

COMMITTEE AGENDA

Audit & Risk Committee

Notice is hereby given pursuant to the provisions of the Local Government Act, 1999, that the next Meeting of the Audit & Risk Committee will be held in the Council Chambers, 181 Unley Road Unley on

Tuesday 04 March 2025 6:30 PM

for the purpose of considering the items included on the Agenda.

Chief Executive Officer

MEMBERS

Presiding Member Mark Davies
Independent Member Annette Martin
Independent Member Pamela Lee
Councillor Jack Gaffey
Councillor Jennifer Bonham

ACKNOWLEDGEMENT

Ngadlurlu tampinhi, ngadlu Kurna yartangka inparrinhi. Ngadlurlu parnuku tuwila yartangka tampinhi.

*Ngadlurlu Kurna Miyurna yaiya yarta-mathanya Wama Tarntanyaku tampinhi. Parnuku yailtya, parnuku tapa purruna yalarra puru purruna.**

We would like to acknowledge this land that we meet on today is the Traditional lands for the Kurna People and that we respect their spiritual relationship with their Country.

We also acknowledge the Kurna people as the Traditional Custodians of the Adelaide region and that their cultural and heritage beliefs are still as important to the living Kurna people today.

*Kurna Translation provided by Kurna Warra Karrpanthi

ORDER OF BUSINESS

ITEM

PAGE NO

1. ADMINISTRATIVE MATTERS

1.1 APOLOGIES

Nil

1.2 LEAVE OF ABSENCE

Nil

1.3 CONFLICT OF INTEREST

Members to advise if they have any material, actual or perceived conflict of interest in any Items in this Agenda and a Conflict of Interest Disclosure Form (attached) is to be submitted.

1.4 MINUTES

1.4.1 Minutes of the Ordinary Audit and Risk Committee Meeting held Tuesday, 12 November 2024 were considered by Council on 25 November 2024.

1.5 DEFERRED / ADJOURNED ITEMS

Nil

1.6 PRESENTATION : CYBER SECURITY UPDATE

(CONFIDENTIAL)

2. REPORTS

2.1	2025 External Audit Plan	7
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2.7	Report summarising the activities of the Audit and Risk Committee	56

3. OTHER BUSINESS

NEXT MEETING

Tuesday 8 April 2025 - 7:00 PM (Special Meeting)

Council Chambers, 181 Unley Road Unley

INFORMATION REPORT

REPORT TITLE:	2025 EXTERNAL AUDIT PLAN
ITEM NUMBER:	2.1
DATE OF MEETING:	04 MARCH 2025
AUTHOR:	CHRIS LAPIDGE, TEAM LEADER FINANCIAL ACCOUNTING
DIVISION:	CORPORATE SUPPORT
ATTACHMENTS:	1. 2025 BENTLEYS' EXTERNAL AUDIT PLAN

1. **PURPOSE**

This report provides the Audit and Risk Committee with the proposed External Audit Plan by Council's External Auditors, Bentleys, for the 2024-25 financial audit.

2. **RECOMMENDATION**

That:

1. The report be received.
 2. The 2025 Audit Plan presented by Bentleys, Council's External Auditors, be noted.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

This report supports the Community Plan's guiding principles of Integrity, Engagement, Financially Sustainable and Thought Leadership.

4. **BACKGROUND**

Bentleys was appointed as Council's External Auditor on 11 December 2023 for a period of five years commencing from the 2023-24 financial year.

2024-25 marks the second year of Bentley's engagement as Council's External Auditor. The 2025 interim audit is scheduled for mid May 2025, and the final audit scheduled for early September 2025.

As part of its meeting on 14 November 2024, the Audit and Risk Committee requested that Bentleys present their external audit work plan for the upcoming audit.

5. DISCUSSION

In response to the Committee's request, the Bentleys 2025 Audit Plan for the 2024-25 external audit is provided in Attachment 1.

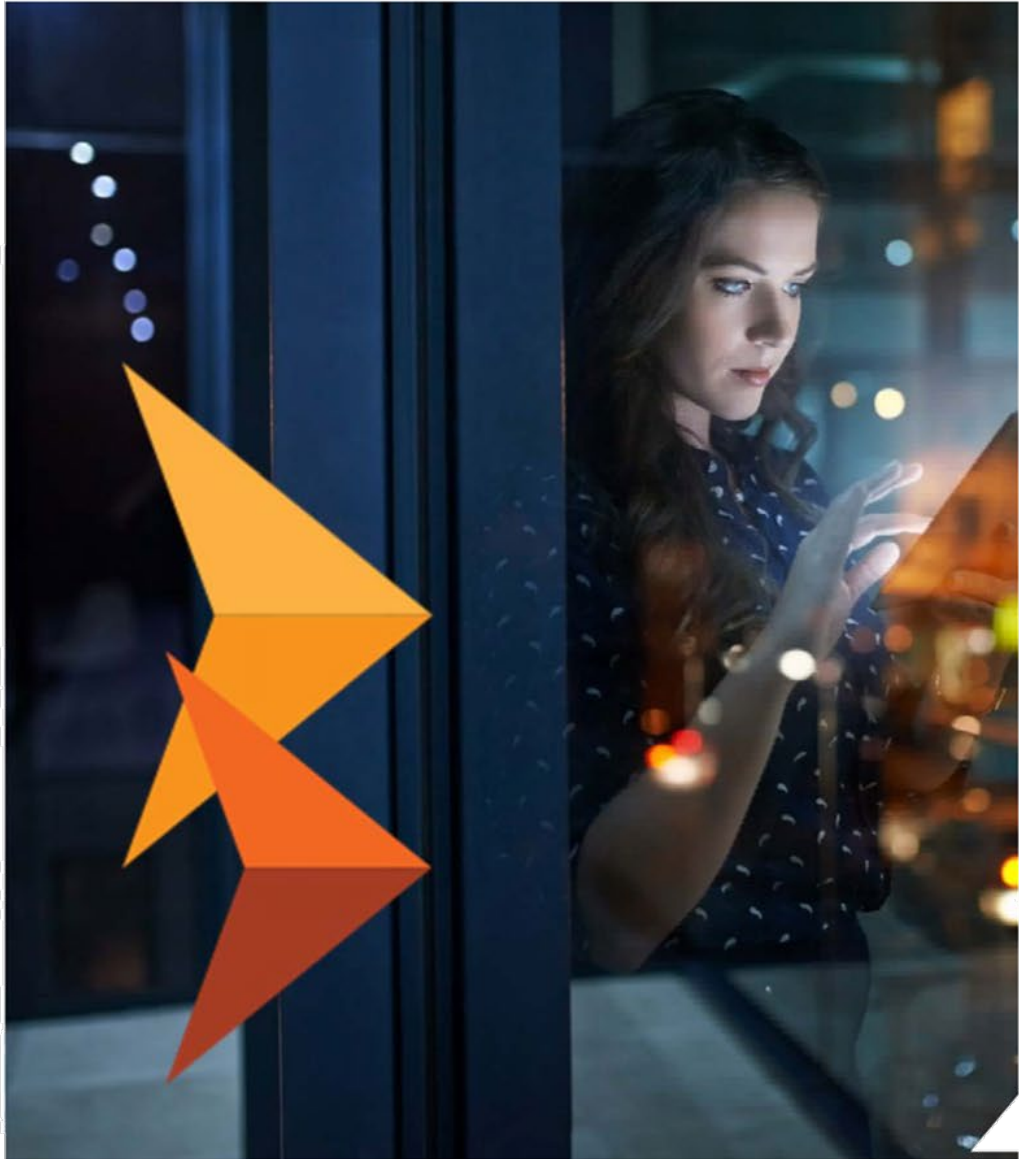
Attachment 1

Bentleys will be present at the meeting to present the plan in detail. Committee Members will have an opportunity to ask any questions regarding the plan and the audit process. This session will allow for clarification of the planned audit activities and ensure alignment with the expectations and objectives of the committee.

6. REPORT AUTHORISERS

Name	Title
Alex Brown	General Manager Corporate Support

Audit Plan



CITY OF UNLEY

David Papa
Partner, Audit & Assurance
dpapa@adel.bentleys.com.au
+61 8 8372 7900



Executive summary

We are providing our key considerations for the audit of City of Unley for the year ending 30 June 2025.

Dear Audit and Risk Committee,

We have set out the key considerations in relation to our audit of the City of Unley for the year ended 30 June 2025.

The scope of our work is as follows:

- Audit of the general-purpose financial statements of the Council for 2025 in accordance with financial reporting requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.
- Audit of the internal control environment with the view of forming and publishing an opinion. This will include management's monitoring, assessment and implementation of controls.

We have identified financial statement risks relating to this year's audit:

1. Revaluation of Assets
2. Project Costing and Overhead Allocation
3. Grant revenue recognition

We have agreed to the following audit timeline with management:

	FIELDWORK	PRESENTATION OF AUDIT CLEARANCE REPORT AT AUDIT & RISK COMMITTEE MEETING
INTERIM	12 TH - 15 TH of May	12 TH of August
YEAR END	1 ST – 4 TH of September	21 ST of October

We have set out our audit approach, the risks of material misstatement, the audit engagement team and timetable for the audit.

