



City of
Mount Gambier

Civic Centre, 10 Watson Terrace
Mount Gambier SA 5290

PO Box 56
Mount Gambier SA 5290

Telephone 08 87212555
Facsimile 08 87249791
city@mountgambier.sa.gov.au

mountgambier.sa.gov.au

I hereby give notice that an Audit and Risk Committee Meeting will be held on:

Date: Monday, 31 July 2023

Time: 5.30 p.m.

**Location: Council Chamber
Civic Centre
10 Watson Terrace
Mount Gambier**

AGENDA

Audit and Risk Committee Meeting 31 July 2023

**Sarah Philpott
Chief Executive Officer
27 July 2023**

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1 ACKNOWLEDGEMENT OF COUNTRY

WE ACKNOWLEDGE THE BOANDIK PEOPLES AS THE TRADITIONAL CUSTODIANS OF THE LAND WHERE WE MEET TODAY. WE RESPECT THEIR SPIRITUAL RELATIONSHIP WITH THE LAND AND RECOGNISE THE DEEP FEELINGS OF ATTACHMENT OUR FIRST NATIONS PEOPLES HAVE WITH THE LAND.

2 APOLOGY(IES)

Nil

3 CONFIRMATION OF MINUTES

[Audit and Risk Committee Meeting - 5 June 2023](#)

RECOMMENDATION

That the minutes of the Audit and Risk Committee meeting held on 5 June 2023 be confirmed as an accurate record of the proceedings of the meeting.

4 QUESTIONS WITHOUT NOTICE



5 REPORTS

5.1 WORK HEALTH SAFETY AND WELLBEING MANAGEMENT – REPORT NO. AR23/43765

Committee:	Audit and Risk Committee
Meeting Date:	31 July 2023
Report No.:	AR23/43765
CM9 Reference:	AF11/863
Author:	Leanne Little, Human Resources & Risk Coordinator
Authoriser:	Jane Fetherstonhaugh, General Manager Corporate and Regulatory Services
Summary:	This report is a summary of Councils performance in the area of Workplace Health Safety and Wellbeing. The report also provides an overview of key initiatives underway in this area.
Strategic Plan Reference:	Goal 1: Our People
	Goal 2: Our Location
	Goal 3: Our Diverse Economy
	Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage
	Goal 5: Our Commitment

REPORT RECOMMENDATION

1. That Audit and Risk Committee Report No. AR23/43765 titled 'Work Health Safety and Wellbeing Management ' as presented on 31 July 2023 be noted.



TYPE OF REPORT

Other

BACKGROUND

This report is a presentation for the ongoing reporting structure for workplace health, safety and wellbeing at City of Mount Gambier. Its purpose is to provide the Audit and Risk Committee with a summary of our safety performance with insights for continuous improvement. This format will evolve as our data and reporting capability improves, and once there are established KPIs and targets that can provide a strategic oversight of safety performance with lag and lead indicators.

PROPOSAL

That City of Mount Gambier's Audit and Risk Committee receives a regular Work Health Safety and Wellbeing report presenting a quarterly update on performance, compliance and initiatives.

LEGAL IMPLICATIONS

Section 125 of the Local Government Act 1999 ('LG Act') requires the City of Mount Gambier to ensure that appropriate policies practices and procedures of internal control are implemented and maintained in order to assist the organisation to carry out its activities in an efficient and orderly manner to achieve its objectives.

City of Mount Gambier is required to provide and undertake measures to eliminate risks to health and safety, so far as is reasonably practicable. If it is not reasonably practicable to eliminate risks to health and safety, then to minimise those risks so far as is reasonably practicable and to demonstrate a systematic approach to the planning and implementation of Work Health and Safety processes that are compliant with the legislation, regulations and self-insurance requirements covered under:

- Work Health and Safety Act 2012
- Work Health and Safety Regulations 2012
- Return to Work Act 2014
- Return to Work Regulations 2015
- Code for the Conduct of Self-Insured Employers under the Return to Work Scheme which includes the Performance Standards (Injury management standards for self-insured employers April 2019 and Work Health and Safety standards for self-insured employers August 2017)

STRATEGIC PLAN

Nil

COUNCIL POLICY

The Workplace Health and Safety Management System supports Council Policy - Risk Management.

ECONOMIC IMPLICATIONS

Nil

ENVIRONMENTAL IMPLICATIONS

Nil

SOCIAL IMPLICATIONS

Nil

CULTURAL IMPLICATIONS

Nil

RESOURCE IMPLICATIONS

Nil



VALUE FOR MONEY

Nil

RISK IMPLICATIONS

This report will assist the City of Mount Gambier to manage its risk associated with workplace health and safety ensuring it meets its legislative requirements and that its workforce and community are kept safe and healthy in the delivery of services and operations.

EQUALITIES AND DIVERSITY IMPLICATIONS

Nil

ENGAGEMENT AND COMMUNICATION STRATEGY

Nil

IMPLEMENTATION STRATEGY

City of Mount Gambier's Executive Leadership Team (ELT) and Work Health and Safety Committee (WHSC) have been receiving workplace health and safety reporting on a regular basis which will continue to inform the quarterly report presented to the Audit and Risk Committee.

CONCLUSION AND RECOMMENDATION

This report provides a summary of our safety performance with insights for continuous improvement. It also provides a summary of key initiatives that are currently being worked on within this area.

It is recommended that a Workplace Health, Safety and Wellbeing Report continue to be presented to the Audit Risk Committee to ensure effective monitoring of compliance and performance.

ATTACHMENTS

1. Work Health Safety and Wellbeing Management April 2023-May 2023 [↓](#)






WORK, HEALTH, SAFETY AND WELLBEING MANAGEMENT REPORT

Bi-Monthly Report | April 2023 – May 2023

SAFETY ALWAYS





1. Summary

This report aims to provide a snapshot of the current state for safety compliance and performance at City of Mount Gambier (COMG). The organisation continues to show signs of improvement and has demonstrated a consistent increase in hazard and incident reporting over the recent months. The Organisational focus will now shift towards the training of People Leaders in the hazard and incident investigation phases which will ultimately reduce the outstanding actions and investigations.

The training with hazard and incident investigation will be completed by the HR & WHS Team combined with The People Leader Teams.

There was no notifiable incident reported to Safework SA for the period of April 2023 and May 2023.

