the Audit Committee of Council's performance against the *Annual Business Plan 2023-24* targets in order to assist in their role as advisors to Council on the adequacy and effectiveness of processes involving financial management, reporting, risk and governance.

## **RECOMMENDATION**

**The Audit Committee resolves that the Quarterly Council Performance Report – Q2 2023-24 be received and noted.**

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## **1. BACKGROUND**

At its 19 June 2018 meeting, Council adopted (Res 128/18) the Corporate Planning & Performance Framework, of which a key element was the establishment of a suite of

Corporate Business Performance Indicators which are aligned with Adelaide Hills Council's Strategic Plan goals and will enable the tracking of performance over time.

Over the 2019-20 financial year, Quarterly Council Performance Reports were drafted showing the performance against the Corporate Performance indicators, strategic initiatives and key activities of the 2019-20 Annual Business Plan.

A revised suite of corporate performance indicators and targets were developed in consultation with Council Members, the Strategic Leadership Team and relevant officers as part of the 2020-21 Annual Business Plan process. These were aligned to the new *Strategic Plan 2020-24 – A brighter future* adopted in April 2020. These indicators have continued to be used in the Annual Business Plan 2023-24.

## 2. ANALYSIS

### ➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment

*Strategic Plan 2020-24 – A brighter future*

Goal A progressive Organisation

Objective O5 We are accountable, informed, and make decisions in the best interests of the whole community

Priority O5.3 Demonstrate accountability through robust corporate planning and reporting that enhances performance, is relevant and easily accessible by the community.

The Quarterly Council Performance Report is part of the performance reporting suite contained in the Corporate Planning & Performance Framework.

### ➤ Legal Implications

Chapter 8 - Administrative and financial accountability of the *Local Government Act 1999* sets out the key legislative obligations regarding corporate planning and reporting obligations, as follows:

- S122 – Strategic management plans – development, content requirements, consultation, review and availability of strategic plan, asset management plan and long-term financial plan;
- S123 – Annual business plans and budgets - development, content requirements, consultation, review and availability of annual business plan and budget
- S127 – Financial statements – preparation, content, auditing and availability of the financial statements;
- S131 – Annual reports – preparation, content, distribution and availability of the annual report

Additional requirements are contained in the *Local Government (General) Regulations 2013* and the *Local Government (Financial Management) Regulations*.

### ➤ Risk Management Implications

Quarterly Council Performance Reporting will assist in mitigating the risk of:

*Ineffective performance management and reporting processes leading to poor performance and/or loss of stakeholder confidence.*

Inherent Risk	Residual Risk	Target Risk
Extreme (4B)	Low (3E)	Low (3E)

Note that there are many other controls that assist in mitigating this risk. The quarterly performance reports are part of the current control suite and therefore there is no additional mitigating impact of this report.

➤ **Financial and Resource Implications**

The Corporate Planning & Performance Coordinator role, which coordinates the performance reporting function, is funded in the Governance & Performance Department budget.

Quarterly Council Performance Reporting assists in showing the financial and resource performance to plan as per the targets, initiatives and activities outlined in the Annual Business Plan 2023-24.

As part of the development of the budget outlined in the Annual Business Plan 2023-24, a series of Savings Strategies were developed to help address emerging cost pressures and to improve Council's Operating Surplus over the period of the Long Term Financial Plan. The adopted strategies were both administrative and service related. A section is included within the Quarterly Report to monitor the progress of these strategies.

➤ **Customer Service and Community/Cultural Implications**

Providing integrated, consultative corporate planning and effective and transparent performance reporting to the Council and community has the potential to increase the level of trust and confidence in Council.

➤ **Sustainability Implications**

Quarterly Council Performance Reporting assists in demonstrating the outcomes related to Council's economic, social and environmental initiative.

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

<i>Council Committees:</i>	Not applicable
<i>Council Workshops:</i>	Not applicable
<i>Advisory Groups:</i>	Not applicable
<i>External Agencies:</i>	Not applicable
<i>Community:</i>	Not applicable

**3. OPTIONS**

As this is an information report, the Audit Committee is limited to receiving and noting the report however additional feedback can be provided for consideration of future enhancements for the 2023-24 FY reports.

**4. APPENDICES**

- (1) Quarterly Council Performance Report – Q2 2023-24

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# **Appendix 1**

*Quarterly Council Performance Report – Q2 2023-24*

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# Quarterly Council Performance Report

Quarter 2 – 1 October to 31 December 2023

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## Table of Contents




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1. Executive Summary	2
2. Adelaide Hills Council Major Projects	3
3. Performance by Strategic Goal	6
4. Customer Service Standards	17
5. Capital Works Performance	20
6. Savings Strategies	21
7. Quarterly Financial Performance	23

# 1. Executive Summary

Strategic Goal	Performance Indicators	Annual Business Plan Strategic Initiatives
 <b>Built Environment</b>	 2 of 4 Targets met or exceeded	 In Progress (21) Completed (2) Not Started (2) Behind Schedule (3)
 <b>Community Wellbeing</b>	 2 of 4 Targets met or exceeded	 In Progress (8) Completed (1)
 <b>Economy</b>	 3 of 3 Targets met, N/A or exceeded	 In Progress (2)
 <b>Natural Environment</b>	 2 of 3 Targets met, N/A or exceeded	 In Progress (6)
 <b>Organisation</b>	 2 of 8 Targets met, N/A or exceeded	 In Progress (4) Not Started (2)

## Customer Service Standards

-  **10** Targets met or exceeded
-  **5** N/A or No Incidents reported
-  **2** Target not met

## Capital Performance

- \$3.2m** of infrastructure delivered
- \$4.5m** of works ordered

The primary focus of this quarter has been on scoping and design works for projects due for completion by end FY 2023-24, as well as delivery of contracted renewal program works.

## Highlights

- Over \$180,000 awarded to local non-profit community groups and organisations to undertake innovative projects or activities through the 2023-24 Community Grants program.
- A Strategic Plan workshop with Council was held on 18 November as the first step in establishing the goals and objectives of Council over the next 4 years.
- The master planning project for the Stirling Library Lawns commenced with the first community meeting held to kickstart the community co-design process.
- ROAR Talent Tour battle of the bands competition took place from October to December with 21 artists participating and events held across local halls in the district.

## Risk and Challenges

- Negotiations with the State Government continued regarding the funding and delivery of the Amy Gillett Bikeway extension to Birdwood. The federal funding for the bikeway could be at risk if final funding and project delivery arrangements are not confirmed in the next period.
- Progression of the electric vehicle and charging station project is progressing well along predicted timelines. However, as Stirling charging stations are not due for completion until end of June 2024, Interim arrangements have been put in place for charging Council's electric vehicle fleet.

# 2. Adelaide Hills Council Major Projects

## Kerbside bin system collection frequency change and rural FOGO trial

Council is undertaking a 12-month food organics and garden organics (FOGO) trial in collaboration with our Waste Management Partner.

Over 600 households and a small number of businesses in parts of Woodside and Lenswood will trial the new kerbside bin collection systems. This includes a new FOGO bin for rural households and a change in the collection frequency of organics bins and landfill bins, which aims to improve the food waste diversion from landfill.

### Latest News

Trial is ongoing with all information sessions and prep work successfully undertaken.



## FABRIK Development

The FABRIK Development Project involves upgrading and enhancing the former Onkaparinga Woollen Mills site at Lobethal to create an arts and heritage hub in the central Adelaide Hills.

### Latest News

Works are progressing towards the revised completion date of March 2024, albeit with unexpected delays due to recent wet weather. Summary of works this quarter includes:

- Commencement of hard landscaping retaining walls adjacent to Pavilion.
- Construction of structural decorative brick walls and installation of glass panels.
- Installation of A/C ducting and ceiling support framework for suspended ceiling.
- Tiling of wet areas, opening a brick wall for internal access and sheeting of bedsit area in building 14.
- Removal of external canopy in Building 21
- Construction of ceilings, main staircase, installation of lift, Installation of light fittings and glass walls
- Installation of stormwater pits, connecting the drainage pipework and concrete laneway behind Building 20.
- Installation of new metal pillars to support entry airlock section and footings installed to support the skybridge.





## Electric vehicles and charging stations

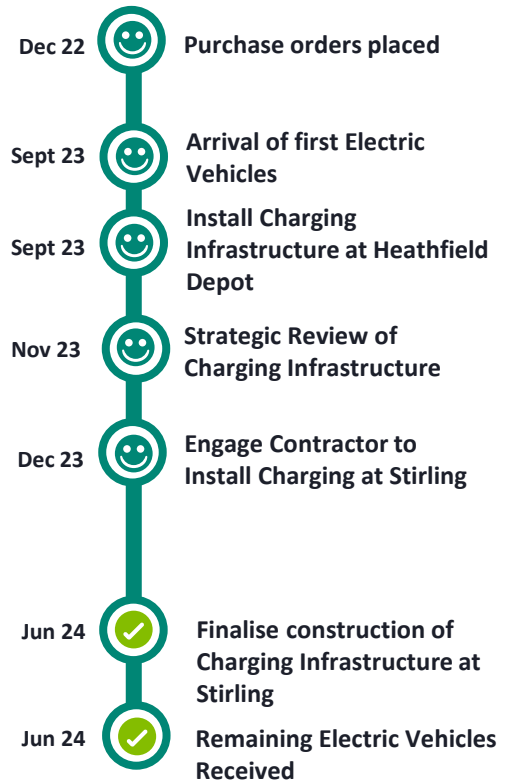
Funding has been provided to enable the purchase of approximately 12 electric vehicles during 2023-24 as well as installation of the supporting charging infrastructure.

### Latest News

A Tesla EV charger has been installed in the middle carpark at the Stirling Office to cater for the new CEO Tesla vehicle.

A contractor has been engaged for the further installation of 4 EV chargers at the Stirling Office commencing in early 2024. Plans are also in place to install a small charger at the Woodside Office and the Garrod Office.

A further 7 Electric Vehicles have been added to the fleet.



## Implement activities from “Our Watch Toolkit for Local Government”

In July 2023, Council adopted an implementation plan based on the “Ourwatch Toolkit for Local Government”.

The aim of the toolkit is to prevent violence against women and their children through a range of strategies including those with an organisational focus. This is followed by work with the community to raise awareness and to undertake population based prevention activities.

### Latest News

Council participated in the global campaign "16 Days of Activism against Gender-Based Violence" over the period 25 November to 10 December 2023. A range of workplace and community-based awareness-raising activities were delivered in partnership with the Zonta Club of Adelaide Hills.

Council has established a relationship with the Our Watch Institute to assist us with setting up internal practices.

A draft internal Domestic/Family Violence Workplace Policy and new Employee Workplace Safety Planning Procedure are currently being prepared



# Towards Community Led Emergency Resilience Program (TCLERP)

Following on from the Community Resilience and Readiness pilot, the program has evolved to focus on community led emergency preparedness. The name of the program also changed to be Toward Community Led Emergency Resilience Program (TCLERP).

The program has several areas of focus including:

- Community Engagement
- Psychological and emotional emergency preparedness community education
- Recovery ready halls project – emergency preparedness for select community facilities
- Vegetation management project – ensuring practices are based on best fire science and within shared land owners existing capacity

## Latest News

Adelaide Hills Community Action Bushfire Network (AHCABN) have finalised their 72 hour Recovery Action plan as a network and their structure for 2024.

Person Centered Emergency preparedness information sessions have been trialed with Adelaide Hills residents as part of the Disability Inclusive Emergency Planning project.

Recipients of Recovery Ready Halls funding have commenced their projects, with on going support from council staff.

The draft Bushfire Mitigation Strategy was released for public consultation on the 23 October and closed on 17 November. The results are now being reviewed.

The next RediCommunities workshop series commenced in Bridgewater and is scheduled for completion early in the new year. In collaboration with Mount Barker District Council and the Australian Red Cross, Council have worked with fire impacted community members and leaders involved in recovery after the Cudlee Creek Bushfire, to develop a 72 hour recovery planning workshop for the community. Community feedback from the workshop held 25 November, was extremely positive. The workshop was filmed and will be made available to the community to assist future recovery planning.

The Towards Community Led Emergency Resilience project was awarded the Australian Resilience Local Government Award.



# 3. Performance by Strategic Goal

## A functional Built Environment

### Highlights

- ✔ **Disability Discrimination Act (DDA) Upgrades Minor - Access upgrades region wide for compliance**
  - The engineering consultant's concept design for the upgrade at The Summit Community Centre has been received, reviewed and approved to proceed to the design stage. The project is on track for a build in Feb/March 2024.
- ✔ **Place making and community planning**
  - Woodforde group representatives were invited to a Council wide community group gathering with an aim to improve group connections.
  - A meeting was initiated with residents for community led placemaking in Woodforde/Hamilton Hill.
- ✔ **Carbon offset policy**
  - Three report phases have been completed on the potential for Council to be involved in carbon offsets and the preference for what the offsets should entail.
  - A Clean Energy Regulator application is in progress to obtain carbon credits for the FOGO change that is currently being trialled.
- ✔ **Cemeteries upgrades**
  - Approval for use of Kuarna name for Kersbrook Natural Burial Ground.
  - Memorial seat installed at Houghton Cemetery.
  - 'Go to' (excess dirt storage area) installed at Kersbrook Cemetery
  - 2,000 litre rainwater tank installed at Cudlee Creek Cemetery
- ✔ **Houghton Recreation Grounds – Facility Contribution**
  - At the 6 November meeting, Council passed a motion to contribute up to \$325,000 (plus GST) as a maximum contribution to Stage two of the Houghton, Hermitage, Inglewood and Paracombe Memorial Park Committee's Houghton Hub project, with payments made in approximately equal instalments over a period of three (3) financial years.
- ✔ **Parking and By-laws**
  - Issued 272 parking related expiations and 6 By-law related expiations
- ✔ **New and upgraded footpaths**
  - Some of the new and upgraded footpaths installed include at Tolmer Rd Woodside, Junction Rd Balhannah, and Onkaparinga Valley Rd, Balhannah.
- ✔ **Carbon Management Plan - Energy upgrades, Battery & Efficiency Actions**
  - Utilising the sustainability audit of numerous Council facilities undertaken in 2023 a project is being developed to change current lighting to LED luminaires. This will result in significant energy efficiency and cost savings.
  - A review is being undertaken on the air-conditioning system for the Stirling Office to consider a full replacement with improved efficiency and lower global warming potential.
- ✔ **Building Upgrades – minor**
  - Ceiling and lighting replaced at the Woodside Recreation ground toilets and woodside oval main toilet.
  - The Longwood Hall septic tank has been replaced.
  - The Mount Torrens Coach House public toilet are completed and now open
- ✔ **Operational worksite review including forward planning**
  - Internal office works undertaken at Heathfield depot.
  - A request for quote has been sent to interested consultants to undertake review of chamber location and other accommodation.
- ✔ **Planning & Development**
  - 289 new planning and building consent applications lodged and 272 applications determined.
  - Two Council Assessment Panel (CAP) meetings held considering 4 developments in total.
- ✔ **Policy Planning**
  - Council response to the Greater Adelaide Regional Plan discussion paper was submitted

## Risks & Challenges

### ⊗ Recreation Trails & Cycling Routes Framework Implementation

- While works have commenced in this space, some issues have been experienced with the contract delivery and as such alternative options are currently being explored.

### ⊗ Next Step planning for Adelaide Hills War Memorial Swimming Centre, Woodside

- Review of the feasibility study undertaken and a Workshop held with Council to present findings.
- Project delay due to high priority Council matters requiring Council report and decisions to be deferred until Q3

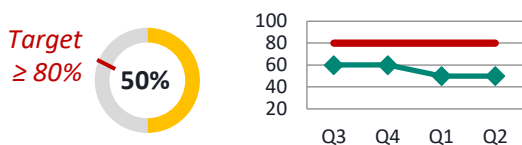
### ✔ Local Heritage (Privately Owned) Planning and Design Code Amendment

- Local Heritage Code Amendment desktop review complete, initiation of the Code Amendment will take place in Q3 following preliminary engagement with affected owners
- There is a risk the project may experience some delays due to the large number of listings in this Heritage Code Amendment, and also as the Heritage Survey due to its age may need to be refined to meet contemporary standards.

Legend: ✔ = On Track ⊖ = Not Started ➡ = Deferred ⊗ = Behind Schedule 😊 = Completed ✓ = Not a Strategic initiative

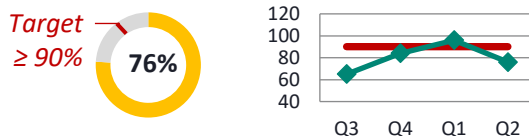
## Performance Indicators

### ⊖ Operational tasks completed within the Civil Zone Maintenance Program



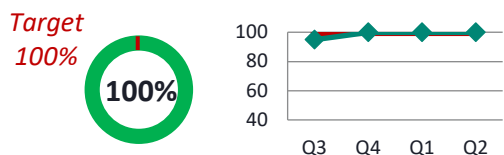
Due to a reduction in labour resources (as a result of the oversaturated construction industry, amongst other factors), work crews have been combined to ensure adequate staffing levels, with the flow on effect of works being prioritised on risk out of zone.

### ⊖ Delivery of capital works program



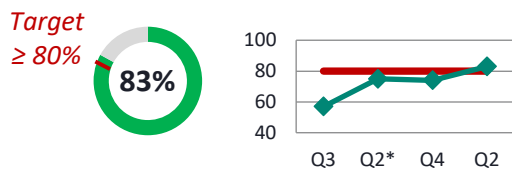
Target year to date budget vs year to date actuals not met due to delay in commencement of kerbing and stormwater projects, which will be completed in Q3 and Q4.

### ✔ Compliance inspections completed within 10 business days of development completion notification



20 Development Completion notifications were received in Quarter 2 with all inspections undertaken within 10 business days of receipt of notification.

### ✔ Compliance inspections completed within 5 business days of notification of alleged unlawful development



\*Measure changed to Bi-annual in 2022-23 ABP.

There were 54 cases of unlawful development reported and inspected in the first two quarters. 45 out of 54 inspections were completed within 5 business days of notification and the performance target was achieved.

Legend: ✔ = Target Met ⊖ = Target not met ≥ Greater than or equal to

## Progress on Strategic Initiatives from the Annual Business Plan

Project ID	Strategic Initiatives	Status
B1003	New Bus Shelter Installation Program	✓
B1004	New and upgraded footpaths	✓
B1007	Recreation Trails & Cycling Routes Framework Implementation	✗
B1008	Amy Gillett Bikeway contribution (Stage 4)	✓
B1009	DDA Upgrades Minor access upgrades region wide (compliance)	✓
B2008	Local Heritage (Privately Owned) Planning and Design Code Amendment	✓
B2009	Place making and community planning	✓
B3002	Implement irrigation systems (renewal / upgrades)	😊
B3003	Investigate and Implement central irrigation control system (region wide)	✓
B3004	Prepare turf and irrigation design/management plans for key bore water use areas	✓
B3005	Carbon Management Plan - Energy upgrades, Battery & Efficiency Actions	✓
B3011	Carbon Offsets Policy	✓
B3014	Review the Corporate Carbon Management Plan	✗
B4006	Asset management - Confirm Web and Connect Licences and Field Devices	✓
B4009	Building Upgrades - minor	✓
B4010	Cemeteries Upgrades	✓
B4011	CWMS Capacity Upgrades (Birdwood & Woodside gravity mains)	✓
B4014	Road Safety Program including co-contribution to Road Blackspot	✓
B4015	Installation of further Electric Vehicle charging stations	✓
B4016	Purchase of Electric Vehicles cars for fleet	✓
B4042	Operational worksite review including forward planning	✓
B4043	Hamilton Hill - Dunfield Estate & Crest Maintenance	✓
B4044	Feasibility Studies for future projects	—
B4045	Stormwater projects	✓
B4050	Merchants Hill retaining wall	😊
B4051	Croft Road resealing	✓
B4052	Renew the fuel monitoring and delivery system	—
B4053	Next Step planning for Adelaide Hills War Memorial Swimming Centre, Woodside	✗
B4054	Houghton Recreation Grounds facility contribution	✓

## Highlights

- ✓ **Climate Change Adaption Plan Projects-All hazards emergency management**
  - The draft Emergency Management Policy was adopted to come into effect on the 28 November 2023.
  - There is currently a review of the Emergency Management Act. Council have prepared a response and liaised with the Local Government Association to provide input to their consolidated input.
- ✓ **Community Development (management and social planning)**
  - Successful Disability Action and Inclusion Plan activities during the quarter included:
    - a training session on Inclusive Recruitment for People Leaders (delivered by Purple Orange)
    - an author event with Kelly Vincent for International Day of People with Disability
    - a Q+A session with Council's access and inclusion advisory team at a Council Members Workshop
- ✓ **Libraries**
  - Commenced a trial delivering children's programs at the newly refurbished Gumeracha Library.
  - Introduced new Library newsletter with dynamic and engaging content linking through to the AHC website.
  - Introduced a new instagram account for AHC Libraries to engage, promote and connect with the community.
  - Delivered a range of learning and wellbeing programs including: a sold-out session on phone photography, and a dietician-led presentation on mindful eating and healthy lifestyle habits in partnership with Sonder.
  - Successful School Holiday Program including nature craft as part of the Nature Festival, 3D Pens, magic show and Mobile Library pop-up at the Birdgewater Playground.
- ✓ **Volunteers**
  - Each volunteer program held an end of year celebration lunch to thank volunteers for their work throughout the year. Volunteer Certificates of Service were awarded at these events. A total of 125 volunteers attended their end of year event.
- ✓ **Community & Recreation Facility Framework Implementation**
  - New leases and new funding arrangements that form part of the Community & Recreation Facilities Framework continue to be rolled out with approximately half of the Leases now signed and returned to Council.
- ✓ **Play Space Framework Implementation**
  - Community consultation processes and project scoping is complete for play space upgrades at Protea Reserve, Crafers and Sherry park, Mylor. Tender processes for both projects are currently underway.
- ✓ **Community Centres**
  - School holiday programs have been successful with high numbers of participants
  - Increased activation of spaces seen with room hire and collaborations with outside groups and businesses
  - Our nature trail adventure bags will continue, we served our free show bag at the Uraidla Show with the Red Shed program, showcasing their talents with spinning tops, selling their items and taking orders for reindeer for Christmas. Over 100 free show bags and 200 free spinning tops were given away.
- ✓ **Youth Development**
  - The ROAR Talent Tour battle of the bands has been Council's most successful youth development project of 2023. Through extensive involvement of Youth Leadership participants, an abundance of interest from young local artists and good turn outs, many connections were built between young Hills bands, music industry contacts and the community, encouraging young people to connect with local halls and community service groups.
- ✓ **Public Health**
  - undertook 76 food premises inspections, 64 were scheduled inspections with 12 follow inspections.
  - 47 new wastewater applications were submitted of which 35 have been approved.
  - 101 inspections in relation to wastewater application were also undertaken.
  - Followed up 41 health related complaints.

## Performance Indicators

**Positive ageing wellbeing score**

Average level of self-determined wellbeing of program participants reviewed in the quarter.

Quarter	Result	Target
Q3	~6.5	7
Q4	~6.8	7
Q1	~6.8	7
Q2	~6.8	7

The wellbeing score has risen slightly for the first quarter of the 23-24 year. The positive comments listed in the wellbeing report (which these statistics are gathered from) refer to people experiencing strong social connections & personally improved personal (mental) health. Where individuals had slightly lower scores, was reflected in physical pain/limitations and also social isolation.

**Number of volunteer hours contributed to AHC programs each year**

Target  $\geq 4,800$  per quarter

Quarter	Result	Target
Q3	~2800	4800
Q4	~3200	4800
Q1	~3500	4800
Q2	~3200	4800

Volunteer hours for this quarter is 3183 which is slightly less than Q1 and follows the national and international trend. Volunteer recruitment actively continues via the AHC website, The Courier, Volunteering South Australia & Northern Territory website, as well as local advertising and word of mouth.

**Feedback from Community Centre Participants**

Target 85%

87%

Feel better connected to other in the community

Target 80%

76%

Will use the knowledge/skills gained in the future

Many of the programs and workshops over the first half of the year have not been on topics related to knowledge and/or skill development and the lower results are reflective of this.

## Progress on Strategic Initiatives from the Annual Business Plan

Project ID	Strategic Initiatives	Status
C4006	Play Space Framework Implementation	✓
C4012	Climate Change Adaption Plan Projects-All hazards emergency management	✓
C4021	Community & recreation facilities framework implementation	✓
C4022	Towards Community Led Resilience Program	✓
C4024	Implement activities from "Our Watch Toolkit for Local Government"	✓
C5003	Actions from adoption of Aboriginal Place naming Action plan	✓
C6001	Fabrik Activation Capital	✓
C6003	Capital Divestment - Capital Cost	✓
C6006	Tour Down Under 2024	😊



## Highlights

### ✓ Economic Development

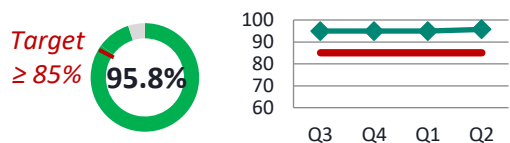
- Advocated for the delivery of business support training resulting in a course being held by the Polaris Centre in Stirling and two more planned for delivery one in Stirling and one in Woodside.
- Held a Home Based Business Network meeting in Uraidla
- Undertook two rounds of visits to businesses in the Stirling mainstreet to monitor impact of the Woolworths Fire
- Held a Digital and Creatives Industry Networking session in collaboration with Mt Barker Council attended by 40 businesses.
- Provide business support information to 9383 businesses through our e-newsletter

### ✓ Additional Tree safety work required to support the Tour Down under

- Tree works completed over December in anticipation of the Tour Down Under in January.

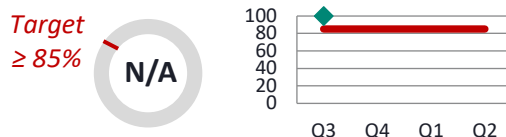
## Performance Indicators

### ✓ Percentage of planning consents completed within statutory timeframes



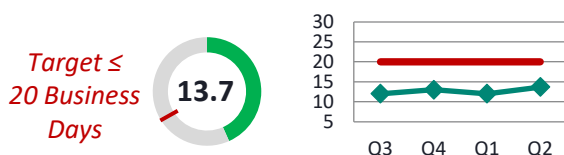
In Quarter 2 Council issued 193 Planning Decisions with an average assessment time of 15.71 business days.

### — Percentage of new development application decisions upheld in Council/CAPs favour under appeal



No new Appeals against a CAP decision were lodged in Quarter 2. There were two on-going appeals from Quarter 1 yet to be determined or finalised in the Environment Resource and Development Court

### ✓ Average number of days for building consents



In Quarter 1 Council issued 102 Building Consents with an average assessment time of 12.45 business days. Overall 94.12% of Building Consents were issued within statutory timeframes in Quarter 1.

Legend: ✓ = Target Met or N/A   — = Target not met   — = N/A – cant be assessed    $\geq$  Greater than or equal    $\leq$  Less than or equal

## Progress on Strategic Initiatives from the Annual Business Plan

Project ID	Strategic Initiatives	Status
E2001	Review and upgrade Council corporate signage and branding	✓
E4001	Additional Tree safety work required to support the Tour Down under	✓

## Highlights

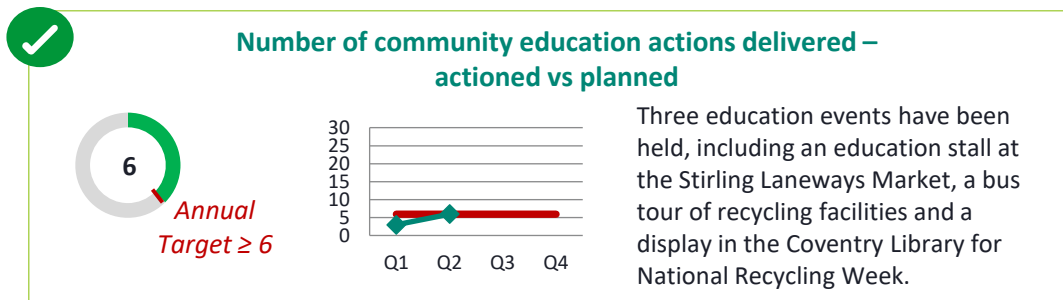
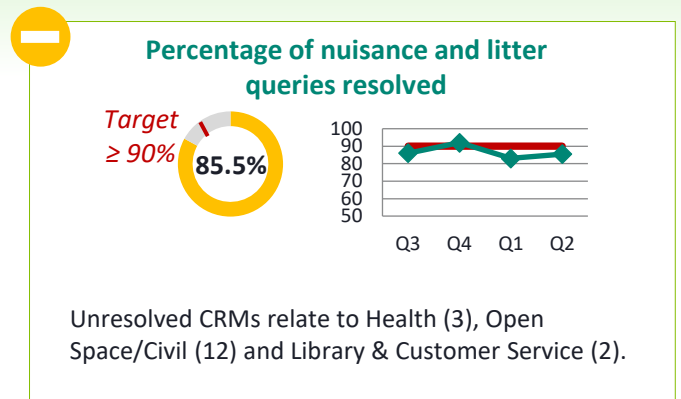
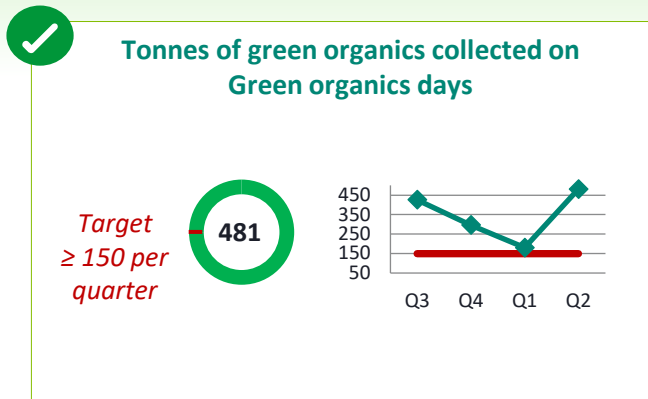
- ✔ **New dog and cat facility**
  - Upgrades are in process for the cat holding facility, and longer term dog holding is scheduled to be installed in Jan 2024.
- ✔ **Fire Prevention**
  - Inspections complete on over 19,000 properties and issued 199 105F notice. Council has re-inspected all properties that were issued 105F notice and engaged contractors for properties that have not completed the required works.
- ✔ **Animal Management**
  - 8,241 dogs are registered, and 1,370 cats registered. There are also 356 un-renewed cats and 1,281 un-renewed dogs. AHC Rangers will continue to follow up and enforce the dog and cat management act.
- ✔ **Local Climate Adaptations for landscape conservation**
  - Managing excessive *Acacia pycnantha* regrowth in the two threatened species enclosures in Lobethal Bushland Park. The aim is to create small clearings around the enclosure for access and within the enclosures where threatened flora species can recover and/or be transplanted into.

## Risks and Challenges

- ✔ **New dog and cat facility**
  - Still no Council wide solution available. The RSPCA and AWL continue to be at capacity and are unable to take unowned animals for re-homing

Legend: ✔ = On Track ⊖ = Not Started ⏸ = Deferred ✘ = Behind Schedule 😊 = Completed ✔ = Not a Strategic initiative

## Performance Indicators



Legend: ✔ = Target Met or N/A ⊖ = Target not met ⊖ = N/A – cant be assessed  $\geq$  Greater than or equal  $\leq$  Less than or equal

## Progress on Strategic Initiatives from the Annual Business Plan

Project ID	Strategic Initiatives	Status
N1007	Develop a strategy for the management of Council trees across the district	✓
N2008	Develop informative and attractive signage in Council reserves/playgrounds	✓
N2010	Post prescribed burn weed management	✓
N2011	New Dog and Cat facility	✓
N3001	Local Climate Adaptations for landscape conservation	✓
N3002	Resilient community facilities and open space including water fountains	✓
N4002	Kerbside bin system collection frequency change and rural FOGO trial	✓



## Highlights

### ✔ Strategic Plan Development

- A Strategic Plan workshop with Council was held on 18 November as the first step in establishing the goals and objectives of Council over the next 4 years.

### ✔ Communications, Engagement & Events

- The team has been focused on planning for the Santos Tour Down Under in January 2024.
- Council supported numerous Christmas events including the three main Christmas pageants and worked with community on Remembrance Day services.
- Consultation activities that occurred include:
  - two play space upgrades (Protea in Crafers and Sherry Park in Mylor), which both included onsite engagement and direct engagement with local primary schools
  - Bushfire Landscape Mitigation Strategy consultation which is guiding how Council works with community and other partner agencies in the bushfire prevention space.
  - re-ignited the Stirling Lawns consultation and embarked on a council first co-design approach to master planning the site.

### ✔ Customer Relationship Management (CRM) system upgrade

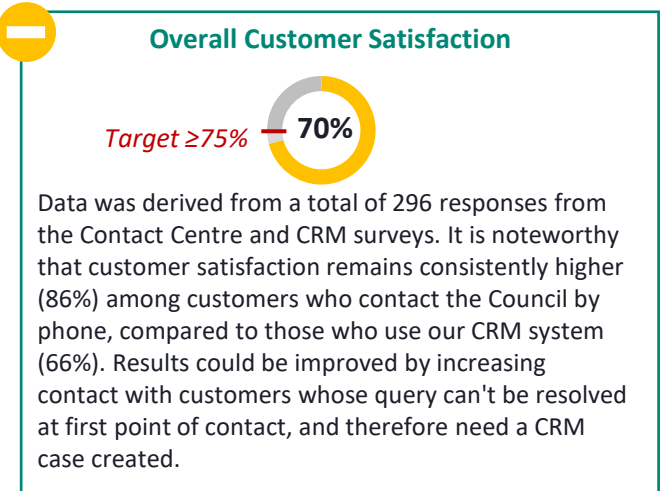
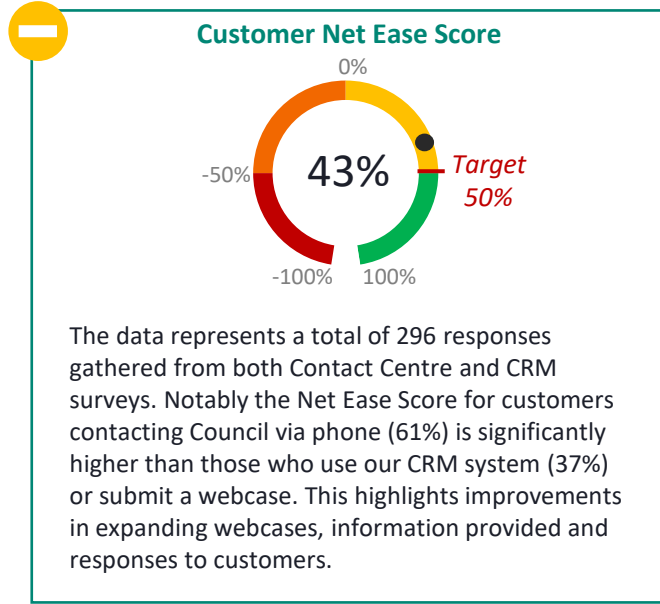
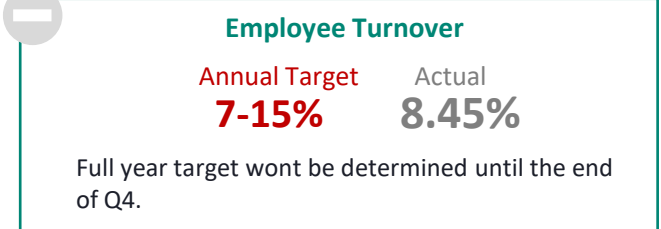
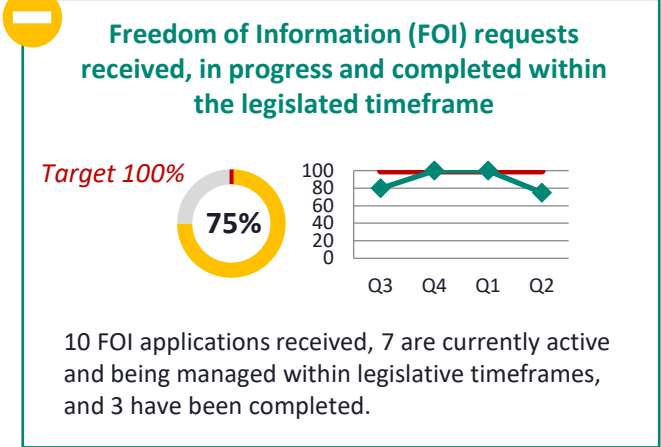
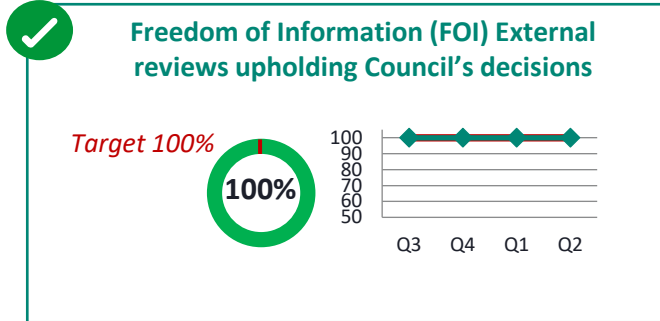
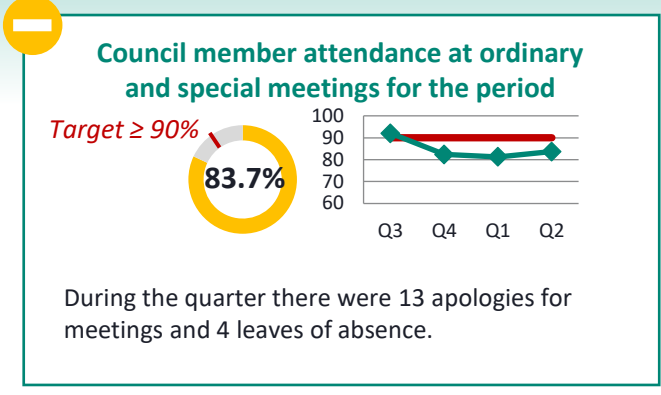
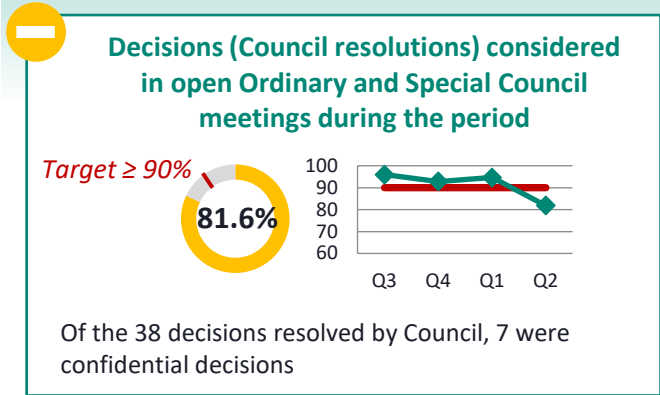
- Undertook and completed procurement of new system through open tender process, with confidential report to Council in January 2024 seeking endorsement to enter contract with the preferred vendor.

### ✔ People and Culture & Work Health and Safety

- Finalisation the new WHS Action Plan (2024 - 2025),
- Progressed the Workforce Safety in Emergencies Project through the development of a draft Fire Danger Days Procedure.



## Performance Indicators



Legend: = Target Met or N/A = Target not met = N/A – cant be assessed  $\geq$  Greater than or equal  $\leq$  Less than or equal



## Progress on Strategic Initiatives from the Annual Business Plan

Project ID	Strategic Initiatives	Status
O1005	GPS for operational vehicles	✓
O3002	Diversified income study	—
O4005	Representation review	—
O5005	Resource to manage building & swimming pool compliance inspections	✓
O5006	Strategic Plan Development	✓
O5007	Customer Relationship Management (CRM) system upgrade	✓

**Legend:** ✓ = On Track    — = Not Started    ➔ = Deferred    ✕ = Behind Schedule    😊 = Completed

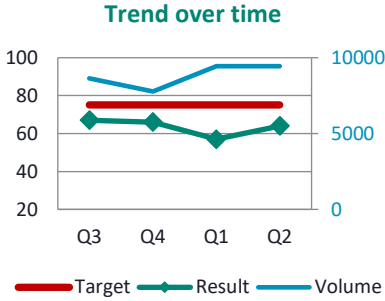
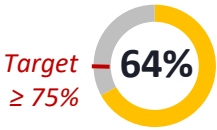
# 4. Customer service standards

## 5.1 General Customer Standards

### Answering Incoming Phone Calls

Volume of calls = 5043

Contact centre calls answered within 30 sec

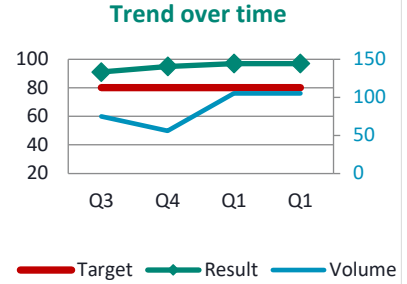


Calls statistics are only up until start of December when the phone system was changed to CentrePal. Reporting TBA.

