



AUDIT COMMITTEE

AGENDA & REPORTS

for the meeting

Friday 1 May 2020
at 8.30am



Membership:	The Lord Mayor 1 Council Member 3 External Independent Members 2 Proxy Council Members
Quorum:	3
Presiding Member	Mr David Powell
Deputy Presiding Member	Mr Ross Haslam
Members	The Right Honourable the Lord Mayor [Sandy Verschoor] Ms Paula Davies Councillor Hyde (Deputy Lord Mayor)
Proxy Members	<i>Councillor Knoll [proxy for the Lord Mayor]</i> <i>Councillor Couros [proxy for Councillor Hyde].</i>

1. Confirmation of Minutes – 27/3/2020 & 17/4/2020

That the Minutes of the meeting of the City of Adelaide Audit Committee held on 27 March 2020 and the Minutes of the Special meeting of the City of Adelaide Audit Committee held on 17 April 2020, be taken as read and be confirmed as an accurate record of proceedings.

2. Acknowledgement of Country

'Council acknowledges that we are meeting on traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna people living today.

And we also extend that respect to other Aboriginal Language Groups and other First Nations who are present today.'

3. Presiding Member Reports

4. Presentation

4.1. Service Planning and Performance [2017/03236] [Page 3]

5. Reports

5.1. Quarterly Finance Report

Report to be distributed separately

5.2. Internal Audit Progress Update [2019/01064] [Page 8]

6. Emerging Key Risks

7. Independent Member Discussion

8. Other Business

8.1. CEO Update – Council Member and Staff culture

9. Item Seeking Exclusion of the Public

9.1. Exclusion of the Public to Consider [2018/04291] [Page 12]:

For the following items seeking consideration in confidence:

10.1 Strategic Property Review [s 90(3) (b) & (d)]

11.1 Update on Activities of the Strategic Risk and Internal Audit Group Meetings [s 90(3) (i)]

10. Confidential Presentation

10.1. Strategic Property Review [2017/04450] [Page 16]

11. Confidential Item

11.1. Update on Activities of the Strategic Risk and Internal Audit Group Meetings [2012/00053] [Page 35]

12. Closure

Audit Committee May 2020

Service Planning and Performance

Workshop Purpose:

Audit Committee - Update on Service Planning and Performance

PROGRAM: Customer and People

AUTHOR: Vanessa Godden | **APPROVING OFFICER:** Clare Mockler

- At the last meeting we presented our approach to service prioritisation as at April 2020 assessing all 92 services delivered by the City of Adelaide.
- We acknowledged that the prioritisation approach we have taken is the beginning of a more detailed process and that further work will be required to enhance our service based knowledge including, but not limited to, an assessment of public value.
- Feedback from Audit Committee on our initial approach to Public Value has been taken into consideration and we are working through options to provide our community with further information to support consultation on our service categories.
- The current situation surrounding COVID-19 has directly guided the steps we are currently taking in regards to Service Planning and Performance and our approach to Business Continuity.

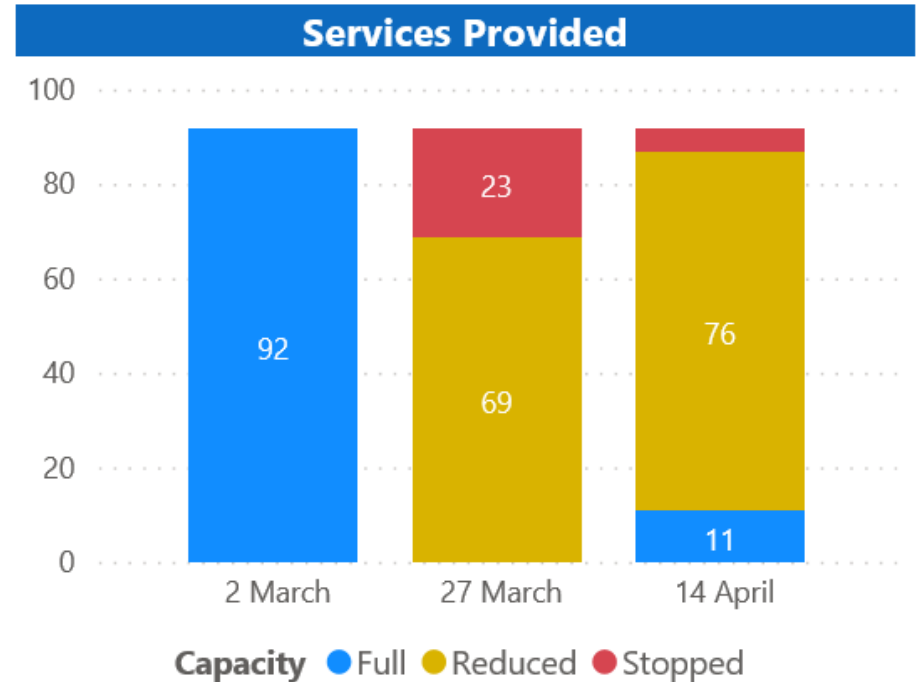
Service Planning and Performance⁵ Business Continuity Planning