Sincerely



David Papa
Partner,
+61 8 8372 7900
dpapa@adel.bentleys.com.au

Audit objective and approach

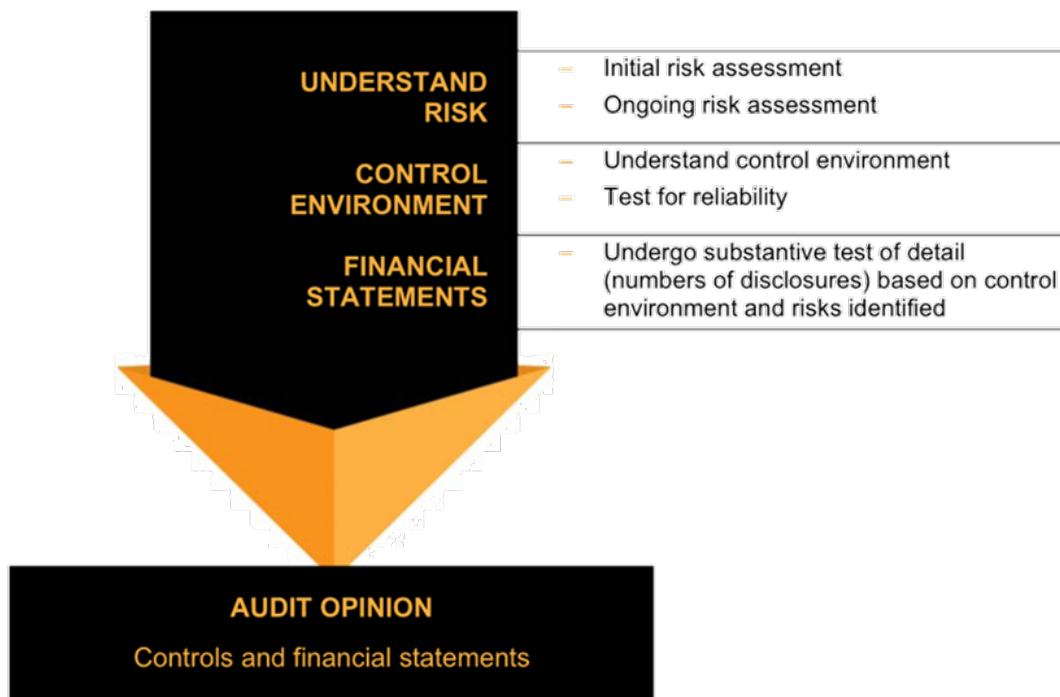
HELPING BUSINESSES ACHIEVE THEIR GOALS AND ASPIRATIONS

The overall objective of the audit is to express an opinion on the following two items per Section 129 of the *Local Government Act 1999* which states:

1. The auditor of a council must undertake an audit of:
 - a) the council's financial statements within a reasonable time after the statements are referred to the auditor for the audit (and, in any event, unless there is a good reason for a longer period, within 2 months after the referral), and
 - b) the controls exercised by the council during the relevant financial year in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.

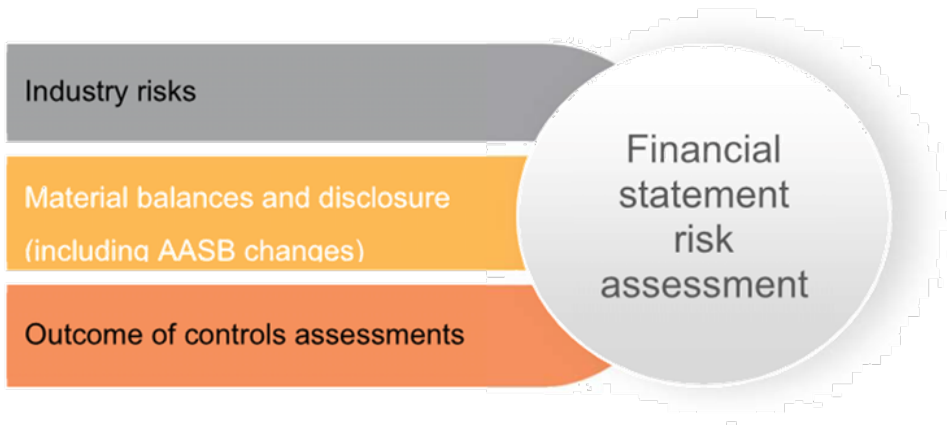
Bentleys SA's audit approach is based on organisational and financial risk. We develop an understanding of risks for your organisation that relate to the financial statements based on our understanding of your people, your organisation and your sector. This understanding helps us build an audit program that is tailored to you each year and enables us to form an opinion on your financial statements and internal control opinion through a target "risk based" approach. The benefits of this approach are:

- Audit efficiency
- Increased organisational assurance
- A review of your control environment
- Timely and effective audits



Financial Statement Risk Assessment Process

The key to our tailored audit approach is our risk identification methodology. We draw on our sector knowledge, understanding of your business (control) environment, technical training and years of audit experience to identify risks and design and develop a testing plan to provide you assurance.



Whilst we undertake a detailed risk assessment at the planning phase of our audits to design the audit plan for the reporting year, risk is an ongoing consideration throughout the audit process and will be assessed up until the day of signing our audit report.

Identified audit risks

WE HAVE IDENTIFIED FINANCIAL STATEMENT RISKS RELATING TO THIS YEAR'S AUDIT.

We have identified the risks of financial statement material misstatement as part of our risk assessment procedures during the planning phase. The specific risks we wish to bring to your attention are as follows:

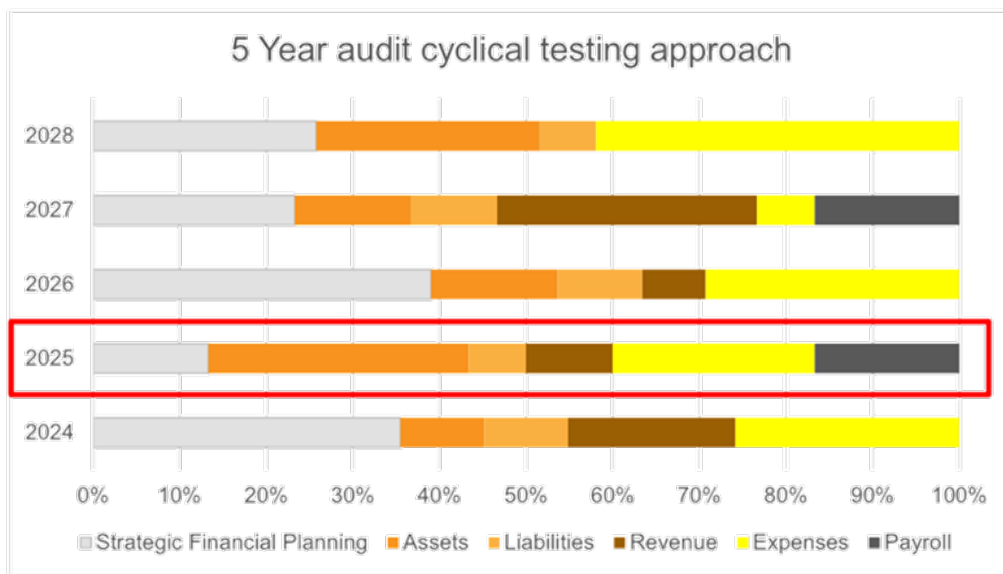
AREA	Revaluation of Assets
RISK	The revaluation assessment and accounting treatment for assets may be incorrect.
AUDIT APPROACH	We will obtain the revaluation report and evaluate the methodology used by the valuer, along with the key assumptions and inputs applied in the revaluation. For revaluations based on indexation, we will reperform the revaluation at the asset category level to ensure it is calculated correctly.

AREA	Project Costing and Overhead Allocation
RISK	Misallocation or incorrect allocation of transactions to capital projects. An inappropriate rate for overhead costs may be used.
AUDIT APPROACH	We will perform substantive testing on a sample of capitalised costs during the year to ensure the cost allocation to projects is accurate. We will select a sample of projects that have been capitalised during the year and compare the date the asset is ready for use to the date it is entered into the fixed asset register and depreciated from.

AREA	Grant revenue recognition
RISK	Classification and accuracy of grants revenue in accordance with the accounting standards.
AUDIT APPROACH	We will select a sample of grant income and test whether revenue and revenue received in advance have been recognised as per AASB 15 and AASB 1058.

Key areas for testing

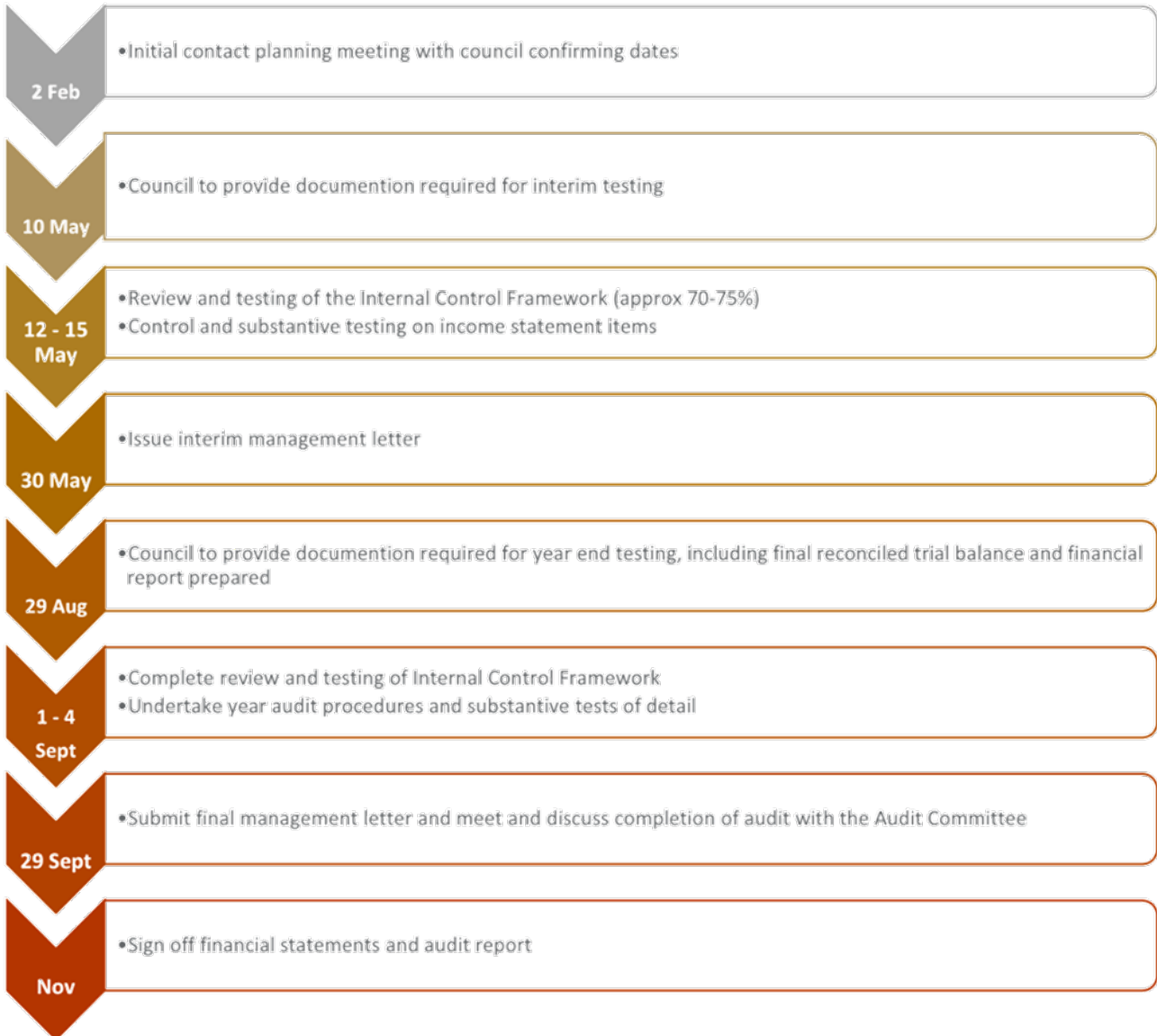
BASED ON THE PREVIOUS ISSUED RASIED IN MANAGEMENT LETTERS, AND THE RISK IDENTIFIED, WE PLAN ON FOCUSING OUR AUDIT TESTING ON THE FOLLOWING AREAS:



