Public Document Pack

CITY OF ADELAIDE

# Audit and Risk Committee

## AGENDA & REPORTS

for the meeting

Friday, 10 November 2023
at 1.00 pm

in the Colonel Light Room, Adelaide Town Hall

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| | |
|---|---|
| Membership | The Lord Mayor (ex-officio)<br>1 Council Member<br>4 External Independent Members<br>2 Proxy Council Members |
| Quorum | 3 |
| Presiding Member | Nicolle Rantanen Reynolds |
| Committee Members | The Right Honourable the Lord Mayor, Dr Jane Lomax-Smith (ex-officio) |
| | Paula Davies |
| | John Oliver |
| | Simon Rodger |
| | Councillor Jing Li |

## 1 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 recognize 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.'

## 2 Apologies and Leave of Absence

Apology:

Paula Davies

## 3 Confirmation of Minutes

That the Minutes of the meeting of the Audit and Risk Committee held on 6 October 2023, be taken as read and be confirmed as an accurate record of proceedings.

View public 6 October 2023 Minutes here.

## 4 Presiding Member Reports

## 5 Reports


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| 5.1 | 2023/24 BP&B Quarter One Progress Report | 4 - 95 |
| 5.2 | Grants Management Internal Audit | 96 - 121 |
| 5.3 | Review of Confidentiality Orders | 122 - 167 |
| 5.4 | Climate Change Risk Adaptation Action Plan | 168 - 172 |
| 5.5 | Record Keeping Internal Audit | 173 - 184 |
| 5.6 | Cab Charges, Ride Shares & Pool Cars Internal Audit | 185 - 215 |
| 5.7 | Internal Audit Progress Report | 216 - 219 |
| 5.8 | Audit and Risk Committee Workplan | 220 - 223 |
| 5.9 | Draft Strategic Plan 2024-2028 | 224 - 255 |

**6 Emerging Key Risks**

**7 Independent Member Discussion**

**8 Other Business**

**9 Exclusion of the Public** 256 - 258

In accordance with sections 90(2),(3) and (7) of the *Local Government Act 1999 (SA)* the Audit and Risk Committee will consider whether to discuss in confidence the reports contained within section 10 of this Agenda.

**10 Confidential Item**


10.1 Voters Roll Review [s 90(3) (h)] 259 - 333

10.2 Strategic Risk and Internal Audit Update [s 90(3) (i)] 334 - 337


**11 Closure**

# 2023/24 BP&B
# Quarter One Progress Report

**Friday, 10 November 2023**
Audit and Risk Committee

Strategic Alignment - Enabling Priorities

**Program Contact:**
Bree Goodchild, Manager Strategy, Insights and Performance

Public

**Approving Officer:**
Michael Sedgman, Chief Operating Officer

## EXECUTIVE SUMMARY

The first Business Plan and Budget 2023/2024 (BP&B) of the newly elected Council focuses on delivering of services and projects in a post-COVID-19 budget repair environment. Council has planned over $100m of capital expenditure on renewal, new and upgrade or major projects to support the continued development and maintenance of our City. The BP&B 2023/2024 articulates how we will work with partners to support city growth, investment, affordable housing, climate resilience and city-wide improvements, while remaining committed to protecting our Park Lands and greening our city.

This report presents for the first quarter (July to September 2023) the performance and delivery status of Council's commitments against the BP&B. Included with these updates are recommendations for any business plan and budget changes and a summary of the quarterly performance of Council subsidiaries. Quarterly reporting is an important part of monitoring the organisation's performance and effectiveness against Council's planned activities, which is required under Section 122 (1) of the *Local Government Act (SA) 1999*. It enables Council to make informed and timely decisions to maintain or change its services, assets and budgets to meet community expectations and needs, maintaining or improving Council's financial position and enabling Council to be responsive to risks and opportunities.

Quarterly reports are provided to the Audit and Risk Committee in accordance with its Terms of Reference and its role in monitoring the integrity of Council's financial statements and reporting, as well as its role in reviewing and overseeing Council's integrated Business Planning process. This reporting framework supports Council's commitment to transparency and accountability.

## RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Receives the quarterly update for the 2023/24 Business Plan and Budget as provided in Attachment A to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023, and notes the highlights of deliverables, status updates and risks and opportunities provided for Projects, Portfolios and Subsidiaries
2. Approves adjustments for the 2023/24 Business Plan and Budget as identified in this report and reflected in Attachment A to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.
3. Approves the budgeted year end Operating Position, which includes:
    3.1. Total operating income of $229.394m
    3.2. Total operating expenses (including depreciation) of $227.442m
    3.3. An operating surplus of $1.952m
4. Approves total capital expenditure of $110.280m for the 2023/24 year
5. Approved total borrowings of $40.553m projected to 30 June 2024

6. Notes the year to date Operating Position (Financial Performance) for the quarter as presented in Attachment A to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023, which includes:

    6.1. Total operating income of $56.554m

    6.2. Total operating expenses (including depreciation) of $50.397m

    6.3. An operating surplus of $6.156m

    6.4. Total Capital Expenditure of $24.134m

    6.5. Cash positive position of $3.191m

7. Notes the detailed quarterly updates of Council Subsidiaries as provided as Attachments B, C & D to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.

# IMPLICATIONS AND FINANCIALS

| | |
|---|---|
| City of Adelaide 2020-2024 Strategic Plan | Strategic Alignment – Enabling Priorities |
| Policy | Not because of this report |
| Consultation | Not because of this report |
| Resource | Not because of this report |
| Risk / Legal / Legislative | The regular monitoring and reporting of Council's performance is a key step in mitigating risks events that could impact the delivery of the Strategic Plan and Business Plan and Budget. This includes monitoring the performance of services, business activities, project delivery and the performance of subsidiaries. |
| Opportunities | The provision of quarterly reporting assists Council to fulfill its obligations of Section 122(1) of the *Local Government Act 1999 (SA)* with regard to the development, management and monitoring of Council's Strategic Management Plans |
| 22/23 Budget Allocation | Not because of this report |
| Proposed 23/24 Budget Allocation | Not because of this report |
| Life of Project, Service, Initiative or (Expectancy of) Asset | Not because of this report |
| 22/23 Budget Reconsideration (if applicable) | Not because of this report |
| Ongoing Costs (eg maintenance cost) | Not because of this report |
| Other Funding Sources | Not because of this report |

# DISCUSSION

**New format**

1. A refreshed format of the quarterly progress report has been provided to reflect Council's Business Plan and Budget (BP&B) 2023/2024. The format reflects the feedback from Council and the Audit and Risk Committee to provide succinct and integrated reporting that easily identifies the key deliverables, financial context, service, program and project environment and risks and opportunities for Council and its Subsidiaries. The quarterly update within **Attachment A** now presents:

    1.1. Headline deliverables from **page 5,** which are the relevant quarter update for those projects identified due to their complexity, risk, budget and/or impact on our City and Community

    1.2. Financial Summary from **page 8**, providing Operating Position, Operating and Capital adjustments, financial indicators and treasury reporting

    1.3. Capital Works summaries from **page 13**, in line with new monthly infrastructure reporting

    1.4. Portfolio and Program summaries from **page 18,** of what was delivered, budgets, projects and any adjustments

    1.5. Subsidiary and Office summaries from **page 26**, of what was delivered, budgets, projects and any adjustments

    1.6. Appendix information from **page 33** of Risk and Opportunities identified during the quarter and detailed listing of Capital Works with timeframe and budget status and variations.

**Financial Summary**

Year to Date Financial Summary

2. The year-to-date operating position as at 30 September 2023 is an operating surplus of $6.156 m, which is $2.639m better when compared to the adopted budget of $3.516m for this period.

    2.1. Total operating income of $56.554m.

    2.2. Total operating expenditure of $50.397m.

3. This positive increase in operating surplus is predominantly driven by the timing of Materials, Contracts and other expenses including professional services $1.2m, computer software maintenance $0.5m, and waste services $0.3m. Income is $0.4m favourable due to higher fees and charges offsetting unfavourable grants ($0.665m) mainly due to receiving the 2023/24 Financial Assistance Grant early in 2022/23.

4. The year-to-date Capital Expenditure as at 30 September 2023 is $24.134m, which is $6.1m higher when compared to the adopted budget of $18.034m for this period. This is largely due to the purchase of 218-232 Flinders Street, and the fast-tracked renewal program.

5. As of 30 September 2023, Council had no borrowings and was in a cash positive position of $3.191m.

Projected Annual Financial Summary

6. The proposed quarter review continues to deliver an end of year operating surplus of $1.952m ($0.032m higher than the adopted budget of $1.920m):

    6.1. Total estimated operating income of $229.394m.

    6.2. Total estimated operating expenditure (including depreciation) of $227.442m.

7. Total proposed Capital Expenditure for the year is $110.280m.

8. Grant funding to support capital expenditure on new/upgraded assets of $2.171m ($3.124m reduction to adopted budget of $5.295m largely due to the retiming of projects into 2024/25).

9. The above changes result in an increase to Council's forecasted borrowings as of 30 June 2024 to $40.553m from $30.184m in the adopted BP&B.

10. Updated financial statements are provided from page 8 in **Attachment A**.

**Adjustments to the Business Plan and Budget**

11. Operating Program, which includes Program deliverables and budgets, inclusive of Strategic Projects:

    11.1. No recommended changes have been identified to the services and activities Council delivers as part of this Quarterly Review.

    11.2. Adjustments to Strategic Projects total $0.266m increase in net expenditure:

        11.2.1. In line with Council's support of the State Government redevelopment, a new Strategic Project: Aquatic Centre Investigations, $0.075m expenditure.

        11.2.2. In line with Council procurement decisions, a new Strategic Project: Transactional Banking $0.150m expenditure.

        11.2.3. In recognition of State Government Grant funding received, a new Strategic Project: Adaptive Re-use housing initiative, $Nil net expenditure.

        11.2.4. In recognition of previous decisions of Council to continue this project over multiple years, the re-introduction of: City Wide Waste and Recycling Program, $0.788m expenditure, and Resilient Flood Mapping $2.325m ($3.000m revenue recognised).

        11.2.5. In line with Council's record keeping improvements, a new Strategic Project: Records Digitisation $0.080m expenditure.

        11.2.6. In recognition of ongoing City Deal funding and decision of Council to continue this project over multiple years, the re-introduction of: Deliver next generation Adelaide Free Wi-Fi, $0.098m expenditure ($0.400m revenue recognised).

        11.2.7. To ensure updated property valuations are available for the 2024/25 budget process, a new Strategic Project: External Property Valuations $0.240m.

        11.2.8. Funding no longer required for: Frome Road Masterplan, $0.075m.

    11.3. Additional funding (a variance increase) is required for 2 projects, for a total $0.239m, as provided in the Portfolio Updates from page 17 of **Attachment A**.

    11.4. Decreased funding (a variance decrease) is required for 1 project, for a total $0.164m, as provided in the Portfolio Updates from page 17 of **Attachment A**.

12. Capital Program, which includes Major Projects, New and Significant Upgrades and Renewals:

    12.1. Capital expenditure is proposed to increase to $110.280m for the year, which is $9.546m higher than the budget of $100.734m.

        12.1.1. Major Projects show a revised expenditure of $41.716m

        12.1.2. New and Upgrade projects show revised expenditure of $14.411m

        12.1.3. Renewals show a revised expenditure of $54.153m

    12.2. 22 New Projects (not including stand alone renewals) requiring funding, for a total $10.482m:

        12.2.1. 218-232 Flinders Street, $8.7m.

        12.2.2. Adelaide Free Wi-Fi Electrical Works, $0.012m.

        12.2.3. Brougham Place Footpath Improvements & Greening, $0.159m.

        12.2.4. Central Market Arcade Redevelopment, $0.2m.

        12.2.5. Charles Street Streetscape Upgrade (includes partial renewal funding), $0.8m.

        12.2.6. Dogs On Leash Signage, $0.017m.

        12.2.7. Flinders Street Pedestrian Crossing Improvements (Adjacent Pilgrim Lane), $0.01m.

        12.2.8. Glen Osmond Rd & Hutt Rd Intersection Upgrade, $0.05m.

        12.2.9. Hutt Road Earthen Levee Embankment, $0.05m.

        12.2.10. Kerbing - Hutt St/South Tce Stormwater, $0.002m.

        12.2.11. Laptops for Additional Resources, $0.184m.

        12.2.12. Mini Golf in North Adelaide Golf Course Development (Future Fund), $0.011m.

        12.2.13. Newlands Lane - Public Lighting Renewal, $0.01m.

12.2.14. Paxtons Walk, $0.495m

12.2.15. Place of Reflection, $0.004m.

12.2.16. Public Art Action Plan - Capital Projects, $0.012m.

12.2.17. Reignite Adelaide - East End Festival and Event Place Retractable Bollards, $0.06m.

12.2.18. Strangways Terrace Golf Course Carpark and Access Improvements (Detailed Design), $0.033m.

12.2.19. Support for CBD Greening, $0.035m.

12.2.20. Town Hall Complex Improvements, $0.008m.

12.2.21. Upark Equipment Test Bed Network Switch, $0.019m.

12.2.22. West Pallant Project Steet Lighting Design, $0.035m.

12.3. Additional funding (a variance increase) is required for 24 projects (not including stand alone renewals), for a total $6.043m, as provided in the Appendix from page 34 of **Attachment A**.

12.4. Decreased funding (a variance decrease) is required for 21 projects (not including stand alone renewals), for a total $7.431m, as provided in the Appendix from page 34 of **Attachment A**.

