



Adelaide Hills
COUNCIL

AUDIT COMMITTEE

NOTICE OF MEETING

To: **Presiding Member** Cr Malcolm Herrmann

Members

David Moffatt
Pamela Lee
Sarah Beesley
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 20 May 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 20 May 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. We will care for this country together by ensuring the decisions we make will be guided by the principle that we should never decrease our children's ability to live on this land.

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 – 15 April 2024

Recommendation

That the minutes of the Audit Committee meeting held on Monday 15 April 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. Action Report and Work Plan Update

1. *That the 2024 Action Report and Work Plan Update be received and noted.*
2. *That the 2024 Action Report, May 2024, be noted.*
3. *That the 2024 Work Plan and Reporting Schedule be adopted.*

8. OFFICER REPORTS

8.1. Budget Review 3

1. *That the report be received and noted*
2. *To recommend to Council the proposed budget adjustments presented in Budget Review 3 which result in:*
 - a. *An decrease in the Operating Surplus from \$571k to \$473k for the 2023-24 financial year.*
 - b. *A reduction to the capital expenditure budget for 2023-24 of \$3.05m bringing the total budget to \$21.9m*
 - c. *proposed financial sustainability indicators within Council's agreed targets of the following:*
 - i. *Operating Surplus Ratio 0.8% (Target 1% to 5%)*
 - ii. *Net Financial Liabilities Ratio 50% (Target 25% to 75%)*
 - iii. *Asset Renewal Funding Ratio 111% (Target 95% to 105%)*

8.2. End of Financial Year Reporting Timetable

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

8.3. Internal Financial Controls Update

1. *That the report be received and noted*
2. *To note the further developments and improvements that have been made to Council's internal controls environment.*

8.4. Public Interest Disclosure Arrangements and Compliance

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

8.5. Service Review Biannual Report

The Audit Committee resolves that the Service Review Biannual Report be received and noted.

9. QUESTIONS WITHOUT NOTICE

10. CONFIDENTIAL ITEMS

Nil

11. NEXT MEETING

The next Audit Committee meeting will be held at 6.00pm on 19 August 2024 at 63 Mount Barker Road, Stirling.

12. CLOSE MEETING

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING
MONDAY 15 APRIL 2024
63 MT BARKER ROAD STIRLING**

In Attendance

Members:

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

In Attendance:

Greg Georgopoulos	Chief Executive Officer
Ashley Curtis	A/Director Corporate Services
Gary Lewis	Manager Financial Services
Dr Zoe Gill	Governance and Risk Coordinator
Rebekah Lyons	Minute Secretary
Kira-marie Laverty	Corporate Planning & Performance Coordinator

Guest:

Mitchell Bremner	BDO Audit Pty Ltd
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1. COMMENCEMENT

The meeting commenced at 6:00pm

1.1. 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. We will care for this country together by ensuring the decisions we make will be guided by the principle that we should never decrease our children's ability to live on this land.

2. APOLOGIES/LEAVE OF ABSENCE

2.1. Apology

Sarah Beesley

2.2. Leave of Absence

Nil

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING
MONDAY 15 APRIL 2024
63 MT BARKER ROAD STIRLING**

2.3. Absent

Nil

3. MINUTES OF PREVIOUS MEETINGS

3.1. Audit Committee Meeting – 19 February 2024

**Moved David Moffatt
S/- Melanie Selwood**

AC13/24

That the minutes of the Audit Committee meeting held on 19 February 2024, be confirmed as an accurate record of the proceedings of that meeting.

Carried Unanimously

4. PRESIDING MEMBER’S OPENING REMARKS

The Presiding Member welcomed all members, Council staff, and guest Mitchell Bremner, Engagement Manager from BDO Audit.

It was noted that resolution 8.4 from the meeting of 19 February 2024 – Local Government Income Protection Fund, will be considered at the 23 April Ordinary Council meeting.

The Presiding Member spoke to the Officer’s Report presented at the February meeting, which indicated that Council was moving to a deficit of \$87k. It was noted that the committee authorised the CEO to initiate savings to ensure that the budget operating surplus returned to the 1%-5% range. Presiding Member Herrmann acknowledged the achievement of the CEO to identify changes so that the operating surplus was restored to the approved range in the time between the Audit Committee meeting and the February Council meeting.

In closing, the Presiding Member asked the CEO to provide an update regarding the recruitment process for the Director of Corporate Services.

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) 8.1, 8.2 and 8.3 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

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING
MONDAY 15 APRIL 2024
63 MT BARKER ROAD STIRLING**

7.1. Risk Presentation

Nil

7.2. Action Report and Work Plan Update

Moved Melanie Selwood

S/- Pamela Lee

AC14/24

1. That the 2024 Action Report and Work Plan Update be received and noted.
2. That the 2024 Action Report, April 2024, be adopted.
3. That the 2024 Work Plan and Reporting Schedule be adopted.

Carried Unanimously

8. OFFICER REPORTS – DECISION ITEMS

8.1. 2023-24 External Audit Plan

The Presiding Member, with leave of the meeting, suspended operations of the formal meeting procedures for the purposes of a presentation from BDO Audit Engagement Manager, Mitchell Bremner.

The Presiding Member determined that the period of suspension should be brought to an end.

Moved Pamela Lee

S/- David Moffatt

AC15/24

The Audit Committee resolves:

1. That the report be received and noted.
2. To recommend to Council the approval of the *2023-24 External Audit Plan* by BDO Audit Pty Ltd as contained in Appendix 1.
3. To note the *2023-24 Financial Statement Audit – Engagement Letter* as contained in Appendix 2 and the *2023-24 Internal Financial Control Audit – Engagement Letter* as contained in Appendix 3.

Carried Unanimously

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING
MONDAY 15 APRIL 2024
63 MT BARKER ROAD STIRLING**

8.2. Annual Business Plan 2024-24 Draft for Consultation

Moved David Moffatt
S/- Pamela Lee

AC16/24

The Audit Committee resolves to provide the following three options to Council:

Option 1:

- 1. That the report on the Annual Business Plan 2024-25 Draft for Consultation be received and noted.**
- 2. That Council notes that the Committee has reviewed the draft *Annual Business Plan 2024-25 (ABP)*, as contained in Appendix 1, in terms of the assumptions underpinning the Plan, its consistency with the Strategic Management Plans and the adequacy of the plans in the context of maintaining financial sustainability.**
- 3. That the draft ABP go to community consultation, noting this results in**
 - a) an Operating Deficit ratio of 0.85% (outside the approved target range of 1% to 5% surplus),**
 - b) a Net Financial Liabilities ratio of 57% (within the approved target range of 25% to 75%) and**
 - c) an Asset Sustainability Ratio of 100% (within the approved target range of 95% to 100%)**
- 4. That Council notes that the committee noted that the Customer Relationship Management System and the Amy Gillett Bikeway Project are one off costs that will not impact on surplus in the future and have limited impact on financial sustainability over the long term. The committee also noted that depreciation is an ongoing increase to Council's expenses and is therefore a challenge to financial sustainability.**
- 5. That the CEO be asked to conduct a review into Council's long term financial sustainability, which will include an organisation wide service delivery review including a detailed review of building and property assets.**

Or

Option 2:

- 1. That the report on the Annual Business Plan 2024-25 Draft for Consultation be received and noted.**

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING
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63 MT BARKER ROAD STIRLING**

2. That the Council notes that the Committee has reviewed the draft *Annual Business Plan 2024-25 (ABP)*, as contained in Appendix 1, in terms of the assumptions underpinning the Plan, its consistency with the Strategic Management Plans and the adequacy of the plans in the context of maintaining financial sustainability.
3. That adjustments to the draft ABP be made to bring the Operating Result to a break-even level by one of the following options
 - a) Increasing Rates by inflation (CPI + 0.4%) and an additional 1%Or
 - b) A combination of
 - i. Removal of operating projects and
 - ii. Increasing ratesSuch that a break-even operating result is achieved.

noting this results in

- a) an Operating Surplus ratio of 0% (outside the approved target range of 1% to 5% surplus),
 - b) a Net Financial Liabilities ratio of 55% (within the approved target range of 25% to 75%) and
 - c) an Asset Sustainability Ratio of 100% (within the approved target range of 95% to 100%)
4. The Council notes that the committee noted that the Customer Relationship Management System and the Amy Gillett Bikeway Project are one off costs that will not impact on surplus in the future and have limited impact on financial sustainability over the long term. The committee also noted that depreciation is an ongoing increase to Council's expenses and is therefore a challenge to financial sustainability.
 5. That the CEO be asked to conduct a review into Council's long term financial sustainability, which will include an organisation wide service delivery review including a detailed review of building and property assets.

Or

Option 3:

1. That the report on the Annual Business Plan 2024-25 Draft for Consultation be received and noted.

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING
MONDAY 15 APRIL 2024
63 MT BARKER ROAD STIRLING**

2. That Council notes that the Committee has reviewed the draft *Annual Business Plan 2024-25 (ABP)*, as contained in Appendix 1, in terms of the assumptions underpinning the Plan, its consistency with the Strategic Management Plans and the adequacy of the plans in the context of maintaining financial sustainability.
3. That adjustments to the draft ABP be made to bring the Operating Result to a 1% surplus level by one of the following options
 - a) Increasing Rates by inflation (CPI + 0.4%) and an additional 2%Or
 - b) A combination of
 - i. Removal operating projects and
 - ii. Increasing ratesSuch that a 1% operating surplus is achieved.

noting this results in

- a) an Operating Surplus ratio of 1% (within the approved target range of 1% to 5% surplus),
 - b) a Net Financial Liabilities ratio of 55% (within the approved target range of 25% to 75%) and
 - c) an Asset Sustainability Ratio of 100% (within the approved target range of 95% to 100%)
4. The Council notes that the committee noted that the Customer Relationship Management System and the Amy Gillett Bikeway Project are one off costs that will not impact on surplus in the future and have limited impact on financial sustainability over the long term. The committee also noted that depreciation is an ongoing increase to Council's expenses and is therefore a challenge to financial sustainability.
 5. That the CEO be asked to conduct a review into Council's long term financial sustainability, which will include an organisation wide service delivery review including a detailed review of building and property assets.

Carried Unanimously

8.3. Quarterly Council Performance Report – Q3 2023-24

The Presiding Member, with leave of the meeting, suspended operations of the formal meeting procedures for the purposes of a discussion about the report.

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING
MONDAY 15 APRIL 2024
63 MT BARKER ROAD STIRLING**

The Presiding Member determined that the period of suspension should be brought to an end.

**Moved David Moffatt
S/- Melanie Selwood**

AC17/24

That the Audit Committee resolves that the Quarterly Council Performance Report – Q3 2023-24 be received and noted.

Carried Unanimously

8.4. Risk Management Audit Review

**Moved Pamela Lee
S/-Melanie Selwood**

AC18/24

That the report on risk management and audit review be received and noted.

Carried Unanimously

9. QUESTIONS WITHOUT NOTICE

Nil

10. CONFIDENTIAL ITEMS

Nil

11. NEXT MEETING

The next ordinary meeting of the Audit Committee will be held on Monday 20 May 2024 from 6.00pm at 63 Mt Barker Road, Stirling.

12. CLOSE MEETING

The meeting closed at 7:46pm

**ADELAIDE HILLS COUNCIL
AUDIT COMMITTEE MEETING
Monday 20 May 2024
AGENDA BUSINESS ITEM**

Item: 7.1

Responsible Officer: Zoe Gill
Governance and Risk Coordinator
Office of the Chief Executive

Subject: 2024 Action Report and Work Plan Update

For: Decision

SUMMARY

A formal Audit Committee Action Report is maintained to record the items requiring 'actioning' that result from each of the Audit Committee meetings. This report also outlines the actions completed since the previous report.

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 current Audit Committee Work Plan 2024 (*Appendix 2*) has been attached for information.

RECOMMENDATION

The Audit Committee resolves:

- 1. That the 2024 Action Report and Work Plan Update be received and noted.**
 - 2. That the 2024 Action Report, May 2024, be noted.**
 - 3. That the 2024 Work Plan and Reporting Schedule be 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.

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

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 four outstanding and four completed 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 detailed below are either included in or deferred from this meeting.

A deferral to both the LGRS Risk Evaluation Action Plan Review and the Internal Audit Quarterly update has been noted. Currently Governance is reviewing a new risk management and internal audit process. Once finalised, reporting requirements will be discussed with the Audit Committee.

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

Item	Commentary	Month Scheduled
LGRS Risk Evaluation - Action Plan Review	Deferred as developing a new risk management process	May/November
Internal Audit		
Internal Audit quarterly update	Deferred as developing a new internal audit plan process	February/May/October/November
Internal audit reports	Developing a new internal audit plan process	As Required
Implementation of internal audit actions progress report		February/August
Internal Audit Plan review		November
External Audit		
External audit interim letter		August
Implementation of external audit actions progress report		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
Public Interest Disclosure		
Public Interest Disclosure Policy review (replaces Whistle-blowers)	Included in this meeting (deferred to May due to resourcing constraints in the Governance and Risk Team)	April
Public Interest Disclosure Arrangements and Compliance	Included in this meeting	May
Service Review		
Service Review Brief		November
Service Review Report		November
Implementation of service review actions progress report	Included in this meeting (Deferred to May)	April/August
Other Business		
Audit Committee self-assessment review		November
Presiding Member's Report		November
Work Plan and Reporting Schedule		November
Audit Committee Meeting Dates		November
Debtors Report		February/August

Item	Commentary	Month Scheduled
Council’s Annual Report		November
Action Report & Work Plan Update	Included in this meeting	All Meetings
Audit Committee Terms of Reference		October
Climate Change Adaptation Governance Assessment Report -		October
Quarterly Performance Reports		February/April/ August/October
Directorate Risk Profile Presentation	Discontinued	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 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, May 2024
2. 2024 Work Plan and Reporting Schedule

Appendix 1

Audit Committee Action Report, May 2024

Action Report - May 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	<p>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:</p> <ol style="list-style-type: none"> When did the LGIPF commence; Was it part of an Enterprise Bargaining Agreement process at the time; The premiums paid; The number of claims lodged; The number of claims approved; The amount paid to employees under the provisions of the Plan; The eligibility criteria; The value for money of the Fund to both the council (as the employer) and employees; Whether this form of benefit is common within the SA Public Service, the Local Government Sector, neighboring councils and/or the Group 2 councils; Whether there are alternatives to the current arrangements; If changes are to be considered, whether such changes could be incorporated into the next Enterprise Development Agreement. 	Ashley Curtis	Kira-Marie Laverty	Completed	5/03/2024	23/04/2024	Report was presented to Audit Committee at Feb 2024 meeting. Per the resolution at the meeting, the report is to be presented to Council. Due to competing priorities for Council Agenda items, the report is scheduled to go to the 23 April 2024 Council Meeting.
31/10/2023	AC39/23	Development Services Service Review - Implementation Plan	Nil	<ol style="list-style-type: none"> That the report be received and noted. 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. 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. 	Jess Charlton	Deryn Atkinson	In Progress	8/05/2024	20/05/2024	<p>Implementation of Action Plan in progress - immediate actions completed.</p> <p>Biannual Report will be presented to Audit Committee and Council at May meeting.</p>
12/02/2024	AC3/24	Amy Gillett Bikeway Stage 4 Prudential Review	Cr M Selwood - General COI	Refer confidential minute	David Waters	David Collins	In Progress	14/05/2024	31/05/2024	
19/02/2024	AC7/24	Local Government Income Protection Fund (LGIPF) Report	Nil	<ol style="list-style-type: none"> That the report on the Local Government Association Income Protection Fund be received and noted. To recommend to Council that the report on LGIPF be referred to the CEO for consideration in the negotiations re Enterprise Development Agreement to commence 1 July 2025. 	Ashley Curtis	Kira-Marie Laverty	Completed	14/05/2024	31/05/2024	The report was presented to Council at the 23/4/24
19/02/2024	AC7/24	Adelaide Hills Council Budget Review 2	Nil	<ol style="list-style-type: none"> That the report on the 2023/24 Budget Review 2 be received and noted. To recommend to Council the proposed budget adjustments presented in Budget Review 2 which result in: <ol style="list-style-type: none"> A change to the Operating Surplus from of \$558,000 to an Operating Deficit of \$87,000 for the 2023-24 financial year. The Operating Surplus ratio of -0.2%, lies outside the approved range of 1.0% to 5.0%. A reduction of \$605,000 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. Net Borrowing Result for the 2023-24 financial year being reduced by \$1.3m from \$10.4m to \$9.1m. The Operating Surplus Ratio using the underlying surplus method of 1.7% lies within the approved range of between 1% and 5%. The Net Financial Liabilities Ratio of 62% lies within the approved range of 25% to 75%. The Asset Renewal Ratio of 136% slightly exceeds the approved ratio from Budget Review 1 of 133.2%. Noting the average annual long term target range is between 95% to 105% be approved. Council authorises the CEO prepare to a report with recommendations for the Audit Committee meeting being held 	Ashley Curtis	Gary Lewis	Completed	14/05/2024	31/05/2024	
19/02/2024	AC12/24	Risk Management and Audit Review	Nil	<ol style="list-style-type: none"> That the report on Risk Management and Audit Review be received and noted. That Administration will propose a process for reviewing risk management and auditing procedures at the 15 April Audit Committee meeting. 	Greg Georgopoulos	Zoe Gill	In Progress	14/05/2024	31/05/2024	
15/04/2024	AC15/24	2023-24 External Audit Plan	Nil	<ol style="list-style-type: none"> That the report be received and noted. To recommend to Council the approval of the 2023-24 External Audit Plan by BDO Audit Pty Ltd as contained in Appendix 1. To note the 2023-24 Financial Statement Audit – Engagement Letter as contained in Appendix 2 and the 2023-24 Internal Financial Control Audit – Engagement Letter as contained in Appendix 3. 	Ashley Curtis	Gary Lewis	Not Started	14/05/2024	31/05/2024	
15/04/2024	AC16/24	Annual Business Plan 2024-24 Draft for Consultation	Nil	<p>The Audit Committee resolves to provide the following three options to Council:</p> <p>Option 1:</p> <ol style="list-style-type: none"> That the report on the Annual Business Plan 2024-25 Draft for Consultation be received and noted. That Council notes that the Committee has reviewed the draft Annual Business Plan 2024-25 (ABP), as contained in Appendix 1, in terms of the assumptions underpinning the Plan, its consistency with the Strategic Management Plans and the adequacy of the plans in the context of maintaining financial sustainability. That the draft ABP go to community consultation, noting this results in <ol style="list-style-type: none"> an Operating Deficit ratio of 0.85% (outside the approved target range of 1% to 5% surplus), a Net Financial Liabilities ratio of 57% (within the approved target range of 25% to 75%) and an Asset Sustainability Ratio of 100% (within the approved target range of 95% to 100%) That Council notes that the committee noted that the Customer Relationship Management System and the Amy Gillett Bikeway Project are one off costs that will not impact on surplus in the future and have limited impact on financial sustainability over the long term. The committee also noted that depreciation is an ongoing increase to Council's expenses and is therefore a challenge to financial sustainability. That the CEO be asked to conduct a review into Council's long term financial sustainability, which will include an organisation wide service delivery review including a detailed review of building and property assets. <p>Option 2:</p> <p>That the report on the Annual Business Plan 2024-25 Draft for Consultation be received and noted.</p> <ol style="list-style-type: none"> That the Council notes that the Committee has reviewed the draft Annual Business Plan 2024-25 (ABP), as contained in Appendix 1, in terms of the assumptions underpinning the Plan, its consistency with the Strategic Management Plans and the adequacy of the plans in the context of maintaining financial sustainability. 	Ashley Curtis	Kira-Marie Laverty	Completed	14/05/2024	31/05/2024	
				<ol style="list-style-type: none"> That adjustments to the draft ABP be made to bring the Operating Result to a break-even level by one of the following options <ol style="list-style-type: none"> Increasing Rates by inflation (CPI + 0.4%) and an additional 1% - OR A combination of <ol style="list-style-type: none"> Removal of operating projects and increasing rates Such that a break-even operating result is achieved. noting this results in an Operating Surplus ratio of 0% (outside the approved target range of 1% to 5% surplus), a Net Financial Liabilities ratio of 55% (within the approved target range of 25% to 75%) and an Asset Sustainability Ratio of 100% (within the approved target range of 95% to 100%) The Council notes that the committee noted that the Customer Relationship Management System and the Amy Gillett Bikeway Project are one off costs that will not impact on surplus in the future and have limited impact on financial sustainability over the long term. The committee also noted that depreciation is an ongoing increase to Council's expenses and is therefore a challenge to financial sustainability. That the CEO be asked to conduct a review into Council's long term financial sustainability, which will include an organisation wide service delivery review including a detailed review of building and property assets. <p>Or</p> <p>Option 3:</p> <ol style="list-style-type: none"> That the report on the Annual Business Plan 2024-25 Draft for Consultation be received and noted. That Council notes that the Committee has reviewed the draft Annual Business Plan 2024-25 (ABP), as contained in Appendix 1, in terms of the assumptions underpinning the Plan, its consistency with the Strategic Management Plans and the adequacy of the plans in the context of maintaining financial sustainability. That adjustments to the draft ABP be made to bring the Operating Result to a 1% surplus level by one of the following options <ol style="list-style-type: none"> Increasing Rates by inflation (CPI + 0.4%) and an additional 2% 						

Action Report - May 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)
				<p>OR</p> <p>b)A combination of Removal operating projects andIncreasing rates Such that a 1% operating surplus is achieved. noting this results inan Operating Surplus ratio of 1% (within the approved target range of 1% to 5% surplus),a Net Financial Liabilities ratio of 55% (within the approved target range of 25% to 75%) andan Asset Sustainability Ratio of 100% (within the approved target range of 95% to 100%)</p> <p>4.The Council notes that the committee noted that the Customer Relationship Management System and the Amy Gillett Bikeway Project are one off costs that will not impact on surplus in the future and have limited impact on financial sustainability over the long term. The committee also noted that depreciation is an ongoing increase to Council's expenses and is therefore a challenge to financial sustainability.</p> <p>5.That the CEO be asked to conduct a review into Council's long term financial sustainability, which will include an organisation wide service delivery review including a detailed review of building and property assets.</p>						

Appendix 2

Audit Committee 2024 Work Plan and Reporting Schedule

**ADELAIDE HILLS COUNCIL
AUDIT COMMITTEE MEETING
Monday 20 May 2024
AGENDA BUSINESS ITEM**

Item: 8.1

Responsible Officer: Gary Lewis
Manager, Financial Services
Corporate Services

Subject: 2023-24 Budget Review 3

For: Decision

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 third formal Budget Review (BR3) of the 2023-24 financial year to the Audit Committee for review. BR3 will be subsequently submitted to Council for consideration and adoption.

