



**Audit Committee
Tuesday 29 March 2016
(Presiding Member: Mr Laurie Kozlovic)**

The meeting of the Audit Committee will be held in the Civic Centre, 128 Prospect Road,
Prospect commencing at 4:30pm

A G E N D A

1. **On Leave – Nil**
2. **Apologies – Nil**
3. **Confirmation of the Minutes of the Audit Committee Meeting Held on 7 December 2015**
4. **Presiding Member's Report – Nil**
 - 4.1 Appointment of Presiding Member
5. **Questions With Notice – Nil**
6. **Deputations – Nil**
7. **Notices Of Motion – Nil**
8. **Declaration by Members of Conflict of Interest**
9. **Protocol**

The Council has adopted the protocol that only those items on Committee reports reserved by members will be debated and the recommendations of all items will be adopted without further discussion.

10. Reports of the Director Corporate Services

- 10.1 [Risk Management Profile Report](#)
(Pages 1 - 7, Recommendation Page 1)
- 10.2 [Risk Management Report - LGAMLS Risk Management Profile Review & Council Action Plan](#)
(Pages 8 - 13, Recommendation Page 8)
- 10.3 [Work Health and Safety Report – KPI Action Plan](#)
(Pages 14 - 20, Recommendation Page 14)

- 10.4 [Review of Corporate Governance and Internal Control Framework](#)
(Pages 21 - 45 Recommendation Page 21)
- 10.5 [Governance Audit Assessment Update](#)
(Pages 46 - 95, Recommendation Page 46)
- 10.6 [Second Budget Review 2015-2016](#)
(Pages 96 - 124, Recommendation Page 96)
- 10.7 [Internal Controls Review 1 July 2015 – 31 December 2015](#)
(Pages 125 - 222, Recommendation Page 125)
- 10.8 [Procurement Policy](#)
(Pages 223 - 247, Recommendation Page 223)
- 10.9 [Internal Audit Report – Long Term Financial Plan and Asset Management Plan](#)
(Pages 248 - 270, Recommendation Page 248)
- 10.10 [Procurement and Contract Management Review](#)
(Pages 271 - 273, Recommendation Page 271)
- 10.11 [Audit Committee Outstanding Resolution](#)
(Pages 274 - 281, Recommendation Page 274)
- 10.12 [Audit Committee Work Program Status Report](#)
(Pages 282 - 297, Recommendation Page 282)

11. Questions Without Notice

12. General Business

Council has resolved that an Agenda Item “General Business” be included on Council and Committee Agendas for members to raise matters of a minor nature for action by the Administration, or to call for reports.

13. General Business – Urgent Matters

Council has resolved that an Agenda Item “General Business – Urgent Matters” be included on Council and Committee Agendas for members to raise matters of a genuinely urgent nature, is not a change to Council Policy and can not wait until the next Council or Committee meeting recognising that the leave of meeting will be required for each item on each occasion.

14. Confidential Items – Nil

15. Closure



Ginny Moon
Director Corporate Services

AGENDA ITEM NO.: 10.1

TO: Audit Committee on 29 March 2016

DIRECTOR: Greg Georgopoulos, Director Infrastructure Assets and Environment

REPORT AUTHOR: Victor Di Maria, Risk Management Officer

SUBJECT: Risk Management Profile Report

1. EXECUTIVE SUMMARY

- 1.1 Council is committed to managing risk in a systematic and integrated manner, to protect its employees, assets, liabilities and community against potential exposures, and to maximise opportunities to achieve Strategic Objectives.
- 1.2 The Risk Management Report provides profile information and Council's attitude to managing (and treating) identified risk over the subsequent 12 months.

2. RECOMMENDATION

- 2.1 Council notes that the Audit Committee has been provided with the Risk Management Profile Report.
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3. RELEVANCE TO CORE STRATEGIES / POLICY

- 3.1 Council's Risk Management Review/KPI Action Plans and the Work Health and Safety Plan.
- 3.2 Council's Risk Profile Report – initial Workshop facilitated by Bentleys.
- 3.3 Relevant policies include:
 - 3.3.1 Corporate Risk Management & WHS Policy & Procedures
- 3.4 **Core Strategy 5 – Your Council**
 - 5.7 Provide efficient and effective services using the most appropriate service delivery model and technology.**
 - 5.7.2 Provide visible service delivery and accountability through a structured program of service reviews and improving Council's internal systems and on-line services.

4. COMMUNITY INVOLVEMENT

- 4.1 There is no relevant community consultation requirement.

5. DISCUSSION

5.1 Council utilises a number of methodologies to identify, assess and manage risk. As with most Local Government entities, Council has a (generally) low “appetite” for risks relating to:

- Work, Health Safety and Welfare of employees, volunteers and contractors;
- Finances, Asset and Community Land management;
- Legislative compliance.

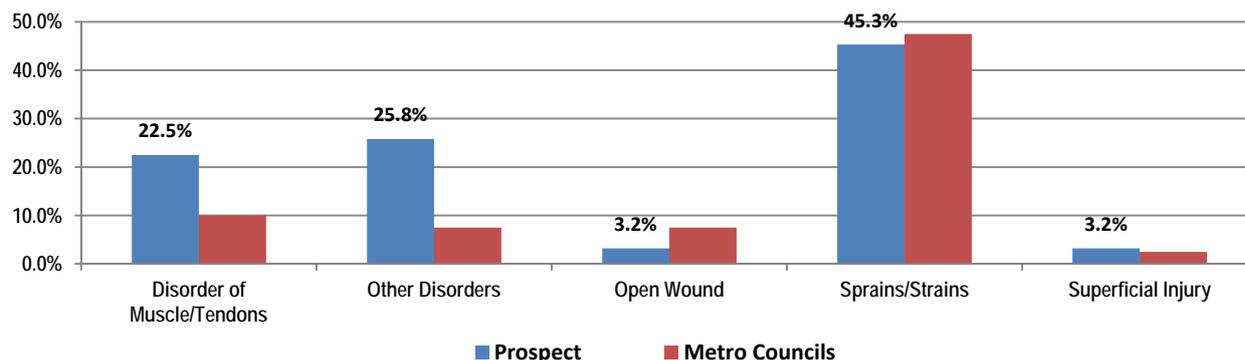
A potentially higher (risk) “appetite” is applied where benefits created by innovation will outweigh the risks (rated at high or above).

5.2 An overarching Risk Management Framework is currently being restructured to ensure a consistent approach is utilised to treat risks that have been identified across all Business Units. The Framework will differentiate between operational (eg WHS) and risks that may impact strategic objectives.

5.3 Council’s **Claims Profile** (Workers Compensation, Liability & Property)

Workers (source: LGAWCS): 2011 - 2016

Volume (Workers)



5.4 Overall, volume of claims is less than the metro (group) average (**Prospect ave 6/year: Metro Council group ave 8/year**).

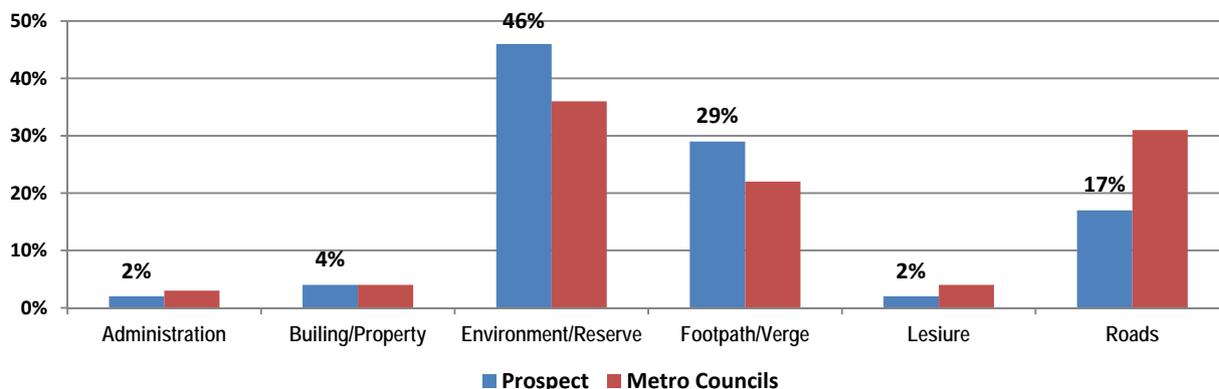
5.5 The data reflects a Council of small to mid-size - in an urban environment. As with most Councils, a large percentage of claims received will fall within “sprains/strains” and problems with “muscles and tendons” - often attributed to manual handling techniques and general movement in and around certain plant in an operational environment.

5.6 Manual handling exposure is constantly reviewed by Council and the industry at large. One method that has been adopted to minimise manual handling type injuries by the City Maintenance team is a multi skilling programme (via horticulture & civil construction certificates) and a scheduled works system that will *alternate* tasks (fortnightly) for individuals to avoid repetitive actions. This process is constantly monitored via Councils general Safe Work Procedures and relevant WHS processes.

5.7 “Other” disorders will include nerve and psychological disorders. Causation has been related to a changing work “environment”. The Council has reviewed and formalised its Performance Management System, re-educated its Code of Conduct requirements, and has provided support mechanisms such as the Employee Assistance Programme (EAP).

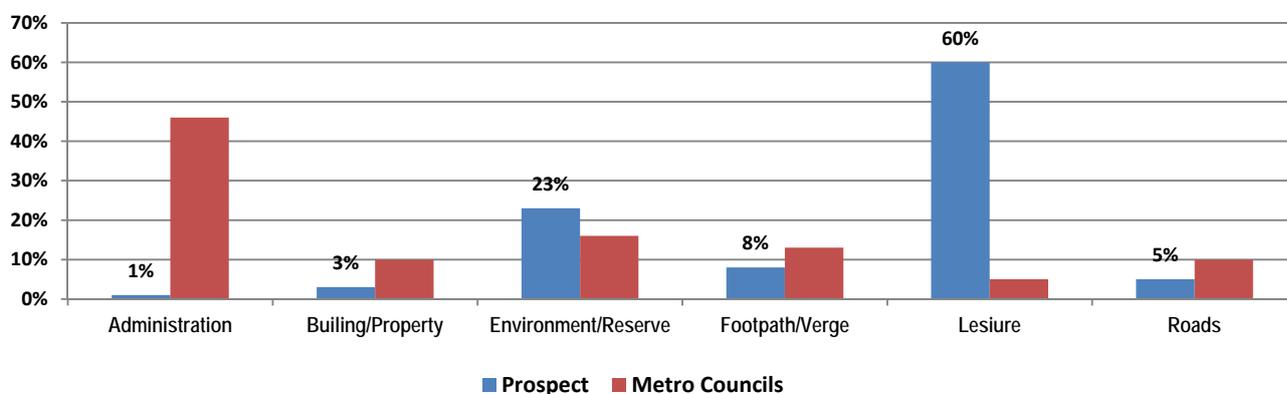
Liability (Civil) (source: LGAMLS): 2011-2016

Volume (liability)



- 5.8 The (volume) data is representative of a “typical” inner suburban Council with established roads/footpaths and a mature tree network. As with most metropolitan Councils, the bulk of the liability claims presented, are a result of trips and falls on footpaths, impact to kerbing and issues relating to (street) trees.
- 5.9 Council has effective systems in place, including an asset maintenance & renewal programme and defined tree and vegetation management practices that are of an industry standard. The mature tree stock often entails specific attention to the requirements of the Development Act (Regulated Trees).
- 5.10 The Administration code will reflect professional indemnity claims, resulting from a negligent act - when providing a professional service to the community (eg planning, procurement & labour hire arrangements).
- 5.11 Risk based protocols including regulatory controls, with the addition of legislative immunities, ensures that a claim determination is based on Council acting “reasonably”, considering the available resources.

Cost (liability)

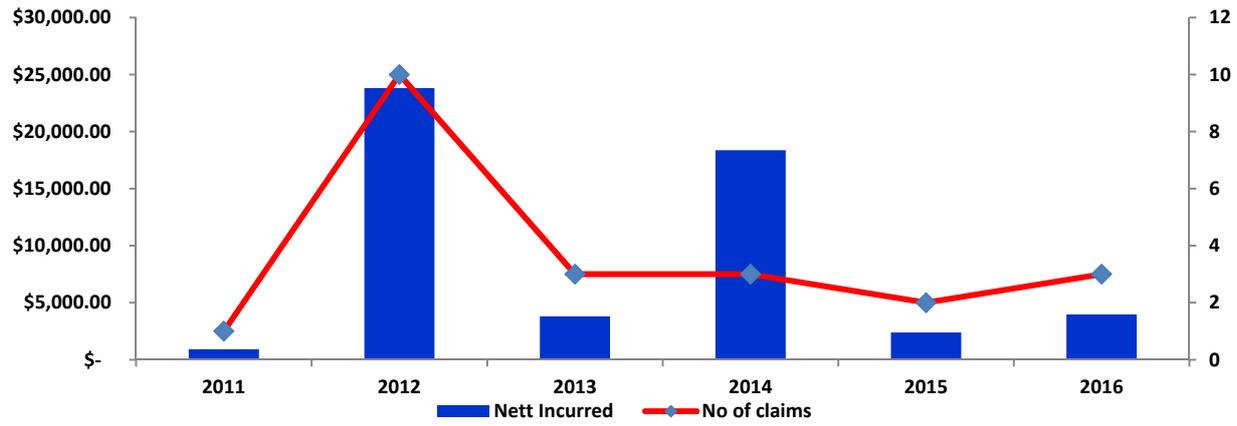


- 5.12 The financial (liability) exposure for any civil claim has been transferred to the LGA Mutual Liability Scheme (“the LGAMLS”) via payment of an annual contribution. Claim expenses include defence (legal, loss adjusting) and any compensation paid. Costs under “environment/reserve” include one street tree limb failure (2011) that caused

extensive power blackout to the adjacent residence. The claim has been resolved and closed. Costs referenced in the “leisure” code represent one significant claim (2012) resulting from an incident at a Council sporting facility. The risk management protocols are based around effective asset management systems, including managing the terms of occupancy by external parties.

The matter is currently being managed by the LGAMLS and involves a number of defendants.

Property (source: LG AMF): 2011- 2016



5.13 The average number of property claims is minor – on average, approximately 4 per year for the Council. The costs associated in managing a property claim has been transferred to the Local Government Asset Mutual Fund.

5.14 The “spike” in claims in 2012 occurred during the refurbishment of the Prospect Oval with the theft of various equipment over a short period of time. The problem was resolved through tighter security and dialogue with the various contractors on site.

5.15 An elevated cost in 2014 was due to a water leakage issue causing damage. The problem has been repaired by SA Water and is monitored as part of Council’s inspection and maintenance programme.

5.16 Council's General Risk Profile (Residual Risk)

Summary (Risk) Profile (Source: Bentley facilitated workshop & Internal Plan & LGAMLS Risk Review)

5.17 An (externally) facilitated Risk Workshop was undertaken in 2015 with key management and operational staff in attendance – utilising input and information from the Audit Committee and Elected Members.

5.18 The LGAMLS Risk Management Profile Review (“the Review”) is undertaken annually and also provides feedback on relevant risk exposures. Key (holistic) risks have been identified and analysed using standard risk assessment processes. Whilst most risks are rated moderate or low (taking into account current controls in place), 2 issues have been rated as “high”, requiring specific attention for treatment (as per the legend below).

5.19 The following (residual) risks were targeted for analysis, from a strategic and operational perspective:

People, Culture & Safety	Financial & Economic	Political / Community	Information Technology	Regulatory & Environmental	Strategic Performance	Infrastructure & Assets
Inadequate Safety Management systems & processes	Fraud & theft – inadequate Fraud Management	Act of Terrorism	Destruction of ICT. Inadequate Disaster Recovery/BCP	Over Regulation leading to poor public perception	Poor Strategic Planning leading to financial losses	Damage / destruction of major Council Assets
Loss of Key Management Personnel	Failure to embrace new avenues for Revenue raising	Liability exposure when facilitating Community functions and events	BCP & Scenario Planning	Failure to meet regulatory requirements	risk management Framework not defined and applied formally	General Asset Management processes not followed or enhanced
Inappropriate skill set to meet Council needs	Failure to enhance or embrace economic development	Reputation Risk (Code of conduct)		Climate Change Impacts not assessed & managed	Council amalgamation (risk & opportunity)	Lack of Future Planning leading to decaying infrastructure & financial instability
	Lack of Financial stability	Failure to provide appropriate Customer Service			ERA membership benefits not realised	
	Loss of Grant Funding. Cost shifting to Local Government				Lack of continuity of Strategic Plans & each change in Council	
					Lack of appropriate procurement protocols and defined Contract Management Systems for small to medium sized Contracts	

Legend

Extreme	Extreme/Critical Risk: Immediate action required
High	High or Significant Risk: ELT attention required to manage
Moderate	Moderate Risk: Management responsibility to be specified within Business Unit
Low	Low Risk: Managed by routine processes currently in place

5.20 Risk Treatment and Mitigation Planning - Road Map for 2016

5.21 Council undertakes a number of processes when evaluating, actioning and implementing specified treatment methodologies. The revised Framework (and Risk Register) will be the future portal for input and coordinating any identified risks.

5.22 Two key Action Plans are developed simultaneously responding to internal reviews, claim profiling/trends and the LGAWCS WHS KPI Audit / LGAMLS Risk Management Profile Review. The Action Plan/s and Internal Audit Programme requirements are disseminated to the relevant Business Unit for actioning. Specific treatment/control milestones will be reported to the Audit Committee.

5.23 To this end, the following are (risk based) priorities for 2016:

DESCRIPTION - ACTION SCOPE	ACTION METHODOLOGY	RESPONSIBLE PARTY	TIME FRAME
Review of the Corporate Risk Management Policy	Risk Management Action Plan	Risk Management/WHS	April 2016
Restructuring Council's Risk Management & Opportunity Framework & assessment protocols Coordinate Council's Risk Register	Risk Management Action Plan	Risk Management/WHS	April/May 2016
Asset Management Planning/Long term sustainability	Long Term Financial Plan / Infrastructure Asset Management Plan Internal Audit Plan	Infrastructure Assets & Environment	June 2016
Asset Management – Strategic Planning and Budget practices	Long Term Financial Plan / Infrastructure Asset Management Plan Internal Audit Plan	Infrastructure Assets & Environment	March-June 2016
Strategic Planning alignment Development & Implementation of Plans to ensure prudent financial investment allocation and meeting Community needs	Long Term Financial Plan / Infrastructure Asset Management Plan Internal Audit Plan	Corporate Services Infrastructure Assets & Environment	March 2017
Review of Procurement Framework	Risk Management Action Plan Internal Audit Plan WHS Plan	Risk Management/WHS Infrastructure Assets & Environment Corporate Services	May-July 2016
An organisation-wide analysis and review of Council's internal Contract Management System (CMS) for small to medium Contracts Review and update of suite of Contract documentation utilised across the organisation	Risk Management Action Plan Internal Audit Plan WHS Plan	Risk Management/WHS Infrastructure Assets & Environment Corporate Services	May-September 2016
WHS Systematic (and continual) review of specific WHS (workplace) & Hazard Management Protocols Analysis of the Contractor Management procedure (WHS responsibilities) Training Needs Analysis (TNA) and HR requirements.	Risk Management Action Plan WHS KPI Action Plan WHS Plan	WHS/Risk Management Infrastructure Assets & Environment	September 2015 – October 2016

5.24 LGAMLS Risk Management (Strategic) Programme

5.25 To further enhance Council's internal (risk) system, the LGAMLS is providing member Councils access to a (new) Risk Management (Strategic) Programme. The Programme (delivered at no cost to Council) will provide the Council with a risk assessment methodology to identify and refine specific risks associated with a Council delivering and achieving its Strategic Plan/Objectives.

The Programme will assist Council in ensuring its Framework is relevant and has the maturity to assess (and treat) impacts to the Strategic Plan.

5.26 This Programme is designed to be delivered in a risk and strategic management environment to enable the Council to consider and utilise risk management as an organisation-wide integrated process.

More information will be forthcoming from the Scheme.

5.27 The Programme commencement date will be scheduled in the second half of 2016.

ATTACHMENTS

Nil

AGENDA ITEM NO.: 10.2

TO: Audit Committee on 29 March 2016

DIRECTOR: Greg Georgopoulos, Director Infrastructure Assets and Environment

REPORT AUTHOR: Victor Di Maria, Risk Management Officer

SUBJECT: Risk Management Report – LGAMLS Risk Management Profile Review & Council Action Plan

1. EXECUTIVE SUMMARY

- 1.1 The annual Local Government Association Mutual Liability Scheme (LGAMLS) Risk Management Profile Review (“the Review”) was undertaken with Council in June 2015. The objective of the Review is to assess Council’s established risk, legislative and compliance protocols and to develop a tailored Action Plan, in partnership with Council.

2. RECOMMENDATION

- 2.1 Council notes the Risk Management Review Action Plan arising from the 2015 LGAMLS Risk Management Profile Review recommendations.
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3. RELEVANCE TO CORE STRATEGIES / POLICY

- 3.1 Council’s Risk Management Review Action Plan.

- 3.2 Relevant policies include:

3.2.1 Corporate Risk Management Policy & Procedures

- 3.3 **Core Strategy 5 – Your Council.**

5.7 Provide efficient and effective services using the most appropriate service delivery model and technology.

5.7.2 Provide visible service delivery and accountability through a structured program of service reviews and improving Council’s internal systems and on-line services.

4. COMMUNITY INVOLVEMENT

- 4.1 There is no relevant community consultation requirement.

5. DISCUSSION

- 5.1 As part of the Review process, a Data & Profile Report (September 2015) has been provided by the LGAMLS, with a number of key recommended actions to be considered. In partnership with the Council, the Risk Management Review Action Plan (attached) was developed with a completion timeframe of late 2016.
- 5.2 The annual Review outcomes, combined with the (liability) Claims performance of the Council, will make up the financial components of the annual Performance Bonus allocation, provided as a “discount” to the Gross Contribution each financial period. An annual Special Distribution (based solely on the % net Contribution paid by an individual Council) has also been provided, but its (annual) provision is dependent on the financial capacity of the Scheme/s in a particular financial period.
- 5.3 The following (LGAMLS) financial incentives have been provided to Council over the last 3 financial periods:

	2013/14	2014/15	2015/16
PERFORMANCE BONUS ALLOCATION (MLS)	\$ 15 427	\$ 15 756	\$ 16 119
SPECIAL DISTRIBUTION (MLS)	\$ 19 864	\$ 19 875	\$ 19 875
TOTAL	\$ 35 291	\$ 35 631	\$ 35 994

- 5.4 The financial incentives equate to a saving of approximately 23% of the (gross) Contribution figure for 2015/16.
- 5.5 The Council’s Risk Management Action Plan has been developed to complement the 2016 WHS KPI Action Plan and is provided in **Attachments 1-3**.
- 5.6 Priorities arising from the RM Action Plan include:

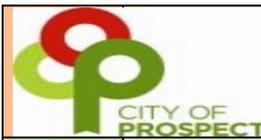
REQUIRED ACTION	TIME FRAME
Review of the Corporate Risk Management Policy.	April 2016
Restructuring Council’s Risk Management & Opportunity Framework/s and assessment protocols to form a “one-system” approach to managing risk, including an update of the current Risk Register.	April/May 2016
An organisation-wide analysis and review of Council’s internal Contract Management System (CMS), including: <ul style="list-style-type: none"> Standardising Contracts available across all Departments. Adapting to the generic (legally checked) suite of Contracts supplied by the LGA; Refinement of specific (generic) Contract Conditions, standard Indemnity & Insurance provisions, ensuring that relevant (contractual) liabilities are effectively transferred so that the Contractor/Consultant remains responsible for any negligence they may create; An update of the Preferred List of Contractors, that have been assessed and approved to undertake works and services (including WHS requirements) for and behalf of Council; Relevant linkage to Procurement processes. 	May-Sept 2016

<p>Consideration of Council's legislative responsibilities and powers relating to Road Authorities (DPTI) and external utilities (eg TELSTRA, SA Power Networks, SA Water) who undertake works on Council land/roads.</p> <ul style="list-style-type: none"> • Whilst Council has certain responsibilities pursuant to the Local Government and Road Traffic Acts, DPTI and other Authorities are empowered to undertake specific works (on a road for example), pursuant to their own relevant piece of legislation; • External parties are responsible for the nature of works, contractual arrangements and WHS practices. Council has communication protocols to liaise with external providers and is provided with various powers under the Local Government Act to ensure that utility infrastructure remains the responsibility of that utility. 	June 2016
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5.7 The annual LGAMLS Risk Management Profile Review is scheduled to take place May-June 2016. The tailored Action Plan is utilised as documented proof that Council is committed to applying prudent risk management to its functions and services.

ATTACHMENTS

Attachments 1-3: A summarised 2015/16 (Council) Risk Management Review Action Plan



LGAMLS RMR Profile Action Plan (2015/16) - PROSPECT

No	Category	Question	Required (Council) Actions	Responsibility	Target date
1	Governance, Finance & People	1.1 Please provide elements/details of Council's Risk Management Framework and/or general Procedure to assess and manage core/strategic risks	Review & endorsement of the Corporate Risk Management Policy.	Risk Management Officer and Key Staff	April 2016
			Development, refinement of the Risk Management & Opportunity Framework. Endorsed at Audit Committee.	Risk Management Officer and Key Staff	April/May 2016
			Align internal risk assessment/evaluation processes to a Corporate (and accessible) Risk Register.	Risk Management Officer and Key Staff	May/June 2016
			Insert relevant risk assessments arising from Bentleys Risk Workshop - to the Corporate Risk Register. Include all treatment options and timeframes. Allocate accordingly.	Risk Management Officer and Key Staff	April/May 2016
		1.2 Provide details of the process undertaken to review the current Framework	Annual review process of Corporate RM Policy (formalise).	Risk Management Officer and Key Staff	March 2017
			Annual Review process of Framework (formalise).	Risk Management Officer and Key Staff	March 2017
			Training/Workshop regarding requirements of RM Framework and risk tools (flowchart & instructions).	Risk Management Officer and Key Staff	July/August 2016
		1.3 Provide details of how Council provides induction/training of the Framework/procedure to relevant Staff, Elected Members and Volunteers	Liaise with LGAMLS regarding Strategic RM Pilot Programme (register interest. Meet to discuss).	Risk Management Officer and Key Staff	March 2016
			Strategic RM Pilot Programme - 6 month process.	Risk Management Officer and Key Staff	Commence July/August 2016
		1.4 Provide details of Council's Business Continuity Plan, in the event of business interruption to critical functions or services	Disaster Recovery Plan - implemented. WHS Emergency procedure implemented to align to certain disaster recovery functions.	Risk Management Officer and Key Staff	June 2016
			Review BCP/critical function assessment. Ensure covered within the Disaster Recovery Plan.	Risk Management Officer and Key Staff	August 2016
			1.5 Has Council developed and implemented a process to manage requests from Emergency Control Agents (SAPol, CFS, SES etc) for use of defined Council plant/staff in the event of an emergency	Not Rated - Seek advice regarding LGA 's I-Responda process/training.	Risk Management Officer and Key Staff

No	Category	Question	Required (Council) Actions	Responsibility	Target date
2	Statutory Responsibilities/Provision of Information	2.8 Has Council conducted an assessment of its risk exposure (eg provision of advice) in relation to internal planning and development processes and procedures?	Inclusion in RM Framework and risk assessment exercise. Record in the Corporate Risk Register - once its has been updated	Risk Management Officer and Key Staff	June/July 2016
			Bi-annual Risk Management workshop undertaken for all Departments.	Risk Management Officer and Key Staff	August 2016
3	Procurement & Contract Management Systems	3.11 Provide Council's Procurement Framework for the Purchasing of Goods and Services	Procurement Policy & Procedure - draft Procurement Policy distributed for consultation. Assessment of any risks that are registered. Established link to Contract Management System	Risk Management Officer and Key Staff	May 2016
			Overview of Contract Management System and Suite of documents, available to Council Officers. Includes access to MLS/legally checked standard documents. Consideration of WHS requirements. For smaller Contracts	Risk Management Officer and Key Staff	July 2016
			Inclusion of insurance/indemnity provisions or requirements in suite/policy	Risk Management Officer and Key Staff	July 2016
		3.14 Provide Council's formalised process to consider a limitation of liability request	Inclusion of formal review process in Contract Management System (CMS). May be included within the Corporate Risk register. Assessment process to be defined.	Risk Management Officer and Key Staff	July 2016
4	Volunteers, Vulnerable Groups & Committees	4.19 Does Council have a process for dealing with enquiries relevant to Vulnerable Groups ?	Review in line with internal (review) process and with regards to generic LGA revised template. Align to bi-annual risk management workshops.	Risk Management Officer and Key Staff	August 2016
		4.20 S41 Committees/Functions and services are assessed against Council's Risk Management Frameworks	Annual review regarding functions & objectives. Revision of any Committee not having a Section 41 "status" & application of risk assessment.	Risk Management Officer and Key Staff	August 2016
5	Environment/Vegetation & Trees	5.24 Council has reviewed its Tree Management Strategy in line with climate variation and extreme weather patterns/climate impacts. Provide details in relation to the Council assessment.	Tree Management strategy/management review - LGA Guidelines/tools ? Other individual Procedures. Align to any liability claims & learnings.	Risk Management Officer and Key Staff	September 2016
		5.25 Provide details if Council's procedure relating to open / accessible water catchment areas for the purpose of public access	Council strategy aligned to risk assessment process, utilising the tools provided in the RM Framework.	Risk Management Officer and Key Staff	September 2016

No	Category	Question	Required (Council) Actions	Responsibility	Target date
6	Recreational / Leisure Services - Community Land	6.27 Provide Council's Strategy to manage and meet the revised Australian Standards for playground equipment placed on Community Land	Review current maintenance and risk assessment process for maintaining and purchasing new play equipment. Including equipment not part of the Standard suite. Linkages to LGAMLS Playground Guide ?	Risk Management Officer and Key Staff	June/July 2016
		6.29 Council incorporates risk management principles into planning proposals for design/construction of other recreational assets, such as BMX Tracks, Skate Parks or recreational trails. Provide an example of the approach.	Review current maintenance and risk assessment process for maintaining and designing recreational spaces and equipment. Includes equipment not part of the Standard suite . Risk assessment should align with community expectations.	Risk Management Officer and Key Staff	June/July 2016
7	Road Management	7.35 As part of Council's asset management plan/programme, is there a system for responding to, and record keeping of, customer requests/complaints/incidents relating to roads.	Ensure that Permits are in place & key relationships with external utilities and DPTI are established. Link to S221/222 process and CMS. LGAMLS Annual Claims Review to consider Customer Service Requests and registering of records.	Risk Management Officer and Key Staff	February 2016
8		Third Party Use of Facilities & Land	8.39 Provide the assessment/checklist process to ensure a "one-off" hire of a facility is left in a condition for the next use.	Council Hire process to incorporate "condition assessment". Simple checklist approach allocated to suitable person/party. Provides information relating condition pre and post use and ensures subsequent users will have a "safe environment".	Risk Management Officer and Key Staff
	8.40 Provide Council's risk assessment process to assess a third party (lessee/licensee) activity is suitable/appropriate for a piece of land.		Revise Leasing/Licencing procedure to ensure a risk assessment is an integral component to allow a specific activity under a lease or licence.	Risk Management Officer and Key Staff	June 2016

AGENDA ITEM NO.: 10.3

TO: Audit Committee on 29 March 2016

DIRECTOR: Greg Georgopoulos, Director Infrastructure Assets and Environment

REPORT AUTHOR: Jacqui Kearsley, Work Health and Safety Coordinator

SUBJECT: Work Health and Safety Report – KPI Action Plan

1. EXECUTIVE SUMMARY

- 1.1 The annual Work Health and Safety (WHS) Key Performance Indicator (KPI) Audit was conducted in October 2015 by the Local Government Association Workers Compensation Scheme (LGAWCS). As a result of the Audit recommendations, a number of key actions have been developed. The WHS Key Performance Indicator (KPI) Action plan **Attachments 1-4** was created and will be finalised late 2016.

2. RECOMMENDATION

- (1) **Council notes the Work Health and Safety Key Performance Indicator (KPI) Action Plan arising from the 2015 Local Government Association Workers Compensation Scheme Audit recommendations.**

3. RELEVANCE TO CORE STRATEGIES / POLICY

- 3.1 Council's Work Health and Safety Action Plan.
- 3.2 Relevant policies include:
- 3.2.1 Work Health and Safety Policies & Procedures
- 3.3 **Core Strategy 5 – Your Council.**
- 5.7 **Provide efficient and effective services using the most appropriate service delivery model and technology.**
- 5.7.2 Provide visible service delivery and accountability through a structured program of service reviews and improving Council's internal systems and on-line services.

4. COMMUNITY INVOLVEMENT

- 4.1 There is no relevant community consultation requirement.

5. DISCUSSION

- 5.1 The administration, in consultation with the LGAWCS, has developed the KPI Action Plan based on the outcomes of the 2015 KPI Audit process. The KPI process is an essential component of being a Member of the LGAWCS, and forms an important component of Council's WHS Programme.
- 5.2 The KPI Action Plan is undertaken in partnership with the LGAWCS. The process to consider and implement the specific actions (combined with the Claims Performance over a specific period) results in the allocation of the *Annual Rebate Performance Bonus*. An annual Special Distribution (based on the % net Contribution paid by an individual Council) has also been provided over the last 3 years.
- 5.3 The following (LGAWCS) financial incentives have been provided to Council over the last 3 financial periods:

	2013/14	2014/15	2015/16
REBATE PERFORMANCE BONUS (WCS)	\$ 80,994.00	\$ 83,180.00	\$ TBA
SPECIAL DISTRIBUTION (WCS)	\$ 19,641.00	\$ 14,902.00	\$ 10,099.00
TOTAL	\$ 100,635.00	\$ 98,082.00	\$TBA

- 5.4 The Bonus Rebate and Special Distribution are provided to Council as separate stand-alone amounts.
- 5.5 Priorities arising from the KPI Action Plan include:
- 5.5.1 Systematic (and continual) review of specific WHS (workplace) Procedures;
- 5.5.2 Review of Hazard Management process, including updating the (hazard) Risk Register;
- 5.5.3 Analysis of the Contractor Management procedure (WHS responsibilities), as part of the overarching Contract Management System review;
- 5.5.4 Evaluation of training needs for key Staff/Elected Members and Volunteers, dependent on their work activity and associated WHS responsibilities.
- 5.6 Further, the following externally funded Programmes have been provided to the Council to engender the safety culture:
- 5.6.1 Workplace Emergency Evacuation Programme (WEEP) for all Council (physical) locations;
- 5.6.2 Tailored Improvement Programme (TIP) for workshops on emergency management, task risk assessments and assistance in developing Training Plans.
- 5.7 Council's internal Injury Management (claims) processes are governed by the requirements of the Return to Work legislation and the protocols of the LGAWCS.
- 5.8 Whilst Council's financial risk to workers compensation claims has been transferred to the LGAWCS, Council is required to undertake an Injury Management and Return to Work Evaluation ("IM & RTW Evaluation") with the LGAWCS. This evaluation is to

ensure Council continues to meet and satisfy the (Self-Insured License) requirements of Return To Work SA. The evaluation process will take place on 30 March 2016.

- 5.9 Council's established WHS system is governed by legislation, the evolving requirements of the LGAWCS and the application of the Action Plan. The 2016 KPI Audit is planned for October, and will further determine any actions that may require implementation.

ATTACHMENTS

Attachments 1-4: 2016 Summarised KPI Action Plan



Local Government Association Workers Compensation Scheme KPI Audit - 2016 - Action Plan

Standard	Sub-Element Description	Actions	Completion Date
1.2.1	The organisation must have supporting policies and/or procedures that show evidence of policies and/or procedures to support the policy statement. Performance Standards Glossary: Policy: Statement by the organisation of its	Review and Consult on Hot Work Procedure	29/02/2016
		Implement Hot Work Permit	31/05/2016
		Review and Consult on Plant Procedure	31/03/2016
		Train key staff on Plant Procedure	11/04/2016
		Review and Consult on Contractor Management Procedure	30/09/2016
		Train key staff on Contractor Management Procedure	21/10/2016
		Review and Consult on First Aid Procedure	30/04/2016
		Train key staff on First Aid Procedure	31/05/2016
		Review and Consult on Prevention of Falls Procedure	31/05/2016
		Train key staff on Prevention of Falls Procedure	30/06/2016
		Review and Consult on Isolation, Lock Out, Tag Out Procedure	30/06/2016
		Train key staff on Isolation, Lock Out, Tag Out Procedure	31/07/2016
		Train Key staff on Confined Spaces Register	31/08/2016
		Review and Consult on Workzone Traffic Management Procedure	31/07/2016
		Train key staff on Workzone Traffic Management Procedure	30/09/2016
		Review and Consult on Remote/Isolated Work Procedure	31/08/2016
		Train key staff on Remote/Isolated Work Procedure	11/10/2016
		Review and Consult on Asbestos Management Procedure	30/09/2016
		Train key staff on Asbestos Management Procedure	18/10/2016

Standard	Sub-Element Description	Actions	Completion Date
2.1.1	The organisation's system must ensure legislative compliance is addressed as part of the system, where relevant. Performance Standards glossary; Legislative compliance: Meeting the prescribed requirements of prevailing legislation.	Review how legislative change is received, reviewed and disseminated throughout council	30/06/2016
		Document how this process occurs in the WHS system	30/06/2016
		Train key staff on this process	30/06/2016
3.2.1	The organisation must ensure a relevant training program (in this context program means documented process including policies, procedures, TNA, schedule, records, etc.) is being implemented. Performance Standards glossary; Relevant: Connected with the matter in hand; pertinent (e.g., legislative requirements &/or other identified needs of the organisation). Program: A planned component of an organisation's business management system for health, safety, rehabilitation and claims management. Program: A planned component of an organisation's business management system for health, safety, rehabilitation and claims management.	Identify Elected Members training requirements	31/03/2016
		Include identified Elected Members training in the TNA	31/03/2016
		Train Elected Members in identified training as per the training plan	15/10/2016
		Record mandated training in the training register.	20/01/2016
		Include training attendance and non-attendance to ELT and relevant Managers	30/04/2016
		Volunteer training as per 3.8.6	
3.3.1	The organisation must ensure defined responsibilities are communicated to relevant employees.	Review increasing levels of WHS responsibilities, accountabilities and KPI's for positions (i.e. Team Leader, Manager, Director, CEO) in Councils PD's	31/05/2016
3.3.2	The organisation must ensure accountability mechanisms are being used when relevant.	Review increasing levels of WHS responsibilities, accountabilities and KPI's for positions (i.e. Team Leader, Manager, Director, CEO) in Councils PD's as per 3.3.1	
3.8.1	The organisation must ensure a hazard management process that includes identification, evaluation and control is in place.	Review Hazard Register with regard to prioritisation in order from High to Low	29/01/2016
		Identify High Risk Construction Work Activities and record in Hazard Register	29/01/2016
		Review Plant Register and undertake high risk priority risk assessments	31/07/2016

Standard	Sub-Element Description	Actions	Completion Date
		Review Chemical Register	
		Chemical Risk Assessments	
		Complete Task Risk Assessments for High Risk (Six Identified)	31/07/2016
		Complete Task Risk Assessments for Medium Risk (Four Identified)	30/09/2016
		Review SOP's for Men's Shed	30/11/2015
		Review SOP's for High Risk Equipment	30/09/2016
		Review SWP's for High Risk Tasks	30/09/2016
		Train key staff on medium Task Risk Assessments	25/10/2016
		Train key staff on reviewed SOP's/SWP's	25/10/2016
3.8.6	The organisation must ensure program(s) in the context programs means policies and procedures are in place to meet the organisations duty of care for all persons in the workplace.	Review and consult on Contractor Management Procedure as per 1.2.1	30/04/2016
		Train key staff in Contractor Management	30/04/2016
		Review Contractor site induction process	30/04/2016
		Check that the review of Contractor Management documentation is occurring.	30/04/2016
		Conduct Volunteer induction for Volunteers who were engaged prior to 2012 on the New WHS Legislation	31/08/2016
4.2.1	The organisation must ensure programmed internal audits are performed objectively by competent personnel to ensure performance of systems and programs and employees directly affected by the results, or their representatives, are consulted.	Internal Audits is parked due to work on Standards 1, 2 and 3.	Parked

Standard	Sub-Element Description	Actions	Completion Date
5.1.1	The organisation must ensure it reviews the scope and content of the policy statement and supporting policies and procedures in consultation with employees or their representatives to ensure continued suitability and effectiveness.	Conduct annual WHS Management System review with Executive Leadership Team include any review of Policies and Procedures that have occurred throughout the year.	31/4/2105

Attachment

AGENDA ITEM NO.: 10.4

TO: Audit Committee on 29 March 2016

DIRECTOR: Ginny Moon, Director Corporate Services

REPORT AUTHOR: Kerry Loughhead, Manager Governance & Administration

SUBJECT: Review of Corporate Governance & Internal Control Framework

1. EXECUTIVE SUMMARY

- 1.1 The draft Corporate Governance & Internal Control Framework (the Governance Framework) is not a policy or statement of intent. The document exists to provide context to Council's governance policies and practices. It provides readers with an overview of the structure that has been put in place in order to assist Elected Members, the Chief Executive Officer (CEO) and employees to meet their governance responsibilities as required under various legislation, in particular the Local Government Act 1999.
- 1.2 The Governance Framework has been renewed and is provided as **Attachments 1–23**. The new format is modelled on the City of Tea Tree Gully Governance Framework, adopted as best practice by the Eastern Region Alliance Governance Group, and updated to reflect contemporary policy changes and appropriate organisational structure for City of Prospect.
- 1.3 The Corporate Governance & Internal Control Framework confirms Council's commitment to good governance. The framework provides a broad description of the elements of governance and the processes that will ensure the City of Prospect is governed and managed to achieve its Core Strategies and annual operational plans.

2. RECOMMENDATION

- (1) The Corporate Governance & Internal Control Framework, provided at Attachments 1 – 23, be adopted.**
-

3. RELEVANCE TO CORE STRATEGIES / POLICY

3.1 Core Strategy 5 – Your Council.

5.7 Provide efficient and effective services using the most appropriate service delivery model and technology.

- 5.7.2 Provide visible service delivery and accountability through a structured program of service reviews and improving Council's internal systems and on-line services.

4. COMMUNITY INVOLVEMENT

- 4.1 Not applicable for this report. The Corporate Governance & Internal Control Framework will be available on the website once adopted.

5. DISCUSSION

- 5.1 The Draft Corporate Governance & Internal Control Framework (the Governance Framework) is not a policy or statement of intent. The document exists to provide context to Council's governance policies and practices. It provides readers with an overview of the structure that has been put in place in order to assist Elected Members, the Chief Executive Officer (CEO) and employees to meet their governance responsibilities as required under various legislation, in particular the Local Government Act 1999.

- 5.2 In order to ensure the City of Prospect community continue to have confidence that the organisation (both Council and the administration) is fulfilling its responsibilities with due diligence, openness and accountability, we regularly review our corporate governance policies.

- 5.3 The Governance Framework has been renewed and is provided as **Attachments 1–23**. The new format is modelled on the City of Tea Tree Gully Governance Framework, adopted as best practice by the Eastern Region Alliance Governance Group, and updated to reflect contemporary policy changes and appropriate organisational structure for City of Prospect.

- 5.4 For comparison (if required) the existing Corporate Governance & Internal Control Framework can be found at:

http://www.prospect.sa.gov.au/webdata/resources/files/Corporate_Governance.pdf

This document included extracts of the Local Government Act, which were not considered to add value or clarity in describing Council's operations.

- 5.5 The Corporate Governance & Internal Control Framework confirms Council's commitment to good governance. The framework provides a broad description of the elements of governance and the processes that will ensure the City of Prospect is governed and managed to achieve its Core Strategies and annual operational plans.

ATTACHMENTS

Attachments 1-23: Corporate Governance & Internal Control Framework

Corporate Governance & Internal Control Framework



CITY OF
PROSPECT

128 Prospect Road (PO Box 171) Prospect SA 5082
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Reference Number:	CR16/4439
Type:	Council Policy
Responsible Director:	Director Corporate Services
Responsible Officer (s):	Manager Governance & Administration
Initial Adopted Date:	Council on 20 December 2011
Last Review Date:	23 August 2011 March 2016
Next Review Due:	March 2018

Attachment

Reference:

City of Tea Tree Gully, Governance Framework

(adopted in 2012 as best practice by the Eastern Region Alliance Governance Group)

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1. INTRODUCTION

Elected Members and employees of the City of Prospect are committed to the democratic process and the principles of good governance.

The Corporate Governance & Internal Control Framework (the Governance Framework) has been prepared to demonstrate to the community that Elected Members and employees have an understanding of governance and how it applies to Council business.

1.1 Purpose

The Governance Framework is not a policy or statement of intent. The document exists to provide context to Council's governance policies and practices. It provides readers with an overview of the measures that have been put in place in order to assist Elected Members, the Chief Executive Officer (CEO) and employees to meet their governance responsibilities as required under various legislation, in particular the Local Government Act 1999.

1.2 What is Governance?

Good governance for the City is about its performance in the provision of goods, services and programs and how the organisation meets its legislative requirements, non legislative requirements (e.g. Standards) and community expectations. This is achieved by having decision making processes and structures in place that are transparent, accountable and having integrity when interacting with the community, businesses and government departments.

Having a Governance Framework that is followed by Elected Members and employees improves efficiency and demonstrates accountability to everyone Council has a relationship with.

1.3 Why is Good Governance Important?

By establishing good governance principles, Council, the CEO, employees and the community can be confident the organisation is being run efficiently, is viable and is carrying out the objectives, policies and plans of Council.

Good governance is important because it:

- Establishes and maintains confidence and trust people have in Council
- Improves the quality of services provided
- Ensures Council meets its legislative responsibilities
- Is a strong reminder of accountability to the community
- Ensures the community has the opportunity to be involved in the decision making process.

2. GOVERNANCE FRAMEWORK

2.1 Framework Overview

2.1.1 The Governance Framework provides information about the Council, Elected Members and administration, the relationships that exist and how they work together to provide good corporate governance.

2.2 Composition of Council

2.2.1 Council comprises 9 Elected Members including the Mayor.

2.2.2 The Mayor is elected by the community across the whole of the City.

2.2.3 The community elects a total of 8 ward councillors, being two members from each of the four wards of the City (see Appendix 1 for Ward Map).

2.2.4 General elections for the whole of Council are held every four years on a fixed date set by legislation, with the next general election due in November 2018.

2.2.5 There are no qualifications required and only a few limitations on who should be an Elected Member.

2.2.6 Section 17 of the Local Government (Elections) Act 1999 indicates that to be eligible to be a candidate for election, a person must be:

- (i) *an Australian citizen; or*
- (ii) *a prescribed person; (means a person who has held office as a member of a council at any time between 5 May 1997 and the commencement of Section 17 of the Local Government (Elections) Act 1999)*

and

- (i) *the person is an elector for the area; or*
- (ii) *the person is the designated person for a body corporate which has its name on the voters roll for the area; or*
- (iii) *the person is the designated person for a group which has its name on the voters roll for the area; or*
- (iv) *the person's name has been omitted in error from the voters roll for the area, or the person is the designated person for a body corporate or group which has had its name omitted in error from the voters roll for the area (and would be eligible for nomination under subparagraph (ii) or (iii) (as the case may be) were the name on the roll).*

And is not eligible to be a candidate if the person:

- *is a member of an Australian Parliament; or*
- *is an undischarged bankrupt or is receiving the benefit of a law for the relief of insolvent debtors; or*
- *has been sentenced to imprisonment and is, or could on the happening of some contingency become, liable to serve the sentence or the remainder of the sentence; or*
- *is an employee of the council; or*

- *is disqualified from election by court order under the Local Government Act 1999.*
- *in the case of a supplementary election—is a member of another council; or*
- *in the case of any election—is a candidate for election as a member of another council.*

2.2.7 A legislated periodic review of the composition, size and ward structure of the Council must be held at least every eight years.

2.2.8 Further information about the Elected Members can be found on Council's website: www.prospect.sa.gov.au

2.3 The Roles, Functions and Objectives of Council

2.3.1 The roles, functions and objectives of Councils are set out in the Local Government Act 1999 as follows.

Council's role (Section 6) is:

- *to act as a representative, informed and responsible decision maker in the interests of its community*
- *to provide and coordinate various public services and facilities and to develop its community and resources in a socially just and ecologically sustainable manner*
- *to encourage and develop initiatives within its community for improving the quality of life of the community*
- *to represent the interests of its community to the wider community*
- *to exercise, perform and discharge the powers, functions and duties of local government in relation to its area, as contained in the Local Government Act 1999 and other Acts in relation to the area for which it is constituted.*

Council's functions (Section 7) include:

- *to plan at the local and regional level for the development and future requirements of its area*
- *to provide services and facilities that benefit its area, its ratepayers and residents, and visitors to its area (including general public services or facilities (including electricity, gas and water services, and waste collection, control or disposal services or facilities), health, welfare or community services or facilities, and cultural or recreational services or facilities)*
- *to provide for the welfare, wellbeing and interests of individuals and groups within its community*
- *to take measures to protect its area from natural and other hazards and to mitigate the effects of such hazards*
- *to manage, develop, protect, restore, enhance and conserve the environment in an ecologically sustainable manner, and to improve amenity*
- *to provide infrastructure for its community and for development within its area (including infrastructure that helps to protect any part of the local or broader community from hazard or other event, or that assists in the management of any area)*
- *to promote its area and to provide an attractive climate and locations for the development of business, commerce, industry and tourism*

- *to establish or support organisations or programs that benefit people in its area or local government generally*
- *to manage and, if appropriate, develop, public areas vested in, or occupied by, the Council*
- *to manage, improve and develop resources available to the Council*
- *to undertake other functions and activities conferred by or under an Act.*

Principles to be observed by Council (Section 8) include:

- *to provide open, responsive and accountable government*
- *to be responsive to the needs, interests and aspirations of individuals and groups within its community*
- *to participate with other Councils, and with State and national governments, in setting public policy and achieving regional, State and national objectives*
- *to give due weight, in all its plans, policies and activities, to regional, State and national objectives and strategies concerning the economic, social, physical and environmental development and management of the community*
- *to seek to coordinate with national and State governments in the planning and delivery of services in which those governments have an interest*
- *to seek to facilitate sustainable development and the protection of the environment and to ensure a proper balance within its community between economic, social, environmental and cultural considerations*
- *to manage its operations and affairs in a manner that emphasises the importance of service to the community*
- *to seek to ensure that Council resources are used fairly, effectively and efficiently*
- *to seek to provide services, facilities and programs that are adequate and appropriate and seek to ensure equitable access to its services, facilities and programs*
- *to achieve and maintain standards of good public administration*
- *to ensure the sustainability of the Council's long-term financial performance and position.*

2.3.2 Council also exists to achieve the vision and goals as set out in the Strategic Plan, which can be found on Council's website www.prospect.sa.gov.au.

2.4 Services

2.4.1 Council decides which services they will provide locally based on community need, however there are some non-discretionary (legislative) services that Council is required to provide. These include:

- Formulation of planning policy for the area (note that planning policy must be approved by the State Minister for Planning)
- Assessment of development proposals including the enforcement of breaches of the Development Act 1993
- Some environmental health services, such as monitoring cooling towers for Legionnaire's Disease, food inspections, maintaining sanitary conditions
- Fire prevention
- Dog and cat management

- Some administrative requirements, such as preparing strategic plans for the area, maintaining an office and employing a CEO
- Emergency management
- Council Development Assessment Panel (CDAP)
- Audit Committee
- Strategic Planning and Development Policy Committee (SPDPC)
- Waste collection and disposal
- Maintenance and upgrade of key assets

2.4.2 Discretionary services that Councils choose to provide are numerous with some listed below:

- Community buses
- Community centres
- Community development programs
- Community leadership and advocacy
- Community services such as home and community care
- Control of pest animals and plants
- Control of public nuisances
- Festivals and events
- Footpaths
- Immunisation
- Landcare program
- Libraries with free internet
- Local History Group
- On street parking
- Online services
- Ovals
- Parks and gardens
- Recycling
- Reserves and picnic areas
- Roads (local roads – that is, not national highways or State arterial roads)
- Skate parks
- Street lighting
- Street trees
- Traffic management
- Youth advisory committees

2.5 Specific Roles and Responsibilities

2.5.1 Council and the CEO have specific responsibilities that, if addressed with due care and diligence, will ensure they exercise effective control over the management and operation of the City. These are termed governance responsibilities.

2.5.2 The Act provides formal distinctions between the role of the Council (Elected Members) as set out in sections 58 and 59, and the CEO at sections 99 and 103. Specifically, the Act provides for a separation of roles as indicated below.

Elected Members:

- *To participate in the deliberations and civic activities of the Council*
- *To keep the Council's objectives and policies under review to ensure that they are appropriate and effective*

- *To keep the Council's resource allocation, expenditure and activities, and the efficiency and effectiveness of its service delivery, under review*
- *To ensure, as far as is practicable, that the principles set out in Section 8 (of the Local Government Act 1999) are observed*
- *To represent the interests of residents and ratepayers, to provide community leadership and guidance, and to facilitate communication between the community and the Council*
- *With the principal member's (Mayor's) authorisation, act in place of, or represent, the principal member*
- *Have no direct authority over an employee of the Council with respect to the way in which the employee performs his or her duties.*

CEO:

- *To ensure that the policies and lawful decisions of the Council are implemented in a timely and efficient manner*
- *To undertake responsibility for the day to day operations and affairs of the Council*
- *To provide advice and reports to the Council on the exercise and performance of its powers and functions under the local government act 1999 or any other act*
- *To coordinate proposals for consideration by the Council for developing objectives, policies and programs for the area*
- *To provide information to the Council to assist the Council to assess performance against its strategic management plans*
- *To ensure that timely and accurate information about Council policies and programs is regularly provided to the Council's community, and to ensure that appropriate and prompt responses are given to specific requests for information made to the Council*
- *To ensure that the assets and resources of the Council are properly managed and maintained*
- *To ensure that records required under the Local Government Act 1999 or another Act are properly kept and maintained*
- *To give effect to the principles of human resource management prescribed by the Local Government Act 1999 and to apply proper management practices*
- *To exercise, perform or discharge other powers, functions or duties conferred on the CEO by or under the Local Government Act 1999 or other Acts, and to perform other functions lawfully directed by the Council*
- *Must consult with the Council (to a reasonable degree) when determining, or changing to a significant degree—*
 - *The organisational structure for the employees of the Council*
 - *The processes, terms or conditions that are to apply to the appointment of senior executive officers*
 - *The appraisal scheme that is to apply to senior executive officers.*
- *Appointing, managing, suspending and dismissing the other employees of the council (on behalf of the council)*

2.5.3 It is good governance that the Elected Members, CEO and employees recognise and respect each other's roles and responsibilities, and maintain good relationships to benefit the community. It is important Council does not become involved in management and operational functions, and for management not to set strategies and policies that have not been authorised by Council.

2.5.4 Apart from the formal processes of Council, open communication is facilitated by:

- Weekly meetings between the CEO and Mayor
- Regular meetings between the CEO and Directors
- Elected Members having access to Executive Management
- Regular informal briefing meetings / workshops for all Elected Members and Executive Management.

2.6 Elected Members' Protection from Personal Liability

2.6.1 Section 39 of the Local Government Act 1999 specifies:

- *No civil liability attaches to a member of a Council for an honest act or omission in the exercise, performance or discharge, or purported exercise, performance or discharge, of the members or Council's powers, functions or duties under this or other Acts*
- *A liability that would, but for this section, attach to a member of a Council attaches instead to the Council.*

2.6.2 This does not provide any protection for Elected Members charged with any criminal acts and is only of benefit to members for civil matters where they have acted honestly.

2.7 Support for Elected Members

2.7.1 The CEO, through an effective support process, ensures Elected Members understand their roles and responsibilities and are able to add value and bring independent, informed and objective judgement to the decision making process of Council.

2.7.2 The CEO provides Elected Members with an induction program upon appointment and makes available to Elected Members continuing education and development programs as necessary.

2.7.3 Individual support and advice is available from employees, although normally this would be through the relevant Director.

2.7.4 Under section 76 of the Local Government Act 1999, Elected Members are entitled to an allowance determined by the Remuneration Tribunal to assist them in the performance of their roles and responsibilities, which is set independently of Council.

2.8 Periodic Review of Ward Boundaries

2.8.1 Council undertook its last review of ward boundaries (Elector Representation Review) in 2013. Reviews are required in accordance with regulations. Council's next review is due in 2021. Alternatively the Electoral Commissioner may require Council to conduct a review at any time on reasonable grounds (eg if a ward has increased population due to higher density developments).

2.8.2 A group of at least 20 eligible electors may make a submission for council to consider a proposal to:

- Alter the boundaries of the Council
- Alter the composition of the Council or the representative structure of the Council (including by the creation, alteration or abolition of wards)
- Incorporate within the area of the Council a part of the State that is not within the area of the Council.
- The process for lodgement and assessment of a public initiated submission is governed by section 28 of the Local Government Act 1999.

2.9 Section 41 and other Committees

2.9.1 Council may establish committees under the Local Government act and other legislation.

2.9.2 Committees exist to provide Council with input and information to assist it to make better decisions in the interests of the Council communities. In some cases, these committees have powers delegated to them by Council to permit them to make particular types of decisions on behalf of Council. Each committee has a Terms of Reference that includes membership, meeting schedule, establishment, context, quorum, reporting, voting, delegations and other information considered necessary for that committee. Agendas, Minutes and Terms of Reference of each committee are available on Council's website www.prospect.sa.gov.au.

2.9.3 Council's meeting structure includes:

- (1) Workshops (1st and 2nd Tuesday of the month, and as required)

The protocols for workshops (included in each Workshop Program) demonstrate Council's commitment to achieving enhanced, meaningful engagement of members and facilitate an equal and equitable participation of all members. Workshops are an opportunity for the administration to provide information to Elected Members in an informal setting. No decisions are made at Workshops.

- (2) Audit Committee (at least four times per year)

The objective of the Audit Committee is to oversee Council's risk management and audit initiatives and to act as a source of advice to the Council and Chief Executive Officer in relation to these matters.

- (3) CEO Performance Development Review Committee (at least twice per year)

The CEO Performance Development Review Committee is established for the purpose of engaging in and undertaking a developmental process to determine, in conjunction with the CEO, relevant Key Performance Measures, for undertaking the formal review process of the performance of the CEO against the agreed Key Performance Measures in accordance with the terms of reference and for making other recommendations to the Council relevant to the employment and performance of the CEO.

- (4) Strategic Policy & Development Planning Committee (as required)

The objective of the Strategic Planning & Development Policies Committee is to provide assistance and advice to Council in relation to preparing Development Plan Amendment proposals, and to act as a source of advice to the Council and Chief Executive Officer. The Terms

of Reference are to be read in conjunction with Section 101A of the *Development Act 1993*.

- (5) Council Development Assessment Panel (CDAP) (2nd Monday of the month)

The functions of the Panel are:

- to act as a delegate of the Council in accordance with the requirements of the Development Act; and
- to provide advice and reports to Council on trends, issues and other matters relating to planning or development that have become apparent or arisen through its assessment of applications under the Development Act; and
- to perform other functions (other than functions involving the formulation of policy) assigned to the Panel by the Council.

2.9.4 All meetings are open to the public. Certain items may be held in confidence (without the public) if covered under Section 90 of the Local Government Act 1999 or Section 56A(12) of the Development Act 1993.

2.9.5 Meetings dates are available on Council's website.

2.10 Decision Making Process

2.10.1 Council understands that its decision making and its processes must be transparent. The community needs to understand how a decision was made.

2.10.2 The Council meeting is the primary way in which decisions are made in local government.

2.10.3 Council may choose to delegate some decision making responsibility to committees, subsidiaries, employees or other authorised persons under Section 44 of the Local Government Act 1999.

2.10.4 To assist in the decision making process, Council has established committees under section 41 of the Local Government Act 1999 (see 2.9). These committees exist to provide Council with input and information to assist them to make better decisions in the interests of the Council communities. In some cases, these committees may have powers delegated to them by Council to permit them to make particular types of decisions on behalf of Council.

2.10.5 The Council or committee must have a quorum (*quorum - 1/2 of total members divided by 2, ignore any fraction and add 1*) to make any decisions. Once Council has made a decision, it becomes the collective decision of Council. Council acknowledges that people are entitled to a different point of view. It is highly desirable that Elected Members publically support the decision made as a Council. An Elected Member's support of the democratic process does not override their right to have a different view.

2.10.6 Decisions made by Council or a committee should be implemented promptly by the administration.

2.10.7 The CDAP has statutory and regulatory decision making powers for development applications assigned by the Development Act 1993. Rules applying to public access to CDAP meetings and documents and conflict of interest are specified in

the Development Act 1993, not the Local Government Act 1999. The Freedom of Information Act 1991 is applicable to documents of a CDAP.

2.11 Authorised Persons

2.11.1 Under the following legislation a council may, by instrument in writing, appoint a person (other than a member of Council) as an authorised person. The Register of Authorised Persons is maintained in line with the following Acts of Parliament:

- Development Act 1993
- Dog and Cat Management Act 1995
- Environment Protection Act 1993
- Expiation of Offences Act 1996
- Fire and Emergency Services Act 2005
- Food Act 2001
- Graffiti Control Act 2001
- Housing Improvement Act 1940
- Impounding Act 1920
- Local Government Act 1999
- Native Vegetation Act 1991
- Public and Environmental Health Act 1987 (soon to be replaced by South Australian Public Health Act 2011)
- Supported Residential Facilities Act 1992.

2.11.2 If power is granted to an authorised person, the decision is then up to the authorised person to make on behalf of Council.

2.12 Delegations

2.12.1 A delegation can be made to employees, authorised persons, committees and subcommittees or to a subsidiary. Council has delegated a broad range of powers, duties, and functions under the Local Government Act 1999 and numerous other Acts to some committees, CEO and Directors to assist in the decision making process. Where appropriate the CEO has subdelegated powers to employees. Delegations are found in Council's Delegations Register, which is located on Council's website: www.prospect.sa.gov.au.

2.12.2 Certain matters are unable to be delegated by the Council as indicated by section 44(3) of the Local Government Act 1999. These are:

- *Power to make a by-law*
- *Power to declare rates or a charge with the character of a rate*
- *Power to borrow money or to obtain other forms of financial accommodation*
- *Power to adopt or revise a strategic management plan or budget of the Council*
- *Power to adopt or revise an annual business plan or budget of the Council*
- *Power to approve expenditure of money on works, services or operations of the Council not contained in a budget adopted by the Council*
- *Power to approve payment or reimbursement of expenses that may be paid at the discretion of the Council and for which the Council has not adopted a formal policy or made specific financial provision*

- Power to establish a subsidiary, or to participate in the establishment of a regional subsidiary
- Power to make an application or recommendation, or to report or to give a notice, to the Governor or the Minister, being an application, recommendation, report or notice for which provision is made by or under this or another Act
- Power to fix, vary or revoke a fee under Section 188(1)(d) to (h) Fees and Charges
- Power or function excluded from delegation by the regulations.

