



Audit Committee

NOTICE OF MEETING

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

**Kingston Room, Civic Centre
24 Jetty Road, Brighton**

Wednesday 2 June 2021 at 6.00pm

Roberto Bria
CHIEF EXECUTIVE OFFICER

AGENDA



Audit Committee Agenda

1. OPENING

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

2. APOLOGIES

2.1 Apologies received – Councillor R Snewin

2.2 Absent - Nil

3. DECLARATION OF INTEREST

If a 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. Members are reminded to declare their interest before each item.

4. CONFIRMATION OF MINUTES

Motion

That the minutes of the Audit Committee held on 21 April 2021 be taken as read and confirmed.

Moved _____, Seconded _____

Carried/Lost

5. ACTION ITEMS

5.1 Action Item List – 2 June 2021

6. PRESENTATIONS

6.1 Annual Business Plan – Consultation Feedback

7. REPORTS BY OFFICERS

7.1 Standing Items – June 2021 (Report No: 162/21)

7.2 Draft Rating and Asset Accounting Policies (Report No: 163/21)

7.3 Risk Management Framework – Review (Report No: 187/21)

7.4 Risk Report (Report No: 170/21)

7.5 Customer Feedback and Complaints Policy Review (Report No: 186/21)

8. URGENT BUSINESS – Subject to the Leave of the Meeting

9. CONFIDENTIAL ITEMS

10. DATE AND TIME OF NEXT MEETING

The next meeting of the Audit Committee will be held on Wednesday 18 August 2021 in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton.

11. CLOSURE

**ROBERTO BRIA
CHIEF EXECUTIVE OFFICER**



**AUDIT COMMITTEE
ACTION ITEMS
As at 2 June 2021**

Meeting	Agenda Item	Action Required	Responsibility	Estimated Completion Date	Current Status
19 June 2019	6.1 Standing Items	Review of Financial Policies and Procedures (Action from the Control Track Assessment)	Manager, Finance	June 2021	Draft Assets and Rating Policy to be tabled at the meeting of June 2021.
19 June 2019	6.1 Standing Items	Disaster Recovery Plan, including IT Function, to be reviewed and brought back to the Committee (Action from the Control Track Assessment)	GM Strategy & Business Services	August 2021	Disaster Recovery Plan is currently being reviewed for Alwyndor and will be tabled at August 2021 meeting. Draft Report for Council will be tabled at August 2021 meeting.
7 October 2020	7.2 Asset Management Plan (AMP) Review	Record risk within organisational risk process and report.	GM Strategy & Business Services	August 2021	Update to be tabled at August 2021 meeting.
16 December 2020	9.1 CONFIDENTIAL – Internal Audit – Cyber Security Report	Progress from recommendations to be monitored at each meeting via the Standing Items Report.	GM Strategy and Business Services	June 2021	Update to be tabled at June 2021 meeting.
16 December 2020	7.1 Standing Items	Develop framework for Governance relationship between Alywndor, Audit Committee and Council.	CEO	August 2021	Update tabled to be tabled at August 2021 meeting.

Item No: **7.1**

Subject: **STANDING ITEMS – JUNE 2021**

Date: 2 June 2021

Written By: Manager Financial Services

General Manager: Strategy and Corporate, Ms P Jackson

SUMMARY

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

RECOMMENDATION

1. **That the Audit Committee advises Council it has received and considered a Standing Items Report addressing:**
 - **Monthly financial statements**
 - **Risk Management and Internal control**
 - **Audit – External/Internal**
 - **Disaster Recovery Plan**
 - **Public Interest Disclosures – previously Whistle-Blowing**
 - **Economy and efficiency audits**
 - **Audit Committee Meeting Schedule and Membership**

RETAIN IN CONFIDENCE - Section 91(7) Order

2. **That having considered Agenda Item 7.1 Standing Items – June 2021 in confidence under Section 90(2) and (3)(e) of the *Local Government Act 1999*, the Audit Committee, pursuant to section 91(7) of that Act orders that Attachment 3 be retained in confidence for a period of 24 months and that this order be reviewed every 12 months.**
-

COMMUNITY PLAN

Culture: Enabling high performance
Culture: Being financially accountable
Culture: Supporting excellent, efficient operations

COUNCIL POLICY

Not applicable

STATUTORY PROVISIONS

Local Government Act 1999, Sections 41 and 126

Public Interest Disclosure Act 2018

BACKGROUND

The Audit 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
- Risk management and Internal Controls
- Audit – External/Internal
- Public Interest Disclosures – previously Whistle-Blowing
- 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 Reports***

Members of the Committee receive copies of the monthly financial reports as soon as practical after they are provided to Council.

Financial reports for Municipal and Alwyndor operations for the month ended 28 February 2021 were considered by Council at its meeting on 23 March 2021. The Committee has received copies of this report.

The budget update result for the period ended 31 March 2021 was considered by Council at its meeting on 27 April 2021. Members of the Committee received this report (138/21) prior to the Council meeting. The report showed an improved financial position for Council with no change to Alwyndor operations.

Financial reports for Municipal and Alwyndor operations for the month ended 30 April 2021 were considered by Council at its meeting on 25 May 2021. The Committee has received copies of this report.

Risk Management

Administration is not aware of any material changes to Council’s risk profile not otherwise disclosed since the previous Standing Items Report on 21 April 2021.

Internal Controls

Administration is not aware of any material changes to Council's internal controls not otherwise disclosed since the previous Standing Items report on 21 April 2021.

External Audit

Council's external auditor Dean Newbery & Partners conducted an interim of Councils 2020/21 Municipal operations in the week commencing 27 April 2021. An interim audit report has been prepared highlighting the audit findings and recommendations. It includes a section that dealing with management responses to each item. It is attached for the Audit Committee's consideration.

Refer Attachment 1

The interim audit for Alwyndor operations was commenced on 10 May 2021 and the report findings and responses will be submitted to the next audit committee meeting.

Internal Audit

As part of the internal audit program the following audits are scheduled to be conducted by Galpins in 2020/21:

- Asset Management – Short-term (Quarter 4)
- Financial Controls (Quarter 4)

Stakeholder Management

The Stakeholder Management Audit has been completed and is attached for information and consideration.

Refer Attachment 2

Internal Audit - Recommendations Follow Up have been completed and findings are expected to be tabled with the Committee during Quarter 3.

Cyber Security Audit

In accordance with the Audit Committee's recommendation a progress report on the required actions from the cyber security internal audit is attached for the Committee's information and consideration.

A 'traffic light' rating has been added to each item with the following definitions:

- Green – on target
- Amber – needs ongoing monitoring
- Red – close monitoring required

Refer Attachment 3

Public Interest Disclosures

On 1 July 2019 the *Public Interest Disclosure Act 2018* came into effect replacing the *Whistleblowers Protection Act 1993*. The new laws strengthen transparency and accountability across government by establishing a scheme that encourages and facilitates the appropriate disclosure of public interest information to certain persons or authorities. Council has endorsed the Public Interest Disclosure Policy aligned to the model policy provided by the Local Government Association.

There have been no public interest disclosures made to Council since the previous standing items report on 21 April 2021.

Sec 130A Economy and Efficiency Audits

Council has not initiated any review pursuant to Section 130A of the *Local Government Act 1999* since the previous Standing Items Report on 21 April 2021.

Council Recommendations

At its meeting on 27 April 2021 Council received the minutes and endorsed the recommendations of the meeting of the Audit Committee held on 21 April 2021.

2021 Meeting Schedule and Membership

The Audit Committee's terms of reference require it to meet at least 4 times each year and at least once each quarter. During 2020 meetings were set to align with the two important financial programs in which the Audit Committee plays important roles:

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

In order to accommodate the above reporting requirements the following ordinary meeting schedule is proposed for the remainder of 2021:

- Wednesday 18 August 2021
- Wednesday 20 October 2021 (previously 6 October 2021).

BUDGET

This report does not have any budget implications.

LIFE CYCLE COSTS

This report does not have any full life cycle costs implications.

Attachment 1



City of Holdfast Bay

Interim Audit Report

2020/21 Financial Year

Executive Summary

25 May 2021

Cr John Smedley
Chair – Audit Committee
City of Holdfast Bay

Dear Cr Smedley

As part of the 2020/21 financial year external audit of the City of Holdfast Bay (the Council), we have completed our Interim Audit and have prepared this Report summarising our findings, observations and recommendations for the consideration of Council's Administration and Audit Committee.

Please note that a draft copy of this Report has been provided to the Administration prior to being issued and their responses to matters raised are included.

Further work is still to be completed as part of the Balance Date audit which is scheduled to be undertaken in the latter half of the calendar prior to finalising our audit opinion for the financial year.

I would like to take this opportunity to thank the Council's Administration for the assistance provided during the recent audit process.

Should you require any further information, please contact me on the details provided below.

Yours sincerely,

DEAN NEWBERY & PARTNERS



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Partner

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Detailed Audit Findings – Interim Audit

As a result of work completed, we have highlighted below key matters which have been identified for the Council and Management’s further consideration and/or action. A summary of our key audit findings is summarised below:

Audit Matter 1:	Procurement – Purchase Orders
<p>Audit Observations & Recommendations:</p>	<p>It was identified that Council’s Procurement Policy does not consider exemptions for purchase orders for utility services, contracted services, etc.</p> <p>Per the Procurement Policy, all tax invoices processed for payment require to be matched to a Purchase Order.</p> <p>To satisfy the policy, a purchase order is raised after the service had been rendered including for the following services:</p> <ul style="list-style-type: none"> - Waste Management Services - Software Licences - Legal Fees - Fees for on-charging the Regional Land Scape Levy Separate Rate charges to the Association. - Contract Cleaning <p>To improve efficiencies, we recommend that Council reviews its procurement policy and identify instances where a purchase order is not necessary and provides no additional effective control and update the policy to reflect these exemptions.</p>
<p>Management’s Comments:</p>	<p>An updated Procurement Policy has been submitted to Council on 25 May 2021. It includes exemptions from purchase orders for the Regional Landscape Levy, public utilities and workers compensation insurances (Clause 3.12.3). Consideration will be given to the remaining areas listed above when the next policy and procedure update is done.</p>

Audit Matter 2:	IT Asset Management Plan
Audit Observations & Recommendations:	We note that Council has not developed an Asset Management Plan for its IT renewal and maintenance programs. Given the increasing reliance on IT resources for ongoing operations of Council’s activities and the importance of the security over records/data, we recommend Council considers the development of an Asset Management Plan for its IT needs as a matter of high priority.
Management’s Comments:	Council has developed an internal 10 year IT asset renewal and maintenance management plan and this has been included in the latest Long Term Financial Plan and informs the latest 2021/22 draft budget.
Audit Matter 3:	Asset Capitalisation Process
Audit Observations & Recommendations:	<p>A review of the processes undertaken between Council’s Finance and Engineering staff when capitalising assets noted that there is minimal documented procedures and/or checklists that ensure various information relevant to the delivery of a Project are checked when projects are completed and capitalised. In particular, reference to key checks such as:</p> <ul style="list-style-type: none"> - Reconciliation of Works Order asset identification numbers against Project Ledger Cost Centre reports to ensure correct allocation of Orders against Cost Centres. - The disposal of replaced assets has been correctly recorded. - Asset depreciation useful lives allocated to new assets are verified as being accurate and appropriate based on assets constructed/purchased. <p>Please note that in making the above observation, there was no errors identified in prior period capitalisation of assets and that the comments above are made to further strengthen internal procedures to ensure corporate knowledge held by key staff is not lost in the event they are not undertaking these roles in the future.</p>
Management’s Comments:	A check list will be developed.

Audit Matter 4:	Plant & Equipment Stocktake
Audit Observations & Recommendations:	<p>A stocktake of all Plant & Equipment assets (including fleet assets) has not been completed in recent years to verify the existence and condition of assets recorded on the fixed asset register.</p> <p>We recommend that the Administration considers undertaking such a stocktake for FY2021 to address the matters raised above.</p>
Management's Comments:	<p>Consideration will be given to a stocktake as suggested, focussed initially on material and significant items. The last such stocktake was performed in 2019.</p>

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Attachment 2



The logo for Galpins features the word "Galpins" in a large, dark grey serif font. The three dots above the "i" are replaced by three solid blue circles of equal size, arranged horizontally.

Galpins

Accountants, Auditors & Business Consultants

City of Holdfast Bay

Internal Audit Report – Stakeholder Management

December 2020

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Document Control

Date	Revision Number	Revision Details	Author	Reviewer
15 Dec 20	V1.0	Draft report	Dharshini Devasagayam	Janna Burnham / Tim Muhlhausler
5 Jan 21	V1.0	Final report issued	Dharshini Devasagayam	Janna Burnham / Tim Muhlhausler
7 May 21	V1.0	Incorporating management comments	Dharshini Devasagayam	Janna Burnham

1. Executive Summary

1.1 Background

The 2020-21 Internal Audit Plan provides for a review of the City of Holdfast Bay's (Council's) stakeholder management. Council's stakeholders may be individuals, groups or organisations that have a direct or indirect interest or concern in the Council's activities and outcomes. The stakeholders may:

- be directly involved in the Council's business
- have an interest in the Council's success
- influence aspects of the Council's operations.

Stakeholder management is the process of managing the expectations of anyone who has an interest in the Council's activities or outcomes. It can be defined as the systematic identification, analysis, planning and implementation of actions designed to engage with stakeholders.¹

Effective stakeholder management is essential for Council's success. It is an interactive journey and benefits of quality stakeholder management include:

- developing a better understanding of stakeholder expectations
- building trust and contributing towards greater transparency
- obtaining stakeholder input and cooperation
- identifying new ideas and risks.

Stakeholder engagement, which is the practice of influencing a variety of outcomes through consultation, communication, negotiation, compromise and relationship building complements stakeholder management. Within local government, this is required in the Local Government Act (SA) 1999 (the Act) and referred to as 'community consultation'.

1.2 Objectives

The objectives of the audit were to:

- evaluate and report on the adequacy and effectiveness of the Council's approach to stakeholder management; including review against established frameworks such as the Governance Lighthouse² and the AA1000 Stakeholder Engagement Standard³
- assess compliance of select stakeholder engagement or 'community consultation' activities against the Act and better practice principles.

1.3 Relevant Strategic Risks

This audit aligned with Council's strategic risk:

- *Failure to appropriately engage the broader community and stakeholders.*

¹ Association for Project Management, 2020, *Stakeholder engagement vs stakeholder management*, online, URL: www.apm.org.uk/resources/find-a-resource/stakeholder-engagement/

² Audit Office of New South Wales, 2015, *Governance Lighthouse – a Strategic Early Warning Signal*. URL: www.audit.nsw.gov.au/our-work/resources/governance-lighthouse

³ AccountAbility, 2015, *AA1000 Stakeholder Engagement Standard*. AccountAbility are a global consulting and standards firm, this standard is referenced and used broadly, including by the Australian Government.

1.4 Good Practices Observed

- Positive culture observed (all interviewees demonstrated a positive intent towards engagement and understanding of the importance of/need for engagement).
- Council has a Public Consultation policy in place, and this complies with the consultation requirements set out in the Local Government Act 1999.
- Council has additionally developed a comprehensive framework for broader stakeholder engagement. The *Communications Strategic Plan 2030*, supported by the *Community Engagement Framework 2018-2021*, and *Community Engagement Handbook* extend beyond legislated consultation requirements and aim to guide Council's approach to communicating with external audiences beyond the community – including the media and state/federal governments.
- Council's has established a centralised approach to lead consultation for larger initiatives/projects. The Digital Engagement Partner has relevant training in community consultation, and she assists council staff in their consultation activities.
- For larger initiatives/projects, Community consultation occurs, and audit interviews identified that staff have a general awareness of legislative requirements.
- Staff interviewed demonstrated an awareness of the importance to engage with the community, and the need to respectfully manage the 'vocal minority'.

1.5 Key Findings and Recommendations

This internal audit project aimed to assess the controls established to address strategic risk *failure to appropriately engage the broader community and stakeholders*. Based on the work undertaken, and when considering the design and/or effectiveness of controls collectively, we conclude that the control environment is **majority effective**.⁴

The Council has developed a comprehensive framework for broader stakeholder engagement. The Communications Strategic Plan 2030, supported by the Community Engagement Framework 2018-2021, and Community Engagement Handbook extend beyond legislated consultation requirements and aim to guide Council’s approach to communicating with external audiences beyond the community. Further all staff interviewed as part of this review demonstrated a positive intent towards engagement and understanding of the importance of/(need for engagement), which is good base for stakeholder engagement.

Whilst Council does engage with the community in accordance with the Act, one of the seven staff interviewed was not aware of the specific requirements of the Act with respect to engaging with the community. This poses a low-level risk to Council, as it may result in non-compliance with legislation and cause community dissatisfaction or backlash in the event of adequate consultation.

This review has identified some opportunities for improvement with respect to current community engagement practices, establishing a strategic stakeholder map and engaging with diversity. Recommendations are summarised below.

Finding	Recommendation	Audit Risk Rating	Client Risk Rating	Completion Date
Compliance with legislation to consult with the community	Recommendation 1: Implement a mechanism to ensure that Asset Services are fully aware of legislative obligations to consult for some activities – for example street tree planting and road closures (s.223 and 232 of the Act). This may include: <ul style="list-style-type: none"> ▪ internally reviewing the Act and determining when consultation is required ▪ consider establishing stronger communication/liaison between Asset Services and the Digital Engagement Partner to assist in ensuring awareness of requirements. 	Low	Low	30 June 2021 (and annually thereafter)

⁴ Please refer to Appendix 1, Overall Control Effectiveness Ratings for further information.

Finding	Recommendation	Audit Risk Rating	Client Risk Rating	Completion Date
	<p>Recommendation 2: Develop a proactive approach to identifying upcoming projects that require community consultation and include these in the Community Engagement Planning Calendar. For example, the Digital Engagement Partner meets with Groups to identify potential relevant projects. This proactive engagement will facilitate strategic oversight of community consultations and help to ensure that sufficient time is planned for quality consultation.</p>			Complete (and ongoing).
<p>Opportunity to improve planning for, conduct and reporting on engagements with the community</p>	<p>Recommendation 3: Review project management templates and workflows to incorporate the following opportunities for improvement:</p> <ul style="list-style-type: none"> ▪ A requirement that community engagement plans are completed for all engagements. ▪ Community engagement template to: <ul style="list-style-type: none"> ○ require documentation of all risks (including over-representation by vocal minority) and how they will be managed; ○ strengthen project documentation to assist in knowledge transfer/status updates in event of staff turnover; and ○ support multi-stage projects/engagements, including documentation of plans to consult in stages. ▪ Provide reminders/triggers for timely updates to stakeholders where projects are disrupted as a result of events (e.g. global pandemic) that are outside of Council's control. ▪ Consider providing for multi-year projects in the Community Engagement Calendar and aiming to link these with the Annual Business Plan. 	Low	Low	<p>Action 1: Review of PM templates: Timing TBC.</p> <p>Action 2: Review template: 30 June 2021</p>

Finding	Recommendation	Audit Risk Rating	Client Risk Rating	Completion Date
Opportunities to strengthen stakeholder management approach	<p>Recommendation 4: Develop a stakeholder engagement map, documenting allocated 'ownership' and back up 'ownership' of the relationships with stakeholders for all stakeholders across Council, as well as targeted frequency of interaction, and opportunities for two-way communication. This will help to ensure ongoing consistency of messaging, assist with coordinating stakeholder communications, and position Council to respond strategically to emerging opportunities and stakeholder concerns.</p> <p>Recommendation 5: Ensure that community engagement plan templates include a section that actively encourages/guides staff in considering the needs of diverse stakeholders – for example those from diverse backgrounds or with a disability.</p>	Better Practice	Better Practice	Action 1: 30 Sept 2021 Action 2: 30 June 2022 30 June 2021

2. Detailed Findings and Recommendations

2.1 Compliance with legislation to consult with the community	Audit Risk Rating	Client Risk Rating
	Low	

Key Findings

- Audit testing and interviews identified overall awareness of and compliance with legislated community consultation requirements for the four larger-scale projects tested.
- There is a need to ensure that all Groups are aware of legislative consultation requirements, particularly for smaller scale initiatives.

Discussion

Audit reviewed the overall framework that Council has in place to ensure compliance with the Act's community consultation requirements. To achieve this, audit reviewed the overall framework in place and tested four community consultation activities for major/strategic projects against compliance requirements.

Audit found that Council's Community Engagement Framework and Community Consultation and Engagement Policy incorporate the legislative requirements of the Act and the better practices in the IAP2 Quality Assurance Standards for Community and Stakeholder Engagement (IAP2 standard).

Audit additionally observed that:

- Community consultation run by Asset Services for smaller projects/initiatives (for example, for some tree planting) must also meet legislative compliance obligations. Audit had difficulty in testing legislative compliance for these initiatives (see **Section 2.2**). There is opportunity to establish stronger communication/liaison between Asset Services and the Digital Engagement Partner, to help ensure that small-scale projects (e.g. consultations required under s.223 and s.232 of the Act) adhere to legislative requirements. See **Recommendation 1**.
- The Digital Engagement Partner has developed a Community Engagement Planning Calendar (the calendar) with an aim to list the upcoming large projects where community consultation is required. Audit testing identified one instance where the ability to plan for a consultation was limited due to a lack of available time. There is opportunity to implement a more formal process to forward plan for upcoming consultation initiatives and link these in the calendar. Projects listed in the Annual Business Plan, as well as major project approvals and the Asset Services work program can be a basis for identifying potential areas where consultation will be required. To better inform the calendar, there is an opportunity for the Digital Engagement Partner to use this information as a basis to engage across Council regarding upcoming consultations required. See **Recommendation 2**.

Risk Exposure

- Lack of awareness of legislative requirements to consult with the community may result in non-compliance, and/or community dissatisfaction due to inadequate consultation.
- Gaps in forward planning for upcoming consultations may leave insufficient time to properly plan and enable adequate consultation.

Recommendation 1	<p>Implement a mechanism to ensure that Asset Services are fully aware of legislative obligations to consult for some activities – for example street tree planting and road closures (s.223 and 232 of the Act). This may include:</p> <ul style="list-style-type: none"> ▪ internally reviewing the Act and determining when consultation is required ▪ consider establishing stronger communication/liaison between Asset Services and the Digital Engagement Partner to assist in ensuring awareness of requirements.
Agreed Actions	<p>Digital Engagement Partner and Manager Communications & Engagement to meet with the following teams annual to provide a community engagement overview, provide education, review their project plans and identify gaps:</p> <ul style="list-style-type: none"> • Public Realm and Urban Design team • Development Services team • Manager Engineering and team
Action Officer	Digital Engagement Partner and Manager Communications & Engagement
Completion Date	30 June 2021 (and annually thereafter)

Recommendation 2	<p>Develop a proactive approach to identifying upcoming projects that require community consultation and include these in the Community Engagement Planning Calendar. For example, the Digital Engagement Partner meets with Groups to identify potential relevant projects. This proactive engagement will facilitate strategic oversight of community consultations and help to ensure that sufficient time is planned for quality consultation.</p>
Agreed Actions	<ol style="list-style-type: none"> 1. Digital Engagement Partner to continue to maintain the Community Engagement Calendar, and share with project managers regularly (minimum bi-monthly) to seek updates, amendments and new additions. 2. Manager Communications & Engagement to continue to share the Community Engagement Calendar with the SLT each fortnight. 3. Manager Communications & Engagement and Digital Engagement Partner to continue to meet with the General Manager Assets &

	<p>Delivery every three weeks to review communications and community engagement future projects and requirements.</p> <p>4. Manager Communications & Engagement to present engagement calendar at each monthly leadership meeting.</p>
Action Officer	Digital Engagement Partner and Manager Communications & Engagement
Completion Date	Complete (and ongoing).