The proposed operating budget changes largely balance out with only a small decrease in the projected surplus of \$98k. This will leave Council with an Operating Surplus of \$473k, an operating surplus of 0.8% just below the target range of 1% to 5%. While this is currently below the target ratio, it should be considered in the light of the material costs that have impacted the 2023/24 finances over the year. These have included the carry forward of \$434k in grant funded expenses where the grant income remained in 2022/23 in accordance with accounting rules (BR1), an additional \$246k in critical arboreal works (BR2) and in the report there is an additional \$515k in depreciation being recognised. Administration continues to work towards the target ratio.

The Asset Renewal Ration improves materially coming down to 111% and the Net Financial Liabilities Ration remains comfortably within the target range.

The completion of the third review of capital Strategic Initiatives has identified a \$3m adjustment that includes the removal of eighteen projects.

However, an ongoing review of the work in progress accounts has identified balances relating to several projects that will most likely need to be written off at year end.

RECOMMENDATION

The Audit Committee resolves:

1. That the report be received and noted
2. To recommend to Council the proposed budget adjustments presented in Budget Review 3 which result in:
 - a. An decrease in the Operating Surplus from \$571k to \$473k for the 2023-24 financial year.
 - b. A reduction to the capital expenditure budget for 2023-24 of \$3.05m bringing the total budget to \$21.9m
 - c. proposed financial sustainability indicators within Council's agreed targets of the following:

i. Operating Surplus Ratio	0.8%	(Target 1% to 5%)
ii. Net Financial Liabilities Ratio	50%	(Target 25% to 75%)
iii. Asset Renewal Funding Ratio	111%	(Target 95% to 105%)

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 third Budget Review (BR3) of the 2023-24 financial year.

The latest adoption of Council's revised Budget occurred at the Council meeting held on the 27 February 2024, where Council adopted the 2023-24 Budget Review 2 with a Budgeted Operating Surplus of \$57k which was within the target range.

2. ANALYSIS

➤ Strategic Management Plan/Council Policy

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.

➤ **Legal Implications**

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

➤ **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 *Long Term Financial Plan*.

➤ **Financial and Resource Implications**

The mid-year budget review identified significant additional works and costs that were critical in nature. To offset the impact on Councils financial position a commitment was taken to find an additional \$289k in savings which would keep Councils operating result ratio within its target range of 1% to 5%. This has been achieved.

After the mid-year review it was identified that the budgeted depreciation expense was too low and that this would lead to an increase in the operating costs in 2023/24 of \$515k. In consideration of the importance placed on keeping within the target ratio a further cost cutting initiative was undertaken in conjunction with a comprehensive review of operating budgets across the organisation. This has resulted in a budget surplus just below the target range.

The information gained from this exercise was utilised in the preparation of the 2024/25 budgets.

However, the ongoing review of the Works in Progress balance reported in the 2022/23 Financial Statements has identified a number of projects that are expected to be written off. This amount will be material, currently it is expected to be greater than \$500k but the final amount and the accounting treatment of it is yet to be finalised and confirmed. Therefore, this has not been included in the current budget review.

Concurrently, the Capital Works program has been subject to a further detailed review to identify projects that can be removed from the current plan. This is the third review conducted this year, with this process in total reducing the first revised budget (BR0) of

\$28.5m to the proposed budget of \$21.9m. These savings are primarily driven by assessing the practical ability to deliver projects, with several projects being deferred.

Where capital projects have been deferred, they will be brought back to Council for review and prioritisation, from which a revised delivery plan can be developed.

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

There is a high expectation that Council has appropriate financial governance processes in place including the review of the budget periodically.

➤ **Sustainability Implications**

Not applicable.

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

Council Committees: Not Applicable

Council Workshops: Not Applicable

Advisory Groups: Not Applicable

External Agencies: Not Applicable

Community: Not Applicable

➤ **Additional Analysis**

BR3 has been prepared in consultation with Directors and Managers who have provided information for each budget area.

Budget Review 3 Proposed Adjustments

\$000s	Current Budget (BR2)	Proposed BR3 Adjustments	Revised Budget after BR3
Operating Income	57,106	(100)	57,006
Operating Expenditure	56,535	(2)	56,533
Operating Surplus	571	(98)	473
Depreciation	11,004	515	11,519
Capital income	4,844	(93)	4,751
Capital Expenditure	24,911	(3,047)	21,684
	(342)	-	(202)

Proposed Budget Adjustments

Operating:

There is a net change to operating result of a decrease of \$98k from \$571 to \$473k.

Due to the complexity of the detailed review of budgets that have been carried out a summary is presented in Appendix 2 and the major items are discussed below.

Budget Management

Following a detailed analysis of budgets an additional cut of \$500k has been made across the organisation. These are specific and achievable adjustments.

Building Depreciation

The increase in depreciation costs of \$515k follow on from the revaluation of Building and Property assets that was conducted in 2022/23. This higher than expected increase is likely due to the longer than optimal time between the Revaluation and Condition assessments and indexing the cost at an insufficient rate. A macro level review of Councils overall depreciation cost compared to other Councils indicates that it may remain too low, and a review of the current indexation process is warranted.

Vacancy Management

Significant savings have been made in payroll costs over the year. In part these have offset increased costs elsewhere in the business that have had to be incurred to maintain service delivery. Total savings recorded in payroll costs in budget review 3 are \$600k. Some of these savings are ongoing while many are not, having occurred due to unplanned vacancies which have been driven by a tight employment market.

Other cost increases

Vehicle Maintenance

The costs for vehicle maintenance were not budgeted correctly, an increase of \$220k is required to bring this in line with the expenditure for the year. The full year expense is not expected to be materially different to prior years.

Legal Fees

These costs have continued to be above budgeted levels which has required a further adjustment to the budget of \$128k. These costs relate to unexpected events requiring legal advice or risk mitigation. In general, legal fees are incurred reactively following events that occur through the year and can be difficult to predict. Budgeting is based on long term averages informed by management assessment.

Legal budget can cover general legal advice, litigation costs and debt recovery work and also needs to consider that costs from the latter two categories may be recovered at a later date.

As indicated above, some of these costs will be offset by savings in vacancy management.

Capital

\$000s	2022-23 Current Budget	Total BR3 Adjustments	Proposed BR3 Budget
Total Capital Income	4,844	(93)	4,751
Capital - Renewal Expenditure	(14,006)	2,597	(11,409)
Capital - New Capital Expenditure	(10,905)	451	(10,455)
Total Capital Expenditure	(24,911)	3,047	(21,864)

Potential Year End variances

Works in Progress

A review of the Works in Progress balance reported at 2022-23 year end is ongoing. However, the review is not yet complete and further work will be required. Until the work is complete it is unclear what adjustment will be required. This relates to historical activities.

Financial Assistance Grant - timing

The timing of the receipt of Financial Assistance Grants has the capacity to change the operating surplus. In recent years this grant has been paid in advance with Councils receiving funds in the preceding June. Any change in this process may impact Councils financial results.

Landfill Remediation and Post Closure Provision

Council has set aside a provision for landfill remediation and post closure costs relating to closed landfills within the Council area. This provision will be revalued in the current financial year and any change to the valuation will be recorded in the financial statements.

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 BR3 as prepared (Recommended).
- II. To make additional comments or suggestions to Administration to consider prior to finalising BR3.

4. APPENDICES

- (1) 2023-24 Budgeted Uniform Presentation of Finances
- (2) 2023-24 Proposed Budgeted Financial Indicators
- (3) 2023-24 Operating Budget Review 3 Proposed Changes
- (4) 2023-24 Capital Budget Review 3 Proposed Changes

Appendix 1

2023-24 Budgeted Uniform Presentation of Finances

Adelaide Hills Council
BUDGETED UNIFORM PRESENTATION OF FINANCES
2023-24 Revised Annual Budget

2022-23 Actuals		2023-24 Annual Business Plan	2023-24 BR2 Budget	BR3 Changes	2023-24 BR3 Revised Budget
\$'000		\$'000	\$'000	\$'000	\$'000
	INCOME				
44,401	Rates	48,357	48,407	-	48,407
1,428	Statutory charges	1,544	1,490	36	1,526
901	User charges	968	1,005	-	1,005
292	Grants, subsidies and contributions - Capital	788	788	-	788
6,090	Grants, subsidies and contributions -Operating	4,299	4,493	(156)	4,336
37	Investment income	25	25	-	25
306	Reimbursements	196	281	-	281
821	Other income	367	518	20	538
169	Net gain - equity accounted Council businesses	100	100	-	100
54,445	Total Income	56,644	57,106	(100)	57,006
	EXPENSES				
20,693	Employee Costs	23,172	22,868	(558)	22,310
21,273	Materials, contracts & other expenses	20,556	22,081	41	22,122
10,479	Depreciation, amortisation & impairment	11,106	11,004	515	11,519
551	Finance costs	582	582	-	582
19	Net loss - equity accounted Council businesses	-	-	-	-
53,015	Total Expenses	55,416	56,535	(2)	56,533
1,430	NET BUDGETED SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS	1,228	571	(98)	473
	Net Outlays on Existing Assets				
(10,070)	Capital Expenditure on Renewal and Replacement of Existing Assets	(10,424)	(14,006)	2,597	(11,409)
427	Proceeds from Sale of Replaced Assets	899	899	-	899
10,479	Depreciation	11,106	11,004	515	11,519
836	NET OUTLAYS ON EXISTING ASSETS	1,581	(2,103)	3,112	1,009
	Net Outlays on New and Upgraded Assets				
(5,200)	Capital Expenditure on New and Upgraded Assets & Remediation costs	(7,485)	(10,905)	451	(10,455)
538	Capital Grants & Monetary Contributions - New & Upgraded Assets	2,150	3,821	(93)	3,728
778	Proceeds from Sale of Surplus Assets	124	124	-	124
(3,884)	NET OUTLAYS ON NEW AND UPGRADED ASSETS	(5,211)	(6,960)	357	(6,603)
(1,618)	NET LENDING/ (BORROWING) RESULT	(2,402)	(8,492)	3,371	(5,121)
(24,015)	Net Financial Liabilities at Beginning of Year	(24,746)	(22,836)	-	(22,836)
3,012	Decrease / (increase) in Other	(3,440)	(440)	-	(440)
(215)	Non Cash Equity Movement	(100)	(100)	-	(100)
(22,836)	Net Financial Liabilities at End of Year	(30,688)	(31,868)	3,371	(28,497)

In a 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.

Financing Transactions					
(1,618)	NET LENDING/ (BORROWING) RESULT	(2,402)	(8,492)	3,371	(5,121)
-	New Community Loans	-	-	-	0
-	Community Loans repaid to us	-	-	-	0
716	Proceeds from Bonds & Aged Care Facilities deposits	-	-	-	0
(2,181)	Increase/(Decrease) in Short Term Draw Down	(70)	(81)	30	(51)
2,726	(Increase)/Decrease in Cash & Investments	-	-	-	0
142	Estimate of Capital Carry Forward to be transferred to next Year	(3,000)	-	-	0
(2,003)	(Increase)/Decrease in Other Working Capital	-	-	-	0
(271)	Increase/(Decrease) in Grants Received in Advance	-	-	-	0
(271)	Principal Repayments on Borrowings	(561)	(561)	-	(561)
(374)	Repayment of Lease Liabilities	(440)	(440)	-	(440)
78	Reinstatement/Restoration Provision Payment	(427)	(427)	-	(427)
-	Debenture Payment	-	-	-	0
(215)	Non Cash Equity Movement	(100)	(100)	-	(100)
(3,000)	REDUCED BORROWINGS/(NEW BORROWINGS)	(7,000)	(10,101)	3,401	(6,700)

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.

Appendix 2

2023-24 Proposed Budgeted Financial Indicators

FINANCIAL INDICATORS

	Council Adopted Target	2023-24 Proposed Budget
Operating Surplus Ratio		
<u>Operating Surplus</u>	1% to 5%	0.8%
Total Operating Revenue		
Net Financial Liabilities Ratio		
<u>Net Financial Liabilities</u>	25% to 75%	50%
Total Operating Revenue		
Asset Renewal Funding Ratio		
<u>Asset Renewals</u>	95% to 105%	111%
Infrastructure & Asset Management Plan required expenditure		

Appendix 3

2023-24 Operating Budget Review 3 Proposed Changes

Program	Current Budget: Exp / (Inc)	Change: FAV / (UNFAV)	Revised Budget	Comments
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MAJOR CHANGES

Vacancy Management		600,000		Estimated full year savings
Budget Management		500,000		Comprehensive review of budget lines with zero spend.
Building Depreciation Expense	580,960	-516,000	1,096,960	Uplift in building valuations resulting in increased depreciation
Total	705,960	584,000	1,121,960	

COMMUNITY & DEVELOPMENT

Customer Experience	234,857	25,000	209,857	Savings delivering the CRM project
Development Assessment & Compliance	-5,670	70,000	-75,670	Development Services Fees and recovered legal fees
Environmental Services/Environmental Health	-1,070	9,000	-10,070	Increase revenue for non compliance of AWTS maintenance
Fire Prevention	-103,960	-80,000	-23,960	Lower than expected expiation fees and cost recovery
Manager Civil Services/Civil Services - Maintenance	288,330	-25,000	313,330	Increased requests for additional traffic control signs
Manager Development Services/Development Assessment & Compliance	-651,820	47,100	-698,920	General increase in revenue across planning, building and compliance fees
Manager Open Space/Open Space - Stores	10,490	10,000	490	Moved to partially off-set traffic control signs
Regulatory Services	7,500	-20,500	28,000	Increase in Dog and Cat legal fees
Total	-221,343	35,600	-256,943	

Program	Current Budget: Exp / (Inc)	Change: FAV / (UNFAV)	Revised Budget	Comments
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CORPORATE SERVICES

CEO Office/CEO Office	54,100	34,380	19,720	Drawdown CEO contingency
Exec Manager Governance/Governance & Performance	965,100	-118,000	1,083,100	Increased requirement in legal fees
Exec Manager Governance/Governance EM	488,640	-44,000	532,640	Higher than budgeted Elected Member allowances, meals and travel
Manager People and Culture & WHS/People and Culture & WHS	34,300	-16,500	50,800	Additional costs arising from external (WHS consultant) support during period of significant vacancies in the P&C team.
Total	1,542,140	-144,120	1,686,260	

ENVIRONMENT & INFRASTRUCTURE

CWMS Total	-26,200	37,600	-63,800	Increase full year revenue in line with YTD revenue.
LRCIP Revenue	-156,280	-156,280	0	Project milestones not reached.
Manager Civil Services/Civil Services - Maintenance	582,950	-15,000	597,950	\$60k in extra funds required due to extensive road patching done to ensure TDU route was fit for purpose. Off-set by several other unders and overs ranging from \$10k to \$20k
Manager Open Space/Open Space - Management	-147,620	-96,000	-51,620	\$59k less than anticipated Grant Income in Protecng Our Communities plus an increase in Open Space Training
Manager Open Space/Open Space - Stores	246,410	-210,000	456,410	Heavy vehicle maintenance to match actual and anticipated spend to end of year
Manager Property Services/Property Management	344,020	-233,800	577,820	\$145k unbudgeted Maylor Court storm damage which may be recoverable \$60k increase reactive building maintenance \$24k remediation of Stirling school pool not captial
Amy Gillett Project	125,000	100,000	25,000	Savings this financial year.
Total	843,280	-573,480	1,516,760	
GRAND TOTAL	2,870,037	-98,000	4,068,037	

Appendix 4

2023-24 Capital Budget Review 3 Proposed Changes

2023-24 CAPITAL BUDGET REVIEW 3						
Proj #	Project Name	Type	Current Budget	Change FAV / (UNFAV)	Revised Budget	Comment
CAPITAL EXPENDITURE						
BRIDGES						
4096	Montacute Road Bridge Renewal	Renewal	\$790,000	620,000	\$170,000	Design works complete and minor site preparation works to be completed in 23/24 - funding currently proposed in 24/25 renewal program for Bridges.
		Total	\$790,000	\$620,000	\$170,000	
BUILDINGS						
3706	Workflow System Development-Regionwide		\$20,000	8,000	\$12,000	Project completed under budget
3742	AHBTC-Capital Divestment	Renewal	\$1,630,000	1,620,000	\$10,000	Cap Ex 3742 was identified for renewal of infrastructure to support the divestment of AHBTC, primarily renewal of the culvert that runs underneath the buildings leased to Udder Delights. This project is now with the Civil Works Department and I understand will be progressed next FY.
3903	Stirling Rotunda Replacement	Renewal	\$40,000	10,000	\$30,000	Sufficient budget remaining is sufficient complete msterplan works
3991	Building Renewals	Renewal	\$252,000	0	\$252,000	Current budget sufficient for scope of works
4079	Lobethal Centennial Hall	Renewal	\$49,500	(14,980)	\$64,480	Extra exp offset by income (contribution from Lobethal Hall)
4088	Randells Cottage Repair		\$15,000	15,000	\$0	minor safety improvements were OPEX
4089	New Dog and Cat Facility	New	\$70,000	(15,000)	\$85,000	To reflect actuals
		Total	\$2,076,500	\$1,623,020	\$453,480	
Cemeteries						
		Total	\$0	\$0	\$0	
CWMS						
4002	CWMS Pump Renewals	Renewal	\$90,000	50,000	\$40,000	Review of pump age and performance has resulted in extended time for some interventions,
4003	Birdwood Treatment Plant	Renewal	\$13,700	13,700	\$0	CWMS Technical Officer position vacant and unable to resource progress
4004	Woodlot Management - Renewal	Renewal	\$10,000	10,000	\$0	CWMS Technical Officer position vacant and unable to resource progress
4056	Birdwood Gravity Main & Fencing	Renewal	\$46,000	46,000	\$0	CWMS Technical Officer position vacant and unable to resource progress
4090	Control Cabinet Birdwood(SCADA)	Renewal	\$35,000	35,000	\$0	The project has evolved to include the pump station upgrades to be linked with the Birdwood SCADA (total costs will be \$ 75,000)
4091	Birdwood Treatment Plant - Power Backup	New	\$30,000	30,000	\$0	Delayed to consider broader grant funding for solar/ battery options
		Total	\$224,700	\$184,700	\$40,000	
LOCAL ROADS & COMMUNITY INFRASTRUCTURE PROGRAM						
4075	Stormwater upgrade Onkaparinga Rd	New	\$148,810	25,000	\$123,810	
4099	Fox Creek Rd Pavement LRCIP	Renewal	\$200,000	200,000	\$0	2024-2025
4119	Knotts Hill Rd Slip LRCIP	New	\$87,000	87,000	\$0	2024-2025
4123	Marble Hill Slip LRCIP	New	\$150,000	150,000	\$0	2024-2025
4064	LRCIP-AH War Memorial Swimming Pool-Splash Park C	New	\$195,800	195,800	\$0	Construction budget in 24/25
4074	LRCIP Junction Road Stormwater Kurla to Railway	New	\$200,000	200,000	\$0	withdrawn from Phase 3 but will be resubmitted as part of Phase 4 LRCIP as the project is still live but cannot be delivered by 30 June
4127	LRCIP3 Fidlers Hill Rd Apron Sealing	New	\$0	(75,000)	\$75,000	Alternate Project approved Phase 3 LRCIP
4128	LRCIP3 Accelerated Street Furniture Renewal	Renewal	\$0	(75,000)	\$75,000	Alternate Project approved Phase 3 LRCIP
		Total	\$981,610	\$707,800	\$273,810	