Our principle focus since the last Audit Committee meeting has been on the integration of Service Information into our approach to Business Continuity Planning.

Detailed work has occurred mapping functions delivered within a service detailing:

- Functions that have continued as business as usual (BAU)
- Functions that have been operating at a reduced level, and
- Functions that have stopped during the 4 week enactment of our Business Continuity Plan.



Program	SERVICE	REVIEW - BCP Critical Function "delivered by multiple services"	REVIEW - BCP Critical Function Description	FUNCTIONS CONTINUING Please indicate with WFH where the function can be performed remotely.	FUNCTIONS REDUCED Please indicate with WFH where the function can be performed remotely.	FUNCTIONS STOPPED Please indicate with WFH where the function can be performed remotely.
Public Realm	Waste Management	1. Rubbish Collection 2. Hazardous Waste Dumping *	1. Contract management of commercial and domestic waste and recycling services for the City of Adelaide. Commercial & domestic waste and recycling services are critical to avoid exposure to insanitary conditions (odours, disease vectors, unsightly litter). 2. Safe removal of hazardous waste dumped in the public realm. This service is critical to protect the community from exposure to hazardous waste, including asbestos, which is illegally disposed of. Removal of hazardous waste is undertaken through a specialized contractor.	1. Kerbside waste & recycling and commercial cardboard collection and processing/disposal will continue as per normal. 2. Hazardous waste removal will continue to be responsive to needs.	No Change	No Change

Service Planning and Performance

Business Continuity Planning

Critical information on all services is being built to support business continuity planning and next steps, including:

- Current demand for the service.
- How service demand is currently being measured.
- Reliance on systems and data to deliver a service.
- Understanding interdependencies between services.
- Detailing what functions within a Service can be performed remotely.
- Mapping current state FTE associated with a service.
 - FTE working from the office or onsite.
 - FTE working from home
 - FTE currently not working