2.2 Opportunity to improve planning for, conduct and reporting on engagements with the community

Audit Risk Rating	Client Risk Rating
Low	

Key Findings

- A review of consultation for four major projects against legislative compliance obligations identified strong compliance with the Act.
- Better practice opportunities were identified to improve the planning, conduct and reporting of engagements.
- Attempts to test compliance with lower-level compliance obligations around tree plantings and road closures/access changes identified some lack of awareness of these requirements. In addition, Audit were unable to obtain a sample to test compliance with these requirements.

Discussion

The audit scope called for an assessment of compliance for select stakeholder engagement or 'community consultation' activities against the Act and better practice principles. To achieve this, audit reviewed a select sample of community consultation activities for four major/strategic projects for compliance with the Act and interviewed key staff across Council.

All six staff interviewed in relation to the four projects sampled demonstrated an understanding of the legislation and the better practice principles.

Compliance with Legislation

Audit testing identified a strong level of compliance with minimum legislative requirements – for example in relation to consultation occurring, notice being provided and 21 days being allowed for community responses.⁵

Testing against better practice

Council has established a centralised approach to lead consultation for larger initiatives/projects. The Digital Engagement Partner has relevant training in community consultation, and she assists council staff in their consultation activities. Stakeholders gave positive feedback about this arrangement.

The Audit observations, on an exception basis, of the Council's community consultation and engagement processes against the IAP2 Quality Assurance Standard for Community and Stakeholder Engagement are documented in *Appendix 4*. There are opportunities for Council to further strengthen its community consultation and engagement processes, including the following:

- Establish processes to ensure a community engagement plan is completed for all engagements to provide a foundation for the execution of the engagement, evaluation and review.

⁵ We note that the Act requires notice to be provided in a local newspaper circulating within the Council area. There is an intent to change the Act and remove this requirement, in light of many local newspapers no longer operating. In one case, Council chose not to publish in any newspaper due to the very local nature of the engagement, and another (Community Centre Leasing) was also not published.

-
- Review the community engagement plan templates and update to:
 - require that Project Managers document all risks (including the over-representation of the vocal minority), and how they will be managed;
 - strengthen the project documentation to assist in knowledge transfer/status updates in the event of staff turnover; and
 - support multi-stage projects/engagements, including documentation of plans to consult in stages.
 - Improve communication with stakeholders by providing timely updates, for large multi-stage projects which are disrupted as a result of events (e.g. global pandemic) that are outside of Council's control
 - Review project workflows to ensure timely feedback on the engagement outcomes is provided to all stakeholders, and that the engagement outcomes can be easily accessed via the yourholdfast.com platform.
 - Consider providing for multi-year projects in the Community Engagement Calendar and aiming to link these with the Annual Business Plan.

See **Recommendation 3**.

Consultation in relation to smaller-scale initiatives

The sample review was limited to four major projects as Audit had difficulty identifying the population of tree planting, road closures and changes to road access projects to sample. This was difficult because Council does not have processes in place to strategically capture all activity that would require engagement with the community. Refer to Section 2.1 above for further details.

Risk Exposure

- Failure to adopt better practice consultation approaches may result in community dissatisfaction and loss of trust.

Recommendation 3	<p>Review project management templates and workflows to incorporate the following opportunities for improvement:</p> <ul style="list-style-type: none"> ▪ A requirement that community engagement plans are completed for all engagements. ▪ Update the community engagement template to: <ul style="list-style-type: none"> ○ require documentation of all risks (including over-representation by vocal minority) and how they will be managed; ○ strengthen project documentation to assist in knowledge transfer/status updates in event of staff turnover; and ○ support multi-stage projects/engagements, including documentation of plans to consult in stages. ▪ Provide reminders/triggers for timely updates to stakeholders where projects are disrupted as a result of events (e.g. global pandemic) that are outside of Council's control. ▪ Consider providing for multi-year projects in the Community Engagement Calendar and aiming to link these with the Annual Business Plan.
Agreed Actions	<ol style="list-style-type: none"> 1. Project management templates can be reviewed to ensure community engagement elements are in place, once an organisational-wide project management plan template has been developed. 2. Digital Engagement Partner to review the engagement template.
Action Officer	<ol style="list-style-type: none"> 1 Digital Engagement Partner and Manager Communications & Engagement 2 Digital Engagement Partner
Completion Date	<ol style="list-style-type: none"> 1 TBC. Dependent on the City of Holdfast Bay developing an organisation-wide project management template. 2 30 June 2021

2.3 Opportunities to strengthen stakeholder management approach

Audit Risk Rating	Client Risk Rating
Better Practice	

Key Findings

- Whilst the Council has policies and processes to engage with the community on specific matters and comply with legislation, there is opportunity to develop a strategic stakeholder management framework.
- The Council's Community Engagement Framework and Community Consultation and Engagement Policy do not identify how Council will engage with stakeholders from diverse cultures and those with diverse abilities.

Discussion

The audit scope called for a review of the adequacy and effectiveness of the Council's approach to stakeholder management. To achieve this, audit reviewed Council's approach against better practice frameworks – including the Governance Lighthouse⁶, AA1000 Stakeholder Engagement Standard⁷ and also the more widely known IAP2 model for public participation.

Council has established comprehensive frameworks and processes to engage with the community on specific projects and comply with legislation. In addition, the External Communications Strategy is in place to provide 'clear direction and purpose for Council's communications' with stakeholders.

Audit note that stakeholder management is wider than community consultation on specific projects. It is a systematic process of identification, analysis, planning and implementation of actions designed to manage the expectations of anyone (for example including State government) who has an interest in Council's activities. Best practice stakeholder management also promotes active two-way communication.

The benefits of developing a strategic stakeholder engagement framework, and providing greater opportunity for stakeholders to engage with Council in a manner that has greater level of impact on decision making, include:

- strategic management of risk and reputation (management of Council's strategic risk of *'failure to appropriately engage the broader community and stakeholders'*)
- building stakeholder trust
- identifying strategic opportunities including collaborating and resource sharing with stakeholders to enable the Council to achieve its objectives within its budget constraints
- influencing stakeholders to increase the likelihood of a positive outcome for Council.

⁶ Association for Project Management, 2020, *Stakeholder engagement vs stakeholder management*, online, URL: www.apm.org.uk/resources/find-a-resource/stakeholder-engagement/

⁷ AccountAbility, 2015, *AA1000 Stakeholder Engagement Standard*. AccountAbility are a global consulting and standards firm, this standard is referenced and used broadly, including by the Australian Government.

AccountAbility's stakeholder engagement handbook identifies three generations of engagement maturity:

- 1st Generation: Pressure driven engagement for pain alleviation with localised benefits
- 2nd Generation: Systematic engagement for risk management and increased understanding of stakeholders
- 3rd Generation: Integrated strategic engagement for sustainable competitiveness.⁸

Overall, Audit assessed Council's maturity in stakeholder engagement as 1st generation. This is due to:

- Council's engagement activities appear to be primarily driven by legislative consultation requirements.
- All six staff interviewed in relation to how Council manages its community engagements, identified that the Council's engagement with the community is primarily either an inform or consult. The IAP2 standard identifies inform and consult as the two lowest levels of engagements from five levels of public participation with increasing impact on the decision.

The following initiatives within Council demonstrate that there is scope and commitment for achieving greater maturity with its stakeholder engagement:

- General Managers attend two community groups (namely the '5049 Coastal Community' and 'Holdfast Bay Residents alliance' in the Council area. This provides Council with an opportunity to build relationships with residents and gain proactive insight into concerns/emerging issues for these residents.
- The Community Wellbeing Taskforce was recently established. In 2021 as part of this initiative, Council will establish a Consumer Reference Group that will provide information to inform the priority action areas.
- The Disability Access and Inclusion Plan demonstrates Council's strategic commitment to removing barriers, so that people with disability can have the same opportunities to participate in community life and enjoy a high quality of living.

Audit also found that Council has relationships with a range of stakeholders; however, management of these relationships may rely on individual/personal initiative. To ensure ongoing consistency of stakeholder engagement/messaging, there is opportunity to ensure that these ongoing activities are coordinated – for example via a stakeholder map with allocated 'ownership' and back up 'ownership' of the relationships with stakeholders, as well as targeted minimum frequency of interaction with these.

AccountAbility AA1000 Stakeholder Engagement Standard states that stakeholder engagement is a two-way process, with different levels and associated engagement methods depending on the nature

⁸ AccountAbility, 2015, *The Stakeholder Engagement Manual, Volume 2: The Practitioner's Handbook on stakeholder engagement*, page 8, URL: <http://www.unep.fr/shared/publications/pdf/WEBx0115xPA-SEhandbookEN.pdf>

and extend of stakeholder involvement⁹. There is an opportunity for Council in mapping stakeholders, including allocated 'ownership' of stakeholder relationships, as a way to strengthen two-way communication mechanisms with stakeholders. This can strengthen Council's ability to respond strategically to emerging opportunities and stakeholder concerns. See **Recommendation 4**.

A list of resources that may be of assistance for Council in developing strategic stakeholder engagement, is included in *Appendix 5*.

Opportunity to strengthen liaison with diverse community members

The IAP2's core values for stakeholder engagement¹⁰ reflect the importance of considering diversity when engaging with stakeholders. IAP2 requires looking at diversity through any number of lenses such as ethnicity, religion, age, gender, sexuality, disability, rural/urban, or socio-economics¹¹ when engaging.

The Council's Community Consultation and Engagement Policy expresses a commitment to the IAP2 standard's principles, and the Council has recently developed the Disability Access and Inclusion Plan. Audit testing of four projects sampled, however, identified that the Council's community engagement processes did not explicitly reflect the need to engage with diverse community members (diverse cultures/diverse abilities).

There is scope for Council to review the Community Engagement Plan templates and provide training on stakeholder engagement to raise the awareness of/support engaging with diversity. See **Recommendation 5**.

Risk Exposure

- Failure to strategically engage with stakeholders, limits the Council's ability to maximise response emerging opportunities and limits its opportunity to collaborate / resource share to achieve its objectives.
- Failure to engage with diverse stakeholders may result in non-compliance with legislation, as well as community dissatisfaction due to inadequate consultation.

⁹ AccountAbility, 2015, AA1000 Stakeholder Engagement Standard, page 21, URL: <https://www.accountability.org/standards/aa1000-stakeholder-engagement-standard/>

¹⁰ IAP 2 Quality Assurance Standard for Community and Stakeholder Engagement, page 25, online, URL: https://iap2.org.au/wp-content/uploads/2019/07/IAP2_Quality_Assurance_Standard_2015.pdf

¹¹ Stephanie MacDonald, Engaging with Diversity Opinion Piece, online, URL: <https://www.iap2.org.au/news/engaging-with-diversity-opinion-piece-stephanie-macdonald/>

Recommendation 4	Develop a stakeholder engagement map, documenting allocated 'ownership' and back up 'ownership' of the relationships with stakeholders for all stakeholders across Council, as well as targeted frequency of interaction, and opportunities for two-way communication. This will help to ensure ongoing consistency of messaging, assist with coordinating stakeholder communications, and position Council to respond strategically to emerging opportunities and stakeholder concerns.
Agreed Actions	<ol style="list-style-type: none"> 1. Manager Communications & Engagement to work with the Leadership Team to develop a stakeholder engagement map for key organisation-wide stakeholders 2. Each project manager will be responsible for developing and managing a stakeholder management plan as part of their project management plan.
Action Officer	<ol style="list-style-type: none"> 1. Manager Communications & Engagement and the Leadership Team 2. All project managers
Completion Date	<ol style="list-style-type: none"> 1. 30 September 2021 2. 30 June 2022

Recommendation 5	Ensure that community engagement plan templates include a section that actively encourages/guides staff in considering the needs of diverse stakeholders – for example those from diverse backgrounds or with a disability.
Agreed Actions	Digital Engagement Partner to review the engagement template.
Action Officer	Digital Engagement Partner
Completion Date	30 June 2021

Appendices

Appendix 1. Overall Control Environment Conclusion Rating Definitions

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

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

Appendix 2. Risk Framework

Once the likelihood and consequence have been assessed for a particular risk, the overall risk can be calculated using the following risk priority matrix:

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

Consequence Scale and Descriptions

Impact Scale	Reputation	Business impact	People Safety	Environment	Service Delivery
1. Insignificant	No adverse effect on public image	Low financial loss – impact of less than \$5k	No injuries	“Nuisance” category under the SA Environment Protection Act (1993) met	Insignificant impact on Council’s ability to achieve strategic outcomes
	No media interest	Operational issues manageable within normal activities	Minor repairs required of an insignificant nature to property / infrastructure.	Short term, immediately reversible effects on ecosystem	
2. Minor	Insignificant level of community concern. A slight but manageable increase in the number of adverse resident complaints				
	Negligible adverse impact upon social health and wellbeing of the community which has little or no impact upon established community relationships and links				
3. Moderate	Minor adverse effect on public image	Medium financial loss – impact of between \$5k and \$20k	Only First Aid treatment required	“Nuisance” category under SA Environment Protection Act (1993)	Some delays in delivery of strategic initiatives, but only minor aspects impacted
	Minor media coverage in paper distributed within the local area (small scale single article).	Minor impact in undertaking routine activities	Minor loss or infrastructure damage.	Some minor adverse effects to few species/ ecosystem parts that are short term and immediately reversible.	Overall strategic intent still achievable
4. Major	Minor level of community concern, an increase in the number of resident complaints requiring direct effort to resolve/attend to		Normal seasonal illness leading to minor disruption to activities	Contamination – on-site release immediately contained	
	Minor adverse impact upon social health and wellbeing of the community that may have a minor impact upon established community relationships and links				
5. Catastrophic	Moderate adverse effect on public image	Moderate financial loss – impact of between \$20k and \$50k	Medical treatment required which may include short admission to hospital	“Material” category under the SA Environment Protection Act (1993)	Some key components of the Strategic Plan cannot be achieved within expected timeframes.
	Adverse media campaign in Messenger over two or more issues, supported by uptake of issue in Advertiser and or local electronic media	Impaired ability to maintain normal operations	Moderate loss/or infrastructure damage	Contamination – on-site release contained with outside assistance	Additional funding/resources or some strategies re-prioritisation is required
4. Major	Moderate level of community concern, large number of complaints and letters to editor in Messenger paper	Minor legal issues, non-compliances and breaches of regulation	Local epidemic leading to noticeable disruption of activities	Ecosystems- temporary, reversible damage, loss of habitat and migration of animal populations, some reduction in numbers and die back of plants. Pollution requires physical removal, air quality constitutes potential long term health problems.	
	Minor common law action or Ombudsman investigation threatened/ initiated			Manageable restrictions in resource usage	
4. Major	Significant adverse effect on public image	Major financial loss - impact of between \$50k and \$1million	Serious & extensive injuries	“Serious” category under the SA Environment Protection Act (1993)	Key Strategic Objectives unable to be achieved; review of Strategic Plan is required
	Widespread adverse media campaign including electronic local and national media.	Significant effects loss of ability to complete programs, major restrictions to services and project delivery	Serious structural damage to infrastructure or serious loss of assets.	Contamination – off-site release with no detrimental effects	
5. Catastrophic	Social media going viral requiring management intervention. Pressure on State Government and agencies to intervene	Serious breach of regulation with investigation or report to authority with prosecution and/or moderate fine possible	Widespread epidemic that causes significant disruption to activities	Ecosystems – recoverable damage, death of animals in large numbers, widespread habitation destruction, significant air quality issues. Pollution issues requiring long term management, serious introduction of invasive species	
	Significant level of community concern			Restrictions on resource usage threatening viability of accepted lifestyle	
5. Catastrophic	Social health and wellbeing of the community seriously affected by major community unrest and/or significant breakdown of established community relationships and links				
	Significant common law action threatened, major Ombudsman investigation initiated				
5. Catastrophic	Major effect on public image	Critical financial loss/exposure – impact greater than \$1 million	Fatalities	“Serious Material harm” category under the SA Environment Protection Act (1993) and EPA actions initiated	Goals of Strategic Plan not achievable; total and immediate re-work of Plan is required
	Widespread adverse media campaign including electronic local, national and international media.	Projects & programs failure, inability to meet minimum acceptable standards	Critical loss, irreversible damage property / infrastructure with a replacement cost that overwhelms the capital budget (>25%)	Off-site contamination requiring immediate and significant remediation actions	
5. Catastrophic	Widespread community outrage	Major breaches of regulation, sanctions imposed	Community movements restricted under State Emergency Plan	Ecosystems – irreversible damage, widespread loss of animals, and stone species extinctions, destruction of flora species, widespread domination of invasive species. Pollution unable to be effectively	
	Social media going viral, unable to be contained. State Government and agencies to intervene			Restriction on resource usage resulting in permanent disruption of accepted life-style	
5. Catastrophic	Social health and wellbeing of the community severely affected resulting in fracturing of established community relationships and links.				
	Class Actions, Judicial Inquiries initiated				

Stakeholder Management

Liability limited by a scheme approved under Professional Standards Legislation

Appendix 3. Audit scope and methodology

Scope of audit engagement

The audit will include, but not be limited to, the following:

- understanding how key stakeholders are identified
- reviewing how appropriate influencing and reactionary engagement processes are established based on importance
- understanding allocation of appropriate controls and ownership of key relationships to ensure consistent stakeholder communication and management
- testing a select sample of community consultation activities for major/strategic projects for compliance with the Act.

Audit methodology

In conducting the engagement, the team will:

- review relevant internal documentation, for example stakeholder management policy/procedures, community consultation procedures
- conduct interviews managers and staff
- conduct select interviews with external stakeholders as required
- compare current approaches against better practice frameworks, including:
 - stakeholder engagement frameworks
 - International Association for Public Participation (IAP2) model
- identify potential opportunities for improvement
- draft a report summarising findings and recommendations
- meet with key audit stakeholders, agree issues and update report, and
- provide a final report for presentation to the Audit Committee.

Appendix 4. Assessment against IAP2 standard

The Audit observations for each of the four projects reviewed and discussions with staff in assessing the Council's community engagement against the IAP2 Quality Assurance Standard for Community and Stakeholder Engagement are summarised below. The summary was prepared on an exceptions basis and details the opportunities for improvement only.

	Project 1: Improving Equity of Use at Dover Square Reserve
<p>Audit observations in reviewing against the eleven components of the IAP2 Quality Assurance Standard:</p> <ul style="list-style-type: none"> ▪ Problem Definition ▪ Agreement of Purpose/Context and Identification of Negotiables and Non-negotiables ▪ Level of Participation ▪ Stakeholder Identification and Relationship Development ▪ Project Requirements ▪ Development and Approval of Engagement Plan ▪ Execution of Engagement Plan ▪ Feedback ▪ Evaluation and Review ▪ Monitoring ▪ Documentation of evidence 	<ul style="list-style-type: none"> ▪ A targeted engagement was undertaken with the local community regarding options to improve the equity for the use of Dover Square Reserve. ▪ A detailed project plan and communications plan were prepared, ▪ Whilst staff interviewed were aware of vocal minority stakeholders (the squeaky wheel), the following were not documented in the project plan: <ul style="list-style-type: none"> ○ risk these stakeholders posed to the consultation; and ○ evaluation points and techniques employed to minimise the risk of over-representation of the 'squeaky wheel' opinions. ▪ Due to timing of the review, Audit were not able to assess the feedback to stakeholders.
<p>Opportunities for improvement</p>	<ul style="list-style-type: none"> ▪ Review the community engagement plan templates and update to require that Project Managers to document all risks (including the over-representation of the vocal minority), and how they will be managed.

Project 2: Community Centres Leasing Policy	
<p>Audit observations in reviewing against the eleven components of the IAP2 Quality Assurance Standard:</p> <ul style="list-style-type: none"> ▪ Problem Definition ▪ Agreement of Purpose/Context and Identification of Negotiables and Non-negotiables ▪ Level of Participation ▪ Stakeholder Identification and Relationship Development ▪ Project Requirements ▪ Development and Approval of Engagement Plan ▪ Execution of Engagement Plan ▪ Feedback ▪ Evaluation and Review ▪ Monitoring ▪ Documentation of evidence 	<ul style="list-style-type: none"> ▪ As engagement was assessed as having low-level interest and a short project timeframe, a project plan was not prepared. ▪ Audit reviewed the Communications Plan (draft) and noted that it was difficult to understand what was changing/why the change was really required, the net proposed impact and the level of influence available for stakeholders. There was a need for the plan to be clearer. ▪ Whilst the wider community was invited to comment on the policy during the consultation period, the outcomes of the engagement have not been published.
Opportunities for improvement	<ul style="list-style-type: none"> ▪ Establish processes to ensure project plan is completed for all engagements as this will provide a foundation for the execution of the engagement, evaluation and review. ▪ Review project workflows to ensure timely feedback on the engagement outcomes is provided to all stakeholders.

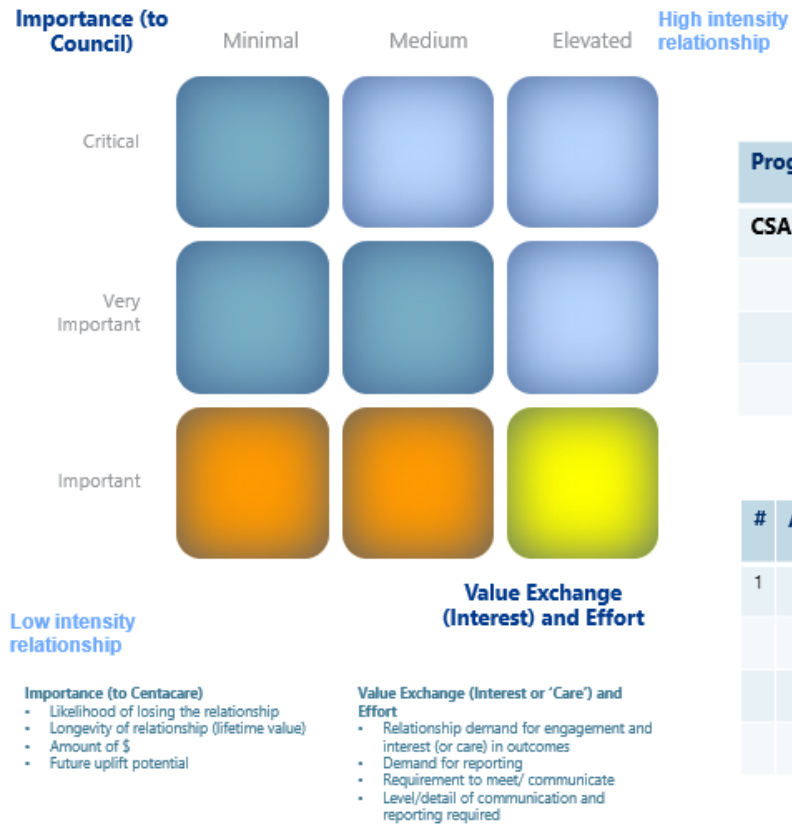
	Project 3: Jetty Road Glenelg redevelopment masterplan
<p>Audit observations in reviewing against the eleven components of the IAP2 Quality Assurance Standard:</p> <ul style="list-style-type: none"> ▪ Problem Definition ▪ Agreement of Purpose/Context and Identification of Negotiables and Non-negotiables ▪ Level of Participation ▪ Stakeholder Identification and Relationship Development ▪ Project Requirements ▪ Development and Approval of Engagement Plan ▪ Execution of Engagement Plan ▪ Feedback ▪ Evaluation and Review ▪ Monitoring ▪ Documentation of evidence 	<ul style="list-style-type: none"> ▪ A large multi-stage project, which has been delayed due to COVID-19. During this period there has been staff turnover in the Project Manager role. ▪ Whilst project plans and stakeholder summary reports were prepared for the initial stages of the project, Audit have noted: <ul style="list-style-type: none"> ○ Limited knowledge transfer on change of staff. The project documentation whilst extensive does not provide a synopsis of the project; ○ the engagement summary and actions have not been updated since COVID-19; and ○ a lack of timely feedback and status updates to the Community in the context of the delays to the project.
<p>Opportunities for improvement</p>	<ul style="list-style-type: none"> ▪ Improve communication with stakeholders by providing timely updates, for large multi-stage projects which are disrupted as a result of events (e.g. global pandemic) that are outside of Council's control. ▪ Review and update project documentation templates to assist in knowledge transfer/status updates in the event of staff turnover.