### Updating Customer Details

Volume of updates = 105

Details updated within 5 days

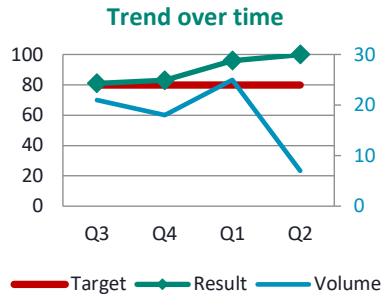


## 5.2 Service Specific Standards – Time Based Indicators

### New Event Applications

Volume of applications = 7

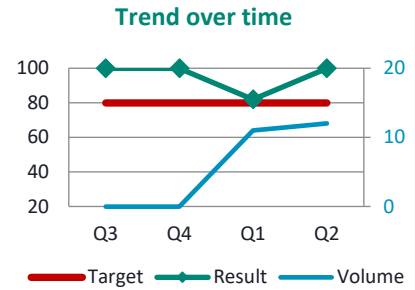
Acknowledgement of receipt within 5 days



### Illegal Burning Complaints

Volume of complaints = 12

Investigated within 24 hours



### Health Complaints

Volume of complaints = 1

Investigated within 24 hours

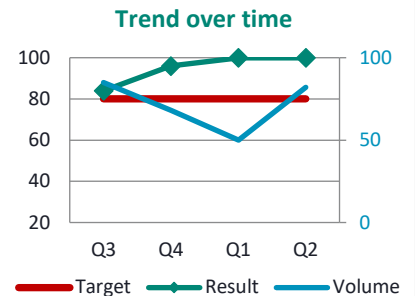


Restaurant only open from 5pm so date of resolution was pushed out

### Illegally Dumped Rubbish

Volume of reports = 82

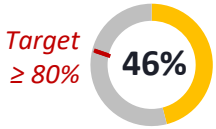
Rubbish removed within 3 days



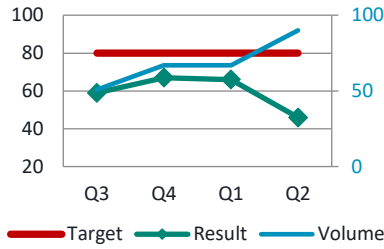
### Library Services

Volume of requests = 90

Response to requests to purchase materials within 10 days



Trend over time



Result for responses made within the service standard not available as the process for purchase requests has changed.

### Dog Attacks

Volume of attack reports = 11

Response within 24 hours



Trend over time



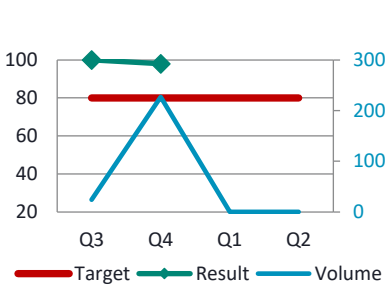
### Wasps

Volume of reports = 0

Investigate and action within 7 days



Trend over time



Council no longer deals with wasps on private property

### Development Applications

Volume of applications = 5

Approval of fast track planning applications within 5 business days



Trend over time



This is an adjusted measure for 2023-24 based on deemed to satisfy development applications only to better align with the PDI Act categories and timeframes.

### Missed Bins

Volume of requests = 0

Missed bins collected within 2 days



Trend over time



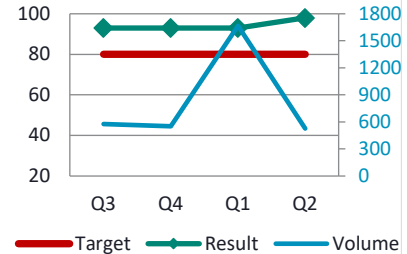
### Request for Bin Repair or Replacement

Volume of requests = 526

Requests actioned within 7 days



Trend over time



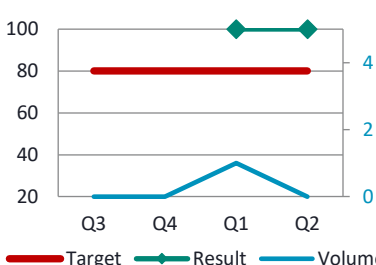
### Footpath Repairs - Hazardous

Volume of repairs = 0

Responded and made safe within 24 hours



Trend over time



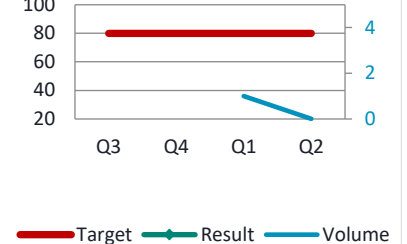
### Road Repairs - Hazardous

Volume of repairs = 0

Responded and made safe within 24 hours



Trend over time



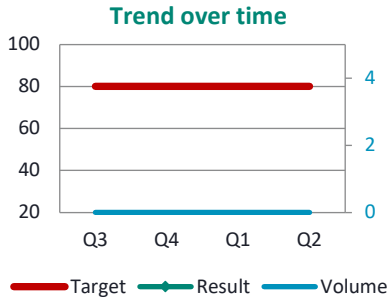
Case was deemed low risk within 24 hours, case was Resolved within 48 hours



### Stormwater Repairs - Hazardous

Volume of reports = 0

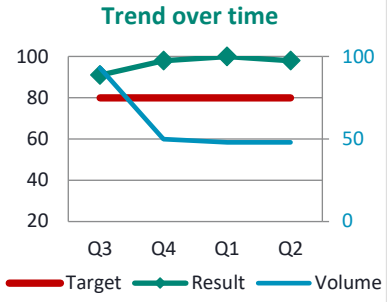
Responded and made safe within 24 hours



### Trees - Hazardous

Volume of reports = 48

Responded and made safe within 24 hours



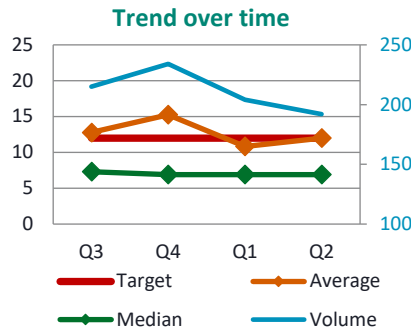
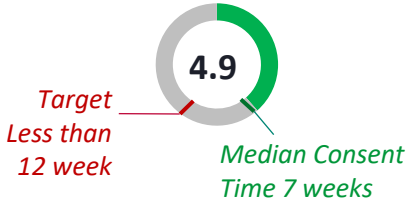
## 5.3 Service Specific Standards – Other Indicators

$\geq$  Greater than or equal to

### Development Applications

Volume of planning consents = 192

Average consent time from date of receipt

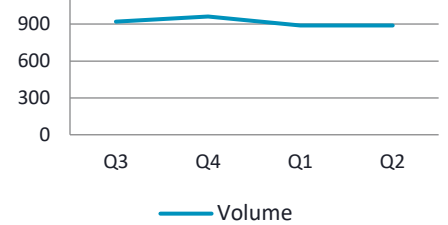


Results are using applications in the state-wide portal

### Low Risk Infrastructure Requests – Number of New Requests

Volume of new requests = 745

Trend over time



### Low Risk Infrastructure Requests – Average Time to Resolve

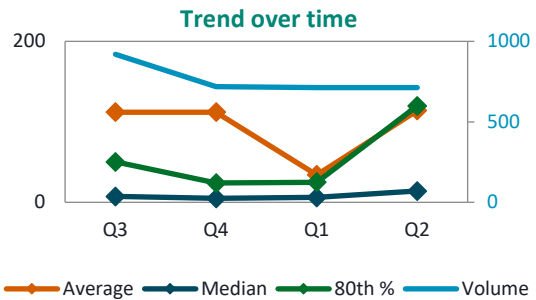
Volume of Requests = 714

Resolution time of requests

Average = 114 days

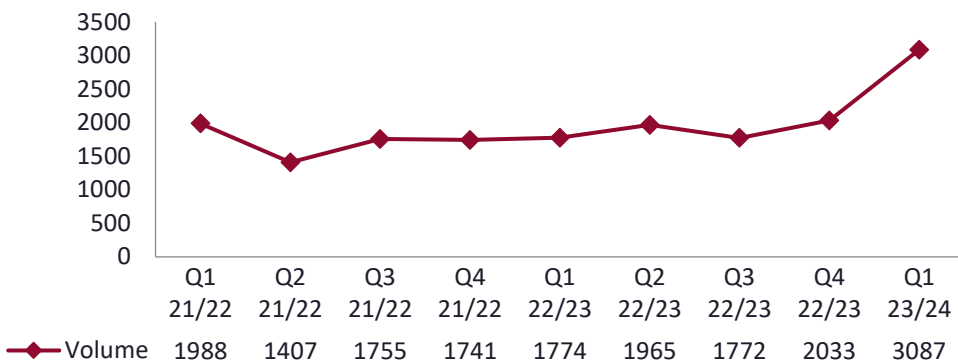
Median = 13.9 days

80<sup>th</sup> Percentile = 119.87 days



### Overall Volume of Requests

Trend in volume of requests/customer cases for which there is an adopted service standard, excluding the volume of phone calls



# 5. Capital Works Program

Quarter 2 of 2023-24 FY represents the continuation of the 2023-24 Capital Works Program, with approximately \$3.2M of infrastructure delivered during this period, and another \$4.5M of works ordered.

The primary focus of this quarter has been on scoping and design works for projects due for completion by end FY 2023-24, as well as delivery of contracted renewal program works.

## Highlights

- New footpath was constructed along Tolmer Rd, Woodside, and Morialta Rd, Woodforde.
- Footpaths were renewed along Braeside Rd, Stirling, Junction Rd, Balhannah, and Ridge Rd and School Rd, Lobethal.
- Works to renew and upgrade playgrounds at Mylor and Protea Park were publicly tendered.
- Preparatory patching works were completed at 11 roads across the district.

## What's Next

- Commencement of Council's spray sealed roads renewal program.
- Tenders will close and early construction activities on major road projects at tiers Rd and Croft Rd.
- Works to renew and upgrade playgrounds at Mylor and Protea Park will commence.
- Stormwater upgrades will be complete at the intersection of Onkaparinga Valley Rd and Pike St, Oakbank.

## Financial Performance by Asset Category (preliminary numbers)

Asset Category	YTD Actuals \$'000	YTD Budget \$'000	Annual Revised Budget \$'000	% Spent to Annual Budget \$'000s
Bridges	47	-	620	7.6%
Buildings	648	-	6,831	9.5%
Cemeteries	46	-	140	32.8%
CWMS	10	-	260	4.0%
Footpaths	501	-	985	50.8%
Guardrails	-	-	-	>100%
Kerbing	-	-	67	0.0%
Local Roads & Community Infrastructure Program (LRCIP) – phase 1	38	-	676	5.6%
Roads	1,699	-	7,337	23.1%
Sport & Recreation	315	-	2,198	14.3%
Stormwater	30	-	610	5.0%
Other - Retaining Walls, Street Furniture & Traffic Management	107	-	626	17.2%
Fleet	555	-	2,167	25.6%
ICT	423	-	1,455	29.0%
Plant & Equipment	1	-	60	1.0%
Project Management Costs	-	-	1,511	0.0%
Unbudgeted	50	-	-	>100%
	<b>4,469</b>		<b>25,542</b>	<b>17.5%</b>

# 6. Savings Strategies

**Achieved \$847k**

*Target  
\$1,072k*

Administrative Savings Strategies	Status	Planned	Achieved
<b>Remove media monitoring</b>	<b>Alternate strategy in progress</b>	<b>\$14,250</b>	<b>\$0</b>
Media monitoring service extended for 6 months while assessing the impacts on requirements for Council to be adequately informed and media copyright compliance.			
<b>Stop taking cash payments</b>	<b>Completed</b>	<b>\$9,500</b>	<b>\$9,500</b>
Legal advice has highlighted complex challenges resulting in a pause on “ceasing cash payments”. However, savings have been achieved through implementation of other strategies in the library space resulting from the opening hours reduction.			
<b>Remove community arts project money from budget</b>	<b>Completed</b>	<b>\$5,300</b>	<b>\$5,300</b>
The budget item for community arts was no longer required and has been removed			
<b>Maintenance fees – contractors / materials</b>	<b>On Track</b>	<b>\$5,000</b>	<b>\$5000</b>
Currently reviewing use of in-house staff for cemetery maintenance. Budget adjusted to accommodate.			
<b>Remove automatic CPI increase on contract and materials</b>	<b>Completed</b>	<b>\$400,000</b>	<b>\$400,000</b>
This has been fully implemented in the adopted budget and will be monitored through the year			
<b>Appliance replacement - all facilities</b>	<b>On Track</b>	<b>\$10,000</b>	<b>\$10,000</b>
Annual budget for appliance replacement reduced from \$30k to \$20k and will be monitored through the year			
<b>Cleaning contract - reduce frequency</b>	<b>Completed</b>	<b>\$33,000</b>	<b>\$20,000</b>
Negotiations on cleaning contract have resulted in \$20k savings. No further cleaning savings will be possible.			
<b>Reduce no of multifunction devices</b>	<b>On Track</b>	<b>\$12,000</b>	<b>\$0</b>
Scoping commenced to reduce the number of devices from 18 down to 8.			
<b>Reduce public access computers</b>	<b>On Track</b>	<b>\$10,000</b>	<b>\$0</b>
Scoping commenced on renewal program to reduce number of computers and move to a ticketed/booking system for use of remaining computers.			
<b>Remove mobile data from laptops and tablets</b>	<b>Completed</b>	<b>\$20,000</b>	<b>\$20,000</b>
Mobile data services have been cancelled and staff advised of alternative Wi-Fi solutions if internet required outside of the office.			
<b>Reduce People &amp; Culture budget allocation for legal fees</b>	<b>Completed</b>	<b>\$15,000</b>	<b>\$15,000</b>
Budget allocation was reduced and will be monitored throughout the year			
<b>Salary Savings</b>	<b>On Track</b>	<b>\$200,000</b>	<b>\$70,000</b>
Strategies on track - salary savings to be realized by end of financial year			
<b>Conduct workshops with clubs using internal resources</b>	<b>Completed</b>	<b>\$5,000</b>	<b>\$5,000</b>
<b>Public Notification signage install and removal using internal resources</b>	<b>Not On Track</b>	<b>\$20,000</b>	<b>\$5,148</b>
The existing contractor arrangement was in place until Mid August 2023 which may impact saving results.			
<b>Cease cadet engineer program</b>	<b>Completed</b>	<b>\$12,000</b>	<b>\$12,000</b>
<b>Arboculture Consultancy</b>	<b>Completed</b>	<b>\$5,000</b>	<b>\$5,000</b>
Reduce consultancy budget and monitor through the year			
<b>Data management of utilities and scope 3 components</b>	<b>On Track</b>	<b>\$16,000</b>	<b>TBC</b>
<b>TOTAL</b>		<b>\$792,050</b>	<b>\$538,948</b>

## Savings Strategies *cont....*

Service and Revenue Changes	Status	Planned	Achieved
<b>Tour Down Under - Limit commitment</b>	Not On Track	\$30,000	\$30,000
Forecast of budget indicates saving may only be \$15,000 due to event cost pressures			
<b>Remove funding to attract a major event to the hills</b>	Completed	\$20,000	\$20,000
<b>Amend customer service operating hours from 8:30am to 9am</b>	On Track	\$12,500	\$12,500
<b>Reduce/remove Adelaide Hills Tourism Funding</b>	Completed	\$7,500	\$7,500
New three-year funding agreement was approved and signed June 2023 with funding capped at the 2022-23 level			
<b>Reduce community grants</b>	Completed	\$10,000	\$10,000
<b>Cease additional digital content offering</b>	Completed	\$20,000	\$20,000
No longer purchasing AHC specific digital library content as there is a large content range in SA library network			
<b>Digital online streaming/learning resources for language learning and online streaming</b>	Completed	\$8,000	\$8,000
<b>Library CD collections - cease new purchases</b>	Completed	\$4,000	\$4,000
<b>Printing and photocopying fee increase</b>	On Track	\$8,000	\$3,000
Revenue actuals assessed in December 2023 - received additional \$3000 compared to December 2022 so largely on track to achieve additional \$8000 revenue for the year.			
<b>Reduce internal audit program from 4 to 3 audits annually</b>	Completed	\$15,000	\$15,000
<b>Cease membership of Murray Darling Basin Association</b>	Completed	\$6,700	\$6,700
<b>Increase non resident cemetery fees</b>	Completed	\$25,000	\$30,000
<b>Increase outdoor dining permit fees</b>	Completed	\$7,000	\$7,000
<b>Increase copyright application fee</b>	Requires attention	\$2,000	\$125
The volume of applications have been decreasing as compared to last financial year. This trend potentially due to economic climate impacting communities not needing to access their old house plans for renovations or sales, others chose not to proceed due to the fee.			
<b>Reduce community and recreation facilities grants</b>	On Track	\$20,000	\$20,000
<b>Implement charge for food premises inspection for new businesses</b>	On Track	\$5,000	\$1,960
<b>Standardise fee application for food premises inspection</b>	On Track	\$5,000	\$4,060
<b>Cease bird monitoring on reserves following burning</b>	Completed	\$5,000	\$5,000
<b>Cease vermin baiting in Stirling, Aldgate and Bridgewater</b>	Completed	\$10,000	\$10,000
<b>Heathfield Resource Recovery Centre – Explore options for savings or cost recovery</b>	On Track	\$10,000	\$0
The Adelaide Hills Region Waste Management Authority are currently exploring options to reduce costs. No savings identified at this stage.			
<b>Waste education - not proceed with high intensity program</b>	Completed	\$50,000	\$50,000
Maintain waste education at current levels rather than increase the program as there has not been marked changes in diversion rates in recent years.			
<b>TOTAL</b>		<b>\$280,700</b>	<b>\$264,845</b>

# 7. Financial Performance

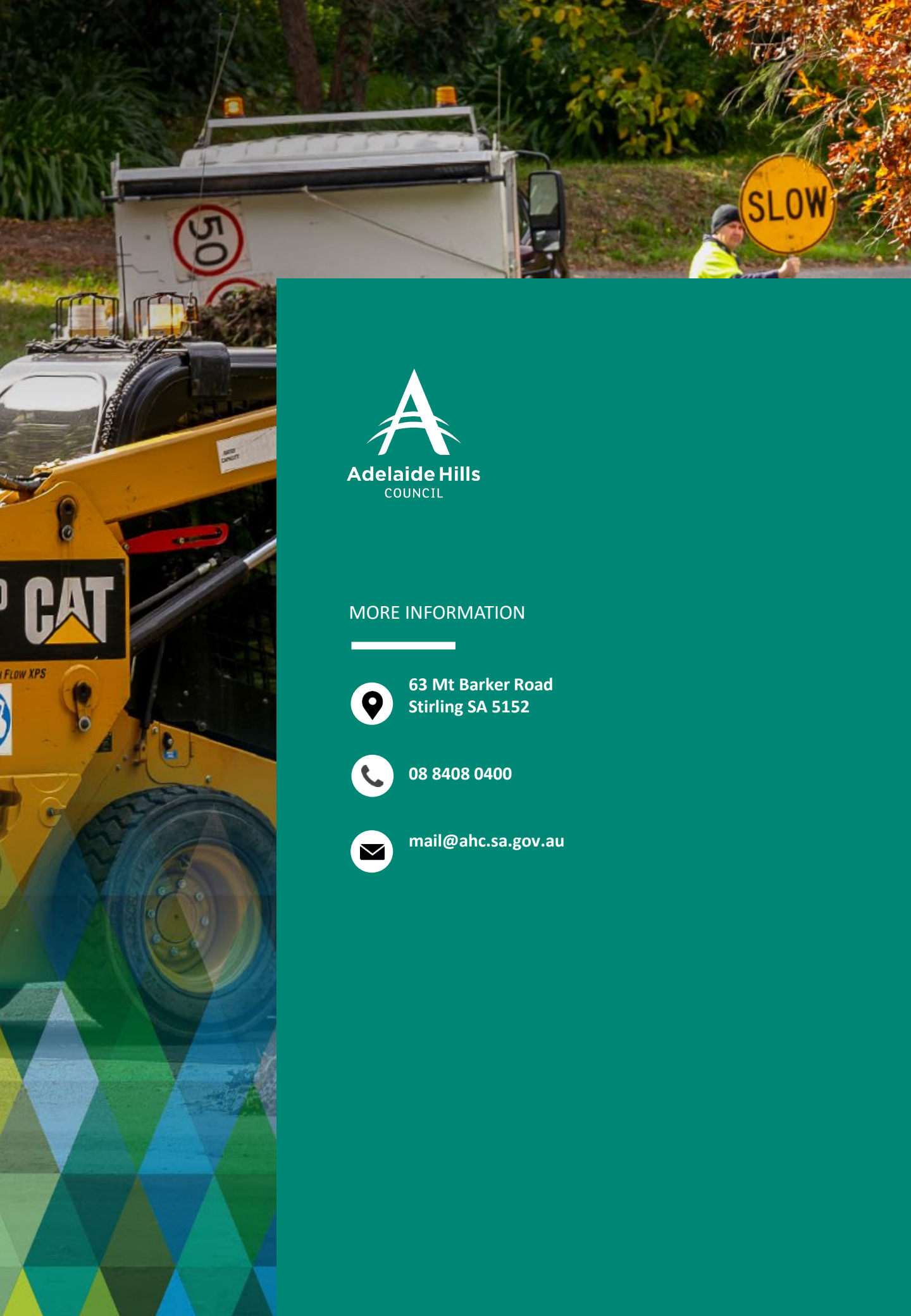
## Overall Funding Statement as at 31 December 2023

Note: These figures are preliminary only. The fully reconciled figures will be presented to Council as part of the Budget Review report.

	YTD Actual	YTD Budget	YTD Variance	Annual Revised Budget
	\$'000	\$'000	\$'000	\$'000
Rates	48,287	48,241	● 46	48,342
Statutory income	986	953	● 33	1,465
User charges	551	539	● 12	926
Grants, subsidies and contributions	2,128	2,085	● 43	5,264
Income - Other	422	281	● 140	720
<b>Total Operating Income</b>	<b>52,373</b>	<b>52,098</b>	<b>● 275</b>	<b>56,717</b>
Total Employment costs	12,257	12,807	● 549	23,283
Materials, contracts and other expenses	11,258	10,488	● (769)	21,292
Depreciation and amortisation	-	-	-	11,004
Finance costs	262	254	● (8)	582
<b>Total Operating Expenditure</b>	<b>23,777</b>	<b>23,549</b>	<b>● (229)</b>	<b>56,160</b>
<b>Operating Surplus / (Deficit) before Capital</b>	<b>28,595</b>	<b>28,549</b>	<b>● 46</b>	<b>557</b>
<b>Capital Expenditure</b>	<b>4,469</b>	<b>-</b>	<b>● (4,469)</b>	<b>25,542</b>
<b>Capital Income</b>	<b>4,156</b>	<b>-</b>	<b>● 4,156</b>	<b>3,462</b>
<b>Net expenditure - Capital projects</b>	<b>313</b>	<b>-</b>	<b>● (313)</b>	<b>22,079</b>
<b>Net Lending / (Borrowing) Result for Year</b>	<b>28,282</b>	<b>28,549</b>	<b>● (267)</b>	<b>(10,520)</b>

### Adelaide Hills Council Operating Summary By Directorate as at December 2023

\$'000s	YTD Actuals	YTD Budget	YTD Var fav / (unfav)	Annual Revised Budget
<b>Income</b>				
CEO	-	-	● -	-
Community & Development	2,839	2,794	● 45	4,007
Corporate Services	46,731	46,571	● 161	47,774
Environment & Infrastructure	2,802	2,734	● 69	4,936
<b>Income Total</b>	<b>52,373</b>	<b>52,098</b>	<b>● 275</b>	<b>56,717</b>
<b>Expenditure</b>				
CEO	249	193	● (55)	424
Community & Development	5,995	5,984	● (11)	12,493
Corporate Services	6,061	5,957	● (104)	10,990
Environment & Infrastructure	11,473	11,415	● (58)	32,253
<b>Expenditure Total</b>	<b>23,777</b>	<b>23,549</b>	<b>● (229)</b>	<b>56,160</b>
<b>Operating Surplus / (Deficit)</b>	<b>28,595</b>	<b>28,549</b>	<b>● 46</b>	<b>557</b>



**Adelaide Hills**  
COUNCIL

#### MORE INFORMATION

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**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 19 February 2024  
AGENDA BUSINESS ITEM**

**Item:** 8.4

**Responsible Officer:** Kira-marie Laverty  
Corporate Planning and Performance Coordinator  
Corporate Services

**Subject:** Local Government Association Income Protection Fund

**For:** Information

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**SUMMARY**

A Motion on Notice was raised at the Audit Committee meeting on 16 October 2023, requesting additional information about the Local Government Income Protection Fund (LGIPF) specifically analysing the history, scope, costs, use by Council and consideration of alternative arrangements.

The Local Government Income Protection Fund – Membership & Benefit Review (*Appendix 1*) provides an analysis of these elements for the Audit Committee’s reference.

**RECOMMENDATION**

**The Audit Committee resolves that the report on the Local Government Association Income Protection Fund be received and noted.**

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**1. BACKGROUND**

A motion on notice was raised at the Audit Committee meeting on 16 October 2023 requesting additional information about the Local Government Income Protection Fund (LGIPF) as per the resolution below:

**9.1 Local Government Income Protection Fund**

Moved Cr Malcolm Herrmann  
S/- Cr Melanie Selwood

AC43/23

I move that the CEO investigates the operation of the Local Government Income Protection Fund (LGIPF) and provides a report to the February 2024 Audit Committee meeting. Among other topics which the CEO may identify, the report should address the following points between 2019/2020 and 2023/2024:

1. When did the LGIPF commence;
2. Was it part of an Enterprise Bargaining Agreement process at the time;
3. The premiums paid;
4. The number of claims lodged;
5. The number of claims approved;
6. The amount paid to employees under the provisions of the Plan;
7. The eligibility criteria;
8. The value for money of the Fund to both the council (as the employer) and employees;
9. Whether this form of benefit is common within the SA Public Service, the Local Government Sector, neighboring councils and/or the Group 2 councils;
10. Whether there are alternatives to the current arrangements;
11. If changes are to be considered, whether such changes could be incorporated into the next Enterprise Development Agreement.

Carried Unanimously
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This report and appendices provide additional information on the LGIPF to address the questions in the resolution.

**2. ANALYSIS**

➤ **Strategic Management Plan/Functional Strategy/Council Policy Alignment**

*Strategic Plan 2020-24 – A brighter future*

Goal A Progressive Organisation

Objective O5 We are accountable, informed, and make decisions in the best interests of the whole community

Priority O5.1 Enhance governance structures and systems to prudently adapt to changing circumstances and meet our legislative obligations

Priority O5.2 Make evidence-based decisions and prudently assess the risks and opportunities to our community before taking action.

➤ **Legal Implications**

Section 41 of the Local Government Act 1999 (the “Act”) sets out the functions of Committees to:

- (a) to assist the Council in the performance of its functions;
- (b) to inquire into and report to the Council on matters within the ambit of the Council's responsibilities;
- (c) to provide advice to the Council.



➤ **Risk Management Implications**

The provision of a report on the operation of the Local Government Income Protection Fund will assist in mitigating the risk of:

*Failure to examine potential alternative options that may provide lower cost options for Council.*

Inherent Risk	Residual Risk	Target Risk
Medium (2C)	Low (3E)	Low (3E)

➤ **Financial and Resource Implications**

Council staff can source and collate the necessary information to inform a report as requested. With support to collate the required information from the Local Government Mutual Liability Scheme (LGMLS) it is anticipated this can be done without any additional budget expenditure.

➤ **Customer Service and Community/Cultural Implications**

Not applicable

➤ **Sustainability Implications**

Not applicable

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

<i>Council Committees:</i>	Not applicable
<i>Council Workshops:</i>	Not applicable
<i>Advisory Groups:</i>	Not applicable
<i>External Agencies:</i>	Shayne Wooley, Client Services Manager Local Government Risk Services (LGRS) has been consulted regarding the information presented for the Income Protection Fund.
<i>Community:</i>	Not applicable

➤ **Additional Analysis**

The Local Government Income Protection Fund – Membership & Benefit Review (**Appendix 1**) provides information on the fund's history, membership, rates and premiums, claim history and sector/industry comparison. It also explores possible alternatives to consider the benefits and risks financial, organisationally and culturally.

To provide more detailed information for Audit Committee reference, the Product Disclosure Statement for the LGIPF has been attached as **Appendix 2**.

For the purpose of the analysis, a simple high-level approach has been taken to demonstrate in what areas there is potential for further exploration. Should further research be required, it is recommended that legal advice be sought to ascertain what limitations exist and what impacts/actions would need to be taken in relation to the EDA.

**3. OPTIONS**

As this is an information only report, the Committee is limited to receiving the report.

**4. APPENDICES**

- (1) Local Government Income Protection Fund – Membership & Benefit Review
- (2) Local Government Income Protection Fund – Product Disclosure Statement

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# **Appendix 1**

## *Local Government Income Protection Fund – Membership & Benefit Review*

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# Local Government Income Protection Fund Membership & Benefit Review

## Background

The following is a review of the Local Government Association Income Protection Fund to address the questions raised in the following resolution at the 16 October 2023 Audit Committee Meeting:

### 9.1 Local Government Income Protection Fund

Moved Cr Malcolm Herrmann  
S/- Cr Melanie Selwood

AC43/23

I move that the CEO investigates the operation of the Local Government Income Protection Fund (LGIPF) and provides a report to the February 2024 Audit Committee meeting. Among other topics which the CEO may identify, the report should address the following points between 2019/2020 and 2023/2024:

1. When did the LGIPF commence;
2. Was it part of an Enterprise Bargaining Agreement process at the time;
3. The premiums paid;
4. The number of claims lodged;
5. The number of claims approved;
6. The amount paid to employees under the provisions of the Plan;
7. The eligibility criteria;
8. The value for money of the Fund to both the council (as the employer) and employees;
9. Whether this form of benefit is common within the SA Public Service, the Local Government Sector, neighboring councils and/or the Group 2 councils;
10. Whether there are alternatives to the current arrangements;
11. If changes are to be considered, whether such changes could be incorporated into the next Enterprise Development Agreement.

Carried Unanimously
---------------------

## Analysis

### Local Government Income Protection Fund (LGIPF) Information

#### AHC Membership

The Local Government Income Protection Fund (LGIPF) commenced 30/06/2005 and Adelaide Hills Council has been a member since its inception.

The LGIPF is part of the current Enterprise Development Agreement (EDA) for Office and Field staff which remains in force until 30/06/2025. It has been part of the EDA process since our membership commenced, and prior to that the 2004 EDA states:

*3.4.1 In addition to the pay rises outlined under this Agreement, Council will insure all Council employees in a Personal Accident and Illness Insurance policy.*

### How the fund works

As per the Product Disclosure Statement (PDS), the LGIPF is a Mutual Risk Product and Managed Investment Scheme tailored specifically for the needs of Local Government. It is often described as “mutual self-insurance” and is **NOT INSURANCE**.

The fund is made up of member contributions which is pooled in a trust and is held by the Trustee for claims made by members. Part of the fund is also used to purchase insurance to help “top up” the fund in the event that the pool is exhausted.

Should a member terminate their membership, they are not entitled to a refund of their membership contributions.

Full information about eligibility and fund operation is in the attached PDS (Appendix 2 of Audit Committee Report).

### Rates and Premiums Paid

There is a different rate for Inside/ASU and Outside/AWU employees, which is reflected in the claims performance (eg: Outside/AWU Employees are generally off work for a longer period as they need to be 100% (or close to it) to be able to conduct their normal duties);

The rates for 2023/2024 are:

- Inside/ASU Employees: 1.62% + GST
- Outside/AWU Employees: 2.30% + GST

The annual LGIPF contribution is calculated on the Estimated Number of Employees and Total Annual Wages being declared at the start of the year (ie: 30/06/2023) and then adjusted accordingly at the end of the year (ie: 30/06/2024) once the ‘Actual Wages Declaration’ is completed and lodged. Depending on the information declared, either a ‘Tax Invoice will be issued for an additional contribution and a ‘Credit/Adjustment Note’ will be issued for a refund of contribution.

Premiums paid since 2019-20 FY:

	<b>2019-20 (Excl. GST)</b>	<b>2020-21 (Excl. GST)</b>	<b>2021-22 (Excl. GST)</b>	<b>2022-23 (Excl. GST)</b>	<b>2023-24 (Excl. GST)</b>
<b>Total Premiums (\$)</b>	\$263,826.00	\$263,826.00	\$293,886.00	\$284,933.00	\$346,642.00

## Claim History

Since 2018, there has been 38 'Accepted' claims and 4 'Denials', which have resulted in a 'Nett Incurred' payment of \$738,759.84. This equates to an average of \$19,441.05 per claim.

Since 2013, there has been 90 claims, which have resulted in a 'Nett Incurred' payment of \$1,406,197.10. This equates to an average of \$15,624.41 per claim.

## Council Comparison

Membership is open to all South Australian Local Government bodies. Of the 68 SA Councils, approx. 90-95% are current members (equating to around 4-6 Councils who are not members).

Of Group 2 Councils, only 1 Council is not a member. *Note: Due to privacy, the members' identities could not be disclosed by the fund.*

## Public Sector Comparison

The following table provides a comparison to other Public Sector bodies.

	Local Government	State Government	Federal Government
Are employees entitled to Income Protection?	Yes	Yes (can opt out)	Yes (can opt out)
Who bears the cost?	Employer	Employee – fee via Super	Employee – fee via Super
Provider	LGRS	SA Super* (Triple S)	Public Sector Super
Percentage of notional salary covered	Up to 100%	Up to 75%	Up to 75%
Payment of super contributions	Nil	9.5%	15.4%
Total Benefit	100%	84.5%	90.4%

*\* Members of the Lump Sum Scheme, Pension Scheme, South Australian Ambulance Superannuation Scheme and Police Pension Scheme have different arrangements for income protection.*

## Exploration of alternative arrangements

As part of this review of the LGIPF, it is prudent to explore other options to consider if Council is using its resources in the most effective and efficient manner. To do this, four potential alternatives to the LGIPF are explored in the table below which consider the risks and benefits financially, organisationally and culturally.

Assumptions made in this exercise include:

- Options provided have tried to match to the LGIPF employee benefits and claim periods as closely as possible (where applicable).
- Calculations have been based on 199 FTE (from the 2022-23 Annual Report) and Employees Costs from 2022-23 of approx. \$21.4m
- A commercial quote was obtained from “Coverforce” who specializes in employer insurance for employee income protection, and had a policy closest to LGIPF benefits called Platinum 14.
- Data relating to individual income protection insurance was sourced from canstar.com which provides general advice to compare Australian consumer products. The average premiums used were based on a sample of quotes obtained by canstar in 2021 across the 32-37 age range and various occupations/incomes.

The alternatives explored are as follows:

- 1. No longer offer any form of Income Protection to employees**
- 2. Become Self-funded**
- 3. Obtain Income Protection Insurance for employees**
- 4. Reimburse employees who obtain their own cover**

As income protection cover is part of the EDA, staff impacts should be considered as significant changes to what is considered a positive staff benefit could prove a risk in future EDA development and negotiations.

Table to compare the alternative arrangements and potential risks and benefits

	LGIPF	1. No Income Protection	2. Self-funded	3. Purchase income protection insurance	4. Reimburse staff for income protection insurance
<b>Financial Impacts</b>					
Total cost	\$346,642.00 (2023-24 premium)	\$0	Minimum Estimate = <b>\$316,500</b>  Elements: \$150,000 for fund pool (see assumption) + 1.5 FTE for admin (L6) = \$166,500 + cost of contractors – eg: rehabilitation	<b>\$727,600</b>  Calc using 2022-23 employee costs = \$21.4m x 3.4%	<b>\$252,459</b> (average cost x 199 FTE)
Cost per staff member	Inside/ASU = 1.62% + GST  Outside/AWU = 2.30% + GST  For 199 FTE = average of \$1,741	N/A	Assumption: Based on historical claims of \$759k over 5 years, would need an average of \$148k per year.  For 199 FTE = average \$713	All workers: <ul style="list-style-type: none"> <li>Platinum 14 = 3.4% (4.42% with Mental health)</li> <li>Gold 14 = 3.29% (4.28% with mental health)</li> <li>Silver 14 = 3.04% (3.95% with mental health)</li> </ul>	Based on 2021 Canstar averages = approx. \$1,124 per person.  Add the National Annual CPI for 2022 (5.1%) and 2023 (7%) = average \$1,263
Risks	<ul style="list-style-type: none"> <li>Costs rise with the increase in wages</li> </ul>	<ul style="list-style-type: none"> <li>If staff are working at a reduced capacity (ie: because they cant afford to take time off to recover), there is an argument that there is lower return on investment for wages paid.</li> </ul>	<ul style="list-style-type: none"> <li>One large claim or multiple claims could quickly exhaust the pool of funds</li> <li>Cost of rehabilitation contractors would need to be established – fluctuations will be dictated by the market</li> <li>Additional costs would need to be explored in relation to legal impacts and licensing involved.</li> </ul>	<ul style="list-style-type: none"> <li>Premiums dictated by insurance industry and coverage level.</li> <li>In general, Insurance premiums tend to increase at a higher rate than CPI.</li> </ul>	<ul style="list-style-type: none"> <li>In general women pay more than men</li> <li>Costs are based on levels of cover</li> <li>Insurance premiums tend to increase higher than CPI</li> <li>Premiums are impacted by level of cover. The higher the benefit the more expensive the premium</li> </ul>



	<b>LGIPF</b>	<b>1. No Income Protection</b>	<b>2. Self-funded</b>	<b>3. Purchase income protection insurance</b>	<b>4. Reimburse staff for income protection insurance</b>
			(See section: Self-funded consideration/questions)		
Benefits	<ul style="list-style-type: none"> <li>The financial risk sits with the fund. The fund mitigates its risk by also taking out insurance</li> </ul>	<ul style="list-style-type: none"> <li>Full cost saving of \$347k</li> </ul>	<ul style="list-style-type: none"> <li>Full control of how much to put into the fund per staff member</li> </ul>		<ul style="list-style-type: none"> <li>Potentially lower cost than LGIPF</li> </ul>
<b>Cover comparison</b>					
Level of monthly wage covered	100%	No cover	100%	Workplace injury or illness = 100%  Non-workplace injury or illness = 85%	Variable 50 - 70%
Minimum wait period	10 business days	N/A	10 business days	14 Days	Variable 30 – 90 days
Maximum benefit period	104 weeks (2 years)	N/A	104 weeks (2 years)	104 weeks (2 years)	Variable 1 – 5 years
Capital benefits (lump sum)	\$15,000	N/A	\$15,000	\$20,000	
Other benefits	<ul style="list-style-type: none"> <li>Crisis benefit – lump sum 13 weeks upfront payment</li> <li>Metal health and Football injuries have 20 day wait period and max coverage of 6 months</li> <li>Discretionary protection – ie the fund can apply discretion to accept claims which normal insurance would not cover.</li> <li>Rehabilitated return to work</li> <li>Death/funeral benefits</li> <li>Surplus distributions to fund members (ie: AHC) can be made.</li> </ul>	N/A	<ul style="list-style-type: none"> <li>Should match LGIPF</li> </ul>	<ul style="list-style-type: none"> <li>Rehabilitation benefit</li> <li>Return to work benefit</li> <li>Cover for 30 days while changing jobs</li> <li>Homemaker assistance (for stay at home partners)</li> <li>Death benefits</li> <li>Mental health where additional premiums paid</li> <li>Sport injuries (with 28 day waiting period)</li> </ul>	Variable – would be up to the individual to find a cover with benefits suitable for them.

