



**Adelaide Hills**  
COUNCIL

**AUDIT COMMITTEE**

**NOTICE OF MEETING**

To: **Presiding Member** Cr Malcolm Herrmann

Members

David Moffatt  
Pamela Lee  
Sarah Beesley  
Deputy Mayor Melanie Selwood

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

**Monday 19 August 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.

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

Greg Georgopoulos  
Chief Executive Officer



## AUDIT COMMITTEE

**AGENDA FOR MEETING**  
**Monday 19 August 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 – 20 May 2024

*That the minutes of the Audit Committee meeting held on Monday 20 May 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. QUESTION ON NOTICE**

**7.1 Purchase Cards – Cr Malcolm Herrmann**

*1. How many cards are on issue to staff and Elected members?*

The number of cards issued to staff (49) and EMs (0)

*2. What is the lowest classification of the staff to whom Purchase Cards have been issued?*

The lowest classification is GO3.3.

*3. For the year 2023/24, what was the estimated value of transactions conducted by the use of Purchase Cards?*

The total value of transactions by the use of purchase cards for financial year 2023-24 is \$440,952.15.

*4. For the year 2023/24, how many transactions were conducted by way of Purchase Cards? (if information is readily available)*

The number of transactions by purchase card for financial year 2023-24 is 2,275.

*5. What internal controls are in place to ensure correct use?*

If a staff member requires a credit card for materials and services for Council business, the staff member needs to complete and sign, with approval from their people leader, a request for a new purchase card and also a NAB Corporate Card (Add a Cardholder Request) form. The staff member will then need to provide 100 points worth of identification and show this to the Verifying Officer in Finance. Once this has been done the card can be ordered.

All cardholders are provided with instructions on how to use flexipurchase (Cardholders guide) and the "AHC Purchase Card Procedure" when they receive their card. It is the cardholder's responsibility to ensure they use their card correctly.

Each item of expenditure must be coded, and an appropriate tax invoice or other supporting documentation provided by the cardholder during the monthly reconciliation of their credit card. All expenditure is then reviewed and approved by the cardholders Manager. Managers may request additional supporting

documentation through flexipurchase which has the functionality to allow managers to query a transaction.

Finance also reviews all purchases once the manager has approved the cardholders' transactions. This is to ensure we can claim back the GST as part of our BAS lodgement. Finance will also review the larger purchases and ensure receipts have been appropriately attached. Incorrect uses of the card will be advised back to the cardholder.

AHC uses "Flexipurchase" a credit card management tool operated through the NAB.

If a personal transaction is incorrectly made, the cardholder must submit a form "Declaration of Personal Purchase" which is attached in flexipurchase to the transaction. The cardholder is then responsible for reimbursing Council. Finance will periodically check to ensure repayments are being made.

If a receipt is lost or not provided, the cardholder must submit a form "Declaration of Lost Corporate Card Purchase Invoice" which is attached in flexipurchase to the transaction.

The Accounts Payable Officer and Team Leader Finance are Administrators and can lock/cancel a card at any stage if there is any misuse of a purchase card.

It should be noted that expenditure on purchase cards can be attributed to a staff member with detailed information with regards to the transactions being easily available. The use of credit cards is an efficient and controllable method for procurement of materials and services for Council business.

*6. Is the CEO satisfied that the internal controls in place are sufficient to ensure misuse does not occur?*

Currently, the CEO is satisfied with the internal controls.

Council's internal controls are compliant with those set out in the 'Better Practice Model – Model – Internal Financial Controls' which is prescribed in the Local Government Act 1999. These are subject to annual audit by Councils appointed auditors. The Auditors findings with regards to the internal controls are reported to the Audit Committee on an annual basis for their review.

However, it is important to review all internal controls to ensure that they remain both effective and relevant. Any advice on this matter that the Audit Committee has will be considered promptly.

*7. What role does the external Auditor play in scrutiny of the use of Purchase Cards?*

As noted above, Council's appointed Auditors audit the internal controls on an annual basis.

With regards to the external audit of the financial statements, credit cards are not automatically reviewed. A credit card transaction may come up in their sample testing of expenditure over the entire organisation with supporting documentation then provided from the Accounts Payable team.

## 8. PRESENTATIONS, ACTION REPORT & WORKPLAN

### 8.1 Risk Presentation

#### 8.1.1. Infrastructure and Environment Directorate Risk Profile Presentation

### 8.2 Action Report and Work Plan Update

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

## 9. OFFICER REPORTS

### 9.1 End of Financial Year Update – **Late Report**

### 9.2. Interim Audit Management Letter

1. *That the report be received and noted*
2. *Notes the communication received from BDO Audit from their Interim visit relating to the 2023-24 Annual Financial Statement and Internal Financial Control Audits and the Management Responses to their findings from the Interim Audit, as contained in Appendix 1.*

### 9.3. Debtors Report – 30 June 2024

*That the report be received and noted.*

### 9.4. Placement of Council's Insurance Portfolio – 2024-25

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

### 9.5. Audit Actions Implementation Update

1. *That the report be received and noted*
2. *To note the implementation status of Internal and External Audit actions.*

9.6. Quarterly Risk Management Report

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

9.7. Risk Management and Audit Review Plan

*That the report be received and noted.*

**10. QUESTIONS WITHOUT NOTICE**

**11. CONFIDENTIAL ITEMS**

11.1 Financial Management Council Report

**12. NEXT MEETING**

The next Audit Committee meeting will be held at 6.00pm on 14 October 2024 at 63 Mount Barker Road, Stirling.

**13. CLOSE MEETING**

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# **Minutes of Audit Committee**

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**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 20 MAY 2024  
63 MT BARKER ROAD STIRLING**

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**In Attendance**

**Members:**

Cr Malcolm Herrmann	Presiding Member
David Moffatt	Independent Member – attended online
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
Zoë Gill	Governance and Performance Coordinator
Skye Ludzay	Minute Secretary
Tom Portas	IT Support
Kira-marie Laverty	Corporate Planning & Performance Coordinator

**1. COMMENCEMENT**

The meeting commenced at 6.01pm.

**1.1. Acknowledgement of Country**

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

**2. APOLOGIES/LEAVE OF ABSENCE**

**2.1. Apology**

Sarah Beesley

**2.2. Leave of Absence**

Nil

**2.3. Absent**

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Presiding Member \_\_\_\_\_ 19 August 2024



**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 20 MAY 2024  
63 MT BARKER ROAD STIRLING**

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**3. MINUTES OF PREVIOUS MEETINGS**

**3.1. Audit Committee Meeting – 15 April 2024**

Moved Pamela Lee  
S/- David Moffatt

AC19/24

That the minutes of the Audit Committee meeting held on 15 April 2024 as supplied, be confirmed as an accurate record of the proceedings of that meeting.

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

- Council approved the 2024/25 Annual Business Plan at its meeting on 14 May 2024. Council considered the report from the Audit Committee in reaching its decision. To retain the approved Operating surplus ratio of between 1% to 5%, I unsuccessfully moved (against the staff recommendation) to adopt a surplus of \$654k which would have achieved the desired result. The rate rise would have been 6.42%. In the end, Council adopted a rate rise of 5.78% resulting in a surplus of \$365k which is 0.56% and outside the approved range. Both resolutions were NOT unanimous. Consultation closes on 11 June 2024.
- On the Audit Committee's recommendation, Council referred the Local Government Income Protection Fund report to the CEO for consideration with the next Enterprise Development agreement.
- The filling of the vacancy of the Director Corporate Service role has progressed
- Skye Ludzay is currently in the governance and risk officer role

**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) 7.1, 8.1, 8.2, 8.3, 8.4 and 8.5 are to be submitted to Council for consideration.

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

Nil

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 20 MAY 2024  
63 MT BARKER ROAD STIRLING**

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

**7.1. Action Report and Work Plan Update**

Moved David Moffatt  
S/- Pamela Lee

AC20/24

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.

<b>Carried Unanimously</b>
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**8. OFFICER REPORTS – DECISION ITEMS**

Cr Melanie Selwood attended the meeting at 6.13pm.

**8.1. Budget Review 3**

Moved Cr Malcolm Herrmann  
S/- Pamela Lee

AC21/24

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. A 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. The following proposed financial sustainability indicators:
    - 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%)
3. To recommend to Council that the CEO continues to investigate means of returning the 2023/24 budget Operating Surplus to the approved range of 1% to 5%.

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 20 MAY 2024  
63 MT BARKER ROAD STIRLING**

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4. To recommend to Council that, in view of the works in progress write offs of \$632k over the past three (3) financial years, the CEO undertakes a review of the controls and processes for accounting for works in progress.

**Carried Unanimously**

**8.2. End of Financial Year Reporting Timetable**

Moved David Moffatt  
S/- Cr Melanie Selwood

**AC22/24**

That the End of Financial Year Reporting Timetable be received and noted.

**Carried Unanimously**

**8.3. Internal Financial Controls Update**

Moved David Moffatt  
S/- Pamela Lee

**AC23/24**

1. That the Internal Financial Controls Update report be received and noted.
2. To note the further developments and improvements that have been made to Council's internal controls environment.
3. Request the CEO to prepare a remediation plan for controls rated three (3) or lower by either the reviewer or the assessor.

**Carried Unanimously**

**8.4. Public Interest Disclosure Arrangements and Compliance**

Moved Pamela Lee  
S/- Cr Melanie Selwood

**AC24/24**

The Audit Committee resolves that the Public Interest Disclosure Arrangements and Compliance report be received and notes that there have been no Public Interest disclosures made since May 2023.

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
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**Carried Unanimously**

**8.5. Service Review Biannual Report**

Moved Pamela Lee  
S/- David Moffatt

**AC25/24**

**The Audit Committee resolves that the Service Review Biannual Report be received and notes that:**

- 1. When next reported original dates will be revised if they have not been achieved together with an explanation.**
- 2. That the risk management plan be reviewed when the organisation wide service review occurs.**

**Carried Unanimously**

**9. QUESTIONS WITHOUT NOTICE**

- Cr Melanie Selwood – Requested if there is a plan to review accepted financial sustainability targets in the near future?

**10. CONFIDENTIAL ITEMS**

Nil

**11. NEXT MEETING**

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

**12. CLOSE MEETING**

The meeting closed at 7.20pm.

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## **Questions on Notice**

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

**Item:** 7.1 Question on Notice

**Originating from:** Cr Malcolm Herrmann

**Subject:** Purchase Cards

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**1. QUESTION**

1. How many cards are on issue to staff and Elected members?
2. What is the lowest classification of the staff to whom Purchase Cards have been issued?
3. For the year 2023/24, what was the estimated value of transactions conducted by the use of Purchase Cards?
4. For the year 2023/24, how many transactions were conducted by way of Purchase Cards? (if information is readily available)
5. What internal controls are in place to ensure correct use?
6. Is the CEO satisfied that the internal controls in place are sufficient to ensure misuse does not occur?
7. What role does the external Auditor play in scrutiny of the use of Purchase Cards?

**BACKGROUND**

There is wide community interest on how council manages the use of Purchase Cards

**2. OFFICER'S RESPONSE – Gary Lewis, Director of Corporate Services**

**1. How many cards are on issue to staff and Elected members?**

The number of cards issued to staff (49) and EMs (0)

**2. What is the lowest classification of the staff to whom Purchase Cards have been issued?**

The lowest classification is GO3.3.

**3. For the year 2023/24, what was the estimated value of transactions conducted by the use of Purchase Cards?**

The total value of transactions by the use of purchase cards for financial year 2023-24 is \$440,952.15.

**4. For the year 2023/24, how many transactions were conducted by way of Purchase Cards? (if information is readily available)**

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**5. What internal controls are in place to ensure correct use?**

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The Accounts Payable Officer and Team Leader Finance are Administrators and can lock/cancel a card at any stage if there is any misuse of a purchase card.

It should be noted that expenditure on purchase cards can be attributed to a staff member with detailed information with regards to the transactions being easily available. The use of credit cards is an efficient and controllable method for procurement of materials and services for Council business.

**6. Is the CEO satisfied that the internal controls in place are sufficient to ensure misuse does not occur?**

Currently, the CEO is satisfied with the internal controls.

Council's internal controls are compliant with those set out in the 'Better Practice Model – Model – Internal Financial Controls' which is prescribed in the *Local Government Act 1999*. These are subject to annual audit by Councils appointed auditors. The Auditors

findings with regards to the internal controls are reported to the Audit Committee on an annual basis for their review.

However, it is important to review all internal controls to ensure that they remain both effective and relevant. Any advice on this matter that the Audit Committee has will be considered promptly.

**7. What role does the external Auditor play in scrutiny of the use of Purchase Cards?**

As noted above, Council's appointed Auditors audit the internal controls on an annual basis.

With regards to the external audit of the financial statements, credit cards are not automatically reviewed. A credit card transaction may come up in their sample testing of expenditure over the entire organisation with supporting documentation then provided from the Accounts Payable team.



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

**Item:** 8.2

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

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

**For:** Decision

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**SUMMARY**

A formal Audit Committee Action Report is maintained to record the items requiring ‘actioning’ that result from each of the Audit Committee meetings. 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 Report be received and noted.
  2. That the 2024 Action Report, August 2024, be noted.
  3. That the 2024 Work Plan and Reporting Schedule be adopted.
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**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

There is a community expectation that the audit committee monitors actions resulting from their resolutions and establishes a work plan.

### ➤ 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 seven 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.

Item	Commentary	Month Scheduled
<b>Financial Reporting</b>		
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		May
End of Year Financial Report		November
End of financial year reporting timetable		May
End of financial year update	Included in this meeting	August
Final Annual Financial Statements (incl management representation letter)		October
<b>Internal Control and Risk Management</b>		
Placement of Council’s insurance portfolio (for noting)	Included in this meeting	August
Internal Financial Controls update		May
Quarterly Risk Management Report	Included in this report	February/ August/November
Results of LGRS Risk Management Review		February (Biennial)
LGRS Risk Evaluation - Action Plan Review	Deferred as LGRS conducting Risk Profiling assessment in Sept/Oct	May/November

Item	Commentary	Month Scheduled
<b>Internal Audit</b>		
Internal Audit quarterly update		February/May/ October/November
Internal audit reports	Deferred to 2025. Review of existing internal audit and new requirements to occur upon additional resource commences.	As Required
Implementation of internal audit actions progress report	Included in this meeting	February/August
Internal Audit Plan review		November
<b>External Audit</b>		
External audit interim letter	Included in this meeting	August
Implementation of external audit actions progress report	Included in this meeting	February/August
External Audit Plan review		April
Meeting attendance by external auditors		April/October
Review of auditor independence and legislative compliance		October
Audit Committee Completion Report		October/November
<b>Public Interest Disclosure</b>		
Public Interest Disclosure Policy review (replaces Whistle-blowers)		April
Public Interest Disclosure Arrangements and Compliance		May
<b>Service Review</b>		
Service Review Brief		November
Service Review Report		November
Implementation of service review actions progress report	Deferred to October	April/August
<b>Other Business</b>		
Audit Committee self-assessment review		November
Presiding Member's Report		November
Work Plan and Reporting Schedule		November
Audit Committee Meeting Dates		November
Debtors Report	Included in this meeting	February/August
Council's Annual Report		November
Action Report & Work Plan Update	Included in this meeting	All Meetings
Audit Committee Terms of Reference		October

Item	Commentary	Month Scheduled
Climate Change Adaptation Governance Assessment Report -		October
Quarterly Performance Reports	Deferred to October	February/April/ August/October
Directorate Risk Profile Presentation	Included in this meeting	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, August 2024
2. 2024 Work Plan and Reporting Schedule

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# **Appendix 1**

*Audit Committee Action Report, August 2024*

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## Action Report - 19 August 2024

Meeting Date	Meeting	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	Audit Committee	AC43/23	Local Government Income Protection Fund	Nil	I move that the CEO investigates the operation of the Local Government Income Protection Fund (LGIPF) and provides a report to the February 2024 Audit Committee meeting. Among other topics which the CEO may identify, the report should address the following points between 2019/2020 and 2023/2024: 1. When did the LGIPF commence; 2. Was it part of an Enterprise Bargaining Agreement process at the time; 3. The premiums paid; 4. The number of claims lodged; 5. The number of claims approved; 6. The amount paid to employees under the provisions of the Plan; 7. The eligibility criteria; 8. The value for money of the Fund to both the council (as the employer) and employees; 9. Whether this form of benefit is common within the SA Public Service, the Local Government Sector, neighboring councils and/or the Group 2 councils; 10. Whether there are alternatives to the current arrangements; 11. If changes are to be considered, whether such changes could be incorporated into the next Enterprise Development Agreement.	Ashley Curtis	Kira-Marie Lavery	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	Audit Committee	AC39/23	Development Services Service Review - Implementation Plan	Nil	1. That the report be received and noted. 2. To receive and note the Management Review and Action Plan in response to the Service Review 2022-23 – Development Services, as contained in Appendix 4. 3. To note that that the implementation status of the agreed actions will be reported to Audit Committee and Council on a biannual basis, nominally March and August.	Jess Charlton	Deryn Atkinson	In Progress	3/06/2024	30/09/2024	Implementation of Action Plan in progress - immediate actions completed.  Biannual Report presented to Audit Committee and Council at May meeting.
12/02/2024	Audit Committee	AC3/24	Amy Gillett Bikeway Stage 4 Prudential Review	Cr M Selwood - General COI	Refer confidential minute	David Waters	David Collins	Completed	6/08/2024	31/05/2024	Prudential review completed and presented to Council. All agreements signed. NVC Vegetation clearance approved. Final construction estimates completed.
19/02/2024	Audit Committee	AC7/24	Local Government Income Protection Fund (LGIPF) Report	Nil	1. That the report on the Local Government Association Income Protection Fund be received and noted. 2. 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 Lavery	Completed	14/05/2024	31/05/2024	The report was presented to Council at the 23/4/24
19/02/2024	Audit Committee	AC7/24	Adelaide Hills Council Budget Review 2	Nil	1. That the report on the 2023/24 Budget Review 2 be received and noted. 2. To recommend to Council the proposed budget adjustments presented in Budget Review 2 which result in: a. A change to the Operating Surplus from of \$558,000 to an Operating Deficit of \$87,000 for the 2023-24 financial year. b. The Operating Surplus ratio of -0.2%, lies outside the approved range of 1.0% to 5.0%. c. 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. d. Net Borrowing Result for the 2023-24 financial year being reduced by \$1.3m from \$10.4m to \$9.1m. e. The Operating Surplus Ratio using the underlying surplus method of 1.7% lies within the approved range of between 1% and 5%. f. The Net Financial Liabilities Ratio of 62% lies within the approved range of 25% to 75%. g. 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. 3. 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	Audit Committee	AC12/24	Risk Management and Audit Review	Nil	1. That the report on Risk Management and Audit Review be received and noted. 2. 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	12/08/2024	9/08/2024	LGRS have been engaged to assist Council in reviewing their risk management processes.  High level process presented to Audit Committee on 20 May 24.  First meeting with ELT was 16 July 2024.
15/04/2024	Audit Committee	AC15/24	2023-24 External Audit Plan	Nil	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.	Gary Lewis	Gary Lewis	Completed	16/07/2024	31/05/2024	Report going to Council on 23 July 2024 to recommend approval of the 2023-24 External Audit Plan by BDO Audit Pty Ltd.

## Action Report - 19 August 2024

Meeting Date	Meeting	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)
15/04/2024	Audit Committee	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"> <li>That the report on the Annual Business Plan 2024-25 Draft for Consultation be received and noted.</li> <li>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.</li> <li>That the draft ABP go to community consultation, noting this results in               <ol style="list-style-type: none"> <li>an Operating Deficit ratio of 0.85% (outside the approved target range of 1% to 5% surplus),</li> <li>a Net Financial Liabilities ratio of 57% (within the approved target range of 25% to 75%) and</li> <li>an Asset Sustainability Ratio of 100% (within the approved target range of 95% to 100%)</li> </ol> </li> <li>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.</li> <li>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.</li> </ol> <p>Or</p> <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"> <li>That the Council notes that the Committee has reviewed the draft <i>Annual Business Plan 2024-25</i> (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.</li> <li>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"> <li>Increasing Rates by inflation (CPI + 0.4%) and an additional 1%</li> </ol> </li> </ol> <p>Or</p> <ol style="list-style-type: none"> <li>A combination of               <ol style="list-style-type: none"> <li>Removal of operating projects and</li> <li>Increasing rates</li> </ol> </li> </ol> <p>Such that a break-even operating result is achieved.</p> <p>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</p>	Ashley Curtis	Kira-Marie Lavery	Completed	14/05/2024	31/05/2024	Completed at workshop 6 May 2024
20/05/2024	Audit Committee	AC21/24	Budget Review 3	Nil	<ol style="list-style-type: none"> <li>That the report be received and noted.</li> <li>To recommend to Council the proposed budget adjustments presented in Budget Review 3 which result in:               <ol style="list-style-type: none"> <li>A decrease in the Operating Surplus from \$571k to \$473k for the 2023-24 financial year.</li> <li>A reduction to the capital expenditure budget for 2023-24 of \$3.05m bringing the total budget to \$21.9m.</li> <li>Proposed financial sustainability indicators:                   <ol style="list-style-type: none"> <li>Operating Surplus Ratio 0.8% (Target 1% to 5%)</li> <li>Net Financial Liabilities Ratio 50% (Target 25% to 75%)</li> <li>Asset Renewal Funding Ratio 111% (Target 95% to 105%)</li> </ol> </li> </ol> </li> <li>To recommend to Council that the CEO continues to investigate means of returning the 2023/24 budget Operating Surplus to the approved range of 1% to 5%.</li> <li>To recommend to Council that, in view of the work in progress write offs of \$632k over the past three (3) financial years, the CEO undertakes a review of the controls and processes for accounting for works in progress.</li> </ol>	Ashley Curtis	Gary Lewis	Completed	21/05/2024	31/12/2024	Budget Review was adopted on 28/05/2024.
20/05/2024	Audit Committee	AC23/24	Internal Financial Controls Update	Nil	<ol style="list-style-type: none"> <li>That the Internal Financial Controls report be received and noted.</li> <li>To note the further developments and improvements that have been made to Council's internal controls environment.</li> <li>Request the CEO to prepare a remediation plan for controls rated three (3) or lower by either the reviewer or the assessor.</li> </ol>	Gary Lewis	Gary Lewis	In Progress	16/07/2024	31/12/2024	Actions pending the appointment of new Manager Financial Services.
20/05/2024	Audit Committee	AC24/24	Public Interest Disclosure Arrangements and Compliance	Nil	<p>The Audit Committee resolves that the Public Interest Disclosure Arrangements and Compliance report be received and notes that there have been no Public Interest disclosures made since May 2023.</p>	Greg Georgopoulos	Skye Ludzay	In Progress	5/08/2024	31/12/2024	PID Training completed by staff PID Policy review delayed until new policy staff member is recruited.



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## **Appendix 2**

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

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**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
2024 Work Plan and Reporting Schedule**

Terms of Reference		
Financial Reporting & Prudential Requirements	Long Term Financial Plan (LTFP) (Finance)	Annual
	Annual Business Plan (Performance)	Annual
	Budget Review 1 (Finance)	Annual
	Budget Review 2 (Finance)	Annual
	Budget Review 3 (Finance)	Annual
	End of Year Financial Report (Finance)	Annual
	End of financial year reporting timetable (Finance)	Annual
	End of financial year update (Finance)	Annual
	Final Annual Financial Statements (incl management representation letter) (Finance)	Annual
Internal Control and Risk Management	Placement of Council's insurance portfolio (for noting) (Finance)	Annual
	Internal Financial Controls update (Finance)	Annual
	Risk Management Plan Update (Governance)	Quarterly
	LGRS Risk Evaluation - Results (Governance)	Biennial
	LGRS Risk Evaluation - Action Plan Review (Governance)	Bi-annual
Internal Audit	Internal Audit quarterly update (Finance)	Quarterly
	Internal audit reports (Finance)	As required
	Implementation of internal audit actions progress report (Governance)	Bi-annual
	Internal Audit Plan review (Governance)	Annual
External Audit	External audit interim letter (Finance)	Bi-annual
	Implementation of external audit actions progress report (Finance)	Bi-annual
	External Audit Plan review (Finance)	Annual
	Meeting attendance by external auditors (Finance)	Annual
	Review of auditor independence and legislative compliance (Finance)	Annual
	Audit Completion Report (Finance)	Annual
Public Interest Disclosure	Public Interest Disclosure Policy review (replaces Whistleblowers) (Governance)	Triennial
	Public Interest Disclosure Arrangements and Compliance (Governance)	Annual
Service Review	Service Review Brief (Governance)	Annual
	Service Review Report (Governance)	Annual
	Implementation of service review actions progress report (Performance)	Annual
Other Business	Audit Committee self assessment review (Audit Committee)	Annual
	Presiding Member's Report (Presiding Member)	Annual
	Work Plan and Reporting Schedule (Governance)	Annual
	Audit Committee Meeting Dates (Governance)	Annual
	Debtors Report (Finance)	Bi-annual
	Council's Annual Report (Performance)	Annual
	Action Report & Work Plan Update (Governance)	All Mtgs
	Audit Committee's Terms of Reference (Governance)	Annual
	Climate Change Adaptation Governance Assessment Report - July 2019 (Governance)	Bi-annual
	Quarterly Performance Report (Performance)	Quarterly
	Directorate Risk Profile Presentation (Each Directorate)	Quarterly
	Other Reports	As required
	Version Control:	V1.0 - Draft December 2023

2024					
Feb	April	May	Aug	Oct	Nov
	Draft				
					2024-2025
2023-2024					
		2023-2024			2024-2025
		2023-2024			
			2023-2024		
				2023-2024	
			Carried over from May meeting		
		verbal	Letter		
				in camera	
				draft	final
Q2 (pre-Council)	Q3 (pre-Council)		Deferred to October meeting	Q1 (pre-Council)	
Community and Development as required	as required	as required	Environment and Infrastructure as required	as required	Corporate Services as required

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# **Administration Reports**

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

**Item:** 9.1

**Responsible Officer:** Gary Lewis  
Director  
Corporate Services

**Subject:** End of Financial Year Update

**For:** Information

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**SUMMARY**

This report provides the Audit Committee with an update of Council's preliminary Operating Result before Capital for the 2023-24 financial year and the status of the preparatory work for the end of year audit. It also includes an update on Capital Works and Borrowings as of 30 June 2024.

This is a preliminary report with all financial figures still to be audited by BDO which will commence Monday 16 September 2024.

The preliminary year end operating position for 2023-24 is an operating deficit of \$4.863m which is \$5.422m unfavourable compared to the Q3 budget of \$559k favourable.

This unfavourable variance consists of reduced revenue of \$1.732m and increased expenditure of \$4.093m.

Capital expenditure as of 30 June 2024 is \$17.988m which is \$3.901m less than the Q3 budget of \$21.890m. The adopted capital budget for 2023-24 was \$28.512m including carry forwards of \$6.115m (June adoption meeting) and \$4.430m (Aug 2024 BRO). There is a recommended carried forward capital budget of \$1,768,059.

It should be noted that further changes to Council's financial results will occur following the finalisation of Council's statutory accounts and subsequent audit. The finalisation of the accounts will address matters still outstanding which include the accounting for Council's subsidiaries' results and asset revaluation adjustments. However, these adjustments are not expected to change materially the end of year operating position.

The Administration presented an End of Financial Year reporting timetable to the Audit Committee on 20 May 2024 and remains confident that all significant preparatory work will be completed in advance of the final audit visit by BDO scheduled for mid-September 2024.

## **RECOMMENDATION**

**That the Audit Committee recommends to Council**

**That Council**

- 1. Notes the 2023-24 preliminary financial position as presented which include:**
    - 1.1 Total operating income of \$55.289m (budget \$57.021m)**
    - 1.2 Total operating expenditure of \$61.152m (budget \$56.462m)**
    - 1.3 An operating deficit of \$4.863m (budget \$559k surplus)**
      - 1.3.1 That this represents an operating deficit ratio of 8.8%**
    - 1.4 Capital works program expenditure of \$17.988 (budget of \$21.890m)**
  - 2. Notes the results presented are subject to external audit review and are subject to change.**
  - 3. Notes the capital works update.**
  - 4. Notes the capital carry forwards.**
- 

## **1. BACKGROUND**

Council's preparation of the Annual General Purpose Financial Reports on a timely basis is affected by, but not limited to:

- external audit timelines
- resourcing, both internal and external
- Infrastructure assets validation

A timetable has been prepared to document and streamline the end of year progress during July and August, and the confirmed final audit visit commencing on 16 September 2024.

In relation to the 2023-24 financial statements, it is currently proposed that a Preliminary End of Year Financial Results and Carry Forwards Report will be tabled to Council at its 27 August 2024 meeting.

As the report provides Council with a preliminary view of Council's financial performance to budget for the year ended 30 June 2024, it was considered appropriate as part of this update to provide the Audit Committee with the Preliminary End of Year Financial Results and commentary given the timing of the Audit Committee Meeting.

## **2. ANALYSIS**

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

*Strategic Plan 2020-24 – A brighter future*

Goal 5	A Progressive Organisation
Objective 05	We are accountable, informed, and make decisions in the best interests of the whole community.
Priority 05.2	Make evidence-based decisions and prudently assess the risks and opportunities to our community before acting.
Priority 05.3	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 (LGA)*, and the *Local Government (Financial Management) Regulations 2011*.

Chapter 8, Part 3, Division 3 – Financial Statements and Division 4 – Audit, LGA 1999 and Part 4 – Financial Statements, *Local Government (Financial Management) Regulations 2011*.

➤ **Risk Management Implications**

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

The completion of 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)

➤ **Financial and Resource Implications**

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

Council's Operating Result for 2023-24 has been significantly impacted by four factors which are not reflective of Councils operating performance in 2023-24. These are explained below.

Federal Assistance Grants

Council had budgeted to receive \$1.710m in Federal Assistance Grants (FAG) and Local Roads Grants (LRG) during 2023-24. In the past, these funds have been paid to Council in advance in late June, however the monies were not received until July 2024. These are accounted for at the date the monies are received which in this case is financial year 2024/25.

### Depreciation

During the initial years of COVID, the Council adopted a conservative approach to asset valuations, considering the potential long-term impacts of fluctuating asset prices. This cautious stance was intended to manage uncertainty, but as many have noticed, the costs associated with infrastructure have surged significantly in the past three years. Industry-wide revaluations, including our own building assets, have increased by over 50%.

Considering these dramatic increases, council have reviewed the asset valuations and recognised that the earlier, conservative assumptions did not fully account for the significant rise in infrastructure costs. As a result, our approach has been adjusted to more accurately reflect current market conditions.

Asset values have been updated using the Producer Price Index for June 2023, which showed a 13.7% increase. Additionally, an extra 8% adjustment was included to compensate for the missed updates from the previous years. We are now confident that our asset valuations are more in line with the true cost of infrastructure today.

The impact of this change has been an increase in depreciation expense of \$860k above budget.

### Work in Progress (WIP)

Council has significant write-off from WIP of capital expenditure in 2023-24. WIP are written off where uncompleted projects are no longer considered to be capital in nature. That is, they do not result in Council having an asset (tangible or intangible) that provides service or other benefits to the community over time.

A significant part of this write-off, (\$498k) is associated with various Information and Communication Technology (ICT) projects that are hosted by an external third party or via the cloud. Under the accounting standards these projects are classified as SAAS (software as a service) products and are always recognised as operating expenditure.

Another \$187k of the write-off can be attributed to the development of the Crafers, Stirling, Aldgate and Bridgewater stormwater management plans. This expenditure is planning in nature only with no specific decision to undertake or deliver an asset. The expenditure is therefore operating.

The impact of the write-off for 2023-24 is \$752k. There are additional amounts written off that do not impact the operating statement.

### Capitalisation of Payroll

As a result of limitations in Councils payroll/finance systems the allocation of payroll costs to capital projects has been based on role specific assumptions. Analysis performed on prior years reports identified a likely over estimation of these costs. A high-level review comparing the proportion of capital expenditure allocated to capital projects with that of other Councils supported this analysis. This was followed by a review of the detailed assumptions underpinning the allocation which returned a similar conclusion.

Resolution of this requires records to be maintained throughout the year that provides detailed information on the allocation of employee time worked on projects. This will be done during 2024-25 using additional timesheets.

However, for 2023-24 in the absence of similar information being available, a revised assumption needs to be applied. This is currently based on an assessment of the original role-based assumptions with a basis of current practice and activities. While the result is more comparable with peer Councils it should be noted that in the absence of observational data it remains an assumption. The impact of this reassessment is \$1.2m of additional expenditure that would previously have been capitalised.

➤ **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**

**Overall Preliminary Result compared to budget.**

<b>\$'000</b>	<b>Actual 2023-24 \$'000</b>	<b>Budget 2023-24 \$'000</b>	<b>Variance Fav/(Unfav) \$'000</b>
Operating income	55,289	57,021	(1,732)
Operating expenditure	60,152	56,462	(3,690)
<b>Operating Deficit before Capital</b>	<b>(4,863)</b>	<b>559</b>	<b>(5,422)</b>

Council's preliminary Operating Deficit before Capital as of 30 June 2024 was \$4.863m which is \$5.422m unfavourable to budget.

This preliminary result is largely driven by:

- the delayed receipt of \$904k of Financial Assistance Grants and \$806k in Local Road Grants that have previously been received in advance in June. The funds were received in July 2024 and will be recognised as income in the 2024-25 financial year. This had an unfavourable impact on Council's Operating result against budget of \$1.710m.



- a transfer of \$752k in unbudgeted expenditure from capital to operating (including historical balances) following a detailed review of all Work in Progress (WIP) accounts. These funds were previously included in capital budgets.
- A reduction in employee costs against budget of approximately \$800k due to vacancy savings during the year offset by unbudgeted expenditure on contract labour of \$600k and salary costs that were not capitalised at end of year following a review of project delivery totalling \$1.200m.
- Uplift of \$185k in annual leave expense and \$20k for long service leave expense for growth in leave liabilities which also impacted by the 8.15% EDA.
- An increase in depreciation expense of \$860k due to the adjustment of indexation of asset values from prior years to align with current infrastructure costs.
- Higher than anticipated interest rates on council borrowings resulting in an increase in interest expense of \$176k more than budget. Council borrowings were also \$1.563m higher than budget.
- An increase in the provision for remediation and monitoring of landfill sites of \$117k following a review of anticipated future expenditure requirements.

Further changes to Council's financial results will occur following the finalisation of Council's statutory accounts and subsequent audit. Finalisation of the accounts will address such matters as:

- accounting for Council's subsidiaries' results.
- Asset revaluations

### **Net Borrowings Position**

Excluding leases, borrowings on 30 June 2024 were \$22.3m, represented by three (3) LGFA Cash Advance Debenture facilities totalling \$14.3m and a short-term drawdown facility with Westpac, drawn down to \$8.0m at year end.

<b>\$'000</b>	<b>Actual June 24 \$'000</b>	<b>Budget June 24 \$'000</b>	<b>Variance \$'000</b>
<b>Cash &amp; Investments</b>	<b>534</b>	<b>489</b>	<b>45</b>
<b>Short term drawdown</b>	<b>(8,096)</b>	<b>(6,974)</b>	<b>(1,122)</b>
<b>Fixed Term Loans</b>	<b>(14,268)</b>	<b>(13,782)</b>	<b>(486)</b>
<b>Total Borrowings</b>	<b>(22,364)</b>	<b>(20,756)</b>	<b>(1,608)</b>
<b>Net Position</b>	<b>(21,830)</b>	<b>(20,267)</b>	<b>(1,563)</b>

### **Overall Capital Result**

<b>\$'000</b>	<b>Actual 2023-24 \$'000</b>	<b>Budget 2023-24 \$'000</b>	<b>Variance Fav/(Unfav) \$'000</b>
Capital Income	4,423	4,751	(328)
Capital Expenditure	17,988	21,890	(3,902)
<b>Net expenditure - Capital projects</b>	<b>13,565</b>	<b>17,138</b>	<b>3,574</b>

The preliminary results show a capital spend of \$17.988m against a budget of \$21.890m. The 2023-24 capital works program consisted of:

New and upgrade expenditure \$8.001m  
Renewal expenditure \$9.987m.

### **Capital Program Review**

Following the completion of the carried forwards adjustments from 2022-23 into 2023-24 budgets the capital works program reached a peak value of \$28.54m. This compared to an historical peak delivery of \$17.17m. The review of this program has culminated with a revised and substantially delivered program as outlined above.

The \$1.768m of capital budget that needs to be carried forward into 2024-25 is made up of \$0.494k for renewal and \$1.274m in new capital projects. These values reflect the relative efficiencies versus challenges in delivering the two categories of programs.

The success of Capital Review Program is a necessary and foundational piece of work for the development of the new Long Term Financial Plan.

### **Other Year End Matters**

Further changes to Council's financial results will occur following the finalisation of Council's statutory accounts and subsequent audit.

Other specific matters currently being worked through as part of the year end process include:

- Final review to ensure all grants have been accounted for in accordance with AASB 1058 Income of Not-for-Profit Entities and AAS 15 Revenue from Contracts with Customers.
- subsidiary results and the calculation of equity share for these investments.
- finalisation of asset revaluations, including land.

## **3. OPTIONS**

The Audit Committee has the following options:

- I. To note the report as prepared.

- II. To make additional comments or suggestions for Financial Services staff to consider as part of finalising the 2023-24 financial statements.
- III. To make additional comments or suggestions for the consideration of the Elected Members.

**4. APPENDIX**

- (1) Capital Works update and carry forwards

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# **Appendix 1**

*Capital Works update and carry forwards*

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**ADELAIDE HILLS COUNCIL  
CAPITAL WORKS PROGRAM  
PROPOSED 2023-24 CARRY FORWARDS**

Project description	23/24 Actual	23/24 Budget	Proposed Carry Forward	Asset Category	Comments	Asset Classification
Cemetery Signage - New	\$ 14,072	\$ 24,580	\$ 10,508	Cemeteries	WIP. An 'in progress' signage project that will need the remaining Capital monies carried over. A progress invoice has been paid, but the final invoice won't be generated before end of June.	New
Cemetery Signage - Renewal	\$ 12,328	\$ 26,720	\$ 14,392	Cemeteries	As above.	Renewal
Blackspot - Warren/Lucky Hit/ Martin Hill Roads	\$ 579,480	\$ 661,000	\$ 81,520	Roads	WIP. Construction of this intersection upgrade project is well progressed onsite. Unfortunately completion of the project was delayed past 30 June due to encountering some latent conditions in the form of underground telecommunications infrastructure. Works are expected to be completed by 31 August 2024.	New
Tiers Road pavement renewal - stage 2	\$ 576,087	\$ 920,000	\$ 260,000	Roads	WIP. Construction of this pavement renewal project is well progressed onsite. Due to the time required to design and tender the works, the construction period has straddled the end of financial year. Works are expected to be completed by 31 August 2024.	Renewal
Croft Rd upgrade	\$ 909,903	\$ 1,350,000	\$ 290,000	Roads	WIP. Construction of this pavement renewal project is well progressed onsite. Due to the time required to design and tender the works, the construction period has straddled the end of financial year. Works are expected to be completed by 31 August 2024.	New
Aldgate, Bridgewater, Crafers and Stirling SMP	\$ 15,060	\$ 64,490	\$ 49,430	Stormwater	WIP. This is a multi year stormwater study. Due to resourcing issues this was not finalised in 2023/24, however with the appointment of additional engineering staff, there should be no barriers to completion in FY 2024/25.	New
AHBTC Culvert renewal	\$ 6,295	\$ 107,490	\$ 101,195	Stormwater	Defer Quotes were sought for the detailed design of remediation options for the culvert running under the AHBTC, however all submissions substantially exceeded budget. It is proposed to monitor the condition of the culvert whilst undertaking additional investigation works to determine alternate solutions.	Renewal
General ICT Renewals Total Prog Bud	\$ 861,764	\$ 910,988	\$ 49,224	ICT	WIP. All new technology devices have arrived on site and the carry forward will endure the complete the project in August 2024.	Renewal
CWMS Pump Renewals	\$ 10,238	\$ 40,000	\$ 29,763	CWMS	WIP - Pumps for Church Street were proposed to be installed before end of June, however, supply chain and customers and subsequent delivery has delay install to 24_25	Renewal
FABRIK - Activation of Arts & Heritage Hub	\$ 2,095,377	\$ 2,690,262	\$ 210,000	Buildings	WIP - project to be finalised and handed to Council in early August 2024	New
FABRIK - Changing Places Toilet	\$ 23,831	\$ 175,000	\$ 151,169	Buildings	Works to be undertaken after handover of property back to Council in August 2024. Contract entered into for build of changing places facility.	New
Energy Upgrade, Battery & Efficiency Actions	\$ 106,364	\$ 212,851	\$ 106,487	Buildings	WIP- for energy efficiencies at Fabrik e.g. solar panels, and to complete LED changeovers on various buildings.	New
Operational Workplace Review	\$ 32,760	\$ 300,000	\$ 267,240	Buildings	CFWD - funds set aside to investigate moving chamber from West wing to Coventry Library	New
Randells Cottage Repair	\$ 1,369	\$ 15,000	\$ 13,631	Buildings	CFWD - on going repairs	Renewal
Building Renewals	\$ 127,843	\$ 225,930	\$ 25,500	Buildings	CFWD - for final works to Heathfield Oval - retaining wall works deferred due to inclement weather - carry forward needs to be \$25,500 as per Purchase order (this includes GST)	Renewal
Pedare Pk Rd Land Acquisition	\$ -	\$ 108,000	\$ 108,000	Buildings	CFWD - awaiting finalisation of documents to transfer land for road acquisition at Pedare Park Road in 2024/2025	New

<b>Total 2023-24 Capital Expenditure Carry Forwards</b>	\$ 5,372,770	\$ 7,832,311	\$ 1,768,059
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**Capital Expenditure Carry Forward Split**

Renewals

493,705

New

1,274,354

To be transferred to 2024-25 Capital Program

1,768,059

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

**Item:** 9.2

**Responsible Officer:** Gary Lewis  
Director of Corporate Services  
Corporate Services

**Subject:** Interim Audit Management Letter

**For:** Decision

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**SUMMARY**

As part of the External Audit Plan, Council's external auditors (BDO) have completed the interim fieldwork as part of their 2023-24 Annual Financial Statement and Internal Financial Control Audits and have issued an interim management letter.