12.4.1. $6.622m for 8 projects has had budget retimed and moved to 2024/25

**Strategic Project Summary**

13. Including adjustments Council has a commitment of $9.487m ($6.067m net of grant funding) to deliver 32 Strategic Projects for the rest of 2023/24. As provided in the Portfolio Updates from page 17 of **Attachment A**, at the end of Quarter 1:

13.1. Twenty Eight Projects had both timeframe to deliver and budget on track.

13.2. Four Projects had both timeframe to deliver and budget at risk and are being managed and may exceed estimated time and adopted budget:

13.2.1. Conservation Management Plans for Heritage Assets (Infrastructure Program).

13.2.2. North Terrace West Masterplan (Infrastructure Program).

13.2.3. SA Power Networks (SAPN) Luminaire Upgrades (Infrastructure Program).

13.2.4. Transport Strategy (Infrastructure Program).

**Capital Program summary**

14. Including adjustments Council has a commitment of $110.280m to deliver 346 Projects for the rest of 2023/24 as part of it's Capital Works Program. As summarised from page 13 and detailed in the Appendix from page 34, of **Attachment A**, at the end of Quarter 1:

14.1. Four New and Significant Upgrade Projects and 25 Renewal Projects, were completed.

14.2. One Project had both the timeframe to deliver and budget at risk and is being managed but may exceed estimated time and adopted budget:

14.2.1. Electric Vehicle Charging Infrastructure in Uparks .

14.3. Fourteen projects had timeframe to deliver at risk and are being managed and may exceed estimated time:

14.3.1. Carriageway Park / Tuthangga (Park 17) Improvements (Detailed Design).

14.3.2. Flinders Street Improvements (Detailed Design.

14.3.3. Hutt Street Entry Statement (Construction).

14.3.4. Rymill Park /Murlawirrapurka (Park 14) Lake Upgrade (Construction).

14.3.5. Implementation of Resource Recovery (Organics, Recycling, Waste) Strategy & Action Plan 2020-2028.

14.3.6. Minor Traffic Signal Safety Upgrades (Construction).

14.3.7. City Dirt BMX Facility Master Plan - Blue Gum Park/Kurangga (Park 20).

14.3.8. Mini Golf in North Adelaide Golf Course Development (Future Fund).

14.3.9. Place of Courage / Spirit of Woman (Park 27).

14.3.10. Royal Avenue Improvements (Detailed Design).

14.3.11. Stephens Street and Sanders Place Improvements (Detailed Design).

14.3.12. Strangways Terrace Golf Course Carpark and Access Improvements (Detailed Design).

14.3.13. Ward Street Improvements (Concept Design).

14.3.14. Frome Street Footpath Upgrades (In conjunction with N-S Bikeway Project).

14.4. One Project had timeframe to deliver off track and budget at risk and is being managed but may exceed estimated adopted time and budget:

14.4.1. City of Adelaide Bikeways (North-South).

14.5. One Project had budget at risk and is being managed but may exceed estimated adopted budget:

14.5.1. Replacement of UPark Car Park Management System (CPMS).

**Assessment of KPIs**

15. *KPI 1: 70% of Projects capitalised within 10 Weeks* - is considered to be on track as 96% of completed projects were capitalised within 10 weeks of practical completion at the end of this Quarter.

16. *KPI 2: < 10% Variance between Preliminary Year End and Annual Financial Statement* – no update this quarter, as this is an annual measure which is determined at the end of the financial year.

# DATA AND SUPPORTING INFORMATION

Nil

# ATTACHMENTS

**Attachment A –** City of Adelaide 2023/24 Business Plan and Budget: Quarter 1 Progress Report

**Attachment B –** Adelaide Central Market Authority Quarter 1 update

**Attachment C –** Adelaide Economic Development Agency Quarter 1 update

**Attachment D –** Kadaltilla / Park Lands Authority Quarter 1 update

**Attachment E –** Brown Hill Keswick Creek Quarter 1 update

- END OF REPORT -

2023/24
# Business Plan & Budget
Investing in streets, parks and the community

## July – September 2023
# Quarter One Progress Report

CITY OF ADELAIDE

# Kaurna Acknowledgement

City of Adelaide tampendi, ngadlu Kaurna yertangga banbabanbalyarnendi (inbarendi). Kaurna meyunna yaitya mattanya Womma Tarndanyako. Parnako yailtya, parnuko tappa purruna, parnuko yerta ngadlu tampendi. Yellaka Kaurna meyunna itto yailtya, tappa purruna, yerta kuma burro martendi, burro warriappendi, burro tangka martulyaiendi. Kumarta yaitya miyurna iyangka yalaka ngadlu tampinthi.

City of Adelaide acknowledges the 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.

## Legend

Throughout this document, these icons represent:

Status:

- ● ● ● that the project timeline, delivery and budget are on track (based on latest adopted schedule and budget)
- ● ▲ ● that the project has risks that are being managed and may exceed estimated time and adopted budget
- ● ● ◆ that the project is no longer on track or within adopted budget / delivered outside of schedule and budget

Budget:

- ➲ that there is no change from the most recent adopted budget to the proposed budget
- ⓿ that there is a decrease from the most recent adopted budget to the proposed budget
- ⓿ that there is an increase from the most recent adopted budget to the proposed budget

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# CEO message

## Delivering the 2023/24 Business Plan and Budget

It is my pleasure to provide the first quarter progress report against the 2023/24 Business Plan and Budget to the Council and our Community.

This report highlights our progress in delivering the vision of our Strategic Plan over the first quarter of 2023/24 through our delivery of programs, projects and services implementing the Council's endorsed priorities and strategies.

The delivery of the 2023/24 Capital Program has seen good progress with works advancing on Market Square, Rymill Park Lake, Pitt Street, and the annual Renewal Program. Capital expenditure to the end of September 2023 totalled $24.134m. In addition to expenditure, a further $38.135m was contracted, totalling $62.27m in the first quarter. This is a strong position for quarter one and is a significant contribution towards Council delivering its Capital Program for 2023/24.

There has been strong delivery on the 2023/24 Strategic Projects including the City Plan, cultural mapping of the Park Lands, cyber security, free Wi-Fi upgrades, City activations and Strategic Events Fund. Strategic Project expenditure the end of September 2023 totalled $1.203m.

I hope you will find this Business Plan and Budget quarterly update a comprehensive, yet easy to read summary of activities, projects and expenditure over the last quarter.

Our ongoing financial planning and management has seen delivery of an operating result favourable to the budget, with a forecast operating surplus forecast of $1.952m, ensuring that we remain in a strong position to deliver on our commitment to financial sustainability.

Clare Mockler

# Headline deliverables

Relevant Quarter update for our headline deliverables / projects, which have been identified due to their complexity, risk, budget and / or impact on our City and Community.

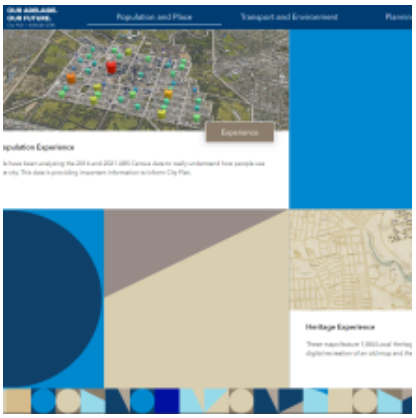
## Strategic Projects

### Strategic Events Fund

Delivered through the Adelaide Economic Development Agency, this fund provides financial support to additional events that are not funded by existing arrangements.

An operating guideline to support decision making and application process has been approved and this grant was opened to the public this quarter for submissions to be made to.

Decisions / successful awarding of the grant to be made in Q2.



### City Plan

Delivered through the Park Lands, Policy and Sustainability Program, the consultants to assist in delivering Phase 1 of the City Plan project have been engaged. Stages 1 and 2 focused on targeted engagement that included urban design scenarios.

Stages 3 and 4 are currently underway with procurement process taking place in end of September 2023.

Further engagement with the community will occur in future project phases.

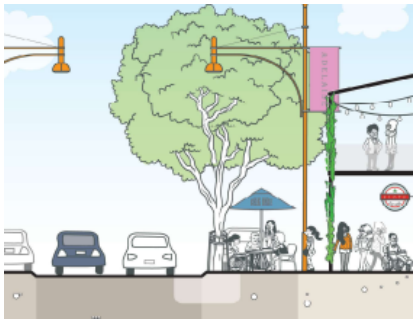
### Central Market Arcade Redevelopment

Main demolition is 98% complete and site remediation is well advanced.

To further connectivity with the wider precinct, installation of refreshed site hoarding has occurred and includes project branding and images, partner branding, and directional signage to the Central Market.

ICD Property has announced the signing of SH Hotels and Resorts as the hotel operator at Market Square. This will be Treehouse Hotels' first destination in Australia.

## Major / New and Upgrade Projects



### ● Hindley Street Revitalisation

Adopted Budget: $2.4m

Stage: Design only

Stakeholder discussions have commenced to finalise the concept design and progress detailed design. Procurement is underway for design, stakeholder and cost management services.

### ▲ Hutt Street Entry Statement Project

Adopted Budget: $2.9m

Stage: Plan/ Design

Design works are underway and expected to be completed in Q2 with construction commencing in 2024.

### ● Melbourne Street improvements

Adopted Budget: $0.85m

Stage: Build/ Construct

Temporary parklets have been installed along Melbourne Street. Improvement works to continue in Q2. Community engagement activities are being developed for activities on street.

### ● Mary Lee Park Sports Building

Adopted Budget: $1.9m

Stage: Plan/ Design

A sports lighting design consultant has been engaged. A feasibility assessment of the proposed building footprint has been completed.

### ▲ Market to Riverbank Laneways Upgrade

Adopted Budget: $1.9m

Stage: Build/ Construct

Engagement continued in Q1 and the community have been informed of the final outcome and subsequent upcoming works. Contract awarded for Pitt Street works which are due to commence in Q2.

### ▲ Murlawirrapurka / Rymill Park upgrade

Adopted Budget: $4.1m

Stage: Build/ Construct

Design has been completed for these works and construction has commenced. Engagement with local and event stakeholders is ongoing.

*(Budget includes renewal funding)*

## Renewals

### ● Town Hall Facade Conservation

Adopted Budget: $3.6m

Stage: Build/ Construct

Conservation works commenced on the Pirie Street Facade in Q1 and are expected to be completed in February 2024.

### ● Plant and Fleet Replacement

Adopted Budget: $2.7m

Stage: Build/ Construct

Two additional Zero Emissions Vehicles were purchased in Q1. There are no light passenger vehicles scheduled for replacement in 2023/24

### ● Jeffcott Street South Renewal Project

Adopted Budget: $2.18m

Stage: Build/ Construct

The contractor has engaged with local residents ahead of initiated works. Progress is on track and expected to be completed in Q2.

### ● Parking Meter Solution Renewal

Adopted Budget: $1.93m

Stage: Plan/ Design

Procurement process has commenced and is progressing to contracting stage.

### ▲ CCTV / Security and BMS Network Renewal and Compliance Program

Adopted Budget: $1.0m

Stage: Plan/ Design

The security access control server design has been finalised, including a site-by-site audit of security and access needs. Final design work is underway.

### ● Public Lighting and Electrical Conduit Renewal

Adopted Budget: $0.86m

Stage: Plan/ Design

Lighting and Conduit renewal along Glen Osmond Rd is currently being designed. Construction is estimated to commence in Q2.

# Budget update

## Summary

September Year To Date (YTD):

- The operating position as at the end of Quarter 1 is a surplus of $6.156m, which is $2.639m favourable to the Year to Date (YTD) budget of $3.516m. This is largely driven by timing of Materials, Contracts and other expenses including professional services $1.202m, computer software maintenance $0.514m, and waste services $0.264m.
- Income is $0.368m favourable due to higher fees and charges offsetting unfavourable grants ($0.582m) mainly due to the Financial Assistance Grant received in 2022/23.
- The capital projects spend of $24.134m is $6.100m higher than the YTD budget of $18.034m. This is largely due to the purchase of 218-232 Flinders Street, and the fast-tracked renewal program.
- Council was in a cash positive position as at 30 September of $3.191m.

Quarter 1 Operating Position

The proposed Quarter 1 adjustments increase the operating surplus from $1.920m to $1.952m, an increase of $0.032m driven by:

- Recognition of additional Grant Income of $4.113m, largely due to the recognition of projects continuing into 2023/24 including Resilient Flood Mapping $3.000m, City Deal funding of $1.800m, offset by the early payment of the 2023/24 Financial Assistance Grant ($0.883m). Other movements include new grant funding for Re-Adaptive housing of $0.128m.
- Employee Costs have increased by $0.849m due to an increase across Customer and Marketing as a result of increased administration through the Council decision during the budget process to increase 8 Parking and Information Officers and Information Management conversion of contract labour. Council decision to fund a Bilingual FTE, as well as external funding received for the re-adaptive housing project.
- Materials, Contracts and Other Expenses have increased by $2.633m due to a continuation of strategic projects into 2023/24 of $2.423m (Resilient Flood Mapping), as well as additional strategic projects of $0.950m (Citywide Waste, Aquatic Centre, Records Digitisation, Transactional Banking, External Property Valuations). This has been offset by the conversion of contract labour $0.562m to employee costs.
- Sponsorships, Contribution and Donations have increased by $0.398m due to Citywide Waste, & Adelaide Free Wi-Fi, and New Years Eve initiatives.

Within the operating position movement above, Strategic Projects have increased by $0.341m from $5.538m to $5.879m.

The Capital Program is proposed to increase by $9.546m from $100.734m to $110.280m as a result of Council decisions.

Borrowings are forecast to increase by $10.369m from $30.184m to $40.553m.