2.13 Subsidiaries and Regional Subsidiaries

2.13.1 Council does not currently have any subsidiaries under section 42 of the Local Government Act 1999.

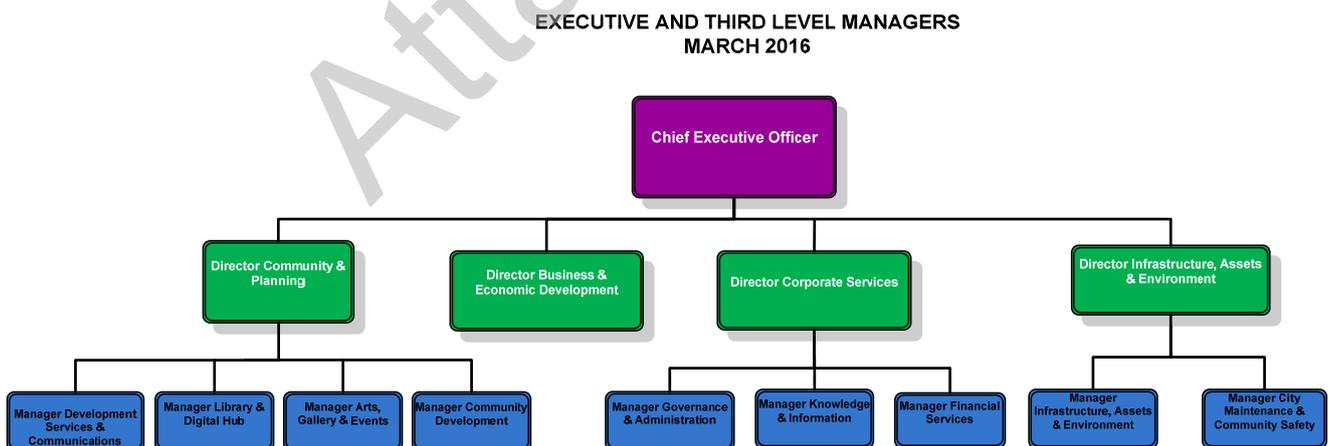
2.13.2 A regional subsidiary under section 43 of the Local Government Act 1999, is established by two or more councils to provide a services or activity, or any other function of Council.

2.13.3 Council currently has two regional subsidiaries under Section 43 of the Local Government Act 1999:

- The Eastern Health Authority
- Waste Care SA - (Soon to be wound up)

2.14 Administration of the City of Prospect

2.14.1 The organisational structure below shows the position titles (including departments) that assist the organisation to manage its business. Elected Members can consult with the CEO and Directors as required.



3. GOVERNANCE PRINCIPLES

Under this Governance Framework, the following principles are important to provide good governance:

- Leadership and strategy
- Ethics and probity
- Financial governance
- Communication and community engagement
- Risk management
- Performance review
- Policies
- Procedures
- Internal controls
- Records management
- Strategy
- Technology.

Overall, it is essential to have:

- Clear roles and responsibilities of Elected Members and employees
- An appropriate organisational structure to implement Strategic Plan vision and goals in accordance with Council's priorities and approved budget
- Clear decision making processes
- Appropriate authorisations and delegations
- Knowledge of legal and best practice responsibilities
- Accountability to the community
- Appropriate reporting systems
- Cooperation between Council and stakeholders (current and future).

3.1 Leadership

3.1.1 Elected Members have an important role as leaders of the community. It is important that Council establishes and maintains relationships with State and Federal government and community groups to better represent the local community.

3.1.2 As part of the leadership role, Council has adopted various strategies or similar documents including:

- Strategic plan
- Environmental Action Plan
- Communications strategy (under consideration)
- Park Strategy (under consideration)
- Community land management plans
- Disability Discrimination Act access action plan
- Land strategy
- Community Engagement & Consultation Policy
- Children & Vulnerable Persons Safety Policy

- Reconciliation Statement
- Strategic Economic Development Plan

3.1.3 These strategies help to build relationships with the community and businesses within the City and can be found on Council's website: www.prospect.sa.gov.au.

3.2 Ethics

3.2.1 Ethical behaviour is a key aspect of good governance and supporting principles.

3.2.2 A number of written codes, policies and guidelines are in place to support ethical behaviour. The Local Government Act 1999 requires most of these and sets minimum standards. They include:

- Code of conduct for Elected Members
- Code of conduct for employees and volunteers in Local Government
- Code of conduct for CDAP members
- Conflict of interest guide
- Elected Members' Allowances and Benefits Policy
- Elected Members Training and Development Policy
- Accounting Policies & Procedures, including Procurement
- Work health and safety policies
- Community Engagement & Consultation Policy
- Internal Review of Council Decisions Policy
- Numerous public registers such as the register of Elected Members allowances and benefits
- Code of Practice – Meeting Procedures of Council and Standing Committees
- Code of Practice – Public Access to Meetings and Documents.

3.2.3 The strategies listed in 2.2.1 are supplemented by the practice of reporting and communication with stakeholders via public meeting agendas and in local newspapers (see 2.2.4)

3.3 Financial Governance

3.3.1 *"Excellence in Governance for Local Government"* identifies sound financial management as a key component of good governance. It describes the principle behind sound financial management as:

3.3.2 *"There should be robust and transparent financial management established and maintained to meet local government's accountability to its stakeholders, particularly in terms of stewardship of community assets, now and into the future"*.

3.3.3 This can be expanded into a series of aims and principles:

- Council is financially sustainable
- Infrastructure is managed effectively and efficiently
- Budgets and other financial information are reported
- Council has considered its position on the funding of services and has suitable resources to enable it to evaluate the strategic benefit of all of its services

- An equitable, transparent and accountable rating system is in place
- Achievement of Council's strategic objectives is facilitated through the effective management of borrowings and assets
- There are systems and procedures in place that improve the efficiency and effectiveness of Council services
- The integrity of financial systems and reports.

3.3.4 Each of these aims and principles can be achieved using a number of mechanisms. The long term financial plan, infrastructure and asset management plans and the Council's Strategic Plan are the key guiding documents to achieve these.

3.3.5 Each document is the subject of regular review and reporting to Council.

3.3.6 Council receives quarterly reviews about the budget and the annual financial statements for adoption. The audited annual statements are reviewed by Council's Audit Committee before being considered by Council and are included in Council's Annual Report.

3.4 Communication

3.4.1 Effective communication is essential to responsible decision making, especially in local government.

3.4.2 There are different mechanisms for the community to have input into Council decisions. They are by community engagement, deputations, internal review of decisions and public forums.

3.4.3 Council has a Communications Strategy, which is about sharing information and guiding perceptions and it helps Council to ensure the community is kept informed about Council's activities and initiatives.

3.4.4 Good governance requires accountability to the community, and this in turn requires communication about performance.

3.4.5 At present, Council has the following in place to communicate with stakeholders:

- Community Engagement & Consultation Policy
- Communications Strategy (under consideration)
- Council meetings that are open to the public – public agendas containing information, recommendations, disclosure and performance reviews
- Information documents for communication between Council's administration and Elected Members, also published quarterly as part of the Council Agenda
- Council website
- Open channels of direct communication eg email, telephone, letters, customer service desk, website feedback
- Targeted correspondence with ratepayers affected by Council decisions
- Annual Report
- Market research sampling
- Hand delivered or posted circular letters
- Online Community Consultation Panel
- Letters personally addressed to individuals, including questionnaires
- Street meetings or local area meetings

- Telephone and/or online surveys.
- 3.4.6 Deputations are permitted in Council or committee meetings as a mechanism for a person or a group of people to raise their concerns. To ensure that the community can follow the correct process, *Deputation Information and Request Form* are available on Council's website: www.prospect.sa.gov.au.
- 3.4.7 The initial decision to hear a deputation is made by the presiding member of the Council or committee. If the deputation is refused, it must be reported at the next Council or committee meeting. If the deputation will be heard, it can also be directed to be presented to a committee. A request for a deputation will be responded to by the CEO.
- 3.4.8 Request for internal review of decisions can be made directly to the Council, or to the Ombudsman. There are procedures in place to manage customer suggestions and/or complaints. The Customer Service Charter and Internal Review of Council Decisions Policy are available on Council's website: www.prospect.sa.gov.au, explaining the processes involved under each policy.
- 3.4.9 Occasionally there are public forums held to disseminate information and to obtain community input. These forums are for collecting information and are not for making decisions.

3.5 Community Engagement

- 3.5.1 Community engagement is important and is encouraged in the decision making process, which is why there is a Community Engagement & Consultation Policy to ensure employees seek discretionary and non discretionary engagement. Council is committed to going beyond minimum requirements for public consultation and has made efforts to better engage with residents about issues such as playground upgrades, landscaping and tree works.
- 3.5.2 Community engagement is a continuous process, which provides opportunity for residents and other key stakeholders to have a greater say in what happens in the City and to be more active in the decision making process.
- 3.5.3 Some examples of when Council uses community engagement include:
- Annual Budget
 - Major Council projects or proposals for the area
 - By-laws
 - Community land acquisitions and disposal
 - Community Land Management Plans
 - Major road works
 - Certain development applications
 - Local area traffic management
 - Council boundary issues
 - Proposed changes to Council's rating system
 - Recreation development proposals
 - Reserve naming, renaming or leasing
 - Road closures
 - Strategic planning

- Representation reviews
- Tree planting and removal.

3.6 Risk Management

- 3.6.1 The CEO regularly reviews operational processes and procedures and implements corrective action when necessary to ensure the effectiveness of the City's internal systems of control, thereby ensuring its assets are safeguarded and the decision making capabilities and the accuracy of its reporting and financial results are maintained at a high level at all times.
- 3.6.2 The CEO engages the assistance of external advisers as considered necessary, to monitor and evaluate the City's activities and internal controls.
- 3.6.3 The management of risk is recognised as an integral part of good management practice and is an essential component of good corporate governance and the successful achievement of Council's Vision, the Strategic Plan's Objectives and Community expectations.
- 3.6.4 Council is committed to an integrated approach to risk management to protect its employees, assets, liabilities and community against potential exposures, to minimise uncertainty in achieving its Goals, and to maximise opportunities.
- 3.6.5 The risk management process is not an isolated function, but rather should be integrated as part of good management practice. To ensure that staff, Volunteers, Elected Members and key stakeholders are familiar with the elements of risk management, a Policy and Framework have been developed to standardise the process of identifying and managing risk across Council's business units.
- 3.6.6 The Framework is developed in accordance with the International Risk Management Standard AS/NZ ISO 31000:2009: "Risk Management Principles and Guidelines".

3.7 Performance Review

- 3.7.1 Council has a number of mechanisms in place to ensure performance is continually monitored and reviewed, and corrective action is taken where required. Council reports its performance in the following ways:

(1) Financial reporting

Financial reports and budget reviews are provided to Council quarterly.

Capital works reports are provided to Council quarterly to monitor progress of the annual capital works program.

The Long Term Financial Plan, Infrastructure and Asset Management Plan and projects linked to Council's Strategic Plan are key guiding documents that are reviewed annually.

The Executive Leadership Team receives monthly reports on the budget.

Audited Annual Statements are reviewed by Council's Audit Committee before being considered by Council.

(2) Performance reporting

Council has performance reporting in place in order to monitor the progress of the Strategic Plan and Annual Business Plan. The methodology seeks to report on a range of performance indicators (mainly non-financial) critical to achieving the strategic objectives of the City. Reporting will be mainly from the Department level through to the Executive level before being reported to Council quarterly.

(3) Annual Report

Requirements for the Annual Report are detailed in sections 128(9), 131 and schedule 4 in the Local Government Act 1999, and Regulation 22A in the Local Government (General) Regulations 1999. The Annual Report is published in December of each year. Each Annual Report becomes historical information about Council's performance and includes its audited financial statements.

(4) Community survey

Council has conducted a regular community survey since 1999. The survey is an important way for Council to understand how the community views the performance and delivery of services.

(5) Audit Committee

The Audit Committee provides an advisory role to Council.

To assist the Audit Committee undertake its duties and responsibilities, an Audit Committee Work Program is developed, reviewed and endorsed by the Audit Committee on a yearly basis.

The Audit Committee Work Program provides a structured schedule of key activities that the Audit Committee is required to review and provide advice upon.

These activities include:

- Internal Controls – appraisal of Council's internal controls to assess their effectiveness in achieving the organisation's goals and objectives
- Fiduciary and legislative responsibilities
- Providing recommendations to Council and the organisation in accordance with the Audit Committee Terms of Reference
- Risk management of Council's operations.

The Audit Committee meets at least 4 times per year. The Audit Committee meets on an annual basis with the external auditor to review the external auditor's report.

(6) Performance reviews

The CEO Performance Development Review Committee (CEOPDR) is responsible for setting the CEO's annual Key Performance Indicators (KPIs) to measure success against the organisation's key result areas. The Committee is also responsible for reviewing the CEO's learning and development plan. The CEOPDR undertakes bi-annual reviews of the CEO's performance against the KPIs, including seeking feedback from Elected Members.

The organisation has an Individual Performance Planning process in place for all employees. Individual Performance Planning (IPP) is designed to establish a shared understanding of what is to be achieved, and how it is to be achieved, and ensure that individual performance contributes to the achievement of our Strategic Plan objectives. Individual Performance Planning provides the opportunity for people to improve their performance by setting clear objectives and measures, providing feedback on their performance and behaviour, and identifying and addressing their learning and development needs.

3.8 Policies and Procedures

- 3.8.1 Policies and procedures are documented in the Electronic Documents and Records Management System and accessible to all employees.
- 3.8.2 Policies are updated on a regular basis, as well as when there are legislative or organisational changes. Policies are presented to either the Audit Committee or directly to Council.
- 3.8.3 Procedures are regularly reviewed and updated in line with legislative, technology, policy and service changes.
- 3.8.4 Having comprehensive policies and procedures in place improves internal controls and mitigates risks.

3.9 Internal Controls

- 3.9.1 Establishing and having internal controls in place assists Council to set the operational tone of the organisation. The CEO has a responsibility to support and review Council's operations by reviewing internal controls which should be proactive, and have a risk management element to identify key business risks. Once the risks are identified, management need to identify, develop and manage policies, procedures or any other relevant tool to mitigate those risks.
- 3.9.2 Internal control should include:
 - Structure of the organisation
 - Culture of the organisation
 - Knowledge, skills and experience of employees
 - Processes employed by the organisation to conduct business
 - Accountability and integrity in relation to any financial transactions.
- 3.9.3 Strategies that Council has implemented or is developing to achieve effective risk management and internal controls include the following:
 - Reporting to the Audit Committee
 - Development and implementation of an internal audit program whereby compliance with major regulatory, strategic and operational requirements may be periodically reviewed. These include requirements specified in the Local Government Act 1999 together with environmental, heritage, cultural, WH&S, Industrial Relations and Equal Opportunity legislation
 - In line with Section 129 of the Local Government Act 1999, an external audit is undertaken annually to provide assurance that Council's Annual Financial

Statements are true and fair and to provide an opinion on the adequacy of the internal controls in operation

- Policies and procedures
- Limits of authority are delegated in accordance with the Local Government Act 1999 and appropriate approval processes implemented
- Organisational review when required
- Position descriptions are established for all positions
- Annual performance appraisals
- Training for Elected Members and employees.

3.10 Records Management

3.10.1 Corporate records are to be managed in accordance with Council's Record Management Policy.

3.10.2 All Elected Members, employees and contractors are responsible for maintaining complete, accurate and reliable evidence of all business transactions and ensuring all corporate documents are retained within the City's official recordkeeping system at the point of creation regardless of the format, being in accordance with:

- State Records Act 1997
- Evidence Act 1929
- Freedom of Information Act 1991
- Local Government Act 1999.

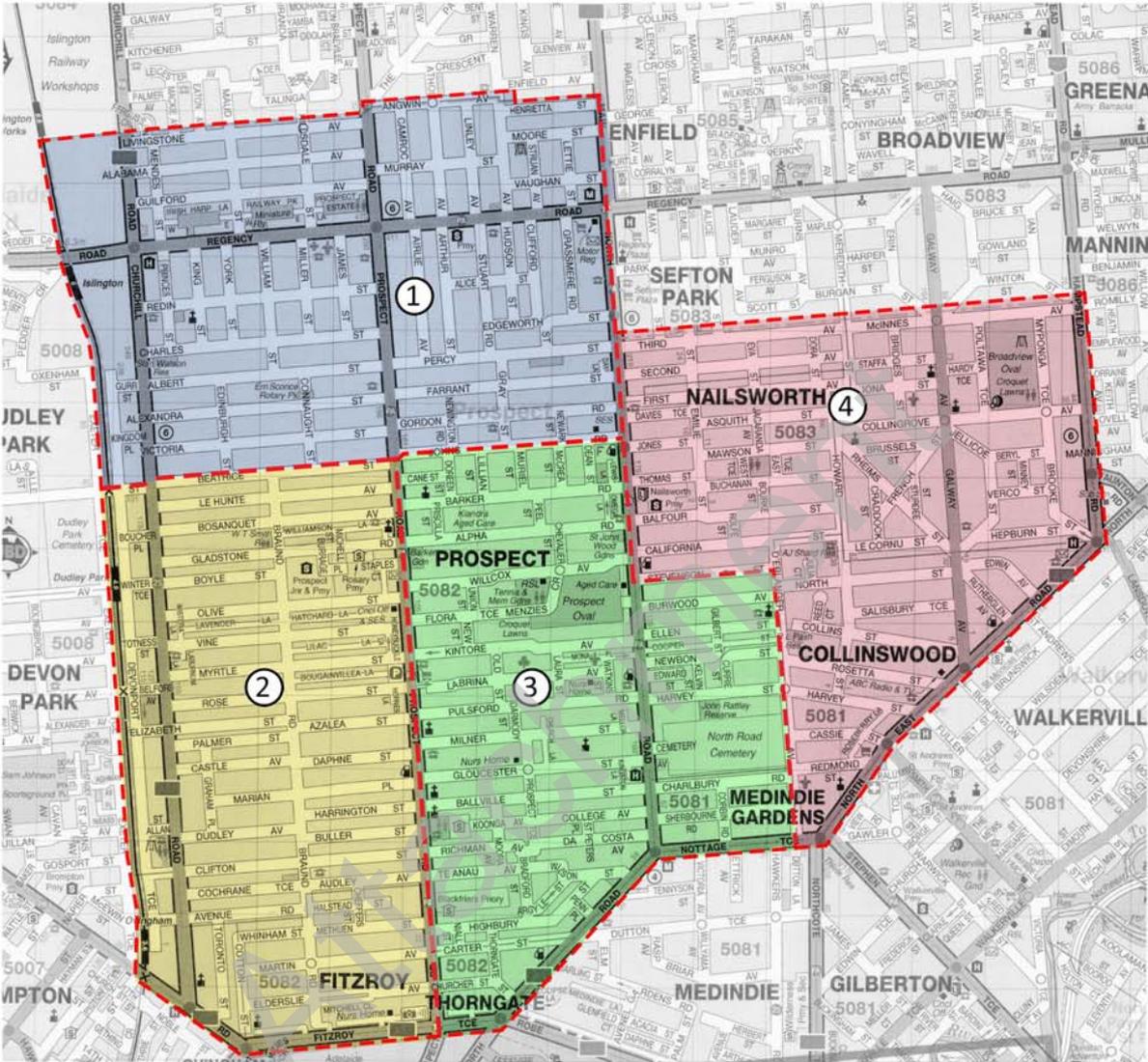
3.10.3 An Information Statement is published by Council in accordance with the requirements of section 9 (1a) of the Freedom of Information Act 1991. Council is pleased to comply with the legislation and welcomes any enquiries. The Information Statement is updated annually and published on Council's website: www.prospect.sa.gov.au

3.11 Technology

3.11.1 Technology is rapidly changing in the local government environment. It is important to ensure that technologies adopted by Council are compatible and assist to manage non discretionary and discretionary compliance, as well as providing effective and efficient records. Employees are to be provided with continuous training to maintain suitable service and compliance levels.

3.11.2 Elected Members receive all correspondence, including Agendas and Minutes, electronically. iPads (or similar) are provided to each Member to use during their term of office.

Appendix 1



- ① North Ward
- ② West Ward
- ③ Central Ward
- ④ East Ward

City of Prospect Ward Map



AGENDA ITEM NO.: 10.5

TO: Audit Committee on 29 March 2016

DIRECTOR: Ginny Moon, Director Corporate Services

REPORT AUTHOR: Kerry Loughhead, Manager Governance & Administration

SUBJECT: Governance Audit Assessment Update

1. EXECUTIVE SUMMARY

- 1.1 The Audit Committee Work Program includes a requirement for a Governance Assessment Program and Continuous Improvement Plan, and a Governance Audit was undertaken in June 2015.
- 1.2 The initial findings, provided at **Attachments 1-37** were previously presented to the Audit Committee on 25 August 2015.
- 1.3 The audit, done by Ms Harfield (then employed by the Local Government Association of SA) noted Council *is largely compliant with the requirements of the legislation that were audited*. However, some areas were not able to be audited, or did not meet the standards as interpreted by Ms Harfield.
- 1.4 Items that required attention include:
- Process for changes to the Assessment Record (Section 173, 173)
 - Prudential management policies, practices and procedures (Section 48)
 - Community Land Management Plans to be reviewed (Section 196, 199)
 - Process for the writing off of bad debts under delegation (Section 143)
- 1.5 The administration has addressed non-compliances and identified actions required to achieve full compliance in the City of Prospect Comment column of the updated Governance Audit Report provided at **Attachments 38-47**.
- 1.6 A further report to Council via the Audit Committee will be presented in six months time to address any remaining partial compliances or non-compliances.

2. RECOMMENDATION

- (1) **Council notes the Updated Governance Audit Assessment, provided at Attachments 38-47.**
- (2) **A further report to be provided to Council via the Audit Committee in six months advising of action taken to address any remaining non-compliances.**
-

3. RELEVANCE TO CORE STRATEGIES / POLICY

3.1 Core Strategy 5 – Your Council.

5.7 Provide efficient and effective services using the most appropriate service delivery model and technology.

5.8 Ensure Financial Stability.

4. COMMUNITY INVOLVEMENT

4.1 Not applicable for this item.

5. DISCUSSION

5.1 The Audit Committee Work Program includes a requirement for a Governance Assessment Program and Continuous Improvement Plan, and a Governance Audit was undertaken in June 2015.

5.2 The audit focussed on compliance in relation to the:

- Local Government Act 1999
- Local Government (Financial Management) Regulations 2011
- Local Government (Procedures at Meetings) Regulations 2013
- Code of Conduct for Council Members
- Code of Conduct for Council Employees

5.3 The initial findings, provided at **Attachments 1-37** were previously presented to the Audit Committee on 25 August 2015.

5.4 The audit, done by Ms Harfield (then employed by the Local Government Association of SA) noted Council *is largely compliant with the requirements of the legislation that were audited*. However, some areas were not able to be audited, or did not meet the standards as interpreted by Ms Harfield.

5.5 An area of concern by Ms Harfield was the availability of Policies and Registers at the front counter at the Civic Centre. All documents required to be available were on Council's website, and therefore considered to be compliant. Council subsequently put a Notice of Motion forward to the LGA Annual General Meeting to address the clarity of the Local Government Act when referring to the *availability of documents*. The motion was Carried at the AGM, and any actions associated with the motion will be reported at the LGA Ordinary General Meeting in April 2016.

5.6 The administration believes the assessment results demonstrate:

- Council members and senior officers clearly understand the importance and value of good governance and strive to put this into practice.
- Council has well developed and soundly based governance systems and processes.

- Council is meeting its legislative obligations relating to governance arrangements and procedures in most instances. Any deficiencies are in the main minor and would require little additional work to ensure full compliance in the future.

5.7 Items that required attention include:

- Process for changes to the Assessment Record (Section 173, 173)
- Prudential management policies, practices and procedures (Section 48)
- Community Land Management Plans to be reviewed (Section 196, 199)
- Process for the writing off of bad debts under delegation (Section 143)

5.8 The administration has addressed non-compliances and identified actions required to achieve full compliance in the City of Prospect Comment column of the report provided at **Attachments 38- 47**, with the updated results being rated according to staff:

- Green – full compliance
- Orange – partial compliance
- Red – non-compliance

5.9 A further report to Council via the Audit Committee will be presented in six months time to address any remaining partial compliances or non-compliances.

ATTACHMENTS

Attachments 1-37: Initial findings of the LGA Governance Audit

Attachments 38-47: Governance Audit Assessment Update



Governance Audit

City of Prospect

Prepared by Amanda Harfield, Legal Services Associate

June 2015

ECM 627284

This document is confidential and subject to legal professional privilege.

Introduction

The Local Government Association conducted a twelve month pilot program in relation to the provision of legal services for Local Government. The primary aim of the pilot program was to explore products and services that may assist Councils in reducing their overall legal expenditure and assistance in obtaining maximum value for required legal spend.

The City of Prospect has participated in the pilot program and requested a governance audit to be undertaken.

Conduct of the Audit

Ms Amanda Harfield, Legal Services Associate attended the offices of the Council on 10 March 2015 and 28 April 2015 for the purposes of conducting the audit. The audit has been undertaken through a desktop survey of the Council's website (www.prospect.sa.gov.au) as well as interviews with the Manager, Financial Services and the Manager, Governance and Administration. Further information was provided as a result of the interviews.

The outcome of the audit in each of these areas is detailed below.

Scope of the Audit

The Legal Services Associate was requested to undertake the audit focussed on the *Local Government Act 1999*. It is noted at the outset that there are a number of matters of legal compliance in the *Local Government Act 1999* that could be the subject of a separate, more detailed audit.¹ This audit targeted:

- *Local Government Act 1999*
- *Local Government (Financial Management) Regulations 2011*
- *Local Government (Procedures at Meetings) Regulations 2013*
- Code of Conduct for Council Members
- Code of Conduct for Council Employees

The matters subject to audit are detailed in Appendix 1 of this report. A small number of items were not able to be finalised prior to completion of the Audit. These are highlighted in yellow in Appendix 1.

Audit Opinion

From the information reviewed the Council is largely compliant with the requirements of the legislation that were audited. The complete list of compliant, partial and non-compliant matters is found in Appendix 1. Matters considered compliant are in green, partial matters in orange and non-compliant matters are in red. Matters not able to be finalised at the time of this report are in yellow.

Non-compliant matters

Matters of non-compliance are shown in red in Appendix 1, together with a description of the nature of the non-compliance. Comments on significant areas of non-compliance are provided below.

¹ For example, compliance with Chapter 10 matters relating to rating were not audited

Documents for Inspection

One key area for attention relates to the documents and information available to the public at the Council's principal office at 128 Prospect Road, Prospect. The *Local Government Act 1999* requires a number of Council documents to be available of inspection (without charge) at the principal office of the Council during normal business hours, and a person is entitled to a copy or extract on payment of a fee fixed by the Council.²

On attendance at the Council office, the required meeting notices and minutes were available on an outside notice board (and also some notices at the front counter), but only the Annual Business Plan and Development Plan were available for immediate viewing. Should other documents be requested, front counter staff would need to confer with the relevant officer to locate the document before it could be viewed by a member of the public. While it is arguable that this process is compliant with the legislation the risk of non-compliance is high should that process fail.

A complete list of documents that are required to be available for public inspection and purchase is found at Appendix 2.

Process for changes to the Assessment Record

The audit showed that there were not documented processes in place for alterations to the Assessment Record (section 173), or the application process for an occupier to be listed as the principal ratepayer (section 172).

Partial Compliance

The matters where there has been partial compliance are highlighted in orange in Appendix 1, together with a comment about the nature of the partial compliance designation. In most instances, a partial rating was given because documents existed, but had not been updated as required or were missing some matters required by the Act. A number of matters received a partial rating because the documents existed, but were not available at the principal office of the Council as required by the Act.

In my opinion, particular attention should be placed on ensuring prudential management policies, practices and procedures are adopted (section 48(aa1)), and that Council's Community Land Management Plans are reviewed and brought into alignment with Council's suite of strategic documents (section 196, 199). Documenting a process for the writing off of bad debts under delegation also requires attention (section 143).

² See for example, section 44(7) of the *Local Government Act 1999*.

APPENDIX 1**GOVERNANCE AUDIT RESULTS***Local Government Act 1934*

Nil

Local Government Act 1999

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
12(4)	Council must ensure that all aspects of its composition are reviewed at least once in the relevant period	YES	Review undertaken in 2013, prior to that was done in 2009.	Agreed
37	Contracts are entered into either under the common seal of the Council or by an officer, employee or agent authorised by the Council to enter into the contract on its behalf	Not audited	A random selection of contracts should be sampled.	Compliant
38(1)	Common seal is not affixed to a document except to give effect to a resolution of the Council	Not audited	Sample contracts executed under common seal should be cross-checked with Council Minutes	Compliant
38(2)	Affixation of the common seal is attested to by the principal member and the Chief Executive Officer	Not audited	Sample contracts executed under common seal	Compliant
41(2)	Council committees are established by resolution of the Council within the purposes allowed by the Act	YES	Council has 3 committees under s21 – Audit, Strategic Planning Development Policy, CEO Performance Review. Established by resolution	Agreed

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
			25/11/14 resolution numbers 187/154, 188/14, 189/14	
41(3)	Membership of committees has been determined by the Council	YES	Council has 3 committees under s21 – Audit, Strategic Planning Development Policy, CEO Performance Review. Established by resolution 25/11/14 resolution numbers 187/154, 188/14, 189/14	Agreed
41(4)	The Council has either appointed a presiding member for a committee or made provision of appointment	YES	Council has 3 committees under s21 – Audit, Strategic Planning Development Policy, CEO Performance Review. Established by resolution 25/11/14 resolution numbers 187/154, 188/14, 189/14	Agreed
41(8)	Council has determined the reporting and other accountability requirements that are to apply in relation to the committee	YES	Council has 3 committees under s21 – Audit, Strategic Planning Development Policy, CEO Performance Review. Established by resolution 25/11/14 resolution numbers 187/154, 188/14, 189/14 NB: SPDPC has few accountability requirements	Agreed
41(9)	Committees performing regulatory activities report at least quarterly to the Council	Not applicable	No regulatory functions for committees	Agreed
42(1)	Council has established subsidiaries within the purposes allowed by the Act	Not applicable	No subsidiaries	Agreed

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
42(2)	Subsidiaries established by the Council do not perform regulatory activities	Not applicable	No subsidiaries	Agreed
42(3)	Ministerial approval has been obtained for the establishment of subsidiaries	Not applicable	No subsidiaries	Agreed
43(1)	Council has resolved to establish regional subsidiaries with at least one other Council for the purposes allowed under the Act	YES	Council participates in the Eastern Health Authority and WasteCare SA	Agreed
43(2)	Regional subsidiaries performing a regulatory activity do not perform any significant and related service activity	YES	Nil	Agreed
43(3)	Ministerial approval has been obtained for the establishment of regional subsidiaries	YES	Nil	Agreed
44(2)	Delegations have only been made to persons allowed under the Act	YES	Delegations register on website, Council delegations to CEO, DAP and EHA only	Agreed
44(3)	Council has not delegated any of the powers under this section	YES	LG Act delegations	Agreed
44(6)	A separate record is kept of all delegations under this section and is reviewed at least once in every financial year	YES	Updated 27/01/15 and last reviewed 28/10/14	Agreed
44(7)	The record of delegations is available for inspection (without charge) at the principal office of the Council during normal business hours	NO	Few documents are held at the front counter and there is no process in place for ready access	Available on the website.
44(8)	A person is entitled on payment of a fee fixed by the Council to an extract from the record of delegations under s44(6)	NO	Few documents are held at the front counter and there is no process in place for ready	Available on the website.

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
			access	
45(1)	Council has nominated a place as its principal office for the purposes of this Act	YES	Refer Policy Manual – 4.1.14 (cites Gazettal in 1984)	Agreed
45(2)	The principal office of the Council is open to the public for the transaction of business during hours determined by the Council	YES	Last resolved by Council 26 June 2012. Hours are 9-5.	Agreed
45(3)	Council has consulted with its local community about the manner, places and times at which its offices will be open to the public for the transaction of business, and about any significant changes to those arrangements	YES	Council's public consultation policy lists this as Level 1 consultation. Council report for 26 June 2012 refers to this.	Agreed
47(1)	Council has not participated in the formation of a company or acquired shares in a company except as allowed in s47(2)	YES	Manager Financial Services confirmed only LGFA investments and participation in 2 regional subsidiaries	Agreed
48(aa1)	Council has developed and maintained prudential management policies, practices and procedures in accordance with the section.	PARTIAL	Manager Financial Services confirmed the Procurement Policy references Prudential Review in section 4.3 – but there is no further detail in the policy.	Council's internal auditors are currently doing a review purchasing and procurement activities. Any suggested actions will be addressed where necessary.
48(a1)	The prudential management policies, practices and procedures are consistent with the regulations	N/A	No requirements	Agreed
49(a1)	Council must develop and maintain procurement policies, practices and procedures in accordance with this section	YES	Accounting Policies and Procedures, Procurement Policy, Policy Manual	Agreed
49(1)	Council must prepare and adopt policies on	YES	Accounting Policies and	Agreed

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
	contracts and tenders in accordance with this section		Procedures, Procurement Policy, Policy Manual	
49(2)	The policies must cover the matters set out in this subsection	YES	Accounting Policies and Procedures, Procurement Policy, Policy Manual	Agreed
49(4)	A policy of the Council under this section must be available for inspection at the principal office of the Council during ordinary office hours	NO	Few documents are held at the front counter and there is no process in place for ready access	Available as part of the Accounting Policies and Procedures Manual on the website.
49(5)	A copy of a policy under this section must be available for purchase on payment of a fee fixed by the Council	NO	Few documents are held at the front counter and there is no process in place for ready access	Available as part of the Accounting Policies and Procedures Manual on the website.
50(1)	Council must prepare and adopt a public consultation policy	YES	Community Engagement and Consultation Policy adopted 27/11/12	Agreed
50(2)	The policy must cover the matters identified in subsections (2), (3) and (5)	YES	Community Engagement and Consultation Policy	Agreed
50(6)	Council has followed the steps in this subsection before adopting, altering or substituting its public consultation policy (unless Council determines the change is only of minor significance that would attract little (or no) community interest – s50(7))	YES	Community Engagement and Consultation Policy last review Council resolved minor changes and not to go to consultation	Agreed
50(8)	A policy of the Council under this section must be available for inspection at the principal office of the Council during ordinary office hours	NO	Few documents are held at the front counter and there is no process in place for ready access	Available on the website.

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
50(9)	A copy of a policy under this section must be available for purchase on payment of a fee fixed by the Council	NO	Few documents are held at the front counter and there is no process in place for ready access	Available on the website.
51(3)	The deputy mayor (if any) has been appointed by resolution	YES	Council minutes 25/11/14, 186/14	Agreed
51(4)	The deputy mayor (if any) was chosen by the member of Council from amongst their own number and holds office for a term determined by the Council	YES	Council minutes 25/11/14, 186/14	Agreed
60	Members have made an undertaking in the prescribed manner and form at or before the first meeting attended	YES	Manager Governance and Administration advises this was completed on 18 November 2014.	Agreed
65	Each member of the Council has submitted to the Chief Executive Officer a primary return within six weeks after election or appointment	YES	Register of Interests – kept electronically in TRIM	Agreed
66	Each member of Council has submitted to the Chief Executive Officer an ordinary return on or within 60 days after 30 June each year	YES	Register of Interests – kept electronically in TRIM	Agreed
68(1)	The Chief Executive Officer maintains a Register of Interests and has caused to be entered in the Register all information furnished pursuant to this Division and Schedule 3	YES	Register of Interests – kept electronically in TRIM	Agreed
70(1)	The Register is available for inspection without charge at the principal office of the Council during ordinary office hours	NO	Few documents are held at the front counter and there is no process in place for ready access	Available by written request.

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
70(2) &(3)	A copy of a Register under this section must be available for purchase on application in writing and payment of a fee fixed by the Council	NO	Few documents are held at the front counter and there is no process in place for ready access	Available by written request.
72(1)	Council committee members submit returns if resolved by the Council	YES	For Audit Committee that has independent members. Specified in Terms of Reference.	Agreed
76(8)	Allowances take effect from the first ordinary meeting of the Council held after the conclusion of the last periodic election	YES	Manager Financial Services confirmed compliance.	Agreed
76(9)	Allowances are adjusted on the first, second and third anniversaries of the relevant periodic elections	YES	Manager Financial Services confirmed compliance. Allowances loaded on to accounting system until 30 June 2015, then will be loaded for next financial year.	Agreed
76(12)	An allowance is paid in accordance with the regulations	YES	Manager Financial Services confirmed compliance.	Agreed
77(1)(b) & 77(2)	Council has approved, either specifically or under a policy approved by the Council to reimburse expenses of a kind prescribed by the regulations since the last periodic election	YES	Council Minutes 25/11/14 196/14, Policy adopted	Agreed
77(3)	A policy of the Council under this section must be available for inspection at the principal office of the Council during ordinary office hours	NO	Few documents are held at the front counter and there is no process in place for ready access	Available on the website.
77(4)	A copy of a policy under this section must be	NO	Few documents are held at the	Available on the website.

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
	available for purchase on payment of a fee fixed by the Council		front counter and there is no process in place for ready access	
78(2)	Council has specifically resolved the provision of facilities and support in accordance with this section	YES	Council Minutes 25/11/14 196/14, Policy adopted	Agreed
79(1)	A register of allowances and benefits is kept by the Chief Executive Officer in accordance with this section	PARTIAL	Register on the website is for the period 01/07/12 to 30/06/13	Documents up to date but need to be updated on the website.
79(2)	An appropriate record is made in the Register of the matters contained in this section	PARTIAL	Register on the website is for the period 01/07/12 to 30/06/13	Documents up to date but need to be updated on the website.
79(3)	The Register under this section must be available for inspection at the principal office of the Council during ordinary office hours	NO	Few documents are held at the front counter and there is no process in place for ready access	Available on the website.
79(4)	An extract of the Register under this section must be available for purchase on payment of a fee fixed by the Council	NO	Few documents are held at the front counter and there is no process in place for ready access	Available on the website.
80	Council has in place a policy of insurance for every member of the Council, and a spouse domestic partner or another person who may be accompanying a member of the Council, against risks associated with the performance or discharge of official functions and duties by members	YES	LGAMLS provides coverage	Agreed
80A(1)	Council has prepared and adopted a training and development policy for its members	YES	Policies adopted 27/04/10, not updated since then	Agreed

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
80A(2)	The policy is aimed at assisting members in the performance and discharge of their functions and duties and complies with any requirements prescribed by the regulations	YES	Policy recently updated to reflect changes in legislation – 24/02/15	Agreed
80A(4)	A policy of the Council under this section must be available for inspection at the principal office of the Council during ordinary office hours	NO	Few documents are held at the front counter and there is no process in place for ready access	Available on the website.
80A(5)	A copy of a policy under this section must be available for purchase on payment of a fee fixed by the Council	NO	Few documents are held at the front counter and there is no process in place for ready access	Available on the website.
81(1)	Council has resolved the times and places for the holding of ordinary Council meetings	YES	Council Minutes 25/11/14 resolution 194/14	Agreed
81(2)	The resolution provides for at least one ordinary meeting in each month	YES	Council Minutes 25/11/14 resolution 194/14	Agreed
81(5)	Ordinary meetings are not held on Sundays, or on public holidays	YES	Council Minutes 25/11/14 resolution 194/14	Agreed
81(6)	Ordinary meetings are not held before 5pm unless the Council resolves otherwise by a resolution supported unanimously by all members of the Council	YES	Council Minutes 25/11/14 resolution 194/14. Earliest is 6pm, usually 7pm	Agreed
83(1)	Each member of Council is given at least three clear days' notice of an ordinary meeting	YES	Manager Governance & Administration confirms notice is given via email to Members on a Thursday afternoon before a Tuesday night meeting. All Members have iPads to access	Agreed

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
			notices and agendas electronically	
83(2)	In the case of a special meeting, Council members are given at least four hours' notice of the meeting	YES	Manager Governance & Administration confirms no special meetings have been held at less than four hours' notice	Agreed
83(3)	Notice of a meeting of the Council complies with the requirements of this section	YES	Sampled from website	Agreed
83(4)	The Chief Executive Officer provides an agenda to members with items that are described with reasonable particularity and accuracy, and supplies a copy of any documents or reports that are to be considered at the meeting (as far as this is practicable)	YES	Sampled from website	Agreed
83(6)&(7)	Notice is given to Council members in accordance with this requirements of this section	YES	Manager Governance & Administration confirmed.	Agreed
83(8)	The Chief Executive Officer maintains a record of all notices of meetings given under this section to members of the Council	YES	Manager Governance & Administration confirmed notices a record of all notices is held electronically in TRIM	Agreed
84(1)	The Chief Executive Officer gives notice to the public of the times and places of meetings of the Council	YES	Manager Governance & Administration confirmed notices are displayed in the Vine St notice board on a Thursday afternoon and uploaded to the website.	Agreed
84(1a)	The Chief Executive Officer gives notice in	YES	Manager Governance &	Agreed

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
	accordance with this subsection		Administration confirmed notices are displayed in the Vine St notice board on a Thursday afternoon and uploaded to the website.	
84(2)	The notice is given at least three clear days before the date of the meeting for ordinary meetings, and as soon as practicable after the time that notice of the meeting is given to members in the case of special meetings	YES	Manager Governance & Administration confirmed notice is given on a Thursday afternoon prior to a Tuesday meeting	Agreed
84(3)	A copy of a notice and agenda under this section must be available for purchase on payment of a fee fixed by the Council	YES	No charge would be levied	Agreed
84(4)	The notice and agenda are kept on public display and on the website until completion of the relevant meeting	YES	Manager Governance & Administration confirmed. On website and sighted.	Agreed
84(5)&(6)	The Chief Executive Officer ensures that a reasonable number of copies of any document or report supplied to members of the Council for consideration at a meeting of the Council are available for inspection by members of the public in accordance with this section	YES	Manager Governance & Administration confirms 'gallery copies' are made for each meeting	Agreed
87(1)	Ordinary meetings of Council committees are held at times and places appointed by the Council or, subject to a decision of the Council, the Council committee	YES	Committee terms of reference	Agreed
87(2)	The Council or committee has taken into account that matters in this subsection when appointing a	YES	Not specifically referenced, but Administration consulted with	Agreed

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
	time for the holding of an ordinary meeting of a committee		committee members which times and dates suited best prior to Council setting the dates	
87(4)	Notice is given to each member of a Council committee of an ordinary meeting at least three clear days before the date of the meeting	YES	Manager Governance & Administration confirmed that for Audit Committee, notice is given on a Tuesday out from a Monday meeting	Agreed
87(7)	Notice is given to each member of a Council committee of a special meeting at least four hours before the commencement of the meeting	N/A	Manager Governance & Administration confirms no special meetings have been held	Agreed
87(8)	Notice of a committee meeting meets the requirements of this section	YES	Sampled from website	Agreed
87(9)	The Chief Executive Officer provides an agenda to members of a Council committee with items that are described with reasonable particularity and accuracy, and supplies a copy of any documents or reports that are to be considered at the meeting (as far as this is practicable)	YES	Sampled from website	Agreed
87(11)&(12)	Notice is given to members of a Council committee in accordance with this requirements of this section	YES	Manager Governance & Administration confirmed that Council Members get notice electronically via iPads, independent Members of Audit receive hard copies via courier to address nominated by the member.	Agreed

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
87(13)	The Chief Executive Officer maintains a record of all notices of meetings given under this section	YES	Manager Governance & Administration confirmed notices are recorded in TRIM	Agreed
88(1)	The Chief Executive Officer gives notice to the public of the times and places of meetings of a Council committee	YES	Vine Street Notice Board and website	Agreed
88(1a)&(2)	The Chief Executive Officer gives notice in accordance with these subsections	YES	Vine Street Notice Board and website	Agreed
88(3)	A copy of a notice and agenda under this section must be available for purchase on payment of a fee fixed by the Council	YES	No charge would be levied	Agreed
88(4)	The notice and agenda are kept on public display and on the website until completion of the relevant meeting	YES	Manager Governance & Administration confirmed notices on public display are not removed until replaced for the next meeting	Agreed
88(5)&(6)	The Chief Executive Officer ensures that a reasonable number of copies of any document or report supplied to members of the Council for consideration at a meeting of the Council are available for inspection by members of the public in accordance with this section	YES	Manager Governance & Administration confirmed that 'gallery copies' are made available	Agreed
90(1)	Subject to this section, meetings of a Council or Council committee are conducted in a place open to the public	YES	Open to the public	Agreed
90(7)	If an order is made under s90(2), a note is made in the minutes of the making of the order and the grounds on which it is made	YES	Register shows grounds are recorded	Agreed

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
91(1)&(2)	Minutes are kept of the proceedings at every meeting of the Council or a Council committee	YES	Sampled from website	Agreed
91(3)	Each member of the Council is provided with a copy of all minutes of the proceedings of the meeting kept under this section within five days after the meeting of Council or a Council committee	YES	Manager Governance & Administration confirmed that these are distributed electronically	Agreed
91(4)	Minutes of a meeting of the Council are placed on public display in the principal office of the Council within five days after the meeting and kept on display for a period of one month	YES	Displayed on the notice board in Vine Street until replaced by the next minutes	Agreed
91(5)	Documents required to be available for inspection at the principal office of the Council under this section are available.	NO	Few documents are held at the front counter and there is no process in place for ready access	Available on the website.
91(6)&(7)	A copy of documents under s91(5) must be available for purchase on payment of a fee fixed by the Council	NO	Few documents are held at the front counter and there is no process in place for ready access	Available on the website.
91(8)	Council has not made confidentiality orders in relation to matters contained in this subsection	YES	Register of Confidential items confirms no matters listed that would violate s91(8)	Agreed
91(9)	All confidentiality orders comply with this subsection	YES	Note that the Register of Confidential items shows a number of older items with no expiry date or trigger event for release – prior to the current legislation	Agreed

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
92(1)	Council has prepared and adopted a code of practice in accordance with this section	YES	Code of Practice for Public Access to Meetings and Documents adopted 27/11/11	Agreed
92(2)	Council has reviewed its code of practice within 12 months of the last periodic election	N/A	No due yet, was reviewed within twelve months of 2010 election	Agreed
92(4)	Council's code of practice includes any mandatory requirements prescribed by the regulations	N/A	No mandatory requirements	Agreed
92(5)	Council has complied with the requirements of this subsection before it has adopted, altered or substituted its code of practice	YES	Associated Council report says Level 1 consultation undertaken	Agreed
92(6)	A code of practice of the Council under this section must be available for inspection at the principal office of the Council during ordinary office hours	NO	Few documents are held at the front counter and there is no process in place for ready access	Available on the website.
92(7)	A copy of a code of practice under this section must be available for purchase on payment of a fee fixed by the Council	NO	Few documents are held at the front counter and there is no process in place for ready access	Available on the website.
94A	The Chief Executive Officer has made available (so far as is reasonably practicable) for inspection in the internet an up-to-date schedule of the dates, times and places set for meetings of the Council and Council committees	YES	Website checked	Agreed
96(1)	Council has a Chief Executive Officer	YES	Nil	Agreed
105(1)&(2)&(5)	The Register of Salaries is kept in accordance with this section	PARTIAL	Register of Salaries exists but is not updated monthly as required	This register is updated monthly. A process has been put in place to

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
				ensure customer service staff have awareness of the register and how to access it on line if requested.
105(3)	The Register under this section is be available for inspection at the principal office of the Council during ordinary office hours	NO	Few documents are held at the front counter and there is no process in place for ready access	Available on request.
105(4)	An extract from the Register under this section is available for purchase on payment of a fee fixed by the Council	NO	Few documents are held at the front counter and there is no process in place for ready access	Available on request.
111(b)	Council has resolved whether any other officers or class of officers of Council are subject to the requirements of Chapter 7, Part 4, Division 2	YES	Resolved by Council 25 February 2014	Agreed
116(1)	The Register of Interests is maintained and includes all information furnished pursuant to this Division	YES	Register of Interests (employees) – primary returns are now done as part of induction for new employees	Agreed
YES	Where a person has not provided a return in the time allowed, the Chief Executive Officer has notified any person, in writing, of that fact as soon as practicable	N/A	Manager Governance & Administration confirms there have been no late returns	Agreed
118	The Register must be available for inspection at the request of a member of Council	YES	Manager Governance & Administration confirms the Register is available in TRIM and access would be given to a Council Member on request	Agreed
122(1),(Council has developed and adopted strategic	YES	On website	Agreed

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
2),(3)	management plans in accordance with this section			
122(1a)	The Council has developed and adopted a long term financial plan for a period of at least 10 years and an infrastructure and asset management plan for a period of at least 10 years	YES	On website	Agreed
122(4),(4a)	Council has undertaken a review in accordance with the requirements of this subsection	N/A	Not due yet – Manager Financial Services advised that is Council about to embark on the review required within 2 years of an election; LTFP is reviewed each year as part of budget cycle	Agreed
122(6)	Council has adopted a process or processes to ensure members of the public are given a reasonable opportunity to be involved in the development and review of its strategic management plans	YES	Strategic Management Plans are listed as requiring 'Level 3' in the Council's Community Engagement and Consultation Policy	Agreed
122(7)	The strategic management plans under this section are available for inspection and purchase at the principal office of the Council during ordinary office hours	PARTIAL	The Annual Business Plan is available in hard copy and contains the LTFP and I&. Indirectly the Strategic Plan is referenced in this document. Not available as stand alone documents.	The Audit Committee has endorsed the format of the Annual Business Plan and maintaining this format ensures annual review of these strategic management plans.
122(8)	Council has specifically declared which plans constitute the strategic management plans of the Council	PARTIAL	Section 1.5.1 of the current Annual Business Plan sets out a framework showing the 'strategic management plans',	Noted.

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
			but compliance would be improved by specific designation of the strategic management plans under this section.	
123(1)	Council has, for each financial year, an annual business plan and a budget	YES	Annual Business Plan and Budget 14/15	Agreed
123(2)	Council's annual business plan meets the requirements of this subsection	YES	Annual Business Plan and Budget 14/15	Agreed
123(3)&(4)	Before adoption of the annual business plan, Council prepared a draft annual business plan and followed the steps of its public consultation policy and subsection (4)	YES	Council Minutes	Agreed
123(5)	Copies of the draft annual business plan are available at the meeting and for inspection and purchase at the principal office of the Council at least 21 days before the date of that meeting	YES	Manager Financial Services advised that Council adopted a timetable for consultation on the draft ABP for 2015 in late 2014; previous year's process allowed public to view documents. Timetable is consistent with the requirements.	Agreed
123(5a)	Provision is made for the asking and answering of questions and the receipt of submissions on the Council website during the public consultation period	PARTIAL	Manager Financial Services provided the page on the website where the public could make submissions on the draft ABP. However, there did not appear to be any facility for the asking and answering of questions, only the making of submissions.	Questions are encouraged via the Contact details on page two of the ABP Summary Report. The same process will be included in the ABP in the future.

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
123(6)	Council has adopted the annual business plan after considering the matters in this subsection	YES	Council Minutes – June 2014	Agreed
123(7)	The budget has been considered in conjunction with the Council's annual business plan, is consistent with that plan is adopted after adoption of the annual business plan	YES	Council Minutes 01/07/14	Agreed
123(8)	The annual business plan and budget is adopted after 31 May and before 31 August	YES	Council Minutes 01/07/14	Agreed
123(9), (11)	After adoption of the annual business plan and budget, a summary has been prepared and is available in accordance with this subsection	PARTIAL	Summary is available on the website, but not freely available at the front counter	Both the Annual Business Plan and the summary report are available in hard copy at the front counter.
123(10)	The preparation, form and content of the annual business plan, summary and budget meet the requirements of the regulations	YES	Annual Business Plan, Budget and Summary 14/15	Agreed
123(13)	Council has reconsidered the annual business plan or budget as required by the regulations	YES	Manager Financial Services confirms quarterly reports are presented to Council. Last considerations October 2014 and February 2015.	Agreed
124(1)	Accounting records are kept in accordance with this section	YES	Accounting Policies (revised 26/08/14)	Agreed
124(2)	Council has determined the form and places for the keeping of accounting records	YES	Accounting Policies (revised 26/08/14)	Agreed
125	Council has implemented and maintained appropriate policies, practices and procedures of internal control in accordance with this section	YES	Accounting Policies (revised 26/08/14)	Agreed
126	Council has an audit committee	YES	Council Minutes 25/11/14	Agreed

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
126(2)	Membership of Council's audit committee complies with the requirements of this subsection	YES	Council Minutes 25/11/14	Agreed
127(1),(2)	Council has prepared for each financial year financial and other statements required by this section and the regulations	YES	Manager Financial Services has confirmed. Audited financial statements have been sighted.	Agreed
127(3)	The statements prepared for each financial year must be audited by the Council's auditor	YES	Annual report 13/14 contains audited financial statements	Agreed
127(4)	A copy of the audited statements have been submitted by the Council to the persons or bodies prescribed by the regulations on or before the day prescribed	YES	Manager Financial Services confirmed statements were provided to LG Grants Commission prior to 30 November 2014, and Minister was served by provision of the Annual Report.	Agreed
127(5)	The audited statements are available for inspection and purchase at the principal office of the Council during ordinary office hours	NO	Few documents are held at the front counter and there is no process in place for ready access	Available on the website.
128(1)	Council has appointed an auditor	YES	Manager Financial Services has confirmed	Agreed
128(2)	Council's auditor has been appointed on the recommendation of the Council's audit committee	YES	Audit Committee meeting 01/08/11, confirmed by Council 23/08/11	Agreed
128(2a)	The audit committee has taken into account the matters in the regulations when making a recommendation for appointment	N/A	No factors prescribed in the Regulations	Agreed

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
128(3)	The auditor is a registered company auditor or a firm comprising at least one registered company auditor	YES	Dean Newberry & Partners	Agreed
128(4)	The auditor is not a member of Council or a nominated candidate for election as a member of Council	YES	Jim Keogh is primary auditor – not a Member of Council or a candidate for election.	Agreed
128(5)	The term of appointment of the auditor does not exceed 5 years	YES	Manager Financial Services has confirmed. Two years to go on contract.	Agreed
128(6)	The auditor is not disqualified from holding office due to the conditions under this subsection	YES	Manager Financial Services has confirmed. Auditor certifies this.	Agreed
128(7)	The appointment of the auditor is subject to the terms and conditions prescribed in the regulations	YES	Manager Financial Services has confirmed.	Agreed
128(8)	The Council and Council's auditor are compliant with the requirements prescribed in the regulations regarding the auditor's independence	YES	Annual report 13/14 contains audited financial statements – auditor has certified independence	Agreed
128(9)	Council's annual report contains the information required by this subsection	YES	Annual report 13/14 contains audited financial statements	Agreed
129(1)	Council's audit includes the matters contained in this subsection	YES	Annual report 13/14 contains audited financial statements	Agreed
129(2)	Council's audit has been carried out in accordance with the standards prescribed by the regulations	YES	Annual report 13/14 contains audited financial statements and auditor has certified	Agreed
129(3),(4), (5)	The auditor has provided to the Council an audit opinion in accordance with these subsection	YES	Annual report 13/14 contains audited financial statements	Agreed

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
129(5a)	The audit opinions and advice are provided to members of the Council and the audit committee in accordance with this subsection	YES	NB: Provided to audit AFTER Council	Agreed
129(5b), (5c)	The audit opinion and advice are placed on the agenda for consideration in accordance with these subsections	YES	As part of Annual Report	Agreed
129(9)	The opinions provided under s129(3) accompany the financial statements of the Council	YES	Annual report 13/14 contains audited financial statements	Agreed
131(1)	Council has prepared and adopted an annual report relating to the operations of the Council for the financial year ending on the preceding 30 June by 30 November	YES	Annual report 13/14 adopted 25/11/14	Agreed
131(2)	The annual report includes the material and matters specified in Schedule 4 as amended by regulation	YES	Annual report 13/14 adopted 25/11/14	Agreed
131(3)	The annual report complies with the regulations	YES	Annual report 13/14 adopted 25/11/14	Agreed
131(4)	The annual report has been provided to each member of the Council	YES	Report to Council 25/11/14 indicates the AR was circulated to Members	Agreed
131(5)	The annual report has been submitted in accordance with the subsection	YES	Manager Governance and Administration confirmed this.	Agreed
131(8)	Copies of the annual report are available for inspection and purchase at the principal office of the Council during ordinary office hours	NO	Few documents are held at the front counter and there is no process in place for ready access	Available on the website.
132(1),	The documents referred to in Schedule 5 are	NO	Few documents are held at the	Available on the website.

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
(2)	available for inspection and purchase at the principal office of the Council during ordinary office hours		front counter and there is no process in place for ready access	
132(3)	The documents required by this subsection are available for inspection on the internet within a reasonable time after they are available at the principal office of the Council	YES	All available on website	Agreed
132A	Council has implemented and maintained appropriate polices, practices and procedures to ensure compliance with any statutory requirements and to achieve and maintain standards of good public administration	PARTIAL	Council has many policies and procedures in place towards compliance with this section, but does not yet have a full suite or undertakes reviews on a regular basis. A "Policy Register" is under development to assist with identifying shortfalls and need for review.	A Policy Register has been maintained for some time to ensure all policies are updated on time.
140	Council, at least once in every year, reviews the performance (individually and as a whole) of its investments	YES	Last undertaken at the 22 July 2014 Council meeting.	Agreed
142(1)	Council has taken out and maintained insurance to cover its civil liabilities at least to the extent prescribed by regulation	YES	Member of the LGAMLS s142(3) covers this	Agreed
143(2)	Bad debts are not written off unless the Chief Executive Officer has made the certification required under this subsection	PARTIAL	Manager Financial Services advises that a Memo is provided to the CEO seeking the write-off. The writing off process does not specifically show that such a certification has been made.	Process to be reviewed.

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
143(3)	The delegation to write off debts include an amount above which the delegation will not apply	YES	Delegation says \$5,000	Agreed
172(1)	The Assessment Record is kept by the Chief Executive Officer in accordance with the subsection	Partially sampled	Extract sighted did not include rateable value (but did include valuation number) or land use. Clarification is required on whether land use is actually recorded in another designation.	Process to be reviewed.
172(2)	The Chief Executive Officer has determined the manner and form for an occupier of land to make an application under this subsection	NO	No standardised process in place	Current process requires receipt of advice. Process to be reviewed.
172(3)	The Chief Executive has entered occupier's names in the assessment record where an application has been made	N/A	No applications were known	Agreed
172(4), (5)	Suppression of names and addresses from the assessment record have been done in accordance with these subsections	YES	Manager Financial Services confirms suppression occurs on advice from the Electoral Commissioner, and on application by a member of the public (was one recently to CEO).	Agreed
173(2)	The Chief Executive Officer has determined the manner and form for application to alter the assessment record	NO	No standardised process in place	Process to be reviewed
173(5)	The Council has determined a procedure for the review of decisions under this section	NO	No standardised process in place	Process to be reviewed
174(1)	The assessment record is available for inspection at the principal office of the Council	NO	Few documents are held at the front counter and there is no	Process to be reviewed

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
	during ordinary office hours		process in place for ready access	
174(2)	A copy of an entry made in the assessment record is available on payment of a fee fixed by the Council	NO	Few documents are held at the front counter and there is no process in place for ready access	Process to be reviewed
196(1), (7)	Council has prepared and adopted management plans for its community land where required by the section	PARTIAL	Plans are very old	Plans need review and update.
196(3), (5)	The Council's management plans meet the requirements of this subsection	PARTIAL	Due to the age of the plans, there is little obvious alignment between the plans and other Council plans and policies	Plans need review and update.
199	Community land is managed in accordance with any management plan for the relevant land	PARTIAL	It appears that land is largely managed in accordance with the plans with respect to leases and licences, but the plans are old and there are now other plans and policies affecting land management	Plans need review and update.
200(2)	Council has not approved the use of community land for a business purpose contrary to a management plan	YES	Plans and lease spreadsheet appear consistent	Agreed
202(4)	Leases and licences over community land have not been granted for a term exceeding 21 years	YES	Based on information in the spreadsheet details of leases/licences	Agreed
202(6)	Leases and licences are consistent with any relevant management plan	YES	Plans and lease spreadsheet appear consistent	Agreed

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
207(1)	Council has a register of all community land in its area	YES	Register sighted	Agreed
207(2)	The register contains the information set out in this subsection	PARTIAL	An Excel spreadsheet was provided as the Register. This did not have attached the Management Plans as required by the Regulations. A separate Excel spreadsheet contains details of leases/licences	Register needs review and update.
207(3)	The register is available for inspection (without charge) by the public at the principal office of the Council during ordinary office hours	NO	Few documents are held at the front counter and there is no process in place for ready access	Process needs review.
207(4)	An extract of the register is available for purchase on payment of a fee fixed by the Council	NO	Few documents are held at the front counter and there is no process in place for ready access	Process needs review.
219(5)	Council has prepared and adopted a policy relating to the assigning of names under this section	YES	Selection of Road Names Policy 14/09/10	Agreed
231(1)	Council has a register of public roads in its area	YES	Not sighted – staff advised it exists from June 1980 in PERM/236-2	Agreed
231(2)	The register contains the information required by this subsection	NO	Register was not sighted and this could not be confirmed	Process needs review.
231(3)	The register is available for inspection (without charge) by the public at the principal office of the Council during ordinary office hours	NO	Few documents are held at the front counter and there is no process in place for ready	Process needs review.

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
			access	
231(4)	An extract of the register is available for purchase on payment of a fee fixed by the Council	NO	Few documents are held at the front counter and there is no process in place for ready access	Process needs review.
252(1)	Council has a register of all by-laws made or adopted by the Council	NO	Staff advised the Register does not exist	Register to be developed. All By-Laws are on the website and in Electronic Records Management Files.
252(2)	The register includes the matters contained in this subsection	NO	Manager Governance and Administration to provide further information	Register to be developed. All By-Laws are on the website and in Electronic Records Management Files.
252(3)	The register is available for inspection (without charge) by the public at the principal office of the Council during ordinary office hours	NO	Few documents are held at the front counter and there is no process in place for ready access	Register to be developed. All By-Laws are on the website and in Electronic Records Management Files.
252(4)	An extract of the register is available for purchase on payment of a fee fixed by the Council	NO	Few documents are held at the front counter and there is no process in place for ready access	Register to be developed. All By-Laws are on the website and in Electronic Records Management Files.
259(1)	Council has taken reasonable steps to prepare and adopt policies concerning the operation of Chapter 12, Part 2	YES	Order Making Policy 14/09/10 (193/10)	Agreed. Currently out for consultation following a review.
259(6)	The policy is available for inspection (without charge) by the public at the principal office of the Council during ordinary office hours	NO	Few documents are held at the front counter and there is no process in place for ready access	Available on the website.