This report provides an update to the Audit Committee in relation to the 2023-24 Annual Financial Statement and Internal Financial Control Audits detailing the outcomes from BDO's fieldwork in relation to both audits as detailed in the Interim Management Letter (*Appendix 1*).

Management have provided responses to the findings contained within the interim management letter and these responses are provided within this report to the Audit Committee.

**RECOMMENDATION**

**The Audit Committee resolves:**

- 1. That the report be received and noted**
  - 2. Notes the communication received from BDO Audit from their Interim visit relating to the 2023-24 Annual Financial Statement and Internal Financial Control Audits and the Management Responses to their findings from the Interim Audit, as contained in Appendix 1.**
- 

**1. BACKGROUND**

At its 15 April 2024 meeting, the Audit Committee received the Annual Audit Plan from its appointed audits, BDO. In consideration of the Audit Plan, the Committee resolved as follows:

**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.**

<b>Carried Unanimously</b>
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Council received the Committee’s recommendations at its 23 July 2024 meeting and resolved as follows:

**18.2.1 Audit Committee recommendations to Council – 15 April 2024**

**Moved Cr Malcolm Herrmann**  
**S/- Cr Nathan Daniell**

**270/24**

- 1. That the report be received and noted.**
- 2. In relation to Appendix 1 of this report:**
  - a. To approve the *2023-24 External Audit Plan* by BDO Audit Pty Ltd.**
  - b. To note the *2023-24 Financial Statement Audit – Engagement Letter* (Appendix 2) and the *2023-24 Internal Financial Control Audit – Engagement* (Appendix 3).**
- 3. In relation to Appendix 4 of this report, to receive and note the Q3 2023-24 Quarterly Council Performance Report.**

<b>Carried Unanimously</b>
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The Audit Plan provided for the interim visit to include opening balance work, review of controls and transactional testing.

The BDO Audit Team undertook their fieldwork in the week commencing 20 May 2024 with some follow up queries and information provision in the weeks following.

## 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

Monitoring internal control assists in meeting legislative and good governance responsibilities and obligations.

The External Auditor's annual inspection and certification of Council's financial position and performance provides the community with an assurance of Council's internal financial control environment.

### ➤ Legal Implications

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 implementation of the Internal Financial Control Model and testing of Council's transactions and internal controls by an external auditor 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)

The controls tested are part of the internal control framework contributing to the current Residual Risk rating. The recommendations arising from the review and the management actions to be undertaken are mitigations which will contribute to reducing the risk rating to the Target Risk level.

### ➤ Financial and Resource Implications

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

The costs associated with the provision of external audit services are contained within the Finance team's budget.

### ➤ Customer Service and Community/Cultural Implications

There is a high expectation that Council has appropriate corporate governance processes in place including an effective internal control environment.



➤ **Sustainability Implications**

Not applicable.

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

Consultation on the development of this report was as follows:

*Council Committees:* Not Applicable

*Council Workshops:* Not Applicable

*External Agencies:* BDO Audit

*Community:* Not Applicable

➤ **Additional Analysis**

The Interim Management Letter for the 2023-24 Annual Financial Statement and Internal Financial Control Audits has now been received and is attached for the Committee's consideration (**Appendix 1**).

The Letter provides a summary of the work undertaken to date, additional risks identified in the conduct of the fieldwork, and provides a status update on key issues identified in the Audit Plan.

BDO have provided an update on their audit opinion in relation to internal financial controls as follows:

*At the time of this report, we have not completed all testing of core controls as some relate to annual processes and consequently will not occur until the end of the financial year, or others are more closely aligned to testing we would normally conduct after year-end.*

*Based on the work to date, we have not noted any material exceptions that would lead to a qualification to the audit report on internal controls. We have included in Appendix A and B of this letter, other matters of deficiencies that we have identified during the course of our audit to date to be of sufficient importance to merit being reported to Council and the follow up on matter raised in prior year.*

As stated, Appendix A of the BDO Interim Management Letter identifies three internal control findings. These have been set out describing the issue identified, the potential effects and BDO's recommendations.

Management have provided a response to each the findings along with an action, responsible officer and due date. Implementation of these actions will be monitored through the biannual Audit Actions Implementation Report.

The Interim Management Letter conclusion is positive, and management will continue to manage the operation of internal controls with diligence while working towards addressing the weaknesses identified in the recommendations.

The auditors will be attending the Audit Committee meeting to present the findings.

**3. OPTIONS**

The Committee has the following options:

- I. Note the communication received from BDO from their interim visit relating to the 2023-24 Annual Financial Statement and Internal Financial Control Audits and the Management Responses to their findings. (Recommended)
- II. Consider alternative courses of action (i.e., requesting additional information and/or actions) (Not Recommended)

**4. APPENDICES**

- (1) *Interim Management Letter – 2 July 2024*

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# **Appendix 1**

*Interim Management Letter – 2 July 2024*

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Cr Malcolm Herrmann  
Presiding Member - Audit Committee  
Adelaide Hills Council  
PO Box 44  
WOODSIDE SA 5244

2 July 2024

Dear Cr Herrmann

#### INTERIM REPORT ON THE 2024 EXTERNAL AUDIT

We are pleased to provide the members of the Audit Committee an update on the 2024 External Audit.

We have conducted our interim audit visit as set out in our audit plan. Our work to date has covered:

- Our annual assessment of risk and potential implications for the audit of the financial report.
- Our annual assessment of risk and potential implication for the audit opinion on internal controls.
- A review of internal controls and determination of those which will be relied upon and tested as part of our audit strategy for the audit of the annual financial statements.
- Interim testing of internal controls for the audit opinion on internal controls.
- Interim testing of a sample of transactions in revenue, operating expenditure and payroll functions.
- Review of interim results using data analytics and analytical review to identify any unusual trends or items which might require additional audit attention.
- Review of interim testing to ensure that there are no underlying deficiencies in internal controls or matters which would require additional attention as part of our audit on the financial report.

We have also updated our knowledge in relation to key issues that were identified in our audit planning process and communicated in our audit plan, as follows;

- Revaluation, depreciation, useful lives and residual values of infrastructure, property, plant and equipment.
- Accounting for items captured within capital work-in-progress.
- Management override of internal controls.
- Accounting treatment for grant funding.
- Measurement of rehabilitation liabilities

No additional risks have been identified subsequent to the presentation of our annual audit plan to Council in March 2024.

## Status update on key issues

### Revaluation of infrastructure, property, plant and equipment

Council revalue all material asset classes on a regular basis such that carrying values are not materially different from fair value. Revaluations are carried out on a rotational basis by Council's employees in conjunction with independent valuers. This year, Council is revaluating building assets effective 1 July 2023. We were advised that management has completed the validation of the independent valuation work done by the independent expert. We have also been provided with the final valuation copy for our consideration.

It is expected that the revaluation will be updated to General Ledger and Fixed Asset system as part of the year end reconciliation process. Management has advised that the final reconciliation will be available to us by our final visit commencing 16 September 2024.

### Accounting treatment of Capital Work In Progress

We have been briefed on the progress in relation to capital work in progress, in particular the capitalisation and/or expensing of items and the handover process of completed capital projects during the year. It is expected that the underlying asset records and associated reconciliations will be updated after year end and completed before the commencement of the year-end visit.

We understand due to the shortage of contractors or internal resources, the ability to effectively delivery capital projects have been affected during this financial year, which might result in higher WIP balance at year-end and projects might be carried over into new financial year.

### Management override of internal controls

Our interim testing has not identified any evidence of management override of internal controls. We will revisit this during our year-end visit, complete our testing and report our findings accordingly.

### Cut-off of grant funding and accuracy of any amounts deferred at 30 June 2024

We have been briefed on management's assessment process to determine whether a grant is of capital or operating nature as well the progress of the projects funded by grants during the year. We have made initial inquiries with management on other grants that are expected to come by 30 June 2024, Council's expected accounting treatment and will revisit this matter during our year-end visit.

### Provision for reinstatement, restoration, and rehabilitation

As disclosed in the prior year's financial statements, Council made a significant provision for future reinstatement and restoration. There is a risk that the provision, including changes in facts and circumstances during the year are not made in accordance with the requirements of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. We held discussion with management during the interim visit and have been briefed on developments year to date. We will revisit the matter during the year-end visit to assess the final accounting for the year, as well as disclosures made in the financial statements.

#### Update on audit opinion in relation to internal controls

We have commenced planning and testing of internal controls for the purpose of providing an audit opinion on Council's internal controls. Specifically that controls exercised by the Council in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are sufficient to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with legislative requirements.

Our assessment of internal controls is based on the criteria in the *Better Practice Model - Financial Internal Control for South Australian Councils* as issued by the Local Government Association of South Australia.

At the time of this report, we have not completed all testing of core controls as some relate to annual processes and consequently will not occur until the end of the financial year, or others are more closely aligned to testing we would normally conduct after year-end.

Based on the work to date, we have not noted any material exceptions that would lead to a qualification to the audit report on internal controls. We have included in Appendix A and B of this letter, other matters of deficiencies that we have identified during the course of our audit to date to be of sufficient importance to merit being reported to Council and the follow up on matter raised in prior year.

We will continue our work on internal controls at the year-end visit and will report to Council accordingly.

Please contact me if you have any questions or need any further information.

Yours sincerely

BDO Audit Pty Ltd

A handwritten signature in blue ink, appearing to read 'Linh Dao', written in a cursive style.

Linh Dao  
Director

APPENDIX A - INTERNAL CONTROL - CURRENT PERIOD

Risk Category/ Business Cycle		Risk assessment	Issues identified	Potential effects	Recommendation	Management comments
1.	Revenue- Lease/rental	Moderate	Though Council has a process in place to monitor lease/ rent payments, there is no formal regular reviews conducted to ensure lease agreements and other Council facilities contracts are being met.	No process may lead to loss of income or income not recorded at all.	It is recommended that management develop and put in place a guidance to standardise the process of recording of lease agreements as well updating for ongoing changes. It is also recommended management explore whether Council's system can accommodate automatic reminders to be sent to relevant personnel when leases are up for renewal.	In the absence of a property management system or a leases, Licenses and other property Agreements register there are material challenges in meeting this recommendation. In the interim action, the Property team will investigate available functionality that can set automatic reminders of Lease expiry and rental reviews and renewals. For a longer-term solution Management will put this forward as a budget initiative to address this as part of its recommendations within the draft Building Asset Management Plan which will come to Council in the latter part of 2024.
2.	Asset - Fixed Assets	Low	Council has a Disposal of Asset Policy however the policy is very high level and does not provide detailed guidance around the delegation of authority regarding assets being disposed, or the process of disposing the assets from the fixed asset system or the General Ledger.	Lack of detailed guideline and documented procedures might result in inconsistencies in the asset disposal process or errors in the financial statements/ fixed asset system.	It is recommended that management develop detailed guideline around asset disposal process, which is consistent with Council's policy.	Management will consider the existing policy and determine the optimal way to set out the required guidance on asset disposals and the associated delegations.



APPENDIX B - INTERNAL CONTROL - *PRIOR PERIOD*

Risk Category/ Business Cycle	Risk assessment	Issues identified	Date previously reported	Current Status
1 Expenses - Payroll	Moderate	It was noted from our testing that two Council staff members in the payroll team have access and editing rights to the Creditor Masterfile which is beyond the person's role and responsibility.	14 June 2023	Resolved.



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

**Item:** 9.3

**Responsible Officer:** Gary Lewis  
Director  
Corporate Services

**Subject:** Debtors Report - 30 June 2024

**For:** Information

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**SUMMARY**

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

This report covers the period ending 30 June 2024.

This report includes an analysis of rates debtors, which is provided to the first Audit Committee meeting after 30 June of each year.

**RECOMMENDATION**

**The Audit Committee resolves:**

- 1. That the report be received and noted**
- 

**1. BACKGROUND**

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

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

The last debtors report covering balances as of 31 December 2023 was presented to the Audit Committee on 19 February 2024.

## 2. ANALYSIS

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

*Strategic Plan 2020-24 – A brighter future*

Goal	A progressive organisation
Objective O5	We are accountable, informed, and make decisions in the best interests of the whole community.
Priority O5.3	Demonstrate accountability through robust corporate planning and reporting that enhances performance, is relevant and easily accessible by the community.

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

### ➤ Legal Implications

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

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

### ➤ Risk Management Implications

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

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

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

### ➤ Financial and Resource Implications

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

### ➤ Customer Service and Community/Cultural Implications

Not applicable

### ➤ Sustainability Implications

Not applicable

### ➤ Engagement/Consultation conducted in the development of the report.

Consultation on the development of this report was as follows:

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

➤ **Additional Analysis**

**Rates Debtors**

Council's rates debtor balances are dominated by rates that are struck in full in July, then quarterly fluctuations of receipts, which makes comparing rates debtors within the year difficult to interpret.

As such, rates debtors are reported twice a year, to the first Audit Committee after 30 June and the first Audit Committee after the 31 December analysing the debtors as at that date.

The impact of cost-of-living pressures are now being felt throughout parts of the community. Council continues to support those affected through the updated *Rating Policy* and separate *Debt Recovery Policy* to provide guidance on financial hardship and offers several alternative arrangements available to ratepayers. These include.

- Payment of rates on a weekly, fortnightly, or monthly basis instead of quarterly instalments, to support smaller, more regular payment options that take into consideration a ratepayer's other financial commitments.
- Postponement of the payment of rates in whole or in part for an extended period due to hardship. If postponement is granted, then fines and interest will be remitted automatically for the same period.
- Postponement for seniors is offered to relevant ratepayers.
- No interest or fines charged on outstanding rate balances for all ratepayers with an agreed payment plan in place who adheres to the agreement.

Debt recovery follow up action is primarily undertaken by Council's debt collection agency, ARMA (previously known as Credit Solutions).

The Administration will refer debts to ARMA once two or more quarters of rates become outstanding. Early referral has been found to achieve a positive resolution with the ratepayer before the debt escalates out of control and the debt is pursued through legal channels.

The Administration will retain responsibility for applications received from ratepayers who are on agreed payment plans and who are making payments in line with those plans.

The table below compares Council's debtor balances, over the last five (5) year ends, summarised by category.

<b>Rate Debtor Comparison across Financial Years \$'000</b>
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Debtors	June 2020	June 2021	June 2022	June 2023	June 2024
Rates General	\$1,846	\$1,918	\$2,210	\$2,182	\$2,251
Less: Provision	\$342	\$352	\$434	\$478	\$566
	<b>\$1,503</b>	<b>\$1,566</b>	<b>\$1,776</b>	<b>\$1,704</b>	<b>\$1,685</b>

Rate Revenue	<b>\$38,547</b>	<b>\$40,110</b>	<b>\$41,504</b>	<b>\$44,401</b>	<b>\$48,389</b>
% Outstanding to Rates Raised	<b>3.9%</b>	<b>3.9%</b>	<b>4.3%</b>	<b>3.8%</b>	<b>3.5%</b>
Rates Postponed	\$129	\$128	\$150	\$186	\$236
Number Postponed	16	15	17	19	22

The provision for 2023-2024 increased by \$88k from \$478 in June 2023 to \$566k due to a reassessment of the likelihood of the rates being recovered. Typically, the longer a debt remains outstanding the more likely the debt will need to be written off. As such, an increase in the debt provision was made for six (6) properties where it has been considered the debt is more likely not to be recovered.

These properties are typically deceased estates where next-of-kin has been difficult to locate or where rates notices have been unable to be delivered for many years due to the absence of a letter/post box and alternate contact details are not available.

To aid in the analysis the table below has been included to show the ageing of rate debtors by reference to the rating year billed as at balance date for the last five years. It tells us that on 30 June 2024, that \$630k of debt was more than 5 years old. For the period ending 30 June 2024 the increase in rates debtors from the previous period is 3.16%.

Financial Year Ending	Prior to 2020-21 \$000s	2020-21 \$000s	2021-22 \$000s	2022-23 \$000s	2023-24 \$000s	Total \$000s	YOY Change
30 June 2024	\$630	\$75	\$112	\$230	\$1,204	\$2,251	3.16%
30 June 2023	\$721	\$215	\$334	\$912	-	\$2,182	-1.27%
30 June 2022	\$812	\$434	\$964	-	-	\$2,210	15.22%
30 June 2021	\$978	\$940	-	-	-	\$1,918	3.9%
30 June 2020	\$1,846	-	-	-	-	\$1,846	n/a

As can be seen from the above tables, current policy settings and an increased emphasis on ratepayers making more regular payments (not necessarily quarterly) has kept balances outstanding at a manageable level.

Since active debt recovery processes were reinstated during 2022 outstanding debt as a percentage of total rates raised has been declining.

#### **Update on Review of Properties Identified for Section 184 or 210 Action**

Per section 184(1) of the *Local Government Act 1999*, if an amount payable by way of rates has been in arrears for three years or more the council may sell the property.

The Administration previously identified fifteen (15) properties with rates arrears greater than three (3) years totalling \$150,964. At the Council meeting held 27 February 2024, the Chief Executive Officer was given the approval to commence the sale of these properties.

As of 12 July 2024, the status of the original files is summarised below:

- Seven (7) properties have been paid in full and debt recovery action has now been closed.
- Seven (7) properties, having made no payments, will be receiving an "Intention to Sell" letter prepared by Scott Lawyers. Property owners will have 30 days from the

date of the letter to make payment. To ensure receipt of this letter, the Regulatory Team will attempt delivery in person to the property address where possible.

- 1 (one) property has not yet reached the 30-day expiry of the notice period. Council affixed a Notice of Demand Letter to the property and placed an advert in The Advertiser on 19/06/24 as per Section 184 of the Act. Council took this action as the property owner would not take delivery of the notice sent via registered mail. The owner contacted council a few days later to discuss the arrears rates, indicating they would need a month to access funds. Further action has been delayed.

Current outstanding debt on these properties as of 30 June 2024 is now \$73,113.

Assessment	Locality	Rates Owing
A358	Woodforde	\$8,810.62
A2538	Basket Range	\$15,810.02
A8591	Crafers	\$7,621.89
A15050	Mount Torrens	\$10,910.82
A15748	Gumeracha	\$7,320.05
A16255	Kersbrook	\$9,292.18
A16657	Forreston	\$4,976.47
A18748	Forreston	\$8,371.42

Following the expiry of the 30-day notice periods and failing resolution by the property owner to make full payment the next step will be to appoint a Real Estate Agent in mid-August 2024 and proceed to sale of the property by public auction.

### Sundry Debtors

On 30 June 2024, the balance of Sundry debtors outstanding totalled \$3,104,358.

In relation to overall sundry debtors' management the Administration undertakes a similar approach to rates, in terms of considering postponement and/or payment plans over extended periods about any debtor that contacts Council.

Description	TOTAL	<30 Days	<60 Days	<90 Days	<120 Days	<150 Days	>150 Days
Additional Bins	4,382	4,382	0	0	0	0	0
AHBTC	32,942	32,942	0	0	0	0	0
Burial Fees	91,870	83,296	644	0	7,930	0	0
Food Premises Inspection	11,722	4,060	700	1,260	560	280	4,862
Grants Receivable	2,918,289	2,918,289	0	0	0	0	0
Miscellaneous (Other)	4,228	770	2,952	198	307	0	0
Other Councils	33,397	33,397	0	0	0	0	0
Property	4,353	3,684	0	186	0	0	483
Road Rent	3,175	0	0	0	0	0	3,175
<b>TOTAL: 30/6/2024</b>	<b>3,104,358</b>	<b>3,080,820</b>	<b>4,296</b>	<b>1,644</b>	<b>8,797</b>	<b>280</b>	<b>8,521</b>

In relation to the Aged Debtors, the following points of clarification are provided:

- Grants outstanding at the reporting period totalled \$2.918m made up of:
  - a \$2.860m payment from the Department for Infrastructure and Transport for Stage 4 of the Amy Gillett Bikeway Pathway.
  - \$8,289 contribution from the Department for Infrastructure and Transport towards the Way2Go project which will fund local area traffic and safety improvements.
  - \$50k in project funding from the Office for Ageing Well (SA Health) towards Advance Care Directives across the Adelaide Hills Region.
  - Payments were received in early July 2024. The debts are no longer outstanding.
  
- Burial fees are primarily within our current payment terms of 30 days. There are two (2) debtors that are in the < 120 days range, but both are on payment plans which they are adhering to.
  
- There are twenty (20) food premise inspection debtors >150 days as of 30 June 2024 totalling \$4,862. Of these:
  - Fifteen (15) debtors are for small value debts of less than \$140 each which are uneconomical to pursue through council's debt collection agency.
  - The largest (and oldest) debtor totalling \$1,536 relates to the Olde Apple Shed and is still with the debt collection agency. Efforts to serve notice on the debtor continues to be difficult due to an inability to locate them. Whilst a skip trace has been undertaken previously, the debt remains unpaid.
  
- Debts owing from other Councils are for leave entitlements relating to employees who have commenced employment with Adelaide Hills Council.
  
- AHBTC relates to June 2024 rent and outgoings owed on Council property. The invoice was only raised on 30 June 2024.
  
- Property and Road Rent debtors >150 days total \$3,658 combined and are currently small in value making them uneconomical to pursue through councils' debt collection agency at this stage.

The comparison of debtor movement presented to the Audit Committee over the past five (5) years is shown below.

Description	TOTAL	<30 Days	<60 Days	<90 Days	<120 Days	<150 Days	>150 Days
TOTAL: 30/6/2024	3,104,358	3,080,820	4,296	1,644	8,797	280	8,521
TOTAL: 31/12/2023	1,687,647	1,320,959	345,120	1,064	1,378	13,203	5,923
TOTAL: 30/6/2023	133,749	96,548	2,363	4,009	268	67	30,494
TOTAL: 31/12/2022	183,835	88,619	6,157	536	2,338	1,037	85,148
TOTAL: 30/6/2022	262,274	240,276	12,624	1,400	4,459	730	2,785
TOTAL: 31/12/2021	123,522	67,035	43,405	6,584	2,793	0	3,705
TOTAL: 30/6/2021	1,026,374	863,133	126,520	9,730	3,896	196	22,899
TOTAL: 31/12/2020	228,878	147,203	14,341	15,427	11,563	254	40,090
TOTAL: 30/6/2020	348,203	263,176	30,351	18,535	3,803	381	31,957

On June 2020 Council's sundry debtors were \$348,203 and in June 2024 the debtors were \$3,104,358. A significant amount of this has only been raised in the 30 days leading up to the 30 June 2024.

**3. OPTIONS**

The Audit Committee is limited to receiving this report.

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

**Item:** 9.4

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

**Subject:** Placement of Council's Insurance Portfolio 2024-25

**For:** Information

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**SUMMARY**

To provide the Audit Committee with an overview of Council's insurance portfolio for 2024-2025

**RECOMMENDATION**

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

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**1. BACKGROUND**

The SA Local Government mutual schemes were established approximately 30 years ago, initially out of necessity as councils found it increasingly difficult to secure adequate insurance at competitive rates for workers compensation, civil liability and asset protection.

Local Government Risk Services (LGRS) operates the following risk schemes which are utilised by SA councils (including Adelaide Hills) to manage their risk portfolios (these are discussed in more detail below):

- LGA Workers Compensation Scheme (LGAWCS)
- LGA Mutual Liability Scheme (LGAMLS)
- LGA Asset Mutual Fund (LGAAMF)
- LG Income Protection Fund (LGIPF)
- Brokerage of general insurance products from the commercial insurance market

**Mutual Schemes**

LGA Workers Compensation Scheme (LGAWCS)

LGAWCS provides Council with a fully integrated Claims, Return to Work and Work Health Safety service. It is registered as a self-insurer by SafeWork and is bound by the Performance Standards for Self-Insurers (PSSI). All South Australian Councils are Members of LGAWCS.

The Scheme is funded by a levy on Member remuneration and operates a rebate/penalty program to reward good performance.



### LGA Mutual Liability Scheme (LGAMLS)

LGAMLS is an indemnity scheme established pursuant to Schedule 1, Pt 1 2 (1)(a) of the Act. Pursuant to S142 of the Act, every council in SA has a statutory duty to “insure” against the financial impact of potential civil liability risks. Membership of the LGAMLS constitutes insurance for the purposes of this section. All South Australian councils are Members of LGAMLS. Unique in its structure, the cover provided through membership of the LGAMLS is unlimited with nil exclusions.

The Scheme covers public and products liability, professional indemnity, environmental landfill (pollution legal liability), Council Members & Officers and Employment Practices liability.

The Scheme is funded by the payment of an annual contribution which is calculated based on the Member’s revenue base, adjusted to reflect the maturing risk profile, claims history and application of risk management principles.

### LGA Asset Mutual Fund (LGAAMF)

The LGAAMF provides discretionary protection for Member’s property assets, loss of revenue, motor vehicles, computers and electronic equipment, fidelity guarantee, machinery breakdown, and cyber security and data protection.

Cover for the Council's property and contents, under the LGAAMF, are required to be at replacement value of the assets in a condition and construction in an “as new state”.

Damage to general civil infrastructure is not covered by the Fund, due to the significant value of the civil infrastructure network within Council's area, the increase in premium cost would significantly outweigh the likely cost of any claim and therefore is uneconomical to cover. This approach is standard practice within the Local Government sector.

However, since 2015 bridges have been listed on the Council’s Asset Insurance Schedule as an assessment has been made that it would be appropriate given the risks involved including the susceptibility of washaways as a result of flooding.

### LG Income Protection Fund (LGIPF)

The LGIPF offers discretionary indemnity and claims management services to Members for employees in respect of loss of income resulting from a non-work-related injury or illness. Council includes this insurance as part of its Enterprise Development Agreements and individual Employment Agreements, which provides a benefit to employees for up to two years for accident or illness, injury dependant.

## **General Insurances**

In addition to the cover purchased via the mutual schemes, Council also purchases additional cover, brokered by LGRS, from the commercial insurance market. These covers include:

### Public and Products Liability

These policies provide coverage to Council on behalf of:

- Nominated uninsured contractors and volunteers of Home and Community Care
- Uninsured *ad hoc* or occasional hirers Council owned or controlled facilities
- Advertising Liability
- Advisory and Working Groups
- Regular user groups (as declared) of Council owned or controlled facilities
- Death or Personal Injury and Loss or Damage to Property happening during the Period of Insurance and caused by an occurrence in connection with the hire of the Council facility.

### Personal Accident

Personal Accident Insurance provides coverage for Death and Total or partial disablement for Insured Parties listed below:

- Insured persons are covered whilst engaged in any activity directly or indirectly connected with or on behalf of the Council including travel to and/or from any such activity.
- Council Members and their accompanying Partners/Spouses.
- Employees and their accompanying Partners/Spouses, (excluding claims where the employee is entitled to benefits under any Return to Work legislation)
- Volunteers whilst engaged in any voluntary work directly or indirectly connected with or on behalf of the Council including individual members of any Trust or Committee formed by Council.
- Persons whilst engaged in Work Experience placements in any Government Labour Market, Training or Job Creation Projects.
- Members of the Council's Assessment Panel, Audit Committee and CEO Performance Review Panel.

### Journey Injury

Journey Injury Insurance provides coverage for Bodily Injury to Employees whilst engaged in a journey to and from their place of residence and place of work and between a place of training and place of work.

## **2. ANALYSIS**

➤ **Strategic Management Plan/Council Policy**

Strategic Plan 2020-24 – A brighter future

Goal 5 A Progressive Organisation

Objective 05 We are accountable, informed, and make decisions in the best interests of the whole community

Priority 05.1 Enhance governance structures and systems to prudently adapt to changing circumstances and meet our legislative obligations

Priority 05.2 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* (the “Act”) sets out the functions of an audit committee. Management of Committee’s action items and work plan facilitates the achievement of these functions.

The Act sets out a number of requirements regarding insurance:

- Section 80 states that Council must take out insurance to cover Elected Members against risks associated with performing their duties.
- Section 142 requires Councils to take out and maintain insurance to cover its civil liabilities at least to the extent prescribed by the regulations.

➤ **Risk Management Implications**

Insurance is a prudent strategy to mitigate risk associated with providing Council services and affords Council a level of resilience and confidence so that it can continue to operate through unforeseen circumstances and loss.

Entering into insurance contracts will assist in mitigating the risk of:

*Under or uninsured liabilities/events/assets leading to financial and/or reputation damage*

Inherent Risk	Residual Risk	Target Risk
High (4C)	Medium (2C)	Low (2D)

➤ **Financial and Resource Implications**

Insurance is a means of protection from financial loss. It is a form of risk management primarily used to hedge against the risk of a contingent high cost, low frequency loss.

The costs for insurance are considered as part of the Annual Business Plan and Budget process with any adjustments considered in the quarterly budget review processes.

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

The community would have a reasonable expectation that the Council has prudent insurance arrangements in place to finance risks associated with the loss, damage, theft and liabilities created by its assets, actions, employees and contractors.

➤ **Sustainability Implications**

There are no direct sustainability implications arising from this report.

➤ **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 following provides a summary of the cost of Council’s insurance portfolio for the 5 years from 2020-21. Please note that the figures below are gross contributions and that for each of the mutual schemes Council receives special and/or performance (based on claims history of Council) distributions at the end of each year.

Mutual Fund / Insurance Class	2020-21 (Excl. GST)	2021-22 (Excl. GST)	2022-23 (Excl. GST)	2023-24 (Excl. GST)	2024-25 (Excl. GST)
<b>LGRS Mutual Fund Schemes*</b>					
LGA Workers Compensation Scheme	\$426,078.00	\$462,832.00	\$431,521.00	\$443,640.00	\$529,115.00
LGA Asset Mutual Fund	\$293,444.00	\$360,193.00	\$430,140.00	\$469,298.00	\$574,448.24
LGA Income Protection Fund	\$263,826.00	\$293,886.00	\$284,933.00	\$346,642.00	\$355,272.40
LGA Mutual Liability Scheme	\$312,274.00	\$327,887.00	\$344,282.00	\$361,496.00	\$375,774.77
<b>General Insurance Policies</b>					
Ad Hoc Hall Hirers	\$2,554.10	\$3,565.80	\$3,731.15	\$3,731.15	\$4,066.15
Un-Insured Roadside Stallholders	\$1,091.64	\$1,185.80	\$1,237.59	\$1,162.26	\$1,349.61
Advisory Groups	\$4,639.16	\$3,159.44	\$3,307.41	\$3,062.59	\$4,526.42
Personal Accident (Incl. Elected Members)	\$2,189.78	\$2,189.78	\$2,289.26	\$1,769.40	\$1,929.40
Community Care Contractors (CHSP)	\$865.08	\$941.59	\$1,373.59	\$1,352.27	Not required for 2024-25 period
Journey	\$12,962.59	\$13,640.79	\$15,120.51	\$14,799.16	\$14,613.39
<b>TOTAL</b>	<b>\$1,319,924.35</b>	<b>\$1,469,481.20</b>	<b>\$1,517,935.51</b>	<b>\$1,646,952.83</b>	<b>\$1,861,095.38</b>

*\*(These are the Gross Contributions prior to any ‘Performance Bonus’ and/or ‘Special Distribution payment’ has been deducted)*

In relation to the key movements between years a copy of an extract from the LGRS 2024-25 General Insurances Renewal Report has been provided (**Appendix 1**). Three key points of note however are as follows:

- The LGA Workers Compensation Scheme net rate is the same as last year at 2.12% of Councils declared wages. The increase in contributions of around \$85,000 relates to the substantial increase of Councils declared estimated wages. During 2023-24 Council's actual wages were \$22,936,000, the estimated wages for the 2024-25 period are \$24,790,448 which is approximately an 18% increase. Taking into account vacancy savings, new positions (e.g. FABRIK) and an uplift in parttime hours the 2024-25 wages will be reduced to an estimated \$24,290,000. Council has notified LGAWCS of wages three times a year (April, June and October (when audited actuals are advised)). This can result in a 'Credit Note' issued to Council as a result of wage variations which occur during the financial year.
- The \$105,150.24 (22.40%) increase for the LGA Asset Mutual Fund is due to a detailed review of Councils current assets, resulting in a significant increase of \$40,372,750 (25.56%) from the 2023-24 period. It should be noted that the 2024-25 LGAAMF contribution rate for both General and Infrastructure Assets has not changed since 2023-24.
- The budget for the annual LG Income Protection Fund (LGIPF) contribution payable in the above table is based on the 'Estimated Number of Employees & Wages (Inside/ASU & Outside/AWU)' declared on the 2024/2025 LGIPF Questionnaire at the start of the year. The actual amount payable is determined at the end of the year once the '2024/2025 LGIPF Actual Wages Declaration' is provided. This can result in a 'Credit Note' being issued to Council as a result of the vacancies which occur during the financial year.
- The Community Home Support Program Contractors (CHSP) has not been required for the 2024-25 period as the providers all have public liability insurance.
- The Group Journey Injury Insurance has now changed to AFA Pty Ltd (on behalf of Zurich Australian Insurance Limited) who are specialists in this class of insurance. Whilst competitive alternate terms and rates have been noted, AFA will provide as a minimum of no less cover in conditions and limits as per the previous year's policy.
- For all other insurances LGRS entered a direct 'Binding Authority Agreement' with QBE (Australia) Insurance effective from 30 June 2024.

### **3. OPTIONS**

The Committee has the following options:

- I. To note the status of Council's insurance portfolio for 2024-2025 as presented. (Recommended).
- II. To recommend additions or changes to the insurance portfolio. (Not Recommended)

### **4. APPENDIX**

- (1) LGRS 2024-25 General Insurances Renewal Report

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# **Appendix 1**

*LGRS 2024-25 General Insurances Renewal Report*

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# ADELAIDE HILLS COUNCIL 2024 / 2025 GENERAL INSURANCES RENEWAL REPORT

26 June 2024





## **LGRS**

Local Government Risk Services (LGRS) have been specialist risk providers to Local Government in South Australia for over 30 years. Over this time, LGRS has developed a comprehensive range of services that deliver solutions to its Members regardless of whether it involves a self-insurance risk scheme, a traditional insurance product or a risk consultancy project.

As Local Government develops in South Australia, LGRS is working with the sector to develop and implement proactive systems and processes for risk management, claims management and risk protection transfer.

## **Marsh**

Marsh is the world's leading insurance broker and risk advisor. With around 40,000 colleagues operating in more than 130 countries, Marsh serves commercial and individual clients with data-driven risk solutions and advisory services. Marsh is a business of Marsh McLennan (NYSE: MMC), the world's leading professional services firm in the areas of risk, strategy and people. With annual revenue over \$18 billion, Marsh McLennan helps clients navigate an increasingly dynamic and complex environment through four market-leading businesses: Marsh, Guy Carpenter, Mercer and Oliver Wyman. For more information, visit [marsh.com](http://marsh.com), follow us on [LinkedIn](#) and [Twitter](#) or subscribe to [BRINK](#)





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## EXECUTIVE SUMMARY

As Local Governments long-term partner, LGRS is committed to a collaborative, proactive, innovative and responsive approach to your risk portfolio. We have listened and worked with Members to continually understand your expectations and ongoing program service needs. Over many years we have helped diversify your risk program and will continue to deliver a 'fit-for-purpose' protection solution for Council and your community both during the upcoming renewal period and for years to come.

Our **Client First** core value means we put your interests at the centre of everything we do to provide a service that meets your current and future needs.

In line with Local Government best value principals, we have also developed our own internal policies and principals ensuring we achieve our goals. We are confident we have the knowledge, experience and understanding of Local Government which will continue to deliver the best outcomes for Members and surrounding communities.

We have been the specialist insurance and risk provider to Local Government in South Australia for over 30 years, over this time we have developed a comprehensive range of services that deliver unique risk protection and claims management.

The integration of risk management, insurance placement and claims management into the one service offering means that all your service providers are working together in the best interests of Members. This holistic offering provides Members a value for money service which provides the following benefits:

- Cost effective bespoke risk transfer solutions
- Unmatched whole of risk solutions
- Effective claims outcomes for the overall benefit of your community.

The insurance industry has continued to experience a series of catastrophic losses on an Australia-Wide and Worldwide basis, however the main issue impacting Insurers over the last 18-24 months is the high inflation rate and the significant increase in cost-of-living expenses. From a Personal Accident and Journey Injury perspective, we have continued to see a steady trend of claim numbers, which have also been impacted by increased claims costs. For example, a 'blow-out' in times to see a doctor/specialist and/or to have surgery in a hospital is impacting the length of time it takes to get employees back to work. Corporate Travel claims continue to rise since Covid-19, as people are now travelling more and airlines are still unreliable in many circumstances.

The increased costs of materials, repairs, labour, professional services and the ultimate settlement amounts are being heavily impacted by inflation and Insurers on long-tail classes of insurance, such as Public & Products Liability, are being particularly conservative given a claim occurring this year may not be settled for another four to five years if litigated.

Notwithstanding the above, we are pleased to advise that the current Insurers have offered competitive renewal terms for the 2024/2025 policy period that are in line with the current insurance market conditions.

Please refer to the 'Comments & Recommendations' Section in this report for further details about each policy.



In this report we:

- comment on existing insurance market conditions and outline our marketing activity;
- provide renewal terms based on the updated information you have provided us;
- state credit terms and provide premium payment options;
- detail the various insurance policies where we have obtained quotations on your behalf;
- profile other products and services which may be of interest to Council.

We aim to provide quality insurance and risk management services to our Members and look forward to continuing to work with you in partnership throughout the year.



## COMMENTS & RECOMMENDATIONS

Below are our comments and recommendations on:

- > changes to your current program (where appropriate);
- > changes in rates or premiums;
- > holding insurer's quoted terms and best alternative terms (where obtained).

Your policies are subject to Terms, Conditions, Endorsements and Exclusions, which impact on the extent of cover provided. Full details appear in the policy documents. Please contact your JLT adviser if you do not have a copy of the policy document.

Prior to reviewing the terms presented in this report, please ensure that you read and understand the "Important Information" located at the end of this document.

### LGRS GENERAL INSURANCE POLICIES

#### Group Journey Injury Insurance

This policy is currently underwritten by QBE Insurance (Australia) Ltd (QBE).

Due to an increase in the rate that was applied by the current Insurer (QBE) last year, we have taken the opportunity to re-market this Group Journey Injury Insurance Policy this year.

Whilst QBE have offered the same rate as last year, we have obtained very competitive alternate terms from AFA Pty Ltd (on behalf of Zurich Australian Insurance Limited) (AFA), who are a specialist Insurer for this class of insurance.

The AFA terms offer a rate reduction of \$7.31 (+ charges) per Employee, which is a 12.77% reduction on the expiring rate for the 24-Hour coverage that includes 'Private Journey'. The rate for the restricted 'To & From' cover remains the same as the expiring rate. This is a fantastic result in a difficult traditional insurance market.

Whilst the AFA policy does provide some enhanced benefits, a "Difference in Conditions / Difference in Limits" (DIC/DIL) Endorsement has been applied to guarantee that AFA provide as a minimum no less cover in conditions and limits than the expiring policy.

The attached 'Policy Schedule' outlines the cover being offered by AFA for this policy period and should be considered in conjunction with the policy wording. A copy of the AFA Group Journey Injury Insurance Policy Wording & Product Disclosure Statement (PDS) (Ref: Version 5 – 1 Oct 2022 PDS-GJOUR-10096(B)) has been attached for your reference.

Please refer to the Policy Schedule in this report for further details.

**Please note that LGRS will be transferring this Group Journey Injury Insurance Policy for all Councils / Prescribed Bodies to AFA with effect from the 30/06/2024.**



## Personal Accident & Corporate Travel

This policy is currently underwritten by QBE Insurance (Australia) Ltd (QBE).

We are pleased to advise that existing levels of cover have been maintained using the information that was declared in the 2024/2025 LGRS General Insurances Questionnaire. We also confirm that QBE have maintained the same rates as last year for the 2024/2025 policy period.

The attached 'Policy Schedule' outlines the cover being offered by QBE for this policy period and should be considered in conjunction with the policy wording. A copy of the updated QBE Local Government Personal Accident and Corporate Travel Insurance Policy Wording & Product Disclosure Statement (PDS) (Ref: QM692-0624), together with the 'What's Changed' Summary brochure, has been attached for your reference.