## Operating Position (Financial Performance)

| $000's | YTD Actuals | YTD Budget | Variance | Full Year Budget | Q1 Review | Variance |
|---|---|---|---|---|---|---|
| Income | | | | | | |
| Rates Revenues | 33,868 | 33,823 | 45 | 135,395 | 135,281 | (114) |
| Fees and Charges | 21,823 | 21,158 | 665 | 84,685 | 84,598 | (87) |
| Grants, Subsidies and Contributions | 388 | 970 | (582) | 4,449 | 8,562 | 4,113 |
| Other Income | 475 | 235 | 240 | 953 | 953 | - |
| Total Income | 56,554 | 56,186 | 368 | 225,482 | 229,394 | 3,912 |
| Expenses | | | | | | |
| Employee Costs | 19,564 | 19,306 | (258) | 81,586 | 82,435 | (849) |
| Materials, Contracts and Other Expenses | 16,189 | 18,229 | 2,040 | 78,973 | 81,606 | (2,633) |
| Sponsorships, Contributions and Donations | 909 | 1,410 | 501 | 6,128 | 6,526 | (398) |
| Depreciation, Amortisation and Impairment | 13,505 | 13,496 | (9) | 56,040 | 56,040 | - |
| Finance Costs | 230 | 228 | (2) | 835 | 835 | - |
| Total Expenses | 50,397 | 52,669 | 2,272 | 223,562 | 227,442 | (3,880) |
| Operating Surplus | 6,156 | 3,516 | 2,639 | 1,920 | 1,952 | 32 |

## Capital Program

| Capital Program | | | | | | |
|---|---|---|---|---|---|---|
| Major Projects | 12,127 | 9,236 | (2,891) | 36,386 | 41,716 | (5,330) |
| New and Upgraded projects | 1,324 | 968 | (356) | 13,932 | 14,411 | (479) |
| Renewal / Replacement of Assets | 10,683 | 7,830 | (2,853) | 50,416 | 54,153 | (3,737) |
| Total Capital Expenditure | 24,134 | 18,034 | (6,100) | 100,734 | 110,280 | (9,546) |

## Operating program – adjustments

| $000's | budget | proposed | variance |
|---|---|---|---|
| 2023/24 Budgeted Operating Position | | | 1,920 |
| Financial Assistance Grants<br>2023/24 funding received in 2022/23, creating a shortfall in 2023/24 | 979 | 96 | (883) |
| Resilient Flood Mapping<br>Grant-related expenditure carried forward of $2,325k, offset by the recognition of the associated grant-funded revenue $3,000k | - | 675 | 675 |
| Adelaide Free Wi-fi<br>Completion of the Wi-fi network $98k and recognition of the associated grant-funded revenue $400k | - | 302 | 302 |
| City Safe CCTV Network<br>Recognition of revenue upon reaching key milestone | - | 1400 | 1,400 |
| External Property Valuations<br>External property valuations for the 2024/25 financial year | - | (240) | (240) |
| Citywide Waste Program<br>Council decision from previous chamber to fund waste of $3m. Budget includes a reallocation to Strategic Projects from Business as Usual of $383k for 3.0 FTE within the consolidated budget | - | (788) | (788) |
| Employee Costs<br>- Customer & Marketing as a result of the additional administration work following the increase to Parking and Information Officers during the budget process<br>- Information Management conversion of contract labour to positions within the Information Management Roadmap<br>- Bilingual position following Council decision | (81,586) | (82.307) | (721) |
| Re-Adaptive Housing<br>Grant funding received from Capital City Committee to fund a position over 2 Financial Years, 2023/24 cost of $128k | - | - | - |
| New Years Eve<br>Council decision to increase funding for New Years Eve $77k, as well as a reallocation from Business Activation and Support $100k | (473) | (650) | (177) |
| New Years Eve – AEDA<br>Council decision for events incentive framework for businesses | - | (100) | (100) |
| Park Lands Event Fees<br>Council decision to reduce the Park Lands Event Fees from $68.50 to $60.00 | 700 | 613 | (87) |
| Aquatic Centre<br>Legal and prudential costs incurred in relation to reaching a Project Agreement with the State Government | - | (75) | (75) |
| Records Digitisation<br>Oral history project $35k, archiving site update $45k | - | (80) | (80) |
| Rates Rebates<br>Additional Rates Rebates provided following education assessment outcome | (5,883) | (5,997) | (114) |
| Other Minor Adjustments<br>Other adjustments that are individually minor in value | - | - | 199 |
| Proposed Quarter 1 Budget Review Operating Position | | | 1,952 |
| Total Proposed Adjustment | | | 32 |

## Capital program – adjustments

| $000's | budget | proposed | Variance |
|---|---|---|---|
| Major Projects<br>Significant works of a capital nature that are over the prudential limit, multi year or have significant grant funding being administered via a contractual deed | 36,386 | 41,716 | (5,330) |
| New and Upgrades<br>Works of a capital nature that are either introducing new assets or significantly upgrading existing assets. Usually by extending the footprint of an asset or increasing the level of service the asset provides | 13,932 | 14,411 | (479) |
| Renewals<br>Works of a capital nature that are replacing an existing asset like for like or like for modern equivalent | 50,416 | 54,153 | (3,737) |
| Total Adjustment | 100,734 | 110,280 | (9,546) |

## Financial indicators

| | | Target | Annual | |
|---|---|---|---|---|
| | | | Adopted | Q1 |
| Operating Surplus Ratio | Operating surplus as a percentage of operating revenue | 0%-20% | 0.9% | 0.9% |
| Net Financial Liabilities | Financial liabilities as a percentage of operating income | Less than 80% | -1% | 0.7% |
| Asset Renewal Funding Ratio | Expenditure on asset renewals as a percentage of forecast required expenditure in the asset management plans | 90%-110% | 90% | 97% |
| Asset Test Ratio | Borrowings as a percentage of total saleable property assets | Maximum 50% | 10% | 13% |
| Interest Expense Ratio | Number of times General Rates Revenue (less Landscape Levy) can service the annual interest expense | Maximum 10% | 0.4% | 0.6% |
| Leverage Test Ratio | Total borrowings relative to General Rates Revenue (Less Landscape Levy) | Maximum 1.5 years | 0.2 | 0.3 |
| Cash Flow from Operations Ratio | Operating income as a percentage of Operating Expenditure plus expenditure on renewal/replacement of assets | Greater than 100% | 101% | 99% |
| Borrowings | Borrowings as a percentage of the Prudential Borrowing Limit | Within Prudential Limits | 30.184m | 40.553m |
| | | | 20% | 27% |

## Treasury Reporting

The tables below present the debt and cash investment information as required by Council's Treasury Policy.

Table 1 shows the borrowing facilities taken out by Council. Council has zero borrowings as at 30 September 2023 ($3.191m cash at bank):

- Total borrowings without the Future Fund offset ($28.2 million) would otherwise be $25.0 million

| Borrowings Facility * | Available | Interest Type | Interest Rate | Current Borrowings | Change since previous report $'000s | Maturity Date |
|---|---|---|---|---|---|---|
| LGFA CAD 554 | $30m | Variable | 5.35% | Nil | 7.519m | 16/12/2023 |
| LGFA CAD 555 | $70m | Variable | 5.35% | Nil | - | 15/06/2033 |

** Note CAD facilities are flexible and allows Council to convert all or part of it into a fixed rate interest only loan for a maximum of 5 years.*

Table 2 shows cash invested by Council. Council has $3.191m million in cash investments at 30/09/23:

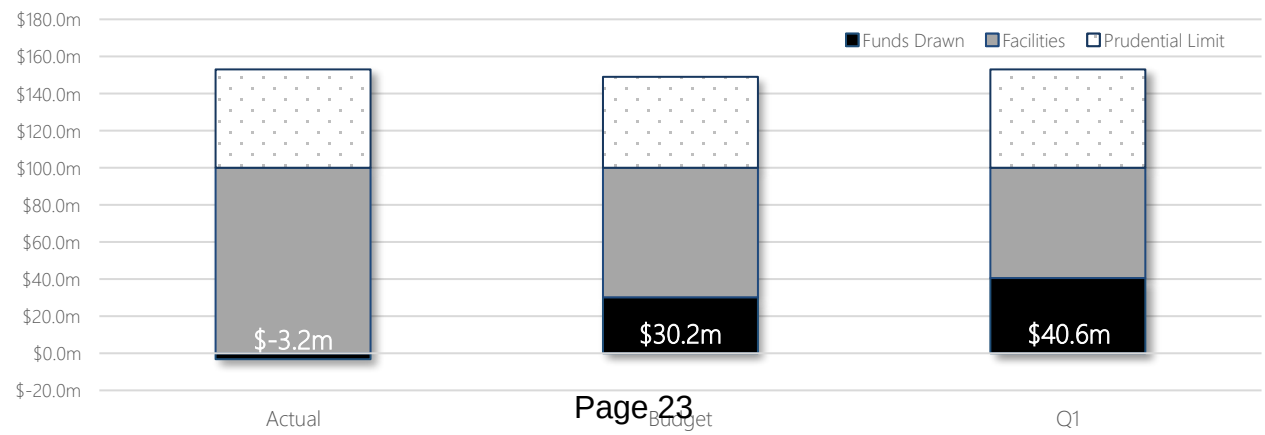
| Cash & Cash Equivalents | Available | Interest Type | Interest Rate | Current Investments | Change since previous report $'000s | Maturity Date |
|---|---|---|---|---|---|---|
| LGFA FT 61355 | $-m | Variable | 4.45% | Nil | (10,633) | 15/09/2023 |
| LGFA General | $1.5m | Variable | 4.30% | $1.527m | $1.527m | - |
| NAB | $2.1m | Variable | 4.30% | $1.664m | $1.286M | - |

Table 3 provides the Prudential Limit Ratios as outlined in Council's Treasury Policy:

| Prudential Limit Ratio ** | Comments | Limits | September 2023 YTD Actual |
|---|---|---|---|
| Interest Expense Ratio | Annual interest expense relative to General Rates Revenue (less Landscape Levy) | Maximum 10% | 0.1% |
| Leverage Test | Total borrowings relative to annual General Rates Revenue (Less Landscape Levy) | Max 1.5 years | 0 years |
| Asset Test | The percentage of total borrowings to Council's saleable property assets. | Max 50% | 0% |

*** Prudential borrowing limit as at 30 September 2023 is $152.927 million (an increase from $149 million as per adopted budget)*

Borrowings, showing our current facilities against our prudential limit and forecasted position



# Capital Works update

## Summary

- $12.127m has been spent to date and $15.568m has been contracted across Major projects, resulting in 76% of the 2023/24 program currently committed.
- $1.324m has been spent to date and $0.941m has been contracted across New and Upgrade projects, resulting in 16% of the 2023/24 program currently committed.
- $10.683m has been spent to date and $21.626m has been contracted across Renewal projects, resulting in 64% of the 2023/24 program currently committed.
- Proposed new budgets (subject to Council endorsement this quarter): Major Projects $41.716m; New and Significant upgrades $14.411m; and Asset Renewals $54.153m.

| | projects | budget | expenditure | commitments | Remaining * |
|---|---|---|---|---|---|
| Major Projects | 27 | $36,386,443 | $12,127,448 | $15,567,725 | $8,691,271 |
| New and Significant upgrades | 94 | $13,931,852 | $1,323,652 | $941,483 | $11,666,717 |
| Renewals | 309 | $50,416,000 | $10,682,876 | $21,626,361 | $18,106,763 |
| *Major Projects (with renewal)* | *11* | *$2,279,007* | *$840,576* | *$3,414,502* | *($1,976,071)* |
| *New/Upgrade (with renewal)* | *19* | *$1,544,000* | *$55,111* | *$111,117* | *$1,377,772* |
| *Corporate Overhead* | *n/a* | *$5,500,000* | *$1,435,398* | *$0* | *$4,064,602* |
| *Bridges* | *4* | *$250,000* | *$117,762* | *$5,000* | *$127,238* |
| *Buildings* | *56* | *$10,422,500* | *$583,660* | *$5,743,451* | *$4,095,390* |
| *ICT* | *7* | *$1,792,500* | *$159,473* | *$1,076,526* | *$556,501* |
| *Lighting and Electrical* | *25* | *$2,380,423* | *$120,331* | *$348,619* | *$1,911,473* |
| *Park Lands assets* | *16* | *$605,000* | *$241,163* | *$750,819* | *($386,981)* |
| *Plant and Fleet* | *4* | *$2,834,000* | *$578,038* | *$2,518,604* | *($262,642)* |
| *Traffic Signals* | *12* | *$2,382,106* | *$527,324* | *$1,412,970* | *$441,812* |
| *Transport* | *98* | *$15,065,001* | *$5,307,117* | *$4,691,984* | *$5,065,899* |
| *Urban Elements* | *50* | *$4,124,000* | *$264,171* | *$679,149* | *$3,180,680* |
| *Water infrastructure* | *7* | *$1,237,463* | *$452,752* | *$873,620* | *($88,909)* |
| Total | 403 | $100,734,295 | $24,133,975 | $38,135,568 | $38,464,752 |

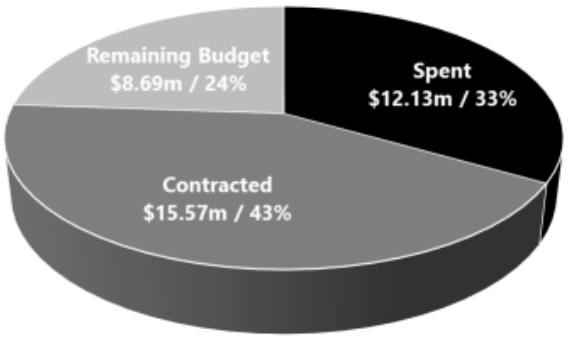
***** Remaining variance is based on the Adopted budget.

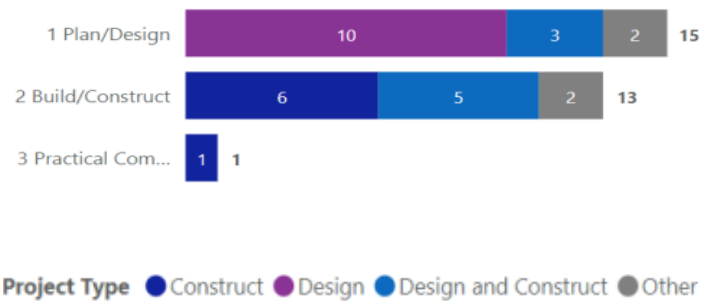
*Note*
- *Transport is made up of Roads, Pathways and Kerb and Water Table*
- *Plant and Fleet includes Commercial Plan and Fleet*
- *Total Project count: mixed-funded projects are only counted once in the total project count*

# Major Projects

Major Projects are significant works of a capital nature that are over the prudential limit, multi-year or have significant grant funding.

## Approved Budget




*some projects have been broken down into sub-projects, so total appears different*

## Planning updates:

The first quarter has seen good progress in the delivery of our Major projects. Progress highlights are:

- The Central Market Arcade Redevelopment has commenced with the demolition works, those are expected to be completed and construction commencing next quarter.
- Pitt St project (final section of the Market to Riverbank program) and Rymill Park Lake Upgrade project have completed their procurement activity with the construction contract signed and work commencing next quarter.
- Hindley St Main Street Revitalisation project (design) and North-South Bikeway remaining sections (construction) have gone to market with scoped works aimed to commence next quarter.
- New projects have been approved by Council during the quarter, namely 218-232 Flinders St and Charles St streetscape upgrade.

## Budget updates:

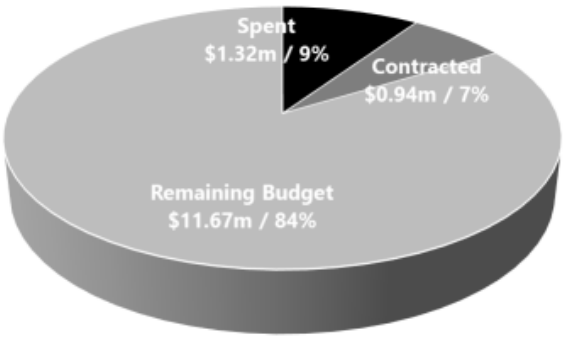
The annual forecast expenditure this quarter has increased by $5.330m from an adopted budget of $36.386m to a revised budget of $41.716m. This is largely due to:

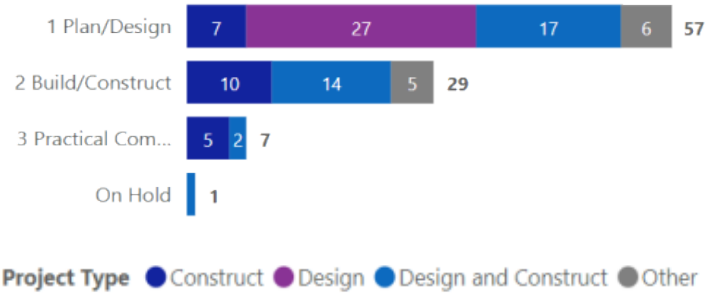
- additional re-timing of works from 2022/23 of $3.041m for continuing projects.
- 2 new projects adopted by Council of $9.100m.
- new grant interest of $0.046m.
- savings from projects transferred to New and Significant Upgrade projects $0.548m.
- reduction due to the reclassification of Business Plan and Budget funding of $2.187m from Major Projects to Renewals.
- reduction due to the re-timing of approved works into future years $4.422m.