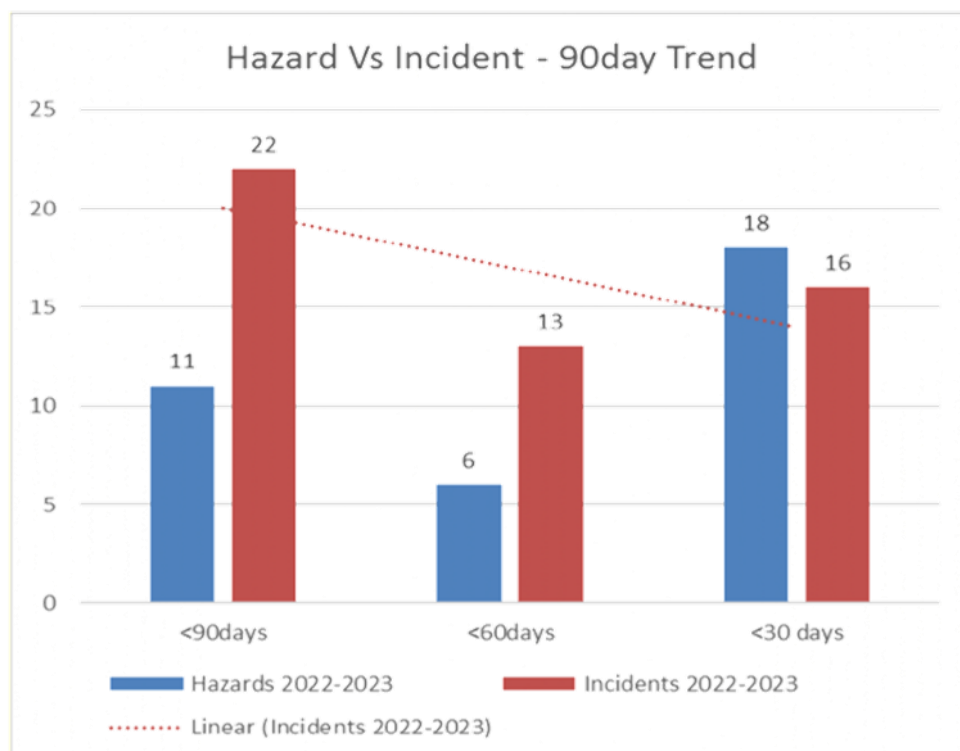
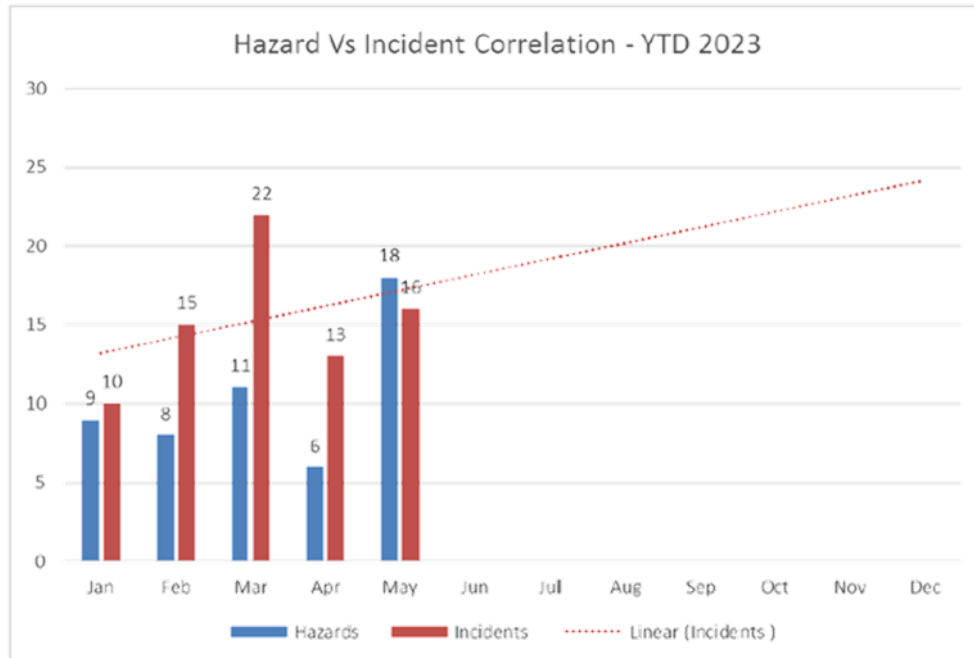
Current focus areas for the COMG:

- WHS IM Action Plan Monitoring tool for 2023, continue working through committed actions for completion by September 2023.
- Ongoing management of injury management claims for work related matters with LGWCS and management of non-work-related matters by the HR team and direct people leaders.
- Partnering with People Leaders to develop targeted investigation, incident, and corrective action training, using real organisation scenarios for maximum effectiveness (Expected to be delivered on a regular basis during 2023).
Partnering with people leaders to improve the timely review of hazard review and investigation.
Partnering with People Leaders to ensure employees NON work-related illness and injury is supported through a structured return to work process.



2. Correlation between Hazards vs. Incidents

2.1



3. Hazard Management

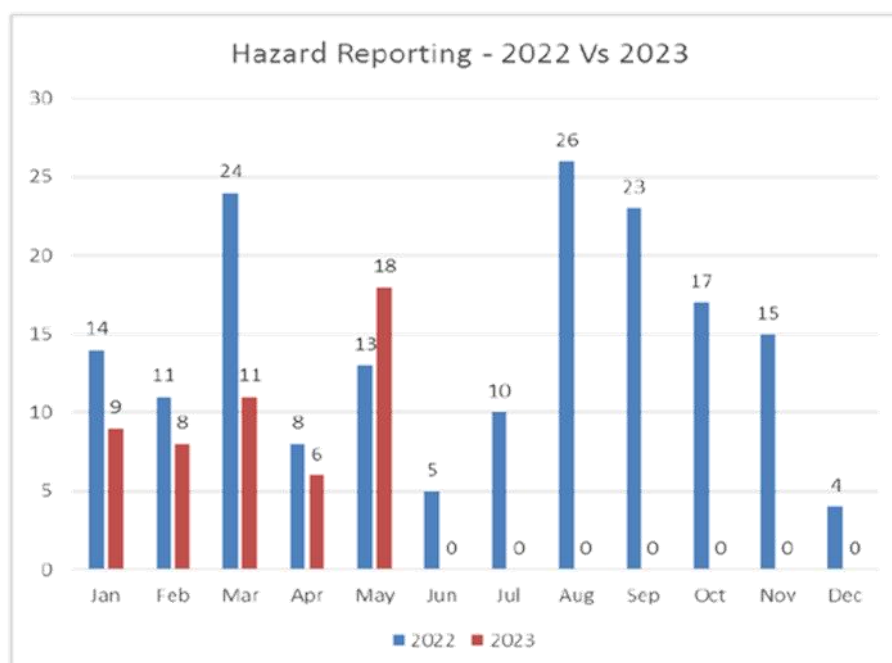
3.1 Total Hazard Reports - Yearly Comparison

This graph demonstrates the comparison of the Organisational hazard reporting for each month compared to the same month in the previous year.

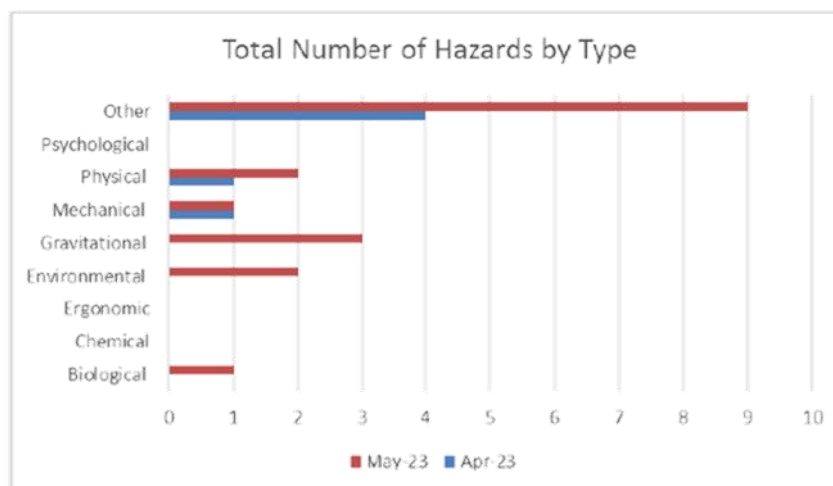
This assists with providing management an analysis of seasonal hazard trends which may occur across the organisation.

There was a total of six (6) hazards reported for April 2023 and eighteen (18) for May 2023 compared to eight (8) for April 2022 and thirteen (13) in May 2022.

This data indicates a similar reporting trend for the months of April and May 2023 compared to April and May 2022. The organisations need to continue to promote and focus on increasing hazard reporting. The large peaks are indicating these are the months where there has been a strong emphasis on hazard reporting.



3.2 Hazards by Type



3.3 Effective Hazard Management for the month of April 2023 and May 2023

The total amount of hazards outstanding as at the 31st May 2023 is one hundred and twenty-seven (127).

The total percentage of hazards closed for the period of April 2023 to May 2023 is 37.5%. This represents an increase in closure rate of previous period being 31.58%.