	LGIPF	1. No Income Protection	2. Self-funded	3. Purchase income protection insurance	4. Reimburse staff for income protection insurance
<b>Organisation Impacts</b>					
Resourcing	<ul style="list-style-type: none"> <li>Approx 50% of Level 6 role for related admin</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in administration requirement (0.5 FTE of a Level 6)</li> </ul>	<ul style="list-style-type: none"> <li>Would require additional 1 FTE for fund administration (in total approx. 1.5 FTE Level 6)</li> <li>May be additional impacts with increased work to People and Culture team, Governance, Finance and Procurement</li> <li>Contractors would be required for rehabilitation/return to work support services.</li> </ul>	<ul style="list-style-type: none"> <li>May require the same support level as the LGIPF</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in administration requirement (0.5 FTE of a Level 6)</li> </ul>
Risks		<ul style="list-style-type: none"> <li>Reputational – one of the only councils without income protection</li> <li>May be detrimental to recruitment and retention of staff – ie: wages in public service are not always comparable to private. Income protection seen as one benefit to counter this.</li> <li>Risk to EDA process</li> <li>Risk of staff returning to work when still</li> </ul>	<ul style="list-style-type: none"> <li>Determinations no longer made by a 3<sup>rd</sup> party – no longer seen as “bias free”</li> <li>Could lead to staff disputes – eg: in cases where claims rejected</li> <li>Could have some detrimental effect for transfers/applications within local government sector if it is not the same as other Councils.</li> <li>We would need to establish potential responsibilities/impacts to our regulatory environment such as LG Act, ESCOSA, etc.</li> <li>Consideration would need to be given to any further possible</li> </ul>	<ul style="list-style-type: none"> <li>Changes in industry can impact benefits and premiums</li> </ul>	<ul style="list-style-type: none"> <li>Risk of staff returning to work when still injured/ill as not able to afford being away.</li> </ul>

	<b>LGIPF</b>	<b>1. No Income Protection</b>	<b>2. Self-funded</b>	<b>3. Purchase income protection insurance</b>	<b>4. Reimburse staff for income protection insurance</b>
		injured/ill as not able to afford being away.	ramifications (minor to extreme) from staff and/or Unions – eg: impacts to staff culture, Union un-rest, retention of staff, strike action.		
Benefits	<ul style="list-style-type: none"> <li>• Adds to reputation as “employer of choice”</li> <li>• As a separate organisation, decisions are made “free from bias”</li> <li>• Same as other Councils – promotes transfers/applications within local government sector</li> <li>• Rehabilitation and return to work are built into the scheme</li> <li>• Employees have provided very positive feedback regarding their experiences and the interactions with “Recover” the contractor employed to assist them in their recovery and return to work</li> </ul>		<ul style="list-style-type: none"> <li>• Income protection adds to reputation as “employer of choice”.</li> <li>• The rehabilitation elements help staff to return to work at the right time. Ie: when full coverage in place, staff don’t have financial pressure to return to work before they are able to.</li> </ul>	<ul style="list-style-type: none"> <li>• Income protection adds to reputation as “employer of choice”.</li> </ul>	<ul style="list-style-type: none"> <li>• Income protection adds to reputation as “employer of choice” – however this option would not hold the same level of prestige as it has a lower level of benefit to staff.</li> </ul>
Culture/direct staff impact	<ul style="list-style-type: none"> <li>• Considered as a valuable staff benefit</li> <li>• The rehabilitation elements help staff to return to work at the right time. Ie: when full coverage in place, staff don’t have financial</li> </ul>	<ul style="list-style-type: none"> <li>• May lead to issues in EDA process and with unions as could be seen as “losing a benefit”</li> <li>• OH&amp;S - Possible ongoing health issues where staff</li> </ul>	<ul style="list-style-type: none"> <li>• Benefits should remain the same so have less objection from staff. However if there is a perceived “loss of benefits” it may cause issues in EDA process.</li> </ul>	<ul style="list-style-type: none"> <li>• LGIPF has more flexibility in coverage than an insurance company. Ie: “Discretionary protection”</li> </ul>	<ul style="list-style-type: none"> <li>• Staff wont be able to obtain individual cover higher than 70% of wage (based on APRA changes implemented to the industry in October 2021)</li> </ul>

	<b>LGIPF</b>	<b>1. No Income Protection</b>	<b>2. Self-funded</b>	<b>3. Purchase income protection insurance</b>	<b>4. Reimburse staff for income protection insurance</b>
	<p>pressure to return to work before they are able to.</p> <ul style="list-style-type: none"> <li>Discretionary protection – ie the fund can apply discretion to accept claims which normal insurance would not cover.</li> </ul>	<p>work through an injury or illness rather than taking time to recover.</p>	<ul style="list-style-type: none"> <li>Could lead to staff disputes and/or morale issues as no longer a 3<sup>rd</sup> party making decisions on sensitive issues – eg: in cases where claims rejected, or specific directions around their health/return to work</li> </ul>		<ul style="list-style-type: none"> <li>May lead to issues in EDA process and with unions as could be seen as “losing a benefit”</li> <li>Possible ongoing health issues where staff return to work with an injury or illness rather than taking time to recover as “can’t afford” to be off work.</li> </ul>

## Additional considerations for a self-funded arrangement

As part of this analysis LGRS was consulted to provide their opinions on the benefits and council comparisons. During this process, the following questions were proposed as things Council should consider in any future research into a self-funded arrangement:

### **Fund Structure & Management**

- How do Council intend to structure an alternate Income Protection arrangement (eg: extended Sick Leave or Self-Insured arrangement etc.)? Can this be done legally? Would it be legal for Council to manage this?
- Would Council intend to obtain the appropriate Financial Services Licensing to manage the funds and claims?
- How would Council manage the risk associated with inexperience in managing a financial service? Eg: would specialist and appropriately qualified staff be hired?
- Council would potentially have an 'Unfunded' & 'Unlimited' Liability going on Council's Balance Sheet, if not manage correctly. What would be put in place to manage this risk?

### **Fund administration**

- What would be the 'Parameters of Cover' (ie: Product Disclosure Statement, Scheme Rules etc.)?
- Who would be constructing the proposed 'Parameters of Cover' and keeping it updated and in line with relevant legislation and regulations?
- How would Council manage Inside/ASU and Outside/AWU workers (eg: different exposure for different rate)? Would the different rates be calculated to reflect the higher exposure or how would the rates be determined?
- What documents would be provided to staff to outline the cover provided?
- If Council employ someone to manage this 'self-insured' arrangement, will they be responsible for the whole process (ie: administration, claims, accounting, reporting etc.)?
- How many appropriately qualified staff would need to be employed to manage the end to end process, as well as to have appropriate levels of "separation of duty", and coverage for leave and succession planning.
- Has the Salary and employment costs for the additional employees been fully taken into account for a self-insured arrangement?

### **Claim management**

- How would the 'Loss of Wages' be determined?
- How would Council determine and assess a claim?
- How would Council assess pre-existing injuries and illnesses?
- Would Council be seeking Medical Reports from GP's and Specialists to assess the claim?
- How would disputes be managed?

### **Change Implications**

- At what point would the respective Unions (ASU & AWU) be made aware of a proposed 'self-insured' arrangement?
- What are the consultation requirements in the EDA – will the timing meet the EDA requirements or will Council be in breach of the EDA?
- Have the potential ramifications from staff & the Union been fully considered (eg: poor staff culture, Union un-rest, staff leaving, potential staff strikes etc.)?

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## **Appendix 2**

*Local Government Income Protection Fund – Product  
Disclosure Statement*

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LG INCOME  
PROTECTION FUND

# LGIPF

PRODUCT  
DISCLOSURE  
STATEMENT

# CONTENTS

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WHAT YOU WILL FIND WITHIN THIS DOCUMENT.....	3
Introduction .....	3
Definitions .....	3
General Information .....	7
<b>PDS SECTION 1 – MEMBER INFORMATION .....</b>	<b>8</b>
What Is The LGIPF? .....	8
Brief Overview.....	8
Discretionary Protection Provided By The Fund.....	8
Insurance Cover.....	9
Benefits .....	9
Other Benefits .....	14
Cancellation and Termination of Membership .....	14
How and When to Make a Claim .....	14
Operational Costs, Fees and Charges .....	16
Reporting .....	16
Complaints Handling.....	16
Privacy .....	16
<b>PDS SECTION 3 – RISKS RELATING TO THE LGIPF.....</b>	<b>17</b>
<b>SECTION 4 – SCHEME RULES .....</b>	<b>20</b>
The Scheme Rules .....	21



# WHAT YOU WILL FIND WITHIN THIS DOCUMENT

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## INTRODUCTION

This Product Disclosure Statement (PDS) is designed to inform the Potential Member and current Member about the Local Government Income Protection Fund ('the LGIPF') and to assist the Potential Member in deciding whether to become a Member of the LGIPF. The PDS provides an overview of the structure of and benefits provided by the LGIPF along with some of the guidelines which will be followed when considering claims and/or other matters that are referred to the LGIPF. The Potential Member and Member should read this PDS carefully before making their decision.

This PDS does not consider your objectives, financial situation or needs. Before deciding to buy this cover and whether the cover is right for you, please consider both the PDS and your particular circumstances.

## DEFINITIONS

Reference throughout this document to:

"Accident" or "Accidental" shall generally mean a sudden, unforeseen and unexpected event, happening by chance.

"ASIC" means the Australian Securities and Investments Commission.

"Benefits" are the circumstances in which the LGIPF may to respond by way of a Claims payment in the amounts specified in this PDS, subject to the sole and absolute discretion of the Trustee. These benefits include:

- Capital Benefits
- Weekly Injury/Illness Benefit
- WorkCover Top Up Benefit
- Pended or Rejected Worker's Compensation Claims Benefit
- Crisis Illness Benefit
- Funeral Benefit
- Education Benefit
- Rehabilitation Benefit Disappearance Benefit.

"Benefit Period" shall generally mean the total period for which Temporary Total Disablement or Temporary Partial Disablement occurs in respect of any one Injury or Illness and in relation to which Benefits may be awarded up to a maximum of 104 weeks other than for Psychological Illness where the maximum period is for 26 weeks.

"Claim" means any claim for discretionary protection made by a Member against the LGIPF.

“Compensation” means the amount likely awarded for an Event as set out in the Benefits section of this PDS.

“LGIPF” means the Local Government Income Protection Fund.

“Employee” means an Employee of a Member during the Fund Period.

“Employee’s Occupation” means the Employee’s usual business or occupation immediately prior to an Injury or Illness.

“Event” means a situation that gives rise to a Claim. The specific Events for which Benefits may be payable include those listed under the Capital Benefits and Weekly Injury/Illness Benefit and also include a Crisis Illness

“Excluded Claim Period” generally means the period at the beginning of any period of Temporary Total Disablement or Temporary Partial Disablement during which no benefits are payable.

The Excluded Claim Period will generally be determined as:-

- The first ten (10) working days for all Claims other than:
  - Claims relating to Injuries resulting from amateur participation in organised training, practicing or playing football (all codes) associated with any club or clinic. In these scenarios the Excluded Claims Period is 20 working days;
  - Claims arising from any Psychological Illness. In these scenarios the Excluded Claims Period is 20 working days.
  - Claims relating to the WorkCover Top Up Benefit are not payable for 52 weeks or until such time as the Employee receives notification from the relevant statutory worker’s compensation scheme that weekly entitlements will be reduced pursuant to Section 39(1)(a)-(b) of the RTW Act, whichever occurs later.

“FSG” means the Financial Services Guide as defined in the Corporations Act 2001 (Cth).

“Fund” has the same definition as it does in the Scheme Rules.

“Fund Period” means the twelve month period as detailed Membership Certificate issued to each Member.

“Illness” means any sickness or disease contracted by an Employee which is the sole and direct cause of Temporary Total Disablement or Temporary Partial Disablement, provided such disablement commences during the Fund Period and continues for a period of not less than ten (10) working days from the initial date of treatment by a Medical Practitioner.

“Income” means the Employee’s gross weekly pay inclusive of overtime payments, bonuses, commissions or allowances averaged over the prior 12 months or over such shorter period as the Employee has been continuously employed. Where an Employee has elected to salary sacrifice his or her income, income shall be deemed to mean the weekly average of the total cost of employment inclusive of items salary sacrificed.

“Infectious or Contagious Disease” means any disease capable of being transmitted from an infected person, animal or species to another person, animal or species by any means.

“Injury” means any Accidental injury to an Employee caused by an Accident which occurs during the Fund Period but does not include any condition which is also an Illness or any degenerative condition provided that the Injury results in any of the Events or scenarios specified in the Benefits section of this PDS within 12 calendar months from the date of such Injury.

“Insurance Cover” means the insurance cover which is purchased by the Trustee for the LGIPF as described in the Scheme Rules.

“Journey” means travel (including boarding or alighting from any vehicle used for such travel) between the Employee’s place of residence and place of employment for the purpose of going to or returning from work or for work related purposes. Journey shall also include all other travel undertaken in the course of the Employee’s Occupation, which is not covered by any workers’ compensation legislation.

“Managed Investment Scheme” means a managed investment scheme as defined in the *Corporations Act 2001* (Cth).

“Medical Practitioner” means a person who is registered under and recognised by the laws of the jurisdiction in which treatment is received as qualified to treat the Injury or Illness.

“Member” means a local government authority or local council which has been admitted to the LGIPF in line with the Scheme Rules.

“Membership Contributions” means the contributions payable by Members as required by the Scheme Rules.

“Membership Period” means the period for which membership has been provided to an eligible body.

“Paraplegia” means total and permanent paralysis of both legs and part or whole of the lower half of the body.

“PDS” means a Product Disclosure Statement as defined in the *Corporations Act 2001* (Cth).

“Period of Disablement” means the period of time which an Employee is unable to work due to an Injury or Illness and for which a Member can claim for Benefits.

“Permanent” means continuing for at least 12 months from the date of the relevant Injury or Illness and which thereafter will, in all probability, continue for life.

“Pooled Cover” has the same definition as it does in the Scheme Rules.

“Potential Member” means a local government authority or local council who is entitled to be, but has not yet been, admitted as a Member of the LGIPF.

“Pre-Existing Injury or Illness” means Injury or Illness for which the Employee received medical advice or treatment in the 12 months before either the commencement date of the membership of the Member or the commencement date of the Employee’s date of employment with the Member, whichever is the later.

“Private Journey” means any travel undertaken by an Employee as a driver or passenger in or on any legally registered motor vehicle or cycle operating on a public thoroughfare, or riding as a fare paying passenger in any form of public transport or any legally licensed aircraft travelling between recognised airports over recognised air routes.

“Professional Sport” means any sport played by an Employee from which that Employee received payment or financial reward that constitutes more than fifty percent of the Employee’s Income earned from personal exertion for the period of time played.

“Promoter” means the Local Government Association of South Australia

“Psychological Illness” means any psychological illness or any other disorder of the mind (including but not limited to anxiety disorders, depression, psychiatric sequelae complications of physical conditions, behavioural disorders) or chronic fatigue syndrome.

“Quadriplegia” means total permanent paralysis of both legs and both arms.

“RTW Act” means the Return to Work Act 2014 (SA).

“Scheme Manager” means JLT Risk Solutions Pty Ltd in its capacity as scheme manager of the LGIPF.

“Temporary Partial Disablement” means the inability, directly and solely as a result of Injury, and occurring within 12 months thereof, that prevents the Employee from conducting a substantial part of the Employee’s Occupation or an alternative occupation for which the Employee is reasonably qualified by education, training or experience. Temporary Partial Disablement will also mean such inability occurring in the same circumstances resulting from an Illness

“Temporary Total Disablement” means the inability, directly and solely as a result of Injury, and occurring within 12 months thereof, that prevents the Employee from conducting all the normal duties of the Employee’s Occupation or an alternative occupation for which the Employee is reasonably qualified by education, training or experience. Temporary Total Disablement will also mean such inability occurring in the same circumstances resulting from an Illness.

“Total Disablement” means the inability, directly and solely as a result of Injury or Illness, that prevents the Employee from obtaining gainful employment in the Employee’s Occupation, or an alternative occupation for which the Employee is reasonably qualified by education, training or experience. If after three months of an Injury a recognised specialist medical opinion indicates that the disability will continue permanently, then the 12 month qualifying period is waived.

“Trust Deed” means the deed establishing the LGIPF and by which JLT Risk Solutions Pty Ltd declares itself as Trustee and Scheme Manager thereof (as amended from time to time).

“Trustee” means JLT Risk Solutions Pty Ltd in its capacity as the trustee of the Trust.

## GENERAL INFORMATION

If the Potential Member and Member decide that the protection provided under the LGIPF is suitable, they should pay the Membership Contributions as detailed within the Scheme Rules.

This PDS is distributed by JLT Risk Solutions Pty Ltd ('JLT') who is both the Trustee and Scheme Manager of the LGIPF. JLT is the issuer of the product. JLT's contact details are as follows:

JLT Risk Solutions Pty Ltd  
148 Frome Street  
ADELAIDE SA 5000  
Telephone: +61 8 8235 6444

as detailed in the FSG distributed by JLT.

The details of the Promoter of the LGIPF are:

Local Government Association of South Australia  
148 Frome Street Adelaide SA 5001

If you have not received all of this PDS or if you have any questions, please contact JLT.

This PDS provides information about the relevant financial product (being the LGIPF). If you wish to understand JLT's role in providing the relevant financial services in relation to the LGIPF, please consult JLT's FSG.

## PDS SECTION 1 – MEMBER INFORMATION

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### WHAT IS THE LGIPF?

Below is a summary of the key information about the LGIPF.

### BRIEF OVERVIEW

The LGIPF has been classified by ASIC as a Mutual Risk Product and Managed Investment Scheme. The LGIPF is often described as ‘mutual self-insurance fund’ that has been tailored to meet the needs of Local Government. It is important to confirm that the fund is **not insurance**. The LGIPF mutually pools the Membership Contributions in a discretionary trust and these are used to provide protection for a Member’s liability to provide income protection cover to its employees. Claims are made by Members in line with the Scheme Rules and the Scheme Manager considers their acceptance or not and how much to pay. A critical component of the LGIPF is that the Trustee has absolute discretion on all matters and Claims. The Trustee’s discretion is guided by this PDS and the Scheme Rules.

The Fund is made up of the Membership Contributions which the Trustee pools and holds for the Members by way of the Fund. The Fund is used to meet the LGIPF’s liabilities in relation to Members’ Claims. Part of the Fund is also used to purchase an insurance policy which provides cover to the LGIPF (‘the Insurance Cover’). The Members are not directly insured under this policy, rather the policy ‘tops up’ the Fund in the event the Pooled Cover is exhausted. All Claims by Members are against the LGIPF. A part of the Fund is also used to meet the costs of establishing and running the LGIPF.

The objective of the LGIPF is to provide assistance to Members with respect to their potential and actual liabilities for any claim by an Employee in respect of an injury and/or illness as set out in this PDS and the Scheme Rules. The LGIPF provides cover for a Member’s liability to provide income protection cover to its Employees, not the employees themselves. All Claims will relate to an Employee’s Period of Disablement, but will be made against the LGIPF by the Member.

A Potential Member can become a Member of the LGIPF by making the payment of the Membership Contributions shown on the Tax Invoice. A Potential Member does not become a Member until the Trustee has received the Membership Contribution.

Membership of the LGIPF is ongoing, unless cancelled earlier in accordance with the Scheme Rules. A Member is entitled to lodge a Claim for events which occur after the Potential Member becomes a Member and during the Fund Period.

All Members are subject to the Scheme Rules which comprise Section 4 of this PDS.

The LGIPF is neither authorised under nor subject to the Insurance Act 1973 (Cth) nor is it regulated by the Australian Prudential Regulation Authority (“APRA”).

### DISCRETIONARY PROTECTION PROVIDED BY THE FUND

Due to the Trustee’s discretion, a Claim can be lodged under the LGIPF for an Injury or Illness and the Trustee will consider the Claim. The benefit of the discretionary nature of the LGIPF is that Claims which would not be paid under a traditional insurance policy may be considered and paid by the Trustee.. The Trustee is guided by the Scheme Rules and this PDS when exercising its discretion, with consideration to the section of this PDS which outlines the Benefits of the LGIPF.

## **INSURANCE COVER**

Insurance is purchased by the Trustee for the LGIPF so that Claims can be paid from the Fund in the event that the Pooled Cover is exhausted. All Members' Claims are considered under the Fund and the insurance policy does not insure individual Members. Rather, it is the LGIPF which is insured under the policy so that the Fund can respond to Claims in the event that the Pooled Cover is exhausted.

## **BENEFITS**

The primary benefit of the LGIPF is that the Member is provided with protection for an Employee's loss of income as a result of an injury or illness. The benefits from the LGIPF are provided to Local Government entities in South Australia, and include the provision of discretionary claim payments, proactive claims management and rehabilitation services to minimise losses. All Claims made against the LGIPF are considered by the Trustee and determined in its absolute discretion. This discretion is guided by the benefits detailed within this PDS as summarised below. .

### **Capital Benefits**

For those Events detailed below, the Compensation likely payable to the Member is expressed as a percentage of a \$15,000 maximum amount ('the Capital Sum').

Any Event must result directly from and as a sole consequence of the Injury and must be independent of any other cause. The Event must occur within 24 months of such Injury

**Capital Benefits:**

<b>The Events</b>	<b>The Compensation (as a percentage of the Capital Sum)</b>
1. Death	100%
2a. Permanent Total Disablement	100%
2b. Permanent Disability not otherwise provided for in the Table of Benefits	Such percentage of the Capital Sum as the Trustee shall determine as consistent with the Compensation provided under Events 1 - 30, but not exceeding 75% of the \$15,000 maximum.
3. Permanent Quadriplegia	100%
4. Permanent Paraplegia	100%
5. Permanent and Incurable paralysis of all limbs	100%
6. Permanent unsound mind to the extent of loss of legal capacity	100%
7. Permanent total loss of sight in one or both eyes	100%
8. Permanent total loss of hearing in both ears	100%
9. Permanent total loss of the lens of one eye	50%
10. Permanent total loss of hearing in one ear	50%

**Permanent Total Loss of Use**

11. Both hands	100%
12. Both arms	100%
13. Both feet	100%
14. Both legs	100%
15. One hand or one foot	100%
16. One hand or one arm	100%
17. One foot or one leg	100%
18. Four fingers and one thumb of one hand	75%
19. Both joints of one thumb	30%
20. One joint of one thumb	15%
21. Three joints of one finger	15%
22. Two joints of one finger	15%
23. One joint of one finger	5%
24. All toes on one foot	15%
25. Great toe - both joints	5%
26. Great toe - one joint	3%
27. Each toe other than great toe	1%
28. Third degree burns and/or 50% disfigurement received from fire or chemical reaction which extended to cover more than of the entire external body	50%
29. Necessary surgical removal of internal organs – per organ	10%
30. Loss of at least 50% of all sound and natural teeth, including capped or crowned teeth – per tooth	1%



### **Weekly Injury Benefit**

For those Events detailed within the Benefits below, the Compensation likely payable to the Member is expressed as a percentage of the weekly Income of the Employee the Claim relates to.

#### **Weekly Injury Benefits:**

<b>Event</b>	<b>The Compensation (as a percentage of weekly income)</b>
Injury resulting in:	
31. Temporary Total Disablement	During disablement, 100% of weekly Income.
32. Temporary Partial Disablement	During Disablement, a minimum of 25% of Event 31 per week.

### **Weekly Illness Benefit**

For those Events detailed within the Benefits below, the Compensation likely payable to the Member is expressed as a percentage of the weekly Income of the Employee the Claim relates to.

#### **Weekly Illness Benefits:**

<b>Event</b>	<b>The Compensation (as a percentage of weekly income)</b>
Illness causing:	
33. Temporary Total Disablement	During disablement, 100% of weekly Income.
34. Temporary Partial Disablement	During Disablement, a minimum of 25% of Event 33 per week.

The Trustee will consider paying weekly benefits while the Employee suffers Temporary Total Disablement or Temporary Partial Disablement up to 104 weeks unless the disablement is caused directly or indirectly by Psychological Illness. Claims for Psychological Illness will be considered for a maximum of 26 weeks.

The weekly Benefit Period will commence at the conclusion of the Excluded Claim Period.

### **WorkCover Top Up Benefit**

#### **The Cover**

Compensation shall only be considered when the Employee suffers an Injury or Illness under such circumstances as gives the Employee the right to claim Compensation in respect thereof from their employer, or any other person or body liable to pay Compensation under or by virtue of any Worker's Compensation Act or Ordinance or WorkCover providing for payments of weekly Compensation whether such right is exercised or not.

## The Benefits

After the expiry of the Excluded Claim Period, the Fund will provide a Worker's Compensation Top-Up Benefit of an amount equivalent to 100% of the Employee's pre-injury Income for up to a maximum of 52 weeks.

The WorkCover Top Up Benefit is only payable after the relevant Employee has been notified that the benefits they receive pursuant to the RTW Act will be reduced in accordance with section 39(1)(a)-(b). WorkCover 'top-up' cover is for Employees who are in receipt of salaries in excess of the maximum amount of weekly earnings payable under the RTW Act.

The maximum amount of weekly earnings payable is twice the State average weekly earnings.

Average weekly earnings is defined in the Act as the amount last published before the relevant day by the Australian Bureau of Statistics as an estimate of average weekly earnings for *Ordinary Hours of Work* for each *Full-time Employed Adult Male Unit* in the State of South Australia. The reference to relevant day means the date of injury.

## **Pended or Rejected Workers Compensation Claims Benefit**

Should an Employee suffer an Injury or Illness and they apply to receive benefits under any Worker's Compensation Act or ordinance and their claim for benefits is pended or rejected, the Employee may be entitled, subject to Scheme Rule 9, to payment of Benefits until such time as a final determination is made but in any event, Benefits shall not be paid for a period of longer than 12 weeks.

## **Crisis Illness Benefit**

A Crisis Illness Benefit of 13 weeks advance payment of the Employee's weekly Income (less the Excluded Period of Claim applicable) will be considered from the date the Employee suffers a Crisis Illness.

The LGIPF considers Crisis Illnesses to include:

(a) "Heart Attack" (myocardial infarction), which means the death of a portion of the heart muscle as a result of inadequate blood supply to the relevant area. The diagnosis for this will be supported by the following criteria being consistent with a heart attack:

- New confirmatory electrocardiograph (EECG) changes; and/or
- Elevation of cardiac enzymes.

(b) "Coronary Artery Bypass Surgery", which means the actual undergoing of coronary artery bypass surgery which is considered medically necessary to correct or treat coronary artery disease but not including angioplasty, other intra-arterial or laser procedures.

(c) "*Malignant Cancer*", which means the histologically confirmed first diagnosis of a disease manifested by the presence of a malignant tumor characterised by the uncontrolled growth and spread of malignant cells and the invasion of tissue, requiring major interventionist treatment such as radiotherapy, chemotherapy, or biological response modifiers; includes malignant cancers that are completely untreatable.

The term "Malignant Cancer" generally includes:

- Leukaemia (other than chronic lymphocytic leukaemia less than Ria Stage 3 or Binet stages A and B); and
- Malignant disease of the lymphatic system such as Hodgkin's Disease.

The term "Malignant Cancer" excludes:

- Any non-invasive cancer;
  - All skin cancers except invasive melanoma of Clark Level 3 and above or greater than 1.5mm maximum thickness;
  - All hyperkeratosis or Basal Cell Carcinoma (BCC) of skin and Squamous Cell Carcinoma (SCC) of skin unless metastasised;
  - Kaposi's Sarcoma and other tumors associated with Acquired Immune Deficiency Syndrome (AIDS) or HIV infection;
  - Prostate cancers which are histologically described as TNM classifications T1 or are of another equivalent or lesser classification; and
  - Tumors treated by endoscopic procedures alone.
- (d) "Chronic Kidney Failure", which means the end stage of renal failure presenting as the chronic irreversible failure of both kidneys to function as a result of which Permanent regular renal dialysis is instituted or renal transplantation is undertaken.
- (e) "Stroke", which means a cerebrovascular event producing a neurological condition or symptoms lasting at least 24 hours. This requires clear evidence on a Computerised Tomography (CT), Magnetic Resonance Imaging (MRI) or similar scan that a stroke has occurred and of;
- (i) Perished infarction of brain tissue;
  - (ii) Intracranial or subarachnoid haemorrhage; or
  - (iii) Embolisation (blood clot or air bubble) from an extracranial source.

Cerebral symptoms due to transient ischaemic attacks, reversible neurological deficit, migraine, cerebral injury resulting from trauma or hypoxia, disturbances of vision or balance due to disease of the eye, optic nerve or the vestibular apparatus of the ear are excluded.

The Crisis Illness Benefit will be considered whether or not the Employee is able to work or requires continuing medical treatment.

### **Funeral Benefit**

Following the death of an Employee as a result of an Injury occurring within 24 months of a Claim being submitted to the LGIPF, the Trustee will consider reimbursing funeral expenses incurred to a maximum of \$5,000.

### **Education Benefit**

Following the death of an Employee as a result of an Injury occurring within 24 months of a claim being submitted to the LGIPF, the Trustee will consider reimbursing an education benefit of \$1,000 per dependent child for each of the deceased Employee's dependent children under the age of 18 years.

### **Rehabilitation Benefit**

During any period of disablement, the Trustee may arrange and pay for rehabilitation assistance and the Employee must comply with a reasonable request made to undertake a rehabilitation program for the purpose of making a safe and sustainable return to work.

### **Exposure Benefit**

The Trustee will also consider paying the Compensation related to other relevant Benefits in this Section if, as the result of an Injury or Illness, the Employee is exposed to the elements and, as the result of that exposure and within 12 months of it, suffers an Event.

### **Disappearance Benefit**

If the body of an Employee is not found within 12 months after an Accident, death will be presumed in the absence of any evidence to the contrary. The Death Compensation set out in the Capital Benefits Table of Benefits shall become payable, subject to a signed undertaking by the Member that if the Employee is subsequently found alive, the Death Compensation amount paid shall be refunded to LGIPF.

## **OTHER BENEFITS**

### **Surplus Distributions**

A further benefit of membership to the LGIPF is that, being a trust, it has the ability to provide special distributions. Such distributions may be made at the end of the Fund Period and will be made up of any surplus funds left in the trust which have not been used on Claims pay-outs or other expenses listed within this PDS. Some or all of the Surplus Funds may be rolled over into the trust for the next Fund Period to provide additional funds for the Fund for that Fund Period. The Trustee determines whether special distributions are to be paid to Members at the end of each Fund Period and determines the amount of any such distribution in the Trustee's sole and absolute discretion.

## **CANCELLATION AND TERMINATION OF MEMBERSHIP**

A Member may cancel their membership at any time by giving 90 days' notice in writing to the Scheme Manager. Cancellation does not entitle the Member to a refund of Membership Contributions paid. All cancellation rights are subject to the Scheme Rules.

The Trustee can cancel membership as permitted in the Scheme Rules (see Section 4).

## **HOW AND WHEN TO MAKE A CLAIM**

All Claims or potential Claims are to be notified to the Scheme Manager as soon as possible. The Scheme Manager's details for the purpose of receiving claims are set out below. A Claim form can be obtained by contacting the Scheme Manager.

Claims procedures are further outlined in the Scheme Rules.

## **Claims Control**

Members who submit a Claim against the LGIPF agree to allow the Scheme Manager to investigate, defend and resolve any Claim made by a Member or any claim made by an Employee against a Member which relates to its coverage under the LGIPF and, if required, take legal action in the name of the Member against another person to recover any Claim payment made.

## **LGIPF Claims Contact**

JLT Risk Solutions Pty Ltd  
Level 1, 148 Frome Street, Adelaide Australia 5000

Telephone: +61 8 8235 6489  
email: [lgrsclaims@jlta.com.au](mailto:lgrsclaims@jlta.com.au)

## **OPERATIONAL COSTS, FEES AND CHARGES**

The Membership Contribution is the only amount payable by the Member for the product. The exact amount of the Membership Contribution will be disclosed to Members and Potential Members by way of an invoice issued in June, with the exact amount for each Member or Potential Member varying based on their risk profile. Contributions for each Fund Period are determined having regard to any matter which is determines relevant including the amount of funds required to meet future liabilities and financial targets established to ensure that adequate financial resources are available to discharge future liabilities and make future payments.

The Membership Contributions are paid into the Fund to meet various expenses as detailed in Scheme Rule 7 and as set out below:

- Such Claims as may be made by any one or more of the Members to the extent of the Pooled Cover (including any related claims management and risk mitigation costs);
- The premium payable to the relevant insurer to provide the Insurance Cover during that Fund Period;
- The operating expenses of the LGIPF for that Fund Period (which are further detailed below);
- Any grants or allocations to Members which the Scheme Manager in its discretion may make;
- An administration fee payable to the LGA for the performance by the LGA of its functions and duties as the Promoter; and
- Any other amount determined by the Scheme Manager to be required for the continuation of the Scheme.

## **REPORTING**

In line with Scheme Rule 15, the accounts of the LGIPF are audited annually by an external auditor. The Audited Financial Statements are available to all Members via the Member Centre.

## **COMPLAINTS HANDLING**

If a Member has a complaint about the LGIPF, including but not limited to a complaint about any non-payment of a Claim by the Trustee, such a complaint is subject to the dispute resolution clause (Rule 18) of the Scheme Rules, set out in section 4 of this PDS.

The Trustee and Scheme Manager belongs to an approved external dispute resolution scheme designed to provide independent assistance to the complainant, namely The Australian Financial Complaints Authority (AFCA) - Ph: 1800 931 678 – a free service for consumers with complaints concerning the financial services industry. If a Member is dissatisfied with the way in which its complaint is handled by the Trustee or the Scheme Manager, it may be able to refer its complaint to AFCA, subject to AFC's Terms of Reference.

## **PRIVACY**

The Trustee and Scheme Manager are committed to protecting Members' privacy and are bound by the Australian Privacy Principles for the handling of information.

JLT's Privacy Policy can be viewed on the Internet at <https://www.jltpublicsector.com/privacy-policy.html> or is available on request from the Scheme Manager.

## PDS SECTION 3 – RISKS RELATING TO THE LGIPF

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The LGIPF is a mutual discretionary fund, which is a type of mutual risk product that provides an alternative type of cover to conventional insurance products that is discretionary in nature. A risk for Members is that the payment of benefits under the LGIPF is at the absolute discretion of the Trustee which means that the Trustee may exercise its discretion not to pay a Claim.

Claims which are unlikely to receive positive consideration in the exercise of this discretion (in accordance with Scheme Rule 9) in relation to any occurrence, event, Injury or Illness are those:

(a) Which result from or are any way related to:

(i) War whether declared or not, act of terrorism, invasion, civil war, rebellion, insurrection, riot or civil commotion; for the purpose of this exclusion (i), an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) or persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with, political, religious, ideological or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear;

(ii) The use, existence or escape of nuclear weapons material or ionising radiation from or contamination by radioactivity from any nuclear or nuclear waste from the combustion of nuclear fuel;

(iii) Flying or engaging in any aerial activities;

(iv) Any deliberate self-inflicted harm or injury caused or committed by or on behalf of the Employee including suicide or attempted suicide, reckless misconduct or any criminal or illegal act;

(v) Any Illness arising out of pregnancy, childbirth or miscarriage for the first calendar year from the initial treatment by a Medical Practitioner of such an Illness;

(vi) The Employee engaging in any employment, profession, business, trade or occupation for which taxable income is derived and/or an entitlement under a statutory workers compensation scheme is payable whether or not a claim is made, except where the Employee is entitled the WorkCover Top Up Benefit;

(vii) Any pre-existing Injury or Illness,

(viii) Any sexually transmitted or transmissible disease however, this exclusion (viii) shall not apply to any transmissible disease as a result of contracting that disease whilst in the care or supervision of a Medical Practitioner;

(ix) Participation by the Employee in active military service (including training) in any of the armed forces (including reserves);

(x) Any illegal or criminal act committed by an Employee;

- (xi) The Employee participating in or training for any Professional Sport, or racing in or on any motor powered conveyance;
- (xii) The Employee driving a motor vehicle whilst having a percentage of alcohol in their breath or blood in excess of that permitted by law;
- (xiii) The Employee knowingly taking poisonous substances or drugs, unless a Medical Practitioner has prescribed them;
- (xiv) Alcoholism;
- (xv) Journey or Private Journey
- (xvi) An Infectious or Contagious Disease, an outbreak of which has been declared a Public Health Emergency of International Concern (PHEIC) by the World Health Organisation (WHO). This shall apply to claims made after the date of any such declaration(s), other than where a relevant diagnosis has been made by a qualified medical practitioner before the date of any such declaration(s) and continue to apply until the WHO cancels or withdraws any relevant PHEIC.

There are also other circumstances in relation to which the Trustee will likely not give a full positive consideration. Those circumstances are listed below.

#### **Broken Periods of Disablement**

Where an Employee suffers a recurrence of an Injury or Illness during the Fund Period such recurrence will be treated as a continuation of the original Injury or Illness. The maximum Benefit Period in respect of any one Injury or Illness (including a continuation) shall be 104 weeks except for Psychological Illness where the maximum benefit is 26 weeks. However, if the Employee has performed that Employee's Occupation on a full time basis for at least six (6) continuous months after returning from the Injury or Illness any further Injury or Illness shall be deemed the result of a new Injury or Illness and be subject to a new Excluded Period of Claim and Benefit Period.

#### **Disablement Resulting From a Pre Existing Injury or Illness**

Where an Employee suffers Temporary Total Disablement or Temporary Partial Disablement which is wholly or partially, directly or indirectly caused by, contributed to by or aggravated by a Pre Existing Injury or Illness, no Compensation will be considered unless a minimum period of 12 months has elapsed between the last date of medical advice or treatment and the date of Temporary Total Disablement or Temporary Partial Disablement.

#### **Compensation Limitation**

Compensation will generally not be considered;

- (a) Under more than one of the Events 31, 32, 33 or 34 in respect of the same period in time; or
- (b) Under Events 31, 32, 33 or 34, in excess of the aggregate Benefit Period shown against these Events in respect of any one Injury or Illness.

The Compensation payable under Events 31 or 33 shall be limited to the Employee's Income.



If the Employee is entitled to receive benefits under:

(a) Any Worker's Compensation Act or ordinance, then the Compensation shall not be payable under Events 31 or 33 except in the event of pending or rejected worker's compensation claims, or in the event the Insured person is entitled to benefit under the WorkCover Top Up Benefit; or

(b) Any Statutory Transport Accident Compensation scheme or any legislation having a similar effect in respect of the same Injury or Illness then the Compensation payable under Events 31 or 33 shall be reduced by the amount necessary to limit the total of all such payments and/or compensation to the Employee's Income.

The Compensation payable under Event 31 or 33 shall only be reduced by the amount actually received under any Statutory Transport Accident Compensation scheme or any legislation having a similar effect.

### **Capital Benefits**

(a) Any Event referred to in the Capital Benefits section must occur within 24 months of the date of Injury.

(b) Only one (1) Capital Benefit will be payable for any one (1) Injury, except in the case of Events 18 to 27.

(c) In the event the Employee is entitled to receive any benefit from any insurance required by law or any worker's compensation or statutory transport accident compensation scheme, or any insurance which provides a capital or lump sum benefit in the event of Injury (the "first policy") the benefits payable under this section shall be limited to that part of the benefit payable which is not covered by the other insurance and/or statutory entitlement.

## SECTION 4 – SCHEME RULES

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The LGIPF has developed an extensive set of Scheme Rules which also outline requirements and obligations of Members. The Scheme Rules should be considered in conjunction with this PDS to ensure that Members are fully aware of the scheme's operation.

## THE SCHEME RULES

### 1. OPERATION OF RULES

1.1 These rules operate from 4.00pm 30 June 2005

### 2. Definitions

In these Rules, the following words have the meanings given to them:

2.1 "Overview Committee" means the committee appointed in accordance with these Rules.

2.2 "Claim" means any claim made upon a Member by an employee in respect of an injury &/or illness during the term of this Scheme.

2.3 "Injury" means any Accidental injury to an employee of a Member caused by an accident which occurs during the Fund Period and results in a claim within 12 calendar months from the date of such Injury. An injury does not include any condition which is also an Illness or any degenerative condition.

2.4 "Illness" means any sickness or disease contracted by an employee of a Member which results solely and directly and independently of any other cause in Temporary Total Disablement or Temporary Partial Disablement, provided such disablement commences during the Fund Period.

2.5 "Eligible Body" means:

2.5.1 The Local Government Association of South Australia (LGA);

2.5.2 The Local Government Finance Authority of South Australia;

2.5.3 The Local Government Superannuation Board;

2.5.4 LGCS Pty Ltd;

2.5.5 All Councils and subsidiaries constituted pursuant to the provisions of the Local Government Act, 1999;

2.5.6 Any other body so prescribed by the provisions of the Local Government Act, 1999;

2.5.7 Any other body admitted to the Scheme.

2.6 "Fund" means the fund established and maintained in accordance with the Local Government Income Protection Fund Trust Deed and these Rules.

2.7 "Insurance Cover" means insurance cover purchased or procured for and on behalf of Members to protect the Fund in the amount determined from time to time by the Trustee.

2.8 "Scheme Manager" means the Manager appointed in accordance with the Local Government Income Protection Fund Trust Deed.

2.9 "Member" means an Eligible Body admitted at the discretion of the Scheme Manager to membership of the Scheme.

2.10 "Scheme" means The Local Government Income Protection Fund.

2.11 "Ordinary Resolution" means a resolution passed with the majority of the votes of all persons present and entitled to vote at the meeting at which the resolution is put.

2.12 "Pooled Cover" means cover provided from the Fund to meet Claims by Members in the amount determined from time to time by the Scheme Manager.

2.13 "Unanimous" means a resolution passed with the unanimous vote of all persons present and entitled to vote at the meeting at which the resolution is put.

2.14 Any terms defined in the Local Government Income Protection Fund Trust Deed and used in these Rules have the same meaning in these Rules.

