CITY OF HOLDFAST BAY

Agenda

Audit and Risk Committee

NOTICE OF MEETING

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

Kingston Room, Civic Centre
24 Jetty Road, Brighton

11 February 2026 at 6.00pm

Pamela Jackson
Chief Executive Officer

Please Note: This agenda contains Officers' reports and recommendations that will be considered by the Committee. Any confidential items listed on the agenda will be circulated to Members separately.

holdfast.sa.gov.au

1. Opening

The Presiding Member, Councillor Smedley will declare the meeting open at 6:00pm.

2. Kaurna Acknowledgement

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

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

3. Apologies

3.1 Apologies received

3.2 Absent

4. Declaration Of Interest

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

5. Confirmation Of Minutes

Motion

That the minutes of the Audit and Risk Committee held on 15 October 2025 be taken as read and confirmed.
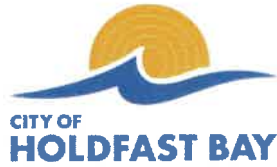
6. Action Items

6.1 Nil

7. In Camera Session

7.1 Internal Auditors - Galpins

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

g. **matters that must be considered in confidence in order to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty.**

CITY OF
HOLDFAST BAY

8. **Presentations**

    8.1   2026-27 Budget Position

9. **Reports By Officers**

    9.1   Standing Items (Report No: 39/26)
    9.2   Internal Audit Report (Report No: 47/26)
    9.3   Risk Report (Report No: 46/26)

10. **Urgent Business – Subject to the Leave of the Meeting**

11. **Confidential Items**

    11.1   Nil

12. **Date and time of next meeting**

The next meeting of the Audit and Risk Committee will be held on Wednesday 8 April 2026 in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton.

13. **Closure**

Pamela Jackson
Chief Executive Officer

Item No:	9.1
Subject:	**STANDING ITEMS – FEBRUARY 2026**

Summary

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

Recommendation

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

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

Background

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

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

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

Report

Monthly Financial Statements

The budget update results for the periods ended 30 September 2025 and 31 December 2025 were considered by Council at its meetings on 11 November 2025 and 10 February 2026 respectively. Members of the Committee have received copies of these reports (393/25 and 38/26) which included a number of budgetary changes. For Council's municipal operations a surplus of $144,000 is now forecast for 30 June 2026, while Alwyndor operations are estimating a forecast surplus of $1.591m.

A financial report for Municipal operations for the month ended 31 October 2025 was considered by Council at its meeting on 25 November 2025. Members of the Committee have received a copy of this report.

External Audit

Council's previous external auditor, Dean Newbery attended the Audit and Risk Committee on 15 October 2025 to discuss the final audit of the 2024-25 financial statements. The 2024-25 consolidated financial statements were adopted by Council on 28 October 2025 and are included in Council's annual report. Dean Newbery subsequently issued an unqualified audit opinion on the Council and Alwyndor 2024-25 Financial Statements and Internal Controls.

Refer Attachment 1

Council's new external auditors, Bentleys, have begun to draft a plan for their 2025-26 audit of Council's operations with an onsite interim audit expected in April 2026.

Public Interest Disclosures

There have been no public interest disclosures made to Council since the previous standing items report on 15 October 2025.

Section 130A Economy and Efficiency Audits

Council has not initiated any review pursuant to Section 130A of the Local Government Act since the previous Standing Items Report on 15 October 2025.

Council Recommendations

At its meeting on 28 October 2025 Council received the minutes and endorsed the recommendations of the meeting of the Audit and Risk Committee held on 15 October 2025.

Audit and Risk Committee Meeting Schedule 2026

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

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

To accommodate the above reporting requirements, the following ordinary meeting schedule is proposed for 2026:

•   Wednesday 8 April 2026
•   Wednesday 10 June 2026
•   Wednesday 19 August 2026
•   Wednesday 21 October 2026

As the above reporting requirements have been addressed no further meetings at this time are proposed for the remainder of 2026.

Budget

Not applicable

Life Cycle Costs

Not applicable

Strategic Plan

Statutory compliance

Council Policy

Not applicable

Statutory Provisions

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

Written By: Manager Finance

General Manager: Strategy and Corporate, Mr A Filipi

Attachment 1

Chartered
Accountants

14 November 2025

Mayor Amanda Wilson
City Of Holdfast Bay

Dear Mayor Wilson

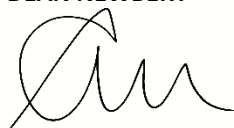**RE: Balance Date Audit Management Letter: Financial Year Ended 30 June 2025**

We have recently completed our external audit of the City of Holdfast Bay (the Council) for the financial year ended 30 June 2025.

We issued our 2025 Audit Completion Report to the Council's Audit & Risk Committee on 7 October 2025. This report contained key accounting and audit matters considered during the audit and matters to be addressed in future financial years. We met with the Council's Audit & Risk Committee on 15 October 2025 where the matters raised in our Audit Completion Report were discussed.

Since Council's Audit and Risk Committee we have issued an unqualified Auditor's Report on the annual Financial Statements and Council's Internal Controls per Section 129 of the Local Government Act 1999 (the Act) for the financial year ended 30 June 2025.

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

Yours sincerely
DEAN NEWBERY

SAMANTHA CRETEN
Director

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

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the City of Holdfast Bay for the year ended 30 June 2025, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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

SAMANTHA CRETEN

Director

DEAN NEWBERY

14 November 2025

DeanNewbery

Chartered
Accountants

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Independent Auditor's Report

To the members of the City of Holdfast Bay

Opinion

We have audited the accompanying financial report of the City of Holdfast Bay (the Council), which comprises the statement of financial position as at 30 June 2025, statement of comprehensive income, statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Certification of the Financial Statements.

In our opinion, the financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2025, and its financial performance and its cash flows for the year then ended in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulation 2011* and the Australian Accounting Standards.

Basis for Opinion

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

Council's Responsibility for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

DEAN NEWBERY

SAMANTHA CRETEN
DIRECTOR

14 November 2025

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

Opinion

In our opinion, the City of Holdfast Bay (the Council) has complied, in all material respects, with Section 125 of the *Local Government Act 1999* in relation to the Internal Controls established by the Council relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2024 to 30 June 2025.

Basis for opinion

We have audited the Internal Controls of the Council under the requirements of *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2024 to 30 June 2025 have been conducted properly and in accordance with law.

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

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

The Council's Responsibility for the Internal Controls

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

Our Independence and Quality Control

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

Assurance Practitioner's Responsibilities

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

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

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

Limitation on Use

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

Limitations of Controls

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

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

DEAN NEWBERY

SAMANTHA CRETEN
DIRECTOR

14 November 2025

Item No:	9.2

Subject:	**2025 – 2026 INTERNAL AUDIT PROGRAM QUARTERLY REPORT**

Summary

Work has commenced on the risk-based Internal Audit Program for 2025–26.

An updated register of the 'Audit Recommendations Outstanding Actions Update' is also provided in three sections, outlining items that have been completed, those currently in progress, and those yet to be implemented.

Recommendation

That the Audit and Risk Committee:

1. **notes this report; and**

2. **notes the Chief Executive Officer's intention to formally assign primary responsibility for the Internal Audit function to Adam Filipi, General Manager Strategy and Corporate, in accordance with Section 125(A)(1) of the Local Government Act 1999.**

Background

Under Section 125 of the *Local Government Act 1999*, the Council is required to establish and maintain appropriate internal control policies and procedures.

The 2025-2026 risk-based internal audit programme will focus on the following areas:

Audit Topic	Audit Project Detail	Status
Events Strategy	Review of the strategic alignment, sustainability, approach to producing/sponsoring events and identification of any efficiency/performance improvements	First draft completed – management response being developed
WHS Framework & SkyTrust System	Review/assessment of the effectiveness of Council's WHS framework and implementation of the SkyTrust System	Audit Activities ongoing
Cyber Security	Assessment of cyber security practices, policies, infrastructure, controls, incident management and plans	Scheduled for ~~Jan/Feb 2026~~ Feb/Mar 2026
Post-Implementation Review	Assessment of the effectiveness of implementation and management of audit recommendations	Scheduled for ~~Mar/Apr 2026~~ Apr/May 2026

Report

Events Strategy Audit

A first draft of the Events Strategy audit has been received. The objective of the audit was to review the strategic alignment, sustainability, approach to producing/sponsoring events and identify any efficiency/performance improvements.

Key draft findings:
The control environment was assessed as partially effective. While strong collaboration and positive practices were observed, significant improvement opportunities to ensure the long-term sustainability and strategic alignment of the events program exist in the following areas:

- **Strategic Clarity:** Lack of a clearly defined strategic intent for events and decision-making framework.
- **Budget Sustainability:** Limited visibility of total costs, including in-kind contributions and resource impacts across teams.
- **Staffing Sustainability:** Current approach is unsustainable, with evidence of fatigue and high TOIL/overtime.
- **Governance:** Need for clearer roles, responsibilities, and decision-making processes to reduce delays and reactive work.

Initially, 17 recommendations across five thematic areas (strategic alignment, clearer budgeting and resource tracking, governance and efficiency) have been made. The management responses to each recommendation is currently being considered, with a final audit report to be provided to the Committee at its April 2026 meeting.

Work Health and Safety (WHS) Internal Audit

The scope for the WHS framework audit has been agreed and signed.

Internal Audit will assess the effectiveness of Council's Work Health and Safety (WHS) framework and its compliance with statutory requirements under the *Work Health and Safety Act 2012 (SA)*. This review will include a high-level maturity assessment, followed by a targeted analysis of areas presenting the greatest opportunities for improvement.

Below is a timeline for the audit:
- Planning and scoping: Nov-Dec 2025
- Fieldwork (document review, interviews, surveys): Jan-Feb 2026
- Draft report preparation: Feb 2026
- Management response: Mar 2026

The agreed audit scope is attached for the Committee's noting.

Refer to Attachment 1

Person Primarily Responsible for Internal Audit

As part of the recent governance and compliance review, it was identified that while internal audit responsibilities have been undertaken within the organisation, there has not been a formal appointment of a person primarily responsible for this function. This represents a gap in our compliance with legislative requirements and best practice.
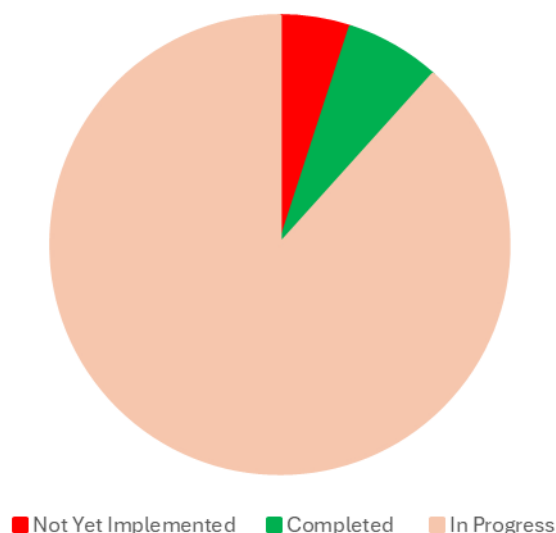
Section 125A of the Local Government Act 1999 requires that the Chief Executive Officer (CEO) consult with the Audit and Risk Committee before appointing a person to be primarily responsible for the internal audit function, and that this responsibility must be assigned to a named individual rather than a position. Legal advice confirms that this appointment is made to a person and not a position.

To address this, the CEO's intention is to formally appoint Adam Filipi, General Manager Corporate Services, as the person primarily responsible for the internal audit function. The appointment ensures legal compliance, alignment with governance standards and strengthens our internal audit framework.

The Committee is invited to consider the proposed appointment and provide any feedback.

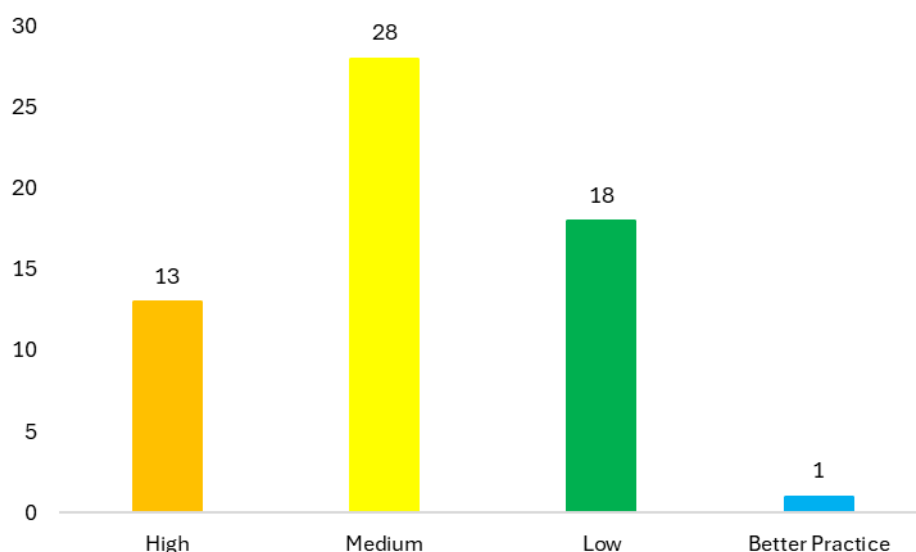***Audit Recommendations – Outstanding Actions Update***

The Strategy and Governance Team is currently monitoring 60 recommendations across multiple audits. Of these 89% remain in progress and 5% are not yet implemented.

■ Not Yet Implemented   ■ Completed   ■ In Progress

Four recommendations were closed during this quarter (LM13, FY2.0, PR02 and PRO4), reflecting progress in policy updates and lease management improvements. Significant achievements include the adoption of the revised Procurement Policy, enhanced contractor management functionality in our Technology One (TechOne) enterprise resource planning system and completion of key asset management initiatives.

High-risk open recommendations requiring close oversight include Cyber Security Assurance (CS3), Supplier Risk Management (CS6) and Disaster Recovery Planning (CS8), all of which have revised deadlines extending into 2026. In addition, a significant number of recommendations relating to policy and procedural updates in leasing and property management are due for completion by April 2026.

The risk rating profile of all open actions is as shown below:

Overdue actions include lease management system (LM11), strategic plan linkage (STP07), invoice automation (PR06) and several volunteer management recommendations that are dependent on policy implementation/update.

Implementation of the action linked to recommendation PR06 was placed on hold by the IT Steering Committee due to funding and capacity constraints. As there is limited prospect of these constraints being resolved, the Committee is requested to endorse the Administration's intention to accept the residual risk associated with PR06 and approve closure of the recommendation. This is noted on the basis that implementation has not commenced and the initiative remains on hold due to the same funding and capacity limitations.

Looking ahead, the next quarter features clustered deadlines in February and April 2026, covering recommendations across lease management, procurement, storm management planning and strategic planning governance.

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

- Actions that have been completed.   *Refer Attachment 2a*
- Actions that are in progress and partially implemented.   *Refer Attachment 2b*
- Actions that are not yet implemented.   *Refer Attachment 2c*

Budget

The 2025–26 operational budget includes appropriate financial allocations to support the delivery of the Internal Audit Program.

Life Cycle Costs

There are no life cycle costs associated with this report.

Strategic Plan

Statutory compliance

Council Policy

Risk Management Policy

Statutory Provisions

Local Government Act 1999, section 125

Written By: Risk and Improvement Officer

General Manager: Strategy and Corporate, Mr A Filipi

Attachment 1

Internal Audit Scope
WHS Framework

Background	As part of the Internal Audit Program for 2025-26, a review of the City of Holdfast Bay's (Council/CHB) Skytrust system was included as a reflection of the importance of work health and safety (WHS) to Council. During the audit scoping process, Internal Audit and key stakeholders identified that a more strategic review of Council's WHS Framework would provide more strategic insight and value. Council is subject to the *WHS Act 2012 (SA)* (the Act) and supporting regulations. The Act prescribes that Persons Conducting a Business or Undertaking (PCBU i.e. CHB) appropriately address WHS matters from risk identification and management through to consultation and provision of training to workers. Local Government Risk Services (LGRS) play a role in strengthening risk management (including for WHS). Key stakeholders indicated
Objective	The objective of this audit is to review the effectiveness of Council's WHS framework.