The average days taken to assess and close a hazard in the months of April 2023 to May 2023 period is 6.22 days. This is slight increase from the February 2023 – March 2023 reporting period which was 4.17 days

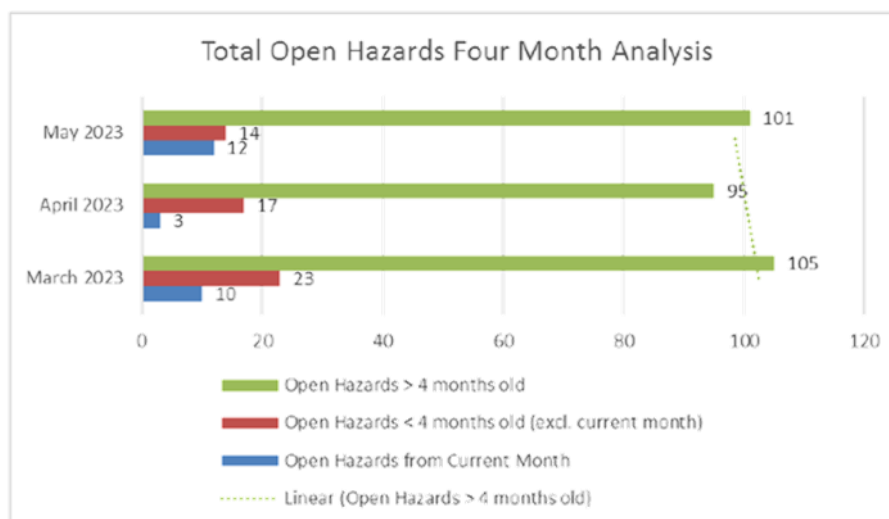


3.6 Hazard Management Closure Rate by Four-month Analysis

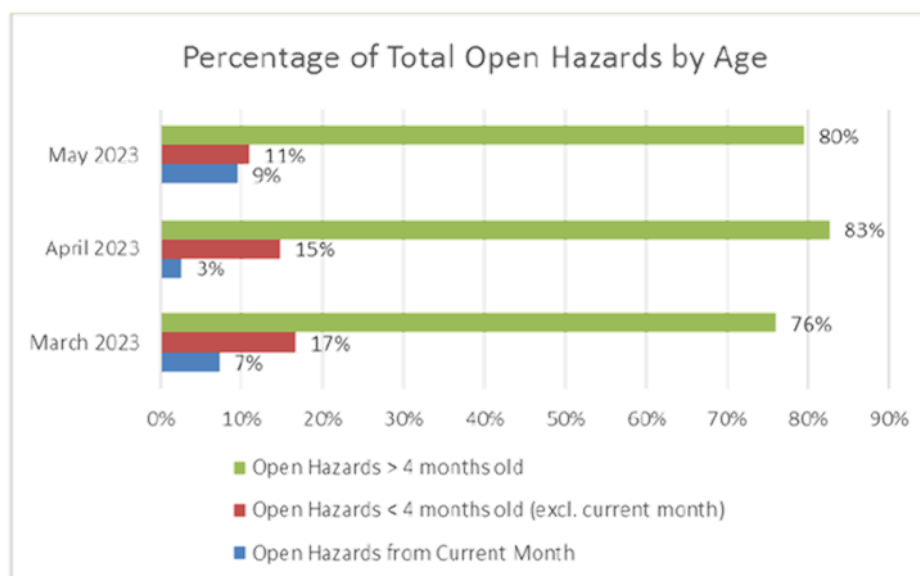
The total amount of open hazards within four months has decreased from 25% in February 2023 to 11% in May 2023 and the overall total of outstanding hazards has stayed around the same with 128 in February 2023 to 127 in May 2023.

The linear trend on the four-month analysis indicates the total number of hazards open greater than four (4) months has remained consistent with one hundred and on (101) hazards grater then 4months old being open as at 31st May 2023.

This represents a slight downward trend compared to one hundred and five (105) as at 31st March 2023.



The total amount of open hazards that are outstanding greater than four months is steadily increasing from 76% in March 2023 to 80% in May 2023 although we expect to see a decrease in this percentage due to the training being undertaken within the organisation.

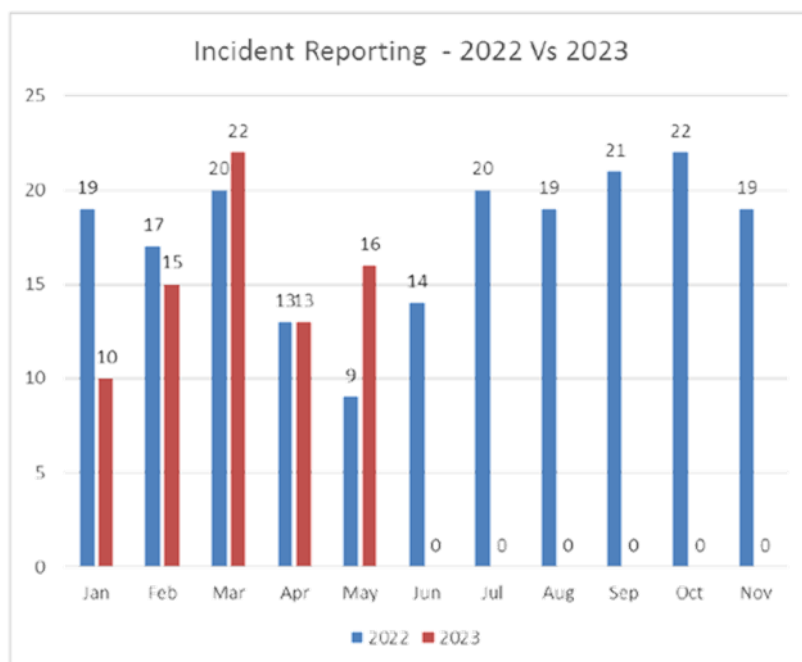


4. Incident and Investigation Management

4.1. Incident Reporting

This report demonstrates the total number of incidents reported across the organisation for the period of April 2023 was thirteen (13) and May 2023 was sixteen (16) this indicates there is a slight decrease in reporting from the February 2023 and March 2023 reporting period, however reporting for April and May 2023 is a similar comparison to the year 2022.



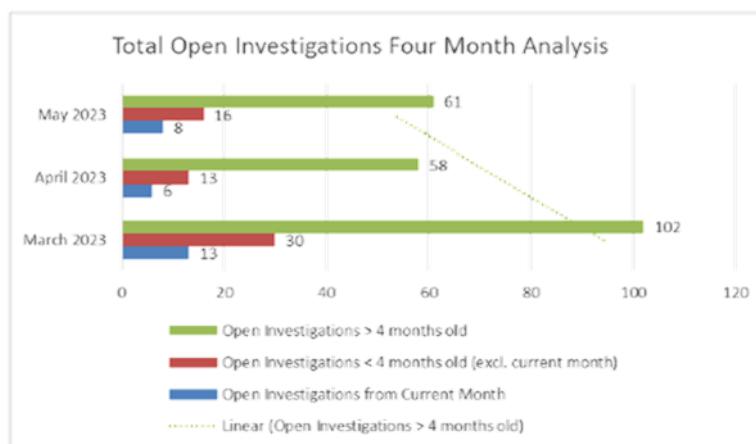


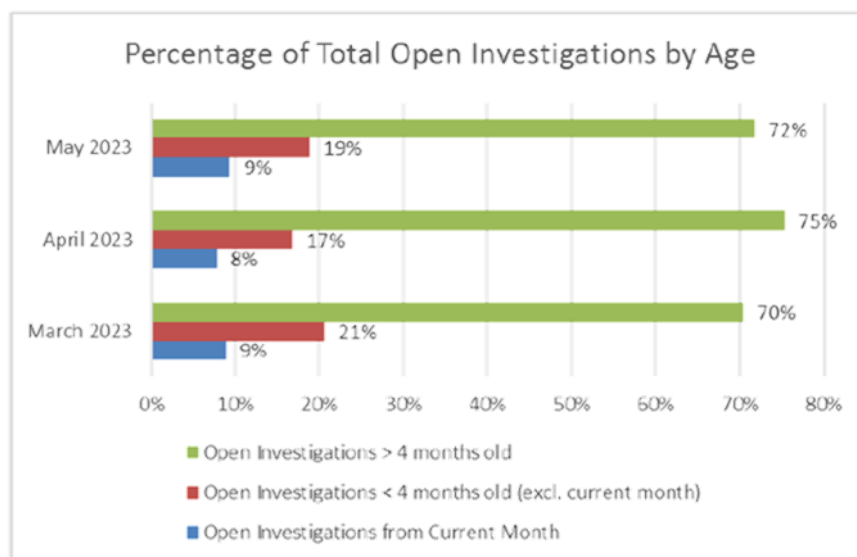
4.2 Effective Investigation Management

Open investigations indicate that an investigation is not complete and or that corrective actions have not been identified or implemented to a level that is acceptable by the organisation. The closure rate is based on a four-month analysis.

