

Agenda

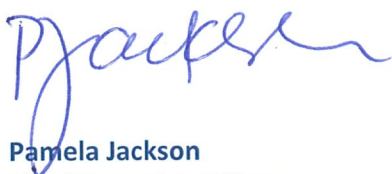
Audit and Risk
Committee

NOTICE OF MEETING

Notice is hereby given that a meeting of the
Audit and Risk Committee will be held in the

Kingston Room, Brighton Civic Centre
24 Jetty Road, Brighton

12 February 2025 at 6.00pm



Pamela Jackson
Chief Executive Officer



1. Opening

The Presiding Member, Councillor Smedley will declare the meeting open at 6.00pm.

2. Kurna Acknowledgement

We acknowledge Kurna people as the traditional owners and custodians of this land.

We respect their spiritual relationship with country that has developed over thousands of years, and the cultural heritage and beliefs that remain important to Kurna People today.

3. Apologies

3.1 Apologies received

3.2 Absent

4. Declaration Of Interest

If a Committee Member has an interest (within the terms of the Local Government Act 1999) in a matter before the Committee they are asked to disclose the interest to the Committee and provide full and accurate details of the relevant interest. Committee Members are reminded to declare their interest before each item.

5. Confirmation Of Minutes

That the minutes of the Audit and Risk Committee held on 16 October 2024 be taken as read and confirmed.

6. Action Items

7. Presentation

7.1 2025-26 Budget Position

8. Reports By Officers

8.1 Standing Items (Report No: 20/25)

8.2 Risk Report (Report No: 17/25)

8.3 Internal Audit Program Report (Report No: 18/25)

8.4 Audit and Risk Committee – Terms of Reference (Report No: 19/25)

9. Urgent Business – Subject to the Leave of the Meeting

10. Confidential Items

10.1 Nil



11. Date and time of next meeting

The next meeting of the Audit and Risk Committee will be held on Wednesday 16 April 2025 in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton.

12. Closure

A handwritten signature in blue ink, appearing to read "P Jackson".

Pamela Jackson
Chief Executive Officer

**Audit and Risk Committee - Action Items
as at 12 February 2025**

Meeting	Agenda Item	Action Required	Responsibility	Estimated Completion Date	Current Status
16 October 2024	9.2 Internal Audit Program:	Review in detail and update historical actions.	GM Strategy & Corporate		Progress against historical actions updated in report for ARC noting.
16 October 2024	9.10 Annual WHS Program Review	Include more data specific to Alwyndor. Include more information regarding psychosocial risks and actions.	GM Strategy & Corporate	October 2025	To be included in next annual report in October 2025. Regular meetings and communications with Alwyndor ongoing. Psychosocial procedure under consultation; Risks and Incidents management system in place.
16 October 2024	9.11 Terms of Reference	Give consideration to a maximum term of appointment.	GM Strategy & Corporate	February 2025	New Terms of Reference with maximum term to be presented to A&R at February meeting. Terms of Reference Updated to 3x3 year term. Report prepared for ARC to endorse and recommend to Council for approval.

Item No: 8.1

Subject: **STANDING ITEMS – FEBRUARY 2025**

Summary

The Audit and Risk Committee is provided with a report on standing items at each ordinary meeting.

Recommendation

That the Audit and Risk Committee advises Council it has received and considered a Standing Items Report addressing:

- **Monthly Financial Statements**
 - **External Audit**
 - **Public Interest Disclosures**
 - **Economy and Efficiency Audits**
 - **Council Recommendations**
 - **Audit and Risk Committee meeting schedule**
-

Background

The Audit and Risk Committee has previously resolved that a report be included in the agenda of each meeting of the Committee addressing the following standing items:

- Monthly Financial Statements
- External Audit
- Public Interest Disclosures
- Economy and Efficiency Audits

Also included in this Standing Items report is an item to formally advise the Committee of the outcomes of its recommendations and advice to Council. This is aimed at ‘closing the communication loop’ between the Committee and Council.

Report

Monthly Financial Statements

The budget update results for the periods ended 30 September 2024 and 31 December 2024 were considered by Council at its meetings on 12 November 2024 and 11 February 2024 respectively. Members of the Committee have received copies of these reports (380/24 and 22/25) which included a number of budgetary changes. For Council’s municipal operations a surplus of \$1,010,475 is now forecast for 30 June 2025, while Alwyndor operations are estimating a forecast surplus of \$577,088.

A financial report for Municipal operations for the month ended 31 October 2024 was considered by Council at its meeting on 26 November 2024. Members of the Committee have received a copy of this report.

External Audit

Council's external auditor, Dean Newbery attended the Audit and Risk Committee on 16 October 2024 to discuss the final audit of the 2023-24 financial statements. The 2023-24 consolidated financial statements were adopted by Council on 22 October 2024 and are included in Council's annual report. Dean Newbery subsequently issued an unqualified audit opinion on the Council and Alwyndor 2023-24 Financial Statements and Internal Controls.

Refer Attachment 1

Council's external auditor has prepared their 2024-25 audit plan for Council's operations and it is attached for the Audit and Risk Committee's information.

Refer Attachment 2

Public Interest Disclosures

There have been no public interest disclosures made to Council since the previous standing items report on 16 October 2024.

Section 130A Economy and Efficiency Audits

Council has not initiated any review pursuant to section 130A of the *Local Government Act* since the previous Standing Items Report on 16 October 2024.

Council Recommendations

At its meeting on 22 October 2024 Council received the minutes and endorsed the recommendations of the meeting of the Audit and Risk Committee held on 16 October 2024.

Specifically, Council endorsed the Public Interest Disclosure Policy received at its meeting on 28 January 2025, and noted the accompanying organisational procedure.

Audit and Risk Committee Meeting Schedule 2025

The Audit and Risk Committee's Terms of Reference require it to meet at least four times each year and at least once each quarter. These meetings are held to align with the two important financial programs in which the Audit and Risk Committee plays an important role:

- Development of the annual business plan and budget; and
- Completion of the annual financial statements, external audit and annual report.

In order to accommodate the above reporting requirements the following ordinary meeting schedule is proposed for 2025:

- Wednesday 16 April 2025
- Wednesday 11 June 2025
- Wednesday 20 August 2025
- Wednesday 22 October 2025.

As the above reporting requirements have been addressed no further meetings at this time are proposed for the remainder of 2025.

Budget

Not applicable

Life Cycle Costs

Not applicable

Strategic Plan

Statutory compliance

Council Policy

Not applicable

Statutory Provisions

Local Government Act 1999, Sections 41 and 126
Public Interest Disclosure Act 2018

Written By: Manager Finance

General Manager: Strategy and Corporate, Ms S Wachtel

Attachment 1

6 November 2024

Mayor Amanda Wilson
City of Holdfast Bay
PO Box 19
BRIGHTON SA 5048

Dear Mayor Wilson

RE: Balance Date Audit Management Letter: Financial Year Ended 30 June 2024

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We have recently completed our external audit of your Council for the financial year ended 30 June 2024.

We issued our 2024 Audit Completion Report to the Council on the 4 October 2024. This report contained key accounting and audit matters raised during the audit, a summary of misstatements and matters to be addressed in future financial years. I met with your Council's Audit & Risk Committee on 16 October 2024 where the matters raised in our Audit Completion Report were discussed.

Since our meeting with Council's Audit & Risk Committee we have issued an unqualified Auditor's Report on the annual Financial Statements and Council's Internal Controls per Section 129 of the *Local Government Act 1999* (the Act) for the financial year ended 30 June 2024.

I would like to thank the Council's Administration for the assistance they provided during the course of our audit. If any additional information is required on any of the audit matters raised above, please feel free to contact me on the details provided below.

Yours sincerely
DEAN NEWBERY



Samantha Creten
DIRECTOR

C. Chief Executive Officer
C. Chair Audit & Risk Committee

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Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the City of Holdfast Bay for the year ended 30 June 2024, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.



SAMANTHA CRETEN

Director

DEAN NEWBERY

6 November 2024

Independent Auditor's Report

To the members of the City of Holdfast Bay

Opinion

We have audited the accompanying financial report of the City of Holdfast Bay (the Council), which comprises the statement of financial position as at 30 June 2024, statement of comprehensive income, statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Certification of the Financial Statements.

In our opinion, the financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulation 2011* and the Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (Including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Council's Responsibility for the Financial Report

The Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as Council determines is necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that the audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Council.
- Conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DEAN NEWBERY



SAMANTHA CRETEN
DIRECTOR

6 November 2024

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INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE CITY OF HOLDFAST BAY

Opinion

In our opinion, the Council has complied, in all material respects, with Section 125 of the *Local Government Act 1999* in relation to the Internal Controls established by the Council relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2023 to 30 June 2024.

Basis for opinion

We have audited the Internal Controls of the City of Holdfast Bay (the Council) under the requirements of *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2023 to 30 June 2024 have been conducted properly and in accordance with law.

We conducted our engagement in accordance with Standard on Assurance Engagements *ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and *ASAE 3150 Assurance Engagements on Controls* issued by the Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The Council's Responsibility for the Internal Controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with *Section 125 of the Local Government Act 1999* to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applying Auditing Standard *ASQC 1 Quality Control for Firms that Perform Audits and Review of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking the assurance engagement.

Assurance Practitioner’s Responsibilities

Our responsibility is to express an opinion on the Council’s compliance with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures have been conducted properly and in accordance with law.

ASAE 3150 requires that we plan and performed our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operating effectively through the period. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

An assurance engagement to report on the designed and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of the controls to achieve the control objectives and the operating effectiveness of the controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that the controls are not suitably designed or the controls did not operate effectively. Our procedures included testing the operating effectiveness to the controls that we consider necessary to achieve the control objectives identified. An Assurance engagement of this type also includes evaluating the suitability of the control objectives.

Limitation on Use

This report has been prepared for the members of the Council in accordance with *Section 129(1)(b) of the Local Government Act 1999* in relation to the Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on operating effectiveness of controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

DEAN NEWBERY



SAMANTHA CRETEN
DIRECTOR

6 November 2024

Attachment 2



City of Holdfast Bay

External Audit Plan

Financial Year Ending 30 June 2025

DeanNewbery

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Foreword

Councillor John Smedley
Presiding Member - Audit and Risk Committee
City of Holdfast Bay
24 Jetty Road
BRIGHTON SA 5048

5 February 2025

Dear Cr Smedley

We are pleased to present our Audit Plan, which outlines our proposed audit procedures and key audit matters for the external audit of the City of Holdfast Bay (Council) for the financial year ending 30 June 2025.

Our audit plan is subject to ongoing review and updates as new information and matters arise during the engagement. It has been developed based on our comprehensive understanding of the Council's operations.

Our Audit Plan is specifically tailored to the Council's operations, with a strong emphasis on timely communication of all audit matters identified during the audit to you and the Elected Members. This document is intended solely for the Council's Audit & Risk Committee and the Council's Administration.

If you require any further information, please feel free to contact me using the details provided below.

Yours sincerely
DEAN NEWBERY



Samantha Creten
Director
sam@deannewbery.com.au

Introduction

Purpose of this Document

This documents provides an overview of the planned scope and timing of the audit of the internal controls and financial statements of the Council for the financial year ending 30 June 2025.

Audit Objectives

The objective of the audit process is to undertake the necessary work that will enable us to form an opinion as required per the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* as to whether:

- the financial report is prepared, in all material respects, in accordance with the Australian Auditing Standards and the *Local Government Act 1999* (the Act) and applicable Regulations; and,
- controls exercised by the Council in relation to the receipts, expenditure and investment of moneys, the acquisition and disposal of property and the incurring of liabilities are sufficient to provide assurance that the financial transactions of the Council have been conducted properly and in accordance with law. The opinion is to be based on the criteria established in the *Better Practice Model – Financial Internal Control* issued by the Local Government Association of South Australia.

All audit procedures have been designed to be carried out by our audit staff to provide us with reasonable assurance that the financial report, as a whole, is free from material misstatement.

Scope of the Audit

The scope of the engagement per the Act includes the audit of the following:

- Section 129(a): Council's financial statements for the financial year which is to be prepared in accordance with the requirements under the Act.
- Section 129(b): Audit of the controls exercised by Council in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.

Our audit includes the independent audit of acquittal statements as required for externally funded projects and programs undertaken by the Council during the financial year.

Audit Approach

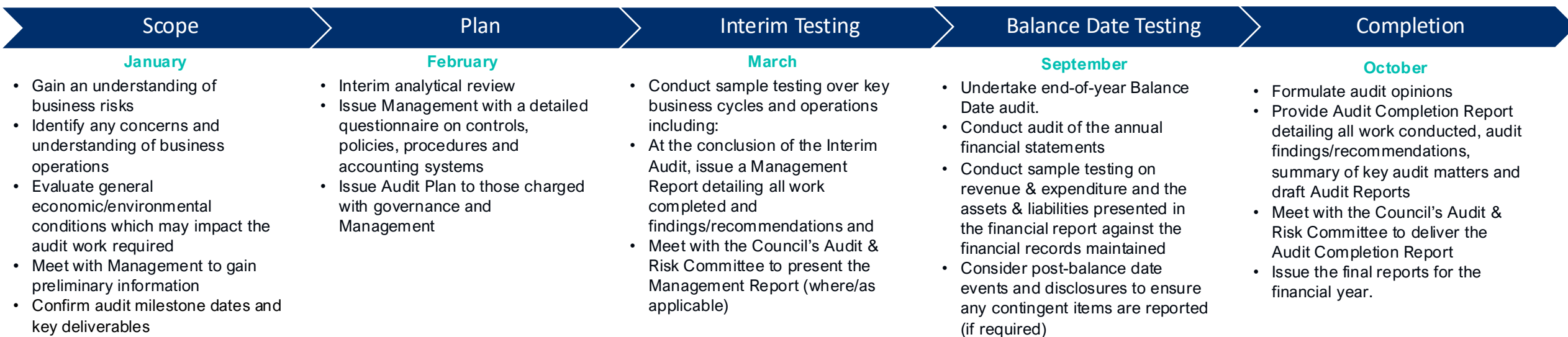
Key Audit Milestones

Our audit will be conducted applying the below proposed audit approach which provides a summarised overview of the key audit milestones and activities undertaken during each phase of the audit.

Internal Controls

A key component to the audit work we undertake is gaining an understanding of the internal controls in operation that is relevant to assisting us with our risk assessment procedures. The objective of the test of controls is to obtain evidence as to whether controls operated as intended to mitigate identified risks. Should we become aware of any significant deficiencies or consider there to be areas where controls could be further strengthened/ improved we will communicate this through our audit correspondence. In testing the effectiveness of controls, we gather evidence by employing the following techniques:

- Inspection of systems
- Observation of controls operating
- Inquire of control operations results
- Recalculation and/or re-performance of control
- Assess the Council's risk assessment process



Materiality

Auditors use materiality to assist with making a judgement of the amount of work needed to be performed on specific balances and to evaluate the effect of misstatements on the financial report. In considering what could potentially be deemed as material, our audit considers factors which may influence the decisions of intended users and accordingly, both quantitative and qualitative matters are taken into consideration.

Materiality is assessed based on its potential impact on the decision-making of the intended users of the financial report. This includes considering whether the financial information, individually or in aggregate, is misstated, omitted, or not disclosed. Materiality is initially calculated at the start of the engagement during the planning stage and is subsequently reassessed as additional information is obtained throughout the audit. This assessment continues until the audit opinion is issued. As part of our communication strategy, we will inform you of any material and potentially non-material matters that may offer operational improvements or governance-related benefits through our audit correspondence.

Fraud

Our audit is not designed nor intended to detect whether there is any fraudulent activity occurring however, should we become aware of it, we will ensure to report any matters. As part of our audit procedures, we make enquiries of the Administration and those charged with governance to identify any instances of known or suspected fraud.

As part of considering fraud, we also consider the risk of Management overrides of controls.

Communication Strategy

Our audit approach emphasises continuous communication with the Audit & Risk Committee and Administration regarding the progress and issues that arise during the audit process. Any significant audit matters or deficiencies identified will be promptly communicated.

Upon completing each key audit milestone, we prepare audit correspondence that details our findings and recommendations (where appropriate) to enhance the Council's internal control and risk management framework.

As part of our communication strategy, we inquire with both the Administration and those charged with governance about compliance activities and any instances of non-compliance with laws and regulations that may impact the financial period we are auditing.

Key Areas of Audit Focus

Based on our existing knowledge of the Council and the Local Government sector, we have identified the matters we think present the risk to potential material misstatements in the financial report. Our audit procedures are designed to focus our testing and review of controls on these assessed risk areas based on a risk-based approach.

We have highlighted below the risks we have identified along with our planned approach to respond to those risks as part of the audit work we plan to undertake.

Focus Area	Identified Audit Risk	Audit Plan Response
Accounting for Grant Income	Due to the often-complex nature of determining the 'stage of completion' and correct classification (operating versus capital) of a grant-funded project as per grant agreements, there is a risk of errors in calculating grant income in accordance with the conditions of the grant agreement, Australian Accounting Standards and the Model Financial Statements.	Examine the key assumptions used in recognising and treating grant income to ensure it is appropriately recognised and classified (operating versus capital) in accordance with AASB 1058 <i>Income of Not-for-Profit Entities</i> and the Model Financial Statements.
Management override of Controls	Per the Australian Auditing Standards, there is a requirement to presume that there is a risk that Management (Council Administration) has the ability to manipulate financial reporting by bypassing established internal controls. This can lead to material misstatement in the financial reports, either through fraudulent financial reporting or misappropriation of assets.	Our procedures will involve a review of internal controls and test for any unusual transactions within our samples to determine if any transactions do not appear to be within normal business operations/parameters. Auditors are to maintain professional scepticism throughout the audit and obtain written representations from the Administration regarding their responsibility for internal controls and their consideration of any fraud or suspected fraud.
Valuation of Footpaths Asset Class	Assets held by Council are required to be carried at valuation per the Regulations. Errors can occur from the incorrect application of valuation techniques, input data (observable and non-observable data) and valuation assumptions which can materially impact on the financial statements and accuracy of Council's strategic plans.	Evaluate the assumptions and data used to calculate asset carrying values and annual depreciation expenses to determine their reasonableness. Additionally, we will assess the capabilities and experience of the valuers engaged by the Council to conduct independent valuations and review their work to ensure the assumptions applied to the valuation are reasonable.
Procurement	Due to the high volume and complexity of goods and services procured by the Council, there is a risk that procurement practices may not consistently adhere to adopted policies, potentially leading to unmet procurement objectives and non-compliance.	Our procedures will involve a review of internal controls and sample testing of procurement activities undertaken throughout the financial year to assess compliance against procurement policy requirements and internal procedures.

Key Areas of Audit Focus cont.

Focus Area	Identified Audit Risk	Audit Plan Response
<p>Capital Works in Progress (WIP)</p>	<p>Risk that transactions recorded as WIP have been inaccurately captured as capital in nature which results in material misstatement of financial reports, budgets and strategic plans of Council.</p> <p>The treatment of internal capitalised costs for projects undertaken by Council itself relating to internal labour and/or plant hire is included within the scope of WIP transactions under consideration.</p>	<p>Conduct sample testing of WIP transactions recorded through payroll and accounts payable transaction testing to consider the reasonableness of treatment applied. Conduct a sample review of capital works projects as at 30 June to ensure asset capitalisation is reasonable and that remaining WIP classification has been correctly treated as per the Australian Accounting Standards.</p>
<p>Internal Control Assessments</p>	<p>Internal control assessments are not appropriately completed and/or undertaken which results in ineffective internal controls not being identified. The lack of an effective internal control assessment program can result in material misstatements.</p>	<p>Conduct an assessment of the effectiveness of Council's internal control review program and the outcomes of the reviews completed. Consider the level of oversight and involvement the Council's Audit & Risk Committee has in the process of identifying and addressing any internal control issues.</p> <p>Key financial controls relating to core business functions relating to system access, general ledger reconciliation controls, delegation of authority and segregation of duties will be considered as part of the review conducted.</p>

Audit Timetable

Our audit timetable has been formulated based on information obtained from the Administration along with our existing knowledge of the level of work required to be undertaken to form the audit opinions required by the Act.

A summary of the audit program and expected milestones has been summarised below. Should there be any changes to the expected timetable below, this will be communicated with the Administration and the Audit & Risk Committee.

Key Audit Milestones	Timeframe
Submission of Audit Plan to the Audit & Risk Committee	February 2025
Commencement of Interim Audit (Off-Site Testing)	March 2025
Interim Audit (On-Site Attendance)	March 2025
Interim Management Report issued to the Audit & Risk Committee	April 2025
Balance Date Audit requirements checklist to be provided to the Council	June 2025
Balance Date Audit requirements to be provided to auditors	July 2025
Draft financial statements to be provided to auditors	September 2025
Balance Date audit attendance to commence	September 2025
Exit Meeting with the Administration	September 2025
Meet with Audit & Risk Committee	October 2025
Audit Reports and Independence Declaration to be issued by auditors	October 2025

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Item No: 8.2

Subject: RISK REPORT – JANUARY 2025

Summary

A review of the Strategic Risk Register and high operational risks was undertaken in line with Council's Risk Management Policy and ISO31000 (2018), to ensure an accurate reflection of the current risk position across the business, scoping both business risks and opportunities.

A review of Strategic Risks is currently underway in partnership with the LGA Mutual Liability Scheme.

Recommendation

That the Audit and Risk Committee notes this report.

Background

As per the updated ISO31000 (2018) guidelines, both risks and related opportunities were captured and reviewed by the Senior Leadership Team (SLT) using *Our Holdfast 2050+* and supporting business plans for reference.

Report

Pursuant to Council's Risk Management Policy all strategic risks and all extreme and high operational risks are required to be reported to the Audit and Risk Committee.

As in the previous quarter, there has been no change in the risk profile for October–December 2024. During this period, management has actively monitored key risks while collaborating with the Local Government Risk Services team at the Mutual Liability Scheme on a project aimed at evaluating the Council's current risk maturity. This project will deliver updated and consolidated Strategic and Operational Risk Registers, along with a refreshed Risk Appetite Statement.

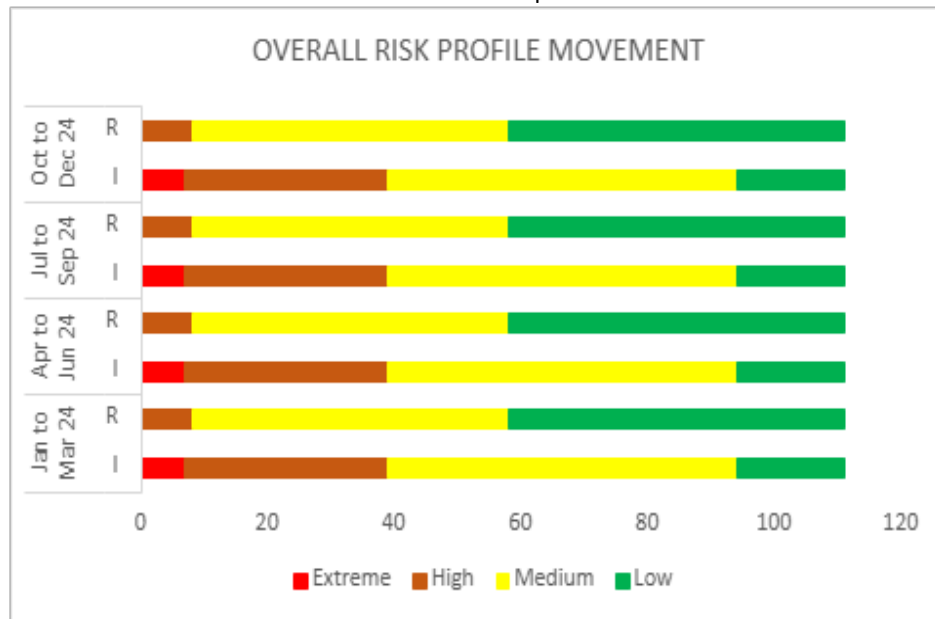
The initiative will also consider the potential material impacts of the ongoing review of Council's long-term strategic plan (*Our Holdfast 2050+*), the Annual Business Plan, and will identify continuous improvement strategies to enhance alignment between risk management, strategic decision-making, and operational management.

The current twelve-month Risk Profile Overview (Table 1) and Risk Profile Movement (Table 2) are shown below. These show the Inherent (I) and Current (C) risk ratings once controls are applied.

Table 1: Risk Profile Overview - 12 Months to September 2024

Period	Jan to Mar 24		Apr to Jun 24		Jul to Sep 24		Oct to Dec 24	
Risk	I	R	I	R	I	R	I	R
Extreme	7	0	7	0	7	0	7	0
High	32	8	32	8	32	8	32	8
Medium	55	50	55	50	55	50	55	50
Low	17	53	17	53	17	53	17	53
Total	111	111	111	111	111	111	111	111

Table 2: Overall Risk Profile Movement – 12 months to September 2024



Review of Strategic Risks

In December 2024, administration conducted a high-level review of Council’s strategic risks landscape. The purpose of which was to reprioritise, refine, consolidate and streamline Council’s approach to risk management given expressed concerns from the Committee about maturity of risks and management’s desire for a framework benchmarked on best practice within the sector.

Our current strategic risk register contains 20 risks. Whilst such a long register is reflective of the breadth and complexity of the council’s responsibilities/operations, it presents challenges to effective management, not least due to focus and resource implications. Indeed, within the sector and particularly peer councils in metropolitan Adelaide strategic risk registers contain between 10-14 risks.

Work has commenced in partnership with the LGA Mutual Liability Scheme on several activities, the first of which is a risk maturity survey that will help us evaluate the current level of risk maturity and assist with identification of strategies for continuous improvement.

Following the survey, workshops and sessions with senior leadership, key operational staff and Elected Member sessions will be held. The outcomes will be presented for discussion at an upcoming Audit and Risk Committee meeting. In addition, consolidated and revised Strategic

and Operational registers as well as an updated risk appetite statement will also be presented. The full scope of works for the project is attached for noting.

Refer Attachment 1

Strategic and 'Extreme/High' Rated Operational Risk Reviews – 2024-25 Q2

Risks with a HIGH residual risk rating in either the strategic risk register or the operational risk register are summarised in Table 3. The detailed and full Strategic Register is presented for noting.

Refer Attachment 2

Table 3 – Risks with Current Rating of HIGH – October to December 2024

	I	R	T
Strategic Risk: AD01 Poor or ineffective management of the impacts of Climate change <i>New Climate Change Policy under approval; Urban Forest Strategy in progress; Procurement policy updated; Carbon Neutral Plan in Place</i>	E	H	M
Strategic Risk: AD03 Failure to adequately consider Emergency Management planning, preparation, response and recovery <i>Asset Management Strategy and Plans being finalised – November 2024.</i>	E	M	M
Strategic Risk: SC01 Inability to respond and recover from disruptive events. <i>Southern Region IM Partnership work ongoing; Community Information updated</i>	E	H	M
Strategic Risk: SC02 Poor or ineffective planning systems and processes <i>Council Prioritisation Framework; New KPIs adopted; New cloud-based strategic planning and performance platform to be launched soon</i>	E	M	M
Strategic Risk: SC04 Inadequate utilisation of information technology to support service delivery <i>Cyber security audit actions implemented; New corporate planning and platform software platform in progress</i>	E	M	M
Strategic Risk SC09 Poor or effective management of legislative and regulatory obligations and ongoing changes <i>LGA Governance networking group; Compliance Policy and Framework in progress</i>	E	H	M
Strategic Risk: SC011 Prevention of risk or harm to children, young and vulnerable people <i>Background screening checks and reporting procedures.</i>	E	M	M

New/Emerging Risks and Opportunities

No Risk and Opportunity discussions were held with SLT during the quarter. Instead, priority was given to the completion of a high-level strategic risk review and benchmarking in readiness for the project with Local Government Risk Services described above. Quarterly SLT sessions will resume this quarter and continue as usual while the project runs.

