

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, Civic Centre
24 Jetty Road, Brighton

20 August 2025 at 6.00pm



Marnie Lock
Acting Chief Executive Officer



1. Opening

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

2. Kaurna Acknowledgement

We acknowledge Kaurna 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 Kaurna 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 Wednesday 16 July 2025 be taken as read and confirmed.

6. Action Items

7. Presentations - Nil

8. Reports By Officers

- 8.1 Standing Items – August 2025 (Report No: 263/25)
- 8.2 2022 – 2025 Internal Audit Program Quarterly Report (Report No: 270/25)
- 8.3 Risk Report – August 2025 (Report No: 268/25)
- 8.4 Annual Audit and Risk Committee Report to Council (Report No: 266/25)
- 8.5 2024-25 Annual Review of Municipal investments (Report No: 264/25)
- 8.6 Municipal Insurance Renewal and Claims (Report No: 265/25)
- 8.7 Annual Business Continuity Report (Report No: 269/25)



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

10. Confidential Items

10.1 Alwyndor Investment Portfolio Performance (Report No: 267/25)

Pursuant to Section 87(10) of the *Local Government Act 1999* the Report attached to this agenda and the accompanying documentation is delivered to the Audit and Risk Committee upon the basis that the Committee considers the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Audit and Risk Committee will receive, discuss or consider:

- d. commercial information of a confidential nature (not being a trade secret) the disclosure of which –
 - i. could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
 - ii. would, on balance, be contrary to the public interest.

11. Date and time of next meeting

The next meeting of the Audit and Risk Committee will be held on Thursday 28 August 2025 in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton.

12. Closure

A handwritten signature in blue ink, appearing to read "Marnie Lock". The signature is stylized with long, sweeping strokes.

Marnie Lock
Acting Chief Executive Officer

Audit and Risk Committee - Action Items
as at 20 August 2025

Meeting	Agenda Item	Action Required	Responsibility	Estimated Completion Date	Current Status
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 and 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 July 2025	8.3 2024-25 Audit and Risk Committee Annual Report to Council	Include additional information relating to the Committee's work program, Member attendance.	A/GM Strategy and Corporate	20 August 2025	Revised report included on this agenda.

Item No: 8.1

Subject: **STANDING ITEMS – AUGUST 2025**

Summary

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

Recommendation

1. **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**
 2. **That the Audit and Risk Committee select _____ to join the tender evaluation panel for the appointment of a new external auditing firm.**
-

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
- Audit – External
- 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

Members of the Committee receive copies of the monthly financial reports as soon as practical after they are provided to Council. To date no financial reports have been prepared in 2025-26.

External Audit

Council's external auditor, Dean Newbery, conducted an interim audit of Council's 2024-25 Municipal operations in March 2025. To complete the audit, they will visit Alwyndor in August and Council's offices in September. An audit completion report will then be provided to the Audit and Risk Committee in October 2025.

Section 128 of the *Local Government Act 1999* (the Act), states that the term of appointment of an auditor cannot exceed five years. As Dean Newbery were appointed in 2020, the 2024-25 audit will be their last. Currently an open tender has been posted on the SA Tenders and Contracts website, with a closing date of 29 August, for the purpose of appointing a new auditing firm for the 2025-26 audit.

The Act also requires that any new appointment must be at the recommendation of a council's Audit and Risk Committee. It is anticipated that a report will be presented at the Committee's 22 October 2025 meeting seeking approval of Council's next external auditor.

In the meantime, there is an opportunity for the Audit and Risk Committee to select one of its members to join the tender evaluation panel. This would not only provide assistance but will also allow the Committee to have an input in the selection process.

Public Interest Disclosures

There have been no public interest disclosures made to Council since the previous standing items report on 14 May 2025.

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 14 May 2025.

Council Recommendations

At its meeting on 27 May 2025 Council received the minutes and endorsed the recommendations of the meeting of the Audit and Risk Committee held on 14 May 2025. While at its meeting on 22 July 2025 Council received the minutes and endorsed the recommendations of the meeting of the Audit and Risk Committee held on 16 July 2025.

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.

To accommodate the above reporting requirements the following ordinary meeting schedule is proposed for the remainder of 2025:

- Wednesday 22 October 2025

A special Audit and Risk Committee meeting has also been scheduled for the 28 August 2025.

Committee Member Self - Review Assessments

Committee members will again be invited to undertake a self-review assessment, providing key feedback regarding levels of existing skills, future training requirements and potential support that members may require.

A copy of this self-review questionnaire is attached for reference. This online assessment will be distributed to current Committee members in September, to be completed and returned with the results to be reported at the meeting scheduled for 22 October 2025.

Refer Attachment 1

Budget

Not applicable

Life Cycle Costs

Not applicable

Strategic Plan

Statutory compliance

Council Policy

Not applicable

Statutory Provisions

Local Government Act 1999, Sections 41, 126 and 128
Public Interest Disclosure Act 2018

Written By:

Manager Finance

A/General Manager:

Strategy and Corporate, Mr C Blunt

Attachment 1

Audit and Risk Committee – Self-review assessment 2024-25

	Rating						Comment
	No				Yes	Unsure	
	1	2	3	4	5		
1. Terms of Reference							
Do you believe that Council sufficiently understands the nature, responsibility and function of the Audit and Risk Committee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are you satisfied with the effectiveness of the Committee to date in terms of meeting its Terms of Reference?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are the Terms of Reference reviewed and amended in a timely and appropriate manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Membership and Appointments							
Is the number of independent members appropriate to effectively discharge the responsibilities of the Audit and Risk Committee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Meetings							
Are Audit and Risk Committee meetings well attended by members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Do Audit and Risk Committee meetings allow sufficient time for discussion and questions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are meeting agendas and related background information circulated in a timely manner to enable full and proper consideration to be given to the issues?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Audit and Risk Committee – Self-review assessment 2024-25

	Rating						Comment
	No				Yes	Unsure	
	1	2	3	4	5		
Is sufficient time allowed between Audit and Risk Committee meetings and Council meetings to allow any work arising to be carried out and reported to the Council as appropriate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Does the Audit and Risk Committee Presiding Member, and to a lesser extent the other members, keep in touch on a continuing basis with the key people involved in the Council's governance e.g. the Council Presiding Member, the Chief Executive Officer and the General Managers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are you satisfied with the decision-making process/ conduct of the Committee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are you satisfied with the contribution that each Committee Member makes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4. Training and Resources							
Does the Audit and Risk Committee have sufficient skills, experience, time and resources to undertake its duties?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Do Audit and Risk Committee members receive relevant training in financial reporting and related legislation on an ongoing and timely basis?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Do Audit and Risk Committee members have the opportunity to attend courses and seminars, run by external advisers such as the Local Government Association, the External and Internal Auditors and Lawyers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Audit and Risk Committee – Self-review assessment 2024-25

	Rating						Comment
	No				Yes	Unsure	
	1	2	3	4	5		
5. Financial Reporting							
Does the Audit and Risk Committee review and challenge where necessary:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
• The consistency of, and any changes to, accounting policies on a year to year basis?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
• The methods used to account for significant or unusual transactions where different approaches are possible?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
• Whether the Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the External Auditor?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
• The clarity of disclosures in the Council's financial reports and the context in which statements are made?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
• All material information presented with financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6. Internal Controls and Risk Management Systems							
Does the Audit and Risk Committee keep under review the effectiveness of the Council's internal controls and risk management systems?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Audit and Risk Committee – Self-review assessment 2024-25

	Rating						Comment	
	No					Yes		Unsure
	1	2	3	4	5			
7. Internal Audit								
Does the Audit and Risk Committee monitor and review the effectiveness of the Council's Internal Audit function in the context of the Council's overall risk management system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Does the Audit and Risk Committee consider and make recommendations on the Internal Audit program?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
8. External Audit Process								
Does the Audit and Risk Committee review the findings of the External Audit with the External Auditor, including, but not limited to:								
• A discussion of any major issues which arose during the audit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
• Any accounting and audit judgements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
• Levels of errors identified during the audit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Does the Audit and Risk Committee also review the effectiveness of the External Audit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

Audit and Risk Committee – Self-review assessment 2024-25

	Rating						Comment	
	No					Yes		Unsure
	1	2	3	4	5			
9. Relationship with the Council								
Are you satisfied with the relationship the Audit and Risk Committee has with Council?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Are you satisfied with Council's understanding of the role and advice of the Audit and Risk Committee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
10. Communications with Stakeholders								
Does the Annual report on the Audit and Risk Committee's activities provide sufficient detail to enable stakeholders to understand how the Audit and Risk Committee has discharged its duties?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
11. Communication and Training								
Are you happy with the style and amount of communication with Council management?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
12. Opportunities for Improvement								
Is there any way you think the Committee can improve its performance?								
Do you have any other comments?								



Audit and Risk Committee – Self-review assessment 2024-25

Relationship to Audit and Risk Committee: Independent Member ☐ Staff member ☐ Elected member ☐

Thank you for your participation in this survey!

Item No: 8.2**Subject:** 2022 – 2025 INTERNAL AUDIT PROGRAM QUARTERLY REPORT

Summary

The risk-based audits scheduled for the Internal Audit Program 2024-25 have been completed.

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*, the 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 revised 2024-25 Internal Audit Program, considering newly identified and evolving business risks and opportunities, captured the areas below:

Volunteering Management	Review/better practice/assessment and feedback <i>Risk SC03 – Poor or ineffective service delivery</i>
Post-Implementation Review	Assessment of progress in the implementation of 'high' and 'medium' risk-rated recommendations <i>Risk SC02 – Poor or ineffective planning systems and processes</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>

The completed 2022 – 2025 three-year Internal Audit program is attached for the Committee's reference

Refer Attachment 1

Report

Internal Audit Program 2025-28

In line with section 125 of the *Local Government Act 1999*, and Council's risk management framework, internal audit policy and procedure, a new risk-based internal audit program for the next 3 financial years has been developed in consultation with internal auditors (Galpins).

The program is aimed at enhancing governance, improving service delivery and ensuring legal compliance over the next 3 three years.

The program has three key thematic focus areas as follows:

- Strategic alignment and governance (e.g Events Strategy, Cybersecurity and Strategic Asset Management reviews)
- Risk and compliance (e.g WHS/SkyTrust, Emergency Management and Fraud Detection reviews)
- Organisational performance and capability (e.g, Project Delivery, Personnel Planning and Total Operating Model (TOM) project review)

By incorporating annual reviews, the plan is designed to be dynamic and responsive to emerging risks and changing organisational priorities. This ensures it maintains relevance and effectiveness. It also provides a basis for the assurance of Council's risk management, governance and internal controls. The full plan is provided for the Committee's reference.

Refer Attachment 2

Alwyndor Fraud Data Analysis

As part of the approved 2024-25 Internal Audit program, an Artificial Intelligence (AI) powered review of Alwyndor's 2024 general ledger transactions was undertaken. The audit aimed to identify potential indicators of fraud or accounting anomalies and to assess the robustness of internal financial controls.

The review supports Council's fraud and corruption prevention/detection program. This aligns with best practice use of AI technology for the detection of unusual trends, errors or fraudulent activity in all recorded financial transactions. The full report is provided for the Committee's reference.

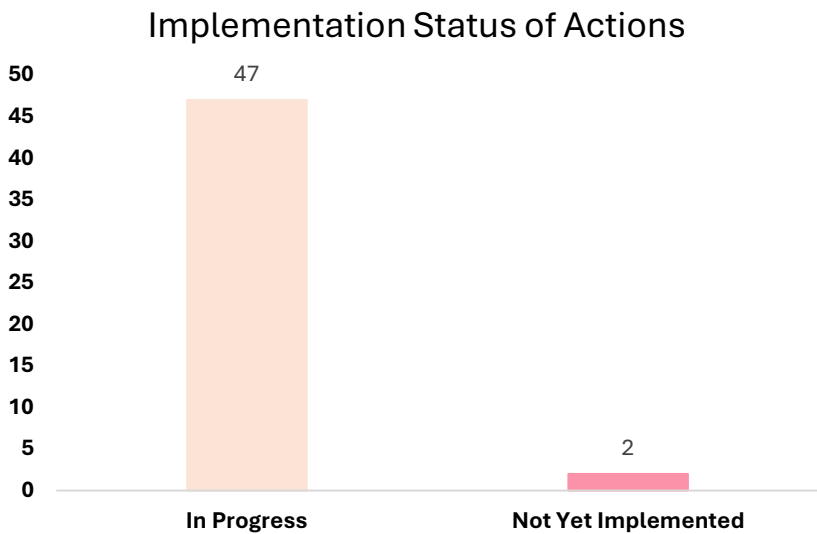
Refer Attachment 3

Audit Recommendations – Outstanding Actions Update

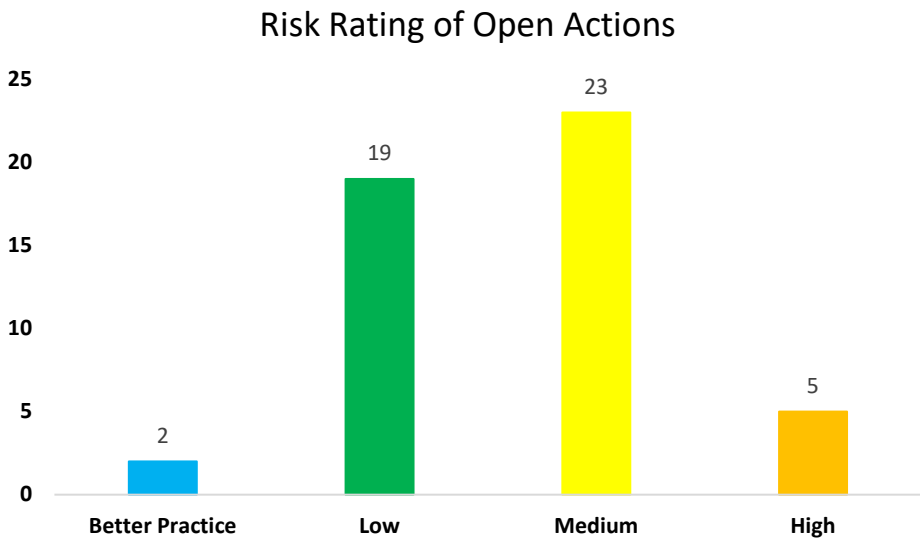
Each of the actions resulting from the Internal Audit program are monitored and managed via a master spreadsheet. This captures all related information and tracks the progress through three stages: not yet implemented; in progress or partially implemented; and completed.

In line with recommendations raised during a post-implementation review (PIR) audit, the recommendations register has been strengthened to ensure it acts as a reliable tool for progress tracking and facilitates audit recommendations workflow oversight.

A total of 49 audit recommendations are currently open, with implementation actions already underway or partially implemented for a substantial 96% of recommendations as summarised by the graphs below:



Over 90% of open audit recommendations are rated in the ‘Medium – Low’ risk category. There are currently five ‘High’ risk recommendations – three related to cyber security monitoring and recovery planning, and two concerning strategic planning governance, reporting and monitoring. Significant progress is being made to address these high-risk areas through the cyber security framework and the continued development of the Envisio corporate performance reporting and monitoring system.



Additional detail supporting the summary data is provided through extracts from the master monitoring spreadsheet, presented in three formats that highlight the following:

- actions that have been completed. *Refer Attachment 4a*
- actions that are in progress and partially implemented. *Refer Attachment 4b*
- actions that are not yet implemented *Refer Attachment 4c*

To ensure proper oversight, a General Manager is now required to sign off on completed actions arising from Internal Audits.

Toward the end of the 2025-26 year, a Post Implementation Review will also be undertaken. This will assess the effectiveness of the implementation and management of audit recommendations

Budget

Appropriate budgets have been allocated for the 2025-26 year.

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, section 125

Written By: Risk and Improvement Officer

A/General Manager: Strategy and Corporate, Mr C Blunt

Attachment 1

Internal Audit Program Year 1: 2022 - 23

#	Year Ref:	Timing	Audit Topic	Audit Project Detail	Status	Audit Type			Risk Coverage	Project Sponsor
						Strategic Audit	Standard Audit	Financial Review		
1	Year 1	September/ December	Floodwater/Stormwater	Coastal area/environmental impact/asset protection - Risk: Poor or ineffective management of the impacts of climate change	Strategic	✓			AD01	GM Assets & Delivery
2	Year 1	February/ April	Complaints Handling	Link to Customer Experience Strategy once rolled out. - Risk: Poor or ineffective customer service delivery	Standard		✓		CB03	GM Community & Business
3	Year 1	May / June	Fraud Detection	Undertake fraud detection across CHB - Risk: Poor or ineffective budget development and management	Financial			✓	SC08	GM Strategy & Corporate
4	Year 1	June	Development Assessment	Post implementation review. - Risk: Poor or ineffective planning systems and processes	Standard		✓		SC02	GM Strategy & Corporate

Internal Audit Program Year 2: 2023 - 24

#	Year Ref:	Timing	Audit Topic	Audit Project Detail	Status	Audit Type			Risk Coverage	Project Sponsor
						Strategic Audit	Standard Audit	Financial Review		
1	Year 2	October/ November	Procurement And Contracting	Review to include flow/processing of documentation, CoHB & Alwyndor - Risk: Poor or ineffective budget development and management	Strategic	✓			SC08	GM Strategy & Corporate
2	Year 2	August/ September	Strategic Plan	Strategic Plan – assessment of strategic alignment - Risk: Lack of Strategic Alignment	Strategic	✓			SC05	GM Strategy & Corporate
3	Year 2	April/ May	Fraud Detection	Undertake Fraud Detection across Alwyndor - Risk: Poor or ineffective budget development and management	Financial			✓	SC08	GM Alwyndor
4	Year 2	May/ June	Carbon Neutral Plan	Review of Carbon Neutral Plan - Risk: Poor or ineffective management of the impacts of climate and environmental change	Strategic		✓		AD01	GM Assets & Delivery

Internal Audit Program Year 3: 2024 - 25

#	Year Ref:	Timing	Audit Topic	Audit Project Detail	Status	Audit Type			Risk Coverage	Project Sponsor
						Strategic Audit	Standard Audit	Financial Review		
1	Year 3	August/ September	Volunteer Management	Review/better practice/assessment & feedback - Risk SC03: Poor or ineffective workforce planning, including recruitment and retention.	Strategic	✓			SC06	GM Community & Business
2	Year 3	October/ November	PIR	Assessment of progress in the implementation of 'high' and 'medium' risk-risk rated recommendations - Risk SC02: Poor or ineffective planning systems and processes	Standard		✓		SC06	GM Strategy & Corporate
3	Year 3	January/ February Revised to: April/May	Lease Management	Review of lease management against better practice - Risks: SC0; SC05; CBO1; AD02	Strategic	✓			CB03	CEO
4	Year 3	March / April Revised to: Sep/Oct	Financial Controls	EOFY review of internal controls for CHB & Alwyndor - Risk SC05: Poor or ineffective budget development and management	Financial			✓	SC08	GM Strategy & Corporate

Attachment 2

Internal Audit Plan 2025-28

Purpose

The purpose of this document is to provide the City of Holdfast Bay Senior Leadership Team and the Audit and Risk Committee members a proposed Internal Audit plan for Council and Alwyndor, for the next three financial years.

It has been developed in compliance with requirements of the Council's internal audit procedure and risk management framework. Recent internal and external audits, together with the upcoming ESCOSA review and the ongoing Target Operating Model program, provide a comprehensive picture of current organisational maturity and areas requiring further attention. This audit plan is aligned with the council's strategic planning framework and provides direction to the internal audit function as well as assurance of the City of Holdfast Bay's risk management framework over the next 3 years.

In line with auditing best practice, a detailed project scope will be developed prior to the commencement of each audit project. It is envisaged that these internal audit projects, which are oriented towards finding opportunities and benchmarking best practice to enhance council services and internal procedures, will contribute to the achievement of strategic objectives, improve risk management and enable the City of Holdfast Bay to deliver its key priorities for people living and working in its area.

Objectives

The main objective of these internal audit projects is to identify opportunities for improvement and benchmark best practices that will enhance council services, strengthen internal procedures and provide assurance of the internal audit program. This plan is aimed at assisting Council to provide assurance in the following key areas:

- Implementation of the strategic plan, delivery program and strategies
- The adequacy and effectiveness of the council's risk management framework, processes and performance
- The control measures that Council has adopted or is in the process of adopting to manage risks
- Council's governance arrangements
- Delivery of services and performance improvement
- Review of compliance with all relevant legislation, policies and procedures
- Implementation of audit findings and other reviews

Sources

This plan has been developed by Strategy and Governance in consultation with the Council's internal auditors, Galpins using the following sources of data and information:

- Strategic Plan. Our Holdfast 2050+
- Council's strategic and operational risk registers
- Key findings and/or risks raised in previous internal audits
- Sector trends (JLT Public Sector Risk Report) and emerging issues

Annual Review

This is not a static plan; it will be reviewed annually to incorporate changing risks, internal controls, internal audit requirements and to ensure the internal audit function remains aligned with key strategic and operational risks.