Section	What is required	Compliant/Non-compliant	Comment	City of Prospect Comment
259(7)	The policy is available for purchase on payment of a fee fixed by the Council	NO	Few documents are held at the front counter and there is no process in place for ready access	Available on the website.
260(3)	Council has issued identify cards to all authorised persons in accordance with this subsection	YES	Cards sampled	Agreed
270(a1), (a2), (1), (2), (4a)	Council has developed and maintained policies, practices and procedures as required by these subsections	YES	Internal Review of Council Decisions Policy 23/02/10	Agreed
270(5)	A document concerning the policies, practices and procedures is available for inspection (without charge) and purchase by the public at the principal office of the Council during ordinary office hours	NO	Few documents are held at the front counter and there is no process in place for ready access	Corporate Governance Framework available on the website.
270(8)	Council considers a report on an annual basis in accordance with this subsection	YES	Included as part of the Annual Report	Agreed
302B	Council has a member of staff designated as a responsible officer in accordance with this section	YES	Whistleblowers Protection Policy & Reporting Process (revised 25/03/14)	Agreed

Local Government (General) Regulations 2013

Nil

Local Government (Financial Management) Regulations 2011

Reg	What is required	Compliant/ Non-compliant	Comment	City of Prospect Comment
9(1), (2)	Council has considered financial reports in accordance with this regulation	YES	Manager Financial Services has confirmed – undertaken as part of quarterly budget review processes. Most recently October 2014 and February 2015	Agreed.
10(1), (2)	Council has considered a report showing the audited financial results in accordance with this regulation	YES	As part of consideration of Annual Report and on advice from Audit Committee	Agreed.
14	Council's financial statements have been certified in accordance with this regulation	YES	Viewed in the Annual Report 13/14	Agreed.
21(4)	The Chief Executive Officer has laid any audited financial statements of a subsidiary before the council in accordance with this regulation	YES	As part of Annual Report	Agreed.
22(3), (4)	The relevant persons have provided an annual statement that provides a certification in accordance with this regulation	YES	Viewed in the Annual Report 13/14	Agreed.

Local Government (Procedures at Meetings) Regulations 2013

Reg	What is required	Compliant/ Non-compliant	Comment	City of Prospect Comment
6(1)	Council has adopted a code of practice for varied meeting procedures that has been passed by a two-thirds majority	PARTIAL	Council has adopted a Code of Practice (25/11/14) but it has not been documented that it was passed by two-thirds majority	Noted for future. This will be annotated in the Minutes at the next review.
6(2)	Council has reviewed its code of practice at least once in the financial year	YES	25/11/14	Agreed.
6(5)	The code of practice is available for inspection without charge at the principal office of the Council during ordinary business hours	NO	Few documents are held at the front counter and there is no process in place for ready access	Available on the website.
6(6)	The code of practice is available to purchase for a fee from the Council	NO	Few documents are held at the front counter and there is no process in place for ready access	Available on the website.
12(20)	The Chief Executive Officer provided a report to the Council on each question that has lapsed at the first ordinary meeting of the Council after the general election	N/A	Manager Governance and Administration advised there were no lapsed questions	Agreed.

Code of Conduct for Council Members

Clause	What is required	Compliant/ Non-compliant	Comment	City of Prospect Comment
1	Council has provided training and education opportunities to assist Members to meet their responsibilities under the Local Government Act	YES	Training & Development Plan 2014-2018	Agreed.
2	Council has adopted a process for the handling of breaches of Part 2	YES	Procedure adopted 25/02/14	Agreed.
2	The process has been reviewed within 12 months of a general local government election	N/A	Not due yet	Agreed.
3.10	A gifts and benefits register is maintained and updated quarterly by the Chief Executive Officer	PARTIAL	Register on the website is dated 9/13 and contains no entries. Manager Governance and Administration advises it is updated on a quarterly basis	To be reviewed.
3.10	The register is available for inspection at the principal office of the Council and on the Council website	NO	Few documents are held at the front counter and there is no process in place for ready access	Available on the website.

Code of Conduct for Council Employees

Clause	What is required	Compliant/ Non-compliant	Comment	City of Prospect Comment
1	Council has provided training and education opportunities to assist employees to meet their responsibilities under the Local Government Act	PARTIAL	No standardised approach, although this is under development. Relies on individual discussions between staff and Managers.	Under review.
3.10	A gifts and benefits register is maintained and updated quarterly by the Chief Executive Officer	PARTIAL	Document was found on the website 'Employee Gift Register Feb 2014 – Current'. Not easy to find. Manager Governance and Administration advises this is updated on a quarterly basis.	To be reviewed.
3.10	The register is available for inspection at the principal office of the Council and on the Council website	PARTIAL	Available (out dated) on website. Not available at front counter.	To be reviewed.

APPENDIX 2

DOCUMENTS AVAILABLE FOR INSPECTION AND PURCHASE

Reviews of council constitution, wards and boundaries

- Representation options papers and reports on reviews of council composition or ward structure (Chapter 3 Part 1 Division 2)
- Reports to the Minister under Chapter 3 Part 2 Division 4 or 5 provided to the council by the Boundary Adjustment Facilitation Panel
- Summary of issues surrounding a proposal to be submitted to a poll under Chapter 3 Part 2 Division 5

Registers and Returns³

- Registers required under this Act or the *Local Government (Elections) Act 1999*, other than the Register of Interests kept for the purposes of Chapter 7 Part 4 Division 2
- Campaign donations returns under the *Local Government (Elections) Act 1999*

Codes

- Codes of conduct or codes of practice under this Act or the *Local Government (Elections) Act 1999*

Meeting papers

- Notice and agenda for meetings of the council, council committees and electors
- Minutes of meetings
- Documents and reports to the council or a council committee that are able to be supplied to members of the public
- Recommendations adopted by resolution of the council

Policy and administrative documents

- Record of delegations under this Act (other than delegations made by the Minister)
- Contract and tenders policies
- Policy for the reimbursement of members' expenses
- Strategic management plans
- Annual business plan (after adoption by council) and the summary required under this Act
- Annual budget (after adoption by council)
- Audited financial statements
- Annual report
- Extracts from the council's assessment record
- List of fees and charges
- Public consultation policies

³ The *Local Government (Elections) Act 1999* was not covered as part of this audit, but is included here for completeness

- Management plans for community land
- Policy on the making of orders
- Procedures for the review of council decisions (Chapter 13 Part 2) and any report under section 270(8)
- Charter for subsidiaries established by the council or for which the council is a constituent council
- The most recent information statement of the council under the *Freedom of Information Act 1991*
- Any policy document of the council within the meaning of the *Freedom of Information Act 1991* (if not already referred to above)

By-laws

- By-laws made by the council

Attachment

UPDATED GOVERNANCE AUDIT RESULTS

Local Government Act 1999

Section	What is required	Updated by CoP	LGA Comment LGA	City of Prospect Comment
37	Contracts are entered into either under the common seal of the Council or by an officer, employee or agent authorised by the Council to enter into the contract on its behalf	Not audited	A random selection of contracts should be sampled.	Sample taken - Compliant
38(1)	Common seal is not affixed to a document except to give effect to a resolution of the Council	Not audited	Sample contracts executed under common seal should be cross-checked with Council Minutes	Compliant
38(2)	Affixation of the common seal is attested to by the principal member and the Chief Executive Officer	Not audited	Sample contracts executed under common seal	Compliant
48(aa1)	Council has developed and maintained prudential management policies, practices and procedures in accordance with the section.	PARTIAL	Manager Financial Services confirmed the Procurement Policy references Prudential Review in section 4.3 – but there is no further detail in the policy.	Council's internal auditors have completed a review of purchasing and procurement activities. Suggested actions are yet to be addressed.
79(1)	A register of allowances and benefits is kept by the Chief Executive Officer in accordance with this section	Compliant	Register on the website is for the period 01/07/12 to 30/06/13	Now updated on website and diarised to do quarterly.
79(2)	An appropriate record is made in the Register of the matters contained in this section	Compliant	Register on the website is for the period 01/07/12 to 30/06/13	Now updated on website and diarised to do quarterly.
105(1)&(2)&(5)	The Register of Salaries is kept in accordance with this section	Compliant	Register of Salaries exists but is not updated monthly as required	This register is updated monthly. A process has been put in place to ensure customer service staff have awareness of the register and how to access it on line if requested.

Section	What is required	Updated by CoP	LGA Comment LGA	City of Prospect Comment
122(7)	The strategic management plans under this section are available for inspection and purchase at the principal office of the Council during ordinary office hours	Compliant	The Annual Business Plan is available in hard copy and contains the LTFP and I&. Indirectly the Strategic Plan is referenced in this document. Not available as stand alone documents.	The Audit Committee has endorsed the format of the Annual Business Plan and maintaining this format ensures annual review of these strategic management plans.
122(8)	Council has specifically declared which plans constitute the strategic management plans of the Council	Compliant	Section 1.5.1 of the current Annual Business Plan sets out a framework showing the 'strategic management plans', but compliance would be improved by specific designation of the strategic management plans under this section.	Noted.
123(5a)	Provision is made for the asking and answering of questions and the receipt of submissions on the Council website during the public consultation period	Compliant	Manager Financial Services provided the page on the website where the public could make submissions on the draft ABP. However, there did not appear to be any facility for the asking and answering of questions, only the making of submissions.	Questions are encouraged via the Contact details on page two of the ABP Summary Report. The submission form provides opportunity for questions or request for further information.
123(9), (11)	After adoption of the annual business plan and budget, a summary has been prepared and is available in accordance with this subsection	Compliant	Summary is available on the website, but not freely available at the front counter	Both the Annual Business Plan and the summary report are available in hard copy at the front counter.

Section	What is required	Updated by CoP	LGA Comment LGA	City of Prospect Comment
132A	Council has implemented and maintained appropriate policies, practices and procedures to ensure compliance with any statutory requirements and to achieve and maintain standards of good public administration	Compliant	Council has many policies and procedures in place towards compliance with this section, but does not yet have a full suite or undertakes reviews on a regular basis. A "Policy Register" is under development to assist with identifying shortfalls and need for review.	A Policy Register has been maintained for some time to ensure all policies are updated on time.
143(2)	Bad debts are not written off unless the Chief Executive Officer has made the certification required under this subsection	PARTIAL	Manager Financial Services advises that a Memo is provided to the CEO seeking the write-off. The writing off process does not specifically show that such a certification has been made.	Process to be reviewed.
172(1)	The Assessment Record is kept by the Chief Executive Officer in accordance with the subsection	Partially sampled	Extract sighted did not include rateable value (but did include valuation number) or land use. Clarification is required on whether land use is actually recorded in another designation.	Document to be updated
172(2)	The Chief Executive Officer has determined the manner and form for an occupier of land to make an application under this subsection	PARTIAL	No standardised process in place	Current process requires receipt of request in writing. Process to be reviewed.
173(2)	The Chief Executive Officer has determined the manner and form for application to alter the assessment record	PARTIAL	No standardised process in place	Current process requires receipt of request in writing. Process to be reviewed.
173(5)	The Council has determined a procedure for the review of decisions under this section	NO	No standardised process in place	Process to be reviewed

Section	What is required	Updated by CoP	LGA Comment LGA	City of Prospect Comment
174(1)	The assessment record is available for inspection at the principal office of the Council during ordinary office hours	Compliant	Few documents are held at the front counter and there is no process in place for ready access	Documents are available on request from Customer Service.
174(2)	A copy of an entry made in the assessment record is available on payment of a fee fixed by the Council	Compliant	Few documents are held at the front counter and there is no process in place for ready access	Documents are available on request from Customer Service.
196(1), (7)	Council has prepared and adopted management plans for its community land where required by the section	PARTIAL	Plans are very old	A new Plan has been drafted and is being reviewed prior to Community Consultation.
196(3), (5)	The Council's management plans meet the requirements of this subsection	PARTIAL	Due to the age of the plans, there is little obvious alignment between the plans and other Council plans and policies	A new Plan has been drafted and is being reviewed prior to Community Consultation.
199	Community land is managed in accordance with any management plan for the relevant land	PARTIAL	It appears that land is largely managed in accordance with the plans with respect to leases and licences, but the plans are old and there are now other plans and policies affecting land management	A new Plan has been drafted and is being reviewed prior to Community Consultation.
207(2)	The register contains the information set out in this subsection	PARTIAL	An Excel spreadsheet was provided as the Register. This did not have attached the Management Plans as required by the Regulations. A separate Excel spreadsheet contains details of leases/licences	Register needs review and update. The Register needs to reference a valid CLMP to ensure alignment and compliance. The new CLMP has been drafted and is being reviewed prior to Community Consultation. The Register will then be reviewed.

Section	What is required	Updated by CoP	LGA Comment LGA	City of Prospect Comment
207(3)	The register is available for inspection (without charge) by the public at the principal office of the Council during ordinary office hours	NO	Few documents are held at the front counter and there is no process in place for ready access	Process needs review.
207(4)	An extract of the register is available for purchase on payment of a fee fixed by the Council	NO	Few documents are held at the front counter and there is no process in place for ready access	Process needs review.
231(2)	The register contains the information required by this subsection	NO	Register was not sighted and this could not be confirmed	Process needs review.
231(3)	The register is available for inspection (without charge) by the public at the principal office of the Council during ordinary office hours	NO	Few documents are held at the front counter and there is no process in place for ready access	Process needs review.
231(4)	An extract of the register is available for purchase on payment of a fee fixed by the Council	NO	Few documents are held at the front counter and there is no process in place for ready access	Process needs review.
252(1)	Council has a register of all by-laws made or adopted by the Council	Compliant	Staff advised the Register does not exist	Register now developed. All By-Laws are on the website and in Electronic Records Management Files.
252(2)	The register includes the matters contained in this subsection	Compliant	Manager Governance and Administration to provide further information	Register now developed. All By-Laws are on the website and in Electronic Records Management Files.

Section	What is required	Updated by CoP	LGA Comment LGA	City of Prospect Comment
252(3)	The register is available for inspection (without charge) by the public at the principal office of the Council during ordinary office hours	Compliant	Few documents are held at the front counter and there is no process in place for ready access	Register now developed. All By-Laws are on the website and in Electronic Records Management Files.
252(4)	An extract of the register is available for purchase on payment of a fee fixed by the Council	Compliant	Few documents are held at the front counter and there is no process in place for ready access	Register now developed. All By-Laws are on the website and in Electronic Records Management Files.

Local Government (Procedures at Meetings) Regulations 2013

Reg	What is required	Compliant/ Non-compliant	Comment	City of Prospect Comment
6(1)	Council has adopted a code of practice for varied meeting procedures that has been passed by a two-thirds majority	PARTIAL	Council has adopted a Code of Practice (25/11/14) but it has not been documented that it was passed by two-thirds majority	Noted for future. This will be annotated in the Minutes at the next review.

Code of Conduct for Council Members

Clause	What is required	Compliant/ Non-compliant	Comment	City of Prospect Comment
3.10	A gifts and benefits register is maintained and updated quarterly by the Chief Executive Officer	Compliant	Register on the website is dated 9/13 and contains no entries. Manager Governance and Administration advises it is updated on a quarterly basis	Now updated on website and diarised to update quarterly.

Code of Conduct for Council Employees

Clause	What is required	Compliant/ Non-compliant	Comment	City of Prospect Comment
1	Council has provided training and education opportunities to assist employees to meet their responsibilities under the Local Government Act	PARTIAL	No standardised approach, although this is under development. Relies on individual discussions between staff and Managers.	Training Needs Analysis will provide a whole of Council approach to improve the efficiency and effectiveness of training provided to staff.
3.10	A gifts and benefits register is maintained and updated quarterly by the Chief Executive Officer	Compliant	Document was found on the website 'Employee Gift Register Feb 2014 – Current'. Not easy to find. Manager Governance and Administration advises this is updated on a quarterly basis.	Compliant.
3.10	The register is available for inspection at the principal office of the Council and on the Council website	Compliant	Available (out dated) on website. Not available at front counter.	Now updated on website and diarised to update quarterly.

APPENDIX 2

DOCUMENTS AVAILABLE FOR INSPECTION AND PURCHASE

Reviews of council constitution, wards and boundaries	
<ul style="list-style-type: none"> Representation options papers and reports on reviews of council composition or ward structure (Chapter 3 Part 1 Division 2) 	<p>Representation Options Paper – February 2013 http://www.prospect.sa.gov.au/webdata/resources/files/Final%20Options%20Paper%20adopted%2023%2004%202013.PDF</p> <p>Electoral Representation Review Report TRIM – CR13/48178 – October 2013</p>
<ul style="list-style-type: none"> Reports to the Minister under Chapter 3 Part 2 Division 4 or 5 provided to the council by the Boundary Adjustment Facilitation Panel 	Nil
<ul style="list-style-type: none"> Summary of issues surrounding a proposal to be submitted to a poll under Chapter 3 Part 2 Division 5 	Nil
Registers and Returns¹	
<ul style="list-style-type: none"> Registers required under this Act or the Local Government (Elections) Act 1999, other than the Register of Interests kept for the purposes of Chapter 7 Part 4 Division 2 	<p>Elected Members Gifts & Benefits Register Elected Members Allowances & Benefits Register http://www.prospect.sa.gov.au/page.aspx?u=2931</p>
<ul style="list-style-type: none"> Campaign donations returns under the Local Government (Elections) Act 1999 	TRIM – Campaign Donations – C14/649
Codes	
<ul style="list-style-type: none"> Codes of conduct or codes of practice under this Act or the Local Government (Elections) Act 1999 	<p>Caretaker Policy: http://www.prospect.sa.gov.au/webdata/resources/files/Caretaker_Policy_27_04_2010_(b).pdf</p> <p>Code of Conduct for Elected Members: http://www.prospect.sa.gov.au/webdata/resources/files/Code_of_Conduct_for_Elected_Members.pdf</p> <p>Complaint Handling Procedure Under Part 2: http://www.prospect.sa.gov.au/webdata/resources/files/Code%20of%20Conduct%20for%20Council%20Members%20-%20Complaint%20Handling%20Procedure%20Under%20Part%20-%20-%20Adopted%20by%20Council%2025%2002%202014.pdf</p> <p>Code of Conduct for Council Employees http://www.prospect.sa.gov.au/webdata/resources/files/Complete%200-%20Code%20of%20Conduct%20for%20Council%20Employees%20-%20Endorsed%2005032015.PDF</p>

¹ The *Local Government (Elections) Act 1999* was not covered as part of this audit, but is included here for completeness

	<p>Code of Practice – Meeting Proceedings</p> <p>http://www.prospect.sa.gov.au/webdata/resources/files/Meeting_Procedures.pdf</p> <p>Code of Practice for Public Access to Meetings and Documents</p> <p>http://www.prospect.sa.gov.au/webdata/resources/files/Code%20of%20Practice%20for%20Public%20Access%20to%20Meetings%20and%20Documents%20.pdf</p>
Meeting papers	
<ul style="list-style-type: none"> • Notice and agenda for meetings of the council, council committees and electors 	http://www.prospect.sa.gov.au/page.aspx?u=2973
<ul style="list-style-type: none"> • Minutes of meetings 	http://www.prospect.sa.gov.au/page.aspx?u=2973
<ul style="list-style-type: none"> • Documents and reports to the council or a council committee that are able to be supplied to members of the public 	http://www.prospect.sa.gov.au/page.aspx?u=2973
<ul style="list-style-type: none"> • Recommendations adopted by resolution of the council 	http://www.prospect.sa.gov.au/page.aspx?u=2973
Policy and administrative documents	
<ul style="list-style-type: none"> • Record of delegations under this Act (other than delegations made by the Minister) 	http://www.prospect.sa.gov.au/webdata/resources/files/Delegation%20Manual%20-%20Updated%2028042015.pdf
<ul style="list-style-type: none"> • Contract and tenders policies 	http://www.prospect.sa.gov.au/webdata/resources/files/Procurement_Policy_-_26_10_2010.pdf
<ul style="list-style-type: none"> • Policy for the reimbursement of members' expenses 	http://www.prospect.sa.gov.au/webdata/resources/files/Elected%20Member%20Allowances%20And%20Benefits%20Policy%20-%20Adopted%2025%2011%202014.pdf
<ul style="list-style-type: none"> • Annual business plan (after adoption by council) and the summary required under this Act 	http://www.prospect.sa.gov.au/page.aspx?u=1683
<ul style="list-style-type: none"> • Annual budget (after adoption by council) 	http://www.prospect.sa.gov.au/page.aspx?u=1683
<ul style="list-style-type: none"> • Audited financial statements 	<p>Included in Annual Report – Page 76</p> <p>http://www.prospect.sa.gov.au/page.aspx?u=1681</p>
<ul style="list-style-type: none"> • Annual report 	http://www.prospect.sa.gov.au/page.aspx?u=1681

<ul style="list-style-type: none"> • Extracts from the council's assessment record 	<p><u>Hard copy folder available at Council's front counter.</u></p>
<ul style="list-style-type: none"> • List of fees and charges 	<p><u>http://www.prospect.sa.gov.au/webdata/resources/files/Fees%20and%20Charges%20Register%202015-2016%20-%20amended.pdf</u></p>
<ul style="list-style-type: none"> • Public consultation policies 	<p><u>http://www.prospect.sa.gov.au/webdata/resources/files/Community_Engagement_Policy.pdf</u></p>
<ul style="list-style-type: none"> • Management plans for community land 	<p>Document currently expired – Refer Information Management Lesley Golly updating – will be compliant Feb/March 2016</p>
<ul style="list-style-type: none"> • Policy on the making of orders 	<p><u>http://www.prospect.sa.gov.au/webdata/resources/files/Order%20Making%20Policy%20.pdf</u></p>
<ul style="list-style-type: none"> • Procedures for the review of council decisions (Chapter 13 Part 2) and any report under section 270(8) 	<p><u>http://www.prospect.sa.gov.au/webdata/resources/files/Internal_Review_of_Council_Decisions_Policy.pdf</u></p>
<ul style="list-style-type: none"> • Charter for subsidiaries established by the council or for which the council is a constituent council 	<p>Eastern Health Authority Charter <u>TRIM – EHA Draft Charter 2013 – CR15/58960</u></p>
<ul style="list-style-type: none"> • The most recent information statement of the council under the Freedom of Information Act 1991 	<p>Freedom of Information Statement <u>http://www.prospect.sa.gov.au/page.aspx?u=2986</u> Freedom of Information – Fees and Charges <u>http://www.prospect.sa.gov.au/webdata/resources/files/Freedom%20of%20Information%20-%20Schedule%20of%20Fees%20and%20Charges.pdf</u></p>
<ul style="list-style-type: none"> • Any policy document of the council within the meaning of the Freedom of Information Act 1991 (if not already referred to above) 	<p>Code of Practice for Public Access to Meetings and Documents <u>http://www.prospect.sa.gov.au/webdata/resources/files/Code%20of%20Practice%20for%20Public%20Access%20to%20Meetings%20and%20Documents%20.pdf</u></p>
<p>By-laws</p>	
<ul style="list-style-type: none"> • By-laws made by the council 	<p><u>http://www.prospect.sa.gov.au/page.aspx?u=3038</u></p>

AGENDA ITEM NO.: 10.6
TO: Audit Committee on 29 March 2016
DIRECTOR: Ginny Moon, Director Corporate Services
REPORT AUTHOR: Chris Birch, Manager Financial Services
SUBJECT: Second Budget Review 2015-2016

1. EXECUTIVE SUMMARY

- 1.1 The Second Budget Review Report for 2015-2016 is provided for Council to receive feedback from the Audit Committee.
- 1.2 The second budget review projects a *favourable* adjustment of the Operating Result before Capital Amounts of \$110,636. This results in a revised Operating *Deficit* before Capital Amounts of \$123,875.

2. RECOMMENDATION

- (1) Council notes feedback from the Audit Committee regarding the Second Budget Review Report 2015-2016 for period to the end of 31 December 2015.**
 - (2) Audit Committee is satisfied the Second Budget Review has been carried out in accordance with the Local Government Act 1999 Section 123 (13) and Local Government (Financial Management) Regulations 2011 Section 9.**
-

3. RELEVANCE TO CORE STRATEGIES / POLICY

- 3.1 Section 123 (13) of the Local Government Act 1999 requires Council to reconsider its budget during the course of the financial year and, if necessary or appropriate, make any revisions.
- 3.2 Local Government (Financial Management) Regulations 2011, Section 9 – Review of Budgets at least twice, between 30 September and 31 May.
- 3.3 Core Strategy – Your Council – “Ensure Financial Sustainability”.

4. COMMUNITY INVOLVEMENT

- 4.1 There is no relevant community consultation requirement. Budget reviews are available to the public via Council’s website.

5. DISCUSSION

- 5.1 The Second Budget Review 2015-2016 was presented to Council at its Meeting on 23 February 2016.
 - 5.2 The full report and its attachments are provided in **Attachments 1–27**.
 - 5.3 Reference to '*Attachments*' within the Second Budget Review 2015-2016 Report are all contained within **Attachments 1–27**.
 - 5.4 A summary of the changes to the 2015-2016 Budget are included in **Attachments 21-24**.
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ATTACHMENTS

Attachments 1-27: Council Report 23 February 2016 – Second Budget Review for 2015-2016

Item 19.1: Second Budget Review for 2015-2016

AGENDA ITEM NO.: 19.1

TO: Council Meeting on 23 February 2016

DIRECTOR: Kerry Loughhead, Acting Director Corporate Services

REPORT AUTHOR: Chris Birch, Manager Financial Services

SUBJECT: Second Budget Review 2015-2016

1. EXECUTIVE SUMMARY

- 1.1 The Original Budget for 2015-2016 projected an operating deficit of \$337,943. Adjustments in the First Budget Review revised the operating deficit down to \$234,511.
- 1.2 The Second Budget Review projects a favourable adjustment of the operating result (before capital amounts) of \$110,636 from the First Budget Review. This results in a revised operating *deficit* before capital amounts of \$123,875.
- 1.3 Overall, the major movement within the Second Budget Review can be summarised in the following items:-

Favourable Items

- Waste Collection Contractor \$40,000 (#21-23)
- Fines and Interest on Overdue Rates \$15,000 (#31)

Unfavourable Items

- Commonwealth Home Support Program (CHSP) contribution from Town of Walkerville \$13,850 (#6)
- Information Technology External Contractor \$13,555 (#30)

- 1.4 Total budget variations from the Second Budget Review in 2015-2016 resulting in:-
- Favourable position of reduction in operating deficit (before capital amounts) by \$110,636 to an operating *deficit* of \$123,875.
 - Favourable position of reduction in net deficit (after capital amounts) by \$110,636 to a net deficit of \$31,460.
 - Favourable position of net decrease in cash budget by \$63,361 to a deficit cash budget of \$27,610.
 - Net increase in capital expenditure budget by \$47,275 to \$4,401,993.
 - Net increase in operating projects by \$1,664 to \$1,954,374.

2. RECOMMENDATION

- (1) Council approves the Second Budget Review adjustments for the six month period to 31 December 2015 as listed in Attachments 12-16.**

- (2) Council approves the revised projected operating deficit (before capital amounts) of \$123,875, a projected net deficit (total comprehensive income amounts) of \$31,460, and a projected Net Borrowing position of \$954,451.**

3. RELEVANCE TO CORE STRATEGIES / POLICY

- 3.1 Provision of Budget Reviews is required by *Local Government Act, 1999*.
- 3.2 Section 123 (13) of the *Local Government Act 1999* requires Council to reconsider its budget during the course of the financial year and, if necessary or appropriate, make any revisions.
- 3.3 *Local Government (Financial management) Regulations 2011*, Section 9 – Review of Budgets at least twice, between 30 September and 31 May.
- 3.4 **Core Strategy 5 – Your Council.**

5.8 Ensure Financial Stability.

- 5.8.4 Implement practices that provide financial accountability and sustainability.

4. COMMUNITY INVOLVEMENT

- 4.1 There is no relevant community consultation requirement. Budget reviews are available to the public via Council's website.

5. DISCUSSION

- 5.1 The Second Budget Review projects a favourable adjustment of the operating result before capital amounts of \$110,636 from the First Budget Review.
- 5.2 The Original Budget for 2015-2016 projected an operating deficit of \$337,943. Adjustments in the First Budget Review revised an operating deficit of \$234,511.
- 5.3 The Second Budget Review projects a favourable adjustment of the operating result before capital amounts of \$110,636 from the First Budget Review. This results in a revised operating *deficit* before capital amounts of \$123,875.
- 5.4 The following table is a summary of budget adjustments (that affects the operating result) presented to Council during the 2015-2016 financial year:-

Summary of Budget Review Adjustments for 2015-2016

Adopted Original Budget (Adopted 23/06/2015)		(\$337,943)	<i>Deficit</i>
Budget Review 1	Carry Forward from 2014-2015	\$0	
	Net Favourable Budget Adj	\$103,432	
Budget Review 2	Net Favourable Budget Adj	\$110,636	
		(\$123,875)	<i>Deficit</i>

Item 19.1: Second Budget Review for 2015-2016

5.5 **Attachments 12-16** confirm the effects of the variations on the accrual and cash position projection for Council for the period ended 30 June 2016 as follows:

	Operating Surplus/(Deficit) (before Capital Revenue) Refer Attachment 2	Total Comprehensive Income – Surplus/(Deficit) Refer Attachment 2	Capital Expenditure Refer Attachment 10	Operating Projects Refer Attachment 11	Cash Position Surplus/ (Deficit) Refer Attachment 12 - 16
First Budget Review adopted by Council 27 October 2015)	(\$234,511)	(\$142,096)	\$4,354,718	\$1,952,710	(\$90,971)
Budget Adjustments as per Budget Review 2	Fav By \$110,636	Fav By \$110,636	Increase in Cap Exp By \$47,275	Increase in Oper Exp By \$1,664	Fav By \$63,361
Proposed Budget Review 2 Closing Balance	(\$123,875)	(\$31,460)	\$4,401,993	\$1,954,374	(\$27,610)
Net Variation in %	Fav By 47.18%	Fav By 77.86%	Increase in Cap Exp By 1.09%	Increase in Op Project Exp By 0.08%	Fav By 69.65%

Item 19.1: Second Budget Review for 2015-2016

5.6 In reviewing the budget, Council needs to focus on its four (4) Key Financial Sustainability Indicators as illustrated in the following table. The comparison of both the 2015-2016 Original Budget and the subsequent Budget Review are as follows:

		2015-2016 Target	Adopted Original Budget	First Budget Review (Sep)	Second Budget Review (Dec)
1	Operating Surplus/ (Deficit) \$	250k-650k	(\$337,943)	(\$234,511)	(\$123,875)
	An operating deficit indicates the extent to which operating revenue is insufficient to meet all operating expenses including depreciation.				
2	Operating Surplus Ratio %	2 - 5%	(2%)	(1%)	(1%)
	This ratio expresses the operating surplus (deficit) as a percentage of general and other rates, net of rebates. A negative ratio indicates the percentage of total rates insufficient to fund capital expenditure over and above the level of depreciation or does not have the ability to reduce the level of net financial liabilities.				
3	Net Financing Liabilities %	10 – 50%	38%	24%	20%
			29%*	15%*	11%*
	The ratio indicates the extent to which net financial liabilities can be met by Council's total operating revenue.				
4	Asset Sustainability Ratio %	100 – 120%	98%	105%	103%
	This ratio indicates whether Council is renewing or replacing existing non-financial assets at the rate of consumption (Capital Expenditure on Renewal/Optimal Level of Spend per Infrastructure Asset Management Plans)				

*Amended Net Financial Liabilities Ratio excludes Secured Loan of \$1.88M to North Adelaide Football Club

5.7 Analysis

5.7.1 Analysis of variations and their effect on Council's financial position (Statement of Comprehensive Income & Cash Flow Statement) are given below under the following headings :-

- A) Budget Variations affecting Operating Result as per Statement of Comprehensive Income
- B) Budget Variations affecting Capital Expenditure
- C) Budget Funding Summary/Cash Budget

(A) Budget Variations Affecting Operating Result as per Statement of Comprehensive Income (Attachment 2)

5.7.2 The Second Budget Review projects a favourable operating result adjustment of \$110,636. This results in a revised operating *deficit* before capital amounts of \$123,875.

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5.7.3 Significant budget variations presented in the Second Budget Review include **(Attachments 12-16)** :-

Significant Favourable Adjustments

- Waste Collection Contractor \$40,000 (#21-23)
- Fines and Interest on Overdue Rates \$15,000 (#31)

Significant Unfavourable Adjustments

- Commonwealth Home Support Program (CHSP) contribution from Town of Walkerville \$13,850 (#6)
- Information Technology External Contractor \$13,555 (#30)

5.7.4 Summary of Cash Budget review classifications (refer to **Attachments 12-16**)

Summary of Cash Budget Revision Classification		Amount Favourable/ (Unfavourable)
a	<i>Policy Change</i>	0
b	<i>Revised Budget Estimates Approved by Council</i>	0
c	<i>Budget Savings/(Overruns)</i>	63,361
d	<i>Internal Adjustment excluding budget overruns (inc grants, reallocation)</i>	0
e	<i>Operating Efficiency Gain/Productivity Saving</i>	0
	<i>Total Adjustments</i>	63,361

5.7.5 Elected Members gave direction during the budget deliberations to identify a 0.5% (approximately \$110k) operating efficiency gain. Items identified to meet this target are identified separately in **Attachments 12-16** as classification "e".

5.7.6 A summary of the gains sourced year to date are as follows:

First Budget Review	\$19,000
Second Budget Review	\$0
Total	\$19,000
Target	\$110,000
Gains to be identified in subsequent Reviews	\$91,000

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5.7.7 The following is a summary of major movements that have had an impact on the Statement of Comprehensive Income BEFORE Capital Amounts (**Attachment 2**).

	Description	Amount
	Operating Deficit <u>before</u> Capital Amounts (As per First Budget Review)	(\$234,511)
Less	Unfavourable variation – refer Attachments 12-16 , item numbers 2,4-6,8-9,12,18,20,24,30,33-36,38,40,43-44,46,48.	(\$82,595)
Add	Favourable variation – refer Attachments 12-16 , item numbers 1,3,7,10-11,13-17,19,21-23,25-29,31-32,37,39,41-42,45,47,49-53.	\$193,231
	Projected Operating Deficit before Capital Amounts (After Second Budget Review)	(\$123,875)

5.7.8 The following is a summary of major movements that have had an impact on the Statement of Comprehensive Income AFTER Capital Amounts (**Attachment 2**).

	Description	Amount
	Net Deficit <u>after</u> Capital Revenue (As per First Budget Review)	(\$142,096)
Less	Unfavourable variation – refer Attachments 12-16 , item numbers 2,4-6,8-9,12,18,20,24,30,33-36,38,40,43-44,46,48.	(\$82,595)
Add	Favourable variation - refer Attachments 12-16 , item numbers 1,3,7,10-11,13-17,19,21-23,25-29,31-32,37,39,41-42,45,47,49-53.	\$193,231
	Expected Net Deficit after Capital Revenue (After Second Budget Review)	(\$31,460)

B) Budget Variations Affecting Capital Expenditure

5.7.9 Increase in capital expenditure by \$47,275 from \$4,354,718 (First Budget Review) to \$4,401,993 (Second Budget Review).

5.7.10 The increase primarily relates to the accounting treatment of capital purchases for the IT Disaster Recovery Project. Purchases are capital in nature and are funded from directly related savings in the operating budget as opposed to an actual increase overall expenditure.

C) Budget Funding Summary/Cash Budget

5.7.11 Second Budget Review adjustments resulted in:-

- Favourable projected net borrowing \$63,361 (\$1,017,812, First Budget Review to \$954,451 Second Budget Review).

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- Cash budget deficit decreased from \$63,361 (First Budget Review) to a cash deficit of \$27,610 (Second Budget Review).

5.7.12 The Second Budget Review's Cash Flow Statement is provided in **Attachment 6**.

5.8 After considering all operating and capital variations, the following table provides a reconciliation of the cash budget to operating result after capital amounts (**Attachments 2 and 5**):-

Reconciliation of cash budget to operating result	Amount Favourable/ (Unfavourable)
Projected Deficit Cash Budget (per <u>Attachment 16</u>) (This amount includes operating expenditure, operating projects, capital projects, loan principal repayment, reserve funds movements & brought forward surplus from the previous financial year. It does <u>not</u> include depreciation or accruals)	(\$27,610)
Include Depreciation (because depreciation is a non-cash part of the operating result)	(\$3,375,000)
Exclude Capital Projects (because the Cap Project Expenditure is not part of the operating result)	\$4,401,993
Exclude Loan Principal repayment (because loan repayment is not part of the operating result)	\$499,983
Include Written Down Value of Assets Disposed (Net Surplus \$72,043)	(\$104,002)
Exclude Budget Surplus Carried Forward from 2014-2015	(\$52,387)
New Community Loans Provided	\$0
New Loan Borrowings Received	(\$1,374,437)
Operating Result after Capital Amounts– Deficit (per <u>Attachment 2</u>)	(\$31,460)

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5.9 Summary of Net Variation in Statement of Comprehension Income including ALL variations - **Attachment 2**:-

Operating Income	Amount	Net Variation
Rate Revenue	\$15,000	Favourable
Statutory Income	\$3,500	Favourable
User Charge	\$7,500	Favourable
Grants, Subsidies and Contributions	\$64	Unfavourable
Investment income	Nil	No Change
Reimbursements	\$8,182	Favourable
Other Income	\$9,730	Unfavourable
Share of Gain – Equity Accounted Council Businesses	Nil	No Change
Total Variation in Income	\$24,388	Favourable
Operating Expense	Amount	Net Variation
Employee Expense	\$3,182	Unfavourable
Materials, Contracts & Other Expenses	\$89,430	Favourable
Finance Charge	Nil	No Change
Other - Depreciation	Nil	No Change
Share of Loss – Equity Accounted Council Businesses	Nil	No Change
Total Variation in Expense	\$86,248	Favourable
Asset disposal & fair value adjustments	Nil	No Change
Amounts received specifically for new or upgraded assets	Nil	No Change
Net Variation of Operating Result	\$110,636	Favourable

5.10 Uniform Presentation of Finances

5.10.1 **Attachment 7** is the Statement of Uniform Presentation of Finances. The adjustments in the Second Budget Review resulted in a decrease in the net borrowing amount by approximately \$63,361 to a deficit or unfunded amount of \$27,610.

5.10.2 Having a net deficit budget result means that Council has insufficient funds to cover operating expenses, extraordinary items and net capital investment and additional funding will need to be sourced. In order to address this, staff are continuing to identify operational savings.

5.11 Other Potential Adjustments

5.11.1 The Second Budget Review brings to account, information and activities that have occurred since the preparation and subsequent adoption of the First Budget Review.

5.11.2 At this stage, Council does not have sufficient information to make adjustment to its budget on a number of items. These items will be monitored and adjusted where necessary in subsequent budget reviews.

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5.11.3 Items being monitored include:

- Interest Paid on Borrowings to be confirmed at the time of loan drawdown;
- Early Payment of Financial Assistance Grants (\$332k). As Council received half of its 2015-2016 in June 2015 and was accounted for in 2014-2015. It is unlikely to be known if an early payment will be received in June 2016. A previous resolution of Council (22/10/2013) gives direction not to revise this budget item until the Fourth Budget Review.

ATTACHMENTS

<u>Attachment 1:</u>	Financial Indicators
<u>Attachment 2-3:</u>	Statement of Comprehensive Income
<u>Attachment 4:</u>	Balance Sheet
<u>Attachment 5:</u>	Statement of Changes in Equity
<u>Attachment 6:</u>	Statement of Cash Flow
<u>Attachment 7:</u>	Uniform Presentation of Finances
<u>Attachments 8-9:</u>	Summary by Function
<u>Attachment 10:</u>	Capital Projects Statement
<u>Attachment 11:</u>	Operating Projects Statement
<u>Attachments 12-16:</u>	Budget Variations
<u>Attachments 17-18:</u>	Local Government (Financial Management) Regulations, 2011

Attachment 1

FINANCIAL INDICATORS 2015-16

	Target	Adopted Original Budget	First Budget Review (BR1)	Proposed Second Budget Review (BR2)	Actual	Actual
		2015-16	2015-16	2015-16	2014-15	2013-14

These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed

Operating Surplus Ratio

(By what percentage does the operating income vary from operating expenses?)

<u>Operating Surplus (Deficit)</u> Operating Income	0-10%	-2%	-1%	-1%	1%	2%
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Net Financial Liabilities Ratio

(How significant is the net amount owned to others, compared with operating income?)

<u>Net Financial Liabilities</u> Operating Income	0-100%	38%	24%	20%	24%	21%
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Asset Sustainability Ratio

(Are assets being renewed and replaced in an optimal way?)

<u>Net Asset Renewals</u> IAMP Expenditure Requirement	90-110%	98%	105%	103%	45%	45%
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CITY OF PROSPECT
Statement of Comprehensive Income 2015-16
For the Period Ended 31 December 2015

		Original Budget 2015-16	Revised Budget BR1 2015-16	YTD Revised Budget as at 31 December 2015	YTD Actual as at 31 December 2015	YTD Var Fav/(Unfav)	Proposed Revised Budget BR2 2015-16	End of Financial Year Forecast
		\$	\$	\$	\$		\$	\$
INCOME								
Rates	1	18,555,969	18,486,441	18,444,020	18,452,334	8,314	18,501,441	18,501,441
Statutory charges	2	501,200	481,200	286,470	299,230	12,760	484,700	487,637
User charges	3	206,005	216,442	96,270	104,684	8,414	223,942	232,523
Grants, subsidies and contributions	4	1,699,301	1,716,301	689,364	691,183	1,819	1,716,237	1,716,237
Investment income	5	242,790	242,790	128,751	127,694	(1,057)	242,790	242,790
Reimbursements	6	170,900	177,400	127,101	131,367	4,266	185,582	186,698
Other income	7	117,276	156,632	105,856	111,321	5,465	146,902	148,996
Net gain - equity accounted Council businesses	8	0	0	0	0	0	0	0
Total Income		21,493,441	21,477,206	19,877,832	19,917,814	39,982	21,501,594	21,516,322
EXPENSES								
Employee Costs	9	7,778,314	7,642,013	3,818,833	3,628,766	190,067	7,645,195	7,417,709
Materials, Contracts & Other Expenses	10	10,175,532	10,192,166	4,688,738	4,263,619	425,119	10,102,736	10,166,281
Finance Costs	11	470,059	470,059	143,459	143,459	(0)	470,059	470,059
Depreciation, amortisation & impairment	12	3,375,000	3,375,000	1,686,828	1,673,211	13,617	3,375,000	3,375,000
Net loss - equity accounted Council businesses	13	32,479	32,479	0	0	0	32,479	32,479
Total Expenses		21,831,384	21,711,717	10,337,858	9,709,056	628,802	21,625,469	21,461,528
Operating Surplus/(Deficit)		(337,943)	(234,511)	9,539,974	10,208,758	668,784	(123,875)	54,794
Asset disposal & fair value adjustments	14	82,498	72,043	5,014	2,446	(2,568)	72,043	72,043
Amounts received specifically for new or upgraded assets	15	0	20,372	7,872	7,872	0	20,372	20,372
NET SURPLUS/(DEFICIT) transferred to Equity Statement		(255,445)	(142,096)	9,552,860	10,219,076	666,216	(31,460)	147,209
Other Comprehensive Income		-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME		(255,445)	(142,096)	9,552,860	10,219,076	666,216	(31,460)	147,209

Notes to the Operating Statement : Income

1 Op Rev - Rates	Increase in rates income is primarily due to higher than forecast fines and interest on overdue rates (\$15K, Item 31).
2 Op Rev - Stat Charges	Additional statutory income resultant from an increase in dog registrations (\$5K, Item 13).
3 Op Rev - User Charges	Various adjustments to user charges income budgets. Major adjustment relates to increased social programs income. (\$8.5K, Item 37).
4 Op Rev - Grants, subsidies and contributions	Minor variance.
5 Op Rev - Investment Income	Minor variance.
6 Op Rev - Reimbursements	Two adjustments to reimbursement income budgets. Increase in the budget to account for resident contributions to Nature Strip Development (\$5K, Item 47). Budget adjustment to reflect the amenity value of the removal of the trees associated with crossover applications (\$3K, Item 16).
7 Op Rev - Other Income	Various adjustments to other income. Major adjustment relating to Walkerville Council's contribution to the CHSP program will not be received in 2015-16 due to how the Commonwealth fund the CHSP program (-\$14K, Item 6).

Notes to the Operating Statement : Expenses

9 Op Exp - Employee Costs	Various minor adjustment between Employee Costs and contract staff where temporary staff have been utilised to back fill vacant roles. These include the transition of funding arrangements for the Commonwealth Home Support Fund Program (CHSP) Programme (\$12K, Items 41-43). No overall additional cost to Council.
10 Op Exp - Contractual, Materials & Other	Various adjustment to Contractual, Materials & Others Costs. Major items include following items. Adjustment relating to implement Disaster Recovery solution project (-\$45K, Item 48; \$30K, Item 49). Reduction in waste to residual is due to diversion of waste across other waste streams. Reduction in recycling is due to reuse. Reduction in organics is due to home composting (\$10K, Item 21; \$10K, Item 22 & \$20K, Item 23). Includes offset of additional temporary staff usage as identified in Employee Costs above.
11 Op Exp - Finance Costs	Nil variance.
12 Op Exp - Depreciation	Condition assessment revaluation has being undertaken. Further analysis on the implications of the revaluation are still being carried out.
13 Op Exp - Net Loss - equity accounted Council businesses	Nil variance.

Notes to the Operating Statement : Capital & Other Comprehensive Income

14 Asset disposal & fair value adjustments/ Net gain/(loss) on disposal or revaluation of assets	Minor variance. To be monitored as scheduled assets are replaced (eg Plant and Machinery).
15 Capital Rev - Amounts received specifically for new or upgraded assets	Nil variance.

Attachment

CITY OF PROSPECT
Balance Sheet 2015-16
As At 31 December 2015

	Original Budget 2015-16	Revised Budget BR1 2015-16	YTD Actual as at 31 December 2015	Proposed Revised Budget BR2 2015-16
	\$	\$	\$	\$
ASSETS				
Current Assets				
Cash and cash equivalents	22,785	692,688	7,535,328	788,528
Trade & Other Receivables	1,500,000	1,444,576	8,654,339	1,444,576
Financial Assets - Current Community Loans	2,424	2,424	1,212	2,424
Inventories	-	838	838	838
Total Current Assets	1,525,209	2,140,526	16,191,717	2,236,366
Non-Current Assets				
Financial Assets - Non-Current Community Loans	1,897,576	1,896,970	1,896,970	1,896,970
Equity Acc Investments in Council Businesses (EHA & Waste Care)	36,065	83,896	56,662	24,183
Infrastructure, Property Plant & Equipment	143,414,458	139,580,542	138,610,105	138,790,186
Other Non-current Assets	-	182,981	182,981	182,981
Total Non-Current Assets	145,348,099	141,744,389	140,746,718	140,894,320
Total Assets	146,873,308	143,884,915	156,938,435	143,130,686
LIABILITIES				
Current Liabilities				
Trade & Other Payables	854,948	235,765	1,924,224	29,308
Borrowings	754,039	754,039	823,090	754,039
Short-term Provisions	1,200,000	1,200,000	787,633	400,000
Total Current Liabilities	2,808,987	2,189,804	3,534,947	1,183,347
Non-Current Liabilities				
Long-term Borrowings	8,581,279	6,939,686	7,573,593	7,081,279
Long-term Provisions	109,946	109,946	803,639	109,946
Total Non Current Liabilities	8,691,225	7,049,632	8,377,232	7,191,225
Total Liabilities	11,500,212	9,239,436	11,912,179	8,374,572
NET ASSETS	135,373,096	134,645,478	145,026,255	134,756,114
EQUITY				
Accumulated Surplus	76,377,155	76,878,503	87,239,675	76,991,853
Asset Revaluation Reserve	58,761,384	57,533,059	57,533,059	57,533,059
Other Reserves	234,557	233,916	253,521	231,202
TOTAL EQUITY	135,373,096	134,645,478	145,026,255	134,756,114

CITY OF PROSPECT
Statement of Changes in Equity 2015-16
For the Period Ended 31 December 2015

	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$	Total Equity \$
Original Budget 2015-16				
Balance at end of previous reporting period	76,665,079	58,761,384	227,704	135,654,167
Net Surplus / (Deficit) for Year	(255,445)			(255,445)
Other Comprehensive Income	(32,479)			(32,479)
Gain on revaluation of infrastructure, property, plant & equipment	-	-	-	-
Transfers between reserves			6,853	6,853
Balance at end of period	76,377,155	58,761,384	234,557	135,373,096
Revised Budget (BR1)				
Balance at end of previous reporting period	76,968,212	57,533,059	286,303	134,787,574
Net Surplus / (Deficit) for Year	(142,096)			(142,096)
Other Comprehensive Income				-
Gain on revaluation of infrastructure, property, plant & equipment	-	-	-	-
Transfers between reserves	52,387		(52,387)	-
Balance at end of period	76,878,503	57,533,059	233,916	134,645,478
YTD Actual as at 31 December 2015				
Balance at end of previous reporting period	76,968,212	57,533,059	286,303	134,787,574
Net Surplus / (Deficit) for Year	10,219,076			10,219,076
Other Comprehensive Income				-
Gain on revaluation of infrastructure, property, plant & equipment				-
Transfers between reserves	52,387		(32,782)	19,605
Balance at end of period	87,239,675	57,533,059	253,521	145,026,254
Revised Budget (BR2) 2015-16				
Balance at end of previous reporting period	76,968,212	57,533,059	286,303	134,787,574
Net Surplus / (Deficit) for Year	(31,460)			(31,460)
Other Comprehensive Income				-
Gain on revaluation of infrastructure, property, plant & equipment	-	-	-	-
Transfers between reserves	55,101		(55,101)	-
Balance at end of period	76,991,853	57,533,059	231,202	134,756,114

Attachment

CITY OF PROSPECT
Cash Flow Statement 2015-16
For the Period Ended 31 December 2015

	Original Budget 2015-16	Revised Budget BR1 2015-16	YTD Actual as at 31 December 2015	Proposed Revised Budget BR2 2015-16
	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Operating Receipts	21,382,291	21,234,416	11,476,146	21,258,804
Investment Receipts	111,150	242,790	127,694	242,790
Payments				
Operating payments to suppliers & employees	(17,986,325)	(20,866,658)	(6,727,871)	(20,747,931)
Finance payments	(470,059)	(470,059)	(143,459)	(470,059)
Net Cash provided by (or used in) Operating Activities	3,037,057	140,489	4,732,510	283,604
CASH FLOWS FROM INVESTMENT ACTIVITIES				
Receipts				
Amounts specifically for new or upgraded assets	-	20,372	7,872	20,372
Sale of Replaced Assets	186,500	176,045	14,409	176,045
Repayments of loans by community groups	131,640	131,640	66,225	131,640
Payments				
Expenditure on Renewal/Replacement of assets	(3,308,984)	(3,389,619)	(488,920)	(3,391,894)
Expenditure on New/Upgraded assets	(1,046,031)	(965,099)	(255,263)	(1,010,099)
Loan To Community Groups	-	-	-	-
Net Cash provided by (or used in) Investing Activities	(4,036,875)	(4,026,661)	(655,677)	(4,073,936)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Proceeds from Borrowings	1,374,437	1,374,437	-	1,374,437
Payments				
Repayments of Borrowings	(499,983)	(499,983)	(245,910)	(499,983)
Net Cash provided by (or used in) Financing Activities	874,454	874,454	(245,910)	874,454
Net Increase (Decrease) in cash held	(125,364)	(3,011,718)	3,830,922	(2,915,878)
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	148,149	3,704,406	3,704,406	3,704,406
CASH & CASH EQUIVALENTS AT END OF PERIOD	22,785	692,688	7,535,328	788,528

CITY OF PROSPECT - 2015-2016 UNIFORM PRESENTATION OF FINANCES FOR THE PERIOD ENDED 31 DECEMBER 2015

UNIFORM PRESENTATION OF FINANCES		Original Budget 2015-16	Last Revised Budget (BR1) 2015-16	Actual as at 31 December 2015	Annual Variance	Proposed Revised Budget (BR2) 2015-16	Actual 2014-15	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
OPERATING ACTIVITIES								
	Income	1	21,493	21,477	19,918	(1,559)	21,502	21,254
Less	Expenses	2	21,831	21,712	9,709	12,003	21,625	20,941
Equals	Operating Surplus/(Deficit)	a	(338)	(235)	10,209	10,443	(124)	313
CAPITAL ACTIVITIES								
Less	Net Outlays on Existing Assets							
	Capital expenditure on Renewal/Replacement of Existing Assets	3	3,309	3,390	489	2,901	3,392	0
	less Depreciation, Amortisation and Impairment Expenses	4	3,375	3,375	1,673	1,702	3,375	3,348
	less Proceeds from Sale of Replaced Assets	5	187	176	14	(162)	176	158
	Net Outlays on Existing Assets	b	(253)	(161)	(1,199)	1,361	(159)	(3,506)
Less	Net Outlays on New & Upgraded Assets							
	Capital expenditure on New/Upgraded Assets	6	1,046	965	255	710	1,010	0
	less Amounts received specifically for New/Upgraded Assets	7	0	20	8	(13)	20	85
	less Proceeds from Sale of Surplus Assets	5	0					
	Net Outlays on New & Upgraded Assets	c	1,046	945	247	722	990	(85)
	Net Outlays on Existing, New and Upgraded Assets		794	783	(951)	2,083	831	(3,591)
Equals	Net Lending/(Borrowing) for Financial Year	d	(1,131)	(1,018)	11,160	8,360	(954)	3,904
	(d) = (a)-(b)-(c)							
Financing Transactions								
	New borrowings (Net off loan to Community Group)	e	1,374	1,374	0	(1,374)	1,374	
Less	Repayment of principal on borrowings	f	500	500	246	254	500	
Less	(Increase)/Decrease in level of cash and investments	g	(125)	(3,012)	3,831	(6,843)	(2,916)	
Less	Other	h	(132)	2,868	7,083	13,575	2,836	(3,904)
Equals	Funding Transactions	i	1,131	1,018	(11,160)	(8,360)	954	3,904
Add	Cash brought forward from Previous Year	k	0	52	52	52	52	
Add	Provision for LSL (non cash)	l	0	0	0	0	0	0
	Net Surplus/(Unfunded) Budget	l=d+e-f+k+l	(257)	(91)	10,967	6,784	(28)	3,904

Notes

- 1 Income - Refer Attachments 2-3, notes 1-7 of Statement of Comprehensive Income.
- 2 Expenses - Refer Attachments 2-3, notes 8-12 of Statement of Comprehensive Income.
- 3 Capital expenditure on Renewal/Replacement of Existing Assets - Minor variation.
- 4 Depreciation, Amortisation and Impairment Expenses - No change in budget.
- 5 Proceeds from Sale of Replaced & Surplus Assets - No Variation.
- 6 Capital expenditure on New/Upgraded Assets - No variation.
- 7 Amounts received specifically for New/Upgraded Assets - No change in budget.