Project 4: Disability Access and Inclusion Plan	
<p>Audit observations in reviewing against the eleven components of the IAP2 Quality Assurance Standard:</p> <ul style="list-style-type: none"> ▪ Problem Definition ▪ Agreement of Purpose/Context and Identification of Negotiables and Non-negotiables ▪ Level of Participation ▪ Stakeholder Identification and Relationship Development ▪ Project Requirements ▪ Development and Approval of Engagement Plan ▪ Execution of Engagement Plan ▪ Feedback ▪ Evaluation and Review ▪ Monitoring ▪ Documentation of evidence 	<ul style="list-style-type: none"> ▪ Multi-stage project requiring more than one round of community engagement (prior to and after drafting plan). ▪ Whilst a project plan was prepared for the engagement, the need for multiple community engagements was not documented. ▪ Audit were advised that the Digital Engagement Partner and Project staff had limited time to plan for and execute the second round of consultation to get feedback from the community on the draft plan. The feedback from the community was also limited. ▪ Due to timing of the review, Audit were not able to assess the feedback to stakeholders after the second consultation.
Opportunities for improvement	<ul style="list-style-type: none"> ▪ Update the Project Plan templates to support multi-stage projects /engagements, including supporting multiple levels of stakeholder participation. ▪ Develop a proactive approach to identifying upcoming projects that require community consultation to ensure timely planning.

	General Audit observations
<p>Audit observations in reviewing against the eleven components of the IAP2 Quality Assurance Standard:</p> <ul style="list-style-type: none"> ▪ Problem Definition ▪ Agreement of Purpose/Context and Identification of Negotiables and Non-negotiables ▪ Level of Participation ▪ Stakeholder Identification and Relationship Development ▪ Project Requirements ▪ Development and Approval of Engagement Plan ▪ Execution of Engagement Plan ▪ Feedback ▪ Evaluation and Review ▪ Monitoring ▪ Documentation of evidence 	<ul style="list-style-type: none"> ▪ Audit noted that once a project's consultation period has ended the project is not visible on yourholdfast.com platform. A search for the project does provide links to access information about the engagement and any updates, however not all stakeholders may have the skills to navigate / find the status updates/feedback. ▪ One of the six staff interviewed in relation to Council's processes for engaging with the community identified delays providing feedback on an engagement due to delays in Elected Member approval of proposed next steps. ▪ Feedback from two of the staff with respect to opportunities for improvement was that most community engagements are driven by the Annual Business Plan, which requires projects to be completed within the financial year. This limits the time to prepare for an engagement.
<p>Opportunities for improvement</p>	<ul style="list-style-type: none"> ▪ Review project workflows to ensure timely feedback on the engagement outcomes is provided to all stakeholders, and that the engagement outcomes are easy to navigate to via the yourholdfast.com platform. ▪ Consider providing for multi-year projects in the Community Engagement Calendar and aiming to link these with the Annual Business Plan.

Appendix 5. Strategic Stakeholder Engagement Map and Resource list

Below is a potential basis for Council’s **stakeholder management map**. This map aims to identify highly important relationships, as well as effort required to maintain these relationships and to consider the potential value associated with them. (Note - potential value can be expressed in ways other than financial gain)



Current and Potential Information

Program(s)	Funder	A	B	Key Relationships	Notes and reasons for current and future
		Current \$	Future \$		
CSA	DHS				New live opportunity

Note: Future \$ = potential opportunity and/or ideal scenario

#	Actions (to achieve the ideal scenario)	Who	When by and/or priority
1			

The list below includes some references consulted when reviewing Council's approach to stakeholder management:

- AccountAbility, *AA1000 Stakeholder Engagement Standard 2015*, URL: <https://www.accountability.org/standards/aa1000-stakeholder-engagement-standard/>
- AccountAbility, *From Words to Action The Stakeholder Engagement Manual Volume 1: The guide to practitioners' perspectives on stakeholder engagement 2015*, URL: <http://stakeholderresearch.com/wp-content/uploads/sra-2005-words-to-action-stakeholder-engagement-01.pdf>
- AccountAbility, *From Words to Action The Stakeholder Engagement Manual Volume 2: The practitioners handbook on stakeholder engagement 2015*, URL: <http://stakeholderresearch.com/wp-content/uploads/sra-2005-words-to-action-stakeholder-engagement-02.pdf>
- Audit Office of New South Wales, *Governance Lighthouse 2015*, URL: <https://www.audit.nsw.gov.au/our-work/resources/governance-lighthouse>
- Department of Health and Human Services Victoria, *Public participation and stakeholder engagement framework*, URL: <https://www.dhhs.vic.gov.au/publications/stakeholder-engagement-and-public-participation-framework-and-toolkit>
- University of Tasmania, *Project Management Methodology Resources: Stakeholder Management*, URL: <https://www.utas.edu.au/project-management-methodology/useful-resources/stakeholder-management>
- Australian Government Department of Premier and Cabinet, *Cabinet Implementation Toolkit 3 Engaging Stakeholders*, URL: <https://www.pmc.gov.au/sites/default/files/files/pmc/implementation-toolkit-3-engaging-stakeholders.pdf>
- Ricardo Gomes, *Stakeholder Management in the Local Government Decision-Making Area: Evidences from a Triangulation Study with the English Local Government*, URL: https://www.researchgate.net/publication/26504030_Stakeholder_management_in_the_local_government_decision-making_area_evidences_from_a_triangulation_study_with_the_English_local_government
- Eric Verzuh, *Stakeholder management strategies applying risk management to people 2005*, URL: <https://www.pmi.org/learning/library/stakeholder-management-strategies-applying-risk-management-7479>

Appendix 6. Documents reviewed

The list below is a summary of the key documents reviewed in the Audit engagement.

- Community Engagement A Model Framework for leading practice in Local Government in South Australia
- City of Holdfast Bay frameworks, policies and plans
 - Community Engagement Framework
 - Community Consultation and Engagement Policy
 - Customer Feedback and Complaints Policy
 - Internal review of Council decisions (s270) Policy
 - Annual Business Plan 2020-21
 - Annual Business Plan 2019-20
 - Strategic Communications Plan 2030 (currently under review)
 - 2020-21 Community engagement planning calendar
 - Community Wellbeing Taskforce Terms of Reference
- Dover Square Reserve community engagement
 - Communications Plan
 - Engagement Plan
 - Engagement survey (draft)
 - Letter to Residents
 - Improving equity of use at Dover Square Reserve – four proposed options
- Community Centre leasing policy engagement
 - Communications plan (draft May 2020)
 - Community Centre Leasing report
 - Engagement summary report
- Jetty Road Glenelg Masterplan – Chapel Street / Hindmarsh Lane Construction engagement
 - Phase 1 engagement summary report
 - Phase 2 draft concept for comment
 - Phase 2 information booklet
 - Phase 2 engagement summary report
 - Phase 3 Draft masterplan report
 - Phase 3 feedback survey
 - Phase 3 design summary report
 - Jetty Road Glenelg masterplan report
 - Chapel Street Plaza and Hindmarsh Lane concept plans
 - Community engagement plan – Jetty Road Glenelg masterplan implementation detailed design for Chapel Street & Mosely Square integration
 - Chapel Plaza and Hindmarsh Lane Redevelopment – Communications and Engagement Activity Schedule
 - Chapel St Plaza - Stakeholder Map

- Disability Access and Inclusion Plan engagement
 - Communications plan
 - Project brief
 - Engagement plan

Appendix 7. Staff members interviewed

We extend our appreciation to the following individuals who provided information and participated in this review:

Name	Position
Caroline Chapman	Strategic Planner
Elena Pereira	Digital Engagement Partner
Julia Wallace	Team Leader Sport & Recreation Planning
Marnie Lock	General Manager Community Services
Melissa Priest	Youth and Recreation Coordinator
Michael de Heus	Manager Engineering
Michele Logie	Team Leader Communications
Monica Du Plessis	Manager Community Wellbeing

Disclaimers

Inherent limitations

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

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

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

Third party reliance

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

Item No: **7.2**

Subject: **DRAFT RATING AND ASSET ACCOUNTING POLICIES**

Date: 2 June 2021

Written By: Manager Financial Services

General Manager: Strategy and Corporate, Ms P Jackson

SUMMARY

Council has in place a Rating Policy which is updated annually as part of the rate declaration process. The policy is in a document format that is inconsistent with other Council policies and requires reformatting. As part of the exercise it was considered timely to include a rate declaration section and expand the payment of rates, debt recovery and rebate sections.

An Asset Accounting Policy has also be drafted. This is in response to a recommendation from the internal audit review of financial controls reported to the Audit Committee (245/20). The Policy includes all relevant assumptions in regards to asset capitalisation, disposal and depreciation.

Endorsement is sought from the Audit Committee prior to the policies being submitted to Council for approval.

RECOMMENDATION

That the Audit Committee advises Council:

- 1. it has received and reviewed the draft Rating and Asset Accounting Policies; and**
 - 2. it supports the draft Rating and Asset Accounting Policies for subsequent policy adoption by Council.**
-

COMMUNITY PLAN

A Place to do Business
A Place that Provides Value for Money

COUNCIL POLICY

Rating Policy.

STATUTORY PROVISIONS

Not Applicable.

BACKGROUND

Councils Rating Policy is updated each year however is in a format that is inconsistent with the policy template. The 2020/21 Rating Policy has been reformatted into the template and appropriate additions have been included.

An Internal Audit Report (245/20) was received by the Audit Committee in September 2020 (245/20) dealing with the outcomes of the 2020 internal financial controls. The report was prepared by Council's internal auditor Galpins and recommended that Council develop an Asset Accounting Policy which would include all relevant assumptions underpinning the calculation of depreciation for all asset classes.

This report addresses both the need to update the Rating Policy and develop a new Asset Accounting Policy.

REPORT

Rating Policy

An updated Rating Policy has been drafted taking into consideration the correct template while enhancing aspects of the policy in accordance with legislative requirements. No changes have been made to Councils existing rating structure or methodology.

Refer Attachment 1

The policy includes sections dealing with rates policy purpose, definitions, strategic references and general principles. It is a more structured policy document explaining in greater detail the rating structure and methodology; rate payments and financial hardship; collection of rates in arrears and debt recovery; and rate rebates.

Specific enhancements have occurred in the following areas:

- Rate capping – detailed explanation on the conditions where the residential rate cap does not apply and includes new information about rate relief for commercial, industrial and vacant land assessments in times of rapid valuation changes.
- Rate Declaration – new section encompassing the requirements for the statutory declaring of rates. It is proposed that this section be updated annually to include all relevant rating information set as part of the annual budget.
- Alternative rate payment arrangements – expanded to discuss the process and options for negotiating alternate payment arrangements. Debt recovery action is also discussed in this section.
- Debt recovery – expanded to include conditions under which debt recovery will be commenced and charges recovered.

- Sale of land – expanded to explain principles, administrative conditions, actions and sequence of events to be followed before land is sold for unpaid rates.
- Rebates of rates – expanded to detail both mandatory and discretionary rebates including administrative delegations.
- Reference to the update financial hardship policy.

Asset Accounting Policy

The notes to the Annual Financial Statements (note 1) detail the depreciation method used and useful lives for all asset classes. Council's Internal Auditors have recommended that it is better practice to have a separate Asset Accounting Policy detailing decisions for depreciating assets, their useful lives, residual values and depreciation methodology.

The following draft Policy has been developed for the Audit Committee's consideration.

Refer Attachment 2

BUDGET

This report does not have any direct budget implications.

Attachment 1



ECM DSID:	
First Issued / Approved:	Date of first issue/approval
Last Reviewed:	Date of last review
	Resolution Number
Next Review:	Review Date
Responsible Officer:	Manager, Financial Services
Date Placed on Webpage/ Intranet:	

1. PREAMBLE

This Policy sets out the basis for determining and collecting rates from its ratepayers

1.1 Background

Rates constitute a system of taxation for Local Government generally based on the value of land. Council’s primary source of revenue is derived from rates. Rate revenue is used to provide an extensive range of services to its community, based on Councils strategic directions and financial considerations. The Act prescribes the legislative basis for imposing, setting, declaring and paying of rates.

1.2 Purpose

Council’s rate structure and policies are required to be set as part of the annual business plan and budget process. This policy outlines Councils approach and principles in the setting and collecting of rates from its ratepayers.

1.3 Scope

This policy applies to all ratepayers of the City of Holdfast Bay.

1.4 Definitions

Act – Refers to *Local Government Act 1999*.

Ratepayer – a person or entity whose name appears in the assessment record as the owner or occupier of a rateable property.

Rating – the overall process of raising revenue by way of levying rates and charges.

Capital Value – the valuation methodology used in determining the value of land, as defined in the *Valuation of Land Act 1971*, being the amount a piece of land might be expected to realise upon sale, including all buildings and improvements.

Rate in the Dollar – The multiplying factor applied to the assessed property value to determine the amount of rates. It is determined annually by dividing the total amount of rate revenue required by the total value of the relevant rateable properties.

RATING POLICY

Cents in the dollar – The rate in the dollar multiplied by 100 to give the amount of cents applicable in the dollar on the capital value of the land.

General Rate – The rate in the dollar that applies to a rateable property in the calculation of the rate payable by the ratepayer for the services provided by Council.

Differential General Rate – The rate in the dollar that applies to a category or categories of land use that is different to the rate applicable to the other land use categories.

Residential Rate Cap – The maximum increase in the general rate set by Council charged on residential rateable land that is the principal place of residence of a principal ratepayer in accordance with Section 153 of the Act.

Separate Rate – The rate in the dollar applied to a certain number of rateable properties for the purpose of planning, carrying out, making available, supporting, maintaining or improving an activity that is, or intended to be, of particular benefit to the land, or occupiers of the land. It is an additional valuation based charge that is for a specified purpose.

Postponed Rates – Rates postponed under Section 182 or 182A of the Act.

Rebates – The amount that a rate may be reduced in accordance with Chapter 10, Division 5 of the Act.

Remissions – Reductions in the amount payable granted in accordance with Section 182 of the Act.

Seniors – a person who holds a South Australian State Seniors Card.

LGPI – Local Government Price Index which represents the movement of prices associated with the goods and services consumed by Local Government in South Australia.

1.5 Strategic Reference

Community: Fostering an engaged and contributing community

Economy: Supporting and growing local business

Economy: Making it easier to do business

Culture: Providing customer-centered services

Culture: Being financially accountable

Culture: Supporting excellent, efficient operations

2. PRINCIPLES

2.1 General Principles

Rates constitute a system of taxation on the community for Local Government purposes generally based on the value of land which reinforces the equity principle that property value is a relatively good indicator of wealth.

Council's powers to raise rates are contained in Sections 123 and 150 of the Act and Regulation 6 of the Local Government (Financial Management) Regulations 2011.

The objective of this policy is to ensure that the amounts of rates levied is equitably applied and collected across the community while collecting a minimum contribution from ratepayers.

Rates are not to be seen as a user pays system as the benefits received by the community can differ over the life cycle of a ratepayer.

In setting its annual rate revenue requirements Council considers its Long Term Financial Plan, its annual business plan and budget considerations, the current economic climate, the consumer price index and LGPI.

Consideration is given to the effect of the required rate revenue distribution on differing ratepayers including those with land assessed as residential, commercial, industrial, vacant or other.

Once the annual rate revenue requirements are determined, Council sets a rate in the dollar ensuring that in times of high annual property valuation increases additional rate revenue is not received.

2.2 Rating Structure

2.2.1 Method Used to Value Land

Under Section 151 of the Act, Council may adopt one of the following valuation methodologies to determine the value of property within the City:

- Capital Value – The value of the land and all of the improvements on the land.
- Site Value – The value of the land and any improvements which permanently affect the amenity of the use of the land, excluding the value of buildings and other improvements.
- Annual Value – a valuation of the rental potential of the property.

Council uses the Capital Value as the basis for valuing land as it provides the fairest way to distribute rates across all ratepayers. It is considered that the improved property value is a good indicator of wealth and ratepayers of similar wealth pay similar taxes.

2.2.2 Adoption of Valuations

Council pays for and receives capital valuations on an annual basis from the Valuer-General of South Australia. Council has no role in determining the valuation of any property within the City.

If a ratepayer is dissatisfied with the valuation provided, an objection may be made to the Valuer-General. This objection must be made within sixty (60) calendar days after the date of service of the first quarter rates notice containing the valuation to which the objection relates.

Contact details and other lodgement requirements and conditions for the Valuer- General are included on the rates notice.

2.2.3 Method of Rating

The Act permits Councils to differentiate rates based on land use. Given differing community service needs and factors affecting land valuations between residential, commercial and industrial land, Council is of the view that a differential general rate is the most equitable way to levy rates.

Council applies a differential rate to vacant land in order to encourage land improvement. Vacant land is considered to be improved when a concrete foundational slab is constructed. On application Council will change the land use to residential provided a concrete slab is constructed prior to 31 July each rating year.

Council reviews annually the additional percentage to apply to Commercial, Industrial and Vacant Land properties. The assessment is based on the level of services that are required by the business community to ensure continued economic growth and employment.

2.2.4 Minimum Rate

Council imposes a minimum rate in accordance with section 158 of the Act. Council considers it appropriate that all rateable properties make a base level contribution to the cost of general Council services and infrastructure maintenance, renewal and replacement.

The amount of the minimum rate is assessed annually and increased after taking into consideration the applicable rate revenue requirements.

The Act does not permit the minimum rate to apply to more than 35 per cent of properties. Where two or more adjoining properties are owned and occupied by the same owner one minimum rate is applicable. Section 158(2) of the Act provides direction on which properties are exempt for the minimum rate.

2.2.5 General Rate Cap (Maximum Rate Increase)

Council makes a determination on an annual basis on the maximum rate increase for residential properties to provide relief against large

RATING POLICY

increases or anomalies in valuations. This is provided under Section 153 (3) and (4) of the Act.

The rate cap applies to the principal place of residence. Applicable ratepayers need to apply for the relief by lodging the appropriate form obtained from Council.

The residential rate cap does not apply if any of the following conditions arise:

- Improvements are made to the property in excess of \$5,000, or
- Changes to the zoning of the rateable assessment, or
- Land use being different between current financial year and previous financial year rate declaration dates, or
- Change in ownership of the rateable property since the start of the previous financial year.

Rate capping does not apply to assessments that are not the principal place of residence of the ratepayer. This restricts the ability to apply a rate cap to commercial, industrial and vacant land assessments.

Rate relief for commercial, industrial and vacant land assessments is available by a discretionary rebate under section 166(1) (l) of the Act, detailed within this policy under 2.5.2 Discretionary Rebates of Rates.

2.2.6 Separate Rate – Jetty Road Glenelg Mainstreet

Under Section 154 of the Act, Council imposes a Separate Rate to promote and enhance business viability, profitability and trade commerce and industry, which provides benefits to the Jetty Road, Glenelg District Centre Zone.

The separate rate is imposed on all rateable land within the geographical area as described below:

- With a frontage to Jetty Road Glenelg or Moseley Square; and
- Within the side streets that intersect with Jetty Road Glenelg, between High Street and Augusta Street; and
- The entire site referred to as the Holdfast Shores 2B Entertainment Centre; and
- With a land use category 2 (Commercial – Shop), 3 (Commercial - Office), and 4 (Commercial - Other).

The Jetty Road Mainstreet Committee recommends to Council annually the amount to be raised and projects to be administered.

2.2.7 Separate Rate – Patawalonga Marina

Under Section 154 of the Act, Council imposes a Separate Rate to fund the ongoing maintenance and upkeep of the Boat Lock in the Patawalonga basin.

The separate rate is applied to those properties that are within the Patawalonga basin bounded by the high water mark and comprises marina berths.

An upper limit on the Patawalonga Separate Rate is determined annually to ensure anomalies in valuations are addressed.

2.2.8 Regional Landscape Levy

Council is required under the Landscape South Australia Act 2019 to make a specified contribution to the Green Adelaide Board.

The Regional Landscape Levy is a State Government Tax, and the Board determines the projects to be undertaken.

Council is an income collector for the Board and does not retain the income or determine how the income is spent.

Council collects a fee from the Board for administrative costs of collecting the levy. The amount is determined annually by the Board and is based on a fixed fee and an amount per assessment.

Contact details for the Green Adelaide Board are included on Councils rate notice.

2.2.9 Rate Declaration (to be updated each financial year)

Sections 153 and 154 include the requirements for declaring rates. Rates are not to be declared until after Council has adopted its annual business plan and budget for the financial year to which the rate relates.

Section 170 requires a notice of declaration of rates to be published within 21 days of the declaration.

For the 2020/21 financial year the following rates information is applicable:

- Net differential general rate revenue \$31,016,000.
- Total operating revenue budget \$70,856,968.
- Differential general rate of 0.00247456 rate in the dollar.
- Additional 55% percentage to apply to Commercial, industrial, vacant land properties equating to a differential general rate of 0.00384961 rate in the dollar.
- Minimum rate \$1,021 affecting 26.25% rateable properties equating to residential capital value of \$412,599 and commercial/industrial/vacant capital value of \$265,222.
- Maximum rate increase for residential properties – 6%.
- Separate Rate – Jetty Road Mainstreet – 0.00126719 rate in the dollar.
- Separate Rate – Patawalonga Marina – 0.0096334 rate in the dollar.
- Maximum rate – Patawalonga Marina - \$806.
- Regional Landscape Levy – 0.000096185 rate in the dollar.
- Instalment Due Dates: 30 September 2020; 18 December 2020; 1 March 2021; 1 June 2021.

- Prescribed interest rate for rates postponed for seniors 3.2% p.a.
- Prescribed interest rate for outstanding rates 5.2% p.a.

2.3 Payment of Rates

2.3.1 Due Dates for Payments

Rates are due and payable in four approximately equal instalments in the months of September, December, March and June of each financial year. A ratepayer may elect to pay in full or by instalments prior to the due date/s. Details of the exact due dates are determined by Council on an annual basis and provided on the rates notice.

2.3.1 Payment Methods

Council provides various methods to enable payment of rates. These are detailed on the rates notice.

2.3.2 Alternative Payment Arrangements

Any ratepayer who may, or is likely to experience difficulty with meeting standard payment instalments can contact Council to discuss options for alternative payment arrangements. Such enquiries are treated confidentially.

Alternate payment options include weekly, fortnightly and monthly payments provided amounts owing are paid in full by 30 June of that financial year.

Unless arrangements are made under Councils financial hardship policy all ratepayers who enter in an arrangement within this section of the policy will continue to have fines and interest charged on the outstanding amount in accordance with Section 181 of the Act.

Debt recovery action will be suspended whilst the terms and conditions of the arrangement to pay have been met. In the event that the arrangement is not met the total amount becomes payable and is subject to normal debt recovery procedures.

2.3.3 Financial Hardship

Financial hardship is considered when a change in circumstances affects the ability of a ratepayer to pay rates.

Council has in place a separate Financial Hardship Policy and Procedure which references legislative provisions and details the objectives, principles, options and processes for dealing with financial hardship. This ensures rate relief assistance is provided in a consistent, equitable, fair, responsive and confidential manner.