Internal Audit Program Year 1: 2025-26

#	Timing	Audit Topic	Audit Project Detail	Audit Type	Project Sponsor	Estimated Cost (ex GST)
1	Aug/Sept	Events Strategy	Review of the effectiveness, strategic alignment and governance of the Council's Events Strategy	Strategic	GM Community & Business	\$16,778
2	Oct/Nov	WHS/SkyTrust	Review/assessment of the effectiveness of Council's WHS framework/implementation of SkyTrust system	Strategic	GM Strategy & Corporate	\$16,778
3	Jan/Feb	Cyber Security	Assessment of cybersecurity practices, policies, infrastructure, controls, incident management and plans	Strategic	GM Strategy & Corporate	\$16,778
4	Mar/April	Post-implementation Review	Assessment of effectiveness of implementation and management of audit recommendations	Standard	GM Assets & Delivery	\$8,460

Internal Audit Program Year 2: 2026-27

#	Timing	Audit Topic	Audit Project Detail	Audit Type	Project Sponsor
1	Aug/Sept	Fraud Detection	Undertake fraud detection across CHB & Alwyndor	Financial	GM Strategy & Corporate
2	Oct/Nov	Reputation	Assessment of community engagement/public relations strategies/communication strategies/Internal Communications Plan	Strategic	GM Community & Business
3	Jan/Feb	Project delivery /POC Framework	Assessment of project management and delivery/capability	Strategic	GM Assets & Delivery
4	Mar/April	ESCOSA	TBC	Strategic	TBC

Internal Audit Program Year 3: 2027-28

#	Timing	Audit Topic	Audit Project Detail	Audit Type	Project Sponsor
1	Aug/Sept	Strategic Asset Management	Assessment of the effectiveness, efficiency and strategy	Strategic	GM Assets & Delivery
2	Oct/Nov	Emergency management	Evaluation of policies, procedures, plans and arrangements for preparedness, response and recovery mechanisms for emergency events/incidents	Strategic	GM Assets & Delivery
3	Jan/Feb	Personnel	Assessment of the alignment of the workforce plan with the Council's long-term goals and objectives/succession planning/loss of corporate knowledge	Strategic	GM Strategy & Corporate
4	Mar/April	TOM Program	TBC – Program health check?	Strategic	TBC

Attachment 3

Data Analytics Fraud Review

May 2025



Prepared For



Galpins

Table of contents

1. Executive Summary.....	3
1.1 Background	3
1.2 Objectives.....	3
1.3 Methodology Overview	3
Key Findings	4
2. Detailed Findings.....	6
2.1 Transactions selected and results of detailed review.....	6
Appendix 1. Scope of the audit engagement.....	9
Appendix 2. Details of reasons for risk scores	11
Disclaimers	12

Document Control

Date	Revision Number	Revision Details	Author	Reviewer
14.05.25	V1.0	Draft Report	Joshua Henderson	Tim Muhlhausler
19.06.25	V1.0	Final Report – no changes made	n/a	n/a

1. Executive Summary

1.1 Background

The approved 2024-2025 Audit Program provided for an audit to be undertaken around fraud detection within both Alwyndor and 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 perpetuated 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

Artificial intelligence (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 in the general ledger
- detects human errors, intentional activities, and unintentional misstatements.

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. This is part of Council's fraud and corruption prevention control framework.

1.2 Objectives

The objective of this audit was to conduct detailed AI driven data analytics of 100% of Alwyndor's 2024 calendar year financial data, with the aim of identifying potential fraud activity or accounting errors. Opportunities to improve processes or internal controls, identified from review of the data, were also considered as part of this audit.

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 January 2024–31 December 2024
- provide a summarised assessment of risk, and
- identify higher risk transactions for specific review (from within the 2024 calendar year).

The team input data from 1 January 2021– 31 December 2023 to inform the AI tool's trend analysis and machine learning tests. This facilitates a robust analysis of transactions for the period under review, as it enables comparison of recent behaviour with previous periods.

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

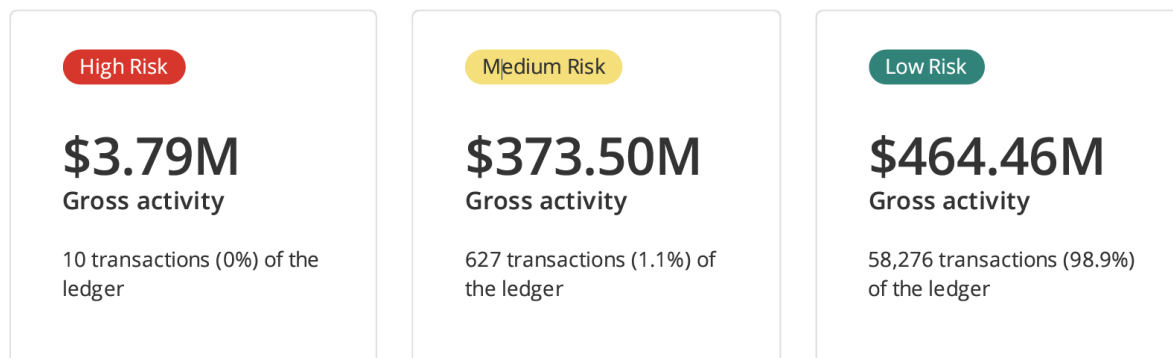
The analysis used business rules, statistical methods, and machine learning based tests to risk score each transaction and to provide more visibility into unusual trends or anomalies within the ledger detail. Each of these tests are referred to as 'control points'. Examples of key control points used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

Key Findings

This review found that Alwyndor's overall risk profile is considered a typical result for a lower risk entity, consistent with results from the previous 2023 general ledger audit. For 2024, 10 transactions were flagged as high risk (less than 0.1%), 627 medium risk (1.1%), and the majority considered low risk (98.9%).

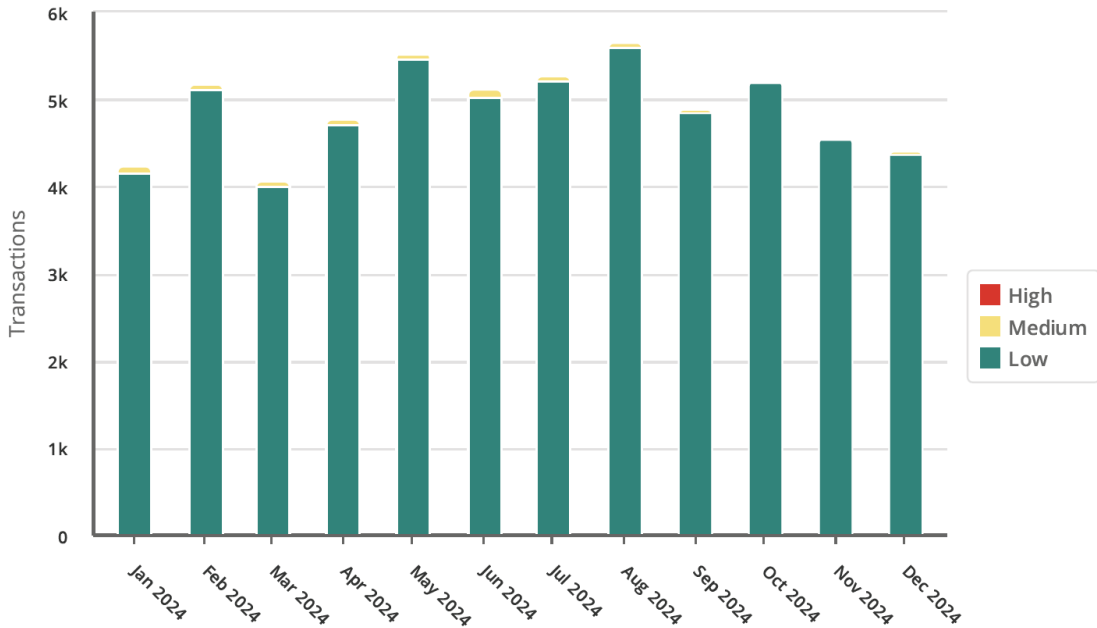


Audit selected a sample including all 10 high risk transactions, and the top 10 medium risk transactions (by relative risk rating) for more detailed examination. Each 'transaction' represents a journal comprising multiple line entries.

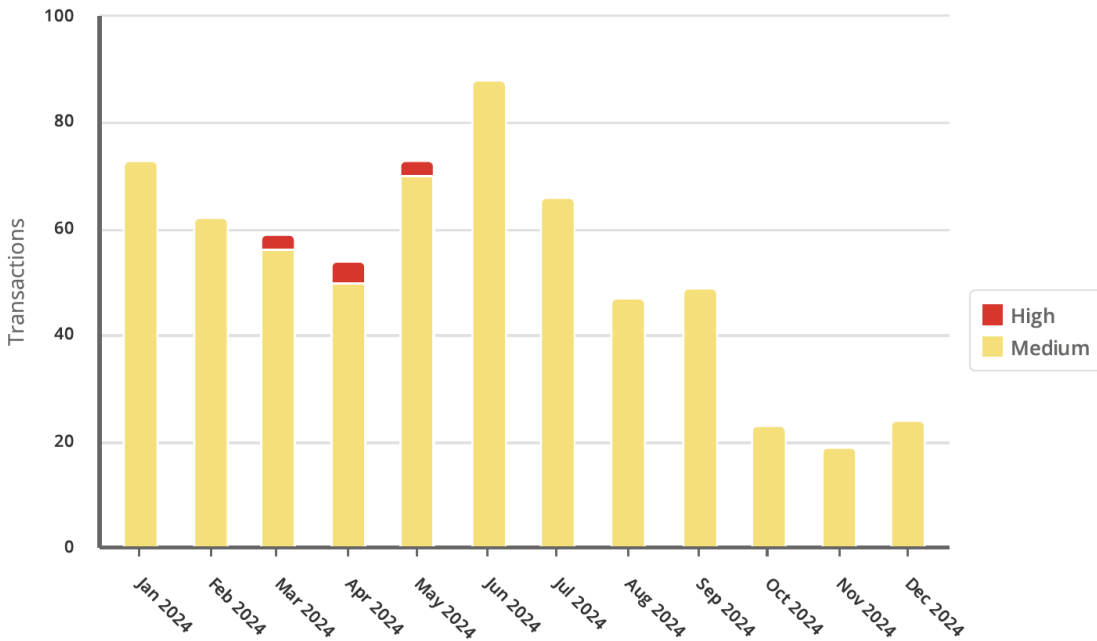
In reviewing the 10 high risk and 10 medium risk transactions, audit did not identify any unusual transactions or indications of fraud.

IA's analysis noted no unusual concentration of risk across the period reviewed, and that the risk profile over time has remained relatively consistent. This is visualised in the below two graphs:

Transaction risk over time (high/medium/low)



Transaction risk over time (high/medium)



2. Detailed Findings

2.1 Transactions selected and results of detailed review

Key Findings

- 10 transactions (< 0.1%) were flagged as high risk and 627 transactions (1.1%) as medium risk, indicating a low risk ledger.
- Audit reviewed all 10 high risk transactions, and the top 10 medium risk transactions (by relative risk rating), and found no unusual transactions or indications of fraud.
- Transactions flagged as higher risk typically relate to month end adjustments to investment balances (as these are high value, often impact cash accounts, and involve reversals).
- Analysis also flagged higher risk transactions related to two changes in accounting policy – ceasing the practice of recording overhead recoveries in the ledger, and a change in the methodology for monthly revenue accruals (implemented in response to an audit recommendation from the previous data analytics review).

Discussion

The audit scope called for a review of general ledger transactions from Alwyndor's 2024 calendar year (1 January 2024 – 31 December 2024). To achieve this, audit performed AI-assisted data analytics. IA reviewed the following 10 transactions, identified as being high risk in the data analysis. No reportable issues were identified, and results are summarised below:

Table 1: High risk transactions

Trans. ID	Effective Date	Total Value	Results	Comments (nature of journal / details of any issues identified)
18097.11	31/03/2024	385,762.18	✓	Record sales & realised loss on sales of income securities.
18097.9	31/03/2024	324,998.45	✓	Record sales & realised loss on sales of equities.
18098.9	01/03/2024	324,998.45	✓	Record sales & realised loss on sales of equities – reversal.
18582.12	30/04/2024	385,762.18	✓	Record sales & realised loss on sales of income securities – reversal.
18582.7	30/04/2024	324,998.45	✓	Record sales & realised loss on sales of equities.
18583.11	01/04/2024	385,762.18	✓	Record sales & realised loss on sales of income securities – reversal.

Fraud AI Review

18583.9	01/04/2024	324,998.45	✓	Record sales & realised loss on sales of equities – reversal.
18584.11	01/05/2024	622,319.04	✓	Monthly Investment fair value movement.
18584.3	01/05/2024	324,998.45	✓	Record sales & realised loss on sales of equities – reversal.
18584.5	01/05/2024	385,762.18	✓	Record sales & realised loss on sales of income securities – reversal.

Audit further reviewed the top 10 Medium risk transactions (based on relative risk). No reportable issues were identified, and results are summarised below:

Table 2: Top 10 Medium risk transactions



Trans. ID	Effective Date	Total Value	Results	Comments (nature of journal / details of any issues identified)
18582.3	30/04/2024	51,396.33	✓	Monthly Investment fair value journal.
18608.1	30/04/2024	485,159.17	✓	Monthly Accrued LSL journal.
18783.11	31/05/2024	558,566.89	✓	Monthly Investment fair value journal.
18783.5	31/05/2024	635,693.29	✓	Monthly Investment journal.
18834.1	1/05/2024	15,062,102.45	✓	YTD revenue accruals - as a result of prior internal audit recommendations, have changed methodology to recognise monthly movement (previously recognised full year movement each month, then reversed each month).
18890.9	30/06/2024	121,188.36	✓	Monthly Investment journal - realised losses.
19706.1	31/07/2024	868,433.52	✓	Monthly overhead journal. Change in policy means overhead recoveries are no longer done in ledger - done off ledger for management reporting. Therefore, these journals were reversed.
19707.1	31/08/2024	754,311.22	✓	Monthly overhead journal. Change in policy means overhead recoveries are no longer done in ledger - done off ledger for management reporting. Therefore, these journals were reversed.
19745.1	31/08/2024	754,311.22	✓	Overhead Recovery Journal reversal (see above).
19747.1	31/07/2024	868,433.52		Overhead Recovery Journal reversal (see above).

Details of the reasons for the risk scores can be found in **Appendix 2**.



APPENDICES

Appendix 1. Scope of the audit engagement

 	
Internal Audit Scope CHB and Alwyndor Data Analytics Review: Fraud Detection	
Background	<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.²</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>
Audit Objective	<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>
Scope	<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.

² 2019, IIA Global, IIA Position Paper: *Fraud and Internal Audit: Assurance over fraud controls fundamental to success*

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>
Key Stakeholders	<p>The key contacts for this internal audit will be:</p> <ul style="list-style-type: none"> Beth Davidson-Park (General Manager, Alwyndor) Rafa Mirzaev (Chief Financial Officer, Alwyndor) Cadel Blunt (Manager Finance, CHB) Lyn Fuller (Finance Officer, CHB) Jennifer Fleming (A/Manager Strategy and Governance)
Audit Team	<ul style="list-style-type: none"> Tim Muhlhausler (Partner) Janna Burnham (QA Partner) Kevin Young (Analyst)

Appendix 2. Details of reasons for risk scores

High risk transaction risk scores:

Transaction ID											Transaction Analysis																		Compliance & Audit									
	Risk Score		2 Digit Benford	Complex Structure		Expense Flurry	Expert Rules	Flow Analysis	Outlier Anomaly	Rare Flow	Unusual Amount	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	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						
18097.11	51%	30%	5%	100%	100%	68%	26%	73%	0%	✓	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓						
18097.9	51%	0%	5%	100%	100%	69%	38%	73%	0%	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓						
18098.9	54%	0%	5%	100%	100%	70%	28%	76%	0%	✓	X	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓						
18582.12	55%	30%	5%	100%	100%	71%	39%	73%	0%	✓	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓						
18582.7	52%	0%	5%	100%	100%	72%	42%	73%	0%	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓						
18583.11	59%	30%	5%	100%	100%	69%	26%	76%	0%	✓	X	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓						
18583.9	56%	0%	5%	100%	100%	70%	28%	76%	0%	✓	X	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓						
18584.11	51%	61%	22%	100%	100%	74%	47%	74%	34%	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
18584.3	54%	0%	5%	100%	100%	70%	28%	76%	0%	✓	X	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓						
18584.5	56%	30%	5%	100%	100%	69%	26%	76%	0%	✓	X	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓						

Medium risk transaction risk scores:

Transaction ID											Anomaly Detection Framework: Multi-Stage Analysis																Compliance & Audit Trail									
	Risk Score	2-Digit Benford	Complex Structure	Expense Flurry	Expert Rules	Flow Analysis	Outlier Anomaly	Rare Flow	Unusual Amount	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	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						
18582.3	50%	0%	25%	100%	100%	69%	71%	76%	8%	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
18608.1	46%	61%	54%	100%	100%	53%	89%	46%	1%	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓						
18783.11	49%	0%	22%	100%	100%	74%	45%	76%	8%	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
18783.5	49%	34%	5%	100%	100%	69%	28%	73%	1%	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
18834.1	47%	28%	68%	100%	10%	49%	100%	60%	53%	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓	✓	✗	✓	✓	✓	✓	✗	✓	✓	✓	✗						
18890.9	49%	37%	22%	100%	100%	73%	41%	76%	4%	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
19706.1	48%	61%	80%	100%	10%	64%	100%	73%	7%	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓						
19707.1	50%	57%	80%	100%	10%	63%	97%	73%	8%	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓						
19745.1	50%	57%	80%	100%	10%	62%	93%	73%	7%	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓						
19747.1	48%	61%	80%	100%	10%	64%	98%	73%	6%	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓						

Disclaimers

Inherent limitations

This report has been prepared for the information and internal use of the Alwyndor 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 Alwyndor'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 Alwyndor. 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 Alwyndor'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 Alwyndor or its delegate in connection with our engagement to perform internal audit services. Other than our responsibility to Alwyndor, 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 Alwyndor's external auditor, on this internal audit report. Any reliance placed is that party's sole responsibility.

Attachment 4

Internal Audit - Recommendation/Action Monitoring and Review

Audit	Date Report Finalised/Action Opened	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
Budget Management	Mar-22	BM01.7	2.2 Budget Maturity Assessment. - 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.	We recommend that; Rec 1.7 - Investigate options for software to replace the existing Corporate Performance Management (CPM) system.	Better Practice	Complete	Manager Strategy and Governance with Manager Innovation and Technology	Complete	Comments June 2022 '- 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. Comments September 2022 - 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. Comments March 2023 - linked to the Biz Regs. Comments June 2023 - work progressing to target due date Comments August 2023 - work progressing to target due date Comments October 2023 - AMP workload to be scheduled to ensure all aspects reviewed & completed to timeframe - due Dec 2023. 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. Comments - May 2024 - Work is continuing on the corporate plan, however has been slowed by other priorities. Comment - August 2024 - Work is continuing on the corporate plan, however has been slowed by other priorities. Comments - January 2025 Completed - A new corporate performance management software contract signed with Envisio. Implementation work ongoing.
Transport Asset Management	May-22	AM02	2.1 Forward-planning processes and use of asset management information in strategic decision making - 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 (LTFP). - 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.	We recommend that: 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').	Medium	Complete	GM Assets & Delivery	30/11/2024	Comments June 2022 - Progress in line with audit report 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 - 2023 Quality of Life survey received to be incorporated into the development and measure of KPIs for AMPs. Comments October 2023 - works progressing on KPIs for AMPs Comments February 2024 - work progressing on KPIs within AMP reviews Comments - May 2024 - Work progressing on KPIs within AMP reviews. Comments - August 2024 - Work progressing on KPIs within AMP. Comment - January 2024 Complete

Audit	Date Report Finalised/Action Opened	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
Transport Asset Management	May-22	AM03		We recommend that; Rec: 03 - A review timetable is introduced for all AMPs, scheduling: - 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. 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.	Medium	Complete	GM Assets & Delivery	30/11/2024	Comments June 2022 - Progress in line with audit report 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 Comment October 2023 - work progressing on the AMP format Comment February 2024 - work progressing on the AMP reviews and formats Comments - May 2024 - Work progressing on the AMP reviews and formats Comments - August 2024 - AMP reviews and formats progressing Comment - Comments 2025 Complete
Transport Asset Management	May-22	AM04		We recommend that; 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. 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).	Medium	Complete	GM Assets & Delivery	31/07/2023 31/08/2024 30/11/2024	Comments June 2022 - Progress in line with audit report 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 - valuation for replacement costs open space assets (2022/23) is currently being completed. Due August 2024. To be implemented in AMP in November 2024. Comments October 2023 - AMPs to be reviewed and timeframes checked to ensure delivery of outcomes - Due August 2024. Comments February 2024 - work ongoing and on target for due date Comments - May 2024 - To be delivered with Asset Mgt Plans - Nov. 2024. Comments - August 2024 - To be progressed in AMPs review in November 2024 Comment - Jan 2025 Complete
Transport Asset Management	May-22	AM06		2.3 Governance and risk management frameworks. - 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.	High	Complete	GM Assets & Delivery	Complete	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 - working towards a costed delivery plan in alignment with the Asset Management Strategy Comments February 2024 - work ongoing and on target for due date Comments - May 2024 - Timeline realigned to be delivered with Asset Mgt Strategy & Asset Management Plans - Nov. 2024. Comments - August 2024 - To be delivered by Asset Management Strategy & AMPs in November 2024 Comment - Jan 2024 Complete - Cost plan develop and prioritisation framework in place.