Note: The above graph depicts the areas of our focus, allowing us to undertake a deeper level of understanding in the areas being tested. The above is subject to events or circumstances that may arise during the audit process, and changes in focus may result depending on any risks identified. All areas in the control environment will be tested at least 100% over a three-year period at most, depending on our risk assessment of that area.

Timing of Work

WE HAVE AGREED TO THE FOLLOWING AUDIT TIMELINE WITH MANAGEMENT



Note: Any delays in providing the required information in accordance with the above will result in us not achieving the agreed deadlines and potential further costs. Multiple adjustments made to the final trial balance or the financial report will also result in further costs.

Engagement team

WE HAVE SELECTED AN ENGAGEMENT TEAM WITH SUITABLE EXPERIENCE FOR THE SECTOR

ENGAGEMENT LEADERS



David Papa
Engagement Partner



Matthew Brunato
Director



Somain Gupta
Audit Manager

SUPPORT STAFF



Deep Shah
Senior Auditor



Jackson Larkin
Auditor

Where you want to be

Address a critical business issue. Gain efficiency. Achieve strategic growth. Propel your organisation's success.

Contact Bentleys.

Bentleys is a network of independent advisory and accounting firms located throughout Australia, New Zealand and Asia. All members of the Bentleys Network are affiliated only, are separate legal entities and not in partnership. Limited liability by a scheme approved under Professional Standards Legislation. Bentleys is a member of Allinial Global – an association of independent accounting and consulting firms.



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Advisors



Accountants



Auditors

INFORMATION REPORT

REPORT TITLE:	LONG-TERM FINANCIAL PLAN 2025-35 UPDATE
ITEM NUMBER:	2.2
DATE OF MEETING:	04 MARCH 2025
AUTHOR:	MAX MURAWSKY, STRATEGIC FINANCE PROJECTS LEAD
DIVISION:	CORPORATE SUPPORT
ATTACHMENTS:	NIL

1. **PURPOSE**

This report provides an update on the preparation of the Draft 2025-26 to 2034-35 Long-Term Financial Plan, including an update on the forecast economic indicators and other proposed changes to the Draft LTFP presented to the Audit and Risk Committee in November 2024.

2. **RECOMMENDATION**

That:

1. The report be received.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

This report supports the Community Plan's guiding principles of Integrity, Engagement, Financially Sustainable and Thought Leadership.

4. **BACKGROUND**

A council is required to develop and adopt a Long-Term Financial Plan (LTFP) as a component of its suite of Strategic Management Plans to ensure its long-term financial sustainability. The LTFP also provides the financial parameters to guide the development of Council's Annual Business Plan and Budget.

The existing LTFP was adopted by Council in June 2024 following a comprehensive review of the plan by the Administration and the Audit and Risk Committee.

The full LTFP (including the full suite of forecast financial statements) will be reviewed by Council annually, with an update to the existing LTFP

adopted by Council each year following the adoption of the Annual Business Plan and Budget.

A draft LTFP was presented to the Audit and Risk Committee at its meeting on 12 November 2024, seeking the Committee's views on the suitability of key assumptions and support of the proposed financial targets included within the LTFP.

Following the Audit and Risk Committee meeting, an Elected Member Briefing was held on 16 December 2024 to present an overview of the Draft LTFP. The presentation outlined the economic indicators and assumptions informing the LTFP, along with the proposed financial targets within the plan. The briefing also discussed the risk appetite for borrowings, as recommended by the Audit and Risk Committee in the context of the *Net Financial Liabilities Ratio* target.

5. **DISCUSSION**

The Administration is presently preparing the Draft 2025-26 Annual Business Plan and Budget. The target for the 2025-26 Draft Budget is Year 1 of the Draft LTFP as presented to the Audit and Risk Committee in November, and the Elected Members in December. As part of this process, the Draft LTFP is being reviewed and updated in light of the latest economic forecasts, endorsed Community Plan, strategic priorities and external funding opportunities (i.e. grants).

An updated LTFP will be presented to the Audit and Risk Committee in April before the Draft 2025-26 Annual Business Plan and Budget for Community Consultation is presented in May. A summary of the key factors that are expected to have a material impact on the LTFP are outlined below:

- **CPI** – The LTFP utilises the SA Department of Treasury and Finance (DTF) forecasts for Adelaide CPI as a basis for future income and expenditure assumptions, including any general rates increase. The Adelaide CPI forecast by DTF in 2024-25 mid-year budget review (released in mid-December) forecast a slight decrease in the CPI for 2024-25, from 3.5% to 3.25%. However, in late January the Australian Bureau of Statistics published actual CPI of 2.5% for the year to 31 December 2024, and 1.74% for the 9 months to December 2024. These results, along with the latest economic predictions, would suggest that the Adelaide CPI for the year to 31 March 2025 will be well below 3.25%. The CPI forecasts will continue to be monitored, and actual CPI for March 2025 considered prior to finalising the 2025-26 Annual Business Plan and Budget, and LTFP, for Adoption.
- **Interest Rates** – The assumption for interest rates on borrowings has been reviewed following on from the LGFA's decision to reduce their cash advance debenture rates, and the RBA's reduction in the

cash rate target at their February meeting. Actual and forecast interest rates will be continued to be monitored and updated as required.

- **Opening Borrowings** – The forecast borrowings as at 30 June 2025, (and therefore the opening borrowings at the commencement for the 2025-26 financial year) have been updated following changes to the 2024-25 budget arising from the 2024-25 Quarter 2 Budget Review. These changes were approved by Council on 24 February 2025.
- **Roads to Recovery** – Grant funding from the five-year Roads to Recovery Program from 2024 to 2029 has now been included, in line with the program’s nominal funding allocation. The annual funding allocation is approximately \$670,000.
- **Property and Rating Project** – This 2-year project which commenced in 2024-25 was originally incorporated within the Draft LTFP as a New Capital Project with \$780,000 allocated in 2024-25 and \$750,000 in 2025-26. However, to align with the appropriate accounting treatment for the implementation of cloud-based software systems, this has been re-categorised as an Operating Project within the 2024-25 Budget and Draft LTFP.
- **Strategic Property Purchase** – At a confidential meeting on 18 December 2024, Council considered a report regarding a strategic property purchase. Any impact on borrowings and interest expense will be included within the Draft LTFP as required.

Financial Targets

As explained in the Background section of this report, an Elected Member Briefing on the Draft LTFP in December raised the Audit and Risk Committee’s recommendation that Council considers its net appetite for borrowings before adopting the target for the *Net Financial Liabilities Ratio*. The Administration presented the following table, and sought feedback on the level of borrowings that Elected Members were comfortable with.

Net Financial Liabilities Ratio	Estimated Cash borrowings capacity
10%	\$2.1M
20%	\$8.3M
30%	\$14.5M
40%	\$20.7M
50%	\$26.9M
60%	\$33.1M
70%	\$39.4M

Whilst there was no decision made to change the existing target for the *Net Financial Liabilities Ratio* of 80%, most members expressed the view that they had an appetite for a maximum ratio target of between 50% and 80%. The Administration advised that the target could be considered further during the review of the Draft LTFP as part of the 2025-26 Annual Business Plan and Budget Process, and that the current LTFP forecasted a peak ratio of less than 20%.

Next Steps

The forecasts and estimates within the Draft LTFP will continue to be refined and updated over the next month. An updated Draft LTFP will be presented to the Audit and Risk Committee in April, and will be included as an appendix to the Draft 2025-26 Annual Business Plan and Budget for community consultation in May.

6. REPORT AUTHORISERS

Name	Title
Alex Brown	General Manager Corporate Support

INFORMATION REPORT

REPORT TITLE:	QUARTELY STRATEGIC RISK REGISTER REVIEW (MARCH 2025)
ITEM NUMBER:	2.3
DATE OF MEETING:	04 MARCH 2025
AUTHOR:	JIM PHILLIPS, PRINCIPAL RISK MANAGEMENT OFFICER
DIVISION:	OFFICE OF THE CEO
ATTACHMENTS:	1. STRATEGIC RISK REGISTER (FEBRUARY 2025)

1. **PURPOSE**

This report informs the Audit and Risk Committee of updates to the Strategic Risk Register following the quarterly review of strategic risks by the Executive Leadership Team.

2. **RECOMMENDATION**

That:

1. The report be received.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

This report supports the Community Plan's guiding principles of Integrity, Engagement, Financially Sustainable and Thought Leadership.

4. **BACKGROUND**

Section 126(4)(h) of the *Local Government Act 1999*, and the Audit and Risk Committee's Terms of Reference, require the Committee to review and evaluate "*the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis.*"

The Strategic Risk Register is reviewed by the Executive Leadership Team on a quarterly basis and includes:

- identifying any new or emerging risks,
- monitoring the progress of existing treatment plans,
- documenting new treatments plans that have been implemented, and

- reviewing the residual risk rating.