Scope	Specific elements for review include:
	▪ clarity of WHS strategic focus and action plans within CHB
	▪ high level/facilitated maturity assessment of the WHS framework vs key elements of the Act, including:
	    o governance and accountability
	    o planning and risk management (including the application of *ISO 31000:2018 - Risk management* in assessing WHS risks)
	    o consultation and participation/issue resolution
	    o provision of training and information to workers
	    o consultation and issue resolution
	    o incident and hazard reporting
	    o monitoring and review, and
	    o document and record control
	▪ based on the results of the maturity assessment, review areas with greatest opportunity for strengthening in further detail – potential areas may include training/induction and contractor management
	▪ potential opportunities for efficiencies and performance improvements.
	This audit will not assess the implementation of WHS within Alwyndor, however will aim to understand how CHB obtains assurance of Alwyndor's processes.

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

Methodology	In conducting the engagement, the team will: ■ obtain and review key documentation and information, including any relevant previous audit, LGRS or other reports ■ conduct interviews with key stakeholders and potential survey for broader staff feedback ■ draft a report summarising findings and recommendations ■ provide a final report for presentation to the Audit and Risk Committee.
Relevant Risks	This review provides assurance around the strategic risk *'Staff, contractor or volunteer death or serious injury OR subject to physical, sexual, emotional or psychological abuse.'*
General Administration	This review will be performed by Galpins, Council's internal audit provider. Galpins will be responsible for maintaining regular communication with Council and will coordinate activities to complete the audit. The review will be conducted in January 2026 to March 2026. This is a 'Strategic' audit under Galpins' contract with Council and has a compliance focus/targeted timeframe of approximately 10 days' effort.
Key Stakeholders	The key contacts for this review will be: ■ Adam Filipi, General Manager Strategy and Corporate ■ Sally Niehuus, Manager People & Culture ■ Tara Murdoch, WHS Business Partner
Team	■ Janna Burnham (Director) ■ Lewis Stratton (WHS Subject Matter Expert) ■ Joshua Henderson (Analyst)

Acknowledgement and Acceptance

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

Signed:

Signature: ....

Name and Title: ..*Adam Filip.*..
GM Strategy and Corporate

Date: ..*22/12/25*..

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

Attachment 2

CITY OF
HOLDFAST BAY

Internal Audit - Recommendation/Action Monitoring and Review

Audit	Date Report Finalised/Action Opened	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
2023/24 Procurement	Mar-24	PR02	2.1 Clarity of current procurement framework	Recommendation 2: Consider strengthening the Procurement Policy by: (i) - clarifying procurement-related roles and responsibilities within CHB, and (ii) - linking to clearer guidance about how to assess and manage procurement risk.	Medium	Complete	Manager Strategy & Governance	~~8/31/2024~~ ~~3/31/2025~~ 30/09/2025	Comments - August 2024 - Policy and Procedure are due for renewal mid 2024 and will b reviewed on schedule. This review will include consideration of how to improve policy compliance. Comments - January - 2025 Procurement Policy reviewed and updated. Awaiting SLT endorsement. Comments - July 2025: Policy due for submission to SLT. Target completion deadline extended. Comments - Oct 2025: Procurement policy updated and adopted by Council. Implementation action complete.
2023/24 Procurement	Mar-24	PR04	2.2 Efficiency and effectiveness of current procurement process	Recommendation 4: Consider ways to improve the efficiency around use of Purchase Orders. This may include: (i) - implementing further exemptions – instances where POs are not required (for example when a contract is in place or for regular purchases – utilities, legal, library) (ii) - raising the base threshold for when POs are required (iii) - educating staff about ways to use POs more efficiently. Note – these are included as options only. Increasing the PO threshold can be considered on a risk/benefit basis and in conjunction with stronger oversight controls as per Recommendation 1.	Medium	Complete	Manager Finance	~~30/06/2024~~ ~~30/09/2024~~ ~~28/02/2025~~ 30/09/2025	Comment - August 2024: Raising the base threshold for when POs are required is not favoured at this time, however, additional exemptions will be considered to improve efficiency. Comments- November -2024. Additional exemptions to improve efficiency in the revised Procurement policy awaiting adoption. Comments - July 2025. List of PO exemptions in the new Procurement policy have been significantly increased - policy ready for adoption. Base threshold for POs will remain at $2,000; New staff trained on optimum way to raise PO by Accounts Payable Officer and managers remainded of best practice/processes at montly budget meetings. Reviewed by SLT. Recommended for closure upon adoption of the new procurement policy Comments - Oct 2025: Procurement policy adopted by Council. Implementation complete.
2024/25 Financial External Audit		FY2.0	Purchase order compliance	Recommendations 2: Review current exemptions to ensure they are sufficient and are acting as an actual procurement control mechanism	Low	Complete	Manager Strategy & Governance	30/09/2025	Comments - May 2025: Procurement policy and procedure reviewed and updated. Exemptions reviewed and updated in revised procurement policy and procedure put through the Leadership Team and due for Senior Leadership review/endorsement. Comments - Oct 2025: Exemptions reviewed and updated. Procurement policy adopted by Council on the 28 October 2025. Exemptions usage to be monitored on a monthly basis. Implementation complete. Ongoing monitoring continues
2025 Leasing Management	25-May	LM13	Debtor management	Recommendation 13: Ensure the Property Manager can access a debtor report.Work to ensure that the Property Manager can access a debtor report, to facilitate debtor management processes. Note – IA understand that a report specific to lessees is not available. Potentially, a property management system (see Recommendation 11) may be able to assist, or MS Excel formulae/data matching techniques may be applied to efficiently extract relevant data from a larger debtor list	Medium	Complete	Program Director - TOM Project	31/12/2025	Comments - June 2025: Working Group formed and a project plan to address recommendations developed. Debtor report access for Property Manager to be investigated with IT team. Comments - Sept 2025: Draft debtors report currently not fit for purpose due to limitations with TechOne. Investigation of alternatives ongoing Comments - Oct 2025: New debtor report based on leasing requirements developed in TechOne. Actions complete.

Internal Audit - Recommendation/Action Monitoring and Review

Audit	Date Report Finalised/Action Opened	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
Workforce Planning	Feb-21	WFP02	2.2 Opportunity to develop a strategic workforce plan that aligns with business objectives: - Workforce planning activities are primarily conducted at a team level with the Manager assuming key responsibility. The General Manager and People and Culture provide input and support. - All Managers interviewed demonstrated an understanding of their team's operational workforce requirements and strategic challenges and identified further the need for strategic and holistic workforce planning across Council. - Specific workforce planning approaches are informal, operational, and teams based. There is opportunity to document critical workforce knowledge. - Alwyndor's Managers have demonstrated awareness of WFP recommendations arising from the Royal Commission into Aged Care Quality and Safety (the Royal Commission) and a desire to ensure compliance. Alwyndor have commenced preliminary planning for a strategic WFP.9	We recommend that: Rec: 2 - Develop an overarching strategy or framework to guide workforce planning initiatives, specifically including strategic, workforce planning at both CHB and Alwyndor. Options to achieve this include: - develop a high level standalone workforce plan, framework or strategy that documents the overall workforce planning requirements for CHB and Alwyndor. - link more strategic WFP activities to requirements under Council's exisitng 'culture' pillar. A suite of supporting documents may then be developed to further outline specific actions in place. NOTE: – Internal Audit consider that WFP is an ongoing process and promote a pragmatic approach to WFP rather than a time-intensive and static document. In addition, this work can be completed in line with Council's draft strategy – Audit understand that directions included in the new Strategy are already broadly known. In addition, Alwyndor's Strategic Plan, through the enabler: People and Culture, includes an action to develop a workforce plan for 2021.	Low	In Progress	Manager People and Culture	~~30/06/2022~~ ~~30/06/2023~~ ~~30/09/2023~~ ~~31/12/2023~~ ~~31/08/2024~~ ~~31/05/2025~~ 30/09/2026	Comments June 2022; - Generic principles of Workforce Planning were determined for both Alwyndor and COHB and approved by the SLT. - Strategic Plan 2050 launched in January 2022. Awaiting development of Corporate Plan to determine workforce planning strategies to support future service delivery/strategic outcomes. - 'Culture Pillar' has now been removed for Council so is no longer applicable. Alwyndor has a separate Strategic Plan, therefore Council's 'Culture' Pillar is not applicable. - WFP strategies to be determined annually from strategic plan and workforce trends within a highly regulated industry. - Timeline for Corporate Plan to be established - approx Dec 2022 (as per SB 22/7/22) Comments September 2022 - Corporate Plan underway - due for completion Dec 2022 - Workforce planning strategy to follow once Corporate Plan established. Comments March 2023 – Will be completed to target due date Comments June 2023 - Work progressing to target due date Comments August 2023 - Corporate Plan being finalised which will then inform this strategic workforce planning. Comments October 2023 - Corporate Plan details now finalised - to be used as a reference by newly appointed Manager P&C over coming months to inform WFP. Extended due date until end of next quarter to allow for transfer/update of information. Comments February 2024 - Workforce strategy to guide workforce planning underway - target for completion 30/06/24 Comments - May 2024 - Work on track to finalise required strategy by due date. Comments - August 2024 - Final review stage of the process Comments - October 2024 - Review completed Comments November 2024 May need to be outsourced with a delivery target of May 2025. **Comments - July 2025:** SLT review done. SLT to explore if implementation can be aligned and delivered via the TOM work. Target completion deadline extended to September 2026
Workforce Planning	Feb-21	WFP03	2.2 Opportunity to develop a strategic workforce plan that aligns with business objectives: - Workforce planning activities are primarily conducted at a team level with the Manager assuming key responsibility. The General Manager and People and Culture provide input and support. - All Managers interviewed demonstrated an understanding of their team's operational workforce requirements and strategic challenges and identified further the need for strategic and holistic workforce planning across Council. - Specific workforce planning approaches are informal, operational, and teams based. There is opportunity to document critical workforce knowledge. - Alwyndor's Managers have demonstrated awareness of WFP recommendations arising from the Royal Commission into Aged Care Quality and Safety (the Royal Commission) and a desire to ensure compliance. Alwyndor have commenced preliminary planning for a strategic WFP.9	We recommend that: Rec: 3 - Complete the planned CHB (not Alwyndor) skills/capability and gap analysis and use this to inform plans to obtain and develop critical skills necessary for delivery of its strategic plan. Example required skills gaps identified may include: - service design capability - data analytics	Low	In Progress	Manager People and Culture	~~30/06/2022~~ ~~30/06/2023~~ ~~30/09/2023~~ ~~31/12/2023~~ ~~30/09/2024~~ ~~30/11/2024~~ ~~31/05/2025~~ 30/09/2026	Comment June 2022; *** This recommendation does not apply to Alwyndor. - Skills/Capability Audit was undertaken for the Leadership Team, however, not completed for the rest of the organisation - Strategic Plan 2050 launched in January 2022. Awaiting development of Corporate Plan to determine workforce planning strategies to support future service delivery and strategic outcomes. - Timeline for Corporate Plan to be established - approx Dec 2022 (as per SB 22/7/22) Comments September 2022 - Corporate Plan underway - due for completion Dec 2022 - Skills capability and gap analysis to follow once Corporate Plan established. Comments March 2023 Will be completed to target due date Comments June 2023 - work progressing to target due date Comments August 2023 - Corporate Plan being finalised which will then inform this skills/capability audit Comments October 2023 - Corporate Plan details now finalised - to be used as a reference by newly appointed Manager P&C over coming months to inform WFP. Extended due date until end of next quarter to allow for transfer/update of information. Comments February 2024 - Skills/capability gaps analysis underway – target for completion 30/9/2024 Comments - May 2024 - Extended deadline for completion by 8 weeks to enable finalisation/cross checking of details. Comments - August 2024 - Final review stage of process Comments November 2024: Final review stage of process - completion date extended by 6 months. **Comments - July 2025:** Reviewed by SLT. Implementation to be linked to the 2026/27 budget process. Target completion deadline extended.
Workforce Planning	Feb-21	WFP06	2.4 Opportunity to ensure critical knowledge is formally documented: - Knowledge of key workforce demand/supply gaps is informally held by Managers who are familiar with their operational requirements and market conditions. - Manager turnover may lead to inconsistent approaches to managing these risks and/or missed opportunities to more effectively plan for succession and knowledge documentation/transfer. - There is an opportunity to proactively review demand and supply requirements and associated workforce risks. This will strengthen Council's business continuity and knowledge transfer in the event of a General Manager or Manager leaving Council.	We recommend that: Rec: 6 - Review whether staff in all positions identified as critical across Council have documented their knowledge/role requirements. Where required and to assist in case of staff turnover/ unexpected leave, ensure that this knowledge is formally documented. NOTE: Management will review the work instructions and procedures for all critical roles, in particular Corporate roles where there is real risk due to lean team structures.	Low	In Progress	Manager People and Culture	~~31/05/2022~~ ~~31/12/2022~~ ~~30/06/2023~~ ~~30/09/2023~~ ~~31/12/2023~~ ~~30/06/2024~~ ~~30/09/2024~~ ~~30/06/2025~~ 30/09/2026	Comments June 2022; Alwyndor Management will review the work instructions and procedures for all critical roles, in particular Corporate roles where there is a real risk due to lean team structures. Business Continuity Planning undertaken for Council, with a high focus during the pandemic. Critical roles have been identified as well as succession planning opportunities. Managers responsible for determine their business processes, as well as ensuring adequate records management processes (ECM introduced in 2020 with appropriate training for all staff) to ensure documentation available for Council. NOTE: Could incorporate reference to critical operational procedures via BCP matrices completed by Managers Feb/Mar 2022. Comments September 2022 - Alwyndor/ Strategy & Governance to progress - no action required from Manager P&C perspective. Comments March 2023 - Will be progressed/finally reviewed in line with current corporate Manager Finance recruitment. Comments June 2023 - Work progressing to target due date Comments August 2023 - Leadership team review now required to ensure workforce risks have been fully recognised and the relevant internal controls are correctly in place. Comments October 2023 - Newly appointed Manager P&C to review the management process for 'critical position data' - with a view to closing off this action within the next quarter. Comments February 2024 - Critical Positions review underway – target for completion 30/6/2024 Comments - May 2024 - Working to have staff Critical Positions review completed by due date - 30/06/24 Comments - August 2024 - Final review stage of process - slight time extension required. Comments November 2024 Final review stage of process - deadline for completion extended by 6 months. **Comments- July 2025:** Reviewed by SLT. Clarification of critical positions across Council to be done. Target completion deadline exteted to 30/09/2026 to allow investigation by new GM Strategy & Corporate.