Audit	Date Report Finalised/Action Opened	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
Transport Asset Management	May-22	AM07		We recommend that: Rec 7: Implement a 4-yearly Asset Management Maturity Self-Assessment process.	Better Practice	Complete	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	Complete	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	Complete	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

Audit	Date Report Finalised/Action Opened	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
2022/23 Flood Mitigation	Feb-23	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	Complete	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 <u>Comment - November 2024</u> Complete
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	Complete	Manager Finance	30/06/2024 30/09/2024 30/06/2025	<u>Comment - August 2024</u> 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. Comments - March 2025. Proposal to upgrade EzeScan, address legacy infrastructure constraints and enable direct integration with TechOne was presented to IT General Steering Committee for approval on March 19. Not approved due to financial constraints and lack of staff capacity to deliver recommendations.
2023/24 Procurement	Mar-24	PR10	2.4 Tech1 enhancements to improve user experience	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	Complete	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 Stering Committee / Project Oversight Committee. Comments - November - 2024: Feasible actions to be reviewed with IT. <u>Comments - March 2025.</u> OCR technology and other infrastructure upgrades not approved by IT General Steering Committee due to financial constraints and lack of staff capacityto deliver recommendations.
2023/24 Procurement	Mar-24	PR13	2.6 Review of Contractor Management System (und	Recommendation 13: Consider implementing additional functionality to within the contractor management system to: <ul style="list-style-type: none">- 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	Complete	Manager Finance Manager Innovation & Technology	Complete	<u>Comment - August 2024</u> As resources allow - link in with Appendix 6 future functionality (Rec.10). Comments - February 2025. Complete - Functionality in TechOne

Audit	Date Report Finalised/Action Opened	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
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	Complete	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 <u>Comments - November- 2024</u> 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	Complete	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 <u>Comments - November 2024.</u> Complete
2024/25 Volunteer Management Audit	Nov-24	VM3.3	WHS for volunteers	Recommendation 3: Review WHS induction	Medium	Complete	Manager Community Wellbeing, Volunteer Services Coordinator	Complete	Comments - November 2024 - To be reviewed in conjunctions with CHB's WHS Business Partner. Comments - March 2025 - Review ongoing - due for completion by June 2025. <u>Comments - March 2025.</u> Complete
				Recommendation 4: Confirm forward intention of volunteers' use of plant and equipment.	Low	Complete	Manager Community Wellbeing, Community Development Coordinator	Complete	Comments - November 2024 - CHB will confirm forward intention and develop a RACI model as part of the development of the Sustainable Operating Model for community centres. <u>Comments- March 2025.</u> Complete.
2024/25 Volunteer Management Audit	Nov-24	VM3.6	Volunteer recognition and appreciation	Recommendation 9: Consider offering alternative	Better Practice	Complete	Volunteer Services Coordinator	Complete	Comments - November 2024 - A suite of alternative appreciation options to be offered to volunteers who cannot attend events Comments - January - 2025_ Work progressing on firming up options to be offered. <u>Comments - March 2025.</u> Complete
				Recommendation 12: Consider including reporting around volunteers in quarterly Senior Leadership Team meetings.	Better Practice	Complete	Volunteer Services Coordinator	Complete	Comments - November 2024 - Quarterly reporting about volunteer performance to SLT to be developed. <u>Comments- March 2025.</u> Complete

Internal Audit - Recommendation/Action Monitoring and Review

Audit	Date Report Finalised/Action Opened	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
Workforce Planning	Feb-21	WFP02	2.2 Opportunity to develop a strategic workforce plan that aligns with business objectives: - 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	We recommend that: 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: - 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. 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.	Low	In Progress	Manager People and Culture	30/06/2022 30/06/2023 30/09/2023 31/12/2023 31/08/2024 31/05/2025 30/09/2026	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) Comments September 2022 - Corporate Plan underway - due for completion Dec 2022 - Workforce planning strategy to follow once Corporate Plan established. Comments March 2023 - Will be completed to target due date Comments June 2023 - Work progressing to target due date Comments August 2023 - Corporate Plan being finalised which will then inform this strategic workforce planning. 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. Extended due date until end of next quarter to allow for transfer/update of information. Comments February 2024 - Workforce strategy to guide workforce planning underway - target for completion 30/06/24 Comments - May 2024 - Work on track to finalise required strategy by due date. Comments - August 2024 - Final review stage of the process Comments - October 2024 - Review completed Comments November 2024 May need to be outsourced with a delivery target of May 2025. Comments - July 2025: SLT review done. SLT to explore if implementation can be aligned and delivered via the TOM work. Target completion deadline extended to September 2026
Workforce Planning	Feb-21	WFP03	2.2 Opportunity to develop a strategic workforce plan that aligns with business objectives: - 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	We recommend that: 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: - service design capability - data analytics	Low	In Progress	Manager People and Culture	30/06/2022 30/06/2023 30/09/2023 31/12/2023 30/09/2024 30/11/2024 31/05/2025 30/09/2026	Comment June 2022; *** This recommendation does not apply to Alwyndor. - 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) Comments September 2022 - Corporate Plan underway - due for completion Dec 2022 - Skills capability and gap analysis to follow once Corporate Plan established. Comments March 2023 Will be completed to target due date Comments June 2023 - work progressing to target due date Comments August 2023 - Corporate Plan being finalised which will then inform this skills/capability audit 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. Extended due date until end of next quarter to allow for transfer/update of information. Comments February 2024 - Skills/capability gaps analysis underway – target for completion 30/9/2024 Comments - May 2024 - Extended deadline for completion by 8 weeks to enable finalisation/cross checking of details. Comments - August 2024 - Final review stage of process Comments November 2024: Final review stage of process - completion date extended by 6 months. Comments - July 2025: Reviewed by SLT. Implementation to be linked to the 2026/27 budget process. Target completion deadline extented.
Workforce Planning	Feb-21	WFP06	2.4 Opportunity to ensure critical knowledge is formally documented: - 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.	We recommend that: 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. 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.	Low	In Progress	Manager People and Culture	31/05/2022 31/12/2022 30/06/2023 30/09/2023 31/12/2023 30/06/2024 30/09/2024 30/06/2025 30/09/2026	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. Comments September 2022 - Alwyndor/ Strategy & Governance to progress - no action required from Manager P&C perspective. Comments March 2023 - Will be progressed/finally reviewed in line with current corporate Manager Finance recruitment. Comments June 2023 - Work progressing to target due date 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. 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. Comments February 2024 - Critical Positions review underway – target for completion 30/6/2024 Comments - May 2024 - Working to have staff Critical Positions review completed by due date - 30/06/24 Comments - August 2024 - Final review stage of process - slight time extension required. Comments November 2024 - Final review stage of process - deadline for completion extended by 6 months. Comments- July 2025: Reviewed by SLT. Clarification of critical positions across Council to be done. Target completion deadline extened to 30/09/2026 to allow investigation by new GM Strategy & Corporate.

Audit	Date Report Finalised/Acti on Opened	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
Environment Strategy	Mar-22	ES02	2.2 Opportunities to strengthen Environment Strategy Governance	Rec. 2: - To complete CHB’s climate governance risk assessment and adopt relevant recommendations to strengthen CHBs climate riskgovernance. - Complete the Climate Risk Governance Assessment. -Review and provide a report of findings to Council with recommendations for actions and priorities to improve climate governance.	Better Practice	In Progress	Manager Engineering	28/02/2025–31/12/2025	Comments December 2024. - Action re-opened as it had been partially implemented. Report to Council of findings of the Climate Risk Government Assessment with proposals due for 28/02/2025. Comments - March 2025. High level risk assessment approach being discussed & developed via CCCoP with a completion date of 31/12/2025 due to other priorities. <u>Comments- July 2025:</u> Reviewed by SLT. GM Assets & Delivery to review status with her team.
2022/23 Flood Mitigation	Feb-23	FM01	2.1 Detailed Findings A framework to manage flooding is in place, there’s opportunity to review Stormwater Management Plan	We recommend that: 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. Note – this recommendation will be dependent on agreement with the City of Marion and the Stormwater Management Authority.	Low	In Progress	Manager Engineering	30/06/2025–30/06/2025–31/12/2026	Comments June 2023 - work not yet commenced Comments August 2023 - not yet commenced Comments October 2023 - will program in works when meeting with Manager Engineering later this quarter. 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. Comments - May 2024 - Same comments as February 2024 Comments - August 2024 - The Stormwater Management Plan has been proposed as a new initiative for 2024/25 - awaiting council approval. Comments - November - 2024. Plan approved by Council. Discussions on cost sharing with City of Marion ongoing. Comment - January 2025: Plan approved by council. Discussion on cost sharing with City of Marion ongoing. <u>Comments - July 2025:</u> Reviewed by SLT. GM Assets & Delivery will review progress with team at a workshop.
2022/23 Flood Mitigation	Feb-23	FM02	2.2 Detailed Findings A need to stocktake progress in implementing SMP actions	We recommend that: 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: - (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. Report results to the Senior Leadership Team.	Medium	In Progress	Manager Engineering	31/12/2023–30/06/2025–28/02/2026	Comments June 2023 - work not yet commenced Comments August 2023 - not yet commenced Comments October 2023 - will program in works when meeting with Manager Engineering later this quarter. Comments February 2024 - The SMP review to include this review, and provide recs. to reprioritise projects and funding. Remaining projects prior to renewal are Tarlton/Whyte stormwater upgrade, Gilbertson Gully restoration and Harrow Road GPT. Recommend timeframe to change to 30/6/25, inline with SMP. Comments - May 2024 - Same comments as February 2024 Comment - August 2024 - The SMP review to include this review, and provide recs. to reprioritise projects and funding - further details as above. Comments - January 2025_ Same comments as August 2024 <u>Comments - July 2025:</u> Reviewed by SLT. GM Assets & Delivery to workshop and report back to SLT. Target completion deadline extended.
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 in line with the Planning, Development and Infrastructure (2016) Act’s requirements (as applicable), and CHB’s Stormwater Drainage Building and Construction Policy (2020). <u>This may include but is not limited to:</u> (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	30/06/2024–31/12/2024–31/03/2025–31/12/2026	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. <u>Comments - July 2025:</u> Policy under review end date of 2026. Target completion deadline extended.

Audit	Date Report Finalised/Action Opened	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
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 30/09/2026	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. Comments- July 2025: Long-term coastal management being undertaken in line with the newcoastal hazard and adaptaton guidelines 2024-25. Coastal Hazard Adaptation Plan (CHAP) for metropolitan Adelaide developed in collaboration with other coastal Councils. Grant funding for a project for establishment of a governance structure, hazard exposure, long-term risk management, adaptation planing, actions & pathways, monitoring & implementation received by Council. Reviewed by SLT. Re-evaluation of recommendation to be done after confirmation of ownership status of sea walls. Target completion deadline extended
2022/23 Flood Mitigation	Feb-23	FM07	2.6 Detailed Findings Operational maintenance of infrastructure occurs, some minor improvements identified	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 30/09/2026	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 the Target Operating Model work. Comments - July 2025: Reviewed by SLT. Target completion deadline extended.
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 31/05/2025 30/09/2026	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. Comments - March 2025. Internal procedure draft developed, review in progress by May 2025. Comments - July 2025: Reviewed by SLT. To be delivered under the TOM project. Target completion deadline extended.
2022/23 Complaints Handling	May-23	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 31/05/2025 30/09/2026	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. Comments- March 2025 - Power BI reports development complete, roll-out being tested in place by May 2025. Comments - July 2025: Reviewed by SLT. To be implemented under the TOM project. Target completion deadline extended.
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 30/09/2025	Comments - August 2024 - Policy and Procedure are due for renewal mid 2024 and will be 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. Comments - July 2025: Policy due for submission to SLT. Target completion deadline extended.
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 30/09/2025	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 -2024. Additional exemptions to improve efficiency in the revised Procurement policy awaiting adoption. Comments - July 2025. List of PO exemptions in the new Procurement procedure have been significantly increased - policy ready for adoption. Base threshold for POs will remain at \$2,000; New staff trained on optimum way to raise PO by Accounts Payable Officer and managers reminded of best practice/processes at monthly budget meetings. Reviewed by SLT. Recommended for closure upon adoption of the new procurement procedure.

Audit	Date Report Finalised/Action Opened	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
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. Comments - July 2025: Automated process of invoice approval submitted to the IT Steering Committee. Request put on-hold due to financial constraints and lack of staff capacity to deliver the recommendations. Reviewed by SLT.
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	10/31/2024 – 30/06/2025 – 28/02/2026	Comment - August 2024 An introduction to procurement principles is already provided as part 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. Comments - March 2025 - Format for the delivery of refresher training sessions for existing staff under discussion. Comments - July 2025. Reviewed by SLT. New procedure for refresher training under discussion. Target completion date amended.
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. Comments - July 2025: Instructions for all stages of raising, amending and processes POs and associated invoices now on Baywatch. Reviewed by SLT. Recommended for closure per new process.
2023/24 Procurement	Mar-24	PR12	2.4 Tech1 enhancements to improve user experience around payments	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. Comments - March 2025, Spot checks undertaken and follow-up training provided when required. Comments - July 2025: A Power BI report has been developed. Risk & Improvement Officer monitoring PO/Invoice compliance monthly. Reviewed by SLT. Recommendation for closure per new procedure
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	In Progress	Corporate & Service Planning Lead and Manager Strategy & Governance	31/07/2024 – 30/09/2024 – 30/04/2025 – 28/02/2026	Comments - August 2024 Review will commence during coming weeks - extended timeframe required Comments - November 2024 -0 Review completed. Mechanisms included in the Strategic Plan review for council approval. Comments - March 2025. RACI project to clarify roles and responsibilities for Our Holdfast 2050+ ongoing. SLT being engaged on inclusion of reporting at a strategic meeting. Comments - July 2025: Reviewed by SLT. Recommendation to be closed when Envisio launches. Target completion date extended.
2023/24 Strategic Planning Alignment	May-24	STP03		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 – 28/02/2026	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. Comments - July 2025: Reviewed by SLT. To be picked up by new GM Strategy and Corporate. Target completion date amended
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	In Progress	Corporate & Service Planning Lead and Manager Strategy & Governance	31/12/2024 – 30/04/2025	Comments - August 2024 - Not yet commenced Comments November 2024 Update of Council's strategic plans and annual plans aligned. Work ongoing for indepth alignment of other strategic plans
2023/24 Strategic Planning Alignment	May-24	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	In Progress	Corporate & Service Planning Lead and Manager Strategy & Governance	31/12/2024 – 30/04/2025	Comments - August 2024 - Not yet commenced Comments - November 2024 - __Corporate performance identified. Comments - March 2025 -It will be tracked on the new corporate performance monitoring software - Envisio. Roll-out of Envisio ongoing

Audit	Date Report Finalised/Action Opened	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
2023/24 Strategic Planning Alignment	May-24	STP06	3.4 Finalising measures of success (KPIs)	<p>Recommendation 6: Continuing work in relation to key performance indicators/measures of success.</p> <p>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.</p>	Medium	In Progress	Corporate & Service Planning Lead and Manager Strategy & Governance	12/31/2024-30/06/2025	<p>Comments - August 2024 - Not yet commenced</p> <p>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.</p>
2023/24 Strategic Planning Alignment	May-24	STP07	3.5 Linkage between Strategic Plan and Annual Business Plan	<p>Recommendation 7: Strengthen linkage between Strategic Plan and Annual Business Plan.</p> <p>Work to strengthen the link between the Strategic Plan and ABP. For example:</p> <ul style="list-style-type: none"> - agree which objectives will be reported against each year (some may not be scheduled until future years) - track success against KPIs. <p><i>Note – this clearer report on progress will be after clarification of smart measures/KPIs as outlined in Recommendation 5.</i></p>	Medium	In Progress	Corporate & Service Planning Lead and Manager Strategy & Governance	31/01/2025	<p>Comments - August 2024 - Not yet commenced</p> <p>Comments - November 2024 - KPI's tracked in the Annual Plan. Strategic Plan review will help tighten reporting against objectives.</p>
2023/24 Strategic Planning Alignment	May-24	STP08	3.6 Prioritisation Framework and linkage to Strategic Objectives	<p>Recommendation 8: Consider mandatory alignment between Prioritisation Framework and Strategic Plan.</p> <p>Aim to strengthen the support of the Strategic Plan via the Prioritisation Framework by:</p> <ul style="list-style-type: none"> - 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. <p><i>Nb – this recommendation is included in recognition that the Strategic Plan is intended as Council's highest-level strategic document.</i></p>	Medium	In Progress	Corporate & Service Planning Lead and Manager Strategy & Governance	10/31/2024-30/06/2025-31/09/2026	<p>Comments - August 2024 - Not yet commenced</p> <p>Comments - November 2024 - Included in Annual Plan 2026 preparation.</p> <p>Comments - July 2025: Reviewed by SLT. Prioritisation done in the the 2025/26 ABP. Post-implementation review to assess alignment strategic plan objectives to be done. Target completion deadline extend.</p>
2023/24 Strategic Planning Alignment	May-24	STP09	3.7 Legislative compliance	<p>Recommendation 9: Clearly demonstrating compliance with more administrative/minor elements of s.122 of the Local Government Act.</p> <p>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.</p>	Low	In Progress	Corporate & Service Planning Lead and Manager Strategy & Governance	11/30/2024-30/06/2025	<p>Comments - August 2024 - Not yet commenced</p> <p>Comments - November 2024 To be clarified and tightened during the Strategic Plan Review.</p> <p>Comments - July 2025: Reviewed by SLT: Same comments as November 2024. Target completion deadline extended.</p>
2023/24 Carbon Neutral Plan Audit	Jun-24	2.2	Outstanding Initiatives	<p>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</p>	Low	In Progress	Manager Engineering	31/03/2025	<p>Comments - August 2024- Not yet commenced</p> <p>Comments- November 2024 - Draft ready. Approach to be finalised when the Asset Managment Plan gets reviewed. Charging stations review done for Fleet Vehicles. Heavy plant and equipment options being monitored as technology develops.</p> <p>Comments - July 2025: Sames comments as November 2024.</p>
2023/24 Carbon Neutral Plan Audit	Jun-24	2.2		<p>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.</p>	Low	In Progress	Manager Engineering	9/30/2024-28/02/2025	<p>Comments -August 2024 - Not yet commenced</p> <p>Comments - November 2024</p> <p>Included in the annual corporate plan. Currently developing governance framework .</p> <p>Comments- July 2025: Council will maintain a system to monitor emssissions and annually report on performance and actions taken towards the 2030 CNP.</p>
2023/24 Carbon Neutral Plan Audit	Jun-24	2.2		<p>Recommendation 5: Work to develop a clearer approach to how CHB will:</p> <ul style="list-style-type: none"> - reduce supply chain emissions, and - reduce road and infrastructure emissions. <p>Ensure that progress is included in regular reporting against the CNP, as identified in Recommendation 1.</p> <p>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.</p>	Low	In Progress	Manager Engineering	6/30/2025-28/02/2026	<p>Comments - August- 2024 Not yet commenced</p> <p>Comments- November 2024 _ Team reviewing approaches used by other councils as well as possibilities for collaborating through the Resilient South Group.</p> <p>Comments - July 2025. Reviewed by SLT. GM Assets & Delivery to review status with action owner.</p>

Internal Audit - Recommendation/Action Monitoring and Review

Audit	Date Report Finalised/Action Opened	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 30/06/2025-31/07/2026	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. Comments - July 2025. No progress. SMP review delayed by 12 months
2023/24 Carbon Neutral Plan Audit	Jun-24	2.2	Outstanding Initiatives	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. Comments - July 2025. Low priority for Council. GM to review

Item No: 8.4

Subject: **2024-25 AUDIT AND RISK COMMITTEE ANNUAL REPORT TO COUNCIL**

Summary

Following changes to the *Local Government Act 1999*, section 126(9) of the Act now requires the Audit and Risk Committee to provide an annual report to Council, providing an overview of the business undertaken during the previous twelve months.

This annual report is required to be included in the Council's Annual Report for the relevant financial year.

Recommendation

That the Audit and Risk Committee endorses this report as an accurate representation of its activities over the 2024-25 financial year, for presentation to Council and inclusion in Council's Annual Report for that period.

Background

With effect from 30 November 2024 and pursuant to section 126(9) of the *Local Government Act 1999* (the Act), changes were introduced requiring Council to 'ensure that the annual report of its audit and risk committee is included in its annual report.'

As a result, this report has been prepared for presentation to Council, detailing the Audit and Risk Committee's annual work plan for the previous twelve months, being the financial year 2024-25.

The Audit and Risk Committee considered a prior version of this report at their meeting on 16 July 2025. At this time, the Committee resolved that the report be deferred until this meeting on the basis that the Committee requested further information to be included in the report. Further information provided in this report includes a summary of attendance of Committee members, the tenure of independent members, more details on the impact of increased borrowings, and the review of the proposed Power Purchase Agreement.

As there is no prescribed format, this report is taken to meet the requirements of the Act.

This report will be considered by Council in time for inclusion in the Council's Annual Report, which is adopted in October/November each year.

Report

Overview

As per the Terms of Reference, the role of this Committee is to 'provide suggestions and recommendations to Council on matters relating to financial governance', including:

- Financial reporting
- Strategic management plans and the annual business plan
- Internal controls and risk management systems
- Public interest disclosures
- Internal and external audits
- Economy and efficiency audits and reporting responsibilities

To ensure that the Committee acts appropriately and meets the requirements of the Local Government Act, the Terms of Reference are reviewed annually, with amendments made as needed. In 2025, the Committee amended the duration of independent members to a maximum of three terms.

The work undertaken during the year is detailed in a summarised table and provided as the 2024-25 Audit and Risk Committee Annual Workplan.

Refer Attachment 1

Work Program 2024-25

The Audit and Risk Committee is required to meet at least quarterly throughout the year. All scheduled meetings were held as planned and no additional or special meetings were deemed necessary during the reporting period.