The total amount of open investigations that are outstanding within four months has decreased from 21% at the end of March 2023 to 19% at the end of May 2023. This is a direct result of the training being undertaken within the organisation.

The total amount of open investigations that are outstanding greater than four months has slightly increased from 70% at the end of March 2023 to 72% at the end of May 2023. This slight increase is likely to be rectified during the next reporting period.





4.4 Open and Overdue Investigations by Department

There is a total of eighty-five (85) open investigations for the organisation at the end of May 2023. This is significant decrease from one hundred and forty-five (145) at the end of March 2023.

5. Inspections and Audits

Workplace inspections have continued to occur in line with the scheduled inspection cycle.

Current overdue inspections:

There are currently zero (0) overdue site inspections.

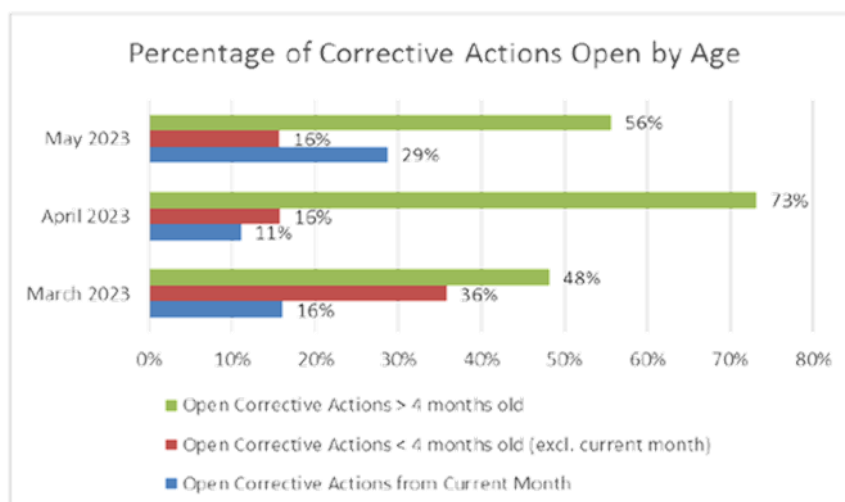
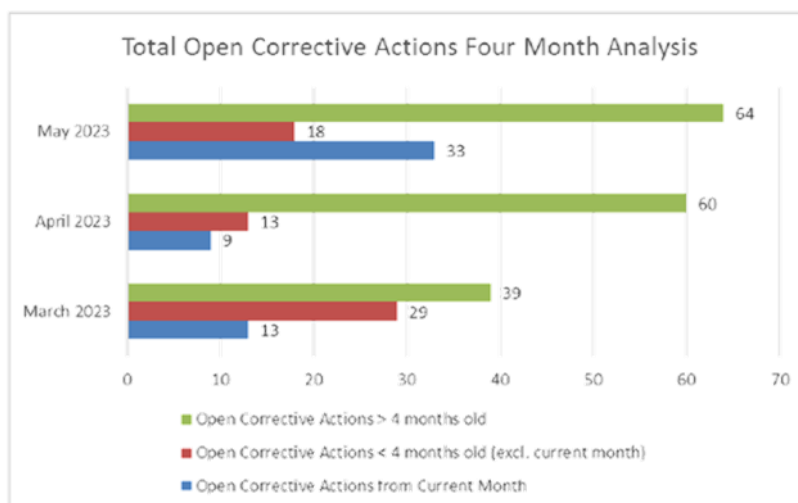
6. Corrective Actions Register

Open corrective actions indicate that an agreed action to rectify an incident or investigation has not been completed to a level that is acceptable by the organisation. The closure rate is based on a four-month analysis.

There was a total of nine (9) corrective actions issued in April 2023 and a total of thirty-three (33) as at the end of May 2023 an overall total of one-hundred and fifteen (115) outstanding actions.

The total amount of open corrective actions that are closed within four months has decreased from 36% in March 2023 to 16% in May 2023. This decrease is likely attributed to open corrective actions rolling over to the greater than four months period.

The total amount of open corrective actions that are outstanding greater than four months has increased from 48% in March 2023 to 56% in May 2023.



7. Injury Management

7.1 Lost Time Injury Frequency Rate (LTIFR) –

A lost-time injury is something that results in a fatality, permanent disability or time lost from work. It could be as little as one day or shift.

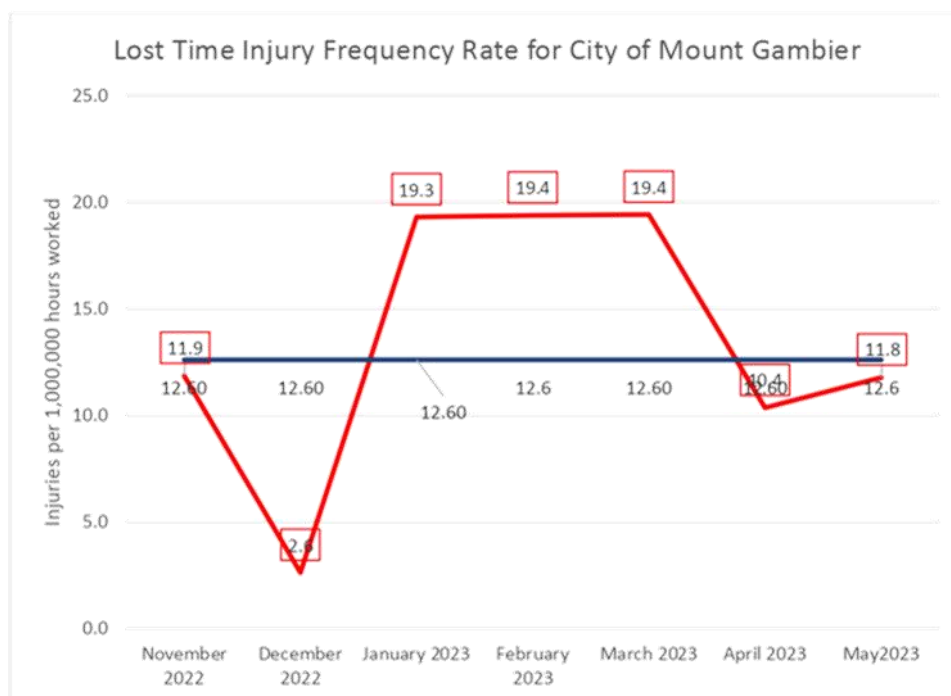
- LTIFR refer to the number of lost-time injuries within a given accounting period, relative to the total number of hours worked in that period.
- LTIFR is a proxy measurement for safety performance.

LTIFR calculations measure the number of lost-time injuries per million hours worked during an accounting period. It is a figure that can be benchmarked with others in the industry.

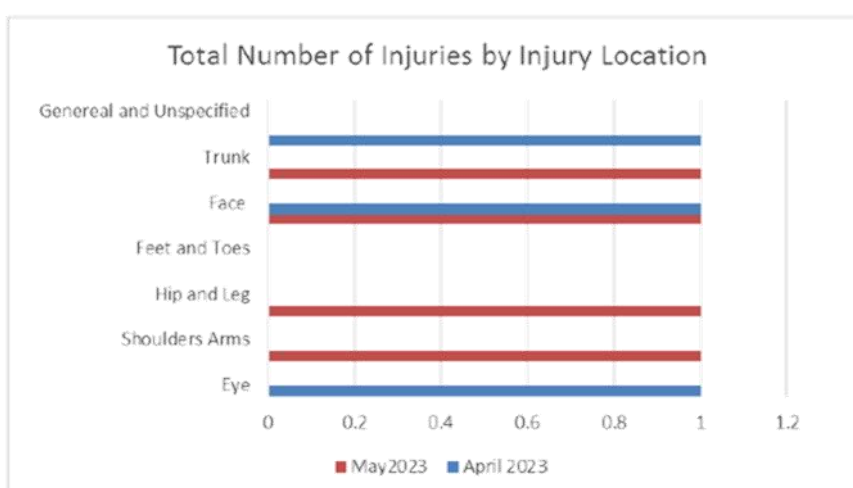
The Lost Time Injury Frequency Rate (LTIFR) industry benchmark determined by Safework SA for Local Government Administration is 12.0 and for Local Government Field Staff is 12.6.