# New and Significant Upgrades

New and Significant Upgrade projects are works of a capital nature that are either introducing new assets or significantly upgrading existing assets, usually by extending the footprint of an asset or increasing the level of service the asset provides.

## Approved Budget




*some projects have been broken down into sub-projects, so total appears different*

## Planning updates:

The first quarter has seen some progress in the delivery of our New and Upgrade program. Progress highlights are:

- 4 projects have reached practical completion this quarter, namely Dogs on Leash signage, On-Street Parking compliance resourcing, Jeffcott St/Ward St Traffic Signal Upgrade project and Place of Reflection.
- Signal Upgrade works at the intersections of Currie St/Morphett St and Morphett St/ South Terrace will commence next quarter.
- Field St and the Greener City Streets program have gone to market with contract award and construction commencement expected next quarter.
- Design works have commenced for various upgrade projects for the Adelaide Central Market and for Hutt Road / Park Lands Trail Signalised Crossing.
- Several new projects have been created from available savings during the quarter, for example 62-70 Gilbert St new public lighting and additional laptop purchases.

## Budget updates:

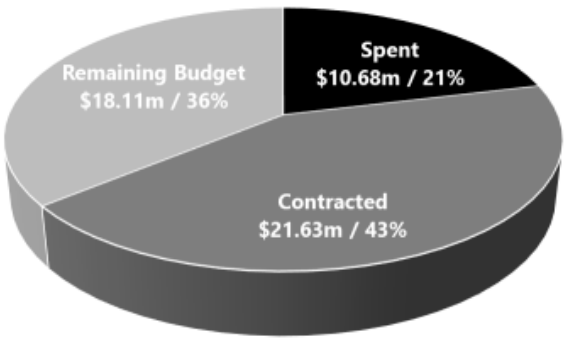
The annual forecast expenditure this quarter has increased by $0.479m from an adopted budget of $13.932m to a revised budget of $14.411m. This is largely due to:

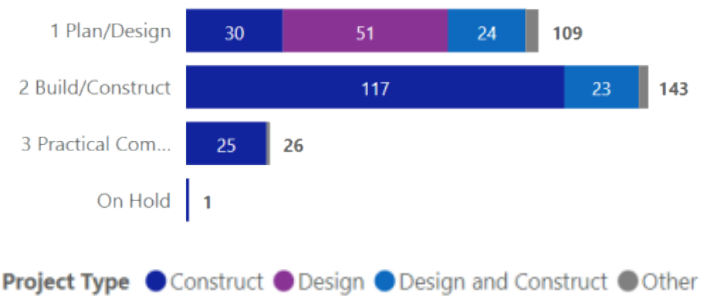
- additional re-timing of works from 2022/23 of $1.838m for continuing projects.
- savings from Major projects transferred to New/Upgrade projects $0.548m.
- reduction due to the re-timing of approved works into future years $1.907m.

# Renewals

Renewals are works of a capital nature that are replacing an existing asset like for like, or like for modern equivalent.

## Approved Budget




*some projects have been broken down into sub-projects, so total appears different*

## Planning updates

Progress has been made across all asset classes for Renewals in the first quarter. Progress highlights are:

- 26 projects have achieved practical completion this quarter, including Wyatt St UPark lift renewals, Town Hall chiller renewal and several road and footpaths resurfacing projects.
- Several projects have commenced construction, including Adelaide Town Hall Façade Conservation works, Public Lighting LED Renewals, Three Rivers Fountain lighting and the Traffic Signal controller and lantern renewal program.
- Several projects completed their procurement activity this quarter with delivery commencing in future quarters, including Golf Course Horticulture Hub, PC & laptops as well as Network & Security renewals and Irrigation renewal Victoria Square.
- A number of projects are forecasting completion in the next quarter, for example Gawler UPark Façade panel replacement, Francis St stormwater renewals, Bud lighting and switchboard renewals and various road and footpaths renewal projects.

## Budget updates:

The annual forecast expenditure this quarter has increased by $3.737m from an adopted budget of $50.416m to a revised budget of $54.153m. This is due to

- the reclassification of Business Plan and Budget funding of $2.187m from Major Projects to Renewals.
- re-timing of the renewal component of some Major projects of $1.744m.
- a new project's renewal component adopted by Council to the value of $0.1m.
- reduction due to re-timing of the renewal component of Major and New/Upgrade projects into future years $0.294m.

# Portfolio updates

## City Shaping

The City Shaping Portfolio leverages and celebrates our role as a Capital City Council and delivers the services that lead, shape and enable a creative, dynamic, resilient and diverse city both now and into the future.

### Programs:

- City Culture
- Park Lands, Policy and Sustainability
- Regulatory Services

### Key Focus areas:

- City activation, initiatives, grants and sponsorship
- Park Lands greening, management and improvements
- Develop the City Plan
- Partnerships that support creative and resilient communities
- Kaurna heritage and voice and cultural mapping of the Park Lands
- Heritage promotion and protection

## City Services

The City Services Portfolio delivers essential local government services for our community, making it easier to conduct business in our City, and providing a safe and attractive urban environment.

### Programs:

- City Operations
- Infrastructure
- Strategic Property and Commercial

### Key Focus areas:

- Capital Works Program, including Major Projects, New and Significant Upgrades and renewals
- Main street revitalisation and improvements
- Maintenance of public realm and city presentation

## Corporate Services

The Corporate Services Portfolio provides effective and efficient services and insights to strengthen and grow our organisational capability, and support a culture of accountability, transparency, and innovation.

### Programs:

- Customer and Marketing
- Finance and Procurement
- Governance
- Information Management
- People
- Strategy, Insights and Performance

### Key Focus areas:

- Revised Strategic Management Framework and new Strategic Plan
- New and different ways to engage our community
- Adelaide free Wi-Fi expansion and improvements
- City of Adelaide Graduate Program

# City Shaping

## Planning updates / changes

- Movement of 'Private Laneways Fee-for-Service Trial' from Regulatory Services Program to City Services (City Operations Program).
- New Strategic Projects:
  - Aquatic Centre Investigations.
  - Adaptive Re-use Housing Initiative (recognition of grant funding received).
  - City Wide Waste and Recycling Program (decision of previous Council).
- Council decisions relating to:
  - Bilingual staff member.
  - Changes to New Years Eve event.
- Administrative changes relating to:
  - n/a.

## Budget updates / changes

- Operational budget changes resulting in $0.675m additional funding:
  - $0.087m reduction in event income due to event fee adjustment.
  - $0.128m grant funding to support Re-Adaptive Housing project resource.
  - $0.717m increase in expenditure due to $0.878m expenditure required, offset by some labour savings ($0.161m) due to PIO recruitment timing.
- Changes to the operational budget identified above includes funding for New Strategic Projects this quarter of $0.788m.

## Select Portfolio achievements from this quarter

- City Plan Tool has been developed, including over 400 layers of spatial data. Targeted stakeholder engagement occurred in the City Plan Studio from 1 to 15 September and saw over 500 stakeholders engaging with the City Plan.
- The Place of Reflection, a memorial for the Stolen Generations, featuring a bronze sculpture created by renowned Ngarrindjerri weaver Aunty Yvonne Koolmatrie and South Australian designer Karl Meyer, was unveiled in a community event on 14 September.
- Additional Parking & Information Officers recruited and undergoing training and induction.

# City Shaping | Budget

| Operating Budget (excludes Strategic Projects) | Income ($'000) budget | proposed | variance | Expenditure ($'000) budget | proposed | variance |
|---|---|---|---|---|---|---|
| Office of the Director, City Shaping | - | - | - | (652) | (652) | - |
| City Culture | 12,091 | 12,004 | (87) | (27,361) | (27,438) | (77) |
| Park Lands, Policy and Sustainability | 296 | 296 | - | (8,200) | (7,817) | 383 |
| Regulatory Services | 15,054 | 15,054 | - | (9,871) | (9,902) | (31) |
| Total | 27,441 | 27,354 | (87) | (46,084) | (45,809) | 275 |

## City Culture

| Operating Budget (excludes Strategic Projects) | Income ($'000) budget | proposed | variance | Expenditure ($'000) budget | proposed | variance |
|---|---|---|---|---|---|---|
| Office of the A/D City Culture | - | - | - | (385) | (385) | - |
| Adelaide Town Hall | 2,863 | 2,863 | - | (2,921) | (2,921) | - |
| Aquatic Centre | 6,593 | 6,593 | - | (7,443) | (7,443) | - |
| City Experience | 782 | 695 | (87) | (4,003) | (4,080) | (77) |
| City Lifestyle | 1,245 | 1,245 | - | (4,661) | (4,661) | - |
| Creative City | 82 | 82 | - | (2,902) | (2,902) | - |
| Libraries | 526 | 526 | - | (5,046) | (5,046) | - |
| Total | 12,091 | 12,004 | (87) | (27,361) | (27,438) | (77) |

## Park Lands, Policy and Sustainability

| Operating Budget (excludes Strategic Projects) | Income ($'000) budget | proposed | variance | Expenditure ($'000) budget | proposed | variance |
|---|---|---|---|---|---|---|
| A/D, Park Lands Planning & Policy | - | - | - | (356) | (356) | - |
| City Planning and Heritage | 43 | 43 | - | (3,660) | (3,660) | - |
| Low Carbon & Circular Economy | - | - | - | (2,292) | (1,909) | 383 |
| Park Lands, Policy & Sustainability | - | - | - | (1,639) | (1,639) | - |
| Kadaltilla / Park Lands Authority | 253 | 253 | - | (253) | (253) | - |
| Total | 296 | 296 | - | (8,200) | (7,817) | 383 |

## Regulatory Services

| Operating Budget (excludes Strategic Projects) | Income ($'000) budget | proposed | variance | Expenditure ($'000) budget | proposed | variance |
|---|---|---|---|---|---|---|
| A/D, Regulatory Services | - | - | - | (843) | (843) | - |
| City Development | 3,340 | 3,340 | - | (2,588) | (2,588) | (104) |
| City Safety | 458 | 458 | - | (1,641) | (1,641) | - |
| On-Street Parking Compliance | 11,256 | 11,256 | - | (4,799) | (4,725) | 73 |
| Total | 15,054 | 15,054 | - | (9,871) | (9,902) | (31) |

# **City Shaping** | Strategic Projects

| | Plan | | Expenditure ($'000) | | | | |
|---|---|---|---|---|---|---|---|
| | | **delivered by** | | **budget** | **proposed** | **variance** | |
| Office of the Director, City Shaping | | | | | | | |
| Adaptive Re-use Housing Initiative | ●○○ | | ●○○ | - | (128) | (128)* | ◐ |
| City Culture | | | | | | | |
| Aquatic Centre Investigations | ●○○ | | ●○○ | - | (75) | (75) | ◐ |
| City Activation | ●○○ | June 2024 | ●○○ | (400) | (400) | 0 | ◑ |
| Cultural Mapping of the Adelaide Park Lands | ●○○ | June 2024 | ●○○ | (75) | (75) | 0 | ◑ |
| Park Lands, Policy and Sustainability | | | | | | | |
| City Wide Waste and Recycling Program | ●○○ | | ●○○ | - | (788) | (788) | ◐ |
| Delivering the City Plan | ●○○ | *tbc* | ●○○ | (390) | (390) | 0 | ◑ |
| Local Heritage Assessments - 20th Century Buildings | ●○○ | *tbc* | ●○○ | (70) | (70) | 0 | ◑ |
| Master Plan of Light Square | ●○○ | June 2024 | ●○○ | (75) | (75) | 0 | ◑ |
| Park Lands Biodiversity Survey | ●○○ | *tbc* | ●○○ | (150) | (150) | 0 | ◑ |
| Park Lands Greening | ●○○ | *tbc* | ●○○ | (30) | (30) | 0 | ◑ |
| Social Planning Homelessness and Adelaide Zero Project Resourcing | ●○○ | *tbc* | ●○○ | (200) | (200) | 0 | ◑ |
| Regulatory Services | | | | | | | |
| On-Street Parking Compliance Technology and Customer Analytics Reform | ●○○ | *tbc* | ●○○ | (100) | (100) | 0 | ◑ |

** fully funded by State Government Grant*

# City Services

## Planning updates / changes

- Movement of SPOC resource from Infrastructure Program to Regulatory Services.
- New Strategic Projects:
  - Resilient Flood Planning.
- Council decisions relating to:
  - n/a.
- Administrative changes relating to:
  - Frome Road Masterplan is no longer occurring this financial year.
  - Traffic Signal Condition Audit is no longer occurring this financial year.
  - Additional funding for undergrounding powerlines.
  - Additional funding for speed limit review.

## Budget updates / changes

- Operational budget changes resulting in $0.406m additional funding:
  - Employee costs in City Operations to reflect changes to position levels $0.048m increase – offset by salary savings.
  - Grant income plus interest from LGFA $0.257m.
  - Movement of SPOC role $0.104m reduction.
  - Movement of Smart Parking costs $0.297m increase.
- Changes to the operational budget identified above includes funding for New Strategic Projects this quarter of $2.310m offset by grant income of $3.000m.

## Select Portfolio achievements from this quarter

- Acquisition of 218-232 Flinders St for future development.
- Commencement of Rymill Park Lake – Lake Renewal.
- Commencement of demolition works as part of the Central Market Redevelopment (One Market).