The Executive Leadership Team completed a review of the Strategic Risk Register on 17 February 2025.

5. **DISCUSSION**

The updated Register is provided in Attachment 1, with the changes identified in green text.

Attachment 1

Two new treatment plans have been identified as outlined below:

Strategic Risk	New Actions
#3 Ineffective decision making that lacks transparency	ERA Procurement Implementation Plan
#4 Inability to manage legislative and regulatory compliance obligations	Governance training for Main Street Trader Associations

The actions for a number of the existing treatment plans have been updated to reflect their current status, along with some of the target completion dates.

The description of some negative contributing factors and existing controls/mitigating practices have been refined to assist interpretation.

The following emerging risk remains, however the treatment plans that have been implemented, or are in the process of being implemented, have been detailed.

Emerging Risk	Identified Actions
Council pursuing property acquisitions without consideration of the strategic property checklist and priorities within the Community Plan.	<ul style="list-style-type: none"> • Developed a strategic property purchase checklist (completed)
	<ul style="list-style-type: none"> • Established strategic property committee consisting of elected members (completed)
	<ul style="list-style-type: none"> • Strategic property panel established to ensure due diligence work undertaken (completed)
	<ul style="list-style-type: none"> • Development of a financial model for assessing Strategic Property Acquisitions (in progress)

The Executive Leadership Team have commenced to process to undertake a comprehensive review of the Strategic Risk Register following the adoption of the Community Plan in December 2024. Feedback will be sought from the Audit and Risk Committee on the strategic risks in the May meeting.

6. **REPORT AUTHORISERS**

Name	Title
Alex Brown	General Manager Corporate Support

STRATEGIC RISK REGISTER

This Review – 17 February 2025 by:

- **Peter Tsokas - Chief Executive Officer**
- **Claude Malak - General Manager Assets and Sustainability**
- **Ben Willsmore – General Manager City Shaping**
- **Alex Brown – Acting General Manager Corporate Support**
- **Bev O'Brien – Acting General Manager Community and Organisational Development**

Next Review May 2025

Last Reviewed: October 2024 by:

Peter Tsokas
Bev O'Brien
Ben Willsmore
Alex Brown
Claude Malak

Strategic Risk Register

1 Event Description: Failure to maintain financial sustainability			
Responsible Managers: CEO, ELT,		Community Plan Theme: Community Plan Principles	
Negative Contributory Factors: <ul style="list-style-type: none"> Forecasting tools are not relevant or out of date Long Term Financial Plan is not maintained or not appropriate for business needs Financial resources to deliver required services are inadequate Financial capacity to meet service delivery demands Financial resources are not managed in line with treasury management policy Debt levels and debt management strategies are not in line adopted targets or are not sustainable Inadequate project management practices Impact of pandemic on local economy and Council's operating results over time Changes to market in cemetery operations (CPCA) Ambitious expectations of Council deliverables 		Risks: <ul style="list-style-type: none"> Financial Maladministration & Corruption Inability to delivery community expectations into the future Financial sustainability is compromised Reputational Damage Legislative Compliance (Financial) are not met Inter-generational equity is not achieved insufficient project funding Failure to deliver on plans and strategies Limitations to service delivery options Service level reduction Centennial Park Subsidiary becoming unviable Decision Making not aligned to Strategic Management Plans The purchase of property not aligned to Council strategic property objectives 	
Likelihood: Possible	Consequence: Major	Inherent Risk Rating:	HIGH
Existing Controls/Mitigating Practices: <ul style="list-style-type: none"> Endorsed Community Plan, Four Year Delivery Plan and Annual Operating Plans Comprehensive budget development process that meets legislative requirements (including cost estimates & consultation). 2024-25 to 2033-34 Long-term Financial Plan Adopted with financial targets. Reviewed annually Adoption and application of the Better Practice Model – Internal Financial Controls Prudential Management Framework Project Management Framework Treasury Management Plan Owners Executive has been established and Board representation for Centennial Park Quarterly Reporting from subsidiaries to owner Councils 		<ul style="list-style-type: none"> Infrastructure & Asset Management Policy & Plans are linked to the long-term financial plan Quarterly budget review process Regular Financial reporting and budget monitoring Qualified and experience finance human resources Oversight from the Audit Committee External Audit Defined and agreed levels of service Development of an Annual Operating Plan which specifies core activities, service levels, and measures Continued corporate performance reporting Centennial Park Charter Strategic Property Acquisition Checklist 	
Control Effectiveness:	<i>Majority Effective</i>	Risk Tolerance up to:	MEDIUM
Likelihood: Rare	Consequence: Major	Residual Risk Rating:	MEDIUM

Treatment Plan:	Responsibility:	Target Completion Date:	Comment
1. ESCOSA Local Government Advice Scheme reviewing the City of Unley in 2024-25	<ul style="list-style-type: none"> General Manager Corporate Support 	<ul style="list-style-type: none"> March 2025 	<p>All requested information has been submitted to ESCOSA within the required timeframes. Questions regarding the Asset Management Plans and long-term repayment of borrowings have been received and responded to.</p> <p>ESCOCA's advice is required to be published by 28 February 2025.</p> <p>ESCOCA's Report will be provided to Council in March 2025, with a formal response to be incorporated in the Draft 2025-26 Annual Business Plan and Budget for Community Consultation.</p>
2. Development of a financial model for assessing Strategic Property Acquisitions	<ul style="list-style-type: none"> General Manager Corporate Support 	<ul style="list-style-type: none"> June 2025 	<p>An adaptable financial model to forecast the return on investment or property holding costs is being developed to assist with the assessment of potential property acquisitions and implications for the Long-Term Financial Plan.</p>

Strategic Risk Register

2	Event Description: Inability to meet the needs and expectations of the community		
Responsible Managers: CEO, ELT, Managers		Community Plan Theme: COMMUNITY & Community Plan Principles	
Negative Contributory Factors: <ul style="list-style-type: none"> Community Plan is out of date or not relevant Annual Business Plan and Budget process is not aligned with Community Plan and 4 Year Delivery Plan Resourcing is not aligned to 4 Year Delivery Plan Long Term Financial Plan is inadequate Conduct is inconsistent with Code of Conduct/ Values Systems and processes don't appropriately capture information regarding community needs Infrastructure & Asset Management Plans are inadequate Legislative movement of responsibilities Disengaged Elected Members Expectations of Elected Members lack of alignment with the Council role Four-year election cycles Increased cost pressures and delivery timeframes due to market conditions and inflation 		Risks: <ul style="list-style-type: none"> Dissatisfied community (public outrage) Reputational damage (negative media) Instability of staff (people leaving a negative environment) Organisational culture is significantly negatively affected Negative perception of performance of the Council (Elected Body) 	
Likelihood: Possible	Consequence: Major	Inherent Risk Rating:	HIGH
Existing Controls/Mitigating Practices: <ul style="list-style-type: none"> Community Plan Towards 2050 2033 Annual Business Plan and Budget 4-year Delivery Plan Annual Operating Plan Long Term Financial Plan Strategies, Policies and Procedures Infrastructure & Asset Management Plans Corporate Performance Report CEO KPIs Role Clarity Framework for service delivery Organisational culture and values Corporate Reporting Framework Role clarity and Position Descriptions aligned to service delivery Quarterly Reporting with inclusion of impacts to Strategic Objectives resulting from additional unplanned decisions of Council 		<ul style="list-style-type: none"> Consultation processes (YourSay, website, social media) Customer Experience Framework Customer Service Training Customer satisfaction surveys Customer Service Standards (external and internal) Community Engagement Framework and Policy Service Reviews Communication Channels Business Continuity Plan & Emergency Management Plan Regular Elected Member briefings, workshops and training Economic Development Strategy Customer Service Charter Principles (Achieve Together Project) Operational Risk Register Business Continuity Plan Quarterly Budget Review Process Organisational structure reviewed on regular intervals 	
Control Effectiveness:	Majority Effective	Risk Tolerance up to:	MEDIUM
Likelihood: Rare	Consequence: Major	Residual Risk Rating:	MEDIUM

Treatment Plan:	Responsibility:	Target Completion Date:	Comment
1. Development of a new 4 Year Delivery Plan following completion of the Community Plan	<ul style="list-style-type: none"> OCEO 	<ul style="list-style-type: none"> March 2025 June 2025 	The development of a 4 Year Delivery Plan is in progress with Elected Member Workshops scheduled for March, and the draft 4 Year Delivery Plan to be presented to Council in April. Community consultation will be undertaken in May with the Draft 2025-26 Annual Business Plan and Budget.
2. Development of the City Master Plan	<ul style="list-style-type: none"> OCEO 	<ul style="list-style-type: none"> December 2025 	Initial development of the City Master Plan (as spatial plan) is presently being undertaken internally.
3. Review and simplify Strategic Planning Framework	<ul style="list-style-type: none"> OCEO 	<ul style="list-style-type: none"> March 2025 	The Framework presently being finalised. It will assist key stakeholders in understanding the alignment of the objectives within Council endorsed plans and strategies to the Community Plan.