2023-24 CAPITAL BUDGET REVIEW 3						
Proj #	Project Name	Type	Current Budget	Change FAV / (UNFAV)	Revised Budget	Comment
FOOTPATHS						
3826	New / Upgraded Footpaths	New	\$424,000	(100,000)	\$524,000	see comms, 150k needed for 3 footpaths
3921	Footpath Renewal	Renewal	\$421,000	45,000	\$376,000	Renewal program delivery savings
		Total	\$845,000	-\$55,000	\$900,000	
KERBING						
4109	Wandilla Drive Kerbing	Renewal	\$67,000	27,000	\$40,000	
		Total	\$67,000	\$27,000	\$40,000	
OTHER						
3835	Bus Shelters - Renewals	Renewal	\$10,000	(37,000)	\$47,000	complete Stirling Steamroller Park renewal.
4010	Resilient community facilities	New	\$0	(30,000)	\$30,000	shelters at Sherry Park Mylor and Protea Park Piccadilly was originally \$65,800
4063	Feasibility Studies	New	\$35,800	35,800	\$0	
3176	Cemeteries upgrades total	New	\$14,110	1,925	\$12,185	Saving
3176.2	Scott Creek Cemetery "Go to"	New	\$0	0	\$0	Project no longer going ahead this financial year
3176.3	Cemeteries signage new	New	\$12,780	0	\$12,780	Undertake full signage project this year
3928	Cemetery Signage renewal (total program budget)	Renewal	\$8,780	0	\$8,780	Reallocate to sub-budgets - see below
3928.1	Stirling Cemetery expansion	New	\$32,000	0	\$32,000	Decrease to reflect final actual
3928.2	Cemetery Signage renewal	Renewal	\$14,220	0	\$14,220	Increase to reflect final project costs
		Total	\$127,690	-\$29,275	\$77,000	
ROADS						
4069	Tiers Road - Baldocks to Woodforde	Renewal	\$850,000	(70,000)	\$920,000	To match Council contribution as 50%of the funding of 1,100,00 however final seal (180,000) proposed in 24/25 due to cold weather conditions
4101	Croft Road upgrade and sealing	New	\$1,200,000	(150,000)	\$1,050,000	Works underway but final seal (150,000) proposed in 24/25 due to cold weather conditions.
		Total	\$2,050,000	(220,000)	\$1,970,000	
SPORT & RECREATION						
3510.07	HeathfieldOvalClubroom DrainageUpgrade	New	\$25,000	25,000	\$0	This was delivered as part of the minor SW Program.
4021.01	Balhannah Court Resurfacing	Renewal	\$32,000	32,000	\$0	Council is partering with the club to deliver these works. The club have only just received a grant funding contribution towards the works, delaying project delivery. The club have recently engaged a contractor who can begin works in... & aare sibsequently requesting that funds be carried forward / be made available in 24/25 instead.
4021.02	Crafers Court Resurfacing this project has \$10'070 actuals against it.	Renewal	\$26,000	15,930	\$10,070	Council is partering with the club to deliver these works. The club have only just received a grant funding contribution towards the works, delaying project delivery. The club have recently engaged a contractor who can begin works in... & aare sibsequently requesting that funds be carried forward / be made available in 24/25 instead.
4021.04	Piccadilly Court Resurfacing	Renewal	\$32,000	32,000	\$0	Council is partering with the club to deliver these works. The club have only just received a grant funding contribution towards the works, delaying project delivery. The club have recently engaged a contractor who can begin works in... & aare sibsequently requesting that funds be carried forward / be made available in 24/25 instead.
4051	Community & Recreation Facilities Framework Implementation	New	\$70,000	70,000	\$0	This was intended to be operational funding, not capital so is therefore not required.

2023-24 CAPITAL BUDGET REVIEW 3

Proj #	Project Name	Type	Current Budget	Change FAV / (UNFAV)	Revised Budget	Comment
4018	Bridgewater Oval Drainage	Renewal	\$20,000	20,000	\$0	Council is partnering with the club to deliver these works. The club have just received a grant funding contribution towards the works. Club have requested that the works be delivered in Spring 2024 to ensure best outcome. Staff are requesting that the funds be carried forward / be made available in 24/25 instead.
		Total	\$205,000	\$194,930	\$10,070	

2023-24 CAPITAL BUDGET REVIEW 3

Proj #	Project Name	Type	Current Budget	Change FAV / (UNFAV)	Revised Budget	Comment
STORMWATER						
4107	Heathfield Oval/ Hender Rd Stormwater	Renewal	\$45,000	17,000	\$28,000	project delivered under budget, full scope.
		Total	\$45,000	\$17,000	\$28,000	
PLANT & FLEET						
		Total	\$0	\$0	\$0	
ICT						
3866	General ICT renewals	Renewal		0		Leasing vs owning....
		Total	\$0	\$0	\$0	

Total Expenditure Change	3,047,175
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Capital Expenditure Changes
Split as follows:

Renewal-	2,596,650
New/Upgrade -	450,525
	3,047,175

CAPITAL INCOME						
149182164	FINANCIAL MANGT: Capital: Grant - Capital		-\$1,182,457	(250,000)	-\$932,457	LRCIP Phase3 - 2 capital projects worth \$200k were withdrawn from the program and 3 new projects were included in the fiunding (2 capital worth \$150k and an operating one of \$250k)
149182164	FINANCIAL MANGT: Capital: Grant - Capital		-\$1,182,457	(20,000)	-\$1,162,457	Refund unspent funding from SLRP 2022/23
120286164	FABRIK: Activation of Arts & Heritage Hub: Grant - Capital		-\$955,262	159,657	-\$1,114,919	Changes Places grant
149182074	FINANCIAL MANGT: Capital: Contributions		\$0	17,223	-\$17,223	\$14,980 for proj#4079 from Lobethal Centennial Hall and \$2,243 from DIT for Way toGo FundingSchool Zone proj#
	Total Income Change		(3,320,176)	(93,120)	(3,227,056)	

**ADELAIDE HILLS COUNCIL
AUDIT COMMITTEE MEETING
Monday 20 May 2024
AGENDA BUSINESS ITEM**

Item: 8.2

Responsible Officer: Gary Lewis
Manager Financial Services
Corporate Services

Subject: End of Financial Year Reporting Timetable 2023-24

For: Information

SUMMARY

At the meeting on 15 April 2024, the Audit Committee received the 2023-24 External Audit Plan from the external auditors BDO which sets out their scope and responsibilities for the 2023-24 audit and resolved to recommend to Council for the approval of the Plan. Council considered the Committee's recommendation at its 23 April 2024 meeting and approved the Plan.

In support of this Plan a draft timetable has been prepared to guide the end of year reporting process included as **Appendix 1**.

In consultation with BDO, the date of the final external audit visit has been proposed for 16 September 2024 to 20 September 2024. This will enable the Administration to table the Annual General Purpose Financial Statements and associated documentation at the Audit Committee meeting on 14 October 2024.

RECOMMENDATION

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

1. BACKGROUND

Council's preparation of the Annual General Purpose Financial Statements is affected by, but not limited to:

- external audit timelines
- resourcing, both internal and external
- validation of infrastructure assets
- BDO's External Audit Plan, which was approved by Council on 23 April 2024, communicates the approach to be taken by the auditors and their understanding of the scope of the work required to express an opinion on Council's Financial Statements and Internal Controls environment.

2. ANALYSIS

➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment

Strategic Plan 2020-24 – A brighter future

Goal 5 A Progressive Organisation.

Objective O.5 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.

➤ Legal Implications

Council is required to prepare audited annual Financial Statements in accordance with the *Local Government Act 1999*, (the “Act”) and the *Local Government (Financial Management) Regulations 2011* (the “Regulations”).

Section 127 (1) of the Act requires the preparation of the financial statements and notes as well as other statements or documentation in accordance with standards and principles prescribed by the regulations and include information required by the Regulations.

Section 127 (2) of the Act requires that the material required under subsection (1) must be prepared as soon as is reasonably practicable after the end of the relevant financial year and in any event before the prescribed day.

Regulation 15 of the Regulations states that the prescribed day for Section 127 (2) is the second Friday in September in the financial year immediately following the end of the relevant financial year.

Section 127 (4) of the Act requires that a copy of the audited statements must be submitted by the council to the persons or bodies prescribed by the regulations on or before the day prescribed by the regulations.

Regulation 16 of the Regulations requires that in accordance with section 127(4) of the Act, council must, on or before 30 November in each year, submit a copy of the audited financial statements of the council for the immediately preceding financial year to the presiding member of the South Australian Local Government Grants Commission.

➤ Risk Management Implications

Completing the year end reporting and audit processes within the legislative timeframes 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)	Medium (3D)	Medium (3C)

Failure to complete the year end reporting process within the timetable can result in increased financial, compliance and reputational risk.

➤ **Financial and Resource Implications**

The end of year financial reporting process ensures the timely production of Council's General Purpose Financial Statements. These are required for the *Annual Report* and could impact on Council's ability to secure future grant and loan funding.

➤ **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:

Council Committees: Not applicable
Council Workshops: Not applicable
Advisory Groups: Not applicable
External Agencies: Not applicable
Community: Not applicable

➤ **Additional Analysis**

The draft timetable has been prepared based on available information and previous experience with the preparation of the financial accounts.

The timetable reflects the requirement under Section 127 (2) of the Act for the financial statements and notes as well as other statements and documentation to be available by the second Friday in September in the financial year immediately following the end of the relevant financial year. For the 2023-24 financial year this date is Friday 13 September 2024.

While the timetable does allow for some flexibility in terms of the timing of key activities during September and October, it is intended that the Annual General Purpose Financial Reports will be completed for consideration at the Audit Committee meeting on the 14 October 2024 and for adoption by Council at its meeting on the 22 October 2024.

The statutory limit for adoption of the Annual General Purpose Financial Reports is 30 November 2024, but it is considered preferable to leave some time prior to this date to allow for any potential delays and to facilitate the production of the Annual Report.

An End of Financial Year Update report is scheduled to be presented to Audit Committee at the meeting on the 19 August 2024 to provide an update on the end of year progress and to ensure Council is on track in terms of completion of the annual financial statements.

3. OPTIONS

Audit Committee is limited to receiving and noting this report.

4. APPENDICES

(1) 2023-24 End of Financial Year Reporting Timetable

Appendix 1

2023-24 End of Financial Year Reporting Timetable

ADELAIDE HILLS COUNCIL
2023-24 END OF YEAR FINANCIAL REPORTING TIMETABLE

DATE	DESCRIPTION
Mon 15-Apr	Audit Committee Meeting (15 Apr) Presentation of the External Audit Annual Audit Plan
Mon 6-May	External Interim Audit (6 - 10 May)
Mon 20-May	Audit Committee Meeting (20 May) 2023-24 End of Year Financial Reporting Timetable
Fri 14-Jun	Last pay run for 2023-24 Financial Year. Period ending 14 June 2024 to be paid 19 June 2024
Fri 28-Jun	Stock Take Petty Cash counts Close June Creditors end of week Friday 28th June
Wed 10-Jul	Accrue Final Pay (for the period ending 30 June 2023) Bank Reconciliation High risk control account reconciliations
Wed 17-Jul	Accruals Commence Capitalisation process
Wed 31-Jul	Year end prepayments and grants reconciled Update provisions for remediation & employees Progress Fixed Asset Revaluation, Depreciation and Reconciliations Finalise remaining Statement of Financial Position Reconciliations
Mon 5-Aug	Audit Committee Report preparation for Audit Committee - End of Financial Year Update
Tue 13-Aug	Report Preparation for Council - 2023-24 Preliminary End of Year Results and Carry Forwards
Thu 15-Aug	ELT Govern Report (15 Aug) Discuss EOY Position - Preliminary and Carry Forwards
Mon 19-Aug	Audit Committee Meeting (19 Aug) End of Financial Year Update and Presentation of the External Audit interim letter
Mon 19-Aug	Review and finalise notes to Statutory Accounts Update for subsidiary results
Tue 27-Aug	Council Meeting (27 August) 2023-24 Preliminary End of Year Report and Carry Forwards
Wed 28-Aug	Review subsidiaries (equity accounting) & reserves accounting (Revaluations and CWMS)
Wed 4-Sep	Analytical review and full year budget comparison of operating accounts
Fri 13-Sep	Prescribed Day for Finalisation of Annual Financial Statements to Auditors
Mon 16-Sep	External audit final visit currently proposed for 16 September through to 20 September 2024
Mon 30-Sep	Report preparation for Audit Committee (14 Oct) Annual Financial Statements Audit Completion Report End of Year Financial Results Report
Mon 7-Oct	Report preparation for Council (22 Oct) Annual Financial Statements End of Year Financial Results Report
Mon 14-Oct	Audit Committee Meeting (14 Oct) 2023-24 Annual Financial Statements including Audit Completion Report End of Year Financial Results Report Meeting attendance by External Auditors Review of Auditor Independence and Legislative Compliance
Tue 22-Oct	Council Meeting (22 Oct) 2023-24 Annual Financial Statements for adoption and inclusion in the 2023-24 Annual Report End of Year Financial Report
Tue 26-Nov	Council Meeting (26 Nov) 2023-24 Annual Report for adoption
Fri 29-Nov	Submit Financial Statements to Presiding Member of the SA Local Government Grants Commission (Due 30 Nov)

**ADELAIDE HILLS COUNCIL
AUDIT COMMITTEE MEETING
Monday 20 May 2024
AGENDA BUSINESS ITEM**

Item: 8.3

Responsible Officer: Gary Lewis
Manager Financial Services
Corporate Services

Subject: Internal Controls Update

For: Information

SUMMARY

Council's external auditors are required to provide an opinion on internal controls in accordance with S125 of the *Local Government Act 1999*.

This report presents an update to the Committee on the *Internal Control Framework* for the year ended 30 June 2024.

RECOMMENDATION

The Audit Committee resolves:

- 1. That the report be received and noted**
 - 2. To note the further developments and improvements that have been made to Council's internal controls environment.**
-

1. BACKGROUND

Council is responsible for implementing and maintaining an adequate system of internal controls in accordance with Section 125 (internal control policies) of the *Local Government Act 1999* (the "Act") by ensuring that appropriate policies, practices, and procedures of internal control are implemented and maintained.

In addition, council audit committees are required to monitor the adequacy of all council's "accounting, internal control, reporting and other financial management systems and practices on a regular basis".

Council's external auditor also provides an opinion on the compliance with the requirements of Section 125 of the Act in relation to the internal controls established by the Council.

The auditor's responsibility is to express a conclusion on the Council's compliance with the Act in relation to the internal controls established by the Council for the relevant financial year to ensure that financial transactions relating to the receipt, expenditure and investment

of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law.

When forming an internal control's opinion auditors must refer to the *Better Practice Model - Internal Financial Controls* as updated from time to time and published by the Local Government Association.

Like the audit opinion of the annual financial statements, the internal control's opinion is provided to Council and becomes a public document, to be published with Council's financial statements along with the financial statements audit opinion.

2. ANALYSIS

➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment

Strategic Plan 2020-24 – A brighter future

Goal 5 A Progressive Organisation.

Objective O.5 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.

Updating the internal controls framework assists in meeting legislative and good governance responsibilities and obligations.

➤ Legal Implications

Work on the *Internal Controls Framework* is undertaken in conjunction with Part 3 – Accounts, Financial Statements and Audit, *Local Government Act 1999*, and Part 6 – Audit, *Local Government (Financial Management) Regulations 2011*.

➤ Risk Management Implications

The undertaking of an annual review of Internal Controls using the Internal Financial Control Model 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)	Medium (3C)	Low (2E)

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

➤ Financial and Resource Implications

Satisfactory internal controls provide the foundation for all of Council's financial management and reporting.

➤ 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:

Council Committees: Not applicable

Council Workshops: Not applicable

Advisory Groups: Not applicable

External Agencies: Not applicable

Community: Not applicable

➤ **Additional Analysis**

An updated *Better Practice Model - Internal Controls* was approved by the Minister for Local Government to apply from July 2017.

That update provided a roadmap to a more risk-based approach to ensuring a robust internal controls environment by allowing councils to document and assess the internal controls that relate to a particular financial risk and to the extent that they mitigate that risk to an acceptable level.

As such it refocused Council's internal control activities and monitoring systems largely on the extreme and high financial risks as identified by the Council's risk tolerance framework. As a result, this risk-based approach reduced the number of controls that councils review and assess on an ongoing basis.

For 2023-24 there were 109 individual controls to be assessed and reviewed, grouped into the following processes:

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

It is noted that the controls implemented are still dependent on the inherent risk assessment, the residual risk given controls already in place and the risk tolerance of the organisation.

To assist in Council’s review of internal controls, Adelaide Hills Council uses a product called Control Track to identify and document the control activities in place and to evaluate the appropriateness, design, and effectiveness of these controls on a scale from 1 to 5.

Council uses the rating scale below to evaluate its controls.

Definitions of Control Effectiveness Ratings	
1. Ineffective	The control has not been implemented as described. Urgent management action is required to implement the described control processes.
2. Requires significant improvement	The control has been implemented as described, but with significant deficiencies in the consistency or effectiveness of implementation. Significant management action is required to implement processes to improve the effectiveness of the control.
3. Partially effective	The control has been implemented as described, but with some deficiencies in the consistency and/or effectiveness in which it has been applied.
4. Majority effective	The control has been implemented as described and in most cases has been consistently and/or effectively applied. There is potential to enhance the effectiveness of the control, but only with minor adjustments.
5. Effective	The control as described has been fully implemented and has in all cases has been consistently and/or effectively applied.

A control effectiveness rating is provided by both the assessing officer (ideally the person performing the function) and the reviewing officer (ideally the person reviewing completion of that task or function such as the line manager), along with commentary as to the basis for the assessment on that rating.

A summary report of the outcomes from this recent review has been provided in *Table 1* below along with a summary of the three previous reviews.

For the 2023-24 Controls Review the overall average of all control processes was 4.59 (assessor 4.54 average, reviewer 4.64 average). This is a decline over the 2022-23 control processes average of 4.67 (assessor 4.62 average, reviewer 4.72 average).

Table 1

Control Process	May-24	May-23	May-22	May-21
Accounts Payable	4.96	4.89	4.93	4.82
Banking	5.00	5.00	5.00	5.00
Contracting	4.08	3.83	4.00	3.75
Credit Cards	5.00	5.00	5.00	5.00
Debtors	4.63	4.63	4.69	4.75

Fixed Assets	4.38	4.63	4.16	4.47
General Ledger	4.32	4.05	4.13	4.68
Payroll	4.43	4.85	4.85	4.87
Purchasing & Procurement	4.39	4.56	4.61	4.33
Rates	5.00	4.95	4.80	4.95
Receipting	4.80	4.90	4.60	4.60

Note: the table above is based on the average combined rating from both the assessor and reviewer scores. In reviewing the results across years, for the 2023-2024 review period, changes have been made to the assigned assessor and reviewer to be more aligned to those employees who are better able to assess and review than has happened in prior years.