RATING POLICY

Ratepayers can apply for rate relief to Council by completing a prescribed form either on-line via Councils website, directly in person or via email, or through a financial counselling service.

Council's preference is for the applicant to seek professional financial counselling support to assist them in the process. Council will assist in referring applicants where required.

2.3.4 Postponement of Rates for Seniors

Section 182A (1) of the Act sets out the criteria that applies for a senior ratepayer to be eligible for a postponement of rates.

Section 182A(12) defines a senior ratepayer as a person who holds a State Seniors Card issued by the State Government, or who the qualifications to hold such a card and has applied for the card but has yet to be issued with the card.

Postponement is available on the principal place of residence and provided no other person, other than a spouse has an interest as the owner of the property. An application must be made on a prescribed form available from Council either in person or via Councils website.

The deferred amount is subject to a monthly interest charge as prescribed under Section 182A (12) of the Act, with the accrued debt being payable on the disposal or sale of the property. The debt can be paid earlier at the ratepayer's discretion.

2.3.5 Concessions

The State Government provides a "cost of living" concession to assist those on low or fixed incomes with expenses such as Council rates, energy and medical bills. Ratepayers can determine eligibility and apply by contacting the Concessions SA website www.sa.gov.au/concessions. The concession is paid directly to the successful applicant and is not provided via a rates notice.

2.4 Collection of Rates in Arrears

2.4.1 Late Payment of Rates

Section 181 (8) of the Act requires Council to impose a penalty of a 2% fine on any rates payment not paid by the instalment or applicable due date.

Council will provide ratepayers with a grace period of at least three working days after the due date after which fines are imposed for late payment.

At the expiration of each full month from the due date interest is charged at the prescribed percentage as per Section 181 (17) of the Act will be added on any balance including interest not paid.

RATING POLICY

Any remission of penalties will be made in accordance with Council approved delegations taking into consideration each case on its merits based on the ratepayer information provided.

2.4.2 Debt Recovery

Council will issue one overdue fines notice for payment of rates when rates are unpaid by the due date. Should rates remain unpaid more than ten calendar days after the date of issue of the overdue notice and the amount is greater than half the residential minimum rate of the applicable financial year, Council will refer the debt to a debt collection agency for collection.

The debt collection agency will charge collection fees to Council which it will pass on to the relevant property. All fees and court costs incurred are recoverable from the ratepayer.

Payments received in respect of overdue rates will be applied in accordance with Section 183 of the Act as follows:

1. Costs awarded to or recoverable by Council in any court proceedings undertaken to recover rates
2. interest
3. fines
4. rates, in the order the liability arose.

2.4.3 Sale of Land for Non-Payment of Rates

Under Section 184 of the Act Council has the power to sell property where rates have been in arrears for three years or more.

Council will not enforce this action where unusual or extraordinary circumstances exist, including deceased estates and situations of abnormal hardship for which the hardship provisions apply.

Council recognises the severe impact that such action would have on a property owner and accordingly this action is generally considered as a last resort. Council will be informed by a confidential Council report of actions in this regard once rates have been in arrears for three years.

This action will only be instigated after a series of steps have been taken:

- Where rates outstanding have been in arrears for two years a written notice will be issued to the ratepayer encouraging a suitable payment plan to eliminate outstanding rates. The ratepayer will also be advised of the Council powers in accordance with section 184 of the Act.
- If rates are in arrears for three years, a further notice will be issued advising of Council's option to sell the land. The owner will be notified of:
 - the period for which the rates have been outstanding;
 - details of outstanding amounts; and
 - Council's option to sell the land if a twelve month payment plan to pay the rates in full is not entered into.

- If rates remain in arrears for four or more years written notice will be issued to the ratepayer and any other interested parties advising that action to recover overdue rates will be commenced in accordance with Section 184.
- The ratepayer will be required to pay all amounts in arrears, legal and other costs incurred by Council.
- Throughout the process the ratepayer will continue to receive quarterly rate notices and incur fines and interest on any rates balance that remains unpaid.
- Normal recovery action will be suspended whilst the terms and conditions of any agreed payment plan are met.

2.5 Rebates of Rates

2.5.1 Mandatory Rebates

A rebate of rates is available only when the requirements under the relevant sections of the Act are met.

The categories in which property is eligible for a mandatory rebate are as follows:

- | | |
|---|-------------|
| • Section 160 – Health Services | 100% rebate |
| • Section 161 – Community Services | 75% Rebate |
| • Section 162 – Religious Purposes | 100% Rebate |
| • Section 163 – Public Cemeteries | 100% Rebate |
| • Section 164 – Royal Zoological Society SA | 100% Rebate |
| • Section 165 – Educational Purposes | 75% Rebate |

Where Council is satisfied from its own records, or from other sources, that a person or body meets the necessary criteria for a mandatory rebate, Council will grant the rebate.

2.5.2 Discretionary Rebate of Rates

Council may grant a discretionary rebate in any of the cases as set out in Section 166 of the Act.

Person or bodies seeking a discretionary rebate are required to submit an application on a prescribed form.

New applications will be received and assessed annually for the upcoming financial year and will be received up to 30 April of each year. The applicant will be advised in writing of the outcome prior to 30 June each year.

Council has delegated authority to the General Manager Strategy and Corporate, Manager Financial Services and Rates Administrator to make decisions in respect of discretionary rebates unless referral to Council is otherwise required.

The delegated officers will assess each application in a fair and reasonable manner having regard to the following criteria approach:

RATING POLICY

- The application is considered on its individual merits;
- the nature and extent of Council services provided in respect to the land for which the rebate is sought in comparison to similar services provided elsewhere in its area;
- the community need that is being met by activities carried out on the land for which the rebate is sought;
- the extent to which activities carried out on the land provides assistance or relief to disadvantaged persons;
- Any other matter considered relevant by Council.

The delegated officers will review discretionary rebates every four years.

Section 166(1) (l) of the Act deals with discretionary rebates to provide relief when substantial changes occur in the rates payable by a ratepayer due to the follow occurrences:

- redistribution of rates arising from changes in the rating structure; or
- A change to the basis on which the land is valued including rapid valuation changes or anomalies.

When the above conditions apply Council may grant relief to all ratepayers including those who own commercial, industrial and vacant properties.

3. REFERENCES

3.1 Legislation

- *Landscape South Australia Act 2019*
- *Local Government Act 1999*
- *Local Government (Financial Management) Regulations 2011*
- *Valuation of Land Act 1971*

3.2 Other References

Financial Hardship Policy

Attachment 2



ECN DSID:	
First Issued / Approved:	Date of first issue/approval
Last Reviewed:	Date of last review
	Resolution Number
Next Review:	Review Date
Responsible Officer:	Manager, Financial Services
Date Placed on Webpage/ Intranet:	

1. PREAMBLE

The asset accounting policy prescribes the required accounting treatment of non-current assets that provide future economic benefits to City of Holdfast Bay Council and the community.

1.1 Background

Council has an obligation to ensure that its assets are managed and maintained efficiently, and that decisions regarding the acquisition of new assets and the sale of existing assets are undertaken in an open, accountable and transparent fashion. As sound asset management is key to financial sustainability Council has adopted an Asset Management Plan which is incorporated into the Long Term Financial Plan and Annual Business Plan. An asset accounting policy ensures a distinction is made between expenditure on long lived assets and expenditure on goods and services for immediate consumption. This is important in determining the cost of providing services for Council’s annual budget.

1.2 Purpose

The purpose of this policy is to provide guidance, clarity and consistency regarding the treatment of capital expenditure, depreciation, revaluations, disposals and acquisitions when accounting for non-current assets. It will ensure Council is compliant with its requirements under Australian Accounting Standards and the Local Government Act 1999.

1.3 Scope

This policy generally impacts upon all Council employees and contractors. Specifically, the policy is directly applicable to Council officers who have asset management and asset accounting responsibilities.

1.4 Definitions

Asset – resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow.

Asset Class – grouping of assets of a similar nature in to categories for asset management and accounting purposes.

ASSET ACCOUNTING POLICY

Asset Recognition Threshold – when the value of a new asset reaches a determined cost it is capitalised, below this cost and the value is expensed.

Council – City of Holdfast Bay Council

Depreciated Current Replacement Cost – current cost of replacement or reproduction of an asset, less deductions for physical deterioration of the asset.

Depreciation – the systematic allocation of the value of an asset over its useful life.

Fair Value – equates to market value if a readily available market exists or depreciated current replacement cost where no market exists.

Financial Asset Register – catalogue of financially recognised non-current assets and related information used primarily for financial accounting purposes.

Future Economic Benefit – the goods and services to be provided by the asset, whether or not the entity receives a net cash inflow for their provision.

Historical Cost – a measure of value where an asset is recorded at its original cost and is not periodically revalued.

Impairment – decrease in service potential of an asset as a consequence of an irregular event or catastrophe, resulting in its recoverable amount being less than its carrying amount.

Market Value – the price that would be received to sell an asset in an orderly transaction between market participants.

Network of Assets – a chain of interconnected assets connected for the provision of the one simultaneous service. Individually, these assets are below the recognition threshold, but are accounted for in the financial statements due to their collective value.

Non-current Assets – assets that are not expected to be fully consumed, realised, sold or otherwise disposed of within one financial year.

Revaluation – the process of determining the value of existing assets.

Useful Life – the time period in which an asset is expected to be available for use.

Works in Progress – capital works not completed within the financial year and carried over in to the next financial year.

1.5 Strategic Reference

Culture: Being financially accountable

Culture: Supporting excellent, efficient operations

2. PRINCIPLES

2.1 General Principles

In the accounting treatment of its non-current assets Council is required to adhere to standards set by the Australian Accounting Standard Board (AASB). Any discretionary treatment is required to be reasonable and defensible.

2.2 Recognition of an Asset

An asset is recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to the entity and the asset has a cost that can be measured reliably.

The asset must have a useful life greater than one year and meet the value of the Asset Recognition Threshold – see Table 1 for details. The threshold is set to avoid insignificant non-current assets being recognised in the financial asset register. An exception is made for minor assets that form part of a larger, significant network of assets.

Assets below the Asset Recognition Threshold or with a useful life less than 12 months are classed as an expense in the operational budget and recognised as expenditure in the Statement of Comprehensive Income.

Council may acquire assets from a number of different sources: purchased, constructed or developed assets; contributed or donated assets; and assets not previously recognised but identified through revaluation, stocktakes or other processes.

A few asset types are not recognised due to the difficulty in ascribing them a value or because of the administrative burden involved: land under roads, trees and traffic signs.

2.3 Measurement at Recognition

All non-current assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as its fair value.

Cost is determined as the consideration given for the asset(s) plus costs incidental to the acquisition. When constructing an asset these costs may include restoration of a site, materials used, direct labour charges, architects' fees, engineering design fees and all other planning costs incurred.

Capitalisation of software whether purchased or developed internally will take account of installation and testing costs. This may include data conversion and migration, related travel costs and payroll costs of those employees directly associated with implementation and testing.

All assets will be recognised in the financial year they are acquired, however, capital works still in progress at the end of that period will be disclosed as a separate category within the financial statements at accumulated cost. Once the

ASSET ACCOUNTING POLICY

project is completed the total costs should be transferred from work in progress to the relevant property, plant and equipment asset class.

2.4 Subsequent Recognition

Each class of asset is subsequently measured at either Fair Value or Historical Cost – see Table 1 for details. All assets, except those carried at historical cost, are to be revalued at regular intervals to ensure the carrying amount reported in the Statement of Financial Position does not materially differ from its fair value. The period between valuations will not exceed five years.

Revaluations of non-current assets are carried out by an independent professionally qualified valuer with the exception of Library Lending Materials which are valued internally.

In accordance with AASB 13 the preferred valuation method is to use observable inputs where possible. This usually occurs when there is an observable market for the sale and purchase of similar assets. For the majority of Council's assets this is not applicable and these are valued using a depreciated current replacement cost approach – see Table 1 for details.

2.5 Depreciation

All non-current assets have a limited useful life with the exception of Land and Land Improvements. The straight-line depreciation method is adopted by Council to reflect patterns of consumption in a uniform manner over the useful life of an asset – refer Table 1 for details.

Asset depreciation parameters, useful lives, asset condition and residual values are to be reviewed with sufficient regularity to ensure that they are representative of current conditions and expectations at the end of each financial year. Remaining useful life of an asset should be reassessed whenever a major addition or partial disposal is processed.

Depreciation of an asset begins when it is available for use and able to provide economic benefits.

2.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount - the higher of the present value of future cash outflows or value in use. If an asset has been revalued, the impairment loss will be recognised by reducing the balance of any revaluation reserve for that class of asset. Otherwise the impairment loss is recognised as an expense in the Statement of Comprehensive Income.

ASSET ACCOUNTING POLICY

2.7 Derecognition of Assets

An asset should be derecognised from the Statement of Financial Position and recorded as a disposal within the financial asset register when it is sold, scrapped, lost or stolen, destroyed, or decommissioned when no future benefits are expected.

Costs of disposal can be included when calculating the gain or loss arising from the derecognition of an asset. These may include real estate commission fees, dismantling costs, dumping fees and associated legal costs. Any gain or loss is recognised in the Statement of Comprehensive Income.

The disposal of non-current assets requires appropriate authorisation as detailed in Council's Disposal of Land and Assets Policy.

2.8 Table 1 – Asset Classes and Rubrics

Asset Financial Class	Asset Recognition Threshold	Useful Life (Years)	Measurement Model	Valuation Approach
Land	\$1	N/A	Fair Value	Market Value
Buildings				
- Masonry Construction	\$10,000	50 - 170	Fair Value	Market Value & Current Replacement Cost
- Other Construction	\$5,000	20 - 60	Fair Value	Market Value & Current Replacement Cost
Infrastructure:				
- Stormwater Drainage	\$5,000	50 - 150	Fair Value	Current Replacement Cost
- Roads	\$5,000	15 - 300	Fair Value	Current Replacement Cost
- Footpaths	\$5,000	10 - 60	Fair Value	Current Replacement Cost
- Kerb & Guttering	\$5,000	50 - 100	Fair Value	Current Replacement Cost
- Bridges	\$5,000	100	Fair Value	Current Replacement Cost
- Car Parks	\$5,000	15 - 90	Fair Value	Current Replacement Cost
- Traffic Control	\$5,000	15 - 80	Fair Value	Current Replacement Cost
- Open Space & Coastal	\$5,000	5 - 100	Fair Value	Current Replacement Cost
Plant & Equipment	\$2,000	3 - 25	Historical Cost	Not Applicable
Furniture & Office Equipment	\$2,000	3 - 10	Historical Cost	Not Applicable
Library Lending Materials	\$1	7	Fair Value	Current Replacement Cost

3. REFERENCES

3.1 Legislation

- *AASB 13 Fair Value Measurement*
- *AASB 116 Property, Plant and Equipment*
- *AASB 136 Impairment of Assets*
- *AASB 138 Intangible Assets*
- *Local Government Act 1999*
- *Local Government (Financial Management) Regulations 2011*

3.2 Other References

Asset Management Plan
Asset Management Policy
Disposal of Land and Assets Policy
Long Term Financial Plan

DRAFT

Item No: **7.3**

Subject: **RISK MANAGEMENT FRAMEWORK - REVIEW**

Date: 2 June 2021

Written By: Manager, Strategy and Governance

General Manager: Strategy and Corporate Services, Ms P Jackson

SUMMARY

The Risk Management Framework, Policy and Procedure were endorsed by the Audit Committee on 31 January 2018 and by Council on 13 March 2018. The Risk Consequence Scale and Descriptions table (consequence table) in the Risk Management Framework was subsequently adjusted by the Audit Committee on 5 June 2019 and was reviewed again in April 2021.

Following comments received at the April 2021 meeting of the Audit Committee, both the Risk Matrix and consequence table have been amended further.

The proposed amendments are provided for endorsement by the Audit Committee.

RECOMMENDATION

That the Audit Committee:

- 1. endorses the amended Risk Matrix to be updated in the Risk Management Framework; and**
 - 2. endorses the amended Consequence Scale and Descriptions table to be updated in the Risk Management Framework.**
-

COMMUNITY PLAN

Culture: Enabling high performance

Culture: Being financially accountable

Culture: Supporting excellent, efficient operations

COUNCIL POLICY

Risk Management Framework

Risk Management Policy

STATUTORY PROVISIONS

Not applicable

BACKGROUND

A Risk Management Framework was developed in 2018 by Council's Internal Auditors, Bentleys, in consultation with administration. The Framework is the overarching document that details Council's guidelines for the identification, monitoring and reporting of risks at both a strategic and operational level. The Framework provides a comprehensive description of the activities, processes and responsibilities that contribute to risk management for the Council.

The Risk Management Framework, as well as the Risk Policy and Procedure, were endorsed by the Audit Committee on 31 January 2018 and by Council on 13 March 2018. The consequence table in the Risk Management Framework was subsequently adjusted by the Audit Committee on 5 June 2019.

REPORT

An amended version of the Risk Matrix and consequence table were provided to the Audit Committee for consideration in April 2021. Following comments made at that meeting, both have been amended further.

The Risk Matrix has been amended in line with advice received from Audit Committee members and is now aligned with councils such as the City of Unley and the City of Marion. The current and revised Risk Matrix are provided in Attachment 1.

Refer Attachment 1

The consequence table has been further amended to include reference to rates. Comparisons were made to the City of Unley and City of Onkaparinga, both of which refer to rates in their consequence tables for moderate, major and catastrophic categories, as follows:

	CoHB (Proposed)	City of Unley	City of Onkaparinga	CoO amount at % listed	CoU amount at % listed	COHB at equivalent %	CoHB % at \$ threshold
3. Moderate	Moderate financial loss – impact of between \$100k and \$1 million Impacts up to 2.5% on rate revenue generation	High financial loss/exposure - impact between \$100,000 - \$1 million or 2.5% of rate revenue	Financial loss or impact between \$100,000 to \$1 million or 1% of rate revenue	\$1,403,870	\$1,058,425	1% \$360,160 2.5% \$900,400	2.75% \$990,440

	CoHB (Proposed)	City of Unley	City of Onkaparinga	CoO amount at % listed	CoU amount at % listed	COHB at equivalent %	CoHB % at \$ threshold
4. Major	Major financial loss - impact of between \$1 million and \$3 million Impacts between 2.5% and 10% on rate revenue generation	Major financial loss/exposure - impact between \$1 million and \$4 million or 5% of rate revenue	Financial loss or impact between \$1 million to \$3 million or 2.5% of rate revenue	\$3,509,675	\$2,116,850	2.5% \$900,400 5% \$1,800,800	8.25% \$2,971,320
5. Catastrophic	Critical financial loss/exposure – impact greater than \$3 million Impacts of more than 10% on rate revenue generation	Significant adverse impact on the budget - financial loss/eposure >\$4 million or 10% of rate revenue	Financial loss or impact greater than \$3 million or 5% of rate revenue	\$7,019,350	\$4,233,700	5% \$1,800,800 10% \$3,601,600	8.5% \$3,061,360

General CoHB Rate Revenue 20/21	\$36,016,000
Onkaparinga Rates Revenue 2019/20	\$140,387,000
City of Unley Rates Revenue 2019/20	\$42,337,000

In the proposed CoHB consequence table, reference to rates has been included as a separate impact to general financial impact. This acknowledges that not all financial impacts relate directly to rate revenue, and to prevent confusion where a percentage and dollar figure may become out of step over time. This approach also acknowledges that impacts on Council's ability to generate rate revenue are an important consideration in assessing risk.

The proposed revenue generation impact thresholds have been set in consultation with the Manager Financial Services.

The proposed amended consequence table is attached with tracked changes for endorsement by the Audit Committee.

Refer Attachment 2

BUDGET

There are no budget implications with the review of these documents.

LIFE CYCLE COSTS

There are no life cycle costs associated with this report.

Attachment 1



ATTACHMENT 1

The current Risk Matrix is:

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

The proposed new Risk Matrix is:

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

Attachment 2



Attachment 2 - Consequence Scale and Descriptions

Impact Scale	Reputation	Business impact	People Safety	Environment	Service Delivery
1. Insignificant	<p>No adverse effect on public image No media interest</p> <p>Insignificant level of community concern. A slight but manageable increase in the number of adverse resident complaints</p> <p>Negligible adverse impact upon social health and wellbeing of the community which has little or no impact upon established community relationships and links</p>	<p>Low financial loss – impact of less than \$105k</p> <p>Operational issues manageable within normal activities</p> <p><u>Project – up to 5% of original project budget.</u></p>	<p>No injuries</p> <p>Minor repairs required of an insignificant nature to property / infrastructure.</p>	<p>“Nuisance” category under the SA Environment Protection Act (1993) met</p> <p>Short term, immediately reversible effects on ecosystem</p>	<p>Insignificant impact on Council’s ability to achieve strategic outcomes</p> <p><u>Project – Nil impact on achievement of key project objectives or project duration up to 10% of original timeframe without consequential impacts</u></p>
2. Minor	<p>Minor adverse effect on public image</p> <p>Minor media coverage in paper distributed within the local area (small scale single article).</p> <p>Minor level of community concern, an increase in the number of resident complaints requiring direct effort to resolve/attend to</p> <p>Minor adverse impact upon social health and wellbeing of the community that may have a minor impact upon established community relationships and links</p>	<p>Medium financial loss – impact of between \$5k10k and \$10020k</p> <p>Minor impact in undertaking routine activities</p> <p><u>Project – between 5-10% of original project</u></p>	<p>Only First Aid treatment required</p> <p>Minor loss or infrastructure damage.</p> <p>Normal seasonal illness leading to minor disruption to activities</p>	<p>“Nuisance” category under SA Environment Protection Act (1993)</p> <p>Some minor adverse effects to few species/ ecosystem parts that are short term and immediately reversible.</p> <p>Contamination – on-site release immediately contained</p>	<p>Some delays in delivery of strategic initiatives, but only minor aspects impacted</p> <p>Overall strategic intent still achievable</p> <p><u>Project duration extended up to 35% of original project timeframe without consequential impacts</u></p>
3. Moderate	<p>Moderate adverse effect on public image</p> <p>Adverse media campaign in Messenger-relevant press over two or more issues, supported by uptake of issue in Advertiser and or local electronic media</p> <p>Moderate level of community concern, large number of complaints and letters to editor in Messenger paper relevant press</p> <p>Minor common law action or Ombudsman investigation threatened/ initiated</p>	<p>Moderate financial loss – impact of between \$10020k and \$50k1 million</p> <p><u>Impacts up to 2.5% on rate revenue generation</u></p> <p>Impaired ability to maintain normal operations, reprogramming required</p> <p>Minor legal issues, non-compliances and breaches of regulation</p> <p><u>Project – between 10-20% of original project budget.</u></p>	<p>Medical treatment required which may include short term admission to hospital</p> <p>Moderate loss/or infrastructure damage</p> <p>Local epidemic leading to noticeable disruption of activities</p>	<p>“Material” category under the SA Environment Protection Act (1993)</p> <p>Contamination – on-site release contained with outside assistance</p> <p>Ecosystems- temporary, reversible damage, loss of habitat and migration of animal populations, some reduction in numbers and die back of plants.</p> <p>Pollution requires physical removal, air quality constitutes potential long term health problems.</p> <p>Manageable restrictions in resource usage</p> <p><u>Disturbance to sites or artefacts of cultural significance</u></p>	<p>Some key components of the Strategic Plan cannot be achieved within expected timeframes.</p> <p>Additional funding/resources or some strategies re-prioritisation is required</p> <p><u>Project duration extended up to 35% of original project timeframe with consequential impacts on other dependencies</u></p>
4. Major	<p>Significant adverse effect on public image</p> <p>Widespread adverse media campaign including electronic local and national media. Social media going viral requiring management intervention. Pressure on State Government and agencies to intervene</p> <p>Significant level of community concern</p> <p>Social health and wellbeing of the community seriously affected by major community unrest and/or significant breakdown of established community relationships and links.</p> <p>Significant common law action threatened, major Ombudsman investigation initiated</p>	<p>Major financial loss - impact of between \$1 million 50k and \$3 4million</p> <p><u>Impacts between 2.5% and 10% on rate revenue generation</u></p> <p>Significant effects loss of ability to complete programs, major restrictions to services and project delivery</p> <p>Serious breach of regulation with investigation or report to authority with prosecution and/or moderate fine possible</p> <p><u>Project – between 20-35% of original project budget.</u></p>	<p>-Serious & extensive injuries</p> <p>Serious structural damage to infrastructure or serious loss of assets.</p> <p>Widespread epidemic that causes significant disruption to activities</p>	<p>“Serious” category under the SA Environment Protection Act (1993)</p> <p>Contamination – off-site release with no detrimental effects</p> <p>Ecosystems – recoverable damage, death of animals in large numbers, widespread habitation destruction, significant air quality issues. Pollution issues requiring long term management, serious introduction of invasive species</p> <p>Restrictions on resource usage threatening viability of accepted lifestyle</p> <p><u>Damage to sites or artefacts of cultural significance</u></p>	<p>Key Strategic Objectives unable to be achieved; review of Strategic Plan is required</p> <p><u>Project duration extended by 36- 80% of original project timeframe with or without consequential impacts on other dependencies</u></p>
5. Catastrophic	<p>Major effect on public image</p> <p>Widespread adverse media campaign including electronic local, national and international media. Widespread community outrage</p> <p>Social media going viral, unable to be contained. State Government and agencies to intervene</p> <p>Social health and wellbeing of the community severely affected resulting in fracturing of established community relationships and links.</p> <p>Class Actions, Judicial Inquiries initiated</p>	<p>Critical financial loss/exposure – impact greater than \$3 4 million</p> <p><u>Impacts of more than 10% on rate revenue generation</u></p> <p>Projects & programs failure, inability to meet minimum acceptable standards</p> <p>Major breaches of regulation, sanctions imposed</p> <p><u>Project - >35% of original project budget.</u></p>	<p>Fatalities</p> <p>Critical loss, irreversible damage property / infrastructure with a replacement cost that overwhelms the capital budget (>25%)</p> <p>Community movements restricted under State Emergency Plan</p>	<p>“Serious Material harm” category under the SA Environment Protection Act (1993) and EPA actions initiated</p> <p>Off-site contamination requiring immediate and significant remediation actions</p> <p>Ecosystems – irreversible damage, widespread loss of animals, and key stone species extinctions, destruction of flora species, widespread domination of invasive species. Pollution unable to be effectively remediated.</p> <p>Restriction on resource usage resulting in permanent disruption of accepted life-style</p>	<p>Goals of Strategic Plan not achievable; total and immediate re-work of Plan is required</p> <p><u>Project duration extended by >80% of original project timeframe with consequential impacts on other dependencies</u></p>

Item No: **7.4**

Subject: **RISK REPORT**

Date: 2 June 2021

Written By: Manager, Strategy and Governance

General Manager: Strategy and Corporate, Ms P Jackson

SUMMARY

The City of Holdfast Bay (Council) needs to ensure that it has appropriate risk management in place. In accordance with Council's Risk Management Framework, Governance manages the Strategic and Operational Risk Registers.