### 3. Delegation

3.1 The Scheme Manager may delegate power, function or duty under these Rules subject to such limitations and conditions as may be determined by the Scheme Manager.

#### **4. Objectives of the Scheme**

4.1 The objectives of the Scheme are to provide assistance to Members with respect to their potential and actual liabilities for any claim by an employee in respect of an injury &/or illness as more particularly set out in these Rules and including but without limiting the generality of the foregoing:

4.1.1 Assisting Members to minimise the occurrence and severity of injury and/or illness;

4.1.2 Assisting Members in the administration, investigation, management and resolution of all Claims;

4.1.3 Assisting Members and their employees in the recovery from injury or illness and return to work;

4.1.4 Legal representation, if required, in respect of all Claims; and

4.1.5 Financial assistance by way of discretionary grants in respect of the Indemnity provided to the Members.

#### **5. Membership**

5.1 The Eligible Bodies set out in Rules 2.5.1 to 2.5.5 inclusive are automatically entitled to membership of the Scheme.

5.2 The Scheme Manager may from time to time admit to membership of the Scheme any other Eligible Body which makes application and agrees to be bound by these Rules.

5.3 In exercising discretion to admit an Eligible Body to membership of the Scheme, the Scheme Manager and the Overview Committee may take into account any matter which it deems relevant.

5.4 In respect of each Fund Period, the Members shall be those Eligible Bodies which have been admitted to membership and have paid all moneys due in respect of their membership.

5.5 At the discretion of the Scheme Manager the benefits of membership may be limited to Pooled Cover, limited Insurance Cover or any combination of those covers.

5.6 Payment of a contribution by a Member shall be evidence of the Member's agreement to be bound by these Rules.

#### **6. The Overview Committee**

6.1 The Scheme Manager, in consultation with the LGA, may establish an Overview Committee to assist with the management of the Scheme.

6.2 Membership of the Overview Committee will be for a term of three years which can be renewed from time to time.

6.3 The Overview Committee will comprise:

6.3.1 Three Members representing Local Government Councils;

6.3.2 The Executive Director of LGA.

6.3.2 Two Members appointed by the Scheme Manager;

6.3.3 One representative of each Local Government Union.

6.4 Every Member of the Overview Committee may have a deputy appointed by the Member who may attend meetings and vote in the absence of the Member.

6.5 Save for any matter which under the Rules requires a Unanimous Resolution, questions arising at a meeting of the Overview Committee shall be decided by Ordinary Resolution.

6.6 Three Members of the Overview Committee constitute a quorum for any meeting of the Overview Committee.

6.7 Members of the Overview Committee will be entitled only to one vote on any matter.

6.8 The Scheme Manager shall report annually to LGA and the Members on all aspects of the operation of the Scheme for the preceding Fund Period.

6.9 A Member of the Overview Committee (including a deputy) will incur no personal liability for an honest act or omission in the performance or purported performance of powers, functions or duties of the Overview Committee.

6.10 A liability that would, but for Rule 6.9 lie against a Member of the Overview Committee, lies instead against LGA.

## **7. Fund**

7.1 The Scheme Manager shall establish and maintain a Fund pursuant to clauses 5 and 15 of the Local Government Income Protection Fund Trust Deed to meet the objectives and for that purpose shall at the commencement of each Fund Period charge the Members a contribution to be paid into the Fund to assist in meeting:

7.1.1 Such Claims as may be made by any one or more of the Members to the extent of the Pooled Cover;

7.1.2 The premium payable to an appropriate Insurer to provide Insurance Cover for the Fund during that Fund Period;

7.1.3 The operating expenses of the Scheme for that Fund Period;

7.1.4 Any grants or allocations to Members which the Scheme Manager in its discretion may make;

7.1.5 An administration fee payable to LGA for the performance by LGA of its functions and duties under these Rules;

7.1.6 Any other amount determined by the Scheme Manager to be required for the continuation of the Scheme.

7.2 Each Claim shall be met:

7.2.1 To the extent that the Claim does not exceed the amount of the Pooled Cover, from the Fund;

7.2.2 To the extent that the Claim exceeds the amount of the Pooled Cover:

7.2.2.1 To the amount of the Pooled Cover, from the Fund;

7.2.2.2 Thereafter from Insurance Cover to the extent of that cover;

7.2.3 To the extent that the Claim exceeds the amount of the Pooled Cover and the Insurance Cover;

7.2.3.1 To the amount of the Pooled Cover, from the Fund;

7.2.3.2 To the amount of the Insurance Cover, to the extent of that cover; and

7.2.3.3 The balance by the Member by whom the Claim was made.

7.3 The Members must contribute to the Fund in the proportions determined by the Scheme Manager.

7.4 The Scheme Manager shall administer the Fund with the intent that upon the settlement of all Claims made in any Fund Period:

7.4.1 Any surplus remaining in the Fund attributable to that Fund Period shall be allocated at the absolute direction of the Scheme Manager toward liabilities of the Scheme for any other Fund Period whether future or past; and

7.4.2 Any deficiency in the Fund in that Fund Period may be met by additional contributions charged by the Scheme Manager against each Member in the proportion in which initial contributions were made to the Scheme for that Fund Period.

7.4.3 The Scheme Manager will receive advice from the Overview Committee in relation to the financial management of the Fund.

## **8. Management of the Scheme**

8.1 The Scheme Manager shall be JLT Risk Solutions Pty Ltd pursuant to the Local Government Income Protection Fund Trust Deed.

8.2 The Scheme Manager's duties shall include:

8.2.1 The preparation of the operating budget;

8.2.2 The calculation of contributions in conjunction with actuarial advice;

8.2.3 The recommendation of the level of Pooled Cover to be provided in any Fund Period;

8.2.4 The recommendation of the level of Insurance Cover in any Fund Period;

8.2.5 The purchase of Insurance Cover on the best terms available;

8.2.6 The management of Claims made by each Member including:

8.2.6.1 The investigation and assessment of those Claims;

8.2.6.2 Discretionary consideration of Indemnity;

8.2.6.2 The preparation of regular reports to LGA or the Overview Committee on the progress of Claims and the preparation of recommendations as to the settlement or otherwise of the Claims;

8.2.6.3 The issue of instructions to the Scheme's legal advisers for advice in respect of Claims;

8.2.6.4 The provisions of loss prevention and risk minimisation guidelines;

8.2.6.5 The keeping of the accounts of the Scheme for each Fund Period;

8.2.6.6 The preparation of advice and recommendations on the investment of any moneys of the Fund not immediately required;

8.2.6.7 The preparation of regular reports to LGA or the Overview Committee in respect of:

8.2.6.7.1 Claims outstanding;

8.2.6.7.2 The estimation of Indemnity in respect of each outstanding Claim;

8.2.6.7.3 The ability of the Fund to meet the estimated Claim costs;

8.2.6.7.4 The assessment of further contributions required, if any;

8.2.6.7.5 The investment of the monies of the Fund not immediately required;

8.2.6.7.6 The allocation of surplus money in the Fund, if any.

8.3 The Scheme Manager shall be available at all times to LGA, and to the Overview Committee and to any Member of the Overview Committee or any of the Members to

answer any questions on the conduct of the activities of the Fund.

## 9. Admission of Claim for Indemnity

The Scheme Manager shall consider any Claim for which a Member seeks Indemnity from the Fund and may in its sole and absolute discretion and either in whole or in part and upon such terms and conditions as the Scheme Manager may consider appropriate determine whether it will grant Indemnity for the Member from the Fund in respect of any such Claim.

## 10. Duties of the Overview Committee

10.1 The Overview Committee shall advise the Scheme Manager with the following objectives:

10.1.1 To achieve and implement the objectives of the Scheme;

10.1.2 To ensure from a financial perspective that the Scheme is viable;

10.1.3 To conduct its business in such manner as is resolved by the Overview Committee from time to time;

10.1.4 To determine whether the Scheme Manager should admit to membership of the Scheme an Eligible Body;

10.1.5 To recommend to the Scheme Manager any changes to the Rules;

10.1.6 To review the performance and function of the Scheme;

10.1.7 To advise as to the extent of Claims to be indemnified from the Fund;

10.1.8 To advise the amount of Pooled Cover to be provided for the Members from the Fund;

10.1.9 To recommend the amount and nature of Insurance Cover to be purchased and to determine the insurer for this purpose.

10.2 The Overview Committee shall consider regularly the reports of the Scheme Manager in relation to Claims and shall submit its advice to the Manager as to any Claim.

10.3 The Overview Committee may establish such committees as it deems fit to investigate and report on any matter relevant to the Scheme.

10.4 The Overview Committee may recommend that the Scheme Manager use its discretion to alter the amounts to be expended in respect of the items listed in the budget for each Fund Period where necessary to meet the purposes of the Scheme.

10.5 Where it becomes apparent to the Overview Committee that for any Fund Period the Fund will be insufficient to meet Claims payable from the Fund, the Overview Committee should so advise the Scheme Manager which may at any time require the payment by the Members of an additional contribution in the same proportions as the contribution paid by each of the Members to the Fund for that Fund Period in order to ensure that all Claims upon the Fund for that Fund Period are able to be met.

## **11. Additional Powers of Scheme Manager**

### **11.1 Limit of Exposure**

Subject to admitting a Claim, a Member's entitlement from the Fund shall never exceed the Pooled Cover for each Claim. Entitlement to make a claim from the Insurance Cover shall be as contracted by the Scheme Manager on behalf of all Members. The quantum of any Claim above the Insurance Cover shall be the responsibility of the Member.

### **11.2 Defaulting Member**

The Scheme Manager may by written notice to a Member in default of these Rules exclude that Member from any or a defined entitlement to Pooled Cover or Insurance Cover or both.

### **11.3 Special Risks**

The Scheme Manager may by written notice to a Member exclude the Member from any or a defined entitlement to Pooled Cover or Insurance Cover with respect to a "special risk" of loss or damage as determined by the Scheme Manager.

### **11.4 Other Insurance**

A Member is not entitled to Indemnity from the Pooled Cover for any loss or damage which at the time of the happening of such loss or damage was otherwise indemnified or insured by or would, but for the existence of this Scheme be indemnified or insured by any other policy or policies of insurance or otherwise except in respect of any indemnity beyond the amount which would have been payable under such other policy or policies had this Scheme not been effected.

This Rule is to be construed to also exclude Claims for any Injury or Illness that occurs prior to 4.00 pm on the 30 June 2005.

## **12. Claims Procedure**

### **12.1 Notice**

A Member shall as a condition precedent to making a Claim and subject to the default provisions as a condition of continued membership give the Scheme Manager written notice of any circumstance or occurrence of which the Member shall become aware which is likely to give rise to a Claim and otherwise notify the Scheme Manager of any Claim or potential Claim within 30 days of the commencement of any period of disablement of an employee.

### **12.2 Waiting Period**

Each Member and/or employee will be liable for the first amount of any Claim to be known as the "Waiting Period". The Waiting Period may be a different amount for each Member and for each Claim or a combination of both. The Waiting Period will be determined by the Scheme Manager.

### **12.3 Authorisation**

A Member shall not authorise, settle or make or promise any payment in respect of any Claim or incur any costs or expenses in connection therewith without the authorisation of the Scheme Manager who, if it so wishes, shall be entitled to take over and conduct in the name of the Member the settlement of any such claim for which purpose the Member shall give all such information and assistance as the Scheme Manager may reasonably require.

#### 12.4 Increases in Risk

A Member shall forthwith give to the Scheme Manager full particulars in writing of any material increase or change in the risk and shall pay such additional contribution and shall comply with such other terms and conditions, if any, as may be reasonably required by the Scheme Manager in respect of such risk exposures.

#### 12.5 Fraudulent Claims and False Information

If a Member and/or employee shall make any Claim knowing the same to be false or fraudulent as regards amount or otherwise or shall provide any false information with respect to a Claim the entitlement shall become void and all benefits hereunder relating to that Claim shall be forfeited.

#### 12.6 Continued Support

During the continuance of any Claim, the Member and/or employee shall provide and respond to reasonable requests for information and other assistance by the Scheme Manager (including requests for technical and professional support) to facilitate management of the Claim including the employee's recovery and return to work.

#### 12.7 Subrogation

Every Member seeking Indemnity under the Scheme shall by membership of the Scheme be deemed to have agreed to subrogate to the Scheme Manager its rights to investigate, defend and resolve any claim made by an employee.

#### 12.8 Special Assistance

Any Member requiring special assistance by way of a grant or otherwise may make written application for such to the Scheme Manager whereupon the matter shall be dealt with and in doing so may request any information from the Member and may resolve to refuse the grant, or make the grant on such terms and conditions as it deems appropriate.

### 13. Contributions

13.1 Contributions for each Fund Period shall be as determined by the Scheme Manager having regard to any matter which it determines relevant.

13.2 Contributions once paid by a Member to the Fund shall not be recoverable in whole or in part by the Member for any reason unless agreed by the Scheme Manager.

13.3 Contributions by each Member shall be applied by the Scheme Manager at its discretion toward the accumulation of the Fund, the purchase for and on behalf of each Member (as one of a group of Members of the Fund) of Insurance Cover for each Member in excess of the level of Pooled Cover and otherwise in furtherance of the objectives of the Fund.

13.4 Contributions for each Member shall be determined by the Scheme Manager and, for the purpose of determining the appropriate contributions for each Member, the Member shall provide the Scheme Manager such information as is required to determine:

13.4.1 The history of Indemnity claims against the Member;

13.4.2 The estimated wages and/or entitlements used to determine each Member's contribution which are to be calculated periodically;

13.4.3 Any other matter requested by the Scheme Manager.

13.5 Additional contributions may be levied by the Scheme Manager against any Member at any time and for any reason as determined by the Scheme Manager.

### 14. Financial Provisions

14.1 The Scheme Manager shall in the name of the Scheme open an account with a Bank of its choice.

14.2 All moneys received in respect of the Fund shall be immediately deposited to the credit of the bank account.

14.3 The Scheme Manager shall appoint an auditor to audit the books of account kept in respect of the Fund.



## 15. Actuary

15.1 The Scheme Manager shall appoint an actuary to advise on all aspects of the Scheme.

15.2 The Scheme Manager will procure actuarial advice as and when required and at least annually for the purpose of preparing the budget.

15.3 The annual actuarial report will be provided to the Scheme Manager and the Overview Committee.

## 16. Accumulation

The Scheme Manager is permitted to accumulate and to retain for purposes consistent with these Rules any money or contributions from Members in any one or more Fund Period for any purpose consistent with the objectives of the Scheme.

## 17. Termination of Membership

17.1 A Member may terminate membership of the Scheme by notice in writing to that effect or by failing to pay contributions levied by the Scheme Manager within the time prescribed and in such case the Member shall not thereafter be entitled to any benefits which may otherwise have been forthcoming from the Scheme.

17.2 A Member which fails to give at least ninety (90) days' written notice of intention to withdraw from the Scheme or which otherwise fails to comply with time requirements of the Scheme Manager shall pay to the Fund any costs incurred by the Scheme Manager, or the Overview Committee as a result of such failure and any costs may be recovered by the Scheme Manager against the Member as a debt.

17.3 Termination of membership of a Member shall not vary or waive the obligations of the continuing Members.

17.4 Termination of membership shall not affect the withdrawing Member's current or subsequent obligation to make further contributions for any Fund Period during which the membership was current including the Fund Period of termination.

17.5 Membership may be terminated by the Scheme Manager in the event that a Member:

17.5.1 Fails to comply with the reasonable directions of the Scheme Manager or the Overview Committee as to the conduct of its operations so as to minimise risk;

17.5.2 Fails to allow a risk management audit to be undertaken by the Scheme Manager or by the Scheme Manager's nominee;

17.5.3 Fails to comply with sound risk management practice;

17.5.4 Fails to pay contributions within the time prescribed by the Scheme Manager;

17.5.5 Commits any breach of these Rules.

17.6 Termination of membership shall not otherwise affect entitlement to indemnity for any Claim already admitted by virtue of Rule 9 nor vary or waive the obligations of the defaulting Member to comply with the provisions of the Rules in respect of any Fund Period during which the defaulting Member was a Member of the Scheme.

17.7 If a Member is in default in payment of a contribution or in any other way so that the Scheme suffers any financial loss or incurs additional expense the Scheme Manager may as an alternative to termination under Rule 17.5 require the defaulting Member to pay to the Fund an amount to be determined to reimburse the Scheme for the loss or additional expense.

A certificate of the Scheme Manager specifying the amount so payable by the defaulting Member shall be final and binding upon the Member. The amount in the certificate may be recovered against the member as a debt payable by the defaulting Member.

17.8 If a Member fails to comply with a direction under Rule 17.5.1 the Scheme Manager may as an alternative to termination require the Member to pay an additional contribution to cover the additional risk or it may exclude that risk from the Pooled Cover and the Insurance Cover or it may otherwise limit the exposure of the Fund and the Insurer to such risk.

Subject to compliance with the termination procedures a defaulting Member may have its entitlements to Pooled Cover and Insurance Cover limited by the Scheme Manager under this Rule.

## **18. Determination of Disputes**

18.1 If any dispute or difference (other than a decision by the Scheme Manager to terminate a membership) shall arise between any Member, any employee and the Scheme Manager out of or in connection with the operations of the Scheme such difference or dispute shall be.

- First be referred for resolution to the Trustee, the Executive Director of LGA and the Chief Executive Officer of the Member.
- If no successful resolution is achieved, referred to mediation.
- If no successful resolution is achieved by mediation, the matter shall be referred to arbitration in Adelaide conducted by a Solicitor or Barrister of the Supreme Court of South Australia as agreed by the parties or appointed for this purpose by the President of the Law Society of South Australia. The submission to arbitration and all proceedings thereunder shall be subject to the provisions of the Commercial Arbitration Act 1986 (as amended).

18.2 The decision of the arbitrator shall be final and binding upon the parties to the arbitration.

## **19. Amendment to Rules**

19.1 These Rules may be amended at any time by the Scheme Manager.

19.2 Amendments to these Rules shall operate prospectively and not retrospectively.

19.3 Notice of any amendment shall be given forthwith to all Member

### **The Product Issuer of the LGIPF is:**

JLT Risk Services Pty Ltd  
ABN 69 009 098 864 AFSL 226 827

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Version: LGIPF 06-21  
Preparation Date: 7 June 2021

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**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 19 February 2024  
AGENDA BUSINESS ITEM**

**Item:** 8.5

**Responsible Officer:** Jody Atkins  
Acting Governance and Risk Coordinator  
Corporate Services

**Subject:** Quarterly Risk Management Report

**For:** Decision

---

**SUMMARY**

This report provides the Audit Committee with an update on Risk Management activities including the current status of the Strategic Risk Profile and Management Plan.

In relation to the Strategic Risk assessments, there has been the following change since the November 2023 assessment. Please note that we have taken into account all thirteen (13) Strategic Risks (previously it was reported on twelve (12) Strategic Risks hence the slight variation to the November 2023 report).

- Inherent Risk: Nil Change
- Residual Risk: One (1) low residual risk
- Target Risk: Three Changes (170815 to Medium / 170933 to High / 170965 to Medium)
- New Mitigation(s): Nil Change
- Completed: 73% (86) (170933 – one item varied to in progress)
- In Progress: 25% (30)
- Not Commenced: Increase from 0% (0) to 1% (1) (170941)

In relation to the Corporate Risk Framework, the SkyTrust Software Council uses for managing its WHS and other obligations has had its Corporate Risk Module populated with information from the previously used Strategic Risk Register spreadsheets. A copy of the *SkyTrust Strategic Risk Register* is at **Appendix 1**.

**RECOMMENDATION**

**The Audit Committee resolves:**

**That the Quarterly Risk Management Report be received and noted.**

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## 1. BACKGROUND

Council's Strategic Risk Profile monitoring and reporting process has been in place since 2014 based on the, then, current Risk Management Policy and the Risk Management Framework.

The allocation of risk owners has been reviewed over time due to changes in the portfolio allocation within the Administration. Previous allocations of ownership of risk had been in place since January 2020 with the exception of SR9a (human resources) which was transferred to the Director Corporate Services following the November 2022 resignation of the Executive Manager Organisational Development.

During October 2023, most of the current allocation Directorates were altered due to Council's new Directorate structure. The new Directorate structure is below. It outlines the new areas each Director manages. Responsibility for risk are held within the respective Directorates.

- **Office of the Chief Executive (Greg Georgopoulos)**
  - Governance (previously Corporate Services)
  
- **Corporate Services (A/Director Gary Lewis)**
  - Performance (previously Office of Chief Executive)
  - Communications and Engagement and Events (previously Community Capacity)
  - Financial Services (no change)
  - Information Services (no change)
  - People and Culture (no change)
  
- **Environment and Infrastructure (Director David Waters)**
  - Civil Services (previously Infrastructure and Operations)
  - Emergency Management, Waste and Sustainability
  - Open Space (previously Infrastructure and Operations)
  - Property Services (previously Corporate Services)
  - Strategic Assets (previously Infrastructure and Operations)
  
- **Community and Development (Director Natalie Armstrong)**
  - Fabrik Arts & Heritage (previously Community Capacity)
  - Community Development (previously Community Capacity)
  - Development Services (previously Development and Regulatory Services)
  - Economic Development (previously Community Capacity)
  - Library and Customer Services (previously Community Capacity)
  - Strategic and Policy (previously Development and Regulatory Services)
  - Regulatory Services (previously Development and Regulatory Services)
  - Environmental Services (previously Development and Regulatory Services)

Reports on the Strategic Risk Profile have been provided to the Audit Committee and subsequently Council on a quarterly basis since February 2016.

At its 13 May 2019 meeting, the Committee reviewed the Risk Management Policy and noted that only minor nomenclature changes were required, prior to recommending it for Council's consideration. Council adopted the revised Policy at its 28 May 2019 meeting.

#### Risk Management Framework

Additionally, an extract of the Strategic Risk Register is usually provided to the Committee and Council. At its 13 May 2019 meeting the Committee requested that the full Register be provided for the Committee's review. The SkyTrust Software Council uses for managing its WHS and other obligations has had its Corporate Risk Module populated with information from the previously used Strategic Risk Register spreadsheets. A copy of the SkyTrust Strategic Risk Register is at **Appendix 1**.

## 2. ANALYSIS

### *Strategic Plan 2020-24 – A brighter future*

Goal 5	A Progressive Organisation
Objective O4	We actively represent our community.
Priority O4.3	Attract and develop a diverse and capable elected body that represents, promotes and reflects the composition of the community.
Priority O4.3	Advocate to, and exert influence with, our stakeholders on behalf of our community to promote the needs and ambitions of the region.
Objective O5	We are accountable, informed, and make decisions in the best interests of the whole community.
Priority O5.1	Enhance governance structures and systems to prudently adapt to changing circumstances and meet our legislative obligations.
Priority O5.2	Make evidence-based decisions and prudently assess the risks and opportunities to our community before taking action.

A number of actions contained in the *2023-24 Annual Business Plan* have been added as mitigations against the applicable strategic risk.

#### ➤ **Legal Implications**

A number of sections of the *Local Government Act 1999* require councils to identify and manage the risks associated with its functions and activities. Further, s125 requires council to have appropriate internal controls.

Similarly, the *Work Health & Safety Act 2012* is structured around the protection of workers and others against harm to their health, safety and welfare through the elimination or minimisation of risk arising from work or specified substances or plant.

#### ➤ **Risk Management Implications**

Improvements in the implementation of the risk management framework will assist in mitigating the risk of:

*A lack of effective risk management occurs which leads to greater uncertainty in the achievement of objectives and/or negative outcomes.*

Inherent Risk	Residual Risk	Target Risk
Extreme (5C)	Medium (4D)	Medium (4D)

Note that there are many other controls that assist in mitigating this risk.

➤ **Financial and Resource Implications**

While there are no direct financial or resource implications from this report, a number of Strategic Risk Profile and Management Plan treatments are impacted by funding limitations or have been accommodated in the *2023-24 Annual Business Plan and Budget*.

Council's risk management processes can impact its insurance premiums.

Reduced capacity in Council's Governance area for a number of months has impacted the Review of the Risk Management Framework.

Council has recently filled the position of the Governance and Risk Coordinator. This will enable the review of the Risk Management Framework to recommence.

➤ **Customer Service and Community/Cultural Implications**

There is a high expectation that Council has appropriate corporate governance processes in place, including an effective corporate risk management system.

➤ **Sustainability Implications**

There are no direct sustainability implications arising from this report.

➤ **Engagement/Consultation with Committee, Regional Subsidiary, Advisory Group and Community**

*Council Committees:* Not Applicable

*Council Workshops:* Not Applicable

*Advisory Groups:* Not Applicable

*External Agencies:* Not Applicable

*Community:* Not Applicable

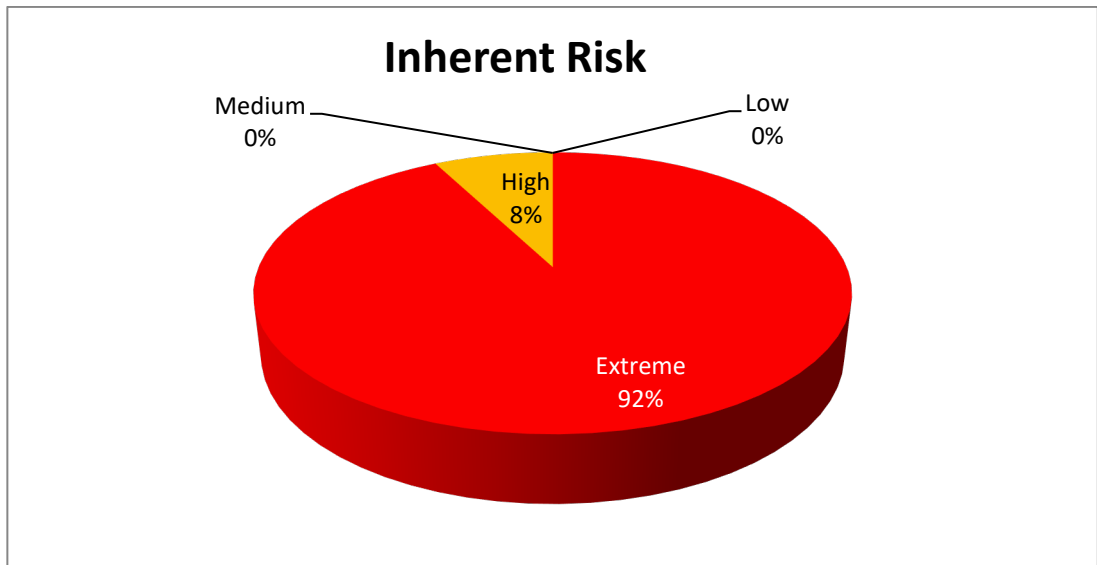
➤ **Additional Analysis**

Strategic Risk Profile

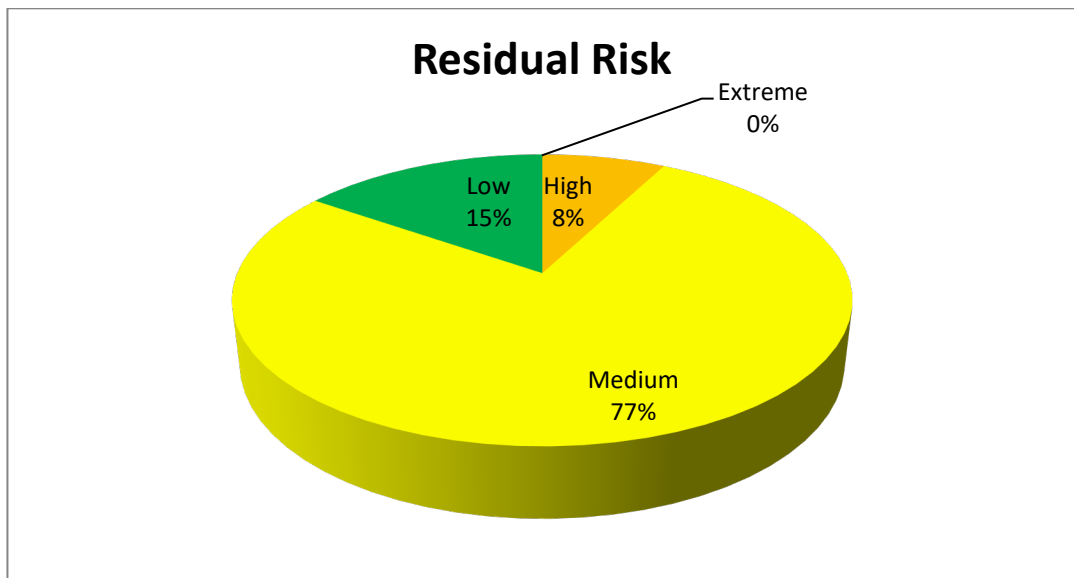
The Strategic Risks are regularly reviewed by the risk owners responding to triggers in the risk environment, changes in causation or impact, changes in the control environment and on the completion of mitigation actions (which then form part of the control environment) which collectively can impact the likelihood and/or consequence of the risk.

The Strategic Risks were recently reassessed, and the following diagrams depict the Inherent, Residual and Target ratings.

There has been no change in the Inherent risk ratings since the February 2023 assessment.

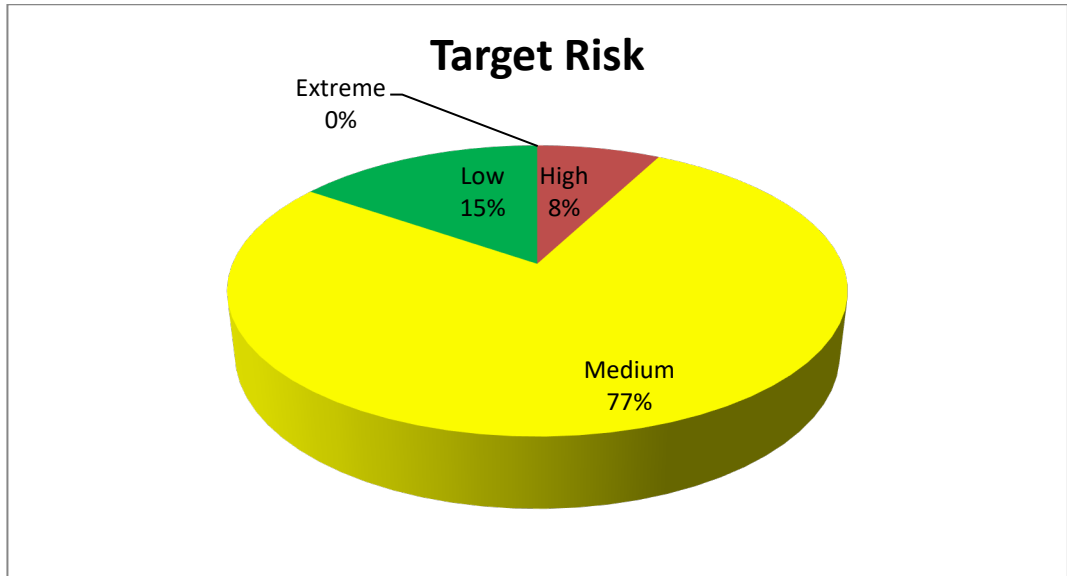


Officers regularly review their risks and mitigations and there has been one change (minimal) to the Residual Risk ratings from the November 2023 assessment.



Officers regularly review their risks and mitigations and there has been three changes (minimal) to the Target Risk ratings from the November 2023 assessment.

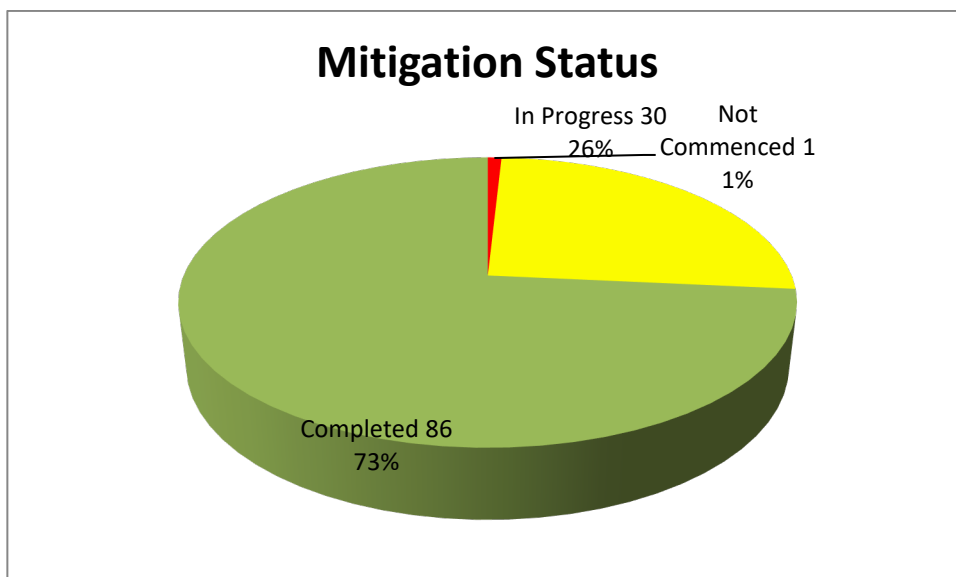




The implementation of Mitigation Actions has been progressing steadily with increased new mitigations from risk owners undertaking their latest assessments in line with the 2023-24 Annual Business Plan adoption. The current status is as follows:

Status	February 2023	August 2023	November 2023	February 2024
<b>Completed</b>	61% (78 actions)	74% (87 actions)	74% (87 actions)	73% (86 actions)
<b>In Progress</b>	36% (36 actions)	26% (30 actions)	25% (30 actions)	26% (30 actions)
<b>Not Commenced</b>	3% (3 actions)	0% (0 actions)	1% (1 action)	1% (1 action)
<b>New Initiatives (in above totals)</b>	One (1) New Mitigation	No New Mitigations	One (1) New Mitigation (170939)	No New Mitigations

This is shown diagrammatically below:



### Risk Management Framework

As identified through an action in the Strategic Risk Register, the Administration has continued to work on the Risk Management Framework. The key outstanding item has been improvements by the software provider to the registration functionality and reporting capabilities of the SkyTrust system.

Unfortunately, there has been minimal progress by the developer to address these deficiencies and Council will need to explore alternative system options to achieve the required functionality for an effective corporate risk management system.

### **3. OPTIONS**

The Audit Committee has the following options:

- I. To note the update on the Strategic Risk Profile as presented (recommended).
- II. To determine not to note either or both updates and/or identify additional actions to be undertaken (not recommended).

### **4. APPENDIX**

- (1) Strategic Risk Register – February 2024

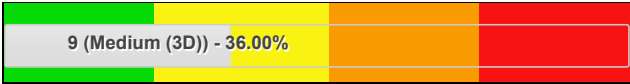
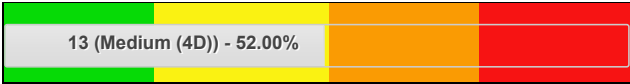
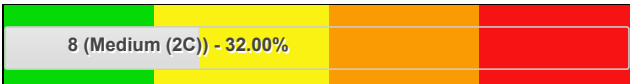
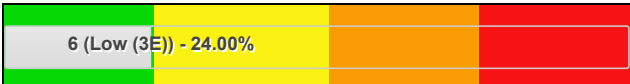
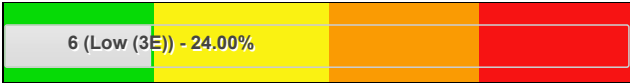
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# **Appendix 1**

*Strategic Risk Register – February 2024*

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Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness
CR92 (Poor representation arrangements which leads to decisions that are not made in the best interests of the community) - Provisions of Chpt 3 of the LG Act regarding composition of councils and wards, mandated representation reviews, voluntary representation review, 2017 ERR completed, Strategic Boundary Review report	Lachlan Miller	26/07/2023	11/08/2023		PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Partially Effectively)
					
CR21 (A lack of effective risk management occurs which leads to greater uncertainty in the achievement of objectives and/or negative outcomes.) - Revised CRM Policy adopted, CRMF adopted, training provided to senior staff, RM considerations included in agenda report templates. General awareness of risk management principles and considerations. Strategic Risk Profiling and management of assessments in SkyTrust, MLS Risk Reviews and advisory.	Lachlan Miller	26/07/2023	11/08/2023		PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
					
CR62 (Poor representation of the community by Council Members leading to formal decisions that do not appropriately take account the community needs) - Provisions of LG Act and behavioural standards, EM training on role, contact details on website, issue of email addresses and laptops; COI provisions, informed and researched Council reports, public consultation policy and practices.	Lachlan Miller	26/07/2023	11/08/2023		PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Partially Effectively)
					
CR63 (Lack of effective strategic planning and resource allocation processes) - Suite of strategic management plans, strategic, business and project planning and budgeting processes, trained and experienced staff. Corporate Planning & Performance Reporting Framework, CP&R Coord role, Service Review Framework adopted. Council reports contain financial and resource implications.	Lachlan Miller	26/01/2024	11/08/2023	Added control regarding Council report financial and resource implications	EFFECTIVE (Designed Adequately; Operating Effectively)
					
CR64 (Ineffective performance management and reporting processes leading to poor performance and/or loss of stakeholder confidence) - Budget review processes, provisions of LG Act regarding budget reviews and annual reporting, trained and experienced staff, CEOPRP, Corporate Planning & Performance Reporting Framework, Quarterly Council Performance Report, 4x8 processes, Management contract review process, enhanced major project reporting. Local Government Advice Scheme	Lachlan Miller	26/01/2024	11/08/2023		EFFECTIVE (Designed Adequately; Operating Effectively)
					

CR65 (Poor working relationship between Council and the Administration leading to ineffective and inefficient performance by Council) - CM and Administration training in the respective roles, team building and relationship development, performance reporting, One Team Communication Protocols, designated administration contact listing, CEO 1:1, strengthened provisions in s58	Lachlan Miller	26/01/2024	11/08/2023		PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
CR37 (Actions arising from Council resolutions not be completed in a timely manner leading to a loss of stakeholder confidence) - Action List, Minutes, Council Resolution Update report. Council Member queries	Lachlan Miller	26/01/2024	11/08/2023		EFFECTIVE (Designed Adequately; Operating Effectively)
CR22 (Poor governance practices occur which lead to a loss of stakeholder (i.e. customer and regulator) confidence and/or legislative breaches.) - Legal considerations considered in agenda report templates, Governance Manager advises council, well-functioning Audit Committee, flyers and updates from LGA, legal providers and professional associations. Professional and experienced management team. Policies (Conduct, COPMP, allowances, caretaker, Information Sessions, COPAMD, PID), delegations, agendas, minutes, T&D, COI Mgt. Review of s41, AGs, s43 subsidiary and external group fiduciary arrangements. By laws reviewed 2018. Council Resolution Update report shows COIs declared.	Lachlan Miller	26/01/2024	11/08/2023		PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
CR81 (Failure to engage in sector-wide reform initiatives leading to the Adelaide Hills community not being adequately represented) - Monitoring LGA circulars and other invitations to make submissions (OLG, ECCOSA, ECSA), consideration @ ELT and Council level, Membership on LG-related bodies	Lachlan Miller	26/01/2024	11/08/2023		PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)

Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	
Corporate Risk Register	Governance Framework Review	Immediately	Lachlan Miller	NIL	100%	Complete (Accepted)	30/09/2016	
Corporate Risk Register	Review of s41 Committee and Advisory Group Terms of Reference	Immediately	Lachlan Miller	Last review of Advisory Groups by Council was 18 December 2018. Last review of Audit Committee and CEOPRP was 27 November 2018, SPDPC (ceased) was 24 November 2020.	100%	Complete (Accepted)	30/09/2016	
Corporate Risk Register	Rollout of ControlTrack (Internal control module)	Immediately	Michael Carey	Endorsed and implemented for Financial Controls	100%	Complete (Accepted)	30/12/2015	

Corporate Risk Register	Review of Risk Management Framework	Immediately	Lachlan Miller	<p>SkyTrust configuration adequate for corporate rollout however additional work required on reporting functionality. Documentation being amended for SkyTrust functionality. Intend to conduct function workshops as the training exercise.</p> <p>230215 This work was sidelined whilst work was undertaken on the LG Election and Council Member Induction process. Work is scheduled to recommence March 2023.</p> <p>230811 Resignation of Governance &amp; Risk Coordinator has resulted in deferral of Framework completion until late 2023.</p>	50%	Not Complete (Overdue)	30/12/2023
Corporate Risk Register	Representation Review - 2016/17	Immediately	Lachlan Miller	Representation Review completed and certified by Electoral Commissioner in November 2017	100%	Complete (Accepted)	30/04/2017