2025-26 Risk Management Work Program

In addition to the regular risk reviews and SLT discussion sessions, the risk management work program for 2025-26 will cover the following:

- **Strategic and Operational Risk Reviews** – several of the following activities will be undertaken over the coming months in partnership with the Mutual Liability Scheme’s Strategic Risk Consulting Team. Official dates have not been agreed to; however, the schedule below is what we are working towards.
 1. Risk maturity survey – January 2025 (Complete)
 2. Strategic risk workshop with SLT – March 2025
 3. Strategic risk EM session – April 2025
 4. Operational risk workshops – March to June 2025
 5. Risk appetite setting – August 2025
 6. Updated registers and risk appetite report to ARC – September 2025
 7. Risk maturity re-assessment – December 2025
- **Business Continuity** – scenario testing, periodic drills and an audit of business continuity procedures session to evaluate the adaptability and responsiveness of the Business Continuity Plan will be done.
- **RelianSys Rollout** – Reviewing effectiveness of RelianSys monitoring system and investigating use of Envisio which is being implemented for other corporate reporting.

Budget

There are no budget implications associated with this report.

Life Cycle Costs

There are no life cycle costs associated with this report.

Strategic Plan

Statutory compliance

Council Policy

Risk Management Policy

Statutory Provisions

Not applicable

Written By: Risk and Improvement Officer

General Manager: Strategy and Corporate, Ms S Wachtel

Attachment 1



Scope – Strategic Risk Services

Member:	City of Holdfast Bay
Date:	06/01/2025
Key Contact:	Emmanuel Areikin Risk and Improvement Officer

Scope: Strategic Risk Service Program

Background

The City of Holdfast Bay (Council) are currently in the process of implementing their risk management framework (reviewed in 2022) within the organisation. As part of this Councils Audit and Risk Committee have raised questions regarding the level of risk maturity at Council. The administration Senior Leadership Team (SLT) has recently appointed a new Risk and Improvement Officer, with a remit to review strategic and operational risks, governance arrangements and risk appetite.

Further to this Council are also undertaking a review of their Community Plan (Our Holdfast 2050+). The review will provide an update to approximately thirty objectives and measures and will result in the development of a four-year delivery plan, to allow Council to operationalise their strategic goals for the coming years. The review is expected to reach Elected Member approval soon (December 2024).

In consideration of the potential material effects these changes may have on Council decision making and the associated risk management activities; Council is looking to partner with the Mutual Liability Scheme (MLS) to create a customised program to meet their needs.

Council have recognised there is value in taking a snapshot of their current level of risk maturity (prior to any works being undertaken), to assist with identifying strategies for continuous improvement. In addition, a reassessment following the completion of this scope of works is also planned.

Council currently has in place a Strategic Risk Register, comprised of twenty risks. Council has identified the need for a workshop with the Senior Leadership Team (SLT) to review its strategic risk profile. Council wishes to commence a review and refresh of their Strategic Risks to ensure they continue to be relevant and align to the delivery of their plans. The Strategic Risk Consulting Team (SRT) are to facilitate this process with Councils SLT to develop and provide an updated Strategic Risk Register.

Additionally, Council has in place an Operational Risk Register comprised of approximately eighty-nine risks. The register is currently believed to be too large for adequate management under their Risk Management Framework. As such Council wishes to review and consolidate their Operational Risk Register. The SRT are to facilitate this process with the Senior Leadership Teams in each of the four council divisions, (Assets and Delivery, Community and Business, and Strategy and Corporate, and Alwyndor).

The City of Holdfast Bay does not currently have detailed Risk Appetite Statements in place. Council would like to develop and articulate their risk appetite statements (that is, how much risk the organisation is willing to take to achieve its objectives). The SRT have been asked to provide direction and facilitate this process, engaging first with the Executive Management Team and then with the Elected Members.

This partnership between Council and the MLS will evolve Council's risk portfolio to a point where the expectations of their Audit & Risk Committee, Council, CEO and Senior Leadership Team can be met.

Scope – Strategic Risk Services

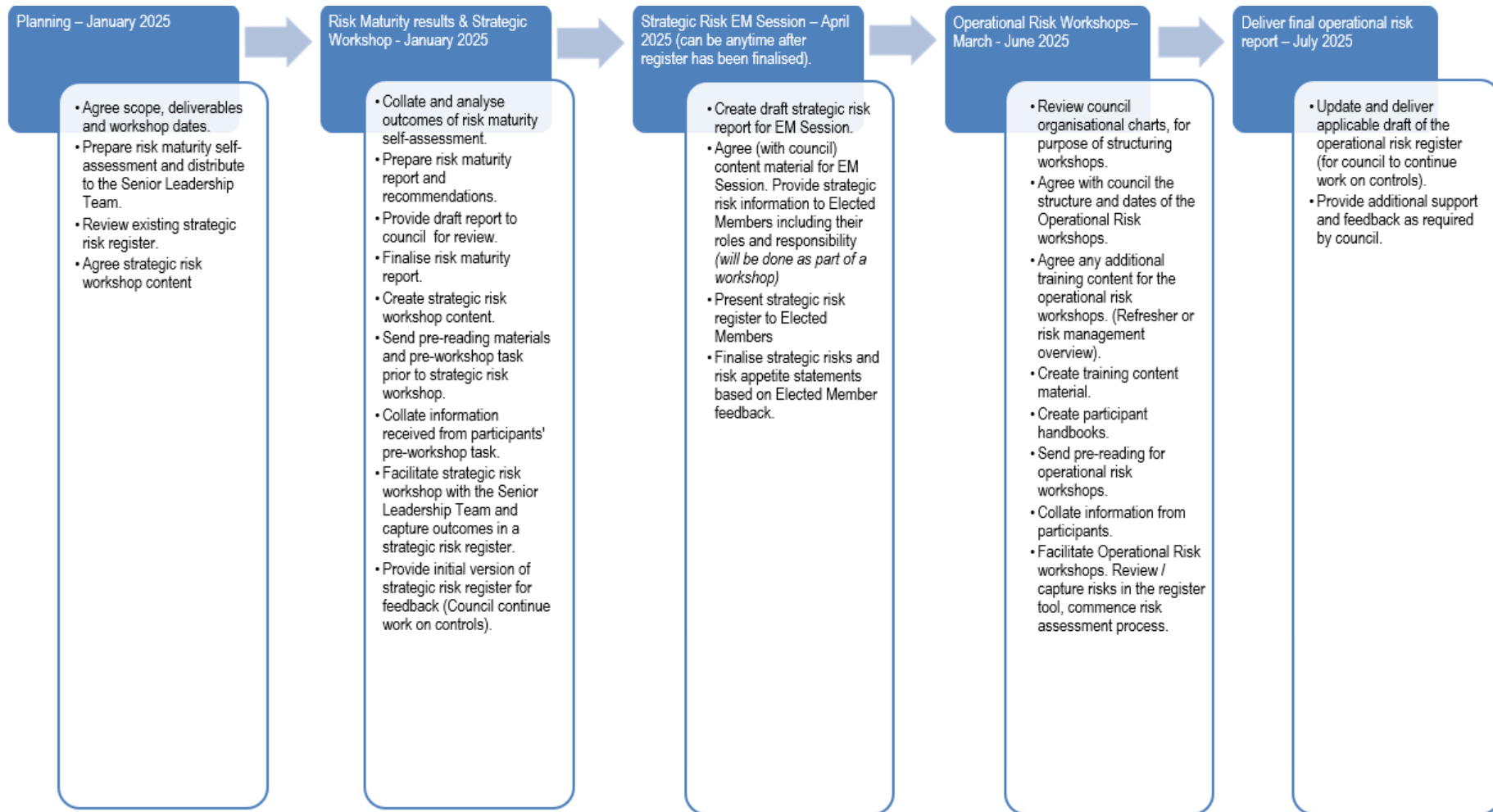
Member:	City of Holdfast Bay
Date:	06/01/2025
Key Contact:	Emmanuel Areikin Risk and Improvement Officer

Objectives:	<ul style="list-style-type: none"> Support the development of a customised program for the City of Holdfast Bay that aligns to their Risk Management Framework Councils Leadership Team and Elected Members can recognise the risks that are likely to impact on the achievement of Council’s strategic objectives. Develop an understanding of Council’s current level of risk maturity and then assist council in identifying and practicing appropriate strategies to support implementation of their risk management framework. Ensure Councils risk appetite statements are aligned to Councils strategic plans, objectives and risk management framework. Support and mentoring for Council staff is provided on an “as-needs” basis, subject to the Scheme’s resource capacity.
Scope of Services:	<ul style="list-style-type: none"> Provide risk maturity self-assessment questionnaires to Council’s SLT and identified key staff. Collate outcomes of risk maturity self-assessment and prepare a report and recommendations for implementation of Council’s risk management framework (will be undertaken at the beginning and end of works identified in this scope). Create Strategic Risk pre-workshop packs and tools for workshopping strategic risks and risk appetite. Facilitate a workshop (with SLT) to review Council’s strategic risks. Provide a strategic risk register template, populated with the risks reviewed at the workshop. Provide guidance on reporting and monitoring of strategic risks. Create Operational Risk pre-workshop packs and tools for workshopping operational risks. Facilitate four Operational Risk workshops (one with each council division) to review councils’ operational risks. Provide an operational risk register, populated with the risks reviewed at the workshop. Provide guidance on reporting and monitoring of operational risks. Deliver two risk appetite review sessions (one with SLT and one with Elected Members) to assist in the articulation of risk appetite statements. Document the risk appetite statements in a summary report. Provide mentoring as requested by Council, (depending on capacity of SRT resources,) as a part of post-program support.
Out of Scope:	<p>The SRT will not be responsible for design and implementation of controls for each of the risks identified.</p> <p>Testing and assessment of controls will not be performed.</p> <p>The SRT will not be responsible for ensuring that the risk appetite statements are subsequently applied to Council’s decision-making process.</p>
Timelines:	December 2024 – October 2025
Sponsor:	Pamela Jackson, Chief Executive Officer



Member:	City of Holdfast Bay
Date:	06/01/2025
Key Contact:	Emmanuel Areikin Risk and Improvement Officer

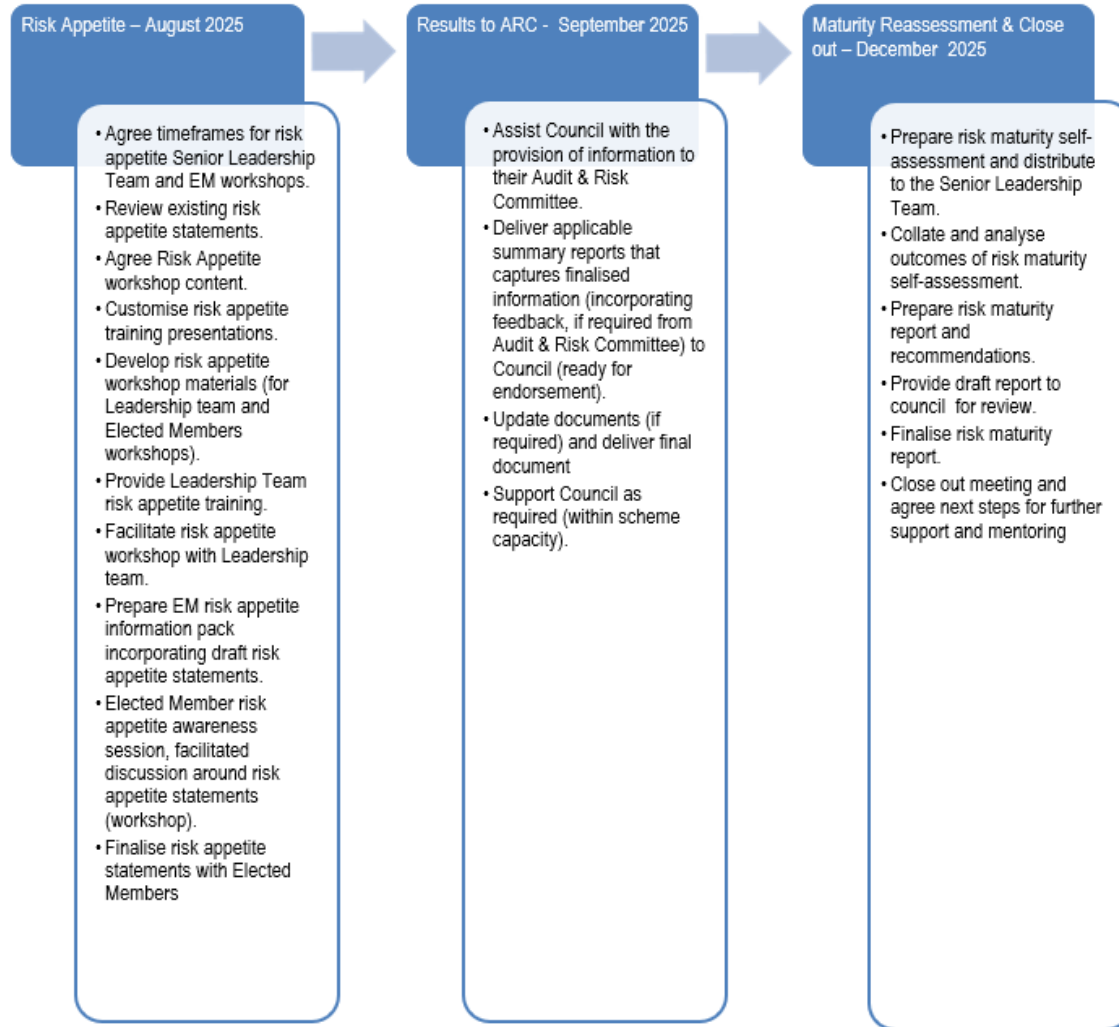
Detailed Project Timeline





Scope – Strategic Risk Services

Member:	City of Holdfast Bay
Date:	06/01/2025
Key Contact:	Emmanuel Areikin Risk and Improvement Officer





Scope – Strategic Risk Services

Member:	City of Holdfast Bay
Date:	06/01/2025
Key Contact:	Emmanuel Areikin Risk and Improvement Officer

Prepared by:	Chris Sweet, Strategic Risk Consultant	Date:	11/12/2024
Reviewed by:	Stevie Sanders (WHS & Risk Manager LGRS)	Date:	06/01/2025
Approved by:	Pamela Jackson, Chief Executive Officer	Date:	10/01/2025

P Jackson

Attachment 2

City of Holdfast and Alwyndor Risk Register - Strategic and High Risk Level

Risk ID	Risk Description	Consequences	Risk Manager	Causes	Inherent Risk	Controls Description	Current Risk	Residual Risk
					Risk Rating		Risk Rating	Risk Rating
CE01	Inability to implement appropriate controls to manage changes to Local Government reform	Legal/ Regulatory/ Policy, People, Financial/ Infrastructure, Reputation	Chief Executive Officer	1. Significant LG changes are ongoing 2. General rate/revenue pressures from State Govt. 3. Dissatisfaction with Boundary Reform process	High	1.Membership of Local Government Association 2.Qualified /Specialised support staff for CEO office 3.LGRS suite of LG insurances /PSSI 4.Localised partnerships across various levels with neighbouring councils 5.Relevant suite of policies and procedures	Medium	Medium
CB01	Poor or ineffective Community Service delivery	Service Delivery Financial/ Infrastructure Environmental/Cultural	General Manager Community and Business	1. Significant range of services and increasing demand 2. Decreasing State and Federal services/funding 3. COVID pandemic impacts	High	1.Policy, procedure & processes 2.Qualified/specialist staff 3.Community Engagement strategies 4.Play Space action plan 5.Website events/activites calendar	Medium	Medium
CB02	Failure to appropriately engage the broader community and stakeholders	Service Delivery Environmental/Cultural Reputation	General Manager Community and Business	1.Lack of appropriate engagement /informing community 2.Disproportionate vocal minority 3.Inconsistent approach to stakeholder management	Medium	1.Communications Strategy 2030 2.Qualified/specialised staff 3.Policy & procedures for Communications & Engagement 4.Website training programs 5.Regular 1:1 support for project managers	Low	Low
CB03	Poor or ineffective customer service delivery	Service Delivery, Reputation, Environmental/Cultural	General Manager Community and Business	1.Lack of customer-centric design 2.Lack of customer focus, especially post COVID 3.Inadequate IT support systems/processes for efficient/effective customer service	High	1.Experienced /qualified customer service staff 2.Cross Council service standards for customer experience 3.Benchmarking and service information from LG network groups 4.Customer experience strategy 5.Service level performance key measures	Medium	Low
CB05	Poor or inadequate Economic Development and Tourism Management	Financial/ Infrastructure, Service Delivery, Environmental/Cultural, Reputation	General Manager Community and Business	1.Outdated Tourism Policy/Plan 2.Lack of Social Inclusion/Access and Inclusion Plan 3.Lack of effective traffic mgt. strategies /transport issues	High	1.Membership of Regional Toursim Boards 2.Networking with tourism organisations 3.Qualified/experienced staff 4.Toursim Destination Action Plan 5.Regional Destination Action Plan	Medium	Medium
AL01	Inability to sustainably provide aged care services to the community consistent with the requirements of the ACQS.	Legal/ Regulatory/ Policy Service Delivery Financial/ Infrastructure Reputation	General Manager Alwyndor	1.Significant operation with \$20m turnover/250 staff 2.Operates with multiple other Allied Health services 3.Lack of defined/inadpequate policies and procedures	High	1.Onsite management and support from Alwyndor Mgt Board 2.Specialised/trained staff 3.Additonal staffing available via contracted services 4.Policies, procedures and processes 5.Aged Care Service standards	Medium	Medium
SC01	Inability to respond and recover effectively from disruptive events	Reputation Legal/ Regulatory/ Policy Service Delivery	General Manager Strategy and Corporate	1.Cyber Security/hacking 2.Disruptive events 3.Climate change/Environmental factors	Extreme	1.Crisis and Incident Management Plan 2.Business Continuity Plan 3.Incident Management training 4.Southern Region IM Partnership (CoMa/CoMi/CoO)	High	Medium
SC02	Poor or ineffective planning systems and processes	Legal/ Regulatory/ Policy Service Delivery Reputation	General Manager Strategy and Corporate	1. Planning reform impacts reducing Council's influence 2. Priorities/targets to increase tree coverage impacting on Council planning 3. Loss of knowledge	Extreme	1.Planning legislation and guidelines 2.Qualified/Specialist staff 3.Effective Planning and Development application process 4.Regulated policies and procedures 5.Assessments sampled/reviewed by supervisor	Medium	Medium
SC03	Staff, contractor or volunteer death or serious injury OR subject to physical, sexual, emotional or psychological abuse	People Reputation Legal/ Regulatory/ Policy	General Manager Strategy and Corporate	1.Physical, sexual, emotional or psychological abuse 2. Unqualified staff 3.Lack of appropriate training	High	1.WHS Strategic Plan and Programs 2.Qualified/Specialised staff 3.Regular appraisal systems 4.Skills audits/Training Needs Analysis (TNA) 5.Published training program	Medium	Medium
SC04	Inadequate utilisation of information technology to support service delivery	Service Delivery, Environmental/Cultural, Project, Legal/ Regulatory/ Policy , People	General Manager Strategy and Corporate	1.Inadequate approach to data governance/security 2.Failure of significant/SMART city concepts/opportunities 3.Council's needs fail to align with vendor functionality	Extreme	1.Information Management Governance Committee 2.Secure working practices in line with ISO 27001 Info Security Mgt Systems 3.Networking partnerships with neighbouring/metro Council areas 4.Qualified / Specialised staff 5.Vendor agreements/ preferred contractors for third party services	Medium	Medium
SC05	Lack of strategic alignment	Service Delivery, Financial/ Infrastructure, Reputation, Environmental/Cultural	General Manager Strategy and Corporate	1.Increased service demands/delivery; need to be agile 2.Low risk appetite for alternative service options 3.Hard to measure performance outcomes vs outputs	High	1.Experienced/qualified staff overseeing strategy/governance process 2.Membership on LG related Strategic and Governance networks 3.Related policies, procedures and processes 4.Strategic Plan review working group 5.Benchmarking groups - access to key governance data	Medium	Medium

Risk ID	Risk Description	Consequences	Risk Manager	Causes	Inherent Risk	Controls Description	Current Risk	Residual Risk
					Risk Rating		Risk Rating	Risk Rating
SC06	Poor or ineffective workforce planning, including recruitment and retention.	People Legal/ Regulatory/ Policy Reputation Financial/ Infrastructure	General Manager Strategy and Corporate	1.Inadequate workforce planning inc post COVID pressures 2.Lack of effective position management 3.Poor and ineffective recruitment decisions	High	1.Organisational Development Policy 2.Recruitment and Selection Procedures 3.Background Screening & Reporting Procedures, 4.People & Culture Service Standards, 5.Quality Working Culture Policy,	Medium	Medium
SC07	Inability to effectively implement strategic projects	Financial/ Infrastructure, Service Delivery, Reputation, Environmental/Cultural	General Manager Strategy and Corporate	1.Increased volume and complexity of projects 2. isguided stakeholder interest in major project outcomes 3.Decentralised approach to project management	High	1.Project Management Board meetings and oversight 2.Project Management Framework and templates 3.Qualified /specialised staff managing project progress 4.Annual budget management process 5.Grant funding reporting and verification process	High	Medium
SC08	Poor or ineffective budget development and management	Financial/ Infrastructure, Service Delivery, Legal/Regulatory/Policy, Reputation	General Manager Strategy and Corporate	1.Lack of zero based budgeting aligned with strategy 2.Insufficient budget for development of new assets 3. Difficult to understand full cost of individual services	High	1.Qualified/experienced/ specialised staff 2.Financial regulations/ Accounting standards 3.Internal policies, procedures, processes 4.Regular external and internal system audits 5.Budget Setting, Management & Reporting	Medium	Medium
SC09	Poor or ineffective management of legislative and regulatory obligations and ongoing changes	Legal/ Regulatory/ Policy, Service Delivery, Financial/Infrastructure, Reputation	General Manager Strategy and Corporate	1.Poor comms. re. legislative/regulatory change 2.Poor comms. re. Aged Care legislative/regulatory change 3.Lack of compliance framework/understanding for risks	Extreme	1.Reference to LGA 1999 Act & regulations 2.LGA Governance networking group 3.Qualified / experienced staff 4.Compliance Register - Council 5.Governance policy, procedure and processes	High	Medium
SC10	Inability of current staff profile to transform the organisation	People, Service Delivery, Legal/ Regulatory/ Policy, Reputation	General Manager Strategy and Corporate	1.Lack of innovative/dynamic organisational direction 2.Poor capability/capacity for organisational transformation 3.Lack of skills/training to support staff to build change/agile skills	High	1.HR policy and procedures 2.Training Needs Analysis (TNA) & corporate training program 3.Organisational structures and skills audits 4.Vacancy Management 5.Succession Planning	Medium	Medium
SC11	Prevention of risk or harm to children, young and vulnerable people	People, Service Delivery, Reputation, Environmental/Cultural	General Manager Strategy and Corporate	1.'Poor recruitment 2.'Failure to adequately undertake staff checks/ screening. 3. Inadequate level of training	Extreme	1.Background Screening & Reporting Procedures 2.Training Needs Analysis (TNA) details training per position. 3.Required training undertaken for existing related postions. 4.Appropriate screening checks undertaken as part of recruitment process.	Medium	Medium
AD01	Poor or ineffective management of the impacts of climate change	Environmental/Cultural Reputation Financial/ Infrastructure	General Manager Assets and Delivery	1. Lack of focus for environmental/climate change 2. Lack of budget capacity for environmental issues 3. Poor Community engagment on environmental issues	Extreme	1.Resilient South Regional Climate Partnership 2.Environment Strategy & Implementation Plan 3.Waste Management Policy inc diversion to recycling & organics 4.Tree Management Policy and Street tree audit 5.Specialist trained staff/externally funded Urban Greening Officer	High	Medium
AD02	Insufficient or ineffective Asset Management Planning	Service Delivery Environmental/Cultural Financial/ Infrastructure Reputation	General Manager Assets and Delivery	1.Insufficient resources/skills/accurate data & cost information, 2.Inadequate level of correct data analysis 3.Lack of commitment by SLT and EMs to drive asset management	High	1.Place making Strategies guiding future asset investment/design 2. Asset management policy, AMPs and related procedures 3. Capital accounting & Project management programs 4. Specialist/trained staff 5. Regular training to align with legislation	Medium	Medium
AD03	Failure to adequately consider Emergency Management planning, preparation, response and recovery	Reputation Legal/ Regulatory/ Policy Service Delivery	General Manager Assets and Delivery	1.Disruptive events 2.Flooding/Heat related emergencies 3.Climate change/Environmental factors	Extreme	1.Crisis and Incident Management Plan 2.Business Continuity Plan 3.Incident Management training 4.Southern Region Zone Partnership (CoMa/CoMi/CoO)	Medium	Medium

Item No: 8.3

Subject: INTERNAL AUDIT PROGRAM REPORT

Summary

The risk-based audits scheduled for the Internal Audit Program 2024-25 are on track.

In addition, the 'Audit Recommendations Outstanding Actions Update' is attached in three parts, highlighting those actions that are either completed, in progress or not yet implemented.

Recommendation

That the Audit and Risk Committee notes this report.

Background

Under Section 125 of the *Local Government Act 1999*, Council is required to establish and maintain appropriate internal control policies and procedures. An annual, risk-based Internal Audit Plan is developed to guide audit activities throughout the year.

The 2024-25 Internal Audit Program included an audit of Council's Event Strategy. However, the audit has been deferred to the first quarter of 2025-26 financial year to accommodate a pertinent audit of Lease Management instead.

The revised Year 3 Internal Audit Program, considering newly identified and evolving business risks and opportunities, captures the areas below.

2024-25 Internal Audit Program:

Volunteering Management	Review/better practice/assessment & feedback <i>Risk SC03 – Poor or ineffective service delivery</i>
WHS Skytrust System	Review/better practice/assessment & feedback <i>Risk SC03 – Staff, contractor or volunteer death or serious injury or subject to physical, sexual, emotional or psychological abuse.</i>
Lease Management	Lease Management – review of lease management against Better Practice <i>Risks SC05; CB01; SC02; AD02</i>
Financial Controls	EOFY review of internal controls for CHB & Alwyndor <i>Risk SC05 – Poor or ineffective budget development and management</i>

Volunteering Management

As part of council's internal audit program for 2024-25, a review of volunteer management has been completed.

Volunteer management is an important function within council, with over 300 volunteers

across a range of programs. Council's 2022-23 Annual Report noted that these volunteers contributed 59,328 hours across council's programs, equating to approximately \$2.76 million in economic value. The effective management of volunteers plays a role in allowing council to achieve objectives, maintain a strong reputation and provide enhanced and supportive services within the community.

The objectives of the audit were to review the effectiveness of council's volunteer management processes and controls.

The audit was intended to assess the effectiveness of council's approach to volunteer management against better practice. This included reviewing:

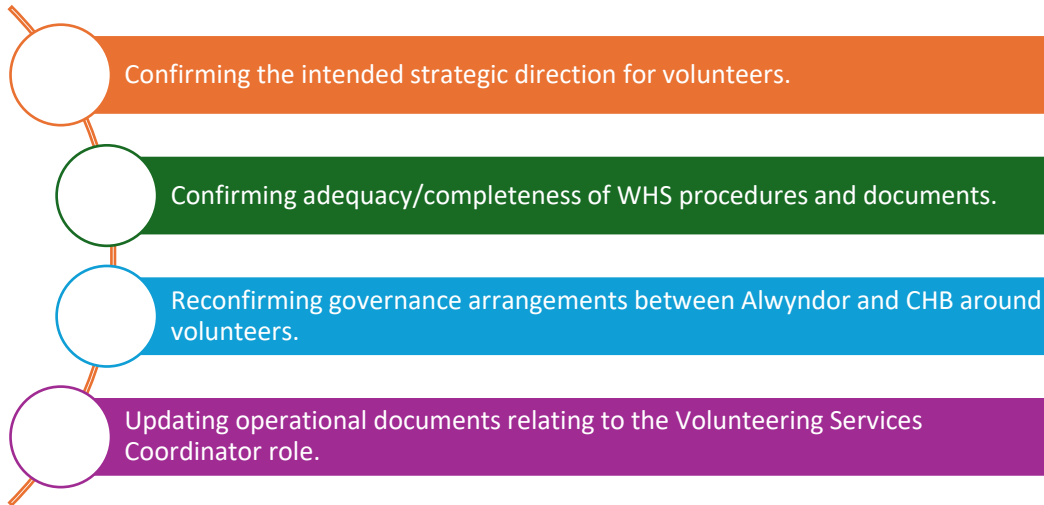
- the efficiency and effectiveness of volunteer recruitment, onboarding, training, and supervision processes;
- information and support for the volunteer, Volunteer Coordinators and Volunteer Services Coordinator;
- the effectiveness of volunteer performance management and evaluation processes; and
- the adequacy of volunteer recognition and appreciation initiatives and highlighting any opportunities for strengthening and improvement.