As required under the Risk Management Framework, all strategic risks regardless of rating are reported to the Audit Committee, as are all Extreme and High operational risks.

This quarter, both registers have been reviewed, resulting in a shift in Council's risk profile.

Future reports will consider risk forecasting.

RECOMMENDATION

That the Audit Committee notes this report.

COMMUNITY PLAN

Culture: Enabling high performance

Culture: Being financially accountable

Culture: Supporting excellent, efficient operations

COUNCIL POLICY

Risk Management Framework

Risk Management Policy

STATUTORY PROVISIONS

Not applicable

BACKGROUND

A Risk Management Framework was developed in 2018 by Council's Internal Auditors, Bentleys, in consultation with administration. The Framework is the overarching document that details Council's guidelines for the identification, monitoring and reporting of risks at both a strategic and operational level. The Framework provides a comprehensive description of the activities, processes and responsibilities that contribute to risk management for the Council.

Strategic and Operational Risk Registers were established with assistance from Galpins and Local Government Risk Services, respectively.

REPORT

As the organisation is currently refining processes and building risk management capability, ongoing refinements can be expected. Future reports will consider the inclusion of risk forecasting.

This quarter, the Risk Matrix and the Risk Consequence Scale and Descriptions table (consequence table) in the Risk Management Framework have been further refined based on comments received from the Audit Committee's meeting in April 2021. These proposed amendments are the subject of a separate report.

The revised Risk Matrix and consequence table were applied to the Strategic Risk Register, and endorsed by the Senior Leadership Team on 13 May 2021. This has resulted in the changes to the Strategic Risk Profile as follow:

Period	Jan to Mar 20		Apr to Jun 20	
	I	R	I	R
Extreme	17	1	3	0
High	2	10	13	1
Medium	0	8	3	14
Low	0	0	0	4
Total	19	19	19	19

The revised Risk Matrix was also applied to the Operational Risk Register, which has resulted in changes to the Operational Risk Profile as follows:

Period	Jan to Mar 20		Apr to Jun 20	
	I	R	I	R
Extreme	2	0	0	0
High	21	10	23	10
Medium	24	13	47	40
Low	38	62	15	35
Total	85	85	85	85

The revised consequence table will be applied to the Operational Risk Register at the next review, which is scheduled for 6 October 2021.

A more detailed Risk Profile and Movement Report is provided for both the Operational and Strategic Risk Registers.

Refer Attachment 1

Other matters that have an impact on, or relationship to, organisational risk, which may be of interest include:

- The update of the Strategic Plan is progressing with a draft plan expected to be released for community consultation in June 2021. Key changes from the current Our Place 2030 Strategic Plan are:
 - Change in vision (including an aspirational aim of being SA's most sustainable city)
 - Change in focus from community + organisation to community only
 - Change from 5 discipline-based pillars to 3 inter-disciplinary focus areas (wellbeing, sustainability and innovation). Taking an inter-disciplinary approach will contribute to addressing findings in the April 2021 Internal Audit report relating to Strategic Planning alignment.
 - Reduction in the number of objectives (from 20 to 15) and targets/measures (from 43 to 15), with a focus on outcomes rather than activity
 - Extension of planning time horizon, via addition of aspirational 'sign posts' to guide longer term decision making.
- As part of these changes to the Strategic Plan, a new Strategic Planning Framework is being finalised, to ensure clear line of sight between new directions, existing commitments and staff activities. This will include the development of a Corporate Plan to enable medium term (3-5 years) programmatic planning to bridge the current gap between annual business planning and long term financial planning processes. There will also be a focus on integrated reporting of all commitments that have been made via Council's numerous strategies.
- A recent analysis of economic data for the City indicates that overall, the Holdfast Bay economy is recovering well. According to RemPlan data, it is estimated that in January 2021, 14% of local businesses have applied for JobKeeper support compared with 38.9% in April 2021, according to RemPlan data. Based on data currently available, there does not appear to be any significant financial distress prevalent in our community or indicators of widespread inability to pay rates.
- Recent staff departures may create workload pressures in the short term, however, these are being managed within existing resources and the recent organisational re-alignment will assist in mitigating key risks such as project delivery.

Strategic Risk Register Report

As required under the Risk Management Framework, all strategic risks regardless of rating are reported to the Audit Committee. Treatments, progress comments and due dates have been revised and updated with previous information marked with a ~~strike through~~.

Refer Attachment 2

Operational Risk Register Report

As required under the Risk Management Framework, all Extreme and High operational risks are reported to the Audit Committee. Treatments have been updated. There are no Extreme Residual Risks.

Refer Attachment 3

BUDGET

There are no budget implications with the review of these documents.

LIFE CYCLE COSTS

There are no life cycle costs associated with this report.

Attachment 1



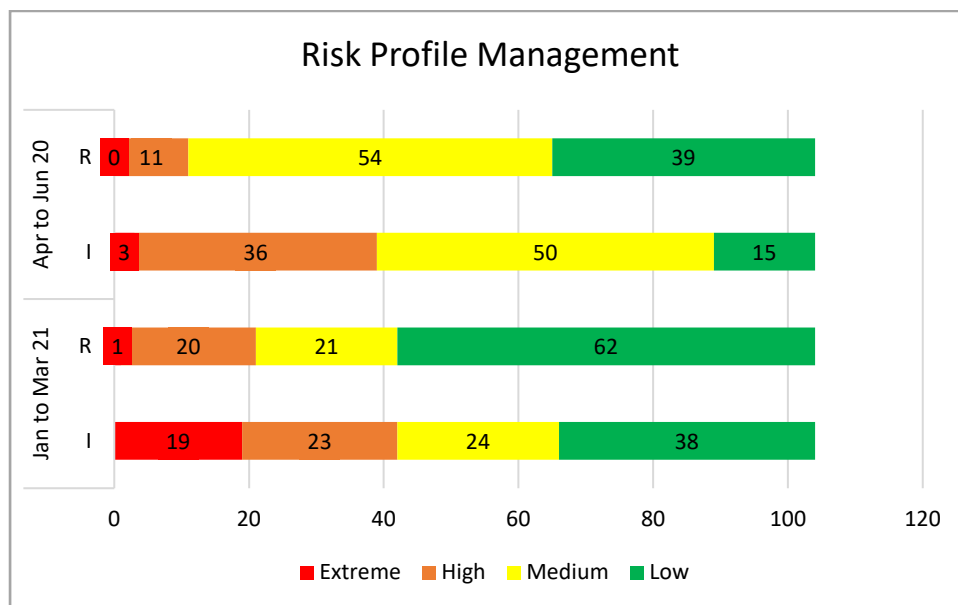
Corporate Profile Risk Movement – Attachment 1

Corporate Risk Profile Movement

Following the application of the new risk matrix, the risk profile has changed as follows:

Aggregated Risk Profile (Strategic and Operational)

Period	Jan to Mar 21		Apr to Jun 21		Jul to Sep 21 (tbc)		Oct to Dec 21 (tbc)	
	I	R	I	R	I	R	I	R
Extreme	19	1	3	0				
High	23	20	36	11				
Medium	24	21	50	54				
Low	38	62	15	39				
Total	104	104	104	104				



New Risks

No new Strategic or Operational risks were added in this quarter.

Corporate Profile Risk Movement – Attachment 1

Re-rated Risks

Following the application of the new risk matrix and consequence table, 18 of 19 Strategic Risks had either the likelihood and/or consequence changed in the inherent and/or residual risk rating.

#	Risk Description	L	C	Inherent Risk Rating	Residual Risk Rating			Change to risk rating from previous
1	Poor or ineffective management of the impacts of climate change	Likely	Catastrophic	EXTREME	Possible	Major	HIGH	Residual Risk Reduced from Extreme to High
2	Poor or ineffective Community Service delivery	Possible	Major	HIGH	Unlikely	Moderate	MEDIUM	Inherent Risk reduced from Extreme to High, Residual Risk reduced from High to medium
3	Insufficient or ineffective Asset Management	Likely	Major	HIGH	Unlikely	Major	MEDIUM	Inherent Risk reduced from Extreme to High, Residual Risk reduced from High to Medium
4	Failure to appropriately engage the broader community and stakeholders	Possible	Moderate	MEDIUM	Unlikely	Minor	LOW	Inherent Risk reduced from Extreme to Medium, Residual Risk reduced from High to Low
5	Inability to sustainably provide aged care services to the community consistent with the requirements of the ACQS.	Possible	Major	HIGH	Unlikely	Major	MEDIUM	Inherent Risk reduced from Extreme to High, Residual Risk Reduced to Medium
8	WHS & Staff safety: Staff, contractor or volunteer death or serious injury OR subject to physical, sexual, emotional or psychological abuse	Possible	Catastrophic	HIGH	Rare	Catastrophic	MEDIUM	Residual Risk reduced from High to Medium
9	Inability to implement appropriate controls to manage changes to Local Government reform	Possible	Major	HIGH	Unlikely	Major	MEDIUM	Inherent Risk reduced from Extreme to High, Residual Risk reduced from High to medium
11	Lack of strategic alignment	Possible	Moderate	MEDIUM	Unlikely	Minor	LOW	Inherent Risk reduced from Extreme to Medium, Residual Risk reduced from High to Low
15	Inability to deliver a sustainable events calendar	Possible	Major	HIGH	Possible	Moderate	MEDIUM	Inherent Risk reduced from Extreme to High, Residual Risk reduced from High to medium
16	Poor or ineffective budget development and management	Possible	Catastrophic	HIGH	Unlikely	Major	MEDIUM	Inherent Risk reduced from Extreme to High, Residual Risk reduced from High to Medium
19	Poor or inadequate Economic Development and Tourism Management	Possible	MAJOR	HIGH	Unlikely	Major	MEDIUM	Inherent Risk reduced from High to Medium
10	Inadequate consideration of how information technology can support service delivery (Information systems are not: · Effective and fit-for-purpose · Used to an optimum level)	Likely	Moderate	HIGH	Possible	Moderate	MEDIUM	Inherent Risk reduced from Extreme to High, Residual risk remains at Medium
7	Poor or ineffective planning systems and processes	Almost certain	Major	EXTREME	Possible	Moderate	MEDIUM	Risk Ratings unchanged
6	Inability to respond and recover effectively from disruptive events	Almost certain	Major	EXTREME	Possible	Minor	MEDIUM	Unchanged
12	Poor or ineffective workforce planning, including recruitment and retention	Possible	Moderate	MEDIUM	Rare	Moderate	LOW	Inherent Risk Reduced from Extreme to Medium, Residual Risk Reduced from Medium to Low
13	Inability to effectively implement strategic projects	Possible	Major	HIGH	Unlikely	Moderate	MEDIUM	Inherent Risk reduced from Extreme to High, Residual Rating unchanged

Corporate Profile Risk Movement – Attachment 1

#	Risk Description	L	C	Inherent Risk Rating	Residual Risk Rating			Change to risk rating from previous
14	Poor or ineffective customer service delivery	Possible	Major	HIGH	Unlikely	Minor	LOW	Inherent Risk Rating reduced from Extreme to High, Residual Risk Rating reduced from Medium to Low
17	Poor or ineffective management of legislative and regulatory obligations and ongoing changes	Likely	Moderate	HIGH	Possible	Moderate	MEDIUM	Inherent Risk Rating reduced from Extreme to High, Residual Risk Rating unchanged
18	Current staff profile capability not able to transform the organisation	Possible	Major	HIGH	Possible	Moderate	MEDIUM	Unchanged

Following the application of the new risk matrix, 37 of 85 Operational Risks had either the likelihood and/or consequence changed in the inherent and/or residual risk rating.

#	Risk Description	Likelihood	Consequence	REVISED Inherent Risk Rating	Likelihood	Consequence	REVISED Residual Risk Rating	Change to risk rating from previous
9	Non implementation of Carbon Neutral Strategy	Possible	Minor	Medium	Possible	Minor	Medium	Inherent Risk increased from Low to Medium, Residual Risk increased from Low to Medium
11	Patawalonga lock management issues	Possible	Minor	Medium	Possible	Minor	Medium	Inherent Risk increased from Low to Medium, Residual Risk increased from Low to Medium
13	Emergency management incomplete for vulnerable persons	Possible	Catastrophic	High	Unlikely	Major	Medium	Inherent Risk reduced from Extreme to High, Residual Risk unchanged
17	Extreme weather affecting events	Possible	Catastrophic	High	Unlikely	Major	Medium	Inherent Risk reduced from Extreme to High, Residual Risk unchanged
19	Ineffective traffic management for events	Possible	Moderate	Medium	Unlikely	Moderate	Medium	Inherent Risk unchanged, Residual Risk increased from Low to Medium

Corporate Profile Risk Movement – Attachment 1

23	Internal data fraud by staff	Unlikely	Moderate	Medium	Unlikely	Moderate	Medium	Inherent Risk increased from Low to Medium, Residual Risk increased from Low to Medium
25	Climate change affecting Council building maintenance	Unlikely	Moderate	Medium	Unlikely	Minor	Low	Inherent Risk increased from Low to Medium, Residual Risk unchanged
28	Sand erosion to beaches	Possible	Minor	Medium	Possible	Minor	Medium	Inherent Risk increased from Low to Medium, Residual Risk increased from Low to Medium
30	Infrastructure maintenance and community expectations	Possible	Minor	Medium	Possible	Minor	Medium	Inherent Risk increased from Low to Medium, Residual Risk increased from Low to Medium
31	Tree impacts on infrastructure	Possible	Moderate	Medium	Unlikely	Moderate	Medium	Inherent Risk unchanged, Residual Risk increased from Low to Medium
32	Extreme weather storms affecting sand erosion	Unlikely	Moderate	Medium	Unlikely	Moderate	Medium	Inherent Risk increased from Low to Medium, Residual Risk increased from Low to Medium
34	Urban infill causing flooding	Possible	Minor	Medium	Possible	Minor	Medium	Inherent Risk increased from Low to Medium, Residual Risk increased from Low to Medium

Corporate Profile Risk Movement – Attachment 1

35	Increased traffic volumes due to urban infill, tourism and events	Unlikely	Moderate	Medium	Unlikely	Moderate	Medium	Inherent Risk increased from Low to Medium, Residual Risk increased from Low to Medium
37	Inadequate History Collection management	Possible	Moderate	Medium	Possible	Minor	Medium	Inherent Risk unchanged, Residual Risk increased from Low to Medium
40	Copyright legislation breach	Unlikely	Moderate	Medium	Rare	Minor	Low	Inherent Risk increased from Low to Medium, Residual Risk unchanged
41	Inappropriate use of library systems	Possible	Minor	Medium	Unlikely	Minor	Low	Inherent Risk increased from Low to Medium, Residual Risk unchanged
42	One Card' courier system fails	Possible	Minor	Medium	Unlikely	Insignificant	Low	Inherent Risk increased from Low to Medium, Residual Risk unchanged
47	Inadequate evidence collection	Possible	Minor	Medium	Unlikely	Minor	Low	Inherent Risk increased from Low to Medium, Residual Risk unchanged
48	Negligent nursing	Unlikely	Moderate	Medium	Rare	Moderate	Low	Inherent Risk increased from Low to Medium, Residual Risk unchanged
52	Extreme weather increasing demand on air conditioning	Unlikely	Moderate	Medium	Unlikely	Moderate	Medium	Inherent Risk increased from Low to Medium, Residual Risk increased from Low to Medium
53	Projects may not be able to proceed	Unlikely	Moderate	Medium	Unlikely	Moderate	Medium	Inherent Risk increased from Low to Medium, Residual Risk increased from Low to Medium

Corporate Profile Risk Movement – Attachment 1

57	Undercharging use of Council property and land	Likely	Moderate	High	Possible	Minor	Medium	Inherent Risk unchanged, Residual Risk increased from Low to Medium
59	Lack of legislative updates	Unlikely	Moderate	Medium	Unlikely	Moderate	Medium	Inherent Risk increased from Low to Medium, Residual Risk increased from Low to Medium
61	Inadequate policy and procedure visibility	Possible	Moderate	Medium	Unlikely	Moderate	Medium	Inherent Risk unchanged, Residual Risk increased from Low to Medium
62	State Records Act breach	Possible	Moderate	Medium	Unlikely	Moderate	Medium	Inherent Risk unchanged, Residual Risk increased from Low to Medium
63	Increase in insurance claims from trees	Unlikely	Moderate	Medium	Unlikely	Moderate	Medium	Inherent Risk increased from Low to Medium, Residual Risk increased from Low to Medium
64	Fit for Purpose IT system	Possible	Minor	Medium	Unlikely	Minor	Low	Inherent Risk increased from Low to Medium, Residual Risk unchanged
67	Traffic control device changes inadequate	Unlikely	Moderate	Medium	Unlikely	Moderate	Medium	Inherent Risk increased from Low to Medium, Residual Risk increased from Low to Medium
68	Unsupported IT procurement	Possible	Minor	Medium	Possible	Minor	Medium	Inherent Risk increased from Low to Medium, Residual Risk increased from Low to Medium
72	Inadequate property management	Possible	Moderate	Medium	Unlikely	Moderate	Medium	Inherent Risk unchanged, Residual Risk increased

Corporate Profile Risk Movement – Attachment 1

				Medium			Medium	from Low to Medium
73	Inadequate access to Council properties	Likely	Minor	Medium	Possible	Minor	Medium	Inherent Risk unchanged, Residual Risk increased from Low to Medium
74	Unapproved alterations to Council buildings	Possible	Moderate	Medium	Possible	Minor	Medium	Inherent Risk unchanged, Residual Risk increased from Low to Medium
75	Non compliant street lighting	Possible	Moderate	Medium	Unlikely	Moderate	Medium	Inherent Risk unchanged, Residual Risk increased from Low to Medium
76	Loss of Aged Care grant funding	Possible	Major	High	Possible	Minor	Medium	Inherent Risk unchanged, Residual Risk increased from Low to Medium
79	Injury to residents and private properties by staff and volunteers	Unlikely	Major	Medium	Unlikely	Moderate	Medium	Inherent Risk unchanged, Residual Risk increased from Low to Medium
80	Out of date property information	Possible	Minor	Medium	Unlikely	Minor	Low	Inherent Risk increased from Low to Medium, Residual Risk unchanged
85	Use of private vehicles for work purposes (excluding commuting)	Rare	Major	Medium	Rare	Major	Medium	Inherent Risk increased from Low to Medium, Residual Risk unchanged