# City Services | Budget

| Operating Budget (excludes Strategic Projects) | Income ($'000) budget | proposed | variance | Expenditure ($'000) budget | proposed | variance |
|---|---|---|---|---|---|---|
| Office of the Director, City Services | - | - | - | (677) | (677) | - |
| City Operations | 2,483 | 2,483 | - | (43,113) | (43,161) | (48) |
| Infrastructure | - | 187 | 187 | (44,624) | (44,520) | 104 |
| Strategic Property and Commercial | 52,321 | 52,321 | - | (31,941) | (32,238) | (297) |
| Total | 54,804 | 54,991 | 187 | (120,355) | (120,596) | (241) |

## City Operations

| Operating Budget (excludes Strategic Projects) | Income ($'000) budget | Proposed | Variance | Expenditure ($'000) budget | proposed | variance |
|---|---|---|---|---|---|---|
| A/D City Operations | - | - | - | (2,365) | (2,922) | (557) |
| Manager, City Maintenance | - | - | - | (184) | (184) | - |
| Manager, City Presentation | - | - | - | (199) | (199) | - |
| Cleansing | 7 | 7 | - | (7,053) | (7,053) | - |
| Facilities | - | - | - | (4,614) | (4,614) | - |
| Horticulture | 2,334 | 2,334 | - | (13,663) | (13,668) | (5) |
| Infrastructure Maintenance | - | - | - | (5,546) | (5,820) | (274) |
| Trades | 107 | 107 | - | (5,164) | (4,884) | 280 |
| Waste | 29 | 29 | - | (3,603) | (3,603) | - |
| Workshops | 6 | 6 | - | (734) | (214) | 520 |
| Total | 2,483 | 2,483 | - | (43,113) | (43,161) | (48) |

## Infrastructure

| Operating Budget (excludes Strategic Projects) | Income ($'000) budget | Proposed | Variance | Expenditure ($'000) budget | proposed | variance |
|---|---|---|---|---|---|---|
| A/D Infrastructure | - | - | - | (632) | (632) | - |
| Infrastructure Planning and Delivery | - | 257 | 257 | (43,378) | (43,378) | - |
| Technical Services | - | - | - | (614) | (510) | 104 |
| Total | - | 257 | 257 | (44,624) | (44,520) | 104 |

## Strategic Property and Commercial

| Operating Budget (excludes Strategic Projects) | Income ($'000) budget | Proposed | Variance | Expenditure ($'000) budget | proposed | variance |
|---|---|---|---|---|---|---|
| A/D Strategic Property & Commercial | - | - | - | (473) | (473) | - |
| Commercial | 221 | 221 | - | (915) | (915) | - |
| Parking | 42,377 | 42,377 | - | (13,388) | (13,685) | (297) |
| North Adelaide Golf Course | 3,443 | 3,443 | - | (3,579) | (3,579) | - |
| Strategic Property Development | - | - | - | (765) | (765) | - |
| Strategic Property Management | 6,280 | 6,280 | - | (12,821) | (12,821) | - |
| Total | 52,321 | 52,321 | - | (31,941) | (32,238) | (297) |

# **City Services** | Strategic Projects

| | Plan | | Expenditure ($'000) | | | | |
|---|---|---|---|---|---|---|---|
| | | **delivered by** | | **budget** | **proposed** | **variance** | |
| City Operations | | | | | | | |
| Private Laneways Fee-for-Service Trial | ●○○ | *tbc* | ●○○ | (50) | (50) | 0 | ➲ |
| Infrastructure | | | | | | | |
| Asset Condition Audit | ●○○ | | ●○○ | (358) | (179) | 179 | ➲ |
| Climate Change Risk Adaptation Actions Year 2 | ●○○ | | ●○○ | (200) | (200) | 0 | ➲ |
| Conservation Management Plans for Heritage Assets | ○▲○ | | ○▲○ | (200) | (200) | 0 | ➲ |
| Frome Road Masterplan | ●○○ | | ●○○ | (75) | - | 75 | ➲ |
| Lighting and Electrical Data Collection | ●○○ | | ●○○ | (300) | (300) | 0 | ➲ |
| Moonta Street Roof Installation Feasibility Study | ●○○ | | ●○○ | (50) | (50) | 0 | ➲ |
| North Terrace West Masterplan | ○▲○ | | ○▲○ | (100) | (100) | 0 | ➲ |
| Resilient Flood Planning | ●○○ | May 2025 | ●○○ | n/a | (2,325) | (2,325)* | ➲ |
| SA Power Networks (SAPN) Luminaire Upgrades | ○▲○ | | ○▲○ | (100) | (100) | 0 | ➲ |
| Smart Lighting Platform Technical Specification | ●○○ | | ●○○ | (40) | (40) | 0 | ➲ |
| Stormwater Network Cleaning | ●○○ | | ●○○ | (500) | (500) | 0 | ➲ |
| Transport Strategy | ○▲○ | | ○▲○ | (200) | (350) | (150) | ➲ |
| Underground of powerlines | ●○○ | | ●○○ | (150) | (239) | (89) | ➲ |
| Strategic Property and Commercial | | | | | | | |
| 88 O'Connell Project Delivery | ●○○ | | ●○○ | (30) | (30) | 0 | ➲ |
| Central Market Arcade Redevelopment | ●○○ | January 2026 | ●○○ | (280) | (280) | 0 | ➲ |
| Future Fund Governance Framework Establishment | ●○○ | | ●○○ | (30) | (30) | 0 | ➲ |
| Strategic Property Action Plan Implementation | ●○○ | | ●○○ | (150) | (150) | 0 | ➲ |

** fully funded by Federal Government Grant*

# Corporate Services

## Planning updates / changes

- Movement of Smart Parking expenditure budget from Corporate Services (Information Management) to Strategic Property and Commercial Program.
- New Strategic Projects:
    - Continuation of the delivery of 'next generation Adelaide Free Wi-Fi network' as part of the Adelaide City Deal.
    - Transactional banking service provider transition.
    - Manage Council records digitisation project .
    - External Property Valuations.
- Council decisions relating to:
    - n/a.
- Administrative changes relating to:
    - Additional Customer and Marketing staff .

## Budget updates / changes

- Operational budget changes resulting in $2.455m additional funding:
    - Recognition of additional Grant Income of $1.800m due to the recognition of City Deal projects continuing into 2023/24.
    - Movement of Smart Parking costs $0.297m to City Services.
    - Increase across Customer and Marketing of $0.334m as a result of increased administration through the Council decision during the budget process to increase 8 Parking and Information Officers.
    - Additional funding for the Records Digitisation project of $0.080m, External Property Valuations $0.240m and Adelaide Free Wi-Fi $0.098m (City Deal).
    - Information Management conversion of contract labour of $0.562m to Employee Costs.
    - Funding of the transactional banking transition through of $0.15m through vacancy savings.
- Changes to the operational budget identified above includes funding for New Strategic Projects this quarter of $0.568m.

## Select Portfolio achievements from this quarter

- finalising critical strategic financial reporting documents.
- enhancing our engagement with customers through better listening to customer needs, and telling our stories to the community in various media.
- completing IT projects to improve community technology access, safety, and operational effectiveness across the organisation.
- implementing data-driven workforce management mechanisms to maximise effectiveness, and recruit and retain staff.
- creating frameworks and strategies to drive better community engagement, strategic planning for the City, and project management excellence.

# Corporate Services | Budget

| Operating Budget (excludes Strategic Projects) | Income ($'000) budget | Proposed | Variance | Expenditure ($'000) budget | proposed | variance |
|---|---|---|---|---|---|---|
| Office of the Chief Operating Officer | - | - | - | (1,148) | (1,148) | - |
| Customer and Marketing | 1 | 1 | - | (5,916) | (6,249) | (334) |
| Finance and Procurement | 134 | 134 | - | (4,373) | (4,238) | 135 |
| Governance | - | - | - | (3,735) | (3,735) | - |
| Information Management | 30 | 1,430 | 1,400 | (13,609) | (13,312) | 297 |
| People | - | - | - | (3,945) | (3,945) | - |
| Strategy, Insights & Performance | - | - | - | (1,474) | (1,474) | - |
| Total | 165 | 1,565 | 1,400 | (34,198) | (34,025) | 53 |

## Customer and Marketing

| Operating Budget (excludes Strategic Projects) | Income ($'000) budget | Proposed | Variance | Expenditure ($'000) budget | proposed | variance |
|---|---|---|---|---|---|---|
| Manager, Customer & Marketing | - | - | - | (213) | (213) | - |
| Customer Experience | 1 | 1 | - | (3,465) | (3,769) | (304) |
| Marketing & Communications | - | - | - | (2,238) | (2,269) | (29) |
| Total | 1 | 1 | - | (5,916) | (6,249) | (333) |

## Finance and Procurement

| Operating Budget (excludes Strategic Projects) | Income ($'000) budget | Proposed | Variance | Expenditure ($'000) budget | proposed | variance |
|---|---|---|---|---|---|---|
| Manager, Finance & Procurement | - | - | - | (265) | (265) | - |
| Financial Planning & Reporting | - | - | - | (1,916) | (1,811) | 105 |
| Procurement & Contract Management | - | - | - | (975) | (990) | (15) |
| Rates & Receivables | 134 | 134 | - | (1,217) | (1,217) | - |
| Total | 134 | 134 | - | (4,373) | (4,238) | 135 |

## Governance

| Operating Budget (excludes Strategic Projects) | Income ($'000) budget | Proposed | Variance | Expenditure ($'000) budget | proposed | variance |
|---|---|---|---|---|---|---|
| Manager, Governance & Risk | - | - | - | (209) | (209) | - |
| Corporate Governance | - | - | - | (1,965) | (1,965) | - |
| Council Governance | - | - | - | (573) | (573) | - |
| Legal Governance | - | - | - | (987) | (987) | - |
| Total | - | - | - | (3,735) | (3,735) | - |

# **Corporate Services** | Budget

## Information Management

| **Operating Budget** | **Income ($'000)** | | | **Expenditure ($'000)** | | |
|---|---|---|---|---|---|---|
| (excludes Strategic Projects) | **budget** | **Proposed** | **Variance** | **budget** | **proposed** | **variance** |
| Manager, Information Management | 7 | 7 | - | (1,379) | (1,379) | - |
| Project Delivery | - | 1,400 | 1,400 | (2,553) | (2,553) | - |
| Service Desk | - | - | - | (1,111) | (1,111) | - |
| Technology, Infrastructure & Platforms | 23 | 23 | - | (8,565) | (8,268) | 297 |
| Total | 30 | 1,430 | 1,400 | (13.609) | (13,312) | 297 |

## People

| **Operating Budget** | **Income ($'000)** | | | **Expenditure ($'000)** | | |
|---|---|---|---|---|---|---|
| (excludes Strategic Projects) | **budget** | **Proposed** | **Variance** | **budget** | **proposed** | **variance** |
| Manager People | - | - | - | (773) | (698) | 76 |
| People Experience | - | - | - | (1,279) | (1,355) | (76) |
| People Safety and Wellbeing | - | - | - | (700) | (751) | (51) |
| People Services | - | - | - | (1,192) | (1,141) | 51 |
| Total | - | - | - | (3,945) | (3,945) | - |

## Strategy, Insights and Performance

| **Operating Budget** | **Income ($'000)** | | | **Expenditure ($'000)** | | |
|---|---|---|---|---|---|---|
| (excludes Strategic Projects) | **budget** | **Proposed** | **Variance** | **budget** | **proposed** | **variance** |
| Manager, Strategy, Insights & Performance | - | - | - | (187) | (187) | - |
| Project Management Office | - | - | - | - | (155) | (155) |
| Strategy and Insights | - | - | - | (1,287) | (1,132) | 155 |
| Total | - | - | - | (1,474) | (1,474) | - |

# **Corporate Services** | Strategic Projects

| | Plan | Expenditure ($'000) | | | | |
|---|---|---|---|---|---|---|
| | **delivered by** | | **budget** | **proposed** | **variance** | |
| Finance and Procurement | | | | | | |
| Transactional Banking | | | - | (150) | (150) | |
| External Property Valuations | | | - | (240) | (240) | |
| Infrastructure | | | | | | |
| Records Digitisation | | | - | (80) | (80) | |
| Cyber Security Enhancement | | | (160) | (160) | 0 | |
| Deliver next generation Adelaide Free Wi-Fi | | | - | (98) | (98)* | |

** fully funded by Federal Government Grant*

# Subsidiaries and Offices

**Adelaide Central Market Authority**

With over 70 traders under one roof, the Adelaide Central Market is one of the largest undercover fresh produce markets in the Southern Hemisphere, buzzing with life and colour all year round. The Adelaide Central Market remains Adelaide's premier food destination for multicultural cuisine and fresh produce.

**Adelaide Economic Development Agency**

Working closely with businesses, industry groups, state government agencies and other relevant organisations, AEDA delivers a range of programs designed to stimulate the city's economic growth with a focus on business growth, investment attraction, growing our visitor economy, residential growth, marketing the city as a whole and promoting Rundle Mall as Adelaide's premier shopping destination.

**Kadaltilla / Park Lands Authority**

The City of Adelaide has long recognised the value of the Adelaide Park Lands to the city, state and its inhabitants. Since 2005 the Park Lands have received protection when the State Government passed the Adelaide Park Lands Act 2005 (SA). The Kadaltilla / Adelaide Park Lands Authority is principally an advisory body on Park Lands matters which also prepares the Adelaide Park Lands Management Strategy.

Further to these subsidiaries, the City of Adelaide is also a member of:

**Brown Hill and Keswick Creek Stormwater Board**

The Regional Subsidiary, known as the Brown Hill and Keswick Creeks Stormwater Board, was established in February 2018. The Board coordinates the delivery of the Brown Hill Keswick Creek Stormwater Project, which is a collaborative undertaking between the Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens. The Board is governed by a Charter prepared by these five constituent Councils and subsequently approved by the Minister for Local Government.

*Reporting for this Board is done separately and is not embedded in the City of Adelaide quarterly reporting, however where available, the boards own reports and plans will be provided as attachments as well as the Board's website.*

## Office of the Chief Executive Officer

Supports the CEO to lead a sustainable, successful organisation, to make well informed decisions to deliver on Council's priorities, and to foster productive partnerships both with industry, and local government and other government bodies through the delivery of effective intergovernmental relations.

### Key Focus areas:

- Capital City oversight
- Communication and Public Relations
- Executive Support and Administration
- Grants and Advocacy
- Partnerships and Intergovernmental Relations

## Office of the Lord Mayor

Supports the Lord Mayor and Council Members to foster productive relationships with peak bodies, other government bodies and the community, to deliver our strategic priorities, plan, and fulfill our Capital City leadership responsibilities.