For the 2023-24 review period the overall result is an average rating of 4 (four) or higher in all processes. Again, there have been some minor variations within processes across the four years.

Staff departures have also occurred in some key control areas such as payroll and procurement. As a result, the overall rating assessment may have varied because of the change in individual assessment and their understanding of whether the control is majority effective (rating 5) or effective (rating 4).

For this year, where the assessing and reviewing officers are aware of actions being undertaken to improve relevant processes, the overall rating has been set as a maximum of **4. Majority Effective**.

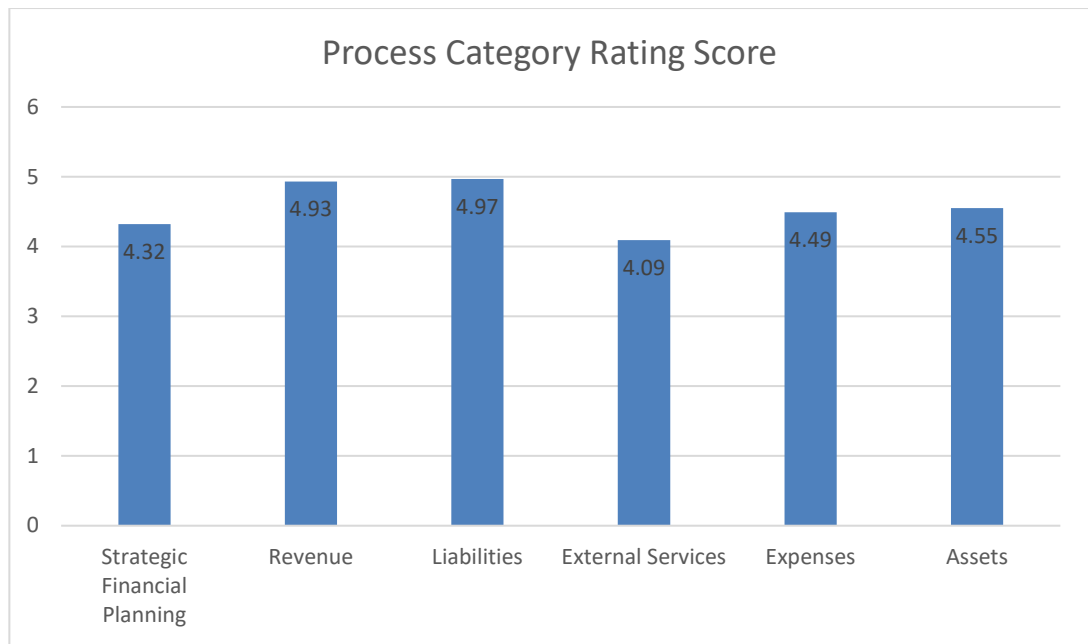
Within the Fixed Assets process, completion of outstanding Asset Management plans has again been identified as an area for improvement. Council continues to progress towards updating and renewing plans as they fall due. Building and Stormwater plans are currently in draft development.

In Payroll, the assessor has identified improvements that could be made around the recording of employee TOIL/Flexi, a redesign of timesheets to enable the accurate recording of overtime worked and delays in receiving information such as leave forms from employees who do not complete timesheets.

Council's Purchasing and Procurement team are looking at areas for improvement in relation to procurement. Administration is in the process of recruiting a procurement coordinator. One of the key areas of focus for this officer will be risk mitigation and review of spending patterns.

Each of the eleven (11) control processes fall into one of 6 (six) process categories; Strategic Financial Planning (General Ledger), Revenue (Rates, Receipting), Liabilities (Accounts Payable), External Services (Contracting), Expenses (Credit Cards, Payroll, Purchasing and Procurement), and Assets (Banking, Debtors, Fixed Assets).

The Control Track information for the current year is also shown diagrammatically below which shows an overall average of 4 (four) or more.



The full list of controls and the specific rating of each is provided at **Appendix 1**.

As agreed, reporting to the Audit Committee will continue to include an annual update from the Control Track system covering controls and actions.

3. OPTIONS

Audit Committee is limited to receiving and noting this report.

4. APPENDICES

(1) 2023-24 Internal Controls Review

Appendix 1

2023-24 Internal Controls Review

2023-24 Controls Assessment

Code	Description	Assessor	☆	Assessor Reason	Reviewer	👍	Reviewer Reason
<input type="text"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>		<input type="text"/>
Strategic Financial Planning							
General Ledger							
STR-GEN-0012	There is a process in place to review actual vs budget and significant variances investigated. Strategic Financial Planning - General Ledger	Marcela Ardelean	4	Monthly Management Reports are produced for each Directorate - numbers are downloaded from the system, exported to Excel mapped reports and uploaded in Records Hub for review and analysis by Budget Holders. A Monthly Financial Performance Report is produced for ELT and discussed at the ELT Perform meeting each month.	Gary Lewis	5	Controls include monthly review within Finance with s subsequent higher-level review by the Executive. Further reviews are done on a quarterly basis which are overseen by both the Audit Committee and the Elected Member body.
STR-GEN-0011	Reconciliation of all balance sheet accounts is completed in accordance with a schedule of review and/or procedure. Strategic Financial Planning - General Ledger	Liz Packer	5	All balance sheet reconciliations are reviewed by an independent finance officer at least annually. High risk reconciliations are typically done monthly (such as the bank reconciliation), and low risk are done annually. All reconciliations are retained on the P drive with appropriate supporting documentation where required. Delays in rolling over the closing balances at the completion of EOFY can create issues with the preparation of these reconciliations due to inaccurate opening balances being reflected in the general ledger. This may require the preparer to update previously completed reconciliations.....or alternatively use the closing balance from the prior FY as the opening balance of the current FY before the ledger balances have been rolled over.	Gary Lewis	5	
STR-GEN-0010	Journal entry access is restricted to appropriately authorised personnel.	Liz Packer	4	Journals should be reviewed/authorised and updated by a person independent from the preparer. Only Finance team members have the ability to perform a general journal entry. Journals are retained in Finance for inspection and all supporting documentation is kept the P drive electronically. The system does allow for the preparer to upload, authorise and update the GL for their own journal. There are no inbuilt controls to prevent this occurring. The system also allows for the preparer to approve their own journal using the name of another person. The main persons who approve their own journals will be the Management Accountant and the Team Leader Finance. All other team members understand their journals are to be approved by an independent person.	Gary Lewis	4	
STR-GEN-0009	General Ledger policies and procedures are appropriately created, updated and communicated to relevant staff.	Liz Packer	4	All Council policies are included in the policy register which is regularly provided to Council for consideration and review. The majority of policies are reviewed and updated regularly and communicated to employees for comment. Time constraints within a small team do impact on the timeliness of specific finance policies being updated.	Gary Lewis	4	

2023-24 Controls Assessment

Code	Description	Assessor	☆	Assessor Reason	Reviewer	👍	Reviewer Reason
<input type="text"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>		<input type="text"/>
STR-GEN-0008	Formal disaster recovery plan is in place and communicated to relevant staff.	Phil Mattingly	5	BCP and SRP documentation in place. Continual updates and reviews are in play as more of our environment changes and moves to Cloud SaaS.	James Sinden	5	As above
STR-GEN-0007	Financial data is backed up and stored offsite.	Phil Mattingly	4	A copy of production servers are replicated to a separate storage area in the Stirling DC. A secondary copy is archived to tapes and stored off site and then in a fireproof safe. Cloud based backups are being scoped	James Sinden	5	The conditions of the control has been met and there is a program next year to enhance the method with alternative cloud based solutions.
STR-GEN-0006	Finance system does not allow posting of unbalanced journals or if it does regular reviews are conducted on the suspense account and discrepancies investigated and actioned.	Liz Packer	5	Finesse will not allow unbalanced journals to be posted to the General Ledger. Journal preparers must ensure that their journal balances via the validation check box prior to being updated by the reviewer. The Finesse journal register will show those journals that are not balanced and need correcting.	Gary Lewis	5	
STR-GEN-0005	Amendments to the structure of the General Ledger framework and accounts are reviewed and approved by appropriately authorised personnel.	Marcela Ardelean	3	Changes to the GL accounts can be done by any of the 7 administrators. No audit trail provided by the system to clearly show all undertaken amendments to the GL.	Gary Lewis	3	This requires a system fix to fully resolve.
STR-GEN-0004	All major updates and changes to General Ledger finance system are authorised, tested and documented.	Phil Mattingly	5	Any system changes to the finance system are first applied to a Dev environment, communicated and tested with module owners for signoff before being applied to the Production environment.	James Sinden	5	As above
STR-GEN-0002	All balance sheet reconciliations are reviewed by a person other than the preparer at least annually. Strategic Financial Planning - General Ledger	Liz Packer	4	Balance sheet reconciliations are reviewed by an independent person at least annually and signed as evidence of a review being performed. All BS reconciliations are documented in a monthly spreadsheet which details the name of the preparer and reviewer. Delays in rolling over the GL balances from the prior year can impact on the opening balance.	Gary Lewis	4	
STR-GEN-0001	Access to General Ledger maintenance is restricted to appropriately authorised personnel.	Marcela Ardelean	3	There are 7 administrators with access to General Ledger maintenance. The system doesn't provide an Audit Trail to ensure all changes are visible for all administrators.	Liz Packer	4	There are 7 administrators with access to General Ledger maintenance screens. Administrators are reviewed for relevance every 6 mths. Staff who are no longer AHC employees will be removed from the listing of users by IT or a system administrator. A review has not been done for a while due to staffing changes within the Finance team.
<div style="background-color: #e0e0e0; padding: 5px;"> Revenue </div>							
<div style="background-color: #e0e0e0; padding: 5px;"> Rates/Rate Rebates </div>							
REV-RAT-0010	There is a rating policy in place that is reviewed annually that provides clear guidance on rating methodology and relevant rebates and remissions in line with legislation.	Liz Packer	5	The rating policy is reviewed every year and provides clear guidance on Council's rating methodology for the upcoming financial year. The policy is reviewed and adopted by Council subject to any changes Elected Members may request. The rating policy is available on Council website for review at any time.	Gary Lewis	5	

2023-24 Controls Assessment

Code	Description	Assessor	☆	Assessor Reason	Reviewer	👍	Reviewer Reason
<input type="text"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>		<input type="text"/>
REV-RAT-0009	Recorded changes to property master file data and any rate adjustments are compared to authorised source documents to ensure that they were input accurately. An audit trail is maintained for all changes.	Sacha Holme	5	Written communication (email or letter) is used as a basis for changes to the rates and property master files (i.e. Change of Ownership notification from conveyancers). Such correspondence is electronically recorded in Council's document management system. Council is responsible for updating the property/rates master file in accordance with weekly reports from the Lands Title Office, including Change of Ownerships, Objection to Land Use, Objection to Valuation, creation and cancellation of titles due to subdivisions etc. These reports, as supporting documentation, are filed electronically, and in some cases, are kept in hardcopy and attached to evidence of changes to the property master file and rate adjustments. Where objections are processed that adjust rates levied on a property, the amount (\$) is first manually calculated - this is then compared to the amount calculated by the Property.Gov system as a double-check mechanism to ensure the adjustment is correct.	Liz Packer	5	As above
REV-RAT-0008	Rates are generated and tested for accuracy of calculation methodology prior to the rates billing run.	Sacha Holme	5	The Senior Rates Officer will run through a full rates generation process in the Test environment prior to and following the adoption of rates. The purpose of these Test runs is to reconcile the rates generation to an Excel based rates modelling spreadsheet. This data is reviewed by the Senior Rates Officer, Team Leader Finance and Manager Financial Services to ensure the validity of the data and to ensure there is sufficient time to identify and resolve any errors or discrepancies prior to the final rates generation process early July. The review process includes extracting data and running reports from Property.Gov to cross reference against the rates modelling spreadsheet.	Liz Packer	5	Correct - a sample of rates is also checked by the Team Leader Finance to the Rates Model. A series of reports is run from the Property Gov module and then checked to the Rates Model to ensure the data is correct.
REV-RAT-0007	Rates are automatically generated by the rate system, including the calculation of rate rebates and other parameters as applicable.	Sacha Holme	5	Rates are generated based on Valuation Data provided by the Office of the Valuer-General. In Property.Gov and as part of the import process, the Valuation Data must be balanced before the import process can be completed. This is an inbuilt safety mechanism in the software to minimise the risk of there being discrepancies in the calculation of rates. A 'dummy' rate generation is processed in the Test environment multiple times before being processed in the Live arena. This is to ensure that differential rates are calculated correctly against the capital values, that the fixed charge, separate rates and the Landscape Levy etc calculate correctly, and to ensure that rate rebates (mandatory and discretionary) are applied as intended and based on the parameters entered.	Liz Packer	5	Rates are also modelled in an excel spreadsheet with rebates and other charges applied to determine the total rates income to be generated. The amount is then compared to the data provided by the Property.Gov to ensure accuracy before finalisation of the rating process.

2023-24 Controls Assessment

Code	Description	Assessor	☆	Assessor Reason	Reviewer	👍	Reviewer Reason
REV-RAT-0006	There is a Process in place to ensure that rates are collected in a timely manner and overdue rates are followed up.	Sacha Holme	5	Council is very proactive in its attempts to recover arrears rates in accordance with the current Debt Recovery Policy. When a quarterly instalment is not paid by the due date, a Quarterly Reminder Letter is issued. Rate accounts that are in arrears by 2 Quarters or more, and in the absence of a formal payment plan or financial hardship status, they will be referred to an external debt collection agency. The file will remain with the agency until the original debt has been paid in full and will escalate as part of the external recovery process, including legal action where necessary. For rate accounts that are in arrears for a period exceeding 3 years and where external debt collection has been ineffective in recovering the arrears, Council will consider pursuing Section 184 (sale of land for non-payment of rates) as a last resort recovery action. Two batches of rate debtors are referred to an external debt collection agency per financial year. In 2023, Council approved 8 properties for Section 184 action and this year (2024) Council approved a further 15 properties for Section 184 action.	Liz Packer	5	Debtor action of o/standing rates is undertaken by the Senior Rates Officer who is very proactive. Rates in arrears 2 qtrs or more will be automatically referred to Credit Solutions and recorded in OO Debtors Module to keep track of each stage. Where required S184 action is initiated after approval by Council. Continual correspondence with debtor ratepayers has increased the amount of ratepayer engagement the rates team now experiences with requests for payment arrangements, seniors' postponement and help from a financial counselor being the main avenues of support provided.
REV-RAT-0005	Employees responsible for processing rate payments and rebates cannot process their own payments or rebates unless the transaction is approved by someone independent of the process	Sacha Holme	5	Neither the Senior Rates Officer nor the Finance Officer (Rates Support) own or occupy property in the Adelaide Hills Council district. As part of the EOFY processing and rates generation, the Senior Rates Officer and the Finance Officer (Rates Support) provide a letter to the Manager Financial Services declaring this to be true. In this regard, they are not restricted in the receipting of general rates payments or the processing of rebates and/or adjustments. Other Council staff that are responsible for processing rate payments are the Customer Service Staff (Cashiers). The processing of rebates is always be done in accordance with current policies, procedures, delegations, the legislation (LG Act 1999) and appropriate approvals, including Council (where applicable).	Liz Packer	5	Rates Officers also do not have access to the receipting module so would be unable to receipt another ratepayers payment to their own personal account. Rebates are reviewed periodically via a report that can be produced from the system. Our current rating team are not Adelaide Hills ratepayers. The system does not allow a manual entry to be added to the personal transaction account. Any amendments to an account require a journal to be raised which would identify an employee.
REV-RAT-0004	Annual valuation update is balanced prior to the generation of rates; all mismatches resolved prior to finalising rate generation.	Sacha Holme	5	Importing and reconciling the Annual Valuation data is one of the first steps as part of processing the rates generation. The Senior Rates Officer is responsible for undertaking this process firstly in the Test Environment. All discrepancies between the Valuation data file (provided by the Office of the Valuer-General) and Property.Gov need to be resolved before the upload of the data file can be completed. It is not possible to process the generation of rates if the Annual Valuation data does not balance.	Liz Packer	5	Reconciliation of the valuations is balanced prior to rates being generated.

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REV-RAT-0003	All software changes to rate modelling functionality fully tested and reviewed by relevant staff.	Sacha Holme	5	The rates modelling process is thoroughly tested in the Property.Gov Test Environment in the months leading up to EOFY - this commences around the time of receiving the 1st Valuation Data file from the Office of the Valuer-General. The Senior Rates Officer is responsible for undertaking this task and any issues identified as part of this process are communicated to relevant IT staff and, where applicable, lodged as a ticket with the appropriate level of urgency, to Open Office Support. Valuation data is imported into the Test Environment for the purpose of modelling annual rates for the upcoming financial year. This 'dummy' rate generation is compared against an Excel-based rate modelling spreadsheet for comparative and reconciliation purposes. This process is run multiple times in the lead up to 30 June. The Senior Rates Officer will process a 'dummy' rates generation in the Test Environment with 100% accuracy before repeating the same process in the Live environment following the adoption of rates and the final striking of rates early July.	Liz Packer	5	Testing is always undertaken in the development module of OO prior to be replicated in live.
REV-RAT-0002	All rate rebates and adjustments including write offs are appropriately authorised, with reference to Delegations of Authority and source documents.	Sacha Holme	5	All rate rebates, adjustments including write-offs are sub delegated to the Senior Rates Officer. All rate rebates are applied in accordance with current policies and procedures and upon application (where applicable, i.e. primary production rebate). In addition, all mandatory and discretionary rebates are reviewed each year prior to 30 June and all discretionary rebates are included on a report to Council and approved prior to the new rateable year. The Senior Rates Officer is sub delegated to process rate adjustments and write-offs. Rate adjustments are sometimes required including remitting of fines, interest and/or legal fees - this includes for ratepayers on the Hardship Register, on a case-by-case basis upon written application, and/or through discussion with the Team Leader Finance, Manager, Director or CEO. As per current policy, general rate write-offs are never processed. However, occasionally, a small balance write-off (<\$5) is required following a transfer of ownership.	Liz Packer	5	Rates are never written off as they are attached to the property and will be recovered either as part of the property sale process, title transfer or S184. Small write offs of fines/interest will be considered based on ratepayer circumstances such as hardship and are written off in accordance with DOA.
REV-RAT-0001	Access to the Property master file is restricted to appropriately designated personnel, with a process in place to ensure changes are in line with policies and procedures.	Sacha Holme	5	Access to the Property master file is restricted to the Senior Rates Officer and the Finance Officer (Rates Support). Changes to the Property master file are made in accordance with current policies and procedures. There is documentation to support every change to the Property master file, including (but not limited to) weekly LTO reports, Change of Ownership notifications, via Council's Planning Department etc. A reconciliation of active property parcels takes place each year in the lead up to EOFY as part of the rates modelling process.	Liz Packer	5	Correct

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<div style="border: 1px solid #ccc; padding: 2px; display: inline-block; margin-bottom: 5px;"> Receiving </div>							
REV-REC-0010	There is a review process for the authorisation of the reversal of transactions.	Rhys Elsegood	4	<p>Considered increased risk relating to circumstances where cash overpayment occurs. Discussion with personnel involved in receipting indicates that there is no review process for the reversal of transactions which occurs occasionally if cashier for example realises they have incorrectly recorded the transaction ie as cash instead of EFTPOS etc and therefore reverses the transaction and corrects. The system does not require separate authorisation and we are not aware of any exception reports that records when this function is used. Cashiers have a Receipt Reversal procedure that ensures that all reversed receipts are clearly warranted and details are available for verification and can be reviewed by an independent person. In addition, the Finance Officer - Accounts Receivable & Treasury can process a "Receipt Adjustment" to reallocate a payment from say a rate debtor account to a sundry debtor account as a result of the debtor using the incorrect payment platform and/or debtor reference vs rate assessment. These receipt adjustments are reviewed by the appropriate area and approved by the Team Leader Finance. While supporting documentation is retained the system does not require separate authorisation and we are not aware of any exception reports that records when this function is used. It is proposed that officers will follow up with the Vendor (Open Office) to confirm whether there is an audit trail/exception report available to record when this functionality is used by either Cashiers/Accounts Receivable.</p>	Liz Packer	4	Improvement in this area is required however we work within the constraints of Open Office. Without an audit file being available a review process is difficult to undertake. Following the Receipt Reversal procedure and the retention of documentation for support reduces this risk.
REV-REC-0008	Receipts are deposited regularly at the bank by a person independent from the initial recording of the cash receipts.	Rhys Elsegood	5	Cash is banked weekly at each cashier location and is recorded and signed for when collected by SecureCash.	Liz Packer	5	Correct. SecureCash is the 3rd party provider who collect and deposit cash to the bank - noting that the amount of cash being held is declining.
REV-REC-0007	Receipt transactions are reconciled to the daily takings and out-of-balance banking is corrected promptly.	Rhys Elsegood	5	Receipts are issued for all transactions processed. Cash/cheques/eftpos receipts for each Cashlink Session are reconciled to the Council Bank Account by the Finance Officer-Accounts Receivable & Treasury. Any discrepancies are investigated and corrected promptly.	Liz Packer	5	As above.
REV-REC-0005	Prior to and during the banking process, cash is stored securely at all times.	Rhys Elsegood	5	Cash is stored securely at all times including the duration of the cash management process. Cash is locked away when unattended. Cash is banked weekly at each cashier location and is recorded and signed for when collected by SecureCash. Cash awaiting collection is held in a dropdown safe.	Liz Packer	5	Since COVID the amount of cash being held and presented by customers has been declining. Cash is locked away when unattended and the number of locations to receive cash within Council is being reduced (such as the library and community centres). Council promotes other forms of payment such as electronic, direct debit and Bpay to reduce the amount of cash being held.