				<p>Participation is ongoing as boundary proposals are lodged.</p> <p>230811 - Local Government Boundaries Commission has approved the Campbelltown City Council (CCC) submission to progress to the Inquiry Stage. CCC yet to consider the cost implications of the inquiry and determine whether to proceed.</p> <p><i>27/01/2023 by Lachlan Miller</i></p> <p>-</p> <p>CCC proposal has progressed to the Inquiry stage. AHC has positive impact into the design of the Inquiry Plan. Awaiting CCC decision as to whether to proceed with Inquiry and pay cost estimate.</p>			
Corporate Risk Register	Participation in boundary reform initiatives	Immediately	Lachlan Miller	<p><i>07/08/2022 by Lachlan Miller</i></p> <p>-</p> <p>Campbelltown City Council (CCC) lodged its Stage 2 proposal in April 2022. The Boundaries Commission requested CCC to lodge Supplementary Information to be lodged by 30 June 2022, this was achieved. Boundaries Commission advised on 20 August 2022 that CCC's Proposal can progress to an Inquiry if CCC agree to the cost estimate (to be considered post-election).</p> <p><i>12/07/2021 by Lachlan Miller</i></p> <p>-</p> <p>Watching brief kept on boundary reform proposals and actions of the initiating councils</p>	60%	Not Complete (Overdue)	30/12/2023
Corporate Risk Register	Review of s43 and external group fiduciary duties where Council members or staff are on Boards	Immediately	Lachlan Miller	NIL	100%	Complete (Accepted)	30/12/2016
Corporate Risk Register	2018 LG Election induction training	Immediately	Lachlan Miller	All mandatory and discretionary training completed.	100%	Complete (Accepted)	30/06/2019
Corporate Risk Register	Implementation of Corporate Planning & Performance Reporting Framework	Immediately	Lachlan Miller	Framework adopted by Council on 19 June 2018 and implemented in 2018-19.	100%	Complete (Accepted)	30/06/2019



Corporate Risk Register	Strategic Boundary Review project	Immediately	Lachlan Miller	Final report adopted by Council in September 2020	100%	Complete (Accepted)	30/06/2020
Corporate Risk Register	Implementation of LG Reform legislative changes.	Immediately	Lachlan Miller	<p>Statute Amendment (Local Government Review) Act 2021 passed in Parliament in May 2021 sittings.</p> <p>230811 - Final tranche of LG Reform regarding Audit Committees and Internal Audit to come into effect on 30/11/23. Minor modifications to the Audit Committee Terms of reference required.</p> <p><i>27/01/2023 by Lachlan Miller</i></p> <p>-</p> <p>The latest tranches of changes occurred with the November 2022 periodic elections (specifically COI, BMF)</p> <p><i>07/08/2022 by Lachlan Miller</i></p> <p>-</p> <p>Provisions continue to be released in tranches and the required actions and communications are undertaken at each date.</p> <p><i>11/05/2022 by Lachlan Miller</i></p> <p>-</p> <p>Commencement dates have been published for the majority of the remaining reforms and process/systems are amended leading up to each commencement tranche.</p> <p><i>17/01/2022 by Lachlan Miller</i></p> <p>-</p> <p>Commencement of new provisions on 23 December 2021, reforms mostly related to strategic and financial planning and reporting.</p>	80%	Not Complete (Overdue)	30/11/2023

				<p><i>09/11/2021</i> <i>by Lachlan Miller</i></p> <p>-</p> <p>Second tranche of provisions commencing 10 November 2021 - removal of requirement to display documents; full publication of register of interests; independent advice regarding CEO termination, recruitment, performance review; many election-related changes.</p>			
				<p><i>09/08/2021</i> <i>by Lachlan Miller</i></p> <p>-</p> <p>OLG/LGA progressively releasing proposed commencement dates and draft regulations for comment. First tranche of new provisions to commence in August/Sept - role and functions of council, principal and ordinary member role, information sessions, other provisions regarding notifications.</p>			
				<p><i>12/07/2021</i> <i>by Lachlan Miller</i></p> <p>-</p> <p>Awaiting further information from OLG/LGA regarding commencement</p>			
Corporate Risk Register	Service Review Framework development	Immediately	Lachlan Miller	<p>Framework adopted by Council on 26 October 2021</p> <p><i>12/07/2021</i> <i>by Lachlan Miller</i></p> <p>-</p> <p>Currently meeting with internal stakeholders prior to finalising Framework for Council.</p>	100%	Complete (Accepted)	30/09/2021

Corporate Risk Register	Representation Review - April 2024-April 2025	Six Months	Lachlan Miller	<p><i>27/01/2023</i> <i>by Lachlan Miller</i></p> <p>- Revised representation review provisions commenced 30 June 2022. Only a representation report required to be produced.</p> <p><i>09/11/2021</i> <i>by Lachlan Miller</i></p> <p>- Section 12 will be amended to require only one public consultation on representation options (i.e. representation report).</p> <p><i>09/08/2021</i> <i>by Lachlan Miller</i></p> <p>- Representation Review will be included in 2023-24 ABP</p>	0%	In Process	30/04/2025
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**Documents**

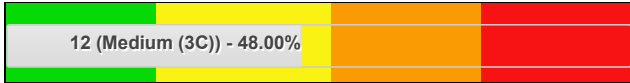
Date Added	Document Name	Document Details
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**Saved PDF Versions**

Date Saved	Saved By	Revision	PDF Document
07/11/2023 9:46:30 AM	Jody Atkins	1	Risk170963_2023-11-07_9-46-30_AM.pdf

<b>ID:</b>	Risk - 169143
<b>Risk Title or Work Activity:</b>	Strategic Risk - Service Delivery
<b>Risk Description:</b>	Failure to deliver projects, programs and services in accordance with plans (time, budget, quality).
<b>Responsible Person:</b>	David Waters
<b>Date of Risk Identification:</b>	15/05/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Service Delivery
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Causes:</p> <ul style="list-style-type: none"> <li>- Ineffective Budget Bid process ( ineffective cost estimates preparation; possible lack of understanding of budget and budget process;</li> <li>- Unrealistic timeframes e.g. 12 months for design, consultation and delivery; Change or poorly defined scope; Inadequate specifications and documentation and design; Lack of stakeholder engagement.</li> <li>- Lack of effective consistent project management methodologies</li> <li>- Unforeseen weather and climate conditions,</li> <li>- Lack of appropriate plant and equipment,</li> <li>- Poor contractor management,</li> <li>- Lack of resources (Lack of adequate skilled resources; Loss of key staff,)</li> <li>- Change in government legislation or policy,</li> <li>- Reduction in grant funding,</li> <li>- Lack of scheduled maintenance</li> <li>- Unclear Service ranges and levels</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>- Cost of projects escalates, unbudgeted spending, impacts on delivery of the projects</li> <li>- Damage to Council reputation</li> <li>- Outcomes of the project delivered fails to meet community's expectations</li> <li>- Weaknesses in infrastructure necessitating increased maintenanc</li> </ul>
<b>Initial Risk Score:</b>	<p>21 (Extreme (4B)) - 84.00%</p>
<b>Initial Risk Comments:</b>	
<b>Residual Risk Score:</b>	<p>9 (Medium (3D)) - 36.00%</p>

<b>Residual Risk Comments:</b>	<ul style="list-style-type: none"> <li>- Monthly capital reports from finance</li> <li>- Reporting of The Quarter to Council</li> <li>- Regular team meetings with project updates</li> <li>- Quarterly budget review process</li> <li>- 3 Year Capital Program</li> <li>- Procurement policy</li> <li>- Process and qualified staff/teams</li> <li>- Project reporting process</li> <li>- Panel contractors</li> <li>- Legislation and policy</li> <li>- KPI monitoring and reporting</li> <li>- Financial Reporting</li> <li>- LTFP processes have been amended to ensure that all key Strategies and Plan (including the Strategic Plan and Asset Management Plans) are captured as part of the LTFP review each year ahead of budget</li> </ul>
<b>Other Requirements/Comments:</b>	Addition of the Project Management Framework has further Strengthened the controls.
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness
<ul style="list-style-type: none"> <li>- Monthly capital reports from finance</li> <li>- Reporting of The Quarter to Council</li> <li>- Regular team meetings with project updates</li> <li>- Quarterly budget review process</li> <li>- 3 Year Capital Program</li> <li>- Procurement policy</li> <li>- Process and qualified staff/teams</li> <li>- Project reporting process</li> <li>- Panel contractors</li> <li>- Legislation and policy</li> <li>- KPI monitoring and reporting</li> <li>- Financial Reporting</li> <li>- LTFP processes have been amended to ensure that all key Strategies and Plan (including the Strategic Plan and Asset Management Plans) are captured as part of the LTFP review each year ahead of budget</li> </ul>	David Waters	01/11/2024	01/11/2023		PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Effectively)
					

Actions							
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date

Corporate Risk Register	'Project Management a) Implementation of Project management framework. A trial with Built and Natural Assets is underway since 1/7/15. A review was undertaken in 2016 to assess and refine framework. Further review required now that Manager Civil Services appointed b) Process to audit and check project management. c) Implementation of scheduled program maintenance,	Immediately	Peter Bice	IN PROGRESS. Project Management Documentation now being developed in partnership with external expertise.  <i>13/10/2021 by Peter Bice</i> -  <i>13/10/2021 by Peter Bice</i> - PM Framework has now been implemented, beginning with Civil and Open Space Teams, and progressive adoption occurring from other key Project Delivery Areas.	100%	Complete (Accepted)	30/06/2016
Corporate Risk Register	Refine the budget bid process to ensure that sufficient time is allocated to cost budget submissions and also timing recognising that some projects will need to span across multiple years due to lead times associated with planning, consultation and approvals. Action: develop a budget bid database with a two stage process by 30/3/2016	Immediately	Peter Bice	COMPLETED. Initial 3 year program developed for 2017/18 ABP.  <i>20/05/2021 by Peter Bice</i> -	100%	Complete (Accepted)	30/01/2016
Corporate Risk Register	Start to promote multiple year project planning in line with Asset Management Planning	Immediately	Peter Bice	COMPLETED. 3 Year Capital Program has been established, which help to achieve this goal.  <i>19/05/2021 by Peter Bice</i> -	100%	Complete (Accepted)	30/06/2016

Corporate Risk Register	Develop process in conjunction with Organisational Development to transfer knowledge once an employee has notified intent to leave the organisation (i.e. to capture staff knowledge with consideration of succession planning and transition to retirement)	Six Months	Anne Pett	IN PROGRESS. Process development underway, however progress has stalled due to other delivery priorities. Looking to reinvest in this process development over the coming months. Suggest this be transferred to Executive Manager Organisational Development. OD has some important priorities with strict deadlines currently. This process can be addressed through People Leaders focusing on their teams having documented procedure manuals in their areas being developed and continually updated. Where a person transitions to retirement, conversations are undertaken around the management of knowledge transfer and if a current employee needs to be trained in specific aspects of the work as an interim step.	50%	Not Complete (Overdue)	30/12/2023
Corporate Risk Register	Amend LTFP and budget processes to capture all Strategic and Functional Strategy funding requirements.	Immediately	Michael Carey	COMPLETED: 2018/19 & 2019/20 Budgets adopted based on a revised LTFP that captured all Strategic and Functional Strategies.  <i>13/07/2023 by Michael Carey</i> -	100%	Complete (Accepted)	30/06/2018
Corporate Risk Register	Amend LTFP ratio ranges, as well as rates indice, to ensure growth in Operating Surplus to fund growth in operating expenditure	Immediately	Michael Carey	Budget workshop held on 30/1/2021 where proposed changes we considered appropriate to take to Audit Committee. LTFP adopted April 2021 with updated LTFP financial indicator ranges	100%	Complete (Accepted)	30/06/2021
Corporate Risk Register	Develop Quarterly Report of all key projects to Council that provides a status and financial information	Immediately	Lachlan Miller	COMPLETED: The Quarter now implemented and being reported to Council and Audit Committee	100%	Complete (Accepted)	30/09/2019

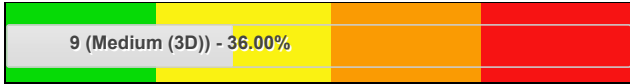
Documents		
Date Added	Document Name	Document Details

Saved PDF Versions			
Date Saved	Saved By	Revision	PDF Document
07/11/2023 9:55:22 AM	Jody Atkins	1	Risk169143_2023-11-07_9-55-22_AM.pdf

<b>ID:</b>	Risk - 170965
<b>Risk Title or Work Activity:</b>	Strategic Risk - Governance, Legal &&& Compliance
<b>Risk Description:</b>	Failure to exercise, perform and discharge the powers, functions and duties under legislation, contracts, leases and policies (PR)
<b>Responsible Person:</b>	Terry Crackett
<b>Date of Risk Identification:</b>	09/02/2021
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Governance, Legal & Compliance
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>- Lack of awareness of legislative/contractual/lease/policy requirements</li> <li>- Lack of standardised lease terms and conditions.</li> <li>- Ineffective delegation and authorisation mechanisms.</li> <li>- Poor procurement and contract management practices</li> <li>- Ineffective compliance management systems</li> <li>- Staff do not possess the appropriate KSE</li> <li>- Legislative changes, not being fully understood</li> <li>- Poor confidential item management processes (CR 15 &amp;&amp;&amp;&amp;&amp;&amp;&amp; 20)</li> <li>- Ineffective implementation of Council resolutions (CR37)</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>- Legislative/lease/policy of contractual obligations are not discharged leading to breaches of legislation and/ or contractual arrangements</li> <li>- Failure to effectively undertake the functions of a council</li> <li>- Contractual penalties and liabilities.</li> <li>- Inefficient systems that lead to loss of resources</li> <li>- Scrutiny and sanctions by integrity agencies</li> <li>- Resolutions not implemented in a timely manner, opportunities missed, legislative obligations unmet</li> </ul>
<b>Initial Risk Score:</b>	<div style="background-color: #00FF00; width: 20%; height: 15px; border: 1px solid black;"></div> <div style="background-color: #FFFF00; width: 30%; height: 15px; border: 1px solid black;"></div> <div style="background-color: #FFA500; width: 20%; height: 15px; border: 1px solid black;"></div> <div style="background-color: #FF0000; width: 30%; height: 15px; border: 1px solid black;"></div> <p style="text-align: center;">21 (Extreme (4B)) - 84.00%</p>
<b>Initial Risk Comments:</b>	Council has obligations under many different legislative, policy and contractual instruments
<b>Residual Risk Score:</b>	<div style="background-color: #00FF00; width: 25%; height: 15px; border: 1px solid black;"></div> <div style="background-color: #FFFF00; width: 25%; height: 15px; border: 1px solid black;"></div> <div style="background-color: #FFA500; width: 20%; height: 15px; border: 1px solid black;"></div> <div style="background-color: #FF0000; width: 30%; height: 15px; border: 1px solid black;"></div> <p style="text-align: center;">9 (Medium (3D)) - 36.00%</p>
<b>Residual Risk Comments:</b>	Notwithstanding many controls in place, few are systematized and most are administrative controls which rely on the diligence/knowledge of the Council Officer.
<b>Other Requirements/Comments:</b>	The ELT has made the decision not to resource a compliance function and therefore doesn't have either a compliance register of all legislative/contractual/policy obligations or a compliance officer role. All functional areas are responsible for their legislative/policy/contractual obligation compliance.
<b>Current:</b>	Yes

### Risk Controls



Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness
<p>Legal considerations considered in agenda report templates, updates from LGA, legal providers and professional associations. Professional and experienced management team. Register of leases and licenses. Legislative delegations register regularly reviewed, role specific training &amp; development. Policy registers, policies on web, MLS and WCS audits, contract registers, lease registers, internal audit program, external audit program Governance Legal Compliance Audit Employment of Procurement Coordinator Procurement Framework implemented. Experienced property team. Action List, Minutes, Council Resolution Update report.</p>	Lachlan Miller	26/07/2023	11/08/2023		PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Partially Effectively)
					

Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	
Corporate Risk Register	Legislative compliance audit	Immediately	Lachlan Miller	NIL	100%	Complete (Accepted)	30/06/2016	
Corporate Risk Register	Development of contract management system, subject to funding	Immediately	Michael Carey	NIL	100%	Complete (Accepted)	31/12/2016	
Corporate Risk Register	Development of a legal opinions database	Immediately	Lachlan Miller	As all legal opinions are recorded and accessible in TRIM/RecordsHub, a legal opinions database would be an inefficient use of resources.	100%	Complete (Accepted)	30/06/2020	
Corporate Risk Register	Implementation of new delegations and authorisations management system and associated training.	Immediately	Steven Watson	Software has been implemented and is now being updated as delegation changes occur.	100%	Complete (Accepted)	29/06/2020	
Corporate Risk Register	Community & Recreation Facilities Framework will provide for greater standardisation in leasing terms and conditions	Immediately	Karen Cummings	The draft Framework was endorsed by Council in August 2022. Staff are now working on preparation of new Lease/Licensing/Management Agreement templates with Lawyers which will be progressively implemented from 1 July 2023. There is a large amount of new Leases to be rolled out with Clubs and Community Groups and meetings/engagement with each Club/group to progress the new lease rollout. This is taking some time. It is envisaged that the new Leases for Clubs will now be finalised by 31 December 2023 with commencement of rollout of management agreements with Hall operators to commence in September 2023.	70%	Not Complete (Overdue)	30/06/2023	

Corporate Risk Register	Implement Statutes Amendment (Local Government Review) Act 2021 provisions (see Action ID 278100)	Immediately	Lachlan Miller	<p>230811 - Final tranche of LG Reform regarding Audit Committees and Internal Audit to come into effect on 30/11/23. Minor modifications to the Audit Committee Terms of reference required.</p> <p><i>27/01/2023</i> <i>by Lachlan Miller</i></p> <p>- The latest tranches of changes occurred with the November 2022 periodic elections (specifically COI, BMF)</p> <p><i>07/08/2022</i> <i>by Lachlan Miller</i></p> <p>- Provisions continue to be released in tranches and the required actions and communications are undertaken at each date</p> <p><i>09/11/2021</i> <i>by Lachlan Miller</i></p> <p>- Implementation and transition arrangements are being progressively developed and commenced in tranches. First two tranches 20 September and 10 November 2021 implemented.</p> <p><i>09/08/2021</i> <i>by Lachlan Miller</i></p> <p>- See Action ID: 278100</p>	80%	Not Complete (Overdue)	30/11/2023
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Documents		
Date Added	Document Name	Document Details

**Saved PDF Versions**

Date Saved	Saved By	Revision	PDF Document
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<b>ID:</b>	Risk - 170933
<b>Risk Title or Work Activity:</b>	Strategic Risk - Community Land Management
<b>Risk Description:</b>	Failure to manage and develop public areas vested in, or occupied by the Council (F)
<b>Responsible Person:</b>	David Waters
<b>Date of Risk Identification:</b>	06/02/2021
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Community Health & Wellbeing
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	Lack of strategic and operational processes to manage Council's property portfolio. Poor sports, recreation and open space management practices. Physical hazards to users Poor climate adaptation regimes Lack of maintenance Renewal works not undertaken as planned
<b>Possible Consequences:</b>	Increased cost to maintain infrastructure Reduced confidence in Council by the community Increased risks to staff and community when utilising facilities Disadvantage to AHC community over that of other areas Negative impact on community wellbeing
<b>Initial Risk Score:</b>	<p>25 (Extreme (5A)) - 100.00%</p>
<b>Initial Risk Comments:</b>	
<b>Residual Risk Score:</b>	<p>15 (High (5E)) - 60.00%</p>
<b>Residual Risk Comments:</b>	
<b>Other Requirements/Comments:</b>	
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness

<p>CLMP Established: Karen: Dec 2024 Building Asset Management Plans Established: Karen: June 22 Sustainable funding for Asset Renewal and Mtce captured within LTFP: Chris / Karen: Annual Strategic Plan includes Goals / Objectives / Priorities associated with Public Areas : Karen: 2024 Sport &amp; Recreation Strategy: Renee : June 22 Property Structure &amp; Resourcing appropriate : Karen: Dec 22 Open Space &amp; Recreation Structure &amp; Resourcing appropriate : Chris : Dec 22 Audit of trees undertaken of high risk trees areas : Damian : Oct 2023 Inspection regime in place for high risk assets (building, playground equipment) : Customer Request System established and integrated with Asset Mgt System : David W : Dec 22 Cemeteries Operating Policy &amp; supporting mtce program: Alana: Dec 21 Leases and Licenses for public areas established: Gen : June 2023 Trails Strategy adopted : Renee : June 22 Strategic Bicycle Plan : Renee : June 22 Crown Land Review Completed</p>		30/01/2025	30/01/2024	A cross functional review of this risk was undertaken in July 2021. This review resulted in a reassessment of all controls and actions required.	Moderate reduction in risk
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Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	
Corporate Risk Register	Update Community Land Management Plans	Six Months	Karen Cummings	Updated Community Land Management Plans and Register were adopted by Council in September 2019. A review of the Community Land Register and Community Land Management Plans should occur at least every 2 years.	100%	Complete (Accepted)	30/09/2021	
Corporate Risk Register	Programmed maintenance regime to be developed (land and buildings)	Immediately	Karen Cummings	Strategic Property Review endorsed by Council. Programmed maintenance schedules developed in Open Space and Civil Services areas. Building maintenance schedule being developed as part of Facility Framework, service standards to be developed. Open Space operation programs for roadside and reserve maintenance are incorporated into Road Reserves Annual Maintenance Program and to include in Roadside Vegetation Management Plan. Asset Management Plan Review included in 2022/23 Budget	92%	In Process	30/06/2024	

Corporate Risk Register	Review of Crown Land under care and control of Council	Six Months	Karen Cummings	<p>Detailed assessment of all land parcels undertaken and workshop and report provided to Council. Preliminary consultation completed in relation to potential land parcels to hand back to the Crown. Revocation of community land classification commenced with formal community consultation completed. A report was presented to Council in March 2021 to continue the revocation process that was endorsed. Application for approval for revocation has been lodged with the Minister for Planning. Following a response from the Minister for Planning, a workshop will be held with Council prior to a report being presented to Council for further consideration.</p> <p>Note 9/01/2023: Response received from Minister - revocation now referred to Crown Lands department to revoke the Community Land classification. Workshop scheduled with Council for 21 Oct 2023 prior to report to Council on 14 Nov 2023.</p> <p><i>11/07/2023 by Karen Cummings</i></p> <p>-</p> <p>Report to be considered by Council on 25/07/2023 for 18 parcels of Crown Land to be reverted back to the Crown</p> <p><i>04/01/2022 by Natalie Armstrong</i></p> <p>-</p> <p>Application for approval for revocation lodged with Minister for Planning.</p>	75%	In Process	30/06/2023
Corporate Risk Register	Review of the Trails Strategy (including Bicycle Plan)	Six Months	Renee O'Connor	<p>Trails Strategy developed and adopted by Council. Funding for implementation of the Strategy included in the 2022/23 Annual Business Plan.</p> <p><i>03/01/2023 by Renee O'Connor</i></p> <p>-</p> <p>The new Trails &amp; Cycling Rotes Framework has been endorsed, concluding the review of all previous trails &amp; cycling strategic documents.</p>	100%	Complete (Accepted)	30/06/2023
Corporate Risk Register	Building Asset Management Plans Updated	Six Months	Karen Cummings	<p>The audit across buildings for valuations, condition assessment, insurance and sustainability base line has now been undertaken. The Building AMP is now in development, with the draft document nearing completion. Some delay has been experienced due to competing priority project delivery and staff vacancy, and an end of year completion is more realistic.</p>	75%	Not Complete (Overdue)	30/06/2024

Corporate Risk Register	LTFP reviewed to accommodate the ongoing cost of recovery from disaster events	Six Months	Christopher Janssan	<p>Council has considered the financial impact of significant events such as disasters including bushfire or storm as these type of events have occurred more regularly in recent years. As a result, Council has also assessed its Net Financial Liability ratio with an additional \$3m of borrowings represented by the top red line in the graph below. The resultant ratio shows that even with the additional \$3m, Council still maintains this ratio within a sustainable target range.</p> <p>The \$3m represents the likely Council net contribution to a very significant disaster in the order of \$10m taking into account financial assistance from State and Federal Governments. This assumption is also based on Council's strong preference to borrow if such a major event did occur rather than requiring an increase in rates to fund any financial impact.</p>	100%	Complete (Accepted)	31/03/2022
Corporate Risk Register	Finalise the Community Recreation Facilities Framework (by 31/12/2021) and develop a strategy for inclusion in the LTFP for future funding.	Six Months	Renee O'Connor	<p><i>03/01/2023</i> <i>by Renee O'Connor</i></p> <p>-</p> <p>The Community &amp; Recreation Facilities Framework was endorsed by Council in 2022, &amp; financial implementation was included in the 2022 iteration of the LTFP review.</p> <p><i>01/08/2022</i> <i>by Renee O'Connor</i></p> <p>-</p> <p>The final draft documents will be presented to Council at its August 2022 meeting for endorsement. Staged financial implementation has been considered &amp; included in the recent review of the LTFP.</p>	100%	Complete (Accepted)	31/03/2022
Corporate Risk Register	Undertake a review of the Sport and Recreation Strategy	Six Months	Renee O'Connor	<p><i>01/08/2022</i> <i>by Renee O'Connor</i></p> <p>-</p> <p>Sport &amp; Recreation team staff have commenced the initial phase of the Sport &amp; Recreation Strategy review.</p>	15%	Not Complete (Overdue)	30/11/2023

Corporate Risk Register	Develop Public Toilet Strategy	Six Months	Steve Sauerwald	<p>Development of a Public Toilet Strategy will include the assessment of existing facilities (including link to building audit to be undertaken), development of guidelines in relation to public toilet renewal and new options, development of priorities of upgrades and new, position in relation to supporting community groups who provide public toilet facilities in locations where Council does not provide public toilet facilities</p> <p><i>14/09/2023 by Steve Sauerwald</i></p> <p>-</p> <p>14/09/2023 - Physical audit completed 01/09/2023, with a draft documentation being prepared for a meeting review scheduled for 14/09/2023. Strategy draft being compiled by SS and ML. The Strategy will include proposed service levels, a standardisation of product selections and a proposed priority of works reflecting the Sprout and Nielsen's reports and AHC frequency of community related complaints. Anticipated completion of the draft documentation 31/10/2023.</p> <p><i>14/07/2023 by Steve Sauerwald</i></p> <p>-</p> <p>Physical Public Toilet audit commenced 11/07/2023. Gathered information will be collated with the Sprout audit information and presented in a one page per asset format. Anticipated completion by end of August 2023.</p>	30%	Not Complete (Overdue)	31/08/2023
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Corporate Risk Register	Review the Open Space Mtce Programs to inform an update to the LTFP	Six Months	Nicole Budd	<p><i>16/01/2023 by Nicole Budd</i></p> <p>- Due to restructure within Open Space Ops team, we are finalising updated programs now that will be allocated within three new 'sub-teams' within the OPs team. Programs to be completed by end of February 2023.</p> <p><i>29/12/2021 by Nicole Budd</i></p> <p>- Mowing schedules have been updated to best reflect efficiency over the prime mowing season. Also, currently reviewing schedule for playground &amp; cemetery maintenance to ensure compliance with Australian Standards &amp; community expectations.</p>	80%	Person Responsible Complete	17/02/2023
Corporate Risk Register	In conjunction with Rec & Sport update the audit regime of high risk assets following finalisation of the Community Recreation Facilities Framework	Six Months	Karen Cummings	Priority has been on implementing the Community and Recreation Facilities Framework which will continue into the first half of 2023. The Building audit findings have just been received in late 2022 and there have been no significant high priority risks identified. Staff will continue to implement the Community and Recreation Facilities Framework and review the building audit data and other data to identify high risk assets and their audit regime.	30%	Not Complete (Overdue)	30/06/2023
Corporate Risk Register	Develop Cemetery Mgt Plans for each cemetery under AHC care and control	Six Months	Karen Cummings	Development of management plans for each cemetery will be undertaken as resourcing allows with the heritage listed cemeteries taking priority.	10%	Not Complete (Overdue)	30/06/2023

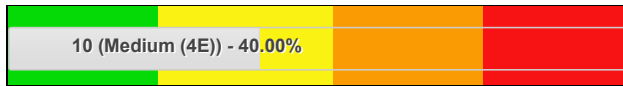
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Date Added	Document Name	Document Details

Saved PDF Versions			
Date Saved	Saved By	Revision	PDF Document
07/11/2023 10:03:09 AM	Jody Atkins	1	Risk170933_2023-11-07_10-03-09_AM.pdf

<b>ID:</b>	Risk - 170817
<b>Risk Title or Work Activity:</b>	Strategic Risk - Environment
<b>Risk Description:</b>	Failure to manage, develop, protect, restore , enhance and conserve the environment in an ecologically sustainable manner and to improve amenity. (F)
<b>Responsible Person:</b>	David Waters
<b>Date of Risk Identification:</b>	15/05/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Environment
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>-Lack of understanding of biodiversity.</li> <li>- Inadequate planning controls,</li> <li>- Lack of specific skill and knowledge of natural environment,</li> <li>- Insufficient budget,</li> <li>- Lack of internal coordination in project delivery,</li> <li>- Inadequate emergency response to environmental hazard,</li> <li>- Lack of longitudinal planning and service delivery, difficulty of meeting varying community expectation,</li> <li>- Ineffective natural resource management strategies and processes.</li> <li>- Poor environmental management practices.</li> <li>- Illegal dumping</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>- Damage to local environment</li> <li>- Financial - restoration of failure to act (fines plus the works to restore)</li> <li>- Reputational damage</li> <li>- Impact on human health and wellbeing due to the loss of visual amenity and ability to interact with nature</li> <li>- Local amenity not maximised</li> <li>- Health and economic impacts due to climate change</li> <li>- Failure to meet stakeholder expectation</li> </ul>
<b>Initial Risk Score:</b>	<p>22 (Extreme (5C)) - 88.00%</p>
<b>Initial Risk Comments:</b>	
<b>Residual Risk Score:</b>	<p>13 (Medium (4D)) - 52.00%</p>
<b>Residual Risk Comments:</b>	
<b>Other Requirements/Comments:</b>	Council continues to work locally but also partner with key agencies to advocate for improved ecological sustainability.
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness

<ul style="list-style-type: none"> <li>- Biodiversity Strategy,</li> <li>- Water Management Plan</li> <li>- Biodiversity Advisory Group and Sustainability Advisory Group</li> <li>- Trained &amp; qualified staff</li> <li>- Safe working procedures</li> <li>- Blue Marker sites</li> <li>- Spill kits</li> <li>- SDS</li> <li>- Customer request system for reporting to us</li> <li>- Machinery hygiene</li> <li>- Development Plan</li> <li>- Strategic Plan Reviewed with Goal area for Natural Environment established (including priorities)</li> </ul>		28/02/2025	15/02/2024		
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Actions							
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date
Corporate Risk Register	Water Resources strategy to be developed	Immediately	Sharon Leith	Water Management Plan endorsed by Council 13 December 2016.	100%	Person Responsible Complete	13/12/2016

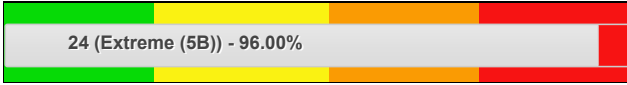
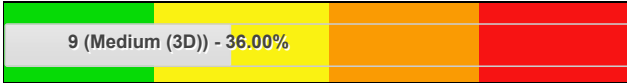
				Trail of first draft complete 31 Dec 2020 Trial of revised raft commenced 30 Jun 2021 Target adoption of final draft = 31 Dec 2021  <i>06/03/2021 by Ashley Curtis</i>  - PMF was in testing phase, however testing project officer left the organisation, placing the test on hold, to be continued by new project officer.			
Corporate Risk Register	Project Management framework (see action above)	Immediately	Ashley Curtis	<i>05/03/2021 by Peter Bice</i>  - Underway, drat documentation completed.  <i>05/03/2021 by Peter Bice</i>  - Underway, drat documentation completed.	100%	Complete (Accepted)	31/12/2021
Corporate Risk Register	Implementation plan for the Biodiversity Strategy to be developed; Interim review of Strategy	Immediately	Tonia Brown	Biodiversity Strategy endorsed by Council on 24/9/2019. Implementation plan for the Biodiversity Strategy complete.	100%	Person Responsible Complete	24/09/2019
Corporate Risk Register	Ensure adequate budget and human resources are allocated to the priority strategies articulated in the Biodiversity Strategy's Implementation Plan	Immediately	Peter Bice	Implementation plan for the Biodiversity Strategy complete. The plan informs Annual Programming and LTFF.	100%	Complete (Accepted)	26/02/2021
Corporate Risk Register	Establish a program to review the safe operating procedures to ensure that they incorporate contemporary management techniques to minimise environmental impacts.	Immediately	Christopher Janssan	Budget Bids to support this years program were included in the 2018-19 Annual Business Plan and Budget Process.	100%	Complete (Accepted)	26/02/2021
Corporate Risk Register	Expansion of Blue Marker Sites	Immediately	Christopher Janssan		100%	Complete (Accepted)	30/10/2016

**Documents**

Date Added	Document Name	Document Details
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Date Saved	Saved By	Revision	PDF Document
07/11/2023 10:00:53 AM	Jody Atkins	1	Risk170817_2023-11-07_10-00-53_AM.pdf

<b>ID:</b>	Risk - 170941
<b>Risk Title or Work Activity:</b>	Strategic Risk - Financial
<b>Risk Description:</b>	Failure to manage, improve and develop the financial resources available to Council. (F)
<b>Responsible Person:</b>	Terry Crackett
<b>Date of Risk Identification:</b>	12/11/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Financial
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	Poor internal control environment Poor procurement planning and processes. Ineffective insurance arrangements. Poor financial management processes (treasury, AP, AR) Poor contract management Poor People Management Ineffective Asset Planning Lack of Business Planning Poor Strategic Planning Lack of Business Case development (including Prudential Reviews)
<b>Possible Consequences:</b>	Potential for qualified accounts as an audit outcome; inappropriate segregation of duties; increased potential for fraud; negative impact on Council brand & reputation; lack of consistency in process use; inability to measure process effectiveness and outcomes; increased risk of litigation; inappropriate assets with short medium and long term financial impacts; potential inability to pay; negative impact on ability to service the community; poor customer relations; poor supplier relationships; potential impact on income from rates, fees and charges; increased risk of litigation leading to financial instability.
<b>Initial Risk Score:</b>	
<b>Initial Risk Comments:</b>	
<b>Residual Risk Score:</b>	
<b>Residual Risk Comments:</b>	
<b>Other Requirements/Comments:</b>	A cross functional review of this risk was undertaken in July 2021. This review resulted in a reassessment of all controls and actions required. Whilst the actions have now been individually created, separate controls are required to be captured.
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness

<p>Long Term Financial Plan in place and regularly Reviewed; Annual Business Plan developed and aligned each year to the Long Term Financial Plan; Internal audit and annual review of internal controls; System security and configuration; Induction procedures; Recruitment and selection processes; Financial delegations; Informed level of insurance cover through LGAMLS, rating policy, process and timeframes; Asset management register and program; Executive Manager Governance and Risk employed; Procurement Co-Ordinator role employed; Qualified employees that are trained in policies; Conflict of interest declaration regularly reviewed (Directors/CEO); WHS procedures on plant purchasing, consultation and risk assessment; Fraud and Corruption Policy; Whistleblowers Policy; Insurance reviewed annually and all areas of insurance are reviewed and recalculated for following year; Wage declaration which affects the insurance calculation annually; insurance claims process; Quality accredited insurance company-LG Risk Services; insurer processes claims; professional internal advice; Financial management system; Updated Procurement Policy and Procedures Adopted by Council in 2019 (delegation and authority included); Code of Conduct for Employees and Council Members; Discipline processes; Ongoing training and development; Internal controls framework; Debt Recovery Policy and Accounts Reconciliation Policies updated and adopted External Fund Funding Policy adopted by Council (2017) Implementation of ContolTrack to monitor financial controls environment Treasury Policy established</p>	<p>Terry Crackett</p>	<p>28/02/2024</p>	<p>11/02/2023</p>	<p>A cross functional review of this risk was undertaken in July 2021. This review resulted in a reassessment of all controls and actions required. Whilst the actions have now been individually created, separate controls are however still required to be entered.</p>	<p>EFFECTIVE (Designed Adequately; Operating Effectively)</p>
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Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	
Corporate Risk Register	Review positions across council that require criminal history checks, including financial roles	Immediately	Megan Sutherland	Updated Policy and Procedure covering the relevant criminal history check requirements have been adopted and training completed. Identified positions requiring checks are being updated or undertaken currently.	100%	Complete (Accepted)	30/06/2016	
Corporate Risk Register	Recruit Procurement Coordinator Role	Immediately	Michael Carey	Recruitment completed in June 2018	100%	Complete (Accepted)	30/09/2017	
Corporate Risk Register	Review of Procurement Policy and procedures (Stage 1)	Immediately	James Greenfield	Updated Policy and Procedure endorsed by Council in August 2019	100%	Complete (Accepted)	01/06/2019	
Corporate Risk Register	Review the process map of the insurance claims procedure to enable consistency of application.	Six Months	Steven Watson	220104 Development of process map has commenced. 220405 Creation and attached herein a Motor Vehicle Incident Report which is used for capturing information proceeding to an insurance claim. 220405 Creation and attached herein is an Asset Incident Report which is used for capturing information proceeding to an insurance claim. 220405 Attached herein is the LGRS Portal User Manuals 230215 This work was sidelined whilst work was undertaken on the LG Election and Council Member Induction process. Work is scheduled to recommence March 2023.	85%	Not Complete (Overdue)	30/06/2023	
Corporate Risk Register	Explore Grant funding opportunities	Immediately	Michael Carey	A Grant Funding Policy endorsed by Council.	100%	Complete (Accepted)	01/07/2016	
Corporate Risk Register	Develop a Treasury Management Policy	Immediately	Michael Carey	Policy endorsed by Council October 2017	100%	Complete (Accepted)	30/11/2018	
Corporate Risk Register	Implement the Cyber Security Plan	Six Months	James Sinden	A Cyber Security Plan has been developed and will be presented to Audit Committee for endorsement in May 2021 3rd August 20201 - The implementation of an ISMS is a part of the recently adopted Cyber Security Plan that was adopted at the June 2021 Council Meeting. Commencement is now delayed due to the resignation of a key AHC Staff member responsible for the delivery of the project. It's anticipated that the project will commence in late September 2021.  <i>09/01/2023 by James Sinden</i>  - Progress on the ISMS has been the development of an Information Security Manual and End User Security Procedures that are now progressing through formal review and endorsement by the organisation.	100%	Complete (Accepted)	30/06/2023	



				<p><i>02/08/2022</i> <i>by James Sinden</i></p> <p>-</p> <p>AHC is progressing its implementation of its ISMS (Information Security Management System) with the creation of a Cyber Security Calendar, Security Risk Register &amp; Information Asset Inventory.</p>			
				<p><i>10/05/2022</i> <i>by James Sinden</i></p> <p>-</p> <p>The LGITSA Cyber Security Framework has been completed and AHC is currently aligning its Cyber Security Plan to this framework in a sector wide approach of improving Cyber Security maturity. AHC has also engaged CyberCX in the implementation of AHC's ISMS (Information Security Management System) and work activity continues in this area.</p>			
				<p><i>01/04/2022</i> <i>by James Sinden</i></p> <p>-</p> <p>Work activity continues with this action where staff have been closely involved in the working group established by LGITSA (Local Government Information Technology South Australia) to develop a Local Government Cyber Security Framework that's been grant funded by the LGA. As the development of the framework progresses, AHC continues to build upon technical cyber security controls and implementation work activity with consultants that will align to a State based Cyber Security Framework.</p>			
Corporate Risk Register	Develop a Project Management Framework supported by Policies & Procedures	Six Months	Ashley Curtis	Draft Framework has been completed and use broadly across the organisation now occurring. Some refinement being made based on user feedback, with supporting Policies and Procedures developed but subject to ongoing refinement and review.	100%	Complete (Accepted)	30/06/2022

Corporate Risk Register	Undertake a review of the Fleet Management Framework (including Policies & Procedures)	Six Months	Christopher Janssan	A detailed analysis is being undertaken in 22-23 to confirm the approach to achievement and quantum of savings. Working with Manager People and Culture to look at make-up of fleet and will then work on Policy	20%	In Process	30/06/2024
Corporate Risk Register	Implement biannual reporting of procurement to ELT	One Month	James Greenfield	<i>05/11/2021 by James Greenfield</i> - PResentation held 04/11/2021. Presentations booked for Feb and Sept 2022	100%	Person Responsible Complete	31/08/2021
Corporate Risk Register	Establish a process to ensure that a review of Purchase Order variations is undertaken	Three Months	James Greenfield		100%	Complete (Accepted)	31/12/2021
Corporate Risk Register	Investigate the option for Business Interruption Insurance	Three Months	Steven Watson	LGRS have provided a proposal for undertaking Business Interruption Review (BIR) , however a proposal to undertake a Transferable Risk Profile (TRP) is occurring mid September 2021 which includes identifying Maximum Foreseeable Loss (MFL) on risks identified. Following the TRP an assessment will be made as to any gaps and consideration of furthering the BIR proposal.  210826 Met with stakeholders to discuss. We focused on a loss of rate revenue through a bushfire event and Council's willingness to fund a rate shortfall or willingness to cut services to accommodate such. The agreed approach was to seek quotes for Loss of Rate Revenue of \$5m, \$7m and \$10m for a period of 1, 3 and 5 years. We will reconvene once the quote has been received.  200104 Awaiting feedback from TC / LM on the quote and TRP information provided.  230215 This work was sidelined whilst work was undertaken on the LG Election and Council Member Induction process. Work is scheduled to recommence March 2023.  Discussions with LGRS with regards insurance have been re-initiated. This additional Insurance has not yet been reviewed.	85%	Not Complete (Overdue)	30/06/2023
Corporate Risk Register	Provide a report to ELT on the Annual Placement of Insurance (including claims experience)	Two Months	Steven Watson	An item was presented to ELT on Thursday 26 August 2021 detailing the insurance report to the Audit Committee, claims history and where to find the insurance claims register. An action arising included presenting to ELT twice yearly on this matter during the months of March and September.  220421 - Another briefing presented to ELT on 21 April 2022.	100%	Person Responsible Complete	30/09/2021