The below graph provides a comparison for the City of Mount Gambier against the industry benchmark for the last four months using the Field Staff benchmark.

For the months of April 2023 and May 2023 the City of Mount Gambier significantly reduced its lost time injury rates, which put us below the industry standard. This is directly attributed to employees returning from injury to full time duties or increased capacity.



7.2 Injuries by body location details – April 2023 to May 2023



8. IM WHS Action Plan

8.1 WHS IM Action Plan Progress Report– (Yearly action plan – AR22/75636

The human resources team have commenced coordinating the required actions within the plan and will continue to engage with people leaders, HSR's and the WHS Committee to provide the necessary support to assist in achieving the identified actions.

April 2023 update -

- As at end of April 2023 **62%** (April) of planned actions have been closed out with 7 actions outstanding (October to April)
- A total of 30 actions were identified to be closed out by end of September 2023
- Achievement for the **year** (to date) is 13 actions closed with 17 actions programmed to be completed by 30th September 2023

9. Wellbeing Initiatives

9.1 Ageing and Work Health Program – AR20/45900

The Ageing Work Health program will continue to be highlighted within the Weekly Wellbeing Newsletter.

This guidance tool has been developed to assist the organisation to effectively manage the recruitment, retention and health and wellbeing of the workforce.

The guidance tool addresses the following

- Employment of employees outside the organisation
- Retaining the services of older employees; and
- Council and employees working together to maintain the health, safety, wellbeing and sustainability of all employees, with a particular focus on older employees.

10. Continuous Improvement/ Projects

10.1. Principle and Procedure development and review schedule

The procedures listed below were reviewed by relevant People Leaders in further detail after the November WHS Committee meeting and recommendation provided outlined that these procedures should be provided to the relevant workgroups for consultation.

Principle/ Procedure Name	Document number	Responsibility	Review Date	Status
Emergency Management Principle	AR17/33071	WHSC	Apr-21	Reviewed at committee meeting held 22/03/2022 members to provide further reviews to the HR inbox by Friday 1st April 2022. Reviewed by EPC Committee September 2022.

				Requires draft changes by HR and distribution to ELT for review and endorsement.
Emergency Management procedure	AR17/33128	WHSC	May-21	Reviewed at committee meeting held 22/03/2022 members to provide further reviews to the HR inbox by Friday 1st April 2022. Reviewed by EPC Committee September 2022. Requires draft changes by HR and distribution to ELT for review and endorsement.
Contractor Management Procedure	AR17/33125	WHSC	Feb 2021	Review completed and endorsed by ELT and WHS Committee. Further review is required for this procedure, which was identified in the Contractor Management Training that as conducted the week of the 6 February 2023. Training identified that some minor review variations are required to the procedure, HR will work with the committee to update the procedure. Currently out for consultation.
Hot work Procedure	AR17/33079	WHSC	Jan 2022	WHS committee required to provide feedback by 14/10/2022. Further review required by keys stakeholders and subject matter experts.
Prevention of falls procedure	AR15/28158	WHSC	Jan 2022	Currently under review by the WHS Committee.

5.2 RISK MANAGEMENT REPORT JUNE 2023 – REPORT NO. AR23/43768

Committee:	Audit and Risk Committee
Meeting Date:	31 July 2023
Report No.:	AR23/43768
CM9 Reference:	AF11/863
Author:	Leanne Little, Human Resources & Risk Coordinator
Authoriser:	Jane Fetherstonhaugh, General Manager Corporate and Regulatory Services
Summary:	This report provides a summary of work undertake towards strategic risk management within the City of Mount Gambier.
Strategic Plan Reference:	Goal 1: Our People
	Goal 2: Our Location
	Goal 3: Our Diverse Economy
	Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage
	Goal 5: Our Commitment

REPORT RECOMMENDATION

1. That Audit and Risk Committee Report No. AR23/43768 titled 'Risk Management Report June 2023' as presented on 31 July 2023 be noted.



TYPE OF REPORT

Other

BACKGROUND

The purpose of this report is to provide a detailed summary of Risk Management Practices across the City of Mount Gambier that provide control measures to manage risk and assist in raising the profile of risk awareness within the organisation.

This report will highlight the work being undertaken to manage the Strategic Risks identified by the Executive Leadership Team exposure.

1. Top Strategic Risks identified for City of Mount Gambier

The below table represents the current Strategic Risks identified and current risk rating assessed by the City of Mount Gambier Executive Leadership Team in October 2022. Whilst the organisation recognises that Cyber Security is the highest risk the Strategic risk identified as a 'high' risk rating are in no order of importance, except for Financial Sustainability.

	Strategic Risk Description	Inherent Risk Rating (without controls)	Current Risk Rating
1	Cyber Security	Extreme	High
2	Financial Stability	Extreme	High
3	People Workforce and Compliance	Extreme	High
4	Climate and Future Vulnerability	High	High
5	People Culture and Workforce Planning	Extreme	High
6	Safety Compliance and WHS Management	Extreme	High
7	Environment Compliance	High	High
8	Major Infrastructure	Extreme	High
9	Governance, Compliance and Legislative Obligations - Council operate in accordance with relevant legislation, policies, governance, and business practice and ensure professional and ethical standards.	Extreme	High
10	Political Risk and Stability	Medium	Medium
11	Economic Development	Medium	Medium
12	Contract Management, Procurement and Project Management	Medium	Medium
13	Relationship, Connection and Engagement with Community	High	Low

1.1 Cyber Security

A Cyber Security risk report has been provided as a separate confidential item to this committee.

1.2 Financial Sustainability

- **Inherent Risk Rating** - Is extreme, considering the current economic conditions of increasing interest rates and actual CPI (7.9%-8.6% over the last three quarters for



actual Adelaide CPI). These factors would not only have an impact on Council's ability to fund its operations and capital works including servicing current debt levels.

- **Current Risk Rating** - The current risk rating is high with the controls as currently in place. This considers the debt structuring undertaken to minimise exposure to interest rate increases whilst maintaining required flexibility and the upcoming asset valuations that are expected to have an impact on depreciation and the forward capital works program and Asset Management Plans/LTFP. Close regular monitoring of financial performance and quarterly budget reviews are in place to mitigate financial risks.

Treatment Actions

- **LTFP** - Long Term Financial Plan and supporting Asset Management Plans reviewed and adopted annually aligned with the Annual Business Plan.
- **Quarterly Budget Review Process** - Quarterly forecast process aligned with legislation.
- **Financial Performance Reporting** - Monthly reporting prepared with a focus on hindsight, insight and foresight for the Executive, General Managers and Managers. Supported by a comprehensive budgeting and financial reporting tool.

Actions Planned or Undertaken:

- **Grants** - Development of performance reporting on external grants for the Executive and Council. To be supported by a Council policy and administrative principles/procedures **UNDERWAY**
- **LTFP** - An interim LTFP with supporting IAMPs will be developed for draft delivery. Expected completion January 2024.
- **Budget Development Process** - Comprehensive process that builds the budget with the budget holders, reviews with the Executive and Elected Members and meets legislative requirements. Complete June 2023 (current review of this process is underway).
- **Better Practice Model** - Adopted with a review of key internal financial controls undertaken at least bi-annually with half yearly reporting to the Audit and Risk Committee. Complete June 2023.
- **Treasury Management** - Regular reporting to Executive members on borrowings/cash flow. Debt structuring approach developed and implemented during 2021/22 and 2022/2023. Further reporting to be developed. Annual report to the Audit and Risk Committee. Expected completion January 2024.
- **Legislated Policies** - Draft Prudential Management Policy developed. Audit and Risk Committee Meeting July 2023.
- **Budget Reviews** - Internal review of Budget Review in the context of the LTFP to be undertaken. Expected completion February 2024.
- **Business Process Improvement** - Further to a post implementation review to be undertaken in July 2023, the Annual Business Plan, Budget and LTFP process will be developed. Expected completion September 2023.

1.3 People Workforce and Compliance

The organisation achieved Child Safe Accreditation in December 2022 through the Department of Human Services. The Human resource Team continues to monitor compliance with policy by maintaining a compliance file, regular reporting and implementation of mandatory checks prior to recruitment.