Key Findings and Observations

Based on the work undertaken, and when considering the design and/or effectiveness of controls collectively, the Internal Audit concluded that the control environment in managing the strategic risk '*Poor or ineffective community service delivery*' is **majority effective**. This rating is reflective of the established structure used at council to manage volunteers and the near universal positive feedback volunteers provided regarding their experience at council.

In total, 12 recommendations were made, nine of which relate to areas where opportunities for improvement exist; and three to areas where opportunities for strengthening existing control environment exist (Better Practice). That being so, the Internal Audit did not consider findings materially impact the quality of community service delivery.

The audit identified key opportunities for improvement in the following areas:



Attachment 1 to this report contains the full report.

Refer Attachment 1

Fraud Detection Audit

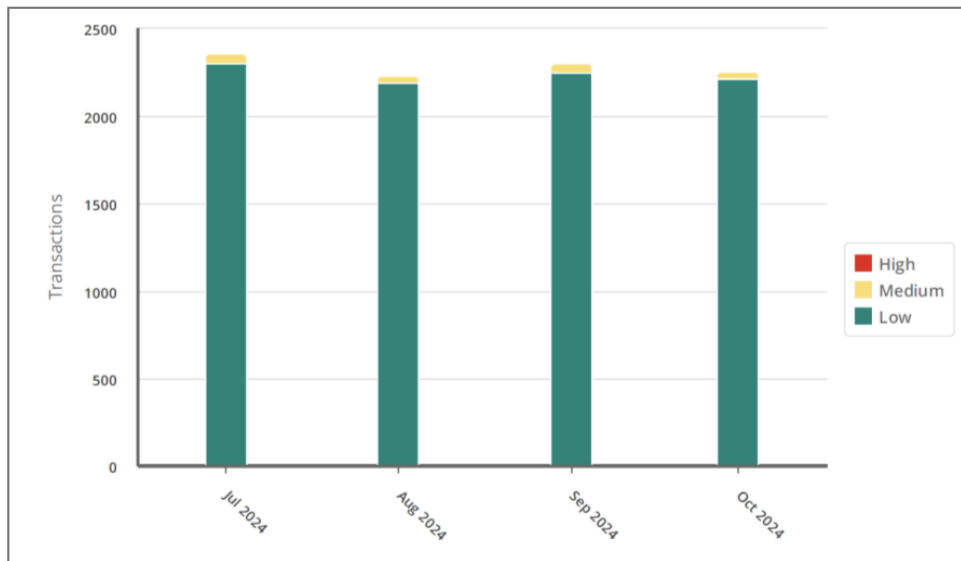
The approved Audit Program 2024-25 provided for an artificial intelligence (AI) data analytics-based audit to be undertaken around fraud detection across council.

The objective of this audit was to conduct detailed artificial-intelligence driven data analytics of 100% of council's financial data, with the aim of identifying potential fraud activity and any opportunities for improving the internal control framework.

Key findings and observations

The review found that council's overall risk profile is considered a typical result for a lower risk council. A vast majority of transactions of the ledger (97.8%) were flagged as low risk, with a small percentage identified to be high risk.

The review identified no areas requiring improvement. Overall, the internal audit concluded that the outcome of the review is a positive indication that council maintains an ongoing low-risk environment for fraudulent transactions. A summary of transaction risk trends over time is provided below and the full report is provided in Attachment 2.

Transaction risk over time (high/medium/low)

Refer Attachment 2

Events Strategy Internal Audit

The Events Strategy Internal Audit has been rescheduled to the first quarter of the 2025-26 financial year. This decision was driven by the need to allocate resources to prioritise an internal audit of Lease Management.

Lease Management Internal Audit

A review of Council's lease management was requested by the Chief Executive Officer in response to identified gaps in lease management. The audit will support the recent changes in forming a new property team that includes responsibility for property leasing.

Galpins and the Administration have developed a scope, with the internal audit scheduled to run between Jan – April 2025.

Refer Attachment 3

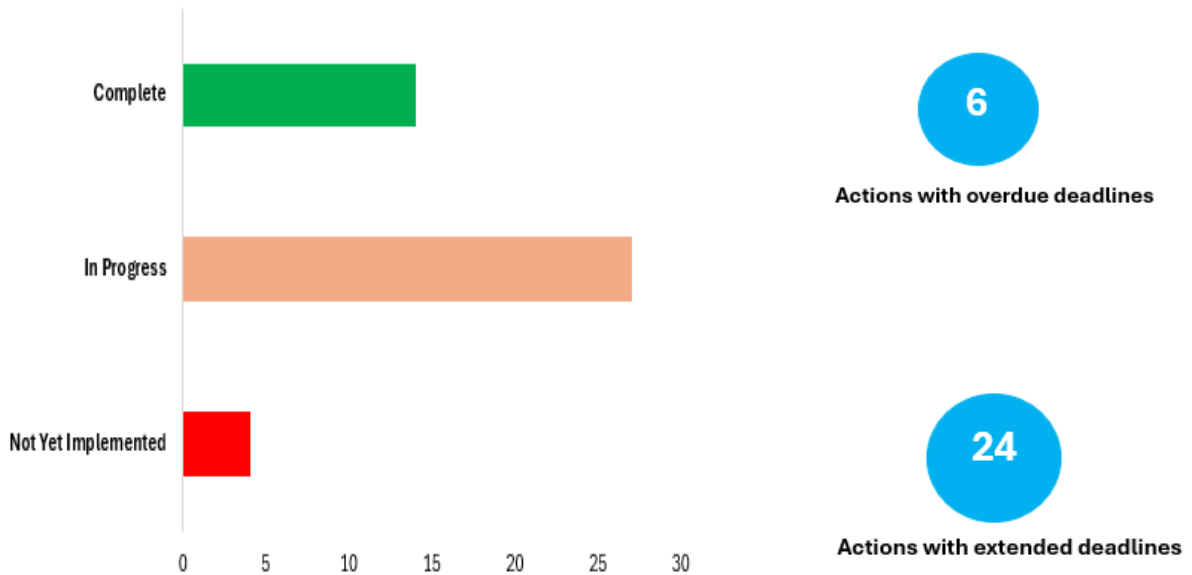
Audit Recommendations – Outstanding Actions Update

Each of the actions resulting from the Internal Audit program are monitored and managed via a master spreadsheet. This captures all related information and tracks the progress through three stages: not yet implemented; in progress and partially implemented; and completed.

In total there are 30 open audit recommendations, 87% percent of which have actions that are in progress or partially implemented. There are 4 recommendations that haven't been implemented yet. It has been particularly challenging to progress the recommendation on Flood Mitigation raised in 2023. The responsible teams are continuing to explore the best approach for addressing the issue raised and ensuring desired outcomes are achieved as soon as reasonably practicable. However, if ongoing discussions with the third party, Minda, do not result in an agreement on the path forward, management may explore alternative solutions and report to Galpins/Audit and Risk Committee.

Sufficient progress has been made in implementation of actions allowing 14 recommendations to be closed this quarter. We will proactively monitor effectiveness of implemented changes over time through periodic reviews or follow-up audits.

Below is an overview of completion status for all recommendations as of 31 January 2025.



Management will enhance and reinforce the implementation of agreed actions to ensure the control environment remains effective and adaptable to the organisation's needs amidst a dynamic internal and external risk landscape.

Additional details regarding the summary data are provided in extracts from the master monitoring spreadsheet, presented in three sections, each highlighting:

- all actions that have been complete *Refer Attachment 7a*
- all actions that are in progress and partially implemented. *Refer Attachment 7b*
- all actions that are not yet implemented *Refer Attachment 7c*

Budget

Appropriate budgets have been allocated for the 2024-25 and the 2025-28 Internal Audit Programs respectively.

Life Cycle Costs

There are no life cycle costs associated with this report.

Strategic Plan

Statutory compliance

Council Policy

Risk Management Policy

Statutory Provisions

Local Government Act 1999

Written By: Risk and Improvement Officer

General Manager: Strategy and Corporate, Ms S Wachtel

Attachment 1

Volunteer Management Audit Report

November 2024



Prepared For



Galpins

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Document Control

Date	Revision Number	Revision Details	Author	Reviewer
18.10.24	1.0	Draft Report	Danika Brown	Janna Burnham
29.10.24	1.2	Draft Report – minor changes with some agreed actions drafted	Danika Brown	Janna Burnham
21.11.24	1.0	Final Report	Danika Brown	Janna Burnham
27.11.24	1.0	Final Report – with management comments	Danika Brown	Janna Burnham

1. Executive Summary

1.1 Objectives

The objective of this audit was to review the effectiveness of CHB's volunteer management processes and controls. The audit was intended to assess the effectiveness of CHB's approach to volunteer management against better practice. This included reviewing:

- the efficiency and effectiveness of volunteer recruitment, onboarding, training and supervision processes
- information and support for the volunteer, Volunteer Coordinators and the Volunteer Services Coordinator
- the effectiveness of volunteer performance management and evaluation processes, and
- the adequacy of volunteer recognition and appreciation initiatives.

For the full scope of this engagement, see **Appendix 1**.

1.2 Relevant Strategic Risks

This audit was in line with CHB's strategic risk:

- *Poor or ineffective community service delivery.*

1.3 Good Practices Observed

The following good practices were observed throughout this audit:

- ✓ The Volunteering Services Coordinator and all the Volunteer Program Coordinators demonstrated a strong passion and commitment to their volunteers.
- ✓ Overall, majority of the 89 volunteer respondents to an online survey reported feeling satisfied with their volunteering experience, including induction, training, recognition/appreciation and support. For online survey results, see **Appendix 6**.
- ✓ All Volunteer Program Coordinators reported strong support and advice from the Volunteering Services Coordinator when required.
- ✓ CHB have a waitlist of volunteers waiting for positions to become available for some programs.
- ✓ The Better Impact system is used to support management of volunteers – including holding contact details, tracking interactions and training.
- ✓ All Volunteer Program Coordinators demonstrated that they conduct local program-specific site inductions.
- ✓ All Volunteer Program Coordinators reported strong relationships with the volunteer team.

1.4 Key Findings and Recommendations

Based on the work undertaken, and when considering the design and/or effectiveness of controls collectively, we conclude that the control environment in managing the strategic risk '*Poor or ineffective community service delivery*' is **majority effective**.¹

This rating is reflective of the established structure used at Council to manage volunteers and the near-universal positive feedback volunteers provided regarding their experience at CHB. Findings are indicative of areas for improvement and strengthening, however Internal Audit do not consider that they would materially impact the quality of community service delivery. All Volunteer Program Coordinators provided positive feedback around the support and advice provided from the Volunteering Services Coordinator when required. Approximately 290 volunteers participate across CHB's eight volunteer programs. Internal Audit consider that this high amount of participation is a positive reflection on Council's approach to managing volunteers. This report includes nine recommendations with the aim of continuous improvement.

Key audit findings/opportunities for improvement were around:

- confirming the intended strategic direction for volunteers
- confirming adequacy/completeness of WHS procedures and documents
- reconfirming governance arrangements between Alwyndor and CHB around volunteers, and
- updating operational documents relating to the Volunteering Services Coordinator role.

Galpins would like to thank the staff and volunteers involved in this audit.

Recommendations are **summarised** over page.

¹ Please refer to **Appendix 2, Overall Control Effectiveness Ratings** for further information.

Finding	Summary of Recommendation	Audit Risk Rating	CHB Risk Rating	Expected Completion Date
3.1 Strategic direction for volunteering at CHB	Recommendation 1: Confirm the intended strategic direction for volunteers.	Medium (C2)	Medium (C2)	Dec 2025
3.2 Recruitment and onboarding processes	Recommendation 2: Update the Volunteer Handbook.	Medium (C2)	Medium (C2)	Feb 2025
3.3 WHS for volunteers	Recommendation 3: Review WHS Induction Form.	Medium (C2)	Medium (C2)	Jun 2025
	Recommendation 4: Confirm forward intention of volunteers' use of plant and equipment.	Low (A3)	Low (A3)	Mar 2025
3.4 Clarity of roles / responsibilities between CHB and Alwyndor	Recommendation 5: Reconfirm procedures for management/governance of volunteers between CHB and Alwyndor.	Medium (C3)	Medium (C3)	Mar 2025
	Recommendation 6: Confirm the model for offering Personal Transport is still within Council's risk appetite.	Medium (C3)	Medium (C3)	Mar 2025 Jun 2025
3.5 Support for volunteers and staff	Recommendation 7: Update the Operations Manual and consider training a back-up for periods of leave for the Volunteering Services Coordinator role.	Medium (C3)	Medium (C3)	Dec 2024
	Recommendation 8: Consider a hybrid delivery model for volunteer training.	Low (B2)	Low (B2)	Mar 2025
3.6 Volunteer recognition and appreciation	Recommendation 9: Consider offering alternative forms of appreciation to volunteers.	Better Practice	Better Practice	Dec 2024
	Recommendation 10: Clarify budget lines available for volunteer management.	Better Practice	Better Practice	Mar 2025
3.7 Volunteer performance management and evaluation	Recommendation 11: Clarify processes to manage unsatisfactory volunteer performance.	Low (B2)	Low (B2)	Feb 2025
	Recommendation 12: Consider including reporting around volunteers in quarterly Senior Leadership Team meetings.	Better Practice	Better Practice	Mar 2025 (ongoing)

2. Background

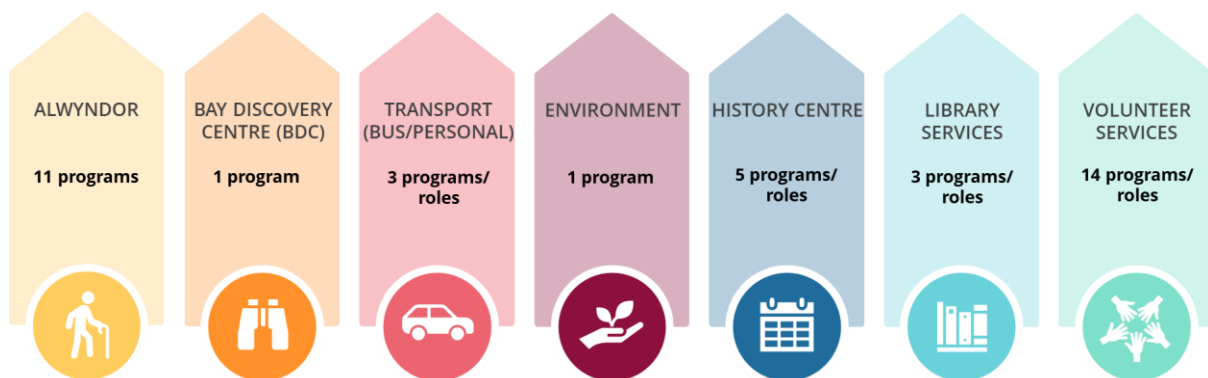
As part of the City of Holdfast Bay’s (CHB) internal audit program for 2024-25, a review of volunteer management was included for audit.

Volunteer management is an important function within CHB. CHB has approximately 290 volunteers across a range of programs. CHB’s 2022-23 Annual Report noted that these volunteers contributed 59,328 hours across their respective programs, equating to approximately \$2.76 million in economic value.

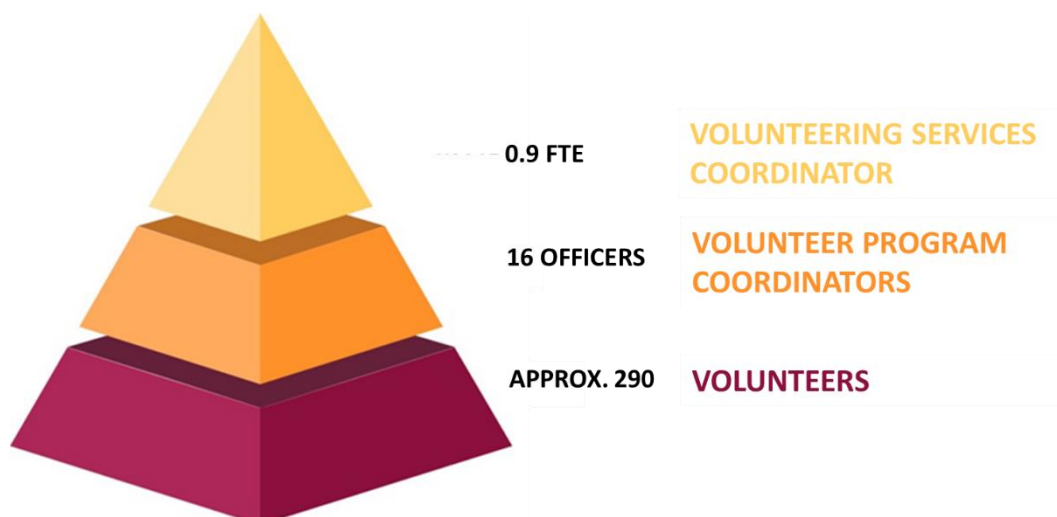
The effective management of volunteers plays a role in allowing CHB to achieve objectives, maintain a strong reputation and provide enhanced and supportive services within the community.

According to CHB’s website, “Volunteering helps create and maintain a thriving community, improving individual wellbeing and providing opportunities for self-expression.” To ensure the best outcomes for CHB and a positive experience for volunteers, it is important that volunteers are managed in line with better practice principles.

CHB is fortunate to currently have 38 different volunteer programs/roles across seven areas:



At the time of audit, 290 volunteers were involved within these programs. CHB has one Volunteering Services Coordinator supported by 16 Volunteer Program Coordinators, responsible for managing and overseeing the volunteers and their activities within CHB. This is summarised in the infographic below.



3. Detailed Findings and Recommendations

3.1 Strategic direction for volunteering at CHB

Key Findings

- There is opportunity to confirm the strategic intention and direction for volunteer management at Council.

Discussion

As background to enable review of volunteer management at CHB, Internal Audit (IA) aimed to understand strategic intention around volunteers. For example, to understand if the status quo of programs offered is anticipated to remain as is, or if there is a desire for change. In summary:

- Volunteers are not currently specifically reflected in the *Our Holdfast 2050* Strategic Plan (update due for release), although some programs such as the Bay Discovery Centre are reflected.
- Staff reported that volunteers would be captured under the 'Wellbeing' theme within the Strategic Plan, however this would be more fully explored within an anticipated upcoming Community Wellbeing Strategy.
- One stakeholder reported a strong desire to grow the volunteer offering within CHB, and for CHB to potentially act as a conduit for volunteering across the City – inducting volunteers for a range of organisations and promoting volunteering for the benefit of the City.

IA found that the intention for future volunteering at CHB is in need of clarification. This context is important as it will guide ongoing effort and activities.

See **Recommendation 1** over page.

Risk Exposure

- Misalignment of strategic intent for volunteer management and staff members' understanding of future direction may create misunderstanding around the resources and effort intended to be applied to the area.

Recommendation 1	Confirm and document CHB's intended strategic direction for volunteers – for example: <ul style="list-style-type: none"> ▪ if the status quo is considered reasonable ▪ if there is a desire to grow the function, and ▪ if there is appetite/interest in acting as a conduit for volunteering across the City. 		
Descriptor	Reputation, Service Delivery		
IA Risk Rating	Medium (C2)	CHB Risk Rating	Medium (C2)
Agreed Actions	Agreed. This will be specifically addressed in the upcoming Wellbeing Strategy and associated Volunteer Action Plan.		
Action Officer	General Manager Community & Business		
Target Date	31 December 2025		

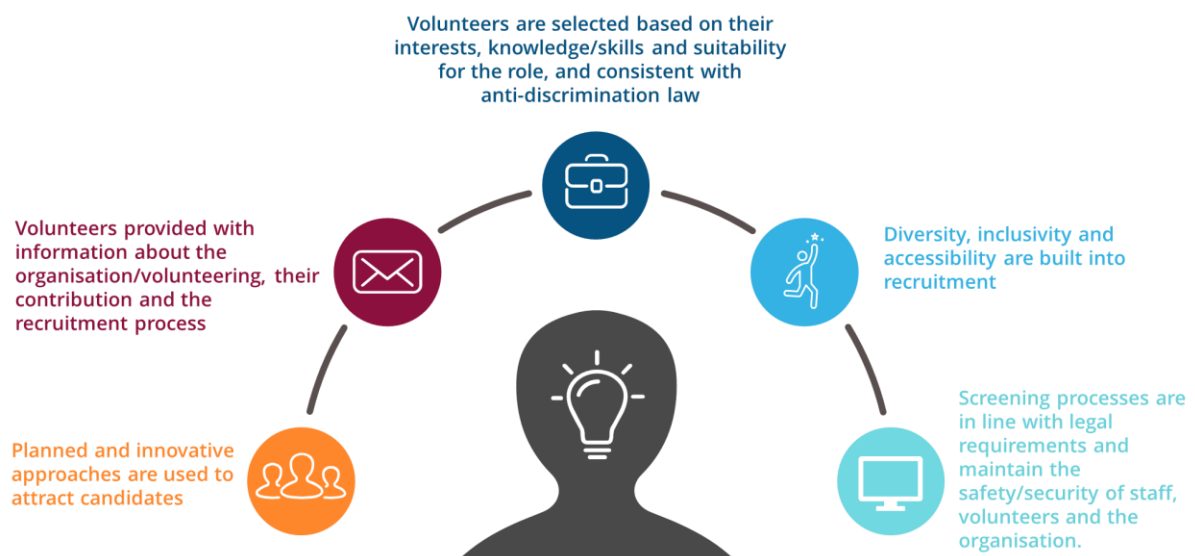
3.2 Recruitment and onboarding processes

Key Findings

- In the online survey, 87% of volunteer respondents reported feeling satisfied with the induction/onboarding process and training opportunities provided throughout their role.
- There is a need to ensure induction material is up to date.

Discussion

The audit scope called for an assessment of the efficiency and effectiveness of volunteer recruitment, onboarding and training. Better practice calls for recruitment to be equitable and for diversity to be valued. The specific elements of better practice around recruitment are outlined in the infographic below.



Recruitment of Volunteers

The *National Standards for Volunteer Involvement* outlines that planned and innovative approaches should be used to attract volunteers with relevant interests, knowledge, skills or attributes. CHB's recruitment process is led by the Volunteering Services Coordinator (VSC), with vacancies posted on CHB's website. CHB reported sufficient applications, and in the online survey, 94% of volunteer respondents reported being either 'very satisfied' or 'satisfied' with the application process. In addition:

- ✓ The VSC demonstrated a strong vetting process when recruiting volunteers, to ensure candidates appropriately align to the vacant roles.
- ✓ Interviews are conducted in a 1:1 meeting.
- ✓ The VSC also completes police checks for volunteers as required.
- ✓ Six of six interviewed Volunteer Program Coordinators reported that the volunteers matched to their programs were appropriate for the positions available.

- ✓ All volunteer respondents in the online survey reported being either ‘very satisfied’ or ‘satisfied’ with the initial interview for their role.

General and Program-Specific Induction

The VSC holds volunteer induction sessions fortnightly. There is approximately a four to six week turnaround for the volunteer program induction. Support for this role is discussed in **section 3.5**. During these sessions, the VSC provides an Induction Pack and outlines general responsibilities and expectations of volunteers, as well as the relevant policies, position descriptions and other guidance documents.

Volunteers also undergo a volunteer program induction and a work health safety (WHS)/site-specific induction. In the induction, Volunteer feedback around induction is summarised in the table below:

Process	Volunteer feedback (via online survey)
Induction	<ul style="list-style-type: none"> 87% reported feeling ‘very satisfied’ or ‘satisfied’ with volunteer program induction/training provided by the VSC. 87% reported feeling ‘very satisfied’ or ‘satisfied’ with the WHS/site-specific induction/training provided by the Volunteer Program Coordinator. Two volunteer respondents reported a desire for quicker turnaround for initial interview and/or induction training.

IA found that the Volunteer Handbook is due for update. As this is a key document that volunteers refer to, it is important that the information included is up to date. Although the Volunteer Handbook references WHS/incident forms, it does not fully outline CHB’s WHS policies and/or requirements. See **Recommendation 2**.

Risk Exposure

- Outdated induction documentation may mean that volunteers do not have appropriate induction to their roles.

Recommendation 2	Update the Volunteer Handbook and ensure that it references current information. In addition, ensure that it reflects all relevant WHS requirements. <i>Note – this may occur online via the Better Impact Portal – see also Recommendation 8. Project resources may be considered to assist in achieving this recommendation.</i>		
Descriptor	Reputation, Service Delivery		
IA Risk Rating	Medium (C2)	CHB Risk Rating	Medium (C2)
Agreed Actions	Agreed. Volunteer handbook to be updated with relevant WHS requirements.		
Action Officer	Volunteer Services Coordinator		
Completion Date	28 Feb 2025		

Volunteers are also given opportunities to upskill through additional training. Further training opportunities are dependent on the volunteer role and available budget. Volunteer Program Coordinators reported checking in with their volunteers regularly to get assurance that they are appropriately supported and engaged within the role or if there is opportunity for further development. It was also reported that additional training is provided based on budget and volunteer desire/availability. Volunteer feedback around on-site/WHS initial training and additional training is summarised in the table below:

Process	Feedback
Training	<ul style="list-style-type: none"> ▪ 90% reported feeling 'very satisfied' or 'satisfied' with initial training. ▪ 74% reported feeling 'very satisfied' or 'satisfied' with additional training offered.

Based on the findings above, there are no recommendations around additional training provision.

For further discussion around a hybrid delivery model for training for volunteers, see **section 3.5**.

3.3 Work Health Safety (WHS) for volunteers

Key Findings

- IA experienced difficulty in gaining a full understanding of WHS processes in relation to volunteers. Positively, each program reported local WHS inductions for volunteers.
- There is opportunity to review the WHS Induction Form and to consider including program-specific requirements.
- There is a need to confirm the forward-intention around volunteers using plant and equipment as part of their role/program and developing SOPs if required.

Discussion

IA experienced difficulty in understanding the overall process around WHS, as well as gaining assurance that volunteers' safety was adequately protected across all volunteer programs. It is important to note that:

- ✓ general volunteer induction covers some WHS requirements, including incident reporting processes, and
- ✓ there is a local induction to each site.

On-site WHS Induction

Following the corporate induction, all 6 of 6 interviewed Volunteer Program Coordinators reported contacting the volunteer and meeting them at the site of their program for induction. During this program-specific induction, the volunteers learn about the known hazards on site and the general WHS provisions on site. This induction is guided by the *WHS Induction Form – Volunteers*. This is a general form and was reportedly used across all the programs within the audit sample. During interviews with Volunteer Program Coordinators:

- one interviewee reported a desire for the WHS Induction Form to include more program-specific triggers, and
- another interviewee expressed an opportunity and desire for these forms to include vehicle-specific provisions.²

See **Recommendation 3**.

Risk Exposure

- Using general forms for WHS inductions may mean that program-specific requirements are not appropriately explained and understood, leading to potential misuse of vehicles/equipment and/or poor performance/safety provisions.