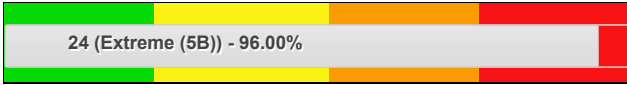
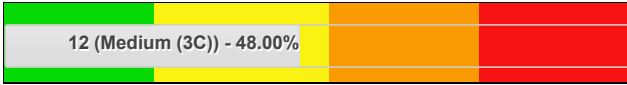
Corporate Risk Register	Undertake an annual review of the Long Term Financial Plan to ensure that changes within the operating environment of Council are captured and accommodated to ensure long term financial sustainability can be achieved. Last reviewed Feb 23.		Elizabeth Packer		%	New	29/02/2024
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**Documents**

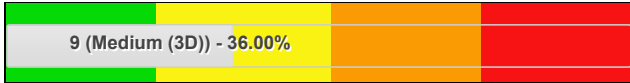
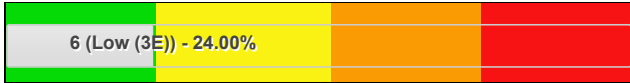
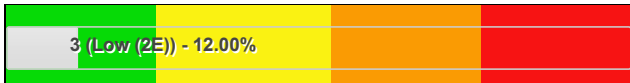
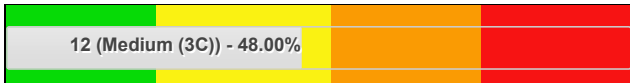
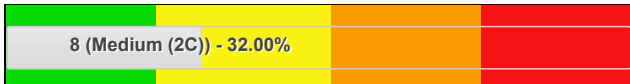
Date Added	Document Name	Document Details
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**Saved PDF Versions**

Date Saved	Saved By	Revision	PDF Document
07/11/2023 9:53:20 AM	Jody Atkins	1	Risk170941_2023-11-07_9-53-20_AM.pdf

<b>ID:</b>	Risk - 170934
<b>Risk Title or Work Activity:</b>	Strategic Risk - People Culture inc WHS
<b>Risk Description:</b>	Failure to manage, improve and develop the human resources available to the Council. (F)
<b>Responsible Person:</b>	Terry Crackett
<b>Date of Risk Identification:</b>	07/08/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	People & Culture (includes WHS)
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	Poor IR practices Ineffective attraction and retention initiatives Lack of workforce planning and development. Deficient equity and diversity programs Poor leadership Failure to ensure appropriate WH&A;S for employees and volunteers. Volunteers not trained or inducted effectively
<b>Possible Consequences:</b>	Increased financial cost; potential litigation; decrease in morale; poor work performance; inability to deliver services; negative impact on council brand and reputation; lacking or ineffective policy/procedures; inability to meet the demand for volunteering opportunities, inability to offer attractive positions; council could fail to meet the legislative requirements if training avoided; not having available staff/volunteers to undertake work at required times; heightened number of complaints around EEO; ineffective management of human resources, lose ability to innovate through poor leadership; increased injured and notifiable incidents; potential death; litigation threatening the viability of the organisation; unable to attract employees and volunteers; lack of handover and transfer of valuable knowledge; challenges about fair and equitable process; higher turnover costs and negative affect on work culture; increase absenteeism.
<b>Initial Risk Score:</b>	
<b>Initial Risk Comments:</b>	There is a huge array of risks associated with the management of people within the organisation. Several large pieces of legislation have requirements to be met to manage these risks.
<b>Residual Risk Score:</b>	
<b>Residual Risk Comments:</b>	There are significant controls in place to manage these risks, with responsibilities to provide procedures and process in key departments that are then utilised by people across the organisation, including People Leaders, employees and 'workers' from a WHS perspective.
<b>Other Requirements/Comments:</b>	
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness

Volunteer Framework established and implemented Volunteer Policy Developed	Rebecca Shepherd	30/11/2022	05/08/2022	Volunteer Policy and additional procedures implemented and working effectively with improved practices. Volunteer Policy to be reviewed in 2022.	EFFECTIVE (Designed Adequately; Operating Effectively)
					
Recruitment Policies and Procedures in place	Anne Pett	30/03/2023	05/08/2022	Phase 2 of the HR System implementation will be commencing in August or September 2022 (still being finalised). With the Recruitment and Retention Audit recently being completed, a range of actions, including the update of the Recruitment and Selection Procedure and associated documents will now commence.	EFFECTIVE (Designed Adequately; Operating Effectively)
					
WHS Management System in place (Committee, Reporting, SkyTrust, Policy & Procedures) Regular audits by LGAWCS	Anne Pett	30/07/2023	05/08/2022	WHS policy, procedures, SOP's, risk assessments, inspections, hazard and incident reporting, audits, action processing and updating and use of Skytrust are all ongoing processes that continue to be used and reviewed.	EFFECTIVE (Designed Adequately; Operating Effectively)
					
Established Policies and Procedures Framework	Anne Pett	28/08/2023	05/02/2023	The OD Policy and Procedure Framework was adopted by Executive on 14/7/2022. Work will continue on the review and development of policies and procedures against this framework. This work has been placed on hold given the resignation of the Mgr People and Culture as well as the Team Leader OD. The new Mgr People and Culture will commence on 20 March 2023 at which time the progression of the Policy & Procedure Framework will recommence.	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
					
Leadership Framework Established and development opportunities undertaken	Anne Pett	30/09/2023	05/02/2023	This work has been placed on hold given the resignation of the Mgr People and Culture as well as the Team Leader OD. The new Mgr People and Culture will commence on 20 March 2023 at which time the progression of the Leadership Framework will be considered.	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
					

OD Structure supported through trained and experienced staff	Anne Pett	17/10/2023	17/07/2023	Following the resignation of the Mgr OD as well as the Team Leader OD and WHS Advisor, a resource and structure review was undertaken of the now People and Culture Department. This review has been completed and resulted in the provision of additional resourcing to support both the WHS and OD Advisory roles. The new Mgr People and Culture commenced on 20 March 2023 and the new WHS advisor will start 25 July 2023. The People and Culture Department was further reviewed as part of a Corporate Services resource and structure review. This review proposes the removal of the Team Leader OD position and redesigns the OD Advisor role to Senior People & Culture Officer. The OD Officer role is proposed to go full time. Changes are subject to feedback from consultation which closes 21 July 2023.	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
					
Enterprise Agreement Framework in place	Anne Pett	01/12/2023	05/08/2022	The Enterprise Development Agreements have been in place for many years. This provides Council the opportunity to work with employees in a consultative way, with their Union Organisers (as relevant), to discuss terms and conditions of employment, providing the framework, that sits over Awards, to manage our work and employees. Current Agreements are in place for Field and Office until 30 June 2025.	EFFECTIVE (Designed Adequately; Operating Effectively)
					
2022 Fair Treatment, Bullying & Grievance Policies and Procedures are established	Anne Pett	30/06/2024	05/08/2022	These documents are established and up to date. Their next scheduled review is 30 June 2024 or as legislation or internal controls require.	EFFECTIVE (Designed Adequately; Operating Effectively)
					
Established Position Descriptions for all roles:	Anne Pett	01/07/2024	05/02/2023	Position descriptions are reviewed at the appointment of recruitment or classification assessments. There is provision for PD's to be reviewed annually with the staff member and People Leader as part of the 4x8 process. OD has undertaken a review of position descriptions with a view to begin updating PD's periodically, particularly those that have not been reviewed more recently.  This work has been placed on hold given the resignation of the Mgr People and Culture as well as the Team Leader OD. The new Mgr People and Culture will commence on 20 March 2023 at which time the work will recommence.	EFFECTIVE (Designed Adequately; Operating Effectively)
					

Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	
Corporate Risk Register	Equity and diversity plan is being developed	Six Months	Anne Pett	Since this action commenced, the Access and Inclusion Plan 2020-2024 has been adopted by Council in January 2021. A review of the direction of this action is needed so as not to double up on activities. This action has been delayed as resourcing has needed to focus on the HR and payroll system implementation, payroll processing each fortnight, WHS Action Plans and activities and day to day organisational support. The ongoing support of managing COVID and general illness across the organisation has also been important for OD. This action has not been progressed, P&C will be gathering Diversity data from employees that will support the DAIP, RAP and Our Watch and potentially inform an Access and Inclusion Plan (or similar).	30%	Not Complete (Overdue)	30/06/2023	

Corporate Risk Register	Review Fair Treatment and Bullying Procedures, and Grievance Resolution Procedure;	Six Months	Anne Pett	Fair Treatment, Workplace Bullying Policies and Grievance Procedure require an annual review to ensure currency	100%	Complete (Accepted)	01/07/2022
Corporate Risk Register	Review Work From Home Policy & procedures to ensure that meet the changing needs of the workforce stemming from COVID and increased fire events.	Two Months	Anne Pett	Procedures updated to respond to events in 2020 and were implemented successfully. Review now required to ensure application to a more business as usual mode of operation is effective.	100%	Complete (Accepted)	30/10/2021
Corporate Risk Register	Implement replacement Payroll system to comply with legislative requirements that will not be possible with existing system on 1 January 2022.	Immediately	Michael Carey	<p>Project team established and options for upgrade being considered. Advise received that critical deadline may move to 30 June 2022. System set up is well progressed and testing currently underway. The majority of the setup work has now been completed. Go live date was re set for mid February 2022. Go live was reset for 28 March 2022</p> <p><i>11/05/2022 by Megan Sutherland</i></p> <p>- Community Payroll was implemented on the week of 28/3/2022.</p> <p><i>22/04/2021 by Megan Sutherland</i></p> <p>- Currently working with ICT Team and the external system provider to map out requirements. ICT managing the implementation plan.</p>	100%	Complete (Accepted)	01/04/2022

Corporate Risk Register	Undertake training in recruitment practices for staff involved in recruitment panels	Six Months	Anne Pett	<p>Phase 1 of the HR system has been implemented. We are currently scoping out and prioritising Phase 2 of the system implementation which will include Employee Self Service and e-Recruitment. The Recruitment Audit has also been undertaken (May 2022) with the initial report returned (20 June 2022).</p> <p>This work has been placed on hold given the resignation of the OD Manager and Team Leader. The new Mgr People and Culture will commence on 20 March 2023 at which time work will recommence.</p> <p>The Recruitment &amp; Selection Policy and Procedure was supported by ELT in July 2023 and CEO approval is imminent. Following approval training will be deliver to all relevant staff across Council who have responsibility for recruitment and selection.</p> <p><i>07/02/2022 by Niamh Milligan</i></p> <p>-</p> <p>This action will be addressed as part of the work that will occur around the implementation of e-Recruitment through the new HR System, Lanteria. We are working towards the new system going live currently.</p>	20%	Not Complete (Overdue)	30/06/2023
Corporate Risk Register	Review how the Work from Home Procedure is going and if positively contributing to effective and efficient work and working relationships across the organisation.	Three Months	Megan Sutherland	<p>Given the current pandemic arrangement there has been considerable review of WFH processes and procedures. There is still a level of follow up required to ensure compliance. A new register has been established to monitor which employees are working from home each day.</p> <p><i>11/05/2022 by Megan Sutherland</i></p> <p>-</p> <p>WFH processes are reviewed in an ongoing way to enable work to be undertaken that meets the needs of the organisation and it's people. Further work will be progressed as we lead the organisation out of the the 'COVID crisis' and determine if or where any changes to these practices are needed.</p>	100%	Complete (Accepted)	30/04/2022
Corporate Risk Register	Leadership Coaching & Mentoring Program Progressed	Six Months	Anne Pett	<p>This work has been placed on hold given the resignation of the Mgr People and Culture as well as the Team Leader OD. The new Mgr People and Culture will commence on 20 March 2023 at which time the progression of the Leadership Framework will be considered.</p> <p>The Leadership Framework will be considered as part of the review of Values and Behaviours.</p>	5%	Not Complete (Overdue)	30/12/2023
Corporate Risk Register	Review OD Structure to ensure resources aligned to corporate goals and undertake recruitment to ensure revised structure resourced.	Three Months	Megan Sutherland	<p>Revised structure established and currently out to consultation with staff. Additional resource to to support OD approved within the 2021/22 budget. Systems project resource endorsed by ELT on 5/8/21. Changes to OD structure are currently being implemented.</p> <p>One position has been appointed and is working well. The recruitment process has been completed for the other role and commences in Jan 2022</p>	100%	Complete (Accepted)	20/12/2021



Corporate Risk Register	Update OD Policies & Procedures to align to Framework.	Six Months	Anne Pett	<p>The OD Policy and Procedure Framework has been adopted by Executive on 14/7/2022. Review and update of documents will continue against this Framework. All OD policy/procedures and procedures will not be completed by Dec 2022. Work will continue until all documents have been updated. A Reference Group has been established to support this review process.</p> <p>The Policy and Procedure was reviewed resulting in the consolidation, deletion and creation of policies/procedures. ELT approved the revised framework on 13 July 2023 with a prioritised implementation schedule. It is anticipated that all documents will be reviewed and implemented over a period of 12-18 months.</p> <p><i>21/06/2022 by Niamh Milligan</i></p> <p>- A proposed OD Policy and Procedure Framework was workshopped with the EM OD on 15/06/2022 with feedback incorporated. It will be presented to ELT at the next 'Develop' meeting on 14 July 2022.</p> <p><i>07/02/2022 by Niamh Milligan</i></p> <p>- We are continuing to work through the update of policies and procedures with the current focus being on the Leave Procedure which is currently being reviewed.</p>	15%	Not Complete (Overdue)	02/12/2022
Corporate Risk Register	Undertake Audit of Position Descriptions to Ensure currency and ensure update where not current	Six Months	Karlee Cook	<p>OD has undertaken a review of position descriptions with a view to begin updating PD's periodically, particularly those that have not been reviewed more recently. Note: all PD's across the organisation will not be reviewed by end of 2022 particularly due to the ongoing implementation of the HR system which is expected to continue into 2023 and takes significant resourcing.</p> <p>The review of Position Descriptions has not progressed and additional resources will be required to achieve, which could be through engaging a temporary contractor.</p> <p><i>27/01/2022 by Niamh Milligan</i></p> <p>- The OD Advisor has commenced this review with an initial focus on ensuring that we have position descriptions for all positions and identifying any gaps.</p>	15%	Not Complete (Overdue)	31/12/2022

Corporate Risk Register	Training and Development Framework Reviewed & Implemented (captures current 4x8, WHS and Corporate Training needs)	Six Months	Niamh Milligan	<p>T&amp;D is managed in OD in two discrete areas, WHS and HR. The WHS Action Plan and Improvement Plan are both focused on updating training information and developing training plans. Around 75% of the organisation's staff will have their WHS requirements logged against them/their position in Skytrust by end of Sept 2022. Data has been collected and discussed with People Leaders for HR also. This will be added to the HR system once the training module is implemented (timing of this still being determined) and likely to commence later in 2023.</p> <p>The HR System has now been paused and the intent to go out tender in October. The TNA is 100% loaded in SkyTrust and a training plan will be developed by October.</p> <p><i>07/02/2022 by Niamh Milligan</i></p> <p>-</p> <p>The OD Advisor has commenced. A meeting is scheduled with the EM OD on 7/2/22 to discuss the WHS Action Plan which includes work associated with a WHS T&amp;D Framework which will be expanded to included corporate training.</p> <p><i>07/02/2022 by Niamh Milligan</i></p> <p>-</p> <p>The OD Advisor has commenced. A meeting is scheduled with the EM OD on 7/2/22 to discuss the WHS Action Plan which includes work associated with a WHS T&amp;D Framework which will be expanded to included corporate training.</p>	20%	Not Complete (Overdue)	30/12/2023
Corporate Risk Register	WHS Policy & Procedure Review at LGAWCS followed by AHC application	Six Months	Anne Pett	The plan to update the WHS procedures is being followed with 17 procedures and forms updated and approved via Executive. Other work is progressing to develop training that can be run via Skytrust to provide basic procedure knowledge, including a knowledge checking process.	75%	Not Complete (Overdue)	30/06/2023
Corporate Risk Register	WHS Reporting across organisation to be reviewed to ensure awareness and education is appropriate. Revised reporting requirements to be implemented if identified.	Six Months	Lee Merrow	Reporting has been updated as a result of audit feedback. Ongoing monitoring and further improvement will take place as the reporting is used and reviewed in the organisation.	100%	Complete (Accepted)	30/11/2021

Documents		
Date Added	Document Name	Document Details

Saved PDF Versions			
Date Saved	Saved By	Revision	PDF Document

07/11/2023 9:40:48 AM	Jody Atkins	3	Risk170934_2023-11-07_9-40-48_AM.pdf
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19/05/2022 2:35:54 PM	Niamh Milligan	1	Risk170934_2022-05-19_2-35-54_PM.pdf



				13 (Medium (4D)) - 52.00%		
ICT Business Continuity Systems established	James Sinden	08/01/2024	09/01/2023	Data Centre established in diverse geographic locations and immediate switchover capability Hierarchical back up regime Cloud First Strategy in place in transition of systems occurring System & Application MAO (Maximum Acceptable Outage) - set to organisational requirements Undertake system outage testing	EFFECTIVE (Designed Adequately; Operating Effectively)	
				9 (Medium (3D)) - 36.00%		
Information Services Team resourced in accordance with required structure (including \$ & FTE)	James Sinden	08/01/2024	09/01/2023	Induction processes in onboarding driven through OD Systems security in access protocols Work from home access regime	EFFECTIVE (Designed Adequately; Operating Effectively)	
				5 (Low (2D)) - 20.00%		
Information Services Strategic Plan Developed (2022)	James Sinden	08/01/2024	09/01/2023	A review of the Information Services Strategic Plan has commenced (Jan 22) with ISSRG. Draft Information Services Strategic Plan created Consolation with ISSRG and Executive completed Digital Transformation Plan (tactical plan) developed	Major reduction in risk	
				9 (Medium (3D)) - 36.00%		

Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	

Corporate Risk Register	Review the Information Services Business Plan	Six Months	James Sinden	<p>The Information Services Business Plan is reviewed on an annual basis to align with the setting of LTFP and Budget..</p> <p><i>07/05/2021 by David Collins</i></p> <p>-</p> <p><i>26/02/2021 by David Collins</i></p> <p>-</p> <p>Confirm Asset Management System is implemented an in use by the organisation.</p>	100%	Complete (Accepted)	30/12/2021
Corporate Risk Register	Finalise development of Cyber Security Framework (including implementation Plan)	Six Months	James Sinden	<p>Implementation of the Cyber Security Program has been completed and has moved into operations mode within the Information Services Department.</p> <p><i>02/08/2022 by James Sinden</i></p> <p>-</p> <p>The LGITSA Cyber Security Framework has been completed and AHC has aligned the Cyber Security Plan (the implementation plan) to the framework and commenced implementation of the ISMS (Information Security Management System).</p> <p><i>10/05/2022 by James Sinden</i></p> <p>-</p> <p>The implementation of an ISMS is a part of the recently adopted Cyber Security Plan (Framework) that was adopted at the June 2021 Council Meeting.</p> <p>Commencement was delayed due to the resignation of a key AHC Staff member responsible for the delivery of the project.</p> <p>After advertising for a Senior Cyber Security ICT Officer, Council was unable to find an appropriate candidate given there is considerable demand in the industry for these skillsets.</p>	100%	Complete (Accepted)	30/06/2023

				<p>In the short term a specialist contract resource is being used to progress with implementation.</p> <p>The newly appointed Team Leader ICT has already introduced a formal ITIL Change Management process using the forms engine via the corporate website for both external vendors and internal ICT change control.</p> <p>Development of ICT Policy and implementation of an ICT Operations Manual planning has started and AHC Staff have assisted with the development of a Local Government Cyber Security Framework that has been grant funded by the LGA and facilitated by LGITSA (Local Government Information Technology South Australia) and external consultants. A draft version of the framework is expected to be released shortly to the LG Sector for feedback.</p> <p>The LGITSA Cyber Security Framework has been completed and AHC is currently aligning its Cyber Security Plan to this framework in a sector wide approach of improving Cyber Security maturity. AHC has also engaged CyberCX in the implementation of AHC's ISMS (Information Security Management System) and work activity continues in this area.</p> <p><i>01/04/2022 by James Sinden</i></p> <p>-</p> <p>Work activity continues with this action where staff have been closely involved in the working group established by LGITSA (Local Government Information Technology South Australia) to develop a Local Government Cyber Security Framework that's been grant funded by the LGA. As the development of the framework progresses, AHC continues to build upon technical cyber security controls and implementation work activity with consultants that will align to a State based Cyber Security Framework.</p>			
Corporate Risk Register	Implement new records management system in conjunction with SharePoint upgrade	Six Months	James Sinden	Completed Action - New SharePoint environment implemented, Record Point software acquired to replace TRIM and installed, project plan established for EDRMS and architecture completed. Build of Test Environment completed and software integration with line of business systems being undertaken. Live environment built and configured and staged rollout commenced in 2020. TRIM Migration Project completed with contractors (AvePoint)	100%	Complete (Accepted)	30/06/2017

Corporate Risk Register	Develop business case for the electronic capture of all records currently stored in hardcopy format both onsite and offsite.	Six Months	James Sinden	<p><i>10/05/2022</i> <i>by James Sinden</i></p> <p>- The business case developed identified cost estimates that exceed current budget allocation and further analysis is required if the activity is to progress.</p> <p><i>01/02/2022</i> <i>by Jody Atkins</i></p> <p>- Corrected dates: The Scan on Demand proposal was issued to Management November 2020, with a business case issued August 2021, waiting Managers approval for Scan on Demand to occur.</p> <p><i>01/02/2022</i> <i>by Jody Atkins</i></p> <p>- The development of a business case for electronic capture of all hard copy records has commenced. The Scan on Demand proposal was issued to Management November 2019, with a business case issued August 2020, waiting Managers approval for Scan on Demand to occur. Clearing of back Woodside room has occurred to enable over 2000 files to be in a more fire safe environment. Clearing of hard records in other worksites (Heathfield, Garrod Ave, Lobethal, Gumeracha and parts of Nairne Road) have been completed. Still an area in Nairne Road to be cleared (dungeon).</p>	100%	Complete (Accepted)	26/02/2022
Corporate Risk Register	Progress transition to cloud for remaining applications / systems	Six Months	James Sinden	<p><i>08/12/2023</i> <i>by James Sinden</i></p> <p>- Microsoft 365 - Teams Calling has been successfully transitioned to Cloud removing on-premise Skype for Business Servers.</p>	25%	In Process	30/06/2027



*27/09/2023*  
*by James Sinden*

-  
CRM business requirements undertaken and progressing to tender for solution design.

*08/08/2023*  
*by James Sinden*

-  
CRM System has been given Capital funding to progress work activity for a renewal of the solution and migration to cloud hosting. A project control group has been established and is currently engaging with the organisation with a view to undertake a tender process for the work activity.

*07/07/2023*  
*by James Sinden*

-  
Scoping work for implementation of Microsoft 365 - Teams Calling

*07/07/2023*  
*by James Sinden*

-  
Developed and implemented a new Council Members Portal in November 2022 for the new Council with M365

*09/01/2023*  
*by James Sinden*

-  
MS Teams Cloud migration scoping and planning work is underway

*02/08/2022*  
*by James Sinden*

-  
SharePoint Cloud migration scoping out requirements for the EDRM's has commenced including analysis of data governance compliance.

*02/08/2022*  
*by James Sinden*

-  
SharePoint Cloud migration scoping out requirements for the EDRM's has commenced including analysis of data governance compliance.

*10/05/2022*  
*by James Sinden*

-  
Payroll Phase 2 (Electronic Timesheet Solution) to commence in May  
Human Resources (Employee Self Service Portal) Phase 2 to commence in May

*01/04/2022*  
*by James Sinden*

-  
Significant work has been undertaken in transition to Cloud for the following system.  
Payroll - Completed - Phase 1  
Human Resource - Phase 1  
Active Director - Completed  
Exchange - Completed  
Endpoint Detection & Response (Microsoft Defender Security) - Completed and removal of redundant EDR systems (Carbon Black, Proofpoint etc)

Corporate Risk Register	Review Information Services Strategic Plan	Six Months	James Sinden	The Information Services Strategic Plan is being reviewed by ISSRG (Information Strategic Reference Group) to align to the technology system reference within the Council Strategic Plan - A Brighter future: Strategic Plan 2020-24 Objective 6 - Technology and innovation.	100%	Complete (Accepted)	30/06/2022
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Documents		
Date Added	Document Name	Document Details

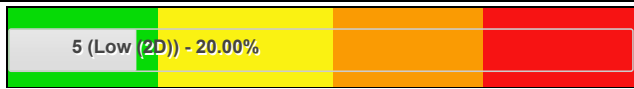
Saved PDF Versions			
Date Saved	Saved By	Revision	PDF Document
07/11/2023 9:58:46 AM	Jody Atkins	1	Risk170939_2023-11-07_9-58-46_AM.pdf

<b>ID:</b>	Risk - 150009
<b>Risk Title or Work Activity:</b>	Strategic Risk - Development
<b>Risk Description:</b>	Failure to plan at the local and regional level for the future development and future requirements of the area. (F)
<b>Responsible Person:</b>	Natalie Armstrong
<b>Date of Risk Identification:</b>	15/09/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Service Delivery
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>- Poor understanding of development, infrastructure, population, transport, demographics and trends</li> <li>- Ineffective liaison with state and federal planning and development agencies.</li> <li>- Ineffective strategies to enhance and conserve character areas and iconic sites.</li> <li>- Poor place making strategies.</li> <li>- Deficient planning and building rules consent practices.</li> <li>- Ineffective infrastructure planning processes.</li> <li>- Lack of appropriately trained and experienced staff.</li> <li>- Poor business planning and budgeting processes to allocate sufficient resources to functions</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>- Poor planning and development outcomes, ad-hoc and reactionary planning, unresponsive approaches to addressing community needs and trends</li> <li>- Uncoordinated approaches to infrastructure provision, lack of partnership &amp; funding arrangements, lack of collaborative &amp; mutually beneficial outcomes for community, Council and State Govt., duplication of services and resources</li> <li>- Disempowered community with poor and inefficient use of public spaces</li> <li>- Dysfunctional organisation with a poor reputation resulting in community dissatisfaction with level and type of service provision resulting in a Council regime change</li> <li>- Non-compliant with legislative responsibilities resulting in considerable liability exposure</li> <li>- Inconsistent and misdirected operations and service provision</li> </ul>
<b>Initial Risk Score:</b>	<p>21 (Extreme (4B)) - 84.00%</p>
<b>Initial Risk Comments:</b>	Lack of poor planning, adequately trained staff, poor research into planning issues facing the Council area from a planning and development point of view leading to poor development outcomes, unresponsive planning policy and controls and lack of appropriate or required infrastructure
<b>Residual Risk Score:</b>	<p>5 (Low (2D)) - 20.00%</p>
<b>Residual Risk Comments:</b>	Employment of appropriately trained and qualified staff; undertaking thorough analysis of planning policy and development related matters facing Council; having adequate community engagement into these matters to ensure development policies are responsive to community needs and aspirations; having appropriate training and delegations in place for effective and efficient decision making for development assessment function; having an effective, trained and experienced Council Assessment Panel in place to determine delegations to the Assessment Manager/staff and make decisions on complex development applications.

<b>Other Requirements/Comments:</b>	
<b>Current:</b>	Yes

**Risk Controls**

Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness
<ul style="list-style-type: none"> <li>- Development Policy Planning function in place to monitor, analyse and advise</li> <li>- Implementing and transitioning to the new Planning &amp; Design Code</li> <li>- Up to date Policy in place</li> <li>- Privately funded Code Amendment Policy and other development related policies in place</li> <li>- Participation in relevant forums with State &amp; Federal Govt and other stakeholder groups regarding any changes to development policy</li> <li>- Undertake responsibilities outlined in the Collaborative Work Plan between SPC and Council regarding transitioning to the new Planning, Development &amp; Infrastructure (PDI) Act 2016</li> <li>- Transition and amend where required the Council's Development Plan to the Planning &amp; Design Code over the next 3 years in accordance with the PDI Act</li> <li>- Precinct Planning Framework and expertise in place</li> <li>- Skilled and experienced planning, building, infrastructure, sport &amp; recreation planning, community development and economic development teams in place</li> <li>- Community engagement and consultation methodologies in place to accord with the State's Community Engagement Charter</li> <li>- Relevant development assessment staff and CAP members accredited in accordance with the State's Accreditation Scheme</li> <li>- 4x8 processes identifying training and development needs</li> <li>- Development and PDI Act delegations and sub-delegations</li> <li>- CAP in place and functioning</li> <li>- Adopted District Master Plan in place</li> <li>- Regional Climate Change Adaptation Plan - Resilient Hills and Coast</li> </ul>	Deryn Atkinson	01/12/2023	01/06/2023	It is noted that the SAPC continues to make changes to the P&D Code with the anticipated Miscellaneous Technical Enhancement Code Amendment envisaged to be uploaded to the P & D Code by 2 June 2023. Opportunity to contribute to the Greater Adelaide 30 Year Regional Plan Review later in 2023 is anticipated with the release of a discussion paper by the SAPC proposed in Q3 of 2023.	EFFECTIVE (Designed Adequately; Operating Effectively)



**Actions**

Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date
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Corporate Risk Register	Rollout of Precinct Planning methodologies as projects are identified	Immediately	James Szabo	COMPLETED. Precinct Planning methodology in place and Place Making Coordinator role established to role out place making initiatives as and when required. Stirling Mainstreet Design Guidelines and Crafers Mainstreet Urban Design Framework completed. Gumeracha mainstreet project underway. Discussions underway with Imagine Uraidla group to commence possible mainstreet project.	100%	Complete (Accepted)	01/01/2021
Corporate Risk Register	Progression of outstanding DPA: Local Heritage (Stage 1 DPA) to be lodged with the Minister for approval in May 2018	Immediately	James Szabo	COMPLETED. Stage 1 DPA approved by SPDC on 14 August 2018 and subsequently by the Minister for Planning on 8 August 2019.	100%	Complete (Accepted)	01/09/2019
Corporate Risk Register	Implementation of Planning, Development & Infrastructure (PDI) Act reforms	Immediately	Deryn Atkinson	COMPLETE: The PDI Act went live for our Council area on 19 March 2021. By the go live date, staff had prepared all the delegations, policies and procedures provided by the State Planning Commission (SPC) and in accordance with the business readiness program. However, the SPC continues to make changes to the delegations and policies & procedures in response to identified issues with the new system. It is anticipated that this will be ongoing for the rest of 2021. Although the compliance inspection module has been implemented by the SPC, full functionality is yet to be determined and staff will monitor this to decide on whether or not the integration with Open Office and the new Planning Portal is still required.	100%	Complete (Accepted)	19/03/2021
Corporate Risk Register	Transition of Development Plan into the new Planning & Design (P&D) Code	Immediately	James Szabo	COMPLETED: Council participated in forums with the State Planning Commission to ensure that desired changes to the Rural Planning Policy were incorporated into development of Planning & Design Code. The entire Development Plan has now transitioned into the aforementioned Code which went live on 19 March 2021. Although not all desired development policies were transitioned into the Code, staff will monitor the assessment of applications and outcomes achieved. If required, recommendations will be put to Council to seek desired amendments to the Code to achieve the desired outcomes in the future.	100%	Complete (Accepted)	19/03/2021
Corporate Risk Register	Asset Management Planning - renewal and future requirements	Immediately	Peter Bice	IN PROGRESS. Asset Management Plan reviews underway, and ongoing. Jeff Roorda Review findings and reasonable assumptions being considered and incorporated where appropriate.  <i>06/07/2021 by Peter Bice</i>  - Asset Management planning is legislated, and we work with our Auditors annually to ensure the updating schedule is appropriate, and our Asset Management Maturity continues to improve.	100%	Complete (Accepted)	30/06/2021
Corporate Risk Register	Regional Climate Change Adaptation Plan - Resilient Hills and Coast	Immediately	Peter Bice	COMPLETED. Plan endorsed by Council 27/09/16  <i>13/10/2021 by Peter Bice</i>  -	100%	Complete (Accepted)	31/12/2021

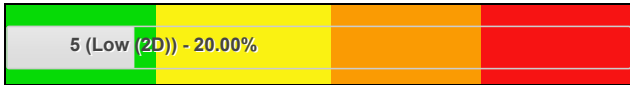
Documents		
Date Added	Document Name	Document Details

Saved PDF Versions			
Date Saved	Saved By	Revision	PDF Document
16/11/2023 10:08:57 AM	Jody Atkins	2	Risk150009_2023-11-16_10-08-57_AM.pdf
07/11/2023 10:02:21 AM	Jody Atkins	1	Risk150009_2023-11-07_10-02-21_AM.pdf

<b>ID:</b>	Risk - 170851
<b>Risk Title or Work Activity:</b>	Strategic Risk - Growth and Prosperity
<b>Risk Description:</b>	Failure to promote the Council area and provide an attractive climate and locations for the development of business, commerce, industry and tourism (F)
<b>Responsible Person:</b>	Natalie Armstrong
<b>Date of Risk Identification:</b>	09/02/2021
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Growth & Prosperity
<b>Team:</b>	Executive Leadership Team Economic Development Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>-- Inadequate provision for commercial development in the Development Code</li> <li>-- Minimal or no understanding of, and support for, business and tourism representative groups/associations</li> <li>-- Lack of business operating skills in people who wish to run a business</li> <li>-- Lack of understanding of economic drivers</li> <li>-- Inappropriate infrastructure in industrial precincts or nodes, placing barriers on development of industrial precincts.</li> <li>-- Lack of understanding of tourism demand</li> <li>-- Poor business sustainability in the face of economic challenges</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>-- Loss of local jobs</li> <li>-- Loss of basic local retail and service businesses</li> <li>-- Devaluation of local residential and commercial property</li> <li>-- Rise in social problems and reduced quality of life</li> <li>-- Reduced property values</li> <li>-- Impact on Council's reputation as being across economic issues and supporting sustainable development</li> </ul>
<b>Initial Risk Score:</b>	<p>17 (High (3B)) - 68.00%</p>
<b>Initial Risk Comments:</b>	Inherent risk assessment considered impacts to both the local economy and the Council's reputation (as per consequences outlined above).
<b>Residual Risk Score:</b>	<p>5 (Low (2D)) - 20.00%</p>
<b>Residual Risk Comments:</b>	Residual risk rating is based on the existing controls. It is noted that there are other risk events entirely outside of Council's control which affect economic prosperity in the district and these are not considered here.
<b>Other Requirements/Comments:</b>	
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness



<p>Current Economic Development Plan 2020-24 (adopted by Council Feb 21, replacing former Economic Development Strategy); Team of 2 FTE experienced and highly competent officers employed to deliver EDP and provide support to this risk area (the second FTE resourced by Council in 2020); Regular pattern of engagement with local business communities and stakeholder groups; Database containing contact details of all people operating businesses in the district, to enable e-communication (qtlly business newsletter and ad-hoc as required); Partnership with Mount Barker DC and SATC to fund Adelaide Hills Tourism, which is designed to help providers understand and leverage tourism opportunities; Annual subscription to Economy.id, which enables ready access to economic demographic data for the Council district, available for businesses and the public; Active participation in Adelaide Hills Business Support Network, comprising representatives of agencies providing business support services in the Hills.</p>	David Waters	05/08/2024	09/08/2023	Comprehensive risk review undertaken August 2022 to update actions and controls. New risk event identified. Old (completed) actions deleted and new actions added.	Major reduction in risk
					

Actions							
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date
Corporate Risk Register	Development of revised Economic Development Strategy Action Plan, involving engagement with key stakeholders to ensure Council's role is appropriately identified.	Immediately	Melissa Bright	<p>Workshop held with Council Members late 2020. Anticipated to come to Council in March 2021 for adoption. Implementation to follow in the ensuing years.</p> <p><i>08/04/2021 by Melissa Bright</i></p> <p>- Economic Development Plan finalised and endorsed by Council on 23 Feb 2021</p>	100%	Complete (Accepted)	31/03/2021
Corporate Risk Register	Identify significant economic infrastructure issues and opportunities	Immediately	Marc Salver	COMPLETED: Manager ED worked with key stakeholders to progress two major transport routes - b-double access to Lobethal and Northern Freight Train Bypass. The B-double access project was completed in 2019. However, the State Government announced they would not be progressing the Northern Freight Train Bypass.	100%	Complete (Accepted)	31/12/2016
Corporate Risk Register	Assess effectiveness of key points of AHC engagement with community	Immediately	Marc Salver	Ongoing through role of Community Engagement Coordinator, through the introduction of online engagement tool and use of other social media platforms and engagement methodologies	100%	Complete (Accepted)	01/07/2016
Corporate Risk Register	Active and positive engagement with local business communities	Immediately	Melissa Bright	Ongoing role of MED	100%	Person Responsible Complete	01/07/2016

Corporate Risk Register	Encourage an integrated and coordinated approach across all levels of govt to create a diverse and sustainable economy across the District	Immediately	Melissa Bright	Actively developing and maintaining relationships with relevant State and Commonwealth Govt agencies	100%	Person Responsible Complete	30/10/2016
Corporate Risk Register	Work actively with business groups and associations, providing resources to interact and network on a consistent basis. Key role for EDO	Immediately	Melissa Bright	The Manager ED is actively building relationships with existing business associations and working with communities that currently do not have business groups (e.g. Gumeracha, Northern Hills, Lobethal) to explore the benefits	100%	Person Responsible Complete	30/12/2016
Corporate Risk Register	Assess effectiveness of key points of engagement with community e.g. website, contact centre, development approval process, waste, health and regulatory services	Immediately	Melissa Bright	Quarterly e-newsletters distributed to more than 6,000 registered ABNs in the region. Mostly achieving above industry standards with at least 30% open rate and over 10% click rate.	100%	Person Responsible Complete	30/12/2016
Corporate Risk Register	Develop business contact database	Immediately	Melissa Bright	NIL	100%	Person Responsible Complete	31/12/2016
Corporate Risk Register	Identify significant organisations, roles and skillsets within region	Immediately	Melissa Bright	Relationships with key contacts with business and industry organisations being regularly maintained and developed by the MED	100%	Person Responsible Complete	31/12/2016
Corporate Risk Register	Improve partnership with DC Mt Barker and SATC to assist Adelaide Hills Tourism leverage tourism opportunities	Immediately	Melissa Bright	MED active committee member of Adelaide Hills Tourism (AHT) and Visitor Information Servicing Group	100%	Person Responsible Complete	31/12/2016
Corporate Risk Register	Improve engagement with local business associations	Immediately	Melissa Bright	Regular communication established with SBA and WCA	100%	Person Responsible Complete	31/12/2016
Corporate Risk Register	Undertake precinct planning/placemaking, with consideration of triple bottom line (As appropriate)	Immediately	Melissa Bright	The MED is a member of Council's Placemaking group to ensure a coordinated approach	100%	Person Responsible Complete	31/12/2016
Corporate Risk Register	Undertake a mid-term review of progress against activity identified in the Economic Development Plan.	Six Months	Melissa Bright	This action will potentially result in changes to a number of identification actions and order of priority.	100%	Complete (Accepted)	30/06/2023
Corporate Risk Register	Encourage the development of support structures for small, start up and Home Based Businesses.	Immediately	Brett Mayne	A Home Based Business Network has been established and is meeting every 3 times a year and has developed its own Facebook page to maintain contact with members.	100%	Complete (Accepted)	01/09/2023
Corporate Risk Register	Advocate to State and Federal Government agencies for increased availability and improved coordination of Business Services.	Immediately	Brett Mayne	The Adelaide Hills Business Support Network is active and seeking solutions to Business servicing issues. It comprises representatives from Australian State and Local Government as well as locally based service providers.	100%	Complete (Accepted)	30/11/2023
Corporate Risk Register	Design and establish a Business Services Hub for Creative Industries based from Fabrik.	Immediately	Brett Mayne	Initial Research has been undertaken. Next steps are being worked through.	50%	In Process	28/06/2024

#### Documents

Date Added	Document Name	Document Details
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#### Saved PDF Versions

Date Saved	Saved By	Revision	PDF Document
12/02/2024 11:56:39 AM	Jody Atkins	6	Risk170851_2024-02-12_11-56-39_AM.pdf

12/02/2024 11:56:21 AM	Jody Atkins	5	Risk170851_2024-02-12_11-56-21_AM.pdf
07/11/2023 10:01:35 AM	Jody Atkins	4	Risk170851_2023-11-07_10-01-35_AM.pdf
03/11/2023 1:37:41 PM	Jody Atkins	3	Risk170851_2023-11-03_1-37-41_PM.pdf
11/08/2023 9:49:38 AM	David Waters	2	Risk170851_2023-08-11_9-49-38_AM.pdf
01/08/2022 3:31:16 PM	David Waters	1	Risk170851_2022-08-01_3-31-16_PM.pdf

<b>ID:</b>	Risk - 169129
<b>Risk Title or Work Activity:</b>	Strategic Risk - Assets &&&&& Infrastructure
<b>Risk Description:</b>	Failure to provide appropriate infrastructure for the community (F)
<b>Responsible Person:</b>	David Waters
<b>Date of Risk Identification:</b>	12/11/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Assets & Infrastructure
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>- Ageing infrastructure in need of renewal to remain fit for purpose and/or comply with legislation</li> <li>- Poor asset management regimes (data, reveals)</li> <li>- Ineffective maintenance regimes</li> <li>- Leaseholders conducting works outside of contractual/legislative obligations.</li> <li>- Duplication or gaps in infrastructure provision to communities.</li> <li>- Lack of understanding community needs and trends</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>- Increased cost to maintain infrastructure</li> <li>- Reduced confidence in Council by the community</li> <li>- Increased risks to staff and community when utilising facilities</li> <li>- Disadvantage to AHC community over that of other areas</li> <li>- Negative impact on community wellbeing</li> </ul>
<b>Initial Risk Score:</b>	<p>21 (Extreme (4B)) - 84.00%</p>
<b>Initial Risk Comments:</b>	210219 - Transferred from AHC Strategic Risk Assessment Excel Spreadsheet
<b>Residual Risk Score:</b>	<p>13 (Medium (4D)) - 52.00%</p>
<b>Residual Risk Comments:</b>	<p>Current Asset Management Plans for key asset categories</p> <ul style="list-style-type: none"> <li>- Long Term Financial Plan that captures the Strategic Plan and Asset Management Plans</li> <li>- Endorsed annual budget for maintenance program (all asset categories)</li> <li>- Annual Business Plan &amp;&amp;&amp;&amp;&amp; Budget consultation undertaken</li> <li>- Customer Survey undertaken</li> <li>- Asset condition audits undertaken cyclically</li> <li>- Asset management system updated to Confirm Enterprise Asset Management</li> <li>- Building inspections (last done 2017)</li> <li>- Compliance audits for buildings as per legislation</li> <li>- Customer request system captures community concerns/issues</li> <li>- Sport and Recreation Strategy</li> <li>- Bike Strategy</li> <li>- Preventative Maintenance regime</li> <li>- Strategic Plan Reviewed with Goal area for Built Environment established (including priorities)</li> </ul>
<b>Other Requirements/Comments:</b>	As Asset Management Planning continues to improve, the control of this risk will also improve.