Recruitment processes and Induction & Onboarding processes have been identified as key strategic projects for 2023/2024 and will commence shortly. These projects will improve and enhance the organisations overall workforce, recruitment, onboarding and compliance requirements.

Treatment Actions

- Policy is currently endorsed, standards and competencies have been identified. Compliance reporting requires improvement, recruitment process require improvement, meeting obligation and maintaining relationship with DHS
- Commitment at Executive Leadership Team level to Recruitment and Induction and Onboarding strategic project within 2023/2024.

Actions Planned or Undertaken:

- Ongoing monitoring of screening compliance at prescribed sites **ONGOING**
- Increasing compliance and screening across the entire organisation to allow staff to work freely across sites and locations without compromising compliance requirements. **ONGOING**
- Development of monthly compliance reporting for Management Team Level and quarterly compliance reporting to be submitted to Executive Leadership Team. **PLANNED**

1.4 Climate and Future Vulnerability

The organisation continues to work towards an increased capacity of resources trained within Local Government approved support being iResponda. This training will ensure the organisation is adequately equipped to manage emergencies and support neighbouring Councils.

Treatment Actions

- Partnership with Local Government Vulnerability project.

Actions Planned or Undertaken:

- Follow up on participation and scheduled start dates for the LGRS Vulnerability Project
- Completion of Insurance Renewal Process

1.5 People Culture and Workforce Planning

The organisation is committed to commencing strategic workforce planning project as a phased multi financial year key strategic project in 2024/2025.

A pulse check on employee satisfaction was completed in December 2022. The Executive Leadership Team in conjunction with the Management Team are working through a number of actions to assist with addressing opportunities for improvement. The actions will be designed in a collaborative manner that are meaningful and give responsibility and accountability to all staff employed by the organisation.



Treatment Actions:

- Development of HR Framework **UNDERWAY**
- Employee Satisfaction and Culture surveys **UNDERWAY**
- Development of strategic workforce planning **to commence in 2024/2025**

Actions Undertaken or Planned:

- Development of Strategic initiatives for ALL people leaders across the organisation that provide solutions for concerns raised within pulse survey.
- Enterprise Bargaining Agreements negotiated and in place.
- Introduction of a Leadership Capabilities Framework had been commenced.

1.6 Safety Compliance and WHS Management

The organisation continues to mitigate risk by deploying resources to training and development of WHs management Systems within the Infrastructure Team, focusing on incident investigation training and development of appropriate monitoring tools.

Treatment Actions:

- Increased compliance reporting is required to accurately identify trends, education, engagement and effective implementation.
- Monitor of statistical and actual data which identifies improvements and areas of opportunity for increased Safety awareness.

Actions Planned or Undertaken:

- Successful recruitment of a Work Health safety Field Partner on a fixed term basis to boost the Safety Always Culture and build internal capabilities.
- Identification of key training requirements and subsequent training plan for all employees with a focus on infrastructure workforce as the priority.
- Continue participation within LG Safe project which is one system approach to WHS document management for all Councils.

1.7 Environmental Compliance

The organisation continues to make Environmental Compliance a priority and part of usual business. Partnerships with external stakeholders are being managed carefully including commitments to Corrective Actions at the Landfill site. The development of the Waste, Reuse and Environmental Strategy schedule for completion at the end of December will outline the organisations requirements moving forward.

Treatment Actions:

- Review all sites for compliance and licence requirements, development of compliance register, adequate monitoring systems, maintaining relationships with external stakeholders and regulatory authorities. EPA, CASA, SA Water, DENR
- Current vacancy for Manager Waste and Reuse, continue with recruitment.



Actions Planned or Undertaken:

- Development of Waste, Reuse and Environmental Master plan (Internal) **Due 31 Oct 2023**
- Development of Waste, Reuse and Environmental Strategy (State Government) **Due 31st December 2023**
- Completed Caroline Landfill Environmental Management Plan Submitted to EPA feedback receive corrections underway
- Service reviews (**Currently Underway completion June 2024**)
- Development Waste Asset Management plan
- Engagement of Eternal Engineering Consultants (Contracted to Waste Management) **Start July 3 2023 Set KPIs for contract period**

1.8 Major Infrastructure

A service review of City Infrastructure has identified gaps with the current systems, process and corporate knowledge as well as capability and capacity within the existing structure that presents a risk to Council as an organisation.

Treatment Actions:

- **Asset Valuations** - To be undertaken for Infrastructure, Land and Artwork assets as agreed with the external auditors to be incorporated in the year-end financial statements and revised IAMPs and Asset Management Plans.
- **Strategic Work Plan** - Strategic Review of Asset Management (Planning Approach) project has commenced as part of a three-year project in support of Council's Strategic Work Plan
- Re-structure to focus on Engineering Design and Assets and operational delivery

Actions Undertaken or Planned:

- **Asset Management Summary** - Draft developed, presented to Council, and incorporated in the LTFP and Annual Business Plan and Budget. **Complete June 2023.**
- **Wulanda Insurance Valuation/Useful Lives Review** - An external valuer undertook an insurance valuation at the request of LGRS in March 2023. The asset register and useful lives for Wulanda were provided by the project team and reviewed by an external consultant and internal Financial Services staff. A further report was produced by the external valuer that provided recommendations that were incorporated in the depreciation forecasts incorporated in the Annual Business Plan and Budget and LTFP. **Complete June 2023.**
- **Infrastructure Condition Audits** - Work completed by an external contractor for incorporation in the valuation, and next version of the IAMPs and LTFP. **Complete March 2023.**
- **Infrastructure Valuation** - External consultants appointed to undertake valuation to be incorporated in the 2022/2023 financial statements and next version of the LTFP. **Expected completion August 2023.**
- **Buildings Valuation** - External consultants previously appointed to undertake valuation to be incorporated in the 2023/2024 financial statements and next version of the LTFP. **Expected completion October 2023.**



- **Future Works Delivery program** – Development of Future Works Delivery program to incorporate asset renewal projections based on current conditions and future values. **Ongoing**
- **Asset Class** – registration and review of all current Asset Class and development of comprehensive asset management plan per class. **Ongoing**
- **Asset Category** – Development of plan to identify services and future demands of asset category. **Planned**

1.9 Governance Compliance and Legislation

Full Review of Council Delegations conducted, presented to Council June 2023.
Administrative involvement with LG sector legislative compliance working group.
Statutory Registers periodically reviewed, updated and published.
Policy Register maintained, overdue policies reported to relevant Managers, ELT.

Treatment Actions:

- Implementation of a Legislative Compliance Register for Organisational and departments, Internal Auditing Function, Training and Competency Plan.

Actions Planned or Undertaken:

- Initial Legislative Compliance tables anticipated early in 2023-24 financial year together with procurement of software module.
- Further information to be obtained from General Manager Corporate and Regulatory, Manager Finance and Manager Organisational Development.

1.10 Political Risk and Stability

Initial Member Policies reviewed and presented to Council post-election.
Initial post-election Member Induction and Mandatory training commenced in November 2022-January 2023.
Strategic Planning Day for Members held with Executive in March 2023.

Treatment Actions:

- Review policies, procedures and prior to new election period. Induction to Political Environment, including intro to Local Government, attendance at Council meetings, review currency and detail of partnerships advocacy and priorities document.

Actions Planned or Undertaken:

- Mandatory Member training sessions scheduled in Aug, Sept, October 2023.
- Further Member / Council Policies scheduled for review in 2nd half 2023.
- Ongoing monitoring of the Elected Body Relationship with the organisation.

1.11 Economic Development



The future of Mount Gambier's economy is not influenced entirely by Council, rather by many factors locally, nationally & globally. It is therefore imperative that council maintains strong partnerships and relationships with all levels of government and private enterprise. Critical controls in place are not limited to maintaining effective relationships with our neighbouring and regional councils (including cross-border) to forge stronger future outcomes for our region.

Treatment Actions:

- Review Limestone Coast economic growth strategy, develop Investment and Attraction platform, contribute to the development of the Regional Plan and commit to its local implementation.
- Supporting the community events and business with funding and guidance and advocacy to attract investment.
- Evolving the opportunity to meet the expectation of the traveller experience.