² Specifically for the community buses and parts of the vehicle that are needed for specific volunteer roles, such as wheelchair lifters.

Recommendation 3	Review the WHS Induction Form and consider linking to program-specific requirements, to ensure all high-risk WHS elements of volunteer roles are appropriately discussed, explained and understood.		
Descriptor	People Safety		
IA Risk Rating	Medium (C2)	CHB Risk Rating	Medium (C2)
Agreed Actions	Agreed. This will be reviewed in conjunction with CHB's new WHS Business Partner.		
Action Officer	Manager Community Wellbeing, Volunteer Services Coordinator		
Completion Date	June 2025		

Use of Plant and Equipment (P&E)

Volunteers are currently not able to use power tools, plant or machinery. IA note that this is under consideration, and that volunteers at other organisations are able to use some plant and equipment. If a decision is made to enable volunteers to use plant/equipment, Safe Operating Procedures (SOPs) would be required to be developed. The responsibility for developing these documents is likely to be assigned to the VSC.

For audit purposes, one SOP was sighted only (in relation to a wheelchair lifter for the community bus), as well as some task risk assessments and work instructions. There is potential to confirm CHB's forward intention regarding the use of plant and equipment by volunteers. It is important to note that the development of SOPs is a specialised task and can involve some knowledge/complexity. Staff may require assistance in developing these. See **Recommendation 4**.

Risk Exposure

- A lack of appropriate SOPs for plant and equipment used by volunteers may lead to potential misuse of plant/equipment and/or injury.

Recommendation 4	Confirm the forward-intention around: <ul style="list-style-type: none"> ▪ volunteers using P&E as part of their role/program, and ▪ developing SOPs if required. 		
Descriptor	People Safety		
IA Risk Rating	Low (A3)	CHB Risk Rating	Low (A3)
Agreed Actions	Agreed. This is also important in the context of Council now managing community centres. Staff will confirm forward intention and develop a RACI model as part of the development of the Sustainable Operating Model for community centres.		
Action Officer	Manager Community Wellbeing / Community Development Coordinator		
Completion Date	31 March 2025		

3.4 Clarity of roles / responsibilities between CHB and Alwyndor

Key Findings

- The *Brokerage Agreement Commonwealth Home Support Services Program (CHSP): Transport* outlines the basic agreement in place between CHB and Alwyndor.
- There is a need to reconfirm and further document elements of governance between CHB and Alwyndor relating to volunteers.
- Currently, volunteers use their own vehicle to provide personal transport and are reimbursed by Council for mileage. There is opportunity to review/confirm the current settings for this program.

Discussion

CHB and Alwyndor have a Brokerage Agreement in place for the Commonwealth Home Support Services Program (CHSP) Transport service.³ This outlines Alwyndor as the Provider and CHB as the Contractor for the service. Alwyndor receives CHSP transport funding, they retain a 10% administration fee and the residual is paid to CHB to provide transport services. Opportunities for improvement to assist in strengthening the clarity of roles/responsibilities are discussed below.

Opportunity to include additional information/context in the Brokerage Agreement

In the Brokerage Agreement, ‘Annexure A – Fees and Services’ summarises the funding, services and outputs for CHSP Transport (see below). This is the only Agreement in place for Transport between CHB and Alwyndor. No further funding breakdown is included and limited additional detail around the services provided for Transport are provided within the Agreement.

Annexure A – Fees and Services

Services CHSP Transport:

*minimum outputs of 80% are required per quarter for Payment minus 10% for administration. If minimum outputs are not met, payment per quarter will be reduced on a pro-rata basis in accordance with the CHSP guidelines.

Activity Name	Funding (ex GST)	Outputs
	2023-24	2023-24
**CHSP Transport	\$254,793.28	*12178
Less 10% administration fee	\$25,479	
Total Funding & Outputs	\$229,314.28	12178

** Federal Government funding changes may impact this agreement in which case it will be amended accordingly.

Audit understand that CHB and Alwyndor have recently updated their Community Transport Service Growth (CHSP Output) estimates for the 2024-25 and 2025-26 financial years.

³ Note – Alwyndor also have other volunteer programs. Volunteers are screened/provided via CHB.

Responsibility of police checks

Within this Agreement, it is outlined that CHB is responsible for ensuring police check renewals are completed every three years.⁴ It was reported, however, that Alwyndor now manage police checks for Alwyndor’s volunteers.⁵ As of September 2024, Better Impact reports showed:

- 10 CHB volunteers had police checks overdue for renewal,⁶ and
- three Alwyndor volunteers had police checks overdue for renewal.

IA consider this is indicative of a need to confirm detail of ongoing management and oversight around the CHSP programs. See **Recommendation 5**.

Risk Exposure

- Having limited documentation of expectations around roles/responsibilities and governance of volunteers between CHB and Alwyndor may create gaps/lack of clarity.

Recommendation 5	Continue work to reconfirm procedures for managing and governance of volunteers between CHB and Alwyndor. This may include, but not be limited to: <ul style="list-style-type: none"> ▪ each team’s roles/responsibilities ▪ expectations around record keeping, initial induction, customer service and ongoing management of volunteers ▪ reporting to e.g. the Senior Leadership Team/Alwyndor leadership ▪ details of the specific Transport services provided ▪ agreed approach to the management of WHS, and/or ▪ additional contextual information around the relationship between CHB and Alwyndor and CHSP. This may be documented separately or included in the next iteration of the Brokerage Agreement for CHSP Transport.		
Descriptor	Service Delivery, Business Impact		
IA Risk Rating	Medium (C3)	CHB Risk Rating	Medium (C3)
Agreed Actions	Agreed. This will be achieved via a working group to address the recommendation, and the Brokerage agreement will subsequently be updated (e.g. RACI/testing what is in the Agreement).		
Action Officer	General Manager Community and Business / Alwyndor General Manager & Manager Community Wellbeing		
Completion Date	31 March 2025		

⁴ City of Holdfast Bay, 2023, *Brokerage Agreement Commonwealth Home Support Services Program (CHSP): Transport*, section 14.2, pg. 13.

⁵ IA received anecdotal feedback of Transport volunteers being contacted directly by Alwyndor regarding outstanding police checks. It was reported that some volunteers expressed strong concern as their contact details were obtained by Alwyndor without their knowledge/consent.

⁶ All 17 instances had notes advising that renewal forms were emailed to the volunteers. Seven out of 10 were outstanding due to the volunteers being on leave/holidays.

Personal Transport Services

IA were specifically asked about risks around drivers using their own vehicles to provide Personal Transport services. It is common for councils to seek volunteers to use their personal vehicles and support residents by enabling access to medical/health related appointments, shopping and social activities.⁷ Some councils ask volunteers to use their own vehicles, and others provide vehicles to be used by volunteers.⁸ IA found:

- A Task Risk Assessment has been developed in relation to Personal Transport Services using personal vehicles. IA note that this is current, however was not co-signed by the Work Health and Safety Officer.
- Drivers are required to have comprehensive car insurance, a current drivers' licence and other relevant accreditation including first aid training.
- Some councils, particularly those with council-owned vehicles, create Safe Work Method Statements (SWMS) in relation to personal transport services.

IA consider that it is an internal decision around the structure of the Personal Transport program.

Current Entitlements for Personal Transport Drivers

CHB currently aim to reimburse Personal Transport volunteers on a mileage basis. CHB's policy is to also pay the gap for any relevant insurance claims. This is outlined in section 2.26.2 of the *Volunteer Induction Handbook*. The current value threshold for reimbursements is currently \$250, however IA understand that the Volunteer Policy has recently been updated and is in draft, pending approval. In this updated version, there is no value threshold for claim reimbursements for volunteers.

See **Recommendation 6** over page.

⁷ For example – City of Adelaide, Campbelltown City Council.

⁸ For example – City of Burnside, Mt Barker District Council.

Risk Exposure

- Council misses the opportunity to consider and confirm and/or change the approach to offering personal transport services.

Recommendation 6	Review the Personal Transport Services program and confirm whether the current offering of services via personal cars is still within Council’s risk appetite. In addition, consider whether Safe Operating Procedures are required for ongoing Personal Transport drivers.		
Descriptor	People Safety, Service Delivery		
IA Risk Rating	Medium (C3)	CHB Risk Rating	Medium (C3)
Agreed Actions	Agreed. This will be specifically considered in line with the update to the Wellbeing Strategy. In advance of this, in the first instance staff will work with the Risk and Improvement Officer to conduct a risk assessment of this program. A SOP will be developed.		
Action Officer	<ul style="list-style-type: none"> ▪ Wellbeing Strategy – Manager Community Wellbeing to lead ▪ Risk Assessment – Personal Transport Program Coordinator to lead ▪ SOP – Personal Transport Program Coordinator to lead 		
Completion Date	Wellbeing Strategy – 30 June 2025 Risk Assessment – 31 March 2025 SOP – 31 March 2025		

3.5 Support for volunteers and staff

Key Findings

- Overall positive feedback from volunteers via the online survey around the level of support provided to their role by the Volunteer Program Coordinators.
- Taking a proactive approach to corporate knowledge retention around the Volunteering Services Coordinator (VSC) role may assist in maintain business continuity/support during periods of leave.

Discussion

The audit scope called for a review of the information and support available to the volunteers, Volunteer Program Coordinators and the VSC. Better practice calls for:

- responsibilities for leading, managing and engaging volunteer participation to be defined and supported
- volunteering programs to be supported by adequately resourced volunteer managers/officers, with resources (including time, funds, equipment and technology) allocated for volunteer involvement
- volunteers to be engaged with throughout their time and provided with supervision and support that enables them to participate fully, and
- staff with responsibilities for volunteers to have sufficient time and resources to engage with and provide appropriate and required support.

Each volunteer program offered at CHB has an allocated Volunteer Program Coordinator, with responsibilities for volunteer management outlined in Position Descriptions.

Volunteers

Overall, the feedback provided from volunteers through the online survey around support provided was positive:

- when asked *'Do you feel you have enough information and support in your role as a volunteer?'* 96% reported 'yes' or 'mostly',
- 95% reported that Volunteer Program Coordinators were either 'very effective' or 'effective' at managing questions/concerns, and
- 98% of volunteers reported that they would report any concerns to either the Volunteer Program Coordinator, the VSC or other Council staff.⁹

⁹ Audit note that 57 volunteers (64%) answered the question, and 32 volunteers (36%) skipped the question *'If you have any concerns in relation to your volunteering role/team, who would you approach? Would you feel comfortable to raise concerns?'*

Volunteering Services Coordinator – Workload

The VSC currently oversees the management of almost 300 volunteers within 0.9 FTE. The role requires a large amount of face-to-face interaction with the volunteers (e.g. conducting interviews and onboarding training sessions).

- ✓ 87% of volunteer respondents to the online survey reported feeling ‘very satisfied’ or ‘satisfied’ with volunteer program induction/training provided by the Volunteering Services Coordinator.
- ✓ One volunteer commented that the VSC was very approachable and welcoming during the interviews and induction process.

Within the positive context above, the VSC reported a desire to achieve more, and reported some challenges in meeting tasks within preferred timeframes– for example: responding to emails and applications, completing inductions, conducting additional training and updating documentation. Previously, additional part-time FTE was in place to support the role.

IA consider that there is opportunity to consider efficiencies to support the VSC (see further below), however have observed that the nature of the role across councils is to have a client and face to face focus. There is also capacity to consider, particularly within the context of the intended direction for volunteering within CHB (see **Recommendation 1**) whether additional resources could further support the role. See **Recommendation 7**.

Volunteer Program Coordinators – Time available to appropriately manage volunteers

During interviews, four out of five Volunteer Program Coordinators reported having sufficient time throughout the week to manage their volunteers. One Volunteer Program Coordinator expressed that support is always provided to their volunteers; however, some admin tasks do not always get completed in a timely manner.¹⁰ All five Volunteer Program Coordinators demonstrated a strong understanding of the importance of supporting their volunteers, and also reported that they make the time to check in with their volunteers regularly. This is confirmed via the positive feedback received from volunteers.

Volunteering Services Coordinator – Support

The Volunteer Program Coordinators and volunteers reported that the VSC is very welcoming and approachable when further guidance is required. IA found that there is no formal succession plan in place for the Volunteering Services Coordinator role, however one staff member has recently been asked to step into the role whilst the VSC is on leave. In addition, there is a reported work practice within the Wellbeing team to ‘back each other up’ as required. At the commencement of the audit, it was reported that when the VSC takes leave, external links to Better Impact (i.e. links to apply for volunteer positions) are closed and day-to-day operational tasks do not get completed, as there is no acting position for this role. See **Recommendation 7** over page.

¹⁰ Examples provided include handing out certificates to volunteers that do not attend the annual events and the annual performance reviews.

Risk Exposure

- Lack of back up for the Volunteer Coordinator role may mean that important functions and support is not provided to volunteers and their supervisors when this officer is on leave.

Recommendation 7	To reduce the risk of loss of knowledge for the Volunteering Services Coordinator (VSC) role: <ul style="list-style-type: none"> ▪ ensure the Operations Manual for the VSC role is up to date so VSC tasks can continue to be completed during periods of leave/absence, and ▪ continue work to train a back-up officer in the role, for stronger coverage during periods of leave. 		
Descriptor	Business Impact, Service Delivery		
IA Risk Rating	Medium (C3)	CHB Risk Rating	Medium (C3)
Agreed Actions	Agreed. The VSC was on leave through October/November 2024 and a back-up officer has been trained in the role. On an ongoing basis, the broader members of the Community Wellbeing Team will also have access to the Volunteering Services inbox and Better Impact system, to provide ongoing support to the VSC.		
Action Officer	Manager Community Wellbeing		
Completion Date	31 December 2024		

Opportunities for efficiencies – Hybrid training delivery model

As part of the scope, IA aimed to offer improvement opportunities as identified. The Better Impact system is used to help manage volunteers, and this is used well across programs– storing contact information, details about training, a basis for group messaging and a range of other functionality.

Better Impact also has functionality offer online training, or a hybrid delivery model made up of online training and face-to-face delivery. It allows organisations to upload their own online training material to the system for volunteers to access and complete.

Given that volunteers often participate due to a desire to build meaningful relationships and connection, IA see the need for some ongoing face to face contact. Opportunity may exist, however, to streamline the induction and training process via use of some online training.

There may be appropriate skill set within CHB to digitise elements of the current training material in-house. Consideration, however, would need to be made as to whether project resourcing is required to translate current on-boarding/induction material into online content. Development of online training also takes time, and materials must be kept up to date. See **Recommendation 8**.

Risk Exposure

- The time/resources required to facilitate face to face training may lead to other elements of volunteer management being actioned within an inappropriate timeframe.

Recommendation 8	Consider implementing a hybrid delivery model for volunteer training, using training functionality within Better Impact. When considering this, ensure volunteers and relevant staff are offered opportunity to provide feedback/input.		
Descriptor	Business Impact, Reputation		
IA Risk Rating	Low (B2)	CHB Risk Rating	Low (B2)
Agreed Actions	Agreed. To consider project resources to assist in delivering this. A decision paper and associated timelines will be presented back to the Audit and Risk Committee.		
Action Officer	Manager Community Wellbeing, supported by Acting Manager Strategy & Governance		
Completion Date	31 March 2025		

3.6 Volunteer recognition and appreciation

Key Findings

- Volunteer efforts are formally recognised through Council's annual National Volunteer Week function and an end of year/Christmas celebration.
- More than 75% of volunteer respondents reported feeling 'very well recognised and appreciated' via the appreciation/recognition initiatives provided across CHB.
- There is merit in considering offering alternative tangible forms of appreciation for the volunteers who decline an invite to the annual volunteer events and to clarify budget lines relating to volunteer management.

Discussion

The audit scope called for a review of the adequacy of volunteer recognition and appreciation initiatives. The recognition of volunteer effort is an important part of volunteer management. Appreciation and recognition can assist in developing and maintaining positive relationships with volunteers, ensuring they feel valued for their efforts. Better practice includes:¹¹

How volunteers add value to the organisation and the community is clearly understood.



Volunteer effort is measured and acknowledged in the organisation's reporting and used to demonstrate impact.



The organisation regularly engages with volunteers about the impact of their contribution.



Volunteer acknowledgement is appropriate to the volunteer and respectful of cultural values and perspectives.



Volunteer recognition/acknowledgement via annual events

CHB's *Volunteer Recognition Procedure* outlines the events offered formally to recognise CHB volunteers. These annual events include:

- an event during National Volunteer Week, and
- an end of year celebration.

Volunteers are also recognised for achieving milestone years. In the online survey, 78% of respondents felt 'very well recognised and appreciated' at the Christmas/end of year functions and recognition

¹¹ Volunteering Australia, 2024, *National Standards for Volunteer Involvement*, pg. 25, URL: www.volunteeringaustralia.org/wp-content/uploads/National-Standards-for-Volunteer-Involvement-2024.pdf.

ceremonies. Audit note that one respondent skipped this question. All Volunteer Program Coordinators interviewed also provided positive feedback about these events, as they provide an opportunity for the volunteers to socialise together as a large group. To receive this larger-scale recognition and appreciation of effort, however, volunteers must attend these events.

During interviews, it was reported that there have been volunteers that do not attend the annual volunteer events as they do not feel comfortable in large social settings. It is important to consult volunteers on appropriate acknowledgement, as this means different things to different people.

See **Recommendation 9**.

Risk Exposure

- A potential risk for volunteers that are less comfortable in large social settings to feel undervalued and to disengage with the volunteer programs.

Recommendation 9	Consider offering alternative forms of appreciation for the volunteers who decline an invite to the annual volunteer events. This may help volunteers that are less comfortable in large social settings to feel acknowledged and recognised.		
IA Risk Rating	Better practice	CHB Risk Rating	Better practice
Agreed Actions	Agreed. A suite of alternative appreciation options including small gifts, certificates, and thank-you coffee mornings to be offered to volunteers who cannot attend events.		
Action Officer	Volunteer Services Coordinator		
Completion Date	31 December 2024		

Volunteer recognition/acknowledgement via day-to-day gestures

All Volunteer Program Coordinators demonstrated a strong understanding of the importance of recognising and acknowledging the time and effort volunteers put into their role. Volunteer Program Coordinators reported implementing their own ways of recognising volunteer efforts on a more informal, regular basis. These gestures include:

- verbal thanks
- newsletters
- nominations for awards
- chocolates (for special occasions)
- cards, and
- vouchers.

In the online survey, 86% of volunteer respondents reported feeling that their work is ‘very well recognised and appreciated’ on a day-to-day basis. Statistics on volunteer involvement, including

number of volunteers, hours contributed and conversion to economic value are also reported within CHB’s Annual Report.¹²

Budget for volunteer recognition/appreciation

When asked about budget allocation for volunteer appreciation/recognition:

- three out of six Volunteer Program Coordinators reported having specific budget lines for volunteer management. This was reportedly used to fund ad-hoc purchases (i.e. small recognition/appreciation gestures) and the annual volunteering recognition events.
- one out of six Volunteer Program Coordinators reported that there is a budget that goes towards the annual volunteering recognition events, but no budget specifically for recognition/appreciation gestures.
- one out of six Volunteer Program Coordinators reported being aware of a budget for volunteer management but was unsure of how much is allocated to this budget, and
- one out of six Volunteer Program Coordinators reported that they have no specific budget line for volunteer management.¹³

Although there is opportunity to provide further clarity around volunteer-related budgets, all Volunteer Program Coordinators were able to provide examples of recognition/appreciation gestures provided to their volunteers outside of the annual events. See **Recommendation 10**.

Risk Exposure

- If staff are unaware of the budget available for volunteer management, opportunities for providing further support/recognition may be missed.

Recommendation 10	Clarify with Volunteer Program Coordinators (including Alwyndor) the appropriate budget to be allocated to volunteer management, and principles/expectations around appropriate spend (e.g. training, networking, appreciation/recognition gestures etc.) <i>Note – Budget is held at Program level, the intent of the recommendation is to support the Volunteer Program Coordinators and assist in ensuring a consistent understanding of budget available for volunteer management.</i>		
IA Risk Rating	Better Practice	CHB Risk Rating	Better Practice
Agreed Actions	Agreed. CHB and Alwyndor will review ways to clarify volunteer management budget (operational, engagement, recognition, training and development etc) that aligns with goals and expectations.		
Action Officer	Manager Community Wellbeing		
Completion Date	31 March 2025		

¹² City of Holdfast Bay, 2023, *Annual Report 2022-23*, pg. 12 via URL: <https://www.holdfast.sa.gov.au/assets/general-downloads/Council/Annual-Business-Plans-and-Reports/Annual-Report-2022-23-web-version.pdf>

¹³ It was reported that any spend required for volunteer management comes out of a larger department budget.

3.7 Volunteer performance management and evaluation

Key Findings

- 92% of volunteers that responded to the online survey reported that CHB manage either volunteers 'very effectively' or 'effectively'.
- Volunteer Program Coordinators reported few instances of needing to manage volunteer performance during their time in the role.
- Internal Audit (IA) consider that the reported processes for managing volunteer performance are sufficient, with the VSC becoming involved as needed.

Discussion

The audit scope called for a review of the effectiveness of volunteer performance management and evaluation processes. Better practice calls for volunteer performance or misconduct issues to be promptly identified, recorded and addressed in line with the organisation's policies and practices.¹⁴ The documents that outline CHB's expectations around volunteer performance includes:

- Volunteer Code of Conduct
- Volunteer Management Procedure, and
- Volunteer Policy.

These documents are provided to volunteers during their corporate induction in the *Volunteer Induction Handbook*.

Volunteer performance evaluations are based on CHB's *Volunteer Mutual Review* form. These performance evaluations are completed after completion of the probationary period (usually 3 months) and then annually thereafter. They can also be carried out as a response to incidents of poor performance. These performance reviews are conducted by the Volunteer Program Coordinator with the volunteer. The process and timeframes around managing unsatisfactory volunteer performance is not outlined in a stand-alone process/procedural document.

The process for managing unsatisfactory performance for volunteers

Audit understand that performance management is not often required for volunteers. One instance was mentioned by a Volunteer Program Coordinator. In this instance, the Volunteer Program Coordinator sought support from the Volunteer Services Coordinator (VSC), who facilitated a face-to-face meeting and documented the discussion/outcome. Audit confirmed with People and Culture (P&C) that this approach to volunteer performance management is appropriate. In the online survey, 92% of volunteer respondents reported that CHB manage the performance of volunteers either 'very effectively' or 'effectively'.

¹⁴ Volunteering Australia, 2024, *National Standards for Volunteer Involvement*, pg. 23.

During interviews, Audit found that:

- three out of five Volunteer Program Coordinators were unsure if there were any formal processes/procedures and documented guidance in place around managing unsatisfactory volunteer performance, and
- all Volunteer Program Coordinators reported that if these situations came up, they would go to the VSC for guidance.

See **Recommendation 11**.

Risk Exposure

- Volunteer Program Coordinators may not be confident in what process to follow when needing to manage unsatisfactory performance from volunteers, as it is not often required.

Recommendation 11	Clarify and document the process to be followed for any future instances of unsatisfactory performance from volunteers. Ensure expectations around timeframes and documentation/record requirements are included in this guidance document. <i>Note – Audit have found that another council within metropolitan South Australia used their staff performance management process as a guide when developing/documenting their process for volunteers.</i>		
Descriptor	Service Delivery		
IA Risk Rating	Low (B2)	CHB Risk Rating	Low (B2)
Agreed Actions	Agreed. Stronger support from P&C to Volunteer Coordinator. Volunteer Coordinator to train/support program coordinators.		
Action Officer	Volunteer Services Coordinator		
Completion Date	28 February 2025		

Reporting on volunteer performance

Better practice also calls for volunteering to be embedded in leadership, governance and culture.¹⁵ Audit understand that data on volunteer involvement is reported to Council and the community via CHB’s Annual Report. Data within this report includes number of volunteers, hours contributed and conversion to economic value. During interviews with key stakeholders, there was a reported desire for quarterly reporting to the Senior Leadership Team around volunteers.

See **Recommendation 12** over page.



¹⁵ Volunteering Australia, 2024, ‘National Standards for Volunteer Involvement’, pg. 8.

Recommendation 12	<p>Consider incorporating reporting around volunteering, including performance as needed at quarterly Senior Leadership Team (SLT) meetings. This may assist in further embedding volunteering in leadership, governance and culture at CHB. Topics/areas of interest could include:</p> <ul style="list-style-type: none"> ▪ WHS incidents/trends ▪ complaints/feedback ▪ key achievements, and/or ▪ annual performance review results. <p><i>Note – the above points are provided as examples of elements of volunteering that could be reported to the SLT. Areas of interest should be confirmed with the SLT prior to the commencement of regular reporting.</i></p>		
IA Risk Rating	Better Practice	CHB Risk Rating	Better practice
Agreed Actions	Agreed. To be developed and implemented on a quarterly basis. This will increase visibility of important volunteering contribution at the SLT level.		
Action Officer	Volunteer Services Coordinator		
Completion Date	31 March 2025 and ongoing		



APPENDICES

Appendix 1. Scope of the audit engagement

  Internal Audit Scope Volunteer Management	
Background	<p>As part of the City of Holdfast Bay's (Council/CHB) internal audit program for 2024-25, a review of volunteer management is included for audit.</p> <p>Volunteer management is an important function within Council. Council has over 300 volunteers across a range of programs. Council's 2022-23 Annual Report noted that these volunteers contributed 59,328 hours across Council's programs, equating to approximately \$2.76 million in economic value. The effective management of volunteers plays a role in allowing CHB to achieve objectives, maintain a strong reputation and provide enhanced and supportive services within the community.</p> <p>According to Council's website, "Volunteering helps create and maintain a thriving community, improving individual wellbeing and providing opportunities for self-expression." To ensure the best outcomes for Council and a positive experience for volunteers, it is important that volunteers are managed in line with better practice principles.</p>
Audit Objective	The objective of this audit is to review the effectiveness of CHB's volunteer management processes and controls.
Scope	<p>The audit is intended to assess the effectiveness of CHB's approach to volunteer management against better practice. Specific elements for review include:</p> <ul style="list-style-type: none"> ▪ the efficiency and effectiveness of volunteer recruitment, onboarding, training, and supervision processes ▪ information and support for the volunteer, Volunteer Coordinators and Volunteer Services Coordinator ▪ the effectiveness of volunteer performance management and evaluation processes ▪ the adequacy of volunteer recognition and appreciation initiatives, and ▪ highlighting any opportunities for strengthening and improvement.
Methodology	<p>In conducting the engagement, the team will:</p> <ul style="list-style-type: none"> ▪ interview key stakeholders to understand processes, roles and responsibilities around volunteer management ▪ obtain and review key documentation and information ▪ understand and map all types of volunteers in place, choose a sample of programs for more detailed review ▪ seek feedback from a select number of volunteers regarding the effectiveness of volunteer management

Note: Liability limited by a scheme approved under Professional Standards Legislation

	<ul style="list-style-type: none"> ▪ assess current practices against Galpins' better practice model¹ ▪ identify potential opportunities for efficiencies and improvements ▪ draft a report summarising findings and recommendations ▪ provide a final report for presentation to the Audit and Risk Committee.
Relevant Risks	<p>This audit aligns with Council's strategic risk/s:</p> <ul style="list-style-type: none"> ▪ <i>Poor or ineffective community service delivery.</i>
General Administration	<p>This audit will be performed by Galpins, Council's internal audit provider. Galpins will be responsible for maintaining regular communication with Council and will coordinate activities to complete the audit. The audit will be conducted in August to early October 2024.</p>
Key Stakeholders	<p>The key contacts for this internal audit will be:</p> <ul style="list-style-type: none"> ▪ Marnie Lock, General Manager, Community and Business ▪ Brendan Kelly – Manager Community Wellbeing ▪ Angelique Williams – Volunteer Services Coordinator
Audit Team	<ul style="list-style-type: none"> ▪ Janna Burnham (Partner Internal Audit) ▪ Danika Brown (Analyst)

¹ This model is based on better practice principles from documents including the *National Standards for Volunteer Involvement* (Centre for Volunteering), *Volunteer Management Toolkit* (Volunteering Victoria), *Guideline of the Commissioner for Public Sector Employment: Volunteers*.