### Key Focus areas:

- Civic Protocols and Events
- Communication and Public Relations
- Lord Mayor and Council Administration
- Partnerships and Intergovernmental Relations

# Adelaide Central Market Authority

| Operating Budget (excludes Strategic Projects) | Income ($'000) budget | Proposed | Variance | Expenditure ($'000) budget | proposed | variance |
|---|---|---|---|---|---|---|
| ACMA Operations | 4,820 | 4,820 | - | (5,073) | (5,073) | - |
| Marketing and Events | 501 | 501 | - | (501) | (501) | - |
| Online Market Platform | 94 | 94 | - | (236) | (236) | - |
| Total | 5,415 | 5,415 | - | (5,810) | (5,810) | - |

## Plan and Budget updates / changes identified:

- First quarter budget is on track: Favourable rental income, and underspent due to timing of consultancy fees/

## Select Portfolio achievements from this quarter

- Activation programs including Bastille Day, School holiday program (with record participation), participation to Frida & Diego City trail, live Radio Broadcasts, Little Picassos Exhibition, NAIDOC week, Sustainable September campaign and self-guided Market tour podcast launch.
- Achieved $172k total value in Media buy.
- Marketing campaigns including Tram wrap for 4 weeks throughout July school holidays/Illuminate, external hoarding on Gouger and Grote St, and roll out of "Only at the Market" brand refresh with digital advertising and out-of-home advertising including other retail precincts and Adelaide Airport.
- Achieved 100% leasing occupancy, with last vacancy leased to new Seafood retailer (expected opening in December).

# Adelaide Economic Development Agency

| Operating Budget (excludes Strategic Projects) | Income ($'000) | | | Expenditure ($'000) | | |
|---|---|---|---|---|---|---|
| | budget | Proposed | Variance | budget | proposed | variance |
| Manager Director AEDA | - | - | - | (748) | (748) | - |
| Business and Investment | - | - | - | (2,329) | (2,429) | (100) |
| Marketing | - | - | - | (1,847) | (1,847) | - |
| Rundle Mall Management | 4,250 | 4,250 | - | (4,250) | (4,250) | - |
| Visitor Economy | 19 | 19 | - | (3,191) | (3,191) | - |
| Total | 4,269 | 4,269 | - | (12,365) | (12,465) | (100) |

| *AEDA Strategic Projects* | Plan | Expenditure ($'000) | | | | |
|---|---|---|---|---|---|---|
| | delivered by | budget | proposed | variance | |
| Destination Adelaide Promotion | ●●● | ●●● | (300) | (300) | 0 | ➲ |
| Promoting the City during Adelaide 500 | ●●● | ●●● | (75) | (75) | 0 | ➲ |
| Strategic Events Fund | ●●● | ●●● | (600) | (600) | 0 | ➲ |
| Welcome to Adelaide | ●●● | ●●● | (120) | (120) | 0 | ➲ |

## Plan and Budget updates / changes identified:

- Following a resolution of Council at the City Community Services and Culture Committee on 6 June 2023, AEDA developed a grant funding program including framework and assessment criteria to support organisations to provide additional activities on New Years Eve. Following endorsement of Council on 8 August 2023, this has resulted in a budget change request this quarter of $100,000.

## Select Portfolio achievements from this quarter

- Marketing Campaigns: Invest Adelaide, ADL IS ON, TripAdvisor, Frida & Diego City Trail, WellFest Adelaide and ADL Fashion Week.
- ADL Fashion Week: launch of the dedicated website, associated events programs, AFW AT KING'S LANE Runways. A total of 25 ticketed events were launched in Q1.
- Visitor Economy: Meeting Incentive Conferences & Events (MICE) Project for the development of 10 new tourism products and experiences.
- Business and Investment supported: discussions re new purpose-built student accommodation investments, supported indie game developer Paper Cactus Games to attend GameCom.
- Sponsorships/Funding Programs: Games Plus Support Program (16 applications selected), Strategic Partnership Program Funding Round (23 submissions), NYE Grants (9 submissions), Commercial Events Fund (19 Submissions) and Mainstreet Development program guidelines released.
- Rundle Mall Activations and Events: NAIDOC in the Mall, FIFA Women's World Cup Trophy Tour, Illuminate Adelaide Trumpet Flowers, Frida & Diego City Trail: La Casa Azul, rebel 'Home of Football' pop up, Gathered Market in the Mall, Adelaide Youth Orchestra – The Big Busk 2023, SANFL Grand Final Eve Presentation.

# Kadaltilla / Park Lands Authority

| | Income ($'000) | | | Expenditure ($'000) | | |
|---|---|---|---|---|---|---|
| | budget | proposed | variance | budget | proposed | variance |

*The Budget for this subsidiary is embedded for Q1 in Park Lands, Policy and Sustainability.*

## Plan and Budget updates / changes identified:

- No changes identified this quarter.

## Select Portfolio achievements from this quarter

- Delivered two Community Forum events, with the final two scheduled to occur in October 2023.
- Undertook a Kadaltilla Strategic Plan Workshop.
- Embarked on a site tour of Bonython Park / Tulya Warldli (Park 27) with Minister Nick Champion and Brendan Hewitt.
- Delivered the Kadaltilla 2022/23 Annual Report.
- Delivered the Kadaltilla 2022/23 Strategic Plan Annual Review of Progress.
- Appointed a new Deputy Presiding Member and two Kaurna representatives (Member and Deputy Member).
- Continued the comprehensive review of Adelaide Park Lands Management Strategy 2015-2025 (APLMS).

# Office of the Chief Executive Officer and Office of the Lord Mayor

| Operating Budget (excludes Strategic Projects) | Income ($'000) | | | Expenditure ($'000) | | |
|---|---|---|---|---|---|---|
| | budget | Proposed | Variance | budget | proposed | variance |
| Office of the CEO | - | - | - | (1,470) | (1,470) | - |
| Civic Events, Partnerships, & Other Events | - | - | - | (587) | (587) | - |
| Councillor Support | - | - | - | (471) | (471) | - |
| Lord Mayor's Office Administration | - | - | - | (997) | (997) | - |
| Total | | | | (3,525) | (3,525) | - |

## Plan and Budget updates / changes identified:

- Budgets for both the Office of the Lord Mayor and Office of the CEO are on track with expenditure.
- *There are no Strategic or Capital Projects within this program and as a result there are no changes identified to planning timeframes.*

## Select Portfolio achievements from this quarter

- Planning has continued for the celebration of the 50th anniversary of the sister city relationship with George Town, Penang to be held from 4 to 9 December 2023.
- Commenced planning celebration for 10th anniversary of the sister city relationship with Qingdao.
- A Citizenship Ceremony and 12 Civic Events were delivered during the quarter.
- Capital City Committee met in August 2023.

# Glossary

## Budget:

*Financial Indicators:* Measures used to assess Council's financial performance, to guide decision making on major projects, and ensure its continued financial sustainability.

*Reallocation:* Reallocation of funds from one source to another.

*Reclassification:* A change of a project categorisation to reflect the scope, size or funding source of a projects (e.g. Renewal to Major Project).

*Retimed:* Deliberate change of timing of a project into a future year based on an agreed decision.

*Subsidiaries:* Established by Council under Section 42 of the Local Government Act 1999 that operate under independent boards or organisations that City of Adelaide either operates or supports.

## Capital Works:

*Major project:*
Significant works of a capital nature that are over the prudential limit, multi-year or have significant grant funding.

*New and upgrade:*
Works of a capital nature that are either introducing new assets or significantly upgrading existing assets. Usually by extending the footprint of an asset or increasing the level of service the asset provides.

*Renewal:*
Works of a capital nature that are replacing an existing asset like for like or like for modern equivalent.

## Project Management Phases:

*Commit/Concept:* A project plan is being finalised with scope, and greater understanding of budget timing and stakeholder management.

*Design:* Projects for which only the design phase will be undertaken in the current year, with construction occurring in another financial year.

*Design / Detail Planning:* The planning and design phase of a project, which includes activities such as project planning and technical design.

*Build/Construct (also Deliver):* The build and construction phase of a project, which includes activities such as tendering, and construction/creating an asset.

*Practical Completion:* The practical completion phase of a project, where works are completed to a point where an area/asset is open and created in our asset system. Depreciation commences at this point.

*On Hold:* Project status indicating a decision of Executive or Council is required and cannot proceed until a decision is reached.

## Types of projects:

*Capital project:* A long term project to establish, develop, improve or renew a capital asset.

*Strategic project:* Delivers the Strategic Plan and are generally 'once off' that have been prioritised to be delivered in a specific timeframe. Strategic Project budgets are operational in nature (not capital) and are aligned to a relevant service.

# **Appendix:** Risk and opportunities

**Summary of key risks being managed:**

- Supply chain issues still pose some risk to the delivery of IM capital renewal projects.
- Challenges with procurement and availability of materials and contractors for capital delivery is impacted with competing large scale development and the closure of several significant construction companies.
- Retention, attraction and recruitment of staff is a national challenge The increasing construction costs and potential associated impact on feasibility of capital projects.
- Continued rising interest rates and cost of living pressures create a subsequent impact on potential spend in city businesses.
- Lack of residential accommodation for key workers and students all pose a continuing risk.
- The completion of the AEDA reviews and their consideration by Council provides opportunity to increase impact and efficiency, improve governance and develop a longer term approach to economic development in the city.

# Appendix: Detailed Capital Works

## Major Projects

| Title | Plan | | 2023/24 Budget ($'000) | | | | |
|---|---|---|---|---|---|---|---|
| | | delivered by | | budget | proposed | variance | |
| **Initiate / Commit / Concept** | | | | | | | |
| 218-232 Flinders Street | ●●● | | ●●● | n/a | 8,700 | (8,700) | ◐ |
| Experience Adelaide Visitor Centre | ●●● | February 2025 | ●●● | 3,959 | 614 | 3,345** | ◑ |
| Gouger Street Revitalisation (Concept Design) | ●●● | September 2026 | ●●● | 500 | 500 | 0 | ➲ |
| Hutt Street and South Terrace Stormwater Improvements (Detailed Design) | ●●● | June 2025 | ●●● | 106 | 66 | 40 | ◑ |
| Jeffcott Street Pavement Rehab. and Catchment 13 Stormwater Improvements (Concept Design)* | ●●● | | ●●● | 103 | 20 | 83 | ◑ |
| Victoria Park / Pakapakanthi (Park 16) Master Plan implementation | ●●● | | ●●● | 50 | 50 | 0 | ➲ |
| **Design / Detailed Planning** | | | | | | | |
| Carriageway Park / Tuthangga (Park 17) Improvements (Detailed Design)* | ●▲● | | ●●● | 260 | 210 | 50 | ◑ |
| Charles Street Streetscape Upgrade* | ●●● | December 2024 | ●●● | n/a | 800 | (800) | ◐ |
| Flinders Street Improvements (Detailed Design)* | ●▲● | July 2026 | ●●● | 274 | 3 | 271** | ◑ |
| Hindley Street Revitalisation (Detailed Design) | ●●● | December 2026 | ●●● | 2,430 | 1,680 | 750** | ◑ |
| Hutt Street Entry Statement (Construction) | ●▲● | October 2024 | ●●● | 2,934 | 2,942 | (8) | ◐ |
| Mary Lee Park (Park 27B) Community Sports Building Redevelopment (Construction) | ●●● | April 2024 | ●●● | 1,900 | 2,062 | (162) | ◐ |
| Wakefield Street Improvements (Detailed Design) | ●●● | February 2026 | ●●● | 168 | 1 | 166** | ◑ |
| **Deliver** | | | | | | | |
| Central Market Arcade Redevelopment | ●●● | February 2026 | ●●● | 15,000 | 15,000 | 0 | ➲ |
| City of Adelaide Bikeways (North-South) | ●●◆ | July 2024 | ●▲● | 1,629 | 3,091 | (1,462) | ◐ |
| City Safe CCTV Network Upgrade* | ●▲● | June 2024 | ●●● | 1,981 | 2,890 | (909) | ◐ |
| Market to Riverbank Laneways Upgrade | ●▲● | June 2024 | ●●● | 1,918 | 2,160 | (242) | ◐ |
| Melbourne Street Improvements (Construction) | ●●● | February 2024 | ●●● | 850 | 845 | 5 | ◑ |
| Rymill Park /Murlawirrapurka (Park 14) Lake Upgrade (Construction)* | ●▲● | May 2024 | ●●● | 4,093 | 5,152 | (1,059) | ◐ |
| Moonta Street+ | ●●● | | ●●● | 43 | 44 | (1) | ◐ |
| Paxton's Walk Revitalisation+ | ●●● | | ●●● | n/a | 495 | (495) | ◐ |
| Sturt Street (West) Greening# | ●●◆ | | ●●◆ | 468 | 0 | 468 | ◑ |

** The budget for these projects includes renewal funding*
*+ project has reached practical competition*

*** budget has been moved into 2024/25*
*# project has been cancelled*

# New and Significant Upgrades

| Title | Plan | | 2023/24 Budget ($'000) | | | | |
|---|---|---|---|---|---|---|---|
| | | delivered by | | budget | proposed | variance | |
| Initiate / Commit / Concept | | | | | | | |
| Adelaide Central Market Authority (ACMA) - New Parents Room | | | | 15 | 15 | 0 | |
| Adelaide Central Market Authority (ACMA) - New Security Gates | | | | 75 | 75 | 0 | |
| Adelaide Central Market Authority (ACMA) - New Trolley Bays and Trolleys | | | | 130 | 130 | 0 | |
| City Operations Android Tablet Procurement | | May 2024 | | 132 | 132 | 0 | |
| Climate Change Action Initiative Fund (CCAIF) | | | | 300 | 332 | (32) | |
| Electric Vehicle Charging Infrastructure in UParks | | June 2024 | | 83 | 68 | 15 | |
| Flinders Street Pedestrian Crossing Improvements (Adjacent Pilgrim Lane) | | | | n/a | 10 | (10) | |
| Glen Osmond Rd & Hutt Rd Intersection Upgrade | | | | n/a | 50 | (50) | |
| Hutt Road Earthen Levee Embankment | | | | n/a | 50 | (50) | |
| Implementation of Resource Recovery (Organics, Recycling, Waste) Strategy & Action Plan 2020-2028 | | December 2023 | | 110 | 170 | (60) | |
| Kingston Terrace Bus Stop Upgrades (Construction) | | March 2024 | | 150 | 150 | 0 | |
| Kingston Terrace Streetscape and Stormwater Improvements (Detailed Design)* | | | | 70 | 74 | (4) | |
| Laptops for Additional Resources | | November 2023 | | n/a | 184 | (184) | |
| Light Square Electrical Infrastructure Upgrade | | August 2024 | | 400 | 400 | 0 | |
| Minor Traffic Signal Safety Upgrades (Construction) | | | | 50 | 50 | 0 | |
| New Access Ramps for Accessible Car Parks (Construction) | | | | 50 | 50 | 0 | |
| New Street and Parklands Bicycle Racks (Construction) | | June 2024 | | 25 | 25 | 0 | |
| Public Art | | | | 500 | 500 | 0 | |
| Rundle Mall Sound System | | July 2024 | | 960 | 960 | 0 | |
| Rymill Park / Murlawirrapurka (Park 14) Public Lighting Upgrade (Construction) | | July 2024 | | 300 | 300 | 0 | |
| Southwest Community Centre | | May 2024 | | 1,500 | 1,500 | 0 | |
| Town Hall Complex Improvements | | | | n/a | 8 | (8) | |
| Upark Equipment Test Bed Network Switch | | | | n/a | 19 | (19) | |
| Vincent Street and Vincent Place Improvements (Concept & Detailed Design)* | | | | 125 | 112 | 13 | |
| Whitmore Square Stage 2 Masterplan Implementation Upgrades (Concept Design)* | | | | 60 | 60 | 0 | |