Action Planned or Undertaken:

- Commitment to continue funding and support through councils' various programs and monitoring impact of this investment – social and economic.
- Leveraging the opportunity through the opening of Wulanda Recreation & Convention Centre to attract large scale events that has broad economic benefit for our community

1.12 Contractor Management, Procurement and Project Management

- **Current Risk Rating** - Has been rated as medium based on the Procurement policy, supporting framework and reporting currently in place. The interim external audit made recommendations re. the process for the award of open tenders and link to the exemption from competitive process. Improvements have been identified and are planned for implementation in the first half of the 2023/2024 financial year.

Treatment Actions:

- **Recruitment of Procurement Business Partner** - This role has been successfully recruited with a suitably qualified candidate.

Actions Planned or Undertaken:

- **Regular Procurement Reporting** - Monthly Executive reporting designed and implemented in this financial year. Further development of cumulative spend and other reporting to be developed further to the internal financial controls self-assessment undertaken in this financial year. **Estimated completion December 2023.**
- **Procurement Training** - Now a part of the combined induction training. Further refresher training to be rolled out across the organisation **December 2023.**
- **Procure To Pay** - A project is being developed that will review the procurement policy, framework, and reporting, taking on board feedback and recommendations from the 2022/23 interim audit, internal financial controls self-assessment and across the organisation. **Estimated completion December 2023.**



1.13 Relationship Connection and Engagement with Community

The risk is reputational and lack of connection and relevance of strategic priorities if a continuous and open conversation is not maintained and supported with all stakeholders within the community providing opportunities to regular feedback when required. Ensuring our community has access to the required information to partake in decision making activities

Treatment Actions

- Prioritise and quantify expectations for effective stakeholder engagement, community relations management and client experience, Quantify expectations and effectiveness of engagement, Training in Community Engagement, Community Customer Satisfaction Survey

Actions Planned or Undertaken :

- Participation in the LGASA Community Engagement Policy Charter as per the upcoming local government Act reform.
- Improving councils' touchpoints for community to access information and provide feedback or participate in consultation and services.
- Commitment to regular reviewing of processes and procedures with a focus on positive customer experience and increased community outcomes.

Summary

The City of Mount Gambier continues to develop and build on structured Risk Management practices within the organisation which will result in raising the risk profile and maturity of the organisation.

The utilisation key industry data through partners such as Local Government Risk Services and JLT Public Sector will assist with a targeted approach to the review and assessment of the organisational framework in identified areas and minimise the potential risk exposure.

PROPOSAL

The City of Mount Gambier provide the Audit and Risk Committee with regular reporting on the organisational Risk Management Action Plan as part of the Risk Management Framework.

LEGAL IMPLICATIONS

Section 125 of the Local Government Act 1999 ('LG Act') requires Council to ensure that appropriate policies practices and procedures of internal control are implemented and maintained in order to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives.

Section 132A of the LG Act requires Council to ensure that appropriate policies, practices, and procedures are implemented and maintained to ensure compliance with statutory requirements and achieve and maintain standards of good public administration.

Section 134(4) (b) of the LG Act requires Council to adopt risk management policies.

STRATEGIC PLAN

Nil

COUNCIL POLICY

The Risk Management Framework will support [Council Policy - Risk Management](#).



ECONOMIC IMPLICATIONS

Nil

ENVIRONMENTAL IMPLICATIONS

Nil

SOCIAL IMPLICATIONS

Nil

CULTURAL IMPLICATIONS

Nil

RESOURCE IMPLICATIONS

Nil

VALUE FOR MONEY

Nil

RISK IMPLICATIONS

The organisation will continue to work on adopting and regularly monitoring its risks through effective policies, procedures, and frameworks.

EQUALITIES AND DIVERSITY IMPLICATIONS

Nil

ENGAGEMENT AND COMMUNICATION STRATEGY

Nil

IMPLEMENTATION STRATEGY

The 2022 Risk Management Action Plan has been completed with the 2023 planning process underway.

This process will be completed conjunction with the LGRS to ensure the City of Mount Gambier adequately addresses the opportunities for improvement.

CONCLUSION AND RECOMMENDATION

The City of Mount Gambier must provide the Audit and Risk Committee with regular reporting on organisation's Risk Management Action Plan as part of the Risk Management Framework.

ATTACHMENTS

Nil



5.3 REVIEW OF COUNCIL POLICIES - UPDATE – REPORT NO. AR23/44652

Committee:	Audit and Risk Committee
Meeting Date:	31 July 2023
Report No.:	AR23/44652
CM9 Reference:	AF11/863
Author:	Ashlee Pasquazzi, Executive Administrator Corporate and Regulatory Services
Authoriser:	Jane Fetherstonhaugh, General Manager Corporate and Regulatory Services
Summary:	This report provides a status update for review of Council Policies since January 2022.
Strategic Plan Reference:	Goal 1: Our People Goal 2: Our Location Goal 3: Our Diverse Economy Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage Goal 5: Our Commitment

REPORT RECOMMENDATION

1. That Audit and Risk Committee Report No. AR23/44652 titled 'Review of Council Policies - Update' as presented on 31 July 2023 be noted.



TYPE OF REPORT

Other

BACKGROUND

At the June 2023 Audit and Risk Committee Meeting, the Committee requested that a progress report regarding leases/licences and mandatory policies be brought back every 6 months.

A process for the review of all policies has commenced, additionally, the following policies were reviewed and updated prior to the June Committee Meeting:

- C305 - Council and Committee - Caretaker Policy
- Asset Accounting Policy
- A900 - Asset Management
- P420 - Procurement & Disposal of Land and Assets Policy
- W125 - Waste Management - Kerbside Refuse Collection Policy
- T120 - Tree Policy
- C410 - Code of Practice for Access to Meeting and Documents / Meeting Procedures Policy
- S140 - Street Numbering Policy

Council has also reviewed and endorsed revoking the following policies:

- C375 - Council Vehicles - Provision and Replacement
- S175 - Safe Environment Policy
- E240 - Expiation Notices - Cancellation or Waiver

PROPOSAL

An action plan has been developed and reporting on the progress is being presented to the Executive Leadership Team (ELT) on a fortnightly basis. To date, a total of 16 policies have been reviewed and endorsed by the ELT and are ready for endorsement by the Audit and Risk Committee and Council.

The following policies will be presented to the next Audit and Risk Committee for consideration prior to being endorsed by Council:

- P415 - Prudential Management Policy
- Asset Accounting
- External Grant Funding (new)
- Art Curatorial and Preservation Policy (new)

A report will be prepared for consideration at the August 2023 Council meeting to endorse the review of the following policies:

- A515 Animal Control - Dogs
- A520 Animal Control
- D150 Building and Swimming Pool Inspections
- F125 City Burning
- F135 Flammable Undergrowth
- F500 Footways and Council Land - Removal of Objects
- F505 Footways and Council Land - Sale of Commodities
- F510 Inspectoral - Footways and Council Land - Fundraising and Promotion
- L230 Licensed Premises
- P135 Entertainment Venues
- P155 Privacy



- W115 Waste Management - Receival of Waste - Caroline Landfill

The review of outstanding Leases and Licenses will be addressed as part of Councils Strategic Property Management Plan. The plan is still under review, however some actions have been commenced, including a desktop review of all Council landholdings.

A further update will be provided on the progress of the Leases and License review, including a summary of outstanding issues and proposed actions at the October Committee Meeting.

LEGAL IMPLICATIONS

N/A

STRATEGIC PLAN

N/A

COUNCIL POLICY

N/A

ECONOMIC IMPLICATIONS

N/A

ENVIRONMENTAL IMPLICATIONS

N/A

SOCIAL IMPLICATIONS

N/A

CULTURAL IMPLICATIONS

N/A

RESOURCE IMPLICATIONS

N/A

VALUE FOR MONEY

N/A

RISK IMPLICATIONS

N/A

EQUALITIES AND DIVERSITY IMPLICATIONS

N/A

ENGAGEMENT AND COMMUNICATION STRATEGY

N/A

IMPLEMENTATION STRATEGY

N/A

CONCLUSION AND RECOMMENDATION

This report provides a status update for policies due for review following the external audit report received in June 2023.