Attachment 2



#	Objectives	Risk short name	Risk Owner	Risk Description	Causes Potential and Actual	Consequences	L	C	Inherent Risk Rating	Critical Controls	Residual Risk Rating	ACCEPT THE RISK AT THIS LEVEL?	Treatment Actions	Who	PROGRESS COMMENTS	When by?	
	What are we trying to achieve by delivering our services?	Short reference		There is a risk of/that:	What are the contributing factors as to <u>How</u> and <u>Why</u> this risk occurs right now? What would cause the event to occur in the future (based on what we know now)?	What would the consequences be to the City of Helderberg Bay if the risk did occur?			If all controls fail, how bad can it be?	What are the things we do to manage the risk? (controls either reduce the likelihood or consequences) Align to causes where possible	After controls, how bad is it now?	RISK TREATED TO ALARP? (As Low As Reasonably Practicable?); No = Treatment Plans	What are the things we should be doing that we currently are not? Once implemented becomes a new control		Accountability		
1	Environment	Environmental Management	GM City Assets	Poor or ineffective management of the impacts of climate change	1. Growing community expectations regarding management of the environment 2. Waste Management. Insufficient effort to divert waste from landfill. 3. Notwithstanding that a 'climate emergency' has been noted by Council, climate change ambiguity in messaging from various levels of government remains, along with responsibility for managing the impacts. 4. Insufficient Finding or other priorities 5. Insufficient support or leadership from Administration	Environmental impacts Current and future financial impacts			EXTREME	Environment Strategy & implementation plan Reducing carbon footprint Greenhouse gas reduction strategy Improving resource efficiency Climate change impact assessments Improve seawalls, beach/dune management & stormwater controls *****Urban forest strategy (This control needs to reflect an increase in Tree Canopy Cover with the Urban Forest Strategy being the treatment action following the Street tree audit) Increase diversion from landfill/improve recycling and green organics capture Community preparedness & education Effective partnerships/support with State Government to manage climate change impacts	HIGH	NO	Finalise Environment strategy & implement (based on funding commitments by Council) Continue transition to hybrid vehicles, increase solar power installations, rollout energy audits & implement energy-saving initiatives subject to Council funding Develop and implement a carbon neutral plan in order to achieve carbon neutral target of 2030 Continue rollout of WSUD projects in subject funding by Council Continue rollout of recycling initiatives in 2020/21 at council facilities subject to Council funding Continue rollout of sustainable waste management initiation in 2021/22 at council facilities subject to Council funding Accelerate urban tree planting in 2020/21 subject to Council funding Accelerate urban tree planting subject to Council funding Support construction of SRWRA MRF *****NEW TREATMENT - Development of an urban Forest Strategy following a street tree audit. Trial weekly FOGO collections Continue support for RediPlan initiative - subject to Council funding Build effective relationships with Coastal Protection Board, DEW, EPA & Green Industries SA	Michael De Heus Michael De Heus/ Alex Gaut Michael De Heus Shani Wood Ben Hall Roberto Bria Alex Gaut Shani Wood Michael De Heus Michael De Heus	Endorsed by Council December 2020. Completed. Not funded as is a new initiative for 2021/2022 Significant amount of tree inlets have been installed. Not currently funded, consideration made during kerbside tender process to include specs for this. Tree stock from 2020 is now being taken care of, allocated funding in new initiative from 2020 was for tree planting only - not the ongoing 4 year cycle of tree care therefore risk of trees dying is increased accounting for no acceleration of planting due to staff resourcing concerns for after care. SRWRA MRF has been approved and will be operational by 1 August 2021. SRWRA has been successful in receiving \$8.5m in Federal and State Government grants. *****NEW TREATMENT - See columns AC and S, line 11. Further grant funding has been received and weekly FOGO spec considerations included in Kerbside tender for community wide roll out. This has been coordinated as part of the Resilient South Group in relation to heat safety in hot weather. Further clarification to be provided at next meeting. This is an ongoing treatment.	Completed 30/06/2022 30/06/2022 ongoing 30/06/2022 30/06/2022 30/06/2022 30/06/2022 30/06/2022 30/06/2021 ongoing 31/03/2021 Ongoing	
	2	Community	Community Services delivery	Marnie	Poor or ineffective Community Service delivery	1. Significant number of different services offered and increasing demand (Sport, Volunteer programs, Community Home Assist/Care (which is in competition with Alwyndor home support services), Community Wellbeing activities, Ageing Well in CHB (helping elderly maintain independence), Arts, Museums, Clubs, community development, city activation and events etc.) 2. Increasing demand as "a service as a last resort" as State and Federal services are decreasing 3. No policy and strategy re Access and Social Inclusion 4. Funding not guaranteed for some programs (e.g. Home Assist) 5. Some pressures and concern regarding longevity of grant funding (which has impacts on employee contracts) 6. COVID has impacted on the types of program and service delivery to the community 7. COVID has impacted on levels of service, particularly in relation to cleaning/hygiene standards; building capacity	Community service delivery impacts			HIGH	Play Space action plan Arts and Culture strategy Youth action Plan Social needs analysis Access and Social Inclusion Plan (in development) Community Wellbeing Future State Report Link a range of documentation - including Demographic Population Mobility Study, Community Services Audit, Social Needs Analysis to Community Wellbeing Future State Report and develop an action plan to implement Business process mapping Completed for all Community Services business units (except Community Activation) Stakeholder engagement in relation to future grant funding for community wellbeing Alterations to community service delivery Aged Care Quality Standards Implement recommendations from Future State Report to create efficiencies Implement remaining actions from business process mapping exercise and align with business transformation projects Implement the outcomes of the Aged Care Quality Standards Gap analysis Volunteer Services Strategy	MEDIUM	NO	Undertake a Coastal Adaptation Scoping Study Develop a Sport and Recreation Plan Review adequacy of resourcing to implement Arts and Culture strategy/actions Review Youth Action Plan for effectiveness Explore the Social Needs Analysis - to develop a more granular view, including opportunities from the Brighton Community Hub project consultations Finalise Disability Access and Inclusion Plan (DAIP) Link a range of documentation - including Demographic Population Mobility Study, Community Services Audit, Social Needs Analysis to Community Wellbeing Future State Report and develop an action plan to implement Community Wellbeing Taskforce (in conjunction with (external) Economic Recovery Taskforce) Complete business process mapping for Community Activation team Explore / implement a pilot for user-pays service provision to offset potential funding cancellation Consider impacts of COVID on future state of community services delivered (ongoing agility regarding changes as they occur) Consider impacts on service levels, particularly in relation to cleaning/hygiene standards and building capacity Implement recommendations from Future State Report to create efficiencies Implement remaining actions from business process mapping exercise and align with business transformation projects Implement the outcomes of the Aged Care Quality Standards Gap analysis Decide on an approach to lobbying/engaging with State and Federal government in relation to grant funding	Alex Gaut Matt Rechner Jenni Reynolds Monica du Plessis Tania Paull Monica du Plessis Tania Paull Marnie Lock Manager City Activation TBC Monica Du Plessis Marnie Lock GM City Assets Monica du Plessis Monica Du Plessis Beth Davidson-Park Monica Du Plessis	In progress and on track - completion date is realistic. Subject to funding and completion of Glenelg Oval Master Plan. Completion of the Arts and Culture Strategy and associated 5 year action plan took into account eh resourcing to deliver the strategy. Completed. Short and Medium term actions are being implemented and review of long term actions to be undertaken. Reviewed the University study with the intention of identifying the most appropriate programs to meet Community needs and implement in 2021/22 - Some budget is allocated. Digital hub program trials commenced in May 2020. Plan has been developed and implemented. The 4 year action plan is active and will continue to be reviewed and reported on annually. An 'Easy English' version of the DAIP has been developed for the purpose of accessibility for people with low literacy levels. Revised the documentation, action plan to developed, delays experienced due to COVID-19 with limited opportunities to consult with community. ERT has concluded and last meeting on 17/5/21 Internal working group have been meeting, determining next steps with info from workshops. Will be scheduled once a Manager City Activation has been appointed Council service model has changed as grant funding has been novated to Alwyndor effectively minimising the risk. User pays options for sub contracted transport and social support have been implemented. This is an ongoing treatment Completed Completed Completed and ongoing No longer relevant - HACC funding has ceased CHSP has been novated to Alwyndor.	30/06/2021 30/06/2023 30/06/2022 Completed 30/06/2021 31/12/21 30/06/2022 30/06/2021 4 year plan to 2024 30/09/2021 30/9/21 30/06/2020 1/11/2021 30/06/2021 30/09/2020 Ongoing 30/06/2021 Completed 30/06/2021 Completed 30/06/2021 Complete and Ongoing 30/06/2021 N/A

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3	Place making	Asset Management	GM City Assets	Insufficient or ineffective Asset Management Planning Concluding risks identified in Asset Management Plans 2021-2031	1. Significant investment annually by Council - reliant on effective Asset Management Plans (and resultant preventative maintenance) 1.1 Potential acceleration of capital expenditure as a result of economic stimulus arising from state and federal government COVID recovery grants 2. Lack of understanding of what asset portfolio is required to meet Council's strategic objectives (partly informed by Social Needs Analysis) 3. Lack of strategic investment outlook (aligned to the strategic plan) in the medium to longer-term 4. Holdfast Bay Council has unique circumstances to manage, which impact on infrastructure, including: . significant visitor numbers (1.4m visitors per year) - impacting upon asset and infrastructure . increasing itinerant/transient population and anti-social behaviour which the community expects that the Council assists with (nice area, good weather in summer, particularly around Jetty Road) . Wellbeing and Social Inclusion . 57% women; safety a key concern (lighting and access) 5. Some asset categories not being maintained or lacking effective planning and investment for renewal to sufficient levels, for example future requirements regarding stormwater management (drainage/coastal) and impacts of climate change in the absence of State Government funding 6. Lack of definition of service levels for assets (for example, for parks) 7. Where new infrastructure is being developed, there is a lack of embedding future expected maintenance expenditure (for example new beachfront path at Minda - new attraction which means high use and therefore increased wear and tear) 8. Traffic management strategies insufficient and transport capacity being stretched (infill, congestion, parking issues) 9. Opportunities evolving to use different funding models (Government and Private) 10. Asset investment process not identifying full asset life-cycle costs (renewal, maintenance etc.) 11. selection of new infrastructure should be based on whole of life cost. 12. Service standards need to be determined with the community and the agreed standard assessed to determine financial impact. Monitor community standards and expectations.	Infrastructure quality and useful lives decline Increase in future capital expenditure requirements Potential inundation of homes/local areas (drainage AMP)	LIKELY	MAJOR	HIGH	Place making Strategies guiding future asset investment/design	MEDIUM	NO	Review Volunteer Services Strategy	Monica du Plessis/ Matt Rechner	Review Completed by Active Communities prior to organisational re alignment.	30/06/2021 Completed
										Asset Management Plans Modelling, reporting			Change Management plan / training on organisational change	Michael De Heus	To be reviewed following recruitment of new Asset Management Lead	30/06/2022
										Capital Project list: Reprioritise/reconsider capital project list and method of construction post-COVID			Michael De Heus	Completed	Completed	
										Matching project resources to program investment			Executive Team	Ongoing in the context of the Strategic Plan review and development of the Corporate Plan	30/11/2020 Ongoing	
										Preventative Maintenance Planning			Michael De Heus	AMP's reviewed and adopted late 2020, however their review is an ongoing treatment	31/03/2021 Ongoing	
										Grant management processes/access to state government funding process			Bill Blyth	Automated maintenance schedules in Tech 1, reports are downloaded, reviewed monthly for non conforming items on the schedule and actioned accordingly - ongoing and on track	1/10/2021 Ongoing	
										Asset Investment process (planning through to construction) Maintain knowledge base Reliable asset Management Software			Pamela Jackson	Operational engagement was undertaken via LGFSG and Council's CMT, funding stimulus was released by Federal and State Governments early in 2021.	30/09/2020 Ongoing	
4	Culture	External Communications	Marnie	Failure to appropriately engage the broader community and stakeholders	1. A need to select appropriate method of engagement /informing etc. in line with the IAP2 framework (community can get "engagement fatigue") 2. A need to respond to vocal minority/to awaken silent majority 3. Ad-hoc approach to stakeholder management (responsive approach) 4. As COVID is continuing, the effectiveness of community engagement is diminished (due to reduced face-to-face) 5. Reduction in engagement with Community using traditional mediums due to Messenger newspaper ceasing and other print media impacts	Lack of community engagement which leads to potential negative impacts on strategy Reputational damage	Possible	MODERATE	MEDIUM	Communications Strategy 2030	LOW	NO	Support staff ability to understand/measure full asset life-cycle costs Succession planning Invest in reliable data to inform AMP's.	Michael De Heus	Significant improvement in data achieved in 2021 to be reviewed upon replacement of Asset Management Lead	30/06/2021 30/6/2022
										Community Engagement Framework + Policy			Michelle Logie	Further conversations need to occur with SLT and Manager to establish the focus and parameters of the Plan prior to development	30/06/2021	
										Customer Experience Strategy (in development)			Elena Pereira	SLT have granted approval for the establishment of consumer reference groups utilising our YOUR HOLDFAST database. Technical platform to be developed.	30/06/2021	
										Access and Social Inclusion Plan (in development)			Michelle Logie	Regular meetings occur with LT and Communication Manager is now a member for the Leadership group and will provide updates at monthly LT meeting.	30/06/2021	
										Customer Service facility modifications to comply with COVID Safe			Tania Paull	Recommended the Customer Experience Strategy Working groups with focus on Customer Charter completion by July 2020 resulting in training roll out by November 2021.	30/11/2021	
										Digital Transformation Program (including bringing forward some IT improvements, such as bandwidth upgrades, Web chat)			Marnie Lock	Established a quarterly printed publication distributed to all rate payers called OUR PLACE. Fortnightly E newsletter call HOLDFAST NEWS emailed to subscribers and a printed version provided to CHB community hubs for distribution.	30/09/2020 Completed	
5	Community	Alwyndor	Beth	Inability to sustainably provide aged care services to the community consistent with the requirements of the ACQS.	1. Significant operation (\$20m turnover and 250 staff) with other Allied Health operations 2. Lack of defined/inadequate policies and procedures 3. Failure to identify, report and manage risk of services delivered off site (in the home) 4. Failure to assess, document and respond to risks to customer safety 5. Lack of rigorous governance structures 6. Inability to attract and maintain a well trained workforce 7. Inability to understand consumer needs and expectations and provide services to meet those needs and expectations 8. Inability to react to change in the Government funding model 9. Poor staff training/understanding of requirements 10. Reactionary changes to manage impacts of COVID - particularly for visitors and hygiene standards; therapy services reduction impacted on revenue (but not >15% reduction) and costs (to meet additional standards and PPE expenses)	Failure to adequately and safely care for residents Failure to meet health-specific standards Failure to meet legislative standards (e.g. Local Government Act as well as Aged/Health requirements)	Possible	MAJOR	HIGH	Comprehensive clinical policies and procedures	MEDIUM	NO	Finalise Disability and Access and Inclusion Plan and Customer Experience Strategy (including customer journey mapping)	Marnie Lock	CX Strategy delayed due to staff changes	DAIP Completed, CX Strategy due 30/11/2021
										Comprehensive training plan (based on Training Needs Analysis), covering Mandatory Employee training on the ACQS Standards, AHPRA nursing standards & Alwyndor systems and processes			RSM, MCC, QM (Beth Davidson-Park, Alwyndor)	Organisational changes implemented to ensure ongoing viability and success of aged care services. Treatments to be reviewed in light of ongoing changes to quality and reporting requirements.	30/06/2020 Ongoing	
										Mandatory reporting systems and processes			GM, RSM, MCC (Beth Davidson-Park, Alwyndor)	Completed	30/06/2020 Completed	
										Dedicated resources to maximise funding			Beth Davidson-Park	Completed	31/03/2020 Completed	
										Governance frameworks which include: monitoring of incidents data, ongoing review of policies and procedures, legislative compliance, continuous improvement.			Beth Davidson-Park	Strategic Plan developed and first year implementation has commenced.	31/03/2020 Completed	
										Hygiene and access standards; Aged Care and Quality Commission audits						
										Customer feedback mechanisms - including surveys, resident meetings, focus groups, family/stakeholder engagement						

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									Self-assessment system consistent with the ACQS standards.							
									Effective care planning and assessment processes							

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8	Culture	WHS	Sharon	WHS & Staff safety: Staff, contractor or volunteer death or serious injury OR subject to physical, sexual, emotional or psychological abuse	1. Systems to manage fatigue which impact on health and wellbeing require improvement 2. Lean staffing model impacting on stress of workforce 3. Increasing awareness and emerging risk of Mental Health impacts associated with physical and verbal abuse from customer/general public, burnout/fatigue, cumulative trauma (along with upcoming change in presumptive legislation); Mental Health and Wellbeing Strategy continuously evolving	Physical, sexual, emotional or psychological abuse		Possible	CATASTROPHIC	HIGH	MEDIUM	NO	WHS Strategic Plan and Programs	People & Culture	Scheduled for October/November 2022	31/12/2021 31/12/2022
													Workforce Capability Audit & Gap Analysis			
													Reviewing of rostering requirements for Field Services & Events staff for Council events			
													Reasonable Adjustment Procedures for non-work related medical conditions			
9	Culture	Local Government Reform	Roberto	Inability to implement appropriate controls to manage changes to Local Government reform	1. Significant ongoing changes being proposed and implemented in local government, including: - Rate Capping - Audit Committee Changes - Audit proposals for changes to the Auditor-General - Planning reform - Rate Waivers (Opposition Bill in front of Parliament) 2. General rate and revenue pressures from state government 3. Boundary Reform process - some residents from Marion Council wanting to join HB Council	Revenue or financial impacts		Possible	MAJOR	HIGH	MEDIUM	YES	Review Working-from-Home policy and procedure	Sharon Somerville	Completed	Completed
													Providing input into proposed changes and advocating to government on impacts of changes	Roberto Bria	Council wrote to LGA regarding LG Amendment Bill in mid-2020 Legislation passed upper house with large number of amendments as a result of lobbying by the LGA, new legislation expected to be passed in June 2021.	30/09/2020 Ongoing
11	All	Strategy	Pam Jackson	Lack of strategic alignment	1. Lack of Complete and up-to-date strategy which is understood and agreed by key stakeholders (Current strategy outdated and being renewed) 1.A. Impacts of COVID are having ongoing impacts on the Strategy 1.B. Requirement to consider the role of CoHB in assisting with the local business economic recovery and resilience 2. Difficulty in measuring performance on what is being achieved (outcomes vs outputs) 3. Lack of ability to measure community wellbeing to inform Social Needs Analysis as a key input to the strategy 4. Future outlook for service/asset model is changing in addition to the ability of the organisation to respond to those changing needs (e.g. online services required, increasing demand/expectations in relation to asset base (tourism), homeless management, aged care management, potential changing government agenda/reform) 5. Lack of understanding/agreement on future priorities (asset investment and services) - lack of agreement at Exec and Elected Member level to finalise renewed strategy 6. Current transformation projects ongoing - transformation projects may not be aligned to renewed strategy; strategically critical projects may not be included in transformational program 7. Increasing demand for enhanced customer experience 8. A need to be more agile to respond to the community's needs 9. A need to "fund what we are trying to achieve" (service delivery and service level choices) 10. Increasing pressures to justify how Councils spend money vs community expectations 11. Difficult to understand full cost of individual services 12. Lack of risk appetite to explore alternative service delivery options	Non-achievement of objectives Potential to impact on sustainability of the organisation		Possible	MODERATE	MEDIUM	LOW	NO	Providing input into the impacts of the proposed planning changes to CHB	Anthony Maroncelli	Transition occurred on 19/3/21 and regular reporting to SLT, Council and staff will continue.	31/3/2021 State Government has extended implementation of Planning Reform
													Develop indicators to measure the effectiveness of the strategy implementation Update Strategic Plan to include outcomes-based measures and develop integrated planning to ensure all strategic commitments are reported against	Ania Karzek	New Strategic Plan in progress	31/12/2020 30/9/2021
													Develop a plan that considers the causes and to ensure deadlines are met to deliver the new Strategy Develop a corporate plan to ensure programmatic integration of all strategic commitments	Ania Karzek	New Strategic Plan and framework development in progress	31/12/2020 30/9/2021
													Review of Alwyndor Strategic Plan to be embedded into Council Strategic Plan	Beth Davidson-Park	Alwyndor Strategic Plan adopted - Complete	1/06/2020 Completed consultation with GM Alwyndor has been undertaken and objectives have been included in the draft Strategic Plan
15	Community	Event Management	Marnie	Inability to deliver a sustainable events calendar	1. The city delivers many significant events throughout the year (NYE, concerts, Christmas Pageant, ad hoc events at beaches) 2. Recent Events strategy being implemented 3. Not matching community needs/expectations in relation to event delivery/volume of events (tension between residents, businesses and visitors) 4. Management of open space an ongoing and increasing issue 5. Scale of events increase risks in relation to community safety 6. Reduced community attendance due to restrictions on mass gatherings which will reduce income (and expenditure)	Poorly delivered events - impact on Reputation		Possible	MAJOR	HIGH	MEDIUM	NO	Project to review the Strategic Plan to also include broader research and data to determine recovery from COVID impacts - particularly as a result of reduced interstate and international tourism on local businesses	Ania Karzek Carol McDonald	New Strategic Plan in progress, Review report received by Council February 2021, outlining the broad direction of the new Strategic Plan.	Completed A Tourism Plan has been developed
													Finalise Events Strategy - including modifications considering mass gathering restrictions and impacts on interstate and international travel (and impacts on discretionary spend) - full impacts are not yet materialised (and agility to change events on an ongoing basis)	Manager City Activation TBC	On track.	Draft Completed Council endorsement 30/6/2021
													Annual review of event risk management and emergency responses/staff training and development in relation to events	Manager City Activation TBC	This is an ongoing treatment	30/06/2021 Ongoing
													Annual review of event schedule	Manager City Activation TBC	This is an ongoing treatment	30/3/2021 Ongoing
													Event survey data	Manager City Activation TBC	This is an ongoing treatment	30/06/2021

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									Regional Destination Action Plan (Western Alliance)							
									Economic Activation Plan 2030							
									Strategic Plan 2030							
									Risk Management & Emergency Response Plans + Crisis Communications Plans							