2022/23 Flood Mitigation	Feb-23	FM01	2.1 Detailed Findings A framework to manage flooding is in place, there's opportunity to review Stormwater Management Plan	We recommend that: Rec. 1: - After updated flood modelling/risk data is received from the State Government, review the Stormwater Management Plan. This can include updated action items/projects for achievement, based on the latest modelling data. Note – this recommendation will be dependent on agreement with the City of Marion and the Stormwater Management Authority.	Low	In Progress	Manager Engineering	~~30/06/2025~~ ~~30/06/2025~~ 31/12/2026	Comments June 2023 - work not yet commenced Comments August 2023 - not yet commenced Comments October 2023 - will program in works when meeting with Manager Engineering later this quarter. Comments February 2024 - The Stormwater Management Plan has been proposed as a new initative for 2024/25. With discussion with Marion, they have agreed to co-fund the project for 2024/25 if approved by Council. Comments - May 2024 - Same comments as February 2024 Comments - August 2024 - The Stormwater Management Plan has been proposed as a new initiative for 2024/25 - awaiting council approval. Comments - November - 2024. Plan approved by Council. Discussions on cost sharing with City of Marion ongoing. Comment - January 2025: Plan approved by council. Discussion on cost sharing with City of Marion ongoing. Comments - July 2025: Reviewed by SLT. GM Assets & Delivery will review progress with team at a workshop. **Comments- Sept 2025:** Recommendation reviewed by GM Assets & Delivery and Managers. MOU with City of Marion signed. SMP being reviewed and projects re-prioritised.
2022/23 Flood Mitigation	Feb-23	FM02	2.2 Detailed Findings A need to stocktake progress in implementing SMP actions	We recommend that: Rec.2: - Conduct a stocktake of progress in implementing projects identified in the Stormwater Management Plan Coastal Catchments between Glenelg and Marion 2014 (SMP) and identify whether: - (i) sufficient action taken against these compared to associated risk. - (ii) whether sufficient financial resources associated to achieve CHB's expected progress in delivering the projects. - (iii) an action plan to ensure more timely progress is required, or - (iv) each project (considering updated flood risk modelling) is still required/considered a risk area. Report results to the Senior Leadership Team.	Medium	In Progress	Manager Engineering	~~31/12/2023~~ ~~30/06/2025~~ 28/02/2026	Comments June 2023 - work not yet commenced Comments August 2023 - not yet commenced Comments October 2023 - will program in works when meeting with Manager Engineering later this quarter. Comments February 2024 - The SMP review to include this review, and provide recs. to reprioritise projects and funding. Remaining projects prior to renewal are Tarlton/Whyte stormwater upgrade, Gilbertson Gully restoration and Harrow Road GPT. Recommend timeframe to change to 30/6/25, inline with SMP. Comments - May 2024 - Same comments as February 2024 Comment - August 2024 - The SMP review to include this review, and provide recs. to reprioritise projects and funding - further details as above. Comments - January 2025. Same comments as August 2024 Comments - July 2025: Reviewed by SLT. GM Assets & Delivery to workshop and report back to SLT. Target completion deadline extended. **Comments - Sept 2025**: Reviewed by GM Assets & Delivery and Managers. SMP under review.
2022/23 Flood Mitigation	Feb-23	FM03	2.3 Detailed Findings Further encouraging rainwater tank installation/stormwater compliance measures	We recommend that: Re. 3: - Develop a strategy to ensure existing and new rainwater and stormwater detention facilities are installed and maintained correctly. This in line with the Planning, Development and Infrastructure (2016) Act's requirements (as applicable), and CHB's Stormwater Drainage Building and Construction Policy (2020). This may include but is not limited to: (i) - researching/understanding the extent of non-compliance with detention tank installation and risks of non-compliance on stormwater flooding (ii) - confirming that tanks that meet criteria set out in the Code are installed. (iii) - requiring builders to advise owners of their responsibility to install tanks (where applicable). (iv) - offering further incentives associated with tank installation on existing properties (v) - use of education on the importance of installing tanks. (vi) - regular inspection of tank installation and detention installation. (vii) - use of an enforcement/penalty-based approach when tanks / detention are not installed as per approved plans.	Low	In Progress	Manager Engineering and Manager Development Services	~~30/06/2024~~ ~~31/12/2024~~ ~~31/03/2025~~ 31/12/2026	Comments June 2023 - work not yet commenced - to be completed in time to inform the FY26/27 budget Comments August 2023 - not yet commenced Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - A rainwater tank incentive trial was completed in 2022/23 to test uptake of rainwater tank improvements. Outcomes identified that grant incentives did not have the desired outcomes on a large scale. - Stormwater Drainage Building and Construction Policy is being reviewed prior to December 2024. - Compliance, installation, inspections are the responsibility of the Development team. Recommend timeframe to change to 30/12/24, inline with policy renewal. Comments - May 2024 - Same comments as February 2024. Comments - August 2024 - Stormwater Drainage Building and Construction Policy is being reviewed prior to December 2024 - other areas under Development team as per above. Comments - November 2024 - Same comments as August 2024 Comment - January 2025 Action owners to provide update about the status of the Stormwater Drainage Building and Construction policy. Comments - July 2025: Policy under review end date of 2026. Target completion deadline extended. **Comments - Sept 2025**: Reviewed by GM Assets & Delivery and Managers. Stormwater Drainage Building and Construction Policy being updated. Scope for enforcement of non-compliance with detention tank installation very small. No known enforcement across the local government sector.
2022/23 Flood Mitigation	Feb-23	FM04	2.4 Detailed Findings Coastal 'inundation' management is long term, some need to clarify asset ownership	We recommend that: Rec.4: -Pending confirmation of whether ownership of seawalls rests with CHB or the SA Government, review whether: (i) - seawall assets should be included in the Asset Management Plan. (ii) - ongoing monitoring and maintenance of seawall infrastructure is captured adequately in CHB's asset management system.	Low	In Progress	Manager Engineering	~~30/06/2024~~ ~~30/06/2025~~ 30/09/2026	Comments June 2023 - work not yet commenced - as part of the AMP update Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - Asset ownership of seawalls on a regional scale is being discussed through the 'SA Climate Ready Coasts' joint project by the LGA/SA Governement/Councils. Outcome of program will include Coastal Adaptation Planning Standards for SA including consistancy of governance such as asset ownership throughout the state. - Seawalls are to be excluded from AMP until ownership is resolved at a state level. - Design is continuing for the most at risk seawalls (Glenelg North). To be competed this FY. Recommend timeframe to change to 30/6/25, inline with timeline of the new standards. Comments - May 2024 - Same comments as February 2024 - above actions progressing. EMs workshop on topic - 18/06/2024. Comments - August 2024 - EMs workshop completed on 18/06/2024. Above actions progressing Comment - January 2025 Discussions with stakeholders in the 'SA Climate Ready Coasts' ongoing. Comments- July 2025: Long-term coastal management being undertaken in line with the new coastal hazard and adaptaton guidelines 2024-25. Coastal Hazard Adaptation Plan (CHAP) for metropolitan Adelaide developed in collaboration with other coastal Councils. Grant funding for a project for establishment of a governance structure, hazard exposure, long-term risk management, adaptation planing, actions & pathways, monitoring & implementation recevied by Council. Reviewed by SLT. Re-evaluation of recommendation to be done after confirmation of ownership status of sea walls. Target completion deadline extended. **Comments - Sept 2025:** Reviewed by GM Assets & Delivery and Managers. Legislation change in 2002 transfered responsibility for seawalls to local governments. Collaboration with other coastal concerns ongoing.

Audit	Date	Ref	Finding	Recommendation	Rating	Status	Responsibility	Due Date	Comments
2022/23 Complaints Handling	May-23	CH02	1.1 Detailed Findings CHB complaints handling framework vs. better practice principles	**Recommendation 2**: Create an internal procedure that details the complaint process workflows and provides step by step instructions to enable staff to understand expected complaint handling processes and to implement these processes consistently and effectively.	Medium	In Progress	Manager Customer Experience & Library Services	~~30/06/2023~~ ~~30/09/2023~~ ~~30/06/2024~~ ~~30/09/2024~~ ~~15/12/2024~~ ~~31/05/2025~~ 30/09/2026	Comments August 2023 - draft in place, reviewing over next 2-3 months Comments October 2023 - draft in place, reviewing over next 2-3 months Comments February 2024 - draft internal procedure has been tested with CE Team and training plan being developed by 30/06/24 Comments - May 2024 - Training being developed for 30/06/2024 Comments - August 2024 - Internal procedure draft developed, will test and also be used as a training aid. Review by end of the 1st Quarter Comment - November 2024 Internal procedure draft developed, will be ready by mid December 2024. Comments - March 2025. Internal procedure draft developed, review in progress by May 2025. **Comments - July 2025**: Reviewed by SLT. To be delivered under the TOM project. Target completion deadline extended.
2022/23 Complaints Handling	May-23	CH05		**Recommendation 5**: Generate reports to enable review of CHB's complaint handling performance. This can include detail on complaint numbers, complaint by division, timeliness of resolution, and outstanding escalated complaints. Provide these reports to managers for review and discuss the findings as regular items on executive meeting agendas.	Medium	In Progress	Manager Customer Experience & Library Services	~~30/06/2023~~ ~~30/09/2023~~ ~~30/06/2024~~ ~~30/09/2024~~ ~~15/12/2024~~ ~~31/05/2025~~ 30/09/2026	Comments August 2023 - partially implemented, meetings with Project Mgt team undertaken and now monitoring complaints handling data received over next quarter, this will enable progression of the recommendation. Comments October 2023 - partially implemented, meetings with Project Mgt team undertaken and now monitoring complaints handling data received over next quarter, this will enable progression of the rec. Provide 6 Monthly report in Jan2024. Comments February 2024 - meetings being held to progress and test data to provided a 6 monthly report by 30 June. Comments - May 2024 - Reports will be in place by 30/06/2024 Comments - August 2024 - Reporting format being developed with Power BI, test during Quarter 1 Comment - November 2024 -Power BI report development complete, roll-out being planned. **Comments- March 2025 -** Power BI reports development complete, roll-out being tested in place by May 2025. Comments - July 2025: Reviwed by SLT. To be implemented under the TOM project. Target completion deadline extended.
2023/24 Procurement	Mar-24	PR06		**Recommendation 6**: Consider automating invoice approval, particularly for lower value invoices below a pre-determined threshold that can be matched to a Purchase Order. Goods/services must have already been receipted in the system.	Medium	In Progress	Manager Finance	~~30/06/2024~~ ~~30/09/2024~~ 30/06/2025	Comment - August 2024: This will be considered further in the context of other available process improvements. Comments - November-2024. Same comments as August 2024. Discussions with IT ongoing. **Comments - July 2025:** Automated process of invoice approval submitted to the IT Steering Committee. Request put on-hold due to financial constraints and lack of staff capacity to deliver the recommendations. Reviewed by SLT. **Comments - February 2026:** Funding and resource constraints remain in place and enhancements to the system prior to Technology One's OneCouncil implementation no longer recommended. As such Administration's intention is to accept the residual risk and close the recommendation.
2023/24 Procurement	Mar-24	PR08	2.3 Training and information availability	**Recommendation 8**: Embed procurement training into training schedules (e.g. induction process, semi-regular updates) and provide regular procurement refresher training sessions for relevant staff. Training formats may vary and include: - F2F training - 'lunch and learn' sessions - online, on-demand videos - step by step guides. *Note – both the mix and regularity of training provided can be determined by CHB*	Low	In Progress	Manager Strategy & Governance	~~10/31/2024~~ ~~30/06/2025~~ 28/02/2026	Comment - August 2024 An introduciton to proccurement principles is already provided as aprt of the employee induction, with an invitatioin to book a 1:1 session if purchcasing activities are required by the role. However, refresher sessions for exisiting staff and Scribe self-guided lessons will be implemented to improve coverage and increase the learning and compliance opportunities. Comments - March 2025. Format for the delivery of refresher training sessions for existing staff under discussion. **Comments - July 2025**. Reviewed by SLT. New procedured for refresher training under discussion. Target completion date amended.
2023/24 Strategic Planning Alignment	May-24	STP02	3.2 A need to formalise governance, monitoring and reporting	**Recommendation 2**: Clarify governance arrangements around Strategic Plan, ownership of objectives and reporting. As part of work to develop monitoring/reporting and governance mechanisms to track progress against the Our Holdfast 2050+ Plan: - clarify roles/responsibilities for ownership and oversight of achievement against the Our Holdfast 2050+ Plan - ensure that ownership of each objective/ action is clearly allocated - ensure that progress is included as a standing agenda item at a relevant strategic meeting.	High	In Progress	Corporate & Service Planning Lead; Manager Strategy & Governance	~~31/07/2024~~ ~~30/09/2024~~ ~~30/04/2025~~ 28/02/2026	Comments - August 2024 Review will commence during coming weeks - extended timeframe required Comments - November 2024:Review completed. Mechanisms included in the Strategic Plan review for council approval. Comments - March 2025. RACI project to clarify roles and responsibilities for Our Holdfast 2050+ ongoing. SLT being engaged on inclusion of reporting at a strategic meeting. **Comments - July 2025**: Reviewed by SLT. Recommendation to be closed when Envisio launches. Target completion date extended.
2023/24 Strategic Planning Alignment	May-24	STP03		**Recommendation 3**: Include performance vs Strategic Plan as part of executive performance assessment. Consider more clearly reviewing performance against relevant parts of the Strategic Plan as part of executive performance discussions/ assessment.	Medium	In Progress	~~Corporate & Service Planning Lead and Manager Strategy & Governance~~ GM Strategy and Corporate	~~31/07/2024~~ ~~30/09/2024~~ ~~31/03/2025~~ 28/02/2026	Comments - August 2024; Review will commence during coming weeks - extended timeframe required. Comments - January 2024. CEO KPIs completed. Ongoing recruitment of SLT positions has opened an opportunity for inclusion of GM KPIs in new PDs. Review expected to be completed in the next two months. **Comments - July 2025**: Reviewed by SLT. To be picked up by new GM Strategy and Corporate. Target completion date amended
2023/24 Strategic Planning Alignment	May-24	STP04	3.3 Completeness of Strategic Framework	**Recommendation 4**: Timing of update of supporting strategic plans and alignment with the Strategic Plan. In future, consider coordinating the timing of update of Council's supporting strategic plans, so that the Our Holdfast strategy is adopted first, and that subsequent plans are updated and/or adopted subsequent to this. This may also help to enable more depth of alignment between the Our Holdfast strategy and supporting strategic plans. Note – some annual updates are legislatively required, however a plan may be developed to help ensure that, over time, the Our Holdfast strategy is finalised in advance of other strategic plans/sub-plans.	Medium	In Progress	Corporate & Service Planning Lead; Manager Strategy & Governance	~~31/12/2024~~ 30/04/2025	Comments - August 2024 - Not yet commenced **Comments November 2025:** Update of Council's strategic plans and annual plans aligned. Work ongoing for indepth alignment of other strategic plans
2023/24 Strategic Planning Alignment	May-24	STP05		**Recommendation 5**: Clearly identifying where corporate performance will be documented and tracked. Work to more clearly identify where strategic goals for corporate performance will be documented (and tracked). This will for example cover the organisational initiatives required within CHB to help achieve the objectives of Strategic Plan. Eg in corporate plan. Stuart had comments here – ask for input. Reference resourcing strategy in the framework diagram.	Medium	In Progress	Corporate & Service Planning Lead ; Manager Strategy & Governance	~~31/12/2024~~ 30/04/2025	Comments - August 2024: Not yet commenced Comments - November 2024: Corporate performance identified. **Comments - March 2025**: It will be tracked on the new corporate performance monitoring software - Envision. Roll-out of Envisio ongoing