Note: Liability limited by a scheme approved under Professional Standards Legislation

Appendix 2. Overall Control Environment Conclusion Rating Definitions

This internal audit project aimed to assess the controls established to address a key strategic risk or risks as documented in the Executive Summary. Based on the work undertaken, and when considering the design and/or effectiveness of controls collectively, we conclude that the control environment is one of the following ratings:

Rating	Effective	Majority Effective	Partially Effective	Requires Significant Improvement	Ineffective
Definition	Controls assessed were effective in mitigating the key strategic risk or risks	Controls assessed were largely effective in mitigating the key strategic risk or risks	Controls assessed were partially effective in mitigating the key strategic risk or risks	Controls assessed require significant improvement to mitigate the key strategic risk or risks	Controls assessed were ineffective in mitigating the key strategic risk or risks

Appendix 3. CHB Risk Matrix

The method of risk assessment used in this review is based on Council’s Risk Management Framework. It measures the likelihood of each risk occurring and the consequence of the risk event. From this analysis it is then possible to determine the level of inherent risk (risk without any controls in place) and residual risk (risks when controls are in place). This method of analysis is not an exact science and quite subjective, but it is of value as an indicator and therefore assists in assessing review risks.

Consequence		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	E	Medium	Medium	High	Extreme	Extreme
Likely	D	Low	Medium	High	High	Extreme
Possible	C	Low	Medium	Medium	High	High
Unlikely	B	Low	Low	Medium	Medium	High
Rare	A	Low	Low	Low	Medium	Medium

Qualitative Measures of Likelihood

LIKELIHOOD	EXPLANATIONS:		FREQUENCY
	Operations	Projects/ Business Case	
Almost Certain	It is expected to occur again, immediately or within a short period – likely to occur most weeks or months.	Could be expected to occur more than once during the study or project delivery	Event is expected to occur in most circumstances
Likely	Will probably occur in most circumstances – several times a year.	Could easily be incurred and has generally occurred in similar studies or projects.	Event could occur in most circumstances
Possible	Could be incurred within a one – two year period.	Incurred in a minority of similar studies or projects	Event could occur at some time
Unlikely	Could be incurred in a two - five year time frame.	Known to happen, but only rarely.	Event could occur in circumstances
Rare	May occur in exceptional circumstances. Could be incurred in a 5-30 year timeframe.	Has not occurred in similar studies or projects. Conceivable but in extreme circumstances.	Event may only occur in exceptional circumstances

Consequence Criteria

	Reputation	Business impact	People Safety	Environment	Service Delivery
Insignificant	<p>No adverse effect on public image No media interest Insignificant level of community concern. A slight but manageable increase in the number of adverse resident complaints Negligible adverse impact upon social health and wellbeing of the community which has little or no impact upon established community relationships and links</p>	<p>Low financial loss – impact of less than \$10k Operational issues manageable within normal activities <i>Project – up to 5% of original project budget.</i></p>	<p>No injuries Minor repairs required of an insignificant nature to property / infrastructure.</p>	<p>“Nuisance” category under the SA <i>Environment Protection Act (1993)</i> Short term, immediately reversible effects on ecosystem</p>	<p>Insignificant impact on Council’s ability to achieve strategic outcomes Project – Nil impact on achievement of key project objectives or project duration up to 10% of original timeframe without consequential impacts</p>
Minor	<p>Minor adverse effect on public image Minor media coverage in paper distributed within the local area (small scale single article). Minor level of community concern, an increase in the number of resident complaints requiring direct effort to resolve/attend to Minor adverse impact upon social health and wellbeing of the community that may have a minor impact upon established community relationships and links</p>	<p>Medium financial loss – impact of between \$10k and \$100k Minor impact in undertaking routine activities <i>Project – between 5-10% of original project</i></p>	<p>Only First Aid treatment required Minor loss or infrastructure damage. Normal seasonal illness leading to minor disruption to activities</p>	<p>“Nuisance” category under SA <i>Environment Protection Act (1993)</i> Some minor adverse effects to few species/ ecosystem parts that are short term and immediately reversible. Contamination – on-site release immediately contained</p>	<p>Some delays in delivery of strategic initiatives, but only minor aspects impacted Overall strategic intent still achievable Project duration extended up to 35% of original project timeframe without consequential impacts</p>

Moderate	<p>Moderate adverse effect on public image Adverse media campaign in relevant press over two or more issues, supported by uptake of issue in electronic media Moderate level of community concern, large number of complaints and letters to editor in relevant press Minor common law action or Ombudsman investigation threatened/ initiated</p>	<p>Moderate financial loss – impact of between \$100k and \$1 million Impacts up to 2.5% on rate revenue generation Impaired ability to maintain normal operations, reprogramming required Minor legal issues, non-compliances and breaches of regulation <i>Project – between 10-20% of original project budget.</i></p>	<p>Medical treatment required which may include short term admission to hospital Moderate loss/or infrastructure damage Local epidemic leading to noticeable disruption of activities</p>	<p>“Material” category under the SA <i>Environment Protection Act (1993)</i> Contamination – on-site release contained with outside assistance Ecosystems- temporary, reversible damage, loss of habitat and migration of animal populations, some reduction in numbers and die back of plants. Pollution requires physical removal, air quality constitutes potential long term health problems. Manageable restrictions in resource usage Disturbance to sites or artefacts of cultural significance</p>	<p>Some key components of the Strategic Plan cannot be achieved within expected timeframes. Additional funding/resources or some strategies re-prioritisation is required Project duration extended up to 35% of original project timeframe with consequential impacts on other dependencies</p>
Major	<p>Significant adverse effect on public image Widespread adverse media campaign including electronic local and national media. Social media going viral requiring management intervention. Pressure on State Government and agencies to intervene Significant level of community concern Social health and wellbeing of the community seriously affected by major community unrest and/or significant breakdown of established community relationships and links. Significant common law action threatened, major Ombudsman investigation initiated</p>	<p>Major financial loss - impact of between \$1 million and \$3 million Impacts between 2.5% and 10% on rate revenue generation Significant effects loss of ability to complete programs, major restrictions to services and project delivery Serious breach of regulation with investigation or report to authority with prosecution and/or moderate fine possible <i>Project – between 20-35% of original project budget.</i></p>	<p>Serious & extensive injuries Serious structural damage to infrastructure or serious loss of assets. Widespread epidemic that causes significant disruption to activities</p>	<p>“Serious” category under the SA <i>Environment Protection Act (1993)</i> Contamination – off-site release with no detrimental effects Ecosystems – recoverable damage, death of animals in large numbers, widespread habitation destruction, significant air quality issues. Pollution issues requiring long term management, serious introduction of invasive species Restrictions on resource usage threatening viability of accepted lifestyle Damage to sites or artefacts of cultural significance</p>	<p>Key Strategic Objectives unable to be achieved; review of Strategic Plan is required Project duration extended by 36- 80% of original project timeframe with or without consequential impacts on other dependencies</p>

Appendix 4. Documents reviewed

Below is a list of all the documents reviewed during the internal audit process. The results and recommendations within this report consider the analysis and evaluation of these documents:

CHB documents

- Agenda - Volunteer Coordinators Team Meeting 01.08.24
- Annual Report 2022-23
- CHB Position Description - Volunteering Services Coordinator - Level 4 - Final 02.12.19
- CHSP - Work Instructions - Out of Hours Procedures for Wilton House & Bus Shed 14 June 2024 - DRAFT
- Claire Bell Mutual Review
- Community Transport Report Version One - August 2023
- Community Wellbeing - Community Participation Support Officer PD
- Current Position Description Template
- Develop & Implement a New Volunteer Program Screening Tool
- Emergency Plan – Glenelg Town Hall & Bay Discovery Centre
- Evaluating Volunteer Programs and Maintaining Service Delivery Standards Procedure
- Jane Birch Mutual Review
- Jane Goodings WHS Induction Form
- Maintaining Volunteer Records Procedure
- Managing Volunteers Responsibilities
- Marilyn Kometer Mutual Review - BDC
- Martin Borgas WHS Induction Form
- National Standards for Volunteer Involvement 2024
- NPS calculator & Customer Satisfaction for Community Transport
- Pam Lehman Personal Transport
- Paul Davy Mutual Review - Environment
- Policy Procedure Volunteer Management
- RE Consolidated Response to Recent Documentation Requests
- Rebecca Abley WHS - Environment
- Record of Verbal Warning
- Robert Davis WHS - BDC
- Rowan Williams WHS - BDC
- Screening Reporting Procedures for Prescribed Positions - 21.02.20
- Shane Berresheim Mutual Review - Environment
- Shane Berresheim WHS - Environment
- Sheila Ford WHS - HBCC
- Signed Home Care Brokerage Agreement City of Holdfast Bay 2023-24
- SOP - Wheelchair Lifter 2023
- Task Risk Assessment Personal Transport
- Task Risk Assessment Transport of Medical Oxygen 2023
- Task Risk Assessment Transport Trips and charters 2023
- Template - Volunteer Agreement
- Template - Volunteer Exit (Resignation) Interview Form
- Template - Volunteer Expression of Interest and Application Checklist
- Transport Flowchart - Handling Aggressive Persons 2023
- Transport Spotter - WHS Information Sheet 2023
- Updated standards NSVI Evidence Guide
- Updated Volunteer Policy (August 2024 – DRAFT)
- Volunteer Budget Procedure

-
- Volunteer Code of Conduct
 - Volunteer Coordinators
 - Volunteer Illness or Injury Procedure
 - Volunteer Induction Handbook August 2024
 - Volunteer Involvement Risk Management Procedure
 - Volunteer Management Procedure(2)
 - Volunteer Mutual Review - 2023
 - Volunteer Position Description and Review Procedure
 - Volunteer Recognition Procedure
 - Volunteer Relevant History Assessment & Risk Management Plan
 - WHS Induction Form – Volunteers
 - Workplace Duress Alarms Procedure (Bay Discovery Centre)
 - Work Instruction - Missing Client at Destination or Resident Non Response DRAFT
 - Work Instructions - Adding fuel to Community Buses 2024
 - Work Instructions Lift guide for Community Bus Volunteers

Alwyndor documents

- Alwyndor Volunteer Orientation Manual Version 1
- Alwyndor Programme Plan - Art Class
- Completed Alwyndor Volunteer Review Form - B. Rowett 16.05.24
- Completed Alwyndor Volunteer Review Form - E. Quartuccio 16.05.24
- Completed Alwyndor Volunteer Review Form - M. Carella 16.05.24
- Volunteer Personal Information Form

Appendix 5. Staff members interviewed

A list of all the staff members at CHB that were interviewed during fieldwork in preparation for this report.

Title
Community Development Coordinator
Community Wellbeing Support Officer
Customer Care Assistant (Alwyndor)
General Manager Community & Business
Manager Community Wellbeing
Tourism Development Coordinator
Urban Greening Officer
Volunteering Services Coordinator

Appendix 6. Online survey results

What area do you volunteer for?		
Answer Choices	Responses	
Alwyndor (Men's Shed, Friendly Visitor, Pet Therapy, Hairdressing Transport, Shopping Trolley, Laundry Assistance)	6%	5
Alwyndor (Home Maintenance, Gardening Grounds Assistance)	1%	1
Bay Discovery Centre (Visitor Services)	20%	18
History Program (Museum Gallery Guide, Enquiries, House Histories, Air Raid Shelter)	5%	4
Environment (environment team member, poo bag refill)	7%	6
Transport (Bus Transport, Personal Transport)	23%	20
Community Development (Holdfast Bay Community Centre, Glenelg Community Centre, Vets Shed, Advance Care Directive)	5%	4
Partridge House	2%	2
Youth (Holdup)	2%	2
Library	6%	5
Home Library	5%	4
Justice of the Peace	7%	6
Bike Pump Track	0%	0
Art Volunteers	0%	0
Other	11%	11
	Answered	88
	Skipped	1

If you commenced volunteering within the last two years, please rate your satisfaction with elements of the volunteer induction/onboarding process.						
	Answer Choices					Total
	Very satisfied	Satisfied	Neutral	Dissatisfied	Very dissatisfied	
Application process	22 61.11%	12 33.33%	1 2.78%	1 2.78%	0	36
Initial interview for the role	25 69.44%	11 30.56%	0	0	0	36
Onboarding training (overview of your role, general Council policies and procedures around volunteering)	19 50.00%	14 36.84%	5 13.16%	0	0	38
Induction to your specific volunteer role (training, meet and greet)	20 52.63%	13 34.21%	5 13.16%	0	0	38
Ability to seek input/supervision during initial volunteering weeks	22 57.89%	12 31.58%	4 10.53%	0	0	38
					Answered	38
					Skipped	51

Please rate your satisfaction with training relevant to your volunteering role

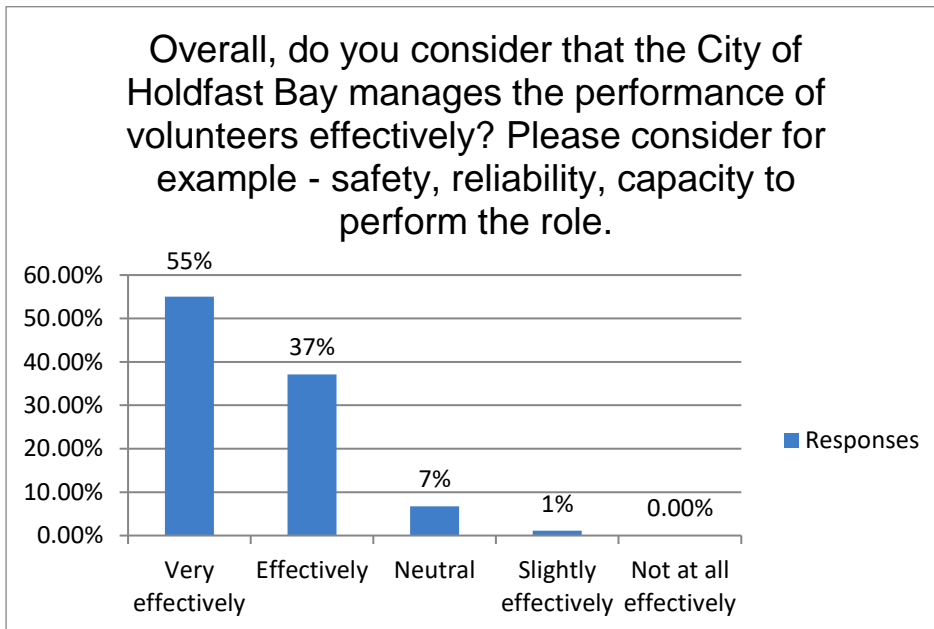
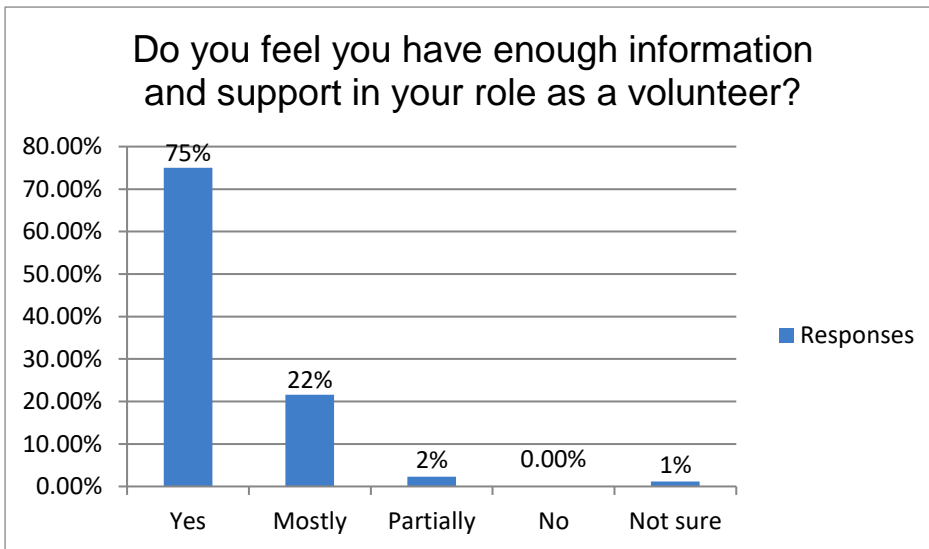
	Responses						Total
	Very satisfied	Satisfied	Neutral	Dissatisfied	Very dissatisfied	Not sure	
Initial training	36 44%	37 46%	7 9%	1 1%	0	0	81
Additional/ongoing training (as needed)	31 41%	25 33%	17 22%	2 3%	0	1 1%	76
						Answered	84
						Skipped	5

If you use the Better Impact system to manage your volunteering, please provide your feedback about the following elements of the system

	Responses					Total
	Very good	Good	Neutral	Poor	Very Poor	
Useability	7 21%	15 44%	9 26%	2 6%	1 3%	34
Ease of navigation	6 19%	14 44%	11 34%	1 3%	0	32
Information able to be entered	6 19%	15 47%	10 31%	1 3%	0	32
					Answered	35
					Skipped	54

Can you please rate how well recognised and appreciated you feel for the work you provide via your volunteering role

	Responses			Total
	Very well recognised/ appreciated	Neutral	Poorly recognised/ appreciated	
On a day to day basis	76 86%	11 12%	1 1%	88
At Christmas/end of year functions	61 78%	17 22%	0	78
Via recognition ceremonies/similar	60 78%	17 22%	0	77
Other	17 49%	18 51%	0	35
			Answered	88
			Skipped	1



Disclaimers

Inherent limitations

This report has been prepared for the information and internal use of the City of Holdfast Bay in accordance with the scope and objectives outlined in the Executive Summary of this report. The services provided in connection with this engagement comprise an advisory engagement which is not subject to the Australian Auditing Standards or the Australian Standards on Review and Assurance Engagements. Consequently, no express opinions or conclusions have been drawn or intended to convey assurance. Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected.

Further, the internal control structure, within which the control procedures that have been subject to the procedures we performed operate, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. The procedures performed were not designed to detect all weaknesses in control procedures as they are not performed continuously throughout the period and the tests performed on the control procedures were on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, the City of Holdfast Bay's management and personnel. We have not sought to independently verify those sources. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with the City of Holdfast Bay. The internal audit findings expressed in this report have been formed on the above basis.

Third party reliance

This report is solely for the purpose set out in the Executive Summary of this report and for the City of Holdfast Bay's information, and is not to be used for any other purpose or distributed to any other party without Galpins' prior written consent. This internal audit report has been prepared at the request of the City of Holdfast Bay or its delegate in connection with our engagement to perform internal audit services. Other than our responsibility to City of Holdfast Bay, neither Galpins nor any member or employee of Galpins undertakes responsibility arising in any way from reliance placed by a third party, including but not limited to the City of Holdfast Bay's external auditor, on this internal audit report. Any reliance placed is that party's sole responsibility.

Attachment 2



Galpins

Accountants, Auditors & Business Consultants

City of Holdfast Bay

Data Analytics Review: Fraud Detection

July – October 2024



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Document Control

Date	Revision Number	Revision Details	Author	Reviewer
20.01.25	0.1	Final Draft Report	Tim Muhlhausler, Partner	Janna Burnham, Partner
21.01.25	1.0	Final Report	n/a	Janna Burnham

1. Executive Summary

1.1 Background

The approved Audit Program 2024-25 provided for an artificial intelligence (AI) data analytics-based audit to be undertaken around fraud detection across the City of Holdfast Bay (CHB).

Fraud can be defined as any illegal act characterised by deceit, concealment, or violation of trust. These acts are not dependent upon the threat of violence or physical force. Fraud is perpetrated by parties and organisations to obtain money, property, or services; to avoid payment or loss of services; or to secure personal or business advantage.¹

AI powered data analysis is increasingly recognised as a key tool in identifying potential fraud risks, as it:

- is set up to understand the organisation's risk areas, expected business rules and 'red flags'
- applies statistical methods and machine learning to analyse transactions
- provides audit insights and more powerful audit review of 100% of the organisation's financial transactions
- detects human errors, intentional activities, and unintentional misstatements.

The tool applies a 'risk score' to transactions, enabling subsequent human review to be targeted. The increased scrutiny of financial transactions via AI powered data analytics may also act as a fraud deterrent. It can be included as part of Council's fraud and corruption prevention control framework.

1.2 Objectives

The objective of this audit was to conduct detailed artificial-intelligence driven data analytics of 100% of CHB's financial data, with the aim of identifying potential fraud activity.

Opportunities for improving the internal control framework were also within scope to be identified. The full audit scope is included at Appendix 1.

1.3 Methodology Overview

Galpins have performed AI-assisted data analytics to:

- analyse 100% of the transactions in the General Ledger over the period 1 July 2024–31 October 2024²
- provide a summarised assessment of risk, and
- identify higher risk transactions for specific review (from within the 2024-25 financial year).

¹ 2019, IIA Global, IIA Position Paper: *Fraud and Internal Audit: Assurance over fraud controls fundamental to success*

² Audit commenced in November 2024, focussing on the current financial year.

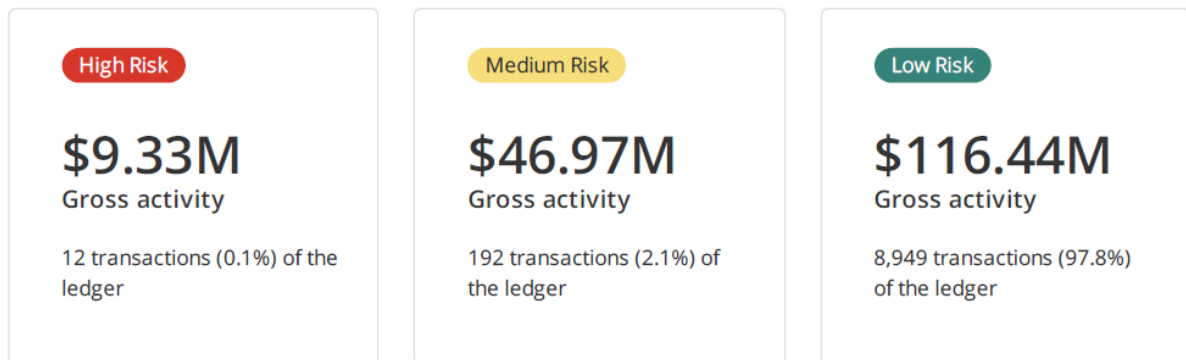
The analysis used business rules, statistical methods, and machine learning based tests to risk score each transaction to provide more visibility into unusual trends or anomalies within the ledger detail. Each of these tests are referred to as 'control points'. Examples of key control points used include:

1. Business rules:
 - a. Suspicious keywords, sequence gaps, duplicates, reversals, cash expenditures, unbalanced debits and credits, manual entry, expense flurry (i.e. unusually high volume of expense transactions at a point in time), weekend posting, material value.
2. Statistical methods:
 - a. high monetary value, Benford's Law, unusual amount, last 3 digits.
3. Machine learning:
 - a. Rare flow (inconsistent with expected accounting rules), outlier anomaly, flow analysis (i.e. unexpected workflows).

The results of our analysis are summarised below and from over page.

1.4 Executive Summary

This review found that Council's overall risk profile is considered a typical result for a lower risk council. A very small percentage of the transactions are flagged as high risk, and the vast majority of transactions are considered low risk:



This is a similar result as that identified in the last AI-driven exercise of Council in 2023. Analysis identified no unusual concentration of risk across the periods reviewed, and the transaction risk over time remained relatively steady. In addition, no individual system users were identified as high risk. Audit's detailed review of 12 higher risk transactions (journals comprising multiple entries) as identified by the AI system identified no findings.

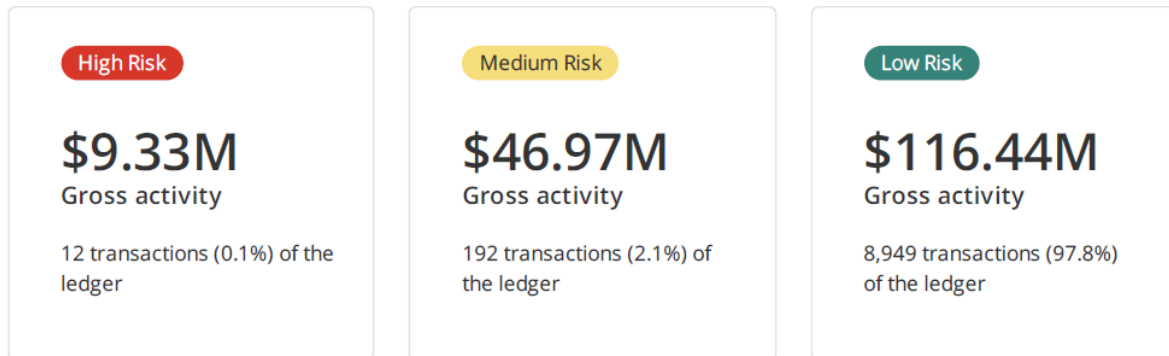
This result is positive and indicates an ongoing low risk environment for fraudulent financial transactions within the City of Holdfast Bay. There are no improvement findings made as a result of this review.