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REV-REC-0003	Customers are provided with a system generated or pre-numbered (manual) sequential tax compliant receipt detailing payment made.	Rhys Elsegood	5	System generated sequential receipts are produced internally in the system and provided to customers upon request.	Liz Packer	5	Correct - the system automatically generates the new receipt number
<ul style="list-style-type: none"> ▾ Liabilities <ul style="list-style-type: none"> ▾ Accounts Payable 							
LIA-ACC-0016	There is a system generated report detailing supplier invoices due for payment at any one time.	Lauren Mableson	5	There is a creditors outstanding report detail which is produced on the last day of the month (after processing close) and reconciled to the General Ledger. In addition, there is a pre cheque report in release date order that is produced prior to each payment run (weekly) as well as at the end of month, forming part of the reconciliation process.	Katrina Maher	5	Correct
LIA-ACC-0015	There is a process in place to ensure the supplier master file is periodically reviewed for ongoing pertinence.	Lauren Mableson	5	An annual review of the supplier masterfile is undertaken and any supplier that has not been used for 2 years has the status of the account made historical. It will not appear on simple searches but is still apparent on the supplier list. (greyed out to indicate it is historical)	Katrina Maher	5	Masterfile is reviewed and suppliers not used for a period of 2 years will be changed to historical. Should they be required in the future they will be reinstated
LIA-ACC-0014	Statements received from suppliers are reconciled to the supplier accounts in the accounts payable subledger regularly and differences are investigated.	Lauren Mableson	5	Statements received from suppliers are reconciled to the suppliers accounts in the accounts payable subledger monthly and differences are investigated and resolved where applicable. Supplier statements are retained in the Finance area for 12 months for inspection.	Katrina Maher	5	Correct
LIA-ACC-0013	Separation of Accounts Payable and Procurement duties.	Lauren Mableson	5	There is total separation of accounts payable and procurement duties.	Katrina Maher	5	Correct. Accounts Payable and Procurement are separate functions. The AP team cannot amend procurement information and vice versa.
LIA-ACC-0012	Requested changes or additions to supplier masterfile are verified independently of source documentation.	Lauren Mableson	5	For bank account changes, Accounts Payable contacts the company from an alternative source than where the request was received (by phone) to confirm validity of the request. For all other changes, address etc. information is obtained from source documentation only, unless clarification is required.	Katrina Maher	5	Bank Account changes are verbally verified with the supplier via a phone call. All other changes are verified to source documents only. Audit Report is printed weekly which is reviewed by the Team Leader Finance to supporting documentation.
LIA-ACC-0011	Relevant staff to review aged payables listing on a predetermined basis and investigate where appropriate.	Lauren Mableson	5	Management Accountant reviews an aged creditors listing as part of the end of financial year process.	Katrina Maher	5	The Creditor Active Items Aged Report is run during EOY process. Any errors or anomalies will be followed up and amended.
LIA-ACC-0010	Records must be maintained of all payments with supporting documentation.	Lauren Mableson	5	Creditors Input reports, Pre Payment reports and Payment Registers are generated for each payment run, and are electronically filed, along with associated invoices and any other associated source documentation, in Councils records keeping software (Records Hub).	Katrina Maher	5	Correct

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LIA-ACC-0009	Recorded changes to the supplier master file are compared to authorised source documents to ensure that they were input accurately.	Lauren Mableson	5	Access to the supplier master file is restricted to authorised officers and support for masterfile changes is retained in Financial Services. For bank account changes, Accounts Payable contacts the company from an alternative source than the supporting documentation received to confirm validity of the request (by phone). A Creditor audit report is generated weekly showing all the masterfile changes and this is checked on an ad hoc basis by the Team Leader Financial Services.	Katrina Maher	5	Correct. Team Lead Finance reviews these reports typically on a weekly basis and signs as evidence review has been completed.
LIA-ACC-0008	Predetermined variances between Purchase Orders and Invoices are assessed and payment released only after verification by the officer with delegation to do so.	Lauren Mableson	5	Whilst Council officers with appropriate delegation sign off and verify an invoice for payment and normally provide purchase order details where relevant to match the invoice against, there is no predetermined limits set to reject an invoice if the invoice exceeds the purchase order amount and it will be processed at the amount the delegated officer signed off. If the purchase order is less than the invoice AP will email the approver highlighting that the invoice is for more than the purchase order and get a second approval.	Katrina Maher	4	Correct. System allows for invoices greater than the PO total to be paid. Current manual processes require the AP person to contact the original requisitioner and seek a secondary approval before being processed for payment. Team Leader Finance is seeking additional information form Open Office with regards to some functionality changes that could be implemented.
LIA-ACC-0007	Payments are verified to appropriate supporting documentation and are in line with Delegations of Authority.	Lauren Mableson	5	Payments are verified to appropriate supporting documentation and are authorised by a relevant and appropriately authorised Council officer in line with delegations of authority. Whilst Council officers with appropriate delegation approve and verify an invoice for payment and normally provide purchase order details where relevant to match the invoice against, there is no predetermined limits set to reject an invoice if the invoice exceeds the purchase order amount. If the purchase order is less than the invoice AP will email the approver highlighting that the invoice is more than the purchase order and get a second approval.	Katrina Maher	5	Correct. The system allows for invoices greater than the PO total to be paid. As a manual control measure, AP staff will contact the PO initiator and advise that invoices are greater than the original PO total. The initiator will provide further approval to allow the invoice has been paid unless they have already noted the variation in the original email.

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LIA-ACC-0006	Payments are endorsed by relevant staff separate to the preparer, who ensures that they are paid to the correct payee.	Lauren Mableson	5	Payments are endorsed by authorised officers separate to the preparer who ensures that they are paid to the specified payee. A payment input list for items input is generated for each batch of data entry and reviewed by the Team Leader Financial Services to confirm correct GST status and account allocation. A Pre Payment report is generated as part of the payment run preparation listing each supplier invoice to be paid which is checked against invoices for correct supplier and amount. This is provided to the Team Leader Financial Services or delegate to review supporting documentation and authorise the payment run and summary of scheduled payments document. The NAB inline banking system requires a Part A and a Part B before transmission of funds is completed. The officer who creates the batch for payment may not be either Part A or Part B of the authorisation for transmission. Records of these transmissions are retained in Council's record keeping system (Records Hub) for inspection and subsequently signed by the authoriser of the payment run who has reviewed the number of transaction and amount to be paid by EFT as well as confirming totals from the Payment Register.	Katrina Maher	5	Correct
LIA-ACC-0004	Employee expenses claims must be approved by authorised staff and independently verified and include relevant substantiation.	Lauren Mableson	5	Employee expense claims must be approved by an authorised officer and independently verified and include relevant substantiation. Expense claims are paid by Accounts Payable.	Katrina Maher	5	Employee Manager/Team Leader will review and authorise the reimbursement in line with Delegations of Authority.
LIA-ACC-0002	All invoices and payment requests are approved in accordance with relevant policies and/or Delegations of Authority.	Lauren Mableson	5	All invoices and payment requests are approved in accordance with relevant delegations of authority. Delegations are in the system and a warning with show if they are exceeded.	Katrina Maher	5	Invoices and payments are approved in accordance with Delegations Of Approval. Accounts Payable will pick up approvals that are not within the limits of the approver and resubmit for approval.
LIA-ACC-0001	Access to the supplier masterfile is restricted to authorised staff	Lauren Mableson	5	Access to the supplier master file is restricted to authorised officers and support for masterfile changes is retained in Financial Services.	Katrina Maher	5	Masterfile changes are retained in Finance and reviewed by Team Leader Finance. Only Accounts Payable staff have access to the masterfile to be able to make changes.
<div style="background-color: #f8d7da; padding: 2px; border: 1px solid #f5c6cb; display: inline-block;">External Services</div>							
<div style="background-color: #d1ecf1; padding: 2px; border: 1px solid #bee5eb; display: inline-block;">Contracting</div>							
EXT-CON-0007	There is an ongoing management in place that identifies and manages deliverables, key contact clauses, responsibilities, milestones and includes dispute resolution procedures.	Mike Collins	4	The standard contract documents include the stated objectives of the agreement, so they are appropriately defined. The actual management of the contract during the execution phase is the responsibility of individuals assigned to it, rather than a centralised Contracts Manager. The approach to contract management may therefore differ from contract to contract so if there are areas of concern they are probably around consistency rather than failure to manage.	Gary Lewis	4	

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EXT-CON-0006	There is a process in place to ensure that commitments are made with approval by Council or delegated staff.	Mike Collins	5	Contracts and Purchase Orders require the approval of a Council Officer with appropriate levels of delegation to do so. Delegations are detailed according to position in a Staff Financial Delegations document.	Gary Lewis	5	
EXT-CON-0005	There is a contract management process in place throughout the term of the contract to ensure that supplier/contractor meet their obligations.	Mike Collins	3	Relies on the individual Council employee responsible for the Contract to be aware of the provisions of the contract to be able to ensure that any related obligations are fulfilled. There is no use of formal Contract Management Plans, so particularly in those instances where there is a change in the Contract Manager, continuity of approach and level of awareness cannot be assumed.	Gary Lewis	3	A system solution will be required to make significant process on this issue.
EXT-CON-0004	There are robust and transparent evaluation and selection processes in place to engage contractors where relevant in accordance with the Code of Conduct, Conflict of Interest and Procurement Policy.	Mike Collins	5	For procurements with an estimated value in excess of \$10,000, contractors are engaged following a tender/quotation process that requires the use of pre-established evaluation criteria by personnel who are required to have completed a Confidentiality and Conflict of Interest declaration before participating in the evaluation	Gary Lewis	5	
EXT-CON-0003	The selection panel is made up of appropriate personnel who have declared any relevant conflict of interest to ensure that informed and objective decision is made when selecting contractors.	Mike Collins	5	The Procurement process requires that a Conflict of Interest declaration is completed and signed by all evaluation team members before the tenders are released to them for review.	Gary Lewis	5	
EXT-CON-0001	Council maintains a current contract register.	Mike Collins	2	A Contract Register has been developed but it is entirely reliant on manual intervention. It is an Excel file that does not generate alerts about upcoming contract expiries or any other criteria (e.g. scheduled contract meetings, KPI measurement etc) that require monitoring. It is not certain that every existing contract is recorded in the file. A far more robust contract management tool and information repository would be helpful.	Gary Lewis	3	The current process is not ideal but serves to create a central repository of contracts and does perform its function to an extent.
Expenses							
Credit Cards							
EXP-CRE-0007	There is a process in place to ensure there are appropriate approvals prior to the issuing of Credit Cards and limits.	Katrina Maher	5	A credit card will not be issued without written approval of card and limit by Manager or Director, this approval form is kept electronically in the "purchase cards" folder in the Financial Management area of P drive.	Liz Packer	5	Correct

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<input type="text"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>		<input type="text"/>
EXP-CRE-0006	There is a process in place to ensure credit card limits and usage is reviewed for operational efficiency.	Katrina Maher	5	The relevant authorised officer approves the issue and limit of the purchase cards and an electronic copy of this approval is kept in the "purchase cards" folder in the Financial Management area of the P drive. Once a card has been authorised (and subject to detailed consideration), subsequent review is addressed by the updated purchase card procedure.	Liz Packer	5	Card limits are periodically reviewed and updated if required. Cards with no usage on them will be deactivated.
EXP-CRE-0005	There is a process in place to approve all credit card transactions to ensure compliance with the policies and procedures covering credit card usage.	Katrina Maher	5	The card holder is required to reconcile their monthly statement to tax invoices and attach the supporting tax invoices to their transactions so that their line manager can review and approve those transactions/purchases and ensure compliance with the procedure and policy and authorised/necessarily incurred on behalf of Council. Transactions will show as incomplete and reminder emails are sent to the manager to view transactions from the flexi-purchase system until they are viewed and authorised.	Liz Packer	5	Cardholder expenditure is reviewed and approved by Manager. Administrators will also question expenditure where required.
EXP-CRE-0004	Credit card holders sign a declaration confirming compliance with Council policy and procedures prior to the Credit Card being released.	Katrina Maher	5	All new credit card holders sign the "purchase card application or modify form" confirming compliance with Council policy and procedures prior to the credit card being ordered/released and an electronic copy of this document is saved in the relevant folder in the Financial Management area of P Drive.	Liz Packer	5	All card applications are retained electronically for review.
Expenses							
Credit Cards							
EXP-CRE-0003	Cardholders must check their statement to ensure all transactions are correct and identify any transactions of a personal nature which must be reimbursed to Council.	Katrina Maher	5	Cardholders log in to Flexipurchase (NAB) to check their account regularly. Cardholders are required to check their statement at month end to process incomplete transactions and ensure all transactions are authorised and allocated to the correct account number. The cardholders line manager is required to review the monthly statement and authorise each transaction acknowledging that the cardholder has complied with policy. Per Purchase Card Policy, the cardholder is not to use the purchase card for anything other than official purposes. Personal purchases made in error are coded to a clearing account. Reimbursement is also made to the clearing account 149027058.	Liz Packer	5	Administrators have the ability to lock/cancel/delete any cardholder that does not operate within policy. Unauthorised transactions are followed up with NAB by the cardholder and if required, new cards re-issued. All personal purchases are reimbursed and a declaration from the card holder retained in flexi purchase.
Payroll							

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EXP-PAY-0024	Where possible standard programmed formulae perform payroll calculations.	Zhanna Petku	4	standard pay and termination pay are automated and ok. Backpays often require manual calculations.	Liz Packer	4	Payroll system uses standard programmed formulae to perform payroll calculations. Tax tables are updated by Open Office each financial year. EDA calculations are updated using the payroll wizard through Open Office. Calculations and other notations are shown on individual timesheets for TIL, Flexi and Overtime.
EXP-PAY-0023	Time recording and attendance exceptions such as TOIL or flexitime are based on relevant policies/agreement are identified, monitored and corrected.	Zhanna Petku	2	TOIL and Flexi are recorded and tracked through the payroll system. However, the calculations of TOIL are often based on overtime (manually calculated) which is open to EDA interpretation (not time for time). Improvement: any extra hours worked attracting overtime are to be paid out not banked.	Liz Packer	4	TOIL/TIL are calculated and paid in accordance with the relevant EDA. TOIL/TIL is manually calculated by the payroll officer based on the information provided on the employee timesheet which is authorised by the People Leader. The number of hours accrued/taken is recorded in the payroll system as a separate line item when preparing the rest of the pay entries. Leave reports which include TIL/TOIL balances are periodically provided to relevant People Leaders for review and monitoring. Excessive balances are managed within the team.
EXP-PAY-0021	There is a segregation of duties from those preparing the payroll to those responsible for preparation of source documents (e.g. timesheets, leave requests etc).	Zhanna Petku	5	Yes, payroll does not prepare timesheets or leave forms	Liz Packer	5	Source documents, including timesheets and leave forms are generated by the employee and authorised by their people leader. The documentation is used by Payroll to prepare the fortnightly payroll.
EXP-PAY-0020	There is a process to ensure the total of payment summaries for the year is reconciled to the general ledger and payroll and is appropriately reviewed.	Zhanna Petku	4	Yes, there is a process of reconciling payment Summary with the payroll system (done by payroll) and general ledger and payment summary done by payroll approver	Liz Packer	4	The Payroll Officer ensures that the payroll summaries balance during the STP process. The Team Leader Finance is responsible for reconciling payroll with the general ledger as part of year end activities.
EXP-PAY-0019	There is a process to ensure employees are made inactive in payroll records upon termination.	Zhanna Petku	3	when termination is processed that makes the employee record inactive. However, there is a way to reinstate the employee and make him active again. Suggestion: before starting a new pay run check that terminated employees are inactive/terminated (have termination date and in inactive status)	Liz Packer	4	Once an employee is terminated and the date field entered the employee record becomes inactive. A report is produced each f/n during payrun processing detailing the employees that have been terminated which should be checked to source information provided from HR. Should an employee need to be reinstated, such as retiring and then returning as a casual, a new employee number will typically need to be created in order to allow a payroll entry to be created.

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EXP-PAY-0018	There is a process to ensure an independent review of proposed payroll payments by authorised staff.	Zhanna Petku	4	Generally, records are kept and the approver reviews calculations.	Liz Packer	5	With a full staffing complement, the payroll will be reviewed and checked by 2 independent persons separate from payroll processing. There should be a checker/reviewer who authorise the payroll and sign off on the Payroll Summary Checklist. The Entry Validation Report (EVR) is reviewed to the respective timesheets by the first checker and notations are made on the report for any errors/changes required. Updates are made by the payroll officers and a new EVR run. The changes are re-checked by the first checker. There is supporting documentation re higher duties, etc that is also checked to payroll data on the EVR. The 2nd checker should be doing an overall reasonableness check of the payroll data to ensure that what was paid last f/n is consistent with this f/n. A variance report is also prepared which compares, for each employee, the amount paid last f/n with this f/n. Variances greater or less than \$500 need to be investigated.
EXP-PAY-0017	There is a process to ensure all overtime is verified and approved by relevant appropriate staff.	Zhanna Petku	3	Timesheets are approved by team leaders who supposedly know they approve overtime. Sometimes they have no knowledge of what employee will be paid. Timesheets are not designed to record overtime correctly. Payroll relates on the timesheet notes (rarely explain overtime), asks for clarifications, or makes their judgment. Suggestion; timesheets to be redesigned to show overtime.	Liz Packer	4	Overtime is recorded on employee timesheets which is approved by the respective people leader. The approval confirms that overtime has been approved and is Ok to be paid. Employees may make notes on their timesheet to assist the payroll officer. Overtime is paid in accordance with the EDA. An overtime report is generated each fortnight and forms part of the documentation reviewed during the payroll authorisation process.
EXP-PAY-0016	There is a process in place to ensure termination payments comply with relevant policies, procedures and legislation.	Zhanna Petku	4		Liz Packer	5	All terminations are executed in line with the Enterprise Development Agreement (EDA) and the relevant award or industrial provisions. The termination calculations are done via the termination wizard through Payroll and backup evidence is provided eg leave balances, contract terminations, redundancies etc for signoff when the termination pay run is checked. A termination report for the pay period of all employees terminated for the current f/night is also printed out and included with the pay run summary checklist.