Audit	Date	Ref	Finding	Recommendation	Rating	Status	Responsible Officer	Due Date	Comments
2023/24 Strategic Planning Alignment	May-24	STP06	3.4 Finalising measures of success (KPIs)	**Recommendation 6**: Continuing work in relation to key performance indicators/measures of success. Continue work to ensure that 'SMART' (Specific, Measurable, Attainable and action oriented, Relevant and Time-bound) measures are in place for objectives in the Our Holdfast 2050+ Strategic Plan, flowing through to Corporate Plan and other relevant strategies. In addition, work to progress an internal (less formal) understanding of how CHB will measure success towards other 'aspirations' included in the Strategy beyond 2030.	Medium	In Progress	Corporate & Service Planning Lead; Manager Strategy & Governance	~~12/31/2024~~ 30/06/2025	Comments - August 2024 - Not yet commenced. Comments - November 2024 - Included in the Strategic Plan review. KPIs and measures of success tightened. Updated Our Holdfast 2050_Strategic Plan approved and due for publication by end of February 2025.
2023/24 Strategic Planning Alignment	May-24	STP07	3.5 Linkage between Strategic Plan and Annual Business Plan	**Recommendation 7**: Strengthen linkage between Strategic Plan and Annual Business Plan. Work to strengthen the link between the Strategic Plan and ABP. For example: - agree which objectives will be reported against each year (some may not be scheduled until future years) - track success against KPIs. *Note – this clearer report on progress will be after clarification of smart measures/KPIs as outlined in Recommendation 5.*	Medium	In Progress	Corporate & Service Planning Lead; Manager Strategy & Governance	31/01/2025	**Comments - August 2024**- Not yet commenced. **Comments - November 2024** - KPI's tracked in the Annual Plan. Strategic Plan review will help tighten reporting against objectives.
2023/24 Strategic Planning Alignment	May-24	STP08	3.6 Prioritisation Framework and linkage to Strategic Objectives	**Recommendation 8**: Consider mandatory alignment between Prioritisation Framework and Strategic Plan. Aim to strengthen the support of the Strategic Plan via the Prioritisation Framework by: - considering making alignment with the Strategic Plan a mandatory criterion of the Framework - conducting a post-implementation review to assess whether funded projects sufficiently align to the objectives and initiatives outlined in the Strategic Plan. *Nb – this recommendation is included in recognition that the Strategic Plan is intended as Council's highest-level strategic document.*	Medium	In Progress	Corporate & Service Planning Lead; Manager Strategy & Governance	~~10/31/2024~~ ~~30/06/2025~~ 31/09/2026	Comments - August 2024 - Not yet commenced. Comments - November 2024: Included in Annual Plan 2026 preparation. **Comments - July 2025**: Reviewed by SLT. Prioritisation done in the the 2025/26 ABP. Post-implementation review to assess alignment strategic plan objectives to be done. Target completion deadline extend.
2023/24 Strategic Planning Alignment	May-24	STP09	3.7 Legislative compliance	**Recommendation 9**: Clearly demonstrating compliance with more administrative/minor elements of s.122 of the Local Government Act. Aim to achieve clearer compliance with minor administrative elements of s122 Act. These may, for example, be addressed in attachments to the next iteration of the Our Holdfast 2050+ Strategic Plan. *Nb: A list of relevant elements is in Appendix 6 - as follows;* - 1(a)(i) There is a clear indication of the extent to which the council has participated with other councils, State and national governments in setting public policy objectives.[Partial] - 1(a)(iii) There is a clear indication of the extent to which the council intends to coordinate with State and national governments and councils or other regional bodies in the planning and delivery of services where there is common interest.[Partial] - 2(a) SMP should address the strategic planning issues within the area of Council, with reference to any relevant state planning policy or regional plan under the Planning, Development and Infrastructure Act 2016, and set out Council's priorities for the implementation of planning policies.[No]	Low	In Progress	Corporate & Service Planning Lead; Manager Strategy & Governance	~~11/30/2024~~ 30/06/2025	Comments - August 2024 - Not yet commenced. **Comments - November 2024:**To be clarified and tightened during the Strategic Plan Review. Comments - JuLY 2025: Reviewed by SLT: Same comments as November 2024. Target completion deadline extended.
				Recommendation 5: Work to develop a clearer approach to how CHB will: - reduce supply chain emissions, and - reduce road and infrastructure emissions. Ensure that progress is included in regular reporting against the CNP, as identified in Recommendation 1. Note - CHB may benefit from the initiatives/actions of the Resilient South Group's projects/plans, and/or be able to utilise the information/guidance provided by Resilient South regarding reducing supply both chain emissions and asset-related emissions, once available.	Low	In Progress	Manager Engineering	~~6/30/2025~~ ~~28/02/2026~~ 30/06/2028	Comments - August- 2024 Not yet commenced. Comments- November 2024 Team reviewing approaches used by other councils as well as possibilities for collaborating through the Resilient South Group. Comments - July 2025. Reviewed by SLT. GM Assets & Delivery to review status with action owner. **Comments - Sept 2025**: Reviewed by GM Assets & Deliver and Managers. Approach for reduction of supply chain and road/infrastructure emissions developed. A new initiative application for resource and additional costs submitted but it wasn't approved. Proposals to be re-submitted in the 2027/28 new initiative round. Target completion deadline extended
2024/25 Volunteer Management Audit	Nov-24	VM3.1	Strategic direction for volunteering in CHB	**Recommendation 1**: Confirm the intended strategic direction for volunteers.	Medium	In Progress	General Manager Community & Business	~~12/31/2025~~ 31/12/2026	Comments - November 2024 - Being addressed in the Wellbeing Strategy and associated Volunteer Action Plan. **Comments - July 2025**: Reviewed by SLT. A wider review of strategic direction and volunteer policy being considered. Target completion deadline extended
2024/25 Volunteer Management Audit	Nov-24	VM3.2	Recruitment and onboarding processes	**Recommendation 2**: Undate the volunteer handbook.	Medium	In Progress	Volunteer Services Coordinator	28/02/2025	Comments - November 2024 - Volunteer handbook to be updated with relevant WHS requirements. **Comments - July 2025**: Handbook update to be completed after policy gets adopted.
2024/25 Volunteer Management Audit	Nov-24	VM3.4	Clarity of roles and responsibilities between CHB and Alwyndor	**Recommendation 5**: Reconfirm procedures for management/governance of volunteers between CHB and Alwyndor.	Medium	In Progress	General Manager Community and Business / Alwyndor General Manager & Manager Community Wellbeing	~~3/31/2025~~ 31/10/2025	Comments - November 2024 - A working group will be set up and the Brokerage agreement will subsequently be updated. Comments -May 2025: Same as November 2025 comments. Comments - July 2025: Reviewed by SLT. **Comments - Sept 2025**: Brokerage agreement being finalised
				Recommendation 6: Confirm the model for offering Personal Transport is till within Council's risk appetite.	Medium	In Progress	Manager Community Wellbeing; Personal Transport Program Coordinator	31/03/2025	Comments- November 2024 - To be considered in the update to the Wellbeing Strategy; Risk assessment of Personal transport program to be conducted and SOP will be developed. **Comments - March 2025**. Intention is to continue personal transport. Option for leasing a vehicle for personal transport being considered
2024/25 Volunteer Management Audit	Nov-24	VM3.5	Support for volunteers and staff	**Recommendation 7**: Update the Operations Manual and consider training a back-up for periods of leave for the Volunteering Services Coordinator.	Medium	In Progress	Manager Community Wellbeing	~~12/31/2024~~ 30/06/2025	Comments - November 2024: Back-up officer has been trained; Access to the Volunteering Services inbox and Better Impact System granted to the Community Wellbeing Team on an ongoing basis. **Comments - March 2025:**Operations manual update on-going
				Recommendation 8: Consider a hybrid delivery model for volunteer training.	Low	In Progress	Manager Community Wellbeing; Manager Strategy & Governance	31/03/2025	Comments -November 2024 - Project resources to assist delivery of this. A decision paper & associated timelines will be presented back to the Audit and Risk Committee. Comments - March 2025.

Audit	Date	Ref	Title	Recommendation	Rating	Status	Owner	Due Date	Comments
				Recommendation 10: Clarify budget lines available for volunteer management.	Better Practice	In Progress	Manager Community Wellbeing	31/03/2025	Comments - November 2024: CHB and Alwyndor will review and clarify volunteer management budget that aligns with goals and expectations. **Comments - April 2025**: No new development - Review ongoing
2024/25 Volunteer Management Audit	Nov-24	VM3.7	Volunteer performance management and evaluation	**Recommendation 11**: Clarify process to manage unsatisfactory volunteer performance	Low	In Progress	Volunteer Services Coordinator	28/02/2025	Comments - November 2024 - Training and support of program coordinators on-going. People & Culture Team to support Volunteer Services Coordinator. Comments - July 2025: Reviewed by SLT. Process for managing unsatisfactory volunteer performance in place. R&IO to review implementation and recommend closure
24/25 Financial External Audit	25-Apr	FY1.0	Policy update	Recommendation 1: Consider putting in place a formal work program to address the review of policies and ensure they are updated/appropriately reflect legislative obligations and operations of the council. The overdue policy relevant to this audit include: - Procurement Policy - Prudential management Policy - Business Continuity Policy - Community Consultation and engagements Policy - Customer Feedback and Complaints Policy	Low	In Progress	Strategy & Governance Lead	30/09/2025	Comments - March 2025: Formal work program for policy development and update in place. Prioritisation of policies done. Comments - July 2025: Reviewed by SLT. Procurement; Business Continuity & Prudential Management policies to be submitted for SLT approval. Comments - Oct 2025. Business Continuity policy; Business Continuity Policy & Prudential Management Policies adopted by Council. **Comments - Jan 2026**: Community Consultation and Engagement Policy & Customer Feedback and Complaints Policy yet to be completed.
		FY3.0	Tender evaluation documentation	Recommendation 3: Ensure that that each tender panel member completes the 'Conflict of Interest' and 'Confidentiality' forms before viewing tender responses and Tender Evaluation Chairpersons are aware of their role.	Low	In Progress	Manager Strategy & Governance	30/09/2025	**Comment - May 2025**: Tender document requirement to be robustly monitored; Checklist and briefing note in development
2022 Cyber Security Follow-up		CS3	Information security review audits monitoring	**Recommendation 3**: Develop aprocess to ensure that all recommendations from reviews/audits in relation to information capabilities are tracked and monitored. **Note; The majority of these reviews are conducted independent of the internal audit program**	High	In Progress	Manager, Innovation and IT Services	31/12/2026	Comments - May 2025: Recommendation re-opened after IA review. No program for cyber security assurance activities in place or documented in the Cyber Security Framework. Plan in place to reach maturity with an approach to track actions via project pages within MS Teams. **Comments - July 2025**: Reviewed by SLT. Acting GM Strategy & Corporate to follow-up on implementation of process
2020 Cyber Security Review	May-25	CS6	Supplier relationship management	**Recommendation 6**: Council (Including Alwyndor) to formalise supplier relationship management. This could include: -Developing principles to assess supplierrisk prior to engagement -Defining esclation points for cases when security incidents occur -Developing expectations that suppliers agree to abide by relevant Council employees In addition, CHB can work to formalise the arrangement in place with its existing technology provider (or re-approaching the market if appropriate and then formalising with the successful provider). Further guidance in relation to supplier management is included in ISO27002 Information Technology Security Techniques Code of practice for information security controls.	High	In Progress	Manager, Innovation and IT Services	31/05/2026	**Comments May-2025**: Recommendation re-opened after IA review; Outstanding actions to be achieved within the Cyber Security Framework
	May-25	CS8	Disaster Recovery Plan	**Recommendation 8**: Ensure that the Disaster Recovery Plans for the organisation are up to date and relevant. This includes: -Ensuring that a disaster recovery plan has been documented for CHB and -Reviewing the Alwyndor plan and receiving input from the business to ensure that it is fit for purpose	High	In Progress	Manager, Innovation and IT Services	31/05/2026	**Comments - May 2025**: Recommendation re-opened after IA review. Alwyndor: The Managed Services Provider (MSP) at the time, Calibre One, prepared a draft DRP. Subsequently it was not progressed and is missing key information. IA note that the situation has changed in the intervening period, and efforts are progress to implement this through resourcing and formal agreement with CHB
2021 Environmental Strategy Review	May-25	ES4	Adequacy of resourcing/operational capacity	**Recommendation 4**: Review the adequacy of resourcing/operational capacity to meet the Strategy's action item of 'Continue to increase net tree numbers and improve tree health'. In particular review whether there is sufficient capacity to: -Water and maintain new tree plantings -Proactively conduct works to improve tree health across the council area If a lack of capacity is identified: -Consider whether additional resourcing (as opposed to re-allocation of budget lines) is required, and/or -Consider whether the current planned tree targets should be revised	Medium	In Progress	Manager, Engineering	31/05/2026	Comments- May 2025: Recommendations re-opened following IA review: Action 1 -Street tree audit completed; Action 2 - Draft UFS and TAMP developed but yet to be endorsed. Action 3 - No longer applicable. IA note that due to updated TAMP still in draft, there was no interim increase in the 2022/23 tree watering budget.The updated TAMP will address this. Comments - July 2025: Reviewed by SLT. GM Assets & Delivery to follow-up on TAMP update. **Comments - Sept 2025**: Reviewed by GM Assets & Delivery and Managers. Urban Forest Plan complete
2023 Compliants Handling	May-25	CH3	Quality assurance and review of complaints	Recommendation 3: Implement a sample-based approach to conducting quality assurance and review of complaints. This may occur at regular intervals, for example quarterly or bi-annually. *Note: The initial sample may be small and increase or decrease for subsequent checks depending on findings and whether a need for improvement is identified*	Medium	In Progress	Manager Customer Experience & Library Services	~~30/11/2025~~ 30/09/2026	Comments - May 2025: Recommendation re-opened after IA review. RMS re-configured and 12 months of data has been collected. Roles and responsibilities to be delegated via TOM project. **Comments - July 2025.** Reviewed by SLT. Target completion deadline extended
		SP2	Governance and ownership of strategic plan objectives and reporti	Recommendation 2: Clarify governance arrangements around Strategic Plan, Ownership of objectives and reporting. As part of work to develop monitoring/reporting and governance mechanisms to track progress against the Our Holdfast 2050+ Plan: -Clarify roles and responsibilities for ownership for ownership and oversight of achievement against the Our Holdfast 2050+ Plan -Ensure that ownership of each objective/action is clearly tracked -Ensure that progress is included as a standing agenda item at a relevant strategic meeting	High	In Progress	Manager Strategy & Governance	31/09/2026	Comments - May 2025: Recommendation re-opened after IA review. Broader strategic initiatives to clarify governance arrangements, ownership of objectives and reporting on-going. New Envisio system under implementation. **Comments - July 2025**: Reviewed by SLT. Envisio development progressing as planned.
2024 Strategic Planning Alignment	May-25	SP5	Corporate performance tracking	**Recommendation 5**: Work to more clearly identify where strategy goals for corporate performance will be documented (and tracked). This will for example cover the organisational initiatives required within CHB to help achieve the objectives of the Strategic Plan.	Medium	In Progress	Manager Strategy & Governance	28/02/2026	**Comments - May 2025**: A new corporate performance reporting system, Envisio has been procured and is currently in its implementation phase. Organisational initiatives will be tracked and documented using Envisio.
2023 Procurement Review	May-25	PR1	Procurement oversight	**Recommendation 1**: Introduce some governance/assurance mechanisms to oversight procurement. Examples may include, but are not limited to: -Exception reporting (purchases above thresholds, varied POs, Cancelled POs, exemption spot checks) -Supplier creation/amendment/deletion (eg proof of supplier requests) Ensure that relevant staff position descriptions reflect this responsiblity for assurane around procurement	Medium	In Progress	Manager Strategy and Governance; Manager Finance	28/02/2026	**Comments - May 2025**: Recommendatino re-opened after IA review. No oversight of supplier creation - entire process currently conducted by one officer; Ongoing visual reivew of POs, however no sample checks of exemptions