Strategic Risk Register

3	Event Description: Ineffective decision making that lacks transparency		
Responsible Managers: CEO, ELT, Managers		Community Plan Theme: Community Plan Principles	
Negative Contributory Factors: <ul style="list-style-type: none"> Inappropriate conduct of staff/Elected Members Inaccurate information Ill-informed decision makers Lack of role clarity and decision making (elected members) Deficient policies and procedures Noncompliance with legislative obligations/requirements Internal control failures Inappropriate delegations Lack of governance framework Lack of plans to respond to events that impact service delivery 		Risks: <ul style="list-style-type: none"> Reputational damage /risk Scrutiny by regulatory bodies (ICAC/Ombudsman) Financial impact/cost Loss of confidence in council Staff attraction and retention 	
Likelihood: Likely	Consequence: Catastrophic (Reputation)	Inherent Risk Rating:	HIGH
Existing Controls/Mitigating Practices: <ul style="list-style-type: none"> Legislative obligations (eg. Code of Conduct, Policies etc) External regulatory framework in place Policies and Procedures Delegation of Authority (Legislative and Financial) Elected Members briefings and workshops Expert advice provided by skilled staff Elected Members development program implemented to enhance role clarity Reinforce processes and education for Elected Member requests with staff Unley 360 Framework for Community Engagement 		<ul style="list-style-type: none"> Elected Members training programs Independent Members selection and training processes in place Agreed and Endorsed Meeting procedures Risk Management Framework Internal Controls Framework Reporting Quality Control Quality and experienced governance human resources Revised Caretaker Policy Unsolicited Proposals Policy ERA Review of Procurement Procurement Framework Delegation review completed 	
Control Effectiveness:	Majority Effective	Risk Tolerance up to:	MEDIUM
Likelihood: Unlikely	Consequence: Catastrophic	Residual Risk Rating:	MEDIUM

Treatment Plan:	Responsibility:	Target Completion Date:	Comment
1. Review of the Procurement Function	<ul style="list-style-type: none"> General Manager Corporate Support 	<ul style="list-style-type: none"> April-2024 June 2024 	The commencement of this review was paused until the commencement of the new Procurement and Contracts Business Partner. This review will identify opportunities to improve the efficiency and effectiveness of Council's procurement process following a review of procurement across the ERA Councils, and assist in guiding the continuous improvement priorities for procurement.
2. ERA Procurement Implementation Plan	<ul style="list-style-type: none"> General Manager Corporate Support 	<ul style="list-style-type: none"> Ongoing 	A working group has been established with procurement representatives from the Eastern Regional Alliance to take forward the implementation of the recommendations from the ERA Procurement Review completed in 2024. The Procurement and Contracts Business Partner is a member of the working group.

Strategic Risk Register

4	Event Description: Inability to manage legislative and regulatory compliance obligations		
Responsible Managers: CEO, ELT, Managers		Community Plan Theme: Community Plan Principles	
Negative Contributory Factors: <ul style="list-style-type: none"> • Other levels of government assigning new/different responsibilities • Increasing compliance and reporting obligations • Changing legislative obligations • Local Government Reform agenda • Not monitoring external environment and trends • Reallocation of responsibilities via legislative changes • Four Year election cycles 		Risks: <ul style="list-style-type: none"> • Failure to meet compliance obligation • Reputational damage • Loss of confidence in Council • ICAC investigation • Unreasonable Customer expectations • Negative Media exposure • Financial Sustainability • Negatively impact on service delivery & levels • Negative impact on organisational culture 	
Likelihood: Possible	Consequence: Major	Inherent Risk Rating:	HIGH
Existing Controls/Mitigating Practices: <ul style="list-style-type: none"> • Strategic Planning framework and documents (e.g. Community Plan, Annual Plan etc) • Long Term Financial Plan/Annual Business Plan & Budget • Policies and Procedures • Internal Controls • Risk management framework • Delegations • External liaison and relationship management • Quarterly Precinct Group meeting to focus on administration and governance • Mandatory governance training provided every two years 		<ul style="list-style-type: none"> • Audit Committee • External/Internal Audit • Appropriately trained and experienced staff • Access to suitably qualified service providers for support (e.g. legal advice) • Access to LGA resources & opportunity to influence outcomes • Collaboration between Councils • Eastern Regional Alliance • Implementation of the LG Reforms • OPI/ICAC Training conducted for Senior Leadership Team • Regular reporting by the Main Street Trader Associations to BEDAC (6 monthly) 	
Control Effectiveness:	Majority Effective	Risk Tolerance up to:	MEDIUM
Likelihood: Possible	Consequence: Major	Residual Risk Rating:	MEDIUM
Treatment Plan:	Responsibility:	Target Completion Date:	Comment
1. Investigate development and implementation of Legislative Compliance Register	• OCEO	• Ongoing	The Local Research and Development Fund has granted funding to the LGA for a project to develop a legislative compliance register. This work is progressing, and Unley will wait for a centrally developed register given the complexity associated with this project.
2. OPI/ICAC training for Elected Members	• OCEO	• June 2025	Arrange OPI/ICAC training session for the Elected Members
3. tre	• Manager, Economic Development and Strategic Projects	• March 2025	As part strengthening the governance of the Main Street Trader Associations, the Council is providing governance training for their committees.

Strategic Risk Register

5	Event Description	Workforce not appropriately skilled or engaged	
Responsible Managers: CEO, ELT, Managers		Community Plan Theme: <i>Community Plan Principles</i>	
Negative Contributory Factors: <ul style="list-style-type: none"> • inability to attract appropriate staff • Inappropriately skilled staff • Negative organisational culture • Lack of contemporary working conditions • Limited access to ongoing training and development • No career progression opportunities • Lack of workforce planning • Job doesn't meet staff expectations • Unsatisfactory relationship with Elected Members • Poor recruitment practices • Ineffective knowledge management • Lack of appropriate staff turnover • Out-dated systems and processes • Pandemic related disruption and distraction • <i>Threatening behaviour from customers</i> 		Risks: <ul style="list-style-type: none"> • Unnecessary high staff turnover • Failure to deliver plans and strategies • Community expectations not met • Reputational damage • Inability to retain the right staff / Loss of corporate knowledge 	
Likelihood: Possible	Consequence: Major	Inherent Risk Rating:	HIGH
Existing Controls/Mitigating Practices: <ul style="list-style-type: none"> • Recruitment strategies and practices • Well established brand • Active management and development of organisational culture • Appropriate employment conditions • Continuous Improvement • <i>Flexible Working Arrangements</i> • Purpose statements for work areas that are aligned to organisation's purpose • <i>Predominantly cloud based workplace</i> • Calendar with key corporate processes and deadlines • Continuous Improvement – training and suite of tools (learn on the job) • Establishment of the Senior Leadership Forum 		<ul style="list-style-type: none"> • Documented job descriptions documented and reviewed • Corporate Values • Development planning process (PDR) • Review of PDR process • Relevant resources and tools • Digital Strategy and BS&S Capability • Align the labour budget to reflect the priority areas determined by Council • Recognition Guidelines • Organisational restructure to better align with the focus of the Community Plan • Regular online Employee survey Teamgage to provide overall and team based climate measures • Internal Communications and latest news via emails, the intranet (Aquadria) and staff newsletter - the U 	
Control Effectiveness:	<i>Majority Effective</i>	Risk Tolerance up to:	MEDIUM
Likelihood: Unlikely	Consequence: Major	Residual Risk Rating:	MEDIUM

Treatment Plan:	Responsibility:	Target Completion Date:	Comment
1. <i>Preparation of an Organisational Development Plan.</i>	<ul style="list-style-type: none"> • GM People & Organisational Development 	<ul style="list-style-type: none"> • February 2025 • <i>June 2025</i> 	Agree the objectives and process for the preparation of an Organisational Development Plan, Leadership Development Plan and Succession Plan to support the longer term development and leadership of Council's staff.

Strategic Risk Register

6	Event Description: Inability to respond to climate change		
Responsible Managers: CEO, ELT		Community Plan Theme: ENVIRONMENT	
Negative Contributory Factors ("root" causes / how and why the event arises): <ul style="list-style-type: none"> • Extreme weather events • Increased urban infill • State Government Planning Reforms • Increased waste production by the community 		Risks: <ul style="list-style-type: none"> • Canopy reduced – (out of Council's control) • Reputational impact – as community has strong 'green' focus • Heat-Island effect • Public Health implications and risks • Reduction in quality of life now and future • Increased costs to Council operations • Impact to local flora and fauna • Loss of enviable amenities • Loss of productivity of operations due to extreme weather events 	
Likelihood: Almost Certain	Consequence: Major	Inherent Risk Rating:	EXTREME
Existing Controls/Mitigating Practices: <ul style="list-style-type: none"> • Canopy Action Plan with budget allocation • Tree Strategy • Brown Hill Keswick Creek subsidiary & delivery of Stormwater Management Plan • Strategic Plan and objectives • Re-use water (dam and aquifer) • Long Term Financial Plan • Water Sensitive Urban Design practices • Waste Management and Resource Recovery plan 		<ul style="list-style-type: none"> • Public Health Plan • Asset Management Plans • Alternative Energy initiatives • Cycling and walking network • Climate & Energy Plan for Council Operations • ERA Resilient East Program • Waste Management Arrangement in place • Heatwave Action Plan in place • Establishment of a Community Renewables Scheme 	
Control Effectiveness:	Majority Effective	Risk Tolerance up to:	MEDIUM
Likelihood: Unlikely	Consequence: Major	Residual Risk Rating:	MEDIUM

Strategic Risk Register

7				Event Description: Loss of internet/telecommunications or cyber breach resulting in loss of data and or an inability to deliver core services			
Responsible Managers: A/General Manager, Corporate Support				Community Plan Theme: Community Plan Principles			
Negative Contributory Factors: <ul style="list-style-type: none"> Skills shortage to manage cyber threats Inadequate network, infrastructure and / or systems leading to cyber exposure External threat actors Lack of staff awareness on appropriate information handling practices Lack of effective controls to manage staff and contractor access to core systems and information Absence of information or cyber security policies Staff turnover and knowledge loss Lack of appropriate property access controls and / or procedures to key infrastructure Lack of privileged access management controls Inappropriate handling or control of Council devices 				Risks: <ul style="list-style-type: none"> System and / or network outage due to a cyber event Unauthorised access or disclosure of confidential or highly sensitive information due to a cyber event Financial loss due to a cyber event (whether through insurance premiums / payouts or ransom) Negative community sentiment due to a cyber event Financial expenses to remediate and / or investigate a cyber event Impact to ability to deliver core Council services 			
Likelihood: Likely		Consequence: Catastrophic		Inherent Risk Rating:		HIGH	
Existing Controls/Mitigating Practices: <ul style="list-style-type: none"> Tools to protect network and / or systems from cyber exposure including fire wall, endpoint protection software and network monitoring Regular staff training on cyber awareness and appropriate information handling practices Employee induction includes acknowledgement of End User Computing and BYOD Policy Police clearance Background checks are performed before staff are onboarded Administration and privileged access accounts are segregated Proactive advice is provided to staff on current cyber threats Employee offboarding includes revoking access to Council systems and return of Council devices Council receives proactive monitoring and reporting on current cyber threats Council has a cyber strategy and framework to guide control implementation Council devices are securely disposed of appropriately and safely 				<ul style="list-style-type: none"> Fraud and Corruption Prevention Policy End User Computing and Bring Your Own Device (BYOD) Policy Information Management Policy Employee Code of Conduct Cyber Incident Data Breach Plan Disaster Recovery Plan 			
Control Effectiveness:		Mostly Effective		Risk Tolerance up to:		Cautious	
Likelihood: Unlikely		Consequence: Major		Residual Risk Rating:		Medium	