ATTACHMENTS

Nil



6 CONFIDENTIAL ITEMS

6.1 PHRIENDLY PHISHING REPORT – REPORT NO. AR23/36674

CONSIDERATION FOR EXCLUSION OF THE PUBLIC

Pursuant to section 90(2) of the *Local Government Act 1999* the Audit and Risk Committee orders that all members of the public, except the Mayor, Councillors and (Community Members) be excluded from attendance at the meeting for the receipt and consideration in confidence of Agenda Item 6.1 AR23/36674 Phriendly Phishing Report.

The Audit and Risk Committee is satisfied that, pursuant to section 90(3) (e) of the Act, the information to be received, discussed or considered in relation to the Agenda Item is:

- matters affecting the security of
 - the Council, or
 - Council Members, or
 - employees of the Council, or
 - Council property, or
 - the safety of any person

The Audit and Risk Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the information to be considered relates to the security of Council information systems.

CONSIDERATION FOR KEEPING ITEMS CONFIDENTIAL

1. In accordance with Sections 91(7) and 91(9) of the *Local Government Act 1999* the Council orders that the report 6.1 AR23/36674 Phriendly Phishing Report and its attachments, resolution/s and minutes arising from the report, having been considered by the Council in confidence under Section 90(2) & (3) (e) be kept confidential and not available for public inspection until further order of Council.
2. Further that Council delegates the power to review, revoke, but not extend the confidential order to the Chief Executive Officer in accordance with the provisions of Section 91(9)(c) of the *Local Government Act 1999*.

7 MEETING CLOSE



**MINUTES OF CITY OF MOUNT GAMBIER
AUDIT AND RISK COMMITTEE MEETING
HELD AT THE LEVEL 4 COMMITTEE ROOM, CIVIC CENTRE, 10 WATSON TERRACE,
MOUNT GAMBIER
ON MONDAY, 5 JUNE 2023 AT 5.30 P.M.**

PRESENT: Mr Paul Duka (Presiding Member), Cr Paul Jenner (virtual), Mr Alexander Brown, Ms Belinda Johnson (virtual) (joined at 5.43 p.m.)

OFFICERS IN ATTENDANCE:	Chief Executive Officer	- Mrs S Philpott
	General Manager Corporate and Regulatory Services	- Mrs J Fetherstonhaugh
	General Manager City Infrastructure	- Ms B Cernovskis
	Manager Financial Services	- Mrs J Scoggins
	Manager Organisational Development	- Mrs R Datta (virtual)
	Executive Administrator	- Ms S Wilson

1 ACKNOWLEDGEMENT OF COUNTRY

WE ACKNOWLEDGE THE BOANDIK PEOPLES AS THE TRADITIONAL CUSTODIANS OF THE LAND WHERE WE MEET TODAY. WE RESPECT THEIR SPIRITUAL RELATIONSHIP WITH THE LAND AND RECOGNISE THE DEEP FEELINGS OF ATTACHMENT OUR FIRST NATIONS PEOPLES HAVE WITH THE LAND.

2 APOLOGY(IES)

RECOMMENDATION

That the apology from Mayor Lynette Martin be received.

3 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Alexander Brown

Seconded: Paul Duka

That the minutes of the Audit and Risk Committee meeting held on 8 May 2023 be confirmed as an accurate record of the proceedings of the meeting.

CARRIED

4 QUESTIONS WITHOUT NOTICE

Nil resolved.

Belinda Johnson joined the meeting (virtually) at 5:43 pm.



5 REPORTS

5.1 EXTERNAL AUDIT MANAGEMENT REPORT

COMMITTEE RESOLUTION

Moved: Paul Duka

Seconded: Cr Paul Jenner

1. That Audit and Risk Committee Report No. AR23/34119 titled 'External Audit Management Report' as presented on 05 June 2023 be noted.
2. That it be noted the Audit and Risk Committee request that a progress report regarding leases/licences and mandatory policies be brought back every 6 months.

CARRIED

5.2 INTERNAL FINANCIAL CONTROLS 2022-2023 - SELF ASSESSMENT

COMMITTEE RESOLUTION

Moved: Alexander Brown

Seconded: Belinda Johnson

1. That Audit and Risk Committee Report No. AR23/32434 titled 'Internal Financial Controls 2022-2023 - Self Assessment' as presented on 05 June 2023 be noted.

CARRIED

5.3 2023/2024 DRAFT ANNUAL BUSINESS PLAN AND BUDGET

Cr Jenner left the meeting at 6:53 pm.

Cr Jenner returned to the meeting at 6:56 pm.

COMMITTEE RESOLUTION

Moved: Alexander Brown

Seconded: Belinda Johnson

1. That Audit and Risk Committee Report No. AR23/33287 titled '2023/2024 Draft Annual Business Plan and Budget' as presented on 05 June 2023 be noted.
2. That the Audit and Risk Committee feedback on Council's Draft 2023/2024 Draft Annual Business Plan and Budget and/or the associated processes and risks, as follows:
 - Consideration should be given of the potential implications of Adelaide CPI (March 2023) in its final Annual Business Plan and Budget considerations.
 - Note the feedback regarding how to represent the total rate revenue increase.
 - Page 11 - update the Capital table to reconcile the Expenditure summary on page 6.



- Consideration should be given to Federal assistance grants and local roads and community infrastructure timing and impact on both the Budget Review 3 2022/2023 and draft 2023/2024 Annual Business Plan and Budget.
- That Council convey to the Valuer-General the Audit and Risk Committee recommendation for the earlier receipt of property valuation data for 2024/2025.

be incorporated with the public consultation feedback to be presented to the Special Council meeting to be held on the 27 June 2023 for consideration of the adoption of the Draft 2023/2024 Annual Business Plan and Budget.

CARRIED

5.4 DRAFT LONG TERM FINANCIAL PLAN 2024-2033

COMMITTEE RESOLUTION

Moved: Belinda Johnson

Seconded: Alexander Brown

1. That Audit and Risk Committee Report No. AR23/33289 titled 'Draft Long Term Financial Plan 2024-2033' as presented on 05 June 2023 be noted.
2. That the Audit and Risk Committee feedback on Council's Draft Long Term Financial Plan 2024-2033 and/or the associated processes and risks, as follows:
 - That a note be applied to the Long Term Financial Plan and also to the Interim Asset Management Summary that the asset allocations are indexed in the Long Term Financial Plan but not in the Interim Asset Management Summary.
 - Audit and Risk Committee notes that Council has raised questions with ESCOSA about the cost and value of the new ESCOSA process and concur with those questions.
 - Notes that financial sustainability is the key focus of the draft LTFP.
 - Once Asset Management Plans are completed, the Audit and Risk Committee recommends a more comprehensive review of the rating strategy.
 - Note that Asset revaluations and condition assessments may impact the operating surplus ratio and investment in asset renewal expenditure.

be incorporated with the public consultation feedback to be presented to the Special Council meeting to be held on 27 June 2023 for consideration of the adoption of the Draft Long Term Financial Plan 2024-2033.

CARRIED

5.5 DRAFT INTERIM ASSET MANAGEMENT SUMMARY 2024-2033

COMMITTEE RESOLUTION

Moved: Paul Duka

Seconded: Alexander Brown

1. That Audit and Risk Committee Report No. AR23/34812 titled 'Draft Interim Asset Management Summary 2024-2033' as presented on 05 June 2023 be noted.
2. That the Audit and Risk Committee feedback on Council's Draft Interim Asset Management Summary 2024-2033 and/or the associated processes and risks, as follows:

- Give consideration to useful lives and service levels as asset information is received.
- Audit and Risk Committee note the iterative process to improving Council's Asset approach, and that the next round of planning will be informed more completely by valuations, condition data and useful lives, with a suite of asset classes with an overarching summary document.
- Note that the current market conditions are placing additional pressure on unit rates for asset maintenance and replacement.
- Note the asset data will help to inform the examination of use and purpose of Council's buildings as part of the Strategic Property Management Review.

be incorporated with the public consultation feedback to be presented to the Special Council meeting to be held on 27 June 2023 for consideration of the adoption of the Draft Interim Asset Management Summary 2024-2033.

CARRIED

6 MOTIONS WITHOUT NOTICE

Nil

7 MEETING CLOSE

The Meeting closed at 7:45 pm.

The minutes of this meeting were confirmed at the Audit and Risk Committee held on 24 July 2023.

.....
PRESIDING MEMBER