2025 Leasing Management	25-May	LM2	Policy and procedure update	**Recommendation 2:** Clarify aspects of the Sporting and Community Leasing Policy. Work with Council to establish context that can assist in understanding how to apply lease discount criteria. For example, does Council have particular expectations for lessees to demonstrate good governance, asset maintenance, inclusive activities. Following the above, clarify aspects of the SCL Policy to ensure consistency and understanding in application across all areas identified by this IA, including: -periodic assessment and ensuring lessees meet obligations -maintenance requirements -the meaning of 'equity' -inspections of leased buildings, and -cost recovery and partial cost recovery for playing services -triggers for deeming a club as 'commercial in nature' Note – some detail may be included in a procedure (see Recommendation 6)	High	In Progress	Program Director - TOM Project; Strategic Property Officer	30/04/2026	Comments - June 2025: Working Group formed and a project plan to address recommendations developed. Policy position to be developed. Environment scan of what other local councils are doing to be done. Draft policy position will be presented at EM workshop. Comments - Sept 2025. Work commenced. Policy positions cannot be finalised until condition and performance assessment are undertaken and Council gives strategic directions based on outcomes of these. **Comments - Oct 2025**: Direction from SLT & EMs needed prior to completion of new policies. Consultation process with community clubs ongoing.
2025 Leasing Management	25-May	LM3	Lease fee setting and application of discounts	**Recommendation 3:** Clarify CHB's approach to lease fee setting and guidance around the application of discounts. In line with work identified in Recommendation 2, specifically work with Council to guide and clarify CHB's approach to setting lease fees for Sporting and Community Clubs. This can result in: -more rigorous guidelines and expectations that must be fulfilled before discounts are applied -clarity around whether discounts can be applied for each coming year after evidence of good practice/fulfilment of criteria has been provided – for example around asset management, good governance, public access to facility(ies)	Medium	In Progress	Program Director - TOM Project; Strategic Property Officer	30/04/2026	Comments - June 2025: Working Group formed and a project plan to address recommendations developed. Policy position to be developed. Environment scan of what other local councils are doing to be done. Draft policy position to be presented at EM workshop. Comments - Sept 2025: Work commenced, policy positions cannot be finalised until condition and performance assessment are done and Council gives strategic directions based on the outcomes of these. **Comments - Oct 2025**: Direction from STL & EMs needed prior to completion of new policy. Consultation process with community clubs on-going
2025 Leasing Management	25-May	LM4	Commercial Leasing and Licensing Policy and procedure update	**Recommendation 4:** Clarifying/ updating elements of the Commercial Leasing and Licencing Policy.Update the Commercial Leasing and Licensing Policy and ensure that it is clear on specific included items, including: -expectations around the principle of 'ensuring maximum return and improved asset value' -distinguishing between Council land lessee responsibilities (particularly re asset maintenance/repairs) -Council's approach to checking/ensuring lessee responsibilities are met -expectations around sub-letting, and -when Council will seek a market rent review.	Medium	In Progress	Program Director - TOM Project; Strategic Property Officer	30/04/2026	Comments - June 2025: Working Group formed and a project plan to address recommendations developed. Policy position to be developed. Environment scan of what other local councils are doing to be done. Draft policy position to be presented at EM workshop. Comments - Sept 2025: Work commenced, policy positions cannot be finalised unitl condition and performance assessment are undertaken and Council gives strategic directions based on these **Comments - Oct 2025**: Direction from SLT & EMs needed prior to completion of new policy. Consultation with community clubs on-going
2025 Leasing Management	25-May	LM5	Sub-Leasing/Subletting arrangements	**Recommendation 5:** Strengthening Council's expectations regarding sub-leases (for example, the treatment of for-profit sub-tenants, competitive neutrality, oversight). Strengthen Council's expectations regarding sub-leases. For example – -the treatment of a community service versus a for-profit sub-tenant -fees charged/expectations of competitive neutrality -can non-commercial (and commercial) tenants sublet for additional profit, and Council's right to recoup sub-lessee profit in the form of additional fees, and -if the Council chooses to charge additional fees for sub-leases, how funds are to be invested. To promote transparency around property use, consider whether tenants can be incentivised/required to provide sub-letting information to council.	Medium	In Progress	Program Director - TOM Project; Strategic Property Officer	30/04/2026	Comments - June 2025: Working Group formed and a project plan to address recommendations developed. Policy position to be agreed. Environment scan of hat other local councils are doing to be done. Draft policy position to be presented at EM workshop. Comments - Sept 2025: Work commenced, policy position cannot be finalised until condition and performance assessment are undertaken and Councils gives directions based on the outcomes of these **Comments - Oct 2025**: Direction from SLT & EMs needed prior to complition of policy. Consultaton with community clubs ongoing
2025 Leasing Management	25-May	LM6	Property management procedures	**Recommendation 6:** Develop a property management procedure. Develop a procedure covering property management processes, covering: -record keeping expectations/locations of records -forms/templates – when to use them and where they are stored -the pre-assessment process for a potential tenant (See LGA guide example, p.20) -leases and lease extensions -details around specific leases (lease register) -procedures for cost recovery from tenants (including ESL) and annual processes to seek copies of key documentation such as insurance -roles/responsibilities for building maintenance, and -key contacts and other important information.	High	In Progress	Program Director - TOM Project; Strategic Property Officer	28/02/2026	Comments - June 2025: Working Group formed and a project plan to address recommendations developed. Procedure for property management processes to be developed. Environment scan of what other local councils are doing to be done. Draft policy position to be presented at EM work shop. Comments - Sept 2025: Processes to be mapped as part of the TOM program. Processes will be optimised and procedures drafted on the the basis of agreed positions. **Comments - Oct 2025**: Directin from SLT & EMs needed prior to completion of policy. Consultation with community clubs ongoing
2025 Leasing Management	25-May	LM7	Consistency of policy application	**Recommendation 7:** Establish protocols to facilitate consistency in the granting of lease discounts. Work to establish protocols/guidelines that aim to facilitate consistency in how terms and conditions are applied to all lessees. This would be most effective if agreed between the Administration and Elected Members. Where decisions are made outside of this protocol, document details/decisions and reasoning for this – potentially in an automated system where records can be maintained/not lost (**see Recommendation 11**) – so that future CHB staff have visibility/oversight and can apply these discounts continuously.	High	In Progress	Program Director - TOM Project; Strategic Property Officer	30/04/2026	Comments - June 2025: Working Group formed and a project plan to address recommendations developed. Protocols/guidelines to be developed. Environment scan of what other councils are doing to be done. Draft policy position to be presented at EM workshop. Comments - Sept 2025: Work commenced, policy position cannot be finalised until condition and performance assessments are undertaken and Council gives strategic direction based on outcomes of these. **Comments - Oct 2025**: Direction from SLT & EMs needed prior to completion of policy. Consultation with community clubs ongoing
2025 Leasing Management	25-May	LM9	Consistency: Clarify of terms and conditions in leases	**Recommendation 9:** Promoting consistency within leasing documents (including mandatory disclosure statements). Work to ensure a consistent leasing format is used. In particular: -aim to ensure consistency between lease documents and mandatory disclosure statements, and -consider incorporating a legal check as part of the process to establish contracts and to aim to ensure that all lease clauses are clear.	High	In Progress	Property Manager	31/03/2026	Comments - June 2025: Working Group formed and a project plan to address recommendations developed. A quote for legal review to get consistency across templates to be obtained. **Comments - Sept 2025**: Quote received and forwarded to the Manager Property Services for budget availability confirmation
2025 Leasing Management	25-May	LM10	Roles and responsibilities	**Recommendation 10:** Finalising the RACI related to lease/property management as a priority. Work to finalise the RACI related to lease/property management as a priority. In particular, clarify roles/responsibilities related to: -instances where CHB is lessee -notifying key stakeholders (such as Facilities) when a new lease is created and action is required -receiving facilities maintenance requests, and -the management/issuing of licences, in particular licences that become more ongoing in nature.	High	In Progress	Program Director - TOM Project	~~30/10/2026~~ 30/11/2026	Comments - June 2025: Working Group formed and a project plan to address recommendations developed. Lease management/Property RACI underway. Completion complicated by all intersecting groups - will be looked at on a service basis. Comments - Sept 2025**:** 'To be' service design has commenced. Working Group agreed to change completion date to end of October 2025 **Comments - Oct 2025**: RACI upto service 'blueprint'. Ongoing work to determine practice, processes and structural changes ongoing. Structure of the Property Team should be determined by Mar/April 2026. Completion deadline extended by the working group to Nov 2026

2025 Leasing Management	25-May	LM11	Lease management system	**Recommendation 11:** Investigate implementing a lease management system. Investigate implementing a lease management system to promote efficiency, consistency and oversight of the function. -IA note that peer councils referenced different options: -use of the 'monitor' Reliansys module -Sharepoint -Nomos One -use of the contracts module within the TechnologyOne package (reportedly for some basic lease management functionality only). Other commercial products are also available and reportedly tailored to the work.	High	In Progress	Program Director - TOM Project ; Property Manager	31/12/2025	Comments - June 2025: Working Group formed and a project plan to address recommendations developed. Business requirements for a technology solution to be documented. Appropriate lease management system will be deployed as budget allows. Comments - Sept 2025: Business requirements have been gathered and currently awaiting TechOnes response. If requirements cannot be met by TechOne, an approach to market will be made. **Comments - Oct 2025:** No lease management model on TechOne. Business requirements have been determined. SharePoint to be used as an interim solution. Broader lease management system to be determined
2025 Leasing Management	25-May	LM12	Monitoring and reporting	**Recommendation 12:** Establish monitoring and reporting protocols for property management and performance. Work to establish monitoring and reporting protocols around property management and performance, both for commercial and community type leases. This can align with requirements per s4 from the Commercial Leasing and Licensing Policy. Examples of reporting topics may include but not be limited to: -status of leases / upcoming due dates -financial performance/debtors -key issues/challenges. This may be, for example, a periodic standing agenda item at the Senior Leadership Team (SLT).	Medium	In Progress	Program Director - TOM Project	~~30/09/2025~~ 31/03/2026	Comments - June 2025: Working Group formed and a project plan to address recommendations developed. Monitoring and reporting protocols and creation of a dashboard to be investigated. Comments - Sept 2025: Dashboard to be developed by Property Manager/Consultant **Comment - Oct 2025:** IT attempting to schedule in works noting current workload. Program Director - TOM to press for timing with IT. Completion deadline extended by working group
2025 Leasing Management	25-May	LM14	Asset maintenance and property inspections	**Recommendation 14:** Agreeing a set of principles outlining asset management roles/responsibilities. Consider developing a set of principles and/or policy expectation that outline asset management roles/responsibilities between CHB and lessees. Aim for these to be applied consistently across tenants. Where changes are made in favour of lessees, consider implementing a more formal sign-off/documentation of the reasoning for this, and maintain a record of decision-making. Note – IA understand that different buildings/assets may require different conditions, however the intention is to demonstrate a general principle and note the reasons for any deviation on file.	Medium	In Progress	Strategic Property Officer; Property Manager	30/04/2026	Comments - June 2025: Working Group formed and a project plan to address recommendations developed. Policy position to be developed. Environment scan of what other local councils are doing to be done. Draft policy position to be presented at EM workshop. Comments - Sept 2025: Work commenced, policy position cannot be finalised until condition and performance assessment are undertaken and Council gives strategic directions based on the outcomes of these. **Comments - Oct 2025:** Direction from SLT and EMs needed prior to completion of policy. Consultation with community clubs ongoing
2025 Leasing Management	25-May	LM15	Asset maintenance and property inspections	**Recommendation 15:** Establish a program for periodic inspections. Establish a program for periodic inspections of all properties leased by CHB to others. In line with best practice, these inspections can: -note and record asset condition (eg via photos, summary report, within a system) -provide lessees with a summary report -identify areas for improvement by the lessee (and re-inspect for completion), and -identify areas for proactive maintenance by CHB. Note – this process may be trialled to identify time taken and the best approach to being conducted. For example, it may be conducted in-house or outsourced.	High	In Progress	Manager Property Services	~~30/11/2025~~ 30/04/2026	Comments - June 2025: Working Group formed and a project plan to address recommendations developed. A risk-based approach for property maintenance program to be developed. Building audits will be done by an external consultant. Comments - Sept 2025: Building audits ongoing and will be completed by Nov 2025 **Comments - Oct 2025:** Building audits to be completed by April 2026. Audits will feed into inspection schedule
2025 Leasing Management	25-May	LM16	Asset maintenance and property inspections	**Recommendation 16:** Consider establishing an online maintenance request form. Implement an online facilities maintenance request form for lessee use. This form may facilitate document attachment, inclusion of photographs and be used to further triage/prioritise CHB's response. Audit note that lessees may be able to utilise the online 'Customer Request Form' already available to residents.	Medium	In Progress	Program Director - TOM Project	~~30/09/2025~~ 30/11/2026	Comments - June 2025: Working Group formed and a project plan to address recommendations developed. Online maintenance request form into RMS or Microsoft form will be developed as a short term solution. Comments - Sept 2025: Technical options have been investigated. Process to be agreed including clubs to be instructed to direct property specific enquiries to leasing inbox. Completion deadline extended by working group to end of Sept 2026. **Comments - Oct 2025:** Part of service discussions. Interim solution (leasing inbox) being utilised and actioned by Property Support Officer. Final solutin to be provided by end of November 2026
2025 Leasing Management	25-May	LM17	Asset maintenance and property inspections	**Recommendation 17:** Clarify which officers can access tenant lease. Ensure that relevant CHB officers can access to copies of tenant leases, and that these leases are recorded in an accessible location to facilitate general responses to tenant queries.	Low	In Progress	Property Manager	31/01/2026	Comments - June 2025: Working Group formed and a project plan to address recommendations developed. Tenant leases will be uploaded to ECM for relevant officers to access. Options for access to leases to be evaluated. Comments - Sept 2025: Property Manager to work with Property Support Officer to get the last 20% of leases into ECM. Key staff have access to Teams folders **Comments - Oct 2025:** 3,000 items to be loaded to ECM. Progress delayed by staff movements. SharePoint connect may alleviate work load
2025 Leasing Management	25-May	LM18	Proactive maintenance	**Recommendation 18:** Clarifying Council's position around how proactive maintenance programs will be implemented, and associated fee model. Work with Council to clarify expectations around lessee/Council roles/responsibilities for the proactive maintenance of leased properties (for example around painting, walkways, roofing). For example, whether Council will reintroduce proactive maintenance, and the model of fees associated with this. This decision may be informed by: -an inspection of all leased properties, and -creation of a defects register. The intention of this recommendation is to minimise future instances where CHB incurs avoidable maintenance fees, and to reduce future reactive maintenance costs	High	In Progress	Strategic Property Officer; Property Manager	30/04/2026	Comments - June 2025: Working Group formed and a project plan to address recommendations developed. Policy position to be developed. Environment scan of what other local councils are doing to be done. Draft policy position to be presented at EM workshop. Comments - Sept 2025: Work commenced, policy position cannot be finalised until condition and performance assessments are undertaken and Council gives strategic directions based on the outcomes of these. **Comments - Oct 2025:** Direction from SLT & EMs needed prior to completion of policy. Consultation with community clubs ongoing
2025 Leasing Management	25-May	LM19	Expectations for charging oncosts to lessee	**Recommendation 19:** Clarify expectations for charging oncosts to lessee. Clarify CHB's expectations in relation to charging for lessee oncosts (including power, water, ESL) and work to ensure the most efficient approach is in place. For example, consider: -estimating annual oncosts, charging a monthly average and reconciling at the end of each year -whether tenants can connect/pay for utilities (electricity, water) directly. Note – this recommendations includes options only, for discussion/consideration.	Medium	In Progress	Strategic Property Officer; Property Manager	28/02/2026	Comments - June 2025: Working Group formed and a project plan to address recommendations developed. Policy position to be developed. Environment scan of what other local councils are doing to be done. Draft policy position to be presented at EM workshop. Comments - Sept 2025: Work commenced, policy position cannot be finalised until condition and performance assessments are undertaken and Councl gives strategic directions based on the outcomes of these **Comments - Oct 2025:** Direction from SLT & EMs needed prior to completion of policy. Consultation with community clubs ongoing

2025 Leasing Management	25-May	LM20	Expectations around termination clauses in all leases	**Recommendation 20:** Establish a provision for early termination in all current and future leases. Clarify CHB's expectations around termination clauses in all leases (including low value community leases) and ensure that all future leases include appropriate clauses. In addition, consider whether to include a standard clause whereby CHB may terminate leases in the event it chooses to change the usage of the site (for example, via redevelopment, sale).	Low	In Progress	Program Director - TOM Project; Strategic Property Officer	28/02/2026	Comments - June 2025: Working Group formed and a project plan to address recommendations developed. Policy position to be developed. Environment scan of what other local councils are doing to be done. Draft policy position to be presented at EM workshop. Comments - Sept 2025: Work commenced, policy position cannot be finalised until condition and performance assessment are undertaken and Council gives strategic directions based on the outcomes of these **Comments - Oct 2025**: Direction from SLT & EMs needed prior to completion of policy. Community consultation ongoing
2025 Leasing Management	25-May	LM21	CHB as lessee: Internal processes areas to strengthen	**Recommendation 21:** Document roles, responsibilities, and location of lease records for instances where CHB is lessee. Document roles/ responsibilities/ expected location of records in the instances where CHB is a lessee rather than a lessor.	Medium	In Progress	Property Manager	30/06/2026	Comments - June 2025: Working Group formed and a project plan to address recommendations developed. Roles and responsibilities to be put into the Property Managers SOP. Process mapping to be done if required. Comments - Sept 2025: Deep dive into ECM and old W drive to find these lease records. Strategic property reviewed needed to determine if they are required going forward **Comments - Oct 2025:** To be actioned once historical data has been investigated
2025 Leasing Management	25-May	LM23	A process to check for land ownership	**Recommendation 23:** Establish a process to check land ownership before installing public infrastructure in land that appears to belong to CHB. Define a process where land ownership is checked/confirmed before installing public infrastructure in land that appears to belong to CHB. When land is identified as belonging to another party, investigate purchase/lease arrangements before building commences.	Low	In Progress	Program Director - TOM Project	30/06/2026	Comments - June 2025: Working Group formed and a project plan to address recommendations developed. Process for checking of land ownership before installation of public infrastructure to be put in Property Manager's SOP **Comments - Oct 2025:** Work order system to be investigated to support this requirement. Ops Support/Project Mangers to ensure works are being done on Council land before commencing projects. Surveys of leased sites to understand ownership also needs to be done.