The table below summarises attendance records for all committee members as well as the expiry dates of terms of service for independent committee members.

Committee Member	Meetings Attended FY 2024-25				Totals	Expiry of Term
	Aug-24	Oct-24	Feb-25	May-25		
Councillor J Smedley	Y	N	Y	Y	3	N/A
Councillor R Snewin	Y	Y	N	Y	3	N/A
P Davies	Y	Y	Y	Y	4	26/03/2028
C Garrett	Y	Y	Y	Y	4	5/12/2026
D Powell	Y	Y	Y	Y	4	21/01/2027

Regular Quarterly Reporting

Progress reports relating to a number of key topics are provided quarterly. These include standing items, risk management and internal audit reporting.

Reporting on standing items provides updates against a range of matters, including:

- Monthly financial statements
- External audits
- Public interest disclosures
- Economy and efficiency audits
- Council recommendations
- Audit and Risk Committee meeting schedule

Key discussions relating to standing items during 2024-25 included:

- Detailed budget reviews
- Quarterly financial statements and reporting
- External auditors feedback on the financial statements
- Confirmation of annual meeting schedule

The Quarterly Risk Management report provides updates on all strategic and high-rated operational risks, identifying movement in the risk profile, and highlighting progress against the annual risk work program.

The annual risk management work plan also included:

- Feedback on the rolling review of corporate risk registers
- Reporting on senior leadership discussions relating to new/emerging risks and opportunities
- Focused working on specific risk areas for the 2024-25 year, including:
 - a) Finance management
 - b) Debt management
 - c) Asset management
 - d) Property management

The Quarterly Internal Audit Reports provide assessments against the approved 3-year internal audit program, as well as tracking outstanding actions from previous internal audits undertaken.

The program is currently in its third year, which has included the following activities:

- Volunteer Management (completed)
- Lease Management (completed)
- Post-Implementation Review (completed)
- Fraud Detection – CoHB (completed)
- Fraud Detection – Alwyndor (completed)

A draft of the next 3-year internal audit program has been developed and is currently going through the required management review and approval process.

Annual Reporting

Reporting for activities that occur annually included the following in 2024-25:

- Annual Risk Profile Report
- Annual Review of Investment Performance
- Municipal Insurance Renewal and Claims Report
- Audit and Risk Committee Self-Review Assessment
- Audit and Risk Committee Terms of Reference Review
- Alywndor Investment Portfolio Performance (Confidential)
- General Purpose Financial Statements
- Draft 2023-24 Annual Report of Council
- Annual Work Health and Safety Program Review
- Annual Review of Loans Receivable (Confidential)
- 2024-25 Financial Year External Audit Interim Report
- Draft 2025-26 Annual Business Plan
- Draft Long Term Financial Plan 2025-26 – 2034-35

Council Financial Sustainability

The Committee reviewed the Council's medium to long-term financial sustainability as per the Draft Long Term Financial Plan 2025-26 to 2034-35 .

The draft plan showed Council's Net Financial Liabilities Ratio will peak at 111% in 2025-26 due to new borrowings for the delivery of the Transforming Jetty Road Glenelg project. While this ratio exceeds the Local Government Association's (LGA) recommended threshold of 0% to 100%, the Council's debt management plan will reduce the ratio to 51% by the 2034-35 financial year. The average net financial liabilities ratio over the life of the plan sits at 84% which is within the LGA threshold

The Committee noted that the debt management approach demonstrates that Council remains financially sustainable in the medium to long-term.

Ad Hoc Reporting

The Audit and Risk Committee also provides a value-added forum for review of a range of broader governance matters, which are presented on an ad-hoc basis.

Items presented for the Committee's consideration in the 2024-25 year included:

- Plant and Equipment Draft Asset Management Plan 2024
- End of Financial Year Debtors
- Council Public Interest Disclosure Policy Review
- City of Holdfast Bay Strategic Plan Review
- Treasury Management Policy Review
- Asset Management Plans
- Revaluation of Transport Assets
- Revaluation of Road and Kerbing Assets
- Cyber Security Penetration Testing
- New Borrowings 2024-25
- Electricity Procurement by Power Purchase Agreement (Confidential)

Electricity Procurement by Power Purchase Agreement

The Committee reviewed and discussed the opportunity presented to City of Holdfast Bay to join the Renew 6 – a collective of Adelaide Councils - to procure renewable electricity through a Power Purchase Agreement (PPA). The Committee resolved to exclude the public under section 90(2) and 90(3)(d)(i) of the Local Government Act 1999, due to the commercial sensitivity of the information provided.

The purchase of electricity via this approach is expected to deliver cheaper and more stable electricity pricing compared to the LGAP renewal offer. It also provides cheaper renewable electricity certificates, supporting cost-effective decarbonisation of Council's Scope 2 emissions.

The Committee resolved to support the CEO entering the collective retail PPA procurement process and the retention of the report and attachments in confidence for 12 months, or until a new energy contract is signed, with annual review of the confidentiality order.

Committee Member Self-Review Assessments

During July 2024, Committee members were invited to undertake a self-review assessment, based on the 2023-24 year. This provides key feedback regarding levels of existing skills, future training requirements, and potential support that members may require.

A copy of this self-review assessment is attached for reference.

Refer Attachment 2

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

Local Government Act 1999, section 126(9)

Written By: Risk and Improvement Officer

A/General Manager: Strategy and Corporate, Mr C Blunt

Attachment 1

Audit & Risk Committee Report Schedule – Aug 2024 to July 2025

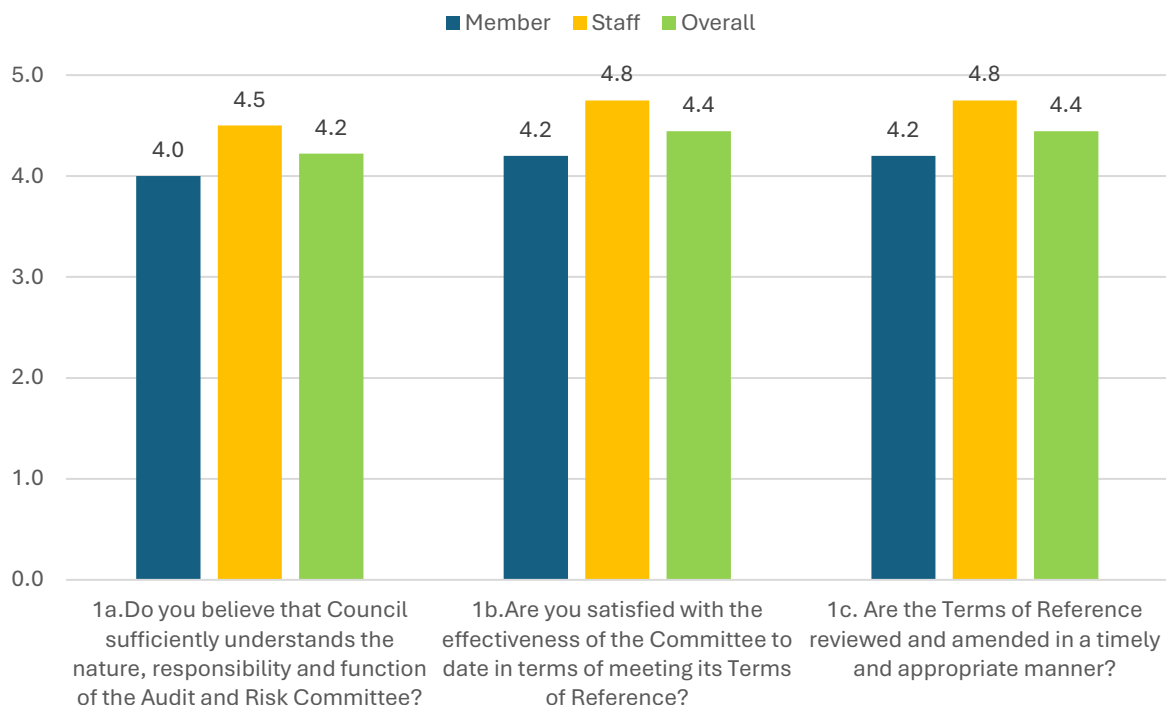
Meeting date	Report Title	Report Frequency Q = Quarterly A = Annual AH = Ad hoc C = Confidential	Report Ref.No.
14-Aug-24	1. Standing Items Report	Q	233/24
	2. Internal Audit Report	Q	234/24
	3. Annual Risk Profile Report	A	235/24
	4. Annual Review of Investment Performance	A	236/24
	5. Municipal Insurance Renewal and Claims Report	A	237/24
	6. Revaluation of Road and Kerbing Assets	AH	238/24
	7. Annual Review of Loans Receivable	A / C	243/24
	8. Audit and Risk Committee Self-Review Assessment	A	245/24
	9. Alywdor Investment Portfolio Performance	A / C	256/24
	10. Plant and Equipment Draft Asset Management Plan 2024	AH	276/24
16-Oct-24	1. Standing Items Report	Q	328/24
	2. Internal Audit Report	Q	329/24
	3. General Purpose Financial Statements	A	330/24
	4. End of Financial Year Debtors	AH	331/24
	5. 2023-24 Draft Annual Report	A	332/24
	6. Annual Work Health and Safety Program Review	A	333/24
	7. Audit and Risk Committee Terms of Reference Review	A	334/24
	8. Council Public Interest Disclosure Policy Review	AH	335/24
	9. Strategic Plan Review	AH	336/24
	10. Treasury Management Policy Review	AH	337/24
	11. Asset Management Plans	AH	338/24
	12. Electricity Procurement by Power Purchase Agreement	AH / C	339/24
12-Feb-25	1. Risk Report	Q	17/25
	2. Internal Audit Report	Q	18/25
	3. Audit and Risk Committee Terms of Referernce	AH	19/25
1-Jan-00	4. Standing Items Report	Q	20/25
	5. 2025-26 Draft Budget	A	7.1
14-May-25	1. Standing Items Report	Q	122/25
	2. 2024-25 Financial Year External Audit Interim Report	A	123/25
	3. Draft 2025-26 Annual Business Plan	A	124/25
	4. Draft LTFP	A	125/25
	5. Revaluation of Transport Assets	AH	126/25
	6. Cyber Security Penetration Testing	AH	127/25
	7. Internal Audit Report	Q	128/25
	8. Risk Report	Q	129/25
	9. New Borrowings 2024-25	AH	133/25

Attachment 2

Audit and Risk Committee – Self-review Assessment 2023-24

Results

1. Terms of Reference



1a. Comments:

- *EMs are content to leave all financial issues to the Risk and Audit Committee. They seem to have confidence that production of the financials at Council meetings that have been confirmed by the committee really don't need any questioning*
- *The two elected members on the committee seem to understand the topics being discussed and join in with good comments. The Committee's recommendations seem to be accepted by the Council*
- *I think most members of Council understand and appreciate the work the committee does, but the level of understanding will vary among the individual members*
- *Council routinely receives the minutes of the ARC and is therefore up to date with the work of the Committee. It is common for there to be questions or comments arising from the minutes, showing that Council is engaged with the role and work of the ARC.*
- *I believe this is true for most Council members.*

1b. Comments:

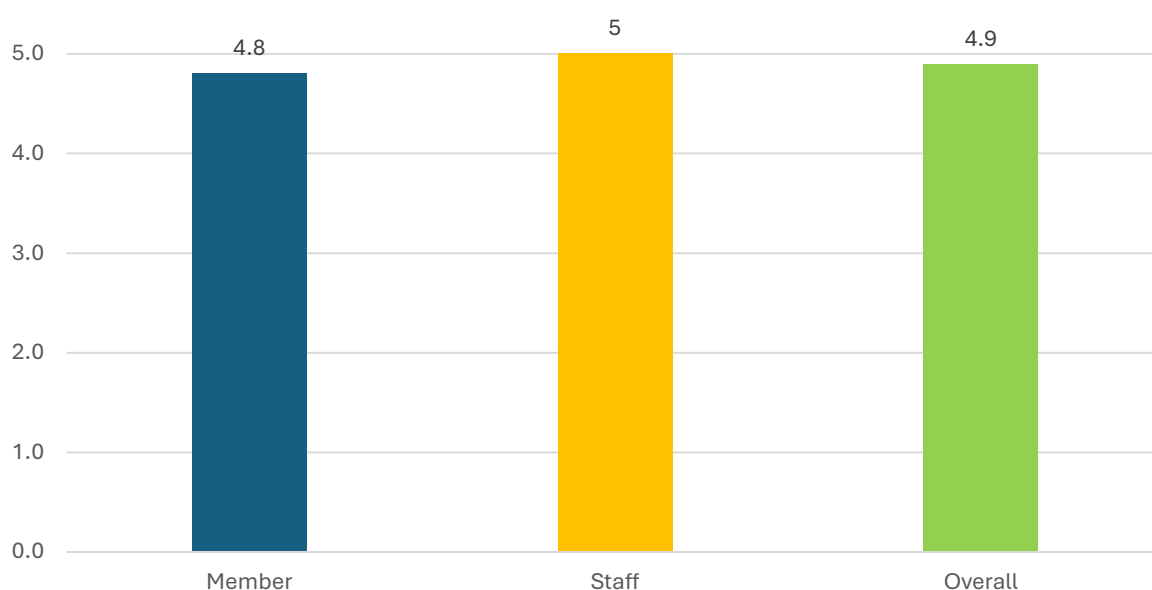
- *The committee has the mix of skills and professionalism to ensure it meets its terms of reference*
- *I have only been on the committee for a year and we appear to be following the Terms of Reference with no issue to date*
- *They engage in the requirements set out in the Terms of Reference from critically reviewing internal audit reports to providing informative recommendations to Council*
- *Yes, the discussion at the ARC is comprehensive, expansive and useful. Independent members are not afraid to challenge or question and add value in doing so. The relationship with ARC, Internal Auditors and admin is respectful, positive and constructive.*

1c. Comments:

- *Yes they are*
- *Reviewed October 2023*
- *This was recently reviewed and updated in October 2023*
- *The Terms of Reference are regularly reviewed and updated.*
- *I believe they are reviewed annually and I think this is sufficient.*

2. Membership and Appointments

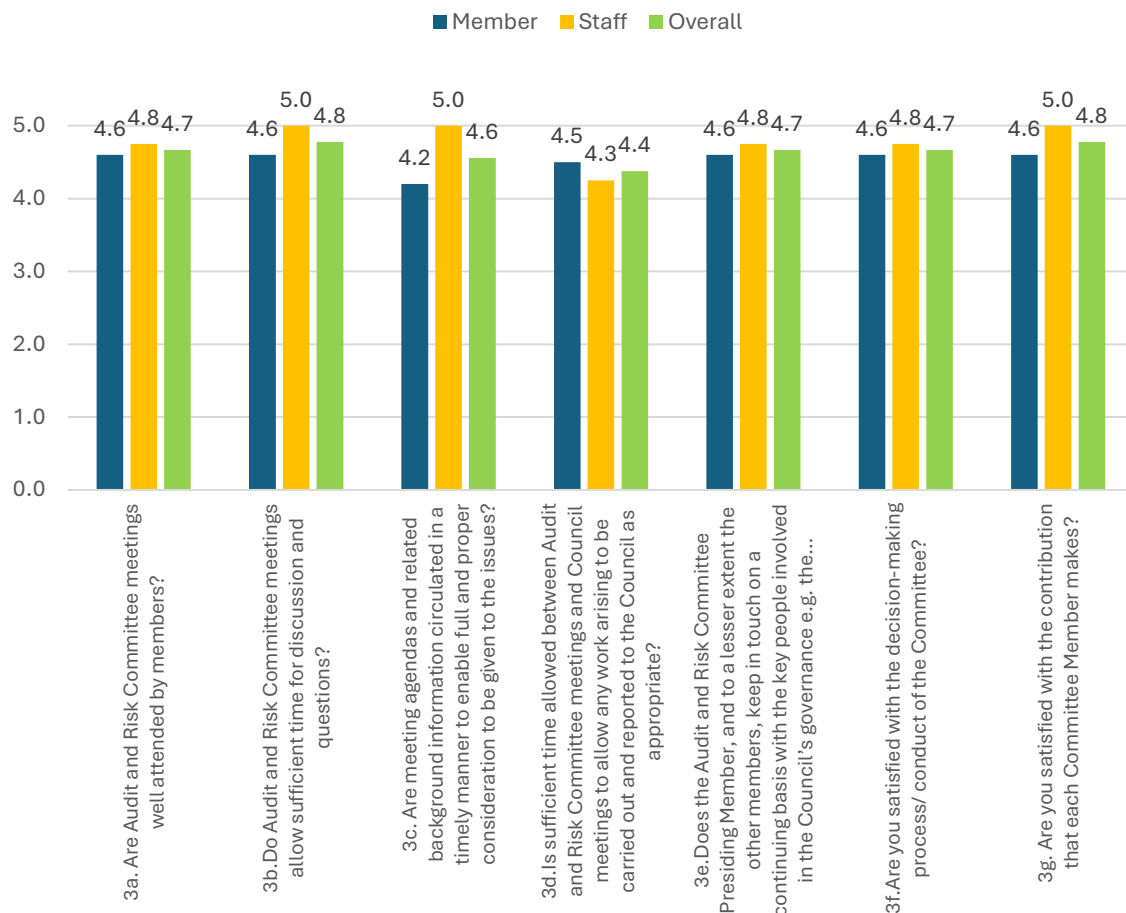
Is the number of independent members appropriate to effectively discharge the responsibilities of the Audit and Risk Committee?



Comments:

- *We have 3 independents*
- *The current balance works. There are enough members to provide different viewpoints and skillsets while small enough to remain efficient*
- *The independent members outnumber Council members and therefore hold balance of power, but the total Committee is still of a size for effective functioning.*
- *I believe three independent members and 2 elected members is the right balance.*

3. Meetings



3a. Comments:

- *We rarely have anyone missing*
- *Nearly always 100% attendance*
- *Yes. Meetings are usually arranged to accommodate individual schedules. Absentees are rare.*
- *Rarely do members miss meetings event extraordinary meetings.*

3b. Comments:

- *We have enough time to ask questions and discuss. I never feel that the meetings are rushed.*
- *As much time as is required*
- *Yes, the Chair is excellent at facilitating questions and discussion. Meetings run for as long as needed.*
- *Most of the time, rare exceptions.*

3c. Comments:

- *Occasional last minute items have been accepted due to urgency, which however also reflects importance, and results in decisions that should have perhaps had time for more reflection. Such items should be kept to a minimum.*
- *Agendas are provided as per legislation and with enough time to read, research and note all material included.*

- *Yes 5 days in advance*
- *Yes, all timeframes for circulating agendas and papers are met.*
- *Yes reports completed and distributed on time and members come to meeting having reviewed them.*

3d. Comments:

- *I am not sure if this is sufficient. I have not asked staff about this.*
- *I assume so*
- *Mostly, though occasionally it can be a tight timeframe due to scheduling*
- *Sometimes legislative timelines create tight schedules, eg, the Annual Business Planning process. All requirements are nevertheless discharged - it just creates pressure on administration.*

3e. Comments:

- *The presiding member is also an elected member. He appears to have a good relationship with the CEO and staff and be aware of the background of information.*
- *I assume so*
- *As the Presiding Member is also an elected member this almost happens by default*
- *Yes, the Chair of the ARC is active in maintaining contact with the Mayor and CEO/Senior Leadership Team.*
- *As the A&R presiding member is an elected member they represent A&R matters at Council and provide regular communication to Mayor and CEO.*

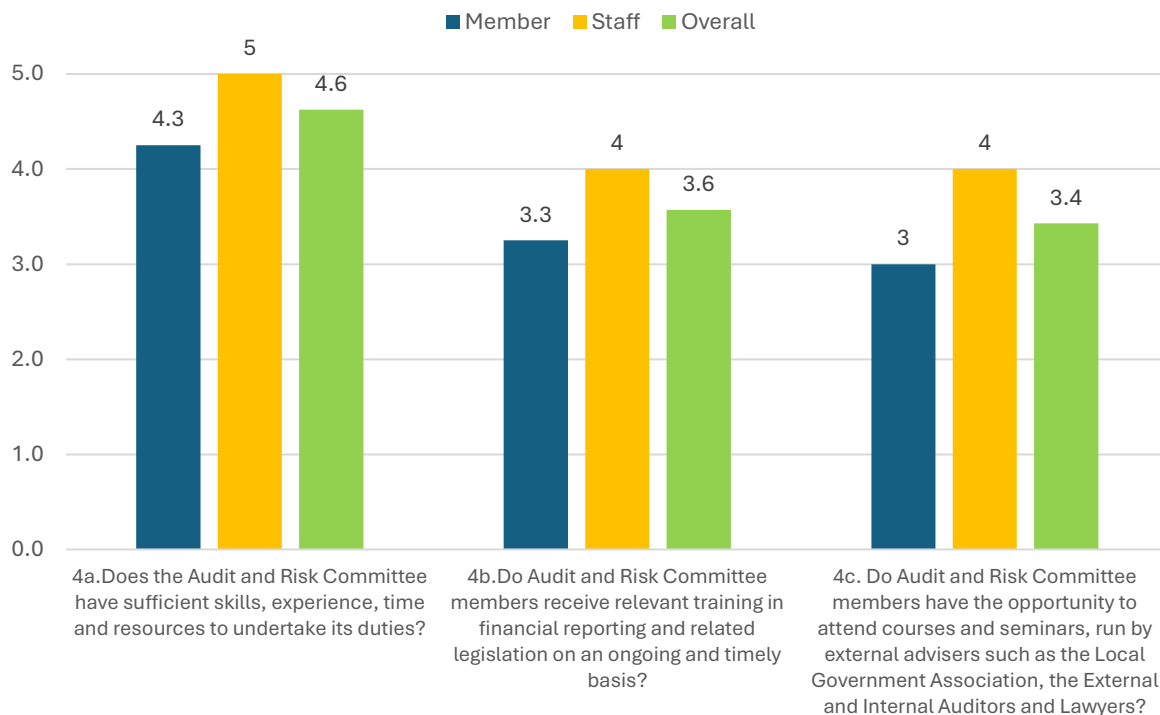
3f. Comments:

- *Yes. We have sufficient time to discuss items. We have enough information and the staff are present to provide any further information or answer questions.*
- *Each member is given an opportunity to express their thoughts and a consensus seems to always be reached amicably*
- *The conduct of the ARC is without fault and all participants are reasoned, reasonable and professional in their decision-making and conduct.*

3g. Comments:

- *Each member makes contributions according to their skillset and experience. All members contribute.*
- *All members contribute equally*
- *The ARC members are all highly proficient and engaged individuals. Meetings are well attended, with good discussion occurring.*
- *All strong contributors and represent a variety of experience and views.*

4. Training and Resources



4a. Comments:

- *I don't know what the skill sets and experiences are of all the members. They all appear to have enough to contribute to discussion. If each member completed a skills matrix each year and that was provided to the committee, we would be able to answer.*
- *There is good pool of experience with some members on other Audit and Risk Committee too.*

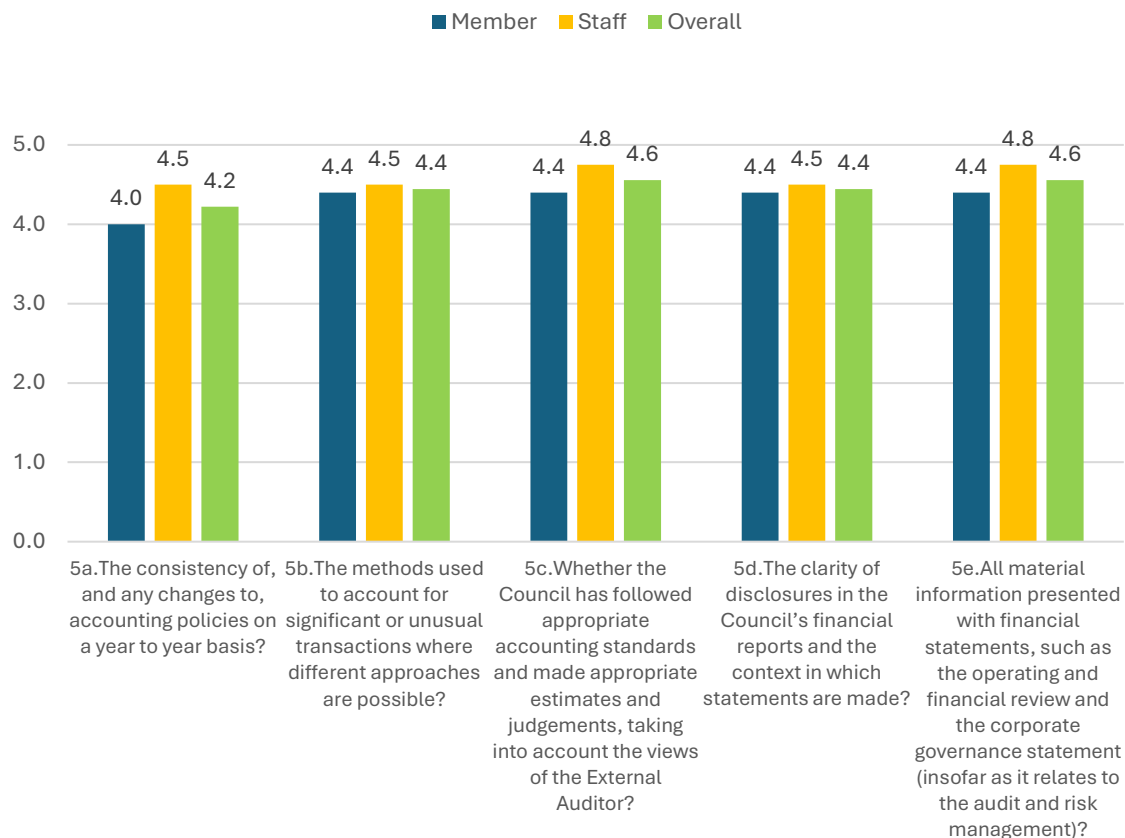
4b. Comments:

- *No proactive training has been offered in my time on the Committee*
- *I have only been on the committee for a year. We have briefings but no particular training to date. there is training available via the LGA. We should discuss this*
- *Probably could have a bit more of that.*
- *I believe training is self-directed?*

4c. Comments:

- *Not proactively offered*
- *I don't know. I believe that we can attend LGA courses. There haven't been any brought to our attention while I have been on the committee. We also don't know what training individual members do themselves.*
- *As above (Probably could have a bit more of that.)*
- *Training hasn't been mentioned.*
- *I am unsure how much of this is facilitated by Council?*
- *The independent members are appointed for their skills and paid a sitting fee and therefore should be managing their development needs.*

5. Financial Reporting



5a. Comments:

- *Not sure if this is referring to Council policies or Accounting Standards. If the former, answer is yes*
- *We review relevant policies*
- *Does not occur often but any changes, such as the recent change to the treatment of library materials, are brought to the committee for their consideration and discussion*

5b. Comments:

- *We review relevant policies, review the Annual Financial Statements and discuss both with staff and discuss aspects of the AFS with the external auditor.*
- *Again, does not occur often but any unusual items are highlighted in either a separate report, or when considering the financial statements*

5c. Comments:

- *We review relevant policies, review the Annual Financial Statements and discuss both with staff and discuss aspects of the AFS with the external auditor.*
- *The external auditor's report is always considered, and their observations or recommendations discussed*

5d. Comments:

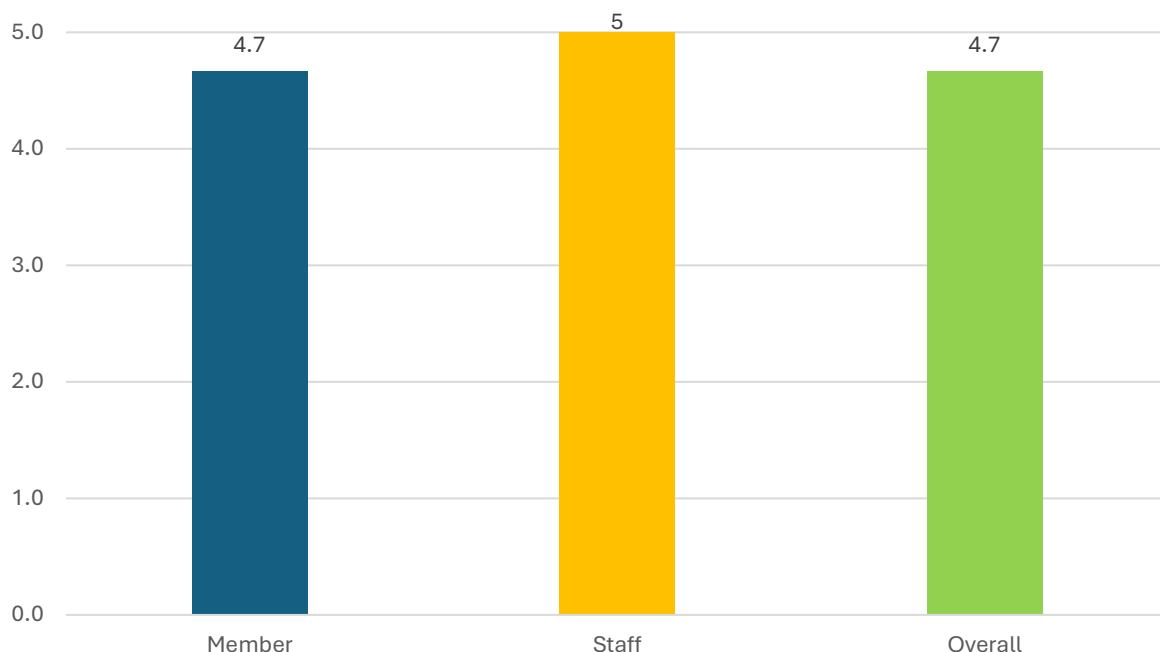
- *same as 5b and 5c*
- *Does not generate much discussion, but the statements are reviewed*

5e. Comments:

- *Nil*

6. Internal Controls and Risk Management Systems

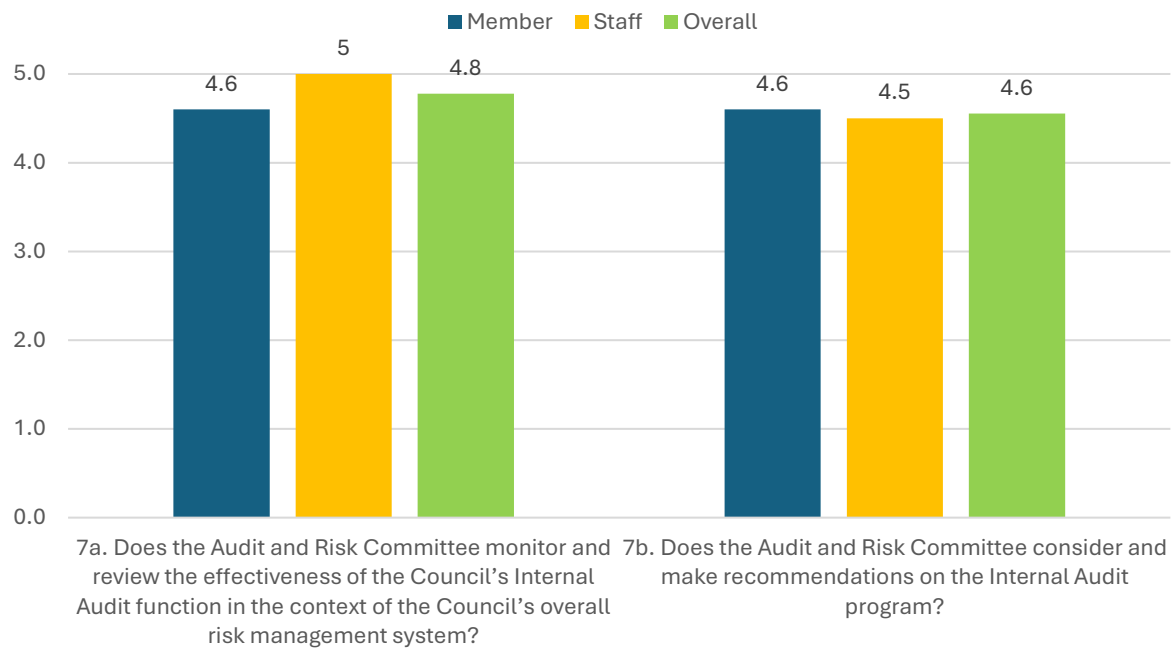
Does the Audit and Risk Committee keep under review the effectiveness of the Council's internal controls and risk management systems?



6. Comments:

- *The internal controls are covered by the Internal Audit program which is presented to the Committee and we discuss findings with the Internal Auditor.
The committee received a report in June 2024 on Strategic and High Level risks.
I have only been on the committee for a year so I am unsure if the Audit and Risk Committee has been involved with assisting in setting the Council's risk appetite. It would be useful to be part of a regular review of the Council's Risk Appetite especially if that included the risk appetite for Alwyndor.*
- *Risk and internal controls is probably the subject matter that receives the most attention and scrutiny by this committee.*
- *The Audit and Risk Committee receive a risk report at each meeting, as well as reports in relation to Council's internal controls.*

7. Internal Audits



7a. Comments:

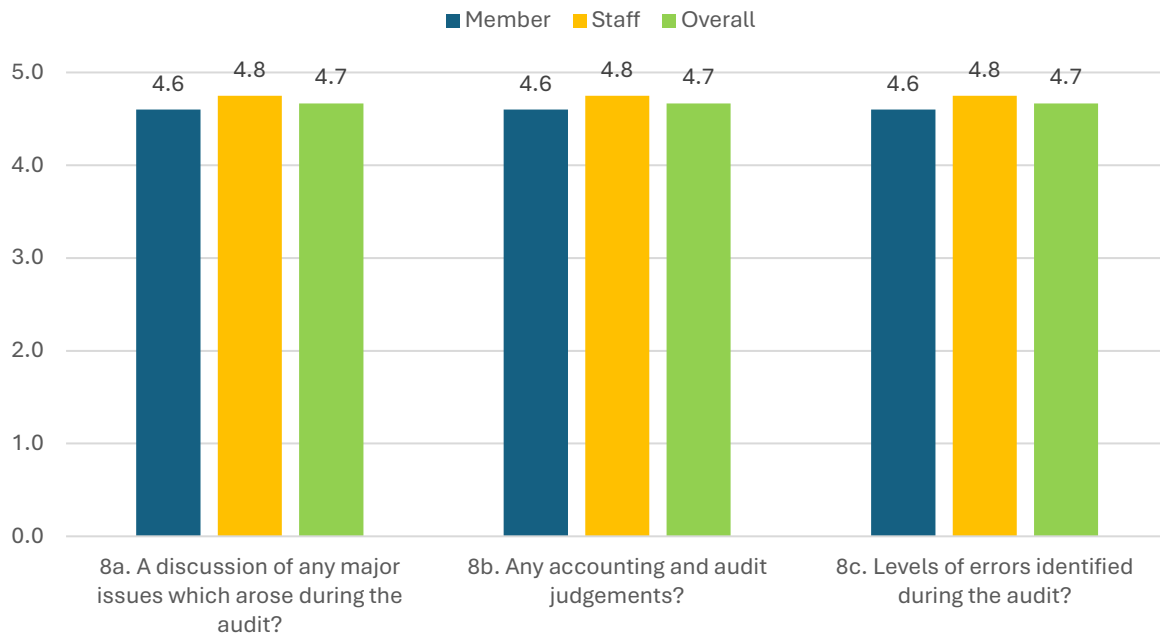
- *We have items on internal audit at almost each meeting. We meet with the internal auditors regularly and review their reports and are able to ask them questions.*
- *The internal audit function in the context of risk management is a key focus of this committee*
- *ARC receives an IA and Risk report at each meeting. Internal Auditors attend to present their findings for each internal audit.*
- *Robust discussion on internal program and risk management reviews.*

7b. Comments:

- *We review the items on the program each meeting.*
- *It considers the internal audit program but I'm not sure if it makes recommendations*
- *The ARC has the opportunity to input to the IA program each year, as well as review the results of each IA undertaken.*
- *Regularly and challenging internal auditors as well as staff.*

8. External Audit Process

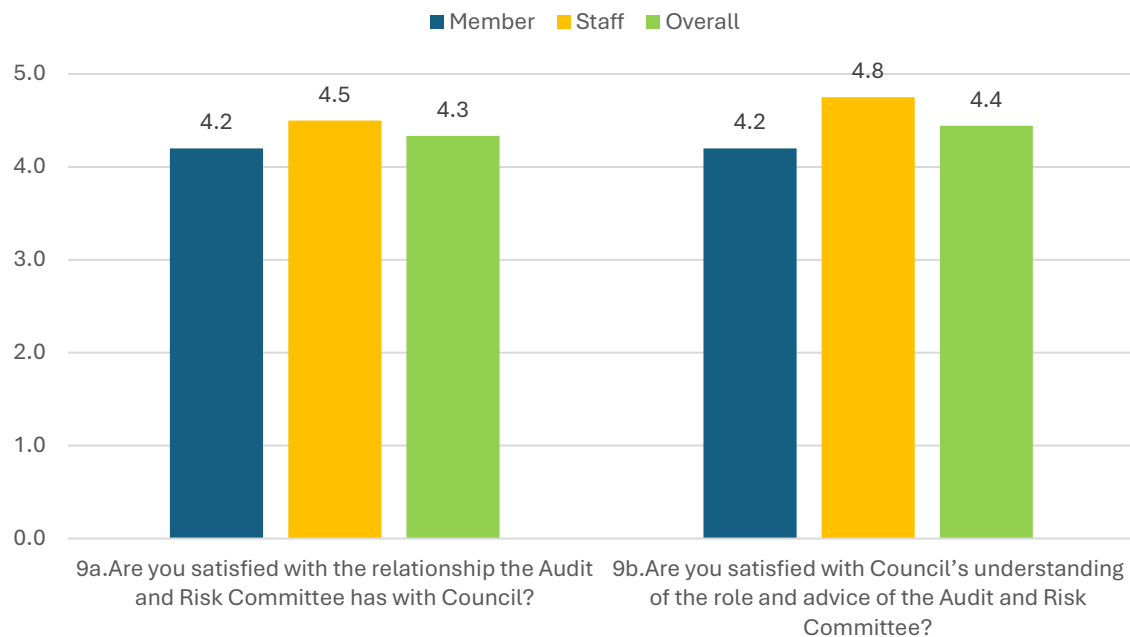
Does the Audit and Risk Committee review the findings of the External Audit with the External Auditor, including, but not limited to:



8. Comments:

- *The external auditor attends the committee and discusses the management letter and any issues. Staff are able to respond with how these are being addressed.*
- *The external auditors are given the opportunity to speak openly about their findings and are questioned, however, in recent years there have not been any issues for the committee to consider or challenge*
- *Open discussion and engagement on all matters*

9. Relationship with Council



9a. Comments:

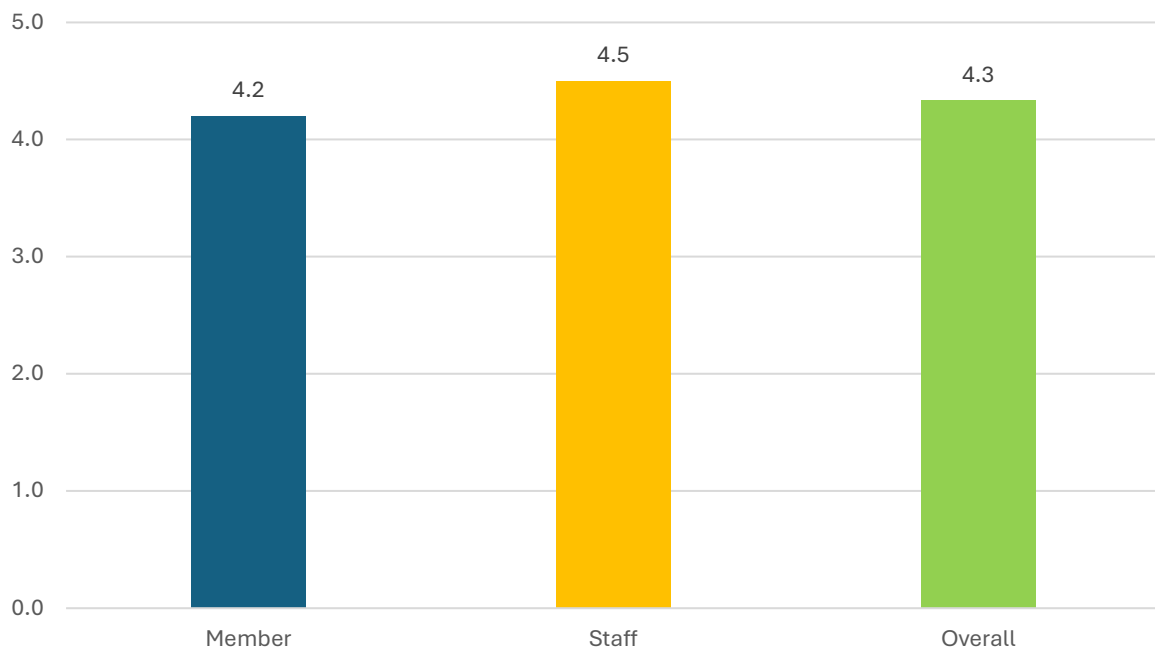
- *No opportunity for Council to meet and know the Independent Members. This should be addressed, as EMs should have ability to understand those making recommendations to them.*
- *The elected members on the committee respect and work with the independent members very well.*
- *Difficult to answer as an independent*
- *When excluding the two members of the committee who are themselves members of Council then I would say they are respectful of Council, but I would not describe it as a relationship*
- *Open robust two way discussion between staff and committee*

9b. Comments:

- *Those members without formal financial skills default heavily to relying upon recommendations from the Committee. I think more training/discussion should occur. Perhaps an annual opportunity should be provided for EM/Audit Committee interaction*
- *The elected members on the committee appear to take on board discussion points raised by independent members. I am not aware of any issues with recommendations from the committee to council.*
- *Difficult to answer as an independent*
- *I think Council respect and appreciate the advice of the committee, but suspect not every member has a full understanding of their role*
- *Council has significant respect for the advice from the ARC.*
- *Yes trusted and respected advice*

10. Communications with Stakeholders

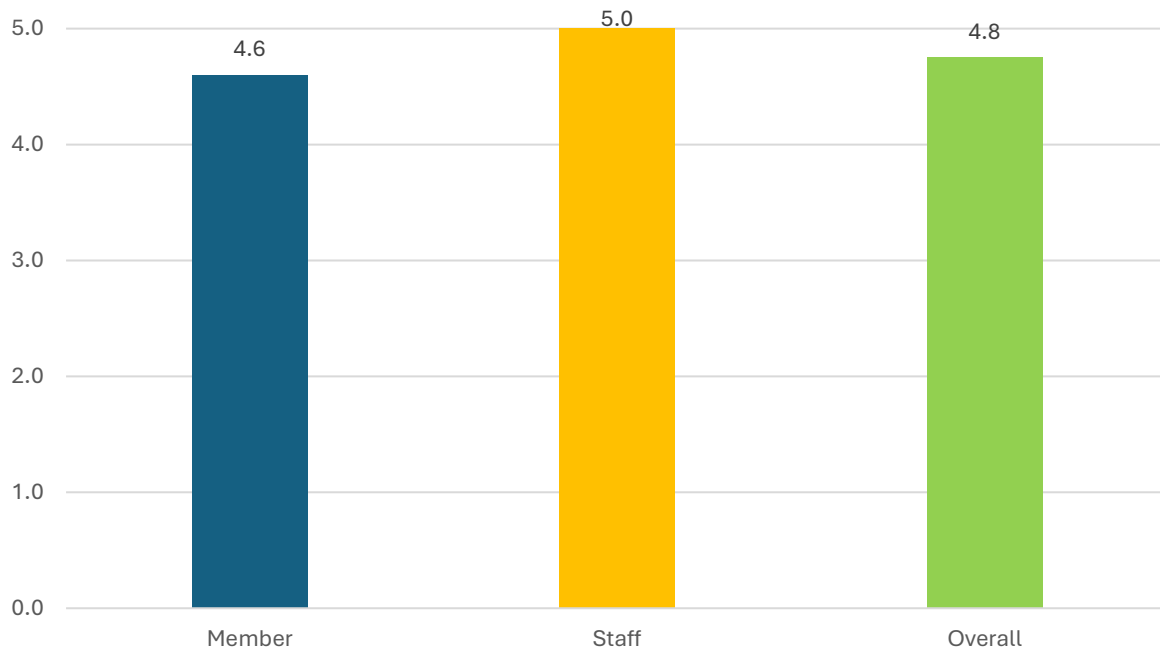
Does the Annual Report on the Audit and Risk Committee's activities provide sufficient detail to enable stakeholders to understand how the Audit and Risk Committee has discharged its duties?