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EXP-PAY-0015	There is a process in place to ensure employees are not added to the payroll masterfile, nor details amended or amounts paid without receipt of the appropriate forms which have been authorised by relevant staff.	Zhanna Petku	4	1. new employee details are saved for authorisers to review. 2. report on new employees is produced as part of payroll processing 3. EVR is showing all discrepancies to the standard rate of pay	Liz Packer	4	New employees are added to the payroll system by 2 separate employees. Previously this was HR and Payroll however with the deactivation of Community HR all details are now entered directly into the payroll system, which HR do not have access to. Therefore, to retain segregation, the TL Finance enters the HR components and the Payroll Officer enters the financial information such as bank account, pay rates, tax table etc etc. New employees are then recorded on a report which is checked each f/n by the payroll checker (s) to supporting documentation. The audit logs also indicate new employees that have been entered which the payroll checkers also review. Supporting documentation is retained for all changes made to payroll masterfile details which is checked as part of the payroll review process each f/n.
EXP-PAY-0013	The payment of the payroll is authorised by appropriate staff not involved in the preparation of the payroll.	Zhanna Petku	5	Yes, the authoriser is not involved in payroll processing.	Liz Packer	5	The Payroll Officer uploads the bank file and two separate authorised officers authorise the bank file. Authorisation takes place after the Payrun Summary Checklist has been sighted, showing the payroll has been reviewed (by the 1 or 2 Reviewers), and that the Entry Validation Report from Open Office showing the net amount matches the Bank Net amount. The 1 or 2 authorised officers email the Payroll Officer to advise that the bank file has been authorised, and one authoriser provides a snip of the bank file and the other authoriser provides the Payment History from NAB.
EXP-PAY-0012	The payment for the payroll must be reconciled to a system generated report detailing amount and employee prior to payment.	Zhanna Petku	5	Yes. Multiple reports can be used for reconciling the payment of payroll.	Liz Packer	5	The payment for the payroll is checked to the system generated Entry Validation Report and Payroll Summary report detailing the total amount prior to payment. This forms a key component of the Payroll Authorisation process and is checked against another spreadsheet titled Payroll Journal Lines.
EXP-PAY-0010	The ability to access, modify or transfer information contained in the payroll master files is restricted to authorised staff.	Zhanna Petku	5	Yes, only 4 employees have access to payroll file.	Liz Packer	5	The ability to access, modify or transfer information contained in the payroll master files is restricted to authorised payroll staff only.

2023-24 Controls Assessment

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<input type="text"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>		<input type="text"/>
EXP-PAY-0009	Relevant staff are required to complete timesheets and/or leave forms, authorise them and have approved by the relevant supervisor.	Zhanna Petku	3	Most employees complete timesheets (80%) and leave forms that are authorised by team leader. The exemption is executives. They do not complete timesheets. Leave forms are not always completed, and need to be chased up. Emails are sometimes sent with days taken as leave.	Liz Packer	4	All non-TEC employees must account for their time with a f/nightly timesheet and any leave forms which are approved by their manager/supervisor/team leader. Leave forms are then submitted to OD for filing on Records Hub against the employee file. TEC employees do not have timesheets but are required to submit leave forms which are approved and forwarded to OD & Payroll. The payroll system has work patterns, and the majority of employees have standardised hours and days of work set against them which assists with the timesheet entry process. Timesheet employees are paid on the basis of the information provided on their timesheet. Payroll do not double check to leave forms due to the time factor required. Currently, there can be delays in TEC employees submitting leave forms or they don't submit leave forms at all so there is a risk that payments being made are inaccurate and leave balances are not accurate. Cross checking to information provided on the staff HUB re absences can assist.
EXP-PAY-0008	Payroll system generates audit reports detailing all payroll changes and there is a process in place to ensure all changes are reviewed and verified against source documents.	Zhanna Petku	5	Multiple payroll reports for that: new and terminated employees to ensure that terminated employees are not paid again. For new employees, their paperwork is saved in the payroll folder Entry Validation Report flags any discrepancies to standard hours, deductions, leave balances, or rate changes. Variance Report shows change compared to the previous pay cycle. Variances over %500 are explained Other reports: Employees Not Paid and Payroll Change Log entries	Liz Packer	5	At the end of each pay period a payroll change log entry report which reports on any changes made to the following employee attributes: deductions, pay distribution, position accounts, position allowances, position leave, position rates, position, superannuation, etc is created and forms part of the Payroll authorisation process, checked/reviewed by 2 people. Documents seeking changes to bank accounts are provided as part of the fortnightly payroll review process.
EXP-PAY-0007	Payroll is periodically reconciled to the General Ledger accounts.	Zhanna Petku	N/A	This control is not done by payroll officer.	Liz Packer	5	Payroll suspense accounts are reviewed monthly and reconciled to the GL.
EXP-PAY-0006	Managers periodically review listings of current employees within their departments and variances are investigated.	Zhanna Petku	5	This check is part of the payroll authorisation process. We run reports on new and termination employees. Changes are explained in a summary spreadsheet.	Liz Packer	5	Employee listing are reviewed by the payroll checker each f/n. With only 220-230 staff most employees are known. Authorised timesheets are required for all employees except those on contract (TEC). New employees are added to the system by 2 persons. Every pay period a report of all new starters is reviewed to supporting documentation prior to being paid to ensure all employees are bonafide. Employee costs vs budget information is distributed to managers as part of EOM processes.

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EXP-PAY-0005	Employee records to include employment details and/or contract terms and conditions, authorisations for payroll deductions and leave entitlements.	Zhanna Petku	4	All employees have Personnel files with contracts, terms, and conditions, and authorisation of deductions. Leave records are maintained by the payroll system. Maxxia deduction changes are saved in the Outlook folder and printed and added to the relevant payroll processing folder.	Liz Packer	5	Personnel files and some employees on Records Hub have hard copies of the following: Employee Personal Details, tax file number declaration form, employment contract, position description. Leave entitlements are accrued and recorded through Open Office. Leave forms are placed on the Personnel file on Records Hub. A Leave entitlement report is completed each month and emailed to relevant Directors/Managers/PL's so we have up to date leave entitlements. Leave entitlements are also listed on an employee's payslip.
EXP-PAY-0003	All payroll deductions must be approved by the relevant employee.	Zhanna Petku	4	Employees fill out and sign forms to request payroll deductions. Maxxia deductions come externally from Maxxia. Employees engaged with Maxxia sign relevant agreement.	Liz Packer	5	AHC employees use the Employee Advice - Payroll Personnel Changes form that only AHC staff have access to (and not just an email). Payroll will contact the employee direct to confirm bank or deduction changes as another measure to combat any fraudulent advice. Changes made are then outlined in the "Payroll Change Lot Entries" report which is then checked and verified against the supporting documentation during the payroll checking process.
EXP-PAY-0002	All calculations for generating payroll payments are verified for accuracy.	Zhanna Petku	5	Most of the payroll calculations are automated by the payroll system and do not require verification (amounts for hours of work or allowance amounts). When there is a manual calculation, it is reviewed and authorised by the payroll approver. The payroll system produces a Variance Report which compares current pay to previous pay. Any major differences are reviewed and explained.	Liz Packer	5	All payroll payments are listed on the Entry Validation Report (EVR). The EVR is checked to the physical timesheet for accuracy by the payroll checker and any documentation. Any errors highlighted are corrected by the payroll team and a new EVR run. The payroll change log entries report is also reviewed to ensure that changes made to an employee's pay profile is accurate and agreed to supporting documentation.
EXP-PAY-0001	Access to the payroll deduction listing is restricted to authorised staff.	Zhanna Petku	5	Yes, currently only a limited number of employees who directly process or authorise payroll have access to the payroll system and can make changes to employee deductions.	Liz Packer	5	Correct
<div style="border: 1px solid #ccc; padding: 2px; display: inline-block;"> ▶ Purchasing and Procurement </div>							
EXP-PUR-0011	There is a process in place to review the supplier master file for ongoing pertinence and ensure all changes are checked against source documents to ensure they were input accurately.	Lauren Mableson	5	Weekly a creditor audit report by creditor showing all the master file changes is generated and this report is checked by Team Leader Financial Services who is independent of the officer who input the changes. An annual purge of unused accounts is processed and all old accounts are changed to inactive status.	Katrina Maher	5	The Creditor Audit Report is checked by the Team Leader Financial Accounting. Details such as bank accounts are checked to source documentation. Any anomalies are raised with the Accounts Payable team and corrected in a timely manner.
EXP-PUR-0010	There is a process in place to review purchasing patterns and ensure maximum use of preferred suppliers.	Mike Collins	2	There is no procurement-led activity to analyse Council spend patterns. There are a number of Panel Contracts that would necessarily direct work to pre-qualified suppliers but these are not subsequently investigated with a view to efficiencies. Outside of those Panel Contracts, little or no work is being done to identify patterns or areas for improvement	Gary Lewis	2	Additional work in this space is not practicable in FY 23/24. With a full time Procurement Coordinator additional reporting and analysis could be developed in FY 24/25.

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EXP-PUR-0009	There is a process in place to follow up and action incomplete purchase orders.	Katrina Maher	5	Outstanding purchase orders are reviewed by Accounts Payable as part of the month end process, a report of Outstanding Orders by Authorising Officer is produced. The issuing officer is asked to confirm if any long outstanding orders or partly complete orders listed can be closed.	Liz Packer	5	All PO's greater than 13 months are closed automatically by AP. All other PO's are followed up with the requisitioner if there has been little to no activity. Documentation is retained in Finance to verify the reason for the PO being closed or remaining open. PO's are also closed during the year upon request from the requisitioner or when the PO amount has been reached by matched invoices paid against the PO.
EXP-PUR-0008	There is a process in place to ensure all invoices for payment are matched to relevant source documents such as purchase orders where applicable and are in line with Procurement Policy guidelines.	Lauren Mableson	5	OpenOffice ensures that purchase orders are in line with the staff financial delegations and the procurement policy. Invoices are matched to purchase orders where applicable.	Katrina Maher	4	Purchase order numbers should be provided to the supplier for referencing on the supplier invoices. This is not always the case and invoices are paid instead of being matched to the applicable PO. This could be due to oversight on the part of the AP Officer, or a PO was not quoted on the invoice -which should be picked up by the person authorising the invoice, or a PO was not raised in the first place. Open Office does not allow for auto matching of an invoice to an applicable purchase order. During EOY processes, any PO that remains open for longer than 13 months are automatically closed by Accounts Payable to ensure invalid commitments are not being recorded.
EXP-PUR-0007	The organisation has a process in place to ensure use of preferred suppliers where relevant to maximise the best value for money to Council	Mike Collins	4	The use of formal negotiated Panel Contracts provides some direction towards the use of pre-qualified suppliers. Others would be identified and selected as a result of an open tender process that includes evaluation criteria to establish or confirm the suppliers credentials. Those two scenarios together would ensure that higher value (>\$10k) procurements would be directed towards appropriately capable suppliers. A significant amount of purchases (those under \$10k) would be at the discretion of individual Council Officers to select the supplier. There is no formal process to ensure that a preferred supplier is selected for those.	Gary Lewis	4	
EXP-PUR-0006	Purchase order numbers are either system generated and/or sequentially numbered.	Mike Collins	5	Council Purchase Orders are system generated	Gary Lewis	5	This is an aspect of how the system generates the PO numbers.
EXP-PUR-0004	Employees must ensure all purchase orders are issued in accordance with Council's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies	Mike Collins	4	Before PO's are issued they must be approved by someone, other than the originator, with sufficient financial delegation to approve it. The system (Procure) has the necessary controls to ensure this happens.	Gary Lewis	4	System controls ensure this control is applied. However, to be fully effective there would need to be additional controls that enforce the use of Purchase Orders.

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EXP-PUR-0003	Council has a Procurement Policy that provides direction on acceptable methods and the process for procurement activities to ensure transparency and value for money within a consistent framework, with consideration of any potential conflicts of interest.	Mike Collins	5	AHC has a Procurement Policy and supporting Procurement Framework documents that outline Councils requirements in regard to effective and transparent procurement practices.	Gary Lewis	5	The Procurement Policy is effective. It is currently under review and most likely will be updated for 2024/25.
EXP-PUR-0001	Access to the supplier master file and ability to make changes is restricted to appropriately authorised staff.	Lauren Mableson	5	Access to the supplier master file is restricted to authorised officers and support for masterfile changes is retained in Financial Services.	Katrina Maher	5	The Team Leader of Finance reviews the audit file for all changes and approves them. Any errors/anomalies are corrected in a timely manner by Accounts Payable.
<div style="background-color: #0056b3; color: white; padding: 2px; margin-left: 10px;">Assets</div>							
<div style="background-color: #0056b3; color: white; padding: 2px; margin-left: 10px; border: 1px solid #ccc;">Banking</div>							
ASS-BAN-0005	There is a process in place to ensure all cash, blank cheques and/or cheque signing machine are adequately safeguarded.	Rhys Elsegood	5	Prior to the collection of cash by Secure Cash, completed bank deposit bags (containing cash/cheques) are held in a safe (to which a limited number of people have access - required due to part-time cashiers & rostered locations). Blank Council cheques are kept in a locked cupboard. The cupboard key is located in a locked drawer with Accounts Payable. There is no cheque signing machine.	Liz Packer	5	Cheques are no longer used for payments. There is some cheque stationery held on premise in case of emergency and is part of the BCP (Business Continuity Plan). Accounts Payable are custodians of the key to access the cupboard.
ASS-BAN-0004	There is a process in place to ensure all cash collected is adequately recorded and banked regularly.	Rhys Elsegood	5	At end of day, after close-off & reconciliation by the cashier, bank deposit slips are completed and cash/cheques recorded on a Secure Cash form which is signed by the collection officer at pick-up. Cash/cheques are generally collected weekly from each location. Prior to pick-up and after balancing, completed bank deposit bags are held in a safe (to which a limited number of people have access - required due to part-time cashiers & rostered locations). Banking is checked daily to bank statement and cashier's Cashlink Session end of day report which details breakdown of cash/cheques and credit card payments. Receipted total also checked to General ledger.	Liz Packer	5	As above.

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<input type="text"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>		<input type="text"/>
ASS-BAN-0003	Cash transfers between bank accounts and investment bodies are undertaken by appropriate staff. Assets - Banking	Rhys Elsegood	5	Council has one trading bank account and multiple accounts with the Local Government Financing Authority (LGFA). The LGFA has advised that without formal correspondence with Council, they will only transact entries between LGFA accounts to and from the NAB account. All cash transfers and journal entries between bank and investment accounts are prepared by the finance officer with Treasury responsibility. All transfers have separate email confirmation from the LGFA to the Treasury Inbox (accessed by Manager Financial Services, Team Leader Finance, Management Accountant and Finance Officer Accounts Receivable & Treasury) advising that the transfer has occurred.	Liz Packer	5	As above.
ASS-BAN-0002	Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated. Assets - Banking	Rhys Elsegood	5	Bank reconciliations are deemed to be "high risk" by the Assets Reconciliation Policy on Council's external website. A high risk account must be reconciled every month. The bank rec is high risk and a reconciliation is performed every month. All monthly reconciliations are reviewed and authorised for completeness and accuracy. The bank account is generally reconciled every day by the Finance Officer-Accounts Receivable.	Liz Packer	5	Bank reconciliation is undertaken daily. Any anomalies/errors are followed up in real time. Team Leader Finance reviews the bank reconciliation on a monthly basis.
ASS-BAN-0001	Access to EFT Banking system is restricted to appropriately designated personnel.	Rhys Elsegood	5	Access to Council's online banking system is restricted to Finance officers. There are generally 3 staff members involved in one transaction however when money is transferred internally between loan/investment accounts there are 2 staff members involved. The up-loader of the payment file or the creator of the payment can also authorise the transaction after the Team Leader Finance has provided approval then a second staff member does the second authorisation of the payment. The transmission requires a "part A and part B" authorisation for the transmission to proceed.	Liz Packer	5	Only Finance have access to bank account. To affect a transfer two authorisations are always required. List of users with access to the bank account are periodically reviewed and updated where required.
▾ Debtors							
ASS-DEB-0015	There is a process in place to review and approve all credit notes for sundry debtors in accordance with delegations of authority.	Rhys Elsegood	5	Credit notes are sequential and processed as a negative invoice. They are coordinated by the Finance Officer - Accounts Receivable & Treasury and require involvement from the operational area in either raising a credit note or confirmation of the appropriateness of such. The Process also requires operational line managers to approve credit notes.	Liz Packer	5	Correct

2023-24 Controls Assessment

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<input type="text"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>		<input type="text"/>
ASS-DEB-0014	There is a process in place to ensure changes to the debtors master file are compared to source documents to ensure they are inputted accurately	Rhys Elsegood	4	Debtors master files are separated between sundry debtors and rates debtors. For sundry Debtors a written communication (usually email) is received by the finance officer who is capable of editing the debtors master file. Typically the changes requested are for change of addresses (or updated email address). Any modification to the debtors master file records the Date, time and officer's name within the Open Office (Collect) system. The communication is retained in Finance by the Finance Officer - Accounts Receivable & Treasury and stored in Records Hub (unless it is via a phone call). Changes to Rates Debtor masterfiles are initiated by a written communication from the ratepayer (eg drivers license or marriage certificate for change of name), Lands Titles office report or Broker reports for change of ownership. Each of these communications are retained in the Rates area and stored in Records Hub.	Liz Packer	4	Correct
ASS-DEB-0013	The organisation maintains a Debt Collection Policy and/or procedure.	Rhys Elsegood	5	Council has a Debt Recovery policy available on external website. It was originally adopted in December 2015 and subsequently reviewed with minor amendments in November 2017 and again in December 2020. A summary of the overdue amounts owed to Council per category are reported to Audit Committee biannually for review.	Liz Packer	4	The Debt Recovery Policy was due for updating in November 2023 for Council endorsement. At this stage the review is still o/standing.
ASS-DEB-0011	Relevant staff reviews sundry debtors ageing profile on a regular basis and investigates any outstanding items, and considers provision for doubtful debts at year end.	Rhys Elsegood	5	Debtors are reconciled on a monthly basis. Aged debtors are investigated and followed up by operational areas coordinated by the Finance Officer Accounts Receivable & Treasury. Appropriate action is taken in line with the Debt Recovery Policy, based on the delinquency and amount outstanding, after an escalating series of statements have been sent. Additionally, the Audit Committee reviews a Debtors Report biannually.	Liz Packer	5	Last update was provided to Audit Committee in Feb 2024 based on debtors o/standing as at 31 Dec 2023. All debtors are reviewed by the Team Leader of Finance as well as the recovery action that has been undertaken. The provision for doubtful debts will be considered EOY 23/24.
ASS-DEB-0007	Debtors system provides audit trail to record changes made to master file.	Rhys Elsegood	4	No audit trail report is produced to record master file changes for Sundry Debtors. The Vendor (Open Office) have advised that a quote can be provided depending on how many fields require auditing. The "Last Modified" field on the system's master debtor file is checked on an ad hoc basis.	Liz Packer	4	Correct - there is no audit trail report able to be produced from the system.
ASS-DEB-0005	Debtor's reconciliation is performed on a regular basis to the General Ledger and reviewed by appropriate staff, with consideration of segregation of duties.	Rhys Elsegood	5	Debtors Reconciliation to General Ledger are performed on a monthly basis by the Finance Officer Accounts Receivable & Treasury and reviewed quarterly by the Team Leader Finance.	Liz Packer	5	Correct

2023-24 Controls Assessment

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<input type="text"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>		<input type="text"/>
ASS-DEB-0003	Bad debt write-offs and movements in the provision for doubtful debts for Sundry Debtors are processed in accordance with delegations of authority and Local Government Act.	Rhys Elsegood	5	Bad debt write-offs and movements in the provision for doubtful debts for Sundry Debtors are initiated by the Finance Officer - Accounts Receivable & Treasury and authorised in accordance with delegations of authority and Local Government Act. Any bad debt write-off is also reported to the Audit Committee bi-annually as part of Debtor Reporting.	Liz Packer	5	Sundry bad debts are only written off after all debt collection processes have been exhausted and the likelihood of recovery is considered to no longer be economical to continue to pursue. Fire Hazard debts can be attached to the property of the debtor and recovered once property is sold or title is transferred. Debts written off are reported to the Audit Committee bi-annually and are authorised in accordance with Council DOA,
ASS-DEB-0001	Access to the debtor's master file is restricted to appropriately designated personnel and is reviewed by relevant staff for accuracy and on-going pertinence.	Rhys Elsegood	5	Access to the debtors master files is restricted to appropriately designated personnel within the Financial Services function. The debtors masterfiles are not subject to independent review by a second management officer. However, Aged Monthly Debtors Reports are provided to each operational area for their information and follow up.	Liz Packer	4	Exception/audit files are not being produced by the system but aged monthly debtor reports are being produced which can be reviewed for accuracy.
Fixed Assets							
ASS-FIX-0017	Where appropriate, identification details are recorded for portable and attractive assets such as IT and fleet assets, on acquisition to facilitate accurate identification.	Phil Mattingly	5	All IT PC devices are managed, secured, recorded and logged via a cloud managed asset and security systems.	James Sinden	5	As above
ASS-FIX-0016	Where appropriate, fixed assets are secured and access is restricted to appropriate staff and authorised users.	Phil Mattingly	5	Fixed IT assets are secured behind physical controlled swipe access doors with security systems providing access to appropriate personal with audit logs recording all access events.	James Sinden	5	As above
ASS-FIX-0014	There is a process in place for the verification of fixed assets which is reconciled to the FAR.	Craig Marshall	5	There is an alignment with the opening and closing balances between Confirm and FAR. A process to ensure that the values in Confirm Asset Management System align with the recorded value in the FAR are undertaken each year.	David Collins	5	Sign off between the Finance Ledger and the Confirm Asset annual data updates occur prior to final upload of financial asset information into Confirm.
ASS-FIX-0013	Relevant staff review useful lives, residuals, valuations, depreciation methodology and test for impairment as required by Accounting Standards and legislation to ensure that methods used are still appropriate and significant changes are incorporated into Asset Management Plans.	Craig Marshall	5	Useful lives, valuations and depreciation are reviewed through a yearly process and applied to the asset register and a peer review of the unit rates/usefull lives/valuations are provided by external qualified consultants.	David Collins	5	This is an on-going process as described.
ASS-FIX-0012	Recorded changes to the FAR and/or masterfile are approved by appropriate staff compared to authorised source documents and General Ledger to ensure accurate input.	Craig Marshall	5	The Confirm Enterprise Asset Management System records all the changes and the authority to undertake any changes is managed through user security - the only officers that undertake the changes are the Asset Management System Analysis and Manager Strategic Assets.	David Collins	5	Changes made to the fixed asset register are undertaken as part of the capitalization process, any updated external valuation or when asset data is updated from field inspection (these field inspection changes require administration actions to ensure the security of the data updated.