Internal Audit - Recommendation/Action Monitoring and Review

Audit	Date Report Finalised/Action Opened	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
2022/23 Flood Mitigation	Feb-23	FM05	**2.5 Detailed findings** Opportunity for proactive condition assessments and oversight of third parties	**We recommend that:** **Rec. 6:** - Develop an approach, for example via two-way liaison, to obtain assurance that Minda's current management of stormwater is effective. *Note: the intent of this recommendation is for CHB to have assurance that it will not be unexpectedly impacted by a failure in stormwater asset controls at Minda. Minda may also benefit from two-way discussion with CHB on this matter. If CHB attempt to open liaison and Minda is not forthcoming in engaging, then this recommendation will be considered closed.*	Medium	**Not Yet Implemented**	Manager Engineering and Manager Development Services	~~30/06/2024~~ ~~30/06/2025~~ 31/07/2026	Comments June 2023 - work not yet commenced Comments August 2023 -not yet commenced Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter. Comments February 2024 - no progress on this action. Risk and criticallity will be further explored in the SMP. Recommend timeframe to change to 30/6/25, inline with SMP. Comments - May 2024 - Same comments as February 2024 Comments - August 2024 - Will discuss across both teams to determine best way forward within remaining timeframes Comment - November 2024 - Both teams still working towards a best way forward. Comments - July 2025. No progress. SMP review delayed by 12 months Comments - Sept 2025: Reviewed by GM Assets & Delivery and Managers. No substantive change in the intervening period. Attempts to clarify approach ongoing **Comments - Jan 2026**: No substantive change from Sept 2025
				Recommendation 6: Recommence work to implement a community energy program.	Low	**Not Yet Implemented**	Manager Engineering	~~6/30/2025~~ 30/06/2026	Comments - August 2024 - Not yet commenced. Comments - November 2024: Likely to be delivered as a new initiative that will be prioritised in the annual business plan. Comments - July 2025. Low priority for Council. GM to review **Comments - Sept 2025**: Reviewed by GM Assets & Delivery and Manager. No plan to implement action in the interim; Recommendation is a low priority. Targed completion date extended
2025 Leasing Management	25-May	LM8	Charges for kiosks	**Recommendation 8:** Consider conducting a market rent review for The Nest Kiosk.Ensure that a market rent review of the annual fee charged to The Nest Kiosk occurs, in line with expectations set out in the lease agreement. The intent would be to confirm that the lease is in line with market expectations.	Low	**Not Yet Implemented**	Property Manager	30/11/2028	Comments - June 2025: Working Group formed and a project plan to address recommendations developed. Action on hold. Comments - Sept 2025: Reviewed by GM Assets & Delivery and Managers. Action remains on hold. **Comments - Jan 2026:** Action remains on hold.

Item No:	9.3
Subject:	**RISK REPORT – FEBRUARY 2026**

Summary

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

Council's Risk Management Policy has been reviewed and updated to strengthen Council's integrated approach. A draft version of the revised policy is provided to the Audit and Risk Committee for discussion and feedback.

Recommendation

That the Audit and Risk Committee:

1.   **notes this report; and**

2.   **reviews and provides feedback on the draft Risk Management Policy prior to its finalisation and presentation to Council for adoption.**

Background

In accordance with the updated ISO 31000:2018 guidelines, both risks and associated opportunities were identified and reviewed by the Senior Leadership Team (SLT), with reference to *Our Holdfast 2050+* and supporting business plans. These reviews are undertaken on a quarterly basis.

Report

Strategic Risk Register

A review of Council's Strategic Risk Register has been completed, resulting in a reduction from 20 to 13 strategic risks. The revised Register features streamlined risk categories with a clearer emphasis on enterprise risk management principles, stronger integration with business planning processes, and a focus on the most material strategic issues.

This updated structure reflects contemporary better practice within the South Australian local government sector, where there is a shift toward more concise and well-defined strategic risk registers rather than larger, less targeted lists. The revised register also strengthens alignment with Council's strategic direction, as outlined in *Our Holdfast 2050+*, and more accurately reflects current organisational capability. In addition, controls have been refined and enhanced to support more effective risk oversight and management.

Across the 13 strategic risks, none have a high or extreme residual risk rating. Notably, the Cyber Security and Business Continuity/Emergency Management risk categories have extreme inherent risk ratings; however, after the application of existing controls, both sit at a medium residual level. Similarly, Strategic Planning carries a high inherent risk rating but has reduced to a low residual rating, reflecting recent improvements in Council's planning and accountability frameworks.

Overall, the updated profile demonstrates a material reduction in residual risk, with the majority of risks now sitting at a medium level. While this reflects the presence of key controls, further work is required to strengthen their effectiveness, embed consistency across the organisation, and ensure controls remain responsive to emerging challenges. This is particularly important in areas such as financial sustainability, cyber security, climate adaptation, and workforce capability.

To support continuous improvement and drive residual risks towards lower ratings over time, additional focus on risk treatment planning and targeted resourcing will be required.

The new Register is attached for the Committee's noting.

Refer Attachment 1

Risk Management Policy

The Risk Management Policy has been reviewed and updated to strengthen Council's integrated approach to risk and assurance.

The updated draft policy is attached for the Committee's review and feedback. Any feedback received will inform further refinement of the policy, with a final draft to be presented to the Audit and Risk Committee at its April 2026 meeting prior to consideration by Council.

Refer Attachment 2

A key proposed change is the formal discontinuation of the standalone Internal Audit Policy, with all internal audit provisions now incorporated directly within the Risk Management Policy. This integration is intended to provide clearer alignment between risk management, risk assurance activities and organisational decision-making.

This approach reinforces Council's commitment to a consolidated *Three Lines of Defence* model (as illustrated in Appendix 1 of the draft policy), ensuring that internal audit functions as part of a cohesive assurance framework rather than as a separate or siloed activity.

The updated policy more clearly articulates the role, authority and independence of internal audit, including access rights, reporting pathways and oversight expectations. It also clarifies responsibilities across governance levels, incorporates refined risk appetite statements, and strengthens provisions relating to monitoring and continuous improvement.

The draft policy identifies oversight of Alwyndor's activities as part of the Audit and Risk Committee's broader governance responsibilities, ensuring that risks are escalated through a single, consolidated risk assurance structure. While Alwyndor's Management Committee will continue to hold primary responsibility for operational risk management, internal controls and compliance with the *Aged Care Act 2025*, the Audit and Risk Committee will retain oversight of strategic risks, internal audit outcomes and assurance reporting that impact the whole of Council.

The final structure of how the shared oversight will operate, including reporting pathways and the delineation of responsibilities between Alwyndor's Management Committee and the Audit and Risk Committee remains under development and will be brought back to the Committee once finalised.

Collectively, the enhancements incorporated into the draft policy establish a more transparent, integrated and contemporary risk management framework, supporting improved organisational risk maturity and alignment with AS ISO 31000:2018.

Risk Appetite Statements and Risk Tolerance

Over recent months, work has been undertaken to develop Council's risk appetite statements and define risk tolerance levels across major risk categories.

For each category, clear risk tolerance thresholds and indicative metrics have been drafted to support consistent decision-making and strengthen ongoing risk monitoring. The statements emphasise clarity, transparency and practical applicability to ensure they can be effectively operationalised across business units.

The proposed tolerance levels have been aligned with legislative obligations, Council's long-term strategic direction and contemporary sector standards. The indicators incorporate both qualitative and quantitative measures, enhancing Council's ability to identify, monitor and manage risks proactively.

The draft metrics are intended to act as both guidance and guardrails, ensuring risks are managed within acceptable boundaries while still enabling innovation and improvement where appropriate.

The Committee is invited to review the suitability and operability of the draft tolerance thresholds and metrics, and to provide any additional considerations or refinements that may strengthen their effectiveness.

Feedback will inform further development of the statements. A final draft will be presented to the Audit and Risk Committee's April 2026 meeting, prior to consideration by Council.

Refer Attachment 3

Operational Risk Register

A review of Council's Operational Risk Register is well underway, following the completion of manager workshops facilitated by an LGRS consultant.

The updated Operational Risk Register remains on track for completion in February 2026 and will be presented to the Committee for consideration and endorsement at its next meeting.

Budget

There are no budget implications associated with this report.

Life Cycle Costs

There are no life cycle costs associated with this report.

Strategic Plan

Statutory compliance

Council Policy

Risk Management Policy

Statutory Provisions

Not applicable

Written By: Risk and Improvement Officer

General Manager: Strategy and Corporate, Mr A Filipi

Attachment 1

Strategic Risk Register Inherent vs Residual Risk Ratings

Risk ID	Risk Description	Risk Ratings	
		Inherent	Residual
188	Financial Sustainability: Council faces the risk of becoming financially unsustainable.	High	Medium
189	Asset Management: Council faces the risk of ineffective asset management.	Medium	Low
190	Cyber Security: Council faces the risk of a cyber security breach.	Extreme	Medium
191	Climate Change:Council faces the risk of ineffective adaptation to climate change.	High	Medium
192	Business Continuity and Emergency Management: Council faces the risk of ineffective preparation for and response to emergencies.	Extreme	Medium
193	Ineffective Governance: Council faces the risk of failing to make sound decisions and implement policies effectively to ensure accountability.	Medium	Low
194	Community Expectations: Council faces the risk of failing to adequately identify, understand, and respond to the evolving needs and expectations of the community.	High	Medium
195	Economy and Tourism: Council is unable to effectively influence and stimulate the local economy and tourism sector.	High	Medium
196	Relationships with Other Tiers of Government: Council faces the risk of failing to establish and sustain effective relationships with other levels of government.	High	Low
197	People and Culture (including WHS) Council faces the risk of ineffective management of its workforce, employee safety and wellbeing, and organisational culture.	High	Medium
198	Strategic Planning: Council faces the risk of ineffective strategic planning	High	Low
199	Community Wellbeing. Council faces the risk of insufficient community health and wellbeing initiatives and resources.	High	Medium
222	Aged Care: Failure to sustainably delivery aged care services that meet community needs and comply with the Aged Care Act	High	Medium

Attachment 2

Risk Management Policy

1. Purpose

The City of Holdfast Bay recognises that effective risk management policies, systems and processes will inform decision making, resource allocation and risk mitigation, which in turn will support successful achievement of its vision and strategic objectives.

The purpose of the risk management policy is to enable an integrated and systematic approach to risk management by:

- Articulating Council's commitment to core risk management principles
- Supporting the implementation and maintenance of a Risk Management Framework that comprises the tools and processes that underpin the organisation's risk management approach
- Reviewing and evaluating the effectiveness of Council's policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis
- Reflecting that risk management is integrated into Council's planning, decision making as well as governance and leadership structures.

2. Scope

This policy applies to all internal and external stakeholders, authorised to act on behalf of Council, including Alwyndor, Elected Members, employees, contractors, and volunteers at the City of Holdfast Bay.

This policy and its related documentation are intended to provide guidance for maximising opportunities whilst minimising risks that may impact the achievement of council's objectives.

3. Risk Management Framework

Council identifies, assesses and manages risk at a business and enterprise level. This process covers the full spectrum of risks including strategic, operational, and project risks, including compliance.

This policy aims to achieve the proper identification and oversight of risks Council faces. Council's risk management approach comprises the following key elements:

- Risk appetite statement and risk tolerances
- Risk management policies
- Risk management procedures.

This framework is consistent with the risk management standard AS ISO 31000:2018 (Refer to Appendix 1: Risk Management Framework).

4. Risk Governance

Council has adopted a "Three Lines of Defence' model for risk management. This model ensures roles, responsibilities and accountabilities are structured to demonstrate effective governance and a coherent and collective risk assurance program that ensures decision-makers have confidence in the relevance, reliability and efficacy of the risk management framework.

The three lines of Council's risk assurance program are:

- **First Line – Operational Management**: Effective and efficient risk identification and management by managers and operational staff, responsible for day-to-day decision-making and implementation of risk controls.
- **Second Line – Oversight Functions**: Oversight, identification and advice by the Executive Leadership Team and Risk & Improvement Officer. This level drafts and implements governance procedures and provides necessary tools and training to support the 1st line processes. The second line also includes the Audit & Risk Committee (A&RC) with oversight responsibilities of risk management activities, controls and governance. A&RC also provides feedback and advice to the Executive Leadership Team. The third component of the second line is Council who set the tone of risk management, approve the risk management policy and framework, sets and adopts the risk appetite and tolerance and review the effectiveness of the risk management framework annually.
- **Third Line – Independent Assurance**: Council's independent Internal Audit and External Audit providing assurance to the Council's Audit & Risk Committee on the effectiveness of business operations and oversight frameworks (1st and 2nd Line).