** The budget for these projects includes renewal funding* *** budget has been moved into 2024/25*

# New and Significant Upgrades

| Title | Plan | | 2023/24 Budget ($'000) | | | | |
|---|---|---|---|---|---|---|---|
| | | delivered by | | budget | proposed | variance | |
| Design / Detailed Planning | | | | | | | |
| ACMA -2112 - Cool room | | May 2024 | | 200 | 89 | 111 | |
| Bonython Park / Tulya Wardli Shared Path Lighting, Retaining wall & Footpath Upgrade (Construction)* | | August 2024 | | 245 | 41 | 204** | |
| Botanic Catchment Water Course Rehabilitation (Detailed Design)* | | | | 120 | 191 | (71) | |
| Bullrush Park / Warnpangga (Park 10) Public Lighting Upgrade (Construction)* | | April 2024 | | 672 | 672 | 0 | |
| City Activation (Festoon Lighting) | | June 2024 | | 57 | 105 | (48) | |
| City Dirt BMX Facility Master Plan - Blue Gum Park/Kurangga (Park 20) | | October 2024 | | 30 | 57 | (27) | |
| Gunson Street Improvements (Detailed Design)* | | | | 90 | 90 | 0 | |
| Hutt Road / Park Lands Trail Signalised Crossing (Construction) | | October 2024 | | 300 | 332 | (32) | |
| Kerbing - Hutt St/South Tce Stormwater | | June 2024 | | n/a | 2 | (2) | |
| Mini Golf in North Adelaide Golf Course Development (Future Fund) | | | | n/a | 11 | (11) | |
| Newlands Lane - Public Lighting Renewal | | June 2024 | | n/a | 10 | (10) | |
| Place of Courage / Spirit of Woman (Park 27) | | June 2024 | | 95 | 95 | 0 | |
| Public Art Action Plan - Capital Projects | | December 2023 | | n/a | 12 | (12) | |
| Royal Avenue Improvements (Detailed Design)* | | April 2024 | | 81 | 80 | 0 | |
| Stafford Street Public Lighting Upgrade (Construction) | | March 2024 | | 200 | 225 | (25) | |
| Stephens Street and Sanders Place Improvements (Detailed Design) | | | | 157 | 1 | 156** | |
| Strangways Terrace Golf Course Carpark and Access Improvements (Detailed Design) | | | | n/a | 33 | (33) | |
| Torrens Retaining Structure (Construction) | | August 2024 | | 1,750 | 280 | 1,470** | |
| Town Clerks Walk and Red Gum Park / Karrawirra (Park 12) Improvements (Detailed Design)* | | | | 50 | 50 | 0 | |
| Ward Street Improvements (Concept Design)* | | | | 70 | 70 | 0 | |
| West Pallant Project Steet Lighting Design | | | | n/a | 35 | (35) | |
| West Pallant Street Improvements (PLEC) | | | | 35 | 0 | 35 | |

** The budget for these projects includes renewal funding*

*** budget has been moved into 2024/25*

# New and Significant Upgrades

| Title | Plan | | 2023/24 Budget ($'000) | | | | |
|---|---|---|---|---|---|---|---|
| | | delivered by | | budget | proposed | variance | |
| **Deliver** | | | | | | | |
| Adelaide Free Wi-Fi Electrical Works | ●○○ | September 2023 | ●○○ | n/a | 12 | (12) | ↑ |
| Brougham Place Footpath Improvements & Greening | ●○○ | February 2024 | ●○○ | n/a | 159 | (159) | ↑ |
| Brown Hill Keswick Creek - Stormwater Project (Financial Contribution) | ●○○ | | ●○○ | 320 | 320 | 0 | → |
| Central Market Arcade Redevelopment | ●○○ | February 2026 | ○▲○ | n/a | 200 | (200) | ↑ |
| Christmas 2024 | ●○○ | | ●○○ | 200 | 200 | 0 | → |
| Christmas Festival Capital Budget | ●○○ | October 2023 | ●○○ | 178 | 200 | (22) | ↑ |
| Currie Street and Morphett Street Intersection Traffic Signal Safety Upgrade (Construction) | ●○○ | December 2023 | ●○○ | 43 | 48 | (5) | ↑ |
| Field Street Improvements (Construction)* | ●○○ | September 2024 | ●○○ | 2,200 | 2,203 | (3) | ↑ |
| Frome Street Footpath Upgrades (In conjunction with N-S Bikeway Project) | ○▲○ | July 2024 | ●○○ | 550 | 550 | 0 | → |
| Greener City Streets Program | ●○○ | February 2024 | ●○○ | 490 | 879 | (389) | ↑ |
| Morphett Street and South Intersection Traffic Signal Safety Upgrade (Construction) | ●○○ | February 2024 | ●○○ | 150 | 150 | 0 | → |
| New Street and Park Lands Furniture (Construction) | ●○○ | June 2024 | ●○○ | 50 | 50 | 0 | → |
| North Terrace / Station Road Footpath Improvements (Construction) | ●○○ | November 2023 | ●○○ | 300 | 353 | (53) | ↑ |
| Public Art 21-22 | ●○○ | January 2024 | ●○○ | 46 | 85 | (39) | ↑ |
| Reignite Adelaide - East End Festival and Event Place Retractable Bollards | ○▲○ | September 2023 | ●○○ | n/a | 6 | (6) | ↑ |
| Replacement of UPark Car Park Management System (CPMS) | ●○○ | June 2024 | ○▲○ | 232 | 229 | 3 | ↓ |
| Rymill Park /Murlawirrapurka (Park 14) Sustainable Water Supply (Construction) | ●○○ | March 2024 | ●○○ | 1,000 | 1,000 | 0 | → |
| Skate Park CCTV and Greening | ●○○ | September 2023 | ●○○ | 40 | 34 | 6 | ↓ |
| Support for CBD Greening | ●○○ | February 2024 | ●○○ | n/a | 35 | (35) | ↑ |
| Torrens Lake Earth Retaining Structure adjacent University Footbridge | ●○○ | October 2023 | ●○○ | 65 | 715 | (650) | ↑ |
| **Close** | | | | | | | |
| Dogs On Leash Signage | ●○○ | August 2023 | ●○○ | n/a | 17 | (17) | ↑ |
| Jeffcott Street and Ward Street Intersection Traffic Signal Safety Upgrade (Construction) | ●○○ | September 2023 | ●○○ | 105 | 105 | 0 | → |
| On-Street Parking Compliance Resourcing | ●○○ | August 2023 | ○▲○ | 80 | 119 | (39) | ↑ |
| Place of Reflection | ●○○ | July 2023 | ●○○ | n/a | 4 | (4) | ↑ |
| **Cancelled** | | | | | | | |
| Hamilton Place Improvements (Concept & Detailed Design) | ●○○ | | ●○○ | 30 | 0 | 30 | ↓ |

** The budget for these projects includes renewal funding*

# Renewals

| Category | Total | Design only | Plan / Design | Build / Construct | On Hold | Complete |
|---|---|---|---|---|---|---|
| Bridges | 4 | 3 | | 1 | | |
| Buildings | 56 | 10 | 21 | 19 | 1 | 5 |
| ICT Renewals | 7 | | 4 | 3 | | |
| Lighting & Electrical | 25 | 9 | 3 | 12 | | 1 |
| Park Lands Assets | 16 | 3 | 5 | 8 | | |
| Plant and Fleet | 4 | | 1 | 3 | | |
| Traffic Signal | 12 | 3 | | 9 | | |
| Transport | 98 | 13 | 13 | 52 | | 20 |
| Urban Elements | 50 | 6 | 11 | 33 | | |
| Water Infrastructure | 7 | 4 | | 3 | | |

| Projects COMPLETED this quarter | Category |
|---|---|
| Angas Street Lighting | Lighting & Electrical |
| Aquatic Centre Octapool - Renewal of Polysoft material | Buildings |
| Wyatt Street UPark Lift Renewals | Buildings |
| Accelerated Works Town Hall Chiller | Buildings |
| London Road Depot - Replacement of fuel bowser | Buildings |
| Gawler UPark Sealing | Buildings |
| Footpath Renewal - Sir Edwin Smith/Kermode Intersection | Transport |
| Footpath Resealing - Park 12 South Bank | Transport |
| Road Resurfacing - Arrow Place - Eden Street to Regent Street North | Transport |
| Road Resurfacing - Cannon Street - Waymouth Street to Franklin Street | Transport |
| Road Resurfacing - Cavan Place - Little Sturt Street to Dead End | Transport |
| Road Resurfacing - Curtin Lane - Gover Street to Dead End | Transport |
| Road Resurfacing - East Terrace - Bartels Road to Flinders Street East | Transport |
| Road Resurfacing - Eliza Street - Waymouth Street to Franklin Street | Transport |
| Road Resurfacing - First Street & Second Street - Percy Court to Dead End | Transport |
| Road Resurfacing - Grace Place - Collins Street to Dead End | Transport |
| Road Resurfacing - Hindley Street - Liverpool Street to West Terrace | Transport |
| Road Resurfacing - Hudson Street - Mackinnon Parade to Dead End | Transport |
| Road Resurfacing - Ling Place West - Weil Street to Dead End | Transport |
| Road Resurfacing - Linnington Place - Little Sturt Street to Dead End | Transport |
| Road Resurfacing - Red Lane - Willcox Street to Dead End | Transport |
| Road Resurfacing - Shannon Place - Waymouth Street to Franklin Street | Transport |
| Road Resurfacing - Stamford Court - Wright Street to Dead End | Transport |
| Road Resurfacing - Tatham Street - Waymouth Street to Franklin Street | Transport |
| Road Resurfacing - Tennant Court - Morphett Street to Dead End | Transport |

**City of Adelaide**
**25 Pirie Street Adelaide**

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# Adelaide Central Market Authority

QUARTERLY UPDATE
October 2023

# Financial Reporting — October 2023

## ACMA Operations Summary

| $'000 | 2022-23 Full Year Actuals | 2023-24 YTD Actuals | 2023-24 YTD Budget | Variance | Full Year 2023-24 Budget |
|---|---|---|---|---|---|
| *Income* | | | | | |
| User Charges | 4,647 | 1,286 | 1,215 | 71 | 4,861 |
| Other Revenue | 128 | 10 | 13 | (3) | 53 |
| **Total Income** | 4,775 | 1,296 | 1,229 | 68 | 4,914 |
| | | | | | |
| *Expenditure* | | | | | |
| Employee Costs | 1,130 | 281 | 300 | 19 | 1,288 |
| Materials, Contracts & Other Expenses | 3,521 | 941 | 989 | 48 | 3,982 |
| Depreciation, Amortisation & Impairment | 39 | 10 | 10 | (0) | 39 |
| Finance Costs | 2 | 0 | 0 | - | 1 |
| **Total Expenditure** | 4,692 | 1,232 | 1,298 | 67 | 5,310 |
| | | | | | |
| **Operating Surplus / (Deficit)** | 83 | 64 | (70) | 134 | (395) |

Financial Reporting Commentary:
- Favourable for rental income $51k and electricity recovery $22k
- Underspent on Materials and Contracts due to timing of professional fees

## Debtors Summary

| Financial Year | Total Arrears | Current | % | 30 Days | % | 60 Days | % | 90+ Days | % |
|---|---|---|---|---|---|---|---|---|---|
| 2023/24 | $ 24,695 | $ 23,566 | 95% | $ 1,129 | 5% | $ - | 0% | $ 0 | 0% |
| 2022/23 | $ 50,910 | $ 49,629 | 97% | $ 1,893 | 4% | $ 8 | 0% | -$ 620 | -1% |

## Leasing

| Q1 - Total number of Market stalls is 74<br>Occupancy as at 30 September 2023 is 100% | |
|---|---|
| Renewals | 5 |
| New (stall 12) | 1 |
| Assignments | 0 |
| Holdovers | 2 |
| Vacancies | 0 |

## Strategic Actions

| Strategic actions | On track | Needs attention | Off track |
|---|---|---|---|
| OUR CUSTOMERS | 10 | 0 | 0 |
| OUR TRADERS | 4 | 0 | 0 |
| OUR BUSINESS | 16 | 1 | 0 |
| OUR COMMUNITY | 5 | 0 | 0 |
| OUR MARKET | 7 | 1 | 0 |
| **TOTAL** | **42** | **2** | **0** |

# ACMA Highlights
# Quarter 1

| July 2023 | Strategic Pillar (ACMA/CoA) | |
|---|---|---|
| Reached 100% leasing occupancy | | Business / Strong Economies |
| Delivered Bastille Day event activation and campaign with increased visitation of 10% and FiveAA outside broadcast, plus TV Weather with Channel 9 and 7 | | Customers / Thriving Community |
| Delivered school holidays program with 750 kids participating in the Market Trail and 139 in Little Market Chefs and hundreds more in free drop-in Lego workshop. | | Customers / Thriving Community |
| 2 Producer In Residence delivered + Eastern roadway activation with Adelaide's Famous Poffertjes Parlour pop up | | Business / Strong Economies |
| Secured opportunity through DTI for a 3-carriage tram campaign for 4 weeks during school holidays and illuminate | | Traders / Strong Economies |

| August 2023 | Strategic Pillar (ACMA/CoA) | |
|---|---|---|
| Winter Weekends event every Friday night in August. Free live music and pop-up fire pits and performers. | | Customers / Thriving Community |
| Frida & Diego Art Exhibition activation throughout August including free kid's activities, ticketed Paint & Sip classes and in-market decorations. | | Community / Dynamic City Culture |
| Live outside broadcast with Triple M on 19 August 2023. | | Customers / Thriving Community |
| Home delivery free delivery promotion resulted in increase of 59% in orders compared to same period in July. | | Traders / Strong Economies |
| Continuation of 3 Hours Free on Saturday at UPark Grote & UPark Andrew | | Customers / Thriving Community |