<b>Current:</b>	Yes
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Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness
<ul style="list-style-type: none"> <li>- Current Asset Management Plans for key asset categories</li> <li>- Long Term Financial Plan that captures the Strategic Plan and Asset Management Plans</li> <li>- Endorsed annual budget for maintenance program (all asset categories)</li> <li>- Annual Business Plan &amp; Budget consultation undertaken</li> <li>- Customer Survey undertaken</li> <li>- Asset condition audits undertaken cyclically</li> <li>- Asset management system updated to Confirm Enterprise Asset Management</li> <li>- Building inspections (last done 2017)</li> <li>- Compliance audits for buildings as per legislation</li> <li>- Customer request system captures community concerns/issues</li> <li>- Sport and Recreation Strategy</li> <li>- Bike Strategy</li> <li>- Preventative Maintenance regime</li> <li>- Strategic Plan Reviewed with Goal area for Built Environment established (including priorities)</li> </ul>		01/11/2024	01/11/2023	This is Business As Usual Activity, captured as appropriate in Asset Management Plans.	EFFECTIVE (Designed Adequately; Operating Effectively)
<p>12 (Medium (3C)) - 48.00%</p>					

Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	
Corporate Risk Register	Update asset management plans as per cycle (and LTFP)	Immediately	David Collins	Footpaths, Kerbs and Roads AMP adopted by Council Feb 2021. AMPS for other classes in development.	100%	Complete (Accepted)	30/06/2021	
Corporate Risk Register	Preventative Maintenance regime developed	Immediately	David Collins	NIL  <i>07/05/2021 by David Collins</i> - Programmed maintenance cycle in place for Civil services	100%	Complete (Accepted)	01/01/2017	

Corporate Risk Register	Establish service levels in consultation with community	Immediately	David Collins	<p>Updated to CRM response times completed. Levels of service refinements required as part of AMP reviews. Stromwater Level of Service Report adopted by Council. Levels of service established in adoption of Roads, Footpath and Kerb Asset Management Plan.</p> <p><i>07/05/2021 by David Collins</i></p> <p>-</p> <p><i>07/05/2021 by David Collins</i></p> <p>-</p> <p>Asset Management Plan Roads, Footpath and Kerb Adopted 2021</p>	100%	Complete (Accepted)	30/06/2021
Corporate Risk Register	Establish cycle for condition audits and monitor (incl buildings)	Immediately	David Collins	<p>Building audits funded in 2020/21</p> <p>Span Bridge Audits completed in 202/21</p> <p>Condition audits identified in AMP and new system implementation and set up has delayed some condition auditing.</p> <p>Audit of Kerb being undertaken by internal resource on ConfirmConnect February 2021. Footpath audit to be conducted in first half of 2021.</p> <p>Conditon audit identified in Road, Footpath and Kerb AMP for all sealed roads. To be undertaken in 2022/23</p>	100%	Complete (Accepted)	01/06/2021
Corporate Risk Register	Develop Bike Strategy to identify infrastructure requirements	Immediately	David Collins	<p>To Council Oct 16 - completed</p> <p><i>07/05/2021 by David Collins</i></p> <p>-</p> <p>Bike Strategy was developed and was reviewed as part of Trail Stratgey.</p>	100%	Complete (Accepted)	30/06/2021

Corporate Risk Register	Revise Sport and Recreation Strategy to identify infrastructure requirements	Immediately	David Collins	<p>Strategy completed and infrastructure requirements linked to Strategic Property Review. LTFP now capturing ongoing investment.</p> <p><i>07/05/2021 by David Collins</i></p> <p>-</p>	100%	Complete (Accepted)	01/03/2016
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**Documents**

Date Added	Document Name	Document Details
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**Saved PDF Versions**

Date Saved	Saved By	Revision	PDF Document
07/11/2023 9:57:50 AM	Jody Atkins	1	Risk169129_2023-11-07_9-57-50_AM.pdf

<b>ID:</b>	Risk - 170851
<b>Risk Title or Work Activity:</b>	Strategic Risk - Growth and Prosperity
<b>Risk Description:</b>	Failure to promote the Council area and provide an attractive climate and locations for the development of business, commerce, industry and tourism (F)
<b>Responsible Person:</b>	Natalie Armstrong
<b>Date of Risk Identification:</b>	09/02/2021
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Growth & Prosperity
<b>Team:</b>	Executive Leadership Team Economic Development Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>-- Inadequate provision for commercial development in the Development Code</li> <li>-- Minimal or no understanding of, and support for, business and tourism representative groups/associations</li> <li>-- Lack of business operating skills in people who wish to run a business</li> <li>-- Lack of understanding of economic drivers</li> <li>-- Inappropriate infrastructure in industrial precincts or nodes, placing barriers on development of industrial precincts.</li> <li>-- Lack of understanding of tourism demand</li> <li>-- Poor business sustainability in the face of economic challenges</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>-- Loss of local jobs</li> <li>-- Loss of basic local retail and service businesses</li> <li>-- Devaluation of local residential and commercial property</li> <li>-- Rise in social problems and reduced quality of life</li> <li>-- Reduced property values</li> <li>-- Impact on Council's reputation as being across economic issues and supporting sustainable development</li> </ul>
<b>Initial Risk Score:</b>	<p>17 (High (3B)) - 68.00%</p>
<b>Initial Risk Comments:</b>	Inherent risk assessment considered impacts to both the local economy and the Council's reputation (as per consequences outlined above).
<b>Residual Risk Score:</b>	<p>5 (Low (2D)) - 20.00%</p>
<b>Residual Risk Comments:</b>	Residual risk rating is based on the existing controls. It is noted that there are other risk events entirely outside of Council's control which affect economic prosperity in the district and these are not considered here.
<b>Other Requirements/Comments:</b>	
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness



<p>Current Economic Development Plan 2020-24 (adopted by Council Feb 21, replacing former Economic Development Strategy); Team of 2 FTE experienced and highly competent officers employed to deliver EDP and provide support to this risk area (the second FTE resourced by Council in 2020); Regular pattern of engagement with local business communities and stakeholder groups; Database containing contact details of all people operating businesses in the district, to enable e-communication (qtlly business newsletter and ad-hoc as required); Partnership with Mount Barker DC and SATC to fund Adelaide Hills Tourism, which is designed to help providers understand and leverage tourism opportunities; Annual subscription to Economy.id, which enables ready access to economic demographic data for the Council district, available for businesses and the public; Active participation in Adelaide Hills Business Support Network, comprising representatives of agencies providing business support services in the Hills.</p>	David Waters	05/08/2024	09/08/2023	Comprehensive risk review undertaken August 2022 to update actions and controls. New risk event identified. Old (completed) actions deleted and new actions added.	Major reduction in risk
					

Actions							
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date
Corporate Risk Register	Development of revised Economic Development Strategy Action Plan, involving engagement with key stakeholders to ensure Council's role is appropriately identified.	Immediately	Melissa Bright	<p>Workshop held with Council Members late 2020. Anticipated to come to Council in March 2021 for adoption. Implementation to follow in the ensuing years.</p> <p><i>08/04/2021 by Melissa Bright</i></p> <p>- Economic Development Plan finalised and endorsed by Council on 23 Feb 2021</p>	100%	Complete (Accepted)	31/03/2021
Corporate Risk Register	Identify significant economic infrastructure issues and opportunities	Immediately	Marc Salver	COMPLETED: Manager ED worked with key stakeholders to progress two major transport routes - b-double access to Lobethal and Northern Freight Train Bypass. The B-double access project was completed in 2019. However, the State Government announced they would not be progressing the Northern Freight Train Bypass.	100%	Complete (Accepted)	31/12/2016
Corporate Risk Register	Assess effectiveness of key points of AHC engagement with community	Immediately	Marc Salver	Ongoing through role of Community Engagement Coordinator, through the introduction of online engagement tool and use of other social media platforms and engagement methodologies	100%	Complete (Accepted)	01/07/2016
Corporate Risk Register	Active and positive engagement with local business communities	Immediately	Melissa Bright	Ongoing role of MED	100%	Person Responsible Complete	01/07/2016

Corporate Risk Register	Encourage an integrated and coordinated approach across all levels of govt to create a diverse and sustainable economy across the District	Immediately	Melissa Bright	Actively developing and maintaining relationships with relevant State and Commonwealth Govt agencies	100%	Person Responsible Complete	30/10/2016
Corporate Risk Register	Work actively with business groups and associations, providing resources to interact and network on a consistent basis. Key role for EDO	Immediately	Melissa Bright	The Manager ED is actively building relationships with existing business associations and working with communities that currently do not have business groups (e.g. Gumeracha, Northern Hills, Lobethal) to explore the benefits	100%	Person Responsible Complete	30/12/2016
Corporate Risk Register	Assess effectiveness of key points of engagement with community e.g. website, contact centre, development approval process, waste, health and regulatory services	Immediately	Melissa Bright	Quarterly e-newsletters distributed to more than 6,000 registered ABNs in the region. Mostly achieving above industry standards with at least 30% open rate and over 10% click rate.	100%	Person Responsible Complete	30/12/2016
Corporate Risk Register	Develop business contact database	Immediately	Melissa Bright	NIL	100%	Person Responsible Complete	31/12/2016
Corporate Risk Register	Identify significant organisations, roles and skillsets within region	Immediately	Melissa Bright	Relationships with key contacts with business and industry organisations being regularly maintained and developed by the MED	100%	Person Responsible Complete	31/12/2016
Corporate Risk Register	Improve partnership with DC Mt Barker and SATC to assist Adelaide Hills Tourism leverage tourism opportunities	Immediately	Melissa Bright	MED active committee member of Adelaide Hills Tourism (AHT) and Visitor Information Servicing Group	100%	Person Responsible Complete	31/12/2016
Corporate Risk Register	Improve engagement with local business associations	Immediately	Melissa Bright	Regular communication established with SBA and WCA	100%	Person Responsible Complete	31/12/2016
Corporate Risk Register	Undertake precinct planning/placemaking, with consideration of triple bottom line (As appropriate)	Immediately	Melissa Bright	The MED is a member of Council's Placemaking group to ensure a coordinated approach	100%	Person Responsible Complete	31/12/2016
Corporate Risk Register	Undertake a mid-term review of progress against activity identified in the Economic Development Plan.	Six Months	Melissa Bright	This action will potentially result in changes to a number of identification actions and order of priority.	100%	Complete (Accepted)	30/06/2023
Corporate Risk Register	Encourage the development of support structures for small, start up and Home Based Businesses.	Immediately	Brett Mayne	A Home Based Business Network has been established and is meeting every 3 times a year and has developed its own Facebook page to maintain contact with members.	100%	Complete (Accepted)	01/09/2023
Corporate Risk Register	Advocate to State and Federal Government agencies for increased availability and improved coordination of Business Services.	Immediately	Brett Mayne	The Adelaide Hills Business Support Network is active and seeking solutions to Business servicing issues. It comprises representatives from Australian State and Local Government as well as locally based service providers.	100%	Complete (Accepted)	30/11/2023
Corporate Risk Register	Design and establish a Business Services Hub for Creative Industries based from Fabrik.	Immediately	Brett Mayne	Initial Research has been undertaken. Next steps are being worked through.	50%	In Process	28/06/2024

#### Documents

Date Added	Document Name	Document Details
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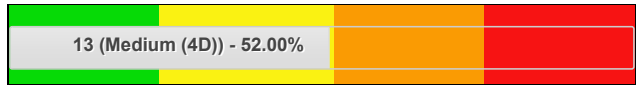
#### Saved PDF Versions

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12/02/2024 11:56:21 AM	Jody Atkins	5	Risk170851_2024-02-12_11-56-21_AM.pdf
07/11/2023 10:01:35 AM	Jody Atkins	4	Risk170851_2023-11-07_10-01-35_AM.pdf
03/11/2023 1:37:41 PM	Jody Atkins	3	Risk170851_2023-11-03_1-37-41_PM.pdf
11/08/2023 9:49:38 AM	David Waters	2	Risk170851_2023-08-11_9-49-38_AM.pdf
01/08/2022 3:31:16 PM	David Waters	1	Risk170851_2022-08-01_3-31-16_PM.pdf

<b>ID:</b>	Risk - 170816
<b>Risk Title or Work Activity:</b>	Strategic Risk - Emergency and Hazzard Management
<b>Risk Description:</b>	Failure to take measures to protect the community from natural and other hazards (F)
<b>Responsible Person:</b>	David Waters
<b>Date of Risk Identification:</b>	15/05/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Community Health & Wellbeing
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>- Poor fire prevention initiatives</li> <li>- Poor flood protection initiatives</li> <li>- Poor wind protection initiatives</li> <li>- Ineffective emergency management regimes</li> <li>- Ineffective asset maintenance and replacement plans and programs</li> <li>- Lack of participation in regional emergency management arrangements</li> <li>- Noncompliance with legislation</li> <li>- Insufficient budget</li> <li>- Ineffective planning and preparations</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>- Significant property loss and damage</li> <li>- Loss of life, injury</li> <li>- Reputational damage</li> <li>- Exposure to liability and penalty</li> <li>- Loss of community normality</li> <li>- Council services stretched and some services may not be fully operational</li> <li>- Loss or damage of public and private infrastructure</li> <li>- Environmental and biodiversity impacts</li> </ul>
<b>Initial Risk Score:</b>	<p>24 (Extreme (5B)) - 96.00%</p>
<b>Initial Risk Comments:</b>	
<b>Residual Risk Score:</b>	<p>13 (Medium (4D)) - 52.00%</p>

<b>Residual Risk Comments:</b>	<ul style="list-style-type: none"> <li>- Participation in regional EM arrangements through the ZEMC, and the AMLRBMC and cooperation with other councils and agencies re EM</li> <li>- Provision of assistance to control agencies and the community to respond to emergency incidents as they arise and work with local units to resolve localised issues relating to EM.</li> <li>- Provision of assistance to the community and to relevant government and non-government agencies assist recovery from emergencies.</li> <li>- Contribute to, support and participate in community education programs including the SES Flood Safe Program, Red Cross REDiPlan program and CFS Community Fire Safety Meetings.</li> <li>- Ongoing replacement and maintenance of Council's infrastructure through implementation of Council's AMP and proactive and reactive maintenance programs including stormwater infrastructure (including Flood Plain Modelling), fire track maintenance and street sweeping program.</li> <li>- Ongoing fuel reduction programs on high risk Council owned land including woody weed control, slashing and maintenance of asset protection zones.</li> <li>- Ensure ongoing compliance with the F&amp;ES Act 2005 including annual property inspections to ensure community compliance with requirements of the Act, respond to breaches of the Act as they arise, ongoing appointment of Fire Prevention Officers pursuant with requirements of the Act and provide advice to residents on bushfire prevention and mitigation.</li> <li>- Ongoing implementation of tree maintenance programs including the monitoring and maintenance of high risk trees and undertaking reactive tree pruning and removal of high risk trees minimising failure in windy conditions. Commencement of Zone-based Preventative Main</li> </ul>
<b>Other Requirements/Comments:</b>	As improvements to Asset Management Plans occur through each review, the control effectiveness also continue to improve.
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness
<ul style="list-style-type: none"> <li>- Participation in regional EM arrangements through the ZEMC, and the AMLRBMC and cooperation with other councils and agencies re EM</li> <li>- Provision of assistance to control agencies and the community to respond to emergency incidents as they arise and work with local units to resolve localised issues relating to EM.</li> <li>- Provision of assistance to the community and to relevant government and non-government agencies assist recovery from emergencies.</li> <li>- Contribute to, support and participate in community education programs including the SES Flood Safe Program, Red Cross REDiPlan program and CFS Community Fire Safety Meetings.</li> <li>- Ongoing replacement and maintenance of Council's infrastructure through implementation of Council's AMP and proactive and reactive maintenance programs including stormwater infrastructure (including Flood Plain Modelling), fire track maintenance and street sweeping program.</li> <li>- Ongoing fuel reduction programs on high risk Council owned land including woody weed control, slashing and maintenance of asset protection zones.</li> <li>- Ensure ongoing compliance with the F&amp;ES Act 2005 including annual property inspections to ensure community compliance with requirements of the Act, respond to breaches of the Act as they arise, ongoing appointment of Fire Prevention Officers pursuant with requirements of the Act and provide advice to residents on bushfire prevention and mitigation.</li> <li>- Ongoing implementation of tree maintenance programs including the monitoring and maintenance of high risk trees and undertaking reactive tree pruning and removal of high risk trees minimising failure in windy conditions. Securing of Elevated Work Platform and additional Tree Team staffing has further improved the controls.</li> </ul>		28/02/2025	15/02/2024	There is always a risk of negative community perception of the level of risk appetite in relation to some natural hazards given misinformation and emotion attached.	EFFECTIVE (Designed Adequately; Operating Effectively)
 <p>13 (Medium (4D)) - 52.00%</p>					

Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	
Corporate Risk Register	Development of new Emergency Management Plan.	Immediately	John McArthur	<p>EM Framework endorsed by ELT 14/2/17, EM responsibility now transferred to Infrastructure &amp; Operations, Project timeframes to be reviewed. Update 02/10/19 - Draft Emergency Management Plan completed. Draft Incident Operations Manual (formerly within the Emergency Management Plan) to be considered for endorsement by ELT 3 October 2019. Council to participate in LGA Council Ready Program to complete Emergency Management Plan by September 2020 based on a risk assessment process. Update 07/11/19 - ELT formally resolved to commit to LGA Council Ready Program, scheduling of initial risk assessment workshop set for 9/12/19. Incident Operations Manual adopted by ELT 3 October and is currently being implemented. Update 29/01/20 Lessons learnt from Cudlee Creek fire were identified in an After Action Review in February 2020 and now being incorporated into the Incident Operations Manual. Emergency Management Plan development timeframes may need to be reviewed as priority is on updating the Incident Operations Manual. Draft Emergency Management Plan completed as of 26 February 2021. 29/12/21 - Emergency Management Plan completed and endorsed by ELT 14 October 2021.</p> <p><i>29/11/2021 by John McArthur</i></p> <p>-</p> <p><i>29/11/2021 by John McArthur</i></p> <p>-</p> <p>Emergency Management Plan completed and endorsed by ELT 14 October 2021</p> <p><i>27/09/2021 by John McArthur</i></p> <p>-</p> <p>Update 27 September 2021 - Draft Emergency Management Plan and revised Incident Operations Manual (incorporating 'lessons learnt' from Cudlee Creek and Cherry Gardens bushfires and Exercise Pomona) scheduled for ELT review 14 October 2021.</p> <p><i>29/07/2021</i></p>	100%	Complete (Accepted)	31/08/2021	

				<p><i>by John McArthur</i></p> <p>-</p> <p>Update 29 July 2021 - Draft Emergency Management Plan is being finalised. Key response elements previously included in Emergency Management Plans have been prioritised, completed and moved to Council's Incident Operations Manual.</p> <p><i>26/02/2021</i> <i>by John McArthur</i></p> <p>-</p> <p>Emergency Management Plan is nearing completion. Currently the Emergency Management Plan is in first draft form and comprises sections on Disaster Risk Reduction, Incident Operations and Recovery.</p>			
Corporate Risk Register	Commit to I Responda emergency response framework.	Immediately	Lachlan Miller	Council is now part of this program . Its plan to be transferred to contemporary standard. Anticipated to be complete by 31/12/19.	100%	Complete (Accepted)	01/12/2019
Corporate Risk Register	Develop Emergency Management Team for ongoing development and review of Council's EM processes relating to emergencies that occur external to the organisation (not WHS emergency management)	Immediately	John McArthur	<p>To be developed under EM Framework. Update 05/08/19 - Draft Incident Operations Manual 95% complete. This document will be used with the draft Emergency Management Plan to plan, prepare, respond and recover from emergency events. Anticipated to be completed by 30 November 2019. Update 02/10/19 - Draft Incident Operations Manual to be considered by ELT for endorsement on 3 October 2019. Update 07/11/19 - Incident Operations Manual adopted by ELT 3 October 2019 including establishment of an Incident Management Team completing this action. 29/12/21 - Revised Incident Operations Manual reflecting lessons learnt from Cudlee Creek and Cherry Gardens bushfires and COVID-19 response signed off by Acting CEO 14 October 2021. This action is complete, refer update 07-11/19.</p> <p><i>29/07/2021</i> <i>by John McArthur</i></p> <p>-</p> <p>Update 29 July 2021 - The completion and implementation of Council's Incident Operations Manual has completed this action. This manual provides a framework to respond to emergencies that occur external to the organisation including the establishment of an Incident Management Team, including a Council Commander, an Emergency Operations Centre and levels of preparedness Standby, Alert, Operations and restore. The Council Commanders discuss emergency management arrangements throughout the year and any outcomes to be delivered are action by the Manager Sustainability, Waste and Emergency Management.</p>	100%	Complete (Accepted)	03/10/2019
Corporate Risk Register	Research the establishment of a dedicated EM role (temporary/permanent)	Immediately	Lachlan Miller	EM responsibilities included in Manager Sustainability, Waste & Emergency Management position.	100%	Complete (Accepted)	31/03/2016

Corporate Risk Register	Establish Zone-based Preventative Maintenance Program	Immediately	Christopher Janssan	Zone program established	100%	Complete (Accepted)	01/02/2016
Corporate Risk Register	Review bushfire prevention and mitigation arrangements	Immediately	Christopher Janssan	Structure in place	100%	Complete (Accepted)	30/06/2017
Corporate Risk Register	Review insurance option related to loss of rate revenue following significant loss of property associated with bushfire	Six Months	Lachlan Miller	<p>Proposal received by Administration in March 2021, still to be assessed.</p> <p><i>09/11/2021 by Lachlan Miller</i></p> <p>- Transferable risk workshop conducted with ELT, awaiting final report. Modelling of revenue loss (rates) scenarios currently under development.</p> <p><i>10/05/2021 by Lachlan Miller</i></p> <p>- Loss of income cover was discussed during the 2021-22 Insurance Placement. A proposal has been received by LGRS and it still to be assessed.</p>	20%	In Process	30/11/2020

Documents		
Date Added	Document Name	Document Details

Saved PDF Versions			
Date Saved	Saved By	Revision	PDF Document
07/11/2023 9:59:54 AM	Jody Atkins	1	Risk170816_2023-11-07_9-59-54_AM.pdf



**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 19 February 2024  
AGENDA BUSINESS ITEM**

**Item:** 8.6

**Responsible Officer:** Jody Atkins  
A/Governance and Performance Coordinator  
Office of the Chief Executive

**Subject:** Audit Actions Implementation Update

**For:** Information

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**SUMMARY**

The implementation status of actions arising from previous Internal & External Audits is provided in **Appendix 1**.

Thirteen (13) actions have been completed since the last implementation report (February 2023) to the Committee.

**RECOMMENDATION**

**The Audit Committee resolves:**

- 1. That the report be received and noted**
  - 2. To note the implementation status of Internal and External Audit actions.**
- 

**1. BACKGROUND**

The 2024 Audit Committee Work Plan and Reporting Schedule provides for reports to the Audit Committee on a biannual basis (February and August) regarding the implementation status of actions arising from Internal and External Audits

The Audit Committee was last provided an update of outstanding actions at its February 2023 meeting. Due to resourcing constraints an August 2023 report was not completed.

**2. ANALYSIS**

*Strategic Plan 2020-24 – A brighter future*  
Goal 5 A Progressive Organisation

- Objective O5 We are accountable, informed, and make decisions in the best interests of the whole community
- Priority O5.2 Make evidence-based decisions and prudently assess the risks and opportunities to our community before taking action.
- Priority O5.3 Demonstrate accountability through robust corporate planning and reporting that enhances performance, is relevant and easily accessible by the community.

Monitoring the implementation of internal and external audit actions facilitates the effective management of risk exposures and improves the overall governance environment.

➤ **Legal Implications**

Accounts, Financial Statement and Audit, *Local Government Act 1999*

Section 125 of the *Local Government Act 1999* (the Act) requires councils to ensure that appropriate policies, practices and procedures of internal controls are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard Council’s assets, and to secure (as far as possible) the accuracy and reliability of Council records.

The Internal Audit program is an important tool to provide an objective appraisal of the adequacy on internal controls in managing our risk and supporting the achievement of council objectives.

Testing of Council’s transactions and internal controls by the external auditor coincides with Council’s own Risk Management Framework. The External Auditor’s annual inspection and certification of Council’s financial position and performance provides the community with an assurance of Council’s internal financial control environment in managing our risk and supporting the achievement of council objectives.

➤ **Risk Management Implications**

The implementation of actions arising from internal and external audits will assist in mitigating the risk of:

*Internal control failures occur which lead to greater uncertainty in the achievement of objectives and/or negative outcomes.*

Inherent Risk	Residual Risk	Target Risk
High (4C)	Medium (3C)	Medium (3C)

Note there are many other controls that contribute to managing this risk.

➤ **Financial and Resource Implications**

Actions arising from internal and external audits are generally accommodated in existing functional budgets. Where an agreed action requires unbudgeted funds, this will be managed through Council’s budget review processes

➤ **Customer Service and Community/Cultural Implications**

There is a high expectation that Council has appropriate corporate governance processes in place including an effective internal control environment.

➤ **Sustainability Implications**

Not applicable

➤ **Engagement/Consultation with Committee, Regional Subsidiary, Advisory Group and Community**

Consultation on the implementation of actions to address the audit findings was as follows:

*Council Committees:* Not Applicable  
*Council Workshops:* Not Applicable  
*Advisory Groups:* Not Applicable  
*External Agencies:* Not Applicable  
*Community:* Not Applicable

➤ **Additional Analysis**

The status of the outstanding and completed actions from Internal and External Audits is at **Appendix 1**.

Thirteen (13) actions have been completed since the last implementation report to the Committee.

At the August 2022 meeting, the Committee discussed a desire to have an aged analysis of outstanding action items by risk rating. The table below has been produced for the Committee's consideration however it does not outline the overdue items:

Risk Rating	In Progress	Completed	Overdue				Total Actions
			<3 mths	3-6 mths	6-12 mths	>12 mths	
<b>Extreme</b>	0	0					0
<b>High</b>	7	0					7
<b>Medium</b>	15	6					21
<b>Low</b>	12	6					18
<b>Not Rated</b>	5	0					5
<b>TOTAL</b>	<b>39</b>	<b>12</b>					<b>51</b>

It should be noted that while there are fifty-one (51) items in total, some of the actions relate to the same subject on multiple occasions (i.e. BCP has 3 actions)

**3. OPTIONS**

The Committee has the following options:

- I. To note the implementation status of the Internal and External Audit actions as presented (recommended); or
- II. To identify additional actions to be undertaken (not recommended).

**4. APPENDIX**

- (1) Audit Actions Implementation Status – February 2024

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# **Appendix 1**

*Audit Actions Implementation Status – February 2024*

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Adeleide Hills Council  
Audit Committee  
Audit Actions Implementation Report  
19 February 2024

Audit Name	Reference	Issue	Risk Rating	Recommendation	Proposed Action	Responsible Officer	Due Date	Progress	Est. Completion Date	Comment
2020 Galpins Financial Controls Review - Interim Management Letter - May 2020	2.3.2 - GENERAL LEDGER	The Business Continuity Plan is overdue for review	Low	The Business Continuity Plan is updated.	Council will be accessing the Local Government Risk Services to business continuity planning service.	Terry Crackett	30/06/2021	In Progress	30/12/2023	Considerable work has been undertaken in recent weeks on the progression of the Workforce Safety in Emergency Plan. This work is now to include the finalisation of the BCP for AHC and as such this item is expected to be completed by 31 December 2023.
2021 - Bentleys - Payroll Function Internal Audit - May 2021	1.1	Efficiency of manual payroll process	Low	We recommend management: <ul style="list-style-type: none"> <li>Assess the benefit of payroll process automation and quantify the cost associated</li> <li>Quantify the saving if the three days of the Payroll Officer's time could be freed up; and</li> <li>Make a decision to implement system solution of payroll process.</li> </ul>	We will assess the benefit of automating the payroll process after implementing the new payroll system to meet ATO requirements and implement improved efficiencies. (This has been approved by ELT.)	Liz Packer	1/01/2024	In Progress	30/06/2023	The Payroll function has been moved into the Financial Services area ongoing. A proposal to ELT for additional resourcing to support the function has been approved and a recruitment process will now commence. A working group has been created to scope out the issue of automatic timesheets and the recording of flexi. The group will look to trial auto pay with pilot sites who will not submit a timesheet each f/m. Exception reporting will be implemented instead. At the same time, flexi/TIL will be pushed out to the business to manage internally. The group will look at developing a spreadsheet to assist teams with the managing and recording of flexi/TIL which aligns to the EDA. At this stage unlikely to be achieved by 1 Jan 2024.
2021 - Bentleys - Payroll Function Internal Audit - May 2021	1.2	Efficiency of manual payroll process	Low	We recommend management: <ul style="list-style-type: none"> <li>Assess the benefit of payroll process automation and quantify the cost associated</li> <li>Quantify the saving if the three days of the Payroll Officer's time could be freed up; and</li> <li>Make a decision to implement system solution of payroll process.</li> </ul>	We will review the Payroll Officer's time and quantify savings after the system has been used and new patterns of work established.	Liz Packer	16/12/2022	In Progress	28/04/2023	The Payroll function has been moved into the Financial Services area ongoing. A proposal to ELT for additional resourcing to support the function has been approved and a recruitment process will now commence. A working group has been created to scope out the issue of automatic timesheets and the recording of flexi. The group will look to trial auto pay with pilot sites who will not submit a timesheet each f/m. Exception reporting will be implemented instead. At the same time, flexi/TIL will be pushed out to the business to manage internally. The group will look at developing a spreadsheet to assist teams with the managing and recording of flexi/TIL which aligns to the EDA. At this stage unlikely to be achieved by 1 Jan 2024.
2021 - Bentleys - Payroll Function Internal Audit - May 2021	3	Records management	Low	We recommend management: <ul style="list-style-type: none"> <li>Document the record management requirements into policies and procedures and enforce the implementation.</li> </ul>	Following the implementation of the new payroll system we will review and update processes to ensure an automated leave management function is implemented.	Gary Lewis	30/06/2023	In Progress	30/06/2024	Both the payroll and HR systems are live (HR only in the aspects that affect payroll). Elements of the new Payroll system have not been implemented, these are the Award interpreter and the ESS. ESS development is being re-initiated in December 2023, a project plan to implement is to be developed with a goal of starting the roll out of the new functionality by 30/06/2024.
2021 Galpins Financial Controls Review - Interim Management Letter - May 2021	2.2.1.3	Asset management plans overdue for adoption	Medium	Management works towards preparation and adoption of Buildings, CWMS, Stormwater, Bridges and Playground asset management plans.	Continue to document asset management planning and adopt asset management plans for major asset classes (i.e. buildings)	Karen Cummings	30/06/2022	In Progress	30/11/2023	Update as at 19/06/2023: Draft Building Asset Management Plan being prepared by Assets team for discussion and review. Budget has been allocated in the 21/22FY to undertake building audits and valuations. Proposal is out for tender in early May and will be progressed with evaluation of tender submissions and then appointment of successful party to undertake the project. Estimated completion date has been revised to enable sufficient time for review to be undertaken. Sprout Consulting has been engaged to undertake the building audits. These audits commenced on Wednesday 20/7/22, and was received in December 2022. Data in process of being analysed to inform the Building asset management plan.
2021 Galpins Financial Controls Review - Interim Management Letter - May 2021	2.3.1	The Business Continuity Plan is overdue for review	Low	The Business Continuity Plan is updated.	Develop and implement Business Continuity Plan	Terry Crackett	31/12/2021	In Progress	30/12/2023	Considerable work has been undertaken in recent weeks on the progression of the Workforce Safety in Emergency Plan. This work is now to include the finalisation of the BCP for AHC and as such this item is expected to be completed by 31 December 2023.
2021-22 Financial Controls Review - Interim Management Letter - May 2022	2.1.1c - Roads	Assets requiring new revaluations and new condition assessments to ensure they are revalued with sufficient regularity	Medium	Ensure that assets using the revaluation model are revalued with sufficient regularity as required by Australian Accounting Standards.	Engage consultant to collect base road condition information for analysis in 22/23 and revaluation based on condition data from July 2023.	David Collins	30/06/2024	In Progress		Road audit completed and being evaluation with SCI (seal condition index) and PCI (pavement condition index) data being modelled to determine condition of sealed network and then subsequent revaluation.
2021-22 Financial Controls Review - Interim Management Letter - May 2022	2.1.2b - Playgrounds AMP	Asset management plans overdue for adoption	Medium	Management works towards preparation and adoption of Buildings, CWMS, Stormwater and Playground asset management plans.	Draft Stormwater and Playground AMP's to be developed during 22/23 and adoption in 2023/24.	David Collins	30/06/2024	In Progress	22/03/2024	Review of current data and playspace framework being modelled into lifecycle AMP.
2021-22 Financial Controls Review - Interim Management Letter - May 2022	2.1.2c - Buildings AMP	Asset management plans overdue for adoption	Medium	Management works towards preparation and adoption of Buildings, CWMS, Stormwater and Playground asset management plans.	Building condition audit and revaluation out to tender April 2022 and to be included in the Building AMP in 22/23.	Karen Cummings	30/06/2023	In Progress	30/11/2023	Update as at 19/06/2023: Minor building works resulting from the Sprout Audit have been planned for as part of the 2023/2024 Annual Business Plan and Budget. Draft building asset management plan in process of being prepared by Asset Management team for review in second part of 2023. Sprout Consulting have been engaged to undertake the building audits. These audits commenced on Wednesday 20/7/22. It is Sprout's aim to have these audits completed by 30/10/2022. Sprout Building Audit data received in December 2022. Data now in process of being analysed to inform Building Asset Management Plan preparation and Annual Business Plan and budget for 2023/2024.