Treatment Plan:	Responsibility:	Target Completion Date:	Comment
1. Continuous review of access control and privilege management processes	<ul style="list-style-type: none"> Team Leader, Technology Services 	<ul style="list-style-type: none"> June 2025 	Review current access controls and processes. Implement periodic review of access privileges, ensuring least privileges are applied consistently to minimise risk of unauthorised access.
2. Enhancement of existing staff training and cyber awareness	<ul style="list-style-type: none"> Manager, Business Systems and Solutions 	<ul style="list-style-type: none"> Ongoing 	Ongoing program of work to educate and communicate all staff on cyber security awareness. Program of work to include Onboarding training and awareness, communicating current threats and cyber issues as well as bi-annual incident response drills.
3. Review of current network vulnerabilities and validate security measures to enhance Cyber Security posture.	<ul style="list-style-type: none"> Manager, Business Systems and Solutions 	<ul style="list-style-type: none"> February 2025 Testing completed Report March 2025 	Network penetration has been completed by a 3 rd party to identify and understand current vulnerabilities and assessment of incident response. The report is due to be received in early March. Outcomes to inform priorities of ongoing Cyber program of work.

Strategic Risk Register

Emerging Risks: *What keeps you awake at night??*

Description	Impacted Risk Events	Treatment Plans
Council pursuing property acquisitions without consideration of the strategic property checklist and priorities within the Community Plan.	Purchase of property not suitable for purpose, or not aligned to strategic priorities.	<ul style="list-style-type: none"> • Developed a strategic property purchase checklist (completed) • Established strategic property committee consisting of elected members (completed) • Strategic property panel developed to ensure due diligence work undertaken (completed) • Development of a financial model for assessing Strategic Property Acquisitions (in progress)



Appendix

Definitions of Control Effectiveness Ratings	
1. Ineffective	During the period, the control has not been implemented as described. Urgent management action is required to implement the described control processes.
2. Requires significant improvement	During the period, the control has been implemented as described, but with significant deficiencies in the consistency or effectiveness of implementation. Significant management action required to implement processes to improve the effectiveness of the control.
3. Partially effective	During the period, the control has been implemented as described, but with some deficiencies in the consistency and/or effectiveness in which it has been applied.
4. Majority effective	During the period, the control has been implemented as described and in the majority of cases has been consistently and/or effectively applied. There is potential to enhance the effectiveness of the control, but only with minor adjustments.

INFORMATION REPORT

REPORT TITLE:	QUARTERLY INTERNAL AUDIT REPORT (MARCH 2025)
ITEM NUMBER:	2.4
DATE OF MEETING:	04 MARCH 2025
AUTHOR:	JIM PHILLIPS, PRINCIPAL RISK MANAGEMENT OFFICER
DIVISION:	OFFICE OF THE CEO
ATTACHMENTS:	1. SUMMARY 3 - YEAR INTERNAL AUDIT PLAN AND UNIVERSE

1. **PURPOSE**

This report provides an update on the progress of the Internal Audit Plan for the quarter December 2024 to February 2025. It also presents an internal audit universe to inform future planning of the 3 Year Rolling Internal Audit Plan.

2. **RECOMMENDATION**

That:

1. The report be received.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

This report supports the Community Plan's guiding principles of Integrity, Engagement, Financially Sustainable and Thought Leadership.

4. **BACKGROUND**

The Audit and Risk Committee has a responsibility under Section 126(4)(g)(i) of the *Local Government Act 1999*, and in its Terms of Reference, to undertake the following if the council has an internal audit function:

- (A) *providing oversight of planning and scoping of the internal audit work plan; and*
- (B) *reviewing and commenting on reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis.*

In order to meet the legislative requirements, a quarterly Internal Audit Report will be prepared for the Audit and Risk Committee to:

- Inform the Committee of the proposed scope of each internal audit;
- Provide an update on the progress of internal audits within the endorsed Internal Audit Plan; and
- Advise the status of the agreed management actions arising from the internal audits (presently done on a six monthly basis).

At the Audit and Risk Committee Meeting on 14 November 2024, the Committee endorsed a 3 Year Rolling Internal Audit Plan (the Plan). The Plan was based on the best available information at the time, with consideration given to the organisation's risk profile, strategic and business objectives, key issues and projects impacting the business and known compliance requirements and obligations.

The Plan will be reviewed annually with any material changes in the scheduling of planned internal audits to be provided in the quarterly internal audit reports.

At the time of the Plan's endorsement, the Administration advised a 'long-list' of potential internal audits would be maintained and shared at the beginning of the 2025 calendar year.

5. **DISCUSSION**

Internal Financial Controls – Annual Review

The has begun the process of reviewing controls in the *Better Practice Model – Internal Financial Controls* for South Australian councils. This year will involve the assessment and review of 119 of the 260 financial controls. These covers the lower risk controls that have been included in recent years. The controls not included this year were reviewed last year.

It is expected that the assessments and reviews will be completed in March, with a report to be presented to the Audit and Risk Committee at the May meeting as scheduled.

Internal Audit - Onboarding Arrangements and Controls

This Internal Audit is schedule for completion in the first quarter of the calendar year. The project is well underway. A randomly selected number of new employees, selected from a group of 35, are in the process of being interviewed. Team Leaders and Managers involved in the on boarding process have also been selected for interview. It is anticipated that the project will be completed by the end of March 2025, with a report to be presented to the Audit and Risk Committee at the May meeting as scheduled.

Internal Audit Projects and Universe

A 'long-list' of potential internal audits has been prepared to monitor the internal audits have been undertaken in recent years and provide insight

of possible future audits within the internal audit universe. This list is provided in Attachment 1.

Attachment 1

This internal audit universe will be maintained and presented as part of the annual review of the 3 Year Rolling Internal Audit Program.

6. REPORT AUTHORISERS

Name	Title
Alex Brown	General Manager Corporate Support

Internal Audit Universe – March 2025

Area	Internal Audit	Completed within last 3 years/ Included in 3 Year Plan
Assets	Asset & Infrastructure Planning	
	Capitalisation, Depreciation & Disposal	
	Fixed Assets	
	Plant, Fleet & Equipment Management	Plant Management 2024
	Property Management	Leases and Licences 2023
	Strategic Asset Management	
Financial	Accounts Payable	Planned 2027
	Accounts Receivable	
	Banking	
	Budget & Budget Reviews	
	Cash Handling	Petty Cash 2021 Cash Handling 2022
	Fees & Charges	
	Financial Reporting	
	General Ledger	
	Grants Management	Planned 2026
	Long-Term Financial Plan	
	Rates & Land Use	
	Receipting	
Governance & Emergency Management	Bushfire planning, prevention & protection	
	Compliance with LGA	
	Corporate Governance	
	Disaster Recovery and Business Continuity Planning	
	Emergency Management	Planned 2026
	ESCOSA Review	
	Fraud Management & Prevention	Planned 2027
	Gifts & Benefits	Planned 2025
	Insurance & Risk Cover	
	Legislative Compliance	
	Policies & Procedures	Planned 2025
	Records Management	Planned 2026
Risk Management		

Internal Audit Universe – March 2025

Human Resources	Employee Onboarding & Offboarding	On-boarding - in progress Off-boarding 2026
	Payroll & Leave Entitlements	Overtime and Toil 2023
	Recruitment & Staff Attraction	
	Staff Retention, Morale & Culture	
	Training & Development	
	Work Health & Safety	
IT & Cyber Security	Data Backup & Recovery	
	Data Protection	
	Employee Awareness & Training	
	Network Security	
	User Access Controls	Planned 2025
Procurement	Contract Management	Planned 2027
	Corporate Cards	Corporate Cards 2022
	Purchasing Processes	
	Procurement Processes	Off-contract Expenditure 2022 Procurement Management 2024
Regulatory Services	Community Safety	Regulatory Services 2023
	Dog & Cat Management	
	Environmental Health	
	Planning & Development	
Other	Complaint Handling	Planned 2027
	Customer Service	
	Events Management	
	Project Management	Project Management Framework 2024
	Compliance with LGA	
	Event Management	

Internal Audit Universe – March 2025**Internal Audits completed in the last 3 Years**

Title	Audit/Audit and Risk Committee Meeting
Petty Cash	7 December 2021
Cash Handling	15 February 2022
Purchase Cards	16 August 2022
Procurement – Off Contract Expenditure	18 October 2022
Property Leases and Licences	8 August 2023
Regulatory Services	8 August 2023
Payroll – Overtime and TOIL	13 Feb 2024
Plant Management	6 August 2024
Project Management Framework	22 October 2024
Procurement Management	14 November 2025

Internal Audit Universe – March 2025

Schedule of the Internal Audit Workplan for 3 Years

Endorsed 14 November 2024. To be reviewed annually.