SERVICE	BCP Critical Function delivered by multiple services	What is the current demand for the Service?	How do you measure customer demand? I.e. customer calls / online form access / visitor number trends / transport tracking data / permit requests and types / planning and development requests / city access metrics i.e. off street parking.	What system support is required to perform the functions? Systems and Data	FUNCTIONS TO CONTINUE Please indicate with WFH where the function can be performed remotely.	FUNCTIONS TO REDUCE Please indicate with WFH where the function can be performed remotely.	FUNCTIONS TO STOP Please indicate with WFH where the function can be performed remotely.
Customer Experience	Customer Centre Enquiries	<p>Customer Centre: High demand for phone, email, social media. Low demand for physical walk in Customer Centre and Concierge. Low demand for park Admin & corro (if expiations remain on hold during that time)</p> <p>Delivery of proactive projects: Low demand - forms creation/changes, rostering, proactive projects and system improvements</p>	Customer calls, emails, visitor numbers, social media posts/messages, reporting	<p>Pathway CIC Genesys (call centre and email software) HootSuite (Social Media tool) Advam - online payments PowerBI Outlook NAB EFTPOS machines</p> <p>External: DPTI Customer Portal (to find customer vehicle data) Australia Post - payments portal FERU - Fines Enforcement Recovery Unit</p>	<p>Customer centre - physical walk in Phone - can be WFH Email - can be WFH Web Chat - can be WFH Social Media - can be WFH Parking Admin & Corro - Only part continuing is the admin to allow customers to pay - Can be WFH Delivery of proactive projects enhancing customer experience: Can be WFH - Only continuing with projects where deadline cannot be moved as approved by Vanessa Note - Heather can return to work on expansion of digital forms Creation of Digital Forms - Can be WFH - only critical creation and changes Resourcing and scheduling of customer functions - can be WFH - only monthly occurring. Note - If we want to resume quality monitoring and keeping to all KPI's, then Rick should return managing complex complaints and single point of contact program - Can be WFH, continuing as normal</p>	<p>Customer centre - physical walk in Phone - can be WFH (Reduced capacity, not as many people rostered on) Email - can be WFH (Reduced capacity, not as many people rostered on) Web Chat - can be WFH (Reduced capacity, not as many people rostered on) Social Media - can be WFH (Reduced capacity, not as many people rostered on) Parking Admin & corro - 70% of the job can be WFH except for printing of letters folding machine and postage (significant reduction in current capacity, significant reduction of staff rostered on as all expiations have been placed on hold until further notice) Note - could bring back on up to 3 x Parking Corro officers if we decide to re-activate all expiation notice processing and if there are increased expiations on-street again. Delivery of proactive projects enhancing customer experience - Only working on projects with a deadline that hasn't changed, as approved by Vanessa and making proactive changes to data capture to help with COVID insights) creation of Digital Forms to streamline services - can be WFH (reduced capacity, only working on current form creation for COVID</p>	<p>Parking Admin - Majority of the function has stopped, all expiations have been placed on hold. The only daily processing is to allow people to still pay if they want to. Delivery of proactive projects enhancing customer experience, including the creation of Digital Forms to streamline services; resourcing and scheduling of customer functions; managing complex complaints and single point of contact program - all other proactive projects have stopped for now</p>

1. Support Business Continuity Planning and continue to explore the immediate, short term demand on our services.
2. Map service innovation and proposed changes to how we deliver services.
3. Continue to increase our assessment of public value – understanding what services are important to our community.

Internal Audit Progress Update

ITEM 5.2 01/05/2020
Audit Committee

2019/01064
Public

Program Contact:
Rudi Deco, Manager Governance
8203 7442

Approving Officer:
Mark Goldstone, Chief Executive
Officer

EXECUTIVE SUMMARY

To provide the Audit Committee with a progress update on the Internal Audit program, findings and recommendations.

RECOMMENDATION

THAT THE AUDIT COMMITTEE

1. Notes the Internal Audit Progress Update report.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2016-2020 Strategic Plan	Strategic Alignment - Corporate Activities The role of the City of Adelaide is diverse and complex. Our core role is to deliver service to the community as a leader, service provider, advocate, facilitator and owner of assets.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Not as a result of this report
Opportunities	The Internal Audit program provides advice to the Audit Committee on assurance related activities to meet best practice standards.
19/20 Budget Allocation	\$180,000
Proposed 20/21 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
19/20 Budget Reconsideration (if applicable)	Estimated \$50k favourable due to Business Continuity Plan measures
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

1. The role of Internal Audit is to assist Council, Audit Committee and the Chief Executive Officer in meeting their assurance obligations relating to corporate governance, the system of internal controls and identifying areas for more efficient processes.
2. Pursuant to the Audit Committee's Terms of Reference, approved by Council on 11 February 2020, the Audit Committee shall receive reports on all Internal Audit projects and shall review and monitor management's responsiveness to the findings and recommendations of the Internal Auditor (KPMG) and inhouse advice. At the request of the Audit Committee, full copies of all completed audit reports are included – view [here](#).
3. The Internal Audit Plan (the Plan) 2018/2020 was endorsed by Audit Committee at its meeting on 5 October 2018. The Audit Committee can at all times consider an amendment to the plan in context of operational needs and priorities.
4. In context of the recent COVID-19 health emergency, the City of Adelaide Business Continuity Plan was enacted on 23 March 2020. In this context, the remainder of the audits yet to be completed were reviewed and due to limited resourcing and competing priorities, the executive Strategic Risk and Internal Audit Group (SRIA) agreed the following:
 - 4.1. All audits currently in progress to be completed as scheduled
 - 4.2. The Project Management Review be deferred until next year and included on the 2020/22 Internal Audit Plan which will be presented to Audit Committee in June
 - 4.3. The Social Media Management Audit to now be completed in-house
 - 4.4. The Purchase Card Industry Compliance Audit to be completed as scheduled due to legislative requirement
 - 4.5. In consideration of risk, to extend the due dates on actions that were to be completed by end of April to provide staff more time to complete.
5. A summary of internal audits (IA), strategic reviews (SR) and internal investigations (II) for the period February 2020 to April 2020 is provided below:

Completed projects:	Employee Trave Expenditure Section 7 Statements
Continuing projects:	Fraud Prevention Framework Events Sponsorship
Projects commenced:	Parklands Expenditure

6. Recommendations arising from Internal Audit and Strategic Reviews are reported to SRIA. Associate Directors are involved (as appropriate) in the reviews and assist in drafting the management responses, agree on actions, and have overall responsibility of the completion dates.
7. Recommendations, agreed actions, responsibilities and timeframes for implementation are recorded centrally in Council's process mapping software system, Promapp. The implementation status of recommendations is tracked and reported to the Audit Committee.

8. Since the last Internal Audit Progress Update reported to the Audit Committee at its meeting on 11 February 2020, 11 internal audit recommendations have been completed and one hundred and 123 recommendations are in progress – view [here](#), as summarised in the table below:

Risk	Definition	Overdue	In Progress	Total
High	Issue represents a control weakness which could have or is having major adverse effect on the ability to achieve project objectives. Requires a detailed plan of action to be put in place within 60 days with an expected resolution date and a substantial improvement within 3-6 months.	0	19	19
Moderate	Issue represents a control weakness which could have or is having a moderate effect on the ability to achieve process objectives. Requires a detailed plan of action to be put in place within 90 days with an expected resolution date and a substantial improvement within 6-9 months.	0	47	47
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve project objectives. Timeframe for action is subject to competing priorities and cost/benefit analysis, e.g. 9-12 months	0	33	33
	Total	0	99	99
N/A	Improvement Opportunity	0	24	24

ATTACHMENTS

Nil

- END OF REPORT -

Exclusion of the Public

ITEM 9.1 01/05/2020
Audit Committee

Program Contact:
Rudi Deco, Manager
Governance 8203 7442

2018/04291
Public

Approving Officer:
Mark Goldstone, Chief
Executive Officer

EXECUTIVE SUMMARY

It is the recommendation of the Chief Executive Officer that the public be excluded from this Audit Committee meeting for the consideration of information and matters contained in the Agenda.

For the following confidential items:

- 10.1** Strategic Property Review [s 90(3) (b) & (d)]
- 11.1** Update on Activities of the Strategic Risk and Internal Audit Group Meetings [s 90(3) (i)]

The Order to Exclude for Items 10.1 and 11.1

1. Identifies the information and matters (grounds) from s 90(3) of the *Local Government Act 1999 (SA)* utilised to request consideration in confidence.
2. Identifies the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public.
3. In addition identifies for the following grounds – s 90(3) (b), (d) or (j) - how information open to the public would be contrary to the public interest.

ORDER TO EXCLUDE FOR ITEM 10.1

THAT THE AUDIT COMMITTEE

1. Having taken into account the relevant consideration contained in s 90(3) (b) & (d) and s 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Audit Committee dated 1/5/2020 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 10.1 [Strategic Property Review] listed on the Agenda.

Grounds and Basis

This Item contains certain information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting business, prejudice the commercial position of the Council and prejudice the commercial position of the person who supplied the information and confer a commercial advantage on a third party.

More specifically, the disclosure of certain information in this update could reasonably prejudice the commercial position of Council given that it relates to the potential direction for Council's assets and strategic land holdings.

Public Interest

The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances given that information within this update relates to the potential future direction for Council's assets and strategic land holdings. The release of such information may confer a commercial advantage on a third party and severely prejudice the Council's ability to maximise opportunity for the benefit of the Council and the community in this matter.