Adelaide Hills Council  
**Audit Committee**  
**Audit Actions Implementation Report**  
19 February 2024

Audit Name	Reference	Issue	Risk Rating	Recommendation	Proposed Action	Responsible Officer	Due Date	Progress	Est. Completion Date	Comment
2021-22 Financial Controls Review - Interim Management Letter - May 2022	2.1.3	Asset maintenance plans not aligned with asset management plans	Medium	Ensure that maintenance schedules are developed in accordance with Asset Management Plans.	Managers with maintenance budget responsibility to develop asset maintenance plans for business area to ensure alignment with AMP outcomes.	David Collins	30/06/2024	In Progress		CWMS completed March 2023 Road Footpath and Kerb Asset Management Plan (AMP) adopted. Bridges AMP adopted in March 2022 Building condition audit commenced in August 2022 and AMP to be completed in 2023. CWMS draft AMP presentation to Audit in August 2022 for comment. Safety Barrier, Retaining Wall, Bus Shelter operational asset plans have been peer reviewed - not part of Strategic Management Plans as minor asset and not material but same process completed for these asset classes. Assets Maintenance Plans are subsequently aligned to adopted AMP's.
2021-22 Financial Controls Review - Interim Management Letter - May 2022	2.2.3	The Business Continuity Plan is overdue for review	Low	The Business Continuity Plan is updated.	Local Government Risk Services (LGRS) has been contracted to deliver their BCP development and implementation service. Function owners have completed their assessments of the maximum acceptable outage (MAO) for their service offerings utilising a SharePoint database. For those services with critical MAOs, a Critical Function Plan (CFP) will be developed in conjunction with LGRS and these will be incorporated into the revised BCP.	Terry Crackett	30/09/2022	In Progress	30/12/2023	Considerable work has been undertaken in recent weeks on the progression of the Workforce Safety in Emergency Plan. This work is now to include the finalisation of the BCP for AHC and as such this item is expected to be completed by 31 December 2023.
2021-22 IT Entitlement Controls Review - May 2022	3.1	IT Policies and procedures	Medium	We understand that new ICT policies are part of the Cyber Security Plan. It is recommended that the following IT policies (or equivalent) be developed, issued on the intranet site and implemented to Council Staff: - <ul style="list-style-type: none"> <li>Information Security Policy</li> <li>Access Management Policy</li> <li>Change Management Procedure</li> <li>Network Security Policy including passwords</li> <li>Information management – classification and handling</li> <li>Online services</li> <li>Physical Access</li> <li>Remote Access and telecommuting</li> </ul>	The implementation of the LGITSA Cyber Security Framework and associated work activity with consultants (CyberCX) will see an alignment to this recommendation.  As indicated in the findings, delays were incurred due to resourcing an appropriately skilled Cyber Security Officer and the release of the LGITSA Cyber Security Framework to ensure alignment with the LG Sector in the implementation of Cyber Security Plans across the state.  <b>Action:</b> Implement an Information Security Management System (ISMS)	James Sinden	31/12/2022	In Progress	31/12/2023	The Cyber Security Framework that is being used to develop ICT Policies is being progressed within current resourcing constraints. This has been challenging in aligning template policy documents, to actual organisational requirements, as to how they can be effectively resourced and implemented to ensure that a policy or procedure can be adhered to within current organisational capability. Draft policies & procedures have been created and explored with key staff to get feedback as to the practicality of policies, with a view to amend or propose alternative solutions that need to be progressed and explored to mitigate the risks. Currently the estimated completion date hasn't been met due to the complexity and work required to come to an organisational position, and it's anticipated that a further extension of time is required to obtain the best outcome, rather than have a policy that is not workable from an organisational and implementation perspective. Additional time needed is being considered but it's expected to be several months.
2021-22 IT Entitlement Controls Review - May 2022	3.3	ICT Governance- Revise ICT and IS Strategic Plan	Medium	Finalise the IS Strategic Plan.	Work has commenced on a Draft Information Services Strategic Plan; however, consideration is being undertaken in incorporating this activity into a Corporate Services Plan as indicated in the recommendations. <b>Action:</b> progress the development of strategic planning for the Information Services Department.	James Sinden	31/12/2022	In Progress	31/12/2023	The Information Services Strategic Plan is now being progressed to ELT for adoption but has not been completed by the due date. Currently Council is undergoing a review of the Council Strategic Plan that also contains references to Technology & Innovation that may impact on the requirement for a separate strategic plan so further consideration is required as how to progress.
2022 - Bentleys - Economic Development Plan Implementation Internal Audit - Aug 2022	2. Design of actions	Testing of 16 samples found that two (12.5% of sampled) actions were not adequate to support the designed outcomes. Details as follows: <ul style="list-style-type: none"> <li>Action of "Council develops a procurement register for local suppliers" (against Outcome E1.6 – More Adelaide Hills businesses are successful in winning work to supply goods and services to Local State and Australian Government) – The Procurement Register in SkyTrust was observed at the time of the audit. However, the Procurement Register did not include local suppliers' information. Instead, under the Council's procurement framework, Selection Criteria were in place, including consideration of local suppliers. The Procurement Coordinator advised that depending on the nature of the procurement, the weight percentage change accordingly.</li> <li>Action of "Community Halls and sporting facilities are maintained with the aim of generating income with communities where possible" (against Outcome E2.4 – Tourism and Community recreation infrastructure supports local businesses and economies) – The maintenance responsibilities are with the external management team of the Community Halls and Sporting Facilities although Council maintains an Asbestos Register and conducts annual inspection for compliance purposes, e.g., fire safety.</li> <li>As example Annual Compliance Inspection Report was provided showing the building condition is Very Good (rated as 4 out of 5). However, there was no summary/register of all reports (approximately 50). Therefore, we did not have sufficient evidence to comment on whether all building conditions were good.</li> </ul> <b>RISKS:</b> <ul style="list-style-type: none"> <li>Action items in the ED Plan are not completed within the timeframes and resources allocated</li> <li>Outcomes achieved are not evaluated against the objectives of the ED Plan.</li> </ul>	Low	Management reviews and updates the action items in the ED Plan during the tracking and reporting processes to reflect the relevance and accuracy of the action items, and ensures the updated action items are completed within the timeframes and resources allocated.	1. Undertake a review of the ED Plan, with revised priorities and timelines presented for Council's consideration in the first half of 2023 (which will be when the existing plan is two years old). 2. Delivery of action items will always be subject to resources being available. The team is expected to be back to normal levels of resourcing in August 2022.	Melissa Bright	30/06/2023	Completed	30/06/2023	Mid term review presented to Council in February
2022 - Bentleys - Economic Development Plan Implementation Internal Audit - Aug 2022	3. Regular review and update of ED Plan	There was no formal regular review and update of the ED Plan in place to ensure that the action items are all designed appropriately and practically to address the targeted outcomes and the latest changes are addressed, such as the lack of resources in the ED Business Unit. <b>RISKS:</b> <ul style="list-style-type: none"> <li>Action items identified in the ED Plan are not scheduled or responsibility allocated</li> <li>Action items identified in the ED Plan are not resourced (physical and financial)</li> <li>Action items in the ED Plan are not completed within the timeframes and resources allocated.</li> </ul>	Low	Management conducts formal regular review and update of the ED Plan, at least on an annual basis or when any significant change occurs to ensure the relevancy of the action items and adequate resources are identified and in place.	The Economic Development Plan was only adopted by Council in February 2022 and has a lifespan of four years. A mid-term formal review in early 2023 is considered appropriate and within the capacity of existing resourcing levels.	Melissa Bright	30/06/2023	Completed	30/06/2023	Mid term review presented to Council in February

Adelaide Hills Council  
Audit Committee  
Audit Actions Implementation Report  
19 February 2024

Audit Name	Reference	Issue	Risk Rating	Recommendation	Proposed Action	Responsible Officer	Due Date	Progress	Est. Completion Date	Comment
2022 - Bentleys - Economic Development Plan Implementation Internal Audit - Aug 2022	4 - Improvement Opportunity - Types of actions	In addition to the infrastructure and projects delivered by other business areas within the Council, the actions by the ED Business Unit to implement the ED Plan include: <ul style="list-style-type: none"> <li>workshops and training</li> <li>networking event</li> <li>marketing and promotional materials.</li> </ul> It was observed that the action items were largely funded by the ED Business Unit operation budget, which is \$550K (2 FTEs) for 2021-22. 1% of the Council's budgeted Total Operating Expenditure of \$48,958K according to the Annual Business Plan 2021-22. The budget would be challenging to achieve one of the five strategic goals. Going forward, where possible, Council should try the following common actions by other local councils to achieve better outcomes of local economic development: <ul style="list-style-type: none"> <li>conferences and field days</li> <li>financial support for business and tourism associations</li> <li>festivals and other tourism support events.</li> </ul>	Not Rated	Management benchmarks against other regional councils to ensure common actions of the ED Plan are implemented, where possible.	Once salaries, other employment costs and commitments to partners like Regional Development Australia, Adelaide Hills Tourism and Striving Business Association are taken into account, the Economic Development Team has a \$15,500 operating budget. Suggestions noted. The Economic Development Officer participates in a regional forum of local government economic development officers where common interests and new ideas are shared. The suggestions made in this audit will be considered in the 2023 mid-term review of priorities and timelines.	Melissa Bright	30/06/2023	Completed	30/06/2023	Mid term review presented to Council in February
2022 - Bentleys - Economic Development Plan Implementation Internal Audit - Aug 2022	5 - Improvement Opportunity - Closure review of the ED Plan	In the future when the ED Plan is completed and before commencement of the next Plan, a formal closure review should be in place to include <ul style="list-style-type: none"> <li>Outcomes and objectives realisation</li> <li>Any action items not complete and/or outcomes not achieved, what are the reasons</li> <li>Lessons learnt for future Plan.</li> </ul>	Not Rated	Management undertakes a formal closure review of the ED Plan in the future before the commencement of the next Plan.	Will undertake a closure review on completion of plan in 2025	Melissa Bright	30/06/2025	Not Commenced	30/06/2025	
2022 - Bentleys - Recruitment and Retention Internal Audit Report - Aug 2022	1 - Improvement Opportunity - Electronic signature	We identified the needs of using electronic signatures from this audit via interviews with three People Leaders/Recruiting Managers and a sampling test of the process. We found that the manual printing, scanning and signing of the documents were still in place although the Records Hub system was available to reduce the physical steps.	Low	Management applies electronic signature application.	AHC is currently exploring options for the use of electronic signatures within its application systems to improve workflow, ease of use and ensure compliance with records management practices. <b>ACTIONS:</b> Work with Manager Information Services on electronic Signature Applications, such as DocuSign being reviewed for appropriateness for AHC and use across the business. (note: financial implications here so not a commitment to implement)	Anne Pett	30/06/2023	Completed	31/12/2023	Fogflowing consultation with John Gosbell DocuSign was ruled out through as it was inappropriate for our requirements (it is better suited for external contracts / documentation, not internal). John G advised that once the Digital Transformation upgrade to Microsoft Teams is live, we will have better capability in this system to improve our manual forms. We have the ability to include digital signatures on all recruitment forms using Adobe.
2022 - Bentleys - Recruitment and Retention Internal Audit Report - Aug 2022	1.1 Policy/Procedure Framework update	Council's Recruitment and Selection Policy (dated 2005) was overdue for review and update. Lack of current policy document has impacted transparency, relevancy and consistency of the practice across the organisation, although there is a Recruitment and Selection Checklist (Checklist) in use by Organisational Development (OD). The following was not captured in the Policy: <ul style="list-style-type: none"> <li>All categories of employment, i.e.,  <ul style="list-style-type: none"> <li>Directors or equivalents typically employed under fixed-term contracts with negotiable salaries</li> <li>Managers employed under individual employment contracts</li> <li>Employees (including office, depot, part-time or casual) employed under enterprise development agreements</li> </ul> </li> <li>Implementation strategy to suit the current needs to improve efficiency and effectiveness, i.e., decentralised approach, governance arrangements, roles and responsibilities, and technology solution, etc.</li> </ul> The Checklist was recently reviewed and updated to reflect the current process, except for one step in Section 1. The Checklist required that "OD has up to 10 working days to review and will advise you (i.e., Recruiting Manager) when this has been completed", which is now redundant in practice as the work efficiency has already improved and a technology solution is applied (e.g., iPad or laptop). <b>RISK:</b> <ul style="list-style-type: none"> <li>Recruitment processes are not clear, consistent, timely and transparent</li> <li>Recruitment roles and responsibilities are not clearly documented and understood</li> <li>Retention structures and processes are not clearly documented and implemented</li> <li>Noncompliance with Section 125 of the Local Government Act 1999 to have appropriate policies implemented and maintained.</li> </ul>	Medium	Management reviews and updates the Recruitment and Selection Policy (Policy) and Checklist to ensure currency and consistent requirements; and ensures the responsible officers are informed of the updated requirements.	The People & Culture Department agrees with the finding and will update Recruitment and Selection Policy/Procedure (Responsible officer - OD Advisor)	Anne Pett	28/02/2023	Completed	31/08/2023	The Recruitment & Selection Policy and Procedure was endorsed by the CEO and training to all People Leaders has been implemented.
2022 - Bentleys - Recruitment and Retention Internal Audit Report - Aug 2022	1.3 Policy/Procedure Framework update	Council's Recruitment and Selection Policy (dated 2005) was overdue for review and update. Lack of current policy document has impacted transparency, relevancy and consistency of the practice across the organisation, although there is a Recruitment and Selection Checklist (Checklist) in use by Organisational Development (OD). The following was not captured in the Policy: <ul style="list-style-type: none"> <li>All categories of employment, i.e.,  <ul style="list-style-type: none"> <li>Directors or equivalents typically employed under fixed-term contracts with negotiable salaries</li> <li>Managers employed under individual employment contracts</li> <li>Employees (including office, depot, part-time or casual) employed under enterprise development agreements</li> </ul> </li> <li>Implementation strategy to suit the current needs to improve efficiency and effectiveness, i.e., decentralised approach, governance arrangements, roles and responsibilities, and technology solution, etc.</li> </ul> The Checklist was recently reviewed and updated to reflect the current process, except for one step in Section 1. The Checklist required that "OD has up to 10 working days to review and will advise you (i.e., Recruiting Manager) when this has been completed", which is now redundant in practice as the work efficiency has already improved and a technology solution is applied (e.g., iPad or laptop). <b>RISK:</b> <ul style="list-style-type: none"> <li>Recruitment processes are not clear, consistent, timely and transparent</li> <li>Recruitment roles and responsibilities are not clearly documented and understood</li> <li>Retention structures and processes are not clearly documented and implemented</li> <li>Noncompliance with Section 125 of the Local Government Act 1999 to have appropriate policies implemented and maintained.</li> </ul>	Medium	Management reviews and updates the Recruitment and Selection Policy (Policy) and Checklist to ensure currency and consistent requirements; and ensures the responsible officers are informed of the updated requirements.	OD Department agrees with the finding and will provide advice/training sessions as relevant to those across the organisation with responsibility for recruitment. (Responsible officer = OD Department)	Anne Pett	30/06/2023	Completed	30/11/2023	The Recruitment & Selection Policy and Procedure was endorsed by the CEO and training to all People Leaders has been implemented.
2022 - Bentleys - Recruitment and Retention Internal Audit Report - Aug 2022	2.1 Recruitment Panel	The current employee recruitment process has good controls in place to facilitate independence and fairness of decision making, i.e., the Recruitment Panel (or called Interview Panel), made of three to four members from different areas within the Council and with gender balance. However, there was no list prepared or documented to reflect who was on the Recruitment Panel when the panel was assembled. Further, panel members were not required to sign off a Conflict of Interest Declaration or similar declaration. As such, there is a risk of conflicting activities and a lack of transparent decision making. <b>RISK:</b> <ul style="list-style-type: none"> <li>Recruitment processes are not clear, consistent, timely and transparent</li> <li>Fraudulent activities</li> <li>Reputational damage</li> </ul>	Medium	Management reviews and updates the Policy and Checklist to include the requirements of listing all members of the Recruitment Panel when the panel is assembled; and creates an appropriate form to record the panel members and consider a Conflict of Interest Declaration.	There is a capability in Records Hub to record Panel members against each recruitment, this is being used in an ad hoc manner. We will Ensure Recruitment Panel requirements are included in Policy/Procedure update. (Responsible officer - OD Advisor)	Anne Pett	28/02/2023	Completed	30/11/2023	The Recruitment & Selection Policy and Procedure was endorsed by the CEO. The Recruitment & Selection Policy and Procedure includes the requirement for selection panel members to declare any conflict of interest. This requirement is also provided in the Recruitment and Selection Checklist. This requirement has been reinforced as part of the Recruitment & Selection training to People Leaders.



Adelaide Hills Council  
Audit Committee  
Audit Actions Implementation Report  
19 February 2024

Audit Name	Reference	Issue	Risk Rating	Recommendation	Proposed Action	Responsible Officer	Due Date	Progress	Est. Completion Date	Comment
2022 - Bentley's - Recruitment and Retention Internal Audit Report - Aug 2022	3. Improvement Opportunity - Data-driven Retention Strategy	Council's annual and quarterly staff turnover rates are prepared and reported through corporate performance reporting to Council and Audit Committee. Although Council is still in the process of creating a Retention Strategy, the overarching trends of turnover may provide confidence in talent retention. The Council's annual turnover rates for the last three years (i.e., 2018-19, 2019-20, and 2020-21) were 8.33%, 8.29% and 8.68% respectively, which was consistent with the "unplanned turnover rate of 8.3% per annum in the sector" according to a 2018 report from the Australian Local Government Association (ALGAO). Council's turnover rate in the year to March 2022 was 5%, lower than the 9.5% turnover rate of the Australian workforce in the year to February 2022 according to the Australian Bureau of Statistics (ABS). In our opinion, good turnover is to retain essential knowledge while having new people join the organisation. Council currently: • Lacks data to show the employee retention risk associated with the performance rating • Had no employee survey or workshop to address issues and identify priorities (physically and mentally) from all levels of staff at least annually.	Low	Management collects relevant data to target high-risk and high-performing employees for appropriate retention efforts; collects relevant data to understand employee value proposition; and develops a data-driven post COVID-19 talent retention strategy.	More recently we have discussed a range of possible surveys that could be used to gain current thoughts from employees. Cost, timing, what data and how it will be collected and used are all considerations. More current practices show subject/point in time surveys, eg Pulse Surveys, on specific subject matter return responses that can be acted on more responsively, rather than surveys using a whole range of topics. 1. Review information needed for a Retention Strategy Policy/Procedure and how this will be obtained. (OD Dept) 2. Develop a Retention Strategy Policy/Procedure. (OD Advisor)	Anne Pett	30/09/2023	Not Commenced	31/12/2023	A Retention Strategy has been identified as a priority to develop by the end of June 2024.
2022 - Bentley's - Recruitment and Retention Internal Audit Report - Aug 2022	3.1 Consistent practice	Sample testing of 10 new employees' recruitment process for 2020-21 and 2021-22 found inconsistent practices due to out-of-date policy (Finding 1) and the current decentralised approach. Specifically, we found the following inconsistent practices: • All Recruitment and Selection Checklists sampled (100%) were not complete • All Position Descriptions sampled (100%) did not have OD's sign-off • Six out of nine CEO Preferred Candidate Memos sampled (67%) had the OD Office Use Only section not complete • Five out of nine samples where relevant (56%) did not conduct a Training Needs Analysis • One out of nine CEO Preferred Candidate Memos sampled (11%) was not approved by Directors before OD. RISK: • Recruitment processes are not clear, consistent, timely and transparent • Recruitment roles and responsibilities are not clearly documented and understood.	Low	Once the Policy and Checklist are updated, management ensures the requirements are understood by the relevant responsible officers and implemented consistently.	We have a new HR system and there is a recruiting module we plan on implementing in Phase 2 (yet to begin). We expect between Records Hub and the HR Recruiting module that we will be able to improve and manage aspects of the recruitment process that should address some of these findings. Action: Train Recruiting Managers on the requirements in the Recruitment and Selection Policy/Procedure and the Checklist.	Anne Pett	30/06/2023	Completed	30/11/2023	The Recruitment & Selection Policy and Procedure was endorsed by the CEO and training to all People Leaders has been implemented which included reference to the Recruitment & Selection Checklist.
2022 - Bentley's - Recruitment and Retention Internal Audit Report - Aug 2022	3.2 Consistent practice	Sample testing of 10 new employees' recruitment process for 2020-21 and 2021-22 found inconsistent practices due to out-of-date policy (Finding 1) and the current decentralised approach. Specifically, we found the following inconsistent practices: • All Recruitment and Selection Checklists sampled (100%) were not complete • All Position Descriptions sampled (100%) did not have OD's sign-off • Six out of nine CEO Preferred Candidate Memos sampled (67%) had the OD Office Use Only section not complete • Five out of nine samples where relevant (56%) did not conduct a Training Needs Analysis • One out of nine CEO Preferred Candidate Memos sampled (11%) was not approved by Directors before OD. RISK: • Recruitment processes are not clear, consistent, timely and transparent • Recruitment roles and responsibilities are not clearly documented and understood.	Low	Once the Policy and Checklist are updated, management ensures the requirements are understood by the relevant responsible officers and implemented consistently.	We have a new HR system and there is a recruiting module we plan on implementing in Phase 2 (yet to begin). We expect between Records Hub and the HR Recruiting module that we will be able to improve and manage aspects of the recruitment process that should address some of these findings. Action: After HR system implementation, investigate how internal reviews of recruitment process and system use could be implemented to review compliance by recruiting managers.	Anne Pett	6/10/2023	Completed	30/06/2024	The Recruitment & Selection Policy and Procedure was endorsed by the CEO and training to all People Leaders has been implemented which included reference to the Recruitment & Selection Checklist.
2022 - Bentley's - Recruitment and Retention Internal Audit Report - Aug 2022	4. Record keeping	Sample testing of 10 new employees' recruitment process for 2020-21 and 2021-22 found that the record keeping was not ideal for us to validate the process. We were not provided with sufficient evidence in the following areas as there were no electronic copies retained in Records Hub. Further, the hard copies were not forwarded to the Information Management team for archive: • Interviewer Selection Report, including interview questions and selection criteria (except for one sample from Open Space Operations) • Evidence of shortlisting of candidates, e.g., panel meeting records, phone interviews, interview appointments, and emails with interview questions sent to candidates. All three Recruiting Managers/People Leaders interviewed advised that they revisited the Interviewer Selection Reports and rated candidates based on their performance during the interview and skills to finally select the preferred candidate • Reference check questions and notes of referees' answers (except for the one from Open Space Operations) although the outcomes are summarised in the CEO Preferred Candidate Memos. RISK: • Loss or reduction in the ability to access records • Compromised accountability and transparency • Fraudulent activities • Reputational damage.	Low	Management enforces using the electronic forms and retaining records in Records Hub; and provides necessary training or other appropriate advocacy to raise digital literacy.	Records Hub has enabled us to manage documents through the recruitment process more effectively. Use of Records Hub is relatively new and more improvements can be made. Again the new HR system recruiting module should assist with some of these aspects. ACTION: Include in training sessions requirements around electronic forms and records to be retained in Records Hub and reduction of hard copy documents as best as possible. (Note: any hard copy documents must be scanned and added to the Records Hub file)	Anne Pett	30/06/2023	Completed	30/11/2023	The Recruitment & Selection Policy and Procedure was endorsed by the CEO and training to all People Leaders has been implemented which included reference to the importance to save recruitment documentation to Records Hub. The HR System has now been deferred to 2024.
2022 - Bentley's - Recruitment and Retention Internal Audit Report - Aug 2022	5. Director and Manager retention and renewal procedure	The procedure has not yet been formalised and documented for the following two categories of employment, leading to deficiency in their contract renewal and retention: • Directors or equivalent are typically employed under fixed-term contracts in which salaries and conditions were negotiable via individual agreements • Managers are employed under individual employment contracts that were standard. In this audit, we sampled the contract renewal or recruitment of the CEO, a Director, and a Manager to validate their retention and renewal procedure. We found that the Manager sampled initiated the contract renewal process at the time of this audit on 25 May 2022 while his contract was about to expire in less than a month (i.e., on 17 June 2022). As advised by the Executive Manager OD, the process in practice although not documented is as follows: • By the officer advising they would like a new contract according to their employment agreement clause and then Council (via the relevant Director/CEO) has to respond to that request under CEO advice • The approval to offer a contract is issued by the CEO and this process is coordinated by the Executive Manager (EM) OD • The EM OD issues a contract when she receives an approval email from the Director and CEO to extend the contract. RISK: • Retention structures and processes are not clearly documented and implemented • Noncompliance with Section 125 of the Local Government Act 1999 to have appropriate policies implemented and maintained.	Low	Management ensures that regular performance reviews of Directors and Managers include the assessment and decision-making of their contract renewal. OD actively follows up with the Director and Manager contract renewal; and formalises the Director and Manager retention and renewal procedure in documentation.	With regard to the finding above that the contract renewal for a Manager commenced at the time of the audit, this process had been worked on for some months prior to this. ACTION: Document the process for performance review and contract renewal for those on Total Employment Cost (TEC) Contracts.	Anne Pett	30/03/2023	In Progress	16/02/2024	A process improvement for the renewal of contracts was presented and endorsed by ELT in May 2023. Revised process includes early advice from P&C to Directors/CEO for action with the support of their EA. This will now commence in early 2024.
2022 Civil Services - Service Review	1.0 Develop prioritised program maintenance schedule		Medium	Develop risk-based and prioritised program maintenance plans for all road infrastructure, including footpaths and drains, to better balance the priorities of asset maintenance planning with customer service needs.	see sub tasks 1.1 and 1.2	Ashley Curtis	30/06/2025		30/06/2025	

Adeelaide Hills Council  
**Audit Committee**  
**Audit Actions Implementation Report**  
19 February 2024

Audit Name	Reference	Issue	Risk Rating	Recommendation	Proposed Action	Responsible Officer	Due Date	Progress	Est. Completion Date	Comment
2022 Civil Services - Service Review	1.1 Develop prioritised program maintenance schedule		Medium	Develop risk-based and prioritised program maintenance plans for all road infrastructure, including footpaths and drains, to better balance the priorities of asset maintenance planning with customer service needs.	Prioritise the order in which Asset Class specific maintenance plans are to be developed.	Ashley Curtis	30/06/2023	In Progress	31/12/2023	Work has commenced on identifying the priority order for development of asset class specific maintenance plans and service standards. Whilst the final list is yet to be adopted, early indication is the stormwater asset class will be top priority, based on risk and alignment with Asset Management Plan development.  Whilst the target completion date is still achievable, a lack of resources does present challenges in prioritising this strategic work above other BAU activities.
2022 Civil Services - Service Review	1.2 Develop prioritised program maintenance schedule		Medium	Develop risk-based and prioritised program maintenance plans for all road infrastructure, including footpaths and drains, to better balance the priorities of asset maintenance planning with customer service needs.	Develop and implement the Asset Class specific maintenance plans.	Ashley Curtis	30/06/2025	In Progress	30/06/2025	A draft stormwater asset class maintenance plan is in development, to align with the draft Stormwater Asset Management Plan.
2022 Civil Services - Service Review	2.0 Develop an expanded operational service standard suite for maintenance activities		High	Develop a reviewed and documented set of operational service standards. The development of these service standards defines the level of maintenance service to be undertaken based on the condition and defect.	See sub tasks 2.1 and 2.2	Ashley Curtis	30/06/2025		30/06/2025	
2022 Civil Services - Service Review	2.1 Develop an expanded operational service standard suite for maintenance activities		High	Develop a reviewed and documented set of operational service standards. The development of these service standards defines the level of maintenance service to be undertaken based on the condition and defect.	Prioritise the order in which Asset Class specific service standards are to be developed.	Ashley Curtis	30/06/2023	In Progress	31/12/2023	Work has commenced on identifying the priority order for development of asset class specific maintenance plans and service standards. Whilst the final list is yet to be adopted, early indication is the stormwater asset class will be top priority, based on risk and alignment with Asset Management Plan development.  Whilst the target completion date is still achievable, a lack of resources does present challenges in prioritising this strategic work above other BAU activities.
2022 Civil Services - Service Review	2.2 Develop an expanded operational service standard suite for maintenance activities		High	Develop a reviewed and documented set of operational service standards. The development of these service standards defines the level of maintenance service to be undertaken based on the condition and defect.	Develop and adopt the Asset Class specific service standards.	Ashley Curtis	30/06/2024	In Progress	30/06/2025	A draft stormwater asset class service standard is in development, to align with the draft Stormwater Asset Management Plan
2022 Civil Services - Service Review	3.0 Roll out of CONFIRM system to Civil Service Maintenance		High	Continue the work to use CONFIRM to its full potential for better asset management: recording and scheduling of workscapturing asset data and costs. Improved data collection to enable reporting against Maintenance Plans and improve accuracy of actual costs of service provided.  This work should be ongoing and related to the corporate goals of progressive organisation, using technology, developing people and continuous improvement.  The expansion of CONFIRM can integrate with the use of digital workflow improvement and the use of tablets on site. This can streamline the workflow practices and promote efficiency  It is important to keep the rollout and improvements moving, even if it's small incremental ones, in line with whatever budget can be allocated. Initiatives like this can benefit from a driver and champion of the change management process, combined with leadership support.	See sub tasks	Ashley Curtis	30/06/2025		30/06/2025	
2022 Civil Services - Service Review	3.1 Roll out of CONFIRM system to Civil Service Maintenance		High	Continue the work to use CONFIRM to its full potential for better asset management	Expedite the transitioning to use of Confir in the field through engaging with Strategic Assets and Information Services.	Ashley Curtis	30/06/2023	In Progress	30/06/2025	These works have commenced, focusing on developing the workflow of discrete functions from CRM to Confir. Early efforts have focused on Council's Quick Response function
2022 Civil Services - Service Review	4.0 Develop and promote cross functional teams working together		High	Develop and promote cross functional teams working more closely together from various key departments to promote the development of innovative solution and develop CONFIRM to its full potential	See sub tasks	Ashley Curtis	30/06/2025		30/06/2025	
2022 Civil Services - Service Review	4.1 Develop and promote cross functional teams working together		High	Develop and promote cross functional teams working more closely together from various key departments to promote the development of innovative solution and develop CONFIRM to its full potential	Establish Civil Services specific Confir Working Group utilising the newly developed Project Management Framework (which will include all relevant stakeholders)	Ashley Curtis	30/06/2023	In Progress	30/06/2023	The Confir Working Group has been established, and will continue to meet monthly, for the duration of the project.  Whilst the target completion date was achieved for commencement of the working group, a lack of resources does present challenges in prioritising this ongoing strategic work above other BAU activities.
2022 Civil Services - Service Review	5.1 Improved budgeting and measuring costs		Low	Improvements may be needed in the budgeting process to allow specific costs to be identified for the various maintenance activities.	Some interim methods may be investigated to aid in forecasting more accurately the cost per service delivery type.	Ashley Curtis	30/06/2024	Not Commenced	30/06/2024	This action is pending the adoption of asset specific service standards priority lists
2022 Civil Services - Service Review	5.2 Improved budgeting and measuring costs		Low	Improvements may be needed in the budgeting process to allow specific costs to be identified for the various maintenance activities.	Following adoption of Service Standards, development of Maintenance Plans, and implementation of confirm, improve use of data for more refined cost forecasting.	Ashley Curtis	30/06/2025	Not Commenced	30/06/2025	This action is pending the adoption of individual asset class service standards.

Adelaide Hills Council  
Audit Committee  
Audit Actions Implementation Report  
19 February 2024

Audit Name	Reference	Issue	Risk Rating	Recommendation	Proposed Action	Responsible Officer	Due Date	Progress	Est. Completion Date	Comment
2022 Civil Services - Service Review	6.0 Improved process for section planning		Medium	An improved process for section planning including Development of a Section Plan (or Team) to better relate the organisation's Strategic Plan to day to day functions. Better documenting of these processes to assist communication on a regular basis between staff, managers and executive. A more formal strategic management process that links the field operational person through the organisation to the Executive and provide feedback monthly (or at regular intervals)	See sub tasks	Ashley Curtis	29/12/2023	In Progress	29/12/2023	As per bi-annual update, and due to internal vacancies (currently being recruited), this action item needs to be rescheduled for later in this calendar year.
2022 Civil Services - Service Review	6.1 Improved process for section planning		Medium	An improved process for section planning including Development of a Section Plan (or Team) to better relate the organisation's Strategic Plan to day to day functions. Better documenting of these processes to assist communication on a regular basis between staff, managers and executive. A more formal strategic management process that links the field operational person through the organisation to the Executive and provide feedback monthly (or at regular intervals)	Develop Annual Plans (Name to be determined) beginning with 2022-23. (First to be completed by end Q2 2022).	Ashley Curtis	30/06/2023	In Progress	30/06/2023	This action was postponed for 22/23 due to key vacancies within the Civil Services Maintenance Function. A draft Annual plan will now be prepared for the 23/24 FY, with a feasible updated completion date being 30/12/23.  Please note the 'annual plan' or 'team plan' is an internal document, and would not form part of the annual business plan. Rather, it describes the operational focus of the civil service team as it relates to the function of the team, the work priorities of the officers, and in response to adopted ABP and Strategic Plan.
2022 Civil Services - Service Review	7.0 Reward and recognition		Medium	Measure for employees' wellbeing and provide recognition and rewards for work well done and related to the achievement of corporate goals. The Civil Services and Maintenance function do undertake preventative maintenance that can avert issues and customer complaints. We recommend promoting good news stories and good customer feedback with the organisation. Rewards can be low key such section BBQ on a 6 monthly basis, recognising achievements, subject to policy on funding these types of events.	See sub tasks	Ashley Curtis	30/06/2024		30/06/2024	
2022 Civil Services - Service Review	7.1 Reward and Recognition		Medium	Measure for employees' wellbeing and provide recognition and rewards for work well done and related to the achievement of corporate goals. The Civil Services and Maintenance function do undertake preventative maintenance that can avert issues and customer complaints.	Work with Organisational Development to ensure alignment with broader AHC approach to Reward and Recognition.	Ashley Curtis	30/06/2024	In Progress	30/06/2024	A working group has been established with Civil Services, Open Space, and People & Culture team to work through issues around the recognition of operational staff. This includes providing input into the Council's Recognition Policy review.
2022 Civil Services - Service Review	7.2 Reward and recognition		Medium	Measure for employees' wellbeing and provide recognition and rewards for work well done and related to the achievement of corporate goals. The Civil Services and Maintenance function do undertake preventative maintenance that can avert issues and customer complaints.	Work with Communications and Engagement to determine what operational activities or achievements are of broader public interest and can be promoted.	Ashley Curtis	30/06/2024	In Progress	30/06/2024	A working group has been established with Civil Services, Open Space, and Communications & Engagement teams to work through issues around promoting operational activities of Council
2022 Civil Services - Service Review	8.0 Continuous improvement		Low		Ensure both office and field based teams designate specific time on a regular basis, to encourage identification and subsequent progression of work to formally improve work practices. (Particular with regards to identification of savings, as well as improved efficiency and customer service).	Ashley Curtis	30/06/2025		30/06/2025	A review of potential savings options has been undertaken as part of the LTFP development process.
2022 Civil Services - Service Review	8.1 Continuous improvement		Low	We recommend promoting good news stories and good customer feedback with the organisation. Rewards can be low key such section BBQ on a 6 monthly basis, recognising achievements, subject to policy on funding these types of events.	Ensure both office and field based teams designate specific time on a regular basis, to encourage identification and subsequent progression of work to formally improve work practices. (Particular with regards to identification of savings, as well as improved efficiency and customer service).	Ashley Curtis	30/06/2023	In Progress	30/06/2023	This work has commenced as part of routine team meetings and team leadership discussions. When further progressed, it will be formalised to document outcomes.
2022 Civil Services - Service Review	9.0 Customer Communication		Medium	A common complaint from customers is lack of communication about job progress. Look at the possibility of automating responses to the customers when work is about to happen as well as when work is completed. The key here is accuracy and it's better to handle this manually otherwise. Communication can also be through newsletter, mail, website and regular open public information sessions. Ongoing work to connect CRM to Conform should continue to improve workflow and will be needed when digital workflow occurs.	See sub tasks	Ashley Curtis	30/06/2024		30/06/2024	
2022 Civil Services - Service Review	9.1 Customer Communication		Medium	A common complaint from customers is lack of communication about job progress. Look at the possibility of automating responses to the customers when work is about to happen as well as when work is completed. The key here is accuracy and it's better to handle this manually otherwise. Communication can also be through newsletter, mail, website and regular open public information sessions. Ongoing work to connect CRM to Conform should continue to improve workflow and will be needed when digital workflow occurs.	The Infrastructure and Operations Directorate will work closely with Customer Service to determine any potential for further automated messaging to be put in place (not just Civil Services) and continue to explore ways to improve overall communication with customers	Ashley Curtis	30/06/2023	In Progress	30/06/2023	A preliminary meeting has been held with the customer experience project officer, with a focus on automation. Whilst the target date to commence the work was achieved, a lack of resources does present challenges in prioritising this strategic work above other BAU activities.

Adeleide Hills Council  
**Audit Committee**  
**Audit Actions Implementation Report**  
19 February 2024

Audit Name	Reference	Issue	Risk Rating	Recommendation	Proposed Action	Responsible Officer	Due Date	Progress	Est. Completion Date	Comment
2022 Civil Services - Service Review	9-2 Customer Communication		Medium	A common complaint from customers is lack of communication about job progress. Look at the possibility of automating responses to the customers when work is about to happen as well as when work is completed. The key here is accuracy and it's better to handle this manually otherwise. Communication can also be through newsletter, mail, website and regular open public information sessions. Ongoing work to connect CRM to Confirm should continue to improve workflow and will be needed when digital workflow occurs.	Greater utilisation of Depot Administration resource to provide job specific information to customers.	Achley Curtis	30/06/2024	In Progress	30/06/2024	Depot admin is regularly providing direct liaison, advice and response to customers around common issues.
2023 BDO Financial Controls Review Interim Management Letter - May 2023	1 - Expenses - Payroll	It was noted from our testing that two Council staff members in the payroll team have access and editing rights to the Creditor Masterfile which is beyond the person's role and responsibility.	Medium	It is recommended that management consider implementing role-based access request as part of the onboarding process and regular review of user access be conducted for relevant GL modules, not just at the IT application level. If due to practical reasons, access rights to the Creditor Masterfile cannot be changed, additional scrutiny is recommended when senior members of the finance team review the changes made to the Masterfile, and check if any changes were made by the said personnel.	The System Analyst to create a new specific Payroll Creditors functional group limiting user access to the processing of the payroll to be tested and signed off by Financial Services.	Liz Packer	30/09/2023	Completed	6/10/2023	The system work necessary for this control has been completed and tested in the test environment. Following, the new functional group "Payroll Processing" has been created and actioned in the live environment during October 2023. The two payroll members who had access to the Creditor Masterfile have now been removed from the functional group "All Associated Creditor Processing Functions".
2023 BDO Financial Controls Review Interim Management Letter - May 2023	2 - Assets - Debtors	It was noted from our testing that one Council staff members who works in the Accounts Receivable team can issues and subsequently reconcile receipt of the same invoices.	Medium	It is recommended that Council implement segregation of duties (preventative control) or implement specific detective control to ensure that errors, if they occur, are detected and corrected in a timely manner, and to reduce the possibility of fraud.	Council will look to implement additional specific detective controls including the regular review of monthly debtors reports by the Team Leader Financial Accounting for large and overdue accounts. Consideration of further preventative controls to be investigated	Liz Packer	30/09/2023	Completed	31/10/2023	Debtor reports are produced by Rhys (Accounts Receivable Officer) monthly which the Team Leader Finance has been reviewing. Finance continue to present a report on debtors to the Audit Committee twice a year. The organisation as a whole is moving towards accepting no cash and the AR Officer does not receive any cash directly to himself. Any credits for a debtor are approved by the TL Finance before being applied to the account. We have a policy for the write off of any debts which is reviewed by TL Finance before being approved by either the Manager of Financial Services or Director of Corporate Services depending on the amount. Any significantly large debtor balances \$5000 or more will need to be approved by the Audit Committee and Council. I believe that our controls w.r.t debtors sufficiently minimises any risks.
2023 BDO Financial Controls Review Interim Management Letter - May 2023	3 - Revenue - Grants	It is noted from our testing, that though Council maintains a grant register it does not contain sufficient detail or information to facilitate an efficient review of budget vs funding agreement as well as compliance with the relevant funding conditions.	Medium	It is recommended that council upgrade the current grant register to help facilitate the ongoing management of grants for both compliance and financial measures.	Council will review and upgrade the current grant register to help facilitate the ongoing management of grants for both compliance and financial measures. In addition, when the Finance Officer Accounts Receivable/Treasury becomes aware of a grant, it is to be immediately added to the Grant Register as well as follow up of the responsible council officer to update the register appropriately	Liz Packer	30/09/2023	Completed	31/10/2023	Council's auditors, BDO provided Finance with a grant register template during interim audit work which has been adopted and was used for the 22-23 EOY reporting period.  Whilst there is still some refinement required, discussions with Accounts Receivable Officer (Rhys), who is responsible for the grant register will ensure that a grant is added to the register as soon as the money is received to the bank account.  The populating of the template and any journals required for the relevant accounting treatment will be done straight away.  An assessment as to whether the grant has milestones attached will also be undertaken to ensure that we are not recognising any grants incorrectly as income.  For materially large grants we will recognise the funds upon receipt as deferred income until it can be accurately established that milestones do/do not exist.  Appropriate documentation will be sourced from the relevant grant holder and filed appropriately for EOY purposes.  Outstanding documentation will be reviewed quarterly and follow up action will then be undertaken. Where documentation is not forthcoming, grant funds will be treated as deferred income.

**8.7 Implementation of external audit action progress report - Verbal Update**

**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 19 February 2024  
AGENDA BUSINESS ITEM**

**Item:** 8.8

**Responsible Officer:** Zoe Gill  
Governance and Risk Officer  
Corporate Services

**Subject:** Risk Management and Audit Review

**For:** Information

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**SUMMARY**

This paper is to seek feedback from the Audit Committee on a potential review of risk management and audit reporting and processes.

**Recommendation**

**That the report on Risk Management and Audit Review be received and noted.**

**Council note that Administration will propose a process for reviewing the risk management and auditing procedures at the April meeting.**

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**1. BACKGROUND**

The processes through which Administration reports to the Audit Committee on risk management and auditing has been established for some time.

An example of current risk management reporting is provided in Item 8.5.

Council's internal audit program has now reached its conclusion and a new internal audit program needs to be developed.

New leadership in Governance and Risk offers an opportunity to consider processes with fresh eyes, noting the Governance and Risk Officer has been in the role since 5 February 2024.

There is an opportunity to further develop Council's risk management and auditing processes and reporting to ensure a focus on key strategic, financial and operational risks, as required by the *Local Government Act 1999* (see legal obligations section below).

Before developing a proposed review process Administration is seeking the Audit Committee's feedback on the current processes and suggestions for improvement.

## 2. ANALYSIS

### ➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment

*Strategic Plan 2020-24 – A brighter future*

Goal 5 A Progressive Organisation

Objective O5 We are accountable, informed, and make decisions in the best interests of the whole community

Priority O5.1 Enhance governance structures and systems to prudently adapt to changing circumstances and meet our legislative obligations

### ➤ Legal Implications

Section 125 of the *Local Government Act 1999* (the Act) requires councils to ensure “that appropriate policies, systems and procedures relating to risk management are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, inform appropriate decision making, facilitate appropriate prioritisation of finite resources and promote appropriate mitigation of strategic, financial and operational risks relevant to the council”

Section 99(ib) and s125A of the Act outline the CEO and Council’s obligation in relation to internal audits, including consulting with the Audit Committee on the person responsible and that reports go directly to the Audit Committee.

### ➤ Risk Management Implications

The review of risk management and internal auditing program will assist in mitigating the risk of:

*Internal control failures occur which leads to greater uncertainty in the achievement of objectives and/or negative outcomes.*

Inherent Risk	Residual Risk	Target Risk
High (4C)	Low (2E)	Low (2E)

### ➤ Financial and Resource Implications

There may be resource implications in reviewing risk management and audit functions. This will be addressed in the April meeting.

### ➤ Customer Service and Community/Cultural Implications

There is a high expectation that Council has appropriate corporate governance processes in place including an effective internal control environment.

### ➤ Sustainability Implications

Not applicable

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

<i>Council Committees:</i>	Nil
<i>Council Workshops:</i>	Not Applicable
<i>Advisory Groups:</i>	Not Applicable
<i>External Agencies:</i>	Not Applicable
<i>Community:</i>	Not Applicable

➤ **Additional Analysis**

Nil

**3. OPTIONS**

The Committee has the following options:

- I. To receive and note this report (Recommended).
- II. To identify an alternative course of action.

**4. APPENDIX**

Nil