City of Prospect
SUMMARY OF FUNCTIONS
For the Period Ending 31 December 2015

EXPENDITURE	Item No	Budget Review 1 2015-16	BR2 Variations	Revised Budget 2015-16	Actual as at 31 December 2015	Budget Remaining
1. PLANNING						
1.0 PLANNING MANAGEMENT		236,511	-	236,511	126,942	109,569
1.1 CITY PLANNING		22,218	-	22,218	11,800	10,418
1.2 DEVELOPMENT ASSESSMENT	44, 45	891,405	-	891,405	447,764	443,641
1.3 HERITAGE		-	-	-	-	-
1.5 ENVIRONMENTAL HEALTH		-	-	-	-	-
		1,150,134	-	1,150,134	586,507	563,627
2. INFRASTRUCTURE & ASSETS						
2.05 INSPECTORIAL	14	516,657	(6,220)	510,437	247,114	263,323
2.07 ENVIRONMENT		159,555	-	159,555	45,789	113,766
2.1 TRAFFIC MANAGEMENT	15	438,319	(5,000)	433,319	128,733	304,586
2.2 STREETS & FOOTPATHS		5,487,164	-	5,487,164	1,458,830	4,028,334
2.3 STORMWATER DRAINAGE	19	590,075	(5,000)	585,075	220,856	364,219
2.4 OPEN SPACES	20	2,249,770	2,664	2,252,434	964,470	1,287,964
2.5 STREET TREES & NATURE STRIPS	18, 46	378,033	8,182	386,215	224,641	161,574
2.6 WASTE MANAGEMENT	21-23	2,185,018	(40,000)	2,145,018	811,856	1,333,163
2.7 SANITATION	24	43,684	6,000	49,684	69,105	(19,421)
2.8 FLEET MANAGEMENT		715,565	-	715,565	160,710	554,855
2.9 DEPOT OPERATIONS		2,277,287	-	2,277,287	898,984	1,378,303
		15,041,127	(39,374)	15,001,753	5,231,090	9,770,663
3. COMMUNITY						
3.0 COMMUNITY MANAGEMENT		199,971	-	199,971	92,686	107,285
3.1 COMMUNITY DEVELOPMENT		901,477	-	901,477	418,133	483,344
3.2 COMMUNITY SERVICES	7, 10, 38-43	748,493	118	748,611	381,718	366,893
3.3 COMMUNITY ARTS, GALLERY & EVENTS	33-35	995,858	2,000	997,858	357,233	640,625
3.4 LIBRARY	2, 12	1,880,468	4,275	1,884,743	980,470	904,273
		4,726,267	6,393	4,732,660	2,230,241	2,502,419
4. CORPORATE SERVICES						
4.1 ELECTED MEMBERS & LOCAL GOV'T	25, 26, 29	1,244,044	(10,547)	1,233,497	622,157	611,340
4.2 RATES ADMINISTRATION		274,986	-	274,986	163,999	110,987
4.3 EMPLOYEE RELATIONS & TRAINING		138,110	-	138,110	55,930	82,180
4.4 ADMINISTRATIVE SERVICES	27-28	391,753	(9,000)	382,753	303,642	79,111
4.5 FINANCIAL MANAGEMENT		1,529,568	-	1,529,568	642,025	887,543
4.6 INFORMATION MANAGEMENT	30, 48-53	592,769	13,555	606,324	268,677	337,647
		4,171,230	(5,992)	4,165,238	2,056,430	2,108,808
5. BUSINESS & ECONOMIC DEVELOPMENT						
5.0 BUSINESS & ECONOMIC DEVELOPMENT		992,488	-	992,488	360,951	631,537
5.05 CORPORATE COMMUNICATION		-	-	-	-	-
		992,488	-	992,488	360,951	631,537
PROSPECT WIDE						
RATES INCOME & REBATES/RESERVES/B-FWD		(2,877,828)	-	(2,877,828)	240,348	(11,034)
		(2,877,828)	-	(2,877,828)	240,348	(11,034)
EXPENDITURE TOTAL		23,203,418	(38,973)	23,164,445	10,705,567	15,566,020

City of Prospect
SUMMARY OF FUNCTIONS
For the Period Ending 31 December 2015

INCOME	Item No	Budget Review 1 2015-16	BR2 Variations	Revised Budget 2015-16	Actual as at 31 December 2015	Budget Remaining
1. PLANNING						
1.2 DEVELOPMENT ASSESSMENT		(187,200)	-	(187,200)	(112,313)	(74,887)
1.5 ENVIRONMENTAL HEALTH		-	-	-	-	-
		(187,200)	-	(187,200)	(112,313)	(74,887)
2. INFRASTRUCTURE & ASSETS						
2.05 INSPECTORIAL	13	(330,450)	(5,000)	(335,450)	(202,748)	(132,702)
2.07 ENVIRONMENT		-	-	-	-	-
2.1 TRAFFIC MANAGEMENT		(20,372)	-	(20,372)	(7,872)	-
2.2 STREETS & FOOTPATHS	16, 17	(492,109)	(5,182)	(497,291)	(72,786)	(424,505)
2.4 OPEN SPACES		(72,785)	-	(72,785)	(32,059)	(40,726)
2.5 STREET TREES & NATURE STRIPS	47	-	(5,000)	(5,000)	-	(5,000)
2.6 WASTE MANAGEMENT		-	-	-	(307)	307
2.7 SANITATION		-	-	-	-	-
2.8 FLEET MANAGEMENT		(185,545)	-	(185,545)	(18,048)	(167,497)
2.9 DEPOT OPERATIONS		(15,650)	-	(15,650)	(6,353)	(9,297)
		(1,116,911)	(15,182)	(1,132,093)	(340,173)	(779,420)
3. COMMUNITY						
3.1 COMMUNITY DEVELOPMENT		(51,600)	-	(51,600)	(26,910)	(24,690)
3.2 COMMUNITY SERVICES	6, 8, 9, 11, 36,	(675,641)	9,612	(666,029)	(404,795)	(261,234)
3.3 COMMUNITY ARTS, GALLERY & EVENTS	32	(98,460)	(2,000)	(100,460)	(35,192)	(65,268)
3.4 LIBRARY	1, 3-5	(213,092)	(1,818)	(214,910)	(174,321)	(40,589)
		(1,038,793)	5,794	(1,032,999)	(641,217)	(391,782)
4. CORPORATE SERVICES						
4.1 ELECTED MEMBERS & LOCAL GOV'T		-	-	-	(30)	30
4.3 EMPLOYEE RELATIONS & TRAINING		-	-	-	-	-
4.4 ADMINSTRATIVE SERVICES		(86,500)	-	(86,500)	(83,700)	(2,800)
4.5 FINANCIAL MANAGEMENT		(714,941)	-	(714,941)	(265,780)	(449,161)
4.6 INFORMATION MANAGEMENT		(40,000)	-	(40,000)	(40,055)	-
		(841,441)	-	(841,441)	(389,564)	(451,931)
5. BUSINESS & ECONOMIC DEVELOPMENT						
5.0 BUSINESS & ECONOMIC DEVELOPMENT		(2,837)	-	(2,837)	(4,493)	1,656
5.05 CORPORATE COMMUNICATION		-	-	-	-	-
		(2,837)	-	(2,837)	(4,493)	1,656
PROSPECT WIDE						
RATES INCOME & REBATES/RESERVES/B-FWD	31	(19,925,265)	(15,000)	(19,940,265)	(18,444,075)	(1,496,190)
		(19,925,265)	(15,000)	(19,940,265)	(18,444,075)	(1,496,190)
INCOME TOTAL		(23,112,447)	(24,388)	(23,136,835)	(19,931,835)	(3,192,554)
NET TOTAL		90,971	(63,361)	27,610	(9,226,269)	12,373,466
NET SUMMARY						
1 PLANNING SERVICES		962,934	-	962,934	474,194	488,740
2 INFRASTRUCTURE & ASSETS		13,924,216	(54,556)	13,869,660	4,890,917	8,991,243
3 COMMUNITY, ARTS & EVENTS		3,687,474	12,187	3,699,661	1,589,023	2,110,638
4 CORPORATE SERVICES		3,329,789	(5,992)	3,323,797	1,666,866	1,656,876
5 ECO DEVELOPMENT & MARKETING		989,651	-	989,651	356,457	633,194
PROSPECT WIDE		(22,803,093)	(15,000)	(22,818,093)	(18,203,727)	(1,507,225)
		90,971	(63,361)	27,610	(9,226,269)	12,373,466

2015-16 CAPITAL PROJECTS

Description	New Asset (N); Renewal(R); Upgrade (U)	Original Budget 2015-16	Budget Review 1 2015-16	Budget Variation (BR2)	Budget Review 2 2015-16	Actual to 31 December 2015
Brand Road Bike Boulevard	U	0	12,500	0	12,500	0
Beautification Project for All Parks & Reserves	U	100,000	100,000	0	100,000	29,920
Bicycle Plan	N	30,000	30,000	0	30,000	0
Safe Routes to School	U	25,000	25,000	0	25,000	3,000
Driveway Upgrade Program	R	143,748	143,748	0	143,748	2,995
Pedestrian Kerb Ramp	R	35,850	35,850	0	35,850	0
Bus Shelter Upgrades (DDA Compliance)	U	12,000	12,000	0	12,000	11,897
Footpath Sanitation Unit	N	25,000	25,000	0	25,000	0
Road Design/Reconstruction (Capital)	R	730,756	730,756	0	730,756	97,689
Footpath Construction - Miscellaneous	R	774,590	774,590	0	774,590	155,495
Prospect Rd Footpath Upgrade-Olive St to Gordon Rd	R	663,022	663,022	0	663,022	23,755
Kerb and Gutter Constructions	R	314,967	314,967	0	314,967	29,127
Tennant Green Machine 636 Air Sweeper	N	128,117	0	0	0	0
Drainage Design/Construction	N	39,064	39,064	0	39,064	0
Park Furniture Replacement/Signage	R	14,000	14,000	0	14,000	4,290
Upgrade of Playspace in Identified Parks	U	110,000	110,000	0	110,000	11,920
Charles Cane Reserve / Parndo Yerta Shed	R	10,000	10,000	0	10,000	0
Council Buildings & Structures - Capital Works	R	14,751	14,751	0	14,751	6,357
Filtered Water Bottle Refill Stations	N	6,000	6,000	0	6,000	6,319
Fleet Management - Capital Acquisitions	R	449,500	505,433	0	505,433	37,345
Charles Cane Reserve/Parndo Yerta Lighting Towers	U	30,000	30,000	0	30,000	0
Memorial Gardens Playspace Stage 2 of 4	U	240,000	240,000	0	240,000	167,983
Memorial Gardens Heritage Shelter	R	0	17,702	0	17,702	9,650
Town Hall Upgrade	R	23,800	30,800	0	30,800	12,686
LED Signage System (Fitzroy Tce)	N	30,000	30,000	0	30,000	0
Public Art - Capital	N	25,000	25,000	0	25,000	0
Radio Frequency Identification for Library	N	67,000	67,000	0	67,000	24,224
Furniture Replacement Library Services	R	15,000	15,000	0	15,000	2,530
Library Capital Book Purchases	R	109,000	109,000	2,275	111,275	97,852
Shoretel Tel Call Center Software Upgrade	U	8,850	8,850	0	8,850	0
Refresh AV Equipment	R	10,000	10,000	0	10,000	9,149
Disaster Recovery Implementation	N	0	34,685	45,000	79,685	0
High Speed WiFi Social Zone Mainstreet & 3 Sites	N	60,000	60,000	0	60,000	0
Digital Economy - Lighting & Scope Design	N	50,000	50,000	0	50,000	0
Digital Economy - Signage & Promotion	N	60,000	60,000	0	60,000	0
Grand Total		4,355,015	4,354,718	47,275	4,401,993	744,183

CAPITAL SUMMARY

Total New Asset		520,181	426,749	45,000	471,749	30,543
Total Renewal Asset		3,308,984	3,389,619	2,275	3,391,894	488,920
Total Upgrade Asset		525,850	538,350	0	538,350	224,720
Total Capital Expenditure as per Adopted Budget		4,355,015	4,354,718	47,275	4,401,993	744,183

2015-16 OPERATING PROJECTS					
Description	Original Budget 2015-16	Budget Review 1 2015-16	Budget Variation (BR2)	Budget Review 2 2015-16	Actual to 31 December 2015
Local Heritage & Historic Conservation Zones DPA	5,000	5,000	0	5,000	4,927
Strategic Directions Report	3,000	3,000	0	3,000	0
Heritage Grant Program	10,000	10,000	0	10,000	0
Animal Management Plan	2,500	2,500	0	2,500	0
Community Safety Officer Weekend Overtime	25,000	25,000	0	25,000	15,922
Community Safety After Hours Temp Staff	25,500	25,500	0	25,500	11,120
Veggie Verges	8,000	8,000	0	8,000	1,215
Business Officer Traineeship - Infrastructure Dept	12,229	12,229	0	12,229	13,147
Main North Road Masterplan (Stage 1)	30,000	30,000	0	30,000	0
Churchill Road (South/East) Garden Bed Upgrades	13,300	13,300	0	13,300	5,430
SCRamble - Safer Active Travel Project	10,000	10,000	0	10,000	0
Narrow Street Traffic Management	10,000	10,000	-5,000	5,000	48
PLEC Undergrounding Prospect Road	180,000	0	0	0	522
Footpath Sanitation Unit	1,730	1,730	0	1,730	0
Asset Condition Assessment	35,500	35,500	0	35,500	8,434
Prospect Rd Footpath Upgrade-Olive St to Gordon Rd	200,000	200,000	0	200,000	0
Increase in Footpath Maintenance	100,000	100,000	0	100,000	1,795
Local Area Traffic Management Review	30,000	30,000	0	30,000	3,676
Alignment of 20 Yrs Capital Wks Prgm with City Mai	15,000	15,000	0	15,000	0
Street Lighting Upgrade Various Location	8,000	8,000	0	8,000	6,126
Street Lighting Audit	22,000	22,000	0	22,000	0
AMP	20,000	20,000	2,664	22,664	12,440
Irrigation Management Audit	13,500	13,500	0	13,500	3,130
Air Raid Shelter Stage One	6,000	6,000	0	6,000	5,260
Prospect Oval Irrigation Management Audit	3,500	3,500	0	3,500	4,040
White Cedar Tree Program	52,000	52,000	0	52,000	0
Club5082 Video Production	11,600	11,600	0	11,600	4,220
Community Development Plan - Stage 2	23,330	23,330	0	23,330	2,679
Publications - Prospect Magazine	86,400	86,400	2,000	88,400	28,457
Volunteer Recognition Events	7,200	7,200	0	7,200	150
Communication Strategy	42,500	42,500	0	42,500	0
Broadview Oval Master Plan	27,000	27,000	0	27,000	3,030
Community Support Fund	25,350	25,350	0	25,350	18,204
GIS Upgrade	4,000	4,000	0	4,000	0
Priorities City Wide Public Art Advisory Board	25,000	25,000	0	25,000	7,374
Reconciliation Action Plan	8,000	8,000	0	8,000	609
Culture Survey/Actions	7,280	7,280	0	7,280	275
Radio Frequency Identification for Library	1,000	1,000	0	1,000	0
Tourrific Prospect	252,348	252,348	0	252,348	69,548
Prospect Portrait Prize	3,000	6,000	2,000	8,000	0
Development of Strategic Plan	20,000	20,000	0	20,000	0
Executive Management Training/Development/Planning	39,000	39,000	0	39,000	13,758
Eastern Region Alliance	25,000	25,000	0	25,000	10,000
Citizenship Ceremonies	8,000	8,000	0	8,000	2,770
Digital Transformation Project	0	0	0	0	115
External Grant & Sponsorship Procurement	40,000	40,000	0	40,000	10,000
Redesign Admin Area & Shared Workspace	12,000	12,000	0	12,000	0
Replace Core Switch	18,000	18,000	0	18,000	0
IT Strategy Plan Development	40,000	40,000	0	40,000	9,945
Offsite Storage of Records	22,000	22,000	0	22,000	13,000
IT Service Transition	50,000	50,000	0	50,000	2,224
Disaster Recovery Implementation	0	0	0	0	5,180
E-Services / CRM	0	40,000	0	40,000	0
TRIM Upgrade	54,000	54,000	0	54,000	13,213
Authority Upgrade	50,000	50,000	0	50,000	0
NBN Digital Hub	90,743	90,743	0	90,743	59,316
Eastside Business Enterprise Centre	7,700	7,700	0	7,700	7,453
Prospect Food & Art Experience Trail	10,000	10,000	0	10,000	0
Economic Analysis of Prospect Economy	11,000	11,000	0	11,000	5,436
Commercial Land Use Analysis - Corridors	8,500	8,500	0	8,500	16,227
Digital Economy Strategy Implementation	208,000	208,000	0	208,000	45,886
Community Panel	10,000	10,000	0	10,000	0
Grand Total	2,089,710	1,952,710	1,664	1,954,374	446,304

Second Budget Review 2015-16 (For the Period Ended 31 December 2015)

Legend: Classification of budget revision

- a Policy Change
- b Revised Budget Estimates Approved by Council
- c Budget Overruns/Savings
- d Internal Adjustment Excluding Budget Overruns (inc Grants, Reallocation)
- e Operational Efficiency Gain / Productivity Saving

				<u>Operating Surplus/(Deficit) before Capital Revenue</u>	<u>Operating Surplus/(Deficit) after Capital Revenue</u>	<u>Cash Budget Favourable/(Unfavourable)</u>	<u>(Increase)/Decrease in Capital Exp</u>	<u>(Increase)/Decrease in Operating Projects</u>
Surplus/(Deficit) From First Budget Review (Adopted 27 October 2015 Council Meeting)				(234,511)	(142,096)	(90,971)	(4,354,718)	(1,952,710)
Various Budget Adjustments with alteration to bottom line (Items 1-31)								
COMMUNITY, PLANNING & COMMUNICATIONS								
1	To	c	Library Services - Operating Grant Income	1,818 Favourable	1,818	1,818	1,818	
2	To	c	Library - Capital Book Purchases <i>To reflect correct materials grant funding to be received from the State Library for book purchases in 2015-16. Net favourable of \$457.</i>	(2,275) Unfavourable		(2,275)	(2,275)	
3	To	c	Library Services - User Charges Income <i>Underestimated library user charges income in 2015-2016.</i>	3,000 Favourable	3,000	3,000	3,000	
4	From	c	Library Services - Fines Income <i>Drop in Library fines in 2015-2016.</i>	(1,500) Unfavourable	(1,500)	(1,500)	(1,500)	
5	From	c	Toy Library - User Charges <i>Lower than anticipated Toy Library member income in 2015-2016.</i>	(1,500) Unfavourable	(1,500)	(1,500)	(1,500)	
6	From	c	Walkerville Commonwealth Home Support Program - Contribution Income <i>Walkerville Council's contribution to the CHSP program will not be received in 2015-16 due to how the Commonwealth fund the CHSP program.</i>	(13,850) Unfavourable	(13,850)	(13,850)	(13,850)	
7	From	c	Community Grants Program - Grants <i>Incorrectly budgeted. Surplus to requirements.</i>	5,000 Favourable	5,000	5,000	5,000	
8	From	c	Town Hall - User Charges Income	(2,300) Unfavourable	(2,300)	(2,300)	(2,300)	
9	From	c	Community Hall - User Charges Income <i>Waive of fees for some hall bookings. Also, lack of progress for Hall Hire Policy & fee structure. Net unfavourable adjustment of \$4,500.</i>	(2,200) Unfavourable	(2,200)	(2,200)	(2,200)	
10	From	c	Community Transport - Fuel	1,500 Favourable	1,500	1,500	1,500	
11	To	c	Community Transport - Resources Contributed Income <i>Favourable adjustment to fuel and user contributions income budgets in relation to Community Transport in 2015-16. Net overall favourable adjustment of \$3,620.</i>	2,120 Favourable	2,120	2,120	2,120	
12	To	c	Prospect Magazine - Printing <i>Overspend due to additional pages contained within Prospect Magazine in 2015-2016 compared to previous magazine editions.</i>	(2,000) Unfavourable	(2,000)	(2,000)	(2,000)	(2,000)
COMMUNITY, PLANNING & COMMUNICATIONS TOTAL NET UNFAVOURABLE CASH ADJUSTMENT OF \$12,187.								

Second Budget Review 2015-16 (For the Period Ended 31 December 2015)

Legend: Classification of budget revision

- a Policy Change
b Revised Budget Estimates Approved by Council
c Budget Overruns/Savings
d Internal Adjustment Excluding Budget Overruns (inc Grants, Reallocation)
e Operational Efficiency Gain / Productivity Saving

				<u>Operating Surplus/(Deficit) before Capital Revenue</u>	<u>Operating Surplus/(Deficit) after Capital Revenue</u>	<u>Cash Budget Favourable/(Unfavourable)</u>	<u>(Increase)/Decrease in Capital Exp</u>	<u>(Increase)/Decrease in Operating Projects</u>
36	From	d	Services to the Aged and Disabled - Operating Grant Income	(1,882) Unfavourable	(1,882)	(1,882)		
37	To	d	Social Programs - User Charges Income	8,500 Favourable	8,500	8,500		
38	To	d	Social Programs - Other External Services	(6,618) Unfavourable	(6,618)	(6,618)		
			<i>Minor adjustment to operating grant income is balanced against increase social programs income and associated expenditure within the program.</i>					
39	From	d	Prospect Community Hall - Electricity	3,000 Favourable	3,000	3,000		
40	To	d	Town Hall - Electricity	(3,000) Unfavourable	(3,000)	(3,000)		
			<i>Under expenditure for Prospect Community Hall will balance the over expenditure for the Town Hall.</i>					
41	From	d	Commonwealth Home Support Program - Salaries	11,873 Favourable	11,873	11,873		
42	From	d	Commonwealth Home Support Program - Superannuation	1,127 Favourable	1,127	1,127		
43	To	d	Commonwealth Home Support Program - Temp Staff	(13,000) Unfavourable	(13,000)	(13,000)		
			<i>Temporary staff utilised until new CHSP funding agreement in place in 2015-2016.</i>					
44	To	d	Development Assessment - Subscriptions	(2,344) Unfavourable	(2,344)	(2,344)		
45	From	d	Development Assessment - Building Planning Consultants	2,344 Favourable	2,344	2,344		
			<i>Professional membership costs for staff.</i>					
INFRASTRUCTURE, ASSETS & ENVIRONMENT								
46	To	c	Nature Strips - General Maintenance - Contractors	(5,000) Unfavourable	(5,000)	(5,000)		
47	To	c	Nature Strips Development - Resident Contribution - Reimbursements Income	5,000 Favourable	5,000	5,000		
			<i>Increase in the budget to account for resident contributions. Zero impact on budget due to increased income of equal amount.</i>					
CORPORATE SERVICES								
48	To	c	Disaster Recovery Implementation - Capital Works - IT Consultants	(45,000) Unfavourable		(45,000)	(45,000)	
49	From	c	IT - Computer / EDP Costs - Lease / Rental Expenses	30,000 Favourable	30,000	30,000		
50	From	c	IT - Computer / EDP Costs - Software / Software Licences	5,000 Favourable	5,000	5,000		
51	From	c	IT - Computer / EDP Costs - Internet Services / IP Costs	6,000 Favourable	6,000	6,000		
52	From	c	IT - Computer / EDP Costs - Stationery and Office Consumable	1,000 Favourable	1,000	1,000		
53	From	c	IM - General Administration - Other External Services	3,000 Favourable	3,000	3,000		
			<i>Adjustment to budget to implement Disaster Recovery solution.</i>					
Budget Adjustments with alteration to bottom line - Sub Total					65,636	65,636	63,361	(2,275)
Budget Adjustments with NO alteration to bottom line - Sub Total					45,000	45,000	0	(45,000)
Net Budget Adjustments					110,636	110,636	63,361	(47,275)
Surplus/(Deficit) From Second Budget Review					(123,875)	(31,460)	(27,610)	(4,401,993)

Second Budget Review 2015-16 (For the Period Ended 31 December 2015)

Legend: Classification of budget revision

- a Policy Change*
- b Revised Budget Estimates Approved by Council*
- c Budget Overruns/Savings*
- d Internal Adjustment Excluding Budget Overruns (inc Grants, Reallocation)*
- e Operational Efficiency Gain / Productivity Saving*

Summary of Budget Revision Classification

<i>a Policy Change</i>	0
<i>b Revised Budget Estimates Approved by Council</i>	0
<i>c Budget Overruns/Savings</i>	63,361
<i>d Internal Adjustment excluding budget overruns (inc grants, reallocation)</i>	0
<i>e Operational Efficiency Gain / Productivity Saving</i>	0
	<u>63,361</u>

	<u>Operating Surplus/(Deficit) before Capital Revenue</u>	<u>Operating Surplus/(Deficit) after Capital Revenue</u>	<u>Cash Budget Favourable/(Unfavourable)</u>	<u>(Increase)/Decrease in Capital Exp</u>	<u>(Increase)/Decrease in Operating Projects</u>
	<u>Operating Surplus/(Deficit) before Capital Revenue Summary</u>	<u>Operating Surplus/(Deficit) after Capital Revenue Summary</u>	<u>Cash Budget Summary</u>		
Depreciation	0	0	0		
Operating	112,364	112,364	112,364		
Project	(1,664)	(1,664)	(1,664)		
Project Revenue	(64)	(64)	(64)		
Capital	0	0	(47,275)		
Capital Revenue	0	0	0		
	110,636	110,636	63,361		

Local Government (Financial Management) Regulations 2011—1.7.2013
Part 2—Financial accountability

6—Annual business plans

Pursuant to section 123(2)(g) of the Act, an annual business plan (including a draft for the purposes of public consultation) must include information with respect to the following additional matters:

- (a) the reason why the council has adopted its valuation method for rating purposes;
- (b) if differential rates are used, the reasons and justifications for the differentiation, and the expected level of revenue to be raised by each differential rate;
- (c) if applicable, the use and level of a fixed charge component of a general rate;
- (d) the use and level of any separate rate, service rate or service charge, including the reasons for the rate or charge;
- (e) the council's policy on discretionary rebates and remissions, with particular reference to the rebates that will apply for more than 1 financial year and including information on how a rebate is designed to meet the purpose behind the rebate;
- (f) issues concerning equity within the community and the impact of rates across the area;
- (g) the application or operation of a minimum amount payable by way of rates (if applicable).

7—Budgets

Pursuant to section 123(10)(b) of the Act, each budget of a council under the Act must—

- (a) include budgeted financial statements, which must be presented, other than notes and other explanatory documentation, in a manner consistent with the Model Financial Statements; and
- (b) state whether projected operating income is sufficient to meet projected operating expenses for the relevant financial year; and
- (c) include a summary of operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled *Uniform Presentation of Finances*; and
- (d) include estimates with respect to the council's operating surplus ratio, net financial liabilities ratio and asset sustainability ratio presented in a manner consistent with the note in the Model Financial Statements entitled *Financial Indicators*.

8—Provision of subsidiary budgets to councils

- (1) For the purposes of clause 9(2)(e) of Schedule 2 of the Act, a copy of a budget adopted by a subsidiary must be provided to the chief executive officer of the relevant council within 5 business days after its adoption.
- (2) For the purposes of clause 25(2)(e) of Schedule 2 of the Act, a copy of a budget adopted by a regional subsidiary must be provided to the chief executive officer of each constituent council within 5 business days after its adoption.

1.7.2013—Local Government (Financial Management) Regulations 2011
Financial accountability—Part 2

9—Review of budgets

- (1) A council, council subsidiary or regional subsidiary must prepare and consider the following reports:
 - (a) at least twice, between 30 September and 31 May (both dates inclusive) in the relevant financial year (where at least 1 report must be considered before the consideration of the report under subregulation (1)(b), and at least 1 report must be considered after consideration of the report under subregulation (1)(b))—a report showing a revised forecast of its operating and capital investment activities for the relevant financial year compared with the estimates for those activities set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled *Uniform Presentation of Finances*;
 - (b) between 30 November and 15 March (both dates inclusive) in the relevant financial year—a report showing a revised forecast of each item shown in its budgeted financial statements for the relevant financial year compared with estimates set out in the budget presented in a manner consistent with the Model Financial Statements.
- (2) A council must also include in a report under subregulation (1)(b) revised forecasts for the relevant financial year of the council's operating surplus ratio, net financial liabilities ratio and asset sustainability ratio compared with estimates set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled *Financial Indicators*.

10—Report on financial results

- (1) A council, council subsidiary or regional subsidiary must, by no later than 31 December in each year, prepare and consider a report showing the audited financial results of each item shown in the statement of comprehensive income and balance sheet of the budgeted financial statements of the council, council subsidiary or regional subsidiary (as the case may be) for the previous financial year compared with the estimated financial results set out in the budget presented in a manner consistent with the Model Financial Statements.
- (2) A council must also include in a report under subregulation (1) audited financial results for the previous financial year of the council's operating surplus ratio, net financial liabilities ratio and asset sustainability ratio compared with estimates set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled *Financial Indicators*.

Part 3—Accounting principles

11—Accounting standards

- (1) A council, council subsidiary or regional subsidiary must ensure that all accounting records, accounts and financial statements are prepared and maintained in accordance with all relevant Australian Accounting Standards.

AGENDA ITEM NO.: 10.7
TO: Audit Committee on 29 March 2016
DIRECTOR: Ginny Moon, Director Corporate Services
REPORT AUTHOR: Chris Birch, Manager Financial Services
SUBJECT: Internal Controls Review 1 July 2015 – 31 December 2015

1. EXECUTIVE SUMMARY

- 1.1 In preparation for the External Auditor's opinion in relation to Internal Controls compliance, Council has undertaken a periodic self-assessment process.
- 1.2 Findings of the self-assessment for the period 1 July 2015 – 31 December 2015 is provided at **Attachments 16 – 95**.
- 1.3 Any assessment with a score of 3 or below requires the formulation of an action plan to improve the strength of this area. Action Plans are also contained within **Attachments 1 – 15**. Ratings of 4 or 5 require no further action.
- 1.4 Council will undertake a further self-assessment during the period 1 January 2016 – 30 June 2016.

2. RECOMMENDATION

- (1) The Financial Internal Controls Self-Assessment Status Report for the period 1 July 2015 to 31 December 2015 to be noted.**
 - (2) The Audit Committee is satisfied with the process undertaken to ensure compliance with Section 129 of the Local Government Act 1999 for Internal Controls.**
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3. RELEVANCE TO CORE STRATEGIES / POLICY

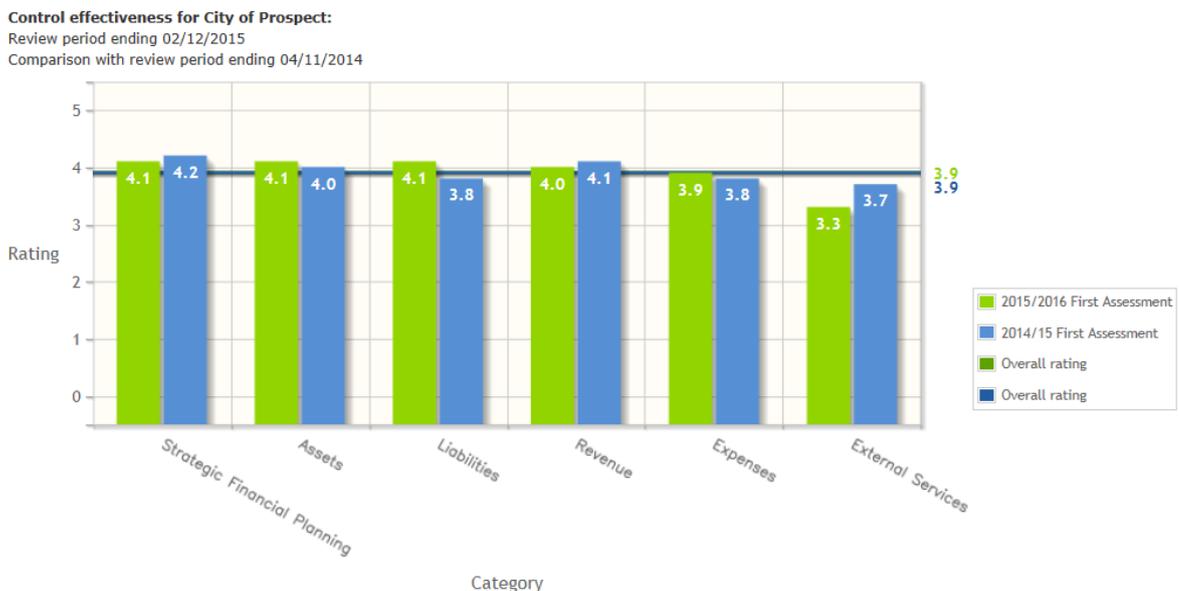
- 3.1 Local Government Act 1999 Section 129.
- 3.2 Core Strategy – Your Council – “Ensure Financial Sustainability”.

4. COMMUNITY INVOLVEMENT

- 4.1 There is no relevant community consultation requirement.

5. DISCUSSION

- 5.1 Council has implemented the Internal Controls Self-Assessment Tool “ControlTrack”. This tool is a best practice tool developed by and for the SA Local Government Sector in conjunction with Deloitte. The tool includes all relevant (to our Council) controls as identified in the model list of controls approved by the Minister.
- 5.2 During the period 1 July 2015 – 31 December 2015, Council staff undertook the first periodic assessment and review of controls in preparation for the 2015-2016 External Audit.
- 5.3 The 2015-2016 First Assessment – Controls Report is included in **Attachments 16 – 95**.
- 5.4 The overall assessment report indicates control measures are marginally below meeting the requirements in areas where an average score of 3.9 or above is recorded. A score of 4.0 indicates that control measures are adequate.
- 5.5 Any assessment with a score of 3 or below requires the formulation of an action plan to improve the strength of this area. Action Plans are also contained within **Attachments 1 – 15**. Ratings of 4 or 5 require no further action.
- 5.6 The graph below shows the average overall assessment of each control focus area as compared to the assessment from twelve months ago.



- 5.7 Overall, the average score of 3.9 has not changed from 2014-2015 assessment period. However, improvements in the areas of Assets, Liabilities and Expenses have been offset by a large reduction in External Services.
- 5.8 External Services includes activities including procurement, contracting and tendering. While activities have not greatly changed in this area, the current scoring is reflective of reviews in this area by organisations such as ArcBlue, Councils Internal Auditor Bentleys and staff. The current scoring is a more accurate reflection of activities rather than an actual reduction in compliance.
- 5.9 A number of Action Plans have been developed in order to bring Council in alignment with best practice actions.

5.10 Action plans are acted on prior to the assessment and review period but before the end of the close off of the report (ie 31 December 2015). The Action Plans Status Report includes actions that have been undertaken up until 31 December 2015.

5.11 The action plans can be summarised as being the following:

- Policy documentation of the Budget Process (adopted December 2015)
- Disaster Recovery Plan
- Frequency of Reconciliations
- Procurement Activities

5.12 During recent Civica Health Checks of key financial modules, master file audit reports were activated. These reports have been a long term desire of Council for development. The reports will provide an audit trail of all changes made in modules such as General Ledger, Rates & Property, Payroll, Accounts Payable and Receivable. These reports are now generated and reviewed monthly.

5.13 The second assessment period for 2015 – 2016 will be undertaken during 1 January 2016 – 30 June 2016. It is anticipated that this assessment report will be presented to the August 2016 Audit Committee Meeting.

ATTACHMENTS

Attachments 1-15: 2015-2016 First Assessment – Action Plan Status Report

Attachments 16-95: 2015-2016 First Assessment – Controls Report

Organisation		City of Prospect			
Assessment		2015/2016 First Assessment			
Assessment period		01/07/2015 - 28/01/2016			
Strategic Financial Planning					
Budgets	Rating	Status	Roles	Action plan	Assessment comments
Council has adopted a budget Framework which is delegated to the Council administrators who are responsible to put in place a framework of internal controls over budget formulation and management. BPM Control Type: Core Control code: STR-BUD-0006	3	Complete Due date: 31/12/2015 Priority: Medium Completion date: 20/01/2016	Assessor: Chris Birch Reviewer: Ginny Moon	Budget Framework to be presented to Dec AC 2015. Action plan comments: Budget Framework Policy was submitted to Dec 2015 Audit Committee and was adopted.	Chris Birch: Budget Timetable and task plan is adopted by Elected Members. Budget Policy Framework to be developed and presented to the October Audit Committee Meeting. Asset Management Plan, Strategic Plan LTFP assumptions and Service Levels Documents used to frame the draft budget. Ginny Moon:
General Ledger	Rating	Status	Roles	Action plan	Assessment comments
General Ledger policies and procedures are appropriately created, updated & communicated to relevant personnel in the finance department. BPM Control Type: Core Control code: STR-GEN-0002	3	Not Started Due date: 31/12/2015 Priority: Medium	Assessor: Chris Birch Reviewer: Ginny Moon	We have procedures but not Policy. Do we need one? Action plan comments: As this is a low priority, not at this stage. I am keen to invest limited resources for the action plans associated with complying with the procurement assessments as a priority. Ginny 25/6/2015.	Chris Birch: All Accounting Policies and Procedures are reviewed tri-annually (recent change from annually) and only approved by either the Audit Committee (high level) or Executive Management Team (Management Policies and Procedures Only). Ginny Moon: We have procedures but not Policy. Do we need one?

<p>General Ledger reconciliations (including control and clearing accounts) are prepared on a regular basis; all reconciliations independently reviewed. BPM Control Type: Core Control code: STR-GEN-0005</p>	<p>3</p>	<p>Complete Due date: 31/12/2015 Priority: Low Completion date: 13/01/2016</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>	<p>Development of flowchart of reconciliation and follow up process to be developed. Although a single follow up is undertaken for reconciliations, there is no secondary enforcement step with exception of June. Action plan comments: Spoke to the full time Senior Financial Services Officer in January 2016. Requested that a follow up email be sent to all staff once the deadline has been passed. The email would show the reconciliation and name of the person responsible and give a secondary revised deadline. When secondary deadline not reached, email to Finance Manager to take action on remaining outstanding reconciliations. To implement from January 2016. Email to inform staff of process to be sent 13/1/16.</p>	<p>Rachel Kyriazis: Monthly reconciliations undertaken for all relevant accounts and checked by either the Manager Financial Services or Senior Financial Services Officers. Refer TRIM folder C15/419 for 2015-16 rec's. Reminder sent out if staff (including cc to Manager Financial Services) if reconciliations not completed by deadline given. Chris Birch: Reconciliations are thoroughly prepared at end of financial year. Some control accounts have not been regularly reconciled during other times of the financial year. Core control accounts such as bank accounts and liability accounts have always been completed monthly Reconciliation of core control accounts is monitored by the Manager Financial Services daily through an alternate method.</p>
<p>Formal disaster recovery plan adopted by Council or Senior Executive. BPM Control Type: Core Control code: STR-GEN-0011</p>	<p>3</p>	<p>In Progress Due date: 31/12/2015 Priority: Medium</p>	<p>Assessor: George Pajak Reviewer: Ginny Moon</p>	<p>Not finalised. Aim to complete by Jan/Feb 2016. Action plan comments: Disaster Recovery Plan completed by Vintek and presented to COP in December 2015. The plan is to be implemented in Feb/Mar 2016.</p>	<p>George Pajak: COP's Disaster Recovery Plan is yet to be adopted by Council. Vintek has reviewed the IT Disaster Recovery Plan (which informs COP's broader Disaster Recovery Plan) - this document requires more detail and contact information needs to be updated. Vintek is currently responsible for our infrastructure and will be directly involved in the recovery process - they have been engaged to complete the plan which will then be used to update the broader Disaster Recovery Plan. This work is expected to be completed by end December 2015. Ginny Moon: Reviewing Disaster Recovery Plan. 2X workshop sessions held in March 2015 to verify the Plan.</p>

Assets					
Banking	Rating	Status	Roles	Action plan	Assessment comments
All cash held securely in safe/registers with access restricted to appropriately designated personnel. BPM Control Type: Core Control code: ASS-BAN-0002	3	Complete Due date: 23/12/2015 Priority: Medium Completion date: 22/12/2015	Assessor: Kerry Price Reviewer: Rachel Kyriazis	Can a spot check be carried out to ensure all cash register keys and kept on customer service staff during the day rather than in cash register during operating hours (as identified in the 14/15 intermin external audit). Action plan comments: Customer Service Officers advised via email and verbally that they will need to keep their cash drawer locked and their key on them at all times and lock after each transaction, at lunch etc. All Customer service officers will have an individual drawer and have been issued with 1 key. There will not be sharing of cash drawer stations and/or keys at any times. Spot check carried out 22/12/15 - all officers are compliant with this directive.	Kerry Price: Currently access available to 6 people. Emails also sent out to all council staff advising only authorised staff to enter the front counter area. Recommendations from security audit carried out regarding swipe access restriction to cash handling office and front desk at Customer Service, additional card reader and door release were carried out. Security swipe card audit is currently being reviewed. Security reviews to be continued to be carried out annually. Swipe card review should be finalised within the next few months. Cash drawers are all lockable. Rachel Kyriazis:
Investments	Rating	Status	Roles	Action plan	Assessment comments
Council has clear and comprehensive Conflict of Interest policy and Code of Conduct (disseminated to employees). BPM Control Type: Core Control code: ASS-INS-0015	3	Complete Due date: 31/12/2015 Priority: Medium Completion date: 08/01/2016	Assessor: Kerry Loughhead Reviewer: Ginny Moon	Employee Conflict of Interest Policy to be resubmitted to Dec AC. Action plan comments: Conflict of Interest Policy endorsed at December Audit Committee, and will be endorsed at December Council Meeting. Training to be arranged for staff in the new year, and this will also be included in the induction process for relevant staff.	Kerry Loughhead: Draft Conflict of Interest Policy for Staff being presented to Audit Committee late 2015. Current Amendment Bill in parliament proposed to make wholesale changes to Conflict of Interest provisions for Elected Members. Relevant Managers now complete Ordinary Returns. Code of Conduct is now gazetted by the Minister. Ginny Moon: Draft Policy available. Not yet adopted by AC/Council.
Fixed Assets	Rating	Status	Roles	Action plan	Assessment comments

<p>Fixed assets are identified on acquisition, creation or when provided free of charge to facilitate accurate identification of assets and recording of details. BPM Control Type: Additional Control code: ASS-FIX-0011</p>	<p>3</p>	<p>In Progress Due date: 31/12/2015 Priority: Low</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>	<p>Accounting Policy and Procedure Manual includes a decision flowchart to assist in the identification of potential assets. Reminder notices or training of what makes up an asset will be considered and implemented Action plan comments: Part time Senior Financial Services Officer to schedule time to notify infrastructure staff of what makes up an asset (per Accounting Policy manual) in late January 2016.</p>	<p>Rachel Kyriazis: Currently picked up by staff using budgets which have sub accounts starting with a '5xx'. Is a risk that an asset may get costed to an budget line without a sub of '5xx' and therefore could potentially be written off as an operating expense. Checks done at end of year to try to identify any such assets. No process to identify assets provided free of charge. Chris Birch:</p>
<p>Liabilities</p>					
<p>Accounts Payable</p>	<p>Rating</p>	<p>Status</p>	<p>Roles</p>	<p>Action plan</p>	<p>Assessment comments</p>
<p>Supplier master file data is periodically reviewed by management for accuracy and ongoing pertinence. BPM Control Type: Additional Control code: LIA-ACC-0019</p>	<p>3</p>	<p>In Progress Due date: 24/12/2015 Priority: Low</p>	<p>Assessor: Claudia Maio Reviewer: Rachel Kyriazis</p>	<p>AP Officer to progressively look at updating supplier master file. With minimal time commitments (eg. 15 minutes per week) to be assigned to task to ensure progression. Action plan comments: Accounts Payable officer has scheduled in calendar to update creditor master file on a weekly basis. Senior Financial Services Officer spoke to Accounts Payable Officer about process on 13/1/15. Still not being undertaken due to high workload. Directed Accounts Payable Officer to seek direction from Manager Financial Services as to how to progress with this. New reporting requirement from Australian Tax Office commences 1/7/17, so information needs to be looked at now.</p>	<p>Claudia Maio: Currently, not done. Have set up a query so can print off all suppliers details but need to find time to update the information, if required. The Accounts Payable Officer regularly checks bank details if the creditor is not used often or is not regularly paid. Rachel Kyriazis:</p>

Employee Provisions	Rating	Status	Roles	Action plan	Assessment comments
<p>Standard programmed formulas perform employee provision calculations with management to review to ensure consistency with statutory reporting requirements. BPM Control Type: Core Control code: LIA-EMP-0005</p>	<p>3</p>	<p>In Progress Due date: 31/12/2015 Priority: Low</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>	<p>Investigate if Civica can provide such validation. Issue to be raise with Civica in the Health Check Review Action plan comments: Payroll Officer has indicated to Financial Services Manager in late 2015 that given the short timeframe that is required to import all the Long Service Leave data into the system (within one pay cycle), that she will require a Civica consultant to undertake this process.</p>	<p>Rachel Kyriazis: Currently calculated in Excel using formulas. Not automatically done within Authority system. Checked by Manager Financial Services prior to journal being posted. Civica health check of payroll system completed in August 2015 - currently working towards getting Long Service Leave and flexi leave data into system to enable automatic calculations to occur going forward. Chris Birch: Calculation is currently performed by Excel.</p>
<p>Leave balances are recorded on pay advices for verification by staff. BPM Control Type: Additional Control code: LIA-EMP-0006</p>	<p>3</p>	<p>Not Started Due date: 31/12/2015 Priority: Low</p>	<p>Assessor: Debbie McRitchie Reviewer: Chris Birch</p>	<p>Indoor staff Flexi leave balances not currently presented on Payslips Action plan comments: Guidance and Support from Civica will be needed to load the long service leave balances into Authority. This item was flagged by the Payroll Officer and discussed as part of the Authority health check. It has also been raised with the Finance Manager to engage a Civica Consultant to help load the long service leave balances into Authority due to the different scenarios with part-time and full-time staff and the cash out of long service leave. Due to the implementation and the implementation of Authority 6.8 the ability to enter flexi leave and run reports on the flexi leave liability has not commenced. During the Payroll Network Session on 22/05/2015 this issue was raised. Automation of Leave in Lieu (flexil leave) was tested in the Test Database.</p>	<p>Debbie McRitchie: Annual Leave and Sick Leave balances are recorded on the payslips. At this moment employees need to request their long service leave balance from the payroll officer. The long service leave is a manual register has an excel spreadsheet. As part of the Authority Health Check on the 26/08/2015 Purchase Leave has been set up as ' Special Leave 2' and appears in the employee kiosk for staff to view has other non-accruing leave. Chris Birch:</p>

Departmental managers periodically review listings of current employees within their departments and notify the personnel department of necessary changes. BPM Control Type: Additional Control code: LIA-EMP-0008	3	In Progress Due date: 31/12/2015 Priority: Low	Assessor: Rachel Kyriazis Reviewer: Chris Birch	Report request to be made with Civica so that periodic review can be undertaken by managers Action plan comments: The new version of Authority (version 11) which is planned to be implemented in February 2016. This will have the facility for electronic timesheets and online review. This may take a while to get up and running though, as Payroll Officer has a backlog of work due to covering for an unfilled position and workflows will need to be established, which is not an easy process to establish. Will probably need to engage Civica post version 11 implementation to assist with getting process up and running.	Rachel Kyriazis: Employee Leave Entitlement report has still not been implemented to date. Manager Financial Services is required to discuss this with Payroll Officer. Chris Birch: Test report developed
Revenue					
Rates/Rate Rebates	Rating	Status	Roles	Action plan	Assessment comments
Policy provides clear guidance to relevant employees as to the correct method for calculating rate income and the collections protocol. BPM Control Type: Additional Control code: REV-RAT-0004	3	In Progress Due date: 31/12/2015 Priority: Low	Assessor: Rachel Kyriazis Reviewer: Chris Birch	Formal Policy to be developed for 2016-2017 rating year Action plan comments: Policy to be worked on in early 2016 by Manager Financial Services in conjunction/consultation with Rates and Revenue Officer with assistance from Senior Financial Services Officer/s if required.	Rachel Kyriazis: The Calculation is automatically generated by the Authority System with the parameters input into the Test System first and rates generated and balanced, then the Live System. Collections protocols are listing in the Accounting Policies and Procedures document. Chris Birch: No Policy formal policy. Annual Business Plan provides policy guidance only
Property master file data is periodically reviewed by management for accuracy and on-going pertinence. BPM Control Type: Additional Control code: REV-RAT-0010	2	In Progress Due date: 31/12/2015 Priority: Low	Assessor: Rachel Kyriazis Reviewer: Chang Liu	Management randomly select and review property master file data for accuracy and on-going pertinence. Action plan comments: Rates Audit report has been set up after Civica health check, but the report does not generate correctly. Senior Financial Services Officer logged an IT ticket to investigate this issue on the 3/11/2015 - ticket number 530.	Rachel Kyriazis: Only the Rates Officer does accuracy check at this point in time. Chang Liu: Property master file data are not periodically reviewed by management at this moment, which should be.

<p>Recorded changes to property master file data are compared to authorised source documents or confirmed with ratepayers to ensure that they were input accurately. An audit trail is maintained for all changes. BPM Control Type: Core Control code: REV-RAT-0011</p>	<p>3</p>	<p>In Progress Due date: 31/12/2015 Priority: Low</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chang Liu</p>	<p>Rates Officer advised that source documents used for update property master file data are from authorised source. These documents are trimmed and are available for review.</p> <p>Civic Consultant advised that Audit Trail Report is available from Civic system during Civic Health Check visit, October 2015. Currently, IT is working on setting up this Audit Trail Report.</p> <p>Senior Financial Services Officer will perform regular sample check once Audit Trail Report is available.</p> <p>Action plan comments: Current system is not able to provide audit trail to records changes. IT is working on setting up the Audit Trail Report. Senior Financial Services Officer will perform regular sample check once Audit Trail Report is available.</p>	<p>Rachel Kyriazis: Rates master file has a "Name and Address History" button - which highlights any changes made and by whom. Chang Liu: Rates Officer advised that source documents used for update property master file data are from authorised source, such as property agency letter, etc. These documents are trimmed and are available for review.</p> <p>Civic Consultant advised that Audit Trail Report is available from Civic system during Civic Health Check visit, October 2015. Currently, IT is working on setting up this Audit Trail Report.</p> <p>Senior Financial Services Officer will perform regular sample check once Audit Trail Report is available.</p>
<p>General Ledger reconciliations are completed. BPM Control Type: Additional Control code: REV-RAT-0013</p>	<p>3</p>	<p>In Progress Due date: 31/12/2015 Priority: Medium</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chang Liu</p>	<p>Please perform rates related general ledger reconciliations on periodically (monthly) basis. Action plan comments: New Rates and Revenue Officer will start on 20 Jan 2016, who will pickup the reconciliation of all rates related general reconciliations on a regular basis.</p>	<p>Rachel Kyriazis: Run at end of each month and checked by Senior Finance Officer. Chang Liu: Monthly reconciliation reminder emails send out at the beginning of every month and two week duration has been given for monthly reconciliation process.</p> <p>Rates related general ledger reconciliations were not completed on periodically basis during FY 2014/15 and first quarter of FY 15/16.</p>
<p>Reconcile all pensioner concession debtors and balancing accounts on a regular basis; management to review reconciliation and investigate any unusual items. BPM Control Type: Additional Control code: REV-RAT-0016</p>	<p>3</p>	<p>In Progress Due date: 31/12/2015 Priority: Low</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chang Liu</p>	<p>All pensioner concession debtors and balancing accounts should be reconciled on a regular basis. Action plan comments: New Rates and Revenue Officer will start on 20 Jan 2016, who will pickup the reconciliation of all pensioner concession debtors and will balance accounts on a regular basis.</p>	<p>Rachel Kyriazis: Part of monthly reconciliations. Chang Liu: All pensioner concession debtors and balancing accounts are reconciled at 30/06/2015. However, they are not reconciled regularly currently.</p>

Grants	Rating	Status	Roles	Action plan	Assessment comments
<p>Council has a clear policy on Grant funding detailing assessment process, recognition, treatment, claim collection, community expectations and funding period and, disclosure of any conflicts of interest. BPM Control Type: Core Control code: REV-GRA-0001</p>	3	<p>In Progress Due date: 31/12/2015 Priority: Medium</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>	<p>There was a Draft Policy but not adopted by Council. Action plan comments: There was a Draft Policy but not adopted by Council. AS this has a low rating. I am keen to invest limited resources for the action plans associated with complying with the procurement assessments as a priority. Ginny 25/6/2015.</p>	<p>Chris Birch: Increased in Service levels (at times due to reduction in external funding) is assessed during the Draft Budget process. Recent Example is review of scope of HACC services due to projected reduction in funding from 2014/2015. Ginny Moon: Put Draft Policy to Audit Committee in 2015</p>
Expenses					
Purchasing and Procurement	Rating	Status	Roles	Action plan	Assessment comments
<p>Council has a comprehensive Contract and Procurement Policy that is reviewed regularly. BPM Control Type: Core Control code: EXP-PUR-0001</p>	3	<p>Not Started Due date: 31/12/2015 Priority: Medium</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>	<p>To be reviewed in Dec 2015 - to AC</p>	<p>Chris Birch: Refer Council's Procurement Policy and Procedures C10/1890. Procurement policy reviewed annually as part of Council's Accounting Policy Review. Last review in August 2014 with a number of suggested amendments put forward by the Audit Committee. Council has engaged the services of ArcBlu to review and improve Council's procurement processes Ginny Moon: Not reviewed since 2012 as at 4/11/2015</p>
<p>Review purchasing patterns and purchases made from non-preferred suppliers; management regularly reviews this report and investigates significant/unusual items. BPM Control Type: Additional Control code: EXP-PUR-0005</p>	3	<p>In Progress Due date: 24/12/2015 Priority: Low</p>	<p>Assessor: Chris Birch Reviewer: Rachel Kyriazis</p>	<p>Procurement function review commenced. MFS to be responsible for function. Microsoft Query could be set up to identify purchasing patterns for 15/16. Action plan comments: Procurement function review commenced. MFS to be responsible for function. Microsoft Query could be set up to identify purchasing patterns for 15/16.</p>	<p>Chris Birch: Requires development. ArcBlue spend analysis highlighted a number of suppliers used across the organisation but not engaged corporately. Rachel Kyriazis:</p>

Robust selection process of preferred suppliers. Criteria for supplier selection is defined and communicated by management to ensure that goods and services are obtained only from properly authorised suppliers. BPM Control Type: Additional Control code: EXP-PUR-0006	3	In Progress Due date: 24/12/2015 Priority: Medium	Assessor: Chris Birch Reviewer: Rachel Kyriazis	Current preferred contractor register to be reviewed as part of review of procurement function. To happen in 2015/2016. Action plan comments: Council procurement policy and weighed tender evaluation matrix (assessment) already exists. Current preferred contractor register to be reviewed as part of review of procurement function. To happen in 2015/2016.	Chris Birch: Preferred Contractor register exists. Contracts and tenders are awarded in accordance with Councils procurement policy. Rachel Kyriazis:
Periodic review of all contracts and purchase to ensure that Council achieves value for money from suppliers. BPM Control Type: Additional Control code: EXP-PUR-0007	3	In Progress Due date: 24/12/2015 Priority: Medium	Assessor: Alex Cortes Reviewer: Chris Birch	Process for review to be established in Procurement review as per Council's draft workplan.	Alex Cortes: Benchmarking is ongoing and forms part of ERA's key objectives. Chris Birch:
Staff provided clear guidance and instructions on the process for purchasing goods and services, including appropriate approval and obtaining appropriate number of quotes, where applicable. BPM Control Type: Additional Control code: EXP-PUR-0008	3	Not Started Due date: 31/12/2015 Priority: Medium	Assessor: Chris Birch Reviewer: Ginny Moon	Need to be reviewed and incorporate review/findings by Arc Blue - Procurement Roadmap. Action plan comments: Not commenced as at 25/06/2015. Chris to follow up. Bentley has been engaged in carrying out an audit in Procurement and Contract Management. Ginny 25/06/2015	Chris Birch: Key control is that no payments will be made without authorisation from delegated officers. The Leadership Team, has been briefed on the Procurement Policy and have invited LGA Procurement Group to emphasise Best practice Procurement procedure. Processes are currently being reviewed in preparation for recommendations from ArcBlu. Staff refresher training to be undertaken on Small Contract Management and Associated Templates Ginny Moon: On-line requisitioning system also facilitates the implementation of the purchasing policy
Staff provided clear guidance and instructions as to the importance of using preferred suppliers for the purchase of goods and services. BPM Control Type: Additional Control code: EXP-PUR-0009	3	In Progress Due date: 31/12/2015 Priority: Medium	Assessor: Chris Birch Reviewer: Ginny Moon	Preferred supplier arrangements across the organisation to be implemented. Action plan comments: Preferred supplier arrangements across the organisation to be implemented. Procurement process to be reviewed.	Chris Birch: The Infrastructure Department has a preferred suppliers List. A organisational wide consolidated list is yet to be finalised. Ginny Moon: Need to be reviewed and incorporate review/findings by Arc Blue - Procurement Roadmap.

Unmatched purchase orders are actioned. BPM Control Type: Additional Control code: EXP-PUR-0012	3	Complete Due date: 24/12/2015 Priority: Low Completion date: 13/01/2016	Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis	Spoke to responsible officer. Due to heavy workload at present which is a result of backfilling a vacant position until re-appointment, this is not being looked at, but will recommence once position filled. Action plan comments: Purchasing Reconciliation checked by Senior Financial Services Officer as at 30/12/15, satisfied that material items are currently up to date.	Debbie McRitchie: Unmatched and outstanding Purchase Orders are reviewed as part of the end of month reconciliations. Rachel Kyriazis:
Payroll	Rating	Status	Roles	Action plan	Assessment comments
Standard programmed formulae perform payroll calculations. BPM Control Type: Core Control code: EXP-PAY-0017	3	In Progress Due date: 24/12/2015 Priority: High	Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis	Payroll Officer has recommended to Finance Manager in late October 2015 that a consultant is engaged to get the Long Service Leave on the Authority system given the short time frame required for implementation which the Payroll Officer can not meet with her current workload. Flexi leave input has been tested in demo and selected transactions are being checked over the next few fortnights. Post review, the Payroll Officer will look at implementing in live in the first half of 2016. Action plan comments: The new version of Authority (version 11) which is planned to be implemented in February 2016. This will have the facility for electronic timesheets and online review. This may take a while to get up and running though, as Payroll Officer has a backlog of work due to covering for an unfilled position and workflows will need to be established, which is not an easy process to establish. It has been recommended to to engage Civica post version 11 implementation to assist with getting process up and running as discussed in the Payroll Authority Health Check.	Debbie McRitchie: Standard Programmed formulae are performed as part of the fortnightly pay run for example spot checks are performed using the Pay Edit Listing to review superannuation deductions. The Tax Scale will be reviewed as at the first of July each financial year, tax deductions are also reviewed and spot check. Rachel Kyriazis:

<p>Managers perform a regular review of report detailing all employees listed on payroll master file; all unusual items are investigated. BPM Control Type: Additional Control code: EXP-PAY-0023</p>	<p>3</p>	<p>In Progress Due date: 24/12/2015 Priority: Medium</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>	<p>After discussion with the Payroll Officer, it has been decided that implementing the Business Unit Summary Sheet is to time intensive. A better option is online timesheets in the next release of Authority which is scheduled to be rolled out in January 2016. Action plan comments: The new version of Authority (version 11) which is planned to be implemented in February 2016. This will have the facility for electronic timesheets and online review. This may take a while to get up and running though, as Payroll Officer has a backlog of work due to covering for an unfilled position and workflows will need to be established, which is not an easy process to establish. It has been recommended to engage Civica post version 11 implementation to assist with getting process up and running as discussed in the Payroll Health Check.</p>	<p>Debbie McRitchie: Business Unit Summary Sheet as been created, this will show Management ordinary hours worked by the Employee and any leave taken. At this this Business Unit Summary has only been created for the Finance Team and submitted to the Human Resources Manager and Finance Services Manager for Review. Rachel Kyriazis:</p>
<p>Time recording and attendance exceptions based on expectations established by management are identified, monitored and corrected. BPM Control Type: Additional Control code: EXP-PAY-0025</p>	<p>3</p>	<p>In Progress Due date: 24/12/2015 Priority: Medium</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>	<p>Online timesheets are in the next release of Authority which is scheduled to be rolled out in January 2016 which should provide supervisors with this exception reporting. Action plan comments: The new version of Authority (version 11) which is planned to be implemented in February 2016. This will have the facility for electronic timesheets and online review. This may take a while to get up and running though, as Payroll Officer has a backlog of work due to covering for an unfilled position and workflows will need to be established, which is not an easy process to establish. Will probably need to engage Civica post version 11 implementation to assist with getting process up and running.</p>	<p>Debbie McRitchie: Employees need to submit timesheet by email to their Supervisor/Team Leader with a copy to payroll. Any dscrepanices to the start or finish times or leave details should be corrected by the Supervisor/Team Leader and resubmitted to payroll. Rachel Kyriazis:</p>

Relevant staff are required to complete timesheets and/or leave forms, authorise them and have approved by the supervisor/manager. BPM Control Type: Core Control code: EXP-PAY-0039	3	In Progress Due date: 24/12/2015 Priority: High	Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis	Online timesheets are in the next release of Authority which is scheduled to be rolled out in January 2016 which should provide supervisors with this exception reporting. Action plan comments: The new version of Authority (version 11) which is planned to be implemented in February 2016. This will have the facility for electronic timesheets and online review. This may take a while to get up and running though, as Payroll Officer has a backlog of work due to covering for an unfilled position and workflows will need to be established, which is not an easy process to establish. It has been recommended to engage Civica post version 11 implementation to assist with getting process up and running as discussed in the Payroll Health Check.	Debbie McRitchie: All relevant staff are required to complete timesheets and Leave Applications. Leave Applications are authorized by the Employee's Supervisor/Manager. Rachel Kyriazis:
Other Expenses	Rating	Status	Roles	Action plan	Assessment comments
All expenses are authorised as per Procurement and Contracts policy in accordance with delegated authority. BPM Control Type: Core Control code: EXP-OTE-0004	3	In Progress Due date: 31/12/2015 Priority: Low	Assessor: Rachel Kyriazis Reviewer: Chris Birch	Investigate a way to stop people from using the 'reason for no quotes' box. Action plan comments: Undertook testing in demo in December 2014 - refer file attachment - taking the reason for no quotes out of the system did not function as expected. Better option would be to investigate reporting on misuse of functionality. This should be investigated as part of procurement function.	Rachel Kyriazis: Online Purchasing System facilitates this. Some people may avoid the quotes requirements by using the box 'reason for no quotes'. Reporting on this required. Need for procurement position to undertake this task. Chris Birch:
External Services					
Contracting	Rating	Status	Roles	Action plan	Assessment comments
The Contracts, Tenders and Procurement Policy and Procedures should be reviewed regularly. BPM Control Type: Core Control code: EXT-CON-0001	3	Not Started Due date: 31/12/2015 Priority: Medium	Assessor: Chris Birch Reviewer: Ginny Moon	Review of Policy earmarked for December Audit Committee, taking into account of procurement and tender audit conducted by internal auditor Bentley.	Chris Birch: Review of the Policy was conducted as part of the Accounting Policies and Procedures Review. Policy was endorsed by the Audit Committee in August 2014. Ginny Moon: Review currently outstanding. REview of Policy earmarked for December Audit Committee, taking into account of procurement and tender audit conducted by internal auditor Bentley.

<p>Commitments are not being made without funding being approved in the budget. BPM Control Type: Core Control code: EXT-CON-0002</p>	<p>3</p>	<p>In Progress Due date: 31/12/2015 Priority: Medium</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>	<p>Review functionality within the Civica Authority system with consideration to be given during the Procurement Policy Review Q1 2016. Action plan comments: Review of functionality in Civica Authority system completed previously. Advisable not to change parameters. Will leave for Financial Services Manager to review in Procurement Policy Review in Q1 2016.</p>	<p>Rachel Kyriazis: Purchase order system will show requisitioner how much budget is available in the account number they are using, but does not prevent them from going ahead with the requisition if there is inadequate funding. Purchase order must still be approved by delegated officer. Previous review mentioned investigating the option of limiting purchase orders to only be available to budgets with funds. System does have this capacity to do this, but envisage this may create administrative problems for Finance (ie people will raise orders to budgets which are inappropriate as they only have certain accounts available which will result in correction journals to have to be undertaken so reporting is not distorted). If this happens, there is also potential the financial statements could be misrepresented. Chris Birch: Accepted risk. The risk of people miscoding orders on the basis of finding available budget will lead to inaccurate financial reporting and corrective journals</p>
<p>Designated person (i.e. Internal or Probity Auditor) to review Contract process to ensure compliance with Council policy. BPM Control Type: Additional Control code: EXT-CON-0004</p>	<p>2</p>	<p>In Progress Due date: 31/12/2015 Priority: High</p>	<p>Assessor: Alex Cortes Reviewer: Chris Birch</p>	<p>Ensure action is on Procurement Roadmap Action plan comments: Procurement Policy to be reviewed and presented to March 2016 Audit Committee Meeting</p>	<p>Alex Cortes: Requires development. Chris Birch: Gap in process has been identified and will be attended to as part of the Procurement Process Roadmap</p>

<p>Clear and instructive policy on Contracting process readily available to all relevant employees. BPM Control Type: Additional Control code: EXT-CON-0005</p>	<p>3</p>	<p>Not Started Due date: 31/12/2015 Priority: Medium</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>	<p>Refresher information session on procurement has not been conducted since last review. Refresher session to be conducted.</p>	<p>Chris Birch: A session to explain the Procurement Policy (TRIM File number C10/1890) has been conducted with the Leadership Team in 2011. LGA Procurement Group has been invited to the Leadership Team Meeting to provide assistance with any Procurement issues in 2012. Contracts. Review of Contracts Process to be undertaken in 2014-2015 with new Leadership team to be put through training. Ginny Moon: Although documents available to all staff - Require regular training to ensure Staff aware of Contracting Policy and Procedures.</p>
<p>Robust and transparent selection processes to ensure effective and qualified suppliers / contractors are selected by Council, including compliance with Code of Conduct, Conflict of Interest and procurement policies. BPM Control Type: Core Control code: EXT-CON-0006</p>	<p>3</p>	<p>Not Started Due date: 31/12/2015 Priority: Medium</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>	<p>Sample testing of procurement of a minor nature.</p>	<p>Chris Birch: As per Procurement Policy (TRIM File number C10/1890). Recent Tenders evaluation and reporting can be provided for review. Ginny Moon: For major procurement, I believe robust and transparent selection process has been carried out.</p>
<p>Robust evaluation process both during the selection process and throughout the term of the contract to ensure that supplier / contractor meets their objectives. BPM Control Type: Additional Control code: EXT-CON-0007</p>	<p>3</p>	<p>Not Started Due date: 31/12/2015 Priority: Medium</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>	<p>To provide evidence.</p>	<p>Chris Birch: As per Procurement Policy (TRIM File number C10/1890). Recent Tenders evaluation and reporting can be provided for review Ginny Moon: Require evidence that robust selection process is carried out "throughout" the term of the contract to ensure that supplier / contractor meets their objectives.</p>
<p>Contracts Staff follow the Council's procurement principals, guidelines and policy in their contracting activities. BPM Control Type: Additional Control code: EXT-CON-0010</p>	<p>3</p>	<p>Not Started Due date: 31/12/2015 Priority: Medium</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>	<p>Unable to confirm. Refresher information session on procurement has not been conducted since last review. Refresher session to be conducted.</p>	<p>Chris Birch: Procurement Policy (TRIM File number C10/1890) applies to All delegated staff as per the Delegation Manual - Appendix 12 Local Government Act 1999 - Section 9 Contracts and Tender Policy Ginny Moon: Unable to confirm. Although documents available to all staff - Require regular training to ensure Staff aware of Contracting Policy and Procedures.</p>

<p>Council to maintain a contract register. BPM Control Type: Core Control code: EXT-CON-0013</p>	<p>3</p>	<p>In Progress Due date: 31/12/2015 Priority: Medium</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>	<p>C12/379 outdated. More updated reference required. Consideration be given to maintaining Contracts Register within Authority as opposed to Excel. Action plan comments: Consideration be given to maintaining Contracts Register within Authority as opposed to Excel. This may require the purchasing of additional modules for the Authority system, requiring a future budget bid.</p>	<p>Chris Birch: Contract Register available at C12/379 Ginny Moon: Contracts Register is in excel and has no functionality re workflow and automated key date reminders</p>
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Attachment 15

Organisation		City of Prospect			
Assessment		2015/2016 First Assessment			
Assessment period		01/07/2015 - 28/01/2016			
Strategic Financial Planning					
Budgets	Rating	Status	Roles	Action plan	Assessment comments
Process to establish the annual budget and ensure that it is consistent with the Annual Business Plan and Strategic Management plans. BPM Control Type: Core Control code: STR-BUD-0001	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: Every account number in the General Ledger is linked to Council's Strategic Plan. Percentage of budget spent on the Strategic Plan is reported to Council as a part of the Budget process. Budget bids must be accompanied by linkage to Council's Strategic Plan and to a lesser extent, the State Strategic Plan. Ginny Moon:
On-going review by management of actual performance against budget and ensure consistency of budget in relation to initiatives/objectives of Annual Business Plan and Strategic Management Plans. BPM Control Type: Core Control code: STR-BUD-0002	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: Budget Managers meet with Finance Staff monthly to review budget performance and identify any updated information leading to variances requiring adjustment. Meetings are attended by both Managers and Directors. Budget Performance is reported quarterly to Council and Audit Committee for review and approval of any necessary changes is sort from Council at this point. Ginny Moon:
Establishment of clear links and relationship between budgets and Strategic Management Plans. BPM Control Type: Core Control code: STR-BUD-0003	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: Every account number in the General Ledger is linked to Council's Strategic Plan. Percentage of budget spent on the Strategic Plan is reported to Council as a part of the Budget process. Budget bids must be accompanied by linkage to Council's Strategic Plan and to a lesser extent, the State Strategic Plan. Ginny Moon:
Budget managers are accountable for changes to for their budgets and responsible for completing budget reviews that are aligned with strategic plans. BPM Control Type: Core Control code: STR-BUD-0004	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: All budget variations and or new budget bids must have the authorisation of the relevant Departmental Director and submitted to Council for approval. Ginny Moon:

<p>Council has a long term financial plan which underpins the development of the annual budget and aligns with council's strategic management plans. BPM Control Type: Core Control code: STR-BUD-0005</p>	<p>5</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>		<p>Chris Birch: Long Term Financial Plan reviewed and updated as part of the 2015-2016 Budget Process. The final revision is included within the 2015-2016 Annual Business Plan Ginny Moon:</p>
<p>Council has adopted a budget Framework which is delegated to the Council administrators who are responsible to put in place a framework of internal controls over budget formulation and management. BPM Control Type: Core Control code: STR-BUD-0006</p>	<p>3</p>	<p>Complete Due date: 31/12/2015 Priority: Medium Completion date: 20/01/2016</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>	<p>Budget Framework to be presented to Dec AC 2015. Action plan comments: Budget Framework Policy was submitted to Dec 2015 Audit Committee and was adopted.</p>	<p>Chris Birch: Budget Timetable and task plan is adopted by Elected Members. Budget Policy Framework to be developed and presented to the October Audit Committee Meeting. Asset Management Plan, Strategic Plan LTFP assumptions and Service Levels Documents used to frame the draft budget. Ginny Moon:</p>
<p>Budgets based on realistic and achievable assumptions and validated by facts. BPM Control Type: Core Control code: STR-BUD-0007</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>		<p>Chris Birch: Budget Assumptions (as per revised Long Term Financial Plan LTFP) established at the start of the budget process. Refer ABP 2015-2016 - Page 90 "LTFP Assumptions" and page 44 "Budget Preparation Guidelines /Assumptions for 2015-2016". Ginny Moon: Remind Elected Members of Assumptions at Council Workshop 11/2/2014 - in preparation to 2014/2015 Draft Budget.</p>
<p>Budgets approved by appropriate level of management and adopted by Council in accordance with Local Government Act. BPM Control Type: Core Control code: STR-BUD-0008</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>		<p>Chris Birch: Budget variance must be authorised by the relevant Director. The budget vs actual is monitored through BIS and Monthly Spreadsheet and through monthly meeting between Finance staff and Departmental Responsible Officers. Budget Review Submitted to Council 4X per year which is more than the requirement stated in "Section 9- Review of budgets" as per Financial Management Regulations 2011. Ginny Moon:</p>

<p>Budgets regularly reviewed by management for pertinence and accuracy. BPM Control Type: Additional Control code: STR-BUD-0009</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>		<p>Chris Birch: Budget variance monitored through BIS and Monthly Spreadsheet and through monthly meeting between Finance staff and Departmental Responsible Officers. Budget Review Submitted to Council 4X per year which is more than the requirement stated in "Section 9- Review of budgets" as per Financial Management Regulations 2011. Monthly budget Report is presented to Executive Management Team (EMT) Ginny Moon:</p>
<p>Budgets amended to take into account significant changes in operations, amendments must be made in accordance with the Local Government Act. BPM Control Type: Additional Control code: STR-BUD-0010</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>		<p>Chris Birch: Budget variance monitored through BIS and Monthly Spreadsheet and through monthly meeting between Finance staff and Departmental Responsible Officers. Budget Review Submitted to Council 4X per year. Any adjustment that has an impact to the key Financial KPIs are highlighted and reported to Council. Refer Workshop Summary report and Council Report. Ginny Moon:</p>
<p>End of year actual budget compared to original budget; significant variances explained. BPM Control Type: Core Control code: STR-BUD-0011</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>		<p>Chris Birch: In accordance with Section 10 of Local Government (Financial Management) Regulations 2011. Refer recent reports to Council for 2014-2015. 2014-2015 Report to be Presented to October 2015 Meeting with Audited Financial Statements (via Audit Committee) Ginny Moon:</p>
<p>All amendments to Budgets must be approved by Council and impact on financial sustainability considered. BPM Control Type: Core Control code: STR-BUD-0012</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>		<p>Chris Birch: Budget variance monitored through BIS and Monthly Spreadsheet and through monthly meeting between Finance staff and Departmental Responsible Officers. Budget Review Submitted to Council 4X per year. Any adjustment that has an impact to the key Financial KPIs are highlighted and reported to Council. Refer Workshop Summary report and Council Report. Ginny Moon:</p>

Regular meetings are held between Finance staff and responsible Budget Managers. BPM Control Type: Additional Control code: STR-BUD-0013	5	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: Budget variance monitored through BIS and Monthly Spreadsheet and through monthly meeting between Finance staff and Departmental Responsible Officers. Budget Review Submitted to Council 4X per year. Any adjustment that has an impact to the key Financial KPIs are highlighted and reported to Council. Refer Workshop Summary report and Council Report. Ginny Moon:
Original Budget and any approved changes are compared to the Budget entered into the financial system for accuracy by appropriate level of management or an independent person with identified variances investigated. BPM Control Type: Additional Control code: STR-BUD-0014	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: Budget variation reporting is in accordance with Section 10 of Local Government (Financial Management) Regulations 2011. Refer budget review reports to Council. Most recent August 2015. Ginny Moon:
Access to Budget information and master file is restricted/limited to appropriately authorised personnel. BPM Control Type: Core Control code: STR-BUD-0015	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: Only Finance Staff have access to the Estimates module to import or adjust budgets. A review of access to this module was completed in July 2014 Ginny Moon:
General Ledger	Rating	Status	Roles	Action plan	Assessment comments
The chart of accounts is regularly updated to ensure account allocations are correct. BPM Control Type: Additional Control code: STR-GEN-0001	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: All new projects/capital items/operating costs have new account numbers setup on commencement of project to ensure transparency of information and to ensure efficient project monitoring. Chris Birch:
General Ledger policies and procedures are appropriately created, updated & communicated to relevant personnel in the finance department. BPM Control Type: Core Control code: STR-GEN-0002	3	Not Started Due date: 31/12/2015 Priority: Medium	Assessor: Chris Birch Reviewer: Ginny Moon	We have procedures but not Policy. Do we need one? Action plan comments: As this is a low priority, not at this stage. I am keen to invest limited resources for the action plans associated with complying with the procurement assessments as a priority. Ginny 25/6/2015.	Chris Birch: All Accounting Policies and Procedures are reviewed tri-annually (recent change from annually) and only approved by either the Audit Committee (high level) or Executive Management Team (Management Policies and Procedures Only). Ginny Moon: We have procedures but not Policy. Do we need one?