2. Summary of transactional risk results

Analysis period: Jul 1, 2024 – October 31, 2024

Overall transaction-level risk summary

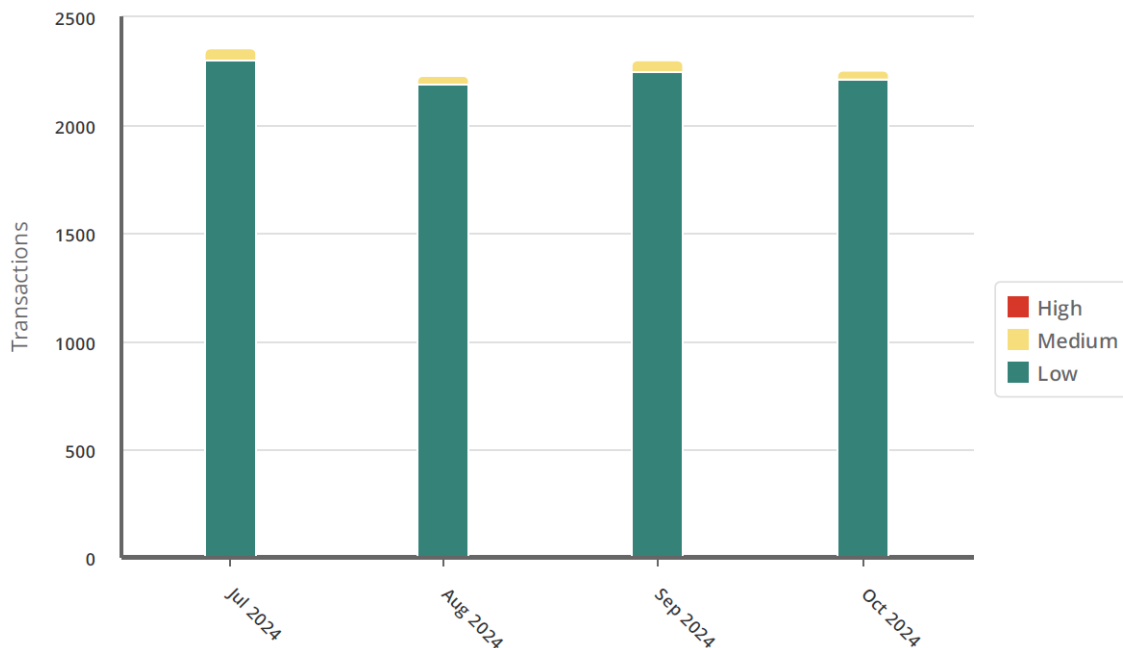
Risks are grouped into three categories: High, Medium and Low Risk



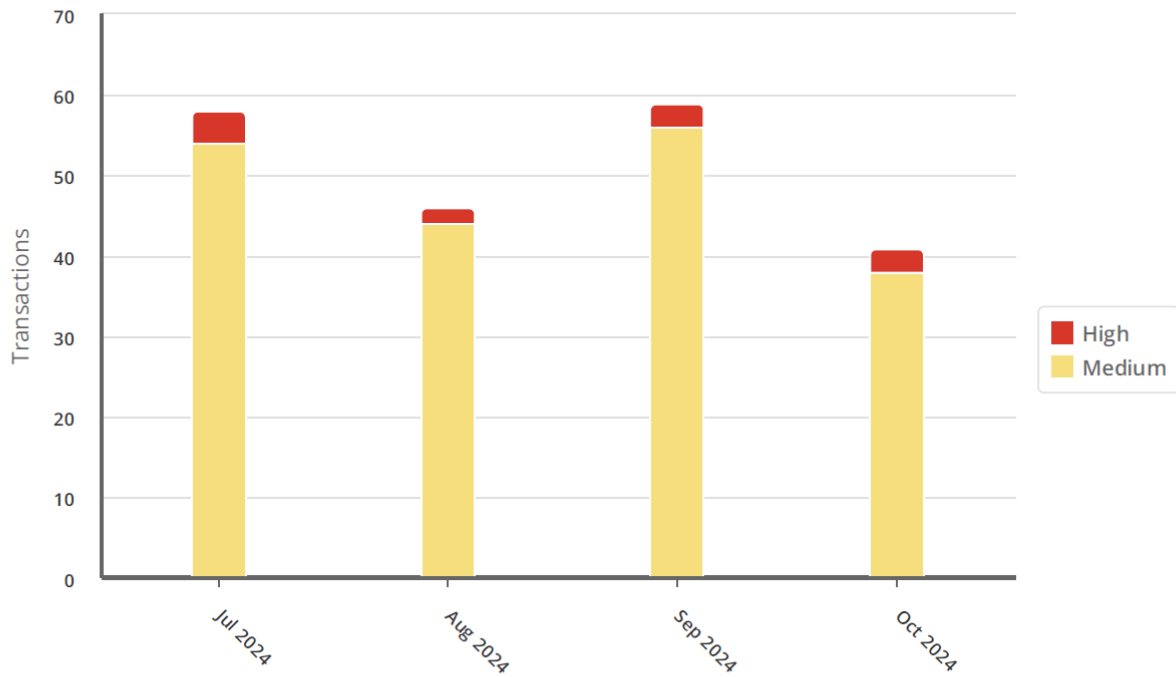
The above spread of transactions across risk categories is considered a typical result for a lower risk council. A very small percentage of the transactions (these transactions were batch journals comprising 3750 individual line items) are flagged as high risk, and the vast majority of transactions are considered low risk.

The graphs below do not indicate any unusual concentration of risk across the most recent period reviewed.

Transaction risk over time (high/medium/low)

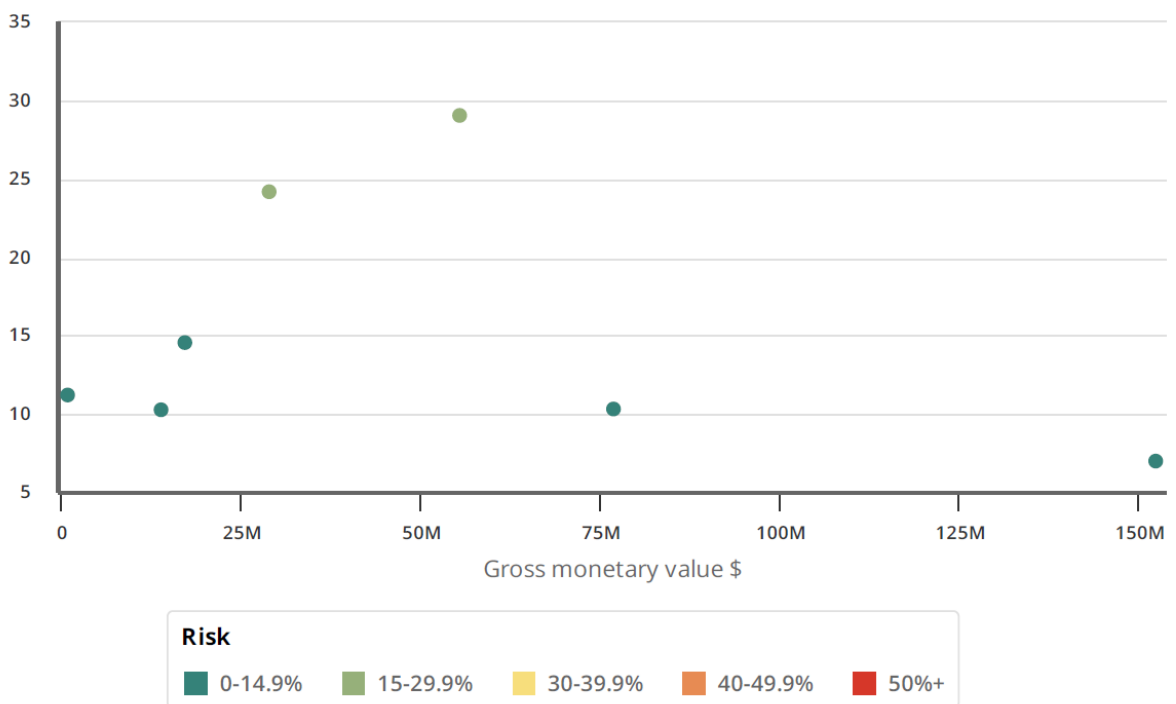


Transaction risk over time (high/medium only)






Risk by user









Each dot in the graph below represents an individual staff member who has posted transactions in the ledger. Each user is assigned a risk rating based on the cumulative risk rating of transactions posted by this user. There were no individual users identified as moderate or high risk (y-axis on the graph below represents risk score).




2.1 Transactions selected and results of detailed review





Galpins performed a detailed review of the following 12 transactions identified as being higher risk in the data analysis. These transactions were batch journals comprising 3750 individual line items. Findings are summarised below:

Trans. ID	Effective Date	Value	Source	Results	Comments (nature of journal/why flagged high risk/details of any issues identified)
2024-07-17-\$APINVCE-38	17/07/2024	\$1,377,994.46	\$APINVCE		Accounts payable batch, includes various supplier invoices. Reasons for higher risk include: <ul style="list-style-type: none"> • high dollar value and inclusion of material payments • suspicious keyword 'error' (related to the correction of a credit applied in error to an LG Income Protection Fund invoice) • includes false-positive duplicate payment (2 payments for AV installation to same supplier, same dollar value, paid same date, but for 2 different locations) • use of 'Error Suspense' account – this is a system-generated workflow for transactions from the Project Ledger or Asset Ledger.
2024-07-25-\$APINVCE-13	25/07/2024	\$658,351.47	\$APINVCE		Accounts payable batch, includes various supplier invoices. Reasons for higher risk include: <ul style="list-style-type: none"> • high dollar value and inclusion of material payments • includes false-positive duplicate payment (2 payments for impounding to same supplier, same dollar value, paid same date, but for 2 different months' fees) • use of 'Error Suspense' account – this is a system-generated workflow for transactions from the Project Ledger or Asset Ledger.
2024-09-18-\$APINVCE-44	18/09/2024	\$730,338.65	\$APINVCE		Accounts payable batch, includes various supplier invoices. Reasons for higher risk include: <ul style="list-style-type: none"> • high dollar value and inclusion of material payments • includes false-positive duplicate payment (2 payments for dump charges to same supplier, same dollar value, paid same date, but for 2 different months' fees) • use of 'Error Suspense' account – this is a system-generated workflow for transactions from the Project Ledger or Asset Ledger.

Trans. ID	Effective Date	Value	Source	Results	Comments (nature of journal/why flagged high risk/details of any issues identified)
2024-10-23-\$APINVCE-22	23/10/2024	\$534,815.95	\$APINVCE		Accounts payable batch, includes various supplier invoices. Reasons for higher risk include: <ul style="list-style-type: none"> • high dollar value and inclusion of material payments • inclusion of payments made for an 'Awards Gala Dinner'. Relates to staff attendance at SA Tourism Awards Gala Dinner held by SA Tourism Industry Council, at which Council accepted an award for the ice-cream Festival. • includes false-positive duplicate payment (3 payments for pressure cleaning to same supplier, same dollar value, paid same date, but for 3 different services) • use of 'Error Suspense' account – this is a system-generated workflow for transactions from the Project Ledger or Asset Ledger.
2024-07-17-\$HRPAYJNL-122	17/07/2024	\$742,188.01	\$HRPAYJNL		Payroll Journal. Reasons for higher risk include: <ul style="list-style-type: none"> • high dollar value/materiality • inclusion of transactions to cash accounts • use of suspicious keywords ('Adjustment' e.g. 'Purchase Leave Adjustment', Lotto e.g. 'Deduction for Depot Lotto Syndicate') • duplicated/rounded dollar values (e.g. for standard fortnightly salary sacrifice deductions).
2024-07-31-\$HRPAYJNL-121	31/07/2024	\$750,078.78	\$HRPAYJNL		As above
2024-08-14-\$HRPAYJNL-121	14/08/2024	\$743,402.84	\$HRPAYJNL		As above
2024-08-28-\$HRPAYJNL-117	28/08/2024	\$733,075.18	\$HRPAYJNL		As above
2024-09-11-\$HRPAYJNL-125	11/09/2024	\$831,362.09	\$HRPAYJNL		As above
2024-09-25-\$HRPAYJNL-120	25/09/2024	\$739,353.07	\$HRPAYJNL		As above
2024-10-10-\$HRPAYJNL-127	10/10/2024	\$739,476.38	\$HRPAYJNL		As above

Trans. ID	Effective Date	Value	Source	Results	Comments (nature of journal/why flagged high risk/details of any issues identified)
2024-10-23-\$HRPAYJNL-128	23/10/2024	\$745,641.73	\$HRPAYJNL		Payroll Journal. Reasons for higher risk include: <ul style="list-style-type: none"> • high dollar value/materiality • inclusion of transactions to cash accounts • use of suspicious keywords ('Adjustment' e.g. 'Purchase Leave Adjustment', Lotto e.g. 'Deduction for Depot Lotto Syndicate') • duplicated/rounded dollar values (e.g. for standard fortnightly salary sacrifice deductions).

KEY

	A significant error or inappropriate transaction has been detected.
	A minor - moderate error has been detected, which has not been previously detected and corrected in a timely manner.
	<ul style="list-style-type: none"> • The transaction is appropriate, but an opportunity for an improved alternative workflow has been identified, or • an error has been detected in the transaction, but the error has already been identified and corrected in a timely manner.
	The transaction has been confirmed as appropriate.

2.2 Details of reasons for high risk transaction risk scores

The following table summarises the control points which resulted in the above transactions being flagged as higher risk. A higher risk transaction is defined as having a risk score of 50% or higher. The risk scores for the 12 transactions identified range from 50% to 58%, indicating that all transactions are at the lower end of the high risk category.

Transaction ID	Risk Score	2 Digit Benford	Complex Structure	Expense Flurry	Expert Rules	Flow Analysis	Outlier Anomaly	Rare Flow	Unusual Amount	Unusual Digit Combination	Unusual Digit Sequence	Analysis Period Adjustment	Cash Expenditure	Cash to Bad Debt Conversion	Complex Instrument	Duplicate	Empty Text Field	End of Analysis Period	End of Reporting Period	High Monetary Value	Last 3 Digits	Manual Entry	Material Value	Reporting Period Adjustment	Reversal	Reversed	Sequence Gap	Start of Analysis Period	Start of Reporting Period	Suspicious Keyword	Unbalanced Debits and Credits	Weekend Post	Zero Entry
4111-2024-07-17-\$APINVCE-38	51%	98%	80%	100%	67%	56%	100%	73%	100%	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	X	✓	X	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓
4111-2024-07-25-\$APINVCE-13	50%	98%	80%	54%	100%	68%	98%	76%	3%	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	X	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4111-2024-09-18-\$APINVCE-44	50%	98%	80%	26%	100%	66%	100%	74%	1%	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	X	✓	X	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓
4111-2024-10-23-\$APINVCE-22	54%	98%	100%	57%	100%	70%	100%	78%	0%	✓	✓	✓	✓	✓	✓	✓	X	✓	X	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓
WALTERS-2024-07-17-\$HRPAYJNL-122	57%	98%	80%	100%	100%	63%	97%	65%	1%	✓	✓	✓	X	✓	✓	✓	✓	✓	X	X	✓	X	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓
WALTERS-2024-07-31-\$HRPAYJNL-121	57%	98%	80%	57%	100%	66%	97%	68%	1%	✓	✓	✓	X	✓	✓	✓	✓	✓	X	X	✓	X	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓
WALTERS-2024-08-14-\$HRPAYJNL-121	56%	98%	80%	56%	100%	65%	93%	68%	1%	✓	✓	✓	X	✓	✓	✓	✓	✓	X	X	✓	X	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓
WALTERS-2024-08-28-\$HRPAYJNL-117	56%	98%	80%	54%	100%	65%	90%	74%	1%	✓	✓	✓	X	✓	✓	✓	✓	✓	X	X	✓	X	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓
WALTERS-2024-09-11-\$HRPAYJNL-125	58%	93%	60%	81%	100%	68%	93%	65%	16%	✓	✓	✓	X	✓	✓	✓	✓	✓	X	X	✓	X	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓
WALTERS-2024-09-25-\$HRPAYJNL-120	55%	98%	80%	70%	100%	62%	97%	65%	1%	✓	✓	✓	X	✓	✓	✓	✓	✓	X	X	✓	X	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓
WALTERS-2024-10-10-\$HRPAYJNL-127	55%	98%	80%	40%	100%	64%	100%	74%	1%	✓	✓	✓	X	✓	✓	✓	✓	✓	X	X	✓	X	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓
WALTERS-2024-10-23-\$HRPAYJNL-128	58%	93%	80%	57%	100%	67%	93%	77%	1%	✓	✓	✓	X	✓	✓	✓	✓	✓	X	X	✓	X	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓

There were no additional findings identified as part of this review.



Appendices



Appendix 1: Scope of the audit engagement



Internal Audit Scope

CHB and Alwyndor Data Analytics Review: Fraud Detection

<p>Background</p>	<p>The approved 2024-25 Audit Program provided for an audit to be undertaken around fraud detection within both Alwyndor and the City of Holdfast Bay (CHB).</p> <p><i>Fraud can be defined as any illegal act characterised by deceit, concealment, or violation of trust. These acts are not dependent upon the threat of violence or physical force. Fraud is perpetrated by parties and organisations to obtain money, property, or services; to avoid payment or loss of services; or to secure personal or business advantage.¹</i></p> <p>Artificial intelligence (AI) powered data analysis is increasingly recognised as a key tool in identifying potential fraud risks, as it:</p> <ul style="list-style-type: none"> ▪ is set up to understand the organisation’s risk areas, expected business rules and ‘red flags’ ▪ applies statistical methods and machine learning to analyse transactions ▪ provides audit insights and more powerful audit review of 100% of the organisation’s financial transactions ▪ detects human errors, intentional activities, and unintentional misstatements. <p>The tool applies a ‘risk score’ to transactions, enabling targeted subsequent review. The increased scrutiny of financial transactions via AI powered data analytics may also act as a fraud deterrent. It can be included as part of Council’s fraud and corruption prevention control framework.</p>
<p>Audit Objective</p>	<p>The objective of this audit is to conduct detailed artificial-intelligence driven data analytics of 100% of both CHB and Alwyndor’s financial data (3 year period), with the aim of identifying potential fraud activity. Opportunities for improving the internal control framework will also be identified.</p> <p><i>Note – as previous ‘mapping’ of data from both Alwyndor and CHB has previously occurred, Galpins can now more efficiently test all data within the effort of one review.</i></p>
<p>Scope</p>	<p>In particular the audit will:</p> <ul style="list-style-type: none"> ▪ set up the AI product to understand financial risk areas, expected business rules and ‘red flags’ ▪ utilise the AI product to review all general ledger data from the last three financial years, including year to date (this will apply statistical methods and machine learning to analyse transactions) ▪ review risk-based scoring of transactions, as generated by the system, and conduct sample testing to ensure these transactions are appropriate, and ▪ identify potential areas for strengthening internal controls.

Methodology	<p>In conducting the engagement, the team will:</p> <ul style="list-style-type: none">▪ obtain extracts of Alwyndor and CHB's current and previous three fiscal years' worth of financial information, specifically including general ledger transactions (nb data previously obtained is not required to be re-provided)▪ utilise Galpins' AI tool to analyse 100% of financial data▪ conduct interviews with key stakeholders and team members▪ review key documentation and relevant policies and procedures▪ review identified transactions that meet 'red flag' criteria for appropriateness▪ identify potential opportunities for improvement▪ draft a short report summarising findings and recommendations▪ allow management responses to be considered as part of the draft report and the subsequent review process, and▪ provide a final report for presentation to the Audit and Risk Committee.
Relevant Risks	<p>This audit aligns with CHB's strategic risks:</p> <ul style="list-style-type: none">▪ <i>Risk 16 – Poor or ineffective budget development and management.</i>
General Administration	<p>Galpins will conduct the audit and will maintain regular progress communication with stakeholders. The audit will be conducted from November – December 2024 for CHB and February 2025 for Alwyndor.</p>

Attachment 3

Internal Audit Scope Lease Management Review

Background	<p>As part of the Internal Audit Program for 2024-25, a review of the City of Holdfast Bay's (Council's) lease management practices has been requested. This has been in response to a recent identified gap in lease management.</p> <p>Council provides a range of sport and recreation facilities and services to the community including sportsgrounds, clubrooms and community centres.</p> <p>The <i>Sporting and Community Leasing Policy</i> and the <i>Commercial Leasing and Licensing Policy</i>, outline the approach to leasing and licensing of Council owned properties within the City.</p> <p>Council also has some instances where it leases land from other entities, primarily for the purposes of provision of public infrastructure such as stormwater infrastructure. These leases are less common, however have importance to the City.</p>
Audit Objective	<p>The objective of this audit is to review the effectiveness of CHB's approach to lease management for:</p> <ul style="list-style-type: none"> ▪ properties owned by Council, and ▪ land leased from other entities (against relevant best practice).
Scope	<p>The audit will review against better practice for the following elements:</p> <ul style="list-style-type: none"> ▪ completeness and clarity of policies and procedures, and consistency of their application ▪ clarity of roles and responsibilities in relation to leases, including governance structures and decision-making processes ▪ completeness of records ▪ awareness of and adherence to lease requirements (for example, accurate lease charges, treatment of CPI indexation, sub-leases, recurring fees, insurances) by Council and tenants ▪ day to day management of the facilities and clarity of responsibilities for ongoing maintenance and asset renewal and replacement ▪ systems and controls in place to ensure lease management (including setting of rents and lease terms, amongst other considerations) aligns with better practice ▪ use of external (for example, legal) assistance when required <p><i>Note – not all elements are applicable in instances where Council leases land from other entities.</i></p>

<p>Methodology</p>	<p>In conducting the engagement, the team will:</p> <ul style="list-style-type: none"> ▪ obtain and review key documentation and information ▪ conduct interviews with key stakeholders to understand key processes, roles and responsibilities ▪ test a sample of leases against this audit’s scope points (including for example application of CPI, insurances) ▪ consider benchmarking with a selection of other councils to identify better practice approaches ▪ assess and make appropriate recommendations to improve lease management processes ▪ draft a report summarising findings and recommendations ▪ provide a final report for presentation to the Audit and Risk Committee.
<p>Relevant Risks</p>	<p>This audit aligns with Council’s strategic risk/s:</p> <ul style="list-style-type: none"> ▪ <i>SC05 - governance, legal & compliance – lack of strategic alignment – ineffective property management can undermine Council’s achievement of strategic objectives and aspirations, which express ambitions to maximise the community value of Council’s property assets</i> ▪ <i>CB01 - poor or ineffective community service delivery – property is a key enabling function for effective community service delivery and supporting community wellbeing</i> ▪ <i>SC02 - place making – poor or ineffective planning systems and processes – effective property management ensures high quality places for people, supporting community wellbeing</i> ▪ <i>AD02- place making – insufficient or ineffective asset management planning – property constitutes a significant part of Council’s asset portfolio</i>
<p>General Administration</p>	<p>This audit will be performed by Galpins, Council’s internal audit provider. Galpins will be responsible for maintaining regular communication with Council and will coordinate activities to complete the audit. The audit will be conducted in January to April 2025.</p>
<p>Key Stakeholders</p>	<p>The key contacts for this internal audit will be:</p> <p>Accountable:</p> <ul style="list-style-type: none"> ▪ Pamela Jackson, Chief Executive Officer <p>Responsible:</p> <ul style="list-style-type: none"> ▪ Ania Karzek, Manager Strategy and Governance ▪ Sharon Wachtel, GM Strategy and Business ▪ Emmanuel Areikin, Risk and Improvement Officer <p>Consult:</p> <ul style="list-style-type: none"> ▪ Bill Blyth – A/GM Assets and Delivery ▪ Anthony Marroncelli, Manager Development Services ▪ Mathew Walsh, Buildings and Facilities Manager ▪ Kristina Blake, Property Manager

Note: Liability limited by a scheme approved under Professional Standards Legislation

Audit Team	<ul style="list-style-type: none">▪ Janna Burnham (Partner Internal Audit)▪ Audit Analyst.
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Acknowledgement and Acceptance

I have read the above engagement scope and am satisfied that objectives and scope meet the expectations for this audit.

Signed:

Signature:

Name and Title:

Date:

Attachment 4

Attachment 4a - Internal Audit - Completed

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Action Owner	Target Completion Date	Action Owner Comments
Budget Management	Mar-22	BM01.7	<p>2.2 Budget Maturity Assessment.</p> <ul style="list-style-type: none"> - The maturity of Council's budget management practices is majority 'advanced', however there are continuous improvement opportunities. - Opportunities for Council to strengthen its budget management include providing additional funding certainty for multi-year projects, use of indexation to improve the accuracy of depreciation in non-valuation years, and encouraging greater use of system functionality to file calculations, non-financial information and other documents supporting budget lines. 	<p>We recommend that;</p> <p>Rec 1.7 - Investigate options for software to replace the existing Corporate Performance Management (CPM) system.</p>	Better Practice	Manager Strategy and Governance with Manager Innovation and Technology	Complete	<p>Comments June 2022</p> <ul style="list-style-type: none"> - Investigate software options to replace the existing CPM module, in order to support the development of the Corporate Planning program and improve corporate and management reporting. <p>Comments September 2022</p> <ul style="list-style-type: none"> - 07/07/2022 - IT-GSC approved prioritisation/scheduling Corp.Planning & Reporting - to start in Sept.2022 - 15/09/2022 - IT-GSC approved contractor for Corp.Planning & Reporting (Lack of resources delayed.) - Current start 30/11/2022 and completion 31/12/2022. <p>Comments March 2023 - linked to the Biz Regs.</p> <p>Comments June 2023 - work progressing to target due date</p> <p>Comments August 2023 - work progressing to target due date</p> <p>Comments October 2023 - AMP workload to be scheduled to ensure all aspects reviewed & completed to timeframe - due Dec 2023.</p> <p>Comments February 2024 - Business Requirements were completed in 2023 and further detailed analysis of reporting requirements is in progress. A preferred product has been identified and a budget bid for implementation in 2024/25 has been completed.</p> <p>Comments - May 2024 - Work is continuing on the corporate plan, however has been slowed by other priorities.</p> <p>Comment - August 2024 - Work is continuing on the corporate plan, however has been slowed by other priorities.</p> <p>Comments - January 2025</p> <p>Completed - A new corporate performance management software contract signed with Envisio. Implementation work ongoing.</p>
Transport Asset Management	May-22	AM02	<p>2.1 Forward-planning processes and use of asset management information in strategic decision making</p> <ul style="list-style-type: none"> - There is a clear link between long term financial forecasts included in the AMPs and the budget, annual business plan and long term financial plan (LTFF). - A key gap in the asset management framework for CHB is the absence of an Asset Management Strategy. - CHB has recently had a comprehensive condition assessment undertaken of road assets, which identified average conditions as lower than assumed in the current AMP, indicating a need to increase spending on renewals and maintenance. - There is a focus on increasing the level of proactive maintenance of assets. - Service levels are generally defined quite well, though there are improvement opportunities in the ongoing measurement and tracking of service levels. 	<p>We recommend that;</p> <p>Rec 02: - Review and reconfirm / refine the KPIs in the AMPs to ensure they are measurable and provide useful insights to support decision making. Measure and monitor all selected KPIs, implementing any necessary data collection mechanisms (such as additional questions in the 'Quality of Life Community Survey').</p>	Medium	GM Assets & Delivery	30/11/2024	<p>Comments June 2022 - Progress in line with audit report</p> <p>Comments September 2022 - Will be progressed in line with Target Completion Dates</p> <p>Comments March 2023 - Will be progressed in line with Target Completion Dates</p> <p>Comments June 2023 - work progressing to target due date</p> <p>Comments August 2023 - work progressing to target due date - 2023 Quality of Life survey received to be incorporated into the development and measure of KPIs for AMPs.</p> <p>Comments October 2023 - works progressing on KPIs for AMPs</p> <p>Comments February 2024 - work progressing on KPIs within AMP reviews</p> <p>Comments - May 2024 - Work progressing on KPIs within AMP reviews.</p> <p>Comments - August 2024 - Work progressing on KPIs within AMP.</p> <p>Comment - January 2024</p> <p>Complete</p>
		AM03	<p>We recommend that;</p> <p>Rec: 03 - A review timetable is introduced for all AMPs, scheduling:</p> <ul style="list-style-type: none"> - annual updates to the 10-year replacement schedule, associated costings and financial summary based on current asset management data - annual updates to the tables within the Risk and Improvement Plan Appendices (including status of treatment plans) - 4-yearly comprehensive AMP updates within 2 years of each general election. <p>Note: it may not be necessary to annually update all AMPs – the transport AMP is highly material and therefore the most beneficial to update. Updates for other asset classes should be considered on the basis of materiality / effort vs benefit.</p>	<p>Rec: 03 - A review timetable is introduced for all AMPs, scheduling:</p> <ul style="list-style-type: none"> - annual updates to the 10-year replacement schedule, associated costings and financial summary based on current asset management data - annual updates to the tables within the Risk and Improvement Plan Appendices (including status of treatment plans) - 4-yearly comprehensive AMP updates within 2 years of each general election. <p>Note: it may not be necessary to annually update all AMPs – the transport AMP is highly material and therefore the most beneficial to update. Updates for other asset classes should be considered on the basis of materiality / effort vs benefit.</p>	Medium	GM Assets & Delivery	30/11/2024	<p>Comments June 2022 - Progress in line with audit report</p> <p>Comments September 2022 - Will be progressed in line with Target Completion Dates</p> <p>Comments March 2023 - Will be progressed in line with Target Completion Dates</p> <p>Comments June 2023 - work progressing to target due date</p> <p>Comments August 2023 - work progressing to target due date</p> <p>Comment October 2023 - work progressing on the AMP format</p> <p>Comment February 2024 - work progressing on the AMP reviews and formats</p> <p>Comments - May 2024 - Work progressing on the AMP reviews and formats</p> <p>Comments - August 2024 - AMP reviews and formats progressing</p> <p>Comment - Comments 2025</p> <p>Complete</p>
		AM04	<p>We recommend that;</p> <p>Rec 4: Asset replacement cost estimates within the AMPs are costed on the basis of the most likely actual replacement design (which may constitute an upgrade), rather than an assumption of like-for-like.</p> <p>Note: costings within the AMP for future planning purposes do not impact on asset revaluations or depreciation calculations for financial reporting purposes. These calculations continue to be based on modern equivalent, like-for-like replacement to ensure that depreciation expense captures the current value of consumption of existing services, not future upgrades).</p>	<p>Rec 4: Asset replacement cost estimates within the AMPs are costed on the basis of the most likely actual replacement design (which may constitute an upgrade), rather than an assumption of like-for-like.</p> <p>Note: costings within the AMP for future planning purposes do not impact on asset revaluations or depreciation calculations for financial reporting purposes. These calculations continue to be based on modern equivalent, like-for-like replacement to ensure that depreciation expense captures the current value of consumption of existing services, not future upgrades).</p>	Medium	GM Assets & Delivery	<p>31/07/2023</p> <p>31/08/2024</p> <p>30/11/2024</p>	<p>Comments June 2022 - Progress in line with audit report</p> <p>Comments September 2022 - Will be progressed in line with Target Completion Dates</p> <p>Comments March 2023 - Will be progressed in line with Target Completion Dates</p> <p>Comments June 2023 - work progressing to target due date</p> <p>Comments August 2023 - valuation for replacement costs open space assets (2022/23) is currently being completed. Due August 2024. To be implemented in AMP in November 2024.</p> <p>Comments October 2023 - AMPs to be reviewed and timeframes checked to ensure delivery of outcomes - Due August 2024.</p> <p>Comments February 2024 - work ongoing and on target for due date</p> <p>Comments - May 2024 - To be delivered with Asset Mgt Plans - Nov. 2024.</p> <p>Comments - August 2024 - To be progressed in AMPs review in November 2024</p> <p>Comment - Jan 2025</p> <p>Complete</p>
Transport Asset Management	May-22	AM06	<p>2.3 Governance and risk management frameworks.</p> <ul style="list-style-type: none"> - The majority of effectiveness criteria per the IIMM standards have been met. - There is a need to develop an Asset Management Strategy to provide greater cohesiveness of asset management across asset classes, and improve transparency over the prioritisation of strategies for continuous improvement of asset management maturity at an organisational level. - Asset management risks captured within the AMPs would benefit from annual updates to implementation status of treatment plans. 	<p>We recommend that;</p> <p>Rec 6: Develop a costed delivery plan for asset management improvement initiatives identified within the Asset Management Plans.</p> <p>Note: the prioritisation of initiatives should be guided by the principals of the Asset Management Strategy.</p>	High	GM Assets & Delivery	Complete	<p>Comments June 2022 - Progress in line with Target Completion Dates</p> <p>Comments September 2022 - Will be progressed in line with Target Completion Dates</p> <p>Comments March 2023 - Will be progressed in line with Target Completion Dates</p> <p>Comments June 2023 - work progressing to target due date</p> <p>Comments August 2023 - work progressing to target due date</p> <p>Comments October 2023 - working towards a costed delivery plan in alignment with the Asset Management Strategy</p> <p>Comments February 2024 - work ongoing and on target for due date</p> <p>Comments - May 2024 - Timeline realigned to be delivered with Asset Mgt Strategy & Asset Management Plans - Nov. 2024.</p> <p>Comments - August 2024 - To be delivered by Asset Management Strategy & AMPs in November 2024</p> <p>Comments - Jan 2024</p> <p>Complete - Cost plan develop and prioritisation framework in place.</p>