2023-24 Controls Assessment

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<input type="text"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>		<input type="text"/>
ASS-FIX-0011	Reconciliation of fixed assets to the General Ledger is performed in accordance with schedule of review or procedure.	Marcela Ardelean	5	Fixed Assets are reconciled annually as part of Council's process of capitalising WIP to Infrastructure, Property, Plant & Equipment.	Gary Lewis	5	This year end process is subject to significant review and analysis and has a high level of visibility to the external Auditors.
ASS-FIX-0010	Profit or loss on disposal calculations can be substantiated and verified with supporting documentation.	Craig Marshall	5	Confirm Asset Management System will calculate and report on any profit/ loss from the system.	David Collins	5	Automatically calculated by the Confirm System
<div style="display: flex; align-items: center;"> ▲ Assets </div>							
<div style="display: flex; align-items: center;"> ▲ Fixed Assets </div>							
ASS-FIX-0009	Maintenance of the fixed asset register is limited to appropriate staff with consideration to segregation of duties.	Craig Marshall	5	The Confirm Enterprise Asset System is a hierarchical security based system that provides a platform to manage assets based on privileges, roles and user responsibilities.	David Collins	5	The security of Confirm as the fixed asset register ensures that skilled and trained staff with the appropriate authority update the fixed asset register.
ASS-FIX-0008	Fixed assets are recorded on acquisition, creation or when provided free of charge to facilitate accurate identification of assets and recording of details with regards to the Asset Accounting Policy.	Craig Marshall	4	The capitalisation process records the acquisition, disposal, creation and renewal of assets based on the capitalisation procedure at the end of each year.	David Collins	5	Typically, the recording of asset occurs either side of the financial year end, as final handover form and final project management costs are allocated.
ASS-FIX-0007	Depreciation charges are calculated in accordance with the asset accounting policy and compliant with relevant accounting standards, including the useful life, depreciation method and residual values.	Craig Marshall	4	Council reviews on an annual basis, its useful life, depreciation the appropriateness of residual values of the asset register.	David Collins	4	Depreciation is reviewed on an annual basis and updated to align with external revaluation of increased in line with indexation and expected new/ upgrade assets included in the asset register. Confirm automatically calculates the annual depreciation for each asset in the confirm register.
ASS-FIX-0006	Council has an asset accounting policy which details thresholds for recognition of fixed assets which is monitored to ensure adherence.	Craig Marshall	4	The current policy clearly provides the details of thresholds for various categories of fixed assets that is used to capitalise capital expenditure or move as an expense for the financial year.	David Collins	4	Thresholds are in place and a full review of transactions and discussion with Project Managers occurs to ensure the correct recognition of capital expenses and where necessary reallocation and expense of costs.
ASS-FIX-0005	Asset register calculations are reviewed for accuracy.	Craig Marshall	3	As part of the capitalisation process assets registers are reviewed for accuracy and consistency via either desktop or external revaluations.	David Collins	4	End of year reconciliation occurs.
ASS-FIX-0004	Asset Management Plans for all major asset classes are adopted and reviewed by Council as required by the Local Government Act 1999.	Craig Marshall	3	Council has completed numerous Asset Management Plans for its major classes, and in draft stages for its Buildings, and Stormwater assets, and has completed the CWMS AMP in the 23/24 financial year. Council continues to progress towards updating and renewing plans as they fall due.	David Collins	3	Council continues to develop its Building AMP and Stormwater AMP that are in draft.
ASS-FIX-0003	Asset Management Plans are prepared and renewal expenditure and programmed maintenance required is reviewed periodically to reflect changing priorities, additional asset data and other relevant factors.	Craig Marshall	4	Asset Management Plans are linked to the Long Term Financial plans as they are updated, this is also linked to the Annual Business Planning process to ensure that renewal expenditure is aligned.	David Collins	4	The details and current value dollars in the asset management plans are annually updated to reflect funding requirements in the LTFFP.

2023-24 Controls Assessment

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<input type="text"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>		<input type="text"/>
ASS-FIX-0002	Asset maintenance is planned and monitored with relevant staff in accordance with the Asset Management Plans	Craig Marshall	3	Asset Management Plans have recognised the shift towards planned maintenance, and this is aligned where possible with condition audits/assessments to provide proactive maintenance planning in conjunction with adopted plans.	David Collins	3	Whilst there is an acknowledgement of the need for proactive maintenance the documentation of planned and cyclic maintenance across all asset classes is still required.
ASS-FIX-0001	All fixed asset acquisitions and disposals are approved in accordance with Delegation of Authority and relevant Procurement and Fixed Asset Policies.	Liz Packer	4	All fixed asset acquisitions are undertaken in accordance with Council's Procurement Policy & Framework and are approved in accordance with relevant delegations of authority as part of the Accounts Payable process. Disposals are also undertaken in accordance with Council's Disposal of Assets Policy. Under Section 10.2, Council employees are required to use the appropriate disposal form which must be approved by a Manager or higher if required as per Staff Financial Delegations.	Gary Lewis	4	On going year end reviews of the asset portfolios remain important to ensuring controls.

**ADELAIDE HILLS COUNCIL
AUDIT COMMITTEE MEETING
Monday 20 May 2023
AGENDA BUSINESS ITEM**

Item:	8.4
Responsible Officer:	Zoe Gill Governance & Risk Coordinator Office of the Chief Executive
Subject:	Public Interest Disclosure Arrangements and Compliance
For:	Decision

SUMMARY

The *Public Interest Disclosure Act 2018* (PID Act) commenced operation on 1 July 2019, replacing the *Whistleblowers Protection Act 1993*, and with Council subsequently adopting a *Public Interest Disclosure Policy* (Policy) at its 25 June 2019 Ordinary Council Meeting.

Under the Audit Committee's workplan, administration is required to report on the Council's public interest arrangements and compliance annually each May.

This report covers:

- The number of Public Interest Disclosures since the previous reporting period.
- The Council's Public Interest Disclosures compliance.
- A review of Council's current *Public Interest Disclosure Policy and Procedure*.

There has been no Public Interest Disclosures made to the Principal Officer, nor the Responsible Officers since May 2023.

Council is currently updating its Public Interest Disclosure compliance.

The *Public Interest Disclosure Policy and Procedure* are due for review by 27 April 2024. This is currently underway.

RECOMMENDATION

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

1. BACKGROUND

Public Interest Disclosure Act 2018

The PID Act is an Act to encourage and facilitate disclosures of certain information in the public interest by ensuring that proper procedures are in place for making and dealing with such disclosures and by providing protection for persons making such disclosures.

The PID Act provides that if a person makes an appropriate disclosure of public interest information the person is not subject to any liability as a result of that disclosure. The PID Act also protects the identity of the person making an appropriate disclosure and makes it an offence to victimise that person.

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

The review of Council’s Public Interest Disclosure arrangements is an important element of Council’s commitment to open and transparent decision making which facilitates public accountability.

➤ **Legal Implications**

The PID Act is an Act to encourage and facilitate disclosures of certain information in the public interest by ensuring that proper procedures are in place for making and dealing with such disclosures and by providing protection for persons making such disclosures.

➤ **Risk Management Implications**

The maintenance of a robust governance regime is an important control in managing 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	Desired Risk
Extreme (5C)	Medium (3D)	Low (3E)

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

➤ **Financial and Resource Implications**

There are minimal direct financial, or resource implications related to provisions of the PID Act. These are limited to the development of guidance and the provision of training in the provisions and obligations of the legislation.

As such, resource implications are accommodated within the Annual Business Plan process and additional resource implications may occur where disclosures lead to investigations and/or legal advice.

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

There is a high expectation that Council has appropriate processes in place to receive and manage public interest disclosures while providing the statutory protections to those who make appropriate disclosures.

➤ **Sustainability Implications**

One element of the definition of public interest disclosures is information about substantial risks to public health or safety, or to the environment which is referred to in the PID Act as a disclosure of environmental and health information.

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

Consultation on the development of this report was as follows:

<i>Council Committees:</i>	Audit Committee (this meeting)
<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**

Section 12 of the PID Act sets out the duties of principal officers (i.e. CEO) which include the designation of responsible officers for the purposes of the PID Act, appropriate communication of the contact details of those responsible officers and the development of documentation setting out procedures for persons wanting to make disclosures and officers and employees dealing with such disclosures.

Public Interest Disclosures since the previous reporting period

There has been no Public Interest Disclosures made to the Principal Officer nor the Responsible Officers since May 2023.

Public Interest Disclosures compliance

Council is compliant with its obligations of ensuring a principal officer and responsible officers are available.

The following are Council's principal officer and responsible officers:

- Greg Georgopoulos, CEO, Principal Officer
- Karlee Cook, Senior People and Culture Advisor, Responsible Officer

- Skye Ludzay, Governance and Risk Advisor, Responsible Officer

It is intended the following people will become responsible officers in the future:

- Zoe Gill, Governance and Risk Coordinator (training to be completed)
- Jody Atkins, Senior Governance & Risk Officer (training to be completed)

It is appropriate to have four responsible officers allocated the role to ensure adequate cover for flexibility, leave and diversity.

Council's current *Public Interest Disclosure Policy and Procedure*

The current Public Interest Disclosure Policy and Procedure is being reviewed and updated. A draft policy and procedure will then be reviewed at an Information or Briefing Session workshop scheduled for mid-July 2024. Upon review it will be forwarded to Council for endorsement.

3. OPTIONS

The Committee has the following options:

- I. To receive and note the report (Recommended).
- II. Not to receive and note the report (Not Recommended).
- III. Take an alternative course of action (Not Recommended)

Should the Committee identify the need for alternate action(s), it is recommended that they be referred to staff for review to allow for analysis of the implications, prior to the matter being brought back to the Committee for further consideration.

4. APPENDIX

NIL

**ADELAIDE HILLS COUNCIL
AUDIT COMMITTEE MEETING
Monday 20 May 2024
AGENDA BUSINESS ITEM**

Item: 8.5

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

Subject: Service Review Biannual Report

For: Information

SUMMARY

Council has resolved to implement a *Service Review Framework* (the “Framework”) as part of the *Annual Business Plan 2021-22*. The Framework was adopted by Council at the 26 October 2021 meeting and provides Council with principles and guidelines for conducting an external Service Review to evaluate the adequacy, effectiveness and efficiency of the reviewed services.

Since the adoption of the Framework, two service reviews have been conducted. The first was on the Civil Services Maintenance Function undertaken over March to June 2022 by Epic Projects & Consulting with the final report and recommendations provided to Council at the 26 July 2022 meeting and to the Audit Committee at the 15 August 2022 meeting. The second was undertaken for development services over March to June 2023 by BeeSquared consultants with the final report and recommendations provided to Council at the 24 October 2023 meeting and to the Audit Committee at the 16 October 2023 meeting.

The purpose of this report is to present the progress of implementation and action plan contained in the *Service Review Biannual Report – Civil Services (Appendix 1)* and the *Service Review Biannual Report – Development Services (Appendix 2)*. This is provided to the Audit Committee for their review in their capacity of providing advice to the Council on the adequacy and effectiveness of the systems and processes regarding financial management and reporting, internal control and risk management, internal audit and governance.

It is noted that an organisation wide service review has been foreshadowed in the draft annual business plan. It is anticipated that, if adopted, this will replace this present iterative service review model.

RECOMMENDATION

The Audit Committee resolves that the Service Review Biannual Report be received and noted.

1. BACKGROUND

Council has resolved to implement a *Service Review Framework* (the “Framework”) as part of the *Annual Business Plan 2021-22*. The Framework as adopted by Council at the 26 October 2021 meeting and provides Council with principles and guidelines for conducting an external Service Review to evaluate the adequacy, effectiveness and efficiency of the reviewed services. The current budget allocation is for one external Service Review to be conducted per annum.

The *Service Review Brief – Civil Services* was presented at the 25 January 2022 Council Meeting.

The objective of the service reviews is to facilitate efficiency, effectiveness, and appropriateness in service provision through the analysis of factors such as:

- Service clarity, replicability and quality
- Customer (internal or external) priorities, aspirations and experience
- Alignment to the Council’s strategic intent
- Statutory obligations
- Process efficiency and saving opportunities
- Service delivery effectiveness and performance assessment.

Since the adoption of the Framework, two service reviews have been conducted. The first was on the Civil Services Maintenance Function undertaken over March to June 2022 by Epic Projects & Consulting. The final report, recommendations, management response and action plan was presented at the 26 July 2022 Ordinary Council Meeting where it was resolved:

12.5 Service Review - Civil Services Maintenance

Moved Cr Linda Green
S/- Cr Leith Mudge

186/22

Council resolves:

1. That the report be received and noted
2. To receive and note the *Service Review 2021-22 – Civil Service Maintenance Function Report*, as contained in Appendix 1.
3. To adopt the *Service Review 2021-22 – Civil Service Maintenance Function – draft Action Plan*, containing the Service Review recommendations, management responses and agreed actions, as contained in Appendix 2
4. To note that that the implementation status of the agreed actions will be reported to Council on a biannual basis, nominally March and August.

Carried unanimously

This report was also provided to Audit Committee at its 15 August 2022 meeting where it was resolved:

8.9. Service Review Report – Civil Services

Moved Peter Brass
S/- Natalie Johnston

AC48/22

The Audit Committee resolves:

1. To receive and note this report
2. To receive and note the *Service Review 2021-22 – Civil Service Maintenance Function Report*, as contained in Appendix 1.
3. To receive and note the *Service Review 2021-22 – Civil Service Maintenance Function – draft Action Plan*, containing the Service Review recommendations, management responses and agreed actions, as contained in Appendix 2
4. To note that that the implementation status of the agreed actions will be reported to Council on a biannual basis, nominally March and August.

Carried Unanimously

The second service review was undertaken over March to June 2023 by BeeSquared consultants with the final report and recommendations provided to Council at the 24 October 2023 meeting where it was resolved:

12.2 Service Review – Development Services

Moved Cr Malcolm Herrmann
S/- Cr Chris Grant

269/23

Council resolves:

1. That the report be received and noted.
2. To receive and note the *Service Review 2022-23 – Development Services*, as contained in Appendix 3.
3. 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.
4. To note that that the implementation status of the agreed actions will be reported to Council on a biannual basis, nominally March and August.

Carried Unanimously

The report was also provided to the Audit Committee at the 16 October 2023 meeting where it was resolved:

8.1 Development Services Service Review – Implementation Plan

Moved Pamela Lee
S/- David Moffatt

AC39/23

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.

Carried Unanimously

As per the above resolutions, a biannual report has been drafted (**Appendix 1 and Appendix 2**) to present to both Audit Committee and Council.

2. ANALYSIS

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

Strategic Plan 2020-24 – A brighter future

Goal	A Progressive Organisation
Objective O2	Our customers find it easier to interact and do business with Council and have an improved customer experience.
Priority O2.2	Modernise our services and enhance the customer experience by making service delivery faster, more convenient and more proactive.
Priority 2.4	Continuously strive to measure and improve performance and service delivery across all functions.
Objective O3	Our organisation is financially sustainable for both current and future generations.
Priority O3.4	Assess the range and level of services undertaken to ensure they fulfil Council’s legislative and strategic intent.

Council also operates an Internal Audit Program which, while undertaking somewhat similar review activities, has as its main focus to evaluate the adequacy and effectiveness of the systems of internal control within the Council to manage risk.

The Internal Audit Program and this Framework are complementary but separate governance activities.

➤ **Legal Implications**

Section 8 of the *Local Government Act 1999* (the “Act”) sets out the principles that a council must act to uphold and promote observance in the performance of its roles and functions. The following principles are particularly relevant in the context of the Framework:

- (g) manage its operations and affairs in a manner that emphasises the importance of service to the community;
- (h) seek to ensure that council resources are used fairly, effectively and efficiently and council services, facilities and programs are provided effectively and efficiently;
- (i) seek to provide services, facilities and programs that are adequate and appropriate and seek to ensure equitable access to its services, facilities and programs;
- (ia) seek to balance the provision of services, facilities and programs with the financial impact of the provision of those services, facilities and programs on ratepayers;
- (j) achieve and maintain standards of good public administration;
- (k) ensure the sustainability of the council's long-term financial performance and position.

This report is provided to the Audit Committee for their review in their capacity of providing advice to the Council on the adequacy and effectiveness of the systems and processes regarding financial management and reporting, internal control and risk management, internal audit and governance.

➤ **Risk Management Implications**

Lack of effective strategic planning and resource allocation processes

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

The Framework is a mitigation action in addition to the many controls that are already in place for this risk.

➤ **Financial and Resource Implications**

The Service Review was a funded initiative in the *Annual Business Plan 2021-22*. The funding of \$26,000 related directly to the cost of appointing an external consultant. This funding was increased to \$35,000 for the second review based on quotes from the market.

The Corporate Planning & Performance Coordinator coordinated the procurement, conduct and reporting of the Service Review.

There are further resource implications associated with the implementation of the Report recommendations as contained in the action plan in **Appendix 1 and Appendix 2**. Any financial implications arising from the Report recommendations will be raised as budget review items or future consideration items, as required.

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

Implementation of the Service Review Report recommendations assists to facilitate improvements to customer satisfaction.

➤ **Sustainability Implications**

Implementation of the Service Review Report recommendations assists to facilitate improvements to the effectiveness and efficiency of related activities.

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

Consultation on the development of this report was as follows:

Council Committees: The Service Review Framework was considered at the Audit Committee meeting on 18 October 2021 where it was resolved to recommend adoption of the Framework to Council.

Council Workshops: The Service Review Framework was discussed in the 26 March 2021 Annual Business Plan and Budget workshop. Following the adoption of the Framework, a further workshop was held on 16 November 2021 to discuss the criteria for determining the function schedule for Service Reviews over the next 3 years.

Advisory Groups: Not applicable

External Agencies: Not applicable

Community: Not applicable.