QBE have advised that all previous Endorsements have now been moved into the new policy wording with the only remaining Endorsement being for the 'Emergency Assistance Provider' that provides the emergency assistance. Please note the Travel Assistance Provider that has been appointed is:

### **Emergency Assistance Provider**

QBE's Emergency Assistance Provider for this policy is World Travel Protection.

As service provider, World Travel Protection is responsible for co-ordinating any medical evacuation and repatriation services required, and is ready to respond, 24 hours a day, 365 days a year. In the event of an accident, illness or an emergency during your trip overseas, please contact our medical and emergency assistance team.

Phone: +61 2 8907 5660

Email: [Assist@worldtravelprotection.com](mailto:Assist@worldtravelprotection.com)

You will be asked for your Name (Insured and Insured Person), Policy Number and the Period of Insurance. You will need to advise the place and telephone number where the Insured Person can be reached and give a brief description of your situation and the nature of help required.

For full details of cover provided under this section of the Policy, please refer to the Policy Wording.

The other update that QBE have made to this policy is that an "Aggregate Limit" for Cyber Acts or Incidents will apply for the 2024 / 2025 policy period. The maximum for all claims arising from a Cyber Act or Cyber Incident is \$500,000.

Please refer to the Policy Schedule in this report for further details.

We recommended renewing this policy with QBE.



## LGRS GENERAL INSURANCE POLICIES (via Local Community Insurance Services (LCIS))

### **2024 / 2025 Insurer Change**

The General Insurance policies listed below, via Local Community Insurance Services (LCIS), have previously used Victor Insurance Pty Ltd (Victor) as Agent of the Insurer, namely QBE Insurance (Australia) Limited (QBE). However, due to a strategic shift in focus, LCIS has now entered into a direct 'Binding Authority Agreement' with QBE effective from 30<sup>th</sup> June 2024 and advise that LCIS now act as Agent of the Insurer (QBE).

It was important to maintain this relationship, as QBE have been the main Insurer of this program for many years and have a deep understanding of the structure of the program, together with a long-standing partnership with the Local Government Sector across Australia.

### **Public & Products Liability**

The following Public & Products Liability policies are now directly underwritten by LCIS, via the 'Binding Authority Agreement' with QBE:

- Adhoc / Occasional Hirers of Council Owned or Controlled Facilities
- Un-Insured Buskers
- Un-Insured Stallholders, Entertainers, Participants, Artists etc.
- Council Youth Advisory Committees
- Working Parties of Council (Non-Section 41 Committees)
- Non-Endorsed Social Club
- Strata Plan
- Commonwealth Home Support Program (CHSP) Contractors
- Council Contractors
- Community Event Organisers, Umpires, Associations etc.

We are satisfied that the 2024 / 2025 renewal terms negotiated with QBE for the respective policies are competitive and are in line with the current market conditions. In particular, the Public & Products Liability market continues to harden due to inflationary pressures being placed on long-tail policy lines.

The following changes have also been made as part of the new Agreement for the 2024/2025 policy period:

### **Policy Excess**

The policy excess has been reduced from \$1,000.00 to **\$500.00** for each and every claim, unless otherwise specified on the Policy Schedule.

### **Endorsements**

There have been changes to several Endorsements, some of which have been included in the updated Policy Wording and some that will apply to an individual policy, and these Endorsements have been outlined in the respective Policy Schedules outlined in this report. Please ensure they are read and understood.

### **Policy Wording**

A copy of the updated QBE General Public and Product Liability Insurance Policy Wording and Product Disclosure Statement (PDS) (Ref: QM8341-1223) has been attached for your reference.

We recommended renewing these policies with QBE.



### Commercial Marine Hull

This policy is currently underwritten by QBE Insurance (Australia) Ltd (QBE).

Existing levels of cover have been maintained using the updated information that was declared in the 2024/2025 LGRS General Insurances Questionnaire and any other supporting documentation.

Please refer to the attached 'Policy Schedule' that outlines the cover being offered by QBE for this policy period and should be considered in conjunction with the policy wording.

We recommended renewing this policy with QBE.

### Validity of Quotations

Quotations in this report are subject to a validity period, where indicated within the quotation(s). Where no 'Validity Date' is shown, we cannot guarantee that the Insurer(s) will stand by their quotation indefinitely. Therefore, we would appreciate your instructions as soon as possible, but in any case, no later than the 'Expiry Date' of your current policy(s), which is the 30<sup>th</sup> June 2024.

## SEEKING INSTRUCTIONS

**To ensure renewal and continuity of cover for a further twelve (12) months, we seek your written acceptance of the terms provided and instructions to proceed with the renewal prior to the 30<sup>th</sup> June 2024.**

**Upon receipt of your written confirmation, cover will be confirmed with the Insurer and a 'Tax Invoice & Policy Schedule' sent to you.**

**Please first ensure that you check the coverage and limits and discuss any matters of concern with our office urgently.**

**Please refer to the 'Acceptance Declaration' in this report for written confirmation of your instructions to renew the required policy(s).**



## SUMMARY OF COSTS

CLASS OF INSURANCE	TOTAL PREMIUM <i>(including all Fees &amp; Statutory Charges)</i>		RECOMMENDED INSURER
	Last Year (2023 / 2024)	This Year (2024 / 2025)	
Public & Products Liability	\$4,066.15	\$4,066.15	QBE Insurance (Australia) Ltd- LCIS A/c
Public & Products Liability	\$1,267.56	\$1,349.61	QBE Insurance (Australia) Ltd- LCIS A/c
Public & Products Liability	\$3,337.95	\$4,526.42	QBE Insurance (Australia) Ltd- LCIS A/c
Personal Accident	\$1,929.40	\$1,929.40	QBE Insurance (Australia) Ltd
Journey Injury	\$16,120.41	\$14,613.39	Zurich Australian Insurance Limited through AFA Pty Ltd - Zurich
<b>TOTAL PREMIUM PAYABLE:</b>	<b>\$26,721.47</b>	<b>\$26,484.97</b>	

*\*(These premiums are based on the updated information that was declared in the 2024 / 2025 LGRS General Insurances Questionnaire and any other supporting documentation provided during the renewal process).*





## REMUNERATION & PAYMENT

Our remuneration for the work involved in arranging your insurance program is in accordance with the services as set out in the Terms of Engagement section of the Financial Services Guide.

Our remuneration is by way of a Broker Fee and commission received from the Insurer for each policy.

Where we, our Authorised Representatives and/or associated entities receive additional remuneration, this will be detailed in full on the Coverage Summary/Policy Schedule. Below is an outline of the circumstances under which we receive additional remuneration. Please contact your JLT Risk Solutions Pty Ltd Adviser if you have any questions.



## INSTRUCTIONS FOR RENEWAL

**This document is prepared for the sole and exclusive use of the Member and the details are to remain commercially confidential at all times.**

### Financial Services Guide

LGRS has an updated version of our 'JLT-Our Commitment to You and Financial Services Guide' document.

For more details and other advices, refer to the 'Important Information' on the reverse side of your Tax Invoice(s) and refer to the 'JLT – Our Commitment to You and Financial Services Guide' found at <https://www.lgrs.com.au/documentlibrary/list?library=55&folderId=1356>. This FSG includes a section 'Important Terms of Our Agreement with You' and provides the terms under which we will provide our services to you and you agree to be bound by these terms.

We remind Members that you must tell your Insurer everything relevant to their decision to accept the risk and on what terms. This 'Duty of Disclosure' applies at all times. For more details and other important information, refer to the Financial Services Guide (FSG).

Prior to reviewing the terms presented in this report, please ensure that you read and understand the 'Important Information' notice located at the end of this document.

## DECLARATION

I/We accept the insurance terms provided in this report and confirm that there have been no changes to the information previously submitted.

I/We are not aware of any claims lodged against us or aware of any claim circumstances which may give rise to a claim not previously declared.

Signature: .....

Title / Position Held: .....

Name: .....

Date: .....

Unless otherwise advised, all changes, inclusions, Sums Insured and premiums detailed in this report will take effect from the "Expiry Date" of the policies involved.

*It is important that we receive this duly completed and signed Declaration in our office prior to the 30/06/2024. Should we not receive this signed Declaration prior to the Expiry Date, we will renew the expiring policies based on the instructions provided at the 2024 / 2025 Renewal Review Meeting and confirmed in the 'Minutes of Meeting'.*



## PUBLIC & PRODUCTS LIABILITY

Our Ref:

014819

Insured: Adelaide Hills Council Hirers of Council owned and controlled facilities  
Location: Anywhere within the Council area  
Underwriter: QBE Insurance (Australia) Ltd- LCIS A/c  
UW Policy Number: LGR 014819 HIRE  
Policy Inception: 30/06/2024  
Policy Expiry: 30/06/2025

**NOTE:** Where a coverage heading incorporates provision for an amount to be inserted (e.g. Sub-Limit) but no amount is recorded, no cover is provided under this policy.

**INSURED** Casual Hirers of any facilities managed by Adelaide Hills Council Hirers of Council owned and controlled facilities (other than Incorporated Bodies, Sporting Clubs or Associations of any kind, Profit Making or Commercial Activities).

### INTERESTED PARTY

**ABN AND ITC DETAILS** ABN 23 955 071 393 ITC 100%

**ANZSIC CODE** 962930

**PRIMARY ACTIVITY** Principally Uninsured ad hoc or occasional hirers of Adelaide Hills Council owned and controlled facilities over a 12 month period (No. of hirers stated below as per declaration submitted by Council).

**NO. OF HIRES** 250

**PERIOD OF INSURANCE** From: 30/06/2024 at 4 PM Local Time  
To: 30/06/2025 at 4 PM Local Time

**SITUATION** Anywhere in the world subject to the Territorial Limits Exclusion.

**STATES OF OPERATION** SA (100%)

**LIMITS OF LIABILITY** Public Liability: The maximum Limit of Liability is \$20,000,000 any one Occurrence.  
Product Liability: The maximum Limit of Liability is \$20,000,000 any one Occurrence and in the aggregate for all Occurrences during any one Period of Insurance.

Both limits are exclusive of Supplementary Payments as defined in the policy wording.

**SUB-LIMIT OF LIABILITY** \$250,000.00 Property in Your Physical or Legal Control any one Occurrence.

**DEDUCTIBLE/EXCESSES** \$500 each and every claim or series of claims arising out of one Occurrence (inclusive of all defence cost and supplementary costs).

**SPECIAL CONDITIONS**  
**BUSINESS ACTIVITES**  
**DESCRIPTION**



**SPECIAL NOTE**

THIS POLICY DOES NOT COVER FAIRS, FESTIVALS, FETES, PARADES, MARCHES OR OTHER SPECIAL EVENTS THAT YOUR GROUP ORGANISE WHERE MORE THAN 500 PEOPLE ARE EXPECTED. PLEASE REFER ACTIVITIES OF THIS NATURE TO LOCAL COMMUNITY INSURANCE SERVICES.

**INSURER**

QBE Insurance (Australia) Limited

**POLICY WORDING AND CONDITIONS**

As per QBE General Public and Product Liability Insurance QM8341-1223 Policy Wording and subject to the Endorsements and Exclusions noted on the schedule.

**THE FOLLOWING ENDORSEMENTS AND EXCLUSIONS ATTACH TO, AND FORM PART OF THE QBE GENERAL PUBLIC AND PRODUCT LIABILITY INSURANCE POLICY WORDING QM8341-1223**

**DIFFERENCE IN CONDITIONS ENDORSEMENT**

This endorsement issued 30/06/2024 attaches to and forms part of the Insured's Public and Products Liability Policy with QBE Insurance Australia Limited for the current period of Insurance as per the Schedule (and shall not apply to any subsequent periods of Insurance unless agree by QBE). Extent of Cover To the extent that under the insured's previous public liability policy issued by QBE Insurance Australia Limited (the "previous policy") where coverage existed which does not exist under this policy or was a broader coverage than the similar coverage which exists under this policy (the "difference in coverage"), QBE Insurance Australia Limited will pay the Insured the amount that represents the difference in coverage as if that coverage existed under this policy, subject to the conditions and limitations below. Conditions and Limitations QBE Insurance Australia Limited only agrees for the difference in coverage conditions to be payable if: (a) The previous QBE policy expiry date is on the same date the policy is renewed. (b) All exclusions added to the schedule upon renewal. The wording exclusions remain the same and DIC/DIC clause applies (c) Any difference in coverage that may be payable under this policy is otherwise subject to the terms, conditions and limits of indemnity that applied under the previous policy.

**LCIS01 DEFINITIONS**

The following amendment is made to section '5. Definitions' of the Policy:

5.21 You, Your, Insured (a) is deleted and replaced with the following:

(a) any director, executive officer, Employees, voluntary unpaid worker which includes committee members, office holders, and managers of You, while acting within the scope of their duties.

**LCIS03 PROFESSIONAL LIABILITY EXCLUSION AMENDMENT- COACHES, INSTRUCTORS, TRAINERS AND UMPIRES**

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(a) Personal Injury or Property Damage arising from such rendering or failure to render professional advice or service, providing such professional advice or service is not given for a fee;  
(b) medical advice by medical persons who are employed to provide



medical services including first aid as long as you are not in the business of providing medical services;

(c) Personal Injury or Property Damage arising from the actions of a coach, instructor, or trainer provided that any coach, instructor, or trainer is:

(i) not qualified or employed to provide professional sporting advice or services including receiving a fee to provide professional sporting advice or services; or

(ii) a member of a professional association for coaching, instructing, training or umpiring of any sporting or physical activity.

#### **LCIS06 PARTICIPANTS IN SPORT, GAME OR AMUSEMENT EXCLUSION**

The following additional Exclusion is added to section '2. What you're not covered for' of the Policy: We don't cover your liability for or arising out arising out of the participation of any person in any sport, game, or amusement involving bodily contact with persons, machines or devices

#### **LCIS08 AMUSEMENTS EXCLUSION**

The following additional Exclusion is added to section '2. What you're not covered for' of the Policy: We don't cover any claims arising from, contributed by or in connection with: (a) animal rides; (b) amusement rides and/or devices of any description; (c) inflatable recreational equipment.

#### **LCIS16 COUNCIL LIABILITY EXCLUSION**

The following additional Exclusion is added to section '2. What you're not covered for' of the Policy: This Policy does not indemnify any council for their legal or vicarious liability from the use, operation or provision of any council facilities provided for hire, use or operation by others for any other business conducted by council in connection with such facilities.

#### **LCIS20 PERSONAL INJURY TO UMPIRES EXCLUSION**

The following Exclusion is added to section '2. What you're not covered for' of the Policy: We don't cover any claim arising from Personal Injury to any umpire engaged by or on behalf of any council and/or sporting association.

#### **LCIS31 FIREWORKS / PYROTECHNICS EXCLUSION**

The Insurer shall not be liable in respect of Personal Injury or Property Damage arising from or contributed to by the use, handling, transportation or storage of any fireworks or pyrotechnic or incendiary device. But this Exclusion does not apply to the Insured's own liability for any act or omission of any contractor or subcontractor provided that prior to the Insured incurring liability such contractor or subcontractor shall have produced evidence of public and products liability insurance covering such liability for a minimum limit of indemnity of \$5,000,000.

#### **LCIS32 TOTAL LISTED HUMAN DISEASE EXCLUSION**

The following exclusion is added to the policy: We don't cover your legal liability or any other benefit, cost or expense arising directly or indirectly out of, contributed to by, resulting from or in connection with any listed human disease determined under section 42 of the Biosecurity Act 2015 (Cth) or any Subsequent Legislation. For the purposes of this exclusion, 'Subsequent Legislation' means: an act or regulation as amended, replaced or re-enacted; where an act or regulation has been repealed, the current equivalent act or regulation (Commonwealth, State or Territory) with materially the same object or purpose whether in whole or in part.



**LCIS33 PROPERTY IN CUSTODY OR CONTROL (AMENDED SUB LIMIT)**

The following amendment is made to section '2. What you're not covered for' of the Policy: '2.17 (f).Property in custody or control'is deleted and replaced with the following: other property temporarily in your physical or legal control, but we won't cover physical damage or destruction of any property you have been working on and our limit under this exclusion 2.17 (f) does not exceed \$250,000 for any one Occurrence and in the aggregate for any one Policy Period.

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The attached Tax Invoice confirms your coverage for a 12 month period unless otherwise specified. Local Community Insurance Services (LCIS) is a division of JLT Risk Solutions Pty Ltd (ABN 69 009 098 864 AFS Licence No: 226827) ("JLT") and is a business of Marsh McLennan. This insurance is issued by JLT Risk Solutions Pty Ltd (ABN 69 009 098 864, AFSL 226 827) ('JLT') under an authority to bind cover on behalf of the insurer, QBE Insurance (Australia) Limited ('QBE'). In issuing and underwriting this insurance, JLT act as agents of QBE and not as your agent.

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To enable us to ensure your interests remain fully protected we ask you to review the information shown on the invoice and contact our office should any amendments be required: - Change of name and/or postal address - Changes to your premises, business operations or activities\* - Alterations to the Sum Insured Limits\*

\*\*\*\*\*  
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**DO YOU HAVE ANY UNINSURED RISKS?**

Listed over the following pages is the range of insurance covers available through Local Community Insurance Services and some of the benefits provided.

This information is provided as a summary only, a full copy of the policy wordings and endorsements can be found on our website [localcommunityinsurance.com.au](http://localcommunityinsurance.com.au) under the'Insurance Covers'tab

**PLEASE NOTE THAT THIS POLICY DOES NOT COVER YOU FOR THE FOLLOWING INSURANCE:**

- ASSOCIATIONS LIABILITY
- VOLUNTEER PERSONAL ACCIDENT INSURANCE
- FIRE AND OTHER INSURED EVENTS INSURANCE
- BUSINESS INTERRUPTION INSURANCE
- BURGLARY/THEFT INSURANCE
- MONEY INSURANCE - TRANSIT INSURANCE
- MACHINERY BREAKDOWN INSURANCE
- ELECTRONIC EQUIPMENT INSURANCE
- EMPLOYEE DISHONESTY INSURANCE
- GENERAL PROPERTY INSURANCE



- TAX AUDIT INSURANCE
- STATUTORY LIABILITY INSURANCE
- MOTOR VEHICLE INSURANCE

Should you require details of cover and premium quotations for any risks noted above and currently uninsured please contact our office for assistance.



## PUBLIC & PRODUCTS LIABILITY

Our Ref:

027514

Insured: Adelaide Hills Council Uninsured Roadside Stalls  
Location: Anywhere in Australia  
Underwriter: QBE Insurance (Australia) Ltd- LCIS A/c  
UW Policy Number: LGR 027514 HIRE  
Policy Inception: 30/06/2024  
Policy Expiry: 30/06/2025

**NOTE:** Where a coverage heading incorporates provision for an amount to be inserted (e.g. Sub-Limit) but no amount is recorded, no cover is provided under this policy.

<b>INSURED</b>	Casual Hirers of any facilities managed by Adelaide Hills Council Uninsured Roadside Stalls (other than Incorporated Bodies, Sporting Clubs or Associations of any kind, Profit Making or Commercial Activities).
<b>INTERESTED PARTY</b>	
<b>ABN AND ITC DETAILS</b>	ABN 23 955 071 393 ITC 100%
<b>ANZSIC CODE</b>	962930
<b>PRIMARY ACTIVITY</b>	Principally Uninsured ad hoc or occasional hirers of Adelaide Hills Council Uninsured Roadside Stalls owned and controlled facilities over a 12 month period (No. of hirers stated below as per declaration submitted by Council).
<b>NO. OF HIRES</b>	100
<b>PERIOD OF INSURANCE</b>	From: 30/06/2024 at 4 PM Local Time To: 30/06/2025 at 4 PM Local Time
<b>SITUATION</b>	Anywhere in the world subject to the Territorial Limits Exclusion.
<b>STATES OF OPERATION</b>	SA (100%)
<b>LIMITS OF LIABILITY</b>	Public Liability: The maximum Limit of Liability is \$10,000,000 any one Occurrence. Product Liability: The maximum Limit of Liability is \$10,000,000 any one Occurrence and in the aggregate for all Occurrences during any one Period of Insurance.  Both limits are exclusive of Supplementary Payments as defined in the policy wording.
<b>SUB-LIMIT OF LIABILITY</b>	\$250,000.00 Property in Your Physical or Legal Control any one Occurrence.
<b>DEDUCTIBLE/EXCESSES</b>	\$500 each and every claim or series of claims arising out of one Occurrence (inclusive of all defence cost and supplementary costs).
<b>SPECIAL CONDITIONS</b>	
<b>BUSINESS ACTIVITES DESCRIPTION</b>	





**SPECIAL NOTE**

THIS POLICY DOES NOT COVER FAIRS, FESTIVALS, FETES, PARADES, MARCHES OR OTHER SPECIAL EVENTS THAT YOUR GROUP ORGANISE WHERE MORE THAN 500 PEOPLE ARE EXPECTED. PLEASE REFER ACTIVITIES OF THIS NATURE TO LOCAL COMMUNITY INSURANCE SERVICES.

**INSURER**

QBE Insurance (Australia) Limited

**POLICY WORDING AND CONDITIONS**

As per QBE General Public and Product Liability Insurance QM8341-1223 Policy Wording and subject to the Endorsements and Exclusions noted on the schedule.

**THE FOLLOWING ENDORSEMENTS AND EXCLUSIONS ATTACH TO, AND FORM PART OF THE QBE GENERAL PUBLIC AND PRODUCT LIABILITY INSURANCE POLICY WORDING QM8341-1223**

**DIFFERENCE IN CONDITIONS ENDORSEMENT**

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**LCIS01 DEFINITIONS**

The following amendment is made to section '5. Definitions' of the Policy:

5.21 You, Your, Insured (a) is deleted and replaced with the following:

(a) any director, executive officer, Employees, voluntary unpaid worker which includes committee members, office holders, and managers of You, while acting within the scope of their duties.

**LCIS03 PROFESSIONAL LIABILITY EXCLUSION AMENDMENT- COACHES, INSTRUCTORS, TRAINERS AND UMPIRES**

The following amendment is made to section '2. What you're not covered for' of the Policy: 2.16 Professional liability is deleted and replaced with the following: We don't cover your liability to pay Compensation for the rendering of or failure to render professional advice or service by you or any related error or omission, but this exclusion does not apply to:

(a) Personal Injury or Property Damage arising from such rendering or failure to render professional advice or service, providing such professional advice or service is not given for a fee;  
(b) medical advice by medical persons who are employed to provide



medical services including first aid as long as you are not in the business of providing medical services;

(c) Personal Injury or Property Damage arising from the actions of a coach, instructor, or trainer provided that any coach, instructor, or trainer is:

(i) not qualified or employed to provide professional sporting advice or services including receiving a fee to provide professional sporting advice or services; or

(ii) a member of a professional association for coaching, instructing, training or umpiring of any sporting or physical activity.

#### **LCIS06 PARTICIPANTS IN SPORT, GAME OR AMUSEMENT EXCLUSION**

The following additional Exclusion is added to section '2. What you're not covered for' of the Policy: We don't cover your liability for or arising out arising out of the participation of any person in any sport, game, or amusement involving bodily contact with persons, machines or devices

#### **LCIS08 AMUSEMENTS EXCLUSION**

The following additional Exclusion is added to section '2. What you're not covered for' of the Policy: We don't cover any claims arising from, contributed by or in connection with: (a) animal rides; (b) amusement rides and/or devices of any description; (c) inflatable recreational equipment.

#### **LCIS16 COUNCIL LIABILITY EXCLUSION**

The following additional Exclusion is added to section '2. What you're not covered for' of the Policy: This Policy does not indemnify any council for their legal or vicarious liability from the use, operation or provision of any council facilities provided for hire, use or operation by others for any other business conducted by council in connection with such facilities.

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#### **LCIS31 FIREWORKS / PYROTECHNICS EXCLUSION**

The Insurer shall not be liable in respect of Personal Injury or Property Damage arising from or contributed to by the use, handling, transportation or storage of any fireworks or pyrotechnic or incendiary device. But this Exclusion does not apply to the Insured's own liability for any act or omission of any contractor or subcontractor provided that prior to the Insured incurring liability such contractor or subcontractor shall have produced evidence of public and products liability insurance covering such liability for a minimum limit of indemnity of \$5,000,000.

#### **LCIS32 TOTAL LISTED HUMAN DISEASE EXCLUSION**

The following exclusion is added to the policy: We don't cover your legal liability or any other benefit, cost or expense arising directly or indirectly out of, contributed to by, resulting from or in connection with any listed human disease determined under section 42 of the Biosecurity Act 2015 (Cth) or any Subsequent Legislation. For the purposes of this exclusion, 'Subsequent Legislation' means: an act or regulation as amended, replaced or re-enacted; where an act or regulation has been repealed, the current equivalent act or regulation (Commonwealth, State or Territory) with materially the same object or purpose whether in whole or in part.



**LCIS33 PROPERTY IN CUSTODY OR CONTROL (AMENDED SUB LIMIT)**

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**DO YOU HAVE ANY UNINSURED RISKS?**

Listed over the following pages is the range of insurance covers available through Local Community Insurance Services and some of the benefits provided.

This information is provided as a summary only, a full copy of the policy wordings and endorsements can be found on our website [localcommunityinsurance.com.au](http://localcommunityinsurance.com.au) under the'Insurance Covers'tab

**PLEASE NOTE THAT THIS POLICY DOES NOT COVER YOU FOR THE FOLLOWING INSURANCE:**

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- VOLUNTEER PERSONAL ACCIDENT INSURANCE
- FIRE AND OTHER INSURED EVENTS INSURANCE
- BUSINESS INTERRUPTION INSURANCE
- BURGLARY/THEFT INSURANCE
- MONEY INSURANCE - TRANSIT INSURANCE
- MACHINERY BREAKDOWN INSURANCE
- ELECTRONIC EQUIPMENT INSURANCE
- EMPLOYEE DISHONESTY INSURANCE
- GENERAL PROPERTY INSURANCE



- TAX AUDIT INSURANCE
- STATUTORY LIABILITY INSURANCE
- MOTOR VEHICLE INSURANCE

Should you require details of cover and premium quotations for any risks noted above and currently uninsured please contact our office for assistance.



## PUBLIC & PRODUCTS LIABILITY

Our Ref:

036208

Insured: Adelaide Hills Council on behalf of various advisory groups  
Location: Anywhere in Australia  
Underwriter: QBE Insurance (Australia) Ltd- LCIS A/c  
UW Policy Number: LGR 036208 PLB  
Policy Inception: 30/06/2024  
Policy Expiry: 30/06/2025

**NOTE:** Where a coverage heading incorporates provision for an amount to be inserted (e.g. Sub-Limit) but no amount is recorded, no cover is provided under this policy.

### ANNUAL PUBLIC AND PRODUCTS LIABILITY

**INSURED** Adelaide Hills Council on behalf of various advisory groups

**INTERESTED PARTY**

**ABN AND ITC DETAILS** ABN 23 955 071 393 ITC 100%

**ANZSIC CODE** 962930

**TURNOVER**

**PERIOD OF INSURANCE** From: 30/06/2024 at 4 PM Local Time  
To: 30/06/2025 at 4 PM Local Time

**SITUATION** Anywhere in the world subject to the Territorial Limits Exclusion.

**STATES OF OPERATION** SA (100%)

**LIMITS OF LIABILITY** Public Liability: The maximum Limit of Liability is \$10,000,000 any one Occurrence.  
Product Liability: The maximum Limit of Liability is \$10,000,000 any one Occurrence and in the aggregate for all Occurrences during any one Period of Insurance.

Both limits are exclusive of Supplementary Payments as defined in the policy wording.

**SUB-LIMIT OF LIABILITY** \$250,000.00 Property in Your Physical or Legal Control any one occurrence

**DEDUCTIBLE/EXCESSES** \$500 each and every claim or series of claims arising out of one Occurrence (inclusive of all defence cost and supplementary costs).

**SPECIAL CONDITIONS** Listed Councils and Working Parties:  
Biodiversity AG  
Bushfire AG  
Cemetery AG  
Property AG  
Rural Land Management AG  
Sustainability AG  
Community & Recreation Facility Framework Internal WG  
Adelaide Hills Region Reconciliation WG



**BUSINESS ACTIVITES  
DESCRIPTION**

**SPECIAL NOTE**

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**INSURER**

QBE Insurance (Australia) Limited

**POLICY WORDING AND  
CONDITIONS**

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**DIFFERENCE IN CONDITIONS ENDORSEMENT**

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replaced or re-enacted; - where an act or regulation has been repealed, the current equivalent act or regulation (Commonwealth, State or Territory) with materially the same object or purpose whether in whole or in part.

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Listed over the following pages is the range of insurance covers available through Local Community Insurance Services and some of the benefits provided.

This information is provided as a summary only, a full copy of the policy wordings and endorsements can be found on our website [localcommunityinsurance.com.au](http://localcommunityinsurance.com.au) under the 'Insurance Covers' tab

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- ASSOCIATIONS LIABILITY
- VOLUNTEER PERSONAL ACCIDENT INSURANCE
- FIRE AND OTHER INSURED EVENTS INSURANCE
- BUSINESS INTERRUPTION INSURANCE
- BURGLARY/THEFT INSURANCE
- MONEY INSURANCE - TRANSIT INSURANCE
- MACHINERY BREAKDOWN INSURANCE





- ELECTRONIC EQUIPMENT INSURANCE
- EMPLOYEE DISHONESTY INSURANCE
- GENERAL PROPERTY INSURANCE
- TAX AUDIT INSURANCE
- STATUTORY LIABILITY INSURANCE
- MOTOR VEHICLE INSURANCE

Should you require details of cover and premium quotations for any risks noted above and currently uninsured please contact our office for assistance.



## PERSONAL ACCIDENT

OUR REF: 014818

<b>INSURED</b>	Adelaide Hills Council
<b>ABN AND ITC DETAILS</b>	ABN: 23 955 071 393     ITC: 100.00%
<b>BUSINESS</b>	Principally Local Government and related activities including all associated activities incidental to or associated therewith, past or present, and/or Property Owners
<b>GEOGRAPHICAL SCOPE</b>	Worldwide
<b>JURISDICTIONAL SCOPE</b>	Australia
<b>GOVERNING LAW OF CONTRACT</b>	Australian
<b>PERIOD OF INSURANCE</b>	From: 30 June 2024 at 4 PM Local Time (SA). To: 30 June 2025 at 4 PM Local Time (SA).
<b>INTEREST INSURED</b>	Covering Insured persons whilst engaged in any activity directly or indirectly connected with or on behalf of the Authority/Corporation including travel to and/or from any such activity.
<b>AGGREGATE LIMIT OF LIABILITY</b>	\$20,000,000 in respect of all claims any one Period of Insurance
<b>DEDUCTIBLE</b>	Nil
<b>INSURED PERSONS:</b>	<p><b><u>Category 1:</u></b></p> <p>(a) The Mayor, Chairperson, Elected Members, Councillors, Commissioners, Directors, Presidents and Board Members of the Insured</p> <p>(b) Employees of the Insured</p> <p>(c) Accompanying Spouse/Partner and Dependent Children of Category 1(a) &amp; (b)</p> <p>(d) Authorised Guests and Personnel</p> <p><b><u>Category 2:</u></b></p> <p>Voluntary Workers of the Insured</p> <p><b><u>Category 3:</u></b></p>



Members of any Committees, Panels and Trusts of the Insured

**Category 4:**

Persons engaged in Work Experience placements, any Government Labour Market, Training or Job Creation Projects on behalf of the Insured.

**TIME OF OPERATION OF COVER:**

**Category 1:**

Cover under this Policy will apply while you are engaged in travel authorised by and undertaken on behalf of the Insured, provided such travel does not exceed six (6) months duration, and involves a destination which is overseas or more than fifty (50) kilometres from your usual residence or business premises.

Cover also applies for your private travel undertaken in association with such travel authorised by the Insured.

Cover will commence from the time you leave your usual residence or business premises, whichever is the point of departure for your travel, and will continue on a twenty-four (24) hour basis until you return to your usual residence or business premises, whichever occurs first.

Cover will not apply for normal commuting or travel between your usual residence and business premises for the purpose of attending and returning from work.

**Categories 1(a) and 1(d):**

Cover under this Policy will also apply whilst the Insured Person is actually engaged in unpaid voluntary work performed on behalf of the Insured provided always that such work is officially organised by and under the control of the Insured including necessary direct travel to, from or during such voluntary work.

**Category 2 & 3:**

Cover under this Policy shall only apply whilst the Insured Person is actually engaged in unpaid voluntary work performed on behalf of the Insured provided always that the Policy shall apply only in respect of such work officially organised by and under the control of the Insured including necessary direct travel to, from or during such voluntary work.

**Category 4:**

Cover under this Policy shall only apply whilst an Insured Person is engaged in Work Experience, any Government Labour Market, Training or Job Creation Projects officially organised by and under the control of the Insured, including direct travel between the Insured Person's normal residence and place of work or during such activities.



**POLICY WORDING & CONDITIONS:** Local Government Personal Accident & Corporate Travel Insurance (SA) Policy Wording & Product Disclosure Statement (PDS)  
(Ref: QM692-0624)

**SCHEDULE OF BENEFITS:**

<b>Section A - Capital Benefits</b>		<b>Sum Insured</b>
Category 1 (a)		\$500,000
Category 1 (b)		\$300,000
Category 1 (c)		\$300,000
Category 1 (d)		\$300,000
Category 2, 3 & 4		\$300,000
Subject to a Maximum Sum Insured for 90 years and older		\$10,000
<b>Section B – Weekly Injury</b>	<b>Insured Person(s)</b>	<b>Category 1(a), 1(b), 1(c), 1(d), 2, 3 &amp; 4</b>
	Maximum Sum Insured	\$3,000 per Week
	Benefit Period	156 weeks
	Excluded Period	Nil
<b>Section C– Injury Assistance Benefits</b>	<b>Insured Person(s)</b>	<b>Category 1(a), 1(d), 2, 3 &amp; 4</b>
	Maximum Sum Insured	\$770 per Week
	Benefit Period	26 weeks
	Excluded Period	Nil
<b>Section D – Non-Medicare Medical Expenses</b>	<b>Insured Person(s)</b>	<b>Category 2 &amp; 4</b>
	Maximum Sum Insured	\$20,000

<b>Insured Person(s)</b>	<b>Category 1 (a) (b) (c) &amp; (d)</b>
<b>Section F – Overseas Medical and Additional Expenses</b>	\$2,000,000
Emergency Dental Expenses – Injury Only	\$5,000
Emergency Optical Expenses – Injury Only	\$5,000
Burial Expenses	\$25,000
<b>Section G – Emergency Travel Assistance</b>	Yes
<b>Section H – Baggage and Personal Effects</b>	\$20,000
Mayoral Chains	\$30,000 any one person
Gifts	\$5,000 any one person
<b>Section I – Personal Money, Traveller’s Cheques and Credit Cards</b>	\$5,000
<b>Section J – Personal Liability</b>	\$10,000,000
<b>Section K – Kidnap and Ransom and Personal Extortion</b>	\$500,000
<b>Section L – Loss of Deposits and Additional Expenses</b>	\$10,000
<b>Section M – Refund of Excess following Collision Damage or Theft</b>	\$5,000
<b>Additional Covers</b>	included



<b>Extra Territorial Cover</b>	Yes
Maximum per Week	\$1,000
Maximum	\$1,000,000
<b>Environmental and Natural Disaster Evacuation and Political Evacuation</b>	\$500,000

### **Additional Aggregate Limit**

<b>Events</b>	<b>Section(s) Applied</b>	<b>Benefit Limit</b>
The maximum for all claims arising from: a) Coronavirus disease (COVID-19); b) Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-Cov-2); c) Any mutation of SARS-Cov-2; d) Any fear or threat of a), b), or c) above and occurring during any one Period of Insurance, whether involving one or more Insured Persons.	Section L	\$500,000
The maximum for all claims arising from: • A cyber act or cyber incident	Section H & L	\$500,000

### **SECTION D – Non-Medicare Medical Expenses**

Please note cover for this Section is only payable as a result of an injury which occurs while you're working in a voluntary capacity for the insured and providing services to an educational, religious, charitable, benevolent, sporting or youth organisation, directly or indirectly connected with or on behalf of the Insured, including while travelling directly to and/or from such voluntary work, or as a result of an injury which occurs while you're engaged on a Government Labour Market, Training or job Creation project and you're undertaking an activity that is part of an employment, education, training or youth program or initiative, administered or funded by the Commonwealth, including specialist employment services for people with disabilities, directly or indirectly connected with or on behalf of the insured, including while travelling directly to and/or from the activity.

Subject to all other Terms and Conditions within this Section and the Policy Wording as a whole.

### **ENDORSEMENTS(S) ATTACHING TO THE POLICY:**

#### **1. EMERGENCY ASSISTANCE PROVIDER:**

QBE's Emergency Assistance Provider for this policy is World Travel Protection.

As service provider, World Travel Protection is responsible for coordinating any medical evacuation and repatriation services required and is ready to respond, 24 hours a day, 365 days a year. In the event of an accident, illness or emergency during your trip overseas, please contact our medical and emergency assistance team.



Phone: +61 2 8907 5660

Email: [Assist@worldtravelprotection.com](mailto:Assist@worldtravelprotection.com)

You will be asked for your name (Insured and Insured Person), Policy Number and the Period of Insurance. You will need to advise the place and telephone number where the Insured Person can be reached and give a brief description of your situation and the nature of help required. For full details of cover provided under this section of the Policy, please refer to the Policy Wording.

For full details of cover provided under this section of the Policy, please refer to the Policy Wording.

<b>INSURER</b>	<b>PROPORTION</b>	<b>POLICY NUMBER</b>
QBE Insurance (Australia) Ltd	100.000%	AS A009920 PAD

<b>REMARKS</b>	Please refer to your policy document for details of Terms, Conditions and Exclusions.
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## JOURNEY INJURY

OUR REF: 020261

**INSURED** Adelaide Hills Council for and on behalf of All Employees.

**ABN AND ITC DETAILS** ABN 23 955 071 393 ITC 100.00%

**BUSINESS** Principally Local Government Authority

**INSURED PERSON(S)** All declared Employees of the Insured

**TERRITORIAL LIMITS** Worldwide

**JURISDICTIONAL SCOPE** Australia

**GOVERNING LAW  
OF CONTRACT** Australian

**PERIOD OF INSURANCE** From: 30 June 2024 at 4 PM Local Time (SA).

To: 30 June 2025 at 4 PM Local Time (SA).

**SCOPE OF COVER:**

**Category A**

Coverage under this policy shall apply whilst an Insured person is on a journey undertaken in the course of their employment with the Insured. Such cover shall commence from the time the Insured Person undertakes direct travel and ceases upon arrival at either their normal residence or place of employment, whichever is their destination.

Coverage also extends to include coverage for all Private Journeys (as defined), activities undertaken during lunchtimes and meal breaks provided that no coverage is granted by any relevant Workers Compensation legislation or Traffic Accident Act or equivalent.

**Category B**

Coverage under this policy shall apply whilst an Insured person is on a journey undertaken in the course of their employment with the Insured. Such cover shall commence from the time the Insured Person undertakes direct travel and ceases upon arrival at either their normal residence or place of employment, whichever is their destination.

Coverage also extends to include coverage for all Private Journeys on a 24-Hour basis (as defined), activities undertaken during lunchtimes and meal breaks provided that no coverage is granted by any relevant Workers



Compensation legislation or Traffic Accident Act or equivalent.