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Action Owner	Target Completion Date	Action Owner Comments
		AM07		We recommend that: Rec.7: Implement a 4-yearly Asset Management Maturity Self-Assessment process.	Better Practice	GM Assets & Delivery	30/06/2024 30/11/2024	Comments June 2022 - Progress in line with Target Completion Dates Comments September 2022 - Will be progressed in line with Target Completion Dates Comments March 2023 - Will be progressed in line with Target Completion Dates Comments June 2023 - work progressing to target due date Comments August 2023 - completed initial maturity assessment as part of AMS Comments October 2023 - working towards Asset Maturity Self-Assessment in alignment with asset management strategy Comments February 2024 - work ongoing and on target for due date Comments - May 2024 - Completed assessment as part of Asset Mgt Strategy. To be published with Asset Mgt Strategy - Nov.2024. Comments - August 2024. To be published with Asset Management Strategy & AMPs in November 2024 Comment - January 2025 Complete - GM to confirm at managers meeting on 17/01/2025
Transport Asset Management	May-22	AM09	2.4 Asset Management Systems. - Asset management systems used are fit for purpose. - Opportunities exist to work towards use of advanced system functionality, including thematic GIS mapping and scenario / predictive modelling to guide future decision making.	We recommend that: Rec.9: Pursue the use of Predictive / Scenario modelling to support long term strategic asset management decisions. Note: This is considered a longer-term improvement opportunity, with priority to be considered in the context of other asset management improvement initiatives determined via recommendations 1 and 7.	Better Practice	GM Assets & Delivery	30/11/2024	Comments June 2022 - Progress in line with Target Completion Dates Comments September 2022 - Will be progressed in line with Target Completion Dates Comments March 2023 - Will be progressed in line with Target Completion Dates Comments June 2023 - work progressing to target due date Comments August 2023 - work progressing to target due date Comments October 2023 - review this as part of the later asset management framework undertaking Comments February 2024 - will incorporate into upcoming elements of AMP reviews Comments - May 2024 - Will incorporate into upcoming elements of AMP reviews, undertaking basic scenario modelling to inform transport AMP. Comments - August 2024 - To be delivered with Asset Mgt Strategy & Asset Management Plans in November 2024. Comment - August 2024 Complete - GM to confirm with Manager Engineering on 17/01/2025
2022/23 Flood Mitigation	Feb-23	FM06	2.6 Detailed Findings Operational maintenance of infrastructure occurs, some minor improvements identified	We recommend that: Rec.7: - Define the maintenance requirements for CHB's Water Sensitive Urban Design (WSUD) assets and plan an approach to ensure these are maintained in line with industry standards.	Low	Manager Field Services	Complete	Comments June 2023 - work not yet commenced - for implementation in FY 2024/25 budget Comments August 2023 - not yet commenced Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - No progress on this action. Relatively low priority in comparison to other actions. Comments - May 2024 - Will review - relatively low priority in comparison to other actions. Comments - August 2024 - Will review - relatively low priority in comparison to other actions. Comments - November 2024 - WSUD are now on maintenance schedules to ensure they operate effectively Comment - November 2024 Complete
		FM08		We recommend that: Rec.9: - Work to increase clarity around cost management of Gross Pollutant Traps, in particular: (i) - ensure that ongoing maintenance costs are included as part of forward planning for new GPTs, and (ii) - work to clarify cost recovery arrangements for GPT cleaning with the City of Marion.	Low	Manager Field Services	Complete	Comments June 2023 - work not yet commenced - noted as 'ongoing' - need to clarify Comments August 2023 - not yet commenced Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - No progress on this action. Comments - May 2024 - Will review - relatively low priority in comparison to other actions. Comments - August 2024 - Will review - relatively low priority in comparison to other actions. Comments - November 2024 - New contract with City of Marion in place. The contract accounts for future Gross Pollutant Traps and the CITY of Marion are aware of their financial obligation to cost share Comment - November 2024 Complete
2023/24 Strategic Planning Alignment	May-24	STP02	3.2 A need to formalise governance, monitoring and reporting	Recommendation 2: Clarify governance arrangements around Strategic Plan, ownership of objectives and reporting. As part of work to develop monitoring/reporting and governance mechanisms to track progress against the Our Holdfast 2050+ Plan: - clarify roles/responsibilities for ownership and oversight of achievement against the Our Holdfast 2050+ Plan - ensure that ownership of each objective/ action is clearly allocated - ensure that progress is included as a standing agenda item at a relevant strategic meeting.	High	Corporate & Service Planning Lead and Manager Strategy & Governance	Complete	Comments - August 2024 Review will commence during coming weeks - extended timeframe required Comments - November 2024 Review completed. Mechanisms included in the Strategic Plan review for council approval.
2023/24 Strategic Planning Alignment	May-24	STP04	3.3 Completeness of Strategic Framework	Recommendation 4: Timing of update of supporting strategic plans and alignment with the Strategic Plan. In future, consider coordinating the timing of update of Council's supporting strategic plans, so that the Our Holdfast strategy is adopted first, and that subsequent plans are updated and/or adopted subsequent to this. This may also help to enable more depth of alignment between the Our Holdfast strategy and supporting strategic plans. Note – some annual updates are legislatively required, however a plan may be developed to help ensure that, over time, the Our Holdfast strategy is finalised in advance of other strategic plans/sub-plans.	Medium	Corporate & Service Planning Lead and Manager Strategy & Governance	Complete	Comments - August 2024 - Not yet commenced Comments November 2024 Complete -Update of Council's strategic plans and annual plans aligned.
		STP05		Recommendation 5: Clearly identifying where corporate performance will be documented and tracked. Work to more clearly identify where strategic goals for corporate performance will be documented (and tracked). This will for example cover the organisational initiatives required within CHB to help achieve the objectives of Strategic Plan. Eg in corporate plan. Stuart had comments here – ask for input. Reference resourcing strategy in the framework diagram.	Medium	Corporate & Service Planning Lead and Manager Strategy & Governance	Complete	Comments - August 2024 - Not yet commenced Comments - November 2024 Complete - Corporate performance identified and tracked in the Annual Plan
2023/24 Carbon Neutral Plan Audit	Jun-24	2.1	Summary of Progress	Recommendation 1: To assist in strengthening transparency around the progress made against the initiatives within the Carbon Neutral Plan, integrate Carbon Neutral Plan initiative progress reporting to the agenda of a relevant committee/team.	Low	Manager Engineering	Complete	Comments - August 2024 - Not yet commenced Comments - November 2024 - Carbon Neutral Plan Initiative progress reports to the environment steering Committee which in turn reports to SLT Comments - November- 2024 Complete
2023/24 Carbon Neutral Plan Audit	Jun-24	2.2	Outstanding Initiatives	Recommendation 2: To ensure budget is available to action the approved transition to EV vehicles, include anticipated costs of EV charging stations in future iterations of the LTFP.	Low	Manager Engineering	30/06/2025	Comments - August 2024 - Not yet commenced Comments - November 2024 - To be completed in December 2024 when the AMPs get reviewed Comments - November 2024. Complete

Attachment 4b - Internal Audit - In Progress

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
Workforce Planning	Feb-21	WFP02	<p>2.2 Opportunity to develop a strategic workforce plan that aligns with business objectives:</p> <ul style="list-style-type: none"> - Workforce planning activities are primarily conducted at a team level with the Manager assuming key responsibility. The General Manager and People and Culture provide input and support. - All Managers interviewed demonstrated an understanding of their team's operational workforce requirements and strategic challenges and identified further the need for strategic and holistic workforce planning across Council. - Specific workforce planning approaches are informal, operational, and teams based. There is opportunity to document critical workforce knowledge. - Alwyndor's Managers have demonstrated awareness of WFP recommendations arising from the Royal Commission into Aged Care Quality and Safety (the Royal Commission) and a desire to ensure compliance. Alwyndor have commenced preliminary planning for a strategic WFP.9 	<p>We recommend that:</p> <p>Rec: 2 - Develop an overarching strategy or framework to guide workforce planning initiatives, specifically including <u>strategic workforce</u> planning at both CHB and Alwyndor. Options to achieve this include:</p> <ul style="list-style-type: none"> - develop a high level standalone workforce plan, framework or strategy that documents the overall workforce planning requirements for CHB and Alwyndor. - link more strategic WFP activities to requirements under Council's existing 'culture' pillar. A suite of supporting documents may then be developed to further outline specific actions in place. <p>NOTE: - Internal Audit consider that WFP is an ongoing process and promote a pragmatic approach to WFP rather than a time-intensive and static document. In addition, this work can be completed in line with Council's draft strategy - Audit understand that directions included in the new Strategy are already broadly known. In addition, Alwyndor's Strategic Plan, through the enabler: People and Culture, includes an action to develop a workforce plan for 2021.</p>	Low	In Progress	Manager People and Culture	<p>30/06/2022</p> <p>30/06/2023</p> <p>30/09/2023</p> <p>31/12/2023</p> <p>31/08/2024</p> <p>31/05/2025</p>	<p>Comments June 2022; - Generic principles of Workforce Planning were determined for both Alwyndor and COHB and approved by the SLT. - Strategic Plan 2050 launched in January 2022. Awaiting development of Corporate Plan to determine workforce planning strategies to support future service delivery/strategic outcomes. - 'Culture Pillar' has now been removed for Council so is no longer applicable. Alwyndor has a separate Strategic Plan, therefore Council's 'Culture' Pillar is not applicable. - WFP strategies to be determined annually from strategic plan and workforce trends within a highly regulated industry. - Timeline for Corporate Plan to be established - approx Dec 2022 (as per SB 22/7/22)</p> <p>Comments September 2022 - Corporate Plan underway - due for completion Dec 2022 - Workforce planning strategy to follow once Corporate Plan established.</p> <p>Comments March 2023 - Will be completed to target due date</p> <p>Comments June 2023 - Work progressing to target due date</p> <p>Comments August 2023 - Corporate Plan being finalised which will then inform this strategic workforce planning.</p> <p>Comments October 2023 - Corporate Plan details now finalised - to be used as a reference by newly appointed Manager P&C over coming months to inform WFP.</p> <p>Extended due date until end of next quarter to allow for transfer/update of information.</p> <p>Comments February 2024 - Workforce strategy to guide workforce planning underway - target for completion 30/06/24</p> <p>Comments - May 2024 - Work on track to finalise required strategy by due date.</p> <p>Comments - August 2024 - Final review stage of the process</p> <p>Comments - October 2024 - Review completed</p> <p>Comments November 2024</p> <p>May need to be outsourced with a delivery target of May 2025</p>
Workforce Planning	Feb-21	WFP03	<p>2.2 Opportunity to develop a strategic workforce plan that aligns with business objectives:</p> <ul style="list-style-type: none"> - Workforce planning activities are primarily conducted at a team level with the Manager assuming key responsibility. The General Manager and People and Culture provide input and support. - All Managers interviewed demonstrated an understanding of their team's operational workforce requirements and strategic challenges and identified further the need for strategic and holistic workforce planning across Council. - Specific workforce planning approaches are informal, operational, and teams based. There is opportunity to document critical workforce knowledge. - Alwyndor's Managers have demonstrated awareness of WFP recommendations arising from the Royal Commission into Aged Care Quality and Safety (the Royal Commission) and a desire to ensure compliance. Alwyndor have commenced preliminary planning for a strategic WFP.9 	<p>We recommend that:</p> <p>Rec: 3 - Complete the planned CHB (not Alwyndor) skills/capability and gap analysis and use this to inform plans to obtain and develop critical skills necessary for delivery of its strategic plan. Example required skills gaps identified may include:</p> <ul style="list-style-type: none"> - service design capability - data analytics 	Low	In Progress	Manager People and Culture	<p>30/06/2022</p> <p>30/06/2023</p> <p>30/09/2023</p> <p>31/12/2023</p> <p>30/09/2024</p> <p>30/11/2024</p> <p>31/05/2025</p>	<p>Comment June 2022; *** This recommendation does not apply to Alwyndor.</p> <ul style="list-style-type: none"> - Skills/Capability Audit was undertaken for the Leadership Team, however, not completed for the rest of the organisation - Strategic Plan 2050 launched in January 2022. Awaiting development of Corporate Plan to determine workforce planning strategies to support future service delivery and strategic outcomes. - Timeline for Corporate Plan to be established - approx Dec 2022 (as per SB 22/7/22) <p>Comments September 2022 - Corporate Plan underway - due for completion Dec 2022 - Skills capability and gap analysis to follow once Corporate Plan established.</p> <p>Comments March 2023 Will be completed to target due date</p> <p>Comments June 2023 - work progressing to target due date</p> <p>Comments August 2023 - Corporate Plan being finalised which will then inform this skills/capability audit</p> <p>Comments October 2023 - Corporate Plan details now finalised - to be used as a reference by newly appointed Manager P&C over coming months to inform WFP.</p> <p>Extended due date until end of next quarter to allow for transfer/update of information.</p> <p>Comments February 2024 - Skills/capability gaps analysis underway - target for completion 30/9/2024</p> <p>Comments - May 2024 - Extended deadline for completion by 8 weeks to enable finalisation/cross checking of details.</p> <p>Comments - August 2024 - Final review stage of process</p> <p>Comments November 2024</p> <p>Final review stage of process - completion date extended by 6 months</p>
Workforce Planning	Feb-21	WFP06	<p>2.4 Opportunity to ensure critical knowledge is formally documented:</p> <ul style="list-style-type: none"> - Knowledge of key workforce demand/supply gaps is informally held by Managers who are familiar with their operational requirements and market conditions. - Manager turnover may lead to inconsistent approaches to managing these risks and/or missed opportunities to more effectively plan for succession and knowledge documentation/transfer. - There is an opportunity to proactively review demand and supply requirements and associated workforce risks. This will strengthen Council's business continuity and knowledge transfer in the event of a General Manager or Manager leaving Council. 	<p>We recommend that:</p> <p>Rec: 6 - Review whether staff in all positions identified as critical across Council have documented their knowledge/role requirements. Where required and to assist in case of staff turnover/unexpected leave, ensure that this knowledge is formally documented.</p> <p>NOTE: Management will review the work instructions and procedures for all critical roles, in particular Corporate roles where there is real risk due to lean team structures.</p>	Low	In Progress	Manager People and Culture	<p>31/05/2022</p> <p>31/12/2022</p> <p>30/06/2023</p> <p>30/09/2023</p> <p>31/12/2023</p> <p>30/06/2024</p> <p>30/09/2024</p> <p>30/06/2025</p>	<p>Comments June 2022; Alwyndor Management will review the work instructions and procedures for all critical roles, in particular Corporate roles where there is a real risk due to lean team structures. Business Continuity Planning undertaken for Council, with a high focus during the pandemic. Critical roles have been identified as well as succession planning opportunities. Managers responsible for determine their business processes, as well as ensuring adequate records management processes (ECM introduced in 2020 with appropriate training for all staff) to ensure documentation available for Council. NOTE: Could incorporate reference to critical operational procedures via BCP matrices completed by Managers Feb/Mar 2022.</p> <p>Comments September 2022 - Alwyndor/ Strategy & Governance to progress - no action required from Manager P&C perspective.</p> <p>Comments March 2023 - Will be progressed/finally reviewed in line with current corporate Manager Finance recruitment.</p> <p>Comments June 2023 - Work progressing to target due date</p> <p>Comments August 2023 - Leadership team review now required to ensure workforce risks have been fully recognised and the relevant internal controls are correctly in place.</p> <p>Comments October 2023 - Newly appointed Manager P&C to review the management process for 'critical position data' - with a view to closing off this action within the next quarter.</p> <p>Comments February 2024 - Critical Positions review underway - target for completion 30/6/2024</p> <p>Comments - May 2024 - Working to have staff Critical Positions review completed by due date - 30/06/24</p> <p>Comments - August 2024 - Final review stage of process - slight time extension required.</p> <p>Comments November 2024</p> <p>Final review stage of process - deadline for completion extended by 6 months</p>
Environment Strategy	Mar-22	ES02	<p>2.2 Opportunities to strengthen Environment Strategy Governance</p>	<p>Recommendation 2 To complete CHB's climate governance risk assessment and adopt relevant recommendations to strengthen CHB's climate risk governance. -Complete the Climate Risk Governance Assessment.</p> <p>-Review and provide a report of findings to Council with recommendations for actions and priorities to improve climate governance.</p>	Better Practice	In Progress	Manager Engineering	28/02/2025	<p>Comments December 2024.</p> <p>Action re-opened as it had been partially implemented.</p> <p>Report to Council of findings of the Climate Risk Government Assessment with proposals due for 28/02/2025</p>
2022/23 Flood Mitigation	Feb-23	FM01	<p>2.1 Detailed Findings</p> <p>A framework to manage flooding is in place, there's opportunity to review Stormwater Management Plan</p>	<p>We recommend that:</p> <p>Rec. 1: - After updated flood modelling/risk data is received from the State Government, review the Stormwater Management Plan. This can include updated action items/projects for achievement, based on the latest modelling data.</p> <p>Note - this recommendation will be dependent on agreement with the City of Marion and the Stormwater Management Authority.</p>	Low	In Progress	Manager Engineering	<p>30/06/2026</p> <p>30/06/2025</p> <p>30/06/2025</p>	<p>Comments June 2023 - work not yet commenced</p> <p>Comments August 2023 - not yet commenced</p> <p>Comments October 2023 - will program in works when meeting with Manager Engineering later this quarter.</p> <p>Comments February 2024 - The Stormwater Management Plan has been proposed as a new initiative for 2024/25. With discussion with Marion, they have agreed to co-fund the project for 2024/25 if approved by Council.</p> <p>Comments - May 2024 - Same comments as February 2024</p> <p>Comments - August 2024 - The Stormwater Management Plan has been proposed as a new initiative for 2024/25 - awaiting council approval.</p> <p>Comments - November - 2024. Plan approved by Council. Discussions on cost sharing with City of Marion ongoing.</p> <p>Comment - January 2025</p> <p>Plan approved by council. Discussion on cost sharing with City of Marion ongoing</p>
2022/23 Flood Mitigation	Feb-23	FM02	<p>2.2 Detailed Findings</p> <p>A need to stocktake progress in implementing SMP actions</p>	<p>We recommend that:</p> <p>Rec.2: - Conduct a stocktake of progress in implementing projects identified in the Stormwater Management Plan Coastal Catchments between Glenelg and Marion 2014 (SMP) and identify whether:</p> <ul style="list-style-type: none"> - (i) sufficient action taken against these compared to associated risk. - (ii) whether sufficient financial resources associated to achieve CHB's expected progress in delivering the projects. - (iii) an action plan to ensure more timely progress is required, or - (iv) each project (considering updated flood risk modelling) is still required/considered a risk area. <p>Report results to the Senior Leadership Team.</p>	Medium	In Progress	Manager Engineering	<p>31/12/2023</p> <p>30/06/2025</p>	<p>Comments June 2023 - work not yet commenced</p> <p>Comments August 2023 - not yet commenced</p> <p>Comments October 2023 - will program in works when meeting with Manager Engineering later this quarter.</p> <p>Comments February 2024 - The SMP review to include this review, and provide recs. to reprioritise projects and funding.</p> <p>Remaining projects prior to renewal are Tarlton/Whyte stormwater upgrade, Gilbertson Gully restoration and Harrow Road GPT.</p> <p>Recommend timeframe to change to 30/6/25, inline with SMP.</p> <p>Comments - May 2024 - Same comments as February 2024</p> <p>Comment - August 2024 - The SMP review to include this review, and provide recs. to reprioritise projects and funding - further details as above.</p> <p>Comments - January 2025</p> <p>Same comment as August 2024</p>

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
2022/23 Flood Mitigation	Feb-23	FM03	2.3 Detailed Findings Further encouraging rainwater tank installation/stormwater compliance measures	We recommend that: Re. 3: - Develop a strategy to ensure existing and new rainwater and stormwater detention facilities are installed and maintained correctly. This is in line with the Planning, Development and Infrastructure (2016) Act's requirements (as applicable), and CHB's Stormwater Drainage Building and Construction Policy (2020). This may include but is not limited to: (i) - researching/understanding the extent of non-compliance with detention tank installation and risks of non-compliance on stormwater flooding (ii) - confirming that tanks that meet criteria set out in the Code are installed. (iii) - requiring builders to advise owners of their responsibility to install tanks (where applicable). (iv) - offering further incentives associated with tank installation on existing properties (v) - use of education on the importance of installing tanks. (vi) - regular inspection of tank installation and detention installation. (vii) - use of an enforcement/penalty-based approach when tanks / detention are not installed as per approved plans.	Low	In Progress	Manager Engineering and Manager Development Services	30/06/2024 31/12/2024 31/03/2025	Comments June 2023 - work not yet commenced - to be completed in time to inform the FY26/27 budget Comments August 2023 - not yet commenced Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - A rainwater tank incentive trial was completed in 2022/23 to test uptake of rainwater tank improvements. Outcomes identified that grant incentives did not have the desired outcomes on a large scale. - Stormwater Drainage Building and Construction Policy is being reviewed prior to December 2024. - Compliance, installation, inspections are the responsibility of the Development team. Recommend timeframe to change to 30/12/24, inline with policy renewal. Comments - May 2024 - Same comments as February 2024. Comments - August 2024 - Stormwater Drainage Building and Construction Policy is being reviewed prior to December 2024 - other areas under Development team as per above. Comments - November 2024 - Same comments as August 2024 Comment - January 2025 Action owners to provide update about the status of the Stormwater Drainage Building and Construction policy.
2022/23 Flood Mitigation	Feb-23	FM04	2.4 Detailed Findings Coastal 'inundation' management is long term, some need to clarify asset ownership	We recommend that: Rec.4: - Pending confirmation of whether ownership of seawalls rests with CHB or the SA Government, review whether: (i) - seawall assets should be included in the Asset Management Plan. (ii) - ongoing monitoring and maintenance of seawall infrastructure is captured adequately in CHB's asset management system.	Low	In Progress	Manager Engineering	30/06/2024 30/06/2025	Comments June 2023 - work not yet commenced - as part of the AMP update Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - Asset ownership of seawalls on a regional scale is being discussed through the 'SA Climate Ready Coasts' joint project by the LGA/SA Government/Councils. Outcome of program will include Coastal Adaptation Planning Standards for SA including consistency of governance such as asset ownership throughout the state. - Seawalls are to be excluded from AMP until ownership is resolved at a state level. - Design is continuing for the most at risk seawalls (Glenelg North). To be completed this FY. Recommend timeframe to change to 30/6/25, inline with timeline of the new standards. Comments - May 2024 - Same comments as February 2024 - above actions progressing. EMs workshop on topic - 18/06/2024. Comments - August 2024 - EMs workshop completed on 18/06/2024. Above actions progressing Comment - January 2025 Discussions with stakeholders in the 'SA Climate Ready Coasts' ongoing
		FM07		We recommend that: Rec. 8: Review the Yarrum Grove maintenance schedule and ensure that Field Services have oversight of these requirements.	Low	In Progress	Manager Engineering	30/06/2024 30/09/2024 30/06/2025	Comments June 2023 - work not yet commenced - connect to the BMS and provide alarms/training for field staff Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - No progress on this action. Comments - May 2024 - Review has begun; - contacted key stakeholders to review existing maintenance practices and preferred structures. Comments - August 2024 - Review ongoing - due for completion by due date. Comment - January 2025 Property team manage the contract for Yarrum Grove maintenance. Handover to field services will be done subsequent to Operating Model work.
2022/23 Complaints Handling	May-23	CH02	1.1 Detailed Findings CHB complaints handling framework vs. better practice principles	Recommendation 2: Create an internal procedure that details the complaint process workflows and provides step by step instructions to enable staff to understand expected complaint handling processes and to implement these processes consistently and effectively.	Medium	In Progress	Manager Customer Experience & Library Services	30/06/2023 30/09/2023 30/06/2024 30/09/2024 15/12/2024	Comments August 2023 - draft in place, reviewing over next 2-3 months Comments October 2023 - draft in place, reviewing over next 2-3 months Comments February 2024 - draft internal procedure has been tested with CE Team and training plan being developed by 30/06/24 Comments - May 2024 - Training being developed for 30/06/2024 Comments - August 2024 - Internal procedure draft developed, will test and also be used as a training aid. Review by end of the 1st Quarter Comment - November 2024 Internal procedure draft developed, will be ready by mid December 2024
		CH05		Recommendation 5: Generate reports to enable review of CHB's complaint handling performance. This can include detail on complaint numbers, complaint by division, timeliness of resolution, and outstanding escalated complaints. Provide these reports to managers for review and discuss the findings as regular items on executive meeting agendas.	Medium	In Progress	Manager Customer Experience & Library Services	30/06/2023 30/09/2023 30/06/2024 30/09/2024 15/12/2024	Comments August 2023 - partially implemented, meetings with Project Mgt team undertaken and now monitoring complaints handling data received over next quarter, this will enable progression of the recommendation. Comments October 2023 - partially implemented, meetings with Project Mgt team undertaken and now monitoring complaints handling data received over next quarter, this will enable progression of the rec. Provide 6 Monthly report in Jan2024. Comments February 2024 - meetings being held to progress and test data to provided a 6 monthly report by 30 June. Comments - May 2024 - Reports will be in place by 30/06/2024 Comments - August 2024 - Reporting format being developed with Power BI, test during Quarter 1 Comment - November 2024 Power BI report development complete, roll-out being planned.
2023/24 Procurement	Mar-24	PR02	2.1 Clarity of current procurement framework	Recommendation 2: Consider strengthening the Procurement Policy by: (i) - clarifying procurement-related roles and responsibilities within CHB, and (ii) - linking to clearer guidance about how to assess and manage procurement risk.	Medium	In Progress	Manager Strategy & Governance	8/31/2024 3/31/2025	Comments - August 2024 - Policy and Procedure are due for renewal mid 2024 and will b reviewed on schedule. This review will include consideration of how to improve policy compliance. Comments - January - 2025 Procurement Policy reviewed and updated. Awaiting SLT endorsement.
2023/24 Procurement	Mar-24	PR04	2.2 Efficiency and effectiveness of current procurement process	Recommendation 4: Consider ways to improve the efficiency around use of Purchase Orders. This may include: (i) - implementing further exemptions – instances where POs are not required (for example when a contract is in place or for regular purchases – utilities, legal, library) (ii) - raising the base threshold for when POs are required (iii) - educating staff about ways to use POs more efficiently. <i>Note – these are included as options only. Increasing the PO threshold can be considered on a risk/benefit basis and in conjunction with stronger oversight controls as per Recommendation 1.</i>	Medium	In Progress	Manager Finance	30/06/2024 30/09/2024 28/02/2025	Comment - August 2024 Raising the base threshold for when POs are required is not favoured at this time, however, additional exemptions will be considered to improve efficiency. Comments - November -2025. Additional exemptions to improve efficiency in the revised Procurement policy awaiting adoption.
2023/24 Procurement	Mar-24	PR05		Recommendation 5: Investigate implementing an invoice matching process, where Optical Character Recognition is used to automatically link invoices to Purchase Orders. This may help to reduce time in processing invoices before receipt.	Medium	In Progress	Manager Finance	30/06/2024 30/09/2024 30/06/2025	Comment - August 2024 Agreed - This will be implemented subject to ICT feasibility. Oversight of the evaluation and decisions regarding implementation will be via the ICT Steering Committee/Project Oversight Committee. Comments - November-2024. Internal discussion with the IT team ongoing.
2023/24 Procurement	Mar-24	PR06		Recommendation 6: Consider automating invoice approval, particularly for lower value invoices below a pre-determined threshold that can be matched to a Purchase Order. Goods/services must have already been receipted in the system.	Medium	In Progress	Manager Finance	30/06/2024 30/09/2024 30/06/2025	Comment - August 2024 This will be considered further in the context of other available process improvements. Comments - November-2024. Same comments as August 2024. Discussions with IT ongoing.
2023/24 Procurement	Mar-24	PR08	2.3 Training and information availability	Recommendation 8: Embed procurement training into training schedules (e.g. induction process, semi-regular updates) and provide regular procurement refresher training sessions for relevant staff. Training formats may vary and include: - F2F training - 'lunch and learn' sessions - online, on-demand videos - step by step guides. <i>Note – both the mix and regularity of training provided can be determined by CHB</i>	Low	In Progress	Manager Strategy & Governance	31/10/2024	Comment - August 2024 An introduction to procurement principles is already provided as apt of the employee induction, with an invitation to book a 1:1 session if purchasing activities are required by the role. However, refresher sessions for existing staff and Scribe self-guided lessons will be implemented to improve coverage and increase the learning and compliance opportunities.
2023/24 Procurement	Mar-24	PR09		Recommendation 9: Review procurement information available on Baywatch and: - update with current tools, templates and guidance (e.g. raising a PO, procure to pay process steps) - ensure process guidance is in place for all procurement-related steps - remove documents/information that is no longer current.	Low	In Progress	Manager Finance	30/04/2024 30/09/2024 30/06/2025	Comment - August 2024 Agreed Comments - November-2024. Procurement related process guidance and template in-place. Baywatch use to be reviewed with IT.
2023/24 Procurement	Mar-24	PR10	2.4 Tech1 enhancements to improve user experience around payments	Recommendation 10: Review the suggested Tech1 improvements list (included in Appendix 6) and develop a project plan to address these. Present the plan to the IT Steering Committee, with changes to be implemented as part of the team's overall workload. <i>Report back on agreed actions to the Audit and Risk Committee.</i>	Low	In Progress	Manager Finance	10/31/2024 30/06/2025	Comment - August 2024 Presentation for investment evaluation by October 2024, implementation as resources allow. This will be overseen by the ICT Sterring Committee / Project Oversight Committee. Comments - November - 2024: Feasible actions to be reviewed with IT