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16	Culture	Budget Management	John	Poor or ineffective budget development and management	1. Lack of zero baseline budgeting (of discretionary spend) aligned with strategy and service level requirements (generally just CPI% increases) 2. Insufficient budget allocated to significant new assets being developed 3. Difficult to understand full cost of individual services 4. Lack of oversight of Alwyndor finances on an everyday basis - as well as being separated from core Council financial system 5. A need to review budget management/delegations 6. Difficult to embed future potential strategic options and requirements in Long Term Financial Planning 7. Impacts of COVID will have ongoing variability impacts (financial sustainability) on the budget (revenue (rates) and expenditure (strategic investments and ongoing expenditure))	Poor or ineffective financial management and financial sustainability impacts	Possible	CATASTROPHIC	EXTREME	Budget Development process	MEDIUM	NO				
										Annual training and education re the Budget Development process (include additional training re 'commercial acumen')			John Newton	Completed and ongoing	Completed	
										Budget Management policy, process, training			Refinement of budget review processes (short-term reviews - to include more discussions at quarterly review - to respond to the changes in the economic environment due to unknown impacts of COVID)	John Newton	Completed and ongoing	Completed
										"Control Track" - annual testing of best practice Budget internal controls and effectiveness measures Long-term Financial Plan being updated			Regular training/education and support re the Budget Management process	John Newton	Completed and ongoing	Completed
									Annual review of internal controls, including reporting and budget management policy, process and procedure - using "Control track" tool - reporting also to Audit Committee on results.	John Newton, (Leisa and Beth Davidson-Park, Alwyndor)	Completed and ongoing	Completed				
19	Economy	Economic Development and Tourism	Marnie / Pam	Poor or inadequate Economic Development and Tourism Management	1. Council's Tourism Plan currently out of date 2. A need to finalise development of the Social Inclusion/Access and Inclusion Plan 3. A need for more effective traffic management strategies and transport capacity being stretched (infill, congestion) 4. A lack of investment in market research to inform economic development/tourism management 5. A lack of infrastructure to attract private investment 6. Substantial impacts on local businesses due to COVID restrictions on interstate and international visitation.	Unattractive place to do business Poor outlook for tourism opportunities to attract sustainable tourism businesses	Possible	MAJOR	HIGH	Tourism Destination Action Plan, Regional Destination Action Plan (Western Alliance), Tourism Plan 2020	MEDIUM	NO	LTFP being reviewed (including impacts of COVID) and updated to include strategic projects and scenario analysis - using new LG solutions product. Also LTFP being prepared for Alwyndor operations using same product.	John Newton, (Leisa and Beth Davidson-Park, Alwyndor)	Completed and ongoing Alwyndor LTFP presented at last Audit Committee meeting as a confidential item.	Completed
										Economic Activation Plan 2030			Review Retail Strategy for Jetty Road - consider impacts of COVID to further develop the broader economy (more than retail such as accommodation, hospitality, etc.)	Marnie Lock	Review will be undertaken in ne FY and completed by November 2021	30/06/2021
										Jetty Road Retail Strategy + Action Plan			Gleneig Rejuvenation Project	Ania Karzek Matt Rechner		1/03/2023
										COHB Investment Prospectus			Finalise Events Strategy	Manager City Activation TBC	Repeat as per above	30/06/2021
										Quality of Life survey			Tourism & Retail Market Research - impacts on retail spend due to interstate and international travel restrictions (and impacts on discretionary spend); short, medium and long-term action plan being implemented for destination marketing in response to COVID	Marnie Lock	Macgregor Tan Market Research completed pre covid and we received updates during covid.	30/06/2021
										Tourism and Retail Market research			Review Economic Activation Plan 2030 considering the impacts of COVID (consider also the Economic Recovery Taskforce)	Pamela Jackson Manager City Activation	Activation Plan and actions are still current and can be adapted accordingly to suit most instances. City recovery is on track/ERT dealt with immediate actions and responded with initiatives resulting in positive outcomes for most sectors.	31/03/2021 Ongoing
										Business Confidence Survey Jetty Road Investment Prospectus						
10	Culture	ICT enabling strategy	Pam Jackson	Inadequate consideration of how information technology can support service delivery (Information systems are not: Effective and fit-for-purpose. Used to an optimum level)	1. Lack of a defined/finalised IT strategy to enable overarching organisational strategy 2. Inadequate approach to data governance, including data security / collection practices/systems, poor use of extensive data collected 3. Significant transformation projects ongoing, particularly with Technology One (For example works orders from entry into the organisation to completion) 4. Inadequate identification of specific opportunities to enable better engagement with customers via ICT innovations 5. Lack of appropriate access to analyse and use data to guide evidence-based decision-making 6. Current move towards 'SMART' city concepts with prioritisation and strategic choices required 7. Extensive number of projects being implemented - some lack of overarching program governance to 'join the dots' 8. Vendor functionality improvements timeframe not aligned with Council's needs (Tech1)	Inefficiencies of internal processes Lack of clear and planned investment in appropriate IT systems Delivery of works poorly tracked/managed within internal systems	LIKELY	MODERATE	HIGH	Information Management Governance Committee	MEDIUM	NO				
										Information Management Strategy			Develop a set of criteria for measuring success of ICT projects	Robert Zanin	Technology road map and IT blueprint have been developed and provided to SLT for further discussion and feedback.	31/07/2021 31/12/2021
										IT Roadmap (in draft); Smart City Tech (draft blueprint); Future State Architecture			Consider efficiency and effectiveness for staff WFH (telephony systems; cloud-based IT)	Pamela Jackson	Completed	Completed
7	Place making	Planning Development	Gm City Assets	Poor or ineffective planning systems and processes	1. Impacts of upcoming planning reform potentially reduces Council's influence over planning direction 2. State government priorities/targets to increase tree coverage impacting on Council planning (tree coverage) 3. Lack of finalised Code and DPTI system to manage new planning 4. Loss of knowledge	Incorrect or poor planning decisions	ALMOST CERTAIN	MAJOR	EXTREME	Effective Planning and Development application process	MEDIUM	NO	Review processes & improve as a result of the new planning system implementation	Anthony Maroncelli	Initial and large changes have been implemented and will continue to be monitored and altered as necessary - ongoing	30/06/2021 Ongoing
										Effective & integrated IT systems (State portal/Council Tech1)			Review IT systems, develop integration from PlanSA (Attorney Generals Department) system & train staff to ensure smooth transition to the new system	Anthony Maroncelli	Initial intensive training has been rolled out and Completed - this will continue to be monitored on a needs basis for existing and new staff. Systems have been integrated. Completed	30/06/2021 Completed
										Effective Planning Team with appropriate resources			Review Planning team	Anthony Maroncelli	Independent review has taken place - further decision making regarding a refined structure to suit the business unit is underway - on track	30/06/2021
6	Culture	Disruptive events	Pam Jackson	Inability to respond and recover effectively from disruptive events	1. Cyber Security/hacking 2. Disruptive events	Not able to perform time critical functions during a significant disruptive event	ALMOST CERTAIN	MAJOR	EXTREME	Business Continuity Plan and Crisis and Incident Management Plan (recently tested as part of COVID impacts)	MEDIUM	NO	Consider feedback/input as part of consultation of new DPTI system	Anthony Maroncelli	Weekly meetings with DPTI are underway and will continue until the end of 2021. Each week feedback is sought and provided to DPTI about any roadblocks and or technical difficulties experienced - on track	31/12/2021
										IT DR Plans			Finalise recently reviewed BCPs Finalise recently reviewed BCP's. Review to include Emergency Management Operations Manual and WEEPs	Ania Karzek	A review of Emergency Management operations including BCP's was undertaken in late 2020. SLT to consider a report in April 2021	30/06/2020 30/12/2021
										Emergency Management Plan			Review IT Disaster Recovery (DR)	Robert Zanin	Primary and DR infrastructure has been replaced - Completed Must re write the DR plan	30/09/2020 30/06/2021
									Vacancy Management Process			Finalise Crisis and Incident Management Plan	Michael De Heus	Position currently Vacant (previously Rajiv) A review of Emergency Management operations including BCPs was undertaken in late 2020. SLT to consider a report in April 2021.	31/12/2020 30/4/2021	

#	Objectives	Risk short name	Risk Owner	Risk Description	Causes Potential and Actual	Consequences	L	C	Inherent Risk Rating	Critical Controls	Residual Risk Rating	ACCEPT THE RISK AT THIS LEVEL?	Treatment Actions	Who	PROGRESS COMMENTS	When by?
	What are we trying to achieve by delivering our services?	Short reference		There is a risk of/that:	What are the contributing factors as to <u>How</u> and <u>Why</u> this risk occurs right now? What would cause the event to occur in the future (based on what we know now)?	What would the consequences be to the City of Haldimand Brant if the risk did occur?			If all controls fail, how bad can it be?	What are the things we do to manage the risk? (controls either reduce the likelihood or consequences) Align to causes where possible	After controls, how bad is it now?	RISK TREATED TO ALARP? (As Low As Reasonably Practicable?); No = Treatment Plans	What are the things we should be doing that we currently are not? Once implemented becomes a new control		Accountability	
12				4. Significant change underway (and to come) and workforce capability currently not sufficient (refer to Transformation Capability risk) 5. Pressure as a result of COVID to ensure workforce is more efficient			Possible	MODERATE	MEDIUM	Recruitment & Selection Procedures (merit based)	LOW	NO	All vacancies reviewed in consultation with P&C; approved by GM's & final decision to conduct recruitment process and engage preferred candidate by CEO	SLT/CEO	Completed	Completed
	Workforce Capability Audit & Gap Analysis	P&C Participation on panels to ensure culture/skill fit P&C Participation on panels where relevant to ensure culture/skill fit	P&C/LT							Completed			Completed			
	Leadership Scorecard Process	Business Capability Model to be developed and implemented before capability & gap analysis can be completed for whole of organisation. (Audit to be undertaken for Leadership Team against Leadership Capability by 31/1/20) Service Review Framework to be developed and implemented to enable service planning, including workforce planning.	Ania Karzek							Deferred pending development of Corporate Plan			30/06/2020 31/12/2021			
	Professional Development Review Process	Bi-annual leadership scorecard measurement which includes 360 degree review for all Leaders & overall leadership benchmark.	People & Culture							Completed			Completed			
13	All	Project delivery	Roberto	Inability to effectively implement strategic projects 1. Volume and complexity of projects 2. Stakeholder interest in outcomes of major projects 3. Decentralised approach to project management in relation to projects 4. A need to clarify roles and responsibilities (governance) 5. Some historical issues with capital project estimating (quantity surveying) processes (estimates in design not correlating with tender responses)			Possible	MAJOR	HIGH	Annual budget process	MEDIUM	NO	Annual PDR process for all staff that includes a development plan	Managers/ Supervisor; P&C	Current cycle commencing June 2021 and will Complete by July 2021	31/07/2021
	Project Management Methodology	Project Governance needs to defined to improve the Project Management Methodology	Ania Karzek							In progress			30/06/2021			
	Budget bids include business cases and risk assessments	Undertake an audit of how the Project Management Methodology is implemented in Council	Pamela Jackson							To bhe considered as part of the interna audit program			2021-22			
	Consultation Plans for all projects	Review Major Capital Project Estimating processes Develop 3 year forward works program - plan design - construct	Michael de Heus							Have competed for roadworks and bus stops and stormwater for 2021 and will be ongoing			31/03/2021 Ongoing			
	Regular Corporate Reporting	Allocate Project Management resources to suit the project including specialists as required.	Roberto Bria							New Organisational realignment has clarified the roles and responsibilities of project governance. Additional Resources have been allocated to support appropriate project delivery of Strategic projects.			1/07/2021			
14	Culture	Customer Service	Marnie	Poor or ineffective customer service delivery 1. Lack of customer-centric service design to promote optimal customer contact/service: Customer Experience Strategy currently being developed (change culture to "customer outcomes-focussed" organisation) 2. There is a need to strengthen customer focus of Council staff (recruitment, culture and skills development) to enable transformational activities 3. Lack of strong IT systems and efficient and effective processes (eg works orders, complaints management) to support efficient and Complete customer service 4. Changing profile of customer expectations and service requirements, for example - increasing requirements for additional services to support increasingly aging population in the Council - online/out of hours capacity 5. Lack of performance measurement in line with community needs 6. Government changes impact upon service delivery (Planning Code, Dog and Cat management, Aged Care Royal Commission findings) 7. As COVID is continuing, the effectiveness of customer service delivery is diminished (due to reduced face-to-face)	Reputational impacts	Possible	MAJOR	HIGH	Customer experience strategy, key measures + quality standards	LOW	NO	Ensure budget is sufficient to deliver project including risks , contingencies and budget considerations for whole of life costs.	Marnie Lock	Ongoing		
	Technology One system for customer interactions	Change management plan (customer experience strategy)	Marnie Lock						In progress, delayed due to staff changes			31/12/2020 31/12/2021				
	Mitel phone system solutions	Development of relevant/achievable measures and quality standards in relation to the customer experience	Marnie Lock						In progress, delayed due to staff changes			1/06/2021				
	Training and development of staff in relation to customer experience	Implement Request Management, including the customer interface, to support customer experience	Robert Zanin						RMS for depot will be Completed by 30/6/2021 RMS for Regulatory services by 30/12/2021 SLT have agreed to put the customer interface on hold 2022/23 financial year.			30/06/2021 To be revised				
	Communications Strategy 2030	Exploring further functionality (Mitel) to enhance customer experience	Tania Paull						IT testing updated Mitel solution software. On track for completion.			30/06/2022				
	CoHB style guide	Ensure that customer-experience training embedded in annual training calendar	Tania Paull						Commencing planning on imbedding Customer Charter and Customer Experience. Strategy in regular training programs and induction in conjunction with P and C			30/06/2022				
	Reviewing customer profiles regularly (approx. 3-yearly); currently Completed for tourism/retail cohort and residents Identifying externally-imposed changes that impact upon service delivery and training staff to comply Engagement channels (increased with COVID response, such as online responsiveness, social media, Web chat, meeting platforms) Community Engagement Framework	Review communications strategy annually	Michelle Logie						On track.			30/06/2021				
		Review style guide annually	Michelle Logie						New style guide for Jetty Road Glenelg has been developed in April 2021. Review of CHB style guide is on Track for completion.			30/06/2021				
		Review customer profile in more granular detail for the broader customer base to encompass all Council services (not just tourism)	Marnie Lock						In progress, delayed due to staff changes			4/12/2020 31/12/2021				
		Strengthen key stakeholder engagement actions (develop a plan in line with these requirements to facilitate better alignment)	Michelle Logie						Engagement and Communication template has been reviewed and updated and each e-project manager develops and individual community engagement plan for each engagement.			30/06/2021				
	Provide support and training/development for business units across Council Develop consumer reference groups Monitor digital media platforms to formally capture community engagement.	Michelle Logie/ Elena P	Training and support provided for each engagement project manager, ongoing. As per the above line 79 and digital media platforms created and working - ongoing.	30/06/2021												
17	Culture	Legislative Compliance and change management	Roberto	Poor or ineffective management of legislative and regulatory obligations and ongoing changes 1. Continuous legislative and regulatory changes 2. Aged care changes 3. A need for strengthened compliance framework / understanding of the risks of non-compliance	Non-compliance with legislative or regulatory requirements	LIKELY	MODERATE	HIGH	Compliance Register - Council	MEDIUM	NO					
	Aged Care Standards - Quality System	Compliance Register - Completed for all Acts	Nicole Roberts						Pending LGA Compliance register model being released (under development with LGA and Norman Waterhouse) - Governance to consult with LT regarding resourcing or use of a consultant.			30/06/2021 31/03/2022				
	LGA circulars - Changes to legislation	Compliance Register to be risk assessed	Nicole Roberts						Pending LGA Compliance register model being released (under development with LGA and Norman Waterhouse) - Governance to consult with LT regarding resourcing or use of a consultant.			30/06/2021 31/03/2022				
	Aged Care Changes - Notifications from Industry bodies	Undertake internal audit on compliance register (both on the completion/effectiveness of the register as well as individual identified compliance audits)	Nicole Roberts						Pending LGA Compliance register model being released (under development with LGA and Norman Waterhouse) - Governance to consult with LT regarding resourcing or use of a consultant.			30/06/2022 30/06/2023				
Culture	Transformation capability	Pam Jackson	Current staff profile capability not able to transform the organisation 1. Significant need going forward to transform the organisation from 'process-driven' to innovative and dynamic 2. Lack of internal capability/capacity for the organisation needs to transform the organisation to deliver strategic direction [problem solving/influencing/innovative thinking] 3. Lack of skills/training to support staff to build skills to implement change	Inability for organisational staff to implement new strategies to transform Council going forward				Business Capability Model developed				Undertake an internal audit of the Aged Care Quality standards at Alwyndor	Beth Davidson-Park	Rolling program in conjunction with Gap Analysis report	30/06/2021 Ongoing	

#	Objectives	Risk short name	Risk Owner	Risk Description	Causes <i>Potential and Actual</i>	Consequences	L	C	Inherent Risk Rating	Critical Controls	Residual Risk Rating	ACCEPT THE RISK AT THIS LEVEL?	Treatment Actions	Who	PROGRESS COMMENTS	When by?
	What are we trying to achieve by delivering our services?	Short reference		There is a risk of/that:	What are the contributing factors as to <u>How</u> and <u>Why</u> this risk occurs right now? What would cause the event to occur in the future (based on what we know now)?	What would the consequences be to the City of Holdfast Bay if the risk did occur?			If all controls fail, how bad can it be?	What are the things we do to manage the risk? (controls either reduce the likelihood or consequences) Align to causes where possible	After controls, how bad is it now?	RISK TREATED TO ALARP? (As Low As Reasonably Practicable?); No = Treatment Plans	What are the things we should be doing that we currently are not? Once implemented becomes a new control		Accountability	
18				There is a risk of/that: 4. Culture of 'government'/public service ("We've always done it this way", internal compliance) 5. Some 'Decision Paralysis and/or lack of engagement' amongst mid-level management (from a combination of capability, resilience, fear of making decisions, permission [and trust from SLT to make decisions] and a lack of understanding/alignment of the existing strategy)			POSSIBLE	MAJOR	HIGH	Performance Development process and system	MEDIUM	NO	Change Management plan / training on organisational change Compliance with EBA requirements for any organisational change and appropriate support provided by P&C	Sharon Somerville/ Ania Karzek	Compliance with EBA essential for any organisational change - all departmental and organisational restructures and or realignments have complied - ongoing	Ongoing
	Leadership Development Program	Performance Development Plans should consider future capability requirements (as part of the Workforce Development Plan)	Sharon Somerville							This action should sit with SLT and Strategy to determine future service requirements. A new action to be created for P&C with focus on Vacancy Management with a view on future capability and service requirements. (ongoing)			30/07/2022 Ongoing			
		Development of Workforce Development Plan that considers business capability, future workforce requirements, current workforce profile	Sharon Somerville							Galpins Completed Workforce Planning Audit in early 2021 - report, recommendations and actions currently under review by GM Strategy and Corporate. Suggest a report be tabled at Audit Committee.			31/12/2021			
		Develop KPIs for implementation of Leadership Program	Sharon Somerville							Completed			Completed			

Attachment 3



Operational Risk Register – Attachment 3

#	Risk Description	Treatment Owner	REVISED Residual Risk Rating	Treatment	Treatment Actions	When by? (with revised predicted date)	Progress comments (if any)
2	Lack of resources for infrastructure maintenance	Manager Engineering Manager Field Services Building and Facilities Manager	High	Additional Controls	Additional financial and staff resources required to maintain service levels or contracting out of maintenance. Controls are majority in place with final aspects being implemented.	1 June 2021	Update 4/5/21 (part completed with additional resourcing required for maintenance). Business improvements implemented. Additional resourcing and budget required for ongoing maintenance.
10	Localised flooding from inadequate drainage	Manager Engineering	High	Additional Controls	Improve drainage infrastructure and increase maintenance	1 June 2030	
12	Flooding removing stormwater improvements	Manager Engineering	High	Retain the Risk	No further action	N/a	N/a
15	Major incident at an event	Manager City Activation	High	Retain the Risk	No further action	N/a	N/a
26	Tree maintenance increase	Manager Field Services	High	Additional Controls	Succession planting programs, Tree awareness campaigns and develop tree assessment matrix	1 June 2022	Succession planting programs are being undertaken. Tree awareness campaigns when public contact is made and other awareness campaigns. Tree assessment matrix is being developed (in testing phase).
58	Inadequate contractor management for commercial arrangements	Team Leader Commercial & Leasing; Manager Innovation & Technology	High	Additional Controls	Create alerts through systems for all contracts and requests for payments applying CPI etc (IT solution?)	1 June 2022	Update 19/5/21 High level requirements provided. Project included in the CHB Technology Roadmap as an enterprise project of Council and

Operational Risk Register – Attachment 3

#	Risk Description	Treatment Owner	REVISED Residual Risk Rating	Treatment	Treatment Actions	When by? (with revised predicted date)	Progress comments (if any)
							Alwyndor. Next step is to determine the business priority of this project.
71	Cyber security weaknesses	Manager Innovation and Technology	High	Additional Controls	Business continuity to link into how to manage when it does occur as cannot mitigate all attacks	30 June 2021 Revised date 30 December 2021	Update 19/05/21 Information Technology Review and Action Plan provided to SLT and the Audit Committee to provide recommendations and a prioritised action plan for the City of Holdfast Bay with regard to its Information Technology operations that takes into account IT governance, people, process and technology. The prioritised action plan is aimed at reducing exposure to risk and improving outcomes for CHB.
81	Asset Management Plans for completion within 1 year	Team Leader Asset Management	High	Additional Controls	Refer to 2020-21 Asset Management Risk Action Plan- Prioritised actions only not all actions	8 February 2022	Managed by Asset Management team
82	Asset Management Plans for completion within 2 years	Team Leader Asset Management	High	Additional Controls	Refer to 2020-21 Asset Management Risk Action Plan - Prioritised actions only not all actions	8 February 2023	Managed by Asset Management team
83	Asset Management Plans for completion within 4 years	Team Leader Asset Management	High	Additional Controls	Refer to 2020-21 Asset Management Risk Action Plan - Prioritised	8 February 2025	Managed by Asset Management team

Operational Risk Register – Attachment 3

#	Risk Description	Treatment Owner	REVISED Residual Risk Rating	Treatment	Treatment Actions	When by? (with revised predicted date)	Progress comments (if any)
					actions only not all actions		

Item No: **7.5**

Subject: **CUSTOMER FEEDBACK AND COMPLAINTS POLICY REVIEW**

Date: 2 June 2021

Written By: General Manager Strategy and Corporate

General Manager: Strategy and Corporate, Ms P Jackson

SUMMARY

Council's Customer Feedback and Complaints Policy (the Policy) has been reviewed and is now presented to Council for adoption.

The Policy is primarily focused on establishing a commitment in accepting and resolving complaints within the City of Holdfast Bay and a culture which encourages and values feedback from our community.

This Policy has been reviewed substantially, therefore a copy of the current version of the policy and the proposed revised Policy are attached. This Policy is not required to undertake public consultation.

RECOMMENDATION

That the Audit Committee recommends Council endorse the Customer Feedback and Complaints Policy as amended for approval.

COMMUNITY PLAN

Culture: Enabling high performance
Culture: Supporting excellent, efficient operations
Culture: Providing customer-centred services

COUNCIL POLICY

Refer to Attachments

STATUTORY PROVISIONS

- *Aged Care Act 1997*
- *Dog and Cat Management Act 1995*
- *Environmental Protection Act 1993*

- *Expiation of Offences Act 1996*
- *Freedom of Information Act 1999*
- *Independent Commissioner Against Corruption Act 2012*
- *Local Government Act 1999*
- *Local Government (General) Regulations 2013*
- *Local Nuisance and Litter Control Act 2016*
- *Ombudsman Act 1972*
- *Planning Development and Infrastructure Act 2016*
- *Public Interest Disclosure Act 2018*

BACKGROUND

The *Local Government Act 1999* requires councils to keep council policies under review to ensure they are appropriate and effective (Section 59).

Policies are an important part of the good governance of the City of Holdfast Bay. They protect the organisation and provide our community with confidence that we will undertake operations in a consistent, fair and equitable way.

This is a mandatory Council Policy under Section 270 of the *Local Government Act 1999* which deals with any reasonable request for the provision of a service by the council or for the improvement of a service provided by the council; and complaints about the actions of the Council, employees of the Council, or other persons acting on behalf of the Council.

REPORT

The Policy is due for review and is presented to Audit Committee. The proposed changes are detailed below:

- The scope has been expanded upon to reference where complaints will be managed under different legislation or processes.
- Definitions added and guidance for managing unreasonable complainant conduct, trivial, frivolous or vexatious behaviour management as this is an increasingly an issue for Council's to manage. The amended Policy will provide necessary clarity for complainants and Council staff. Guidance is modelled on advice from Ombudsman SA and NSW.
- Council's ARISE values for staff are clearly stated for staff to consider and work within when managing complaint handling.
- The seven (7) step process for complaint handling has been expanded upon to guide staff by providing greater clarity and to manage the public's expectations.
- The revised Policy outlines in more detail a tiered response to responding to complaints to allow for different levels of response and an escalated approach where required.
- Timeframes are identified to manage response times and to manage the public's expectations.
- Remedies and service improvements have been expanded upon to provide necessary detail.

- Complaints regarding Code of Conduct for Council Employees are included which are required to be in a policy as detailed in the Local Government (General) Regulations 2013, Schedule 2A. The Policy includes the details for complaints against employees for the legislative Code of Conduct and nominates a person to whom complaints can be made to.

The current policy is presented as Attachment 1 and the proposed policy is presented as Attachment 2

Refer Attachments 1 and 2

There is no legislative requirement to undertake community consultation on these policies. Additionally, as these changes are not material, consultation is not deemed necessary.

The next review period for this Policy is in three years (unless it is deemed necessary to review due to legislative or other changes).

BUDGET

Not applicable.

LIFE CYCLE COSTS

Not applicable.

Attachment 1



Trim Container	FOL/17/1050
First Issued / Approved:	15/07/2012
Last Reviewed:	27/06/2017
	C270617/825
Next Review:	30/06/2019

1. PREAMBLE

The Customer Feedback and Complaints Policy is primarily focused on establishing a commitment in accepting and resolving complaints within the organisation and a culture which encourages and values feedback from our community.

1.1 Background

The City of Holdfast Bay (Council) is committed to providing excellence in customer service. As part of this commitment, Council seeks to know what its customers require, understand how it can improve its services to meet the needs of its community and to respond positively to concerns and criticisms.

1.2 Purpose

The purpose of this policy is to provide a fair, consistent and structured process for Council's customers if they are dissatisfied with a Council action, decision or service. This Policy provides guidelines as to how the Council will respond to requests for a service, a complaint or compliment of the Council or its representatives.

1.3 Scope

This Policy applies to services and decisions provided or made by Council, and its representatives. Where Council has failed to meet the normal standards for a service which has been, or should have been provided, this policy and the associated procedures apply.

This Policy will not be applied where the complaint is determined to be about matters that are not Council's responsibility, such as disputes between neighbours.