- *The report covers the items we have discussed, includes the self-review assessment. It does not show attendance at meetings by members which is informative for stakeholders to see.*
- *Haven't seen it*
- *Do not have knowledge of the report to answer this*
- *Reports are available publicly, Presiding member speaks at public meetings on the findings of the A&R committee.*

11. Communication

Are you happy with the style and amount of communication with Council management?



11. Comments:

- *Yes. I am able to email questions prior to the meeting if I wish to have something answered either before or at the meeting. I feel comfortable asking questions of management and I find the responses to be thorough and useful.*
- *Not applicable*

12. Opportunities for Improvement

Is there any way you think the Committee can improve its performance?

- *Skill and experience matrix to be filled in by each member. These to be available to the committee either on individuals or aggregated to show whether we have any missing skills and experience.
A workplan included with each agenda to show what is planned to be presented to each meeting.
Another committee I am on provides a council email for their independent members to enable them to access the council member information on the LGA website. This information is vital for independent members for their background research. The email provided by the other council is not used for communication and is only used to access the LGA website.*
- *No*

Do you have any other comments?

- *No questions on risk management in this survey*

Item No: 8.3

Subject: RISK REPORT – AUGUST 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.

Recommendation

That the Audit and Risk Committee:

- 1. notes this report;**
 - 2. recommends the Council Procurement Policy to Council for adoption; and**
 - 3. recommends the Council Prudential Management Policy to Council for adoption.**
-

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. These are reviewed quarterly.

Report

Risk Appetite Workshop

A dedicated risk appetite workshop was held with the Senior Leadership Team on 28 July 2025. The session was facilitated by the Local Government Risk Services with a focus on defining Council's risk appetite across key strategic and operational domains.

The outcome of the SLT risk appetite workshop will be incorporated into the Elected Members and Committee members' workshop scheduled for 19 August 2025. Formally documenting risk appetite statements will support informed decision-making, prioritisation of risk treatments and a balanced risk culture across Council.

Annual Corporate Risk Profile

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

The risk profile overview and risk profile movement for financial year 2024-25 are shown in Table 1 and Table 2, respectively. Council's risk profile remained largely stable during the 2024-

25 financial year. The lack of significant movement in the risk profile is not an indication of stagnation in risk maturity, but rather a reflection of the proactive risk management, stable operating conditions, good governance and resilience. This is especially notable when set against a background of evolving and increasing risks in the Council's external and internal environment.

The most notable change relates to the inclusion of a climbing and falling risk discovered at the Wigley reserve playground following a recent inspection. Interim mitigation measures have been implemented, and the Senior Leadership Team is working with the equipment's designers and Kidsafe on long-term risk control measures.

Table 1 – Risk Profile Overview (July 2024 – June 2025)

Period	Jul to Sep 2024		Oct to Dec 2024		Jan to Mar 2025		Apr to Jun 2025	
Risk	I	R	I	R	I	R	I	R
Extreme	7	0	7	0	7	0	8	0
High	32	8	32	8	32	8	32	9
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	112	112

Table 2 - Risk Profile Movement (July 2024 – June 2025)

RISK PROFILE MOVEMENT						TOTAL:
APR TO JUN 2025	R	9	50	53		112
	I	8	32	55	17	112
JAN TO MAR 2025	R	8	50	53		111
	I	7	32	55	17	111
OCT TO DEC 2024	R	8	50	53		111
	I	7	32	55	17	111
JUL TO SEP 2024	R	8	50	53		111
	I	7	32	55	17	111

Table Key: I = Inherent Risk; R = Residual Risk

Strategic Risks

Local Government Risk Services has completed drafting the new strategic risk register on RelianSys.

Council's new strategic risk register contains 12 risks. Compliance sources have been linked to each new risk and control effectiveness sections established; however, the effectiveness of

controls has not been rated yet.

The Senior Leadership Team (SLT) will analyse the ratings of the new risks, as well as the adequacy and effectiveness of existing controls, as part of its upcoming review meetings.

The new register will be presented for the Committee's review at its next meeting in October.

Operational Risks

Brighton Road Median Trees

Council recently commissioned TreeSolve to assess and prepare a Tree Management Plan (TMP) for 72 trees within the median strip of Brighton Road between Glenelg South and Seacliff.

The trees were found to be in fair to poor condition due to inadequate growing environments, structural instability, and root failures.

Three of the trees assessed using the ISA TRAQ methodology were rated as high risk and an additional 44 trees were rated as moderate risk, prompting a recommendation for staged removal and replacement over two years.

Ownership of the trees is yet to be fully determined, and council is currently seeking further clarification from DIT.

In the interim, Council removed the three high risk-rated trees on 1 August due to public safety concerns.

Glenelg North Esplanade Footpath

Remediation works for the May/June 2025 storm damage to Glenelg North Esplanade footpath will commence on Monday the 11th of August 2025 and end in Mid-September 2025.

The scope of works to be undertaken include:

- Stabilisation of revetment to provide immediate structural support and prevent further erosion
- Backfilling and reinstatement of the pathway surface.

The planned works do not resolve the underlying long-term issues (low crest levels, lack of geotextile filtration, poor grading of armour rock), it is a pragmatic and technically short-term remediation.

Emerging Risks

Algal Bloom Crisis

The City of Holdfast Bay is one of several coastal councils that is being impacted by the harmful algal bloom occurring along South Australia's coastline.

The exact scope and severity of the algal bloom impacts on Council is presently difficult to ascertain due to the dynamic nature of the issue and data challenges.

Council's risk exposure from the algal bloom crisis broadly falls into the following impact categories:

- Public health and safety. Decomposing marine life poses WHS risk to staff and volunteers handling dead fish. There are also concerns about respiratory issues for beachgoers and health risks to pets.
- Environmental damage. Potential long-term environmental damage, particularly to marine life near jetties and recreational areas.
- Economic and tourism impacts. Potential medium to high-risk impacts on Surf Life Saving Clubs and seasonal operations like the Mosley Beach Club. The South Australian Business Chamber is projecting dire financial impacts for local businesses over the summer if the issue persists.
- Operational and financial. Financial burden of clean-up and public safety operations. Service delivery is impacted through the diversion of resources, impacting 'business as usual' activities.
- Community and staff wellbeing. Uncertainty and stress among residents, business owners and council staff.

Council is actively monitoring the issue internally and is in coordination with the Adelaide Coastal Councils Network (ACCN), the Local Government Association of South Australia (LGA) and State agencies.

Beach signage has been installed to warn residents and visitors of public health impacts. Council is also in liaison with business owners and is providing information as it becomes available.

Council will benefit from a share of \$1 million allocated to coastal councils for clean-up as part of the wider state-wide response. The LGA is working to clarify how Council will access the funding.

A list of emerging risks and opportunities currently being monitored by council is attached for the Committee's reference.

Refer Attachment 1

Policy updates

As reported to the Audit and Risk Committee at its May meeting, updates to key financial policies were recommended by the Auditors, Dean Newbry. Since then, updates have been undertaken for the Council Prudential Management Policy, the Council Procurement Policy, the Organisation Procurement Procedure, and the Council Business Continuity Management Policy.

The Council Business Continuity Management Policy is included in a separate report in this agenda. The Organisation Procurement Procedure was adopted by the Senior Leadership Team at its meeting of 7 August.

The draft Council Procurement Policy is attached for the Committee's consideration.

Refer Attachment 2

The purpose of this Policy is to:

- Define the methods by which Council can acquire goods, works and services
- Demonstrate probity, accountability and responsibility of Council to all stakeholders
- Ensure fair and equitable procurement processes
- Encourage consistency of approach in the management of procurement processes
- Ensure that the best possible outcome is achieved for Council.

Changes in the policy from the previous version are:

- The policy has been substantially revised and streamlined. Most detailed content has been transferred to an Organisational Procedure to support operational implementation.
- The revised policy affirms Council's commitment to fair, transparent, and competitive purchasing and contracting practices that deliver best value outcomes and align with strategic goals, community needs, and funding obligations.
- The policy also includes general guidance on managing procurement risks.
- This version uses more concise and formal language, reframes bullet points into active, outcome-oriented statements, strengthens the message around alignment with strategy and community needs, and improves flow and readability in the explanation of changes.

The draft Council Prudential Management Policy is attached for the Committee's consideration.

Refer Attachment 3

The policy has been refined and is like other current policies within the sector. Instead of adding the legislative provisions to the body of the policy, a full extract of the legislative provisions are attached.

Note that the Policy describes how the Audit and Risk Committee will provide independent advice to the Council on a prudential management report for a potentially relevant project.

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
A/General Manager: Strategy and Corporate, Mr C Blunt

Attachment 1

Emerging Risks/Opportunities 2022-25

Risk ID	Register	Risk Description
122	Emerging/Future Opportunities	Emerging/Future Opportunities - Economical (June 2025) - Project Management - adaptation, diversification or partnering solutions to ensure delivery
123	Emerging/Future Opportunities	Emerging/Future Opportunities - Social (June 2022) - Financial Stress - financial hardship, community constrained, services constrained, economy stunted, reduced local trade
124	Emerging/Future Opportunities	Emerging/Future Opportunities - Technological (June 2022) - Workforce post-COVID - increased flexibility, work/life balance options, IT/cyber safe training
126	Emerging/Future Opportunities	Emerging/Future Opportunities - Environmental (June 2022) - Outdoor Space - increase community engagement, heighten awareness for outdoor spaces launch partnership /outdoor related initiatives
127	Emerging/Future Opportunities	Emerging/Future Opportunities - Social (August 2022) - Financial Stress - housing and homelessness
128	Emerging/Future Opportunities	Emerging/Future Opportunities - Social & Economic (August 2025) - Business Sustainability / Financial Hardship - diversification in delivery, recycling/reusing/rethinking processes - adaptation, diversification or partnering solutions to ensure delivery
129	Emerging/Future Opportunities	Emerging/Future Opportunities - Social (August 2022) - Financial Stress - community support

Risk ID	Register	Risk Description
130	Emerging/Future Opportunities	Emerging/Future Opportunities - Economical (August 2022) - - changes to grant funding streams
131	Emerging/Future Opportunities	Emerging/Future Opportunities - Political (May 2025) - Federal election result - political impact of Federal Government elections
141	Emerging/Future Opportunities	Emerging/Future Opportunities - Economical / Social (Nov 2023 - Ad Hoc) - Expansion of Jetty Road Glenelg - a range of opportunities that need mindful consideration and dynamic project management to maximise the outcome for future generations
142	Emerging/Future Opportunities	Degradation of Seawall and Coastal Infrastructure (May/June 2025) -Damage to coastal infrastructure, public assess and community safety risks -Environmental degradation (habitat loss, sediment destabilisation, sand dune degradation, coastal erosion)
143	Emerging/Future Opportunities	Algal Bloom (July/August 2025) -Public health and safety (Health risks; Respiratory issues) -Environmental damage (marine life, habitat loss; recreational areas) - Economi and tourism impacts (Medium to high-risk impacts on Surf Life Saving Clubs, Seasonal Operations and Local businesses) - Operational and financial impacts (Employee WHS concerns; Financial costs) - Community Wellbeing

Attachment 2

Procurement

Council Policy

1. Purpose

This Policy seeks to:

- Define the methods by which Council can acquire goods, works and services
- Demonstrate probity, accountability and responsibility of Council to all stakeholders
- Ensure fair and equitable procurement processes
- Encourage consistency of approach in the management of procurement processes
- Ensure that the best possible outcome is achieved for Council.

2. Scope

2.1 This Policy applies to all Council and Alwyndor employees and contracted staff who undertake procurement and / or contract management activities at Council.

2.2 This Policy does not cover:

- Non-procurement expenditure such as sponsorship agreements, grants, funding arrangements, donations, employment agreements
- The acquisition of land, buildings or structures or entering into lease or licence agreements.

3. Roles and Responsibilities (includes Alwyndor)

Mayor and Chief Executive Officer	Execution of a Contract document requiring the affixation of the Common Seal of the Council, following the resolution of Council.
Chief Executive Officer (CEO)	Approval of expenditure of Council funds and the process undertaken preceding the approval request, exceeding expenditure limits delegated. Execution of a Contract document, exceeding expenditure limits delegated. Approval of a Worker maintaining involvement in a procurement activity where an actual or potential conflict of interest has been declared.
All General Managers and Senior Managers	Ensure this Policy is reviewed by Council as required.
Procurement and Supplier Manager Officer	Assist Workers in the application of this Policy and associated Procedure.
Internal Auditor	Conduct periodic audit of Councils procurement activities and assist in the development of assurance metrics to ensure compliance with this Policy and associated Procedures.
Workers holding CEO sub delegation pursuant to Section 37 of the <i>Local Government Act 1999</i> (Approvers)	Enter into contract arrangements on behalf of Council, within financial limitations delegated.

Workers holding CEO sub delegation pursuant to Section 137 of the <i>Local Government Act 1999</i> (Approvers)	Approval of expenditure of Council funds and the process undertaken preceding the approval request, within Financial limitations delegated.
--	---

4. Policy Statement

Council is committed to implementing fair, transparent and competitive purchasing and contracting practices to achieve the best value for money outcomes aligned to Council's strategic objectives, community expectations and the requirements of any special funding sources, in particular:

4.1. Value for Money

Council seeks to achieve value for money and acquire quality goods and services. The concept of value for money is not restricted to price alone, the assessment must include consideration, where applicable, of:

- Ensuring that the goods and/or services meet the needs of the community
- Procurement through purchasing groups, cooperatives and other councils
- The performance history of each prospective supplier
- Compliance with the Councils commercial terms, fitness for purpose, quality, service, support and warranty
- Financial considerations including all relevant direct and indirect benefits and costs both tangible and intangible
- Delivery and/or timeliness
- The flexibility to adapt to possible change over the lifecycle of the property or service; and
- Risk exposure.

4.2 Probity, Accountability, Fair and Transparent

All procurement shall be undertaken in a manner that ensures:

- Clearly established roles and responsibilities
- Appropriate record keeping and documentation
- Integrity through transparency of process and documentation of decisions made
- Adherence to relevant legislation, policy and procedure
- Identification and management of actual or potential conflicts of interest
- Confidentiality of all commercial information.

4.3 Social Responsibility

Sustainable procurement aims for the lowest environmental impact possible (on global challenges such as climate change, biodiversity loss, waste, and pollution) and the most positive social results, including diversity, inclusion, and equality in the supplier market, an improvement in community health and wellbeing, and non-breach of modern slavery legislation.

4.4 Environmental Sustainability

Council promotes environmental sustainability, including emissions reduction, through its procurement activities. It will consider the purchase of environmentally sustainable goods and services where they meet value for money criteria and all other financial and commercial considerations are equal.

Council will endeavour to ensure legislative compliance and environmentally responsible practices by any contractor engaged to perform services for or on behalf of Council.

4.5 Buy Local

The council acknowledges the value local businesses add to the City and strongly encourages local businesses to quote and tender. To the extent permitted by law, the Council will give preferences to local suppliers (that is those operating within the City of Holdfast Bay boundaries), whose activities contribute to local economic development, where other considerations are equal.

4.6 Work Health and Safety

The Council has an obligation to ensure that all suppliers are compliant with the *Work Health and Safety Act 2012* and are competent in the provision of goods or services. Compliant certifications are required to be held by suppliers and made available to the Council on request.

If the procurement of goods, services, works, materials, plant or equipment involves implications for Work, Health and Safety, Council's Work Health and Safety Team and Council's Risk & Improvement Officer will be consulted prior to the commencement of the procurement process.

4.7 Fit for Purpose

Services and materials sourced for Council projects must meet Australian standards for design, manufacture and fabrication and be clearly outlined to suppliers during the purchasing process.

4.8 Identification and Management of Risk

A risk assessment that is undertaken as part of the procurement process (via the Procurement Plan) will consider financial, supply, business, legal, contract management, reputational, probity, Work Health and Safety, environmental, public safety and political risks.

A Procurement Plan is mandatory for the following procurements:

- The estimated value is over \$100,000
- A contract is requested
- An Exemption is requested.

Risks relating to the procurement process may include:

- Procurement of unsuitable product or service
- Funding shortfall
- Probity failure
- Inadequate or erroneous specification
- Failure to agree to contract terms
- Actual or perceived breach of probity
- Lack of responses or limited supplier participation.

Risks relating to contract management may include:

- Supplier capability/capacity/availability
- Price variations
- Failure to deliver the contract on time, on budget and to the contracted quality
- Contract disputes
- Unauthorised change in scope of work.

5. Procuring Exemptions from this Policy

Exemptions from this Policy may be sought under the following circumstances:

- Emergencies threatening life and or property
- Urgent works impacting Council service delivery (e.g. facilities, infrastructure)
- Continuation of work or service under an existing purchasing arrangement (e.g. variations/extensions to existing orders or contracts)
- Work, goods or services had already been subject to a recent competitive procurement process which can be used to reasonably determine value for money
- Work, goods or service is being provided under an existing purchasing arrangement (e.g. warranty, servicing, maintenance or defects liability)
- The supply market is known to be limited (as to the number of potential suppliers to the extent where it influences the ability to adhere to procurement procedures)
- Other circumstances where it can be demonstrated that an Exemption to procurement policy will deliver a better outcome for the Council
- Aboriginal expertise is required to deliver outcomes, direct engagement of an Aboriginal business is permissible.

For purchase order exemptions, refer to the Organisational Procurement Procedure.

6. Unsolicited Proposals

Refer to Council's Unsolicited Proposals Policy.

7. Prudential Requirements

It is a requirement that a Prudential Report is prepared for projects exceeding a prescribed value, prior to any purchasing being undertaken (refer to Council's Prudential Management Policy).

8. Definitions

Key term or acronym	Definition
Employee	Means any full-time, part-time, contract, casual, work experience, trainees, and volunteers, as well as those persons working at a Council workplace through a contract or other similar external arrangement.
Local supplier	Means those suppliers and contractors located within the City of Holdfast Bay's boundaries.
Value for money	Refers to the balance between the quality and cost of a product, service, or investment.
Probity	Refers to the quality of having strong moral principles, honesty, and integrity. In practice, it means behaving ethically, transparently, and fairly, particularly in situations that involve public trust or fiduciary responsibility.
Accountability	Is the obligation of council to take responsibility for their actions, decisions, and policies and to be answerable to stakeholders or the public.
Transparent	Means being open, clear, and straightforward about actions, decisions, and processes, without hiding or withholding information.

Social responsibility	<p>Refers to the obligation of individuals, organizations, and governments to act in ways that benefit society as a whole. This involves considering the impact of actions on the community, environment, and economy, and striving to make positive contributions beyond self-interest or profit.</p> <p>Social responsibility can take many forms, including:</p> <ul style="list-style-type: none"> • Environmental sustainability: Reducing waste, conserving resources, and minimizing environmental impact. • Ethical practices: Ensuring fair labor conditions, promoting diversity, and acting with integrity.
Environmental sustainability	Environmental sustainability refers to responsible practices that aim to protect and conserve natural resources, ensuring that ecosystems remain healthy and resilient over time.