**POLICY WORDING:**

AFA Group Journey Injury Insurance Policy Wording and Product Disclosure Statement (PDS)  
(Version No. 5: 1 Oct 2022 – PDS-GJOUR-10096(B))

**SCHEDULE OF BENEFITS:**

**PART A - Accidental Death and Capital Benefits**

<b><u>Capital Benefit Sum Insured</u></b>	<b><u>Each Insured Person</u></b>
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Death & Capital Benefits (Event 1 – 19):	\$100,000
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**PART B – Weekly Injury Benefits**

Weekly Injury Benefit:	100% of Basic Weekly Earnings (as defined)
Maximum Weekly Benefit:	\$5,000
Maximum Benefit Period:	104 Weeks
Excess Period:	Nil Working Days

**Part C – Injury Resulting in Fractured Bones**

Sum Insured:	\$5,000
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**Part D – Injury Resulting in Loss of Teeth or Dental Procedures**

Sum Insured:	\$2,000 \$250 per Tooth
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**EXTENSION OF COVER:**

Exposure:	Included in PDS
Disappearance:	Included in PDS
Escalation of Claim Benefit:	Included in PDS
Guaranteed Payment:	Included in PDS
Tuition Expenses:	\$500 per Month Up to a maximum of 6 months

**ADDITIONAL BENEFITS:**

Accommodation & Transport Expenses:	\$3,000
Bed Care Benefit:	\$500 per Week Up to a maximum of 26 weeks
Carjacking Assault Benefit:	\$5,000
Carjacking Excess & Vehicle Hire Benefit:	\$5,000
Chauffeur Benefit:	\$200 per Week Up to 26 weeks
Childcare Benefit:	\$10,000
Coma Benefit:	\$100 per Day Up to a maximum of 180 Days
Corporate Image Protection:	\$15,000





Dependent Child Assistance:		
Education Fund Supplement:	\$10,000 per dependent child Up to \$30,000 per family	
Orphaned Benefit:	\$10,000 per dependent child Up to \$30,000 per family	
Emergency Home Help Benefit:	\$500 per Week Up to 26 weeks	
Executor Emergency Cash Advance:	\$25,000	
Funeral Expense:	\$10,000	
Home and/or Motor Vehicle Modification Benefit:	\$15,000	
Independent Financial Advice:	\$5,000	
Miscarriage / Premature Childbirth Benefit:	\$10,000	
Out of Pocket Expenses:	\$5,000	
Partner Retraining Benefit:	\$10,000	
Permanent Replacement Employee:	\$5,000	
Reconstructive / Cosmetic Surgery Benefit:	\$20,000	
Recruitment Expense Benefits Temporary Replacement Employee:	\$2,500 \$25,000 Aggregate	
Return to Work Assistance:	\$20,000	
Road or Air Rage Benefit:	\$5,000	
Terrorism Injury Benefit:	\$20,000 \$200,000 Aggregate	
Trauma Counselling Benefit:	\$5,000	
Unexpired Membership Benefit:	\$3,000	
Work Experience Benefit:	\$5,000	
<b>LIMIT OF LIABILITY:</b>		
	Any One Period of Insurance: (Aggregate Limit applies to each Insured Entity)	\$5,000,000
	Any Non-Scheduled Flights	\$500,000
<b>EXCESS PERIOD:</b>	Weekly Benefits Claims:	Nil Working Days
<b>2024/2025 ESTIMATED NUMBER OF EMPLOYEES</b>	236	
<b>INCLUDING ALL PRIVATE JOURNEYS</b>	Yes	
<b><u>ENDORSEMENTS:</u></b>		
<b>PRIVATE JOURNEY DEFINITION:</b>	The definition "Private Journey" means any travel undertaken whilst the Insured Person is driving or riding as a passenger	



in a registered motor vehicle or motorcycle, bicycle or wheelchair on a public thoroughfare; or riding as a fare paying passenger in any form of public transport, including but not limited to, trains, trams, buses and taxis or any properly licensed aircraft travelling over recognised air routes.”

**DIFFERENCE IN CONDITIONS /  
DIFFERENCE IN LIMITS (DIC/DIL):**

It is hereby declared and agreed that we guarantee to provide as a minimum no less cover in conditions and limits than the expiring cover in operations through QBE Journey Injury Insurance Policy Wording and PDS (Ref: QM206-0521).

**WORDS WITH SPECIAL MEANING –  
DEFINITION OF ‘PRE-DISABILITY  
EARNINGS’ is replaced with:**

Your basic weekly base rate of pay, inclusive of overtime payments, bonuses, commission, or allowances during your time of disablement. If you are an employee who has elected to salary sacrifice income, your basic weekly base rate of pay will be deemed to mean the total cost of employment, inclusive of such income salary sacrificed.

If the Insured pays you an increased base rate of pay whilst you suffer temporary total or partial disablement, the compensation we will pay will be adjusted accordingly.

**INSURER**  
Zurich Australian Insurance Limited  
through AFA Pty Ltd - Zurich

**PROPORTION**  
100.000%

**POLICY NUMBER**

**REMARKS**

Please refer to your policy document for details of Terms, Conditions and Exclusions.

## CLASSES OF INSURANCE AVAILABLE

The following types of insurance are available to you and includes those which you may have already purchased through Local Government Risk Services. It should be noted that this list does not include all types of policies available in the various insurance markets. Availability of some classes will be subject to prevailing market conditions.

As business is continually changing we recommend these areas be reviewed regularly to ensure that it is still appropriate for the Company to carry the risk.

Please indicate if you would like any additional information about any of these classes of insurance.

### Class of Insurance/Risk

#### PROPERTY

- Fidelity Guarantee
- Fire & Extraneous Perils
- Glass Breakage
- Houseowners/Householders
- House Inspection Guarantee
- Industrial Special Risks
- Money
- Multirisk/General Property
- Strata Plan
  - Domestic
  - Commercial
- Theft
- Crop Insurance

#### CONSEQUENTIAL LOSS/ BUSINESS INTERRUPTION

- Advance Profits
- Consequential Loss/Business Interruption

#### LIABILITY

- Association Liability
- Defamation
- Directors' & Officers' Liability
- Directors' & Officers' Supplementary Legal Expenses
- Employment Practices Liability
- Public Liability
- Products Liability
- Electronics Industry Errors & Omissions
- Intellectual Property/Patent Protection/Copyright
- Management Liability
- Pollution/Environmental Impairment Liability
- Products Guarantee
- Products Recall
- Professional Indemnity
- Retroactive Liability
- Statutory Liability (Fines & Penalties)
- Superannuation Fund Trustees' Liability
- Umbrella Liability
- Warranty Indemnity

#### MOTOR

- Own Damage
- Third Party Property Damage
- Compulsory Third Party (CTP)

#### WORKERS' COMPENSATION

- Australian Capital Territory
- Extraterritorial
- New South Wales
- Northern Territory
- Queensland
- South Australia
- Tasmania
- Victoria
- Western Australia
- Work Cover Top-Up (NSW)
- Personal Injury (DIC) Liability (NZ.)

#### ENGINEERING

- Boiler & Pressure Vessel Explosion
- Boiler & Pressure Vessel Explosion
  - Business Interruption
  - Deterioration of Stock
- Machinery Breakdown
- Machinery Breakdown
  - Business Interruption
  - Deterioration of Stock

#### COMPUTER

- Computer Crime
- Computer & Electronic Equipment Breakdown
- Cyber Liability

#### MARINE

- Carriers' Liability
- Charterers' Liability
- Hull
- Owner Liabilities
- Non-Owner Liabilities
- Pleasure Craft
- Transit/Cargo
  - Inland
  - Overseas
- Protection & Indemnity
- Profits
- Strikes

#### CONSTRUCTION

- Bonds
- Performance Bonds
- Construction
  - Property
  - Liability
- Contract Penalties/Liquidated Damages
- Profits

#### AVIATION

- Hull
- Hull
  - Owner Liabilities
  - Non-Owner Liabilities
- Airport Owners/Hangar Keepers

#### EMPLOYEE BENEFITS

- Corporate Travel
- Disability
- Health Benefit Plans
- Journey Injury
  - (non-Workers' Compensation)
- Keyperson
- Life Assurance
- Loss of Licence
- Personal Accident/Sickness
- Salary Continuance
- Superannuation
  - Plans Management
  - Consulting Advice Only
- Trauma
- Voluntary Group Accident Schemes

#### MERGERS & ACQUISITIONS

- Mergers & Acquisitions Insurance

#### MISCELLANEOUS

- Bankers' Blanket
- Bonds
  - (Non-Construction)
  - Customs & Payment
  - Liquidator & Bankruptcy
- Cancellation/Abandonment
- Confiscation & Expropriation
- Credit
- Export Credit
- Extended Warranty
- Extortion
  - Kidnap & Ransom
  - Malicious Product Tamper
- Forged Share Transfer
- Jewellers' Block
- Livestock/Bloodstock/Farm Pack
- Loss of Licence
- Pluvius
- Political Risks (Assets & Contracts)
- Strikes – Non-Marine
- Taxation Audit



## IMPORTANT INFORMATION

### MUTUAL FUNDS/SCHEMES

The LGA Asset Mutual Fund (LGAAMF), The LG Income Protection Scheme (LGIPF), The LGA Mutual Liability Scheme (LGAMLS) and LGA Workers Compensation Scheme (LGAWCS) are Mutual Risk Products as defined by ASIC and neither authorised under, nor subject to, the Provisions of the Insurance Act 1973.

The LGAAMF, LGIPF, LGAMLS and LGAWCS are not products regulated by APRA.

The LGAAMF, LGIPF, LGAMLS and LGAWCS estimate their future liabilities based upon procedures which are supported by both independent legal and actuarial experts. The LGAAMF, LGIPF, LGAMLS and LGAWCS also maintain specific financial provisions for Late Reported Claims and future claim developments plus a Prudential Risk Margin. These provisions are amounts in addition to specific claim estimates.

The LGAAMF, LGIPF, LGAMLS and LGAWCS and the respective Scheme Managers have established financial targets to ensure that adequate financial resources are available to discharge future liabilities and make future payments. This is achieved via a combination of financial management strategies which may include purchasing reinsurance, developing risk margins and retaining surplus funds. The Fund Overview Committees review the operating financial statements at regular intervals and an independent audit occurs annually with its findings reported to members. With regards to The LGA Mutual Liability Scheme (LGAMLS) and LGA Workers Compensation Scheme (LGAWCS), The LGASA Mutual Board review the operating financial statements at regular intervals and an independent audit occurs annually with its findings reported to members.

### DUTY OF DISCLOSURE

Before you enter into an insurance contract, you have a duty of disclosure under the Insurance Contracts Act 1984. You have a duty to tell us anything that you know, or could reasonably be expected to know, may affect the insurer's decision to insure you and on what terms. You have this duty until the insurer agrees to insure you. You have the same duty before you renew, extend, vary or reinstate an insurance contract.

If we ask you questions that are relevant to the insurer's decision to insure you and on what terms, you must tell us anything that you know and that a reasonable person in the circumstances would include in answering the questions.

Also, we may give you a copy of anything you have previously told us and ask you to tell us if it has changed. If we do this, you must tell us about any change or tell us that there is no change. If you do not tell us about a change to something you have previously told us, you will be taken to have told us that there is no change.

You do not need to tell us anything that:

- reduces the risk insured; or
- is common knowledge; or
- the insurer knows or should know as an insurer;
- or the insurer waives your duty to tell them about.

### If you do not tell us something

If you do not tell us anything you are required to, the insurer may cancel your contract or reduce the amount it will pay you if you make a claim, or both. If your failure to tell us is fraudulent, the insurer may refuse to pay a claim and treat the contract as if it never existed.

### CHANGE OF RISK OR CIRCUMSTANCES

Please tell us about any changes to your circumstances or business, such as any alteration of risk, location changes, new or changed business activities, as they could affect your insurances.

### AVERAGE CLAUSE – UNDER INSURANCE

Home buildings and contents, fire, business interruption, industrial special risks, Statewide Property Mutual and other policies often contain an average clause. This means that you should declare full value which may be replacement, indemnity or market value depending on the type of insurance cover or protection arranged. If you are under insured your claim may be reduced in proportion to the amount under declared.

### UNREPORTED LOSSES

Please let us know whether there are any losses which have occurred that have not been reported to us/the Scheme/insurers, whether you intend making a claim or not.

### HOLD HARMLESS AGREEMENTS, CONTRACTING OUT, REMOVAL OF SUBROGATION RIGHTS

You may prejudice your rights to a claim if, without prior agreement from your insurer or relevant Scheme, you make any agreement that could prevent the insurer or Scheme from recovering the loss from a third party. These "hold harmless" clauses are often found in leases, licences and contracts for maintenance, supply, construction and repair.

### PROTECTING THE INTEREST OF OTHER PARTIES

If you require the interest of another party to be covered by the policy or Scheme, you MUST request this. Most policies and scheme protection will attempt to exclude indemnity to other parties (e.g. mortgagees, lessors, principals etc.) unless their interest is expressly noted on the policy.



## **NEW CLAIMS**

Any quotation we have obtained on your behalf is based on the understanding that there will be no deterioration in the claims experience (or change in the underwriting information) between the date insurers or Statewide quoted their terms and the inception date of the cover. If changes do occur during this period, insurers/Statewide have the right to revise the terms quoted or even withdraw their quotation.

## **SEVERAL LIABILITY**

Where your cover is provided by more than one insurer/reinsurer it is important to note that each insurer/reinsurer is only responsible to the extent of their individual subscription and there is no obligation for that insurer/reinsurer to make up the shortfall of any other subscribing insurer/reinsurer in a claim or return premium or contribution payment.

## **CONFIRMATION OF TRANSACTION**

You may contact us by telephone or in writing to confirm any transaction under your insurance policies or Statewide Schemes, such as renewals and endorsements. If necessary, we will obtain the information for you from the insurer or reinsurer.

## **COOLING OFF PERIOD FOR RETAIL CLIENTS**

If you are a retail client as defined in the Corporations Act 2001 as amended (the 'Act'), you may be entitled to a minimum 14 day cooling-off period during which you may return the insurance policy and receive a refund of the insurance premium paid (less amounts lawfully deducted), subject to the requirements of the Act and the terms and conditions of your policy.

This does not affect any other cancellation rights you may have under your policy.

Please check your policy and schedule upon receipt to be sure you have the cover you require. If the cover does not meet your needs, please contact your JLT Risk Solutions Pty Ltd (JLT Public Sector) account executive for advice as to your rights.

## **REMUNERATION AND OTHER INCOME**

Our principal remuneration for arranging insurance on your behalf is either by way of commission paid by the Insurer and/or a fee including a service fee and an administration fee to be paid by you.

In addition to the above we may receive income from insurers as follows: interest earned on insurance monies passing through our bank accounts; profit commissions or profit shares paid by insurers on specific classes of business; administrative service fees or expense reimbursements for limited specific services we provide to insurers as part of the placing or claims process.

Where we act as managers of a Mutual Scheme or Discretionary Trust, our fee is negotiated according to the services to be provided for that Scheme.

We will disclose any potential conflict of interest not included above which may occur and affect our relationship.

## **REFUND PREMIUMS OR CONTRIBUTIONS**

In the event of any refund premium or contribution being allowed for the cancellation or adjustment of any insurance policy or scheme protection, JLT Public Sector reserves the right to retain all brokerage, fees and charges.

## **RECEIVING INFORMATION ABOUT OTHER PRODUCTS AND SERVICES**

We may, from time to time, offer you information about products and services which may be of interest to you. Please notify us if you do not wish to receive such additional information.

## **PRIVACY POLICY**

We value the privacy of your personal information and we are committed to handling your personal information in a responsible way in accordance with the *Privacy Act 1988* (Cth) (the Act) and the Australian Privacy Principles (APPs) as contained within the Act. Our Privacy Policy can be examined by accessing our website or by obtaining a copy from our Privacy Officer on telephone number (02) 8864 7688, email [privacy.australia@marsh.com](mailto:privacy.australia@marsh.com) or post PO Box H176 Australia Square NSW 1215.

## **FINANCIAL SERVICES GUIDE (FSG)**

Please refer to JLT Public Sector's FSG [here](#) for information on the services offered by JLT Public Sector. It is designed to assist you in making a decision whether to use any of the services offered.

## **SERVICE DIFFICULTIES**

We would like to know if you are not satisfied with our services. If you have any difficulties please contact your JLT adviser or our Complaints Manager. JLT subscribes to the Australian Financial Complaints Authority (AFCA) and the General Insurance Broker's Code of Practice. AFCA contact details are 1800 931 678, email [info@afca.org.au](mailto:info@afca.org.au), website [www.afca.org.au](http://www.afca.org.au). Additional information is available from your local JLT office.

**IF THERE IS ANY PART OF THE ABOVE THAT YOU DO NOT UNDERSTAND OR YOU REQUIRE FURTHER EXPLANATION, PLEASE CONTACT US IMMEDIATELY.**



### **Proprietary Nature of Proposal**

This document is prepared for the sole and exclusive use of the party or organisation to which it is addressed. Therefore, it is considered proprietary to LGRS and may not be made available to anyone other than the addressee or person within the addressee's organisation who is designated to evaluate or implement the document. LGRS documents may be made available to other persons or organisations only with written permission of LGRS.

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# CONTACTS

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A member of the Marsh & McLennan Companies (MMC) group of companies.

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

**Item:** 9.5

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

**Subject:** Audit Actions Implementation Update

**For:** Information

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**SUMMARY**

The implementation status of actions arising from previous Internal & External Audits is provided in ***Appendix 1***.

One (1) action has been completed since the last implementation report (February 2024) to the Committee.

**RECOMMENDATION**

**The Audit Committee resolves:**

- 1. That the report be received and noted**
  - 2. To note the implementation status of Internal and External Audit actions.**
- 

**1. BACKGROUND**

The 2024 Audit Committee Work Plan and Reporting Schedule provides for reports to be issued to the Audit Committee on a biannual basis (February and August) regarding the implementation status of actions arising from Internal and External Audits

The Audit Committee was last provided an update of outstanding actions at its February 2024 meeting.



## 2. ANALYSIS

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

Goal 5	A Progressive Organisation
Objective O5	We are accountable, informed, and make decisions in the best interests of the whole community
Priority O5.2	Make evidence-based decisions and prudently assess the risks and opportunities to our community before taking action.
Priority O5.3	Demonstrate accountability through robust corporate planning and reporting that enhances performance, is relevant and easily accessible by the community.

Monitoring the implementation of internal and external audit actions facilitates the effective management of risk exposures and improves the overall governance environment.

#### ➤ **Legal Implications**

Accounts, Financial Statement and Audit, *Local Government Act 1999*

Section 125 of the *Local Government Act 1999* (the Act) requires councils to ensure that appropriate policies, practices and procedures of internal controls are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard Council’s assets, and to secure (as far as possible) the accuracy and reliability of Council records.

The Internal Audit program is an important tool to provide an objective appraisal of the adequacy on internal controls in managing our risk and supporting the achievement of council objectives.

Testing of Council’s transactions and internal controls by the external auditor coincides with Council’s own Risk Management Framework. The External Auditor’s annual inspection and certification of Council’s financial position and performance provides the community with an assurance of Council’s internal financial control environment in managing our risk and supporting the achievement of council objectives.

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

The implementation of actions arising from internal and external audits will assist in mitigating the risk of:

*Internal control failures occur which lead to greater uncertainty in the achievement of objectives and/or negative outcomes.*

Inherent Risk	Residual Risk	Target Risk
High (4C)	Medium (3C)	Medium (3C)

Note there are many other controls that contribute to managing this risk.

➤ **Financial and Resource Implications**

Actions arising from internal and external audits are generally accommodated in existing functional budgets. Where an agreed action requires unbudgeted funds, this will be managed through Council’s budget review processes

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

There is a high expectation that Council has appropriate corporate governance processes in place including an effective internal control environment.

➤ **Sustainability Implications**

Not applicable

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

Consultation on the implementation of actions to address the audit findings was as follows:

*Council Committees:* Not Applicable

*Council Workshops:* Not Applicable

*Advisory Groups:* Not Applicable

*External Agencies:* Not Applicable

*Community:* Not Applicable

➤ **Additional Analysis**

The status of the outstanding and completed actions from Internal and External Audits is at **Appendix 1**.

Risk Rating	In Progress	Completed	Not Commenced	Overdue				Total Actions
				<3 mths	3-6 mths	6-12 mths	>12 mths	
Extreme	0	0	0					0
High	7	0	0					7
Medium	18	6	0	1	1	4		24
Low	12	6	1	1		3		19
Not Rated	2	0	0					2
<b>TOTAL</b>	<b>39</b>	<b>12</b>	<b>1</b>					<b>52</b>

It should be noted that while there are fifty-two (52) items in total, some of the actions relate to the same subject on multiple occasions (i.e. BCP has 3 actions). One (1) action has been completed since the last implementation report to the Committee.

**3. OPTIONS**

The Committee has the following options:

- I. To note the implementation status of the Internal and External Audit actions as presented (recommended); or
- II. To identify additional actions to be undertaken (not recommended).

**4. APPENDIX**

- (1) Audit Actions Implementation Status – August 2024

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# **Appendix 1**

*Audit Actions Implementation Status – August 2024*

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**Audit Action Implementation Report  
19 August 2024**

Audit Name	Reference	Issue	Risk Rating	Recommendation	Proposed Action	Responsible Officer	Due Date	Date of Update	Progress	Comment
2020 Galpins Financial Controls Review Interim Management Letter May 2020	2.3.2 - GENERAL LEDGER	The Business Continuity Plan is overdue for review	Low	The Business Continuity Plan is updated.	Council will be accessing the Local Government Risk Services to business continuity planning service.	Ashley Curtis	30/06/2021	12/08/2024 14:00	In Progress	A first draft BCP has been completed and is currently being reviewed.
2021 - Bentleys - Payroll Function Internal Audit - May 2021	1.1	Efficiency of manual payroll process	Low	We recommend management: <ul style="list-style-type: none"> <li>Assess the benefit of payroll process automation and quantify the cost associated</li> <li>Quantify the saving if the three days of the Payroll Officer's time could be freed up; and</li> <li>Make a decision to implement system solution of payroll process.</li> </ul>	A new system was implemented. However, it was discovered that Councils EBA complexity prohibits the automation of payroll so the new system is still utilised with manual processes. The ESS functionality of the new system was initially planned to be rolled out but this was not possible because of the complexity. There is now a plan to implement it to a subset of staff however this project is awaiting resourcing.	Liz Packer	1/01/2024	1/08/2024 15:32	In Progress	The Payroll function has been moved into the Financial Services area ongoing. A working group has been created to scope out the issue of automatic timesheets and the recording of flexi. The group will look to trial auto pay with pilot sites who will not submit a timesheet each f/n. Exception reporting will be implemented instead. At the same time, flexi/TIL will be pushed out to the business to manage internally. The group will look at developing a spreadsheet to assist teams with the managing and recording of flexi/TIL which aligns to the EDA. Policy changes required to support the change in the processing of Flexi-time have been made and implementation is pending.
2021 - Bentleys - Payroll Function Internal Audit - May 2021	1.2	Efficiency of manual payroll process	Low	We recommend management: <ul style="list-style-type: none"> <li>Assess the benefit of payroll process automation and quantify the cost associated</li> <li>Quantify the saving if the three days of the Payroll Officer's time could be freed up; and</li> <li>Make a decision to implement system solution of payroll process.</li> </ul>	We will review the Payroll Officer's time and quantify savings after the system has been used and new patterns of work established.	Liz Packer	16/12/2022	8/08/2024 12:45	In Progress	The Payroll function has been moved into the Financial Services area ongoing. A working group has been created to scope out the issue of automatic timesheets and the recording of flexi. The group will look to trial auto pay with pilot sites who will not submit a timesheet each f/n. Exception reporting will be implemented instead. At the same time, flexi/TIL will be pushed out to the business to manage internally. The group will look at developing a spreadsheet to assist teams with the managing and recording of flexi/TIL which aligns to the EDA. A revised policy to support Flexi changes has been completed and consulted on. A project has been initiated to start a roll out of the ESS functionality where possible, this will enable progress to be made with automation and streamlining of the process.  At this stage unlikely to be achieved by 31/03/2025
2021 - Bentleys - Payroll Function Internal Audit - May 2021	3	Records management	Low	We recommend management: <ul style="list-style-type: none"> <li>Document the record management requirements into policies and procedures and enforce the implementation.</li> </ul>	Following the implementation of the new payroll system we will review and update processes to ensure an automated leave management function is implemented.	Gary Lewis	30/06/2023	1/08/2024 15:35	In Progress	Both the payroll and HR systems are live (HR only in the aspects that affect payroll). Elements of the new Payroll system have not been implemented, these are the Award interpreter and the ESS.  ESS development was being re-initialised in December 2023, with a project plan to implement is to be developed with a goal of starting the roll out of the new functionality by 30/06/2024 however resourcing have not been available to progress the project so it is still in its early stages.
2021 Galpins Financial Controls Review Interim Management Letter May 2021	2.2.1.3	Asset management plans overdue for adoption	Medium	Management works towards preparation and adoption of Buildings, CWMS, Stormwater, Bridges and Playground asset management plans.	Continue to document asset management planning and adopt asset management plans for major asset classes (i.e. buildings)	Karen Cummings	30/06/2022	8/08/2024 11:24	In Progress	Staff are currently finalising a proposed Buildings Asset Management Plan following comprehensive building audits and revaluations over the past 2 years.
2021 Galpins Financial Controls Review Interim Management Letter May 2021	2.3.1	The Business Continuity Plan is overdue for review	Low	The Business Continuity Plan is updated.	Develop and implement Business Continuity Plan	Gary Lewis	31/12/2021	8/08/2024 13:49	In Progress	Considerable work has been undertaken in recent weeks on the progression of the Workforce Safety in Emergency Plan. This work is now to include the finalisation of the BCP for AHC and as such this item is expected to be completed by 31 December 2023.
2021-22 Financial Controls Review - Interim Management Letter - May 2022	2.1.1c - Roads	Assets requiring new revaluations and new condition assessments to ensure they are revalued with sufficient regularity	Medium	Ensure that assets using the revaluation model are revalued with sufficient regularity as required by Australian Accounting Standards.	Engage consultant to collect base road condition information for analysis in 22/23 and revaluation based on condition data from July 2023.	David Collins	30/06/2024	2/08/2024 10:07	In Progress	Road audit completed and being evaluation with SCI (seal condition index) and PCI (pavement condition index) data being modelled to determine condition of sealed network and then subsequent revaluation. Data review and validation has identified some inconsistencies and contractor review output before final condition ratings adopted. Unit Rates uplifted in line with Producer Price Indices June 23 - further condition revaluation to to under taken in 24_25 financial year.
2021-22 Financial Controls Review - Interim Management Letter - May 2022	2.1.2b - Playgrounds AMP	Asset management plans overdue for adoption	Medium	Management works towards preparation and adoption of Buildings, CWMS, Stormwater and Playground asset management plans.	Draft Stormwater and Playground AMP's to be developed during 22/23 and adoption in 2023/24	David Collins	30/06/2024	2/08/2024 10:08	In Progress	Review of current data and playspace framework being modelled into lifecycle AMP. Draft Stormwater AMP has been developed in conjunction with consultant and internal review and refinement being undertaken
2021-22 Financial Controls Review - Interim Management Letter - May 2022	2.1.2c - Buildings AMP	Asset management plans overdue for adoption	Medium	Management works towards preparation and adoption of Buildings, CWMS, Stormwater and Playground asset management plans.	Building condition audit and revaluation out to tender April 2022 and to be included in the Building AMP in 22/23.	Karen Cummings	30/06/2023	8/08/2024 11:42	In Progress	Staff are currently finalising a proposed Buildings Asset Management Plan following comprehensive building audits and revaluations over the past 2 years.
2021-22 Financial Controls Review - Interim Management Letter - May 2022	2.1.3	Asset maintenance plans not aligned with asset management plans	Medium	Ensure that maintenance schedules are developed in accordance with Asset Management Plans.	Managers with maintenance budget responsibility to develop asset maintenance plans for business area to ensure alignment with AMP outcomes.	David Collins	30/06/2024	2/08/2024 10:08	In Progress	Assets Maintenance Plans are subsequently updated by functional asset maintenance managers and aligned to adopted AMP's. CWMS completed March 2023 Road Footpath and Kerb Asset Management Plan (AMP) adopted. Bridges AMP adopted in March 2022 Building condition audit commenced in August 2022 and AMP to be completed in 2023. CWMS draft AMP presentation to Audit in August 2022 for comment. Safety Barrier, Retaining Wall, Bus Shelter operational asset plans have been peer reviewed - not part of Strategic Management Plans as minor asset and not material but same process completed for these asset classes.
2021-22 Financial Controls Review - Interim Management Letter - May 2022	2.2.3	The Business Continuity Plan is overdue for review	Low	The Business Continuity Plan is updated.	Local Government Risk Services (LGRS) has been contracted to deliver their BCP development and implementation service. Function owners have completed their assessments of the maximum acceptable outage (MAO) for their service offerings utilising a SharePoint database. For those services with critical MAOs, a Critical Function Plan (CFP) will be developed in conjunction with LGRS and these will be incorporated into the revised BCP.	Gary Lewis	30/09/2022	8/08/2024 13:50	In Progress	Considerable work has been undertaken in recent weeks on the progression of the Workforce Safety in Emergency Plan. This work is now to include the finalisation of the BCP for AHC and as such this item is expected to be completed by 31 December 2023. 02/08/24 Ashley this has now been transferred for you to manage not Governance.
2021-22 IT Entity Level Controls Review - May 2022	3.1	IT Policies and procedures	Medium	We understand that new ICT policies are part of the Cyber Security Plan. It is recommended that the following IT policies (or equivalent) be developed, issued on the Intranet site and implemented to Council Staff:- <ul style="list-style-type: none"> <li>Information Security Policy</li> <li>Access Management Policy</li> <li>Change Management Procedure</li> <li>Network Security Policy including passwords</li> <li>Information management – classification and handling</li> <li>Online services</li> <li>Physical Access</li> <li>Remote Access and telecommuting</li> </ul>	The implementation of the LGITSA Cyber Security Framework and associated work activity with consultants (CyberCX) will see an alignment to this recommendation.  As indicated in the findings, delays were incurred due to resourcing an appropriately skilled Cyber Security Officer and the release of the LGITSA Cyber Security Framework to ensure alignment with the LG Sector in the implementation of Cyber Security Plans across the state.  <b>Action</b> : implement an Information Security Management System (ISMS)	Phil Mattingly	31/12/2022	13/08/2024 16:27	In Progress	The Cyber Security Framework that is being used to develop ICT Policies is being progressed within current resourcing constraints. This has been challenging in aligning template policy documents, to actual organisational requirements, as to how they can be effectively resourced and implemented to ensure that a policy or procedure can be adhered to within current organisational capability.  Draft policies & procedures have been created and explored with key staff to get feedback as to the practicality of policies, with a view to amend or propose alternative solutions that need to be progressed and explored to mitigate the risks. Currently the estimated completion date hasn't been met due to the complexity and work required to come to an organisational position, and it's anticipated that a further extension of time is required to obtain the best outcome, rather than have a policy that is not workable from an organisational and implementation perspective. Additional time needed is being considered but it's expected to be several months.
2021-22 IT Entity Level Controls Review - May 2022	3.3	ICT Governance- Revise ICT and IS Strategic Plan	Medium	Finalise the IS Strategic Plan.	Work has commenced on a Draft Information Services Strategic Plan; however, consideration is being undertaken in incorporating this activity into a Corporate Services Plan as indicated in the recommendations. <b>Action</b> : progress the development of strategic planning for the Information Services Department.	Phil Mattingly	31/12/2022	13/08/2024 16:27	In Progress	The Information Services Strategic Plan is now being progressed to ELT for adoption but has not been completed by the due date. Currently Council is undergoing a review of the Council Strategic Plan that also contains references to Technology & Innovation that may impact on the requirement for a separate strategic plan so further consideration is required as how to progress.

**Audit Action Implementation Report  
19 August 2024**

Audit Name	Reference	Issue	Risk Rating	Recommendation	Proposed Action	Responsible Officer	Due Date	Date of Update	Progress	Comment
2022 - Bentleys - Economic Development Plan Implementation Internal Audit - Aug 2022	2. Design of actions	<p>Testing of 16 samples found that two (12.5% of sampled) actions were not adequate to support the designed outcomes. Details as follows:</p> <ul style="list-style-type: none"> <li>Action of "Council develops a procurement register for local suppliers" (against Outcome E1.6 – More Adelaide Hills businesses are successful in winning work to supply goods and services to Local State and Australian Government) – The Procurement Register in SkyTrust was observed at the time of the audit. However, the Procurement Register did not include local suppliers' information. Instead, under the Council's procurement framework, Selection Criteria were in place, including consideration of local suppliers. The Procurement Coordinator advised that depending on the nature of the procurement, the weight percentage change accordingly.</li> <li>Action of "Community Halls and Sporting Facilities are maintained with the aim of generating income with communities where possible" (against Outcome E2.4 – Tourism and Community recreation infrastructure supports local businesses and economies) – The maintenance responsibilities are with the external management team of the Community Halls and Sporting Facilities although Council maintains an Asbestos Register and conducts annual inspection for compliance purposes, e.g., fire safety.</li> </ul> <p>– An example Annual Compliance Inspection Report was provided showing the building condition is Very Good (rated as 4 out of 5). However, there was no summary/register of all reports (approximately 50). Therefore, we did not have sufficient evidence to comment on whether all building conditions were good.</p> <p>RISKS:</p> <ul style="list-style-type: none"> <li>Action items in the ED Plan are not completed within the timeframes and resources allocated</li> <li>Outcomes achieved are not evaluated against the objectives of the ED Plan.</li> </ul>	Low	Management reviews and updates the action items in the ED Plan during the tracking and reporting processes to reflect the relevance and accuracy of the action items; and ensures the updated action items are completed within the timeframes and resources allocated.	<ol style="list-style-type: none"> <li>Undertake a review of the ED Plan, with revised priorities and timelines presented for Council's consideration in the first half of 2023 (which will be when the existing plan is two years old).</li> <li>Delivery of action items will always be subject to resources being available. The team is expected to be back to normal levels of resourcing in August 2022.</li> </ol>	Jess Charlton	30/06/2023	13/08/2024 16:28	Completed	Mid term review presented to Council in February
2022 - Bentleys - Economic Development Plan Implementation Internal Audit - Aug 2022	3. Regular review and update of ED Plan	<p>There was no formal regular review and update of the ED Plan in place to ensure that the action items are all designed appropriately and practically to address the targeted outcomes and the latest changes are addressed, such as the lack of resources in the ED Business Unit.</p> <p>RISKS:</p> <ul style="list-style-type: none"> <li>Action items identified in the ED Plan are not scheduled or responsibility allocated</li> <li>Action items identified in the ED Plan are not resourced (physical and financial)</li> <li>Action items in the ED Plan are not completed within the timeframes and resources allocated.</li> </ul>	Low	Management conducts formal regular review and update of the ED Plan, at least on an annual basis or when any significant change occurs, to ensure the relevancy of the action items and adequate resources are identified and in place.	The Economic Development Plan was only adopted by Council in February 2021 and has a lifespan of four years. A mid-term formal review in early 2023 is considered appropriate and within the capacity of existing resourcing levels.	Jess Charlton	30/06/2023	13/08/2024 16:28	Completed	Mid term review presented to Council in February
2022 - Bentleys - Economic Development Plan Implementation Internal Audit - Aug 2022	4 - Improvement Opportunity - Types of actions	<p>In addition to the infrastructure and projects delivered by other business areas within the Council, the actions by the ED Business Unit to implement the ED Plan include:</p> <ul style="list-style-type: none"> <li>workshops and training</li> <li>networking event</li> <li>marketing and promotional materials.</li> </ul> <p>It was observed that the action items were largely funded by the ED Business Unit operation budget, which is \$550K (2 FTEs) for 2021-22. 1% of the Council's budgeted Total Operating Expenditure of \$48,958K according to the Annual Business Plan 2021-22. The budget would be challenging to achieve one of the five strategic goals.</p> <p>Going forward, where possible, Council should try the following common actions by other local councils to achieve better outcomes of local economic development:</p> <ul style="list-style-type: none"> <li>conferences and field days</li> <li>financial support for business and tourism associations</li> <li>festivals and other tourism support events.</li> </ul>	Not Rated	Management benchmarks against other regional councils to ensure common actions of the ED Plan are implemented, where possible.	<p>Once salaries, other employment costs and commitments to partners like Regional Development Australia, Adelaide Hills Tourism and Stirling Business Association are taken into account, the Economic Development Team has a \$15,500 operating budget.</p> <p>Suggestions noted. The Economic Development Officer participates in a regional forum of local government economic development officers where common interests and new ideas are shared.</p> <p>The suggestions made in this audit will be considered in the 2023 mid-term review of priorities and timelines.</p>	Melissa Bright	30/06/2023	12/07/2023 15:37	Completed	Mid term review presented to Council in February
2022 - Bentleys - Economic Development Plan Implementation Internal Audit - Aug 2022	5 - Improvement Opportunity - Closure review of the ED Plan	<p>In the future when the ED Plan is completed and before commencement of the next Plan, a formal closure review should be in place to include</p> <ul style="list-style-type: none"> <li>Outcomes and objectives realisation</li> <li>Any action items not complete and/or outcomes not achieved, what are the reasons</li> <li>Lessons learnt for future Plan.</li> </ul>	Not Rated	Management undertakes a formal closure review of the ED Plan in the future before the commencement of the next Plan.	Will undertake a closure review on completion of plan in 2025.	Jess Charlton	30/06/2025	2/08/2024 16:37	Not Commenced	
2022 - Bentleys - Recruitment and Retention Internal Audit Report - Aug 2022	1. Improvement Opportunity - Electronic signature	<p>We identified the needs of using electronic signatures from this audit via interviews with three People Leaders/Recruiting Managers and a sampling test of the process.</p> <p>We found that the manual printing, scanning and signing of the documents were still in place although the Records Hub system was available to reduce the physical steps.</p>	Low	Management applies electronic signature application.	<p>AHC is currently exploring options for the use of electronic signatures within its application systems to improve workflow, ease of use and ensure compliance with records management practices.</p> <p>ACTION: Work with Manager Information Services on electronic Signature Applications, such as DocuSign being reviewed for appropriateness for AHC and use across the business. (note: financial implications here so not a commitment to implement)</p>	Anne Pett	30/06/2023	10/10/2023 9:07	Completed	<p>Following consultation with John Gosbell DocuSign was ruled out through as it was inappropriate for our requirements (it is better suited for external contracts / documentation, not internal).</p> <p>John G advised that once the Digital Transformation upgrade to Microsoft Teams is live, we will have better capability in this system to improve our manual forms.</p> <p>We have the ability to include digital signatures on all recruitment forms using Adobe.</p>
2022 - Bentleys - Recruitment and Retention Internal Audit Report - Aug 2022	1.1 Policy/Procedure Framework update	<p>Council's Recruitment and Selection Policy (dated 2005) was overdue for review and update.</p> <p>Lack of current policy document has impacted transparency, relevancy and consistency of the practice across the organisation, although there is a Recruitment and Selection Checklist (Checklist) in use by Organisational Development (OD).</p> <p>The following was not captured in the Policy:</p> <ul style="list-style-type: none"> <li>All categories of employment, i.e., <ul style="list-style-type: none"> <li>Directors or equivalents typically employed under fixed-term contracts with negotiable salaries</li> <li>Managers employed under individual employment contracts</li> <li>Employees (including office, depot, part-time or casual) employed under enterprise development agreements</li> </ul> </li> <li>Implementation strategy to suit the current needs to improve efficiency and effectiveness, i.e., decentralised approach, governance arrangements, roles and responsibilities, and technology solution, etc.</li> </ul> <p>The Checklist was recently reviewed and updated to reflect the current process, except for one step in Section 1. The Checklist required that "OD has up to 10 working days to review and will advise you (i.e., Recruiting Manager) when this has been completed", which is now redundant in practice as the work efficiency has already improved and a technology solution is applied (e.g., iPad or laptop).</p> <p>RISK:</p> <ul style="list-style-type: none"> <li>Recruitment processes are not clear, consistent, timely and transparent</li> <li>Recruitment roles and responsibilities are not clearly documented and understood</li> <li>Retention structures and processes are not clearly documented and implemented</li> <li>Noncompliance with Section 125 of the Local Government Act 1999 to have appropriate policies implemented and maintained.</li> </ul>	Medium	Management reviews and updates the Recruitment and Selection Policy (Policy) and Checklist to ensure currency and consistent requirements; and ensures the responsible officers are informed of the updated requirements.	The People & Culture Department agrees with the finding and will Update Recruitment and Selection Policy/Procedure (Responsible officer - OD Advisor)	Anne Pett	28/02/2023	6/10/2023 15:51	Completed	The Recruitment & Selection Policy and Procedure was endorsed by the CEO and training to all People Leaders has been implemented.