<p>Amendments to the structure of the General Ledger framework are approved by an authorised officer. BPM Control Type: Core Control code: STR-GEN-0003</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: Currently all adjustments to structure of General Ledger undertaken by Senior Financial Services Officers. Normally based on new projects/capital items approved through Council through the budget process. Any subsequent minor changes may be the result of emails received from leadership team staff. This would then be adjusted through one of the quarterly budget reviews.</p> <p>Major adjustments are authorised by Manager Financial Services. Chris Birch:</p>
<p>General Ledger reconciliations (including control and clearing accounts) are prepared on a regular basis; all reconciliations independently reviewed. BPM Control Type: Core Control code: STR-GEN-0005</p>	<p>3</p>	<p>Complete Due date: 31/12/2015 Priority: Low Completion date: 13/01/2016</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>	<p>Development of flowchart of reconciliation and follow up process to be developed. Although a single follow up is undertaken for reconciliations, there is no secondary enforcement step with exception of June.</p> <p>Action plan comments: Spoke to the full time Senior Financial Services Officer in January 2016. Requested that a follow up email be sent to all staff once the deadline has been passed. The email would show the reconciliation and name of the person responsible and give a secondary revised deadline. When secondary deadline not reached, email to Finance Manager to take action on remaining outstanding reconciliations. To implement from January 2016. Email to inform staff of process to be sent 13/1/16.</p>	<p>Rachel Kyriazis: Monthly reconciliations undertaken for all relevant accounts and checked by either the Manager Financial Services or Senior Financial Services Officers. Refer TRIM folder C15/419 for 2015-16 rec's. Reminder sent out if staff (including cc to Manager Financial Services) if reconciliations not completed by deadline given.</p> <p>Chris Birch: Reconciliations are thoroughly prepared at end of financial year.</p> <p>Some control accounts have not been regularly reconciled during other times of the financial year.</p> <p>Core control accounts such as bank accounts and liability accounts have always been completed monthly</p> <p>Reconciliation of core control accounts is monitored by the Manager Financial Services daily through an alternate method.</p>

<p>All journals are independently reviewed (including check to ensure correct account allocation). BPM Control Type: Additional Control code: STR-GEN-0006</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: All journals must be signed by 2nd signatory (either Manager Financial Services or Senior Financial Services Officers). Journals effecting bank accounts must be signed by Manager Financial Services. This has been noted on the journal pro-forma as a reminder to all staff. Chris Birch:</p>
<p>Manual journal entries recorded in the register are authorised by the officer preparing the journal and an independent reviewer. BPM Control Type: Core Control code: STR-GEN-0007</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: All journals must be signed by 2nd signatory (either Manager Financial Services or Senior Financial Services Officers). Journals effecting bank accounts must be signed by Manager Financial Services. Any journals which are not prenumbered must have the details entered into a consolidated spreadsheet which details the consecutive sequence of journal numbers. Manager Financial Services to check spreadsheet on a regular basis for spot checks. Chris Birch:</p>
<p>All journals, including manual entries, marked as posted accompanied by date, reason, and journal number and posting reference. BPM Control Type: Additional Control code: STR-GEN-0008</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: Journals meet all these criteria listed. C15/410 for 2015-16 general journals. Chris Birch:</p>
<p>System does not allow posting of unbalanced journals. BPM Control Type: Core Control code: STR-GEN-0009</p>	<p>5</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: Authority does not allow entry of unbalanced journals - error message will appear Chris Birch:</p>
<p>Access to General Ledger maintenance is restricted to authorised personnel. BPM Control Type: Core Control code: STR-GEN-0010</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: Limited to selected Finance Staff Chris Birch:</p>

<p>Formal disaster recovery plan adopted by Council or Senior Executive. BPM Control Type: Core Control code: STR-GEN-0011</p>	<p>3</p>	<p>In Progress Due date: 31/12/2015 Priority: Medium</p>	<p>Assessor: George Pajak Reviewer: Ginny Moon</p>	<p>Not finalised. Aim to complete by Jan/Feb 2016. Action plan comments: Disaster Recovery Plan completed by Vintek and presented to COP in December 2015. The plan is to be implemented in Feb/Mar 2016.</p>	<p>George Pajak: COP's Disaster Recovery Plan is yet to be adopted by Council. Vintek has reviewed the IT Disaster Recovery Plan (which informs COP's broader Disaster Recovery Plan) - this document requires more detail and contact information needs to be updated. Vintek is currently responsible for our infrastructure and will be directly involved in the recovery process - they have been engaged to complete the plan which will then be used to update the broader Disaster Recovery Plan. This work is expected to be completed by end December 2015. Ginny Moon: Reviewing Disaster Recovery Plan. 2X workshop sessions held in March 2015 to verify the Plan.</p>
<p>Off-site backup of data, program and documentation. BPM Control Type: Core Control code: STR-GEN-0012</p>	<p>5</p>	<p>No Action Required</p>	<p>Assessor: George Pajak Reviewer: Ginny Moon</p>		<p>George Pajak: Backup process has been taken over by new Managed IT Service Provider. Process to create backups is in place and tapes are stored offsite. Ginny Moon:</p>
<p>All updates and changes to General Ledger programmes are authorised, tested and documented. BPM Control Type: Core Control code: STR-GEN-0013</p>	<p>5</p>	<p>No Action Required</p>	<p>Assessor: George Pajak Reviewer: Chris Birch</p>		<p>George Pajak: Changes to GL programs are authorised internally (by the Finance Group) before being modified. The Systems Analyst recruited for the term of the Managed IT Service may carry out the work or Civica may be consulted or the changes may be referred to Civica - who conducts this work depends on the type of change requested. COP does not have access to source code - any changes to code will always be carried out by Civica. The Systems Analyst will carry out system testing (this will be documented) before being delivered to the business for testing and documenting. Chris Birch:</p>

Statutory Reporting	Rating	Status	Roles	Action plan	Assessment comments
Statutory financial reports prepared by suitably qualified staff; reviewed by senior management and/or Audit Committee. BPM Control Type: Core Control code: STR-STA-0001	5	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: Refer Reports to Audit Committee for year end financial reports for a give year. Ginny Moon:
Relevant personnel responsible for preparing statutory reports are provided regular training to keep abreast of changes to reporting requirements. BPM Control Type: Additional Control code: STR-STA-0002	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: Recent Training provided to staff by Model author Coalface. Training of staff identified as part of their Annual Development Plan contained within their Appraisal process Ginny Moon:
Regular liaison with external auditors, legal and tax advisors to ensure timely completion and lodgement of statutory documents. BPM Control Type: Additional Control code: STR-STA-0003	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: Yes - arrival and exit discussions take place with Auditors during their visit. External Auditors also provide quick response when enquiries are sent to them Ginny Moon:
Council has adopted all of the prescribed financial reporting requirements, such as:- LTFP, AMP, Budgets, Annual Financial Statements, Annual Business Plan, Strategic Plans and Annual Reports to ensure compliance with the Local Government Act and relevant regulations. BPM Control Type: Core Control code: STR-STA-0004	5	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: Refer Council and Audit Committee Agenda's and Minutes Ginny Moon:
Council has a mechanism in place to ensure statutory reporting deadlines are met. Designated person monitors compliance with reporting deadlines. BPM Control Type: Core Control code: STR-STA-0005	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: Manager Financial Services is responsible to ensure Statutory Requirements ae met. Date of submission and reporting can be provided for review. Ginny Moon:
Regular liaison with external auditors, legal and tax advisors to ensure that statutory reports include accurate information and are in accordance with statutory reporting requirements. BPM Control Type: Additional Control code: STR-STA-0006	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: Yes - where appropriate. Example - Treatment of certain expenses eg - classification of capital & operating (Capitalisation of Trees). Correspondence acn be provided for review. Council holds a subscription to a tax advisor service Ginny Moon:
Actual results compared to budget regularly; management reviews and investigates significant variances. BPM Control Type: Core Control code: STR-STA-0007	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: Informal process through meetings between Finance staff and various Departments. Formal process through Budget Review - at least 4 in a given year. Ginny Moon:
Financial reports prepared by suitably qualified staff and reviewed by senior management or Audit Committee. BPM Control Type: Core Control code: STR-STA-0008	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: Refer Reports to Audit Committee for year end financial reports for a give year. Ginny Moon:

Policies and procedures, standard charts of accounts, and related guidance are updated on a regular basis. BPM Control Type: Additional Control code: STR-STA-0009	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Senior Financial Services Officer currently working on improved financial procedures consolidated document for all Finance functions. Approx 50% of procedural document completed as at August 2015. Chris Birch:
General Ledger reconciliations (including control and clearing accounts) are prepared on a regular basis; all reconciliations independently reviewed. BPM Control Type: Core Control code: STR-STA-0010	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Monthly reconciliations undertaken and checked by independent reviewer. Refer CR15/419 for 2015/16 reconciliations. Chris Birch:
Management Reporting	Rating	Status	Roles	Action plan	Assessment comments
KPI's are established that are consistent with the Corporate Objectives. BPM Control Type: Core Control code: STR-MAN-0001	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: Established and review annually by the Audit Committee and Council via the Draft Budget process. KPI's are outlined within the Annual Business Plan as a centralised record of other documents eg Strategic Plan, 10 Key Focus Areas. Ginny Moon: Recently reviewed by Audit Committee December 2013
On-going review and reporting of actual performance against budget by management; management perform on-going review of consistency of KPI's in relation to Corporate Objectives. BPM Control Type: Core Control code: STR-MAN-0002	5	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: Actual performance is reviewed 4 times a year. KPI updated accordingly. Refer recent Budget Review export to Council August 2015. Ginny Moon:
Accounting Policies and Procedures are appropriately created, updated & communicated to appropriate personnel in the financial reporting department. Knowledgeable personnel monitor changes in guidance & regulations that affect the entity & make the appropriate changes to the entity's corporate accounting policies & procedures on a timely basis. BPM Control Type: Core Control code: STR-MAN-0003	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: All accounting policies were reviewed by the audit committee and adopted by council in August 2014. Adoption communicated to all staff via email and intranet following adoption by Council Ginny Moon:
The long term financial plan is reviewed regularly and the performance of KPI's monitored. BPM Control Type: Core Control code: STR-MAN-0004	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: The Long Term Financial Plan is formally reviewed as part of the Budget process. Ginny Moon:

Management clearly informed of their duties and responsibilities in relation to reporting. BPM Control Type: Additional Control code: STR-MAN-0005	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon	Chris Birch: Accurate and timely Financial Reporting is through 4 Budget Review process. Status of Operating and Capital projects are reported Quarterly using the Performance Management System. Refer Council Reports. Managers meet with the Senior Financial Services Officer as part of their induction process Ginny Moon: This requirement is included in position Descriptions and personal performance reviews
Ensure that roles and responsibilities are documented and within Delegations of Authority register and is maintained and updated. BPM Control Type: Core Control code: STR-MAN-0006	4	No Action Required	Assessor: Kerry Loughhead Reviewer: Ginny Moon	Kerry Loughhead: Delegations Manual reviewed annually, and intermittently as required when advised of changes via LGA Circulars. Ginny Moon:
Reporting timetable is clearly communicated to all relevant staff to ensure that reporting deadlines are met. BPM Control Type: Additional Control code: STR-MAN-0007	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon	Chris Birch: Budget Variance Reporting is administered by the Finance Team through monthly meeting with Departmental responsible Officers. Quarterly reporting of status of Operating and Capital projects is managed by Manager Governance & Administration using the Performance Management System. Refer Council Reports. Annual Budget Process Timetable is endorsed by Council and communicated with EMT & Leadership Teams. Budget timetable refined for 2015. Ginny Moon:
Designated independent officer reviews the reporting timetable to ensure that management reviews the appropriate information on a regular and timely basis. BPM Control Type: Additional Control code: STR-MAN-0008	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon	Chris Birch: Budget Variance Reporting is administered by the Finance Team through monthly meeting with Departmental responsible Officers. Quarterly reporting of status of Operating and Capital projects is managed by Manager Governance & Administration using the Performance Management System. Refer Council Reports. Ginny Moon:

<p>Regular reviews of data accuracy & completeness are performed concurrently with the reporting process through on-going integrity checks of the Trial Balance, and the known budget position. Variances and omissions (if any) are dealt with immediately. BPM Control Type: Core Control code: STR-MAN-0010</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: Monthly reconciliations undertaken and plans for any actions required noted on rec's. Monthly reporting spreadsheet has a thorough integrity check summary which highlights if any anomalies are present and therefore affecting the financial statements. Chris Birch:</p>
<p>Council reviews its financial performance in accordance with relevant legislative requirements. BPM Control Type: Core Control code: STR-MAN-0011</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>		<p>Chris Birch: Budget Variance Reporting is administered by the Finance Team through monthly meeting with Departmental responsible Officers, adhering the Financial Management Regulations 2011 & Local Government (Accountability Framework) 2013. Quarterly reporting of status of Operating and Capital projects is managed by Manager Governance & Administration using the Performance Management System. Refer Council Reports. Ginny Moon:</p>
<p>Regular independent internal review conducted and management reports produced to ensure that reporting issues are identified and fully transparent. Senior management investigate any significant issues and variances and ensure they are dealt with in a timely. BPM Control Type: Additional Control code: STR-MAN-0012</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: Variance pointed out to Leadership team & EMT through regular budget meetings. Significant variances reported to Council via quarterly budget Reviews and future forecasts for any material items also included in report. Chris Birch:</p>
<p>Management to confirm the accuracy of the information contained within their respective report. BPM Control Type: Core Control code: STR-MAN-0013</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: All budget review items signed off by both Leadership Team and relevant Directors. Budget Review Reports signed off by Director Corporate Services Chris Birch:</p>

<p>Regular IT audits to be performed focusing on data accuracy and security. Results of these IT Audits reviewed by management and action plan promptly implemented. BPM Control Type: Additional Control code: STR-MAN-0014</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: George Pajak Reviewer: Chris Birch</p>		<p>George Pajak: Data integrity is being assessed by Civica as part of the Authority Health Check initiated by COP. The last health check starts in the week commencing 12/10/2015.</p> <p>Backups and restores are tested as part of the Managed IT Service Agreement between COP and Vintek. A security audit will be conducted as part of the agreement. Remedial work will be carried out before March 2016 which will address any vulnerabilities and ensure that all operating environments are up to date and updated as patches/updates are released.</p> <p>Chris Birch: Recent health checks undertaken on core modules of Authority (payroll, rates, bank rec, assets) identified the unused module of system audit tracking. This option was not previously identified by CTTG when system improvements were requested and reporting has been undertaken with effect 31/10/15.</p>
<p>Management regularly reports on actual performance against budget. BPM Control Type: Core Control code: STR-MAN-0015</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>		<p>Chris Birch: Monitoring of Budget Variance Reporting is administered by the Finance Team through monthly meeting with Departmental responsible Officers, adhering the Financial Management Regulations 2011 & Local Government (Accountability Framework) 2009. Formal reporting to Council/Audit Committee is more than the requirement stated in "Section 9- Review of budgets" as per Financial Management Regulations 2011</p> <p>Ginny Moon:</p>

<p>Automated exception reports generated on a regular basis that automatically identify variances; significant variances may be identified using a standard threshold (either percentage or dollar value). BPM Control Type: Additional Control code: STR-MAN-0016</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>		<p>Chris Birch: Budget variance monitored through BIS and Monthly Spreadsheet and through monthly meeting between Finance staff and Departmental Responsible Officers. Budget Review Submitted to Council 4X per year which is more than the requirement stated in "Section 9- Review of budgets" as per Financial Management Regulations 2011. Ginny Moon: Also monitored through monthly budget meetings with departments.</p>
<p>Management review the exception reports on a regular basis and investigate all significant variances; evidence of review demonstrated must be provided. BPM Control Type: Core Control code: STR-MAN-0017</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>		<p>Chris Birch: Budget variance monitored through BIS and Monthly Spreadsheet and through monthly meeting between Finance staff and Departmental Responsible Officers. Budget Review Submitted to Council 4X per year which is more than the requirement stated in "Section 9- Review of budgets" as per Financial Management Regulations 2011. Ginny Moon: Also monitored through monthly budget meetings with departments.</p>

Attachment

Assets					
Petty Cash	Rating	Status	Roles	Action plan	Assessment comments
I.O.U.'s are prohibited. BPM Control Type: Additional Control code: ASS-PET-0001	4	No Action Required	Assessor: Kerry Price Reviewer: Chang Liu		Kerry Price: Petty cash form states no petty cash advances. However if the requestor of petty cash will be financially disadvantaged, the Manager of Financial Services can approve a one off discretionary advance. In the event of a cash advance, relevant invoices/receipts must be received back within 2 working days otherwise a debtor's invoice will be raised to the individual. Chang Liu:
Spot cash float and petty cash counts conducted periodically at Council Office and remote sites. BPM Control Type: Additional Control code: ASS-PET-0002	4	No Action Required	Assessor: Chang Liu Reviewer: Chris Birch		Chang Liu: Every petty cash float reimbursement is checked by one of the Senior Financial Services Officers prior to processing by accounts payable to check authorisations and account number allocations. The last time "spot cash float and petty cash counts" is part of Financial Year 2014/15 reporting process. Chris Birch: Reconciliation of receipts against reimbursement request is made by Senior Financial Services Officers. Reconciliation against cash is performed by custodian staff

<p>Petty Cash amounts paid out should be under a predetermined amount and amounts cannot be split over more than one voucher to come under the predetermined amount. BPM Control Type: Additional Control code: ASS-PET-0003</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Kerry Price Reviewer: Chang Liu</p>		<p>Kerry Price: Limit is \$50.00 as per accounting policies. Petty cash form developed with information on the back of the form ie do not split receipts to circumvent council policy. Also Customer Service have received constant advice from Customer Service Team Leader on not accepting petty cash vouchers over \$50.00 and that these reimbursements must be referred to Accounts Payable. This is also noted on the back of the petty cash form - ie amounts over \$50.00 must be referred to accounts payable. Petty cash form is reviewed regularly to ensure compliance with policies. However if the person will be financially disadvantaged there is an authorisation process whereby the Manager Financial Services or Director Corporate Services at City of Prospect must approve and sign off on the petty cash form. Customer Service staff will not accept petty cash forms unless this is complied to. Chang Liu:</p>
<p>Incoming cash to be signed for and mechanism in place to ensure independent verification. BPM Control Type: Core Control code: ASS-PET-0004</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Kerry Price Reviewer: Chang Liu</p>		<p>Kerry Price: Petty cash forms must be signed by the recipient and authorised officer's name and signature. Customer Service have a list of Authorised Officer's (delegated authority) name and signature for petty cash and this is verified by the Customer Service Officer at tthe time of the request for petty cash. Should the intended recipient of the petty cash not have authority to collect petty cash the Customer Service Officer would refer them to the relevant authorised officer. Chang Liu:</p>

<p>Cash floats and petty cash are stored in secured facilities (e.g. safes, registers) when not in use. BPM Control Type: Core Control code: ASS-PET-0005</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Kerry Price Reviewer: Chang Liu</p>		<p>Kerry Price: Yes - petty cash locked in safe overnight. During the day it is in a sliding cupboard at front counter. Cash floats are locked away each night in the safe and during the day they are all in locked drawers. All staff are advised via email to not use the front counter as a thoroughfare. Recent security work carried out to put additional card reader at entrance to customer service area so that only authorised staff may enter. Security swipe access under review to restrict staff access to the customer service area and office directly behind where the safe is located (other activities such as cash counting are done in this office) This is still in progress. A release button also put in at the 2 workers desk in the office to let staff in if they do not have access to the office only. This means that the staff who sit at the desk are able to let people in at their discretion rather than previously anyone could enter the office even if the 2 staff were not there. This is still a work in progress as it involves creating various user groups and a review is required to ascertain correct security levels. Chang Liu:</p>
<p>Access (i.e. passwords or keys) to the cash floats and petty cash safes/registers is limited to authorised officers. BPM Control Type: Core Control code: ASS-PET-0006</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Kerry Price Reviewer: Chang Liu</p>		<p>Kerry Price: 4 cash drawers at front counter and all 4 of these are lockable. Safe is pincoded and only able to be accessed by authorised staff. Access to safe area and cash drawers restricted to authorised staff. (This is still under review to work out security groups) Chang Liu:</p>

<p>Cash floats and petty cash are reconciled on a regular basis and these reconciliations are reviewed by an independent person. BPM Control Type: Additional Control code: ASS-PET-0007</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Kerry Price Reviewer: Chang Liu</p>		<p>Kerry Price: Petty cash reconciliations done by a Customer Service Officer and then reviewed and signed off by Customer Service Team Leader and is then forwarded on to Finance Accounts Payable Officer with all the vouchers attached. Cash floats and petty cash are reported on monthly by Customer Service Team Leader or Senior Customer Service Officer and forwarded onto the Finance Department for independent verification. Chang Liu:</p>
<p>A register for cash floats and petty cash and custodians is maintained by authorised officers to record all movements. BPM Control Type: Core Control code: ASS-PET-0008</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Kerry Price Reviewer: Chang Liu</p>		<p>Kerry Price: Monthly reconciliations ensure that any changes to floats are recorded and checked. Chang Liu:</p>
<p>All petty cash disbursements are independently approved within financial delegations and supported by receipts. BPM Control Type: Core Control code: ASS-PET-0009</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Kerry Price Reviewer: Chang Liu</p>		<p>Kerry Price: Petty cash form requires signature of person seeking petty cash and also need to be signed by authorised officer and then signed by a Customer Service Officer. Further information on the back of the petty cash form notes the following "Please attach all receipts/documentation. Please ensure that this is a tax invoice/receipt and not just an EFTPOS slip. Should there be no accompanying tax invoice/receipt, a statutory declaration is required". Also on the back of the petty cash form is that the Authorised Officer must not be the recipient of the cash (or vice versa) even if the staff member has delegated authority. In this case the staff member must have a more senior delegated officer (or in some instances of equal authority). Petty cash amount is \$50.00 as per back of petty cash form. Delegations register is also at front counter with delegated officers name and signature (refer to accounting policies manual for delegated amounts). Chang Liu:</p>

Cash float, cash handling and petty cash policy and procedures available to all staff. This details the maximum dollar purchase and guidelines as determined by an authorised officer regarding cash handling and the use of cash floats and petty cash. BPM Control Type: Additional Control code: ASS-PET-0010	4	No Action Required	Assessor: Kerry Price Reviewer: Chang Liu		Kerry Price: Policies and procedures are available to staff. In August 2013 this was condensed into a one document policy and procedure manual. Overall accounting policies are on the intranet and most staff can access these. For staff without internet access they can request a copy from their manager. This is also on City of Prospect's council website. Chang Liu:
All monies received should be paid direct to council. BPM Control Type: Additional Control code: ASS-PET-0011	4	No Action Required	Assessor: Kerry Price Reviewer: Chang Liu		Kerry Price: All cheques are checked to make sure payee is City of Prospect and stamped not negotiable. Cash and eftpos payments received to GL accounts. Money handed over to Customer Service front counter from internal staff is recorded on a form (ie bus trip money, library money etc) and is signed by both staff members (ie staff member/volunteer handing over cash and Customer Service Officer). Money is receipted and receipt number recorded on the form and forms that are complete and full are then forwarded on to Information Mangement for scanning record keeping. Chang Liu:
Petty Cash amounts to be authorised Officers having regard to both the amount and guidance provided in the relevant Council policy. BPM Control Type: Core Control code: ASS-PET-0012	4	No Action Required	Assessor: Kerry Price Reviewer: Chang Liu		Kerry Price: Delegation register is kept at front counter with copy of signature for reference checking. Information on policy location on back of petty cash form. Also the policy can be found on the council website. Back of petty cash form also notes "a limit of \$50.00 includig GST shall apply for each purchase/reimbursement" and that receipts must not be split to circumvent council policy. Chang Liu:
Banking	Rating	Status	Roles	Action plan	Assessment comments
All incoming mail is received and recorded by Records staff at the main Council Office. BPM Control Type: Additional Control code: ASS-BAN-0001	4	No Action Required	Assessor: George Pajak Reviewer: Rachel Kyriazis		George Pajak: No change - all mail is recorded, registered appropriately, and forwarded with a high degree of competence. Mature processes exist. Rachel Kyriazis:

All cash held securely in safe/registers with access restricted to appropriately designated personnel. BPM Control Type: Core Control code: ASS-BAN-0002	3	Complete Due date: 23/12/2015 Priority: Medium Completion date: 22/12/2015	Assessor: Kerry Price Reviewer: Rachel Kyriazis	Can a spot check be carried out to ensure all cash register keys and kept on customer service staff during the day rather than in cash register during operating hours (as identified in the 14/15 interim external audit). Action plan comments: Customer Service Officers advised via email and verbally that they will need to keep their cash drawer locked and their key on them at all times and lock after each transaction, at lunch etc. All Customer service officers will have an individual drawer and have been issued with 1 key. There will not be sharing of cash drawer stations and/or keys at any times. Spot check carried out 22/12/15 - all officers are compliant with this directive.	Kerry Price: Currently access available to 6 people. Emails also sent out to all council staff advising only authorised staff to enter the front counter area. Recommendations from security audit carried out regarding swipe access restriction to cash handling office and front desk at Customer Service, additional card reader and door release were carried out. Security swipe card audit is currently being reviewed. Security reviews to be continued to be carried out annually. Swipe card review should be finalised within the next few months. Cash drawers are all lockable. Rachel Kyriazis:
Cash flow forecasting is undertaken to ensure minimum cash requirements can be met. BPM Control Type: Additional Control code: ASS-BAN-0003	5	No Action Required	Assessor: Chang Liu Reviewer: Chris Birch		Chang Liu: Cash flow spreadsheet is effective to monitor cash flow. Chris Birch:
Banking is performed on a predetermined basis by an appropriately designated and independent person. BPM Control Type: Additional Control code: ASS-BAN-0004	4	No Action Required	Assessor: Kerry Price Reviewer: Rachel Kyriazis		Kerry Price: Banking is checked daily by 2 Customer Service Staff and independent security firm collects money. The times of collection are varied for added security. Monies are collected twice per week to reduce cash kept on premises. Rachel Kyriazis:
Blank cheques and/or cheque-signing machine are adequately safeguarded. BPM Control Type: Core Control code: ASS-BAN-0005	4	No Action Required	Assessor: Claudia Maio Reviewer: Rachel Kyriazis		Claudia Maio: Blank cheques are currently locked in a cupboard in the Accounts Payable Office. The keys to the cupboard are in a secure place. Rachel Kyriazis: Cheque register also maintained and checked monthly by Senior Financial Services Officer.

<p>Access to EFT Banking system restricted to appropriately designated personnel. BPM Control Type: Core Control code: ASS-BAN-0006</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: Have set up ANZ Transactive with 3 types of users to ensure appropriate control. There are varying levels of access. Accounts Payable & Rates Officers only have permission to create a file. Payroll Officer permission only includes creation of files and transfer. One Senior Finance Officers & Finance Manager has full access to permissions. Part-time Senior Financial Services Officer has had transfer access restricted to further improve controls. Any administrative changes to permissions must be approved in ANZ transactive by two Officers with Administrator permissions. To approve and release batches, officer also must have an ANZ token device which provides a 'one time use' password at each logon. One user cannot create, approve and release a batch. Chris Birch:</p>
<p>Bank reconciliations are performed on a predetermined basis and are reviewed by an authorised officer. Any identified discrepancies are investigated immediately. BPM Control Type: Core Control code: ASS-BAN-0007</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: The Bank Reconciliation for both the General Fund and the Rates Account are balanced four times per week, Payroll Officer works 4 days per week. A monthly reconciliation is authorized by the Senior Finance Officer as part of the end of month procedures. Rachel Kyriazis:</p>

<p>Security over customer service areas to be reviewed annually. BPM Control Type: Additional Control code: ASS-BAN-0008</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Kerry Price Reviewer: Kerry Loughhead</p>	<p>Kerry Price: Cameras were upgraded to better quality image Dec 2012. Barrier screens erected for front counter Sep 2011. Better response required from non customer staff for duress alarms. the Property Officer at Prospect is currently working on this procedure. Duress alarms tested on a quarterly basis by Adelaide Security and a report is emailed immediately. Annual review of customer Service area was carried out February 2014. Recommendations regarding cameras were not done due to budgetary constraints. Recommendations regarding swipe access, additional card reader and door release were carried out. Security swipe card audit is currently being reviewed and should be finalised within a few months. Security reviews to be continued to be carried out annually. Security review carried out February 2015. Recommendations to be looked at this financial year as budgetary constraints meant that work was unable to be carried out 14/15 financial year. As at 23/09/2015 request has been made to security company to go ahead with installing(1) HIK 3mp HD wide dynamic dome camera installed behind the counter looking at people t front counter. Team Leader to also book in annual routine maintenance and testing of security alarms and CCTV around the counter area within the next 3 months. Kerry Loughhead: Cameras ordered for installation in September 2015. No further action required until installed. Whole front area may be redesigned in</p>
<p>Cash transfers between bank accounts and investment bodies are approved by authorised officer. BPM Control Type: Core Control code: ASS-BAN-0009</p>	<p>5</p>	<p>No Action Required</p>	<p>Assessor: Chang Liu Reviewer: Chris Birch</p>	<p>Chang Liu: Transfers are only done by staff approved to do so and can only be done between ANZ and LGFA, via a request from the LGFA. LGFA are notified of any staff changes. Investments are only done with the LGFA and organised by the Manager Financial Services or by the Senior Financial Services Officers in his absence. Chris Birch:</p>

Procedures are in place to ensure that all cash collected is banked and properly recorded. BPM Control Type: Core Control code: ASS-BAN-0010	4	No Action Required	Assessor: Kerry Price Reviewer: Chris Birch		Kerry Price: Banking is checked daily by 2 Customer Service Staff and independent security firm collects money. Procedures are in place for all actions relating to all financial transactions. These have been all been written/reviewed/updated from December 2013 - June 2014. These will be due to be reviewed in the 15/16 financial year. Chris Birch:
Management reviews journal transactions to the bank account. BPM Control Type: Additional Control code: ASS-BAN-0011	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Only Finance Manager can sign off on journals which affect the bank accounts. This is noted on journal pro-forma to further improve control. Chris Birch:
Investments	Rating	Status	Roles	Action plan	Assessment comments
Management to monitor cash & anticipated future cash flows. Surplus funds invested in accordance with Council policy. Investment & transfer of funds approved by any two authorised officers. BPM Control Type: Additional Control code: ASS-INS-0001	4	No Action Required	Assessor: Chang Liu Reviewer: Chris Birch		Chang Liu: Cash outflows and inflows are recorded in cash flow spreadsheet once known. Investments and transfer of funds are only approved by one authorised officer. Transfers can only occur between ANZ and LGFA and are done by authorised staff. Investments are only done by Manager Financial Services. Chris Birch: As transfers can only occur between ANZ and LGFA, the risk of funds being transferred to other parties is low.
Cash transfers between bank accounts and investment bodies are approved by authorised officer. BPM Control Type: Core Control code: ASS-INS-0002	5	No Action Required	Assessor: Chris Birch Reviewer: Chang Liu		Chris Birch: Transfers are only done by staff approved to do so and can only be done between ANZ and LGFA, via a request from the LGFA. LGFA are notified of any staff changes. Investments are only done with the LGFA and organised by the Manager Financial Services or by the Senior Financial Services Officer in her absence. Council Policy does not approve investment of funds at any institution other than the LGFA Chang Liu:

All investments are to be held in the name of the Council or associated entities in accordance with the source of funds. BPM Control Type: Core Control code: ASS-INS-0003	5	No Action Required	Assessor: Chris Birch Reviewer: Chang Liu	Chris Birch: All investments are in Councils name and are handled by the Manager Financial Services. All investments are with the LGFA. An additional control would be to have an additional authorisation to new investments to prevent the possibility of an unauthorised investment. Chang Liu:
Regular comparisons are required on the rate of returns available to maximise the performance of investments. BPM Control Type: Additional Control code: ASS-INS-0004	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon	Chris Birch: Comparisons are conducted annually. Report of investment performance are presented to Council. The most recent investment is reported to July 2015 Council. Council's Account Policies and procedure, section 7.6.2 states that Council can only invest with LGFA. Hence no comparison with other financial institution has not been made. The annual report to Council compares investment performance against RBA cash rate Ginny Moon: The most recent review was presented to July 2013 Council
Register of investments is kept detailing amounts and maturity dates. BPM Control Type: Additional Control code: ASS-INS-0005	5	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon	Chris Birch: Register of Investment is kept on a spreadsheet and verification is made against LGFA Monthly Statements and GL Accounts. Ginny Moon:
Council has a clear and comprehensive investment policy to assist when making any decisions to invest funds. BPM Control Type: Core Control code: ASS-INS-0006	5	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon	Chris Birch: Accounting Policies and Procedures Section 7.6 Ginny Moon:
Delegations are in place for approving and making investment decisions. BPM Control Type: Core Control code: ASS-INS-0007	5	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon	Chris Birch: Refer Delegation Manual - Appendix 12 - LG Act 1999 - Section 35 Ginny Moon:
All conflicts of interest to be disclosed as part of investment decision process. BPM Control Type: Additional Control code: ASS-INS-0008	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon	Chris Birch: Council. Council's Account Policies and procedure, section 7.6.2 states that Council can only invest with LGFA. Hence no conflict of interest disclosure has been made. Delegate Officers are Prescribed Officers and must annually declare all personal interests to the CEO Ginny Moon:

<p>Council reviews investment performance at least annually. BPM Control Type: Core Control code: ASS-INS-0009</p>	<p>5</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>		<p>Chris Birch: Comparisons are conducted annually. Report of investment performance are presented to Council. The most recent investment is reported to July 2015 Council. Council's Account Policies and procedure, section 7.6.2 states that Council can only invest with LGFA. Hence no comparison with other financial institution has not been made. Ginny Moon: Please amend comments to include the most recent review.</p>
<p>Investment transactions are reconciled/compared to third-party statements documents and discrepancies are investigated. BPM Control Type: Core Control code: ASS-INS-0010</p>	<p>5</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Chang Liu</p>		<p>Chris Birch: Reconciliation of investments are done regularly against LGFA Website and hard copy notifications when received. Comparisons are conducted annually. Report of investment performance are presented to Council. The most recent investment is reported to July 2015 Council. Chang Liu:</p>
<p>Investment transactions at the end of an accounting period are scrutinised and/or reconciled to ensure complete and consistent recording. BPM Control Type: Core Control code: ASS-INS-0011</p>	<p>5</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Chang Liu</p>		<p>Chris Birch: Investments only occur with LGFA. Reconciliation occurs monthly and at year end and balances are also checked during the year via their website. The GL balance is checked against LGFA records on a regular basis. Refer EOY Folder for recent EOY reconciliation. Chang Liu: Update assessor comment to mention 2013/14 EOY.</p>
<p>Journals are processed regularly for all investments and a process is in place to verify the accuracy of transactions. All journals are double checked. BPM Control Type: Additional Control code: ASS-INS-0012</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Chang Liu</p>		<p>Chris Birch: Journals are processed almost immediately and any that haven't been done are picked up through the reconciliation process and corrected. Chang Liu:</p>
<p>Interest income is reconciled annually and can be independently substantiated. BPM Control Type: Additional Control code: ASS-INS-0013</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Chang Liu</p>		<p>Chris Birch: Interest income is recognised in accounts once received and all paperwork is recorded in our records system. Monthly budget meetings help identify any large variance that may need further investigation. Chang Liu:</p>

<p>Actual investment income compared to budget on a regular basis; variances are investigated. BPM Control Type: Additional Control code: ASS-INS-0014</p>	<p>5</p>	<p>No Action Required</p>	<p>Assessor: Chang Liu Reviewer: Chris Birch</p>		<p>Chang Liu: Budgets are compared to actuals on a regular basis with Managers of the areas receiving the income and any large variances are investigated immediately. Chris Birch: Annual Performance report is prepared and presented to the July Council meetings as per requirement of the Act</p>
<p>Council has clear and comprehensive Conflict of Interest policy and Code of Conduct (disseminated to employees). BPM Control Type: Core Control code: ASS-INS-0015</p>	<p>3</p>	<p>Complete Due date: 31/12/2015 Priority: Medium Completion date: 08/01/2016</p>	<p>Assessor: Kerry Loughhead Reviewer: Ginny Moon</p>	<p>Employee Conflict of Interest Policy to be resubmitted to Dec AC. Action plan comments: Conflict of Interest Policy endorsed at December Audit Committee, and will be endorsed at December Council Meeting. Training to be arranged for staff in the new year, and this will also be included in the induction process for relevant staff.</p>	<p>Kerry Loughhead: Draft Conflict of Interest Policy for Staff being presented to Audit Committee late 2015. Current Amendment Bill in parliament proposed to make wholesale changes to Conflict of Interest provisions for Elected Members. Relevant Managers now complete Ordinary Returns. Code of Conduct is now gazetted by the Minister. Ginny Moon: Draft Policy available. Not yet adopted by AC/Council.</p>
<p>All investment decisions are approved in accordance with investment policy, Conflict of Interest Policy and Code of Conduct, prior to release of funds. BPM Control Type: Additional Control code: ASS-INS-0016</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>		<p>Chris Birch: Council's Account Policies and procedure, section 7.6.2 states that Council can only invest with LGFA. Investment decisions are made by the Manager Financial Services who is a prescribed officer and required to declare any personal interests annually to the CEO Ginny Moon:</p>
<p>Process for management to either declare conflicts of interest or indicate that there are no conflicts of interests prior to approving any investment decision. BPM Control Type: Additional Control code: ASS-INS-0017</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Kerry Loughhead Reviewer: Ginny Moon</p>		<p>Kerry Loughhead: EMT & Managers now complete Ordinary Returns (by resolution of council). A Conflict of Interest Register to be implemented. Ginny Moon: Employee Code of Conduct requires disclosure of any conflicts of interest. As all investments are with LGFA no conflicts have been identified/reported</p>
<p>Compliance with Conflict of Interests and Code of Conduct regularly monitored either by management, internal auditors or statutory auditors. BPM Control Type: Additional Control code: ASS-INS-0018</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Kerry Loughhead Reviewer: Ginny Moon</p>		<p>Kerry Loughhead: EMT & Managers now complete Ordinary Returns (by resolution of Council). Ginny Moon:</p>

Debtors	Rating	Status	Roles	Action plan	Assessment comments
A listing of bad debt write-offs should be maintained. BPM Control Type: Additional Control code: ASS-DEB-0001	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: listing provided to delegated officer for write off approval Chris Birch: Bad debt writes are rare and do not occur in the rating module. Most credit notes are in relation to reversal of error
Rate notices/invoices are automatically calculated using standard programmed formulas, including the calculation of discounts, if applicable. BPM Control Type: Core Control code: ASS-DEB-0003	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Invoice amounts are manually entered. Rates Accounts are generated using the rate in the dollar set each financial year. Chris Birch: Rate Notices are Automatically Calculated. Invoices are manually entered.
Invoice and credit note input data is balanced; out-of-balance batches are corrected promptly. BPM Control Type: Additional Control code: ASS-DEB-0005	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Invoices are generated with documentation supplied by the internal requestor and dollar amounts matched to this documentation. Chris Birch:
Credit notes are sequentially pre-numbered and authorised in line with delegations. BPM Control Type: Core Control code: ASS-DEB-0006	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Credit note numbers are presequenced and maintained within the journal number listing spreadsheet. Chris Birch:
Management reviews provision for doubtful debts on a regular basis. BPM Control Type: Additional Control code: ASS-DEB-0007	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: An over 90 days report high lights accounts which could be called doubtful debts. If any amounts are deemed to be materially significant at end of financial year, the Manager Financial Services is notified and can elect to create such a provision. Chris Birch: Reviewed annually as part of end of year
Management reviews debtors ageing profile on a regular basis and investigates any outstanding items. BPM Control Type: Core Control code: ASS-DEB-0008	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Accounts receivable officer runs a monthly report at end of month and reviews outstanding items, this is then also reviewed by the Senior Finance Officer who provide direction on any further follow ups which they believe should be required. Chris Birch:

Debtors and revenue are compared to budget regularly; management reviews and investigates significant variances. BPM Control Type: Additional Control code: ASS-DEB-0009	4	No Action Required	Assessor: Chang Liu Reviewer: Chris Birch	Chang Liu: Regular meetings are held with directors and managers to discuss significant variances and help identify any income that may not have been received yet. Chris Birch: Collection policy is followed by staff
Management and/or Council review and approve all rebates, credit notes, bad debt write-offs and movements in the provision for doubtful debts, in accordance with delegations of authority and Local Government Act. BPM Control Type: Core Control code: ASS-DEB-0010	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch	Rachel Kyriazis: Credit notes are signed off by the relevant manager and bad debts are sign off by the director of corporate services. Chris Birch: Write off approval process applied through delegations. Rebates for rates must be approved by Council.
Debtors reconciliation performed on a regular basis to the General Ledger and reviewed by an independent person. BPM Control Type: Core Control code: ASS-DEB-0011	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chang Liu	Rachel Kyriazis: Senior Finance Officer reviews monthly reconciliation. Chang Liu:
Recorded changes to debtors master file data are compared to authorised source documents or confirmed with customers/ratepayers to ensure that they were input accurately. BPM Control Type: Core Control code: ASS-DEB-0012	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chang Liu	Rachel Kyriazis: This is currently done at time of input. Chang Liu:
Access to the debtors master file is restricted to appropriately designated personnel and is reviewed by management for accuracy and on-going pertinence. BPM Control Type: Core Control code: ASS-DEB-0013	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chang Liu	Rachel Kyriazis: Currently accessible by four Finance staff. Chang Liu: Debtors Master File is restricted to designated personnel. Management don't currently review Debtors Master File which should be done. Perhaps reports could be created where any changes to master file are highlighted.
Debtors system provides audit trail to records changes made to master file. BPM Control Type: Additional Control code: ASS-DEB-0014	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chang Liu	Rachel Kyriazis: The masterfile has a "History" button which provides a listing of when and who has changed the masterfile listing, but not the exact details of the change. Chang Liu: Civic Consultant advised that Audit Trail Report is available from Civic system during Civic Health Check visit, October 2015. Senior Financial Services Officer performs regular sample check of Debtor Master File changes as per Audit Trail Report from November 2015.

Debtors batch listing is checked by an authorised officer prior to invoice generation, for accuracy and credit note verification. BPM Control Type: Additional Control code: ASS-DEB-0015	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Not required to be checked. Debtor request is signed off by approving delegated officer prior to input by Finance Officer. Chris Birch:
The aged trial balance is actively monitored, and a monthly status report is reviewed by management detailing debtors balances > 90 days with explanations as to the anticipated recovery of those debts. BPM Control Type: Additional Control code: ASS-DEB-0016	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Receivables Officer monitors debts over 90 days. Senior Finance Officer follows up with Receivable Officer if any of the actions on the report have not been done in a prompt manner. Chris Birch: Monthly reconciliation process has the added step in reporting that requires all balances 90+ must include an individual comment to collection stage step
Council maintains a Debt Collection Policy. BPM Control Type: Core Control code: ASS-DEB-0017	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: Refer Accounting Policies and Procedures - Section 7.7 - Debtors and Section 7.8 Debt Collection. Adherence to Policies is managed through the Employee performance & code of conduct processes Ginny Moon: Require review.
Prepayments	Rating	Status	Roles	Action plan	Assessment comments
Actual prepayments compared to budget on a regular basis. BPM Control Type: Additional Control code: ASS-PRE-0001	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chang Liu		Rachel Kyriazis: Accounts Payable to photocopy and process prepayment journals as soon as possible. This task is monitored by Senior Financial Services Officer. Currently up to date. Chang Liu: Budget variance investigated through quarterly budget review report to Council and via monthly meetings with workgroups.
Procedures document providing clear and comprehensive guidance as to the recognition, treatment and recording of prepayments. BPM Control Type: Core Control code: ASS-PRE-0002	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Instructions guide provided to Accounts Payable Officer to clarify process. This guide aids the Accounts Payable Officer in preparation of prepayment journals. Refer TRIM file CR15/37155. Currently prepayment journals are checked and a monthly reconciliation undertaken. Chris Birch:

Prepayment reconciliations are prepared on a regular basis and are reviewed by an independent person to source documentation. BPM Control Type: Additional Control code: ASS-PRE-0003	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chang Liu		Rachel Kyriazis: The prepayments reconciliation is signed and review by an authorised officer as part of the end of month procedures. Meeting held with Accounts Payable Officer on 14/09/2015 by Senior Finance Officer to review process and ensure Accounts Payable Officer has a clear understanding of process. Chang Liu:
Prepayments are authorised and accounted for by Authorised Officer only. Periodic checks of prepayments to occur frequently as end-of-year approaches. BPM Control Type: Core Control code: ASS-PRE-0005	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chang Liu		Rachel Kyriazis: Prepayments are checked by an authorised officer when journal actioned. The Manager Financial Services also checks the Accounts Payable Officer has not missed any when checking payment batches. Accounts Payable batch header form has a reminder to check for prepayments. Accounts Payable Officer must sign off to say they have checked this. Accounts Payable batches are checked on a weekly basis in the lead up to end of financial year to ensure no prepayments have been omitted. Chang Liu: Prepayment check on AP batch header. Senior Finance Officers & MFS check batches close to EOY to ensure all prepayments have been identified.
Fixed Assets	Rating	Status	Roles	Action plan	Assessment comments
Insurance coverage of relevant capital items is regularly reviewed. BPM Control Type: Additional Control code: ASS-FIX-0001	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: Insurance coverage is reviewed at least annually, in conjunction with MLS. Any significant purchases made during the year is submitted to MLS for special review. Recent example - purchase of Milk Depot, redevelopment of Prospect Oval, Painting in Council Chamber. Revaluation were sought and appropriately insured. Ginny Moon:

Depreciation charges are calculated in accordance with the accounting policy, including the useful life, depreciation method and calculation formulas. BPM Control Type: Core Control code: ASS-FIX-0003	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch	Rachel Kyriazis: All asset depreciation charges are per Accounting Policies. Checked when adding assets to system. Independent review of all assets added by Manager Financial Services when capitalisation report run and loaded into system. Chris Birch:
Profit or loss on disposal calculations can be substantiated and verified with supporting documentation. BPM Control Type: Additional Control code: ASS-FIX-0005	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch	Rachel Kyriazis: As per reconciliations provided to auditors in End Of Year statements. Includes copies of trade in invoices. All disposals are signed off by the Manager Financial Services prior to processing. Chris Birch:
Asset revaluations and depreciation reviews are performed in accordance with Australian Accounting Standards. BPM Control Type: Core Control code: ASS-FIX-0006	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch	Rachel Kyriazis: Asset revaluations carried out by independent specialist firms (Tonkin Consulting - Infrastructure & Maloney Field Services - Land & Buildings) Chris Birch:
Reconciliation of fixed assets to the General Ledger is performed regularly. BPM Control Type: Core Control code: ASS-FIX-0007	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch	Rachel Kyriazis: Normally a delay in first half of year due to working on end of year financial statements until September. Each month after this is reconciled on a monthly basis and signed off by the Manager Financial Services. Chris Birch:
Asset Management Plans exist for all major asset classes and all changes to the asset management plan must be approved by Council. BPM Control Type: Core Control code: ASS-FIX-0008	4	No Action Required	Assessor: Alex Cortes Reviewer: Chris Birch	Alex Cortes: Infra department currently working on further refinements to AMP. Chris Birch:
The annual review of assets includes reviewing the appropriateness of categories of assets and Impairment testing. BPM Control Type: Core Control code: ASS-FIX-0009	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch	Rachel Kyriazis: As per information provided by independent firms - Tonkins Consulting & Maloney Field Services Chris Birch:
When calculating depreciation reliable figures are available for condition of each asset, unit of measurement, replacement value, residual life and written down replacement value. BPM Control Type: Additional Control code: ASS-FIX-0010	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch	Rachel Kyriazis: This data provided by Tonkins for Infra assets & Maloneys for Land and buildings Chris Birch:

<p>Fixed assets are identified on acquisition, creation or when provided free of charge to facilitate accurate identification of assets and recording of details. BPM Control Type: Additional Control code: ASS-FIX-0011</p>	<p>3</p>	<p>In Progress Due date: 31/12/2015 Priority: Low</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>	<p>Accounting Policy and Procedure Manual includes a decision flowchart to assist in the identification of potential assets. Reminder notices or training of what makes up an asset will be considered and implemented Action plan comments: Part time Senior Financial Services Officer to schedule time to notify infrastructure staff of what makes up an asset (per Accounting Policy manual) in late January 2016.</p>	<p>Rachel Kyriazis: Currently picked up by staff using budgets which have sub accounts starting with a '5xx'. Is a risk that an asset may get costed to an budget line without a sub of '5xx' and therefore could potentially be written off as an operating expense. Checks done at end of year to try to identify any such assets. No process to identify assets provided free of charge. Chris Birch:</p>
<p>Fixed asset register (FAR) is periodically reviewed by management for accuracy and ongoing pertinence. BPM Control Type: Additional Control code: ASS-FIX-0012</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: Manager Financial Services checks monthly reconciliations of assets. Chris Birch:</p>
<p>Activity recorded in fixed asset register is reviewed by management, including comparison to the capital budget. Financial data associated with Infrastructure Assets is maintained and reviewed. BPM Control Type: Additional Control code: ASS-FIX-0013</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: Capital budget reviewed throughout the year and any significant variances reported to Council through budget reviews. Chris Birch:</p>
<p>Regular verification of fixed assets are conducted and reconciled to the FAR. BPM Control Type: Core Control code: ASS-FIX-0014</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: All disposals of assets require associated paperwork which is also attached to reconciliations. Physical stocktake of plant and equipment assets undertaken for year end June 2015. Chris Birch:</p>
<p>Recorded changes to the FAR and/or masterfile are approved by management, compared to authorised source documents and General Ledger to ensure accurate input. BPM Control Type: Core Control code: ASS-FIX-0015</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: All asset additions are reconciled to actual \$ amounts spent in capital budgets throughout year. Reconciliation provided annually to auditors. Asset addition and disposal forecast report given to the Manager Financial Services to approve before being run in system. Chris Birch:</p>
<p>All fixed asset acquisitions and disposals are approved in accordance with Delegation of Authority and relevant Procurement and Fixed Asset Policies. BPM Control Type: Core Control code: ASS-FIX-0016</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: Delegations set up through purchasing system. All asset acquisitions for assets should have a purchase order in place. Disposals signed off by the Manager Financial Services. Chris Birch:</p>

<p>Where appropriate, fixed assets such as plant and machinery are located in an appropriately secured areas, where access is restricted to authorised personnel. BPM Control Type: Core Control code: ASS-FIX-0017</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Paul Stringer Reviewer: Alex Cortes</p>		<p>Paul Stringer: Asset labelling & tracking system has been discussed with suppliers, quoting is in progress. Alex Cortes: Under Development</p>
<p>Where appropriate, pre-numbered identification tags are attached to fixed assets such as IT assets, on acquisition to facilitate accurate identification of assets and recording of details. BPM Control Type: Additional Control code: ASS-FIX-0018</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>		<p>Chris Birch: IT have undertaken a stocktake of Equipment with ID number & barcode attached and tracked through the Helpdesk package Solarwinds. Data was exported to Excel at decommission of the system Ginny Moon: Apart from It Assets, stocktake needs to be conducted for Plany & Equipment & Furniture & Equipoment.</p>
<p>Management regularly reviews valuation of fixed assets - methodology and useful lives, to ensure valuation is appropriate and in accordance with reporting requirements. Where appropriate, Council may engage an expert to perform valuations. BPM Control Type: Core Control code: ASS-FIX-0019</p>	<p>5</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>		<p>Chris Birch: Desk top asset valuation conducted annually where condition assessment revaluation is conducted at least every 3 years. For new purchases, eg. purchase of Milk Depot, redevelopment of Prospect Oval - separate revaluation were sought. As a result, depreciation rates will be adjusted accordingly. Refer Accounting Policies and Procedures - Section 10 - Accounting for Council Assets - Property, Plant, Equipment & Infrastructure. Example - Refer Audit Committee Report on 5/3/2012 - Asset Valuation and Methodology. Introduction of AASB13 has seen a review of all asset values as at 1 July 2013. Plant and Equipment Stocktake undertaken in June 2015 Ginny Moon: Asset Collection needs to be inspected and revalued as opposed to desktop revaluation</p>

Management reviews depreciation rates and methodology (at least annually) to ensure that methods used to value fixed assets are still appropriate. BPM Control Type: Core Control code: ASS-FIX-0020	4	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon	Chris Birch: Desk top asset valuation conducted annually where condition assessment revaluation is conducted at least every 3 years. For new purchases, eg. purchase of Milk Depot, redevelopment of Prospect Oval - separate revaluation were sought. As a result, depreciation rates will be adjusted accordingly. Refer Accounting Policies and Procedures - Section 10 - Accounting for Council Assets - Property, Plant, Equipment & Infrastructure. Example - Refer Audit Committee Report on 5/3/2012 - Asset Valuation and Methodology. Ginny Moon:
The balances in fixed assets and accumulated depreciation are rolled forward from one processing cycle to the next using independently obtained asset acquisition, asset disposal, and depreciation expense data. BPM Control Type: Additional Control code: ASS-FIX-0021	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch	Rachel Kyriazis: Data provided by Tonkin Consulting & Maloney Field Services - checked by auditors and then rolled forward into new financial year. Chris Birch:
Standard programmed formulas perform depreciation calculations. BPM Control Type: Additional Control code: ASS-FIX-0022	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch	Rachel Kyriazis: Monthly reconciliation run by automatic function set up in Authority. Chris Birch:
Depreciation charges and methods are reviewed by management including consideration of the recording of such charges in the appropriate accounting period. BPM Control Type: Additional Control code: ASS-FIX-0023	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch	Rachel Kyriazis: Via annual review of Accounting Policies. Chris Birch: Refer recent depreciation review - Road base condition assessment.
Standard programmed formulae perform the calculation of the profit or loss upon disposal of an asset. BPM Control Type: Additional Control code: ASS-FIX-0024	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch	Rachel Kyriazis: System generates all accounting entries when item selected in parameters to be disposed of. Double checked by Senior Finance Officer and signed off by the Manager Financial Services. Chris Birch:
Asset Management Plan (including plans to obtain sufficient funding to cover expected capital investment) are prepared. The capital investment required is reviewed regularly for appropriateness. BPM Control Type: Core Control code: ASS-FIX-0025	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch	Rachel Kyriazis: The Long Term Financial Plan provides details of 10 year forward plan. Reviewed annually and reported through Council's Annual Business Plan. Chris Birch:

Management undertakes a regular review of useful lives of Fixed Assets and updates asset management plan to reflect any significant changes (i.e. expected time-frame for replacing significant fixed assets). BPM Control Type: Core Control code: ASS-FIX-0026	4	No Action Required	Assessor: Alex Cortes Reviewer: Chris Birch		Alex Cortes: Asset Condition assessments will be conducted in 2015. Useful lives will be reviewed as part of this assessment. Chris Birch: Annual Review undertaken by Tonkin Consulting for 2013-2014 year. Information to now be carried over to the next IAMP review in preparation for 2015-2016 Budget
Asset maintenance schedules are prepared, updated, and monitored by management and activity per the asset maintenance schedule. Changes to the asset maintenance history register are compared to source documents to ensure that they were input accurately. BPM Control Type: Core Control code: ASS-FIX-0027	4	No Action Required	Assessor: Alex Cortes Reviewer: Chris Birch		Alex Cortes: Maintenance plans exist and are adjusted in accordance with Councils annual plan. Chris Birch:
Location of keys should be held in Key Registers and spare keys stored securely. BPM Control Type: Additional Control code: ASS-FIX-0028	5	No Action Required	Assessor: Paul Stringer Reviewer: Alex Cortes		Paul Stringer: Keys have been audited. Keys are stored in locked cabinets. Alex Cortes: Key Audit / register is completed and keys are now securely stored and only accessible by responsible officer.
Council has an asset accounting policy which details thresholds for recognition of fixed assets which is monitored to ensure adherence. BPM Control Type: Core Control code: ASS-FIX-0029	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Council policy is in place with materiality threshold of \$1K listed in Accounting Policies. Any items put to capital accounts (sub account starting with '5xx') which are under this threshold are journalled out to operating - full reconciliation provided in end of year supporting rec's. Chris Birch:
Access and on-going maintenance of the fixed asset register is performed by authorised officers only. BPM Control Type: Core Control code: ASS-FIX-0030	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Access to fixed asset register only given to selected Finance staff. Only 1 Senior Finance Officer carries out maintenance to fixed asset register. Reviewed by Manager Financial Services on a monthly basis and disposals approved on an ongoing basis. Chris Birch:

Project Costing	Rating	Status	Roles	Action plan	Assessment comments
Actual project costs are regularly compared to budgets; significant variances are investigated by management. BPM Control Type: Core Control code: ASS-PRO-0002	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Via regular budget meetings with management and variances reported to Council via budget review. Finance also provide a forecast to Council which is an independent position on what they believe the final operating outcome will be. Chris Birch:
Rigorous process for establishing budgets for projects. Project budgets must be approved in accordance with Delegations of Authority. BPM Control Type: Core Control code: ASS-PRO-0008	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Annual budget process requires all new/discretionary projects to have a budget bid form completed which identifies how the project meets Council strategic plan objectives, LTFP implications and an overall risk/priority assessment. Numerous meeting held with management in the Jan-May period to formulate Council's next years budget. Chris Birch:
Loans/Grants to Clubs and Community Groups	Rating	Status	Roles	Action plan	Assessment comments
Management monitors the compliance and issuing of money to Clubs / Community Groups in accordance with funding arrangements on a regular basis. BPM Control Type: Core Control code: ASS-LOA-0002	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Community Support Fund has a well described and transparent process according to Council's requirements. A review of the Community Support Fund has been completed, three focus groups were conducted to assess community and elected members satisfaction and provide recommendations for changes. Chris Birch:
Statements of loans receivable are regularly provided to recipient of funds. BPM Control Type: Additional Control code: ASS-LOA-0003	4	No Action Required	Assessor: Chris Birch Reviewer: Rachel Kyriazis		Chris Birch: Statements are not issued to the Club or Organisation. Invoices are printed as be loan schedule. Rachel Kyriazis: Policy adopted by Audit Committee in December 2013 regarding Loans to Third Parties
Actual loan balances compared to budgets on a regular basis. BPM Control Type: Additional Control code: ASS-LOA-0004	5	No Action Required	Assessor: Chang Liu Reviewer: Chris Birch		Chang Liu: Loan balances are compared to the LGFA website regularly and to statements received during the year. Reconciliations are done regularly and at year end and checked by another person. Regular budget meetings help identify any missed invoices that should have been raised. Chris Birch:

Loan receivable reconciliations are prepared on a regular basis and reviewed by an independent person. BPM Control Type: Core Control code: ASS-LOA-0005	4	No Action Required	Assessor: Chris Birch Reviewer: Chang Liu	Chris Birch: There is only 3 loans issued to a club and this is reconciled as part of all loan reconciliation's every month. Chang Liu:
All loans must be approved by Council in accordance with Delegations of Authority. BPM Control Type: Core Control code: ASS-LOA-0006	5	No Action Required	Assessor: Chris Birch Reviewer: Chang Liu	Chris Birch: All loans must go to Council for approval. Loan application to LGFA requires a copy of the Council Resolution approving the loan to be attached. Audit Committee has approved a new policy on external loans (August 2014) Chang Liu:
Bad-debt write-offs for loans receivable are approved by Management and/or Council in line with relevant delegations. BPM Control Type: Core Control code: ASS-LOA-0007	4	No Action Required	Assessor: Chris Birch Reviewer: Chang Liu	Chris Birch: Bad debt write offs require approval by the Director Corporate Services. Chang Liu:
Receivers of grants are required to acquit the funds spent in line with funding agreement. BPM Control Type: Core Control code: ASS-LOA-0009	4	No Action Required	Assessor: Chang Liu Reviewer: Chris Birch	Chang Liu: Managers issuing the grant are responsible to follow up for acquittals from the receivers of grants. All grants need Council approval and are only issued once they have received this. Chris Birch: Grant acquittals are not currently required. A large percentage of Councils Grants paid are more of a donation to an activity (ie youth sponsorship for interstate sporting events).
Management reviews ageing profile of loan receivables to identify all outstanding receipts not received in accordance with original collection schedule. All outstanding items are immediately investigated to ensure timely recovery of outstanding amounts. BPM Control Type: Additional Control code: ASS-LOA-0011	4	No Action Required	Assessor: Chris Birch Reviewer: Chang Liu	Chris Birch: Reminder Letters and Final Notices are issued as part of the accounts receivable end of month processing. Chang Liu:

Liabilities					
Accounts Payable	Rating	Status	Roles	Action plan	Assessment comments
Purchase Orders must be raised for the purchase of goods and services in line with the Council's Procurement policy or over a predetermined amount where applicable. BPM Control Type: Core Control code: LIA-ACC-0001	4	No Action Required	Assessor: Claudia Maio Reviewer: Rachel Kyriazis		Claudia Maio: At the moment, any invoices under \$100 are not required to raise a purchase order. I think we are still having minimal staff committ to service or goods before raising a purchase order. Rachel Kyriazis:
Cheque usage to be reconciled to stock of cheques on a regular basis and blank cheques to be held securely. BPM Control Type: Core Control code: LIA-ACC-0002	4	No Action Required	Assessor: Claudia Maio Reviewer: Rachel Kyriazis		Claudia Maio: I am reconciling this by updating the cheque register in trim when I draw any cheques. I am also printing the current cheque register at the beginning of every month and giving it to the Senior Finance Officer to check and co-sign. Rachel Kyriazis:
All delegated officers should undertake training for the raising of orders, posting of goods received and the requirements of the creditors process. BPM Control Type: Additional Control code: LIA-ACC-0003	4	No Action Required	Assessor: Claudia Maio Reviewer: Rachel Kyriazis		Claudia Maio: Yes, I do believe all delegated officers require training. There are some queries regarding purchasing with new staff and I don't know all the answers. Rachel Kyriazis: Traning provided by Senior Financial Services Officer on induction of new employees.
Records should be maintained of all payments with supporting documentation. BPM Control Type: Additional Control code: LIA-ACC-0004	4	No Action Required	Assessor: Claudia Maio Reviewer: Rachel Kyriazis		Claudia Maio: This is being done. Rachel Kyriazis:
Employee expense claims must be approved by authorised officer and independently verified and include relevant substantiation. BPM Control Type: Core Control code: LIA-ACC-0005	4	No Action Required	Assessor: Claudia Maio Reviewer: Rachel Kyriazis		Claudia Maio: Most reimbursements for staff are authorised and indepently verified by their manager but there has been the old occassion where manager signature is required or the reimbursement amount is incorrect. I always check receipts to the payment authority request form. Rachel Kyriazis: Accounts Payable batch header amended previously to check that this is being undertaken.
Creditor's supporting documentation is checked by an authorised officer prior to payment for accuracy and credit note verification. BPM Control Type: Additional Control code: LIA-ACC-0006	4	No Action Required	Assessor: Claudia Maio Reviewer: Rachel Kyriazis		Claudia Maio: As purchase order raised, this is checked by receipting officer. Rachel Kyriazis:

<p>Predetermined variances between Purchase Orders and Invoices are suspended and released only after verification by the responsible officer. BPM Control Type: Additional Control code: LIA-ACC-0007</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Claudia Maio Reviewer: Rachel Kyriazis</p>		<p>Claudia Maio: At the moment, I can override invoice amount if under or over purchase order amount. I don't think there is a tolerance level set up in the system. System has been changed so staff receipting purchase orders cannot receipt for higher than the original purchase order amount. Rachel Kyriazis: Senior Financial Services Officer changed parameters so that receipts can not be any higher than invoices in March 2015.</p>
<p>Authorised officer to review aged payable listing on a predetermined basis and investigate where appropriate. BPM Control Type: Core Control code: LIA-ACC-0008</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Claudia Maio Reviewer: Rachel Kyriazis</p>		<p>Claudia Maio: Monthly reconciliation includes aged payable listing checked & authorised by Senior Finance Officer Rachel Kyriazis: Aged Trial Balance reviewed monthly and old items highlighted to Accounts Payable Officer for follow up.</p>
<p>Statements received from suppliers are reconciled to the supplier accounts in the accounts payable sub-ledger regularly and differences are investigated. BPM Control Type: Core Control code: LIA-ACC-0009</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Claudia Maio Reviewer: Rachel Kyriazis</p>		<p>Claudia Maio: Yes, this is done when statement comes in, usually at the beginning of the new month. Rachel Kyriazis:</p>
<p>Invoices received are authorised and accompanied by appropriate supporting documentation. BPM Control Type: Core Control code: LIA-ACC-0010</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Claudia Maio Reviewer: Rachel Kyriazis</p>		<p>Claudia Maio: Sometimes we need to pay a deposit, therefore a tax invoice might not be issued at this time but otherwise supporting documentation is always attached. Rachel Kyriazis:</p>
<p>Invoices, credit notes, and other adjustments related to accounts payable are batched and batch input data is balanced; out of balance batches are corrected promptly. BPM Control Type: Additional Control code: LIA-ACC-0011</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Claudia Maio Reviewer: Rachel Kyriazis</p>		<p>Claudia Maio: Once keyed into the system, all invoices are matched to remittance extract by the Accounts Payable Officer, then checked by the manager and then processed for payment. Rachel Kyriazis:</p>
<p>Goods returned notes are matched to credit notes; differences are investigated promptly. BPM Control Type: Additional Control code: LIA-ACC-0012</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Claudia Maio Reviewer: Rachel Kyriazis</p>		<p>Claudia Maio: If I receive any delivery dockets I match them to the invoices. Rachel Kyriazis:</p>
<p>The accounts payable system and/or supplier masterfile prevents users from making adjustments to supplier accounts in excess of approved limits or original order amounts. BPM Control Type: Core Control code: LIA-ACC-0013</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Claudia Maio Reviewer: Rachel Kyriazis</p>		<p>Claudia Maio: In purchase order maintenance, there is not the ability to change the amount of the purchase order once the purchase order has been created. Rachel Kyriazis:</p>

<p>All disbursements must be approved by an authorised officer in accordance with relevant policies and/or Delegations of Authority. BPM Control Type: Core Control code: LIA-ACC-0014</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Claudia Maio Reviewer: Rachel Kyriazis</p>		<p>Claudia Maio: I check signatories as per delegations. Sample signature listing is up to date. Rachel Kyriazis:</p>
<p>Individuals who authorise payment of suppliers are authorised officers who are independent of the processing of invoices. BPM Control Type: Core Control code: LIA-ACC-0015</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Claudia Maio Reviewer: Rachel Kyriazis</p>		<p>Claudia Maio: The Purchasing system has delegations in place. Accounts Payable officer does not raise requisitions. Rachel Kyriazis:</p>
<p>Bank statements are reconciled to the general ledger regularly. BPM Control Type: Additional Control code: LIA-ACC-0016</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: Bank Statements are downloaded and printed from the ANZ Bank on a daily basis. The bank reconciliation is reconciled no less that 3 to 4 times per week. End of month reconciliation is also completed and authorized by the Senior Finance Officer. Rachel Kyriazis:</p>
<p>Payments (Cheques and EFT's) are endorsed by authorised officers separate to the preparer who ensure that they are paid to the specified payee. BPM Control Type: Core Control code: LIA-ACC-0017</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Claudia Maio Reviewer: Rachel Kyriazis</p>		<p>Claudia Maio: Maybe one off situation where senior finance officers have to raise a payment when Accounts Payable officer not in and potentially may have to sign the payment/cheque depending on availability of cheque signatories. Rachel Kyriazis: Agree with Accounts Payable Officer comments. Situations like this may happen in holiday periods such as Xmas time with low staff availability.</p>
<p>Supplier master file data is periodically reviewed by management for accuracy and ongoing pertinence. BPM Control Type: Additional Control code: LIA-ACC-0019</p>	<p>3</p>	<p>In Progress Due date: 24/12/2015 Priority: Low</p>	<p>Assessor: Claudia Maio Reviewer: Rachel Kyriazis</p>	<p>AP Officer to progressively look at updating supplier master file. With minimal time commitments (eg. 15 minutes per week) to be assigned to task to ensure progression. Action plan comments: Accounts Payable officer has scheduled in calendar to update creditor master file on a weekly basis. Senior Financial Services Officer spoke to Accounts Payable Officer about process on 13/1/15. Still not being undertaken due to high workload. Directed Accounts Payable Officer to seek direction from Manager Financial Services as to how to progress with this. New reporting requirement from Australian Tax Office commences 1/7/17, so information needs to be looked at now.</p>	<p>Claudia Maio: Currently, not done. Have set up a query so can print off all suppliers details but need to find time to update the information, if required. The Accounts Payable Officer regularly checks bank details if the creditor is not used often or is not regularly paid. Rachel Kyriazis:</p>

Recorded changes to the supplier master file are compared to authorised source documents to ensure that they were input accurately. BPM Control Type: Core Control code: LIA-ACC-0020	4	No Action Required	Assessor: Claudia Maio Reviewer: Rachel Kyriazis		Claudia Maio: Now have set a process that when any details are changed, the physical paperwork is added to the front of the creditor folder and is checked by the Senior Finance Officer, to what has been entered in the system. This folder is given to the Senior Finance Officer at the beginning of every month. Rachel Kyriazis: Post Assessors comments, an Accounts Payable Audit Report has been implemented post the Civica Health checks in October 2015
Access to the supplier master file is restricted to authorised officers. BPM Control Type: Core Control code: LIA-ACC-0021	4	No Action Required	Assessor: Claudia Maio Reviewer: Rachel Kyriazis		Claudia Maio: 4 finance staff have access to this. Rachel Kyriazis:
Separation of accounts payable and procurement duties. BPM Control Type: Core Control code: LIA-ACC-0022	4	No Action Required	Assessor: Claudia Maio Reviewer: Rachel Kyriazis		Claudia Maio: Accounts Payable officer does not raise requisitions. Rachel Kyriazis: Although no formal procurement officer, any purchase order adjustments are done by a Senior Finance Officer rather than the Accounts Payable Officer.
Actual expenditures are compared to budget regularly; management reviews and approves significant variances. BPM Control Type: Additional Control code: LIA-ACC-0024	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Regular budget meeting held with management and significant variations provided to Council via budget review report. Chris Birch:
Goods and/or services received are matched on-line or manually with purchase order details and/or invoices. BPM Control Type: Additional Control code: LIA-ACC-0025	4	No Action Required	Assessor: Claudia Maio Reviewer: Rachel Kyriazis		Claudia Maio: Person receipting the order is responsible for checking the goods are received & matched to the purchase order. There is potential for misstatement as we do not have a purchasing officer. (ie. many officers responsible for receipting) Rachel Kyriazis:
Accrued Expenses	Rating	Status	Roles	Action plan	Assessment comments
Accrued expenses reconciliations are prepared on a regular basis and are reviewed by an independent person. BPM Control Type: Core Control code: LIA-EXP-0002	4	No Action Required	Assessor: Chang Liu Reviewer: Rachel Kyriazis		Chang Liu: Accrued expenses are only processed at year end and have supporting paperwork. GL account is monitored during the year and any transactions are investigated immediately. Rachel Kyriazis:

Borrowings	Rating	Status	Roles	Action plan	Assessment comments
All new loan repayment schedules and conditions are checked prior to accepting each loan. BPM Control Type: Additional Control code: LIA-BOR-0001	5	No Action Required	Assessor: Chris Birch Reviewer: Chang Liu		Chris Birch: Analysis is conducted in establishing Council's ability to fund repayment and timing of repayment. Any new loan schedule is verified to ensure it is as per request and resolution of Council. Chang Liu:
Repayment of loans is independently approved prior to payment with a review conducted to ensure payments are in line the loan register. BPM Control Type: Additional Control code: LIA-BOR-0002	5	No Action Required	Assessor: Chris Birch Reviewer: Chang Liu		Chris Birch: Any request for repayment from LGFA is checked against Council's Loan Register to ensure that the amount is correct. Council's Loan Register can be presented for review. Monthly Payment Schedules are provided by the LGFA before payment processing Chang Liu:
Borrowings policy dictates when borrowings appropriate and approval mechanisms including requirement if any for alternative quotes. BPM Control Type: Additional Control code: LIA-BOR-0005	5	No Action Required	Assessor: Chris Birch Reviewer: Chang Liu		Chris Birch: No alternative quote sought - The Accounting Policies and Procedures - Section 7.13.5 stated that all loan borrowing must be through the LGFA. Analysis is conducted in establishing Council's ability to fund repayment and timing of repayment. Any new loan schedule is verified to ensure it is as per request and resolution of Council. Chang Liu:
A loan register is maintained containing a copy of Council resolution approving the loan and a schedule of the loan liability and the loan repayment from the lender. This also includes details of any Cash Advanced Debenture. BPM Control Type: Core Control code: LIA-BOR-0006	5	No Action Required	Assessor: Chris Birch Reviewer: Chang Liu		Chris Birch: All loan borrowing are accompanied by Council Resolution, including Cash Advanced Debenture. The Loan Register does not contain Council Resolution but supporting Council Resolution can be presented for review. Council's Loan Register can be presented for review - detailing loan liability and repayment schedule. Reconciliation of outstanding loan is reconciled monthly - refer Month Reconciliation spreadsheets. Chang Liu:
The loan register and loan approvals is subject to management and/or internal audit review. BPM Control Type: Additional Control code: LIA-BOR-0007	5	No Action Required	Assessor: Chris Birch Reviewer: Ginny Moon		Chris Birch: Council's Loan Register can be presented for review - detailing loan liability and repayment schedule. Reconciliation of outstanding loan is reconciled monthly - refer Month Reconciliation spreadsheets. Ginny Moon:

<p>All loan journals are independently authorised. BPM Control Type: Additional Control code: LIA-BOR-0008</p>	<p>5</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Chang Liu</p>		<p>Chris Birch: Loan journals are approved by Manager Financial Services and is reconciled against LGFA Statements at year end. Chang Liu:</p>
<p>Loan balances regularly compared to budget; management reviews and as appropriate approves significant variances. BPM Control Type: Additional Control code: LIA-BOR-0009</p>	<p>5</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Chang Liu</p>		<p>Chris Birch: Council's Loan Register can be presented for review - detailing loan liability and repayment schedule. Reconciliation of outstanding loan is reconciled monthly - refer Month Reconciliation spreadsheets. Repayments and Interest Instalments are recorded within the Budget and considered at monthly budget meetings (corporate services team).. Chang Liu:</p>
<p>All loans are approved by Council resolution with copy of the Council resolution held in the loan register. All funding approvals are minuted by Council. BPM Control Type: Core Control code: LIA-BOR-0010</p>	<p>5</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>		<p>Chris Birch: All loan borrowing are accompanied by Council Resolution, including Cash Advanced Debenture. The Loan Register does not contain Council Resolution but supporting Council Resolution can be presented for review. All supporting documents are captured in Council's Information Management System TRIM. LGFA application process requires an attached minute of passed approval motion. Ginny Moon:</p>
<p>Statements received from lenders are reconciled to the loan register and General ledger and differences are acted upon by personnel independent from the process of recording the loan. BPM Control Type: Core Control code: LIA-BOR-0011</p>	<p>5</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Chang Liu</p>		<p>Chris Birch: Council's Loan Register can be presented for review - detailing loan liability and repayment schedule. Reconciliation of outstanding loan is reconciled monthly - refer Month Reconciliation spreadsheets. The loan Register is checked against LGFA Statements/Audit Certificates during year end reconciliation. Chang Liu:</p>
<p>The loan repayment and covenant schedule, including dates and amounts to be paid is established when loan is setup. Management reviews this to ensure that all payments are made and recorded accurately and timely. Repayment details on Cash Advanced Debentures is recorded and checked as known. BPM Control Type: Additional Control code: LIA-BOR-0012</p>	<p>5</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Chang Liu</p>		<p>Chris Birch: Council's Loan Register can be presented for review - detailing loan liability and repayment schedule. Reconciliation of outstanding loan is reconciled monthly - refer Month Reconciliation spreadsheets. The loan Register is checked against LGFA Statements during year end reconciliation. Chang Liu:</p>

Loan repayments are made via automated direct debit, approved appropriately and monitored for on-going relevance. BPM Control Type: Additional Control code: LIA-BOR-0013	5	No Action Required	Assessor: Chris Birch Reviewer: Chang Liu	Chris Birch: Loan repayment is via direct debit of Council's Investment funds with LGFA. Authorised by MFS. Chang Liu:
Council is informed on a timely basis of any variance with the loans' terms and conditions that have been prior approved. BPM Control Type: Additional Control code: LIA-BOR-0014	5	No Action Required	Assessor: Chris Birch Reviewer: Chang Liu	Chris Birch: All loan borrowing are accompanied by Council Resolution, including Cash Advanced Debenture, accompanied by Council Report. Variations would be identified and reported via the budget review process Chang Liu:
Council's treasury management policies and procedures are to be independently reviewed on a periodic basis. BPM Control Type: Additional Control code: LIA-BOR-0015	4	No Action Required	Assessor: Chris Birch Reviewer: Chang Liu	Chris Birch: Council's Treasury Management Policy is part of the Accounting Policies and Procedures. The entire Accounting Policies and Procedures was last reviewed in August 2014 and is now to be consider on a tri-annual basis Chang Liu:
All additions, deletions, and other changes to the loan register are independently validated and compared to the loan agreement to ensure that they were input accurately. Identified errors are corrected. BPM Control Type: Core Control code: LIA-BOR-0016	4	No Action Required	Assessor: Chris Birch Reviewer: Chang Liu	Chris Birch: All Council loans are provided by LGFA and are of fixed interest. There are no adjustments to P&I. The only adjustment is the projected interest adjustment against the projected budget. Any variation is submitted to council for consideration. Chang Liu:
Management reviews cash position of Council on an on-going basis, involving comparison to budgets having regard to statements from financial institutions; significant variances investigated by management. BPM Control Type: Additional Control code: LIA-BOR-0017	4	No Action Required	Assessor: Chris Birch Reviewer: Rachel Kyriazis	Chris Birch: Cash budget analysed in Budget Review reports to Council on quarterly basis. Monthly rec of bank accounts/investments done on a monthly basis and checked by a 2nd officer. Rachel Kyriazis:
Cashflow budgets prepared by suitably qualified personnel on a regular basis. BPM Control Type: Additional Control code: LIA-BOR-0018	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch	Rachel Kyriazis: Cashflows checked on a regular basis with leadership team at budget meetings. Any adjustments required actioned quickly. Budget bid form incorporates monthly cash flow requirements for projects. Cash requirements monitored by Senior Finance Officer on a weekly basis. Chris Birch:

Interest on loans is predetermined and journals are checked. Interest on Cash Advanced Debentures is checked where applicable to relevant source documents. BPM Control Type: Additional Control code: LIA-BOR-0019	5	No Action Required	Assessor: Chris Birch Reviewer: Chang Liu		Chris Birch: All Council loans are provided by LGFA and are of fixed interest. There are no adjustments to P&I. P&I repayments journals are checked against LGFA Statements. Chang Liu:
Management undertake a review to identify unrecorded loan liabilities at key reporting dates. BPM Control Type: Core Control code: LIA-BOR-0020	5	No Action Required	Assessor: Chris Birch Reviewer: Chang Liu		Chris Birch: Council check each LGFA request for loan repayment against the loan Register. Loan outstanding balances are reconciled on a monthly basis. Loan Liabilities are reconciled to the LGFA Audit Certificates June 30 each year. Chang Liu:
Debt repayment transactions are scrutinised and/or reconciled to ensure complete and consistent recording in the appropriate accounting period. BPM Control Type: Core Control code: LIA-BOR-0021	5	No Action Required	Assessor: Chris Birch Reviewer: Chang Liu		Chris Birch: Council check each LGFA request for loan repayment against the loan Register. Loan outstanding balances are reconciled on a monthly basis. Annual Budget is phased to time loan repayments in the month that they fall due Chang Liu:
Compliance with debt covenants is monitored by management and compared to current budget. BPM Control Type: Additional Control code: LIA-BOR-0022	5	No Action Required	Assessor: Chris Birch Reviewer: Chang Liu		Chris Birch: Council check each LGFA request for loan repayment against the loan Register. Loan outstanding balances are reconciled on a monthly basis. There are no adjustments to P&I. The only adjustment is the projected interest adjustment against the projected budget. Any variation is submitted to council for consideration. Chang Liu:
Employee Provisions	Rating	Status	Roles	Action plan	Assessment comments
Management must approve all staff requests for leave and leave taken is recorded by somebody independent from the approval. BPM Control Type: Additional Control code: LIA-EMP-0001	4	No Action Required	Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis		Debbie McRitchie: Management and Team Leaders approve all applications for Annual, Sick and Long Service leave. Leave Applications are process via the intranet where staff use an online leave form which is then email to the relevant Team Leader for authorization. Rachel Kyriazis: Electronic leave forms are required to be submitted with approval from managers.

<p>Reconciliation of employee provisions performed on a regular basis and these are independently reviewed and signed off by managers responsible for leave approvals. BPM Control Type: Additional Control code: LIA-EMP-0002</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: Adjustment to Employee Provisions (Annual Leave and Long Service Leave) completed half yearly. Chris Birch: Commence doing half yearly leave provision instead of all conducted at the end of the year. Authority Health Check project being carried out in May 15. Hoped to identify opportunities of process improvement in Payroll Module</p>
<p>Actual balances compared to budget on a regular basis and significant variances are investigated. BPM Control Type: Additional Control code: LIA-EMP-0003</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: Salary Forecast spreadsheet maintained in monthly reporting spreadsheet by Manager Financial Services. Chris Birch: LSL Expense is monitored by MFS regularly.</p>
<p>Access to payroll/provision master file is restricted to authorised officers only. BPM Control Type: Core Control code: LIA-EMP-0004</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: Access to payroll/provision master files is restricted to the Finance Team and Human Resources only. Rachel Kyriazis:</p>
<p>Standard programmed formulas perform employee provision calculations with management to review to ensure consistency with statutory reporting requirements. BPM Control Type: Core Control code: LIA-EMP-0005</p>	<p>3</p>	<p>In Progress Due date: 31/12/2015 Priority: Low</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>	<p>Investigate if Civica can provide such validation. Issue to be raised with Civica in the Health Check Review Action plan comments: Payroll Officer has indicated to Financial Services Manager in late 2015 that given the short timeframe that is required to import all the Long Service Leave data into the system (within one pay cycle), that she will require a Civica consultant to undertake this process.</p>	<p>Rachel Kyriazis: Currently calculated in Excel using formulas. Not automatically done within Authority system. Checked by Manager Financial Services prior to journal being posted. Civica health check of payroll system completed in August 2015 - currently working towards getting Long Service Leave and flexi leave data into system to enable automatic calculations to occur going forward. Chris Birch: Calculation is currently performed by Excel.</p>

<p>Leave balances are recorded on pay advices for verification by staff. BPM Control Type: Additional Control code: LIA-EMP-0006</p>	<p>3</p>	<p>Not Started Due date: 31/12/2015 Priority: Low</p>	<p>Assessor: Debbie McRitchie Reviewer: Chris Birch</p>	<p>Indoor staff Flexi leave balances not currently presented on Payslips Action plan comments: Guidance and Support from Civica will be needed to load the long service leave balances into Authority. This item was flagged by the Payroll Officer and discussed as part of the Authority health check. It has also been raised with the Finance Manager to engage a Civica Consultant to help load the long service leave balances into Authority due to the different scenarios with part-time and full-time staff and the cash out of long service leave.</p> <p>Due to the implementation and the implementation of Authority 6.8 the ability to enter flexi leave and run reports on the flexi leave liability has not commenced. During the Payroll Network Session on 22/05/2015 this issue was raised. Automation of Leave in Lieu (flexi leave) was tested in the Test Database.</p>	<p>Debbie McRitchie: Annual Leave and Sick Leave balances are recorded on the payslips. At this moment employees need to request their long service leave balance from the payroll officer. The long service leave is a manual register has an excel spreadsheet.</p> <p>As part of the Authority Health Check on the 26/08/2015 Purchase Leave has been set up as 'Special Leave 2' and appears in the employee kiosk for staff to view has other non-accruing leave.</p> <p>Chris Birch:</p>
<p>Payroll master file data is periodically reviewed for accuracy and pertinence. BPM Control Type: Additional Control code: LIA-EMP-0007</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Chris Birch</p>		<p>Debbie McRitchie: As part of the Authority Health Check on the 26/08/2015 it was identified that a 'Employee Pay Audit Report' can be processed as part of the fortnightly pay run. This report will be reviewed by the Finance Services Manager each fortnight.</p> <p>This report was tested as part of the training however was not available in the Live Database. IT to load this report in the Live Database and notify the Payroll Officer once completed.</p> <p>As at the 10/09/2015 the report had not been logged into the Live Database, IT Helpdesk Ticket logged to chase up report.</p> <p>Chris Birch: Variation report is provided every fortnight.</p>

<p>Departmental managers periodically review listings of current employees within their departments and notify the personnel department of necessary changes. BPM Control Type: Additional Control code: LIA-EMP-0008</p>	<p>3</p>	<p>In Progress Due date: 31/12/2015 Priority: Low</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>	<p>Report request to be made with Civica so that periodic review can be undertaken by managers Action plan comments: The new version of Authority (version 11) which is planned to be implemented in February 2016. This will have the facility for electronic timesheets and online review. This may take a while to get up and running though, as Payroll Officer has a backlog of work due to covering for an unfilled position and workflows will need to be established, which is not an easy process to establish. Will probably need to engage Civica post version 11 implementation to assist with getting process up and running.</p>	<p>Rachel Kyriazis: Employee Leave Entitlement report has still not been implemented to date. Manager Financial Services is required to discuss this with Payroll Officer. Chris Birch: Test report developed</p>
<p>Recorded changes to the payroll master files are compared to authorised source documents to ensure accurate input. BPM Control Type: Additional Control code: LIA-EMP-0009</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Chris Birch</p>	<p></p>	<p>Debbie McRitchie: All changes are made by the Payroll Officer only. Name, address, telephone numbers or any deductions are not changed unless supporting documentation has been received. Any documentations received for any changes to the payroll master files are saved in the TRIM Management System in each individual Payroll File. Chris Birch: Changes to masterfile report now produced and reviewed as part of the fortnightly payroll authorisation process by the Manger Financial Services</p>

<p>Any changes to the payroll master files are approved by management. BPM Control Type: Core Control code: LIA-EMP-0010</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: Depending on the change to the payroll master file. All changes are made by the Payroll Officer, for example annual increments are automatically updated as per the relevant Award and Enterprise Bargaining Agreement.</p> <p>Name, address, telephone numbers are not changed unless supporting documentation has been submitted by the employee.</p> <p>Reclassifications and Contract changes are authorized by the Chief Executive Officer.</p> <p>Rachel Kyriazis: Audit reports introduced from October 2015 post Civic health check.</p>
<p>Taxation</p>	<p>Rating</p>	<p>Status</p>	<p>Roles</p>	<p>Action plan</p>	<p>Assessment comments</p>
<p>Relevant staff members are provided with regular training in order to keep up to date with all relevant changes in tax legislation and reporting requirements or Council obtains tax advice from external tax advisors. BPM Control Type: Additional Control code: LIA-TAX-0001</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chang Liu Reviewer: Chris Birch</p>		<p>Chang Liu: The BAS and FBT returns are only done by one of the Senior Financial Services Officers, who are trained to do so. Changes to legislations are regularly received and noted by the staff.</p> <p>Chris Birch: ATR membership subscription keeps us up to date of changes. Some staff also have individual professional accounting memberships as well as FMG.</p>
<p>All lodgement statements and returns are reviewed and approved by authorised officer prior to being released. BPM Control Type: Core Control code: LIA-TAX-0002</p>	<p>5</p>	<p>No Action Required</p>	<p>Assessor: Chang Liu Reviewer: Chris Birch</p>		<p>Chang Liu: All returns are only done by authorised staff (Senior Financial Services Officers).</p> <p>Manager Financial Services signs BAS prior to submission.</p> <p>Chris Birch: Manager Finance is signing off returns prior to lodgement.</p>

<p>Management periodically reviews a selection of transactions to ensure appropriate tax treatment. BPM Control Type: Additional Control code: LIA-TAX-0003</p>	4	No Action Required	<p>Assessor: Chang Liu Reviewer: Chris Birch</p>	<p>Chang Liu: Material transactions are randomly selected regularly and reviewed to ensure correct tax treatment. Emphasis is placed on capital transactions. This is done by the Senior Financial Services Officers, not Management. Results are saved electronically and process is listed in BAS procedures. Chris Birch: GST treatment is checked monthly. Review undertaken annually of fees & charges review. Needs to be expanded to periodic Civica controls setup review</p>
<p>Management reviews reporting and lodgement of Statements>Returns on a regular basis to ensure compliance with statutory deadlines. BPM Control Type: Additional Control code: LIA-TAX-0006</p>	4	No Action Required	<p>Assessor: Chang Liu Reviewer: Chris Birch</p>	<p>Chang Liu: FBT returns are reviewed by Manager Financial Services prior to lodgement. BAS submissions are signed by Manager Financial Services. Chris Birch: Manager Finance does now sign off BAS prior to lodgement</p>
<p>Council has a working relationship with an external tax advisor and contacts them for advice when required. BPM Control Type: Additional Control code: LIA-TAX-0007</p>	4	No Action Required	<p>Assessor: Chang Liu Reviewer: Chris Birch</p>	<p>Chang Liu: When advice is required, we contact our external auditors or the ATO direct. Every few years, an external consultant will be hired to conduct a thorough audit and provide any process improvements that may be required. Chris Birch: Council has a subscription to the Australian Taxation Reporter. The subscription includes an advice line for technical questions. The response time and quality of advice when questions have been submitted has been of a high standard</p>
<p>Accounting policies and procedures specify correct treatment for preparing the fringe benefit tax and goods & services taxation returns within any given financial year. BPM Control Type: Core Control code: LIA-TAX-0008</p>	4	No Action Required	<p>Assessor: Chang Liu Reviewer: Chris Birch</p>	<p>Chang Liu: Current accounting policies do not specify treatments of transactions, however, the policy does refer to the applicable legislations. Further refinements required to include more specific legislative detail in policy. Chris Birch:</p>

Revenue					
Rates/Rate Rebates	Rating	Status	Roles	Action plan	Assessment comments
Rates are automatically generated by the rate system, including the calculation of rate rebates, if applicable. BPM Control Type: Core Control code: REV-RAT-0001	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Rates are automatically calculated in Council's test environment first, prior to calculating in the live system. This ensures the accuracy and integrity of the Live system. Chris Birch: Rates are automatically generated but assume the correct parameters have been applied to properties. Reconciliation to budget and sign off is undertaken.
Management regularly reviews the calculation methodology within the rate application system and for a sample of ratepayers to ensure correct calculation and methodology has been used. BPM Control Type: Core Control code: REV-RAT-0002	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: The Rates Officer does all the checking and test calculations to ensure accuracy of Rates System. Senior Finance Officer checks to ensure overall rates generated matches budget. Chris Birch: Rates officer is considered management/administration. Sample calculations double checked by MFS
All software changes to rate modelling functionality fully tested and reviewed by qualified personnel. BPM Control Type: Core Control code: REV-RAT-0003	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Any software changes are loaded into the Test System first and associated programs are run to ensure the results are correct. Then loaded into the Live system. Chris Birch:
Policy provides clear guidance to relevant employees as to the correct method for calculating rate income and the collections protocol. BPM Control Type: Additional Control code: REV-RAT-0004	3	In Progress Due date: 31/12/2015 Priority: Low	Assessor: Rachel Kyriazis Reviewer: Chris Birch	Formal Policy to be developed for 2016-2017 rating year Action plan comments: Policy to be worked on in early 2016 by Manager Financial Services in conjunction/consultation with Rates and Revenue Officer with assistance from Senior Financial Services Officer/s if required.	Rachel Kyriazis: The Calculation is automatically generated by the Authority System with the parameters input into the Test System first and rates generated and balanced, then the Live System. Collections protocols are listing in the Accounting Policies and Procedures document. Chris Birch: No Policy formal policy. Annual Business Plan provides policy guidance only
Annual valuation update is balanced prior to the generation of rates; all mismatches resolved prior to going live. BPM Control Type: Additional Control code: REV-RAT-0005	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: This is a MUST and is done every year. The rates system will not proceed any further until all valuations balance to the Valuer Generals values. Chris Birch:

Rates are generated using test data prior to the rates billing run. BPM Control Type: Additional Control code: REV-RAT-0006	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: This ensures the accuracy of the rates system and will highlight any short fall of revenue. Chris Birch:
Rate model outcomes reconciled to billing run outcomes prior to generation of rates. BPM Control Type: Additional Control code: REV-RAT-0007	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: This ensures the accuracy of the rates system. Chris Birch:
Rate debtors reconciliation performed on a regular basis; reviewed by management. BPM Control Type: Additional Control code: REV-RAT-0008	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Required to be reconciled monthly and checked by the Senior Finance Officer. Chris Birch:
Actual rate revenue and rate rebates are compared to budget regularly, management reviews and investigates significant variances. BPM Control Type: Additional Control code: REV-RAT-0009	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Organisations have up until the end of December each year to apply for a rebate. Beyond that date will have to wait until the next financial year. Chris Birch:
Property master file data is periodically reviewed by management for accuracy and on-going pertinence. BPM Control Type: Additional Control code: REV-RAT-0010	2	In Progress Due date: 31/12/2015 Priority: Low	Assessor: Rachel Kyriazis Reviewer: Chang Liu	Management randomly select and review property master file data for accuracy and on-going pertinence. Action plan comments: Rates Audit report has been set up after Civica health check, but the report does not generate correctly. Senior Financial Services Officer logged an IT ticket to investigate this issue on the 3/11/2015 - ticket number 530.	Rachel Kyriazis: Only the Rates Officer does accuracy check at this point in time. Chang Liu: Property master file data are not periodically reviewed by management at this moment, which should be.

<p>Recorded changes to property master file data are compared to authorised source documents or confirmed with ratepayers to ensure that they were input accurately. An audit trail is maintained for all changes. BPM Control Type: Core Control code: REV-RAT-0011</p>	<p>3</p>	<p>In Progress Due date: 31/12/2015 Priority: Low</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chang Liu</p>	<p>Rates Officer advised that source documents used for update property master file data are from authorised source. These documents are trimmed and are available for review. Civic Consultant advised that Audit Trail Report is available from Civic system during Civic Health Check visit, October 2015. Currently, IT is working on setting up this Audit Trail Report. Senior Financial Services Officer will perform regular sample check once Audit Trail Report is available. Action plan comments: Current system is not able to provide audit trail to records changes. IT is working on setting up the Audit Trail Report. Senior Financial Services Officer will perform regular sample check once Audit Trail Report is available.</p>	<p>Rachel Kyriazis: Rates master file has a "Name and Address History" button - which highlights any changes made and by whom. Chang Liu: Rates Officer advised that source documents used for update property master file data are from authorised source, such as property agency letter, etc. These documents are trimmed and are available for review. Civic Consultant advised that Audit Trail Report is available from Civic system during Civic Health Check visit, October 2015. Currently, IT is working on setting up this Audit Trail Report. Senior Financial Services Officer will perform regular sample check once Audit Trail Report is available.</p>
<p>Fine write-offs approved by authorised officer. BPM Control Type: Additional Control code: REV-RAT-0012</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chang Liu</p>		<p>Rachel Kyriazis: Over \$15 fines approved by Manager. Chang Liu:</p>
<p>General Ledger reconciliations are completed. BPM Control Type: Additional Control code: REV-RAT-0013</p>	<p>3</p>	<p>In Progress Due date: 31/12/2015 Priority: Medium</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chang Liu</p>	<p>Please perform rates related general ledger reconciliations on periodically (monthly) basis. Action plan comments: New Rates and Revenue Officer will start on 20 Jan 2016, who will pickup the reconciliation of all rates related general reconciliations on a regular basis.</p>	<p>Rachel Kyriazis: Run at end of each month and checked by Senior Finance Officer. Chang Liu: Monthly reconciliation reminder emails send out at the beginning of every month and two week duration has been given for monthly reconcilaition process. Rates related general ledger reconciliations were not completed on periodically basis during FY 2014/15 and first quarter of FY 15/16.</p>
<p>Authorised officers verify all pensioner concession entitlement information provided annually by government departments. BPM Control Type: Core Control code: REV-RAT-0014</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chang Liu</p>		<p>Rachel Kyriazis: Rates Officer and Backup Officer have Authority Chang Liu:</p>
<p>Maintain an audit trail of all weekly updates of pensioner concession information. All updates approved by management and independently matched to the property master file. BPM Control Type: Additional Control code: REV-RAT-0015</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chang Liu</p>		<p>Rachel Kyriazis: Rates Officer reviews the weekly supplementary file from SA Water and adjusts accordingly. Hard copies are registered in the Trim System. Chang Liu:</p>

Reconcile all pensioner concession debtors and balancing accounts on a regular basis; management to review reconciliation and investigate any unusual items. BPM Control Type: Additional Control code: REV-RAT-0016	3	In Progress Due date: 31/12/2015 Priority: Low	Assessor: Rachel Kyriazis Reviewer: Chang Liu	All pensioner concession debtors and balancing accounts should be reconciled on a regular basis. Action plan comments: New Rates and Revenue Officer will start on 20 Jan 2016, who will pickup the reconciliation of all pensioner concession debtors and will balance accounts on a regular basis.	Rachel Kyriazis: Part of monthly reconciliations. Chang Liu: All pensioner concession debtors and balancing accounts are reconciled at 30/06/2015. However, they are not reconciled regularly currently.
Council approves rate rebates to rate payers in accordance with Delegations of Authority and as per the legislation. BPM Control Type: Core Control code: REV-RAT-0017	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Rates Officer notifies management of any new applications for rebates and gives suggestion of the outcome to management. Chris Birch:
Regular independent review of the rates aged receivables reports and independent check of rates payable by rates staff. BPM Control Type: Core Control code: REV-RAT-0018	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Part of monthly reconciliations - Senior Finance Officer checks reconciliation as an independent check. Chris Birch:
Access to the Property master file is restricted to appropriately designated personnel, with significant changes to the Property master file approved by management. BPM Control Type: Core Control code: REV-RAT-0019	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chang Liu		Rachel Kyriazis: The Rates Officer and backup Rates Officer are the only officers with access to the rates masterfile. Chang Liu:
Employees responsible for processing rate notices cannot process payment of their own rates. BPM Control Type: Core Control code: REV-RAT-0020	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chang Liu		Rachel Kyriazis: Rates Officer does not live in the area or own any property in the Council area. Chang Liu:
Regular review of exempt properties to ensure still valid, interest flag switched off and rate rebates. BPM Control Type: Core Control code: REV-RAT-0021	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Review process is currently being re-assessed to ensure improved checking procedures are in place. Will be part of new Rates Officers role to instigate once new Rates Officer is appointed. Chris Birch: Audit Reports have been developed as part of the recent health checks. These have been added to the year end billing checklist
Reconciliation of rates notices produced and rates to rates posted / distributed. BPM Control Type: Additional Control code: REV-RAT-0022	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Councils Printer advises of amount of Notices Printed, which is compared to the amount of data sent - checked by two Council employees before final printing authorisation provided. Chris Birch:

Grants	Rating	Status	Roles	Action plan	Assessment comments
Council has a clear policy on Grant funding detailing assessment process, recognition, treatment, claim collection, community expectations and funding period and disclosure of any conflicts of interest. BPM Control Type: Core Control code: REV-GRA-0001	3	In Progress Due date: 31/12/2015 Priority: Medium	Assessor: Chris Birch Reviewer: Ginny Moon	There was a Draft Policy but not adopted by Council. Action plan comments: There was a Draft Policy but not adopted by Council. AS this has a low rating. I am keen to invest limited resources for the action plans associated with complying with the procurement assessments as a priority. Ginny 25/6/2015.	Chris Birch: Increased in Service levels (at times due to reduction in external funding) is assessed during the Draft Budget process. Recent Example is review of scope of HACC services due to projected reduction in funding from 2014/2015. Ginny Moon: Put Draft Policy to Audit Committee in 2015
Management and/or Council to approve all grants (prior to funds being received by Council) to ensure that Council will be able to meet the terms and obligations of the grant, and that the grant is in line with the Council's Strategic Objectives. BPM Control Type: Core Control code: REV-GRA-0003	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Grant funding report provided to Council on a quarterly basis which provides a high level summary of grant monies received. Report also details strategic plan linkage. Chris Birch: Any grant funding that required additional Council contribution, the adjustments are made known to Council during budget review process.
Management performs regular review of all grant income and to monitor compliance with both the terms of grants and Council's Grant policy (including claiming and collecting funds on a timely basis). BPM Control Type: Core Control code: REV-GRA-0004	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Quarterly Council report provides summary of all grant submissions. No formal process to identify that the terms of the grant are being met though as we do not have a grants officer to co-ordinate this process (currently responsibility of officer lodging the grant) Chris Birch: Departmental managers are responsible for reviewing grant acquittal requirements.
Council establishes a grant revenue register which records details such as reporting deadlines, amount and instalments expected and key milestones. BPM Control Type: Additional Control code: REV-GRA-0006	5	No Action Required	Assessor: Chris Birch Reviewer: Chang Liu		Chris Birch: A Grant Register is updated and presented to Council each quarter. Refer Council Agenda - Information Report Chang Liu:
User Pay Income - Fee for Service	Rating	Status	Roles	Action plan	Assessment comments
Formal leases, agreements or contracts are required to cover use of Council facilities, sporting grounds, etc. Regularly review conducted to ensure conditions are being met and payments made on time. BPM Control Type: Core Control code: REV-USE-0001	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Fees associated with Leases and Licenses are now maintained by specialised Property Officer. Chris Birch:

<p>Comprehensive complaints management policy and opportunities for public to provide regular feedback (i.e. surveys). BPM Control Type: Additional Control code: REV-USE-0002</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Kerry Price Reviewer: Kerry Loughhead</p>		<p>Kerry Price: Refer to Finance for their complaints policy. Also complaints form introduced April 2013 (Customer Service Charter). The complaints form and information about the form is available on the Prospect website or front counter Civic. Information sessions have been held for Customer Service Staff so that they are familiar with this form and the process. Several training sessions have been held for Customer Service to gain a better understanding of the Customer Service charter and to define what a complaint is/isn't. Work in progress to have a simple customer service charter that is available and easy to read and understand. Customer Service Committee to be started and first meeting anticipated to be held end of 2015 to beginning of 2016. This will be one of the first items on the agenda. Kerry Loughhead: Customer Service Committee to commence in 2016 - awaiting ELT feedback.</p>
<p>Fees and charges are reviewed annually and adopted by Council. BPM Control Type: Core Control code: REV-USE-0003</p>	<p>5</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>		<p>Chris Birch: Fees and Charges Register is reviewed annually and presented to Council in June/July as part of the budget adoption. Refer most recent revised Register for 2015/2016 on 23/6/15 Council Meeting Agenda. Ginny Moon:</p>
<p>User pay income compared to budget regularly; management reviews and investigates significant variances. BPM Control Type: Additional Control code: REV-USE-0005</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chang Liu Reviewer: Chris Birch</p>		<p>Chang Liu: Review on a regular basis in meetings between Finance/Departments. Any material differences reported to Council throughout the year via Budget Reviews. Chris Birch: Modules such as Dog Control are preloaded to the system highlighting variances</p>
<p>Fees and Charges register is made available to public. BPM Control Type: Core Control code: REV-USE-0006</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chang Liu Reviewer: Chris Birch</p>		<p>Chang Liu: Annually reviewed and uploaded to Council's website. Chris Birch:</p>

Audit trail where variance to adopted fees and charges are applied. BPM Control Type: Additional Control code: REV-USE-0007	4	No Action Required	Assessor: Chang Liu Reviewer: Chris Birch		Chang Liu: Managers are involved in the setting of fees and charges every year and are made aware of any changes as they occur. Chris Birch: Due to lack of resources, the audit trail has not been performed. Actual is compared to the budget on a regular basis therefore mitigated risks not collecting sufficient income.
Register of bonds and deposits received is maintained and reconciled regularly. BPM Control Type: Additional Control code: REV-USE-0008	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chang Liu		Rachel Kyriazis: Monthly reconciliations for deposits maintained as a part of reconciliation process. Refer CR15/419 for 15/16 reconciliations. Chang Liu:
Processes in place to ensure all user pays income or reimbursement is accounted for e.g. insurance claims. BPM Control Type: Additional Control code: REV-USE-0009	4	No Action Required	Assessor: Chang Liu Reviewer: Rachel Kyriazis		Chang Liu: All outstanding debtors are followed up by the officer responsible for accounts receivable. Rachel Kyriazis:
Amounts charged are in accordance with the Council's Fees and Charges register. BPM Control Type: Core Control code: REV-USE-0010	4	No Action Required	Assessor: Chang Liu Reviewer: Chris Birch		Chang Liu: Copy of Adopted Fees and Charges register emailed annually by Manager Financial Services to all staff. Default codes used by Customer Service staff to ensure consistent \$ charges (in line with Fees & Charges register) are used and are updated by the Customer Services Coordinator. Chris Birch:
Users are provided with a sequentially pre-numbered form acknowledging receipt of any cash payments and cash receipts forms are balanced to cash deposited to the bank. The numerical sequence of these forms is accounted for. BPM Control Type: Core Control code: REV-USE-0011	4	No Action Required	Assessor: Kerry Price Reviewer: Chang Liu		Kerry Price: Yes this is done. Chang Liu:
Receipts transactions are batched and batch input data is balanced; out-of-balance batches are corrected promptly. BPM Control Type: Additional Control code: REV-USE-0012	4	No Action Required	Assessor: Kerry Price Reviewer: Chang Liu		Kerry Price: Yes this is done. Chang Liu:
Investment/Interest Income	Rating	Status	Roles	Action plan	Assessment comments
Investment income is reconciled to third-party statements regularly and differences are acted upon. BPM Control Type: Core Control code: REV-INV-0001	5	No Action Required	Assessor: Chris Birch Reviewer: Chang Liu		Chris Birch: Investment income is reconciled to LGFA Interest statements which are received every quarter and checked against LGFA website when required. Chang Liu:

Actual investment income is compared to budget on a regular basis. BPM Control Type: Additional Control code: REV-INV-0002	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Manager Financial Services or Senior Financial Services Officer's monitor this and any material variances are reported to Council via budget review quarterly reporting. Chris Birch:
Investment transactions at, before, or after the end of an accounting period are scrutinised and/or reconciled to ensure complete and consistent recording in the appropriate accounting period. BPM Control Type: Core Control code: REV-INV-0003	4	No Action Required	Assessor: Chris Birch Reviewer: Chang Liu		Chris Birch: Investment income is reconciled to LGFA statements which are received quarterly and journaled immediately if required. It is also checked against the LGFA website when required. Chang Liu:
Receipting	Rating	Status	Roles	Action plan	Assessment comments
Reversals of transactions should be checked by an independent officer. BPM Control Type: Additional Control code: REV-REC-0001	4	No Action Required	Assessor: Kerry Price Reviewer: Chris Birch		Kerry Price: Receipt reversals signed for noting purposes. All receipt reversals must be authorised by the Manager Financial Services. Chris Birch:
Cash is stored securely at all times including the duration of the cash management process. BPM Control Type: Core Control code: REV-REC-0002	4	No Action Required	Assessor: Kerry Price Reviewer: Chang Liu		Kerry Price: Petty cash kept at front counter sliding cabinet during the working day with authorised staff only being able to access this area (security access under review). Key locks on 4 of the 4 front counter cash drawers. Cash is counted in the back office where only authorised personnel can enter (security access under review). Cash is counted by 1st checker and then cash put in safe until the 2nd checker is able to count it. All other cash is kept in the safe Chang Liu:
All cheques received in Records are stamped 'Not Negotiable' if not already marked so. BPM Control Type: Additional Control code: REV-REC-0003	5	No Action Required	Assessor: George Pajak Reviewer: Chang Liu		George Pajak: 12/10/2015 - Yes they are Chang Liu:
Receipts are recorded. Service users / customers are provided with a copy of the register receipt and total daily receipts (per the register) are balanced to receipts deposited to the bank by an independent person. BPM Control Type: Core Control code: REV-REC-0004	4	No Action Required	Assessor: Kerry Price Reviewer: Chang Liu		Kerry Price: Customers are provided with a receipt and monies are all balanced using the transaction report to balance totals. Monies are checked by 2 Customer Service Staff. Chang Liu:

Bank statements are reconciled to the general ledger and banking reports where relevant, on a predetermined basis and are reviewed authorised person. BPM Control Type: Core Control code: REV-REC-0006	4	No Action Required	Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis		Debbie McRitchie: Bank Statements for both the General Fund and the Rates Account are reconciled to general ledger up to four times a week. As part of the end of month procedure the reconciliations are reviewed and authorized by the Senior Finance Officer. Rachel Kyriazis:
Receipts transactions are batched and batch input data is balanced; out-of-balance batches are corrected promptly. BPM Control Type: Additional Control code: REV-REC-0008	4	No Action Required	Assessor: Kerry Price Reviewer: Chang Liu		Kerry Price: Yes this is done. Voids and reversals are done promptly and authorised correctly. Chang Liu:
Process in place to ensure all monies received are receipted and recorded in a timely manner. BPM Control Type: Core Control code: REV-REC-0009	4	No Action Required	Assessor: Kerry Price Reviewer: Chang Liu		Kerry Price: All monies are receipted daily and staff are rostered on accordingly to ensure sufficient staff to process transactions. If manual receipting done due to system down, receipting entered as soon as system is up - ie that day if up and running. Chang Liu:
Officers who create debtors invoices do not have access to receipting payments and/or reversing receipt transactions. BPM Control Type: Core Control code: REV-REC-0012	4	No Action Required	Assessor: Kerry Price Reviewer: Chang Liu		Kerry Price: Rates officer (this role also includes debtors) does not receipt/reverse any monies Chang Liu:
Other Revenue	Rating	Status	Roles	Action plan	Assessment comments
Other revenue is reconciled and outstanding accounts are followed up regularly. BPM Control Type: Additional Control code: REV-OTR-0002	4	No Action Required	Assessor: Chang Liu Reviewer: Chris Birch		Chang Liu: Debtors credit control is reconciled monthly and outstanding accounts are followed up regularly. Chris Birch: Other income is reconciled to budget and amendments updated via quarterly budget review. All outstanding debts are recovered in line with approved policy/process.

<p>Processes in place to provide an audit trail for cash received outside Council receiving areas. BPM Control Type: Core Control code: REV-OTR-0003</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chang Liu Reviewer: Chris Birch</p>	<p>Chang Liu: No cash should be received outside Council's formal receiving areas (ie customer service & Library). Library provide cash register receipts to customer service when depositing money to ensure all cash is received. Exception is Gallery - sales of artist artworks are written up on manual receipts. All money received to a suspense account for reconciliation. Chris Birch: Council operates a spare cash register for abnormal cash receipting (ie Club 5082, Events (Tourrific)). Cash is then reconciled and receipted at the civic centre the following business day. A mobile EFTPOS machine accompanies this register for electronic payments of which a growing percentage are.</p>
<p>Other revenue is compared to budget regularly; regular independent review of all aged receivable reports where management investigates significant variances. BPM Control Type: Additional Control code: REV-OTR-0004</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chang Liu Reviewer: Chris Birch</p>	<p>Chang Liu: Regular meetings are held with directors and managers to discuss significant variances and help identify any income that may not have been received yet. Regular independent review of all aged receivable reports is done through reconciliation process. This is done by the Senior Financial Services Officers, not Management. Chris Birch: Revenue variance to budget is reviewed monthly with relevant budget manager. Aged debtors monitored daily by Manager Financial Services and monthly by operational staff. Some delays in referral to debt collector occurred last financial year. All debts currently recovered in line with approved policy/process.</p>
<p>Payees are provided with a sequentially pre-numbered form acknowledging receipt of monies and are balanced to cash deposits. BPM Control Type: Core Control code: REV-OTR-0005</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Kerry Price Reviewer: Chang Liu</p>	<p>Kerry Price: Receipts are sequential that are issued by Customer Service Officers through "Authority" system In the event that manual receipts are issued these are sequential however they are then input into Authority as generally manual receipts are only issued if the systems are down. Chang Liu:</p>

Receipts transactions are batched and batch input data is balanced; out-of-balance batches are corrected promptly. BPM Control Type: Additional Control code: REV-OTR-0006	4	No Action Required	Assessor: Kerry Price Reviewer: Chang Liu		Kerry Price: Yes they are - if the error is that day then the receipt is voided out that day and re-entered with correct details and correct authorisation. Chang Liu:
Invoices for other income (i.e. expiation fees) are automatically priced by the application system. BPM Control Type: Additional Control code: REV-OTR-0007	4	No Action Required	Assessor: Kerry Price Reviewer: Chang Liu		Kerry Price: Ticket and dollar amount are uploaded by the Community Safety department at City of Prospect. Amounts are set out by State Government and uploaded into Authority so there is no need to manually enter into the system. The same for rates searches in that the amounts are automatically priced. Development area fees vary for each application but are worked out prior to lodgement and figures entered in by Development Staff. Chang Liu:

Attachment

Expenses					
Purchasing and Procurement	Rating	Status	Roles	Action plan	Assessment comments
Council has a comprehensive Contract and Procurement Policy that is reviewed regularly. BPM Control Type: Core Control code: EXP-PUR-0001	3	Not Started Due date: 31/12/2015 Priority: Medium	Assessor: Chris Birch Reviewer: Ginny Moon	To ve reviewed in Dec 2015 - to AC	Chris Birch: Refer Council's Procurement Policy and Procedures C10/1890. Procurement policy reviewed annually as part of Council's Accounting Policy Review. Last review in August 2014 with a number of suggested amendments put forward by the Audit Committee. Council has engaged the services of ArcBlu to review and improve Council's procurement processes Ginny Moon: Not reviewed since 2012 as at 4/11/2015
Purchase orders and invoice data are compared; inaccuracies are investigated and actioned. BPM Control Type: Additional Control code: EXP-PUR-0002	4	No Action Required	Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis		Debbie McRitchie: As part of the end of month procedure the Purchasing Trial Balance is reconciled with the general ledger. Any outstanding or part received purchase orders are identified. All inaccuracies are investigated and actioned. Rachel Kyriazis:
Purchase orders are issued in accordance with the Council's Purchasing and Procurement Policy. BPM Control Type: Core Control code: EXP-PUR-0003	4	No Action Required	Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis		Debbie McRitchie: Purchase Order numbers are automatically generated by Authority. Approval of requisitions are approved as per the Accounting Policy and the Online Requisition Manual. Rachel Kyriazis:
Employees must ensure all purchase orders are approved in accordance with the Delegations of Authority and relevant policies. BPM Control Type: Core Control code: EXP-PUR-0004	4	No Action Required	Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis		Debbie McRitchie: Purchase Orders are approved in accordance with the Accounting Policy and Delegations. The approval levels are control by the heirarchy in the Authority Live Database. Rachel Kyriazis:

<p>Review purchasing patterns and purchases made from non-preferred suppliers; management regularly reviews this report and investigates significant/unusual items. BPM Control Type: Additional Control code: EXP-PUR-0005</p>	<p>3</p>	<p>In Progress Due date: 24/12/2015 Priority: Low</p>	<p>Assessor: Chris Birch Reviewer: Rachel Kyriazis</p>	<p>Procurement function review commenced. MFS to be responsible for function. Microsoft Query could be set up to identify purchasing patterns for 15/16. Action plan comments: Procurement function review commenced. MFS to be responsible for function. Microsoft Query could be set up to identify purchasing patterns for 15/16.</p>	<p>Chris Birch: Requires development. ArcBlue spend analysis highlighted a number of suppliers used across the organisation but not engaged corporately. Rachel Kyriazis:</p>
<p>Robust selection process of preferred suppliers. Criteria for supplier selection is defined and communicated by management to ensure that goods and services are obtained only from properly authorised suppliers. BPM Control Type: Additional Control code: EXP-PUR-0006</p>	<p>3</p>	<p>In Progress Due date: 24/12/2015 Priority: Medium</p>	<p>Assessor: Chris Birch Reviewer: Rachel Kyriazis</p>	<p>Current preferred contractor register to be reviewed as part of review of procurement function. To happen in 2015/2016. Action plan comments: Council procurement policy and weighed tender evaluation matrix (assessment) already exists. Current preferred contractor register to be reviewed as part of review of procurement function. To happen in 2015/2016.</p>	<p>Chris Birch: Preferred Contractor register exists. Contracts and tenders are awarded in accordance with Councils procurement policy. Rachel Kyriazis:</p>
<p>Periodic review of all contracts and purchase to ensure that Council achieves value for money from suppliers. BPM Control Type: Additional Control code: EXP-PUR-0007</p>	<p>3</p>	<p>In Progress Due date: 24/12/2015 Priority: Medium</p>	<p>Assessor: Alex Cortes Reviewer: Chris Birch</p>	<p>Process for review to be established in Procurement review as per Council's draft workplan.</p>	<p>Alex Cortes: Benchmarking is ongoing and forms part of ERA's key objectives. Chris Birch:</p>
<p>Staff provided clear guidance and instructions on the process for purchasing goods and services, including appropriate approval and obtaining appropriate number of quotes, where applicable. BPM Control Type: Additional Control code: EXP-PUR-0008</p>	<p>3</p>	<p>Not Started Due date: 31/12/2015 Priority: Medium</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>	<p>Need to be reviewed and incorporate review/findings by Arc Blue - Procurement Roadmap. Action plan comments: Not commenced as at 25/06/2015. Chris to follow up. Bentley has been engaged in carrying out an audit in Procurement and Contract Management. Ginny 25/06/2015</p>	<p>Chris Birch: Key control is that no payments will be made without authorisation from delegated officers. The Leadership Team, has been briefed on the Procurement Policy and have invited LGA Procurement Group to emphasise Best practice Procurement procedure. Processes are currently being reviewed in preparation for recommendations from ArcBlu. Staff refresher training to be undertaken on Small Contract Management and Associated Templates Ginny Moon: On-line requisitioning system also facilitates the implementation of the purchasing policy</p>

<p>Staff provided clear guidance and instructions as to the importance of using preferred suppliers for the purchase of goods and services. BPM Control Type: Additional Control code: EXP-PUR-0009</p>	<p>3</p>	<p>In Progress Due date: 31/12/2015 Priority: Medium</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>	<p>Preferred supplier arrangements across the organisation to be implemented. Action plan comments: Preferred supplier arrangements across the organisation to be implemented. Procurement process to be reviewed.</p>	<p>Chris Birch: The Infrastructure Department has a preferred suppliers List. A organisational wide consolidated list is yet to be finalised. Ginny Moon: Need to be reviewed and incorporate review/findings by Arc Blue - Procurement Roadmap.</p>
<p>Unmatched purchase orders are actioned. BPM Control Type: Additional Control code: EXP-PUR-0012</p>	<p>3</p>	<p>Complete Due date: 24/12/2015 Priority: Low Completion date: 13/01/2016</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>	<p>Spoke to responsible officer. Due to heavy workload at present which is a result of backfilling a vacant position until re-appointment, this is not being looked at, but will recommence once position filled. Action plan comments: Purchasing Reconciliation checked by Senior Financial Services Officer as at 30/12/15, satisfied that material items are currently up to date.</p>	<p>Debbie McRitchie: Unmatched and outstanding Purchase Orders are reviewed as part of the end of month reconciliations. Rachel Kyriazis:</p>
<p>Purchase orders are sequentially pre-numbered. Sequence of purchase orders processed is accounted for. BPM Control Type: Core Control code: EXP-PUR-0013</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: Purchase Order numbers are automatically generated by Authority. Rachel Kyriazis: System generated.</p>
<p>Recorded changes to the supplier master file are compared to authorised source documents to ensure that they were input accurately. BPM Control Type: Additional Control code: EXP-PUR-0015</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: Currently Manual checks are being done as part of the approval process. Rachel Kyriazis: Changes to suppliers are done through Accounts Payable module. As at October 2015 Authority audit report for Accounts Payable up and running post Civica health check. Accounts Payable Officer will print this off at end of month and Senior Financial Services Officer checks report.</p>
<p>Access to the supplier master file is restricted to appropriately designated personnel. BPM Control Type: Core Control code: EXP-PUR-0016</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: Access to the supplier master file is restricted to the Finance Team. Rachel Kyriazis: Only minimal finance staff have access.</p>

Payroll	Rating	Status	Roles	Action plan	Assessment comments
<p>Employees are not added to the payroll records or paid without receipt of the appropriate forms duly authorised by responsible Council Officers. BPM Control Type: Core Control code: EXP-PAY-0001</p>	4	No Action Required	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: New Employees are not added to the payroll system unless a copy of the Letter of Offer or Employment Contract is provided. The Employee must complete all forms relevant forms before commencement of employment.</p> <p>The Employee completes and returns the Employee Information Package which is provided to them by the Human Resources Manager.</p> <p>Rachel Kyriazis:</p>
<p>All employee deductions must be substantiated with documented approval provided by employee. BPM Control Type: Core Control code: EXP-PAY-0002</p>	4	No Action Required	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: Employees must provide written notification before any new payroll deductions are actioned in the payroll system.</p> <p>All notifications either written or by email are saved in the TRIM electronic filing system and to the correct payroll file.</p> <p>Rachel Kyriazis:</p>
<p>Independent review of proposed payments by an authorised officer prior to the payment being released. BPM Control Type: Additional Control code: EXP-PAY-0003</p>	4	No Action Required	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: Once timesheets are entered and checked by the Payroll Officer. A Pay Edit Listing is produced, this listing is checked and signed by the Payroll Officer.</p> <p>Before the pays are updated and released to the bank the Pay Edit Listing is reviewed using the timesheets and any documentation provided by the Payroll Officer. The Pay Edit Listing is also signed and then approved by the Manager of Finance.</p> <p>Rachel Kyriazis: Reviewed by Manager Financial Services</p>