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
2023/24 Procurement	Mar-24	PR12		Recommendation 12: Reinforce to staff that POs should be created prior to the goods being received or the services being completed, and that exemption should be obtained if PO's cannot be approved prior to the receipt of the invoice.	Medium	In Progress	Manager Finance	10/31/2024-30/06/2025	Comment - August 2024 Already occurring but will be strengthened with procurement education to ensure that staff are confident in using appropriate techniques. Additional training materials are also being produced. Spot checks will continue to be undertaken and follow ups with staff will occur when required Comments - November - 2024. Internal discussion with the IT team on additional training ongoing.
2023/24 Strategic Planning Alignment	May-24	STP03	3.4 Finalising measures of success (KPIs)	Recommendation 3: Include performance vs Strategic Plan as part of executive performance assessment. Consider more clearly reviewing performance against relevant parts of the Strategic Plan as part of executive performance discussions/ assessment.	Medium	In Progress	Corporate & Service Planning Lead and Manager Strategy & Governance: GM Strategy and Corporate	31/07/2024-30/09/2024-31/03/2025	Comments - August 2024 Review will commence during coming weeks - extended timeframe required Comments - January 2024. CEO KPIs completed. Ongoing recruitment of SLT positions has opened an opportunity for inclusion of GM KPIs in new PDs. Review expected to be completed in the next two months.
		STP06		Recommendation 6: Continuing work in relation to key performance indicators/measures of success. Continue work to ensure that 'SMART' (Specific, Measurable, Attainable and action oriented, Relevant and Time-bound) measures are in place for objectives in the Our Holdfast 2050+ Strategic Plan, flowing through to Corporate Plan and other relevant strategies. In addition, work to progress an internal (less formal) understanding of how CHB will measure success towards other 'aspirations' included in the Strategy beyond 2030.	Medium	In Progress	Corporate & Service Planning Lead and Manager Strategy & Governance	12/31/2024-30/06/2025	Comments - August 2024 - Not yet commenced Comments - November 2024 - Included in the Strategic Plan review. KPIs and measures of success tightened. Updated Our Holdfast 2050_Strategic Plan approved and due for publication by end of February 2025.
2023/24 Strategic Planning Alignment	May-24	STP07	3.5 Linkage between Strategic Plan and Annual Business Plan	Recommendation 7: Strengthen linkage between Strategic Plan and Annual Business Plan. Work to strengthen the link between the Strategic Plan and ABP. For example: - agree which objectives will be reported against each year (some may not be scheduled until future years) - track success against KPIs. <i>Note – this clearer report on progress will be after clarification of smart measures/KPIs as outlined in Recommendation 5.</i>	Medium	In Progress	Corporate & Service Planning Lead and Manager Strategy & Governance	31/01/2025	Comments - August 2024 - Not yet commenced Comments - November 2024 - KPI's tracked in the Annual Plan. Strategic Plan review will help tighten reporting against objectives.
2023/24 Strategic Planning Alignment	May-24	STP08	3.6 Prioritisation Framework and linkage to Strategic Objectives	Recommendation 8: Consider mandatory alignment between Prioritisation Framework and Strategic Plan. Aim to strengthen the support of the Strategic Plan via the Prioritisation Framework by: - considering making alignment with the Strategic Plan a mandatory criterion of the Framework - conducting a post-implementation review to assess whether funded projects sufficiently align to the objectives and initiatives outlined in the Strategic Plan. <i>Nb – this recommendation is included in recognition that the Strategic Plan is intended as Council's highest-level strategic document.</i>	Medium	In Progress	Corporate & Service Planning Lead and Manager Strategy & Governance	10/31/2024-30/06/2025	Comments - August 2024 - Not yet commenced Comments - November 2024 Included in Annual Plan 2026 preparation
2023/24 Strategic Planning Alignment	May-24	STP09	3.7 Legislative compliance	Recommendation 9: Clearly demonstrating compliance with more administrative/minor elements of s.122 of the Local Government Act. Aim to achieve clearer compliance with minor administrative elements of s122 Act. These may, for example, be addressed in attachments to the next iteration of the Our Holdfast 2050+ Strategic Plan. Nb: A list of relevant elements is in Appendix 6 - as follows; - 1(a)(i) There is a clear indication of the extent to which the council has participated with other councils, State and national governments in setting public policy objectives.[Partial] - 1(a)(iii) There is a clear indication of the extent to which the council intends to coordinate with State and national governments and councils or other regional bodies in the planning and delivery of services where there is common interest.[Partial] - 2(a) SMP should address the strategic planning issues within the area of Council, with reference to any relevant state planning policy or regional plan under the Planning, Development and Infrastructure Act 2016, and set out Council's priorities for the implementation of planning policies.[No]	Low	In Progress	Corporate & Service Planning Lead and Manager Strategy & Governance	11/30/2024-30/06/2025	Comments - August 2024 - Not yet commenced Comments - November 2024 To be clarified and tightened during the Strategic Plan Review
2023/24 Carbon Neutral Plan Audit	Jun-24	2.2	2.2 Outstanding Initiatives	Recommendation 3: To assist in minimising the risk of over-investment in charging infrastructure, review the necessity of 35 charging stations and report on an amended target, if appropriate	Low	In Progress	Manager Engineering	31/03/2025	Comments - August 2024 - Not yet commenced Comments - November 2024 Draft ready. Approach to be finalised when the Asset Management Plan gets reviewed. Done for Fleet Vehicle. Heavy plant and equipment being monitored options as technology develops
2023/24 Carbon Neutral Plan Audit	Jun-24	2.2		Recommendation 4: Continue work to achieve a clear approach to how CHB will report on Council's emissions. Ensure this reporting is included in relevant future Council reports.	Low	In Progress	Manager Engineering	9/30/2024-28/02/2025	Comments - August 2024 - Not yet commenced Comments - November 2024 Included in the annual corporate plan. Currently developing governance framework
2023/24 Carbon Neutral Plan Audit	Jun-24	2.2		Recommendation 5: Work to develop a clearer approach to how CHB will: - reduce supply chain emissions, and - reduce road and infrastructure emissions. Ensure that progress is included in regular reporting against the CNP, as identified in Recommendation 1. Note - CHB may benefit from the initiatives/actions of the Resilient South Group's projects/plans, and/or be able to utilise the information/guidance provided by Resilient South regarding reducing supply both chain emissions and asset-related emissions, once available.	Low	In Progress	Manager Engineering	30/06/2025	Comments - August- 2024 Not yet commenced Comments - November 2024 Team reviewing approaches used by other councils as well as possibilities for collaboratin through the Resilient South Group.

Attachment 4c - Internal Audit - Not Yet Implemented

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
2022/23 Flood Mitigation	Feb-23	FM05	2.5 Detailed findings Opportunity for proactive condition assessments and oversight of third parties	We recommend that: Rec. 6: - Develop an approach, for example via two-way liaison, to obtain assurance that Minda's current management of stormwater is effective. <i>Note: the intent of this recommendation is for CHB to have assurance that it will not be unexpectedly impacted by a failure in stormwater asset controls at Minda. Minda may also benefit from two-way discussion with CHB on this matter. If CHB attempt to open liaison and Minda is not forthcoming in engaging, then this recommendation will be considered closed.</i>	Medium	Not Yet Implemented	Manager Engineering and Manager Development Services	30/06/2024 30/06/2025	Comments June 2023 - work not yet commenced Comments August 2023 -not yet commenced Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - no progress on this action. Risk and criticality will be further explored in the SMP. Recommend timeframe to change to 30/6/25, inline with SMP. Comments - May 2024 - Same comments as February 2024 Comments - August 2024 - Will discuss across both teams to determine best way forward within remaining timeframes Comment - November 2024 Both teams still working towards a best way forward.
2023/24 Procurement	Mar-24	PR13	2.6 Review of Contractor Management System (under development)	Recommendation 13: Consider implementing additional functionality to within the contractor management system to: - allow contractors to update their own records (e.g. licences, mandatory training, WHS details) within the system (monitored by Council staff), and - allow key users/teams to add contractors to the system, with governance/oversight by Procurement & Supplier Management Officer and Governance team as part of regular checking of amendments to supplier details.	Better Practice	Not Yet Implemented	Manager Finance	31/10/2024	Comment - August 2024 As resources allow - link in with Appendix 6 future functionality (Rec.10)
2023/24 Carbon Neutral Plan Audit	Jun-24	2.2		Recommendation 5: Work to develop a clearer approach to how CHB will: - reduce supply chain emissions, and - reduce road and infrastructure emissions. Ensure that progress is included in regular reporting against the CNP, as identified in Recommendation 1. <i>Note - CHB may benefit from the initiatives/actions of the Resilient South Group's projects/plans, and/or be able to utilise the information/guidance provided by Resilient South regarding reducing supply both chain emissions and asset-related emissions, once available.</i>	Low	Not Yet Implemented	Manager Engineering	30/06/2025	Comments - August- 2024 Not yet commenced Comments- November 2024 Team reviewing approaches used by other councils as well as possibilities for collaboratin through the Resilient South Group.
2023/24 Carbon Neutral Plan Audit	Jun-24	2.2		Recommendation 6: Recommence work to implement a community energy program.	Low	Not Yet Implemented	Manager Engineering	30/06/2025	Comments - August 2024 - Not yet commenced Comments - November 2024 Likely to be delivered as a new initiative that will be prioritised in the annual business plan.

Item No: 8.4

Subject: **AUDIT AND RISK COMMITTEE - TERMS OF REFERENCE**

Summary

The Audit and Risk Committee plays a critical function in ensuring financial accountability, effective risk management and good governance.

To ensure the Audit and Risk Committee's continuity, stability and independence a change of term to a three-by-three year term with a maximum of duration of nine years is proposed.

Recommendation

That the Audit and Risk Committee endorses the revised Terms of Reference and recommends it for Council adoption.

Background

In accordance with sections 41 and 126 of the *Local Government Act 1999*, Council established an Audit and Risk Committee.

The purpose of the Audit and Risk Committee is to provide independent assurance and advise to Council on accounting, risk management and governance matters.

Council last endorsed the Terms of Reference at its meeting on 24 October 2023.

Report

The Strategy and Governance team has completed a review of the Audit and Risk Committee's Terms of Reference following discussion at its October meeting.

Clause 2.3 of the current Terms of Reference provide for an Independent Member to be appointed for a term not exceeding three years, and may be re-appointed upon expiry of that term.

It is proposed that Independent Members of the Audit and Risk Committee, following expiry of their initial term, be eligible for appointment for two additional three-year terms. This change is documented in the attached Terms of Reference in Attachment 1.

Refer Attachment 1

The proposed extension takes into consideration the balance between the need for fresh perspectives, independence, and the Committee's ability to remain dynamic and responsive to evolving organisational needs, versus the benefits of long-term tenure, such as enhanced continuity, improved oversight, effective risk management, and stronger strategic guidance.

The approach chosen enables Council to maintain stability while also positioning it to effectively address both immediate and long-term challenges with the necessary oversight and accountability.

Budget

There are no budget requirements associated with this report.

Life Cycle Costs

There are no life cycle costs associated with this report.

Strategic Plan

Statutory compliance

Council Policy

Risk Management Policy

Statutory Provisions

Local Government Act 1999

Written By: Risk and Improvement Officer

General Manager: Strategy and Corporate, Ms S Wachtel

Attachment 1

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Audit and Risk Committee Terms of Reference

1. Establishment

- 1.1 Pursuant to section 41 of the *Local Government Act 1999* (the Act) the Council hereby establishes a committee to be known as the Audit and Risk Committee, in order to fulfill the role of an audit committee as required by section 126 of the Act.
- 1.2 The purpose of this Audit and Risk Committee is to provide independent assurance and advice to the council on accounting, risk management and governance matters.

2. Membership

- 2.1 The Audit and Risk Committee shall consist of five persons with the majority being Independent Members.
- 2.2 Independent Members of the Audit and Risk Committee must have recent and relevant financial, risk management or internal audit experience and must not be an employee of City of Holdfast Bay.
- 2.3 Members of the Audit and Risk Committee are appointed by Council. Elected Members are appointed for a term agreed by Council, and Independent Members are appointed for a term not exceeding three years. On expiry of their term, a member may be re-appointed by Council **for up to two additional three-year terms**.
- 2.4 If Council proposes to remove an Independent Member from the Committee, it must give written notice to the Independent Member of its intention to do so and provide that Independent Member with the opportunity to be heard at an Executive Committee meeting, if that Independent Member so requests.
- 2.5 The Audit and Risk Committee shall recommend, and Council shall appoint, the Presiding Member of the Audit and Risk Committee. The Presiding Member must already be a member of the Audit and Risk Committee. The Mayor may not be appointed to the Role of Presiding Member of the Audit and Risk Committee.

3. Method of Appointment of Independent Committee Members

The method of appointment of Independent Committee Members will be as follows:

- 3.1 Council will advertise the vacancy in line with regular policy and procedure.
- 3.2 A selection panel will be convened comprising: two Elected Members appointed to the Committee; the Chief Executive Officer; and General Manager Strategy and Corporate.

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- 3.3 The selection panel will make a recommendation to Council as to the appointment of the independent member for consideration and appointment by the Council.

4. Secretariat and Support

- 4.1 The Chief Executive Officer shall ensure that the Audit and Risk Committee has access to reasonable administrative resources in order to carry out its duties (subject to any budget allocation being approved by Council).
- 4.2 The Chief Executive Officer shall ensure effective policies, systems and procedures are in place for the identification, assessment, monitoring, management and annual review of strategic, financial and operational risks.
- 4.3 The Audit and Risk Committee shall be provided with appropriate and timely training, both in the form of an induction program for new members and on an ongoing basis for all members.

5. Meetings

- 5.1 The Audit and Risk Committee shall meet at least four times each year, at least once per quarter, at appropriate times in the budgeting and financial reporting cycle, and otherwise as required. Pursuant to section 90 of the Act, meetings are public (except in special circumstances as defined by the Act) and will be conducted in a place open to the public.
- 5.2 Meetings of the Audit and Risk Committee are governed by the *Local Government (Procedures at Meetings) Regulations 2013*.
- 5.3 Unless required by legislation not to vote, each member must vote on every matter that is before the Audit and Risk Committee for decision.
- 5.4 The Presiding Member has a deliberative vote but not a casting vote in the event of a tie. A tied vote means that the motion is lost.
- 5.5 The quorum necessary for the transaction of business shall be three members. A duly convened meeting of the Audit and Risk Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by it.
- 5.6 The Chief Executive Officer, General Manager, Strategy and Corporate and other officers of Council may attend any meeting as observers or in support of matters being considered by the Audit and Risk Committee.
- 5.7 Council's External Auditor and Internal Auditor may be invited to attend meetings of the Audit and Risk Committee.

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- 5.8 Ordinary meetings of the Audit and Risk Committee will be held at times and places determined by Council or, subject to a decision of Council, the Audit and Risk Committee.
- 5.9 If necessary, Members may participate in the meeting by telephone or other electronic means provided that members of the public can hear the discussion between all members.
- 5.10 A special meeting of the Audit and Risk Committee may be called by the Chief Executive Officer in accordance with section 87(5) of the Act, at the request of the Presiding Member or at least two members of the Audit and Risk Committee.
- 5.11 The agenda and minutes of Audit and Risk Committee meetings, subject to any items that are discussed in confidence under section 90 of the Act and subsequently retained under section 91 of the Act, are also required to be made available to the public.
- 5.12 Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Audit and Risk Committee, no later than three business days before the date of the meeting. Supporting papers shall be sent to committee members (and to other attendees as appropriate) at the same time.
- 5.13 The Chief Executive Officer shall ensure that the proceedings and resolutions of all meetings of the Audit and Risk Committee are minuted and that the minutes comply with the requirements of the *Local Government (Procedure at Meetings) Regulations 2013*.
- 5.14 Minutes of Audit and Risk Committee meetings shall be circulated within five days after a meeting to all members of the Audit and Risk Committee and to members of the Council and will (as appropriate) be available to the public.

6. **Review**

- 6.1 The Audit and Risk Committee shall, at least once per year following the adoption of the audited financial statements by Council, review its own performance, terms of reference and provide a report to Council including any recommended changes.

7. **Role of the Committee**

- 7.1 The Audit and Risk Committee has no authority to act independently of Council. The primary role of the Audit and Risk Committee is to provide suggestions and recommendations to Council about matters relating to financial governance.
- 7.2 ***Financial Reporting***

The Audit Committee shall:

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- 7.2.1 pursuant to section 126 of the Act, review Council's annual financial statements to ensure that they present fairly the state of affairs of the Council;
- 7.2.2 monitor the integrity of the financial statements of Council, including its annual report, reviewing significant financial reporting issues and judgements which they contain;
- 7.2.3 review:
 - 7.2.3.1 the consistency of, and/or changes to, accounting policies;
 - 7.2.3.2 the application of accounting standards and appropriate estimates and judgements, taking into account the views of the external auditor;
 - 7.2.3.3 the clarity of disclosure in the Council's financial reports and the context in which statements are made; and
 - 7.2.3.4 all material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management).

7.3 ***Strategic Management Plans and Annual Business Plan***

The Audit and Risk Committee shall:

- 7.3.1 pursuant to section 126 of the Act, propose and provide information relevant to a review of Council's strategic management plans or annual business plan; and
- 7.3.2 review and provide recommendations to Council on the sustainability of Council's financial performance and proposals with respect to debt levels included in the strategic management plans and, in particular, the long-term financial plan.
- 7.3.3 provide an annual report to Council, outlining a summary of key advisory content from the previous twelve-month period.

7.4 ***Internal Controls and Risk Management Systems***

The Audit and Risk Committee shall:

- 7.4.1 pursuant to section 126 of the Act, review the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Council on a regular basis;

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- 7.4.2 receive reports on risks rated high and above, pursuant to Council's Risk Management Policy and Procedure;
- 7.4.3 verify annually that risks are controlled within risk appetite and tolerances and propose emerging risks for consideration as relevant;
- 7.4.4 review and assess the effectiveness and maintenance of Council's internal controls and risk management policies, systems and procedures; and
- 7.4.5 review and recommend the approval, where appropriate, of statements to be included in the annual report concerning internal controls and risk management.

7.5 ***Public Interest Disclosures***

The Audit and Risk Committee shall:

- 7.5.1 review the Council's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters; and
- 7.5.2 ensure these arrangements allow independent investigation of such matters and appropriate follow-up action.

7.6 ***Internal Audit***

The Audit and Risk Committee shall, in accordance with Council's Internal Audit Policy and Procedure:

- 7.6.1 endorse the internal audit program;
- 7.6.2 receive and review internal audit reports on a regular basis;
- 7.6.3 review the status of internal audit recommendations;
- 7.6.4 provide advice and recommendations to Council in relation to internal audit program and matters;
- 7.6.5 monitor and review the effectiveness of Council's internal audit function;
- 7.6.6 meet with the Internal Audit Partner at least once a year, without management being present, to discuss any issues arising from the Internal Audits carried out during the year. In addition, the Internal Audit Partner shall be given the right of direct access to the Mayor and the Presiding Member of the Audit and Risk Committee;

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- 7.6.7 monitor and review the selection process for the Internal Auditor. Appointment of Internal Auditor is the responsibility of management. If the Internal Auditor resigns, the Audit Committee shall investigate the issues leading to the resignation and decide whether any action is required.

7.7 **External Audit**

The Audit and Risk Committee shall:

- 7.7.1 pursuant to section 126 of the Act, liaise with Council's external auditor;
- 7.7.2 pursuant to section 129 of the Act, receive the external auditor's audit opinion with respect to Council's audited financial statements and the external auditor's report on particular matters arising from the audit;
- 7.7.3 develop and recommend to Council a policy on the supply of non-audit services by the external auditor, taking into account any relevant ethical guidance on the matter;
- 7.7.4 pursuant to section 128 of the Act, consider and make recommendations to the council, in relation to the appointment, re-appointment and removal of the Council's external auditor;
- 7.7.5 include in the Annual Report, the remuneration payable to external auditor(s) for the annual audit of the Council's financial statements and other remuneration;
- 7.7.6 include in the Annual Report, reference to a person if they ceased to be the auditor of the council during the relevant financial year, other than via expiry of their appointment, including the reason why the appointment came to an end;
- 7.7.7 investigate the issues leading to the resignation of an external auditor and report to Council with any recommendations;
- 7.7.8 oversee Council's relationship with the external auditor including, but not limited to:
 - 7.7.8.1 recommending the approval of the external auditor's remuneration, whether fees for audit or non-audit services, and recommending whether the level of fees is appropriate to enable an adequate audit to be conducted;
 - 7.7.8.2 recommending the approval of the external auditor's terms of engagement, including any engagement letter issued at the commencement of each audit and the scope of the audit;

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- 7.7.8.3 assessing the external auditor's independence and objectivity taking into account relevant professional and regulatory requirements and the extent of Council's relationship with the auditor, including the provision of any non-audit services;
- 7.7.8.4 satisfying itself that there are no relationships that give rise to an actual, perceived or potential conflict of interest in the external auditor carrying out the external audit duties;
- 7.7.8.5 monitoring the external auditor's compliance with legislative requirements on the rotation of audit partners;
- 7.7.8.6 assessing the external auditor's qualifications, expertise and resources and the effectiveness of the audit process (which shall include a report from the external auditor on the Audit Committee's own internal quality control procedures);
- 7.7.9 meet with the external auditor at least once per year, without management being present, to discuss the external auditor's report and any issues arising from the audit and otherwise as need;
- 7.7.10 review and make recommendations on the annual audit plan, and in particular, its consistency with the scope of the external audit engagement;
- 7.7.11 review the findings of the audit with the external auditor including, but not limited to, the following:
 - 7.7.11.1 a discussion of any major issues which arose during the external audit;
 - 7.7.11.2 any accounting and audit judgements; and
 - 7.7.11.3 levels of errors identified during the external audit;
- 7.7.12 review the effectiveness of the external audit;
- 7.7.13 review any representation letter requested by the external auditor before it is signed by administration;
- 7.7.14 review the management letter and administration's response to the external auditor's findings and recommendations; and
- 7.7.15 pursuant to regulation 22 of the *Local Government (Financial Management) Regulations 2011*, consider and authorise the Presiding Member to sign a statement with the Chief Executive Officer on an annual basis certifying that the external auditor is independent of Council.



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7.8 ***Economy and Efficiency Audits***

The Audit and Risk Committee shall:

- 7.8.1 propose and review the exercise of powers under section 130A of the Act (relating to economy and efficiency audits); and
- 7.8.2 receive a report prepared by any person appointed by Council pursuant to section 130A of the Act to examine any matter relating to financial management, or the efficiency and economy with which Council manages or uses its resources to achieve its objectives.

7.9 ***Reporting Responsibilities***

- 7.9.1 The Audit and Risk Committee minutes shall be presented to the Council after every meeting to identify and present advice and recommendations.
- 7.9.2 The Chief Executive Officer will identify matters, further to those matters covered elsewhere in these Terms of Reference, to be reported to the Audit and Risk Committee in detail where those matters are considered to be of material affect, have a material impact on the operation of Council as an elected body (e.g. impact on policies relating to Elected Members), or have significant impact on Council's operations.