ID	Subject	2025	2026	2027
IA2025-01	On-boarding Process	■		
IA2025-02	Policy Framework		■	
IA2025-03	Business Systems User Access			■
IA2025-04	Gift and Benefit Policy and Procedure			■
IA2026-01	Off-boarding Process			■
IA2026-02	Review the Emergency Management Plan			■
IA2026-03	Grants Administration Arrangements and Controls			■
IA2026-04	Records Management System			■
IA2027-01	Accounts Payable - Procure to Pay Process PIR			■
IA2027-02	Contract Management			■
IA2027-03	Complaints and Feedback Management			■
IA2027-04	Fraud and Corruption Control Environment			■

INFORMATION REPORT

REPORT TITLE:	OPEN AUDIT ACTIONS
ITEM NUMBER:	2.5
DATE OF MEETING:	04 MARCH 2025
AUTHOR:	JIM PHILLIPS, PRINCIPAL RISK MANAGEMENT OFFICER
DIVISION:	OFFICE OF THE CEO
ATTACHMENTS:	1. 2025-03 SUMMARY OPEN AUDIT TREATMENTS

1. **PURPOSE**

The purpose of this paper is to provide an update on open audit action both Internal and External Audit recommendations

2. **RECOMMENDATION**

That:

1. The report be received.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

This report supports the Community Plan's guiding principles of Integrity, Engagement, Financially Sustainable and Thought Leadership.

4. **BACKGROUND**

The Audit and Risk Committee (the Committee) has a responsibility under Section 126(4)(c) of the *Local Government Act 1999*, and in its Terms of Reference, to monitor *“the responsiveness of the council to recommendations for improvement based on previous audits and risk assessments, including those raised by a council’s auditor.”*

The progress of the Internal Audit Actions was last reported to the Committee in November 2024 as part of the Quarterly Internal Audit Report. That report identified 21 open audit actions with the following status:

- Five (5) completed actions
- Eleven (11) actions in progress
- Five (5) actions not commenced

At that meeting, a further internal audit on Procurement Management was reported to the Committee with three (3) actions relating to records management. Combined, a total of 19 internal and external audit actions were open at the conclusion of the meeting.

5. DISCUSSION

There are a total of 19 open audit actions, 11 arising from the internal audit, and five (5) arising from Bentley's external audit of the internal controls. These are summarised in the table below:

	Open Actions	Completed	In Progress	Not Commenced	Deferred	Open Actions 25 Feb 2025
Internal Audit						
Leases and Licences	1	-	-	-	1	1
Plant Management	4	-	4	-	-	4
Project Management	6	1	1	4	-	5
Procurement Management	3	-	3	-	-	3
Total Internal Audit	14	1	8	4	1	13
External Audit						
2024 External Audit	5	1	4	-	-	4
Total External	5	1	4	-	-	4
Total	19	2	12	4	1	17

Attachment 1 lists of the open management actions arising from internal and external audits. Updates on the progress of the open audit action items are marked in blue font.

Attachment 1

Internal Audit

Of the 14 internal audit open actions, three (3) were added from the recently completed Procurement Management audit in November 2024. The other 11 open actions relate to the following audits Leases and Licences in August 2023, Plant Management in August 2024 and Plant Management in October 2024.

- **Leases and Licences:** The one remaining open action has been deferred with a further update to be provide by the end of 2025.

- **Plant Management:** Four (4) open audit actions remain in progress.
- **Project Management Framework:** Of the six (6) open actions, one (1) has been completed, one (1) is in progress and the other four (4) are yet to commence.
- **Procurement Management:** The three (3) open audit actions are in progress.

External Audit of Internal Controls

Seven of the external audit actions were identified as part of the interim audit reported in August 2024, with an eighth action arising the end of year audit reported in October 2024.

Of the five (5) open audit items, one (1) has been completed and four (4) remain in progress.

Monitoring and Next Report

The progress of the open actions will continue to be monitored on a monthly basis by the Principal Risk Management Officer. The next update to the Audit and Risk Committee will be provided in May 2025.

6. REPORT AUTHORISERS

Name	Title
Alex Brown	General Manager Corporate Support

Open Audit Action Items: March 2025

Finding #	Management Actions	Control Description	Effectiveness Assessment	Risk Level	Target Date	Status	Last Update
Internal Audit: LL1 Leasing and Licences							
1.1	That Administration reports on activities related to Leasing and Licencing of property to Council on a quarterly basis and this be included as part of the Quarterly Corporate Performance Reporting	Monitoring the expiry and reporting lease renewal/new leases	Partially Effective	H	May 25 Jul-23	Deferred	The Building & Facilities Lead recently commenced in the role. A review of all leases and licences will be conducted in the coming months for the purposes of establishing current status. A format for reporting will be developed and included in the next Corporate Performance Report.
Internal Audit: IA2024-01 Plant Management							
1.1	That City Operations work with relevant business units to review the Plant Procedure	Plant Procedure Version 4.0, Issued: October 2018. Next Review: 2021	Mostly Effective	M	Dec-24 Sept 25	In progress	The WHS team has prioritised the review of the procedure as part of the 2025 WHS Workplan, and the review has commenced. The LGRS are undertaking a review in early April, with the outcome of the review not expected until May/early June. Further time will then be required for the implementation and adoption of the recommended actions.
2.1	That as part of the implementation of the reviewed Plant Procedure (See recommendation 1.1) a workflow be developed and implemented across the relevant business units involved in the process of purchasing, maintenance, assessment and decommissioning plant that identifies key points of accountability	Informal or formal action recorded in accordance with Council's Information Management Policy.	Partially Effective	H	Mar-25 Sept 25	In progress	The process mentioned are not currently documented. Processes will be documented with key stakeholders commencing late March and then workflow is to be developed as part of the procedure review (refer to 1.1)

Open Audit Action Items: March 2025

Finding #	Management Actions	Control Description	Effectiveness Assessment	Risk Level	Target Date	Status	Last Update
Internal Audit: IA2024-01 Plant Management continued...							
3.1	That City Operations nominate one person responsible for maintaining a Plant register and that this be maintained in the most appropriate electronic system	The core components of the plant procedure aim to ensure that the City of Unley maintains a record of all plant in the workplace.	Partially Effective	H	Jun 25	In progress	The City Operations Plant register will be maintained by Operations Co-Ordinator. City Operations have commissioned a Plant Stocktake, which commenced on 28 th January 2025. The stocktake involves the identification of small plant in service and reconciliation against the asset register, updating the asset register and ensuring plant is appropriately marked.
3.2	That City Operations consider the feasibility of implementing a barcode system for the identification and management of minor plant	The core components of the plant procedure aim to ensure that the City of Unley maintains a record of all plant in the workplace.	Partially Effective	H	Dec 25	In progress	A barcoding system has been considered and deemed to be administratively inefficient. A minor plant stocktake is ensuring that plant is appropriately marked and recorded against the asset register utilising the asset number thus meeting the intended objective of the bar code system.
Internal Audit: IA2024-02 Project Management							
1.1	A workshop to outline the use and application of the Project Management Framework will be conducted with the Senior Leadership Group (i.e. Executive and Managers). Managers will then be equipped to conduct further workshops/information sessions	That all defined projects use the key elements of the Project Management Framework (Framework)	Partially Effective	M	Mar 25	Not commenced	Not commenced
1.2	Project Management Framework page(s) on Aquaria be revised and amended as required to ensure adequate support and clarity on use is provided to staff through each phase of the Framework.	That all defined projects use the key elements of the Project Management Framework (Framework)	Partially Effective	M	Jun 25	Not commenced	Not commenced

Open Audit Action Items: March 2025

Finding #	Management Actions	Control Description	Effectiveness Assessment	Risk Level	Target Date	Status	Last Update
Internal Audit: IA2024-02 Project Management continued...							
1.3	The triggers for initiating a project, utilising the Project Management Framework, will be clarified and explained on the Framework page on Aquaria. Where a project is initiated through the budget process, the trigger point to proceed to full project brief will be clarified as well. This will include clarity on what constitutes a project in line with the Project Management Framework (e.g. some activities under Operating Projects are annual programs of work (e.g. tree planting and greening verges).	That all defined projects use the key elements of the Project Management Framework (Framework)	Partially Effective	M	Jun 25	Not commenced	Not commenced
2.1	A pilot is underway with the Transport Team to link Teams and Sharepoint into ECM. An assessment will be undertaken following the pilot to determine the viability and cost/benefit of progressing with the program.	Consistent use of Project Management Framework and ECM tools ensures the efficient and effective management of projects across the organisation.	Partially Effective	M	Feb 25	Completed	The pilot has been completed. Information Management is preparing for the systematic implementation of the Teams/Sharepoint connector with ECM.
2.2	Record management for projects, in-line with Project Management Framework, will be incorporated as part of the workshop with the Senior Leaders Group, and guidance material on Aquaria.	Consistent use of Project Management Framework and ECM tools ensures the efficient and effective management of projects across the organisation.	Partially Effective	M	Mar 25	In progress	Planning for a workshop is underway and scheduled for February/March 2025.

Open Audit Action Items: March 2025

Finding #	Management Actions	Control Description	Effectiveness Assessment	Risk Level	Target Date	Status	Last Update
Internal Audit: IA2024-02 Project Management continued...							
3.1	The use and application of the Project Management Framework for smaller projects is to be addressed as part of the workshop with the Senior Leadership Group. This is to include clarification regarding the approach for smaller projects and confirmation regarding if changes are required to be incorporated in Aquaria.	That each project follow the key phases and elements of the Project Management Framework (Framework)	Partially Effective	M	Mar 25	Not commenced	Not commenced.
Internal Audit: IA2024-03 Procurement Management							
1.1	Procurement staff provide further education to staff undertaking procurements of their record management responsibilities for procurement activities.	Corporate records provide evidence of actions and decisions that have been made.	Partially Effective	M	Mar-25 May 25	In progress	The new Procurement and Contracts Business Partner commenced in January and is presently reviewing the training and education needs, while also reviewing the procurement and contracts indexes within ECM (Council's record management system) for record keeping. Once the approach forward has been agreed, education will be provided.
1.2	The acquisition plans require staff undertaking procurements to acknowledge the document management requirements, and integrate document management within the procurement process.	Corporate records provide evidence of actions and decisions that have been made.	Partially Effective	M	Feb-25 Mar 25	In progress	The new Procurement and Contracts Business Partner commenced in January. He has reviewed the action and has recommended a close out document for each procurement, which will be implemented and required to be completed at the conclusion of each procurement.
1.3	When the Procurement Policy is next reviewed, the policy specifically states records must be maintained in ECM. "Retaining and maintaining access to records relating to procurement processes be saved in ECM".	Corporate records provide evidence of actions and decisions that have been made.	Partially Effective	M	Mar-25 May 25	In Progress	The new Procurement and Contracts Business Partner commenced in January and is presently reviewing the Procurement Policy. The revised policy will be presented to the Audit and Risk Committee by May.