5. Roles and Responsibilities

Council Members	- Adopt Council's risk appetite and policy for managing risks - Foster a culture that is consistent with Councils risk appetite - Ensure that council has structures and processes in place to support decision making and risk management - Responsible for establishing the foundational elements of the Council's risk management framework and approving the risk appetite statement - Review Audit and Risk Committee reports.
Audit and Risk Committee	- Review reports from management, internal and external auditors and consultants - Endorse risk assessment criteria - Monitor City of Holdfast Bay's responsiveness to recommendations for improvement based on previous audits and risk assessments, including those raised by the City of Holdfast Bay auditor - Provide oversight of the planning and scoping of the internal audit work plan and review internal audit reports on a quarterly basis - Review the annual reports from CEO in relation to policies and processes adopted to evaluate and improve the effectiveness of internal control practices and procedures - Review and evaluate the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis - Monitor strategic risks on a quarterly basis.
Chief Executive Officer	- Promote a strong risk management culture by providing firm and visible commitment to risk management including ensuring appropriate accountability for the management of risk - Ensure that effective policies, systems and procedures are established and maintained for the identification, assessment, monitoring, management and

	annual review of strategic, financial and operational risks and provide a report to the Audit and Risk Committee on a regular basis • Ensure the Executive Leadership Team have the necessary knowledge and skills to effectively fulfil their risk management responsibilities • Regularly review strategic, financial and operational risks and maintain an understanding of the environment in which the organisation operates, the risks it faces and the effectiveness of its controls • Ensure compliance with legislative and contractual obligations and policy requirements • Provide reliable information about risks, controls and their effectiveness to Council • Report annually to the Audit and Risk Committee on the internal audit processes • Escalate all strategic risks that exceed the organisation's risk appetite to the Audit and Risk Committee or Council, as required.
Alwyndor Management Committee	• Ensure risk management practices within Alwyndor align with Council's risk management policy and strategic objectives • Apply Council's defined risk appetite when making decisions • Ensure Alwyndor has established an effective risk management framework, processes and procedures • Review risk reports, risk registers and incident trends, and escalate risks to Council as required • Ensure timely and accurate reporting of risk management performance to Council • Encourage innovation and improvement in risk management practices at Alwyndor
Executive Leadership Team	• Commitment to, and promotion of, the risk management policy and framework • Monitor the organisation's overall risk profile and mitigation strategies • Ensure that risk management is embedded into all functions and activities, including decision making • Ensure that risks that cannot be treated immediately are recorded on the risk register and that there is ongoing and regular review of the risk register, (including follow up and close out of overdue risk treatments) • Incorporate risk treatments into departmental plans • Ensure that staff, contractors, volunteers and other relevant stakeholders have the appropriate skills to actively be involved in managing risk • Provide incentives and performance management arrangements that support the desired approach to managing risk • Promote a proactive risk culture in accordance with business management initiatives • Collectively review strategic risks and consider emerging risks, (prior to Audit and Risk Committee meetings) • Ensure compliance with legislative and contractual obligations and policy requirements.
All Managers	• Identify and manage their designated risk in accordance with the risk management framework • Provide progress reports on risks • Assign responsibility for the implementation of agreed risk treatment actions • Asist control/treatment owner in seeking resources (budget) for mitigation actions • Set and monitor key milestones, risk indicators and review dates • Accountable for the delivery and adherence to this policy and associated

	procedures within their areas of responsibility.
Risk & Improvement Officer	• Provide guidance and assistance to the Senior Leadership Team and workers in relation to the application of this framework • Provide guidance and assistance to the Senior Leadership Team and workers in relation to the application of this framework • Ensure relevant risk information is recorded in the Risk Register and reported and escalated to the or cascaded to staff, as relevant • Maintain the Risk Management Policy and Framework to ensure its currency and relevance • Maintain the Risk Register and reporting timeframes as required.
Employees, volunteers & Contractors	• Understand the risk management processes that apply to their area of work • Identify, evaluate, report and manage, (or escalate,) risks relating to daily activities and projects.

6. Principles

The City of Holdfast Bay approach to risk is committed to applying the risk management standard AS/NZ ISO 31000:2018 and recognises risk management as an integral part of good decision making and the achievement of its strategic objectives.

Council's approach to risk management, compliance and internal audit is underpinned by the following principles:

6.1. Support for a culture where risk management and continuous improvement practices are integral to the achievement of Council's objectives.

6.2. Application of effective risk management practices to support achievement of objectives consistent with Council's risk appetite and tolerance levels.

6.3. Establishment and maintenance of systems and processes to:
   • Ensure risks are identified, assessed, managed, reported and acted upon in a timely manner
   • Deliver risk-based compliance and assurance activities that are designed to provide insightful improvement recommendations that assist achievement of objectives
   • Facilitate, monitor and report on compliance with relevant obligations, internal audit findings and recommendations.

6.4. Integration of risk management into all organisational activities and internal audit to ensure effective and coordinated risk response.

6.5. Demonstration of integrity, competence and professionalism in the delivery of risk and compliance functions and internal audit by adherence to relevant professional standards.

6.6. Consideration of human and cultural factors in risk management.

6.7. Support of our aim for best practice services for our community while seeking risk-based continuous improvement through innovation, learning and experience

6.8. Creation and maintenance of an environment that encourages and seeks the involvement of internal and external stakeholders in risk management outcomes.

6.9. Monitoring of the effectiveness of Council's risk management framework using appropriate performance measures

7. Policy Statement

The management of risk will be integrated into governance and leadership structures, including decision-making at all levels.

Council is committed to developing and maintaining structured and comprehensive risk management systems and processes that are dynamic and based on best available information.

Engagement with Council employees and stakeholders is integral to the success of risk management processes and as such structures to facilitate consultation and communication will be developed and maintained.

Council will monitor and review its strategic, operational and project risks and apply learnings to continually improve efficiency and effectiveness.

The risk management policy affirms Council's commitment to the following:

Risk Management

7.1 All reports to Council will consider risk management implications of the decision being made.
7.2 Council will maintain a risk management framework consistent with guidelines and principles of risk management as set out in ISO 31000:2018, with the goal of providing a consistent environment for dealing with uncertainties likely to impact on the achievement of Council's objectives.
7.3 The criteria to be used for risk assessment are those detailed in the risk management procedure.
7.4 All risk are to be recorded and updated within the Council's strategic and operational risk registers
7.5 Risks initially rated high or extreme are to be reported to the Audit and Risk Committee on a quarterly basis.
7.6 Where appropriate/relevant, Council will be engaged in the risk management process for new and/or emerging risks or when existing risk ratings have escalated to the extent they are deemed to have major consequences on the operations of Council or the community.

Internal Audit

7.7 Council will establish an internal audit program, with accompanying procedures, that describe the purpose, authority, responsibilities and activities of the function
7.8 Ensure that the internal audit function is independent and resourced with appropriately experienced staff who adhere to relevant professional standards and ethical standards.
7.9 Establish risk-based internal audit plans in consultation with key stakeholders overseen by the Audit and Risk Committee.
7.10 Establish effective systems for oversight, monitoring and report of audit related recommendations/actions.
7.11 Provide the Audit and Risk Committee with approved and endorsed internal audit reports.
7.12 Subject to compliance with Council's privacy, security and other relevant policies, internal auditor are authorised to have full, free and unrestricted access to all functions, premises, assets, personnel, records and other documentation required to enable their review.
7.13 Council's approach to internal audit is that there should be no surprises at the conclusion of an assignment. Discussions should be held with managers as findings emerge.
7.14 Internal Auditors will have direct access to the Mayor, the Chair of the Audit and Risk Committee and the CEO. Periodic 'in-camera' meetings maybe be held between the Auditors and the Audit and Risk Committee.

8. Legislative Requirements

The Local Government Act 1999 (Sections 48, 99 & 125) require Council to establish and maintain effective policies, systems and processes for the identification, assessment, monitoring and management of strategic, financial and operational risks.

Sections 125A and 126/126A of the Local Government Act 1999 mandate executive oversight of risk management through the CEO and the Audit & Risk Committee, including periodic reviews of internal controls, risk framework and internal audit reporting.

Sections 132A and 134 of the Local Government Act 1999, require Council to adopt risk management policies by resolution, ensure statutory compliance and achieve/maintain standards of good administration.

As a member of the Local Government Association Mutual Liability Scheme, Council is bound by the Scheme rules, which

include an obligation to ensure that adequate risk management and prevention strategies are put in place so as to absolutely minimize the risk of any incident, circumstance or matter that may give risk to a claim.

9.   Risk Profile

A risk profile describes a set of risks applicable to the whole organisation.

Council has established its risk profile regarding the internal and external environment in which it operates. The Council's risk profile is encapsulated in the following risk categories.

Category	Description	Owners
Strategic Risks	Risks, whose impacts are Council-wide, involve significant change or service delivery complexity, impact the long-term or have major external consequences. Risks in other categories rated high/extreme are escalated to the strategic risk profile as appropriate	General Managers
Operational Risks	Risks arising from inadequate or failed internal processes, systems, human factors or external events that impact the organisation's ability to delivery services and achieve its objectives	Managers
Project risks	Risks from planning, execution or delivery of a project that may adversely impact a project's objectives such as scope, schedule, cost, quality or stakeholder expectations	Project Managers

10.   Risk Appetite

Council seeks to manage its risk profile carefully. This reflects the view that satisfactory fulfilment of its important public responsibilities could be seriously compromised by poor management of risks.

To support this commitment, Council will establish a defined risk appetite to guide the management of significant risks. Risk appetite defines the amount of risk Council is willing to accept in pursuit of its strategic goals and will form the basis of Council's approach to managing risk and the taking of opportunities in strategic decision making and day-to-day operational activities.

Council will set and adopt a set of risk appetite statements and tolerances. Council's risk appetite levels are defined below:

Averse	Cautious	Accepting	Open
• Well established & effective controls in place • Very little appetite for decisions or activities that may increase level of risk	• Controls are in place or being developed • Activities closely monitored • Preference for safer options with little opportunity for adverse exposure	• There is an acceptance of the existing level of risk and all options that improve performance will be considered where reasonable protections can be implemented	• Activities are new, innovative & challenge existing practice • Willing to take risk to achieve improved outcomes • Risk is monitored & responded to as appropriate

## 11.	Risk Management Culture

Risk management Culture refers to the set of shared values and behaviours that characterise how Council considers risk in its day-to-day activities. Risk Management Culture should be embedded into and not separate from the organisational culture.

Council aims to create a positive risk management culture where risk management is integrated into everyday activities and the management risks is an integral part of governance, good management practice and decision making at Council.

It is the responsibility of every staff member and their business unit to observe and implement council's risk management framework.

## 12.	Risk Management Procedure

Risk management procedures shall be developed, where required, to provide a systematic way of identifying, assessing and prioritising risks, deciding on how they will be managed, and documenting and communicating this across the council.

All risk management procedures are to be performed in accordance with AS ISO 31000:2018, using qualitative, semi-quantitative or quantitative methods and techniques that best suit Council's operations, risk management maturity and decision-making needs.

The Executive Leadership Team will adopt and oversee the implementation of risk management procedures to ensure consistent application across Council.

## 13.	Escalations, Actions and Monitoring

The residual risk rating of any risk will define the immediate and ongoing escalations and actions that are required.

Monitoring involves reviewing control effectiveness and reconfirmation of Residual Risk ratings and progress to achieve target risk level

Risk Level	Action Required	Escalation	Monitoring
Extreme	Stop immediately. Must be managed by Executive Leadership with a detailed plan to achieve a lower risk rating	ELT, CEO, Audit &Risk Committee	Monthly
High	Executive Leadership attention neeeded and management responsibility specified with a detailed plan to achieve a lower risk rating	ELT, CEO, Audit & Risk Committee	Quarterly
Medium	Management responsibility must be specified and response procedures monitored	Business Unit Manager	6 months
Low	Managed by routine procedures at business unit level	None	12 months

## 14.	Reporting

To ensure the Risk Management Framework remains effective, relevant and complies with AS ISO 31000:2018, quarterly reports about the risk management function and activities will be provided to the Executive Leadership Team and the Audit & Risk Committee.

The CEO may ask Risk Owners to discuss their risks any time and in any forum.

15. Continuous Improvement

The Executive Leadership Team and the Risk and Improvement Officer are responsible for continuous improvement of risk management through:
- Annual evaluation of risk management performance with recommendations on how the Risk Management Framework can be enhanced
- Periodic review of Council's risk maturity
- Ongoing monitoring and review of information/data/feedback from the Executive, risk owners and staff
- Timely response to internal and external audit findings and reports
- Timely response to opportunities identified during risk maturity assessment.

The ongoing monitoring and review of the information gathered from Council's risk management processes to ensure the Risk Management Framework is up-to-date and relevant will be undertaken by the Executive Leadership Team (ELT).

ELT will undertake an annual assessment that provides assurance that Council's strategic and operational risk registers are current and appropriate.

16. Policy Review

This policy will be reviewed every 3 years, or more frequently if legislation, relevant standards or organisational needs change.

17. Definitions

Key term or acronym	Definition
Risk	An event / incident / issue that, if it occurs will have an impact on objectives.
Risk Appetite	The level of risk tolerance established by Council for risk(s) or risk class(es) outside of which administration may only operate with the express permission from Council.
Risk Tolerance	Risk tolerance is the acceptable level of variation in performance or outcomes that Council is prepared to withstand in achieving its objectives. It translates the broader risk appetite into practical limits or thresholds, guiding decision-making, monitoring and escalation processes
Risk management	Coordinated activities to direct and control an organisation with regard to risk.
Risk Management Framework	A set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.
Risk Management Policy	A statement of the overall intentions and direction of an organisation related to risk management.
Inherent Risk	The level of risk that exists before any controls or mitigation measures are applied.
Residual Risk	The level of risk that remains after risk treatment measures and controls have been implemented.
Monitoring	The process of frequently checking, supervising, critically observing or determining the status in order to identify change from the performance level required or expected.

Opportunity	Something that offers a prospect for advancement or success in achieving objectives.
Control	A thing or action that influences the likelihood and/or consequence of a risk event by preventing the risk event, detecting the occurrence of a risk event and mitigating the consequence od the risk event.
Control Effectiveness	An assessment of the effectiveness of a control by considering its design and operation.
Material Risk	Risk with a residual risk rating of 'High' or 'Extreme'.

18. Administration Use Only

Reference Number:	
Strategic Alignment:	Statutory requirement
Strategic Risk:	Risks ID 192; 193; 197 & 198
Responsible Officer(s):	Manager, Strategy and Governance Risk and Improvement Officer
First Issued / Approved:	13 March 2018
Minutes Date and Council Resolution Number:	
Last Reviewed:	TBA
Next Review Date:	TBA
Applicable Legislation:	• Section 125 of the *Local Government Act 1999 (SA)* • Local Government Financial Management Regulations 2011 • *Work Health and Safety Act 2012* • *Emergency Management Act 2004* • *Civil Liabilities Act 1936* • *State Records Act 1997* • *Freedom of Information Act 1991.*
Related Policies:	Business Continuity Policy Emergency Management Policy WHS Policy Internal Audit Policy.
Other Reference Documents:	• AS/NX ISO 31000: 2018 Risk Management Standard • Better Practice Model – Internal Financial Controls 2012 SALGFMG • Audit Committee Terms of Reference • LGAMLS Rules (Gazetted July 2020).

City of Holdfast Bay – Risk Management Framework (Including Alwyndor)

DEFINITIONS

STRATEGIC RISK
Impacts on achieving Council's strategic goals. They will;
- Affect many departments or whole of Council
- Require controls that are plans or strategies
- Influence Council decision making for strategic or annual business plans

OPERATIONAL RISK
Associated with department functions and daily operations to deliver core services. Risks arise when;
- something happens that isn't expected or
- something doesn't happen when it is expected

OPERATIONAL RISK
- Operational Risk Register

First Line of Defence
Front line risk management
- Following Policy & Procedure
- Operational risk identification, controls and mitigation
- Escalate high and extreme risks

Responsibility
- Managers with their teams

STRATEGIC RISK
- Risk Appetite & Risk Tolerance Statements
- Strategic Risk Register

Council
- Ensures appropriate policies, practices and procedures are implemented and maintained
- Adopts Council Policies
- Sets and adopts Risk Appetite & Risk Tolerance statements

Audit and Risk Committee
- Advisory to Council
- Reviews & evaluates the effectiveness of policies, systems and procedures
- Recommends Council Policy
- Reviews Strategic Risk Register (quarterly report)
- Providing oversight of planning, scoping and reviewing the Internal Audit Program (quarterly reports)

Executive Leadership Team (ELT)
- Endorses Procedures and Organisational Policy
- Recommends Council Policy via Audit and Risk Committee
- Oversees & ensures delivery of Internal Audit Program (Quarterly Reports)
- Manages Strategic Risk Register (Quarterly Reports)
- Promote proactive risk culture and ensure compliance with obligations
- Proactive identification of strategic risks

Alwyndor Management Committee
- Oversee Alwyndor's governance
- Delegated powers from Council
- Ensure policies, internal controls and quality assurance and compliance processes to manage operational, financial and compliance risks

Internal auditor in private with Audit and Risk Committee

Alwyndor Internal Auditing

Second Line of Defence
Enterprise risk management
- Development & implementation of policies & procedures
- Strategic risk mitigation
- Escalate as needed via General Managers

Responsibility
- Risk & Improvement Officer
- Managers

Third Line of Defence
Independent assurance
- Internal Audit Program and reporting

Responsibility
- Adam Filipi as General Manager Strategy & Corporate (CEO appointed)

EXTERNAL ASSURANCES / AUDITS

Attachment 3

Risk Appetite Statement

Risk Category	Context	Risk Appetite Rating	Risk Tolerance Levels		Indicators/Metrics
Set and adopted by Council			**Determined by the Senior Leadership Team**		
			Council will tolerate	Council will not tolerate	
Political/Reputation	The City of Holdfast Bay recognises the importance of maintaining community trust, managing political sensitivities, and safeguarding its reputation. We are committed to transparency and thoroughness in decision making, reporting and consultation.