<p>Employee records to include employment details and/or contract terms and conditions, authorisations for payroll deductions and leave entitlements. BPM Control Type: Core Control code: EXP-PAY-0004</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: All Employee records are saved to each individual personal or payroll file in TRIM Electronic Filing System. All documentation, including Contract Terms and Conditions are saved to correct trim file.</p> <p>Any completed forms for example the Tax Declaration are scanned and saved to TRIM.</p> <p>Rachel Kyriazis:</p>
<p>Officers responsible for originating/preparing payroll disbursements are precluded from authorising transfer of same. BPM Control Type: Core Control code: EXP-PAY-0005</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: The disbursement of monies via the ANZ Bank are first loaded into ANZ Transactive by the Payroll Officer and then authorized by the Manager of Finance.</p> <p>Rachel Kyriazis: Payroll officer has no access in ANZ Transactive to transfer payments.</p>
<p>Payees identified on pay slips by employee number and name. All employees paid by EFT (manual cheque when necessary) into authorised a/c. EFT listing must be reconciled to: Net pay total of payroll journal; No. of employees paid; Listing received from Council's bank. BPM Control Type: Additional Control code: EXP-PAY-0006</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: All Employees are issued a payslip which shows their full name and payroll number.</p> <p>The total amount of funds which has been loaded into ANZ Transactive is reconciled against the Pay Edit Listing in the first instance and then again from the Net Pay Summary Report. The ANZ Confirmation Report is also check, printed and authorized by the Manager of Finance.</p> <p>Rachel Kyriazis: Checked off by Manager Financial Services.</p>
<p>Any non-routine payroll queries or queries of a managerial/strategic nature are investigated by Senior Management. BPM Control Type: Core Control code: EXP-PAY-0007</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: Any non-routine payroll queries I normally approach the Finance Manager or Human Resources depending on the nature of the query.</p> <p>Rachel Kyriazis:</p>

<p>Employees made inactive in payroll records immediately upon termination. Termination report provided as supporting documentation with request for an EFT. Comparison of subsequent current employee listings made by independent person to verify correctness. BPM Control Type: Core Control code: EXP-PAY-0008</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>	<p>Debbie McRitchie: Employees are made inactive upon termination. An excel spreadsheet is used to calculate any monies due, for example unused Annual Leave, Flexi Leave or Long Service Leave. All supporting documentation is attached to this spreadsheet. An authorized signature is required by the Finance Services Manager before processing the final pay.</p> <p>A listing of current employees by an independent person to verify correctness has been marked as an outstanding item to action.</p> <p>Rachel Kyriazis:</p>
<p>All time sheets are checked and verified by the payroll officer with evidence of processing. BPM Control Type: Additional Control code: EXP-PAY-0009</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>	<p>Debbie McRitchie: All timesheets are checked and verified by the Payroll Officer.</p> <p>The Pay Edit Listing is printed and reviewed against each timesheet before updated any details or payment is made.</p> <p>Rachel Kyriazis:</p>
<p>An exemption report showing all deductions and allowances is to be printed and checked by an authorised officer before pay slips are processed. BPM Control Type: Additional Control code: EXP-PAY-0010</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>	<p>Debbie McRitchie: An Exemption Report is printed each fortnight, this report only show any changes to bank account details, reclassifications or annual increment changes.</p> <p>The Exemption Report is reviewed by the Finance Services Manager.</p> <p>Rachel Kyriazis: Post Authority health check in October 2015, new audit report has been implemented which discloses all changes to the Payroll masterfile.</p>
<p>Total of payment summaries for the year is reconciled to general ledger and payroll. BPM Control Type: Core Control code: EXP-PAY-0011</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>	<p>Debbie McRitchie: Total of Payment Summaries for the year is reconciled to the General Ledger and the Payroll Module. This part of the end of year procedure.</p> <p>Rachel Kyriazis:</p>

Payment summaries that are returned or unclaimed are received and investigated by an authorised officer. BPM Control Type: Additional Control code: EXP-PAY-0012	4	No Action Required	Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis	Debbie McRitchie: All Payment Summaries that are returned to Council are quickly identified as to the reason why and promptly returned to the employee. Rachel Kyriazis:
Timesheets are reconciled regularly to the payroll reports to ensure that all time entered manually into the payroll system is accurate. BPM Control Type: Additional Control code: EXP-PAY-0013	4	No Action Required	Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis	Debbie McRitchie: Timesheets are reconciled each fortnight before they are entered manually into Timesheet Entry in Authority. This is processed by the Payroll Officer. Rachel Kyriazis:
Any adjustments to employee records are not permitted without written authorisation of the employee. BPM Control Type: Additional Control code: EXP-PAY-0014	4	No Action Required	Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis	Debbie McRitchie: Any adjustment to employees records are not processed unless written approval has been received by the employee. Rachel Kyriazis:
The listing of payroll deductions is periodically reviewed by management for accuracy, compliance with statutory requirement and ongoing pertinence with changes compared to authorised source documents to ensure that they were input accurately. BPM Control Type: Core Control code: EXP-PAY-0015	4	No Action Required	Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis	Debbie McRitchie: The Payroll Deduction Report is reviewed and authorized by the Finance Services Manager each fortnight as part of the fortnightly pay run. Rachel Kyriazis:
Salary and hourly payroll reports are reviewed and approved by management. BPM Control Type: Additional Control code: EXP-PAY-0016	4	No Action Required	Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis	Debbie McRitchie: The Pay Edit Listing is reviewed each fortnight and authorized by the Finance Services Manager. This report shows each employee's hourly rate. Rachel Kyriazis:

<p>Standard programmed formulae perform payroll calculations. BPM Control Type: Core Control code: EXP-PAY-0017</p>	<p>3</p>	<p>In Progress Due date: 24/12/2015 Priority: High</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>	<p>Payroll Officer has recommended to Finance Manager in late October 2015 that a consultant is engaged to get the Long Service Leave on the Authority system given the short time frame required for implementation which the Payroll Officer can not meet with her current workload. Flexi leave input has been tested in demo and selected transactions are being checked over the next few fortnights. Post review, the Payroll Officer will look at implementing in live in the first half of 2016. Action plan comments: The new version of Authority (version 11) which is planned to be implemented in February 2016. This will have the facility for electronic timesheets and online review. This may take a while to get up and running though, as Payroll Officer has a backlog of work due to covering for an unfilled position and workflows will need to be established, which is not an easy process to establish. It has been recommended to to engage Civica post version 11 implementation to assist with getting process up and running as discussed in the Payroll Authority Heath Check.</p>	<p>Debbie McRitchie: Standard Programmed formulae are performed as part of the fortnightly pay run for example spot checks are preformed using the Pay Edit Listing to review superannuation deductions. The Tax Scale will be reviewed as at the first of July each financail year, tax deductions are also reviewed and spot check. Rachel Kyriazis:</p>
<p>Overtime hours worked and payments for such overtime are authorised by management for all eligible employees. BPM Control Type: Core Control code: EXP-PAY-0018</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: Employees must complete an Overtime / Callout Form, this form must completed by the Employee and Authorized by the Supervisor/Team Leader or Manager before payment of any overtime can be processed. Rachel Kyriazis:</p>
<p>Non-standard pays checked by a person independent from the calculation process. BPM Control Type: Additional Control code: EXP-PAY-0019</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: Any non-standard pays are reviewed and authorized by the Finance Services Manager. Rachel Kyriazis: Exception report checked by Manager Financial Services.</p>

<p>Amounts paid to employees are regularly reconciled to the General Ledger accounts. BPM Control Type: Additional Control code: EXP-PAY-0020</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: Amounts paid to Employees are reconciled as part of the end of month procedures. Managers and Teams review any amounts paid to Employees as part of the budget process. Rachel Kyriazis:</p>
<p>Actual payroll expense is compared to budget by management; significant variances are investigated and approved by management. BPM Control Type: Additional Control code: EXP-PAY-0021</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chang Liu Reviewer: Chris Birch</p>		<p>Chang Liu: Actual payroll expense is compared to budget regularly by Manager Financial Services and Senior Financial Services Officers. Significant variances are investigated and approved by management. Chris Birch:</p>
<p>The transfer of the bank file should be restricted to authorised officers who are not be involved in the preparation of the pay run. BPM Control Type: Core Control code: EXP-PAY-0022</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: The transfer of the bank file is first loaded in ANZ Transactive by the Payroll Officer, the file is then authorized by the Finance Services Manager. Rachel Kyriazis: Payroll Officer does not have access in ANZ Transactive to transfer the bank file.</p>
<p>Managers perform a regular review of report detailing all employees listed on payroll master file; all unusual items are investigated. BPM Control Type: Additional Control code: EXP-PAY-0023</p>	<p>3</p>	<p>In Progress Due date: 24/12/2015 Priority: Medium</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>	<p>After discussion with the Payroll Officer, it has been decided that implementing the Business Unit Summary Sheet is to time intensive. A better option is online timesheets in the next release of Authority which is scheduled to be rolled out in January 2016. Action plan comments: The new version of Authority (version 11) which is planned to be implemented in February 2016. This will have the facility for electronic timesheets and online review. This may take a while to get up and running though, as Payroll Officer has a backlog of work due to covering for an unfilled position and workflows will need to be established, which is not an easy process to establish. It has been recommended to engage Civica post version 11 implementation to assist with getting process up and running as discussed in the Payroll Health Check.</p>	<p>Debbie McRitchie: Business Unit Summary Sheet as been created, this will show Management ordinary hours worked by the Employee and any leave taken. At this this Business Unit Summary has only been created for the Finance Team and submitted to the Human Resources Manager and Finance Services Manager for Review. Rachel Kyriazis:</p>

<p>Payroll system generates exception reports detailing all payroll changes that are regularly reviewed by management who investigate & approve variances. BPM Control Type: Core Control code: EXP-PAY-0024</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: As part of the Authority Payroll Health Check the Employee Pay Audit Report can be printed. This report is not currently in the Authority live database. IT to set up in the live database and notify the Payroll Officer once completed. Rachel Kyriazis: New Audit report now being used post Authority health check in October 2015.</p>
<p>Time recording and attendance exceptions based on expectations established by management are identified, monitored and corrected. BPM Control Type: Additional Control code: EXP-PAY-0025</p>	<p>3</p>	<p>In Progress Due date: 24/12/2015 Priority: Medium</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>	<p>Online timesheets are in the next release of Authority which is scheduled to be rolled out in January 2016 which should provide supervisors with this exception reporting. Action plan comments: The new version of Authority (version 11) which is planned to be implemented in February 2016. This will have the facility for electronic timesheets and online review. This may take a while to get up and running though, as Payroll Officer has a backlog of work due to covering for an unfilled position and workflows will need to be established, which is not an easy process to establish. Will probably need to engage Civica post version 11 implementation to assist with getting process up and running.</p>	<p>Debbie McRitchie: Employees need to submit timesheet by email to their Supervisor/Team Leader with a copy to payroll. Any discrepancies to the start or finish times or leave details should be corrected by the Supervisor/Team Leader and resubmitted to payroll. Rachel Kyriazis:</p>
<p>The ability to view, modify, or transfer information contained in the payroll master files is restricted to authorised personnel. BPM Control Type: Additional Control code: EXP-PAY-0027</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: The ability to view, modify or transfer information contained in the payroll master files is restricted to the Payroll Officer, Senior Finance Officer and Human Resources Manager. Rachel Kyriazis: Only 3 staff in finance with access to such security rights.</p>
<p>Significant changes (supported by adequate audit trail) to the payroll master files approved by management. BPM Control Type: Core Control code: EXP-PAY-0029</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: An Exception Report is provided each fortnight, reviewed and authorized by Finance Services Manager. Rachel Kyriazis:</p>

<p>All payroll deductions must be approved by the relevant employee. BPM Control Type: Core Control code: EXP-PAY-0030</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: Payroll deductions are not acted upon unless the Employee has provided written authorization for the deduction to commence. All requests are saved in the TRIM Electronic Filing System in the correct Payroll File. Rachel Kyriazis:</p>
<p>Access to the payroll deduction listing is restricted to authorised officers. BPM Control Type: Core Control code: EXP-PAY-0031</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: A Payroll Deduction Listing is printed each fortnight. This Listing is reviewed by the Payroll Officer. The Finance Services Manager also reviews and authorizes the Payroll Deduction Listing. Rachel Kyriazis:</p>
<p>All original salary sacrifice transactions must be approved by the relevant employee. Payroll staff must ensure that such approval has been obtained prior to processing transactions into the payroll system. BPM Control Type: Core Control code: EXP-PAY-0032</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: At this stage only a small amount of employees are salary sacrificing superannuation contributions. A new 'Making Contributions Form' for Statewide Super must be completed by the employee and authorized by the Payroll Officer before any superannuation contributions can be salary sacrificed. Rachel Kyriazis:</p>
<p>Management reviews a selection of salary sacrifice calculations for accuracy and compliance with statutory requirements; identified errors are promptly corrected. BPM Control Type: Additional Control code: EXP-PAY-0033</p>	<p>0</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: Not applicable, no salary sacrifice arrangements have been made. Rachel Kyriazis:</p>
<p>All payroll suspense accounts are reconciled and reviewed by management or other supervisory personnel on a timely basis. Transactions recorded in the payroll suspense accounts are proper suspense items; other items are investigated and resolved in a timely manner. BPM Control Type: Core Control code: EXP-PAY-0038</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis</p>		<p>Debbie McRitchie: All payroll suspense accounts are reconciled as part of the end of month procedures. Reconciliations are reviewed by the Senior Finance Officer and authorized. Rachel Kyriazis:</p>

Relevant staff are required to complete timesheets and/or leave forms, authorise them and have approved by the supervisor/manager. BPM Control Type: Core Control code: EXP-PAY-0039	3	In Progress Due date: 24/12/2015 Priority: High	Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis	Online timesheets are in the next release of Authority which is scheduled to be rolled out in January 2016 which should provide supervisors with this exception reporting. Action plan comments: The new version of Authority (version 11) which is planned to be implemented in February 2016. This will have the facility for electronic timesheets and online review. This may take a while to get up and running though, as Payroll Officer has a backlog of work due to covering for an unfilled position and workflows will need to be established, which is not an easy process to establish. It has been recommended to engage Civica post version 11 implementation to assist with getting process up and running as discussed in the Payroll Health Check.	Debbie McRitchie: All relevant staff are required to complete timesheets and Leave Applications. Leave Applications are authorized by the Employee's Supervisor/Manager. Rachel Kyriazis:
Payroll master file data is reviewed for accuracy and employee validation, identified errors are corrected. BPM Control Type: Additional Control code: EXP-PAY-0040	4	No Action Required	Assessor: Debbie McRitchie Reviewer: Rachel Kyriazis		Debbie McRitchie: The Payroll Exception Report shows any changes to the Payroll Maste File and is reviewed and authorized each fortnight. Rachel Kyriazis: New audit report has now been implemented post Authority health check in October 2015.
Elected Members Expenses	Rating	Status	Roles	Action plan	Assessment comments
Actual elected member's expenses regularly compared to budget. For significant or repeat expenses, material variances are investigated. BPM Control Type: Additional Control code: EXP-ELE-0001	5	No Action Required	Assessor: Kerry Loughhead Reviewer: Chang Liu		Kerry Loughhead: Budget reviews are conducted monthly in association with senior finance staff. Chang Liu:
All Elected Members and other committee's allowances are in accordance with the remuneration tribunal with delegations of authority and all claims are agreed to supporting documentary evidence (i.e. receipts). BPM Control Type: Core Control code: EXP-ELE-0002	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chang Liu		Rachel Kyriazis: As per remuneration tribunal. Normally adjusted in November (currently adjusted in November 2014). Any minor claims for work related costs must be submitted with tax invoices/receipts and approved by a Council delegation officer. Chang Liu:

Elected Members must complete and sign a standard expenses reimbursement form when claiming expenses. The signing of the form confirms that the Elected Members are claiming valid expenses and have excluded all items of a personal nature. BPM Control Type: Core Control code: EXP-ELE-0004	5	No Action Required	Assessor: Kerry Loughhead Reviewer: Chang Liu		Kerry Loughhead: Elected Members provide receipts and fill in a "Request for reimbursement" form with an explanation for what the expenses are for. This process is documented in the Elected Member Allowances & Benefits Policy. Chang Liu:
Register of Allowances and Benefits maintained by designated person and should be publicly available. Register details level and nature of expenses reimbursed to Council by Elected Members, and is reviewed by management on a regular basis. BPM Control Type: Core Control code: EXP-ELE-0005	5	No Action Required	Assessor: Kerry Loughhead Reviewer: Chang Liu		Kerry Loughhead: Allowances & Benefits register updated and reconciled quarterly. Available on the website. EMs and CEO advised when updated. Chang Liu:
Where use of public assets by council members is identified debtors invoice is raised for reimbursement. BPM Control Type: Core Control code: EXP-ELE-0006	4	No Action Required	Assessor: Kerry Loughhead Reviewer: Chang Liu		Kerry Loughhead: EMs are invoiced when using the Town Hall for private reasons. Chang Liu:
Elected Members annually declare that they have fully reimbursed the Council for the private use of assets. BPM Control Type: Additional Control code: EXP-ELE-0007	0	No Action Required	Assessor: Kerry Loughhead Reviewer: Chang Liu		Kerry Loughhead: Not applicable for our Members. Council does not pay for any private use of assets (eg car, phone) so does not require reimbursement. Chang Liu:
A policy clearly outlines what council members can claim for council related expenses and is clearly communicated and adherence monitored. BPM Control Type: Additional Control code: EXP-ELE-0008	5	No Action Required	Assessor: Kerry Loughhead Reviewer: Chang Liu		Kerry Loughhead: Elected Members Allowances & Benefits Policy and Elected Member Allowances & Benefits Register. Chang Liu:
Credit Cards	Rating	Status	Roles	Action plan	Assessment comments
Cardholders are advised in the policy and procedures (which they have signed) that improper use of the credit card, such as purchases of a personal nature, will result in termination of employment or other disciplinary action. BPM Control Type: Additional Control code: EXP-CRE-0001	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Refer to Accounting Policies - such a clause is included as at Dec 2012. All new credit card holders must sign "Acknowledgment by Cardholder Form" which reminds cardholder of responsibilities. In the event private costs are noted by Finance, the Director Corporate Services & Manager Financial Services are notified. They then notify the CEO of private costs. Reminder email to EMT sent by CEO on 11th February 2015. Chris Birch:

<p>Council, CEO or other authorised officer approves all issues of Credit Cards and limits, to employees prior to release. BPM Control Type: Core Control code: EXP-CRE-0002</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: CEO approves all credit cards issued and any adjustments to limits. Currently only the Executive Management Team & Mayor have cards. Accounting Policies detail creditcard holders and is submitted to audit committee and Council when reviewed. Chris Birch:</p>
<p>Employees sign a declaration confirming compliance with Council policy and procedures prior to the Credit Card being released. BPM Control Type: Core Control code: EXP-CRE-0003</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: Form created and distributed in November 2013. Chris Birch:</p>
<p>Designated person reviews the Credit Card Register for accuracy and on-going pertinence; unusual entries investigated. BPM Control Type: Additional Control code: EXP-CRE-0004</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: Procedure implemented that all credit card statements must be approved by CEO. Senior Finance Officer also checks statements. Register is effectively kept though Accounting Policies and updated annually. Chris Birch:</p>
<p>Designated person reviews the usage of credit cards for appropriateness of credit limit. BPM Control Type: Additional Control code: EXP-CRE-0005</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: Process undertaken on a as needs basis. Due to limited number of credit cards in circulation this is adequate. Chris Birch:</p>
<p>Access to the Credit Card Register and Credit Card documentation is restricted to designated person. BPM Control Type: Core Control code: EXP-CRE-0006</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: Credit card details on occasion given to staff other than EMT in situations where payment can only be made by credit card. (eg Ezy Reg registration checks). Only certain Finance staff can ring bank to deal with credit card queries. Chris Birch: On Going Monitoring</p>
<p>Usage restrictions placed on Credit Card (i.e. only used for predefined purchases from pre-approved businesses). BPM Control Type: Additional Control code: EXP-CRE-0007</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: Revised policy for credit cards implemented Dec 2012 and approved by Audit Committee as part of adopted accounting policies in Aug 2013. Stipulates that no private purchases should be made. Cardholders sign form to acknowledge they are aware of the limitations placed on them (as from November 2013). No other formal restrictions in place. Chris Birch: On Going Monitoring</p>

<p>Council staff must check their statement to ensure all transactions are correct, and identify any transactions of a personal nature which must be reimbursed to Council and to contact bank as soon as possible to cancel any invalid transactions. BPM Control Type: Additional Control code: EXP-CRE-0008</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: Deadlines in place as to when credit card statements should be reconciled by Executive Management Team/Executive Assistants. Disputed transactions need to be notified to bank within 3 months of the transaction date - this requirement is listed in Accounting Policies. Credit card holders must sign off on reconciliation of statement and must also be approved by CEO. Credit cardholders must also sign off on Acknowledgement form when card is initially provided, that they will contact the bank asap to notify if the card has been lost or stolen. Chris Birch:</p>
<p>All credit card statements sent directly to person independent from the credit card holder. Independent officer matches all transactions from the statement to valid tax invoices prior to approval. BPM Control Type: Additional Control code: EXP-CRE-0009</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: Statements forwarded to Executive Assistants for reconciliation purposes and reconciled statements signed by CEO. Chris Birch:</p>
<p>All credit card limits are set in accordance with Delegations of Authority and reviewed by management for operational efficiency. BPM Control Type: Core Control code: EXP-CRE-0010</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: As per delegations and limits specified in Accounting Policies. Chris Birch:</p>
<p>Exception report from Credit Card providers detailing all breaches of credit card limits on an individual employee basis; management regularly reviews this report and investigates all breaches on a timely basis. BPM Control Type: Additional Control code: EXP-CRE-0011</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>		<p>Rachel Kyriazis: Card will be declined if over the limit. In certain situations (interstate travel), additional limit is loaded onto the card for the month in question. Chris Birch:</p>

Employee Reimbursements	Rating	Status	Roles	Action plan	Assessment comments
All claims for Employee Reimbursements are submitted for approval along with supporting documentary evidence (i.e. receipts) and confirmation of valid expenses. This is approved by management in accordance with Delegations of Authority. Management focus on the nature (i.e. type of expense) as well as the amount of the claim. BPM Control Type: Core Control code: EXP-EMR-0001	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chang Liu		Rachel Kyriazis: Accounts Payable Officer & Cheque signatories check that such reimbursements are signed by a second delegated officer. Accounts Payable batch head form includes a reminder to check this. Risk of credit card holders purchasing items of private nature which are noted as being work related. If any identified through the monthly checking process by the Senior Financial Services Officer, they will be reported to the Director Corporate Services and/or CEO if questionable. Chang Liu:
Management select a sample of employee reimbursements and check them for mathematical accuracy and ensures that they have been recorded correctly in the ledger. BPM Control Type: Core Control code: EXP-EMR-0003	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chang Liu		Rachel Kyriazis: Accounts Payable batch header has a reminder to the Accounts Payable Officer to check such claims. Cheque signatory is the second person who is responsible for checking such claims. Third and fourth checks are the two cheque signatories who sign off on the payment batch. Chang Liu:
Management regularly reviews employee reimbursements and selects unusual/significant items and agrees to original approved reimbursement claim along with supporting evidence (i.e. receipts). All errors are investigated. BPM Control Type: Additional Control code: EXP-EMR-0004	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Process done as Accounts Payable batch is signed off (ie two cheque signatories - inclusive of Manager Financial Services - check employee reimbursements and attached receipts). All employee reimbursements must also be authorised by department manager. Chris Birch:
Other Expenses	Rating	Status	Roles	Action plan	Assessment comments
Actual expenses are regularly compared to budgets; significant variances are investigated by management. BPM Control Type: Additional Control code: EXP-OTE-0001	4	No Action Required	Assessor: Rachel Kyriazis Reviewer: Chris Birch		Rachel Kyriazis: Regular budget meetings held with all departments. Any material budget variances are reported to Council via budget review process. Additional forecasting/variance analysis now undertaken for variances which workgroups are unwilling to notify Council of at time of review/budget meetings. Chris Birch:

<p>Statements received from suppliers are reconciled to the supplier accounts in the accounts payable sub-ledger regularly and differences are investigated. BPM Control Type: Additional Control code: EXP-OTE-0002</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Claudia Maio Reviewer: Rachel Kyriazis</p>		<p>Claudia Maio: Yes. I am trying to reconcile statements as they come in & request copies on the same day. Rachel Kyriazis:</p>
<p>Management approves all Other Expenses in accordance with Delegations of Authority. When approving Other Expenses, management reviews both the nature and amount of the expense for reasonableness. BPM Control Type: Core Control code: EXP-OTE-0003</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chang Liu</p>		<p>Rachel Kyriazis: Checks done when Accounts Payable batches are complete to ensure that Delegations are followed. Accounts Payable Officer asked to follow up if there are any issues. Each Accounts Payable batch has a 'follow up' action list in regards to delegation issues and sample listing of delegated signatures is provided to cheque signatories. Purchase orders have hierarchy delegations set up to automate the process. Chang Liu:</p>
<p>All expenses are authorised as per Procurement and Contracts policy in accordance with delegated authority. BPM Control Type: Core Control code: EXP-OTE-0004</p>	<p>3</p>	<p>In Progress Due date: 31/12/2015 Priority: Low</p>	<p>Assessor: Rachel Kyriazis Reviewer: Chris Birch</p>	<p>Investigate a way to stop people from using the 'reason for no quotes' box. Action plan comments: Undertook testing in demo in December 2014 - refer file attachment - taking the reason for no quotes out of the system did not function as expected. Better option would be to investigate reporting on misuse of functionality. This should be investigated as part of procurement function.</p>	<p>Rachel Kyriazis: Online Purchasing System facilitates this. Some people may avoid the quotes requirements by using the box 'reason for no quotes'. Reporting on this required. Need for procurement position to undertake this task. Chris Birch:</p>

External Services					
Contracting	Rating	Status	Roles	Action plan	Assessment comments
The Contracts, Tenders and Procurement Policy and Procedures should be reviewed regularly. BPM Control Type: Core Control code: EXT-CON-0001	3	Not Started Due date: 31/12/2015 Priority: Medium	Assessor: Chris Birch Reviewer: Ginny Moon	Review of Policy earmarked for December Audit Committee, taking into account of procurement and tender audit conducted by internal auditor Bentley.	Chris Birch: Review of the Policy was conducted as part of the Accounting Policies and Procedures Review. Policy was endorsed by the Audit Committee in August 2014. Ginny Moon: Review currently outstanding. REview of Policy earmarked for December Audit Committee, taking into account of procurement and tender audit conducted by internal auditor Bentley.
Commitments are not being made without funding being approved in the budget. BPM Control Type: Core Control code: EXT-CON-0002	3	In Progress Due date: 31/12/2015 Priority: Medium	Assessor: Rachel Kyriazis Reviewer: Chris Birch	Review functionality within the Civica Authority system with consideration to be given during the Procurement Policy Review Q1 2016. Action plan comments: Review of functionality in Civica Authority system completed previously. Advisable not to change parameters. Will leave for Financial Services Manager to review in Procurement Policy Review in Q1 2016.	Rachel Kyriazis: Purchase order system will show requisitioner how much budget is available in the account number they are using, but does not prevent them from going ahead with the requisition if there is inadequate funding. Purchase order must still be approved by delegated officer. Previous review mentioned investigating the option of limiting purchase orders to only be available to budgets with funds. System does have this capacity to do this, but envisage this may create administrative problems for Finance (ie people will raise orders to budgets which are inappropriate as they only have certain accounts available which will result in correction journals to have to be undertaken so reporting is not distorted). If this happens, there is also potential the financial statements could be misrepresented. Chris Birch: Accepted risk. The risk of people miscoding orders on the basis of finding available budget will lead to inaccurate financial reporting and corrective journals
Designated person (i.e. Internal or Probity Auditor) to review Contract process to ensure compliance with Council policy. BPM Control Type: Additional Control code: EXT-CON-0004	2	In Progress Due date: 31/12/2015 Priority: High	Assessor: Alex Cortes Reviewer: Chris Birch	Ensure action is on Procurement Roadmap Action plan comments: Procurement Policy to be reviewed and presented to March 2016 Audit Committee Meeting	Alex Cortes: Requires development. Chris Birch: Gap in process has been identified and will be attended to as part of the Procurement Process Roadmap

<p>Clear and instructive policy on Contracting process readily available to all relevant employees. BPM Control Type: Additional Control code: EXT-CON-0005</p>	<p>3</p>	<p>Not Started Due date: 31/12/2015 Priority: Medium</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>	<p>Refresher information session on procurement has not been conducted since last review. Refresher session to be conducted.</p>	<p>Chris Birch: A session to explain the Procurement Policy (TRIM File number C10/1890) has been conducted with the Leadership Team in 2011. LGA Procurement Group has been invited to the Leadership Team Meeting to provide assistance with any Procurement issues in 2012. Contracts. Review of Contracts Process to be undertaken in 2014-2015 with new Leadership team to be put through training. Ginny Moon: Although documents available to all staff - Require regular training to ensure Staff aware of Contracting Policy and Procedures.</p>
<p>Robust and transparent selection processes to ensure effective and qualified suppliers / contractors are selected by Council, including compliance with Code of Conduct, Conflict of Interest and procurement policies. BPM Control Type: Core Control code: EXT-CON-0006</p>	<p>3</p>	<p>Not Started Due date: 31/12/2015 Priority: Medium</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>	<p>Sample testing of procurement of a minor nature.</p>	<p>Chris Birch: As per Procurement Policy (TRIM File number C10/1890). Recent Tenders evaluation and reporting can be provided for review. Ginny Moon: For major procurement, I believe robust and transparent selection process has been carried out.</p>
<p>Robust evaluation process both during the selection process and throughout the term of the contract to ensure that supplier / contractor meets their objectives. BPM Control Type: Additional Control code: EXT-CON-0007</p>	<p>3</p>	<p>Not Started Due date: 31/12/2015 Priority: Medium</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>	<p>To provide evidence.</p>	<p>Chris Birch: As per Procurement Policy (TRIM File number C10/1890). Recent Tenders evaluation and reporting can be provided for review Ginny Moon: Require evidence that robust selection process is carried out "throughout" the term of the contract to ensure that supplier / contractor meets their objectives.</p>
<p>Suitably qualified/independent personnel to sit on Selection Panel to ensure that informed and objective decision is made when selecting suppliers / contractors. BPM Control Type: Core Control code: EXT-CON-0008</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>		<p>Chris Birch: As per Procurement Policy (TRIM File number C10/1890). Recent Tenders evaluation and reporting can be provided for review. Ginny Moon:</p>

<p>Contracts Staff follow the Council's procurement principals, guidelines and policy in their contracting activities. BPM Control Type: Additional Control code: EXT-CON-0010</p>	<p>3</p>	<p>Not Started Due date: 31/12/2015 Priority: Medium</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>	<p>Unable to confirm. Refresher information session on procurement has not been conducted since last review. Refresher session to be conducted.</p>	<p>Chris Birch: Procurement Policy (TRIM File number C10/1890) applies to All delegated staff as per the Delegation Manual - Appendix 12 Local Government Act 1999 - Section 9 Contracts and Tender Policy Ginny Moon: Unable to confirm. Although documents available to all staff - Require regular training to ensure Staff aware of Contracting Policy and Procedures.</p>
<p>Tender Documents are kept locked up when they are not being viewed for evaluation purposes. BPM Control Type: Core Control code: EXT-CON-0011</p>	<p>5</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>		<p>Chris Birch: Tender Document is Registers in Council's Record Management System TRIM. Any copies being used by consultant and Officers are keep at safe places in the office Ginny Moon:</p>
<p>Council does not release milestone payments to suppliers / contractors until they meet all their associated objectives. BPM Control Type: Core Control code: EXT-CON-0012</p>	<p>4</p>	<p>No Action Required</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>		<p>Chris Birch: Payments are made based on satisfaction of Contract agreement. Ginny Moon: Porvide evidence of sample testing.</p>
<p>Council to maintain a contract register. BPM Control Type: Core Control code: EXT-CON-0013</p>	<p>3</p>	<p>In Progress Due date: 31/12/2015 Priority: Medium</p>	<p>Assessor: Chris Birch Reviewer: Ginny Moon</p>	<p>C12/379 outdated. More updated reference required. Consideration be given to maintaining Contracts Register within Authority as opposed to Excel. Action plan comments: Consideration be given to maintaining Contracts Register within Authority as opposed to Excel. This may require the purchasing of additional modules for the Authority system, requiring a future budget bid.</p>	<p>Chris Birch: Contract Register available at C12/379 Ginny Moon: Contracts Register is in excel and has no functionality re workflow and automated key date reminders</p>

AGENDA ITEM NO.: 10.8

TO: Audit Committee on 29 February 2016

DIRECTOR: Ginny Moon, Director Corporate Services

REPORT AUTHOR: Chris Birch, Manager Financial Services

SUBJECT: Procurement Policy

1. EXECUTIVE SUMMARY

- 1.1 Council's Procurement Policy was last reviewed in full on 26 October 2010. While no major changes are proposed sections have become out of date. The Policy will now be reviewed on a three year rolling period unless other influences bring about a need to review it prior to this timeframe.
- 1.2 A copy of the proposed policy is included in **Attachments 1 – 23**.

2. RECOMMENDATION

- (1) **The Procurement Policy as provided in Attachments 1 – 23 of this agenda item, be adopted.**
-

3. RELEVANCE TO CORE STRATEGIES / POLICY

- 3.1 Local Government Act 1999, Chapter 10.
- 3.2 Core Strategy – Your Council – “Ensure Financial Sustainability”.

4. COMMUNITY INVOLVEMENT

- 4.1 No community consultation was undertaken on this matter.

5. DISCUSSION

- 5.1 Council's Procurement Policy was last adopted on 26 October 2010.
- 5.2 Policies are now reviewed on a three year cycle, making this policy past its review date.
- 5.3 The Accounting Policies and Procedures Manual includes a section “Purchasing, Quotations and Tenders”. This document was last reviewed and adopted 26 August 2014 and is within the three year cycle.
- 5.4 The section included in the Accounting Policies and Procedures manual is procedural based but has become more stringent than the policy allows. At the 2014 review of the

Accounting Policies and Procedures Manual, the Audit Committee removed the option to obtain verbal quotes. In this review of the Procurement Policy this change is updated bring the documents back into alignment.

- 5.5 Other amendments include updating references to external documents, organisations and legislation.
 - 5.6 Amendments have been made with reflection of review and audit work undertaken by both ArcBlue and Bentleys. The review of the Procurement Policy is the first of many steps in the updating and realigning of the procurement activities of Council following these reviews.
-

ATTACHMENTS

Attachments 1-23: Procurement Policy



DRAFT Attachment

Procurement Policy



128 Prospect Road (PO Box 171) Prospect SA 5082
T (08) 8269 5355 F (08) 8269 5834 E admin@prospect.sa.gov.au

Reference Number:	Enter TRIM Reference Number – Word Doc CR15/19972
Type:	Council Policy Council Policy
Responsible Director:	Director Corporate Services
Responsible Officer (s):	Title of Responsible Manager
Initial Adopted Date:	Choose an item. Date adopted
Last Review Date:	Enter date of last review or New Policy 26 October 2010
Next Review Date:	Enter date for next review March 2019
Applicable Legislation:	Local Government Act 1999 Competition and Consumer Act 2010 (Cwlth) National Competition Policy (Cwlth) Local Government (Elections) Act 1999 – Caretaker provision Freedom of Information Act 1991 Work Health and Safety Act 2012 (South Australia) Competition Policy Reform (South Australia) Act 1996 Independent Commissioner Against Corruption Act 2012 (South Australia)
Related Policies:	Accounting Policies and Procedures Manual Caretaker Policy Corporate Risk Management Policy Code of Conduct Delegations Register Work Health and Safety Policy –
Related Procedures:	Accounting Policies and Procedure Manual

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Attachment

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Attachment

1 Purpose

- 1.1 The Procurement Policy (the "Policy") provides information and guidance to ~~staff and officers~~Council employees in their procurement of goods, services, works or ~~services~~property within the City of Prospect.
- 1.2 The Policy demonstrates Council's commitment to procuring goods and services in an open, fair, transparent, consistent and effective manner that ensures the maintenance of appropriate standards of control, probity and ethics throughout procurement processes.
- ~~4.21.3~~The Policy establishes the procurement framework which will be supported by Council's operational procedures.

2 Definitions

- 2.1 In the Policy, unless the contrary intention appears, the following words have the following meaning:

2.12.2

Acquisition Plan a document that outlines the procurement methodology and strategy to be undertaken in procuring the required goods, services or works. This plan is approved by the appropriate person before the procurement strategy is commenced.

Approach to market is a general collective term that can be used to describe an invitation to suppliers to provide quotes, proposals, expressions or registrations of interest or to tender.

Common Use Arrangements across inter government contracts for procurement of specific goods, services or works that streamline the purchasing process. This allows Council to undertake a full procurement process by utilising secondary procurements directly from approved suppliers.

Competitive tendering means seeking the provision of Council services to competition through a formal and competitive tendering process.

Contracting out means the use of an external provider for specific services.

Contract a formal agreement for the delivery of specified goods, services, works or property.

Direct negotiation means entering into direct negotiations with a single selected service provider, without any prior approach to market.

Direct sourcing or purchasing means ~~going~~ directly approaching and negotiating with one or more suppliers to ~~the~~ source ~~of~~ the supply. This method is to be used for low value and risk goods, services or works and where the supplier already has a established delivery history with Council.

Disposal where Council no longer requires the control of an asset/s, the asset is subsequently removed from Council's asset register.

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ERA means the Eastern Region Alliance of Councils comprising Cities of Prospect, Burnside, Campbelltown, NPSP, ~~Tea Tree Gully~~, Unley and Town of Walkerville.

End user needs means goods and services that are the actual needs of those that will utilise them and not perceived needs of any other person in the procurement process.

Evaluation criteria means the individual points against which all received quotes, tenders or expressions of interest will be measured. The criteria are based on the specifications given to potential suppliers and which, in turn, have formed the basis of their quote or tender.

Expression of interest (EOI) means the first stage of a two stage process, in which suppliers are invited to register interest for the supply of goods and services. Suppliers are then short listed for a selective tender.

Financial Delegation the power delegated to an officer pursuant to Section 44 of the LGA for expenditure of funds under Section 137 of the LGA.

G6 Council Solutions means a collaborative group of six (6) major metropolitan Councils who cooperate and participate in joint procurement activities-

Head Agreements are contractual arrangements primarily used for the supply of goods, services or works in which the supplier has agreed to a contract price or process, and generally sourced via a local supplier.

Invitation to tender are where request for tender documents are issued to the known available service providers assessed as the most capable of delivering the work, product or service required.

Limited tendering includes invitations to tender and direct negotiation.

Open tendering means undertaking a formal tender process for a specific service in the open market.

Panel Contract means a contractual arrangement established with a select group of suppliers in accordance with this Policy.

Preferred **prequalified supplier** means an arrangement under which Council and a supplier agree that goods or services will be supplied under agreed pricing and/or supply conditions for a stated period. Such suppliers have met pre-defined selection criteria, including appropriate capability, WHS compliance, environmental certification, and adequate insurances and licences.

Probity means a risk management approach to ensure that selection and decision-making processes will be found to be honest, fair, transparent and defensible if scrutinised. A process conducted with regard to proper standards of probity will achieve both accountability and transparency and provide parties to the procurement process with fair and equitable treatment.

Procurement means a series of activities that are undertaken when purchasing goods and services, based on three key phases: planning, purchasing and contract management. Each phase will be completed to ensure success.

Purchase Order an official document used to engage a supplier to deliver goods, services or works.

Quotation a proposal, bid or offer that is submitted **in writing** from a potential supplier in response to a Request for Quotation (RFQ).

Risk the probability of loss, liability, non achievement of expected outcomes or any other negative occurrence which is caused by external or internal vulnerabilities. May be mitigated through pre-emptive actions.

Request documentation includes request for quotes, request for tender and expression of interest.

Request for Information (RFI) an informal means of researching the particular good, service or works and the possible solutions or approaches available in the market.

Request for Proposal (RFP) a process in which potential suppliers are invited by public advertisement to submit proposals for the supply of goods, services and works. Allowing scope for both variety and innovation. Potential suppliers may be short listed to directly negotiate a contract.

Request for Quotations (RFQ) means a process for inviting quotes to achieve a stated outcome.

Request for Tender (RQT) means a process in which an invitation to submit offers for clearly described goods or services is publicly advertised.

Select tender means a process in which selected organisations or individuals are invited to submit offers or proposals for goods or services.

Staged tendering means expressions of interest followed by a select tender process.

Strategic Alliance means seeking tenders and establishing contracts as part of a purchasing group. Aggregating spend to make an offering more commercially viable.

Tender means a proposal, bid or offer that is submitted in response to a Request for Tender. It is one of several different market-approach strategies. It is also incorrectly and confusingly used as a general term for approaching the market.

Value for money allows the relative benefits of different procurement options to be measured by taking into account all the costs incurred in respect of goods or services over their lifespan, such as installation, training, maintenance, disposal costs, quality and assurance systems, resources provided and innovation technology.

~~2.22.3~~ **Whole of life cost** refers to the total net cost incurred when acquiring goods or services and is made up of all initial procurement costs, operating and maintenance costs, disposal costs and termination costs, less the residual value, if any. Style - Report 2

3 Scope

3.1 Procurement encompasses the whole of life process of acquiring goods, services, works or property. ~~property, goods or services.~~

3.2 Procurement begins when Council has identified a need and has decided on its procurement requirement. Procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, contract award, delivery of and payment for the property, goods or services and, when relevant, the ongoing management of a contract and the consideration of options related to the contract, and also extends to the ultimate disposal of property.

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~~3.23.3~~ An essential part of the procurement cycle is the ongoing monitoring and assessment of the procurement process, including the property, goods or services procured.

4 Legislative and Corporate Requirements

4.1 Specific legislative requirements govern the manner in which Council is permitted to conduct itself during procurement.

Legislative Provisions

Relevant major legislative requirements include the:

- (1) Local Government Act 1999 (SA) (the Act);
- ~~(2)~~ Trade Practice Act 1974 Competition and Consumer Act 2010 (Cwlth);
and
- ~~(3)~~ National Competition Policy (Cwlth);
- ~~(4)~~ Local Government (Elections) Act 1999 – Caretaker provision;
- ~~(5)~~ Freedom of Information Act 1991;
- ~~(2)~~~~(6)~~ Work Health and Safety Act 2012 (South Australia);
- ~~(7)~~ Competition Policy Reform (South Australia) Act 1996 ~~(SA); and~~
- ~~(3)~~~~(8)~~ Independent Commissioner Against Corruption Act 2012 (South Australia);

Local Government Act 1999 (SA)

The Act governs the way Council conducts itself during procurement. The Policy complies with the requirements of the Act at the time the Policy was

endorsed by Council. Officers undertaking procurement activities need to be aware of and observe the following provisions of the Act:

- (1) section 7 which outlines the functions of a Council;
- (2) section 8 which outlines the objectives of a Council;
- (3) section 48 which outlines the prudential requirements for certain activities conducted by a Council; and
- (4) section 49 which deals with the requirements for contracts and tenders policies. These requirements are addressed in the Policy.

~~A council must prepare and adopt policies on contracts and tenders, including policies on the following:~~

- ~~(1) the contracting out of services~~
- ~~(2) competitive tendering and the use of other measures to ensure that services are delivered cost-effectively~~
- ~~(3) the use of local goods and services~~
- ~~(4) the sale or disposal of land or other assets~~

~~The policies must—~~

- ~~(1) identify circumstances where Council will call for tenders for the supply of goods, the provision of services or the carrying out of works, or the sale or disposal of land or other assets~~
- ~~(2) provide a fair and transparent process for calling tenders and entering into contracts in those circumstances~~
- ~~(3) provide for the recording of reasons for entering into contracts other than those resulting from a tender process~~

~~A council may at any time alter a policy under this section, or substitute a new policy or policies (but not so as to affect any process that has already commenced).~~

Strategic Plan Corporate Policy Context

~~The Policy is to be implemented in conjunction with Council's Strategic Directions 2012-2016 and other relevant Council Policies and Strategies. The key strategy this policy relates to is "5.7 provide efficient and effective services using the most appropriate service delivery model and technology".~~

The Policy is to be implemented in conjunction with Council's 2020 Strategic Plan and other relevant Council Policies and Strategies. The key deliverable within the 2020 Strategic Plan is "open and accountable practices and decision making processes".

The Policy should also be read in conjunction with Council's Corporate Governance and Internal Control Framework.

5 Policy Statement

- 5.1 CoP-Council recognises achievement of the Strategic Plan depends on the performance and contribution of all staff.
- 5.2 CoP-Council is committed to maximising the potential, performance and productivity of employees through a process of ongoing personal development. All employees will be involved in regular goal setting and feedback in order to develop a culture of great customer service and continuous improvement.
- 5.3 Appropriate resources will be identified and allocated to the implementation and ongoing support of the performance development process.

6 Policy

- 6.1 The objective of the Policy is to provide clear direction and to establish a framework that enables Council to achieve best practice in relation to its purchasing and disposal functions.
- 6.2 Procurement should be undertaken by Council in a way which:
 - 6.2.1 encourages purchases being made in an open, fair, consistent and transparent manner;
 - 6.2.2 facilitates achieving value for money through the most appropriate provider;
 - 6.2.3 ensures open and effective competition;
 - 6.2.4 supports environmentally safe and sustainable procurement;
 - 6.2.5 appropriately manages risks;
 - 6.2.6 promotes efficient purchasing practices and their continuous improvement;
 - 6.2.7 encourages local and Australian businesses;
 - 6.2.8 encourages the maintenance of assets at high standards in the most cost effective manner with linkages to Council's Long Term Financial Plan (LTFP) and Asset Management Plan (AMP) and Strategic Plan; and
 - 6.2.9 ensures the integrity and accountability of all procurement processes conducted by Council (ie in accordance with its legislative and common law responsibilities).

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6.3 Only Council officers with delegated authority under section 137 of the Act can incur expenditure on behalf of Council.

6.4 Council has an obligation to ensure that all contractors working for Council are committed to OHS&WHS management principles and obligations including being competent in the provisions of contracted goods and services. Council is required to select, induct and monitor contracts and maintain OHS&W records relating to work undertaken.

6.5 CONTRACTING OUT

6.5.1 Council will provide services to the community in the most effective manner possible utilising an appropriate mixture of contractors and Council employees so as to discharge its obligations pursuant to the Act and achieve value for money.

6.5.2 In determining whether to procure the services of contractors, Council will consider the need for specialist short term skills and equipment against the need to maintain a strong skills base of Council employees and determine the appropriate mix in the circumstances.

6.6 THE PRINCIPLE OF VALUE FOR MONEY

6.6.1 Council strives to achieve value for money in its procurement activities by:

- (1) undertaking a comparative analysis of the costs and benefits of each proposal throughout the whole procurement ~~cycle~~process; and
- (2) specifying clear conditions and evaluation criteria in 'approach to market' documents.

6.6.2 Council will take into account the following factors in determining value for money:

- (1) the maturity of the market for the good, service, works or property ~~or service~~ sought;
- (2) the performance history of each prospective supplier;
- (3) the relative risk of each proposal;
- (4) the flexibility to adapt to possible changes over the lifecycle of the good, service works or property ~~or service~~;
- (5) financial considerations, including all relevant direct and indirect benefits and costs over the whole procurement ~~cycle~~process;
- (6) the anticipated price that could be obtained, or the costs that may be incurred at the point of disposal;
- (7) the evaluation of contract options (for example, contract extension options); ~~And~~

-
- (8) the opportunity to combine major purchase requirements with other Councils where it is advantageous to do so; ~~and-~~
 - (9) Environmental considerations (per Section ~~46~~ **6.21** of the Policy)

6.7 OPEN AND EFFECTIVE COMPETITION

- 6.7.1 Open and effective competition is the central operating principle in pursuit of the best outcome. Openness requires procurement actions that are visible to Council, ratepayers and suppliers. The probability of obtaining the best outcome is increased in a competitive environment.
- 6.7.2 Council will create effective competition by maximising the opportunities for ~~firms-suppliers~~ to conduct business with Council through the selection of procurement methods suited to market conditions.
- 6.7.3 Council aims to promote efficient competition between public and private businesses through the application of competitive neutrality principles and practices to significant local government activities pursuant to the *Competition Policy Reform (South Australia) Act 1996 (SA)*.
- 6.7.4 Quotations/tenders should encourage open, transparent and effective competition for Council's business.
- 6.7.5 Council must be, and must be seen to be, a fair and even-handed purchaser by all existing and potential suppliers, ratepayers and the public.
- 6.7.6 The confidentiality of supplier information is to be protected where appropriate.

6.8 SELECTION OF AN APPROPRIATE PROCURMENT PROCESS

- 6.8.1 Council will generally select from one of the following procurement processes:
 - (1) open tendering;
 - (2) select tendering;
 - (3) limited tendering;
 - (4) staged tendering (ie expressions of interest followed by a select tender process);
 - (5) direct negotiation with a preferred supplier or a group of suppliers or preferred supplier panel;
 - (6) requests for quotes;
 - (7) the use of existing third party contracts;
 - (8) joint procurement arrangements with other Councils;

- (9) direct sourcing; and
- (10) panel arrangements or arrangements with prequalified suppliers.

6.8.2 Strategic Alliances: purchases can be made through eligible contracts by way of strategic alliances. Council may undertake procurement through contract arrangements administered by the following authorities

- (1) Local Government Association
- (2) [Local Government Corporate Services_LGA Procurement](#)
- (3) [66 Councils Council Solutions](#)
- (4) ERA Councils
- (5) State Government Procurement

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6.9 The appropriate procurement method will be determined on a case by case basis.

6.10 Participation in the procurement process imposes costs on Council and potential suppliers. These costs will be considered when determining an appropriate process commensurate with the scale, scope and relative risk of the proposed procurement.

~~6.11 Council needs to conduct an appropriate process on a scale commensurate with the size and risk profile of the particular procurement.~~

~~6.126.11~~ **JUSTIFICATION OF CHOICE OF PROCUREMENT METHOD**

~~6.12.16.11.1~~ Council will select a method of approaching the market which is suited to the procurement. Determining the best method in the circumstances will generally be based on ~~the~~ consideration of the following types of issues:

- (1) the nature of the procurement;
- (2) the value of the procurement;
- (3) the risk associated with the procurement;
- (4) whether the market for the procurement is known; ~~and~~
- (5) what is the most efficient process to achieve Council's objectives in a timely and cost efficient way;
- (6) innovative nature of acquisition;
- (7) costs incurred by supplier in responding to requests;
- (8) number of competent suppliers;
- (9) time constraints; ~~and~~
- (10) Council's ability to clearly define required outcomes

6.11.2 The chosen method will seek to meet the Objectives outlined in Clause 5. The outcome of analysis and selection of strategy will be documented and approved by the delegated officer.

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6.12 DELEGATED PURCHASING AUTHORITY

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6.13 Council makes delegations to the Chief Executive Officer under the Local Government Act 1999. This is inclusive of the power to expend Council's approved budget. The power is subdelegated by the Chief Executive Officer to other Council employees in accordance with the schedule published in Council's Delegations and Subdelegations Register.

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Only Council employees with delegated authority under Section 137 of the Local Government Act 1999 can incur expenditure of behalf of Council.

6.146.13 When exercising purchasing delegation the following requirements must be observed:

Attachment

6.156.14 When exercising purchasing delegation the following requirements must be observed:

<u>Procurement Category</u>	<u>Purchase of Goods and Services (General) Value of Purchase (exc GST)</u>	<u>Number & Type of Quotes</u>	<u>Suggested Approach to Market</u> Or <u>Selection of Appropriate Procurement Process (refer section 8)</u>	<u>Delegated Purchasing Authority</u>	
1	Less than \$1,000	No quote required	No quote required	1. Designated Staff Member(s)	Formatted: Left Formatted Table Authority to Purchase when: 1. not within budget or 2. not choosing the lowest quote Formatted: Highlight
2	A. Less than \$3,000	No quote required Minimum One Written Quote	No quote required	2. Leaders Team Designated Staff Member(s)	Formatted: Indent: Left: 0.82 cm, No bullets or numbering, Tab stops: Not at 1.27 cm
3	B. \$3,001 to \$10,000 in value (2 verbal/written quotes)	Minimum of two verbal or written	A minimum of two verbal or written quotations	3. Leaders Team	Formatted: Indent: Left: 0.82 cm, No bullets or numbering, Tab stops: Not at 1.27 cm
4	C. Preferred Contractor: \$3,001 to \$10,000 in value (1 verbal / written quotes)	Minimum of one verbal or written	A minimum of one verbal or written quotations	4. Leaders Team	Formatted: Indent: Left: 0.82 cm, No bullets or numbering, Tab stops: Not at 1.27 cm
5	D. \$10,001 to \$20,000 in value (3 verbal/written quotes)	Minimum of three verbal or written	A minimum of three verbal or written quotations	5. Director 6. Depot Team Leaders Leadership Team – AI&E Directorate	Formatted: Indent: Left: 0.82 cm, No bullets or numbering, Tab stops: Not at 1.27 cm
6	E. From \$20,001 to \$50,000 in value (3 written quotes)	Minimum of three written	A minimum of three written quotations. The Chief Executive Officer shall certify if it is impractical to obtain three written quotations. Quotations must be authorised by the Director	7. Director	Formatted: Indent: Left: 0.82 cm, No bullets or numbering, Tab stops: Not at 1.27 cm
7	F. From \$50,001 to \$100,000 in value (4 written tenders/quotations)	Minimum of four written tenders/quotations	A minimum of four written tenders/quotations. The Chief Executive Officer shall certify if it is impractical to obtain four written tenders/quotations, after seeking the advice of the Director. Tenders/quotations must be signed by the Chief Executive Officer and Director and be kept on file.	8. Chief Executive Officer	Formatted: Indent: Left: 0.82 cm, No bullets or numbering, Tab stops: Not at 1.27 cm
8	G. Over \$100,001 in value	Open public tender/selective tenders will be	Open public tender/selective tenders will be called	9. Chief Executive Officer	Formatted: Indent: Left: 0.82 cm, No bullets or numbering, Tab stops: Not at 1.27 cm

<u>Procurement Category</u>	<u>Purchase of Goods and Services (General) Value of Purchase (exc GST)</u>	<u>Number & Type of Quotes</u>	<u>Suggested Approach to Market</u>	<u>Delegated Purchasing Authority</u>
	(tender)	called	Or Selection of Appropriate Procurement Process (refer section 8)	

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Authority to Purchase when:
1. not within budget or
2. not choosing the lowest quote
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6.15 DOCUMENTATION

6.15.1 Staff are required to use the template documents provided in TRIM container C10/1890 when procuring goods, services or works through a contract or tender process.

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6.16 PURCHASE ORDERS

6.16.1 Purchase order provide the facility within effective procurement process to:

- (1) Ensure purchase is within officer's financial delegations
- (2) Record a financial commitment within Council's financial system to effectively manage expenditure budgets
- (3) Provide a set of Terms & Conditions for the purchase of goods, services or works

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6.16.2 In the majority of instances, a purchase order will be required to be raised prior to procurement of goods, services or works. The items listed below are exemptions and do not require the creation of a purchase order:

- (1) Purchases made using Corporate Credit Cards
- (2) Minor/incidental purchaser under \$100
- (3) Catering for Council functions
- (4) Utilities (inclusive of telephone, electricity, gas, and petrol)
- (5) Temporary staff costs
- (6) Courier services
- (7) Newspaper subscriptions
- (8) Dump disposal costs
- (9) Debt Collection Services
- (10) Vehicle Registrations
- (11) Refunds or reimbursement of expenses

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(12) Banking service costs

(13) Borrowing costs (principal and interest)

(14) Auditors fees

(15) Statutory Government Charges

(16) Elected Member Allowances

(17) Allowances and sitting fees for Independent Members on Council Committees

6.16.3 This list may change based upon Council's operational requirements at the time.

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6.16.17 RISK AND OPPORTUNITY MANAGEMENT

6.16.16.17.1 Risk is part of the environment within which Council operates. Risk management involves the systematic identification, analysis, evaluation, treatment, monitoring and, if appropriate, acceptance of risks. Risk management is integral to the cost effective delivery of services and the acquisition of goods and services by Council.

6.16.26.17.2 As a general principle, risks should be borne by the party best placed to manage them. Council will not accept risks which increase the risks and costs to Council which another party is better placed to manage.

6.16.36.17.3 Council needs to carefully monitor the terms and conditions, including pricing, on which risk allocations are determined, to ensure they reflect value for money and do not increase the risk to Council.

6.16.46.17.4 Persons with financial delegated authority to procure will be responsible for ensuring appropriate practices and procedures for risk and opportunity management are adhered to.

6.16.56.17.5 Council's risk management policy provides further guidance and tools to assess acceptable residual risk in procurement.

6.17.18 ETHICAL BEHAVIOUR AND FAIR DEALING

6.17.16.18.1 All Council officers involved in procurement will act in an ethical way.

6.17.26.18.2 Ethical behaviour encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency. Ethical behaviour identifies and appropriately handles conflicts of interests.

6.17.36.18.3 A procurement conducted in an ethical manner will enable purchasers and potential suppliers to deal with each other on a basis of mutual trust and respect. In conducting procurements, there is an implied obligation to treat all participating potential suppliers equitably.

~~6.17.46.18.4~~ 18.4 The procurement process rules need to be clear, open, well understood and applied equitably to all parties to the process. All potential suppliers will have the same opportunities to compete for Council's business and will be treated equitably based on their legal, commercial, technical and financial abilities.

~~6.17.56.18.5~~ 18.5 For example, when providing further information to potential suppliers during the course of procurement, Council needs to ensure that procedures are in place to treat all potential suppliers fairly.

~~6.17.66.18.6~~ 18.6 The procurement of services should be conducted in a way that imposes as far as practicable the same level of accountability and responsibility on the service provider as would exist if Council carried out the services itself.

~~6.17.76.18.7~~ 18.7 In pursuit of ethical behaviour, Council officers will, for example:

~~6.17.8(1)~~ (1) disclose to the ~~appropriate senior officer~~ Chief Executive Officer any possible conflict of interest. Where a potential conflict relates to the Chief Executive Officer, it will be disclosed to the Council in accordance with Section 120 of the Local Government Act 1999;

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~~6.17.9(2)~~ (2) deal with all suppliers in an honest, fair and equitable manner;

~~6.17.10(3)~~ (3) respect all in-confidence information received and not use it for personal gain, or to prejudice fair and open competition;

~~6.17.11(4)~~ (4) not accept money, goods, loans, credits, purchasing incentives, services or prejudiced discounts or any other benefit; ~~and~~

~~6.17.12(5)~~ (5) not use Council's name or purchasing power to make purchases other than for Council use; ~~and-~~

~~(6)~~ (6) not accept any gifts where receipt may expose the staff member to an unacceptable level of risk of the perception of impropriety. All Gifts received are to be recorded on Council's Gift Register in accordance with Councils' Code of Conduct Policy, Gift Receipt Policy.

6.18.8 Employees will ensure that their close associates do not receive an advantage in relation to Council procurement. A supplier will be immediately excluded from a procurement process where:

(1) a conflict that is unable to be appropriately managed arises

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(2) there is inappropriate lobbying of Council

(3) there is a behaviour which might reasonably be regarded as seeking to solicit favourable treatment for the procurement process including the offer of gifts or benefits.

~~6.17.13(4)~~ (4)

6.186.19 PROBITY, ACCOUNTABILITY AND TRANSPERENCY

6.18.16.19.1 Council has the responsibility of ensuring that any procurement process is transparent and that its decisions are justified.

1. DOCUMENTATION

6.18.26.19.2 Where the procurement of goods, services, or works ~~or services~~, or the sale or disposal of land or other assets occurs other than as a consequence of a tender process, as may be considered and determined by Council on the basis of the circumstances in an individual case, the reasons for entering into such contracts will be recorded in writing pursuant to section 49 of the LG Act.

6.196.20 APPROACHING THE MARKET

6.19.16.20.1 Council may issue a notice inviting potential suppliers to participate in procurement by using open or select approaches to the market.

6.19.26.20.2 Open approaches to the market may include requests for tender, requests for expression of interest and request for applications for inclusion on a ~~standing offer panel~~ preferred supplier panel.

6.19.36.20.3 Select approaches to the market can include invitations to tender in a select process in accordance with a select tendering process or other requests for proposal or quotes.

6.206.21 OCCUPATIONAL WORK HEALTH AND, SAFETY AND WELFARE

6.20.16.21.1 All suppliers will, as a minimum, be capable of and agree to comply with the standards prescribed by the Work Health and Safety Act 2012 (SA) ~~Occupational Health, Safety and Welfare Act 1986 (SA) and its Regulations~~.

6.20.26.21.2 Additional ~~Occupational Work Health and, Safety and Welfare~~ requirements will be outlined in the request documents and resulting contract (or other document evidencing the agreement between Council and the supplier).

6.21.3 If the purchase of goods, materials or plant and equipment involves implications for the safetywork, health and ~~welfare~~ safety of Council's employees, the employees involved will be consulted prior to the purchase. Council's Work Health and Safety Officer should be consulted prior to such a purchase.

6.216.22 ENVIRONMENTAL PROCUREMENT

~~6.21.16.22.1~~ As part of the procurement process, suppliers may be asked if they can offer products and services which conserve resources, save energy, minimise waste and/or contain recycled products and/or are environmentally sustainable.

~~6.21.26.22.2~~ Prospective suppliers to Council may be required to communicate their environmental performance/ practices/ management plan as part of the tender specification procurement process.

~~6.21.36.22.3~~ Council is committed to protecting the environment for a sustainable future. This will be pursued by the promotion of procurement practices which conserve natural resources, save energy, minimise waste, protect the quality of the environment, ~~and ensure public health and safety,~~ contain recycled products and support environmental sustainability.

~~6.21.46.22.4~~ If it is assessed that a potential environmental impact (risk) and/or opportunity is associated with particular goods works or services, prospective suppliers may be required to communicate their environmental management practices as part of Council's tender specification procurement process.

~~6.21.56.22.5~~ City of Prospect seeks to purchase goods and services that support the goal of environmental sustainability.

~~6.21.66.22.6~~ Council is committed to purchasing goods, services and/or tenders that have reduced impacts on the environment compared with competing goods, services ~~and/or tenders~~ that achieve the same function and value for money outcomes.

~~6.21.7~~ Environmental procurement involves the inclusion of relevant environmental factors in a decision to purchase goods, services and/or tenders with a view to maintain the health and quality of the environment, conserve resources, minimise waste and protect human health.

6.226.23 LOCAL AND AUSTRALIAN MADE

6.23.1 To the extent permitted by law, when all other considerations are equal, Council may favour the engagement of local suppliers and the use of Australian made goods and suppliers whose activities contribute to the economic development of the region and/or preferred suppliers as per Council's Preferred Supplier List.

6.24 MODIFICATION OF REQUEST DOCUMENTS SECTION

6.24.1 If Council modifies the request documentation or any aspect of an approach to the market, it must communicate all modifications to:

- (1) All known potential suppliers who are participating at the time the information is amended. The amended documents must be communicated in the same manner as the original information

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6.22.1(2) Ensure potential suppliers are given adequate time to modify and re-lodge their initial submissions. At a minimum, three working days prior to the closing date or extended closing date.

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6.23.25 TIME LIMITS

6.23.16.25.1 Council will provide sufficient time for potential suppliers to prepare and lodge submissions in response to an approach to the market. This will be determined on a case by case basis.

6.23.26.25.2 If Council intends to specify conditions for participation that require potential suppliers to undertake a separate registration or pre qualification procedure, Council will include the time limit for responding to the registration or pre qualification in the request documentation. Any such conditions for participation will be published in sufficient time to enable all interested parties to complete the registration and qualification procedures within the time limit for the procurement.