5. Administration Use Only

Reference Number:	Document Set ID 5241442
Strategic Alignment:	Statutory requirement
Strategic Risk:	Poor or ineffective budget development and management.
Responsible Officer(s):	Manager Strategy & Governance Procurement & Supplier Management Officer Manager Finance
First Issued / Approved:	01/08/11
Minutes Date and Council Resolution Number:	TBA
Last Reviewed:	28/06/22, TBA
Next Review Date:	TBA
Applicable Legislation:	<ul style="list-style-type: none"> • <i>Local Government Act 1999</i> • Trade Practices Amendment (Australian Consumer Law) Act (No.1) 2010 • <i>Work Health and Safety Act 2012</i>
Related Policies:	<ul style="list-style-type: none"> • Code of Conduct • Disposal of Assets Policy • Organisational Procurement Procedure • Prudential Management Policy • Risk Management Policy, Framework and Procedure • SA Public Participation Policy • SA Public Participation Policy Procedural Guidelines • Supplier Charter • Unsolicited Proposals Policy • WHS Contractor Management Policy
Other Reference Documents:	https://www.lga.sa.gov.au/lgaprocurement

Attachment 3

Prudential Management

Council Policy

1. Purpose

This document sets out the policy of the City of Holdfast Bay for the prudential management of its projects in accordance with section 48 (aa1) of the *Local Government Act 1999* ("the Act").

Prudential management refers to the careful and responsible management of financial resources and risks within an organisation. It involves making decisions and taking actions that prioritise the long-term stability, profitability, and sustainability of the organisation.

The Policy aims to ensure that:

- Decisions to proceed with a project are evidence based, transparent and justified
- A Council project is undertaken only after an appropriate level of due diligence and foresight is applied to a project during its inception stage
- Any risks associated with the project are identified, managed and mitigated
- Council is accountable to ensuring rate payers money is spent effectively and transparently.

2. Scope

The policy applies to projects of moderate to high complexity undertaken by the City of Holdfast Bay Council. In addition, specific reporting requirements apply to projects as defined within section 48(1) of the Act. An extract of section 48 is provided as Attachment 1 to this policy.

Section 48(3) states this policy does not apply to road construction or maintenance or drainage works.

If a project is to be undertaken in stages this does not limit the operation of the provisions in section 48(1)(b) in relation to the project as a whole.

3. Roles and Responsibilities

Council	Considers the Audit and Risk Committee's advice regarding the business case and prudential management report. Endorses, rejects or places the project on hold. Requests further quality assurance advice from the Audit and Risk Committee where appropriate.
Audit and Risk Committee	Advises the Council on prudential management reports against a project's business case (where applicable). Requests that the Council consider its advice before endorsing, rejecting, or placing a project on hold.
Senior Leadership Team	Responsible for ensuring that the Audit and Risk Committee receive a prudential report and business case. Ensures that complex projects are adequately scoped and that relevant resources are available.

4. Policy Statement

The decision maker for a proposed project may be the Council, the Chief Executive Officer or an officer identified within Council's Schedule of Delegations and Sub-delegations.

The decision maker should have regard to the level of due diligence required based on the size, complexity and prudential limit of the project.

In doing so the decision maker should have regard to the following:

- The benefits and needs of the project
- How the project will impact the financial sustainability of the Council
- Whether the project will increase the material risk exposure of the Council
- The financial sustainability of the project including but not limited to, economic projections, whole of life cost estimates (and assumptions)
- Assessment of risk based on the best available data
- The potential impact of the project on the portfolio of strategic initiatives and long-term financial plan.

Under the Act, a report addressing the prudential issues set out in section 48(2) must be prepared for any project that meets the criteria set out in section 48(1):

- (i) where the expected operating expenditure of the council over the ensuing five years is likely to exceed 20 per cent of the council's average annual operating expenses over the previous five financial years (as shown in the council's financial statements); or
- (ii) where the expected capital cost of the project over the ensuing five years is likely to exceed \$4,000,000 (indexed from 30 September 2009); or
- (iii) where the council considers that it is necessary or appropriate.

This report must be prepared by a person whom the Council reasonably believes to be qualified to address the prudential issues in section 48(4) and must not be a person who has an interest in the relevant project as defined in section 48(6a) - (6c).

An assessment will be conducted, and results clearly and specifically included within the prudential report regarding the merits of the project in the context of the Council's strategic management plans, asset management plan, long-term financial plan, and enterprise risk management framework. This will also include regard to all the legislative elements details in section 48 of the Act.

Council's Audit and Risk Committee will provide independent advice to the Council on a prudential management report for a potential project.

A full extract of the legislative provisions is provided as Attachment 1 to this policy.

5. Definitions

Key term or acronym	Definition
Project	A project is a group of interrelated activities that are planned and then executed to create a product or service, to agreed cost and quality criteria, within a specific timeframe, to achieve agreed results. The Project Management Framework and Manual will identify which projects it applies to.
Project size	Shown in the table below:

To size your project, place a tick ✓ in the relevant box for each attribute.

	Small	Medium	Large
Size of Project Team (FTEs)	1-2	2-5	5+
Delivery Time	< 6 months	6-12 months	>12 months
Timeframe	Schedule is flexible	Schedule can undergo minor variations but deadlines are firm	Deadline is fixed and cannot be changed, schedule has no room for flexibility
Complexity	Easily understood problem, solution and the solution is readily achievable	Either difficult to understand problem, solution unclear or solution difficult to achieve	Both problem and solution difficult to define or understand, and solution difficult to achieve
Strategic Importance	Internal interest only	Some direct business impact and/or relates to an objective in the Strategic Plan	Affects core service delivery and/or directly relates objectives or aspirations in the Strategic Plan
Political Importance	No political implications to either proceeding or not proceeding	Some political implications	Major political implications
Total Cost	< \$50,000	\$50,000 - \$250,000	> \$250,000
Level of Change	Impacts a single business unit	Impacts a number of business units	Impacts whole of organisation, more than one organisation, or more than one tier of Government
Cultural Sensitivity	Nil to low risk activities (ie, no earthworks) and / or low risk areas	Includes some medium risk activities and / or medium risk areas	Includes any high risk activities and / or works in high risk or highly sensitive areas
Dependencies and Interrelated Projects	No major dependencies or inter-related projects	Some major dependencies or interrelated projects but considered low-risk	Major, high-risk dependencies or interrelated projects
Imperative	Optional	Committed via Council decision, Plan or Strategy	Legislatively required, and/or committed via Council decision, plan or Strategy

6. Administration Use Only

Reference Number:	Document Set ID 5241512
Strategic Alignment:	Statutory requirement
Strategic Risk:	Poor or ineffective budget development and management.
Responsible Officer(s):	Manager Finance Manager Strategy and Governance
First Issued / Approved:	13/03/18
Minutes Date and Council Resolution Number:	TBA
Last Reviewed:	22/09/20, TBA
Next Review Date:	TBA
Applicable Legislation:	Section 48 of the <i>Local Government Act 1999</i> (SA)
Related Policies:	<ul style="list-style-type: none"> • Risk Management Policy • Procurement Policy
Other Reference Documents:	<ul style="list-style-type: none"> • LGA Prudential Management Information Paper 27- Revised December 2019 • Prudential Management Procedure
Note:	As of 1 January 2025, this indexed amount is \$6.000 million.

ATTACHMENT 1

Part 3—Prudential requirements for certain activities

48—Prudential requirements for certain activities

- (aa1) A council must develop and maintain prudential management policies, practices and procedures for the assessment of projects to ensure that the council—
- (a) acts with due care, diligence and foresight; and
 - (b) identifies and manages risks associated with a project; and
 - (c) makes informed decisions; and
 - (d) is accountable for the use of council and other public resources.
- (a1) The prudential management policies, practices and procedures developed by the council for the purposes of subsection (aa1) must be consistent with any regulations made for the purposes of this section.
- (1) Without limiting subsection (aa1), a council must obtain and consider a report that addresses the prudential issues set out in subsection (2) before the council—
- (b) engages in any project (whether commercial or otherwise and including through a subsidiary or participation in a joint venture, trust, partnership or other similar body)—
 - (i) where the expected operating expenses calculated on an accrual basis of the council over the ensuing five years is likely to exceed 20 per cent of the council's average annual operating expenses over the previous five financial years (as shown in the council's financial statements); or
 - (ii) where the expected capital cost of the project over the ensuing five years is likely to exceed \$4 000 000 (indexed); or
 - (iii) where the council considers that it is necessary or appropriate.
- (2) The following are prudential issues for the purposes of subsection (1):
- (a) the relationship between the project and relevant strategic management plans;
 - (b) the objectives of the Development Plan in the area where the project is to occur;
 - (c) the expected contribution of the project to the economic development of the local area, the impact that the project may have on businesses carried on in the proximity and, if appropriate, how the project should be established in a way that ensures fair competition in the market place;
 - (d) the level of consultation with the local community, including contact with persons who may be affected by the project and the representations that have been made by them, and the means by which the community can influence or contribute to the project or its outcomes;
 - (e) if the project is intended to produce revenue, revenue projections and potential financial risks;
 - (f) the recurrent and whole-of-life costs associated with the project including any costs arising out of proposed financial arrangements;
 - (g) the financial viability of the project, and the short and longer term estimated net effect of the project on the financial position of the council;

- (h) any risks associated with the project, and the steps that can be taken to manage, reduce or eliminate those risks (including by the provision of periodic reports to the chief executive officer and to the council);
 - (i) the most appropriate mechanisms or arrangements for carrying out the project;
 - (j) if the project involves the sale or disposition of land, the valuation of the land by a qualified valuer under the *Land Valuers Act 1994*.
- (2a) The fact that a project is to be undertaken in stages does not limit the operation of subsection (1)(b) in relation to the project as a whole.
- (3) A report is not required under subsection (1) in relation to—
 - (a) road construction or maintenance; or
 - (b) drainage works.
- (4) A report under subsection (1) must be prepared by a person whom the council reasonably believes to be qualified to address the prudential issues set out in subsection (2).
- (4a) A report under subsection (1) must not be prepared by a person who has an interest in the relevant project (but may be prepared by a person who is an employee of the council).
- (4b) A council must give reasonable consideration to a report under subsection (1) (and must not delegate the requirement to do so under this subsection).
- (6) A council may take steps to prevent the disclosure of specific information in a report under subsection (1) in order to protect its commercial value or to avoid disclosing the financial affairs of a person (other than the council).
- (6a) For the purposes of subsection (4a), a person has an interest in a project if the person, or a person with whom the person is closely associated, would receive or have a reasonable expectation of receiving a direct or indirect pecuniary benefit or a non-pecuniary benefit or suffer or have a reasonable expectation of suffering a direct or indirect detriment or a non-pecuniary detriment if the project were to proceed.
- (6b) A person is closely associated with another person (the **relevant person**)—
 - (a) if that person is a body corporate of which the relevant person is a director or a member of the governing body; or
 - (b) if that person is a proprietary company in which the relevant person is a shareholder; or
 - (c) if that person is a beneficiary under a trust or an object of a discretionary trust of which the relevant person is a trustee; or
 - (d) if that person is a partner of the relevant person; or
 - (e) if that person is the employer or an employee of the relevant person; or
 - (f) if that person is a person from whom the relevant person has received or might reasonably be expected to receive a fee, commission or other reward for providing professional or other services; or
 - (g) if that person is a relative of the relevant person.
- (6c) However, a person, or a person closely associated with another person, will not be regarded as having an interest in a matter—
 - (a) by virtue only of the fact that the person—
 - (i) is a ratepayer, elector or resident in the area of the council; or

- (ii) is a member of a non-profit association, other than where the person is a member of the governing body of the association or organisation; or
 - (b) in a prescribed circumstance.
- (6d) In this section, \$4 000 000 (indexed) means that that amount is to be adjusted for the purposes of this section on 1 January of each year, starting on 1 January 2011, by multiplying the amount by a proportion obtained by dividing the CPI for the September quarter of the immediately preceding year by the CPI for the September quarter, 2009.
- (6e) In this section—
 - employee* of a council includes a person working for the council on a temporary basis;
 - non-profit association* means a body (whether corporate or unincorporate)—
 - (a) that does not have as its principal object or 1 of its principal objects the carrying on of a trade or the making of a profit; and
 - (b) that is so constituted that its profits (if any) must be applied towards the purposes for which it is established and may not be distributed to its members.
- (7) The provisions of this section extend to subsidiaries as if a subsidiary were a council subject to any modifications, exclusions or additions prescribed by the regulations.

Item No: 8.5

Subject: 2024-25 ANNUAL REVIEW OF MUNICIPAL INVESTMENTS

Summary

Section 140 of the *Local Government Act 1999* (the Act) requires Council to review the performance of its investments on an annual basis. This report explains the process for investing funds, amount of funds invested during 2024-25, and investment performance against budget for Council's municipal activities.

Recommendation

That the Audit and Risk Committee notes this report comprising a performance review of 2024-25 municipal investments, as required under section 140 of the *Local Government Act 1999*, and recommends it to Council for noting.

Background

Under the *Local Government Act 1999*, councils are required to review the performance of their investments annually. Council invests its funds in accordance with its Treasury Management Policy ensuring funds are preserved and invested within legislative and prudential requirements.

Section 139 of the Act outlines the investment powers of councils. It mandates that councils exercise care, diligence, and skill in managing investments, and avoid speculative or hazardous financial activities. When placing investments, councils must consider:

- The nature and level of risk
- Expected income return
- Impact of inflation
- Associated costs
- Anticipated community benefit

In line with its Treasury Management Policy, Council invests surplus municipal funds with secure financial institutions, with the Local Government Finance Authority (LGFA) being the preferred investment partner.

Report

This report deals with cash investments resulting from the investing of day-to-day surplus funds (operating funds) and specific purpose cash backed reserves.

Investment Policy Framework

Council's investment policy states that the LGFA is the preferred financial institution for municipal cash investments. It is guaranteed by the State and is managed and administered by a Board of Trustees, working for the benefit of councils and other local government bodies within South Australia.

The LGFA offers a special distribution payment which enables it to share its financial success with member councils. It is calculated in relation to the average deposit and loan levels held by the LGFA during the financial year.

Other approved municipal investment types include SA or Commonwealth Government Bonds and interest-bearing deposits or bank bills with a credit rating from Standard & Poor's of not less than A1 for investments up to 12 months and not less than AA- for longer investments.

2024-25 Investment Placement

Due to cash flow requirements and the utilisation of cash advance debentures for a number of major capital projects, including the Transformation of Jetty Road and major stormwater upgrades, no new major fixed term investment opportunities arose during the financial year. All short-term investments were held with the LGFA.

LGFA Special Distribution Payments

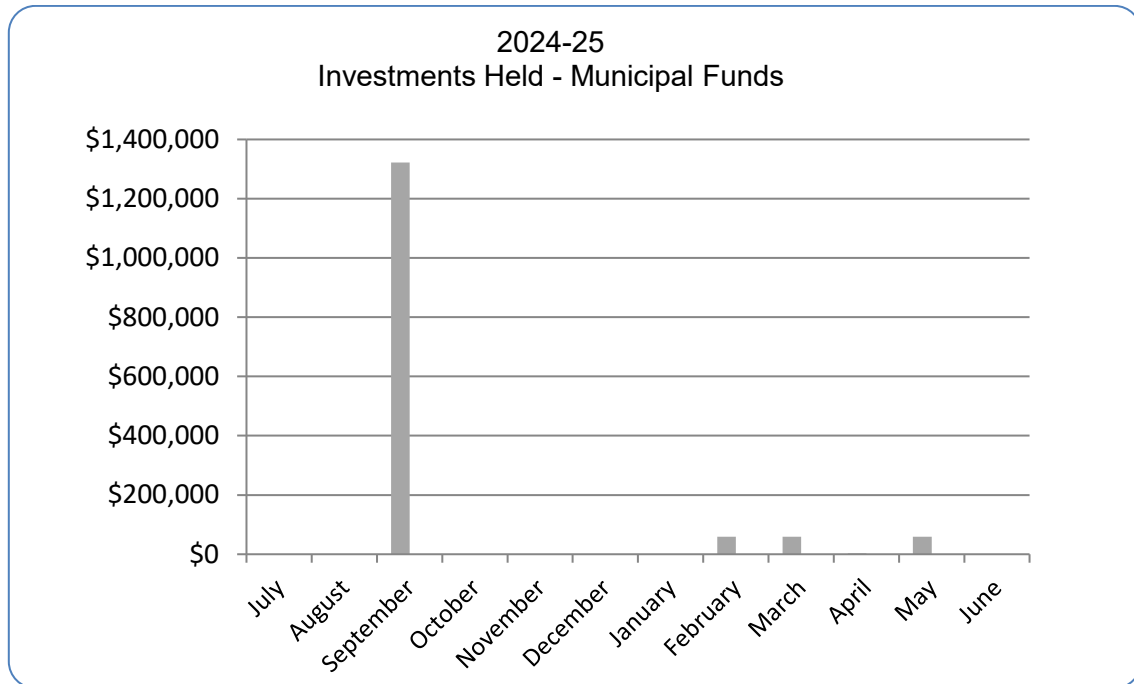
The Board of Trustees of the LGFA annually determines that a bonus payment be made from surplus funds to councils and prescribed authorities who used the LGFA services. The allocation and amounts are calculated in relation to individual council deposit and debenture loan levels maintained with the LGFA over the financial year. The bonus payments equate to approximately 0.24% per annum on average deposits and loans. Council received a \$35,898 bonus payment for Municipal funds in 2024-25.

Cash Backed Reserve Fund Investments

Council's Treasury Management Policy states that cash-backed municipal reserves will not be maintained unless required by legislation or agreed to with third parties. The reserves that are legally required to be maintained include developer contributions for which \$126,592 was received in 2023-24.

Levels of Investment

There were no municipal invested funds held as at 30 June 2025. The following chart highlights the level of investments held for Municipal funds during 2024-25. The amounts invested peaked when the first rates notice instalment was due and before significant cashflow was required for the 2024-25 capital program.



Municipal Funds Investment Performance

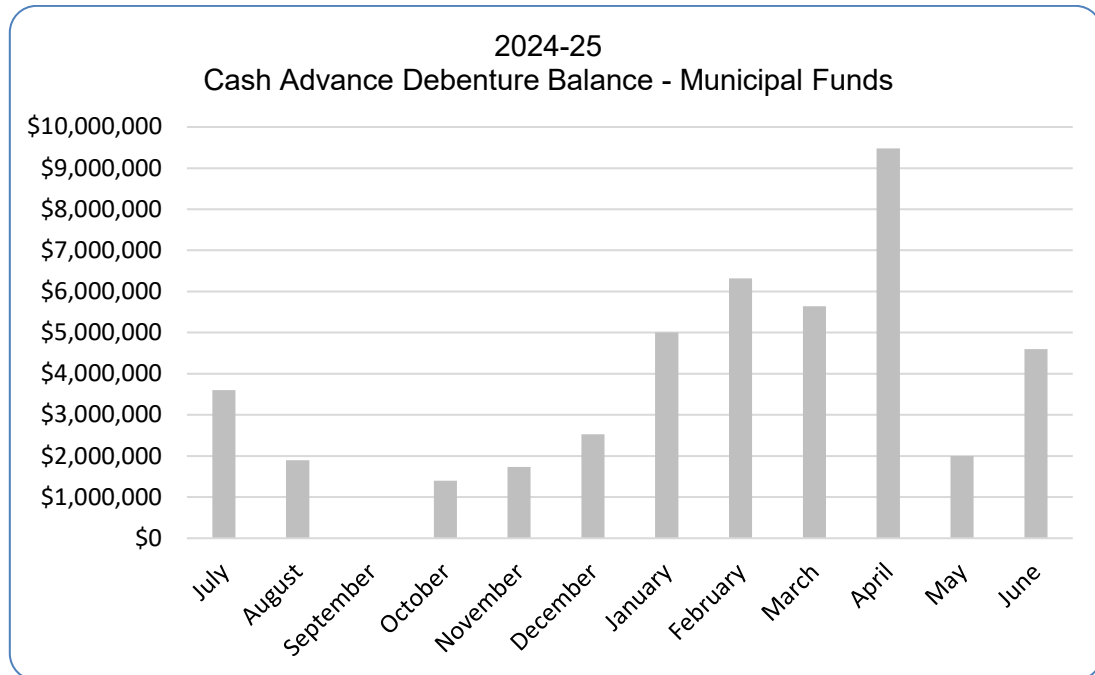
2024-25 Interest rate movements

During 2024-25 official interest rates remained relatively stable with two small decreases introduced by the Reserve Bank of Australia (RBA) in the latter half of the financial year. Over that twelve-month period interest rates decreased by half a percent from 4.35% to 3.85%.

As part of the RBA's strategy to combat high inflation, interest rates were increased by 4.25 percentage points from May 2022. Inflation has fallen substantially since then; however, the RBA Board is waiting for more economic data to confirm that inflation will remain on track before reducing rates further. Uncertainty in the world economy remains elevated, leading to a 'wait-and-see' strategy over much of the last year.

Cash Advance Debenture movement during 2024-25

During 2024-25 available cash was utilised to meet regular operational cash flow requirements and capital expenditure. The Treasury Management Policy for municipal funds states that available funds are to be first used to repay debt and to avoid raising new debt. During 2024-25 short-term cash advance debenture (CAD) borrowings were used when temporary cashflows were required. The CAD draw-down timings reflect these cash flow requirements.



On 15 May 2025, Council secured a new \$10 million fixed-term loan over 15 years at 5.39% from the LGFA. Council also secured access to a new \$15 million Cash Advance Debenture (CAD) for flexible, short-term cashflow management. These borrowings align with Council's Treasury Management Policy, which promotes a diversified and flexible debt approach.

During 2024-25 a total loan principal amount of \$1,064,528 was repaid on fixed term loan borrowings. The total fixed term principal outstanding as at 30 June 2024 is \$21.2 million with a weighted average interest rate of 4.66%.