As such we adopt a Cautious appetite for risks with the potential for significant community or political backlash and reputational impacts. Decision-making should be undertaken responsibly, with suitable due diligence, and in alignment with community expectations, to minimise the potential for adverse community or political reactions | **Cautious** | Cooperative working arrangements with Federal, State or other local governements

Bold or innovative leadership positions, advocacy or public stances on complex issues where reputational risks are understood and managed, and where long-term benefits to the community are significant

Partnerships and collaborative arrangements with community groups, NGOs and other groups

Moderate adverse local and social media scrutiny or a number of complaints relating to action which delivers long-term benefits to the community

Isolated minor incidents, concerns and complaints that can be resolved by management | Improper, unethical, corrupt, unprofessional behaviour or failure to exercise respect and duty of care in accordance with our Council values and policies. Material breaches of the Code of Coduct
Failure to uphold the probity of Council decision making
Failure to avoid or appropriately manage conflict of interest
Failure to act in a fair, honest transparent and accountable manner
Decision making that is not open, honest and transpparent and reflects the long-term interests of the community
Failure to notify the Executive of significant incidents that may impact Council reputation in less than 24hrs of the incident occuring
Any behaviour that gives rise to extensive litigation and indictable offences
Significant political damage caused by unethical or illegal acitivities or omissions
Failure to consult or involve the community in significant changes or key decisions
Failure to meet strategic objectives | Partnerships and collaborative activities
Complaints and grievances
Media coverage and sentiment
Negative public incidents
Stakeholder engagement
Disclosures, reports and public records
Whistleblower or ethical compliants
Crisis communications or public statements issued |
| **Asset/Infrastructure** | **Primary**
The City of Holdfast Bay prioritises the management, maintenance and renewal of its existing asset portfolio, and expects little to impact on current service levels. We have a Cautious appetite regarding risks of that impact these areas. We should aim to minimise risks associated with asset deterioration favouring stability and incremental improvements over radical change. | **Cautious** | Minor unforeseen and unavoidable cost variations in capital projects within the established contingency allocated to each project

Innovative asset solutions or alternative service delivery models that improve asset peformance or reduce costs - provided public safety and core service levels are not compromised

Moderate short-term financial impacts on capital projects where there are demonstrable long-term sustainable gains

Moderate impacts to infrastructure due to implementation of technology, innovative initiatives or projects | Asset-related decisions that compromise public safety

Failure of essential infrastructure that underpin critical services

Actvities that result in reasonably foreseeable and preventable fatalities or harm | Asset renewal funding
Maintenance costs
Inspections
Buildings safety compliance
Assets outside of optimal lifespan
Building condition assessments conducted
Number of maintenance requests actioned
Failure to meet demand forecst described in the AMP
Failure to meet levels of service described in the AMP
Maintenance budget overspend |
| | **Secondary**
Council understands that private / public partnerships, asset diversification, and strategic investments may be of benefit to the community. As such council has an Accepting appetite for risks associated with new assets, revitalising property portfolios and improving community assets. Provided these initiatives are carefully managed, aligned with strategic objectives and deliver long-term community benefits | **Accepting** | Risks associated with new assets, revitalising property portfolios and improving commumity assets | Initiatives that aren't aligned with strategic objectives

Assets/infrastructure decisions with short-term community benefits | |
| **Financial** | **Primary**
The City of Holdfast Bay recognises the importance of balancing prudent financial stewardship with the need to deliver community outcomes through controlled expenditure and revenue management. As such we have an Accepting appetite for financial management risks within our established budgets. Council should have the flexibility to reallocate resources if strategic goals are achieved and financial sustainability is maintained | **Accepting** | Unforeseen and unavoidable budget variations that do not materially deviate from the annual budget

Minor losses, or capital outlays attributable to new processes or innovation to improve services to meet community needs

Calculated moderate financial risks to deliver infrastructure, improve service delivery or promote environmental sustainability | Financial activites and/or investment practices that contravene legislated or policy requirements

Failure to maintain or implement effective systems, processes and controls which adequately protect Council from fraudulent activities

Actions that have a signficant negative impct on long term financial sustainability | Operating surplus ratio between 0% to 10% over a rolling five year project

Net financial liabilities ratio no greater than 100%

Interest cover ratio no greater than 5%

Asset renewal funding ratio between 90% and 110% |
| | **Secondary**
Council wishes to avoid increasing debt burdens and actions that could compromise long-term financial sustainability. We maintain a Cautious approach to risks that may impact financial resource expansion or increase debt levels. While we can fund projects and operational needs, these should always be approached with high levels of scrutiny and community consideration. | **Cautious** | Minor losses or capital outlays attributable to new processes or innovation to improve services to meet community needs

Minor unforeseen and unavoidable cost variations in capital projects within the established contingency allocated to each project

Projects and operational needs with high scrutiny and community consideration | Failure to maintain or implement effective systems, processes and controls which adequately protect Council from fraudulent activity

Financial activities and/or investment practices tat contravene legislated or policy requirements

Committing funds to funds to projects not contained in Council's asset management plans

Increasing council's debt burden

Actions that have a significant negative impact on long-term financial sustainability | |

Category	Appetite Statement	Appetite Level	Risk Appetite - Open to / Opportunities	Risk Appetite - Averse to	Measures / Indicators
Environment	**Primary** The City of Holdfast Bay is dedicated to balancing environmental stewardship with the needs of the community. We should minimise the adverse effects of Council operations on the environment, recognising the importance of ecological preservation and the legal and legislative components of environmental management. We have a **Cautious** risk appetite regarding environmental impacts, particularly in relation to projects that may damage or disturb the natural environment, or impact on existing environmental legislation and policies.	**Cautious**	Innovative or emerging practices that promote environmental protection and sustainability Opportunities that promote ecologically sustainable development Climate impacts offset by other activity with reuslts in a net climate adaptation benefit Climate impacts from unforeseen or uncontrollable events in order to pursue our strategic community goals	Decisions, activities and practices that result in long-term irrevocable environmental damage or negative climate impacts, threatens biodiversity including the extincition of flora and fauna, or is hazardous to human health Failure to meet environmental commitments or legal requirements resulting in EPA fines or penalties Activities that degrade the environment or lead to the creation of new contaminated sites	Asset renewal funding Maintenance costs Inspections Buildings safety compliance Assets outside of optimal lifespan Building condition assessments conducted Number of maintenance requests actioned Failure to meet demand forecst described in the AMP Failure
	Secondary Council is a forward planning organisation and is committed to proactively pursuing activities that reduce climate hazards and support sustainable climate development. As such we have an **Accepting** appetite for risks relating to environmental initiatives and climate change adaptation that are within our control. We recognise the need to adapt to climate change challenges, even if it involves accepting certain risks associated with new initiatives providing, they meet community expectations and do not impact community well-being.	**Accepting**	Risks related to environment environmental initiatives and climate change adaptation that are within Council's control New initiatives that meet community expectations and do not impact community wellbeing Activities that reduce climate hazards ans support sustainable development	New initiatives that impact community wellbeing Environmental and climate change adaptation initiatives that council has minimal control over	
Customer Service	**Primary** The City of Holdfast Bay prioritises high levels of face-to-face service, responsiveness, and community satisfaction, with a focus on ensuring core services are delivered without disruption. As such Council adopts a **Cautious** appetite for risks that impact on customer service and service delivery. We should be committed to safeguarding core service standards and be cautious about initiatives that could negatively impact service delivery or community access.	**Cautious**	Opportunities that enhance service delivery through digital transformation, automation and innovation, provided these do not compromise delivery of core and essential services Moderate impacts to service delivery due to implemenation of new technology, innovative initiatives or projects Interruptions to community processes arising from uncontrollable events where the interruption is well managed in line with Council's Busines Continuity Plan	Failure to deliver critical services or maintain the business functions that suppport them Failure to significantly meet our service commitments and community expectations Failure to develop plans to respond to a disruption and ensure continuity of critical community functions Failure to promptly escalate a critical community or social impact or outage	Customer satisfaction survey Customer complaints and feedback trends Service continuity and resilience Service delivery timelines Community engagement levels Cost of service delivery Workforce capacity and turnover Digital service adoption rates
	Secondary Council understands that process improvements and technological innovations are needed to ensure Council continues to meet with community expectations and needs. Therefore, we have an **Accepting** appetite for risks associated with the improvement of service delivery and increases in efficiency if they deliver positive community benefits and do not compromise core service levels.	**Accepting**	Process improvements and technological innovations that help Council meet community expectations and needs Risks associated with projects that improve service delivery and increase efficiency	Risks that compromise core service levels Customer service projects that do not deliver positive community benefits	
Saftey and Welfare	The City of Holdfast Bay prioritises the protection of community members, staff, volunteers and contractors from harm. We are committed to implementing comprehensive training, risk management practices, and safety protocols to minimise (as far as reasonably practical) exposure to hazards. As such we have a **Cautious** appetite for risks regarding safety and welfare. Council should always apply a hierarchy of controls and maintain high safety standards across all activities and infrastructure, avoiding changes or initiatives that could compromise safety or welfare.	**Cautious**	Innovatiove initiatives that enhance safety and welfare, provided they uphold core safety obligations and values A positive workplace culture	Behaviour and actions which do not align with Council's values Actions or behaviours that deliberately and willingly contravene the code of conduct and WHS policies and procedures Practicies that knowingly compromise staff wellbeing, workplace or community safety (including descrimination, harrassment or bullying) Incidents that occur due to untrained staff or failed internal processes Unsafe infrastructure and work environments Activities that result in reasonably foreseeable and preventable fatalities, harm, serious injuries or illnesses to our community, staff or customers	Reportable work place incidents. Injuries and accidents Frequency of near misses reported Number of non-complaince issues identified during audits Workers' compensation claims Employee engagement and satisfaction scores Reporting of incidents Retention rates and workforce turnover Absenteeism rates

Category	Appetite Statement	Appetite	Tolerances (Acceptable)	Tolerances (Unacceptable)	Measures
Human Resources	**Primary** The City of Holdfast Bay encourages stability in workforce capacity with a focus on staying within budget constraints for employee costs. We also believe that a positive workplace culture is needed to ensure that Council is adaptable to changing community needs and organisational priorities. As such we adopt a **Cautious** appetite for risks relating to human resources. We should ensure our resources are balanced to prevent adverse impacts to service delivery while maintaining organisational culture.	**Cautious**	Annual turn-over rate between 8-12% Staff changes relating to workforce performance improvement Temporary and minor reduction in morale due to innovation or changement management processes that lea to more efficient and effective outcomes	Actions or behaviour that deliberately and willingly contravene Council's code of conduct Management issues or poor culture resulting in significant increase in staff turnover or absenteeism or a significant reduction in employee satisfaction Events /incidents due to incompetent or untrained employees Practices that knowingly compromise staff well-being and the workplace Behaviour or actions which do not align with Council's values Breaches of legislative requirments (WHS, Fair Work Act etc)	Staff turnover rate Vacancy rate Succession planning Numbe of compliance breaches or grievances Exit interviews Average age of workforce Retention of critical roles External benchmarking
	Secondary Council understands that sometimes making changes to staffing levels may have reasonable benefits for the community or they may be required to deliver a specific strategy. We have an **Accepting** appetite for risks associated with this type of activity. But only with Elected Member approval and if impacts to the current service standards are minimised and they are supported by justified community benefits or strategic needs	**Accepting**	Changes to staffing levels required to deliver a strategy and benefit the community	Changes to staffing levels without Elected member approval Changes to staffing that highly impact current service standards Changes to staffing that do not align with strategic needs	
Community Wellbeing	The City of Holdfast Bay is committed to supporting the community health and safety aspects of community well-being and recognises the importance of continuously providing the level of service, programs and assets needed to achieve this. We adopt a **Cautious** appetite towards risks that may impact on the current provision of community wellbeing and public health initiatives. We should proceed with prudence, when regarding activities that may alter our services to ensure community well-being and resource sustainability	**Cautious**	Minor service delays in non-critical health programs if resources are temporarily constrained, provided community safety is not compromised Moderate variation in participation rates for voluntary health initiatives, as long as overall program objectives remain achievable Innovative approach to health promotions that carry low repuatonal risk and compliy with legislation Short-term gaps in non-essential community wellbeing roles with contingency plans in place Flexible delivery models that maintain fairness	Failure to respond promptly to critical health risks Discrimination or inequitable access to health services for vulnerable populations Sustained underperformance in mandatory health programs Compromised safety standards in community facilities (e.g., accessiblity, hygeiene, infection control Failure to promptly respond to critical health risks Any breach of publich health legislation Significant reduction in social connectedness and community support networks	Community health indicators Wellbeing initiatives Public health emergencies/incidents Community resilience Health improvement outcomes Behaviour change metrics Partnerships with health agencies
Information Technology	**Primary** The City of Holdfast Bay is committed to implementing essential security measures to protect information assets and we are unwilling to pursue risky or unproven activities that could compromise security or privacy. We have an **Averse** appetite towards risks connected to cyber security, external attacks and data privacy. Decisions related to cyber security threats should prioritise risk mitigation.	Averse	Implementation of new technologies which create new opportunities for business improvement and innovative systems which could involve some minor to moderate risk Planned downtime for upgrades or maintenance with prior notice Controlled trials of new technologies in non-critical environments Short-term service interruptions during disaster recovery activities	Prolonged unplanned outages of critical council systems and services Poor information governance processes Significant thrests to assets arising from external malicious attacks Misuse, inappropriate distribution or loss of sensitive or confidential information dues to the actions of staff Any breach of sensitive data, unauthorised access or failure to comply with cybersecurity standards Any non-compliance with legilsative or regulatory IT requirements	Security incidents or breaches Critical system failures IT project delivery timelines and budget Data breaches or data loss incidents Audit findings User satisfaction Average time to resolve IT issues Adherence to cybersecurity standards
	Secondary Council recognises the importance of innovation, modernisation, and responsiveness to community needs and we are committed to exploring and implementing new systems, processes, and engagement methods. As such Council has an **Accepting** appetite for risks associated with developing and deploying new technology solutions, if those risks are managed appropriately and aligned with strategic objectives. We should value continuous improvement, efficiency gains, and enhanced service delivery driven by technological advancements, and are receptive to new ideas that can benefit the organisation and community	**Accepting**	Technological solutions aligned with strategic objectives that are managed appropriately Risks associated with continuous improvement, efficiency gains and enhanced service delivery Technological advancements that benefit the community and Council	IT projects that aren't aligned with strategic objectives Technological advancements with minimal benefits to council and community	