6.23.36.25.3 All potential suppliers participating in procurement will be required to lodge submissions in accordance with a common deadline. Any time limit imposed in relation to any aspect of procurement will be applied equitably to all participating potential suppliers.

6.24.26 RECEIPT AND OPENING OF SUBMISSIONS

6.26.1 Council will observe procedures for the receipt and opening of all submissions which guarantee fairness and impartiality.

6.24.16.26.2 All tenders are to be opened in the presence of at least two employees (from varying departments), with each page detailing prices being signed and dated by the employees present.

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6.24.26.26.3 Council will not penalise any potential supplier whose submission is received after the specified deadline if the delay is solely due to mishandling by Council.

6.24.36.26.4 If Council provides potential suppliers with an opportunity to correct unintended errors of form between the opening of submissions and any decision, Council will provide the same opportunity to all participating potential suppliers.

6.24.46.26.5 Council will only give further consideration to a submission if at the time of opening the submission, it includes the minimum content and format of submissions as stated in the request documentation issued. That is, the submission must be in a form meeting the required format and include all required information, statements, certifications and declarations.

6.256.27 EVALUATION METHODOLOGY

~~6.25.16.27.1~~ The evaluation methodology used for a procurement process will be dependent on the objectives of the procurement, the complexity involved, the level of innovation in the industry and the risk profile. Evaluation criteria to be included in the market document.

6.266.28 CONTRACT ADMINISTRATION

~~6.26.16.28.1~~ Competence of Contract Administrators—Council Officers required to administer contracts will be adequately trained to carry out those duties and understand the rights and obligations conferred by the contract, and

~~6.26.26.28.2~~ Responsibilities of Contract Administrators ~~are~~ responsible ~~for~~:

- (1) ~~The administration of~~ contracts ~~complies with~~ Council's Policies and Procedures
- (2) Provide ~~t~~ Training or induction required to be undertaken by supplier prior to commencing work is completed
- (3) The supplier and Council comply with their respective obligations under the contract
- (4) Approval is gained for variations to the contract which are outside the original scope, have the effect of varying the contract sum or alter the terms and conditions of the contract
- (5) All claims for payments are in accordance with the contract
- (6) Approved budget funds are available to authorise payment of invoices

6.276.29 EMERGENCY PURCHASES PROCUREMENT

~~6.27.16.29.1~~ Council will undertake procurement activities during an emergency taking into account Council's procurement objectives and to ensure that Council operations are maintained or restored as soon as practicable. Preferred suppliers must be given consideration in first instance. ~~An~~ emergency is deemed a serious situation or occurrence that happens unexpectedly and demands immediate action. Emergency purchase may be made outside this policy if one of the following situations exist:

- (1) There is a genuine concern for public safety where an authorised officer considers a purchase is required to remedy the situation
- ~~(1)~~(2) A state of emergency is declared under the South Australian Emergency Management Act 2004
- ~~(2)~~(3) To avoid major expenses from an unplanned event

~~(3)~~(4) To provide security of Council's assets eg invoking the **Emergency Response Plan** or Business Continuity Plan.

~~6.27.26.29.2~~ Where a purchase is made under this clause, the following will apply:

(1) The expenditure will be limited to that required to alleviate the emergency situation only;

(2) This policy will be abided by as soon as the emergency situation is alleviated

6.30 PURCHASE OF LAND

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6.30.1 Council will seek to purchase land in accordance with a Council decision generally for a direct purpose or as a strategic acquisition.

6.30.2 Where an opportunity arises to purchase a relevant parcel of land, Council officers will advise Council of the opportunity through a Council report. If Council decides to pursue the purchase, Council will establish a price range for negotiation and delegate the Chief Executive Officer to conduct the purchase.

6.31 SUPPLIERS GUIDE FOR TENDERING

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6.31.1 Council has adopted a Suppliers Guide for Tendering to provide guidelines for best practice, to outline Council's expectations, and to set out the process Council will follow when tendering for goods, services, and works.

6.31.2 Council's Suppliers Guide for Tendering is available at Council's website at www.prospect.sa.gov.au. Copies will also be provided to potential tenderers as part of the tender process.

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6.286.32 CONFIDENTIALITY

~~6.28.16.32.1~~ Council will maintain the confidentiality of information provided by suppliers in any procurement process both during the process and for the period after until documents are destroyed in accordance with statutory requirements.

6.296.33 COMPLAINTS

~~6.29.16.33.1~~ Any complaint about the way in which a procurement process was undertaken will be dealt with in accordance with Council's Grievance Policy.

6.306.34 DEPARTURE FROM POLICY

~~6.30.16.34.1~~ The Council or CEO may determine not to follow this policy in respect of a procurement activity if, in the opinion of the CEO, the circumstances of the procurement activity warrant a departure from this policy. All departures will be reported to Council at the next available meeting.

7 Review

- 7.1 The effectiveness of the Policy will be reviewed annually. The Director Corporate Services will report to Council on the outcome of the evaluation and make recommendations for amendment, alteration or a substitution of a new Policy.

8 Access to the Policy

- 8.1 The Policy is available for public inspection on Council's website www.prospect.sa.gov.au and from Customer Service at the Civic Centre, 128 Prospect Road, Prospect SA 5082.

9 Further Information

- 9.1 For further information about this policy please contact:

[Director Corporate Services](#)

City of Prospect
128 Prospect Road
Prospect SA 5082

Ph 8269 5355

Email admin@prospect.sa.gov.au

AGENDA ITEM NO.: 10.9

TO: Audit Committee on 29 February 2016

DIRECTOR: Ginny Moon, Director Corporate Services; and
Greg Georgopoulos, Director Infrastructure Assets and Environment

REPORT AUTHOR: Chris Birch, Manager Financial Services

SUBJECT: Internal Audit Report – Long Term Financial Plan and Asset Management Plan

1. EXECUTIVE SUMMARY

- 1.1 As part of the Internal Audit Contract, Bentleys have been engaged to undertake a number of key internal audits during the current financial year.
- 1.2 The original report was included in the Audit Committee Agenda 7 December 2015. The report was not received at the meeting with further discussions to clarify factual errors in the report to take place. These discussions have now been completed.
- 1.3 Bentleys have completed a review of Council's Long Term Financial Plan and Asset Management Plan. The updated Bentleys report is included in **Attachments 1 – 20**.
- 1.4 In summary, the amendments in the updated review included the acknowledgement that the current Asset Management Plan (IAMP) was compliant with the Local Government Act 1999. The current plan has been developed internally and the review identified some opportunities for improvement from the better practice template issued by the Local Government Association (LGA).

2. RECOMMENDATION

- (1) **Council notes Bentleys Internal Audit Report – Long Term Financial Plan and Asset Management Plan.**
- (2) **A further report be presented to the Audit Committee identifying the steps completed to address the findings identified in the Bentleys report.**
-

3. RELEVANCE TO CORE STRATEGIES / POLICY

- 3.1 Local Government Act 1999, Chapter 10.
- 3.2 Core Strategy – Your Council – “Ensure Financial Sustainability”.

4. COMMUNITY INVOLVEMENT

- 4.1 No community consultation was undertaken on this matter.

5. DISCUSSION

- 5.1 As part of the Internal Audit Contract, Bentleys have been engaged to undertake a number of key internal audit during the current financial year.
- 5.2 Bentleys have completed a review of Council's Long Term Financial Plan (LTFFP) and Asset Management Plan (IAMP). The Bentley's report is included in **Attachments 1 – 20**.
- 5.3 Overall, on **Attachment 5** Bentleys identified Council has a number of good practices in place for the development of its LTFFP.
- 5.4 Council's current LTFFP and IAMP are contained within its Annual Business Plan 2015-2016 (ABP) as adopted on 23 June 2015.
- 5.5 The development of these documents is undertaken across different directorates with Corporate Services responsible for the LTFFP while Infrastructure, Assets, and Environment prepare the IAMP.
- 5.6 The Bentleys report highlighted 6 findings from the review. They are presented in the following paragraphs.
- 5.7 **Finding 1** – Assumptions not accurate or sufficient (low risk).
- 5.7.1 Proposed Actions/Comments – Currently, Council indexes contracts, materials and other expenditure in line with an index of 3.4%, as outlined in the LTFFP assumptions (ABP page 81). This result is then adjusted by any fluctuation in operating project budget required (ABP page 94). Utilising indexations as identified by Bentleys will result in an immaterial adjustment to the current LTFFP. 10 year averages of the LG Price Index (LGPI) will be recalculated in line with Bentleys suggestion and updated to the LTFFP assumptions for 2016-2017. With recent falls in LGPI, early Elected Member Workshops have suggested the use of a shorter average in the early stages of the LTFFP.
- 5.8 **Finding 2** – Risks associated with the LTFFP assumptions not considered (low risk).
- 5.8.1 Proposed Actions/Comments – As noted in the report, Council's LTFFP is based on best known assumptions as outlined in the ABP (page 81). Items such as the community's capacity to pay is considered as part of the public consultation process. Should any funding level changes occur (especially in directly funded programs eg Community Home Support Programme (CHSP)), Council would need to reconsider its current level of service. In areas of direct funding, Council has staff employed in fixed term contracts aligned with funding agreements enabling operational flexibility to reduce or close the service should funding be altered.
- 5.9 **Finding 3** – Sensitivity Analysis assessing key assumptions not documented (moderate risk).
- 5.9.1 Proposed Actions/Comments – As noted in the report, no analysis was requested as part of the 2015-2016 draft budget. Should this occur in the future, it will be recommended to be included in the minutes of the Audit Committee.
- 5.10 **Finding 4** – Inconsistent data used in LTFFP and IAMP (low risk).

5.10.1 Proposed Actions/Comments – While immaterial in variance on this occasion, greater emphasis on checking these connections will be made in the formulation of future plans.

5.11 Finding 5 – Absence of asset management policy framework (low risk).

5.11.1 Proposed Actions/Comments – Development of a formalised policy covering existing processes to be drafted and presented to the August 2016 Audit Committee Meeting.

5.12 In addition to the 6 findings listed above, the Bentleys report identified two opportunities for improvement that they saw value in incorporating into Council's processes. These steps will be considered during the construction of the Annual Business Plan 2016-2017. The opportunities for improvement identified are:

- CEO's Report on Financial Sustainability to be incorporated in the LTFFP
- Infrastructure and Asset Management Plan aligned to better practice template.

ATTACHMENTS

Attachments 1-20: Bentleys – Internal Audit Report – Long Term Financial Plan and Asset Management Plan

City of Prospect
Long Term Financial Plan and
Infrastructure & Asset
Management Plan
Internal Audit Report



October - November 2015

Contact:

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-  Auditors
-  Advisors

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Private & Confidential

**To: Ginny Moon,
Director, Corporate Services**

Copy: Audit Committee

**Internal Audit Report
Long Term Financial Plan and Infrastructure & Asset Management Plan**

We have completed our review on the sufficiency of Long Term Financial Plan and Infrastructure & Asset Management Plan processes for the City of Prospect. Please find attached our report containing details of our assessment and recommendations. The report also contains a description of the scope of work and our approach.

An Executive Summary is provided for consideration by the Audit Committee.

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Inherent Limitations

Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that have been subject to this review operate, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. This review is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed on the control procedures are on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

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

Third Party Reliance

This report is solely for the purpose set out in the Official Order and for City of Prospect information, and is not to be used for any other purpose or distributed to any other party without Bentleys (SA) Pty Ltd's prior consent.

This summary report has been prepared at the request of City of Prospect management or its delegate. Other than our responsibility to the management of the City of Prospect, neither Bentleys (SA) Pty Ltd nor any member or employee of Bentleys (SA) Pty Ltd undertakes responsibility arising in any way from reliance placed by a third party, including but not limited to City of Prospect external advisors, on this summary report. Any reliance placed is that party's sole responsibility. Liability limited by a scheme approved under Professional Standards Legislation.

EXECUTIVE SUMMARY

BACKGROUND

The Council has engaged Bentleys SA Pty Ltd to conduct an internal audit project – Long Term Financial Plan (LTFP) and Infrastructure & Asset Management Plan (IAMP) processes review in June 2015 in line with the Audit Committees Internal Audit Program.

This report outlines findings and recommendations in respect of the LTFP and IAMP processes.

AUDIT OBJECTIVES

The overall objective of the audit was to review the system of internal controls and management processes providing reasonable assurance that adequate management controls exist to mitigate risk.

The specific objectives of the audit were to determine:

- Compliance with the Local Government Act 1999 and its regulations;
- Compliance with internal policies and procedures;
- Integrity of underlying key assumptions within the strategic corporate planning process;
- Integrity of LTFP and the aligned IAMP

Governance objectives, where relevant, were considered and included an assessment of whether governance processes were in place, including:

- Defined roles and responsibilities;
- Segregation of duties;
- Appropriate levels of delegated authority;
- Monitoring and reporting of abnormal activity; and
- Records management and documented audit trails.

AUDIT SCOPE & APPROACH

The audit scope includes:

Framework and Governance

- Consider whether an asset management framework is established, documented and approved;
- Assess current LTFP and asset management governance structures against the industry better practice - Local Government Association of South Australia (LGA) guidances
- Consider the currency of training and relevancy of qualification for key staff included in the LTFP and IAMP preparation processes; and
- Identify improvement opportunities that Council would like to address in future updates to improve value.

LTFP and IAMP

- Assess the appropriateness and accuracy of key assumptions that form the basis of the LTFP and IAMP;
- Consider whether the key assumptions of the planning processes are integrated with the strategic corporate planning process including the alignment of planning time frames;
- Review LTFP to ensure it includes adequate provision for estimated warranted expenditure projections included in Council's IAMP; and
- Ensure Council has undertaken sensitivity analyses to assess the impact of variations in underlying key assumptions.

Performance Management and Monitoring

- Consider the processes in place to monitor and manage key asset performance and that appropriate reporting processes are in place;
- Consider the processes in place to establish the asset maintenance plan and that the plan is fit for purpose based on risk assessment, current and effectively implemented.

The approach involved reviewing the process, procedures, policies and documentation; interviewing key staff; observation, walkthrough and substantive testing and where appropriate seeking expert advice.

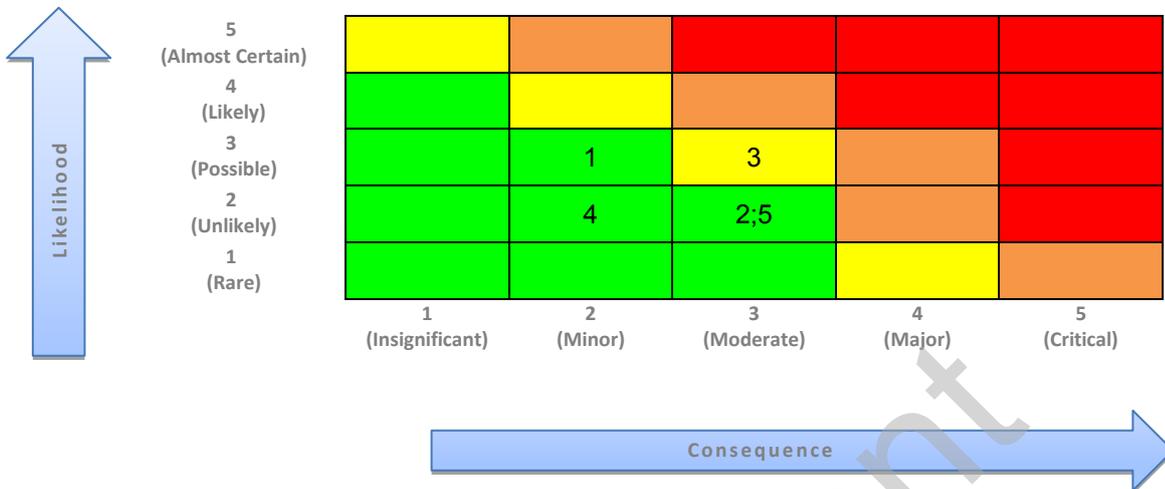
GOOD PRACTICES OBSERVED

Throughout this review we compared the Council processes to our knowledge and understanding of Local Government Association guidance for LTFP and IAMP, and good business practice. The following good practices were observed during the review:

- Integral to LTFPs are the financial projections which result from the underlying assumptions adopted. The analysis, actions, responsibilities etc. of the plans are based on the assumptions.
- "Long-term Financial Plan Model" was used which is developed by the SA Local Government Financial Management Group (SALGFMG) in association with the Local Government Act. Amendment relating to the Operating Surplus Ratio were explained and incorporated into the model.
- LTFP is reviewed annually after the adoption of annual business plan. The financial provision was updated and reviewed in August 2015 due to the new 'Library Service to the Future' project.

RISK ASSESSMENT

Provided below is an audit assessment of the risk (based on the City of Prospect risk framework) in respect of the process reviewed, having regarding to the issues identified by the audit.



Key inherent risks (before control) include:

- Non-compliance with legislation and regulation;
- Non-compliance with policies and procedures;
- LTFP is not based on quality assumptions;
- Lack of data integrity;
- Financial risks including credit risk, liquidity risk and interest rate risk; and
- Failure in obtaining government grant funding to deliver services and programs.

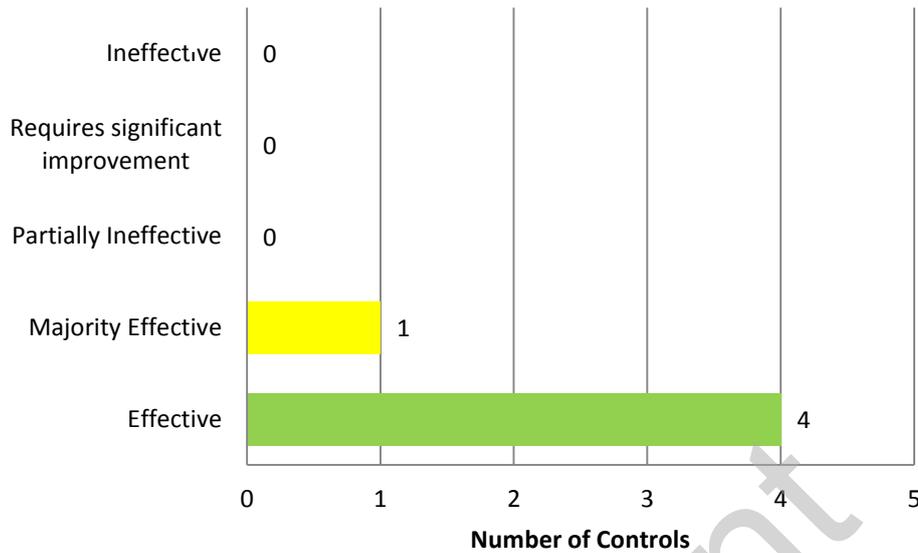
The control effectiveness assessment below is an indicator of the current state of the control environment within business operations and its ability to mitigate against these risk exposures.

Key controls identified during the audit include:

- Defined asset management policy framework;
- Management approval and annual review;
- Long Term Financial Plan Model;
- LTFP key assumptions and its sensitivity analysis;
- LTFP and IAMP data integrity and linkage;
- Implementation monitoring and reporting; and
- Records management

Given City of Prospect does not have its control effective ratings in the risk management policy, we adopted the definitions of control effectiveness ratings from the Better Practice Model – Internal Financial Control developed by the South Australian Local Government Financial Management Group Inc (SALGFMG).

CONTROL EFFECTIVENESS GRAPH



KEY FINDINGS AND OBSERVATIONS

A summary of the risk rated findings are provided below.

Ref	Description of Findings	Risk Rating
Long Term Financial Plan		
1	Assumptions not accurate or sufficient	Low
2	Risks associated with the LTFP assumptions not considered	Low
3	Sensitivity analysis assessing key assumptions not documented	Moderate
4	Inconsistent data used in LTFP and IAMP	Low
Infrastructure & Asset Management Plan		
5	Absence of formalised asset management policy framework	Low
Ref Improvement Opportunities		
1	CEO's Report on Financial Sustainability to be incorporated to the LTFP	
2	Infrastructure and Asset Management Plan better practice	

Refer to Agreed Action Plan (Appendix 1), Improvement Opportunities (Appendix 2) for detailed information.

Each key finding is rated based on the impact to the process considered. Refer to Risk Framework (Appendix 4) for detailed information.

ACKNOWLEDGEMENT

We appreciate the assistance and cooperation received from management and staff of City of Prospect in completing this review.

Attachment

APPENDIX 1

DETAILED FINDINGS AND AGREED ACTION PLAN

Finding 1	Assumptions not accurate or sufficient	Impact:	Minor
		Likelihood:	Possible
		Risk Rating:	Low

Findings:

Differences in assumptions regarding future events can have a big impact on the financial projections in a LTFP. According to the LGA Financial Sustainability Information Paper 8 Long-term Financial Plans, it is important that key assumptions (those that, if varied, could have a significant impact on financial outcomes) should be documented in the LTFP and should be defensible.

Our review found that Council used the average Local Government Price Index Expenditure Components in the past ten years (2004/05 to 2013/14) as the assumptions for both operating and capital expenditure increase. However, this basis was not documented in the LTFP. As per the Local Government Price Index, the average increase rates in the past ten years are 3.34% for operating expenditure and 3.58% for capital expenditure instead of 3.4% that was used by Council which was the average total increase rate for both operating and capital expenditure.

Assumptions relating to maintaining existing services at current service standards was not considered and documented in the LTFP.

Risk:

Inaccurate or insufficient assumptions assessed could increase the risk of:

- noncompliance with the Local Government Act 1999 and its regulations
- lack of data integrity to the LTFP
- failure in obtaining government grant funding to deliver services and programs
- incorrect decision making on rates or treasury activities

Bentleys Recommendation:

It is recommended management review and document:

- the assumptions for both operating and capital expenditure by using the accurate average Local Government Price Index Expenditure Components
- the assumptions relating to maintaining existing services at current service standards

Management Response:

Responsible Officer:

Target Date:

Finding 2	Risks associated with the LTFP assumptions not considered	Impact:	Moderate
		Likelihood:	Unlikely
		Risk Rating:	Low

Findings:

A LTFP must be based on best assumptions, but a Council should also be mindful of the probabilities and risks associated with these assumptions in its decision making. Our review found that the risks associated with those assumptions were not considered by the management. These risks may relate to:

- Unknown funding gaps
- Changes to Local Government funding programs
- The capacity of the community to meet the increase of rates, etc.

Risk:

Not considering the risks associated with the LTFP assumptions could increase the risk of:

- noncompliance with the Local Government Act 1999 and its regulations
- lack of data integrity to the LTFP
- financial risks including credit risk, liquidity risk and interest rate risk
- failure in obtaining government grant funding to deliver services and programs

Bentleys Recommendation:

It is recommended management regularly review the risks associated with the assumptions as a minimum to:

- assess funding requirements
- identify potential risk in relation to cost shifting from the Federal and State Government to Local Government.
- assess the capacity of the community to meet the increase of rates

Management Response:**Responsible Officer:****Target Date:**

Finding 3	Sensitivity analysis assessing key assumptions not documented	Impact:	Moderate
		Likelihood:	Possible
		Risk Rating:	Moderate

Findings:

In the agenda of Audit Committee meeting held on 18 May 2015, recommendation has been made that a sensitivity analysis be prepared on identified project items and tabled at a future Audit Committee meeting for review. However, the minutes of that meeting showed that this offer was not taken up. No reasons were explained and documented in the minutes.

Risk:

Lack of documented sensitivity analysis assessing the impact of variations in underlying key assumptions could increase the risk of:

- LTFP is not based on quality assumptions
- the probabilities and risks associated with these assumptions were not considered in Council's decision making
- incorrect decision making

Bentleys Recommendation:

It is recommended management to document the sensitivity analysis assessing the impact of variations in underlying key assumptions when preparing the LTFP.

Management Response:

Responsible Officer:

Target Date:

Finding 4 Inconsistent data used in LTFP and IAMP	Impact:	Minor
	Likelihood:	Unlikely
	Risk Rating:	Low

Findings:

During the review we found the IAMP recorded whole-of-life annual spend of asset as \$3,129K. However, in the LTFP, the required spend that used for Asset Sustainability Ratio calculation is \$3,124K, a \$5,000 difference. Due to the immaterial nature of this difference, the impact on Asset Sustainability Ratio calculation is nil.

Risk:

Inconsistent data used in LTFP and IAMP could increase the risk of:

- noncompliance with the Local Government Act 1999 and its regulations
- lack of data integrity
- financial risks
- incorrect decision making

Bentleys Recommendation:

It is recommended management to review the linkage between LTFP and IAMP to ensure the integrity of data used in LTFP and IAMP.

Management Response:

Responsible Officer:

Target Date:

Finding 5	Absence of asset management policy framework	Impact:	Moderate
		Likelihood:	Unlikely
		Risk Rating:	Low

Findings:

The Local Government Act 1999 and its regulations require each Council to:

- maintain prudential management policies, practices and procedures for the assessment of all projects. Section 48 (aa1)
- have a policy on the sale and disposal of assets. Section 49 (1)(d)
- adopt an internal control policy which safeguards assets. Section 125

Council Members determine the policy framework within which existing assets are managed, new assets are acquired and the overall program for maintenance and disposal of assets. This policy framework will typically have regard to the link between the purchase, upgrade and disposal of assets, the delivery of services to communities and consultation processes required to ensure communities are well informed and able to influence the decisions of their Councils. (Refer to Local Government Association of South Australia - Financial Sustainability Information Paper 6 Infrastructure and Asset Management).

Our review found that the Council does not currently maintain any asset management policy framework except an accounting policies and procedures manual that defines the accounting treatment for Council assets – Property, Plant, Equipment & Infrastructure. Asset management governance arrangements, principles, objectives, roles and responsibilities are not formalised and documented.

Risk:

Lack of formalised asset management policy framework could increase the risk of:

- noncompliance with the Local Government Act 1999 and its regulations
- strategic planning objective not met
- improper operation within the ranges to optimise the asset life cycle

Bentleys Recommendation:

It is recommended management to establish an asset management policy framework, which should include appropriate governance arrangements and asset management policies, strategies and plans that are well developed and integrated.

Key components of a sound asset management policy framework include:

- governance arrangements incorporating an accountability structure that identifies roles and responsibilities
- an agreed policy that establishes the principles and requirements for asset management
- a strategy that sets out the actions needed to implement the policy and links the asset portfolio to service delivery needs
- asset management plans that link to the policy, strategy, long-term financial plans and intended levels of service

- current and planned levels of service established in asset management plans, prepared in consultation with the community

Management Response:

Development of a formalised policy covering existing processes will be drafted by March 2016.

Responsible Officer: Manager Infrastructure, Assets and Environment **Target Date:** March 2016

Attachment

APPENDIX 2

IMPROVEMENT OPPORTUNITIES

Improvement Opportunity 1	CEO's Report on Financial Sustainability to be incorporated into the LTFP
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Findings:

The CEO's Report on Council's Financial Sustainability has taken into account the annual business plan and SMPs. On 23 June 2015, Council noted this report. However, this report was not incorporated into the LTFP.

Bentleys Recommendation:

It is recommended management incorporated CEO's Report on Council's Financial Sustainability to the LTFP.

Management Response:

Responsible Officer:

Target Date:

Improvement Opportunity 2 Infrastructure and Asset Management Plan better practice

Findings:

The IAMP was assessed against better practice and a number of improvement opportunities were identified as highlighted in the following table:

#	Better Practice Elements	Internal Audit Comments
1	Sets out the plan framework.	Document Road Map for preparing an Asset Management Plan
2	Documents council's customer research including the LGA Comparative Performance Measures in Local Government surveys.	Document the Council's customer research.
3	States the legislative requirement the Council has to meet including Australian and State legislation and State regulations.	Document legislative requirement.
4	Sets current and desired levels of service for each asset class and significant asset.	Document not only the asset class, useful life, quantity and value but the measurable levels of service for each asset class.
5	Provides clear linkages with current and future community service needs. Analyses the potential factors effecting demand including population growth, social and changes in technology.	Document the evidence of analysis to identify current and future service needs in support of the IAMP.
6	Summaries the current condition of assets.	Council engaged Tonkin to perform condition assessment on a 5-yearly basis. The current condition of assets relating to Footpath Program and Drainage Program should be provided in the IAMP.
7	Summaries asset values from council's asset register and Annual Financial Reports. Record the financial reporting date, year of last revaluation and whether values are greenfield or brownfield.	Document the measures of asset consumption, renewal and upgrade.
8	Incorporates risk management plan and disposal plan into the lifecycle management plan	Incorporate risk management plan and disposal plan into each asset management program.
9	Includes standards and specifications in the Maintenance Plan	Document the standards and specifications
10	Provides key assumptions made in presenting the information contained in IAMP and in preparing forecasts of projected operating and capital expenditure and asset values and depreciation expense estimates.	Document key assumptions in financial forecast, depreciation, maintenance and renewal forecast.
11	Explains how the performance of the plan will be monitored.	Document performance measure and improvement plan.

Source: Adopted from Local Government Association of South Australia - Guidance for Infrastructure and Asset Management Plan Template

Bentleys Recommendation:

It is recommended management to update its IAMP according to the Better Practice Elements identified above.

Management Response:

The finding suggests better alignment of Council's IAMP with the better practice model developed by the LGA. The present IAMP has been developed in house and is compliant with the Local Government Act and associated Financial Management Regulations. Development of revised plan to be drafted by December 2016.

Responsible Officer: Manager Infrastructure, Assets and Environment **Target Date:** December 2016

Attachment

APPENDIX 3

DOCUMENTS ACCESSED AND CONSULTATION

Documents provided by City of Prospect and accessed include:

- Annual Business Plan including LTFP and IAMP
- CEO's Report on Council's Financial Sustainability
- LTFP model
- Asset program and cost summary

We would like to extend our appreciation to the following individuals who participated in, and provided information during this internal audit review.

- Chris Birch, Manager Financial Services
- Alex Cortes, Manager Infrastructure, Assets and Environment
- Dimi Shizas, Infrastructure & Assets Engineer

Attachment

APPENDIX 4

RISK RATING MATRIX

The following framework for Assurance ratings was developed to prioritise findings according to their relative significance depending on their impact to the process.

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

Measures of Corporate Risk Likelihood

The likelihood of a risk eventuating must be identified in the context of existing controls using the following as a reference:

Likelihood Rating	Description	Indicative Frequency Values
E - Almost Certain	Is expected to occur in most circumstances	Greater than one or more per annum
D - Likely	Will probably occur in most circumstances	Will probably occur on one occasion in the coming year. 20%-90% probability the event will occur in the next year
C - Possible	Might occur at some time	Between 3-10 years
B - Unlikely	Could occur at some time	Between 10-50 years
A - Rare	May occur only in exceptional circumstances	Every 50-100 years

Measures of Corporate Risk Consequence or Impact

Where a risk has implications across a number of areas of impact, the highest rating should be used to determine the overall level of risk. However each identified risk should be assessed from a mitigation / action.

Consequence	Rating	Infrastructure and Assets	Business Continuity and Business Systems	Legal Compliance and Liability	Financial and Economic	Political	Social	Environmental	Customer/Citizen	Reputation	Partnership	Staff	WHS&IM
Catastrophic	5	Widespread, long term loss of substantial key assets, infrastructure and/or IT network/hardware. Critical loss, irreversible damage property / infrastructure	The continuing failure of Council to deliver essential services. The Removal of key revenue generation.	Regulatory or contract breaches causing very serious litigation, including major class action. An event occurring outside City of Prospect's Insurance cover.	Above 60% of City of Prospect's annual revenue (excluding capital revenue).	Loss of power and influence restricting decision making and capabilities. Dismissal of Council by State Government.	Widespread loss of trust across the community.	Widespread and irreversible environmental damage attributed by the courts to be negligent or incompetent action of City of Prospect.	Significant demographic and economic changes impact on recruitment and retention. Operational availability deteriorates below published service standards. Programs/projects not delivered, resulting in significant decline in community outcomes. Significant damage to reputation.	Loss of State Government support with scathing criticism and removal of the Council. National media exposure.	Resignation and or removal of major contractors and senior staff.	Staff issues cause continuing failure to deliver essential services.	Fatality or significant irreversible disability. Fatality of a member of staff or public. Critical loss, irreversible damage property / infrastructure
Major	4	Widespread, short to medium term loss of key assets, infrastructure and/or IT network/hardware. Serious structural damage.	Widespread failure to deliver several major strategic objectives and service plans. Long-term failure of Council causing lengthy service interruption.	Major regulatory or contract breaches and litigation. Liability implications and fines for CEO/Directors/Managers.	Between 2%-6% of City of Prospect's annual revenue (excluding capital revenue).	Adverse impact and intervention by State Government.	Tangible expressions of mistrust amongst some community members with significant influence on decision-makers.	Severe environmental impact requiring significant remedial action. Penalties and/or direction or compliance order incurred.	Major economic changes impact on recruitment and retention. Department cannot meet service demand. Public confidence in the organisation undermined. Outcome of a major program/project not achieved resulting in decline of community outcomes. Significant review of implementation of program required. Interrupt the development of essential infrastructure.	State media and public concern/exposure with adverse attention and long-term loss of support from City of Prospect residents.	Community dissatisfaction. Persistent questions in Council, external inquiry. Industrial action affecting service delivery.	Staff issues cause widespread failure to deliver several major strategic objectives and long-term failure of day to day service delivery.	Serious & extensive injuries requiring hospitalisation/rehabilitation. Lost time of more than 4 working days. Serious structural damage.
Moderate	3	Short to medium term loss of key assets, infrastructure and/or IT network/hardware. Moderate loss or infrastructure damage.	Failure to deliver minor strategic objectives and service plans. Temporary & recoverable failure of Council causing intermittent service interruption for a week.	Regulatory or contract breaches causing investigation / report to authority and prosecution and moderate fines.	Between 1%-2% of City of Prospect's annual revenue (excluding capital revenue).	Adverse impact and intervention by the ALG.	Tangible expression of mistrust amongst some community members with moderate influence on public opinion and decision-makers.	Moderate impact on the environment; no long-term or irreversible damage. May incur cautionary notice or infringement notice.	Major workforce development strategy changes cause employment contracts not able to meet Service needs. Complaints increase and cause local media long-term adverse publicity. Significant effect on staff morale and public perception of the organisation. Delivery of community program/project outcomes compromised for identified groups. Significant review/changes to programs required.	Significant state wide concern /exposure and short to mid term loss of support from City of Prospect residents.	Short term damage, public embarrassment of organisation. Local-wide industrial action (e.g. Bans)	Staff issues cause failure to deliver minor strategic objectives and temporary and recoverable failure of day to day service delivery.	Medical treatment/hospitalisation on required. Lost time of up to 4 working days. Moderate loss or infrastructure damage.
Minor	2	Minor loss or infrastructure damage. Repairs required.	Temporary and recoverable failure of Council causing intermittent service interruption for several days.	Minor regulatory or contract breaches causing likely prosecution and minor fines.	Between 0.2%-1% of City of Prospect's annual revenue (excluding capital revenue).	Adverse impact by another local government.	Tangible expressions of mistrust amongst a few community members with some influence on public opinion and decision-makers.	Minor environmental damage such as remote temporary pollution.	Minor workforce development strategy changes cause minor financial and economic pressure effect the quality of customer service. Some public embarrassment. Local media coverage short term. Minor effect on staff morale / public attitudes. Community program/project outcome compromised. Minor impact on efficiency or effectiveness, managed internally.	Minor local community concern manageable through good public relations.	Local adverse publicity. Visible dissatisfaction from public, limited/localised partnership interest., specific internal reporting. Local industrial action.	Staff issues cause several days interruption of day to day service delivery.	First aid treatment required resulting in lost time >1 day. Minor loss or infrastructure damage.
Insignificant	1	Damage where repairs are required however facility, infrastructure, network/hardware is still operational. Negligible loss or damage to property or infrastructure.	Negligible impact of Council, brief service interruption for several hours to a day.	Negligible regulatory breaches that are detected early and rectified. Insignificant legal issues & non-compliance.	Less than 0.2% of City of Prospect's annual revenue (excluding capital revenue).	Negligible impact from another local government.	Tangible expressions of mistrust amongst a handful of community members with no influence on public opinion and decision-makers.	Brief, non hazardous, transient pollution or damage.	Lack of appropriate consultation. Rumours, no media coverage. Little effect on staff morale. Community program/project outcome compromised. Resolved by routine operations.	Transient matter, e.g. Customer complaint, resolved in day-to-day management.	Little or no publicity. Attention from minor stakeholder with no publicity, only routine internal reporting.	Staff issues cause negligible impact of day to day service delivery.	No injuries. No lost time. Negligible loss or damage to property or infrastructure.

AGENDA ITEM NO.: 10.10
TO: Audit Committee on 26 February 2016
DIRECTOR: Ginny Moon, Director Corporate Services
REPORT AUTHOR: Chris Birch, Manager Financial Services
SUBJECT: Procurement and Contract Management Processes

1. EXECUTIVE SUMMARY

- 1.1 Bentleys Internal Audit Report – Procurement and Contract Management was presented to the Audit Committee Meeting 7 December 2015.
- 1.2 The Council resolved at its meeting 15 December 2015 the following;
- (1) *Council notes Bentleys Internal Audit Report – Procurement and Contract Management Processes.*
 - (2) *A review of the 17 identified breaches of delegations be undertaken to ensure appropriate authorisation has been received.*
 - (3) *Review the delegated authority limits to ensure they are appropriate for the efficient conduct of Council operations.*
 - (4) *A report be presented to the March 2016 Audit Committee identifying the steps completed to address the findings identified in Bentleys report.*
- 1.3 The purpose of this report is to provide an update on the actions from the above resolution.
- 1.4 Of the 17 identified breaches in delegations, all were reviewed and able to be explained or verified by either the approving officer being in an “Acting” capacity with higher delegation limit or being the approver of the transaction relating to a previously signed contract.
- 1.5 Also contained in the Agenda for this meeting is the review of the Procurement Policy. The policy outlines the limits of delegation available for procurement. Assuming that the policy is endorsed, an internal audit (by Council staff) will be undertaken of these limits against Purchasing System (Civica) financial delegation parameters.

2. RECOMMENDATION

- (1) **Council notes the update on the Procurement and Contract Management Processes.**
-

3. RELEVANCE TO CORE STRATEGIES / POLICY

- 3.1 Local Government Act 1999, Chapter 10.
- 3.2 Core Strategy – Your Council – “Ensure Financial Sustainability”.

4. COMMUNITY INVOLVEMENT

- 4.1 No community consultation was undertaken on this matter.

5. DISCUSSION

- 5.1 Bentleys Internal Audit Report – Procurement and Contract Management was presented to the Audit Committee Meeting 7 December 2015.
- 5.2 The Council resolved at its meeting 15 December 2015 the following;
- (1) *Council notes Bentleys Internal Audit Report – Procurement and Contract Management Processes.*
 - (2) *A review of the 17 identified breaches of delegations be undertaken to ensure appropriate authorisation has been received.*
 - (3) *Review the delegated authority limits to ensure they are appropriate for the efficient conduct of Council operations.*
 - (4) *A report be presented to the March 2016 Audit Committee identifying the steps completed to address the findings identified in Bentleys report.*
- 5.3 The purpose of this report is to provide an update on the actions from the above resolution.
- 5.4 Of the 17 identified breaches in delegations, all were reviewed and able to be explained by either the approving officer being in an “Acting” capacity with higher delegation limit or being the approver of the transaction relating to a previously signed contract. A breakdown of the breaches were as follows:
- 6 were line items of the same purchase order (orders are approved in whole);
 - 3 invoices were for the replacement of plant where the net value (less trade-in) was below the delegate authority;
 - 3 relate to the domestic waste contract where a signed contract & Council acceptance of the tender exists;
 - 2 were for the completion of tendered projects;
 - 3 invoices for the completion of scheduled maintenance work conducted under contract;
 - 1 during a period of delegation as Acting Director (\$50,000 limit applies)
- 5.5 Also contained in the Agenda for this meeting is the review of the Procurement Policy. The policy outlines the limits of delegation available for procurement. Assuming that the policy is endorsed, an internal audit (by Council staff) will be undertaken of these limits against Purchasing System (Civica) financial delegation parameters.

- 5.6 As highlighted in the review by Bentleys, purchasing and procurement is currently a decentralised function of Council. In late 2014, the roles and responsibilities of the Financial Services department was expanded to oversee the activities of purchasing and procurement while maintaining a decentralised purchasing function.
- 5.7 To date, reviews of the Purchasing and Procurement function have been undertaken by both ArcBlue (an external procurement process contractor endorsed by LGA Procurement) and Council's Internal Auditor Bentleys.
- 5.8 The review by both parties has assisted in the formulation of a roadmap to improve procurement activities. Collaborative work done with ArcBlue observed that, procurement activities and templates within the organisation are solid; although not consistent across the organisation. Awareness and training on the templates and their use was also required.
- 5.9 The roadmap identifies the following overarching steps;

Step	Bentleys finding(s) addressed
Revision of Procurement Policy (March 2016)	1, 2
Revision of Purchasing Delegations in Civica Authority and application of revised Procurement Policy thresholds (April 2016)	1, 4, 6
Refresh of Corporate Templates in place*	6
Training Program to Implement Revised Templates*	6, 8

*Timing subject to allocates within 2016-2017 Budget

- 5.10 A budget bid for additional resources for the 2016-2017 budget has been submitted. The success of this bid will determine the intensity at which this work can be delivered.
- 5.11 Council continues to work with LGA Procurement (LGAP) in order strengthen its buying power through their services and activities such as the use of Vendor Panel.

ATTACHMENTS

Nil

AGENDA ITEM NO.: 10.11
TO: Audit Committee on 29 March 2016
DIRECTOR: Ginny Moon, Director Corporate Services
REPORT AUTHOR: Ginny Moon, Director Corporate Services
SUBJECT: Audit Committee Outstanding Resolutions

1. EXECUTIVE SUMMARY

1.1 The Audit Committee Outstanding Resolutions are provided for noting.

2. RECOMMENDATION

(1) Council notes the Audit Committee Outstanding Resolutions Report and associated scheduled action items.

3. RELEVANCE TO CORE STRATEGIES / POLICY

3.1 Core Strategy – “Your Council” - Key Strategy 5.7 “Provide efficient and effective services using the most appropriate service delivery model and technology.

3.2 Core Strategy – “Your Council” - Key Strategy 5.8 “Ensure Financial Sustainability.”

4. COMMUNITY INVOLVEMENT

4.1 There is no relevant community consultation requirement.

5. DISCUSSION

5.1 The following table contains Audit Committee Outstanding Resolutions and a tentative date for actioning.

5.2 The associated scheduled action items have been aligned with the Audit Committee Work Program September 2015 – October 2016.

Audit Committee Minutes (Outstanding Resolutions)				
AC Meeting	Agenda Item	Resolution	Status	Comments
03/12/2012	10.4	<p><u>Internal Audit – Project Management</u></p> <p>(2) Project Management status report including Post Project Review to be presented to an Audit Committee meeting in late 2013.</p>	Refer AC Work Program Sep 2015 – Oct 2016	None identified for review
03/12/2012	10.5	<p><u>Community Engagement and Consultation Policy</u></p> <p>(2) The Audit Committee recommends consideration is given to using the on-line community panel to provide comparable analysis to the McGregor Tan Biennial Resident Satisfaction Survey.</p> <p>(3) An annual report be provided to evidence compliance with the Community Engagement and Consultation Policy.</p>	Refer AC Work Program Sep 2015 – Oct 2016 #OpSrv9	Per Internal Audit Plan June 2016
19/08/2013	10.7	<p><u>Workers' Compensation Scheme – WorkCover SA Partnership Visit 2012</u></p> <p>(1) The final report of implementation of the recommendations arising from the Review to be reported to the October 2013 Audit Committee Meeting.</p>	Refer AC Work Program Sep 2015 – Oct 2016 #HR1	<p>Scheduled for Mar 2016</p> <p>Deferred to Mar 2016 to take into account of the outcome of the latest Review</p>
14/10/2013	10.9	<p><u>Service Delivery/Customer Service Review</u></p> <p>(2) A further report be tabled at a future Audit Committee meeting to consider and make recommendations to Council.</p>	Refer AC Work Program Sep 2015 – Oct 2016 #OpSrv12	To be scheduled

Audit Committee Minutes (Outstanding Resolutions)				
AC Meeting	Agenda Item	Resolution	Status	Comments
09/12/2013	10.1	<p><u>Mutual Liability Scheme – Risk Management Review 2013</u></p> <p>(3) The status of implementation of the recommendations arising from the Review to be reported to the May 2014 Audit Committee Meeting.</p>	Refer AC Work Program Sep 2015 – Oct 2016 #G.RM2	Scheduled for Mar 16
17/03/2014	10.10	<p>Sensitivity Analysis and Benchmarking Key Services</p> <p>(1) The Audit Committee review the proposed Operating and Capital projects earmarked for 2014/2015, to identify area(s) that required further sensitivity analysis.</p>	<p>As part of Draft ABP deliberation May 2015</p> <p>Refer AC Work Program Sep 2015 – Oct 2016 #F.SUS2</p>	<p>No item identified for Analysis during Draft ABP deliberation</p> <p>Benchmarking of Fees and Charges presented to Dec 15 Item 10.6</p>
17/03/2014	10.11	<p>Business Continuity, Disaster Recovery and Emergency Management Planning</p> <p>(1) The Audit Committee to be presented progressively the various documents making up the Emergency Management Framework.</p>	Refer AC Work Program Sep 2015 – Oct 2016 # G.BCP1	<p>To be Scheduled</p> <p>Delayed to coincide with finalisation of IT DRP</p>

Audit Committee Minutes (Outstanding Resolutions)				
AC Meeting	Agenda Item	Resolution	Status	Comments
18/08/2014	10.7	<p>Review Accounting Policies & Procedures Manual</p> <p>(1) Audit Committee request for a review of the Procurement Policy and Procedures and the relationship to the Accounting Policy and Procedures Manual, including:</p> <ul style="list-style-type: none"> a) Preferred vendors list. b) Process for approving new vendors. c) Ensuring vendor insurances are sufficient and current. d) Review of non active vendors. e) Appropriate segregation of duties for establishing new vendors. 	Refer AC Work Program Sep 2015 – Oct 2016 #F.POL1	<p>Scheduled for Mar 16</p> <p>Review Policies (1) Procurement Policy (in conjunction with Internal Audit of Procurement and Tender by Bentley) (Mar 16)</p> <p>(2) Budget Framework adopted Dec 15</p>
18/08/2014	10.9	<p>Human Resources Review and Audit</p> <p>(2) The Audit Committee to review the progress of the Human Resources Management, Strategy and Standards Plan and Policies and Procedures Framework every six months.</p>	Refer AC Work Program Sep 2015 – Oct 2016 #HR2	<p>Presented to Dec 15</p> <p>Next August 2016</p>
15/12/2014	10.1	<p>Information Technology Managed Service Review – Bentleys Final Report</p> <p>(3) A clear Information and Communication Technology Strategy be developed that documents the appropriate service delivery environment for City of Prospect for the next 5 years.</p>	Refer AC Work Program Sep 2015 – Oct 2016 #G.IT2	<p>To be Scheduled</p> <p>IT Strategic Plan consultation with AC/EMs/Mgt Team to commence Oct/Nov 15.</p> <p>Referencing to Council's Strategic Direction (community consultation early 2016).</p>

Audit Committee Minutes (Outstanding Resolutions)				
AC Meeting	Agenda Item	Resolution	Status	Comments
18/05/2015	10.5	Update on Managed IT Services Transition (3) Progress of the new Information Technology Service Agreement to be reported to the Audit Committee one year after commencement.	Refer AC Work Program Sep 2015 – Oct 2016 # G.IT4	Scheduled for Aug 16
17/08/2015	10.2	Business and Economic Development Update (2) Council's Strategic Economic Development Plan 2014 - 2018 and Next Generation Digital Economy Strategy 2014 - 2018 continue to inform the future program of works for the Business and Economic Development portfolio with funding of this program of work incorporated into Council's Long Term Financial Plan. (3) Council to continue to refine objective measures on return on investment associated with this portfolio.	As part of annual budget process Refer AC Work Program Sep 2015 – Oct 2016 #S.BP1 Refer AC Work Program Sep 2015 – Oct 2016 # OpSrv5	Scheduled for Aug 16
17/08/2015	10.4	Governance Audit (2) A further report to be provided to Council via the Audit Committee in six months advising of action taken to address any non-compliances.	Refer AC Work Program Sep 2015 – Oct 2016 # G.CG6	Scheduled for Mar 16
17/08/2015	10.5	Risk Assessment Report (5) Council adopts the 2 Year Audit Plan and provide appropriate resources in each budget cycle for the audits.	2 Year Audit Plan included in AC Work Program Sep 2015 – Oct 2016 # G.CG4 IA Report - Assurance	Presented To Aug AC

			Mapping #G.CG2	2015 Completed
			IA Report - Procurement & Contract Management Processes (June 2015) #OpSrv2 & #OpSrv3	Scheduled for Mar 16 Dec15 Completed
			IA Report - Business Planning and Budget Process (Mar 2015/16) #F.RPT2	Scheduled for May 16
			IA Report - Asset Management Plan and Long Term Financial Plan (Oct 2015/16) #F.SUS1	Scheduled for Dec 16
			IA Report - Communica tions (June 2016 - 2015/16) #OpSrv9	Scheduled for Aug 16
			IA Report - Infringement s (Aug 2016/17) #OpSrv8	Scheduled for Oct 16
			IA Report - Payroll (Oct 2016/17) #F.PAY1	Scheduled for Dec 16
			IA Report - Strategic Planning Alignment #S.SP1	Scheduled for Mar 2017 - 2016/17

Audit Committee Minutes (Outstanding Resolutions)				
AC Meeting	Agenda Item	Resolution	Status	Comments
02/11/2015	10.3	<p>Update on Managed Information Technology Services Transition</p> <p>(2) Progress of the new Managed IT Service Agreement is reported one year after commencement or earlier if there are significant issues.</p> <p>(3) Report to include examination of projected savings and service levels.</p>	Refer AC Work Program Sep 2015 – Oct 2016 # G.IT3	Scheduled for Dec 2016
07/12/2015	10.1	<p>Work Health and Safety Report</p> <p>(3) The Administration to determine best practice in managing external contractors, with regards to management of WHS.</p> <p>(4) This Report to be presented to Audit Committee on an annual basis in conjunction with the Mutual Liability Scheme Annual Review.</p>	Refer AC Work Program Sep 2015 – Oct 2016 #G.WHS2 Refer AC Work Program Sep 2015 – Oct 2016 #G.WHS3	Scheduled for Dec 2016 Scheduled for Dec 2016
07/12/2015	10.2	<p>Internal Audit Report – Procurement and Contract Management Processes</p> <p>(1) Council notes Bentleys Internal Audit Report – Procurement and Contract Management Processes.</p> <p>(2) A review of the 17 identified breaches of delegations be undertaken to ensure appropriate authorisation has been received.</p> <p>(3) Review the delegated authority limits to ensure they are appropriate for the efficient conduct of Council operations.</p> <p>(4) A report be presented to the March 2016 Audit Committee identifying the steps completed to address the findings identified in Bentleys report.</p>	Noted Refer AC Work Program Sep 2015 – Oct 2016 # OpSrv2 & # OpSrv3	Scheduled for Mar 2016

Audit Committee Minutes (Outstanding Resolutions)				
AC Meeting	Agenda Item	Resolution	Status	Comments
07/12/2015	10.4	<p>Rating Audit Health Check – Annual Review</p> <p>(2) An annual review be presented to the Audit Committee identifying completed and outstanding action items and assessment of risk undertaken.</p>	Refer AC Work Program Sep 2015 – Oct 2016 #OpSrv10	Scheduled for Dec 2016

ATTACHMENTS: NIL

AGENDA ITEM NO.: 10.12

TO: Audit Committee on 29 March 2016

DIRECTOR: Ginny Moon, Director Corporate Services

REPORT AUTHOR: Ginny Moon, Director Corporate Services

SUBJECT: Audit Committee Work Program Status Report

1. EXECUTIVE SUMMARY

- 1.1 The Audit Committee Work Program Status Report September 2015 – October 2016 is provided as **Attachments 1 –11** for noting.

2. RECOMMENDATION

- (1) Council notes the Audit Committee Work Program Status Report – September 2015 – October 2016 provided as Attachments 1-11.**
-

3. RELEVANCE TO CORE STRATEGIES / POLICY

- 3.1 Core Strategy – “Your Council” - Key Strategy 5.7 “Provide efficient and effective services using the most appropriate service delivery model and technology.
- 3.2 Core Strategy – “Your Council” - Key Strategy 5.8 “Ensure Financial Sustainability.”

4. COMMUNITY INVOLVEMENT

- 4.1 There is no relevant community consultation requirement.

5. DISCUSSION

- 5.1 Implementing a Work Program assists with ensuring Council is delivering services in an effective and relevant manner, and that Council is complying with its statutory and legal requirements. It also assists Council to promote and demonstrate corporate fairness, transparency and accountability, and provides Council and the community with a level of assurance the organisation is managing its risks within the context of its Risk Management Policy.
- 5.2 The Audit Committee’s Work Program must include the principal functions and extent of authority for an Audit Committee as set out in Section 126 (4) of the Local Government Act as follows:
- (a) *reviewing annual financial statements to ensure that they present fairly the state of affairs of the council; and*

- (ab) *proposing, and providing information relevant to, a review of the council's strategic management plans or annual business plan; and*
- (ac) *proposing, and reviewing, the exercise of powers under section 130A; and*
- (ad) *if the council has exempted a subsidiary from the requirement to have an audit committee, the functions that would, apart from the exemption, have been performed by the subsidiary's audit committee; and*
- (b) *liaising with the council's auditor; and*
- (c) *reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis.*

5.3 In relation to sub-section (c) above, Council has an Internal Audit Function. This function, along with a number of areas identified during the Audit Committee's Risks Workshop on 16 March 2015, has provided a foundation in formulating the Revised Audit Committee's Work Program.

5.4 Council's Internal Auditor, Bentleys was engaged to conduct an assurance mapping review in June 2015, in line with the Audit Committee Internal Audit program.

5.5 The Audit Committee is satisfied with the process undertaken to provide an overview of the types of assurance in place, gaps and overlaps in accountability arrangements.

5.6 The results of the Risk Assessment and Assurance Mapping will help inform the Audit Committee of the activities for the next two years and the Audit Committee has revised its own Work Program based on the findings.

5.7 Following the Assurance Mapping exercise, the following activity areas have been considered appropriate for inclusion in an Audit Committee Work Program:-

5.7.1 Strategy

1. Business Plan
2. Strategic Plan
3. Stakeholder Engagement

5.7.2 Governance

1. Corporate Governance
2. Risk Management
3. WHS Compliance
4. Business Continuity/Disaster Recovery
5. Fraud (fraud risk management, whistleblowing)
6. Information Security

5.7.3 Finance

1. Financial Budget and Management Reporting
2. Financial Sustainability /Asset Management Plan and Long Term Financial Plan
3. Accounting Policies & Procedures
4. Statutory Reporting
5. Financial Treatment of Fixed Assets
6. Control Self-Assessment / Internal Controls over financial reporting
7. Payroll

5.7.4 HR

1. Workers Compensation Scheme
2. Retention / multi skilling of staff

5.7.5 Operational Services

1. Purchasing & Procurement
2. Contract Management
3. Infrastructure Integrity
4. Business and Economic Development – Rate of Return to Council
5. ICT Shared Service Initiatives
6. Conflict of Interest
7. Infringements
8. Communications
9. Rating Health Check
10. Fringe Benefit Tax Review
11. Service Delivery/Customer Service Review

5.8 The Audit Committee should address issues which fall within the activity areas determined by its terms of reference. Some issues may be addressed on a once-off basis and others on a regular basis.

5.9 This Work Program will be resourced by Council and needs to be budgeted accordingly. The consultation between the Audit Committee and Council and its Chief Executive Officer should balance the needs identified in the Work Program against the level of resources required.

Some of the key areas are:-

Financial Reporting

5.10 The Audit Committee needs to be satisfied that practices adopted by Council and supported by its external auditor (unless otherwise indicated by a qualification to the audit or commented on in the accompanying management letter) are appropriate having regard to its circumstances and practices elsewhere and are reflected in formal Council policies as appropriate.

Internal Controls and Risk Management Systems

5.11 The Local Government Act 1999 (Section 125) requires Councils to maintain effective internal controls. The Audit Committee needs to ensure that Council and its management team have in place locally appropriate plans, policies and arrangements to manage and mitigate the organisation's business risks.

Internal Audit

In the context of Council's overall risk management system, the Audit Committee needs to monitor and review the effectiveness of Council's internal audit function.

External Audit

5.12 The Audit Committee needs to;

5.12.1 meet as necessary, and monitor Council's relationship, with its external auditor;

5.12.2 consider and make recommendations to Council in relation to all aspects of the appointment, re-appointment, remuneration, and removal or resignation of Council's external auditor;

5.12.3 assess the effectiveness of the external audit process and outputs relative to the scope of the engagement; and,

5.12.4 review management's response to the external auditor's findings and recommendations.

Reporting

5.13 In addition to receiving minutes of Audit Committee meetings, Council also needs to have significant, urgent findings of the Audit Committee promptly brought to its attention. The Audit Committee should also review its charter and performance annually (either by self assessment or through an external reviewer) and report these conclusions and its overall activity outputs to, and invite comment from, Council.

Other Matters

5.14 A key role of Council Audit Committees, recognised in the Local Government Act and arguably warranting special emphasis based on the findings of the Financial Sustainability Inquiry, is to identify areas where Council's financial governance policies and practices can be improved. In particular Audit Committees have a role in ensuring Council's strategic management and annual business plan development, management and reporting processes take account of, and support, Council's future financial sustainability.

Resources

5.15 Resource for the Audit Committee (2015/2016) includes:-

5.15.1 an amount of \$15,000 to fund the Audit Committee's Work Program, including the conduct of any Internal Audits (by external person(s)), Service Reviews, etc. Council resolved the entire \$15,000 budget be committed for an internal audit function for 3 years (2014/2015, 2015/2016 and 2016/2017) as a priority. Refer Minutes of Audit Committee on 18 August 2014, Agenda Item 10.11.

5.15.2 a separate budget appropriation for Audit Committee sitting fees.

5.15.3 a separate budget appropriation for the External Audit (currently performed by Dean Newbury and Partners), and

5.15.4 salary budgets that cover staff time consumed in supporting the Audit Committee.

5.16 The \$15,000 may not be sufficient to fund all of the internal audits dependent on the scope of the proposed Work Program to be undertaken by external person(s), taking into account additional internal audits required as a result of S128 of the Local Government Act 1999, "The Auditor".

5.17 Internal resources can be used to minimise the additional cost of the internal audit function. A number of 'areas of interest' could be identified for "Review" (as opposed to "Audit"). A Review will generally be undertaken by the Administration, either with or without the assistance of an Internal Auditor, with a report submitted to the Audit Committee for consideration outlining the review methodology, findings and recommendations. Whilst not conducted by an independent person, such reviews will enable the Audit Committee to obtain a level of comfort Council is managing the risks associated that it functions adequately.

Audit Committee Work Program Status Report September 2015 – October 2016

5.18 The Audit Committee Program Status Report will be refined over time to take account of variables such as budget available, scope of the internal audits to be undertaken and potential collaboration with other councils.

5.19 The results of the Risk Assessment and Assurance Mapping helped informed the Audit Committee of the activities for the next two years. The Revised Audit Committee Work Program Status Report for September 2015 – October 2016 is presented at **Attachments 1–11**.

ATTACHMENTS

Attachments 1-11: Audit Committee Work Program Status Report – September 2015 – October 2016

Audit Committee Work Program September 2015 - October 2016

Code #	Activity / Process	ACWP & BPM Ref	Current Practice				Increasing Assurance						Summary		Audit Committee Work Program (September 2015 - October 2016)															
			Current Status / Action to be taken	Reports	Frequency by CoP	Frequency Proposed	Business Management			Corporate		Independent	Assurance Provision - Current Plan	Bentleys Recommendations	17-Aug-15	28-Sep-15	2-Nov-15	7-Dec-15	14-Mar-16	16-May-16	15-Aug-16	10-Oct-16	5-Dec-16							
							Management review	System Control	Procedures	Segregation and Access Controls	Training	Executive Management Team (EMT)												Policies	Internal Audit (IA)	External Audit (EA)	External Consultant/Lawyer			
G.IT2	IT Strategic Plan	New	IT Strategic Plan	A clear Information and Communication Technology Strategy be developed that documents the appropriate service delivery environment for City of Prospect for the next 5 years.																										
G.IT3	Managed IT Services	New	Report on New Managed IT Services - Vintek	Note a post implementation report to be presented to Audit Committee by end of 2015.																			√ Resol 18/05/2015 Item10.5(2)							√ Resol 02/11/2015 Item10.3 (2)&(3)
G.IT4	Managed IT Services	New	Report on New Managed IT Services - Vintek	Progress of the new Information Technology Service Agreement to be reported to the Audit Committee one year after commencement.																										√ Resol 18/05/2015 Item10.5 (3)

Attachment

Audit Committee Work Program September 2015 - October 2016

Code #	Activity / Process	ACWP & BPM Ref	Current Practice					Increasing Assurance						Summary		Audit Committee Work Program (September 2015 - October 2016)									
			Current Status / Action to be taken	Reports	Frequency by CoP	Frequency Proposed	Business Management			Corporate	Independent		Assurance Provision - Current Plan	Bentleys Recommendations	17-Aug-15	28-Sep-15	2-Nov-15	7-Dec-15	14-Mar-16	16-May-16	15-Aug-16	10-Oct-16	5-Dec-16		
							Management review	System Control	Procedures	Segregation and Access Controls	Training	Executive Management Team (EMT)												Policies	Internal Audit (IA)
F.CTRL 20	User Pay Income/Fee for Services	BP4.3					√	√	√	√	√	√	√												
F.CTRL 21	Investment/Interest Income	BP4.4					√	√	√	√	√	√	√												
F.CTRL 22	Receipting	BP4.5					√	√	√	√	√	√	√												
F.CTRL 23	Other Revenue	BP4.6					√	√	√	√	√	√	√												
F.CTRL 24	Elected Members' Expenses	BP5.3					√	√	√	√	√	√	√												
F.CTRL 25	Credit Cards	BP5.4					√	√	√	√	√	√	√												
F.CTRL 26	Employee Reimbursements	BP5.5					√	√	√	√	√	√	√												
F.CTRL 27	Other Expenses	BP5.6					√	√	√	√	√	√	√												
F.PAY1	Payroll	BP5.2	Payroll process review including payroll master file, leave policy, EBA compliance, etc.	IA Report - Payroll (Oct 2016/17)	Annually	Annually	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
	HR						2	0	0	0	0	2	0	0	0	2									
HR1 also refer G.WHS 1	Workers Compensation Scheme	2.2	LGA Workers Compensation Scheme Audits (SA Partnership Visit) – Review to 19/08/2013 AC Review annually	LGA Workers Compensation Scheme Review Report	Annually	Annually	√						√		√						√ Resol 19/08/2013 Item 10.7			√	
HR2	Retention / multi skilling of staff	4.3.9	Employee relationships	Human Resource Function Audit Report	as request	as request	√						√		√					√ Resol 18/08/2014 Item 10.9			√ Resol 18/08/2014		