Open Audit Action Items: March 2025

Finding #	Management Actions	Control Description	Effectiveness Assessment	Risk Level	Target Date	Status	Last Update
External Audit: Bentleys 2024 Interim Audit							
2	The Finance Team will implement monthly review of the Audit Trail Report by September 2024	Changes to Supplier Master File	Mostly Effective	M	Nov 24	Completed	An Audit Trail Report for the periodic movements / changes in the Accounts Payable Masterfile will be extracted from Technology One monthly and reviewed by an independent person. The reviewed file will be registered in ECM. An ECM workflow will be established for the review to be actioned.
5	The project overhead methodology will be reviewed by February 2025 in preparation for the 2025-26 budget. An administrative guidance paper will be prepared and finalised by April 2025	Methodology for project costing and overhead allocation	Mostly Effective	M	Apr 25	In progress	The review of the project methodology been undertaken and incorporated as an adjustment to the 2024-25 financial year (as part of the Quarter 2 Budget Review), and the draft 2025-26 Budget. Preparation of an accompanying guidance paper is underway.
6	The draft Contract Management Framework was completed in April 2024 and is presently being reviewed by the Executive Leadership Team and Managers. It is scheduled to be finalised in October 2024, with training to be undertaken by March 2025	Contract management	Mostly Effective	M	Mar-25 Jun 25	In progress	The Draft Contract Management Framework has been reviewed by the Senior Leaders Team with feedback received. The finalisation of the framework has been delayed by the resignation of the Principal and Contracts Lead in August, and Procurement Adviser in November. Amendments to the Draft Framework are now being reviewed by the new Procurement and Contract Business Partner it is finalised for ELT Review.
7	The Credit/Debit Management Policy (an Administrative Policy) will be reviewed by October 2024. The Training and Development Policy will be reviewed by December 2024. The Land under Roads Policy will be reviewed by April 2025. The Property Management Policy will be reviewed by July 2025	Policy documents	Mostly Effective	M	Jul 25	In progress	The review of the policies is in progress. The review and finalisation of the Credit/Debit Management Policy has been deferred due to work on inter-related policies.

Open Audit Action Items: March 2025

Finding #	Management Actions	Control Description	Effectiveness Assessment	Risk Level	Target Date	Status	Last Update
External Audit: Bentleys 2024 Interim Audit continued							
8	The project capitalisation process, including the associated documentation process (e.g. certificates of completion) will be reviewed by February 2025, to ensure infrastructure and assets are recognised and depreciated from the date they are ready for use	Capitalisation Process	Not Material	M	Feb-25 Mar 25	In progress	The review of the capitalisation process is in progress, with a workflow and documentation checklist being incorporated within the process documentation.

INFORMATION REPORT

REPORT TITLE:	UPDATE TO THE 2025 AUDIT COMMITTEE WORKPLAN
ITEM NUMBER:	2.6
DATE OF MEETING:	04 MARCH 2025
AUTHOR:	EDDIE PETERS, ACTING TEAM LEADER FINANCIAL ACCOUNTING
DIVISION:	CORPORATE SUPPORT
ATTACHMENTS:	1. UPDATED 2025 AUDIT AND RISK COMMITTEE WORKPLAN

1. **PURPOSE**

This report provides the an update to the 2025 Audit and Risk Committee Workplan (the Workplan).

2. **RECOMMENDATION**

That:

1. The report be received.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

This report supports the Community Plan's guiding principles of Integrity, Engagement, Financially Sustainable and Thought Leadership.

4. **BACKGROUND**

The purpose of the Audit and Risk Committee (the Committee) is to provide independent assurance and advice to the Council on accounting, financial management, internal controls, risk management, and governance matters in accordance with Section 126 of the Local Government Act 1999.

A workplan for the Audit and Risk Committee is prepared to guide and monitor the Committee's activities for the calendar year, and to ensure that the Committee delivers on its responsibilities as set out in the Audit and Risk Committee Terms of Reference.

The 2025 Audit and Committee Workplan was endorsed by the Committee at its meeting on 14 November 2025.

5. **DISCUSSION**

The 2025 Audit and Risk Committee Workplan (Workplan) has been updated and is provided in Attachment 1.

Attachment 1

The Workplan has been updated to reflect the scheduling of a Special Audit and Risk Committee meeting on 8 April 2025 at 7:00pm. The primary purpose of this meeting is to consider a Prudential Issues Report for the proposed Unley Cultural Hub which is scheduled to be considered by Council in April 2025.

The scheduling of the additional meeting has allowed the rescheduling of other proposed agenda items on the Workplan to better align with the Finance and Procurement Team's workplans. The changes to the workplan are summarised below:

Reports deferred from the March Meeting to the April Meeting

- **Procurement Policy Amendments:** Proposed changes to the existing are presently being prepared by the recently appointed Procurement and Contracts Business Partner. These will consider changes to the procurement thresholds and incorporate amendments to facilitate joint procurements with ERA Councils.
- **Proposed Rates Policy:** A draft policy has been prepared and is presently reviewed and will capture the rating approach detailed in the Annual Business Plan and Budgets.

Reports brought forward to April from the May Meeting

- **Draft 2025-26 to 2034-35 Long-Term Financial Plan:** The updated draft LTFP will be presented incorporating the draft budget position for 2025-26 and other changes outlined the LTFP report in this agenda.

A further update to the 2025 Workplan will be provided to the May meeting.

6. **REPORT AUTHORISERS**

Name	Title
Alex Brown	General Manager Corporate Support

City of Unley

2025 Audit and Risk Committee Workplan

(as at March 2024)

Item	4 Mar	8 Apr	13 May	12 Aug	21 Oct	2 Dec
Audit Committee						
2025 Workplan for Update				As required		
Meeting Dates for 2026					■	
2026 Workplan for Endorsement						■
Strategic & Financial						
LTFP Update	■					
Draft LTFP (2025-35)		■ ←	■			
Draft Annual Business Plan and Budget			■			
2024-25 Financial Statements					■	
LTFP Key Assumptions & Targets (2026-36)						■
External Audit						
2025 External Audit Plan	■					
Interim Report				■		
Final Report (with the Financial Statements)					■	
Internal Audit						
Quarterly Internal Audit Progress Report	■		■	■		■
Internal Audits			■	■		■
3 Year Internal Audit Plan Review						■
Open Audit Actions						
Progress of Internal & External Audit Actions	■		■	■		■
Other Risk Management						
Internal Financial Controls			■			
Quarterly Risk Report	■		■	■		■
Cyber Security Update	■			■		
Finance Systems Update			■			
Prudential Issues Report – Cultural Hub		■				
Policy Review						
Rates Policy	■ →	■				
Procurement Policy Amendments	■ →	■				
Presentations						
Subsidiary Presentations						To be advised
Key						
✓ Completed	■ Previously planned	■ Presentation				
■ → ■ Changed timing	■ Additional item					

INFORMATION REPORT

REPORT TITLE:	REPORT SUMMARISING THE ACTIVITIES OF THE AUDIT AND RISK COMMITTEE
ITEM NUMBER:	2.7
DATE OF MEETING:	04 MARCH 2025
AUTHOR:	MAX MURAWSKY, STRATEGIC FINANCE PROJECTS LEAD
DIVISION:	CORPORATE SUPPORT
ATTACHMENTS:	NIL

1. **PURPOSE**

This report summarises the work of the Audit and Risk Committee during the period preceding the meeting and the outcomes of the meeting held on 4 March 2025.

2. **RECOMMENDATION**

That:

1. The report be received.
-

3. **RELEVANT CORE STRATEGIES – FOUR YEAR DELIVERY PLAN**

This report supports the Community Plan's guiding principles of Integrity, Engagement, Financially Sustainable and Thought Leadership.

4. **BACKGROUND**

Section 126(8)(a) of the *Local Government Act 1999* requires the Audit and Risk Committee to *provide a report to the Council after each meeting summarising the work of the committee during the period preceding the meeting and the outcomes of the meeting.*

5. **DISCUSSION**

Period Preceding the Meeting

There was no work formally undertaken by the Audit and Risk Committee in the period preceding this meeting. It is anticipated that individual members of the Committee would have read the Agenda for this meeting held on 4 March 2025.

Outcomes of the Meeting

At the meeting held on 4 March 2025, the following items were presented to the Audit and Risk Committee:

1. 2024-25 Audit Plan

Council's external auditors, Bentleys SA, presented the proposed External Audit Workplan for the upcoming 2024-25 financial audit.

2. Long-Term Financial Plan 2025-35 Update

This report provided an updated on the preparation of the Draft 2025-26 to 2034-35 Long-Term Financial Plan, including an update on the forecast economic indicators, and other proposed changes to the Draft LTFP presented to the Committee in November 2024.

3. Quarterly Risk Report February 2025

This report informed the Committee of updates to the Strategic Risk Register following the quarterly review of strategic risks by the Executive Leadership Team in February 2025.

4. Quarterly Internal Audit Report

This report presented an update on the progress on the Internal Audit Plan for the quarter, including the status of the 'Internal Financial Controls Annual Review' and the 'Onboarding Arrangement and Controls' internal audit. It also presented an internal audit universe to inform future planning of the 3 Year Rolling Internal Audit Plan.

5. Open Audit Actions

This report provided an update of the audit actions arising from previous internal and external audit recommendations.

6. Update to the 2025 Audit and Risk Committee Workplan

This report provided an update of the 2025 Audit and Risk Committee Workplan.

7. Confidential Presentation – Cyber Security Update

A confidential presentation was provided by members of Council's Business Systems and Solutions team, providing an update on the status of Council's cyber security.

Where applicable, the outcomes of the above will be summarised in the meeting minutes to be presented to Council.

The next meeting of the Audit and Risk Committee is scheduled for 8 April 2025.

6. REPORT AUTHORISERS

Name	Title
Alex Brown	General Manager Corporate Support