**Audit Action Implementation Report**  
**19 August 2024**

Audit Name	Reference	Issue	Risk Rating	Recommendation	Proposed Action	Responsible Officer	Due Date	Date of Update	Progress	Comment
2022 - Bentleys - Recruitment and Retention Internal Audit Report - Aug 2022	1.3 Policy/Procedure Framework update	<p>Council's Recruitment and Selection Policy (dated 2005) was overdue for review and update.</p> <p>Lack of current policy document has impacted transparency, relevancy and consistency of the practice across the organisation, although there is a Recruitment and Selection Checklist (Checklist) in use by Organisational Development (OD).</p> <p>The following was not captured in the Policy:</p> <ul style="list-style-type: none"> <li>All categories of employment, i.e., <ul style="list-style-type: none"> <li>Directors or equivalents typically employed under fixed-term contracts with negotiable salaries</li> <li>Managers employed under individual employment contracts</li> <li>Employees (including office, depot, part-time or casual) employed under enterprise development agreements</li> </ul> </li> <li>Implementation strategy to suit the current needs to improve efficiency and effectiveness, i.e., decentralised approach, governance arrangements, roles and responsibilities, and technology solution, etc.</li> </ul> <p>The Checklist was recently reviewed and updated to reflect the current process, except for one step in Section 1. The Checklist required that "OD has up to 10 working days to review and will advise you (i.e., Recruiting Manager) when this has been completed", which is now redundant in practice as the work efficiency has already improved and a technology solution is applied (e.g., iPad or laptop).</p> <p>RISK:</p> <ul style="list-style-type: none"> <li>Recruitment processes are not clear, consistent, timely and transparent</li> <li>Recruitment roles and responsibilities are not clearly documented and understood</li> <li>Retention structures and processes are not clearly documented and implemented</li> <li>Noncompliance with Section 125 of the Local Government Act 1999 to have appropriate policies implemented and maintained.</li> </ul>	Medium	Management reviews and updates the Recruitment and Selection Policy (Policy) and Checklist to ensure currency and consistent requirements; and ensures the responsible officers are informed of the updated requirements.	OD Department agrees with the finding and will Provide advice/training sessions as relevant to those across the organisation with responsibility for recruitment. (Responsible officer = OD Department)	Anne Pett	30/06/2023	6/10/2023 15:53	Completed	The Recruitment & Selection Policy and Procedure was endorsed by the CEO and training to all People Leaders has been implemented.
2022 - Bentleys - Recruitment and Retention Internal Audit Report - Aug 2022	2.1 Recruitment Panel	<p>The current employee recruitment process has good controls in place to facilitate independence and fairness of decision making, i.e., the Recruitment Panel (or called Interview Panel), made of three to four members from different areas within the Council and with gender balance. However, there was no list prepared or documented to reflect who was on the Recruitment Panel when the panel was assembled. Further, panel members were not required to sign off a Conflict of Interest Declaration or similar declaration. As such, there is a risk of conflicting activities and a lack of transparent decision making.</p> <p>RISK:</p> <ul style="list-style-type: none"> <li>Recruitment processes are not clear, consistent, timely and transparent</li> <li>Fraudulent activities</li> <li>Reputational damage</li> </ul>	Medium	Management reviews and updates the Policy and Checklist to include the requirements of listing all members of the Recruitment Panel when the panel is assembled; and creates an appropriate form to record the panel members and consider a Conflict of Interest Declaration.	There is a capability in Records Hub to record Panel members against each recruitment, this is being used in an ad hoc manner. We will Ensure Recruitment Panel requirements are included in Policy/Procedure update. (Responsible officer - OD Advisor)	Anne Pett	28/02/2023	6/10/2023 15:56	Completed	The Recruitment & Selection Policy and Procedure was endorsed by the CEO. The Recruitment & Selection Policy and Procedure includes the requirement for selection panel members to declare any conflict of interest. This requirement is also provided in the Recruitment and Selection Checklist. This requirement has been reinforced as part of the Recruitment & Selection training to People Leaders.
2022 - Bentleys - Recruitment and Retention Internal Audit Report - Aug 2022	3. Improvement Opportunity - Data-driven Retention Strategy	<p>Council's annual and quarterly staff turnover rates are prepared and reported through corporate performance reporting to Council and Audit Committee. Although Council is still in the process of creating a Retention Strategy, the overarching trends of turnover may provide confidence in talent retention.</p> <p>The Council's annual turnover rates for the last three years (i.e., 2018-19, 2019-20, and 2020-21) were 8.33%, 8.29% and 8.68% respectively, which was consistent with the "unplanned turnover rate of 8.3% per annum in the sector" according to a 2018 report from the Australian Local Government Association (ALGA). Council's turnover rate in the year to March 2022 was 5%, lower than the 9.5% turnover rate of the Australian workforce in the year to February 2022 according to the Australian Bureau of Statistics (ABS).</p> <p>In our opinion, good turnover is to retain essential knowledge while having new people join the organisation. Council currently</p> <ul style="list-style-type: none"> <li>Lacks data to show the employee retention risk associated with the performance rating</li> <li>Had no employee survey or workshop to address issues and identify priorities (physically and mentally) from all levels of staff at least annually.</li> </ul>	Low	Management collects relevant data to target high-risk and high-performing employees for appropriate retention efforts; collects relevant data to understand employee value proposition; and develops a data-driven post COVID-19 talent retention strategy.	More recently we have discussed a range of possible surveys that could be used to gain current thoughts from employees. Cost, timing, what data and how it will be collected and used are all considerations. More current practices show subject/point in time surveys, eg Pulse Surveys, on specific subject matter return responses that can be acted on more responsively, rather than surveys using a whole range of topics. 1. Review information needed for a Retention Strategy Policy/Procedure and how this will be obtained. (OD Dept) 2. Develop a Retention Strategy Policy/Procedure. (OD Advisor)	Gary Lewis	30/06/2024	13/08/2024 16:29	Not Commenced	This action needs to be reviewed in the context of current vacancies.
2022 - Bentleys - Recruitment and Retention Internal Audit Report - Aug 2022	3.1 Consistent practice	<p>Sample testing of 10 new employees' recruitment process for 2020-21 and 2021-22 found inconsistent practices due to out-of-date policy (Finding 1) and the current decentralised approach.</p> <p>Specifically, we found the following inconsistent practices:</p> <ul style="list-style-type: none"> <li>All Recruitment and Selection Checklists sampled (100%) were not complete</li> <li>All Position Descriptions sampled (100%) did not have OD's sign-off</li> <li>Six out of nine CEO Preferred Candidate Memos sampled (67%) had the OD Office Use Only section not complete</li> <li>Five out of nine samples where relevant (56%) did not conduct a Training Needs Analysis</li> <li>One out of nine CEO Preferred Candidate Memos sampled (11%) was not approved by Directors before OD.</li> </ul> <p>RISK:</p> <ul style="list-style-type: none"> <li>Recruitment processes are not clear, consistent, timely and transparent</li> <li>Recruitment roles and responsibilities are not clearly documented and understood.</li> </ul>	Low	Once the Policy and Checklist are updated, management ensures the requirements are understood by the relevant responsible officers and implemented consistently.	We have a new HR system and there is a recruiting module we plan on implementing in Phase 2 (yet to begin). We expect between Records Hub and the HR Recruiting module that we will be able to improve and manage aspects of the recruitment process that should address some of these findings. Action: Train Recruiting Managers on the requirements in the Recruitment and Selection Policy/Procedure and the Checklist.	Anne Pett	30/06/2023	6/10/2023 16:01	Completed	The Recruitment & Selection Policy and Procedure was endorsed by the CEO and training to all People Leaders has been implemented which included reference to the Recruitment & Selection Checklist
2022 - Bentleys - Recruitment and Retention Internal Audit Report - Aug 2022	3.2 Consistent practice	<p>Sample testing of 10 new employees' recruitment process for 2020-21 and 2021-22 found inconsistent practices due to out-of-date policy (Finding 1) and the current decentralised approach.</p> <p>Specifically, we found the following inconsistent practices:</p> <ul style="list-style-type: none"> <li>All Recruitment and Selection Checklists sampled (100%) were not complete</li> <li>All Position Descriptions sampled (100%) did not have OD's sign-off</li> <li>Six out of nine CEO Preferred Candidate Memos sampled (67%) had the OD Office Use Only section not complete</li> <li>Five out of nine samples where relevant (56%) did not conduct a Training Needs Analysis</li> <li>One out of nine CEO Preferred Candidate Memos sampled (11%) was not approved by Directors before OD.</li> </ul> <p>RISK:</p> <ul style="list-style-type: none"> <li>Recruitment processes are not clear, consistent, timely and transparent</li> <li>Recruitment roles and responsibilities are not clearly documented and understood.</li> </ul>	Low	Once the Policy and Checklist are updated, management ensures the requirements are understood by the relevant responsible officers and implemented consistently.	We have a new HR system and there is a recruiting module we plan on implementing in Phase 2 (yet to begin). We expect between Records Hub and the HR Recruiting module that we will be able to improve and manage aspects of the recruitment process that should address some of these findings. Action: After HR system implementation, investigate how internal reviews of recruitment process and system use could be implemented to review compliance by recruiting managers.	Anne Pett	30/06/2024	14/02/2024 11:51	Completed	The Recruitment & Selection Policy and Procedure was endorsed by the CEO and training to all People Leaders has been implemented which included reference to the Recruitment & Selection Checklist.

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Audit Name	Reference	Issue	Risk Rating	Recommendation	Proposed Action	Responsible Officer	Due Date	Date of Update	Progress	Comment
2022 - Bentleys - Recruitment and Retention Internal Audit Report - Aug 2022	4. Record keeping	Sample testing of 10 new employees' recruitment process for 2020-21 and 2021-22 found that the record keeping was not ideal for us to validate the process. We were not provided with sufficient evidence in the following areas as there were no electronic copies retained in Records Hub. Further, the hard copies were not forwarded to the Information Management team for archive: <ul style="list-style-type: none"> <li>Interviewer Selection Report, including interview questions and selection criteria (except for one sample from Open Space Operations)</li> <li>Evidence of shortlisting of candidates, e.g., panel meeting records, phone interviews, interview appointments, and emails with interview questions sent to candidates. All three Recruiting Managers/People Leaders interviewed advised that they revisited the Interviewer Selection Reports and rated candidates based on their performance during the interview and skills to finally select the preferred candidate</li> <li>Reference check questions and notes of referees' answers (except for the one from Open Space Operations) although the outcomes are summarised in the CEO Preferred Candidate Memos.</li> </ul> <b>RISK:</b> <ul style="list-style-type: none"> <li>Loss or reduction in the ability to access records</li> <li>Compromised accountability and transparency</li> <li>Fraudulent activities</li> <li>Reputational damage.</li> </ul>	Low	Management enforces using the electronic forms and retaining records in Records Hub; and provides necessary training or other appropriate advocacy to raise digital literacy.	Records Hub has enabled us to manage documents through the recruitment process more effectively. Use of Records Hub is relatively new and more improvements can be made. Again the new HR system recruiting module should assist with some of these aspects. <b>ACTION:</b> Include in training sessions requirements around electronic forms and records to be retained in Records Hub and reduction of hard copy documents as best as possible. (Note: any hard copy documents must be scanned and added to the Records Hub file)	Anne Pett	30/06/2023	6/10/2023 16:05	Completed	The Recruitment & Selection Policy and Procedure was endorsed by the CEO and training to all People Leaders has been implemented which included reference to the importance to save recruitment documentation to Records Hub. The HR System has now been deferred to 2024.
2022 - Bentleys - Recruitment and Retention Internal Audit Report - Aug 2022	5. Director and Manager retention and renewal procedure	The procedure has not yet been formalised and documented for the following two categories of employment, leading to deficiency in their contract renewal and retention: <ul style="list-style-type: none"> <li>Directors or equivalent are typically employed under fixed-term contracts in which salaries and conditions were negotiable via individual agreements</li> <li>Managers are employed under individual employment contracts that were standard.</li> </ul> In this audit, we sampled the contract renewal or recruitment of the CEO, a Director, and a Manager to validate their retention and renewal procedure. We found that the Manager sampled instigated the contract renewal process at the time of this audit on 25 May 2022 while his contract was about to expire in less than a month, (i.e., on 17 June 2022). As advised by the Executive Manager OD, the process in practice although not documented is as follows: <ul style="list-style-type: none"> <li>By the officer advising they would like a new contract according to their employment agreement clause and then Council (via the relevant Director/CEO) has to respond to that request under CEO advice</li> <li>The approval to offer a contract is issued by the CEO and this process is coordinated by the Executive Manager (EM) OD</li> <li>The EM OD issues a contract when she receives an approval email from the Director and CEO to extend the contract.</li> </ul> <b>RISK:</b> <ul style="list-style-type: none"> <li>Retention structures and processes are not clearly documented and implemented</li> <li>Noncompliance with Section 125 of the Local Government Act 1999 to have appropriate policies implemented and maintained.</li> </ul>	Low	Management ensures that regular performance reviews of Directors and Managers include the assessment and decision-making of their contract renewal. OD actively follows up with the Director and Manager contract renewal; and formalises the Director and Manager retention and renewal procedure in documentation.	With regard to the finding above that the contract renewal for a Manager commenced at the time of the audit, this process had been worked on for some months prior to this. <b>ACTION:</b> Document the process for performance review and contract renewal for those on Total Employment Cost (TEC) Contracts.	Gary Lewis	30/03/2023	13/08/2024 16:30	In Progress	Further steps will need to be considered post recruitment of PnC staff. A process improvement for the renewal of contracts was presented and endorsed by ELT in May 2023. Revised process includes early advice from P&C to Directors/CEO for action with the support of their EA. Revised process is anticipated to be in place by 30 June 2024.
2022 Civil Services - Service Review	1.0 Develop prioritised program maintenance schedule		Medium	Develop risk based and prioritised program maintenance plans for all road infrastructure, including footpaths and drains, to better balance the priorities of asset maintenance planning with customer service needs.	see sub tasks 1.1 and 1.2	Ashley Curtis	30/06/2025	8/08/2024 13:58	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.
2022 Civil Services - Service Review	1.1 Develop prioritised program maintenance schedule		Medium	Develop risk based and prioritised program maintenance plans for all road infrastructure, including footpaths and drains, to better balance the priorities of asset maintenance planning with customer service needs.	Prioritise the order in which Asset Class specific maintenance plans are to be developed.	Ashley Curtis	30/06/2023	8/08/2024 14:05	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.
2022 Civil Services - Service Review	1.2 Develop prioritised program maintenance schedule		Medium	Develop risk based and prioritised program maintenance plans for all road infrastructure, including footpaths and drains, to better balance the priorities of asset maintenance planning with customer service needs.	Develop and implement the Asset Class specific maintenance plans.	Ashley Curtis	30/06/2025	8/08/2024 14:01	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.
2022 Civil Services - Service Review	2.0 Develop an expanded operational service standard suite for maintenance activities		High	Develop a reviewed and documented set of operational service standards. The development of these service standards defines the level of maintenance service to be undertaken based on the condition and defect.	See sub tasks 2.1 and 2.2	Ashley Curtis	30/06/2025	8/08/2024 14:00	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.
2022 Civil Services - Service Review	2.1 Develop an expanded operational service standard suite for maintenance activities		High	Develop a reviewed and documented set of operational service standards. The development of these service standards defines the level of maintenance service to be undertaken based on the condition and defect.	Prioritise the order in which Asset Class specific service standards are to be Developed.	Ashley Curtis	30/06/2023	8/08/2024 14:05	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.
2022 Civil Services - Service Review	2.2 Develop an expanded operational service standard suite for maintenance activities		High	Develop a reviewed and documented set of operational service standards. The development of these service standards defines the level of maintenance service to be undertaken based on the condition and defect.	Develop and adopt the Asset Class specific service standards.	Ashley Curtis	30/06/2024	8/08/2024 14:02	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.



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2022 Civil Services - Service Review	3.0 Roll out of CONFIRM system to Civil Service Maintenance		High	Continue the work to use CONFIRM to its full potential for better asset management: recording and scheduling of works capturing asset data and costs. Improved data collection to enable reporting against Maintenance Plans and improve accuracy of actual costs of service provided. This work should be ongoing and related to the corporate goals of progressive organisation, using technology, developing people and continuous improvement.  The expansion of CONFIRM can integrate with the use of digital workflow improvement and the use of tablets on site. This can streamline the workflow practices and promote efficiency  It is important to keep the rollout and improvements moving, even if it's small incremental ones, in line with whatever budget can be allocated. Initiatives like this can benefit from a driver and champion of the change management process, combined with leadership support.	See sub tasks	Ashley Curtis	30/06/2025	8/08/2024 14:00	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.
2022 Civil Services - Service Review	3.1 Roll out of CONFIRM system to Civil Service Maintenance		High	Continue the work to use CONFIRM to its full potential for better asset management	Expedite the transitioning to use of Confirm in the field through engaging with Strategic Assets and Information Services.	Ashley Curtis	30/06/2023	8/08/2024 14:02	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.
2022 Civil Services - Service Review	4.0 Develop and promote cross functional teams working together		High	Develop and promote cross functional teams working more closely together from various key departments to promote the development of innovative solution and develop CONFIRM to its full potential	See sub tasks	Ashley Curtis	30/06/2025	8/08/2024 14:00	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.
2022 Civil Services - Service Review	4.1 Develop and promote cross functional teams working together		High	Develop and promote cross functional teams working more closely together from various key departments to promote the development of innovative solution and develop CONFIRM to its full potential	Establish Civil Services specific Confirm Working Group utilising the newly developed Project Management Framework (which will include all relevant stakeholders)	Ashley Curtis	30/06/2023	8/08/2024 14:02	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.
2022 Civil Services - Service Review	5.0 Improved budgeting and measuring costs		Low	Improvements may be needed in the budgeting process to allow specific costs to be identified for the various maintenance activities. Measuring costs can help boost business case thinking and can assist in countering other pressures. This in turn, over time, creates efficiencies. Improved budgeting processes that allows more detailed costing related to Maintenance Plans will allow adjustments/reallocation of budgets to suit. Capturing data in CONFIRM will help decision making in the future. It will also, promote cost efficiency and provide a basis to reviewing how well teams are currently operating, and where efficiency can be achieved by having enhanced data to compare.	See sub tasks	Ashley Curtis	30/06/2025	8/08/2024 13:59	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.
2022 Civil Services - Service Review	5.1 Improved budgeting and measuring costs		Low	Improvements may be needed in the budgeting process to allow specific costs to be identified for the various maintenance activities.	Some interim methods may be investigated to aid in forecasting more accurately the cost per service delivery type.	Ashley Curtis	30/06/2024	8/08/2024 14:03	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.
2022 Civil Services - Service Review	5.2 Improved budgeting and measuring costs		Low	Improvements may be needed in the budgeting process to allow specific costs to be identified for the various maintenance activities.	Following adoption of Service Standards, development of Maintenance Plans, and implementation of confirm, improve use of data for more refined cost forecasting.	Ashley Curtis	30/06/2025	8/08/2024 14:03	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.
2022 Civil Services - Service Review	6.0 Improved process for section planning		Medium	An improved process for section planning including Development of a Section Plan (or Team) to better relate the organisation's Strategic Plan to day to day functions. Better documenting of these processes to assist communication on a regular basis between staff, managers and executive. A more formal strategic management process that links the field operational person through the organisation to the Executive and provide feedback monthly (or at regular intervals)	see sub tasks	Ashley Curtis	29/12/2023	8/08/2024 14:01	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.
2022 Civil Services - Service Review	6.1 Improved process for section planning		Medium	An improved process for section planning including Development of a Section Plan (or Team) to better relate the organisation's Strategic Plan to day to day functions. Better documenting of these processes to assist communication on a regular basis between staff, managers and executive. A more formal strategic management process that links the field operational person through the organisation to the Executive and provide feedback monthly (or at regular intervals)	Develop Annual Plans (Name to be determined) beginning with 2022-23. (First to be completed by end Q2 2022).	Ashley Curtis	30/06/2023	8/08/2024 14:03	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.

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Audit Name	Reference	Issue	Risk Rating	Recommendation	Proposed Action	Responsible Officer	Due Date	Date of Update	Progress	Comment
2022 Civil Services - Service Review	7.0 Reward and recognition		Medium	Measure for employees' wellbeing and provide recognition and rewards for work well done and related to the achievement of corporate goals. The Civil Services and Maintenance function do undertake preventative maintenance that can avert issues and customer complaints. We recommend promoting good news stories and good customer feedback with the organisation. Rewards can be low key such section BBQ on a 6 monthly basis, recognising achievements, subject to policy on funding these types of events.	See sub tasks	Ashley Curtis	30/06/2024	8/08/2024 14:03	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.
2022 Civil Services - Service Review	7.1 Reward and Recognition		Medium	Measure for employees' wellbeing and provide recognition and rewards for work well done and related to the achievement of corporate goals. The Civil Services and Maintenance function do undertake preventative maintenance that can avert issues and customer complaints.	Work with Organisational Development to ensure alignment with broader AHC approach to Reward and Recognition.	Ashley Curtis	30/06/2024	8/08/2024 14:03	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.
2022 Civil Services - Service Review	7.2 Reward and recognition		Medium	Measure for employees' wellbeing and provide recognition and rewards for work well done and related to the achievement of corporate goals. The Civil Services and Maintenance function do undertake preventative maintenance that can avert issues and customer complaints.	Work with Communications and Engagement to determine what operational activities or achievements are of broader public interest and can be promoted.	Ashley Curtis	30/06/2024	8/08/2024 14:04	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.
2022 Civil Services - Service Review	8.0 Continuous improvement		Low		Ensure both office and field based teams designate specific time on a regular basis, to encourage identification and subsequent progression of work to formally improve work practices. (Particular with regards to identification of savings, as well as improved efficiency and customer service).	Ashley Curtis	30/06/2025	8/08/2024 14:01	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.
2022 Civil Services - Service Review	8.1 Continuous improvement		Low	We recommend promoting good news stories and good customer feedback with the organisation. Rewards can be low key such section BBQ on a 6 monthly basis, recognising achievements, subject to policy on funding these types of events.	Ensure both office and field based teams designate specific time on a regular basis, to encourage identification and subsequent progression of work to formally improve work practices. (Particular with regards to identification of savings, as well as improved efficiency and customer service).	Ashley Curtis	30/06/2023	8/08/2024 14:04	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.
2022 Civil Services - Service Review	9.0 Customer Communication		Medium	A common complaint from customers is lack of communication about job progress. Look at the possibility of automating responses to the customers when work is about to happen as well as when work is completed. The key here is accuracy and it's better to handle this manually otherwise. Communication can also be through newsletter, mail, website and regular open public information sessions. Ongoing work to connect CRM to Confirm should continue to improve workflow and will be needed when digital workflow occurs.	See sub tasks	Ashley Curtis	30/06/2024	8/08/2024 13:59	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.
2022 Civil Services - Service Review	9.1 Customer Communication		Medium	A common complaint from customers is lack of communication about job progress. Look at the possibility of automating responses to the customers when work is about to happen as well as when work is completed. The key here is accuracy and it's better to handle this manually otherwise. Communication can also be through newsletter, mail, website and regular open public information sessions. Ongoing work to connect CRM to Confirm should continue to improve workflow and will be needed when digital workflow occurs.	The Infrastructure and Operations Directorate will work closely with Customer Service to determine any potential for further automated messaging to be put in place (not just Civil Services) and continue to explore ways to improve overall communication with customers	Ashley Curtis	30/06/2023	8/08/2024 14:04	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.
2022 Civil Services - Service Review	9.2 Customer Communication		Medium	A common complaint from customers is lack of communication about job progress. Look at the possibility of automating responses to the customers when work is about to happen as well as when work is completed. The key here is accuracy and it's better to handle this manually otherwise. Communication can also be through newsletter, mail, website and regular open public information sessions. Ongoing work to connect CRM to Confirm should continue to improve workflow and will be needed when digital workflow occurs.	Greater utilisation of Depot Administration resource to provide job specific information to customers.	Ashley Curtis	30/06/2024	8/08/2024 14:05	In Progress	Preliminary work on the actions was undertaken soon after the review but have been reprioritised in light of resourcing challenges and other priority work. Further work will need to be carried out in conjunction with Council's recently resolved position to consider service levels across the range of Council's services. It may be necessary for Council to consider funding for external support to enable a comprehensive suite of maintenance program, service levels and service standards to be developed.
2023 BDO Financial Controls Review Interim Management Letter - May 2023	1 - Expenses - Payroll	It was noted from our testing that two Council staff members in the payroll team have access and editing rights to the Creditor Masterfile which is beyond the person's role and responsibility.	Medium	It is recommended that management consider implementing role-based access request as part of the onboarding process and regular review of user access be conducted for relevant GL modules, not just at the IT application level. If due to practical reasons, access rights to the Creditor Masterfile cannot be changed, additional scrutiny is recommended when senior members of the finance team review the changes made to the Masterfile, and check if any changes were made by the said personnel.	The System Analyst to create a new specific Payroll Creditors functional group limiting user access to the processing of the payroll to be tested and signed off by Financial Services.	Liz Packer	30/09/2023	2/11/2023 12:44	Completed	The system work necessary for this control has been completed and tested in the test environment. Following, the new functional group "Payroll Processing" has been created and actioned in the live environment during October 2023. The two payroll members who had access to the Creditor Masterfile have now been removed from the functional group "All Associated Creditor Processing Functions".
2023 BDO Financial Controls Review Interim Management Letter - May 2023	2 - Assets - Debtors	It was noted from our testing that one Council staff members who works in the Accounts Receivable team can issues and subsequently reconcile receipt of the same invoices.	Medium	It is recommended that Council implement segregation of duties (preventative control) or implement specific detective control to ensure that errors, if they occur, are detected and corrected in a timely manner, and to reduce the possibility of fraud.	Council will look to implement additional specific detective controls including the regular review of monthly debtors reports by the Team Leader Financial Accounting for large and overdue accounts. Consideration of further preventative controls to be investigated	Liz Packer	30/09/2023	2/11/2023 12:47	Completed	Debtor reports are produced by Rhys (Accounts Receivable Officer) monthly which the Team Leader Finance has been reviewing. Finance continue to present a report on debtors to the Audit Committee twice a year. The organisation as a whole is moving towards accepting no cash and the AR Officer does not receive any cash directly to himself. Any credits for a debtor are approved by the TL Finance before being applied to the account. We have a policy for the write off of any debts which is reviewed by TL Finance before being approved by either the Manager of Financial Services or Director of Corporate Services depending on the amount. Any significantly large debtor balances \$5000 or more will need to be approved by the Audit Committee and Council. I believe that our controls w.r.t debtors sufficiently minimises any risks.

**Audit Action Implementation Report**  
**19 August 2024**

Audit Name	Reference	Issue	Risk Rating	Recommendation	Proposed Action	Responsible Officer	Due Date	Date of Update	Progress	Comment
2023 BDO Financial Controls Review Interim Management Letter - May 2023	3 - Revenue - Grants	It is noted from our testing, that though Council maintains a grant register it does not contain sufficient detail or information to facilitate an efficient review of budget vs funding agreement as well as compliance with the relevant funding conditions.	Medium	It is recommended that council upgrade the current grant register to help facilitate the ongoing management of grants for both compliance and financial measures.	Council will review and upgrade the current grant register to help facilitate the ongoing management of grants for both compliance and financial measures. In addition, when the Finance Officer Accounts Receivable/Treasury becomes aware of a grant, it is to be immediately added to the Grant Register as well as follow up of the responsible council officer to update the register appropriately	Liz Packer	30/09/2023	2/11/2023 12:53	Completed	<p>Council's auditors, BDO provided Finance with a grant register template during interim audit work which has been adopted and was used for the 22-23 EOY reporting period.</p> <p>Whilst there is still some refinement required, discussions with Accounts Receivable Officer (Rhys), who is responsible for the grant register will ensure that a grant is added to the register as soon as the money is received to the bank account.</p> <p>The populating of the template and any journals required for the relevant accounting treatment will be done straight away.</p> <p>An assessment as to whether the grant has milestones attached will also be undertaken to ensure that we are not recognising any grants incorrectly as income.</p> <p>For materially large grants we will recognise the funds upon receipt as deferred income until it can be accurately established that milestones do/do not exist.</p> <p>Appropriate documentation will be sourced from the relevant grant holder and filed appropriately for EOY purposes.</p> <p>Outstanding documentation will be reviewed quarterly and follow up action will then be undertaken. Where documentation is not forthcoming, grant funds will be treated as deferred income.</p>

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

**Item:** 9.6

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

**Subject:** Quarterly Risk Management Report

**For:** Decision

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**SUMMARY**

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

In relation to the Strategic Risk assessments, there has been the following change since the February 2024 assessment. Please note that we have taken into account all thirteen (13) Strategic Risks (as previously it was reported on twelve (12) Strategic Risks hence the slight variation to the November 2023 report).

- Inherent Risk: Nil Change
- Residual Risk: Nil Change
- Target Risk: Nil Change
- New Mitigation(s): Two (Risk 169129 – Asset and Infrastructure)
- Completed: 73% (87)
- In Progress: 27% (32)
- Not Commenced: 0% (0)

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

**RECOMMENDATION**

**The Audit Committee resolves:**

- 1. That the Quarterly Risk Management Report be received, accepted and noted.**
-

## 1. BACKGROUND

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

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

From the previous report, this report outlines the new Directorate structure.

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

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

### Risk Management Framework

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

## 2. ANALYSIS

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

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

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

➤ **Legal Implications**

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

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

➤ **Risk Management Implications**

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

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

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

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

➤ **Financial and Resource Implications**

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

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

Reduced capacity in Council's Governance area impacted the Review of the Risk Management Framework. Whilst Council relatively recently filled the position of the Governance and Risk Coordinator, this will now enable the employment of a Risk, audit and Insurance Officer and ongoing review of the Risk Management Framework. Until this process is complete, Administration will continue to report in line with the current risk management framework.

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

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

➤ **Sustainability Implications**

There are no direct sustainability implications arising from this report.

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

*Council Committees:* Not Applicable

*Council Workshops:* Not Applicable

*Advisory Groups:* Not Applicable  
*External Agencies:* Not Applicable  
*Community:* Not Applicable

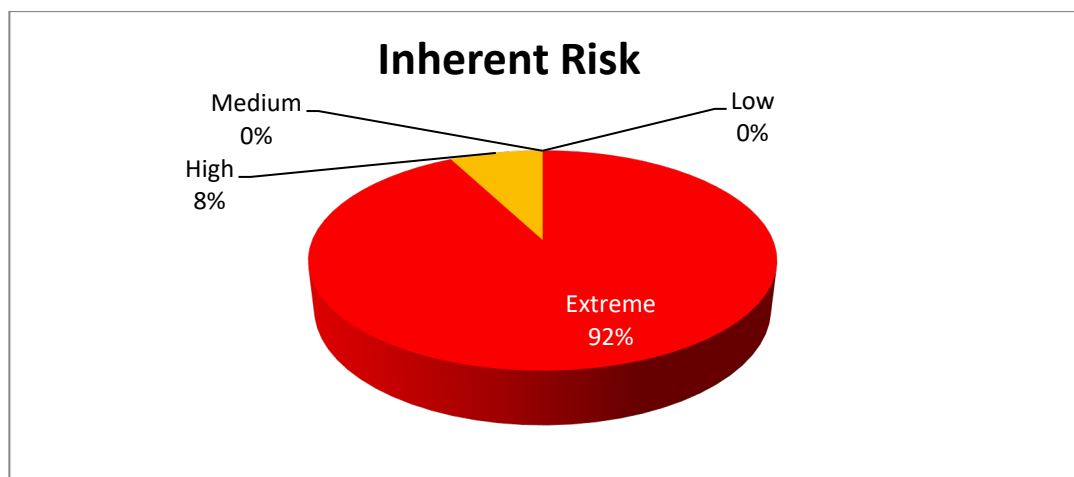
➤ **Additional Analysis**

Strategic Risk Profile

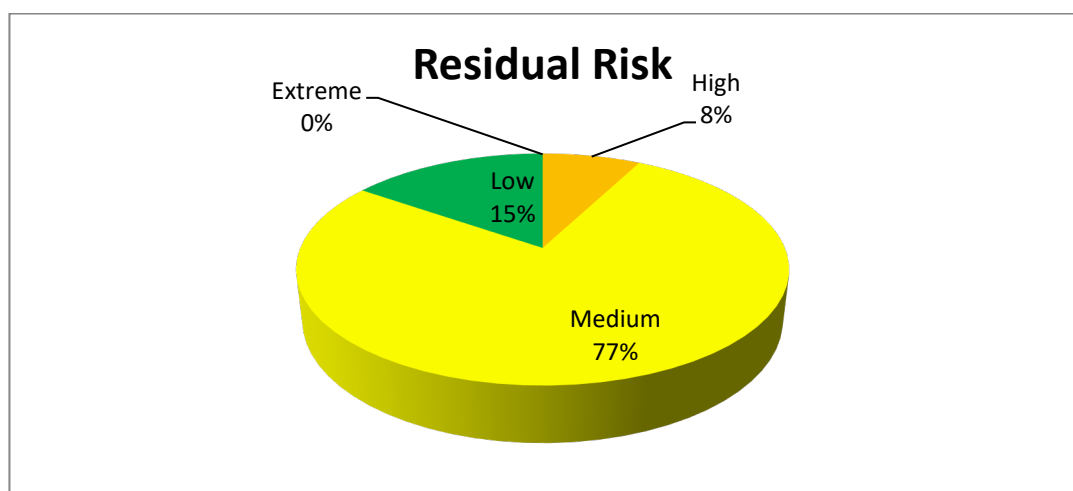
The Strategic Risks are regularly reviewed by the risk owners responding to triggers in the risk environment, changes in causation or impact, changes in the control environment and on the completion of mitigation actions (which then form part of the control environment) which collectively can impact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

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

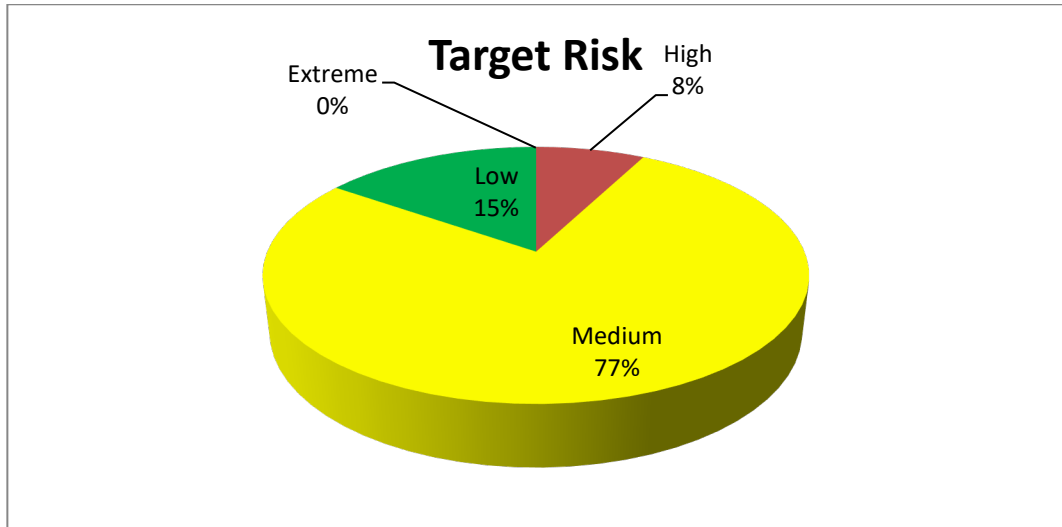
There has been no change in the Inherent risk ratings since the February 2024 assessment.



Officers regularly review their risks and mitigations and there has been nil changes to the Residual Risk ratings from the February 2024 assessment.



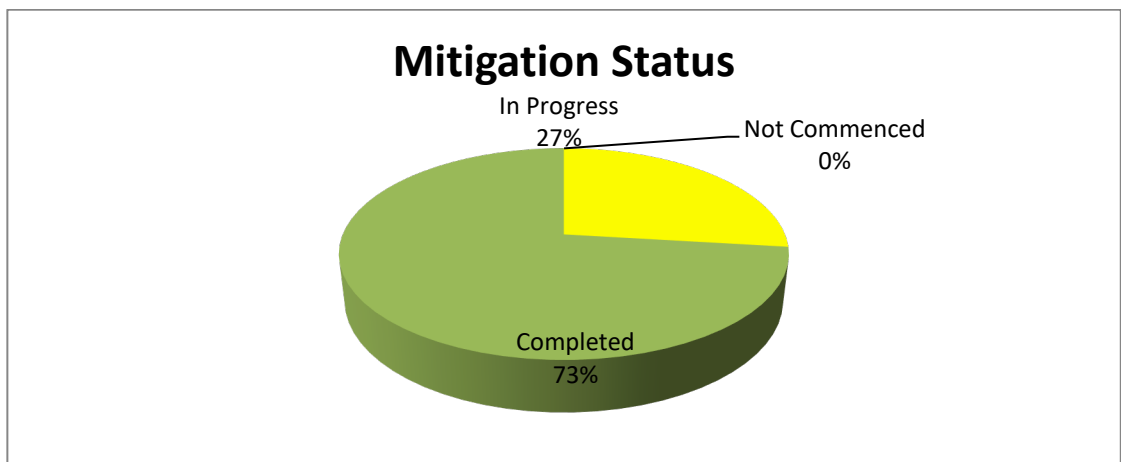
There has been nil changes to the Target Risk ratings from the February 2024 assessment.



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

Status	February 2023	August 2023	November 2023	February 2024	August 2024
<b>Completed</b>	61% (78 actions)	74% (87 actions)	74% (87 actions)	73% (86 actions)	73% (87 actions)
<b>In Progress</b>	36% (36 actions)	26% (30 actions)	25% (30 actions)	26% (30 actions)	27% (32 actions)
<b>Not Commenced</b>	3% (3 actions)	0% (0 actions)	1% (1 action)	1% (1 action)	0% (0 actions)
<b>New Initiatives (in above totals)</b>	One (1) New Mitigation	No New Mitigations	One (1) New Mitigation (170939)	No New Mitigations	Two (2) New Mitigations

This is shown diagrammatically below:





### Risk Management Framework

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

Whilst there has been minimal progress by the developer to address these deficiencies, upon the employment of the new Risk, Audit and Insurance Officer, further exploration of the current system and alternate systems will commence to ensure an effective corporate risk management system is available.