This policy will not be applied where there are other complaint procedures that apply to the particular type of complaint:

- Complaints against a Councillor or the Chief Executive Officer
- Freedom of Information applications
- Insurance claims
- Decisions made under legislation other than the *Local Government Act 1999*, such as the *Development Act 1993* or *Expiation of Offences Act 1996*

CUSTOMER FEEDBACK AND COMPLAINTS POLICY

In these instances, Council will provide and explain specific information regarding the most appropriate process.

1.4 Definitions

Council – the City of Holdfast Bay

Council Representative – a person employed directly by the Council (whether that position is permanent or contractual) and persons providing services on behalf of, the Council even though they may be employed by another party, including volunteers and contractors.

Customer – a person or organisation who receives goods or services provided by the City of Holdfast Bay or its representatives.

Request for Service - an application to have Council or its representatives take some form of action to provide a Council service.

Feedback - can take the form of comments both positive and negative, about services provided by Council without necessarily requiring a corrective action, change of service or formal review of a decision. Feedback may, however, influence future service reviews and delivery methods.

Complaint - an expression of dissatisfaction with a product or service delivered by Council or its representatives that has failed to reach the standard stated, implied or expected. This includes complaints about a service that has been, or should have been delivered.

1.5 Strategic Reference

Culture: Providing customer-centred services

Culture: Supporting excellent, efficient operations

Community: Fostering an engaged and contributing community

2. PRINCIPLES

- 2.1. Council will provide excellent customer service. All representatives are required to conduct themselves in accordance with the organisation's corporate values. Achievement- Respect- Innovation- Simplicity- Engagement.
- 2.2. Council will provide all representatives with training (either formal, informal or both) in relation to the provision of excellent customer service.
- 2.3. Customers may make contact with Council in a number of ways including:
 - Face to face
 - City of Holdfast Bay Website
 - Telephone
 - Email
 - Mail

CUSTOMER FEEDBACK AND COMPLAINTS POLICY

- 2.4 Council will ensure the following steps are followed when responding to requests for service, complaints or compliments:
- Prompt acknowledgement
 - Assessment
 - Investigation (if warranted)
 - Provide progress updates to the customer (if required)
 - Identify improvements required
 - Clear response to the customer
 - Follow up of any Customer Service concerns
- 2.5 Council expects that complaints, compliments, enquiries and requests for service are responded to promptly at the initial point of contact. Where more complex responses are required, the matter will be considered as quickly as possible by the most appropriate employee and the customer will be kept informed of the steps and processes at all times.
- 2.6 Requests for service provision will take into account reasonable expectations and existing service standards, legislative responsibility, and the efficient and effective availability of Council resources.
- 2.7 The principles of natural justice, - timeliness, opportunities for comment and provision of relevant information, and, where appropriate, confidentiality - will apply to all requests for service, complaints or compliments.
- 2.8 Council and its representatives will treat all customers with respect and expect the same in return from customers.
- 2.9 When a review of a request for service or complaint has been completed and the complaint is found to be justified Council will remedy the situation in a manner which is consistent and fair for both Council and the complainant. The solution chosen will be proportionate and appropriate to the circumstances.
- 2.10 Council may refuse to investigate the complaint where an initial review of the matters determines the request to be trivial, frivolous or vexatious.
- 2.11 If a review of a request for service or complaint has been completed and the customer is not satisfied with the outcome, the customer may ask for either mediation, neutral evaluation or conciliation in order to reach an agreed outcome.
- The process for mediation, neutral evaluation or conciliation will be in accordance with that described in Section 271 of the Local Government Act 1999.
 - Costs of mediation, neutral evaluation and conciliation will be shared equally by the City of Holdfast Bay and the applicant.
- 2.11 At any time, regardless of the outcome of a review the complainant may contact the Ombudsman for further assistance and/or advice.
- 2.12 Council will ensure that all requests, comments and complaints will be recorded as part of its internal record keeping systems. This information will be regularly

CUSTOMER FEEDBACK AND COMPLAINTS POLICY

reviewed with the intention of identifying trends and improving Council's customer service provision, and will be reported in Council's Annual Report.

2.13 Confidentiality

Complaints will be investigated in private, to the extent possible. The identity of complainants and any person who is the subject of a complaint will only be disclosed to those involved in the investigation process. The complaint will not be revealed or made public by the Council, except where required by law. All complaints lodged with Council are subject to the Freedom of Information Act 1991 and confidentiality cannot be guaranteed under the provisions of that legislation.

2.14 Review and Evaluation

In order to ensure Council continues to provide the best possible service response for its customers, this policy is subject to periodic evaluation and review.

This policy will be available to download from Council's website: www.holdfast.sa.gov.au and for inspection during normal business hours

3. REFERENCES

3.1 Legislation

- *Local Government Act 1999*

3.2 Other References

City of Holdfast Bay

- Customer Feedback and Complaints Procedure
- TRIM guidelines
- Customer Request System guidelines

Attachment 2



ECM DSID:
First Issued / Approved:	15/07/2012
Last Reviewed:	C
Next Review:/...../2024
Responsible Manager:	Team Leader Governance
Date Placed on Webpage/ Intranet:/...../2021

1. PREAMBLE

The Customer Feedback and Complaints Policy is primarily focused on establishing a commitment in accepting and resolving complaints within the City of Holdfast Bay (the Council) and a culture which encourages and values feedback from our community.

1.1 Background

The Council is committed to providing excellence in customer service. As part of this commitment, Council seeks to know what its customers require, understand how it can improve its services to meet the needs of its community and to respond positively to concerns and criticisms.

1.2 Purpose

This is a mandatory policy under section 270 of the *Local Government Act 1999*.

The purpose of this policy is to provide a fair, consistent and structured process for Council’s customers if they are dissatisfied with a Council action, decision or service. This Policy provides guidelines as to how the Council will respond to requests for a service, a complaint or compliment of the Council or its Council representatives.

This Policy is broadly consistent with the Australian standard for complaint handling.

1.3 Scope

This Policy applies to services and decisions provided or made by Council or Council’s representatives. Where Council has failed to meet the normal standards for a service which has been, or should have been provided, this policy will apply.

This Policy excludes matters that are not Council’s responsibility (such as disputes between neighbours), Elected Member Code of Conduct complaints and employee and volunteer grievances.

This policy will not be applied where there are other complaint procedures that apply to the particular type of complaint:

CUSTOMER FEEDBACK AND COMPLAINTS POLICY

- Complaints against a Councillor or the Chief Executive Officer, which should be directed to the Mayor
- Freedom of Information applications review, which may be referred to the Ombudsman
- Insurance claims will be referred to the Local Government Risk Services
- Appeals against s.254 *Local Government Act 1999* orders where reviews are in accordance with s.256 of the *Local Government Act 1999*
- Decisions made under legislation other than the *Local Government Act 1999*, such as (not intended as an exhaustive list) the *Dog and Cat Management Act 1995*, *Environmental Protection Act 1993*, *Planning, Development and Infrastructure Act 2016*, *Expiation of Offences Act 1996* or *Local Nuisance and Litter Control Act 2016* where the legislation has its own prescribed appeal processes, which is the process for appeals;
- *Public Interest Disclosure Act 2018* disclosures for environmental and health information, and public administration information. Refer to clause 2.11 in this policy.

In these instances, Council will provide and explain the other statutory processes available.

1.4 Definitions

Complaint means an expression of dissatisfaction with a product or service delivered by Council or Council's representatives that has failed to reach the standard stated, implied or expected. This includes complaints about a service that has been, or should have been delivered.

Complainant means the person making the complaint

Council Representative means a person employed directly by the Council (whether that position is permanent or contractual) and persons providing services on behalf of the Council even though they may be employed by another party, including volunteers and contractors.

Customer means a person or organisation who receives goods or services provided by the Council or its representatives.

Feedback means comments both positive and negative, about services provided by Council without necessarily requiring a corrective action, change of service or formal review of a decision. Feedback may, however, influence future service reviews and delivery methods. It is important to distinguish between feedback and a complaint.

Frivolous complaint means a complaint that lacks substance or merit or is otherwise trivial in nature.

Malicious complaint means a complaint motivated by improper, vicious or mischievous purposes.

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Request for Service means an application to have Council or its Council representatives take some form of reasonable action to provide a service by the Council or for the improvement of a service provided by the Council.

Unreasonable Complainant Conduct is any behaviour by a current or former customer which because of its nature or frequency raises health, safety, resource or equity issues for the Council, employees or other service users and customers or the customer himself/ herself.

This may take the form of unreasonable persistence, unreasonable demands, lack of cooperation, argumentative or unreasonable behaviours. 'Unreasonable' will depend on the circumstances and Council aims to manage these situations in a fair and equitable manner.

Vexatious complaint means a complaint that is made to harass, annoy, delay or cause detriment or trouble to the Council or a third party e.g. a complaint with false allegations that cannot possibly succeed; an absence of any reasonable grounds for lodging the complaint; or the complainant does not have sufficient interest in the matters the subject of the complaint.

1.5 Strategic Reference

Culture: Providing customer-centred services

Culture: Supporting excellent, efficient operations

Community: Fostering an engaged and contributing community

2. PRINCIPLES

2.1. Council's Commitment to Complaint Handling

2.1.1 Council endeavours to provide excellent customer service. All Council representatives are required to conduct themselves in accordance with the organisation's corporate values: Achievement, Respect, Innovation, Simplicity and Engagement (ARISE) and are to treat all customers with respect and expect the same in return from customers.

2.1.2 Council will act in accordance with our values when managing complaint handling:

- **Achievement:** *Deliver agreed outcomes for our community*
 - Deliver our strategic vision
 - Be accountable for our commitments
 - Do our best work all the time
- **Respect:** *Act with honesty and integrity*
 - Inclusive of all and embrace diversity
 - Be consistent and fair
 - Value others and their input
- **Innovation:** *Seek better ways*
 - Open to change and new ideas
 - Be solutions focussed

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- Learn from mistakes

- **Simplicity:** *Easy to do business with*
 - Think one organisation
 - Empower staff to make decisions
 - Make the complex easy
- **Engagement:** *Provide opportunities for all to participate*
 - Open, transparent and direct in our communication
 - Actively listen and provide feedback
 - Recognise and value achievements

2.1.3 Council will provide all Council Representatives regular opportunities to attend training (either formal, informal or both) in relation to the provision of excellent customer service.

2.1.4 Customers may make contact with Council in a number of ways including:

- visiting Council's office
- Council's webpage 'Complaints'
- Telephone
- Email or letter
- City of Holdfast Bay social media channels

2.1.5 Complaints will be managed seriously and complainants treated courteously.

2.1.6 Requests for service will take into account reasonable expectations and existing service standards, legislative responsibility, and the efficient and effective availability of Council resources.

2.2 **Seven Steps of the Complaint Handling Process**

Council will ensure the following steps are followed when responding to requests for service, complaints or feedback to ensure that they are managed in a timely, effective and fair manner:

1. Acknowledge complaints promptly
2. Assess the complaint (simple problems may not need to be investigated)
3. Plan investigation, where it is warranted
4. Investigate the complaint
5. Clear decision to the complainant (unless anonymous – see below)
6. Follow up any customer service concerns
7. Identify internal process improvements required to be changed (to be notified to the complainant where appropriate).

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Anonymous complaints - Where a complaint is anonymous Council will carry out an investigation of the issues raised where enough information is provided but will be unable to advise the complainant of the outcome.

2.3 Resolving Complaints

Tier 1 Frontline Response

All staff are empowered to handle complaints in the first instance and it is preferable that they are dealt with promptly at the initial point of contact at the appropriate officer level.

Council expects that complaints, compliments, enquiries and requests for service are responded as quickly as possible.

Where complaints are made to volunteers these are to be provided by the volunteer to the Volunteering Services Coordinator in the first instance for action.

Tier 2 Escalation for Senior Officer Response (Supervisor, Manager or General Manager)

A complaint will be directed to a more senior Council officer where the complaint would be more appropriately handled at a higher level. This may occur, for example, where an officer has been involved in the matter that is the subject of the complaint, where the complaint is about an issue that requires a decision to be made at a more senior level, or where a complaint concerns a matter that ranges across more than one Council work area.

Tier 3 Internal Review of a Council Decision

This is available under section 270 of the *Local Government Act 1999*, which is generally the last resort in the complaint handling process and enables Council to reconsider all the evidence relied upon to make a decision. Refer to Councils Internal Review of Councils Decisions (s270) Policy.

2.4 Timeframes

There are many variables that can affect the response time for a complaint e.g. the complexity of the issue, availability of evidence and staff resources for considering the complaint (not intended as an exhaustive list).

Council will commit to acknowledging receipt of a complaint within 5 clear working days of receipt. Emphasis will be on resolving complaints where possible as soon as possible.

Council will endeavour to assess and respond to complaints within 10 working days of the matter being escalated. Where responding is anticipated to be

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outside of the intended 10 working days, the Council will advise the complainant with updates to keep the complainant regularly informed of progress.

2.5 Complaints regarding Code of Conduct for Council Employees

2.5.1 Where a complainant alleges a breach of the Code of Conduct, schedule 2A of the *Local Government (General) Regulations 2013* that:

- an employee (or a relative of an employee) has sought or received a gift or benefit that is, or could reasonably be taken to be, intended or likely to create a sense of obligation on the part of the employee to a person or to influence the employee in the performance or discharge of the employees functions or duties; or
- an employee has failed to record, or correctly record, details of a gift or benefit received by the employee (or a relative of an employee) on the gift and benefits register; or
- the CEO has not appropriately maintained a register for gifts and benefits received by employees of the council, they may submit a complaint alleging that an employee of council has contravened or failed to comply with the Code of Conduct for Council Employees, as prescribed in Schedule 2A of the *Local Government (General) Regulations 2013*,

they may submit a complaint alleging that an employee of the Council has contravened or failed to comply with the Code of Conduct for Council Employees (as prescribed in Schedule 2A of the *Local Government (General) Regulations 2013*).

2.5.2 A complaint must be given to the Chief Executive Officer or any nominated delegate. In the case of a complaint against the Chief Executive Officer, a complaint must be given to the Mayor, except in circumstance where it would be inappropriate to do so (such as where legislation requires the matter to which the complaint relates to remain confidential).

2.5.3 A complaint will be investigated and resolved according to Council's Managing Misconduct and Disciplinary Procedures.

2.6 Remedies and Service Improvements

Where complaints are found to be justified, Council will where practicable remedy the situation in a manner which is consistent and fair for both Council and the complainant. The solution chosen will be proportionate and appropriate to the circumstances.

Compensation may only be offered after consideration by the Chief Executive Officer or by the Local Government Association Mutual Liability Scheme (Council's insurer).

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'Lessons learnt' from a complaint investigation may be used to directly inform service improvement. This may include making changes to procedures and practices where appropriate.

2.7 Unreasonable Complainant

- 2.7.1 It is acknowledged that the conduct of complainants can be unreasonable and the conduct can significantly affect the success of the Council. Council staff need support to manage unreasonable complainant conduct, acting fairly, consistently, honestly and appropriately when responding to unreasonable complainant conduct.
- 2.7.2 Where a complainant's behaviour consumes an unwarranted amount of Council resources or impedes the investigation of their complaint, a decision may be made to apply restrictions on contact with the person. Unreasonable complainant conduct will be managed as outlined in this policy. Reference should be made to Appendix 1 for further guidance.
- 2.7.3 Before making a decision to restrict contact the complainant will receive a final written warning outlining expectations and repercussions that if the specified behaviour(s) or actions continue, restrictions may be applied.
- 2.7.4 The decision to restrict contact, suspend action on a complaint can only be made by the Chief Executive Officer or the relevant delegate and must be communicated in writing to the complainant if following the warning letter specified in 2.7.3 the behaviour(s) continue.

The contact may be limited in terms of:

- the number of times and/or the time of day a complainant may make contact
- the employees and Council Members the complainant may have contact with
- the subject matter that Council will consider and respond to
- the form in which the contact may take place i.e. the complainant may be directed that he or she can only make contact in writing and not via telephone or in person.

The letter must specify the limitations being imposed, the duration of the limitations and a time period for review. Any limitations must take into account that person's individual circumstances e.g. a person who is has writing challenges should not be required to communicate in writing.

- 2.7.5 Council may refuse to investigate the complaint where an initial review of the matters determines the request is trivial, frivolous or vexatious.

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2.8 Alternative Dispute Resolution Methods, Ombudsman and ICAC

2.8.1 Mediation, Conciliation and Neutral Evaluation

If a review of a request for service or complaint has been completed and the customer is not satisfied with the outcome, the customer may ask for either mediation, neutral evaluation or conciliation in order to reach an agreed outcome.

- The process for mediation, neutral evaluation or conciliation will be in accordance with that described in Section 271 of the *Local Government Act 1999*.
- Costs of mediation, neutral evaluation and conciliation will be shared equally by the Council and the applicant.

2.8.2 Ombudsman Review

At any time, regardless of the outcome of a review the complainant may contact Ombudsman SA for further assistance and/or advice (managed under the *Ombudsman Act 1972*).

A complainant should note that the Ombudsman tends to prefer a complaint is addressed by the Council in the first instance unless this is not appropriate.

2.8.3 Independent Commissioner Against Corruption (ICAC)

Where corruption, serious or systemic misconduct or maladministration in public administration is suspected, contact should be made with ICAC/ Office of Public Integrity (OPI) to make a complaint who act in accordance with the *Independent Commissioner Against Corruption Act 2012*.

2.9 Information Management

Council will ensure that all requests, comments and complaints are recorded in Council's records management system.

2.10 Privacy and Confidentiality

Complaints will be investigated in private to the extent possible. The identity of complainants and any person who is the subject of a complaint will only be disclosed to those involved in the investigation process. The complaint will not be revealed or made public by the Council, except where required by law.

Council will take reasonable steps to ensure that complainants are not adversely affected because they have made a complaint.

All complaints lodged with Council are subject to the *Freedom of Information Act 1991* and confidentiality cannot be guaranteed under this legislation.

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2.11 Public Interest Disclosure Information

Consideration must be given as to if any information falls within the *Public Interest Disclosure Act 2018* (PDI Act) taking into consideration the Council's Public Interest Disclosure Policy and Procedure.

Public interest information may be 'environmental and health information' or 'public administration information'. An informant does not have to use 'public interest disclosure' words for the PDI Act protections to apply. If it is unclear as to whether an informant wishes to make a formal disclosure under the PDI Act, the informant should be asked. This will clarify if information is treated as a complaint under this Policy or information under the PDI Act (under Council's Public Interest Disclosure Policy).

2.12 Australian Human Rights Commission

Complainants should note that the Australian Human Rights Commission is the priority agency to investigate and conciliate any discrimination complaints. Their complaints process is free, confidential and detailed on the Commissions webpage.

2.13 Accessibility

Council will facilitate to ensure complaint management is accessible to everyone and particularly people who may require assistance. If a person prefers or needs another person or organisation to assist or represent them in making and/or resolution of their complaint, Council will communicate with the representative if this is the complainant's requirement.

3. REFERENCES

3.1 Legislation

- *Aged Care Act 1997*
- *Dog and Cat Management Act 1995*
- *Environmental Protection Act 1993*
- *Expiation of Offences Act 1996*
- *Freedom of Information Act 1999*
- *Independent Commissioner Against Corruption Act 2012*
- *Local Government Act 1999*
- *Local Government (General) Regulations 2013*
- *Local Nuisance and Litter Control Act 2016*
- *Ombudsman Act 1972*
- *Planning Development and Infrastructure Act 2016*
- *Public Interest Disclosure Act 2018*

3.2 Other References

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- Australian Standard ISO 10002-2006, Customer satisfaction- guidelines for complaint handling in organisations
- City of Holdfast Bay Code of Conduct
- Customer Request System guidelines
- Disability Access and Inclusion Plan
- Elected Members Code of Conduct Complaints and Investigations Policy
- Fair Treatment Procedures
- Internal Review of Council Decisions (s270) Policy
- Local Government Association Model Complaints Policy, February 2018
- Managing Misconduct and Disciplinary Procedures
- Managing Unreasonable Complainant Conduct Practice Manual – 2nd Edition, NSW Ombudsman 2012
- Managing Misconduct and Disciplinary Procedures
- Ombudsman Complaint Management Framework- March 2016
- Ombudsman SA - Unreasonable Complaint Conduct (Part 12)
- Ombudsman NSW – Unreasonable Complaint Conduct Model Policy 2012
- Public Interest Disclosure Policy and Procedure
- Volunteer Policy
- Workplace Relations Policy

Proposed changes

CUSTOMER FEEDBACK AND COMPLAINTS POLICY

Appendix 1- Managing Unreasonable Complainant Conduct

Unreasonable complainant conduct should be managed with reference to the following table:

Types of Conduct	Examples of Complainant Conduct	Strategies for Dealing with Conduct
Unreasonable persistence	<ul style="list-style-type: none"> • refusing to accept that a complaint is closed • continuing to phone or contact after a matter is closed • re-framing an old complaint • being unable to accept the final decision • persisting in interpreting the policy or the law in a way that is not in accordance with the accepted views on the subject 	<ul style="list-style-type: none"> • be prepared to say 'no' • it may be appropriate to advise the complainant that the issue will not be investigated further • clearly communicate if an unproductive telephone call is to be ended • provide one internal review only • adopt, when appropriate, a firm position of no further contact or correspondence • do not allow the complainant to re-frame the complaint to keep the matter alive unless there are significant new issues • make it clear that the decision of Council is final or in the case of a decision subject to external statutory review or appeal advise the complainant of their review or appeal rights
Unreasonable demands	<ul style="list-style-type: none"> • insisting on outcomes that are unattainable or not possible • demanding assistance with issues that are out of the Council's jurisdiction • demanding a remedy that is impractical, disproportionate or unavailable • insisting that more time be taken on the matter than is justifiable • wanting revenge • making unreasonable demands on the resources of Council • wanting unreasonable regular and lengthy contact with Council employees • showing reactions or demanding action that is out of proportion with the significance of the issue 	<ul style="list-style-type: none"> • set limits on what will be done ie what issues will be investigated, by whom, how communication will happen etc • be clear with complainant in advance what Council will do, and the limits • end telephone calls that are unproductive, with a warning • may need to limit contact to in writing only
Unreasonable lack of cooperation	<ul style="list-style-type: none"> • poor or confused definition of the complaint • providing a large quantity of unnecessary material / information 	<ul style="list-style-type: none"> • employees need to set limits before proceeding with the matter • require complainants to clarify and summarise information they have provided before proceeding

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Types of Conduct	Examples of Complainant Conduct	Strategies for Dealing with Conduct
Unreasonable arguments	<ul style="list-style-type: none"> • exaggerating issues • holding irrational beliefs • refusing to consider the other side • being obsessed with irrelevant or trivial points • having a conspiracy theory that is not supported by any evidence 	<p>with the matter</p> <ul style="list-style-type: none"> • refuse to deal with the matter if it is found that the complainant has been wilfully misleading or untruthful in a significant way
Unreasonable behaviour	<ul style="list-style-type: none"> • displaying confronting behaviour • being rude • being aggressive • making threats of self-harm • making threats of harm / violence to others 	<ul style="list-style-type: none"> • set clear expectations that employees will not tolerate unreasonable behaviour • communicate that threats are unacceptable and may be reported to police or otherwise the subject of legal action • in the case of rude correspondence, ask complainants to reframe their complaint in more moderate terms • In the case of unreasonable behaviour in phone conversations, warn complainants that their conduct is unacceptable and that if the behaviour persists the call will be ended • end phone calls if the complainant continues to behave unreasonably after being warned. The relevant Manager is to be advised of this action. • Threats of self-harm should be reported to a relevant SA service provider

Reference may be made to the:

- Ombudsman SA - Unreasonable Complaint Conduct (Part 12)-
<https://www.ombudsman.sa.gov.au/publications/unreasonable-complainant-conduct/>