Budget

The 2024/25 municipal investments budget has been set after taking into consideration the Treasury Management Policy, interest rate environment, and surplus operational funds. The original municipal budget has been set at \$72,000.

Life Cycle Costs

Not applicable

Strategic Plan

Statutory compliance

Council Policy

Treasury Management Policy

Statutory Provisions

Local Government Act 1999, sections 139 and 140

Written By: Manager Finance

A/General Manager: Strategy and Corporate, Mr C Blunt

Item No: 8.6

Subject: MUNICIPAL INSURANCE RENEWAL AND CLAIMS

Summary

This report provides the Audit and Risk Committee with an overview of the annual insurance renewal for 2025-26 and the public liability and asset claims for 2024-25.

Recommendation

That the Audit Committee notes this report.

Background

City of Holdfast Bay self-insures by contributing to the Local Government Risk Services (LGRS) scheme. Under the banner of the LGRS, Council is provided with a comprehensive range of insurance products including asset protection, civil liability cover, workers compensation, journey insurance, personal accident insurance (for officers and volunteers) as well as income protection (provided to and paid for by Depot employees).

This report focuses on two products:

1. Asset cover (Property, machinery breakdown, motor vehicle, cyber security and data protection, computer and electronic equipment, crime protection) provided by Local Government Association Asset Mutual Fund (LGAAMF); and
2. Public liability cover provided by the Local Government Association Mutual Liability Scheme (LGAMLS) for all sums which the Member shall be legally liable to pay to third parties by reason of Civil Liabilities arising from and in connection with the Local Government business. Protection is unlimited (subject to the terms of the SA Government Treasurer's Indemnity).

Claims for workers compensation is reported through Work Health and Safety (WHS) reporting and claims submitted under the remaining insurance products are more of a personal nature and not necessarily related to the operations of Council and are therefore not included in this report.

Report

Contributions

The Local Government Asset Mutual Liability Scheme (LGAMLS) Member questionnaire for the 2025-26 financial year had a focus on obtaining COPE (Construction Occupancy Protection Exposure) information regarding our building assets to assist the scheme when tendering for cover with insurance providers.

Along with completing the questionnaire, the Finance team worked with LGRS to review Council's Asset Schedule for 2025-26 insurance renewal. Overall costs for asset protection insurance have increased by 7.1% from \$427,336 to \$458,060. An amount of approximately \$120,000 will be on-charged to lessees as part of their lease agreements with Council.

The Local Government Association Mutual Liability Scheme (LGAMLS) contributions have increased by 5% from \$395,331 to \$415,097.

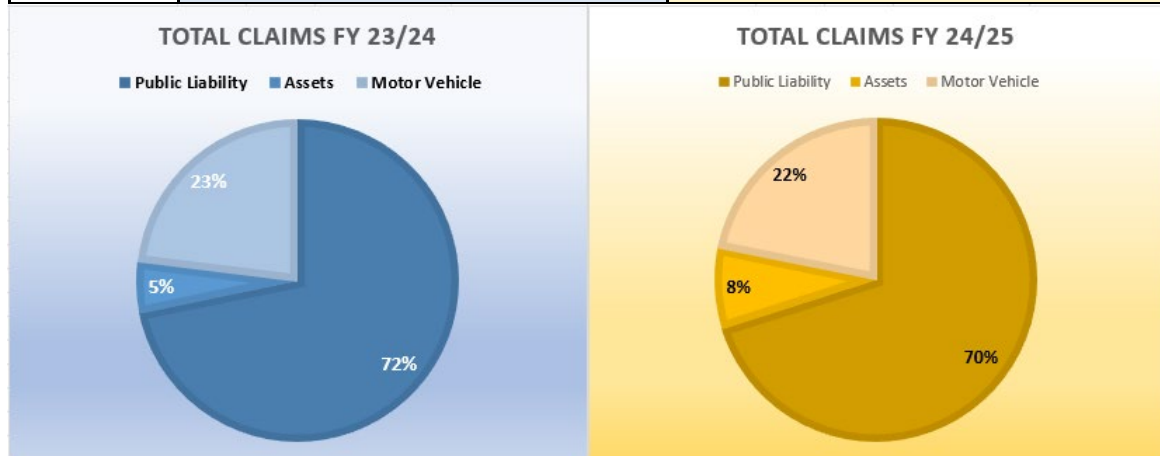
Claims

During 2025-26 there were 87 claims. The majority of these (61) related to public liability, which were all denied except for two at a total cost to Council of \$5,605. The scheme manages and provides legal support for claims, including responding to claimants.

Overall claims increased from 78 to 87 with Public Liability Claims increasing by 5 (9%), motor vehicle claims increasing by 1 (6%), and asset claims increasing by 3 (75%).

Below is a summary of claims by type over the past two financial years.

Claim Type	FY 2023-2024					FY 2024-2025				
	Total Claim s	%	Claims Value	Total CHB	Cost to	Total Claims	%	Claims Value	Total CHB	Cost to
Public Liability	56	72%	-	\$	2,815	61	78%	-	\$	5,605
Assets	4	5%	\$ 74,005	\$	9,821	7	9%	\$ 97,340	\$	13,500
Motor Vehicle	18	23%	\$ 35,422	\$	7,895	19	24%	\$ 13,714	\$	6,500
TOTAL	78		\$ 109,427	\$	20,531	87		\$ 111,054	\$	20,605



Budget

A budget of \$756,323 was allocated in 2025-26 for the insurance of Council-owned assets and public liability cover.

Life Cycle Costs

Not applicable

Strategic Plan

Statutory compliance

Council Policy

Not applicable

Statutory Provisions

Not applicable

Written By: Financial Accountant Lead
A/General Manager: Strategy and Corporate, Mr C Blunt

Item No: 8.7

Subject: ANNUAL BUSINESS CONTINUITY REPORT

Summary

This report provides the 2025 annual review of Business Continuity Management (BCM) at the City of Holdfast Bay, incorporating the recent update to the Business Continuity Management Policy and the outcomes of the 2024–25 review of Business Continuity Plans.

The purpose of business continuity planning is to formalise Council’s commitment to ensuring that critical services to the community are resumed as quickly as possible in the event of a disruptive incident, crisis or emergency.

Business Continuity Planning, consistent with ISO 22301:2019 *Security and resilience – Business continuity management systems – Requirements*, reflects best-practice governance and is a key element of Council’s integrated risk management framework.

Recommendation

That the Audit and Risk Committee recommends the Council Business Continuity Management Policy to Council for adoption.

Background

As per the international standard *ISO 22301:2019 Security and resilience – Business continuity management systems – requirements and guidance*, a work program of business continuity management was undertaken across all divisions of Council business. This report doesn’t include Alwyndor as they manage their own business continuity system.

Council has strengthened its capacity to deliver services during disruptive events, including secure remote connectivity, enhanced ICT resilience (e.g., increasing use of cloud-based systems) and commencement of the data governance project.

Report

The 2024-25 annual business continuity workplan included the following:

- Review and update of the Business Continuity Management Policy
- Update of departmental Business Continuity plans
- Delivery of training for BCP owners and key employees
- BCPs monitoring and reporting.

Business Continuity Management Policy

The Council Business Continuity Management Policy was reviewed and updated. The Senior Leadership Team (SLT) reviewed this version at its meeting of 7 August. The updated policy clarifies governance responsibilities, reinforces the link with the Risk Management Policy, and embeds alignment with the updated ISO 22301:2019 standard.

The draft Council Business Continuity Management Policy is attached for the Committee's consideration.

Refer Attachment 1

The policy continues to state its purpose as:

"To ensure that critical business functions continue after a business interruption by outlining Council's principles for Business Continuity Management (BCM), the approach to be taken to implement BCM, and who has responsibility for activities within the program."

The revised policy clarifies the integration between Business Continuity Management, Crisis Management and Emergency Management. Provisions for a coordinated and scalable response between the above three approaches are outlined.

It also incorporates improved escalation protocols for activating the Business Continuity Plans, and alignment to better practice model for Business Continuity Management.

Business Continuity Plans

Council faces a growing array of potential disruptions, from extreme weather events and natural disasters to cyber threats and public health emergencies. The exposure is in part due to an increasingly complex and risk-prone environment.

To ensure resilience and preparedness, a comprehensive review of departmental Business Continuity Plans 'BCP on a Page' was done in August 2024. Departmental plans are the foundation for sustaining critical functions during disruptive events, safeguarding employees and the community and enabling rapid recovery.

The review of the plans aimed at confirming each department maintains a current and robust plan and check that plans were:

- aligned with updated risk assessments and strategic priorities
- reflected operational realities, staffing structures and organisational technology
- identified recovery capabilities and external dependencies
- promoted a culture of preparedness and accountability.

All departmental 'BCP on a Page' were updated, ensuring the following:

- Current contact details of lead personnel
- Accurate Maximum Acceptable Outage, Recovery Time Objectives, Recovery Point Objectives and Manual Workarounds.

Completion of the annual review demonstrates Council's compliance with legislative requirements in emergency management and governance as well as internal audit recommendations and the risk management framework.

The review also reinforces Council's commitment to ensuring continuity of service, resilience and operational excellence.

Business Continuity Resources

Business Continuity Plans are now available in hard copy, secure USB drives and the Council's document management system.

Awareness training sessions for employees will be delivered in the third quarter of the current financial year.

Business Continuity Exercise

A Business Continuity exercise held in August 2024 in compliance with legislative obligations tested Council's preparedness against scenarios including:

- Loss of site access
- Major ICT outage
- Loss of critical staff
- Disruption to key third-party vendors/suppliers

It was observed that staff awareness of business continuity and responsiveness had improved compared with previous years. Minor gaps were identified in supplier communication protocols. This will be addressed in the 2025-26 Business Continuity Management work plan.

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

Business Continuity Management Policy
Risk Management Policy

Statutory Provisions

Not applicable

Written By: Risk and Improvement Officer

A/General Manager: Strategy and Corporate, Mr C Blunt

Attachment 1

Business Continuity Policy

Council Policy

1. Background

- 1.1. Business Continuity Management (BCM) is a holistic management process that identifies potential threats to an organisation and the impacts to business operations if those threats arise. BCM builds organisational resilience and capability to effectively respond to events in order to safeguard the interests of its key stakeholders, reputation, brand and value-creating activities.
- 1.2. Council aims to conduct its operations with the highest regard for the wellbeing of its people, while maintaining the highest quality service to its customers and protecting its business and the environment. If a disruptive event occurs, the objective of BCM is to minimise risks to the health and safety of employees, contractors, customers and the public, and minimise the period of the disruption and maximise the speed of recovery to normal business activities for all stakeholders.
- 1.3. The City of Holdfast Bay (the Council) is committed to adopting a strategic, consistent and structured approach to Business Continuity Management (BCM) in line with the principles of ISO22301:2019 Business Continuity Management Systems.
- 1.4. The Council is committed to excellence in BCM and is committed to continuously improving its practices and acknowledges that BCM is essential for sound strategic, financial and operational planning and the achievement of the Council's objectives.

2. Purpose

- 2.1. Council is obliged to ensure that critical business functions continue after a business interruption. The purpose of this Policy is to outline the Council's principles for BCM, the approach to be taken to implement BCM and who has responsibility for activities within the program.

3. Scope

- 3.1. This policy applies to all of Council operations, including Alwyndor.
- 3.2. Council has developed plans, taking into consideration reasonably foreseeable risks and their potential impact on achievement of Council objectives. BCM has two key elements: Crisis Management and Business Continuity.

3.3. The BCM lifecycle is depicted below, as per ISO 22301:2019:



3.4. Council has identified these five steps to build, manage and maintain a robust BCM system.

3.5. The Council supports BCM practices and encourages and empowers staff in managing BCM in order to protect employees, contractors, clients and assets against reasonably foreseeable BCM risks within the boundaries of the Council's operations.

3.6. Emergency Management is managed by the Emergency Management Operations Manual and site-specific Workplace Emergency and Evacuation Plans.

3.7. BCM is supported by Council's Risk Management Policy and Risk Management Framework.

4. Roles and Responsibilities

Role/Group	Responsibilities
Elected Members	<ul style="list-style-type: none"> Support strategic priorities related to business continuity Review the Council's Business Continuity Management Policy and Framework.
Mayor	<ul style="list-style-type: none"> Provide visible leadership and public assurance, as the Council's spokesperson, during significant disruptions/incidents Support Council communicate critical information to the community Participate in decision-making for major incidents as required, in conjunction with the CEO and the Crisis Management Team Spokesperson for the Council during emergencies and disruptions
Audit & Risk Committee	<ul style="list-style-type: none"> Support Council discharge its business continuity responsibility by reviewing the business continuity policy and framework.
Chief Executive Officer	<ul style="list-style-type: none"> Accountable for the effectiveness of BCUM Lead decision-making in Level 3 BCM incidents, with advice from the Crisis Management Team and in Consultation with the Mayor as

	appropriate.
Senior Leadership Team	<ul style="list-style-type: none"> • Governance and oversight of BCM implementation • Approve all BCM and Crisis Management Plans • Ensure BCM is integrated into business processes • Review plans biannually or following significant changes • Promote continuous improvement and awareness of BCM across the Council.
Crisis Management Team	<ul style="list-style-type: none"> • Provide strategic leadership and coordination during Level 3 incidents • Advise CEO and SLT on incident response • Ensure timely and effective decisions during crisis • Liaise with State Emergency agencies and the Local Government Functional Support Group as required.
Managers	<ul style="list-style-type: none"> • Identify critical business functions and complete Business Impact Assessments • Develop, maintain and test Business Continuity Plans for their areas • Ensure staff understand their BCM roles • Participate in bi-annual reviews and testing of plans • Report any significant changes that may affect BCM arrangements.
Risk & Improvement Officer and WHS Business Partner	<ul style="list-style-type: none"> • Support integration of BCM into the Risk Management Framework and WHS obligations • Provide advice on risk assessments related to business continuity.
Staff and volunteers	<ul style="list-style-type: none"> • Understand their roles and responsibilities in BCPs • Participate in BCM recovery actions, training and exercises • Follow BCM procedures during incidents • Report risks or disruptions promptly to their manager.

5. Policy Statement

5.1. Business Impact Assessments

In order to understand the business continuity risks that affect Council and the impact of these on the business, a biennial business impact analysis (BIA) will be undertaken.

BIA informs priorities and requirements for business continuity management and enables Council to prioritise the resumption of activities that support services, determining the following for each business function:

- Maximum Acceptable Outage (MAO) - The Maximum Acceptable Outage (MAO) is defined to be the time it would take for adverse impacts, which might arise as a result of not providing a product/service or performing an activity to become unacceptable (ISO 22301:2012).
- Recovery Time Objective (RTO) - The period of time following an incident within which an IT product or service must be resumed or recovered (ISO 22301:2012).
- Recovery Point Objective (RPO) - The point to which information used by an activity must be restored to enable the activity to operate on resumption (ISO 22301:2012).

The BIA must be refreshed after any significant change in Council, or at least every two years. This refresh should consider whether the criticality of any current business function has changed or whether new business functions exist that require a detailed BIA to be performed.

To understand the criticality of a business function, the following criticality matrix will be used. To determine when a function is critical, refer to the Council Risk Management Framework.

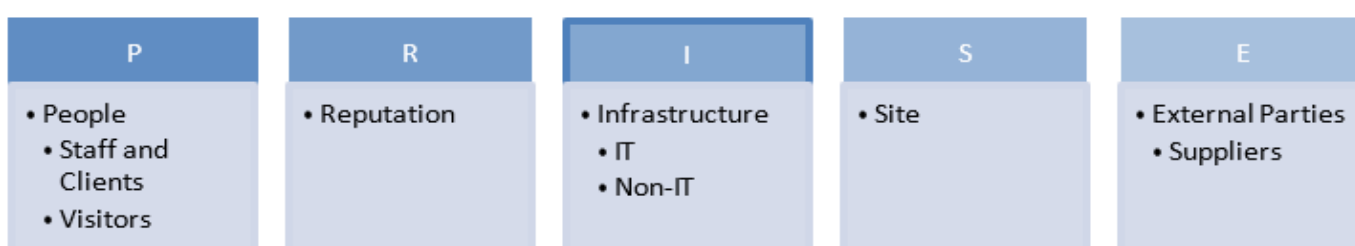
Criticality	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5 not critical	Tier 6 not critical
MAO	Immediate (<4 hours)	Today (5-24 hours)	Tomorrow (1-3 days)	This Week (4-7 days)	Next Week (8-14 days)	Eventually (>14 days)

5.2. Business Continuity Plans

The Council will develop, implement and maintain business continuity plans (BCPs) in accordance with this policy, which aim to minimise the disruption to business operations in the event of a disruption and restore operations to normal levels as soon as possible after a disruption.

BCPs are approved by the Senior Leadership Team and must be reviewed and tested every two years. Alwyndor BCPs must be provided to the Alwyndor Management Committee for noting after each review.

Plans will follow an event neutral style (PRISE) – focusing on impact of outages rather than the event itself:



5.3. Crisis Management

Council will develop a Crisis Management Plan (CMP) to assist with strategic incident management command and control in response to a critical incident. Alwyndor will have a separate CMP.

The CMPs are approved by the Senior Leadership Team and must be reviewed and tested every two years.

The Crisis Management Team established under the CMP will provide advice to the Senior Leadership Team who will retain operational decision-making.

Council's crisis management plan defines 3 levels of incidents and response approaches as follows:

- **Level 1 incident:** A short-term low complexity incident that cause minor disruption to Council operations and can be managed via routine procedures without escalation
- **Level 2 Incident:** Localised incident impacting multiple departments with moderate impact on critical business functions but can still be managed without full activation of the crisis management plan.
- **Level 3 Incident:** A Crisis/incident affecting multiple departments, Council reputation, the health and safety of staff, clients and the public. Council-wide coordination is required

A Level 3 Business Continuity Management Incident will trigger the activation of the Crisis Management Plan.

In the event of a Level 3 incident, the Crisis Management Team (CMT) will be convened immediately to provide strategic leadership, coordinate response efforts, and ensure timely decision-making in line with the Council's CMP. The CEO and the Mayor retain final operational decision-making authority, advised by the CMT.

Crisis management decisions must give due regard to State Emergency directives, procedures and any relevant advice from the Local Government Functional Support Group.

5.4. Suppliers and Service Providers

All third-party suppliers providing critical business activities must provide evidence of the existence, updating, testing, outcome of testing, and security of the appropriate BCM plans for the critical business activities including details of the testing and their results. Where requested, these must be made available to the council.

5.5. Training and Awareness

All staff with allocated BCM responsibilities within business continuity plans must be involved in the biennial reviews to enable them to understand their obligations and responsibilities.

5.6. Integration with Emergency Management

Emergency management (EM) and Business Continuity Management (BCM) are closely linked but serve different purposes in resilience planning. EM focuses on the immediate protection of life, property and the environment during or immediately following an incident whilst BCM focuses on the sustained delivery of critical functions during and after disruptive events.

This policy is distinct from the Council's emergency management obligations under the *Emergency Management Act 2004*. However, during declared emergencies, Council's business continuity activities will align with State and Local Emergency Management Plans and directives.

Certain public health emergencies may impact the continuity of Council operations. Council will comply with its obligations under the South Australian Public Health Act 2011 during such events.

Council's Business Continuity Management practices will ensure that health and safety obligations under the Work Health and Safety Act 2012 (SA) are upheld during disruptive events, including the protection of workers, contractors and members of the public.

To ensure a coordinated and scalable response, Council integrates its EM and BCM approaches as follows:

- EM is governed by the Emergency Operations Manual and relevant WHS policies & plans.
- BCM is governed by the Business Continuity Plans and Crisis Management Plan.
- Shared escalation triggers and communication protocols ensure smooth transitions from initial emergency response to sustained continuity operations.

When an emergency significantly disrupts operations by triggering a level 3 BCM incident, emergency management response transitions to BCM/Crisis Management coordination.

6. References

6.1. Legislation

- *Civil Liability Act 1936*
- *Emergency Management Act 2004*
- *Local Government Act 1999*
- *South Australian Public Health Act 2011*
- *Work Health and Safety Act 2012.*

6.2. Other references

- AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines
- Audit Committee Terms of Reference
- Better Practice Model – Internal Financial Controls 2022 SALGFMG

- Risk Management Policy and Framework
- Emergency Operations Manual
- WHS Emergency Management Policy
- Workplace Emergency and Evacuation Plans
- ICT Disaster Recovery Plan.

7. Administration Use Only

Reference Number:	Document Set ID 5241544
Strategic Alignment:	Supporting excellent, efficient operations
Strategic Risk:	Failure to adequately consider Emergency Management planning, preparation, response and recovery
Responsible Officer(s):	Manager Strategy and Governance Risk and Improvement Officer
First Issued / Approved:	14 December 2021
Minutes Date and Council Resolution Number:	TBA
Last Reviewed:	TBA
Next Review Date:	TBA
Related Legislation/Policies:	<ul style="list-style-type: none"> • <i>Civil Liability Act 1936</i> • <i>Emergency Management Act 2004</i> • <i>Local Government Act 1999</i> • <i>South Australian Public Health Act 2011</i> • <i>Work Health and Safety Act 2012</i> • AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines • Audit Committee Terms of Reference • Better Practice Model – Internal Financial Controls 2022 SALGFMG • Risk Management Policy and Framework • Emergency Operations Manual • WHS Emergency Management Policy • Workplace Emergency and Evacuation Plans • ICT Disaster Recovery Plan.