### **3. OPTIONS**

The Audit Committee has the following options:

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

### **4. APPENDIX**

- (1) Strategic Risk Register – August 2024

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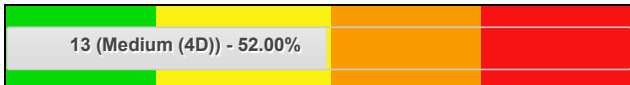
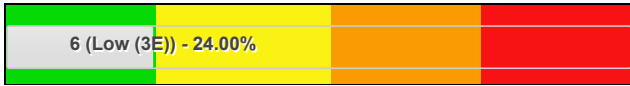
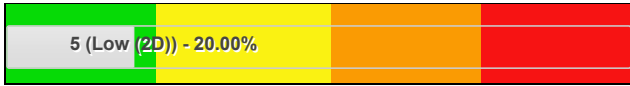
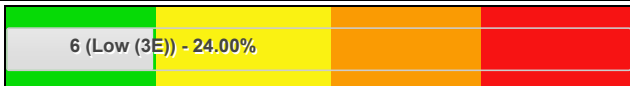
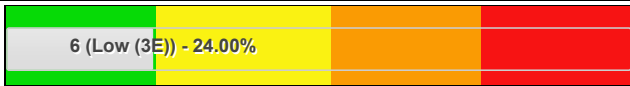
# **Appendix 1**

*Strategic Risk Register – August 2024*

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<b>ID:</b>	Risk - 170963
<b>Risk Title or Work Activity:</b>	Strategic Risk - Representation & Decision Making
<b>Risk Description:</b>	Failure to act as a representative, informed and responsible decision-maker in the interests of the community. (PR)
<b>Responsible Person:</b>	Gary Lewis
<b>Date of Risk Identification:</b>	12/11/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Governance, Legal & Compliance
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>- Poor governance practices (CR22)</li> <li>- Poor risk management practices (CR21)</li> <li>- Poor representation arrangements (CR92)</li> <li>- Poor representation of the community by Council Members (CR62)</li> <li>- Lack of effective strategic planning and resource allocation processes. (CR63)</li> <li>- Untimely implementation of Council resolutions (CR37)</li> <li>- Lack of effective financial sustainability processes. (SR9c)</li> <li>- Ineffective performance management and reporting processes. (CR64)</li> <li>- Poor working relationship between Council and Administration. (CR65)</li> <li>- Failure to engage in sector-wide reform initiatives (CR81)</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>- Decisions are not representative of community sentiment or made in the community's interest</li> <li>- Decisions are poorly or incorrectly informed leading to a high risk profile, errors, loss, waste, omissions, breaches of legislation.</li> <li>- Breaches of legislation, unenforceable decisions/resolutions, creation of liabilities/ additional risk to Council, stakeholder and/or regulator dissatisfaction and/or sanction.</li> </ul>
<b>Initial Risk Score:</b>	<p>22 (Extreme (5C)) - 88.00%</p>
<b>Initial Risk Comments:</b>	The main area of impact is community, social and reputational as it is largely based on public perception of conduct compared to individual (and therefore differing) expectations although actual breaches of legislation will contribute to this inherent rating.
<b>Residual Risk Score:</b>	<p>9 (Medium (3D)) - 36.00%</p>
<b>Residual Risk Comments:</b>	There are many controls in place to partially mitigate this risk some are systematic however many are administrative controls and therefore reliant on the diligence of individual Council Members/Officers to implement.
<b>Other Requirements/Comments:</b>	
<b>Current:</b>	Yes

**Risk Controls**

Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness
CR21 (A lack of effective risk management occurs which leads to greater uncertainty in the achievement of objectives and/or negative outcomes.) - Revised CRM Policy adopted, CRMF adopted, training provided to senior staff, RM considerations included in agenda report templates. General awareness of risk management principles and considerations. Strategic Risk Profiling and management of assessments in SkyTrust, MLS Risk Reviews and advisory.	Zoe Gill	01/11/2024	14/08/2024		PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
					
CR22 (Poor governance practices occur which lead to a loss of stakeholder (i.e. customer and regulator) confidence and/or legislative breaches.) - Legal considerations considered in agenda report templates, Governance Manager advises council, well-functioning Audit Committee, flyers and updates from LGA, legal providers and professional associations. Professional and experienced management team. Policies (Conduct, COPMP, allowances, caretaker, Information Sessions, COPAMD, PID), delegations, agendas, minutes, T&D, COI Mgt. Review of s41, AGs, s43 subsidiary and external group fiduciary arrangements. By laws reviewed 2018. Council Resolution Update report shows COIs declared.	Zoe Gill	01/11/2024	14/08/2024		PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
					
CR81 (Failure to engage in sector-wide reform initiatives leading to the Adelaide Hills community not being adequately represented) - Monitoring LGA circulars and other invitations to make submissions (OLG, ECCOSA, ECSA), consideration @ ELT and Council level, Membership on LG-related bodies	Zoe Gill	01/11/2024	14/08/2024		PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
					
CR63 (Lack of effective strategic planning and resource allocation processes) - Suite of strategic management plans, strategic, business and project planning and budgeting processes, trained and experienced staff. Corporate Planning & Performance Reporting Framework, CP&R Coord role, Service Review Framework adopted. Council reports contain financial and resource implications.	Zoe Gill	01/11/2024	14/08/2024	Added control regarding Council report financial and resource implications	EFFECTIVE (Designed Adequately; Operating Effectively)
					
CR64 (Ineffective performance management and reporting processes leading to poor performance and/or loss of stakeholder confidence) - Budget review processes, provisions of LG Act regarding budget reviews and annual reporting, trained and experienced staff, CEOPRP, Corporate Planning & Performance Reporting Framework, Quarterly Council Performance Report, 4x8 processes, Management contract review process, enhanced major project reporting. Local Government Advice Scheme	Zoe Gill	01/11/2024	14/08/2024		EFFECTIVE (Designed Adequately; Operating Effectively)
					

CR65 (Poor working relationship between Council and the Administration leading to ineffective and inefficient performance by Council) - CM and Administration training in the respective roles, team building and relationship development, performance reporting, One Team Communication Protocols, designated administration contact listing, CEO 1:1, strengthened provisions in s58	Zoe Gill	01/11/2024	14/08/2024		PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
CR37 (Actions arising from Council resolutions not be completed in a timely manner leading to a loss of stakeholder confidence) - Action List, Minutes, Council Resolution Update report. Council Member queries	Zoe Gill	01/11/2024	14/08/2024		EFFECTIVE (Designed Adequately; Operating Effectively)
CR62 (Poor representation of the community by Council Members leading to formal decisions that do not appropriately take account the community needs) - Provisions of LG Act and behavioural standards, EM training on role, contact details on website, issue of email addresses and laptops; COI provisions, informed and researched Council reports, public consultation policy and practices.	Zoe Gill	01/11/2024	14/08/2024		PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Partially Effectively)
C92 (Poor representation arrangements which leads to decisions that are not made in the best interests of the community) - Provisions of Chpt 3 of the LG Act regarding composition of councils and wards, mandated representation reviews, voluntary representation review, 2017 ERR completed, Strategic Boundary Review report	Zoe Gill	01/11/2024	14/08/2024		PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Partially Effectively)

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

Corporate Risk Register	Review of Risk Management Framework	Immediately	Zoe Gill	<p>SkyTrust configuration adequate for corporate rollout however additional work required on reporting functionality. Documentation being amended for SkyTrust functionality. Intend to conduct function workshops as the training exercise.</p> <p>230215 This work was sidelined whilst work was undertaken on the LG Election and Council Member Induction process. Work is scheduled to recommence March 2023.</p> <p>230811 Resignation of Governance &amp; Risk Coordinator has resulted in deferral of Framework completion until late 2023.</p> <p>240814 Currently working with LGRS to review Council's approach to Risk Management identification, recording and reporting</p>	50%	Not Complete (Overdue)	30/12/2023
Corporate Risk Register	Representation Review - 2016/17	Immediately	Lachlan Miller	Representation Review completed and certified by Electoral Commissioner in November 2017	100%	Complete (Accepted)	30/04/2017

Corporate Risk Register	Participation in boundary reform initiatives	Immediately	Zoe Gill	<p>20240814 - Boundary Change Proposal progressing to inquiry stage. Project plan, advocacy plan and key messages being reviewed by Boundary Change Committee on 28 August 2024</p> <p>Participation is ongoing as boundary proposals are lodged.</p> <p>230811 - Local Government Boundaries Commission has approved the Campbelltown City Council (CCC) submission to progress to the Inquiry Stage. CCC yet to consider the cost implications of the inquiry and determine whether to proceed.</p> <p><i>27/01/2023 by Lachlan Miller</i></p> <p>-</p> <p>CCC proposal has progressed to the Inquiry stage. AHC has positive impact into the design of the Inquiry Plan. Awaiting CCC decision as to whether to proceed with Inquiry and pay cost estimate.</p> <p><i>07/08/2022 by Lachlan Miller</i></p> <p>-</p> <p>Campbelltown City Council (CCC) lodged its Stage 2 proposal in April 2022. The Boundaries Commission requested CCC to lodge Supplementary Information to be lodged by 30 June 2022, this was achieved. Boundaries Commission advised on 20 August 2022 that CCC's Proposal can progress to an Inquiry if CCC agree to the cost estimate (to be considered post-election).</p> <p><i>12/07/2021 by Lachlan Miller</i></p> <p>-</p> <p>Watching brief kept on boundary reform proposals and actions of the initiating councils</p>	60%	Not Complete (Overdue)	30/12/2023
Corporate Risk Register	Review of s43 and external group fiduciary duties where Council members or staff are on Boards	Immediately	Lachlan Miller	NIL	100%	Complete (Accepted)	30/12/2016
Corporate Risk Register	2018 LG Election induction training	Immediately	Lachlan Miller	All mandatory and discretionary training completed.	100%	Complete (Accepted)	30/06/2019

Corporate Risk Register	Implementation of Corporate Planning & Performance Reporting Framework	Immediately	Lachlan Miller	Framework adopted by Council on 19 June 2018 and implemented in 2018-19.	100%	Complete (Accepted)	30/06/2019
Corporate Risk Register	Strategic Boundary Review project	Immediately	Lachlan Miller	Final report adopted by Council in September 2020	100%	Complete (Accepted)	30/06/2020
Corporate Risk Register	Implementation of LG Reform legislative changes.	Immediately	Zoe Gill	<p>240814 - Review of Audit Committee Terms of reference will be action when the Risk, Audit and Insurance Officer is appointed.</p> <p>Statute Amendment (Local Government Review) Act 2021 passed in Parliament in May 2021 sittings.</p> <p>230811 - Final tranche of LG Reform regarding Audit Committees and Internal Audit to come into effect on 30/11/23. Minor modifications to the Audit Committee Terms of reference required.</p> <p><i>27/01/2023 by Lachlan Miller</i></p> <p>-</p> <p>The latest tranches of changes occurred with the November 2022 periodic elections (specifically COI, BMF)</p> <p><i>07/08/2022 by Lachlan Miller</i></p> <p>-</p> <p>Provisions continue to be released in tranches and the required actions and communications are undertaken at each date.</p> <p><i>11/05/2022 by Lachlan Miller</i></p> <p>-</p> <p>Commencement dates have been published for the majority of the remaining reforms and process/systems are amended leading up to each commencement tranche.</p> <p><i>17/01/2022 by Lachlan Miller</i></p> <p>-</p>	80%	Not Complete (Overdue)	30/11/2023



			<p>Commencement of new provisions on 23 December 2021, reforms mostly related to strategic and financial planning and reporting.</p> <p><i>09/11/2021 by Lachlan Miller</i></p> <p>-</p> <p>Second tranche of provisions commencing 10 November 2021 - removal of requirement to display documents; full publication of register of interests; independent advice regarding CEO termination, recruitment, performance review; many election-related changes.</p> <p><i>09/08/2021 by Lachlan Miller</i></p> <p>-</p> <p>OLG/LGA progressively releasing proposed commencement dates and draft regulations for comment. First tranche of new provisions to commence in August/Sept - role and functions of council, principal and ordinary member role, information sessions, other provisions regarding notifications.</p> <p><i>12/07/2021 by Lachlan Miller</i></p> <p>-</p> <p>Awaiting further information from OLG/LGA regarding commencement</p>			
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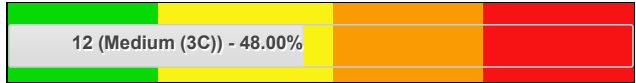
Corporate Risk Register	Service Review Framework development	Immediately	Lachlan Miller	<p>Framework adopted by Council on 26 October 2021</p> <p><i>12/07/2021</i> <i>by Lachlan Miller</i></p> <p>- Currently meeting with internal stakeholders prior to finalising Framework for Council.</p>	100%	Complete (Accepted)	30/09/2021
Corporate Risk Register	Representation Review - April 2024-April 2025	Six Months	Zoe Gill	<p>240814 - Consultants engaged, First workshop with Council provided, project plan agreed.</p> <p><i>27/01/2023</i> <i>by Lachlan Miller</i></p> <p>- Revised representation review provisions commenced 30 June 2022. Only a representation report required to be produced.</p> <p><i>09/11/2021</i> <i>by Lachlan Miller</i></p> <p>- Section 12 will be amended to require only one public consultation on representation options (i.e. representation report).</p> <p><i>09/08/2021</i> <i>by Lachlan Miller</i></p> <p>- Representation Review will be included in 2023-24 ABP</p>	25%	In Process	30/04/2025

Documents		
Date Added	Document Name	Document Details

Saved PDF Versions			
Date Saved	Saved By	Revision	PDF Document
14/08/2024 8:52:25 AM	Jody Atkins	2	Risk170963_2024-08-14_8-52-25_AM.pdf
07/11/2023 9:46:30 AM	Jody Atkins	1	Risk170963_2023-11-07_9-46-30_AM.pdf

<b>ID:</b>	Risk - 169143
<b>Risk Title or Work Activity:</b>	Strategic Risk - Service Delivery
<b>Risk Description:</b>	Failure to deliver projects, programs and services in accordance with plans (time, budget, quality).
<b>Responsible Person:</b>	David Waters
<b>Date of Risk Identification:</b>	15/05/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Service Delivery
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Causes:</p> <ul style="list-style-type: none"> <li>- Ineffective Budget Bid process ( ineffective cost estimates preparation; possible lack of understanding of budget and budget process;</li> <li>- Unrealistic timeframes e.g. 12 months for design, consultation and delivery; Change or poorly defined scope; Inadequate specifications and documentation and design; Lack of stakeholder engagement.</li> <li>- Lack of effective consistent project management methodologies</li> <li>- Unforeseen weather and climate conditions,</li> <li>- Lack of appropriate plant and equipment,</li> <li>- Poor contractor management,</li> <li>- Lack of resources (Lack of adequate skilled resources; Loss of key staff,)</li> <li>- Change in government legislation or policy,</li> <li>- Reduction in grant funding,</li> <li>- Lack of scheduled maintenance</li> <li>- Unclear Service ranges and levels</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>- Cost of projects escalates, unbudgeted spending, impacts on delivery of the projects</li> <li>- Damage to Council reputation</li> <li>- Outcomes of the project delivered fails to meet community's expectations</li> <li>- Weaknesses in infrastructure necessitating increased maintenanc</li> </ul>
<b>Initial Risk Score:</b>	<p>21 (Extreme (4B)) - 84.00%</p>
<b>Initial Risk Comments:</b>	
<b>Residual Risk Score:</b>	<p>9 (Medium (3D)) - 36.00%</p>

<b>Residual Risk Comments:</b>	<ul style="list-style-type: none"> <li>- Monthly capital reports from finance</li> <li>- Reporting of The Quarter to Council</li> <li>- Regular team meetings with project updates</li> <li>- Quarterly budget review process</li> <li>- 3 Year Capital Program</li> <li>- Procurement policy</li> <li>- Process and qualified staff/teams</li> <li>- Project reporting process</li> <li>- Panel contractors</li> <li>- Legislation and policy</li> <li>- KPI monitoring and reporting</li> <li>- Financial Reporting</li> <li>- LTFP processes have been amended to ensure that all key Strategies and Plan (including the Strategic Plan and Asset Management Plans) are captured as part of the LTFP review each year ahead of budget</li> </ul>
<b>Other Requirements/Comments:</b>	Addition of the Project Management Framework has further Strengthened the controls.
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness
<ul style="list-style-type: none"> <li>- Monthly capital reports from finance</li> <li>- Reporting of The Quarter to Council</li> <li>- Regular team meetings with project updates</li> <li>- Quarterly budget review process</li> <li>- 3 Year Capital Program</li> <li>- Procurement policy</li> <li>- Process and qualified staff/teams</li> <li>- Project reporting process</li> <li>- Panel contractors</li> <li>- Legislation and policy</li> <li>- KPI monitoring and reporting</li> <li>- Financial Reporting</li> <li>- LTFP processes have been amended to ensure that all key Strategies and Plan (including the Strategic Plan and Asset Management Plans) are captured as part of the LTFP review each year ahead of budget</li> </ul>	David Waters	01/11/2024	27/07/2024		PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Effectively)
 <p>12 (Medium (3C)) - 48.00%</p>					

Actions							
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date

Corporate Risk Register	<p>'Project Management</p> <p>a) Implementation of Project management framework. A trial with Built and Natural Assets is underway since 1/7/15. A review was undertaken in 2016 to assess and refine framework. Further review required now that Manager Civil Services appointed</p> <p>b) Process to audit and check project management.</p> <p>c) Implementation of scheduled program maintenance,</p>	Immediately	Peter Bice	<p>IN PROGRESS. Project Management Documentation now being developed in partnership with external expertise.</p> <p><i>13/10/2021 by Peter Bice</i></p> <p>-</p> <p><i>13/10/2021 by Peter Bice</i></p> <p>-</p> <p>PM Framework has now been implemented, beginning with Civil and Open Space Teams, and progressive adoption occurring from other key Project Delivery Areas.</p>	100%	Complete (Accepted)	30/06/2016
Corporate Risk Register	<p>Refine the budget bid process to ensure that sufficient time is allocated to cost budget submissions and also timing recognising that some projects will need to span across multiple years due to lead times associated with planning, consultation and approvals. Action: develop a budget bid database with a two stage process by 30/3/2016</p>	Immediately	Peter Bice	<p>COMPLETED. Initial 3 year program developed for 2017/18 ABP.</p> <p><i>20/05/2021 by Peter Bice</i></p> <p>-</p>	100%	Complete (Accepted)	30/01/2016

Corporate Risk Register	Start to promote multiple year project planning in line with Asset Management Planning	Immediately	Peter Bice	COMPLETED. 3 Year Capital Program has been established, which help to achieve this goal.  <i>19/05/2021 by Peter Bice</i>  -	100%	Complete (Accepted)	30/06/2016
Corporate Risk Register	Develop process in conjunction with Organisational Development to transfer knowledge once an employee has notified intent to leave the organisation (i.e. to capture staff knowledge with consideration of succession planning and transition to retirement)	Six Months	Gary Lewis	IN PROGRESS. Process development underway, however progress has stalled due to other delivery priorities. Looking to reinvest in this process development over the coming months.	50%	Not Complete (Overdue)	30/06/2024
Corporate Risk Register	Amend LTFP and budget processes to capture all Strategic and Functional Strategy funding requirements.	Immediately	Michael Carey	COMPLETED: 2018/19 & 2019/20 Budgets adopted based on a revised LTFP that captured all Strategic and Functional Strategies.  <i>13/07/2023 by Michael Carey</i>  -	100%	Complete (Accepted)	30/06/2018
Corporate Risk Register	Amend LTFP ratio ranges, as well as rates indice, to ensure growth in Operating Surplus to fund growth in operating expenditure	Immediately	Michael Carey	Budget workshop held on 30/1/2021 where proposed changes we considered appropriate to take to Audit Committee. LTFP adopted April 2021 with updated LTFP financial indicator ranges	100%	Complete (Accepted)	30/06/2021
Corporate Risk Register	Develop Quarterly Report of all key projects to Council that provides a status and financial information	Immediately	Lachlan Miller	COMPLETED: The Quarter now implemented and being reported to Council and Audit Committee	100%	Complete (Accepted)	30/09/2019

Documents		
Date Added	Document Name	Document Details

Saved PDF Versions
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Date Saved	Saved By	Revision	PDF Document
07/11/2023 9:55:22 AM	Jody Atkins	1	Risk169143_2023-11-07_9-55-22_AM.pdf



<b>ID:</b>	Risk - 170933
<b>Risk Title or Work Activity:</b>	Strategic Risk - Community Land Management
<b>Risk Description:</b>	Failure to manage and develop public areas vested in, or occupied by the Council (F)
<b>Responsible Person:</b>	David Waters
<b>Date of Risk Identification:</b>	06/02/2021
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Community Health & Wellbeing
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	Lack of strategic and operational processes to manage Council's property portfolio. Poor sports, recreation and open space management practices. Physical hazards to users Poor climate adaptation regimes Lack of maintenance Renewal works not undertaken as planned
<b>Possible Consequences:</b>	Increased cost to maintain infrastructure Reduced confidence in Council by the community Increased risks to staff and community when utilising facilities Disadvantage to AHC community over that of other areas Negative impact on community wellbeing
<b>Initial Risk Score:</b>	<p>25 (Extreme (5A)) - 100.00%</p>
<b>Initial Risk Comments:</b>	
<b>Residual Risk Score:</b>	<p>15 (High (5E)) - 60.00%</p>
<b>Residual Risk Comments:</b>	
<b>Other Requirements/Comments:</b>	
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness

<p>CLMP Established: Karen: Dec 2024          Building Asset Management Plans Established: Karen: June 22          Sustainable funding for Asset Renewal and Mtce captured within LTFP: Chris / Karen: Annual          Strategic Plan includes Goals / Objectives / Priorities associated with Public Areas : Karen: 2024          Sport &amp; Recreation Strategy: Renee : June 22          Property Structure &amp; Resourcing appropriate : Karen: Dec 22          Open Space &amp; Recreation Structure &amp; Resourcing appropriate : Chris : Dec 22          Audit of trees undertaken of high risk trees areas : Damian : Oct 2023          Inspection regime in place for high risk assets (building, playground equipment) :          Customer Request System established and integrated with Asset Mgt System : David W : Dec 22          Cemeteries Operating Policy &amp; supporting mtce program: Alana: Dec 21          Leases and Licenses for public areas established: Gen : June 2023          Trails Strategy adopted : Renee : June 22          Strategic Bicycle Plan : Renee : June 22          Crown Land Review Completed</p>	30/01/2025	27/07/2024	A cross functional review of this risk was undertaken in July 2021. This review resulted in a reassessment of all controls and actions required.	Moderate reduction in risk
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Actions							
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date
Corporate Risk Register	Update Community Land Management Plans	Six Months	Karen Cummings	Updated Community Land Management Plans and Register were adopted by Council in September 2019. A review of the Community Land Register and Community Land Management Plans should occur at least every 2 years.	100%	Complete (Accepted)	30/09/2021

Corporate Risk Register	Programmed maintenance regime to be developed (land and buildings)	Immediately	Karen Cummings	<p>Strategic Property Review endorsed by Council. Programmed maintenance schedules developed in Open Space and Civil Services areas. Building maintenance schedule being developed as part of Facility Framework, service standards to be developed.</p> <p>Open Space operation programs for roadside and reserve maintenance are incorporated into Road Reserves Annual Maintenance Program and to include in Roadside Vegetation Management Plan. Asset Management Plan Review included in 2022/23 Budget</p> <p><i>18/07/2024 by Karen Cummings</i></p> <p>-</p> <p>Building Asset Management Plan to be tabled with Council in September 2024, followed by a report to the Audit Committee</p>	92%	Not Complete (Overdue)	30/06/2024
Corporate Risk Register	Review of Crown Land under care and control of Council	Six Months	Karen Cummings	<p>Detailed assessment of all land parcels undertaken and workshop and report provided to Council. Preliminary consultation completed in relation to potential land parcels to hand back to the Crown. Revocation of community land classification commenced with formal community consultation completed. A report was presented to Council in March 2021 to continue the revocation process that was endorsed. Application for approval for revocation has been lodged with the Minister for Planning. Following a response from the Minister for Planning, a workshop will be held with Council prior to a report being presented to Council for further consideration.</p> <p>Note 9/01/2023: Response received from Minister - revocation now referred to Crown Lands department to revoke the Community Land classification. Workshop held with Council in late 2023. Matter still to be referred to the Chamber for a final decision following examination of opportunities raised by Council Members.</p> <p><i>11/07/2023 by Karen Cummings</i></p> <p>-</p> <p>Report to be considered by Council on 25/07/2023 for 18 parcels of Crown Land to be reverted back to the Crown</p> <p><i>04/01/2022 by Natalie Armstrong</i></p> <p>-</p> <p>Application for approval for revocation lodged with Minister for Planning.</p>	75%	Not Complete (Overdue)	30/06/2023

Corporate Risk Register	Review of the Trails Strategy (including Bicycle Plan)	Six Months	Renee O'Connor	<p>Trails Strategy developed and adopted by Council. Funding for implementation of the Strategy included in the 2022/23 Annual Business Plan.</p> <p><i>03/01/2023 by Renee O'Connor</i></p> <p>-</p> <p>The new Trails &amp; Cycling Rotes Framework has been endorsed, concluding the review of all previous trails &amp; cycling strategic documents.</p>	100%	Complete (Accepted)	30/06/2023
Corporate Risk Register	Building Asset Management Plans Updated	Six Months	Karen Cummings	<p>The audit across buildings for valuations, condition assessment, insurance and sustainability base line has now been undertaken. The Building AMP is now in development, with the draft document nearing completion. Some delay has been experienced due to competing priority project delivery and staff vacancy, and an end of year completion is more realistic.</p> <p><i>18/07/2024 by Karen Cummings</i></p> <p>-</p> <p>Building Asset Management Plan to be discussed with Council in September 2024, followed by report to Audit Committee thereafter</p>	75%	Not Complete (Overdue)	30/06/2024
Corporate Risk Register	LTFP reviewed to accommodate the ongoing cost of recovery from disaster events	Six Months	Christopher Janssan	<p>Council has considered the financial impact of significant events such as disasters including bushfire or storm as these type of events have occurred more regularly in recent years. As a result, Council has also assessed its Net Financial Liability ratio with an additional \$3m of borrowings represented by the top red line in the graph below. The resultant ratio shows that even with the additional \$3m, Council still maintains this ratio within a sustainable target range.</p> <p>The \$3m represents the likely Council net contribution to a very significant disaster in the order of \$10m taking into account financial assistance from State and Federal Governments. This assumption is also based on Council's strong preference to borrow if such a major event did occur rather than requiring an increase in rates to fund any financial impact.</p>	100%	Complete (Accepted)	31/03/2022

Corporate Risk Register	Finalise the Community Recreation Facilities Framework (by 31/12/2021) and develop a strategy for inclusion in the LTFP for future funding.	Six Months	Renee O'Connor	<p><i>03/01/2023</i> <i>by Renee O'Connor</i></p> <p>-</p> <p>The Community &amp; Recreation Facilities Framework was endorsed by Council in 2022, &amp; financial implementation was included in the 2022 iteration of the LTFP review.</p> <p><i>01/08/2022</i> <i>by Renee O'Connor</i></p> <p>-</p> <p>The final draft documents will be presented to Council at its August 2022 meeting for endorsement. Staged financial implementation has been considered &amp; included in the recent review of the LTFP.</p>	100%	Complete (Accepted)	31/03/2022
Corporate Risk Register	Undertake a review of the Sport and Recreation Strategy	Six Months	Renee O'Connor	<p><i>01/08/2022</i> <i>by Renee O'Connor</i></p> <p>-</p> <p>Sport &amp; Recreation team staff have commenced the initial phase of the Sport &amp; Recreation Strategy review.</p>	15%	In Process	30/06/2025

Corporate Risk Register	Develop Public Toilet Strategy	Six Months	Steve Sauerwald	<p>Development of a Public Toilet Strategy will include the assessment of existing facilities (including link to building audit to be undertaken), development of guidelines in relation to public toilet renewal and new options, development of priorities of upgrades and new, position in relation to supporting community groups who provide public toilet facilities in locations where Council does not provide public toilet facilities</p> <p><i>14/09/2023 by Steve Sauerwald</i></p> <p>-</p> <p>14/09/2023 - Physical audit completed 01/09/2023, with a draft documentation being prepared for a meeting review scheduled for 14/09/2023. Strategy draft being compiled by SS and ML. The Strategy will include proposed service levels, a standardisation of product selections and a proposed priority of works reflecting the Sprout and Nielsen's reports and AHC frequency of community related complaints. Anticipated completion of the draft documentation 31/10/2023.</p> <p><i>14/07/2023 by Steve Sauerwald</i></p> <p>-</p> <p>Physical Public Toilet audit commenced 11/07/2023. Gathered information will be collated with the Sprout audit information and presented in a one page per asset format. Anticipated completion by end of August 2023.</p>	30%	In Process	31/12/2024
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Corporate Risk Register	Review the Open Space Mtce Programs to inform an update to the LTFP	Six Months	Nicole Budd	<p>Program completed March 2023. Now being reviewed &amp; adjusted due to taking on in-house maintenance of Hamilton Hill.</p> <p><i>16/01/2023 by Nicole Budd</i></p> <p>- Due to restructure within Open Space Ops team, we are finalising updated programs now that will be allocated within three new 'sub-teams' within the OPs team. Programs to be completed by end of February 2023.</p> <p><i>29/12/2021 by Nicole Budd</i></p> <p>- Mowing schedules have been updated to best reflect efficiency over the prime mowing season. Also, currently reviewing schedule for playground &amp; cemetery maintenance to ensure compliance with Australian Standards &amp; community expectations.</p>	100%	Complete (Accepted)	17/02/2023
Corporate Risk Register	In conjunction with Rec & Sport update the audit regime of high risk assets following finalisation of the Community Recreation Facilities Framework	Six Months	Karen Cummings	Priority has been on implementing the Community and Recreation Facilities Framework which will continue into the first half of 2023. The Building audit findings have just been received in late 2022 and there have been no significant high priority risks identified. Staff will continue to implement the Community and Recreation Facilities Framework and review the building audit data and other data to identify high risk assets and their audit regime.	30%	Not Complete (Overdue)	30/06/2023
Corporate Risk Register	Develop Cemetery Mgt Plans for each cemetery under AHC care and control	Six Months	Karen Cummings	Development of management plans for each cemetery will be undertaken as resourcing allows with the heritage listed cemeteries taking priority.	10%	Not Complete (Overdue)	30/06/2023

Documents		
Date Added	Document Name	Document Details

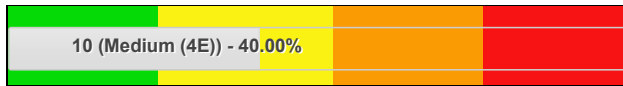
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Date Saved	Saved By	Revision	PDF Document
07/11/2023 10:03:09 AM	Jody Atkins	1	Risk170933_2023-11-07_10-03-09_AM.pdf

<b>ID:</b>	Risk - 170817
<b>Risk Title or Work Activity:</b>	Strategic Risk - Environment
<b>Risk Description:</b>	Failure to manage, develop, protect, restore , enhance and conserve the environment in an ecologically sustainable manner and to improve amenity. (F)
<b>Responsible Person:</b>	David Waters
<b>Date of Risk Identification:</b>	15/05/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Environment
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>-Lack of understanding of biodiversity.</li> <li>- Inadequate planning controls,</li> <li>- Lack of specific skill and knowledge of natural environment,</li> <li>- Insufficient budget,</li> <li>- Lack of internal coordination in project delivery,</li> <li>- Inadequate emergency response to environmental hazard,</li> <li>- Lack of longitudinal planning and service delivery, difficulty of meeting varying community expectation,</li> <li>- Ineffective natural resource management strategies and processes.</li> <li>- Poor environmental management practices.</li> <li>- Illegal dumping</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>- Damage to local environment</li> <li>- Financial - restoration of failure to act (fines plus the works to restore)</li> <li>- Reputational damage</li> <li>- Impact on human health and wellbeing due to the loss of visual amenity and ability to interact with nature</li> <li>- Local amenity not maximised</li> <li>- Health and economic impacts due to climate change</li> <li>- Failure to meet stakeholder expectation</li> </ul>
<b>Initial Risk Score:</b>	<p>22 (Extreme (5C)) - 88.00%</p>
<b>Initial Risk Comments:</b>	
<b>Residual Risk Score:</b>	<p>13 (Medium (4D)) - 52.00%</p>
<b>Residual Risk Comments:</b>	
<b>Other Requirements/Comments:</b>	Council continues to work locally but also partner with key agencies to advocate for improved ecological sustainability.
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness



<ul style="list-style-type: none"> <li>- Biodiversity Strategy,</li> <li>- Water Management Plan</li> <li>- Biodiversity Advisory Group and Sustainability Advisory Group</li> <li>- Trained &amp; qualified staff</li> <li>- Safe working procedures</li> <li>- Blue Marker sites</li> <li>- Spill kits</li> <li>- SDS</li> <li>- Customer request system for reporting to us</li> <li>- Machinery hygiene</li> <li>- Development Plan</li> <li>- Strategic Plan Reviewed with Goal area for Natural Environment established (including priorities)</li> </ul>		28/02/2025	31/07/2024		
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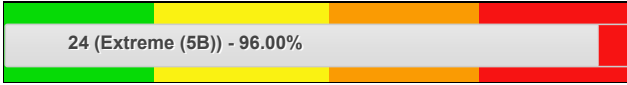
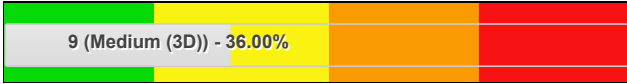
Actions							
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date
Corporate Risk Register	Water Resources strategy to be developed	Immediately	Sharon Leith	Water Management Plan endorsed by Council 13 December 2016.	100%	Person Responsible Complete	13/12/2016

				Trail of first draft complete 31 Dec 2020 Trial of revised raft commenced 30 Jun 2021 Target adoption of final draft = 31 Dec 2021  <i>06/03/2021 by Ashley Curtis</i>  - PMF was in testing phase, however testing project officer left the organisation, placing the test on hold, to be continued by new project officer.			
Corporate Risk Register	Project Management framework (see action above)	Immediately	Ashley Curtis	<i>05/03/2021 by Peter Bice</i>  - Underway, drat documentation completed.  <i>05/03/2021 by Peter Bice</i>  - Underway, drat documentation completed.	100%	Complete (Accepted)	31/12/2021
Corporate Risk Register	Implementation plan for the Biodiversity Strategy to be developed; Interim review of Strategy	Immediately	Tonia Brown	Biodiversity Strategy endorsed by Council on 24/9/2019. Implementation plan for the Biodiversity Strategy complete.	100%	Person Responsible Complete	24/09/2019
Corporate Risk Register	Ensure adequate budget and human resources are allocated to the priority strategies articulated in the Biodiversity Strategy's Implementation Plan	Immediately	Peter Bice	Implementation plan for the Biodiversity Strategy complete. The plan informs Annual Programming and LTFF.	100%	Complete (Accepted)	26/02/2021
Corporate Risk Register	Establish a program to review the safe operating procedures to ensure that they incorporate contemporary management techniques to minimise environmental impacts.	Immediately	Christopher Janssan	Budget Bids to support this years program were included in the 2018-19 Annual Business Plan and Budget Process.	100%	Complete (Accepted)	26/02/2021
Corporate Risk Register	Expansion of Blue Marker Sites	Immediately	Christopher Janssan		100%	Complete (Accepted)	30/10/2016

**Documents**

Date Added	Document Name	Document Details
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Saved PDF Versions			
Date Saved	Saved By	Revision	PDF Document
07/11/2023 10:00:53 AM	Jody Atkins	1	Risk170817_2023-11-07_10-00-53_AM.pdf

<b>ID:</b>	Risk - 170941
<b>Risk Title or Work Activity:</b>	Strategic Risk - Financial
<b>Risk Description:</b>	Failure to manage, improve and develop the financial resources available to Council. (F)
<b>Responsible Person:</b>	Gary Lewis
<b>Date of Risk Identification:</b>	12/11/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Financial
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	Poor internal control environment Poor procurement planning and processes. Ineffective insurance arrangements. Poor financial management processes (treasury, AP, AR) Poor contract management Poor People Management Ineffective Asset Planning Lack of Business Planning Poor Strategic Planning Lack of Business Case development (including Prudential Reviews)
<b>Possible Consequences:</b>	Potential for qualified accounts as an audit outcome; inappropriate segregation of duties; increased potential for fraud; negative impact on Council brand & reputation; lack of consistency in process use; inability to measure process effectiveness and outcomes; increased risk of litigation; inappropriate assets with short medium and long term financial impacts; potential inability to pay; negative impact on ability to service the community; poor customer relations; poor supplier relationships; potential impact on income from rates, fees and charges; increased risk of litigation leading to financial instability.
<b>Initial Risk Score:</b>	
<b>Initial Risk Comments:</b>	
<b>Residual Risk Score:</b>	
<b>Residual Risk Comments:</b>	
<b>Other Requirements/Comments:</b>	A cross functional review of this risk was undertaken in July 2021. This review resulted in a reassessment of all controls and actions required. Whilst the actions have now been individually created, separate controls are required to be captured.
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness

<p>Long Term Financial Plan in place and regularly Reviewed; Annual Business Plan developed and aligned each year to the Long Term Financial Plan; Internal audit and annual review of internal controls; System security and configuration; Induction procedures; Recruitment and selection processes; Financial delegations; Informed level of insurance cover through LGAMLS, rating policy, process and timeframes;</p> <p>Asset management register and program; Executive Manager Governance and Risk employed; Procurement Co-Ordinator role employed; Qualified employees that are trained in policies;</p> <p>Conflict of interest declaration regularly reviewed (Directors/CEO); WHS procedures on plant purchasing, consultation and risk assessment; Fraud and Corruption Policy; Whistleblowers Policy; Insurance reviewed annually and all areas of insurance are reviewed and recalculated for following year; Wage declaration which affects the insurance calculation annually; insurance claims process; Quality accredited insurance company-LG Risk Services; insurer processes claims; professional internal advice; Financial management system; Updated Procurement Policy and Procedures Adopted by Council in 2019 (delegation and authority included); Code of Conduct for Employees and Council Members; Discipline processes; Ongoing training and development; Internal controls framework; Debt Recovery Policy and Accounts Reconciliation Policies updated and adopted External Fund Funding Policy adopted by Council (2017) Implementation of ContolTrack to monitor financial controls environment Treasury Policy established</p>	<p>Gary Lewis</p>	<p>28/02/2024</p>	<p>11/02/2023</p>	<p>A cross functional review of this risk was undertaken in July 2021. This review resulted in a reassessment of all controls and actions required. Whilst the actions have now been individually created, separate controls are however still required to be entered.</p>	<p>EFFECTIVE (Designed Adequately; Operating Effectively)</p>
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Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	
Corporate Risk Register	Review positions across council that require criminal history checks, including financial roles	Immediately	Megan Sutherland	Updated Policy and Procedure covering the relevant criminal history check requirements have been adopted and training completed. Identified positions requiring checks are being updated or undertaken currently.	100%	Complete (Accepted)	30/06/2016	
Corporate Risk Register	Recruit Procurement Coordinator Role	Immediately	Michael Carey	Recruitment completed in June 2018	100%	Complete (Accepted)	30/09/2017	
Corporate Risk Register	Review of Procurement Policy and procedures (Stage 1)	Immediately	Renato Merdanovic	Updated Policy and Procedure endorsed by Council in August 2019	100%	Complete (Accepted)	01/06/2019	
Corporate Risk Register	Review the process map of the insurance claims procedure to enable consistency of application.	Six Months	Zoe Gill	<p>220104 Development of process map has commenced.</p> <p>220405 Creation and attached herein a Motor Vehicle Incident Report which is used for capturing information proceeding to an insurance claim.</p> <p>220405 Creation and attached herein is an Asset Incident Report which is used for capturing information proceeding to an insurance claim.</p> <p>220405 Attached herein is the LGRS Portal User Manuals</p> <p>230215 This work was sidelined whilst work was undertaken on the LG Election and Council Member Induction process. Work is scheduled to recommence March 2023.</p> <p>240814 This work in on hold until appointment of Audit, Risk and Insurance officer</p>	85%	Not Complete (Overdue)	30/06/2023	
Corporate Risk Register	Explore Grant funding opportunities	Immediately	Michael Carey	A Grant Funding Policy endorsed by Council.	100%	Complete (Accepted)	01/07/2016	
Corporate Risk Register	Develop a Treasury Management Policy	Immediately	Michael Carey	Policy endorsed by Council October 2017	100%	Complete (Accepted)	30/11/2018	
Corporate Risk Register	Implement the Cyber Security Plan	Six Months	James Sinden	<p>A Cyber Security Plan has been developed and will be presented to Audit Committee for endorsement in May 2021</p> <p>3rd August 20201 - The implementation of an ISMS is a part of the recently adopted Cyber Security Plan that was adopted at the June 2021 Council Meeting. Commencement is now delayed due to the resignation of a key AHC Staff member responsible for the delivery of the project. It's anticipated that the project will commence in late September 2021.</p> <p><i>09/01/2023 by James Sinden</i></p> <p>-</p> <p>Progress on the ISMS has been the development of an Information Security Manual and End User Security Procedures that are now progressing through formal review and endorsement by the organisation.</p>	100%	Complete (Accepted)	30/06/2023	

				<p><i>02/08/2022</i> <i>by James Sinden</i></p> <p>- AHC is progressing its implementation of its ISMS (Information Security Management System) with the creation of a Cyber Security Calendar, Security Risk Register &amp; Information Asset Inventory.</p>			
				<p><i>10/05/2022</i> <i>by James Sinden</i></p> <p>- The LGITSA Cyber Security Framework has been completed and AHC is currently aligning its Cyber Security Plan to this framework in a sector wide approach of improving Cyber Security maturity. AHC has also engaged CyberCX in the implementation of AHC's ISMS (Information Security Management System) and work activity continues in this area.</p>			
				<p><i>01/04/2022</i> <i>by James Sinden</i></p> <p>- Work activity continues with this action where staff have been closely involved in the working group established by LGITSA (Local Government Information Technology South Australia) to develop a Local Government Cyber Security Framework that's been grant funded by the LGA. As the development of the framework progresses, AHC continues to build upon technical cyber security controls and implementation work activity with consultants that will align to a State based Cyber Security Framework.</p>			
Corporate Risk Register	Develop a Project Management Framework supported by Policies & Procedures	Six Months	Gary Lewis	Draft Framework has been completed and use broadly across the organisation now occurring. Some refinement being made based on user feedback, with supporting Policies and Procedures developed but subject to ongoing refinement and review.	100%	Complete (Accepted)	30/06/2022

Corporate Risk Register	Undertake a review of the Fleet Management Framework (including Policies & Procedures)	Six Months	Ashley Curtis	A detailed analysis is being undertaken in 22-23 to confirm the approach to achievement and quantum of savings. Working with Manager People and Culture to look at make-up of fleet and will then work on Policy	20%	Not Complete (Overdue)	30/06/2024
Corporate Risk Register	Implement biannual reporting of procurement to ELT	One Month	James Greenfield	<i>05/11/2021</i> <i>by James Greenfield</i> - Presentation held 04/11/2021. Presentations booked for Feb and Sept 2022	100%	Complete (Accepted)	31/08/2021
Corporate Risk Register	Establish a process to ensure that a review of Purchase Order variations is undertaken	Three Months	James Greenfield		100%	Complete (Accepted)	31/12/2021
Corporate Risk Register	Investigate the option for Business Interruption Insurance	Three Months	Zoe Gill	LGRS have provided a proposal for undertaking Business Interruption Review (BIR) , however a proposal to undertake a Transferable Risk Profile (TRP) is occurring mid September 2021 which includes identifying Maximum Foreseeable Loss (MFL) on risks identified. Following the TRP an assessment will be made as to any gaps and consideration of furthering the BIR proposal.  210826 Met with stakeholders to discuss. We focused on a loss of rate revenue through a bushfire event and Council's willingness to fund a rate shortfall or willingness to cut services to accommodate such. The agreed approach was to seek quotes for Loss of Rate Revenue of \$5m, \$7m and \$10m for a period of 1, 3 and 5 years. We will reconvene once the quote has been received.  200104 Awaiting feedback from TC / LM on the quote and TRP information provided.  230215 This work was sidelined whilst work was undertaken on the LG Election and Council Member Induction process. Work is scheduled to recommence March 2023.  Discussions with LGRS with regards insurance have been re-initiated. This additional Insurance has not yet been reviewed.  240814 This project is on hold until the Risk, Audit and Insurance Officer is appointed	85%	Not Complete (Overdue)	30/06/2023
Corporate Risk Register	Provide a report to ELT on the Annual Placement of Insurance (including claims experience)	Two Months	Steven Watson	An item was presented to ELT on Thursday 26 August 2021 detailing the insurance report to the Audit Committee, claims history and where to find the insurance claims register. An action arising included presenting to ELT twice yearly on this matter during the months of March and September.  220421 - Another briefing presented to ELT on 21 April 2022.	100%	Complete (Accepted)	30/09/2021



Corporate Risk Register	Undertake an annual review of the Long Term Financial Plan to ensure that changes within the operating environment of Council are captured and accommodated to ensure long term financial sustainability can be achieved. Last reviewed Feb 2023.	Six Months	Gary Lewis	The LTFP will be updated following the adoption of the new Strategic Plan later in 2024.	%	Not Complete (Overdue)	29/03/2025
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**Documents**