2. Pursuant to s 90(2) of the *Local Government Act 1999 (SA)* this meeting of the Audit Committee dated 1/5/2020 orders that the public (with the exception of members of Corporation staff and any person permitted to remain) be excluded from this meeting to enable this meeting to receive, discuss or consider in confidence Item 10.1 [Strategic Property Review] listed in the Agenda, on the grounds that such item of business, contains information and matters of a kind referred to in s 90(3) (b) & (d) of the Act.

ORDER TO EXCLUDE FOR ITEM 11.1

THAT THE AUDIT COMMITTEE

1. Having taken into account the relevant consideration contained in s 90(3) (i) and s 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Audit Committee dated 1/5/2020 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 11.1 [Update on Activities of the Strategic Risk and Internal Audit Group Meetings] listed on the Agenda.

Grounds and Basis

This Item is confidential nature because the report includes information on Council litigation.

The disclosure of information in this report could reasonably be expected to prejudice the outcome of Council's actual litigation.

The Audit 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 disclosure of this information relates to actual litigation of council.

2. Pursuant to s 90(2) of the *Local Government Act 1999 (SA)* this meeting of the Audit Committee dated 1/5/2020 orders that the public (with the exception of members of Corporation staff and any person permitted to remain) be excluded from this meeting to enable this meeting to receive, discuss or consider in confidence Item 11.1 [Update on Activities of the Strategic Risk and Internal Audit Group Meetings] listed in the Agenda, on the grounds that such item of business, contains information and matters of a kind referred to in s 90(3) (i) of the Act.

DISCUSSION

1. s 90(1) of the *Local Government Act 1999 (SA)*, directs that a meeting of a Council Committee must be conducted in a place open to the public.
 2. s 90(2) of the *Local Government Act 1999 (SA)*, states that a Council Committee may order that the public be excluded from attendance at a meeting if the Council Committee considers it to be necessary and appropriate to act in a meeting closed to the public to receive, discuss or consider in confidence any information or matter listed in s 90(3).
 3. s 90(3) prescribes the information and matters that a Council may order that the public be excluded from.
 4. s 90(4) of the *Local Government Act 1999 (SA)*, advises that in considering whether an order should be made under s 90(2), it is irrelevant that discussion of a matter in public may:
 - 4.1 cause embarrassment to the council or council committee concerned, or to members or employees of the council; or
 - 4.2 cause a loss of confidence in the council or council committee.’
 - 4.3 involve discussion of a matter that is controversial within the council area; or
 - 4.4 make the council susceptible to adverse criticism.
 5. s 90(7) of the *Local Government Act 1999 (SA)* requires that an order to exclude the public:
 - 5.1 Identify the information and matters (grounds) from s 90(3) of the *Local Government Act 1999 (SA)* utilised to request consideration in confidence;
 - 5.2 Identify the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public; and
 - 5.3 In addition identify for the following grounds – s 90(3) (b), (d) or (j) - how information open to the public would be contrary to the public interest.
 6. s 87(10) of the *Local Government Act 1999 (SA)* has been utilised to identify in the Agenda and on the Report for the meeting, that the following matters are submitted seeking consideration in confidence.
 - 6.1. Information contained in Item 10.1 – Strategic Property Review
 - 6.1.1 Is not subject to an Existing Confidentiality Order
 - 6.1.2 The grounds utilised to request consideration in confidence is s 90(3) (b)
 - (b) information the disclosure of which—
 - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
 - (ii) would, on balance, be contrary to the public interest;
 - (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which –
 - (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
 - (ii) would, on balance, be contrary to the public interest.
 - 6.2 Information contained in Item 11.1 – Update on Activities of the Strategic Risk and Internal Audit Group Meetings
 - 6.2.1 Is not subject to an Existing Confidentiality Order
 - 6.2.2 The grounds utilised to request consideration in confidence is s 90(3) (i)
 - (i) Information relating to the actual litigation, or litigation that the council or council committee believes on reasonable grounds will take place, involving the council or an employee of the council
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ATTACHMENTS

Nil

- END OF REPORT -

Confidential Item 10.1

Strategic Property Review

Section 90 (3) (b) & (d) of the *Local Government Act 1999 (SA)*

Pages 16 to 34

Confidential Item 11.1

Update on Activities of the Strategic Risk and Internal Audit Group Meetings

Section 90 (3) (i) of the *Local Government Act 1999 (SA)*

Pages 35 to 39