The final report, management response and associated recommendations were provided to Council at the 26 July 2022 meeting and to the Audit Committee at the 15 August 2022 meeting for the Civil Services maintenance function, and to the Council at the 24 October 2023 meeting and the Audit Committee at the 16 October 2023 meeting for the Development Services review.

➤ **Additional Analysis**

Details of the specific action plan and progress against each item is contained within the *Service Review Biannual Report – Civil Services (Appendix 1)* and the *Service Review Biannual Report – Development Services (Appendix 2)*.

3. OPTIONS

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

4. APPENDICES

- (1) Service Review Biannual Report – Civil Services
- (2) Service Review Biannual Report – Development Services

Appendix 1

Service Review Biannual Report – Civil Services

Service Review 2021-22 – Progress Report

Civil Services Maintenance Function

A Service Review of the Civil Services Maintenance function was undertaken over March to June 2022 by Epic Projects & Consulting.

The Final Report and associated recommendations were provided to Council at the 26 July 2022 meeting and to the Audit Committee at the 15 August 2022 meeting. The following report provides the progress of activities detailed in the Action Plan which was produced by the Director Infrastructure and Operations in conjunction with other key staff in response to the recommendations.

Executive Summary

Implementation of the Civil Services maintenance function service review actions continued to be delayed over the latest reporting period, due to impacts of industry and sector wide labour shortages for civil labourers and supervisors. This has required the prioritisation of effort into reactive / high risk works, rather than planned continuous improvement activities. Council's Civil Services team continues to actively recruit to address this labour shortage.

Notwithstanding the above challenge, key actions administration actions have progressed, such as risk analysis and associated prioritisation of asset classes for development of service standards and maintenance plans. The roll out of infield devices has also continued, with Council's general maintenance teams trialing the works scheduling and job reporting via the Confirm Workzone platform.

Service Review Recommendations

The key recommendations from the Civil Services Maintenance Function Service Review are listed below, along with a proposed priority for addressing the findings:

No	Recommendation	H	M	L
1	Develop prioritised program maintenance plans	-	X	-
2	Develop an expanded operational service standard suite for maintenance activities	X	-	-
3	Roll out of CONFIRM system to Civil Service Maintenance	X	-	-
4	Develop and promote cross functional teams working more closely together	X	-	-
5	Improved Budgeting and Measuring Costs	-	-	X
6	Improved Process for Section planning	-	X	-
7	Reward and Recognition	-	X	-
8	Continuous Improvement	-	-	X
9	Customer Communication	-	X	-
	Total	3	4	2

Action Plan

Action	22-23	23-24	24-25
Prioritise the order in which specific Asset Class specific maintenance plans are to be developed.	X	-	-
Develop and implement the Asset Class specific maintenance plans.		X	X
Prioritise the order in which specific Asset Class service standards are to be developed to subsequently inform asset maintenance plans.	X	-	-
Develop and adopt the Asset Class specific service standards.		X	X
Expedite the transitioning to use of Confirm in the field through engaging with Strategic Assets and Information Services.	X	X	X
Establish Civil Services specific Confirm Working Group including all relevant stakeholders.	X	X	X
Some interim methods may be investigated to aid in forecasting more accurately the cost per service delivery type.	-	X	-
Following adoption of Service Standards, development of Maintenance Plans, and implementation of confirm, improve use of data for more refined cost forecasting.			X
Develop Annual Plans (Name to be determined) beginning with 2022-23. (First to be completed by end Q2 2022)	X	-	-
Work with Organisational Development to ensure alignment with broader AHC approach to Reward and Recognition.	-	X	-
Work with Communications and Engagement to determine what operational activities or achievements are of broader public interest and can be promoted.	-	X	-
Ensure teams designate specific time on a regular basis, to encourage identification and subsequent progression of work to formally improve work practices. (Particular regard to identification of savings, as well as improved efficiency and customer service).	X	X	X
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).	X	-	-
Greater utilisation of Depot Administration resource to provide job specific information to customers.	-	X	-
Total	-	-	-

Progress Update

The following tables show the action plan developed to address the recommendations in the table above, with the ID's linking back to those assigned in the "Audit Risk Register". Note: where an action addresses multiple recommendations they have been grouped together in the table below.

ID	Action	Planned Date	Recommendation		Progress Update	Status
			No	Rating		
1.1 & 2.1	Prioritise the order in which specific Asset Class specific maintenance plans are to be developed.	30/06/2023	1	Medium	A risk based approach was taken to identifying the priority order for the development of asset class specific maintenance plans, with the following order being deemed most appropriate: <ol style="list-style-type: none"> 1. Stormwater (risk to private property impact, alignment with relevant AMP development) 2. Bridges (high risk structure) 3. Roads (high value asset) 4. Footpaths 5. Kerbing 6. Other 7. Sports & Recreation (low risk) 8. CWMS (largely contracted) 	Completed
2	High					
1.2	Develop and implement the Asset Class specific maintenance plans.	30/06/2025	1	Medium	A draft stormwater asset class maintenance plan is in development, to align with the draft Stormwater Asset Management Plan.	In progress
2.2	Develop and adopt the Asset Class specific service standards.	30/06/2024	2	High	A draft stormwater asset class service standard is in development, to align with the draft Stormwater Asset Management Plan.	In Progress
3.1	Expedite the transitioning to use of Confirm in the field through engaging	30/06/2023	3	High	These works have commenced, focusing on developing the workflow of discrete functions from CRM to Confirm. Early efforts	In Progress

ID	Action	Planned Date	Recommendation		Progress Update	Status
			No	Rating		
	with Strategic Assets and Information Services.				have focused on Council's Quick Response function, and have been expanded to include general maintenance teams. Completion of this action has been greatly impacted by the availability of resources, particular field workers, which has required a focus on recruitment and sourcing of temporary labour, and associated impacts on service delivery.	
4.1	Establish Civil Services specific Confirm Working Group utilising the newly developed Project Management Framework (which will include all relevant stakeholders)	30/06/2023	4	High	The Confirm Working Group has been established, and will continue to meet monthly, for the duration of the project.	Complete
5.1	Some interim methods may be investigated to aid in forecasting more accurately the cost per service delivery type.	30/06/2024	5	Low	This action is pending the adoption of asset specific service standards priority lists.	Not Commenced
5.2	Following adoption of Service Standards, development of Maintenance Plans, and implementation of confirm, improve use of data for more refined cost forecasting.	30/06/2025	5	Low	This action is pending the adoption of individual asset class service standards.	Not Commenced
6.1	Develop Annual Plans (Name to be determined) beginning with 2022-23. (First to be completed by end Q2 2022).	30/06/2023	6	Medium	This action was postponed for due to key vacancies within the Civil Services Maintenance Function. A draft Annual plan will now be prepared for the 24/25 FY.	In progress
7.1	Work with Organisational Development to ensure alignment with broader AHC approach to Reward and Recognition.	30/06/2024	7	Medium	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	In progress

ID	Action	Planned Date	Recommendation		Progress Update	Status
			No	Rating		
					includes providing input into the Council's Recognition Policy review.	
7.2	Work with Communications and Engagement to determine what operational activities or achievements are of broader public interest and can be promoted.	30/06/2024	7	Medium	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.	In progress
8.1	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).	30/06/2023	8	Low	This work has commenced as part of routine team meetings and team leadership discussions. When further progressed, it will be formalised to document outcomes.	In progress
9.1	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	30/06/2023	9	Medium	A preliminary meeting has been held with the customer experience project officer, with a focus on automation, although this has largely been placed on hold pending implementation of Council's new CRM system.	In progress
9.2	Greater utilisation of Depot Administration resource to provide job specific information to customers.	30/06/2024	9	Medium	This position is currently vacant/ filled by temporary backfill, with this action to be reviewed once key vacancies at the depot are reviewed and filled.	In Progress

Appendix 2

Service Review Biannual Report – Development Services

Service Review 2022-23 – Progress Report

Development Services

A Service Review of the Development Services function was undertaken over March to June 2023 by BeeSquared Consultants.

The Final Report and associated recommendations were provided to Council at the 24 October 2023 meeting and to the Audit Committee at the 16 October 2023 meeting. The following report provides the progress of activities detailed in the Action Plan which was produced by the Director Community & Development in conjunction with other key staff in response to the recommendations.

Executive Summary

Seven (7) of the high priority actions of the Service Review have been completed, with a further three (3) high priority actions to be completed by 30/6/2024 or 31/07/2024. The remaining high priority action at 5.2 for development of a business case for additional resource if determined necessary, is considered to be better reviewed as part of the budget discussions for 2025/26 given there is no scope for additional resources without budget as part of the current draft Council budget process.

All of the remaining actions have been commenced and eight (8) have been completed. The team continues to work conscientiously to complete the actions of the Service Review.

Prioritisation

The level of priority assigned to the Recommendations was as below:

Priority	Description
High	Level of impact is high, and should ideally be addressed as a matter of priority.
Medium	Level of Impact is high, however implementation may be less urgent or is reliant on other work being undertaken prior
Low	Lower level of impact, urgency or for consideration in future, pending implementation outcomes of other recommendations

Service Review Recommendations

The key recommendations from the Development Services Service Review are listed below, along with a proposed priority for addressing the findings:

	Recommendation	H	M	L
People				
1	Validation and alignment on Team outcomes and purpose, guide process to balance community, legislative and applicant outcomes		X	
2	Resource and process management upskilling for Team Leaders and Manager, supported by balanced metrics, governance		X	
Process				
3	Duty Planner to answer incoming calls	X		
4	Trial Development Services option to customer service IVR to redirect calls			X
5	Agree internal referral times for all areas to assist planner in setting expectations	X		
6	Operational Data based Governance framework to actively monitor and regularly discuss process performance metrics and process alignment		X	
7	Creation of ESP Register to enable control check that all Form 3s are completed	X		
8	Agree Council approach to building inspection with incoming need for Council issuance of Certificate of Occupancy	X		
System				
9	Review and update planning compliance workflow to enable recorded activities to better measure effectiveness and experience		X	
10	Control reports with escalation points for customer queue and compliance, e.g. notifications/forms note received, open inspection compliance unresolved and customer queries		X	
11	Leverage planning portal data to create and actively measure of end to end customer times in combination with legislative measures		X	
12	Record preliminary advice as application in development apps or alternative for reference for future assessment	X		
Operating Model				
13	Relationship meeting with high volume applicants, to identify market trends, seek feedback and work to collaborative solutions		X	
14	Add additional building engineering consultant to reduce sole operator key person risk		X	
15	Consideration Planning compliance to transition reporting line from Manager to Team Leader			X
16	Consider Planning and Building overflow suppliers at points of attrition and Jan 24 Certificate of Occupancy change	X		
Total				

Action Plan

	Action	23-24	24-25	25-26
1	Validation and alignment on Team outcomes and purpose, guide process to balance community, legislative and applicant outcomes	X		
2	Resource & process management upskilling for Team Leaders and Manager , supported by balanced metrics, governance	X		
3	Duty planner to answer incoming phone calls	X		
4	Trial Developments Services option to customer service IVR to redirect calls		X	
5	Agree internal referral times for all areas to assist planner in setting expectations	X		
6	Operational Data based Governance framework to actively monitor and regularly discuss process performance metrics and process alignment	X		
7	Creation of ESP register to enable control check that all Form 3s are completed	X		
8	Agree Council approach to building inspection with incoming need for Council issuance of Certificate of Occupancy	X		
9	Review and update Planning compliance workflow to enable recorded activities to better measure effectiveness and experience	X		
10	Control reports with escalation points for customer queue and compliance, e.g. Notifications/forms note received, open inspection compliance unresolved and customer queries	X		
11	Leverage planning portal data to create and actively measure of end-to-end customer times in combination with legislative measures	X		
12	Record preliminary advice as application in development apps or alternative for reference for future Assessment	X		
13	Relationship meeting with high volume applicants , to identify market trends, seek feedback and work to collaborative solutions	X		
14	Add additional Building engineering Consultant to reduce sole operator key person risk	X		
15	Consideration Planning Compliance to transition reporting line from Manager to Team Leader		X	
16	Consider Planning and Building overflow suppliers at points of attrition and Jan 24 Certificate of Occupancy change	X		
	Total	14	2	

Progress Update

The following tables show the action plan developed to address the recommendations in the table above.

ID	Action	Planned Date	Recommendation		Progress Update	Status
			No	Rating		
1.1	Team to meet and discuss and agree upon internal process and timeframes to create consistency in assessment and decision approach	30/06/2024	1	Medium	Conversation about internal process commenced with engineering, arboriculture and property departments as part of S221 LG permit working party. Agreed timeframes with local heritage consultant established with new contractor. Meetings to be set-up commencing late May but delayed with current recruitment processes.	In progress
1.2	External consultant to assist the Team to navigate this aspect to ensure clear agreement on these aspects	30/06/2024	1	Medium	Discussions have been had around having a departmental planning day with an external consultant to ensure the team are moving in the same direction. This has been on hold for the moment until some vital positions are filled.	In progress
2.1	Leadership and people management training to assist to effectively mentor and manage team members and workflows	30/06/2024	2	Medium	Team Leaders to attend LG Professional training on 15 May 2024 but further training to be investigated following this.	In progress
2.2	Process mapping review to implement efficiencies	30/06/2024	2	Medium	Some aspects of workflow have been identified and mapped for resolution. Continue to work with PlanSA for enhancements.	In progress
3.1	Duty Planner to be office based and to answer calls where practical	30/06/2024	3	High	Actioned 02/08/23	Complete
3.2	Set up of new shared calling system through Teams Calling to be rolled out later in 2023.	30/06/2024	3	High	The Teams phones system implementation in November 2024 has improved efficiency and tracking of duty planner queries.	Complete

ID	Action	Planned Date	Recommendation		Progress Update	Status
			No	Rating		
4.1	Investigate options and understand impact of introduction of IVR to both customer service staff and Development Support staff	30/06/2025	4	Low	Staff have had some discussions with IT regarding whether an IVR system would be the best way to deliver customer service. The new Teams system review will provide further discussion opportunity.	In progress
5.1	Extrapolate data to understand the quantum of referrals to each other business unit and timeframes needed to be met	30/06/2024	5	High	Data Report being worked on in advance of meetings with internal departments late May/June.	In progress
5.2	Business case for additional resource if determined necessary (likely only for Arborist referrals)	30/06/2024	5	High	Scope for additional resources without budget not likely this financial year – delayed to 2025/26 FY	Deferred
6.1	Leadership and people management training for Manager and team leaders	30/06/2024	6	Medium	Team Leaders to attend LG Professional training on 15 May 2024 but further training to be investigated following this.	In progress
6.2	<ul style="list-style-type: none"> Regular feedback including data and detail. Trends to be discussed at regular team meetings One on one meetings if required 	30/06/2024	6	Medium	Trend data included as a standard item in all of team meetings each quarter.	Complete
7.1	Set up of the ESP register has occurred and will be continually updated and monitored for compliance	30/06/2024	7	High	The ESP Register has been created and all existing applications in the PlanSA Portal have been entered into the Register. Approximately 25% of the older ESPs created under the Development Act have been entered into the Register. Action on target for completion by 30/6/24.	In progress
8.1	Agree Council approach to building inspection with incoming need for Council issuance of Certificate of Occupancy	30/06/2024	8	High	Requirement for Certificate of Occupancy for residential developments has been delayed by State Government and implementation now commences from 1 October 2024.	In progress

ID	Action	Planned Date	Recommendation		Progress Update	Status
			No	Rating		
					Analysis has been undertaken on 3 options to cater for this change with a preferred option being the middle position of an additional building inspection on completion for buildings in high bushfire locations to manage risk. This relied on an additional resource of 1 FTE being employed. As per comment in 8.2 now needing to be scoped on existing FTEs and further analysis required to determine the level of inspections based on existing FTEs.	
8.2	Business case has been developed and will be progressed subject to budget being allocated in the LTFP & 24/25 FY budget Additional responsibilities from 1.1.2024 will be managed using a contract resource until budget confirmed	30/06/2024	8	High	No budget allocated in 2024/25 and approach to be scoped on existing FTEs.	Complete
9.1	Review and update Planning compliance workflow to enable recorded activities to better measure effectiveness and experience	30/06/2024	9	Medium	Process reviewed to capture compliance activities relevant to particular properties in existing systems. New CRM is a potential opportunity to better capture and measure compliance activities in a consistent manner with other regulatory functions. Waiting on implementation of new CRM in July 2024 and further analysis of system to determine if CRM an appropriate system for managing planning compliance.	In progress

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9.2	Team Leader to check compliance actions when reviewing applications for allocation	30/06/2024	9	Medium	From December 2023, file allocation process amended to includes this.	Complete
10.1	Regular monitoring of Planning Portal data to identify applications that may require escalation	30/06/2024	10	Medium	Planning Team Leader regularly monitors these matters and provides updates to Manager who determines if escalation needed.	Complete
10.2	Investigate options for processes that could be put in place to capture other outstanding matters for escalation	30/06/2024	10	Medium	Continued discussion with management team in Development Services	In Progress
11.1	Development Support to be trained to pull data into reports for provision to Manager and Team Leaders.	30/06/2024	11	Medium	Team Leader Administration developed trend data reporting and included as a standard item in all of team meetings each quarter.	Complete
11.2	Ongoing Monthly monitoring	30/06/2024	11	Medium	Planning Team Leader and Team Leader Building provides monthly reports to Manager and Director.	Complete
12.1	Develop procedure for file notes from prelim advice meetings to be linked to property file ahead of lodgment of an application	30/06/2024	12	High	New file note and procedure developed and information recorded in Council Records System.	Complete
12.2	Develop procedure for holding of prelim advice meetings including who to attend, recording of information and cross check by Team Leader/Manager at assessment stage	30/06/2024	12	High	New file note and procedure developed and information recorded in Council Records System.	Complete
12.3	Development Support has drafted a template to record pre-app advice which is being stored electronically – will be linked at file allocation stage	30/06/2024	12	High	This is achieved through the completion of 12.1.	Complete

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			No	Rating		
13.1	Create action list of high volume customers	30/06/2024	13	Medium	Shed and verandah manufacturers identified. Other volume customers being identified for further engagement.	In progress
13.2	Develop framework to engage with high volume customers including frequency of contact and information to be shared & discussed	30/06/2024	13	Medium	Initial discussions held with high volume shed and verandah structures manufactures to discuss concerns. Feedback has been received and shared with relevant departments. Other volume customers being identified for further engagement.	Ongoing
14.1	Explore if any options on Vendor Panel that can be utilised on a consultant basis that would eliminate the need for a procurement process if under \$10k spend	30/06/2024	14	Medium	Confirmation received of LGA Supplier Panel list for structural engineering consultants available. 12 consulting engineering firms are available and can be engaged within a 5-day period.	Complete
14.2	Undertake process to appoint additional engineering consultant to approved contractor list	30/06/2024	14	Medium	Not required as procurement staff have advised another consultant can be engaged within a 5 day period through the LGA Supplier Panel.	Complete
15.1	Undertake consultation in relation to best structure to support Compliance Officer and change reporting structure	30/06/2025	15	Low	In interim the team structure has been amended (December 2023) to include three Senior Planner positions that assist with Planning Compliance.	Ongoing
15.2	Review Senior Planner role to provide additional support to Compliance Officer	30/06/2025	15	Low	Undertaken in November 2023	Complete
16.1	Monitor planning & building workload and consider if roles are required to be replaced at point of attrition, this includes cost benefit of using consultants vs staff	30/06/2024	16	High	Since the review the department have had three resignations. The workload taken on by the team since these resignations is well above capacity and it has been determined that the department requires those roles to be filled. Planning have currently engaged a consultant to assist with workloads whilst	Complete

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					recruitment is underway. However, the cost of using a consultant and the inefficiencies involved have determined that having the roles filled is a far more cost-effective and efficient than using consultants.	
16.2	Analysis has been undertaken on 3 options to cater for the Certificate of Occupancy change with a preferred option being the middle position to manage risk and resource appropriately	30/06/2024	16	High	Certificate of Occupancy for residential developments has delayed implementation to 1 October 2024. Analysis has been undertaken on 3 options to cater for this change with a preferred option being the middle position of an additional building inspection on completion for buildings in high bushfire locations to manage risk. This relied on an additional resource of 1 FTE being employed. As per comment in 8.2 now needing to be scoped on existing FTEs and further analysis required to determine the level of inspections based on existing FTEs	Complete