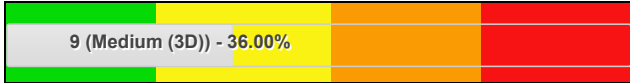
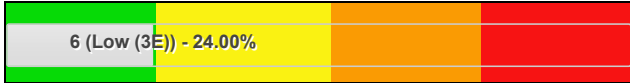
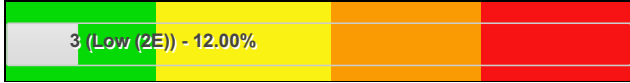
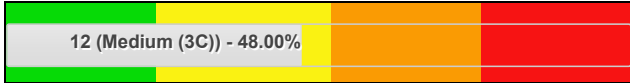
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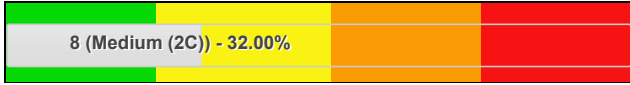
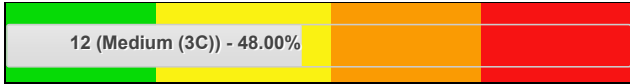
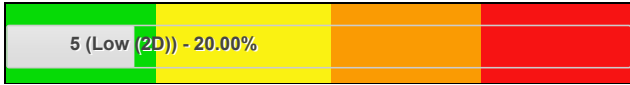
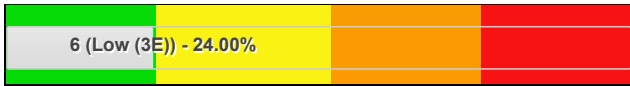
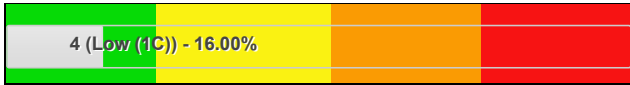
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Date Saved	Saved By	Revision	PDF Document
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<b>ID:</b>	Risk - 170934
<b>Risk Title or Work Activity:</b>	Strategic Risk - People Culture inc WHS
<b>Risk Description:</b>	Failure to manage, improve and develop the human resources available to the Council. (F)
<b>Responsible Person:</b>	Gary Lewis
<b>Date of Risk Identification:</b>	07/08/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	People & Culture (includes WHS)
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	Poor IR practices Ineffective attraction and retention initiatives Lack of workforce planning and development. Deficient equity and diversity programs Poor leadership Failure to ensure appropriate WH&amp;amp;amp;amp;amp;amp;amp;amp;S for employees and volunteers. Volunteers not trained or inducted effectively
<b>Possible Consequences:</b>	Increased financial cost; potential litigation; decrease in morale; poor work performance; inability to deliver services; negative impact on council brand and reputation; lacking or ineffective policy/procedures; inability to meet the demand for volunteering opportunities, inability to offer attractive positions; council could fail to meet the legislative requirements if training avoided; not having available staff/volunteers to undertake work at required times; heightened number of complaints around EEO; ineffective management of human resources, lose ability to innovate through poor leadership; increased injured and notifiable incidents; potential death; litigation threatening the viability of the organisation; unable to attract employees and volunteers; lack of handover and transfer of valuable knowledge; challenges about fair and equitable process; higher turnover costs and negative affect on work culture; increase absenteeism.
<b>Initial Risk Score:</b>	<p>24 (Extreme (5B)) - 96.00%</p>
<b>Initial Risk Comments:</b>	There is a huge array of risks associated with the management of people within the organisation. Several large pieces of legislation have requirements to be met to manage these risks.
<b>Residual Risk Score:</b>	<p>12 (Medium (3C)) - 48.00%</p>
<b>Residual Risk Comments:</b>	There are significant controls in place to manage these risks, with responsibilities to provide procedures and process in key departments that are then utilised by people across the organisation, including People Leaders, employees and 'workers' from a WHS perspective.
<b>Other Requirements/Comments:</b>	
<b>Current:</b>	Yes

**Risk Controls**

Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness
Volunteer Framework established and implemented Volunteer Policy Developed	Rebecca Shepherd	30/11/2022	05/08/2022	Volunteer Policy and additional procedures implemented and working effectively with improved practices. Volunteer Policy to be reviewed in 2022.	EFFECTIVE (Designed Adequately; Operating Effectively)
					
Recruitment Policies and Procedures in place	Anne Pett	30/03/2023	05/08/2022	Phase 2 of the HR System implementation will be commencing in August or September 2022 (still being finalised). With the Recruitment and Retention Audit recently being completed, a range of actions, including the update of the Recruitment and Selection Procedure and associated documents will now commence.	EFFECTIVE (Designed Adequately; Operating Effectively)
					
WHS Management System in place (Committee, Reporting, SkyTrust, Policy & Procedures) Regular audits by LGAWCS	Anne Pett	30/07/2023	05/08/2022	WHS policy, procedures, SOP's, risk assessments, inspections, hazard and incident reporting, audits, action processing and updating and use of Skytrust are all ongoing processes that continue to be used and reviewed.	EFFECTIVE (Designed Adequately; Operating Effectively)
					
Established Policies and Procedures Framework	Anne Pett	28/08/2023	05/02/2023	The OD Policy and Procedure Framework was adopted by Executive on 14/7/2022. Work will continue on the review and development of policies and procedures against this framework. This work has been placed on hold given the resignation of the Mgr People and Culture as well as the Team Leader OD. The new Mgr People and Culture will commence on 20 March 2023 at which time the progression of the Policy & Procedure Framework will recommence.	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
					
Leadership Framework Established and development opportunities undertaken	Anne Pett	30/09/2023	05/02/2023	This work has been placed on hold given the resignation of the Mgr People and Culture as well as the Team Leader OD. The new Mgr People and Culture will commence on 20 March 2023 at which time the progression of the Leadership Framework will be considered.	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)

					
OD Structure supported through trained and experienced staff	Anne Pett	17/10/2023	17/07/2023	<p>Following the resignation of the Mgr OD as well as the Team Leader OD and WHS Advisor, a resource and structure review was undertaken of the now People and Culture Department. This review has been completed and resulted in the provision of additional resourcing to support both the WHS and OD Advisory roles. The new Mgr People and Culture commenced on 20 March 2023 and the new WHS advisor will start 25 July 2023. The People and Culture Department was further reviewed as part of a Corporate Services resource and structure review. This review proposes the removal of the Team Leader OD position and redesigns the OD Advisor role to Senior People &amp; Culture Officer. The OD Officer role is proposed to go full time. Changes are subject to feedback from consultation which closes 21 July 2023.</p>	PARTIALLY EFFECTIVE (Designed Adequately; Operating Partially Effectively)
					
Enterprise Agreement Framework in place	Anne Pett	01/12/2023	05/08/2022	<p>The Enterprise Development Agreements have been in place for many years. This provides Council the opportunity to work with employees in a consultative way, with their Union Organisers (as relevant), to discuss terms and conditions of employment, providing the framework, that sits over Awards, to manage our work and employees. Current Agreements are in place for Field and Office until 30 June 2025.</p>	EFFECTIVE (Designed Adequately; Operating Effectively)
					
2022 Fair Treatment, Bullying & Grievance Policies and Procedures are established	Anne Pett	30/06/2024	05/08/2022	<p>These documents are established and up to date. Their next scheduled review is 30 June 2024 or as legislation or internal controls require.</p>	EFFECTIVE (Designed Adequately; Operating Effectively)
					
Established Position Descriptions for all roles:	Anne Pett	01/07/2024	05/02/2023	<p>Position descriptions are reviewed at the appointment of recruitment or classification assessments. There is provision for PD's to be reviewed annually with the staff member and People Leader as part of the 4x8 process. OD has undertaken a review of position descriptions with a view to begin updating PD's periodically, particularly those that have not been reviewed more recently.</p> <p>This work has been placed on hold given the resignation of the Mgr People and Culture as well as the Team Leader OD. The new Mgr People and Culture will commence on 20 March 2023 at which time the work will recommence.</p>	EFFECTIVE (Designed Adequately; Operating Effectively)
					

Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	

Corporate Risk Register	Equity and diversity plan is being developed	Six Months	Karlee Cook	Since this action commenced, the Access and Inclusion Plan 2020-2024 has been adopted by Council in January 2021. A review of the direction of this action is needed so as not to double up on activities. This action has been delayed as resourcing has needed to focus on the HR and payroll system implementation, payroll processing each fortnight, WHS Action Plans and activities and day to day organisational support. The ongoing support of managing COVID and general illness across the organisation has also been important for OD. This action has not been progressed, P&C will be gathering Diversity data from employees that will support the DAIP, RAP and Our Watch and potentially inform an Access and Inclusion Plan (or similar).	30%	Not Complete (Overdue)	30/06/2023
Corporate Risk Register	Review Fair Treatment and Bullying Procedures, and Grievance Resolution Procedure;	Six Months	Anne Pett	Fair Treatment, Workplace Bullying Policies and Grievance Procedure require an annual review to ensure currency	100%	Complete (Accepted)	01/07/2022
Corporate Risk Register	Review Work From Home Policy & procedures to ensure that meet the changing needs of the workforce stemming from COVID and increased fire events.	Two Months	Anne Pett	Procedures updated to respond to events in 2020 and were implemented successfully. Review now required to ensure application to a more business as usual mode of operation is effective.	100%	Complete (Accepted)	30/10/2021
Corporate Risk Register	Implement replacement Payroll system to comply with legislative requirements that will not be possible with existing system on 1 January 2022.	Immediately	Michael Carey	<p>Project team established and options for upgrade being considered. Advise received that critical deadline may move to 30 June 2022. System set up is well progressed and testing currently underway. The majority of the setup work has now been completed. Go live date was re set for mid February 2022. Go live was reset for 28 March 2022</p> <p><i>11/05/2022 by Megan Sutherland</i></p> <p>- Community Payroll was implemented on the week of 28/3/2022.</p> <p><i>22/04/2021 by Megan Sutherland</i></p> <p>- Currently working with ICT Team and the external system provider to map out requirements. ICT managing the implementation plan.</p>	100%	Complete (Accepted)	01/04/2022

Corporate Risk Register	Undertake training in recruitment practices for staff involved in recruitment panels	Six Months	Karlee Cook	<p>Phase 1 of the HR system has been implemented. We are currently scoping out and prioritising Phase 2 of the system implementation which will include Employee Self Service and e-Recruitment. The Recruitment Audit has also been undertaken (May 2022) with the initial report returned (20 June 2022).</p> <p>This work has been placed on hold given the resignation of the OD Manager and Team Leader. The new Mgr People and Culture will commence on 20 March 2023 at which time work will recommence.</p> <p>The Recruitment &amp; Selection Policy and Procedure was supported by ELT in July 2023 and CEO approval is imminent. Following approval training will be deliver to all relevant staff across Council who have responsibility for recruitment and selection.</p> <p><i>07/02/2022 by Niamh Milligan</i></p> <p>-</p> <p>This action will be addressed as part of the work that will occur around the implementation of e-Recruitment through the new HR System, Lanteria. We are working towards the new system going live currently.</p>	20%	Not Complete (Overdue)	30/06/2023
Corporate Risk Register	Review how the Work from Home Procedure is going and if positively contributing to effective and efficient work and working relationships across the organisation.	Three Months	Megan Sutherland	<p>Given the current pandemic arrangement there has been considerable review of WFH processes and procedures. There is still a level of follow up required to ensure compliance. A new register has been established to monitor which employees are working from home each day.</p> <p><i>11/05/2022 by Megan Sutherland</i></p> <p>-</p> <p>WFH processes are reviewed in an ongoing way to enable work to be undertaken that meets the needs of the organisation and it's people. Further work will be progressed as we lead the organisation out of the the 'COVID crisis' and determine if or where any changes to these practices are needed.</p>	100%	Complete (Accepted)	30/04/2022
Corporate Risk Register	Leadership Coaching & Mentoring Program Progressed	Six Months	Karlee Cook	<p>This work has been placed on hold given the resignation of the Mgr People and Culture as well as the Team Leader OD. The new Mgr People and Culture will commence on 20 March 2023 at which time the progression of the Leadership Framework will be considered.</p> <p>The Leadership Framework will be considered as part of the review of Values and Behaviours.</p>	5%	Not Complete (Overdue)	30/12/2023

Corporate Risk Register	Review OD Structure to ensure resources aligned to corporate goals and undertake recruitment to ensure revised structure resourced.	Three Months	Megan Sutherland	Revised structure established and currently out to consultation with staff. Additional resource to support OD approved within the 2021/22 budget. Systems project resource endorsed by ELT on 5/8/21. Changes to OD structure are currently being implemented. One position has been appointed and is working well. The recruitment process has been completed for the other role and commences in Jan 2022	100%	Complete (Accepted)	20/12/2021
Corporate Risk Register	Update OD Policies & Procedures to align to Framework.	Six Months	Karlee Cook	<p>The OD Policy and Procedure Framework has been adopted by Executive on 14/7/2022. Review and update of documents will continue against this Framework. All OD policy/procedures and procedures will not be completed by Dec 2022. Work will continue until all documents have been updated. A Reference Group has been established to support this review process.</p> <p>The Policy and Procedure was reviewed resulting in the consolidation, deletion and creation of policies/procedures. ELT approved the revised framework on 13 July 2023 with a prioritised implementation schedule. It is anticipated that all documents will be reviewed and implemented over a period of 12-18 months.</p> <p><i>21/06/2022 by Niamh Milligan</i></p> <p>-</p> <p>A proposed OD Policy and Procedure Framework was workshopped with the EM OD on 15/06/2022 with feedback incorporated. It will be presented to ELT at the next 'Develop' meeting on 14 July 2022.</p> <p><i>07/02/2022 by Niamh Milligan</i></p> <p>-</p> <p>We are continuing to work through the update of policies and procedures with the current focus being on the Leave Procedure which is currently being reviewed.</p>	15%	Not Complete (Overdue)	02/12/2022

Corporate Risk Register	Undertake Audit of Position Descriptions to Ensure currency and ensure update where not current	Six Months	Karlee Cook	<p>OD has undertaken a review of position descriptions with a view to begin updating PD's periodically, particularly those that have not been reviewed more recently. Note: all PD's across the organisation will not be reviewed by end of 2022 particularly due to the ongoing implementation of the HR system which is expected to continue into 2023 and takes significant resourcing.</p> <p>The review of Position Descriptions has not progressed and additional resources will be required to achieve, which could be through engaging a temporary contractor.</p> <p><i>27/01/2022 by Niamh Milligan</i></p> <p>-</p> <p>The OD Advisor has commenced this review with an initial focus on ensuring that we have position descriptions for all positions and identifying any gaps.</p>	15%	Not Complete (Overdue)	31/12/2022
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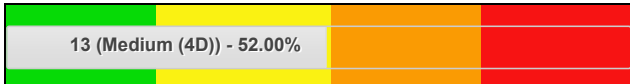
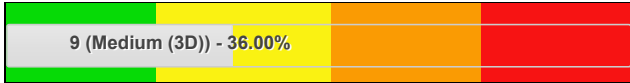
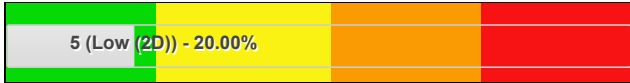
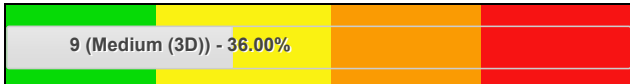


Corporate Risk Register	Training and Development Framework Reviewed & Implemented (captures current 4x8, WHS and Corporate Training needs)	Six Months	Niamh Milligan	<p>T&amp;D is managed in OD in two discrete areas, WHS and HR. The WHS Action Plan and Improvement Plan are both focused on updating training information and developing training plans. Around 75% of the organisation's staff will have their WHS requirements logged against them/their position in Skytrust by end of Sept 2022. Data has been collected and discussed with People Leaders for HR also. This will be added to the HR system once the training module is implemented (timing of this still being determined) and likely to commence later in 2023.</p> <p>The HR System has now been paused and the intent to go out tender in October. The TNA is 100% loaded in SkyTrust and a training plan will be developed by October.</p> <p><i>07/02/2022 by Niamh Milligan</i></p> <p>-</p> <p>The OD Advisor has commenced. A meeting is scheduled with the EM OD on 7/2/22 to discuss the WHS Action Plan which includes work associated with a WHS T&amp;D Framework which will be expanded to included corporate training.</p> <p><i>07/02/2022 by Niamh Milligan</i></p> <p>-</p> <p>The OD Advisor has commenced. A meeting is scheduled with the EM OD on 7/2/22 to discuss the WHS Action Plan which includes work associated with a WHS T&amp;D Framework which will be expanded to included corporate training.</p>	20%	Not Complete (Overdue)	30/12/2023
Corporate Risk Register	WHS Policy & Procedure Review at LGAWCS followed by AHC application	Six Months	Karlee Cook	The plan to update the WHS procedures is being followed with 17 procedures and forms updated and approved via Executive. Other work is progressing to develop training that can be run via Skytrust to provide basic procedure knowledge, including a knowledge checking process.	75%	Not Complete (Overdue)	30/06/2023
Corporate Risk Register	WHS Reporting across organisation to be reviewed to ensure awareness and education is appropriate. Revised reporting requirements to be implemented if identified.	Six Months	Lee Merrow	Reporting has been updated as a result of audit feedback. Ongoing monitoring and further improvement will take place as the reporting is used and reviewed in the organisation.	100%	Complete (Accepted)	30/11/2021

Documents		
Date Added	Document Name	Document Details

Saved PDF Versions			
Date Saved	Saved By	Revision	PDF Document
07/11/2023 9:40:48 AM	Jody Atkins	3	Risk170934_2023-11-07_9-40-48_AM.pdf
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19/05/2022 2:35:54 PM	Niamh Milligan	1	Risk170934_2022-05-19_2-35-54_PM.pdf



					
ICT Business Continuity Systems established	Phil Mattingly	08/01/2025	18/03/2024	Data Centre established in diverse geographic locations and immediate switchover capability Hierarchical back up regime Cloud First Strategy in place in transition of systems occurring System & Application MAO (Maximum Acceptable Outage) - set to organisational requirements Undertake system outage testing	EFFECTIVE (Designed Adequately; Operating Effectively)
					
Information Services Team resourced in accordance with required structure (including \$ & FTE)	Phil Mattingly	08/01/2025	18/03/2024	Induction processes in onboarding driven through OD Systems security in access protocols Work from home access regime	EFFECTIVE (Designed Adequately; Operating Effectively)
					
Information Services Strategic Plan Developed (2022)	Phil Mattingly	08/01/2025	18/03/2024	A review of the Information Services Strategic Plan has been undertaken with ISSRG. Draft Information Services Strategic Plan created Consolation with ISSRG and Executive completed Digital Transformation Plan (tactical plan) developed	Major reduction in risk
					

Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	

Corporate Risk Register	Review the Information Services Business Plan	Six Months	James Sinden	<p>The Information Services Business Plan is reviewed on an annual basis to align with the setting of LTFP and Budget..</p> <p><i>07/05/2021 by David Collins</i></p> <p>-</p> <p><i>26/02/2021 by David Collins</i></p> <p>-</p> <p>Confirm Asset Management System is implemented an in use by the organisation.</p>	100%	Complete (Accepted)	30/12/2021
Corporate Risk Register	Finalise development of Cyber Security Framework (including implementation Plan)	Six Months	James Sinden	<p>Implementation of the Cyber Security Program has been completed and has moved into operations mode within the Information Services Department.</p> <p><i>02/08/2022 by James Sinden</i></p> <p>-</p> <p>The LGITSA Cyber Security Framework has been completed and AHC has aligned the Cyber Security Plan (the implementation plan) to the framework and commenced implementation of the ISMS (Information Security Management System).</p> <p><i>10/05/2022 by James Sinden</i></p> <p>-</p> <p>The implementation of an ISMS is a part of the recently adopted Cyber Security Plan (Framework) that was adopted at the June 2021 Council Meeting.</p> <p>Commencement was delayed due to the resignation of a key AHC Staff member responsible for the delivery of the project.</p> <p>After advertising for a Senior Cyber Security ICT Officer, Council was unable to find an appropriate candidate given there is considerable demand in the industry for these skillsets.</p>	100%	Complete (Accepted)	30/06/2023

				<p>In the short term a specialist contract resource is being used to progress with implementation.</p> <p>The newly appointed Team Leader ICT has already introduced a formal ITIL Change Management process using the forms engine via the corporate website for both external vendors and internal ICT change control.</p> <p>Development of ICT Policy and implementation of an ICT Operations Manual planning has started and AHC Staff have assisted with the development of a Local Government Cyber Security Framework that has been grant funded by the LGA and facilitated by LGITSA (Local Government Information Technology South Australia) and external consultants. A draft version of the framework is expected to be released shortly to the LG Sector for feedback.</p> <p>The LGITSA Cyber Security Framework has been completed and AHC is currently aligning its Cyber Security Plan to this framework in a sector wide approach of improving Cyber Security maturity. AHC has also engaged CyberCX in the implementation of AHC's ISMS (Information Security Management System) and work activity continues in this area.</p> <p><i>01/04/2022 by James Sinden</i></p> <p>-</p> <p>Work activity continues with this action where staff have been closely involved in the working group established by LGITSA (Local Government Information Technology South Australia) to develop a Local Government Cyber Security Framework that's been grant funded by the LGA. As the development of the framework progresses, AHC continues to build upon technical cyber security controls and implementation work activity with consultants that will align to a State based Cyber Security Framework.</p>			
Corporate Risk Register	Implement new records management system in conjunction with SharePoint upgrade	Six Months	James Sinden	Completed Action - New SharePoint environment implemented, Record Point software acquired to replace TRIM and installed, project plan established for EDRMS and architecture completed. Build of Test Environment completed and software integration with line of business systems being undertaken. Live environment built and configured and staged rollout commenced in 2020. TRIM Migration Project completed with contractors (AvePoint)	100%	Complete (Accepted)	30/06/2017

Corporate Risk Register	Develop business case for the electronic capture of all records currently stored in hardcopy format both onsite and offsite.	Six Months	James Sinden	<p><i>10/05/2022</i> <i>by James Sinden</i></p> <p>- The business case developed identified cost estimates that exceed current budget allocation and further analysis is required if the activity is to progress.</p> <p><i>01/02/2022</i> <i>by Jody Atkins</i></p> <p>- Corrected dates: The Scan on Demand proposal was issued to Management November 2020, with a business case issued August 2021, waiting Managers approval for Scan on Demand to occur.</p> <p><i>01/02/2022</i> <i>by Jody Atkins</i></p> <p>- The development of a business case for electronic capture of all hard copy records has commenced. The Scan on Demand proposal was issued to Management November 2019, with a business case issued August 2020, waiting Managers approval for Scan on Demand to occur. Clearing of back Woodside room has occurred to enable over 2000 files to be in a more fire safe environment. Clearing of hard records in other worksites (Heathfield, Garrod Ave, Lobethal, Gumeracha and parts of Nairne Road) have been completed. Still an area in Nairne Road to be cleared (dungeon).</p>	100%	Complete (Accepted)	26/02/2022
Corporate Risk Register	Progress transition to cloud for remaining applications / systems	Six Months	Phil Mattingly	<p><i>23/07/2024</i> <i>by James Sinden</i></p> <p>- CRM - Implementation of Salesforce CRM commenced in January and has been progressing well with a go live of 29th July 2024 for the essential build.</p>	30%	In Process	30/06/2027

*08/12/2023*  
*by James Sinden*

-  
Microsoft 365 - Teams Calling has been successfully transitioned to Cloud removing on-premise Skype for Business Servers.

*27/09/2023*  
*by James Sinden*

-  
CRM business requirements undertaken and progressing to tender for solution design.

*08/08/2023*  
*by James Sinden*

-  
CRM System has been given Captial funding to progress work activity for a renewal of the solution and migration to cloud hosting. A project control group has been established and is currently engaging with the organisation with a view to undertake a tender process for the work activity.

*07/07/2023*  
*by James Sinden*

-  
Scoping work for implementation of Microsoft 365 - Teams Calling

*07/07/2023*  
*by James Sinden*

-  
Developed and implemented a new Council Members Portal in November 2022 for the new Council with M365



*09/01/2023*  
*by James Sinden*

-  
MS Teams Cloud migration scoping and planning work is underway

*02/08/2022*  
*by James Sinden*

-  
SharePoint Cloud migration scoping out requirements for the EDRM's has commenced including analysis of data governance compliance.

*02/08/2022*  
*by James Sinden*

-  
SharePoint Cloud migration scoping out requirements for the EDRM's has commenced including analysis of data governance compliance.

*10/05/2022*  
*by James Sinden*

-  
Payroll Phase 2 (Electronic Timesheet Solution) to commence in May  
Human Resources (Employee Self Service Portal) Phase 2 to commence in May

*01/04/2022*  
*by James Sinden*

-  
Significant work has been undertaken in transition to Cloud for the following system.  
Payroll - Completed - Phase 1  
Human Resource - Phase 1  
Active Director - Completed

				Exchange - Completed Endpoint Detection & Response (Microsoft Defender Security) - Completed and removal of redundant EDR systems (Carbon Black, Proofpoint etc)			
Corporate Risk Register	Review Information Services Strategic Plan	Six Months	James Sinden	The Information Services Strategic Plan is being reviewed by ISSRG (Information Strategic Reference Group) to align to the technology system reference within the Council Strategic Plan - A Brighter future: Strategic Plan 2020-24 Objective 6 - Technology and innovation.	100%	Complete (Accepted)	30/06/2022

Documents		
Date Added	Document Name	Document Details

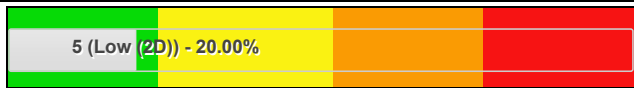
Saved PDF Versions			
Date Saved	Saved By	Revision	PDF Document
07/11/2023 9:58:46 AM	Jody Atkins	1	Risk170939_2023-11-07_9-58-46_AM.pdf

<b>ID:</b>	Risk - 150009
<b>Risk Title or Work Activity:</b>	Strategic Risk - Development
<b>Risk Description:</b>	Failure to plan at the local and regional level for the future development and future requirements of the area. (F)
<b>Responsible Person:</b>	Jessica Charlton
<b>Date of Risk Identification:</b>	15/09/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Service Delivery
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>- Poor understanding of development, infrastructure, population, transport, demographics and trends</li> <li>- Ineffective liaison with state and federal planning and development agencies.</li> <li>- Ineffective strategies to enhance and conserve character areas and iconic sites.</li> <li>- Poor place making strategies.</li> <li>- Deficient planning and building rules consent practices.</li> <li>- Ineffective infrastructure planning processes.</li> <li>- Lack of appropriately trained and experienced staff.</li> <li>- Poor business planning and budgeting processes to allocate sufficient resources to functions</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>- Poor planning and development outcomes, ad-hoc and reactionary planning, unresponsive approaches to addressing community needs and trends</li> <li>- Uncoordinated approaches to infrastructure provision, lack of partnership &amp;&amp;&amp;&amp;&amp;&amp;&amp; funding arrangements, lack of collaborative &amp;&amp;&amp;&amp;&amp;&amp;&amp; mutually beneficial outcomes for community, Council and State Govt., duplication of services and resources</li> <li>- Disempowered community with poor and inefficient use of public spaces</li> <li>- Dysfunctional organisation with a poor reputation resulting in community dissatisfaction with level and type of service provision resulting in a Council regime change</li> <li>- Non-compliant with legislative responsibilities resulting in considerable liability exposure</li> <li>- Inconsistent and misdirected operations and service provision</li> </ul>
<b>Initial Risk Score:</b>	<p>21 (Extreme (4B)) - 84.00%</p>
<b>Initial Risk Comments:</b>	Lack of poor planning, adequately trained staff, poor research into planning issues facing the Council area from a planning and development point of view leading to poor development outcomes, unresponsive planning policy and controls and lack of appropriate or required infrastructure
<b>Residual Risk Score:</b>	<p>5 (Low (2D)) - 20.00%</p>
<b>Residual Risk Comments:</b>	Employment of appropriately trained and qualified staff; undertaking thorough analysis of planning policy and development related matters facing Council; having adequate community engagement into these matters to ensure development policies are responsive to community needs and aspirations; having appropriate training and delegations in place for effective and efficient decision making for development assessment function; having an effective, trained and experienced Council Assessment Panel in place to determine delegations to the Assessment Manager/staff and make decisions on complex development applications.

<b>Other Requirements/Comments:</b>	
<b>Current:</b>	Yes

**Risk Controls**

Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness
<ul style="list-style-type: none"> <li>- Development Policy Planning function in place to monitor, analyse and advise</li> <li>- Implementing and transitioning to the new Planning &amp; Design Code</li> <li>- Up to date Policy in place</li> <li>- Privately funded Code Amendment Policy and other development related policies in place</li> <li>- Participation in relevant forums with State &amp; Federal Govt and other stakeholder groups regarding any changes to development policy</li> <li>- Undertake responsibilities outlined in the Collaborative Work Plan between SPC and Council regarding transitioning to the new Planning, Development &amp; Infrastructure (PDI) Act 2016</li> <li>- Transition and amend where required the Council's Development Plan to the Planning &amp; Design Code over the next 3 years in accordance with the PDI Act</li> <li>- Precinct Planning Framework and expertise in place</li> <li>- Skilled and experienced planning, building, infrastructure, sport &amp; recreation planning, community development and economic development teams in place</li> <li>- Community engagement and consultation methodologies in place to accord with the State's Community Engagement Charter</li> <li>- Relevant development assessment staff and CAP members accredited in accordance with the State's Accreditation Scheme</li> <li>- 4x8 processes identifying training and development needs</li> <li>- Development and PDI Act delegations and sub-delegations</li> <li>- CAP in place and functioning</li> <li>- Adopted District Master Plan in place</li> <li>- Regional Climate Change Adaptation Plan - Resilient Hills and Coast</li> </ul>	Deryn Atkinson	01/12/2023	01/06/2023	It is noted that the SAPC continues to make changes to the P&D Code with the anticipated Miscellaneous Technical Enhancement Code Amendment envisaged to be uploaded to the P & D Code by 2 June 2023. Opportunity to contribute to the Greater Adelaide 30 Year Regional Plan Review later in 2023 is anticipated with the release of a discussion paper by the SAPC proposed in Q3 of 2023.	EFFECTIVE (Designed Adequately; Operating Effectively)



**Actions**

Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date
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Corporate Risk Register	Rollout of Precinct Planning methodologies as projects are identified	Immediately	James Szabo	COMPLETED. Precinct Planning methodology in place and Place Making Coordinator role established to role out place making initiatives as and when required. Stirling Mainstreet Design Guidelines and Crafers Mainstreet Urban Design Framework completed. Gumeracha mainstreet project underway. Discussions underway with Imagine Uraidla group to commence possible mainstreet project.	100%	Complete (Accepted)	01/01/2021
Corporate Risk Register	Progression of outstanding DPA: Local Heritage (Stage 1 DPA) to be lodged with the Minister for approval in May 2018	Immediately	James Szabo	COMPLETED. Stage 1 DPA approved by SPDC on 14 August 2018 and subsequently by the Minister for Planning on 8 August 2019.	100%	Complete (Accepted)	01/09/2019
Corporate Risk Register	Implementation of Planning, Development & Infrastructure (PDI) Act reforms	Immediately	Deryn Atkinson	COMPLETE: The PDI Act went live for our Council area on 19 March 2021. By the go live date, staff had prepared all the delegations, policies and procedures provided by the State Planning Commission (SPC) and in accordance with the business readiness program. However, the SPC continues to make changes to the delegations and policies & procedures in response to identified issues with the new system. It is anticipated that this will be ongoing for the rest of 2021. Although the compliance inspection module has been implemented by the SPC, full functionality is yet to be determined and staff will monitor this to decide on whether or not the integration with Open Office and the new Planning Portal is still required.	100%	Complete (Accepted)	19/03/2021
Corporate Risk Register	Transition of Development Plan into the new Planning & Design (P&D) Code	Immediately	James Szabo	COMPLETED: Council participated in forums with the State Planning Commission to ensure that desired changes to the Rural Planning Policy were incorporated into development of Planning & Design Code. The entire Development Plan has now transitioned into the aforementioned Code which went live on 19 March 2021. Although not all desired development policies were transitioned into the Code, staff will monitor the assessment of applications and outcomes achieved. If required, recommendations will be put to Council to seek desired amendments to the Code to achieve the desired outcomes in the future.	100%	Complete (Accepted)	19/03/2021
Corporate Risk Register	Asset Management Planning - renewal and future requirements	Immediately	Peter Bice	IN PROGRESS. Asset Management Plan reviews underway, and ongoing. Jeff Roorda Review findings and reasonable assumptions being considered and incorporated where appropriate.  <i>06/07/2021 by Peter Bice</i> - Asset Management planning is legislated, and we work with our Auditors annually to ensure the updating schedule is appropriate, and our Asset Management Maturity continues to improve.	100%	Complete (Accepted)	30/06/2021
Corporate Risk Register	Regional Climate Change Adaptation Plan - Resilient Hills and Coast	Immediately	Peter Bice	COMPLETED. Plan endorsed by Council 27/09/16  <i>13/10/2021 by Peter Bice</i> -	100%	Complete (Accepted)	31/12/2021

Documents		
Date Added	Document Name	Document Details

Saved PDF Versions			
Date Saved	Saved By	Revision	PDF Document
16/11/2023 10:08:57 AM	Jody Atkins	2	Risk150009_2023-11-16_10-08-57_AM.pdf
07/11/2023 10:02:21 AM	Jody Atkins	1	Risk150009_2023-11-07_10-02-21_AM.pdf

<b>ID:</b>	Risk - 170851
<b>Risk Title or Work Activity:</b>	Strategic Risk - Growth and Prosperity
<b>Risk Description:</b>	Failure to promote the Council area and provide an attractive climate and locations for the development of business, commerce, industry and tourism (F)
<b>Responsible Person:</b>	Jessica Charlton
<b>Date of Risk Identification:</b>	09/02/2021
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Growth & Prosperity
<b>Team:</b>	Executive Leadership Team Economic Development Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>-- Inadequate provision for commercial development in the Development Code</li> <li>-- Minimal or no understanding of, and support for, business and tourism representative groups/associations</li> <li>-- Lack of business operating skills in people who wish to run a business</li> <li>-- Lack of understanding of economic drivers</li> <li>-- Inappropriate infrastructure in industrial precincts or nodes, placing barriers on development of industrial precincts.</li> <li>-- Lack of understanding of tourism demand</li> <li>-- Poor business sustainability in the face of economic challenges</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>-- Loss of local jobs</li> <li>-- Loss of basic local retail and service businesses</li> <li>-- Devaluation of local residential and commercial property</li> <li>-- Rise in social problems and reduced quality of life</li> <li>-- Reduced property values</li> <li>-- Impact on Council's reputation as being across economic issues and supporting sustainable development</li> </ul>
<b>Initial Risk Score:</b>	<p>17 (High (3B)) - 68.00%</p>
<b>Initial Risk Comments:</b>	Inherent risk assessment considered impacts to both the local economy and the Council's reputation (as per consequences outlined above).
<b>Residual Risk Score:</b>	<p>5 (Low (2D)) - 20.00%</p>
<b>Residual Risk Comments:</b>	Residual risk rating is based on the existing controls. It is noted that there are other risk events entirely outside of Council's control which affect economic prosperity in the district and these are not considered here.
<b>Other Requirements/Comments:</b>	
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness

<p>Current Economic Development Plan 2020-24 (adopted by Council Feb 21, replacing former Economic Development Strategy); Provision for resourcing an economic development officer to deliver EDP and provide support to this risk area; Regular pattern of engagement with local business communities and stakeholder groups; Database containing contact details of all people operating businesses in the district, to enable e-communication (qly business newsletter and ad-hoc as required); Partnership with Mount Barker DC and SATC to fund Adelaide Hills Tourism, which is designed to help providers understand and leverage tourism opportunities; Annual subscription to Economy.id, which enables ready access to economic demographic data for the Council district, available for businesses and the public; Active participation in Adelaide Hills Business Support Network, comprising representatives of agencies providing business support services in the Hills.</p>	Jessica Charlton	05/08/2024	09/08/2023	Comprehensive risk review undertaken August 2022 to update actions and controls. New risk event identified. Old (completed) actions deleted and new actions added.	Major reduction in risk
					

Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	
Corporate Risk Register	Development of revised Economic Development Strategy Action Plan, involving engagement with key stakeholders to ensure Council's role is appropriately identified.	Immediately	Melissa Bright	<p>Workshop held with Council Members late 2020. Anticipated to come to Council in March 2021 for adoption. Implementation to follow in the ensuing years.</p> <p><i>08/04/2021 by Melissa Bright</i></p> <p>-</p> <p>Economic Development Plan finalised and endorsed by Council on 23 Feb 2021</p>	100%	Complete (Accepted)	31/03/2021	
Corporate Risk Register	Identify significant economic infrastructure issues and opportunities	Immediately	Marc Salver	COMPLETED: Manager ED worked with key stakeholders to progress two major transport routes - b-double access to Lobethal and Northern Freight Train Bypass. The B-double access project was completed in 2019. However, the State Government announced they would not be progressing the Northern Freight Train Bypass.	100%	Complete (Accepted)	31/12/2016	
Corporate Risk Register	Assess effectiveness of key points of AHC engagement with community	Immediately	Marc Salver	Ongoing through role of Community Engagement Coordinator, through the introduction of online engagement tool and use of other social media platforms and engagement methodologies	100%	Complete (Accepted)	01/07/2016	
Corporate Risk Register	Active and positive engagement with local business communities	Immediately	Melissa Bright	Ongoing role of MED	100%	Complete (Accepted)	01/07/2016	



Corporate Risk Register	Encourage an integrated and coordinated approach across all levels of govt to create a diverse and sustainable economy across the District	Immediately	Melissa Bright	Actively developing and maintaining relationships with relevant State and Commonwealth Govt agencies	100%	Person Responsible Complete	30/10/2016
Corporate Risk Register	Work actively with business groups and associations, providing resources to interact and network on a consistent basis. Key role for EDO	Immediately	Melissa Bright	The Manager ED is actively building relationships with existing business associations and working with communities that currently do not have business groups (e.g. Gumeracha, Northern Hills, Lobethal) to explore the benefits	100%	Person Responsible Complete	30/12/2016
Corporate Risk Register	Assess effectiveness of key points of engagement with community e.g. website, contact centre, development approval process, waste, health and regulatory services	Immediately	Melissa Bright	Quarterly e-newsletters distributed to more than 6,000 registered ABNs in the region. Mostly achieving above industry standards with at least 30% open rate and over 10% click rate.	100%	Person Responsible Complete	30/12/2016
Corporate Risk Register	Develop business contact database	Immediately	Melissa Bright	NIL	100%	Person Responsible Complete	31/12/2016
Corporate Risk Register	Identify significant organisations, roles and skillsets within region	Immediately	Melissa Bright	Relationships with key contacts with business and industry organisations being regularly maintained and developed by the MED	100%	Person Responsible Complete	31/12/2016
Corporate Risk Register	Improve partnership with DC Mt Barker and SATC to assist Adelaide Hills Tourism leverage tourism opportunities	Immediately	Melissa Bright	MED active committee member of Adelaide Hills Tourism (AHT) and Visitor Information Servicing Group	100%	Person Responsible Complete	31/12/2016
Corporate Risk Register	Improve engagement with local business associations	Immediately	Melissa Bright	Regular communication established with SBA and WCA	100%	Person Responsible Complete	31/12/2016
Corporate Risk Register	Undertake precinct planning/placemaking, with consideration of triple bottom line (As appropriate)	Immediately	Melissa Bright	The MED is a member of Council's Placemaking group to ensure a coordinated approach	100%	Person Responsible Complete	31/12/2016
Corporate Risk Register	Undertake a mid-term review of progress against activity identified in the Economic Development Plan.	Six Months	Melissa Bright	This action will potentially result in changes to a number of identification actions and order of priority.	100%	Complete (Accepted)	30/06/2023
Corporate Risk Register	Encourage the development of support structures for small, start up and Home Based Businesses.	Immediately	Brett Mayne	A Home Based Business Network has been established and is meeting every 3 times a year and has developed its own Facebook page to maintain contact with members.	100%	Complete (Accepted)	01/09/2023
Corporate Risk Register	Advocate to State and Federal Government agencies for increased availability and improved coordination of Business Services.	Immediately	Brett Mayne	The Adelaide Hills Business Support Network is active and seeking solutions to Business servicing issues. It comprises representatives from Australian State and Local Government as well as locally based service providers.	100%	Complete (Accepted)	30/11/2023
Corporate Risk Register	Design and establish a Business Services Hub for Creative Industries based from Fabrik.	Immediately	Brett Mayne	Initial Research has been undertaken. Next steps are being worked through.	50%	Not Complete (Overdue)	28/06/2024

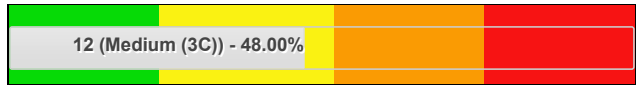
Documents		
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Saved PDF Versions			
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12/02/2024 11:56:21 AM	Jody Atkins	5	Risk170851_2024-02-12_11-56-21_AM.pdf
07/11/2023 10:01:35 AM	Jody Atkins	4	Risk170851_2023-11-07_10-01-35_AM.pdf
03/11/2023 1:37:41 PM	Jody Atkins	3	Risk170851_2023-11-03_1-37-41_PM.pdf
11/08/2023 9:49:38 AM	David Waters	2	Risk170851_2023-08-11_9-49-38_AM.pdf
01/08/2022 3:31:16 PM	David Waters	1	Risk170851_2022-08-01_3-31-16_PM.pdf

<b>ID:</b>	Risk - 169129
<b>Risk Title or Work Activity:</b>	Strategic Risk - Assets & Infrastructure
<b>Risk Description:</b>	Failure to provide appropriate infrastructure for the community (F)
<b>Responsible Person:</b>	David Waters
<b>Date of Risk Identification:</b>	12/11/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Assets & Infrastructure
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>- Ageing infrastructure in need of renewal to remain fit for purpose and/or comply with legislation</li> <li>- Poor asset management regimes (data, reveals)</li> <li>- Ineffective maintenance regimes</li> <li>- Leaseholders conducting works outside of contractual/legislative obligations.</li> <li>- Duplication or gaps in infrastructure provision to communities.</li> <li>- Lack of understanding community needs and trends</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>- Increased cost to maintain infrastructure</li> <li>- Reduced confidence in Council by the community</li> <li>- Increased risks to staff and community when utilising facilities</li> <li>- Disadvantage to AHC community over that of other areas</li> <li>- Negative impact on community wellbeing</li> </ul>
<b>Initial Risk Score:</b>	<p>21 (Extreme (4B)) - 84.00%</p>
<b>Initial Risk Comments:</b>	210219 - Transferred from AHC Strategic Risk Assessment Excel Spreadsheet
<b>Residual Risk Score:</b>	<p>13 (Medium (4D)) - 52.00%</p>
<b>Residual Risk Comments:</b>	<p>Current Asset Management Plans for key asset categories</p> <ul style="list-style-type: none"> <li>- Long Term Financial Plan that captures the Strategic Plan and Asset Management Plans</li> <li>- Endorsed annual budget for maintenance program (all asset categories)</li> <li>- Annual Business Plan &amp; Budget consultation undertaken</li> <li>- Customer Survey undertaken</li> <li>- Asset condition audits undertaken cyclically</li> <li>- Asset management system updated to Confirm Enterprise Asset Management</li> <li>- Building inspections (last done 2017)</li> <li>- Compliance audits for buildings as per legislation</li> <li>- Customer request system captures community concerns/issues</li> <li>- Sport and Recreation Strategy</li> <li>- Bike Strategy</li> <li>- Preventative Maintenance regime</li> <li>- Strategic Plan Reviewed with Goal area for Built Environment established (including priorities)</li> </ul>
<b>Other Requirements/Comments:</b>	As Asset Management Planning continues to improve, the control of this risk will also improve.

<b>Current:</b>	Yes
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Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness
<ul style="list-style-type: none"> <li>- Current Asset Management Plans for key asset categories</li> <li>- Long Term Financial Plan that captures the Strategic Plan and Asset Management Plans</li> <li>- Endorsed annual budget for maintenance program (all asset categories)</li> <li>- Annual Business Plan &amp; Budget consultation undertaken</li> <li>- Customer Survey undertaken</li> <li>- Asset condition audits undertaken cyclically</li> <li>- Asset management system updated to Confirm Enterprise Asset Management</li> <li>- Building inspections (last done 2017)</li> <li>- Compliance audits for buildings as per legislation</li> <li>- Customer request system captures community concerns/issues</li> <li>- Sport and Recreation Strategy</li> <li>- Bike Strategy</li> <li>- Preventative Maintenance regime</li> <li>- Strategic Plan Reviewed with Goal area for Built Environment established (including priorities)</li> </ul>	David Waters	01/11/2024	26/07/2024	Noted that AHC needs to complete a gap analysis of asset management plans to ensure any deficiencies are identified and addressed.	EFFECTIVE (Designed Adequately; Operating Effectively)
 <p>12 (Medium (3C)) - 48.00%</p>					

Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	
Corporate Risk Register	Update asset management plans as per cycle (and LTFP)	Immediately	David Collins	Footpaths, Kerbs and Roads AMP adopted by Council Feb 2021. AMPS for other classes in development.	100%	Complete (Accepted)	30/06/2021	
Corporate Risk Register	Preventative Maintenance regime developed	Immediately	David Collins	NIL  <i>07/05/2021 by David Collins</i>  - Programmed maintenance cycle in place for Civil services	100%	Complete (Accepted)	01/01/2017	

Corporate Risk Register	Establish service levels in consultation with community	Immediately	David Collins	<p>Updated to CRM response times completed. Levels of service refinements required as part of AMP reviews. Stormwater Level of Service Report adopted by Council. Levels of service established in adoption of Roads, Footpath and Kerb Asset Management Plan.</p> <p><i>07/05/2021 by David Collins</i></p> <p>-</p> <p><i>07/05/2021 by David Collins</i></p> <p>-</p> <p>Asset Management Plan Roads, Footpath and Kerb Adopted 2021</p>	100%	Complete (Accepted)	30/06/2021
Corporate Risk Register	Establish cycle for condition audits and monitor (incl buildings)	Immediately	David Collins	<p>Building audits funded in 2020/21</p> <p>Span Bridge Audits completed in 202/21</p> <p>Condition audits identified in AMP and new system implementation and set up has delayed some condition auditing.</p> <p>Audit of Kerb being undertaken by internal resource on ConfirmConnect February 2021. Footpath audit to be conducted in first half of 2021.</p> <p>Condition audit identified in Road, Footpath and Kerb AMP for all sealed roads. To be undertaken in 2022/23</p>	100%	Complete (Accepted)	01/06/2021
Corporate Risk Register	Develop Bike Strategy to identify infrastructure requirements	Immediately	David Collins	<p>To Council Oct 16 - completed</p> <p><i>07/05/2021 by David Collins</i></p> <p>-</p> <p>Bike Strategy was developed and was reviewed as part of Trail Strategy.</p>	100%	Complete (Accepted)	30/06/2021

Corporate Risk Register	Revise Sport and Recreation Strategy to identify infrastructure requirements	Immediately	David Collins	Strategy completed and infrastructure requirements linked to Strategic Property Review. LTFP now capturing ongoing investment.  <i>07/05/2021 by David Collins</i> -	100%	Complete (Accepted)	01/03/2016
Corporate Risk Register	Complete a new asset management plan for buildings assets.	Six Months	David Collins	<i>29/07/2024 by David Collins</i> - Draft AMP has been developed following a completed external audit of all building assets - a revaluation increased the asset value substantially and this required time to review and validate the outcomes. In addition, the Community Facilities Framework implementation identified operational impacts that modified the AMP outcomes.	%	In Process	22/01/2025
Corporate Risk Register	Undertake a gap analysis for Council's asset management plans. Produce a report for Council consideration of the identified gaps and an action plan.	Three Months	David Collins		20%	In Process	30/09/2024

Documents		
Date Added	Document Name	Document Details

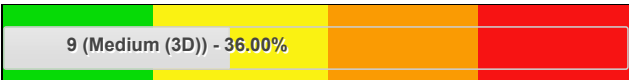
Saved PDF Versions			
Date Saved	Saved By	Revision	PDF Document
07/11/2023 9:57:50 AM	Jody Atkins	1	Risk169129_2023-11-07_9-57-50_AM.pdf

<b>ID:</b>	Risk - 170815
<b>Risk Title or Work Activity:</b>	Strategic Risk - Community Health and Wellbeing
<b>Risk Description:</b>	Failure to provide for the welfare, well-being and interests of the community (F)
<b>Responsible Person:</b>	Jessica Charlton
<b>Date of Risk Identification:</b>	13/05/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Community Health & Wellbeing
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>- Ineffective public health programs (food, immunisation, waste water)</li> <li>- Ineffective community development programs</li> <li>- Failure to identify and respond to key community issues</li> <li>- Poor understanding of cultural and diversity issues in community.</li> <li>- Lack of effective active and passive recreation participation strategies.</li> <li>- Ineffective strategies to work with vulnerable members of the community.</li> <li>- Inappropriate behaviour of community facility users.</li> <li>- Unaffordable rates, fees and charges</li> <li>- Ineffective regulatory services activities (including management of dogs, noise, parking)</li> <li>- Poor community facilities</li> <li>- Inequity across the district in respect to support for community facilities</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>- Food poisoning, insanitary conditions, etc.</li> <li>- Decreased wellbeing and an over-reliance on social support</li> <li>- Loss of faith in Council's ability to meet community needs</li> <li>- Inability for people from diverse backgrounds to live/participate in the community</li> <li>- Decreased health and wellbeing across the community</li> <li>- Inability/difficulty for people of all socioeconomic backgrounds to live in the district</li> <li>- cultural disrespect</li> <li>- Inequity in access to community facilities and participation in social/sporting pursuits</li> </ul>
<b>Initial Risk Score:</b>	<p>24 (Extreme (5B)) - 96.00%</p>

<b>Initial Risk Comments:</b>	<ul style="list-style-type: none"> <li>- Well resourced department, with qualified staff making informed and evidence based decisions.</li> <li>- Regulatory responsibilities that incorporate inspection regimes, education and prosecution where necessary within a highly regulated environment.</li> <li>- Existence of Community Strategy - with identified community needs, gaps in service provision and reprioritised our CD efforts. Adopted June 2015.</li> <li>- Mandated 4-yearly development of strategic plan, incorporating community engagement, ensures effort is made periodically to understand issues important to the community.</li> <li>- Community engagement policy and other relevant policies</li> <li>- Regular satisfaction surveys and program evaluations.</li> <li>- Communicate with empathy, regular informal contact with the community.</li> <li>- Local engagement via Community Centres is occurring with cultural groups.</li> <li>- Ad-hoc engagement on an as-needs basis.</li> <li>- Development of the Reconciliation Action Plan (2015).</li> <li>- Disability Action Plan (2011)., Age Friendly Community Plan (2017)</li> <li>- Staff cultural awareness training.</li> <li>- Recreation and Open Space Planner position created in early 2016.</li> <li>- New Sport &amp; Recreation Strategy was developed and adopted in Oct 2016.</li> <li>- Services currently being provided for vulnerable individuals including in-home support, centre based programs, events, support activities and advocacy.</li> <li>- Codes of conduct in place in some programs/services.</li> <li>- LTFP with sustainable and reasonable rates growth profile.</li> <li>- Annual review process for fees and charges incorporates review by Exec and Council Members to ensure control.</li> <li>- Internal efficiency improvement program aims to keep costs down.</li> <li>- Volunteer Management Policy and Strategy. Well established and funded volunteer based programs.</li> <li>- Little reliance on external funding.</li> <li>- Safe Environments Policy has been adopted. AHC is now registered on the DCSI system for suitability for work screening and all existing staff in prescribed positions have now been checked.</li> </ul>								
<b>Residual Risk Score:</b>	<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 25%; background-color: #4caf50; height: 20px;"></td> <td style="width: 25%; background-color: #ffc107; height: 20px;"></td> <td style="width: 25%; background-color: #ff9800; height: 20px;"></td> <td style="width: 25%; background-color: #f44336; height: 20px;"></td> </tr> <tr> <td colspan="4">9 (Medium (3D)) - 36.00%</td> </tr> </table>					9 (Medium (3D)) - 36.00%			
9 (Medium (3D)) - 36.00%									
<b>Residual Risk Comments:</b>									
<b>Other Requirements/Comments:</b>									
<b>Current:</b>	Yes								

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness



<ul style="list-style-type: none"> <li>- Qualified staff making informed and evidence based decisions.</li> <li>- Regulatory responsibilities (environmental health) that incorporate inspection regimes, education and prosecution where necessary within a highly regulated environment.</li> <li>- Mandated 4-yearly development of strategic plan, incorporating community engagement, ensures effort is made periodically to understand issues important to the community.</li> <li>- Community engagement policy prescribing minimum consultation and engagement activities.</li> <li>- Communicate with empathy, regular informal contact with the community.</li> <li>- Local engagement via Community Centres is occurring with cultural groups.</li> <li>- Ad-hoc engagement on an as-needs basis.</li> <li>- Development of the Reconciliation Action Plan (2015).</li> <li>- Staff cultural awareness training.</li> <li>- Recreation and Open Space Planner position created in early 2016.</li> <li>- New Sport &amp; Recreation Strategy was developed and adopted in Oct 2016.</li> <li>- Services currently being provided for vulnerable individuals including in-home support, centre based programs, events, support activities and advocacy.</li> <li>- Codes of conduct in place in some programs/services.</li> <li>- LTFP with sustainable and reasonable rates growth profile. Annual review process for fees and charges incorporates review by Exec and Council Members to ensure control. Internal efficiency improvement program aims to keep costs down.</li> <li>- Volunteer Management Policy and Strategy. Well established and funded volunteer based programs. Little reliance on external funding.</li> <li>- Safe Environments Policy (for working with vulnerable people). AHC is now registered on the DHS system for suitability for work screening and all existing staff in prescribed positions have now been checked.</li> <li>- Commonwealth Home Support Program is subject to periodic audit by the funder (Commonwealth) to ensure service standards are being met and quality controls are in place.</li> <li>- Libraries Strategy (adopted 2022)</li> <li>- Newly adopted Community and Recreation Facilities Framework providing more equitable support for recreation facilities across the district.</li> <li>- Disability Access and Inclusion Plan (2021) with four-year implementation timetable</li> </ul>	Jessica Charlton	31/07/2024	24/07/2023		Moderate reduction in risk
<div style="text-align: center;">  <p>9 (Medium (3D)) - 36.00%</p> </div>					

Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	
Corporate Risk Register	Community Cultural Development Officer to develop Cultural Development principles and framework	Immediately	Rebecca Shepherd	<p>The previous risk review has concluded that this action is not necessary to achieve the target risk.</p> <p><i>01/03/2021 by Rebecca Shepher</i></p> <p>- Action no longer required.</p>	100%	Complete (Accepted)	31/10/2020	
Corporate Risk Register	Implement the new Access and Inclusion Plan	Immediately	Rebecca Shepherd	IN PROGRESS. Provisional DIAP was adopted by Council in November 2020, following by further engagement and final adoption of a revised Plan in January 2021. The plan has a 4 year implementation timetable.	60%	Person Responsible Complete	30/06/2024	

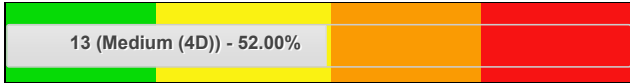
Corporate Risk Register	Review facility management arrangements. Develop a more consistent approach to community facility users conduct across the various program areas.	Immediately	Karen Cummings	The final framework has been adopted by Council and is now subject to implementation. A new action/s has been established pertaining to the implementation of the framework.	100%	Complete (Accepted)	30/06/2023
Corporate Risk Register	Recruit additional resource to help implement the new Community Facilities Framework	Two Months	Renee O'Connor		100%	Complete (Accepted)	31/10/2022
Corporate Risk Register	Monitor development of new local government community engagement charter (under recent legislative reform) and react accordingly in respect to any requirements the charter imposes on Council.	Six Months	Jennifer Blake	<p>17/05/2023 - By Jennifer Blake</p> <p>The LGA is advocating to the Minister to progress this action but believes it may not be signed off by him until 2024.</p> <p><i>27/02/2024 by Jennifer Blake</i></p> <p>-</p> <p>Consultation by the State Government on the Local Government Participation and Elections Review Discussion Paper opened in October 2023. AHC employed BRM Advisory to prepare a submission to the LGA by the 2 Feb 2024 deadline and also directly to the Office for Local Government by 2 March 2024. We await the next stage of the Local Government reform following this period of consultation.</p> <p><i>07/02/2023 by Jennifer Blake</i></p> <p>-</p> <p>The Minister is yet to approve the Community Engagement charter and the LGA have advised that they will keep Council informed on progress. No action can be taken at this time.</p>	30%	In Process	24/08/2024

Documents		
Date Added	Document Name	Document Details

Saved PDF Versions			
Date Saved	Saved By	Revision	PDF Document
07/11/2023 9:54:40 AM	Jody Atkins	2	Risk170815_2023-11-07_9-54-40_AM.pdf
25/07/2022 2:21:26 PM	David Waters	1	Risk170815_2022-07-25_2-21-26_PM.pdf

<b>ID:</b>	Risk - 170816
<b>Risk Title or Work Activity:</b>	Strategic Risk - Emergency and Hazzard Management
<b>Risk Description:</b>	Failure to take measures to protect the community from natural and other hazards (F)
<b>Responsible Person:</b>	David Waters
<b>Date of Risk Identification:</b>	15/05/2020
<b>Corporate Risk?</b>	Yes
<b>Risk Type:</b>	Strategic
<b>Risk Category:</b>	Community Health & Wellbeing
<b>Team:</b>	Executive Leadership Team
<b>Location/Project:</b>	Other
<b>Possible Risk Events:</b>	<p>Cause:</p> <ul style="list-style-type: none"> <li>- Poor fire prevention initiatives</li> <li>- Poor flood protection initiatives</li> <li>- Poor wind protection initiatives</li> <li>- Ineffective emergency management regimes</li> <li>- Ineffective asset maintenance and replacement plans and programs</li> <li>- Lack of participation in regional emergency management arrangements</li> <li>- Noncompliance with legislation</li> <li>- Insufficient budget</li> <li>- Ineffective planning and preparations</li> </ul>
<b>Possible Consequences:</b>	<p>Impact:</p> <ul style="list-style-type: none"> <li>- Significant property loss and damage</li> <li>- Loss of life, injury</li> <li>- Reputational damage</li> <li>- Exposure to liability and penalty</li> <li>- Loss of community normality</li> <li>- Council services stretched and some services may not be fully operational</li> <li>- Loss or damage of public and private infrastructure</li> <li>- Environmental and biodiversity impacts</li> </ul>
<b>Initial Risk Score:</b>	<p>24 (Extreme (5B)) - 96.00%</p>
<b>Initial Risk Comments:</b>	
<b>Residual Risk Score:</b>	<p>13 (Medium (4D)) - 52.00%</p>

<b>Residual Risk Comments:</b>	<ul style="list-style-type: none"> <li>- Participation in regional EM arrangements through the ZEMC, and the AMLRBMC and cooperation with other councils and agencies re EM</li> <li>- Provision of assistance to control agencies and the community to respond to emergency incidents as they arise and work with local units to resolve localised issues relating to EM.</li> <li>- Provision of assistance to the community and to relevant government and non-government agencies assist recovery from emergencies.</li> <li>- Contribute to, support and participate in community education programs including the SES Flood Safe Program, Red Cross REDiPlan program and CFS Community Fire Safety Meetings.</li> <li>- Ongoing replacement and maintenance of Council's infrastructure through implementation of Council's AMP and proactive and reactive maintenance programs including stormwater infrastructure (including Flood Plain Modelling), fire track maintenance and street sweeping program.</li> <li>- Ongoing fuel reduction programs on high risk Council owned land including woody weed control, slashing and maintenance of asset protection zones.</li> <li>- Ensure ongoing compliance with the F&amp;ES Act 2005 including annual property inspections to ensure community compliance with requirements of the Act, respond to breaches of the Act as they arise, ongoing appointment of Fire Prevention Officers pursuant with requirements of the Act and provide advice to residents on bushfire prevention and mitigation.</li> <li>- Ongoing implementation of tree maintenance programs including the monitoring and maintenance of high risk trees and undertaking reactive tree pruning and removal of high risk trees minimising failure in windy conditions. Commencement of Zone-based Preventative Main</li> </ul>
<b>Other Requirements/Comments:</b>	As improvements to Asset Management Plans occur through each review, the control effectiveness also continue to improve.
<b>Current:</b>	Yes

Risk Controls					
Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness
<ul style="list-style-type: none"> <li>- Participation in regional EM arrangements through the ZEMC, and the AMLRBMC and cooperation with other councils and agencies re EM</li> <li>- Provision of assistance to control agencies and the community to respond to emergency incidents as they arise and work with local units to resolve localised issues relating to EM.</li> <li>- Provision of assistance to the community and to relevant government and non-government agencies assist recovery from emergencies.</li> <li>- Contribute to, support and participate in community education programs including the SES Flood Safe Program, Red Cross REDiPlan program and CFS Community Fire Safety Meetings.</li> <li>- Ongoing replacement and maintenance of Council's infrastructure through implementation of Council's AMP and proactive and reactive maintenance programs including stormwater infrastructure (including Flood Plain Modelling), fire track maintenance and street sweeping program.</li> <li>- Ongoing fuel reduction programs on high risk Council owned land including woody weed control, slashing and maintenance of asset protection zones.</li> <li>- Ensure ongoing compliance with the F&amp;ES Act 2005 including annual property inspections to ensure community compliance with requirements of the Act, respond to breaches of the Act as they arise, ongoing appointment of Fire Prevention Officers pursuant with requirements of the Act and provide advice to residents on bushfire prevention and mitigation.</li> <li>- Ongoing implementation of tree maintenance programs including the monitoring and maintenance of high risk trees and undertaking reactive tree pruning and removal of high risk trees minimising failure in windy conditions. Securing of Elevated Work Platform and additional Tree Team staffing has further improved the controls.</li> </ul>		28/02/2025	27/07/2024	There is always a risk of negative community perception of the level of risk appetite in relation to some natural hazards given misinformation and emotion attached.	EFFECTIVE (Designed Adequately; Operating Effectively)
 <p>13 (Medium (4D)) - 52.00%</p>					

Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	
Corporate Risk Register	Development of new Emergency Management Plan.	Immediately	John McArthur	<p>EM Framework endorsed by ELT 14/2/17, EM responsibility now transferred to Infrastructure &amp; Operations, Project timeframes to be reviewed. Update 02/10/19 - Draft Emergency Management Plan completed. Draft Incident Operations Manual (formerly within the Emergency Management Plan) to be considered for endorsement by ELT 3 October 2019. Council to participate in LGA Council Ready Program to complete Emergency Management Plan by September 2020 based on a risk assessment process. Update 07/11/19 - ELT formally resolved to commit to LGA Council Ready Program, scheduling of initial risk assessment workshop set for 9/12/19. Incident Operations Manual adopted by ELT 3 October and is currently being implemented. Update 29/01/20 Lessons learnt from Cudlee Creek fire were identified in an After Action Review in February 2020 and now being incorporated into the Incident Operations Manual. Emergency Management Plan development timeframes may need to be reviewed as priority is on updating the Incident Operations Manual. Draft Emergency Management Plan completed as of 26 February 2021. 29/12/21 - Emergency Management Plan completed and endorsed by ELT 14 October 2021.</p> <p><i>29/11/2021 by John McArthur</i></p> <p>-</p> <p><i>29/11/2021 by John McArthur</i></p> <p>-</p> <p>Emergency Management Plan completed and endorsed by ELT 14 October 2021</p> <p><i>27/09/2021 by John McArthur</i></p> <p>-</p> <p>Update 27 September 2021 - Draft Emergency Management Plan and revised Incident Operations Manual (incorporating 'lessons learnt' from Cudlee Creek and Cherry Gardens bushfires and Exercise Pomona) scheduled for ELT review 14 October 2021.</p> <p><i>29/07/2021</i></p>	100%	Complete (Accepted)	31/08/2021	

				<p><i>by John McArthur</i></p> <p>-</p> <p>Update 29 July 2021 - Draft Emergency Management Plan is being finalised. Key response elements previously included in Emergency Management Plans have been prioritised, completed and moved to Council's Incident Operations Manual.</p> <p><i>26/02/2021</i> <i>by John McArthur</i></p> <p>-</p> <p>Emergency Management Plan is nearing completion. Currently the Emergency Management Plan is in first draft form and comprises sections on Disaster Risk Reduction, Incident Operations and Recovery.</p>			
Corporate Risk Register	Commit to I Responda emergency response framework.	Immediately	Lachlan Miller	Council is now part of this program . Its plan to be transferred to contemporary standard. Anticipated to be complete by 31/12/19.	100%	Complete (Accepted)	01/12/2019
Corporate Risk Register	Develop Emergency Management Team for ongoing development and review of Council's EM processes relating to emergencies that occur external to the organisation (not WHS emergency management)	Immediately	John McArthur	<p>To be developed under EM Framework. Update 05/08/19 - Draft Incident Operations Manual 95% complete. This document will be used with the draft Emergency Management Plan to plan, prepare, respond and recover from emergency events. Anticipated to be completed by 30 November 2019. Update 02/10/19 - Draft Incident Operations Manual to be considered by ELT for endorsement on 3 October 2019. Update 07/11/19 - Incident Operations Manual adopted by ELT 3 October 2019 including establishment of an Incident Management Team completing this action. 29/12/21 - Revised Incident Operations Manual reflecting lessons learnt from Cudlee Creek and Cherry Gardens bushfires and COVID-19 response signed off by Acting CEO 14 October 2021. This action is complete, refer update 07-11/19.</p> <p><i>29/07/2021</i> <i>by John McArthur</i></p> <p>-</p> <p>Update 29 July 2021 - The completion and implementation of Council's Incident Operations Manual has completed this action. This manual provides a framework to respond to emergencies that occur external to the organisation including the establishment of an Incident Management Team, including a Council Commander, an Emergency Operations Centre and levels of preparedness Standby, Alert, Operations and restore. The Council Commanders discuss emergency management arrangements throughout the year and any outcomes to be delivered are action by the Manager Sustainability, Waste and Emergency Management.</p>	100%	Complete (Accepted)	03/10/2019
Corporate Risk Register	Research the establishment of a dedicated EM role (temporary/permanent)	Immediately	Lachlan Miller	EM responsibilities included in Manager Sustainability, Waste & Emergency Management position.	100%	Complete (Accepted)	31/03/2016

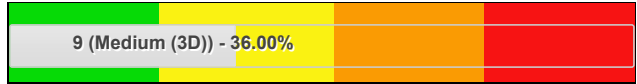
Corporate Risk Register	Establish Zone-based Preventative Maintenance Program	Immediately	Christopher Janssan	Zone program established	100%	Complete (Accepted)	01/02/2016
Corporate Risk Register	Review bushfire prevention and mitigation arrangements	Immediately	Christopher Janssan	Structure in place	100%	Complete (Accepted)	30/06/2017
Corporate Risk Register	Review insurance option related to loss of rate revenue following significant loss of property associated with bushfire	Six Months	Zoe Gill	<p>Proposal received by Administration in March 2021, still to be assessed. On hold as not considered a high priority for addressing this risk.</p> <p><i>09/11/2021 by Lachlan Miller</i></p> <p>-</p> <p>Transferable risk workshop conducted with ELT, awaiting final report. Modelling of revenue loss (rates) scenarios currently under development.</p> <p><i>10/05/2021 by Lachlan Miller</i></p> <p>-</p> <p>Loss of income cover was discussed during the 2021-22 Insurance Placement. A proposal has been received by LGRS and it still to be assessed.</p>	20%	Not Complete (Rejected)	30/11/2020

Documents		
Date Added	Document Name	Document Details

Saved PDF Versions			
Date Saved	Saved By	Revision	PDF Document
07/11/2023 9:59:54 AM	Jody Atkins	1	Risk170816_2023-11-07_9-59-54_AM.pdf





Control Details	Reviewer	Next Review Date	Last Review Date	Review Notes	Control Effectiveness
<p>Legal considerations considered in agenda report templates, updates from LGA, legal providers and professional associations. Professional and experienced management team. Register of leases and licenses. Legislative delegations register regularly reviewed, role specific training &amp; development. Policy registers, policies on web, MLS and WCS audits, contract registers, lease registers, internal audit program, external audit program Governance Legal Compliance Audit Employment of Procurement Coordinator Procurement Framework implemented. Experienced property team. Action List, Minutes, Council Resolution Update report.</p>	Zoe Gill	26/07/2023	11/08/2023		PARTIALLY EFFECTIVE (Designed Partially Adequately; Operating Partially Effectively)
					

Actions								
Action Source	Action Required	Action Priority	Person Responsible	Extra Comments	Percent Complete	Status	Due Date	
Corporate Risk Register	Legislative compliance audit	Immediately	Lachlan Miller	NIL	100%	Complete (Accepted)	30/06/2016	
Corporate Risk Register	Development of contract management system, subject to funding	Immediately	Michael Carey	NIL	100%	Complete (Accepted)	31/12/2016	
Corporate Risk Register	Development of a legal opinions database	Immediately	Lachlan Miller	As all legal opinions are recorded and accessible in TRIM/RecordsHub, a legal opinions database would be an inefficient use of resources.	100%	Complete (Accepted)	30/06/2020	
Corporate Risk Register	Implementation of new delegations and authorisations management system and associated training.	Immediately	Steven Watson	Software has been implemented and is now being updated as delegation changes occur.	100%	Complete (Accepted)	29/06/2020	
Corporate Risk Register	Community & Recreation Facilities Framework will provide for greater standardisation in leasing terms and conditions	Immediately	Karen Cummings	The draft Framework was endorsed by Council in August 2022. Staff are now working on preparation of new Lease/Licensing/Management Agreement templates with Lawyers which will be progressively implemented from 1 July 2023. There is a large amount of new Leases to be rolled out with Clubs and Community Groups and meetings/engagement with each Club/group to progress the new lease rollout. This is taking some time. It is envisaged that the new Leases for Clubs will now be finalised by 31 December 2023 with commencement of rollout of management agreements with Hall operators to commence in September 2023.	70%	Not Complete (Overdue)	30/06/2023	

Corporate Risk Register	Implement Statutes Amendment (Local Government Review) Act 2021 provisions (see Action ID 278100)	Immediately	Zoe Gill	<p>240814 Review of Audit Committee TOR will be conducted when the Risk &lt; Audit and Insurance Officer is appointed</p> <p>230811 - Final tranche of LG Reform regarding Audit Committees and Internal Audit to come into effect on 30/11/23. Minor modifications to the Audit Committee Terms of reference required.</p> <p><i>27/01/2023 by Lachlan Miller</i></p> <p>-</p> <p>The latest tranches of changes occurred with the November 2022 periodic elections (specifically COI, BMF)</p> <p><i>07/08/2022 by Lachlan Miller</i></p> <p>-</p> <p>Provisions continue to be released in tranches and the required actions and communications are undertaken at each date</p> <p><i>09/11/2021 by Lachlan Miller</i></p> <p>-</p> <p>Implementation and transition arrangements are being progressively developed and commenced in tranches. First two tranches 20 September and 10 November 2021 implemented.</p> <p><i>09/08/2021 by Lachlan Miller</i></p> <p>-</p> <p>See Action ID: 278100</p>	80%	Not Complete (Overdue)	30/11/2023
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Documents		
Date Added	Document Name	Document Details

Saved PDF Versions			
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07/11/2023 9:56:34 AM	Jody Atkins	1	Risk170965_2023-11-07_9-56-34_AM.pdf

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

**Item:** 9.7

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

**Subject:** Risk Management and Audit Review Plan

**For:** Decision

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**SUMMARY**

This report provides the Audit Committee with an update on the implementation of Council's Risk Management and Audit Review Plan.

**RECOMMENDATION**

**The Audit Committee resolves:**

- 1. That the Risk Management and Audit Review Plan report be received and noted.**
- 

**1. BACKGROUND**

The Local Government Association Mutual Liability Scheme Strategic Risk Team (SRT) provide a complimentary risk consulting service for member councils. The service can be tailored to the particular needs of the member Council.

Administration has engaged SRT to review Adelaide Hills Council's approach to Risk Management.

At its 15 April 2024 meeting, the Audit Committee received a Risk Management and Audit Review report outlining the high level services of SRT.

**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**

SRT has now supplied Council with a scope of works (**Appendix 1**) to enable improved management of the strategic and operational risks which will better align with Council's strategic objectives. It should be noted the timeline has been delayed.

SRT facilitated the first workshop with ELT on 16 July 2024. SRT are scheduled to present to elected members in November 2024.

## 2. ANALYSIS

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

*Strategic Plan 2020-24 – A brighter future*

Goal Goal 5 – Our Objectives

Objective 05 We are accountable, informed and make decisions in the best interests of the whole community

Priority 05.1 Enhance governance structures and systems to prudently adapt to changing circumstances and meet out legislative obligations.

### ➤ Legal Implications

Section 125 of the *Local Government Act 1999* (the Act) requires councils to ensure that appropriate policies, practices and procedures of internal controls are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard Council’s assets, and to secure (as far as possible) the accuracy and reliability of Council records.

Under s126 the committee’s functions include:

*(4) The functions of a council audit and risk committee include –*

*(c) monitoring the responsiveness of the council to recommendations for improvement based on previous audits and risk assessments, including those raised by a council’s auditor; and*

*(h) reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis “reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis.*

### ➤ Risk Management Implications

The review of risk management and internal auditing program will assist in mitigating the risk of:

*Internal control failures occur which leads to greater uncertainty in the achievement of objectives and/or negative outcomes.*

Inherent Risk	Residual Risk	Target Risk
High (4C)	Low (2E)	Low (2E)

### ➤ Financial and Resource Implications

The review is a complimentary service from SRT. The review and its outcomes will be supported by the new Risk, Audit and Insurance Officer (once appointed).

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

Not applicable.

➤ **Sustainability Implications**

Not applicable.

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

Consultation on the development of this report was as follows:

<i>Council Committees:</i>	Not Applicable
<i>Council Workshops:</i>	Not Applicable
<i>Advisory Groups:</i>	Not Applicable
<i>External Agencies:</i>	LGAMLS, Strategic Risk Team (SRT)
<i>Community:</i>	Not Applicable

➤ **Additional Analysis**

The current process of completing Council's risk management is by using a variety of systems including SkyTrust for strategic risks and excel based for operational risks.

Whilst the staff are knowledgeable of system use and how the systems work, there is no 'one environment' that holds all of Council's risks, reporting can be tedious, and all risks require reviewing.

SRT have completed a scope of works which includes:

- Facilitate workshops to identify and assess Council's strategic risks;
- Provide a strategic risk register template, populated with the risks identified at the workshops;
- Provide guidance on reporting and monitoring of strategic risks;
- Support Council in development of a plan to review and update the operational risk register; and
- Provide mentoring as requested by Council, (depending on capacity of SRT resources,) as a part of post-program support.

The key outcome of this project is to develop an updated streamlined strategic risk register and to support ELT and EMs to recognise the risks likely to impact on the achievement of Council's strategic objectives. This will ensure accurate internal controls, safeguard Council assets, ensure more efficient and effective reporting and enable Council to align with the strategic objectives.

### **3. OPTIONS**

The Committee has the following options:

- I. To receive and note the Risk Management and Audit Review Plan report (Recommended); or
- II. To identify additional actions to be undertaken (Not Recommended).

**4. APPENDICES**

- (1) LGAMLS – Strategic Risk Services Scope

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# **Appendix 1**

*LGAMLS – Strategic Risk Services Scope*

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## Scope – Strategic Risk Services

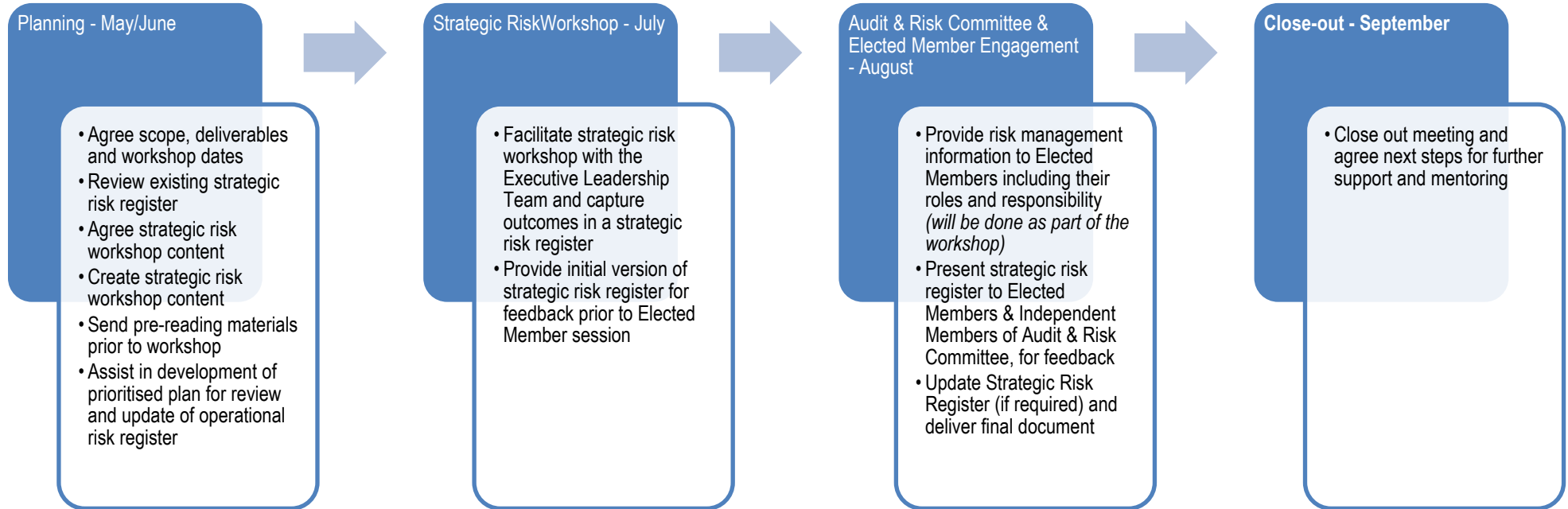
<b>Member:</b>	Adelaide Hills Council
<b>Date:</b>	22/5/2024
<b>Key Contact:</b>	Zoe Gill

### Scope: Strategic Risk Service Program

<b>Background</b>	<p>Adelaide Hills Council (Council) is currently in the process of reviewing its Strategic Plan and has identified a need for workshops with the Executive Leadership Team (ELT) and Elected Members (EMs) to identify its strategic risks, which will inform the strategic planning processes. Council’s current strategic risk register does not adequately reflect the current risk environment.</p> <p>Council have a risk management procedure, a strategic risk register, (which is maintained in Skytrust) and an operational risk register (Excel-based.) Staff are generally well-versed in the fundamentals of risk management. This scope relates to a refresh of the strategic risk register and reporting mechanisms and assistance in developing a plan for subsequent update of the operational risk register.</p> <p>Council has sought assistance from the LGAMLS Strategic Risk Team (SRT) to facilitate this work.</p>
<b>Objectives:</b>	<ul style="list-style-type: none"> <li>• ELT and EMs recognise the risks likely to impact on the achievement of Council’s strategic objectives;</li> <li>• A plan is developed for review and update of Council’s operational risk register; and</li> <li>• Support and mentoring for Council staff is provided on an “as-needs” basis, subject to the Scheme’s resource capacity.</li> </ul>
<b>Scope of Services:</b>	<ul style="list-style-type: none"> <li>• Facilitate workshops to identify and assess Council’s strategic risks;</li> <li>• Provide a strategic risk register template, populated with the risks identified at the workshop;</li> <li>• Provide guidance on reporting and monitoring of strategic risks;</li> <li>• Support Council in development of a plan to review and update the operational risk register; and</li> <li>• Provide mentoring as requested by Council, (depending on capacity of SRT resources,) as a part of post-program support.</li> </ul>
<b>Out of Scope:</b>	<p>The SRT will not be responsible for design and implementation of controls for each of the risks identified.</p> <p>This scope does not include operational risk workshops.</p> <p>Testing and assessment of controls will not be performed; this will form a part of Council’s internal audit program once risk registers have been reviewed and updated.</p>
<b>Timelines:</b>	July – August 2024
<b>Sponsor:</b>	Zoe Gill, Governance & Risk Coordinator



Detailed Project timeline



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**Confidential Items**

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

**Item:** 11.1

**Responsible Officer:** Zoë Gill  
Governance and Risk Coordinator  
Office of the CEO

**Subject:** Financial Management Council Report – Confidential

**For:** Information

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**1. Financial Management Council Report – Exclusion of the Public**

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

- Chief Executive Officer, Greg Georgopoulos
- Director Corporate Services, Gary Lewis
- Governance and Risk Coordinator, Zoë Gill
- Minute Secretary, Skye Ludzay

be excluded from attendance at the meeting for Agenda Item 11.1: (Financial Management Council Report) in confidence.

The Committee is satisfied that it is necessary that the public, with the exception of Council staff in attendance as specified in (a) above, be excluded to enable the Committee to consider the report at the meeting on the following grounds:

Section 90(3)(g) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this Agenda Item is in relation to matters that must be considered in confidence in order to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty;

Section 90(3)(h) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this Agenda Item relates to legal advice.

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

**2. Financial Management Council Report – Confidential Item**

**3. Financial Management Council Report – Duration of Confidentiality**

Subject to the CEO, or his delegate, disclosing information or any document (in whole or in part) for the purpose of implementing Council's decision(s) in this matter in the performance of the duties and responsibilities of office, Council, having considered Agenda Item 11.1 in confidence under sections 90(2) and 90(3)(g) and (h) of the *Local Government Act 1999*, resolves that an order be made under the provisions of sections 91(7) and (9) of the *Local Government Act 1999* to retain the Items in confidence as detailed in the Duration of Confidentiality Table below:

<b>Item</b>	<b>Duration of Confidentiality NB: Item to be reviewed every 12 months if not released</b>
<b>Report</b>	<b>Until further order</b>
<b>Related Attachments</b>	<b>Until further order</b>
<b>Minutes</b>	<b>Until further order</b>
<b>Other (presentation, documents, or similar)</b>	<b>Until further order</b>