Customers Community Traders Business



**Adelaide Central Market Authority**

# ACMA Highlights
# Quarter 1

| September 2023 | Strategic Pillar (ACMA/CoA) | |
|---|---|---|
| *The Adelaide Central Market Audio Tour* launched, featuring Katie Spain and Adam Liaw it offers tourists a free guided tour of the Market | | Customers / Dynamic City Culture |
| "Only At The Market" brand refresh launched in-Market with digital and out-of-home including retail precincts and Adelaide Airport. | | Traders / Strong Economies |
| All traders survey undertaken followed by TAG (trader group) meeting held to decide on Christmas 2023 trading hours | | Traders / Strong Economies |
| Little Picassos art exhibition on display along Eastern Roadway with 250 pieces. | | Community / Dynamic City Culture |
| Sustainable September campaign throughout the month to highlight traders, products, food rescue and ways customers can eat, shop and live more sustainably. | | Customers / Environmental Leadership |
| Pop up offers: OMG Donuts in PIR and Adelaide Famous Poffertjes for Eastern Roadway activation | | Customers / Dynamic City Culture |
| People counter system expanded to capture external street facing tenancies | | Business / Strong Economies |
| Stall 12 fit out commenced | | Traders / Strong Economies |
| Saturday Market Day program continued, with free family activities running every week. The free program includes live music every Friday and Saturday, kids activities and face painting every Saturday morning. | | Traders / Strong Economies |
| Over Q1, achieved over $172K in Media buy. | | Business / Strong Economies |

Customers Community Traders Business

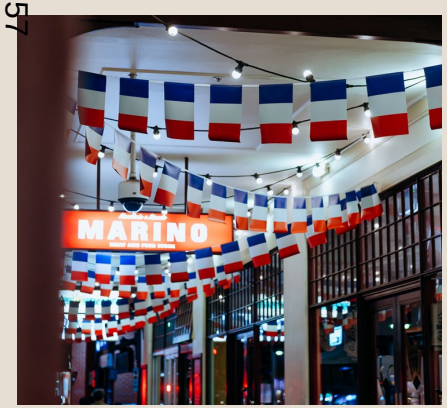


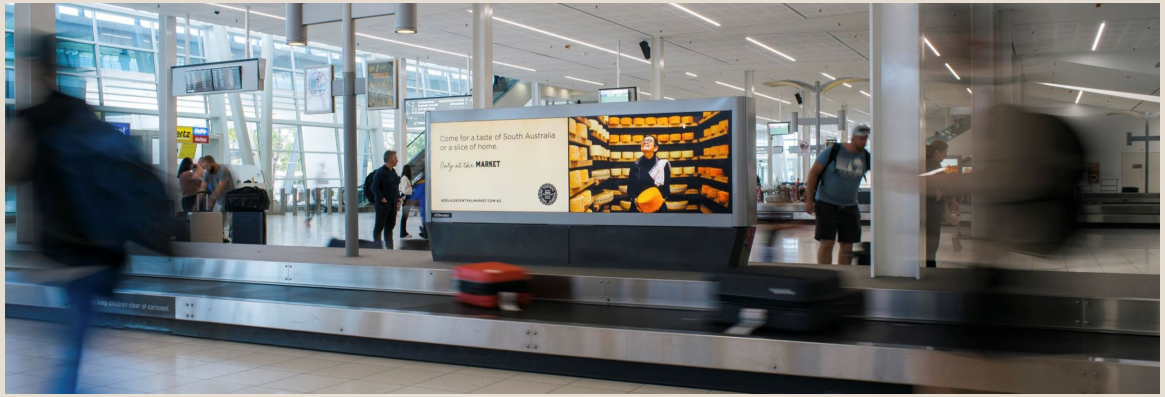
**Adelaide Central Market Authority**

# ACMA Highlights Q1

July —4 Week Tram Wrap

August – Frida & Diego Activation and Paint n Sip Class






July —Bastille Day

September — Brand Refresh & Out of Home Advertising



Adelaide Central Market Authority

# Upcoming Quarter

- New stall ‘Fair Seafood’ stall 12 scheduled to open December 2023
- Deliver Seafood + Sounds event activation in October
- Launch and deliver Christmas marketing and operational program
- Market Expansion – establishing retail leasing resources
- Establish new trader group format
- Cleaning contractor: Selection tender with CoA to be finalised
- Fire system and procedures review (with CoA)

**Objectives and Purpose**
**ACMA Charter – Gazetted 12/10 October**

2.4 Objects and Purposes
The Authority is established as a management and marketing entity to:

2.4.1 ensure the management and operation of the Market in accordance with the:

2.4.1.1 Charter;

2.4.1.2 Council’s Strategic Plan; and

2.4.1.3 Headlease;

and, to the extent of any inconsistency, the order of precedence for interpretation for the purposes of such management and operation must be first this Charter, second the Council’s Strategic Plan, and third the Headlease;

2.4.2 be responsible for maintaining and enhancing the iconic standing of the Market for the benefit of all stakeholders;

2.4.3 be responsible for encouraging the use of the Market by South Australian residents, visitors and the community in general and for the Market being recognised locally and internationally as a leading, vibrant, diverse and unique fresh produce market community that is commercially sustainable for Market sub-lessees and/or licensees and the Corporation of the City of Adelaide;

2.4.4 contribute to the development of the wider market district; and

2.4.5 be financially self-sufficient in terms of its operations.



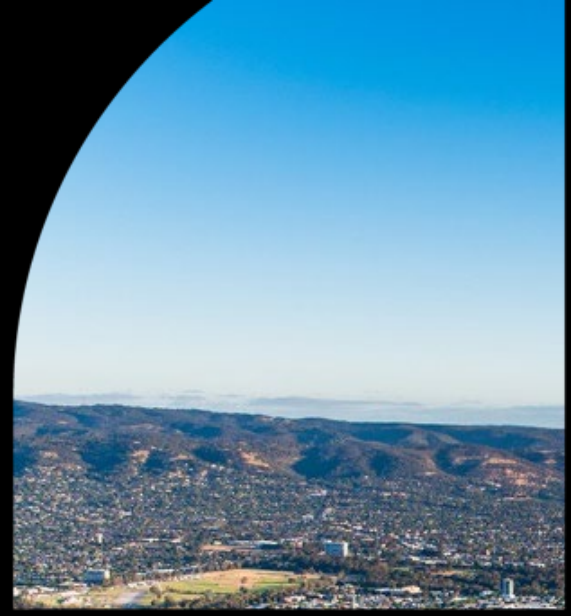
Adelaide Central Market Authority

# Thank you

# Adelaide Economic Development Agency – Quarterly Update

Greg Ratsch, Acting Managing Director AEDA

November 2023



Adelaide Economic Development Agency

Attachment C

# Financial Reporting – September 2023

| Operating Position | September YTD | | | Annual | | |
|---|---|---|---|---|---|---|
| $'000s | 2023/24 Actuals (000's) | 2023/24 Adopted Budget (000's) | Variance (000's) | 2023/24 Forecast (000's) | 2023/24 Adopted Budget (000's) | Variance (000's) |
| **Income** | | | | | | |
| Rundle Mall Levy | 980 | 962 | 18 | 3,890 | 3,890 | 0 |
| Rundle Mall User charges | 125 | 90 | 35 | 360 | 360 | 0 |
| CoA Contribution | 0 | 0 | 0 | 9,423 | 9,191 | 232 |
| Other Income | 3 | 5 | -2 | 19 | 19 | 0 |
| **Total Income** | **1,107** | **1,057** | **51** | **13,692** | **13,460** | **232** |
| **Expenses** | | | | | | |
| Employee Costs | 895 | 1,041 | 146 | 4,579 | 4,579 | 0 |
| Materials, Contracts and Other Expenses | 881 | 1,225 | 344 | 5,970 | 5,794 | -176 |
| Sponsorships, Contributions and Donations | 622 | 752 | 130 | 3,319 | 3,087 | -232 |
| Depreciation, Amortisation and Impairment | 10 | 0 | -10 | 42 | 0 | -42 |
| **Total Expenses** | **2,408** | **3,018** | **611** | **13,910** | **13,460** | **-450** |
| **Operating Surplus / (Deficit)** | **-1,300** | **-1,962** | **661** | **-218** | **0** | **-218** |



## Income

- Rundle Mall income has been spread evenly across the year. The financial table now recognises Year to Date (YTD) income
- The levy income is currently slightly favourable to the YTD budget as there have been no objections received and the annual budget for objections is $30k
- Other income includes retail sales from the Visitor Information Centre.

## Expenditure

- A favourable expense variance is currently the result of timing.

## Variances and Budget Requests

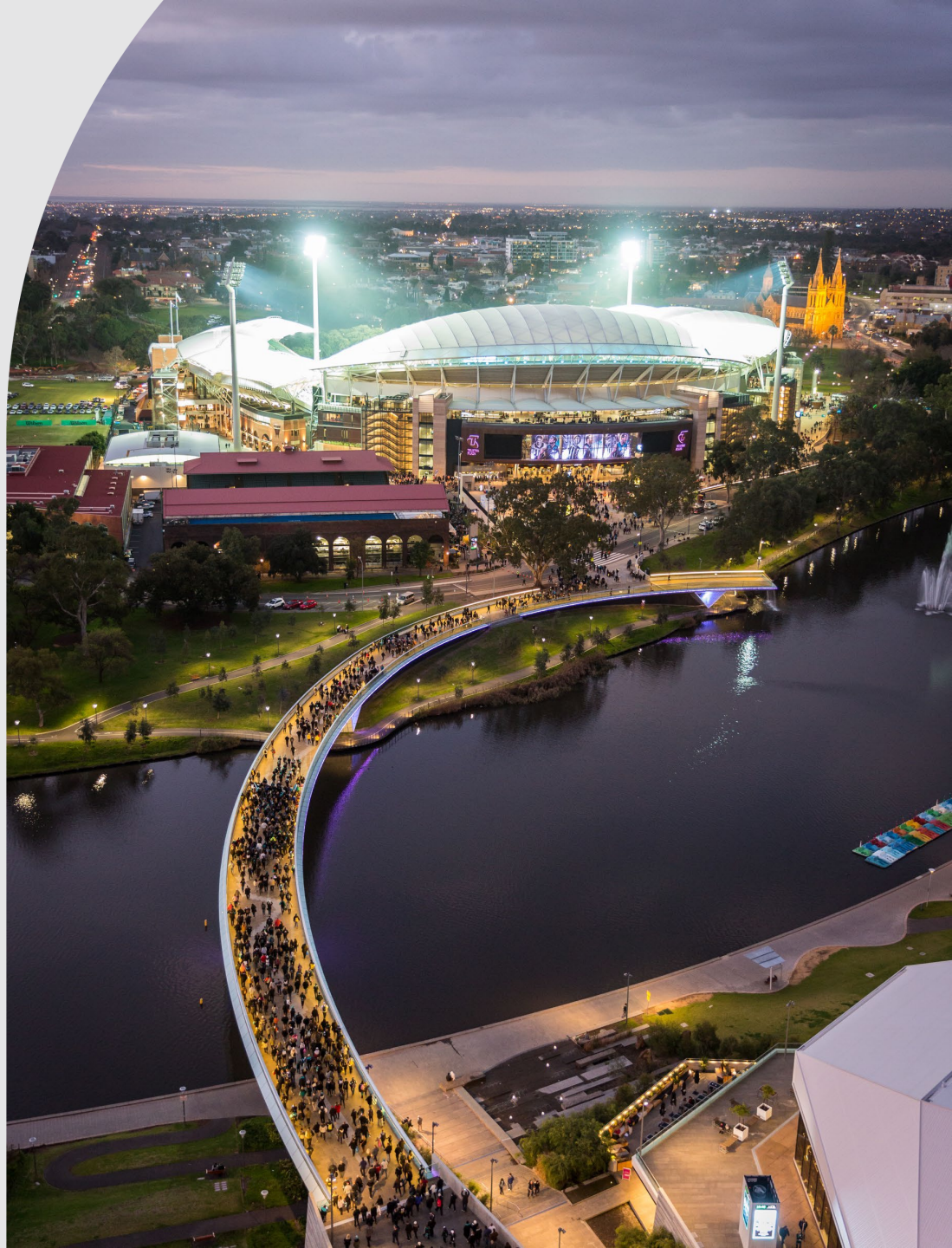
- Current variances recognised include:
  - $232k of unallocated Strategic Partnership Funding from prior years that has been recognised in this budget and will increase the end of year contribution from CoA
  - $176k and $42k representing prior year surplus from Rundle Mall Levy.
- Following endorsement by Council on 8 August 2023, the New Years Eve Activities and Event Fund for businesses has resulted in a BR1 budget request of $100k.

# Risks & Opportunities

- The increasing construction costs and potential associated impact on feasibility of capital projects, continued rising interest rates and cost of living pressures subsequent impact on potential spend in city businesses and lack of residential accommodation for key workers and students all pose a continuing risk

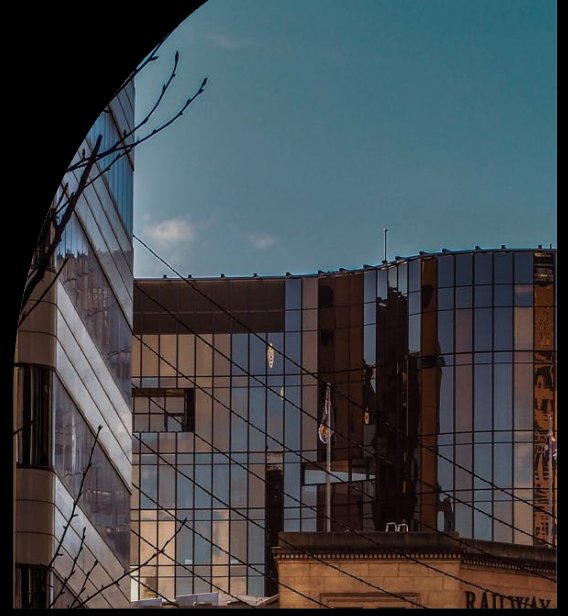
- The completion of the AEDA reviews and their consideration by Council provides opportunity to increase impact and efficiency, improve governance and develop a longer term approach to economic development in the city

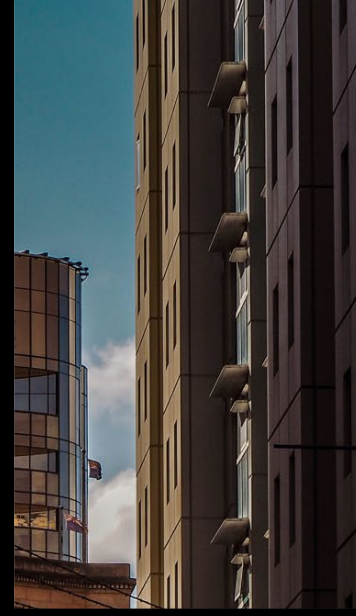
- The overall reduction in retail spend in Australia due to economic conditions poses a continuing risk.



# AEDA Business Plan & Budget Measurements

Q1 2023/24





Adelaide
Economic
Development
Agency

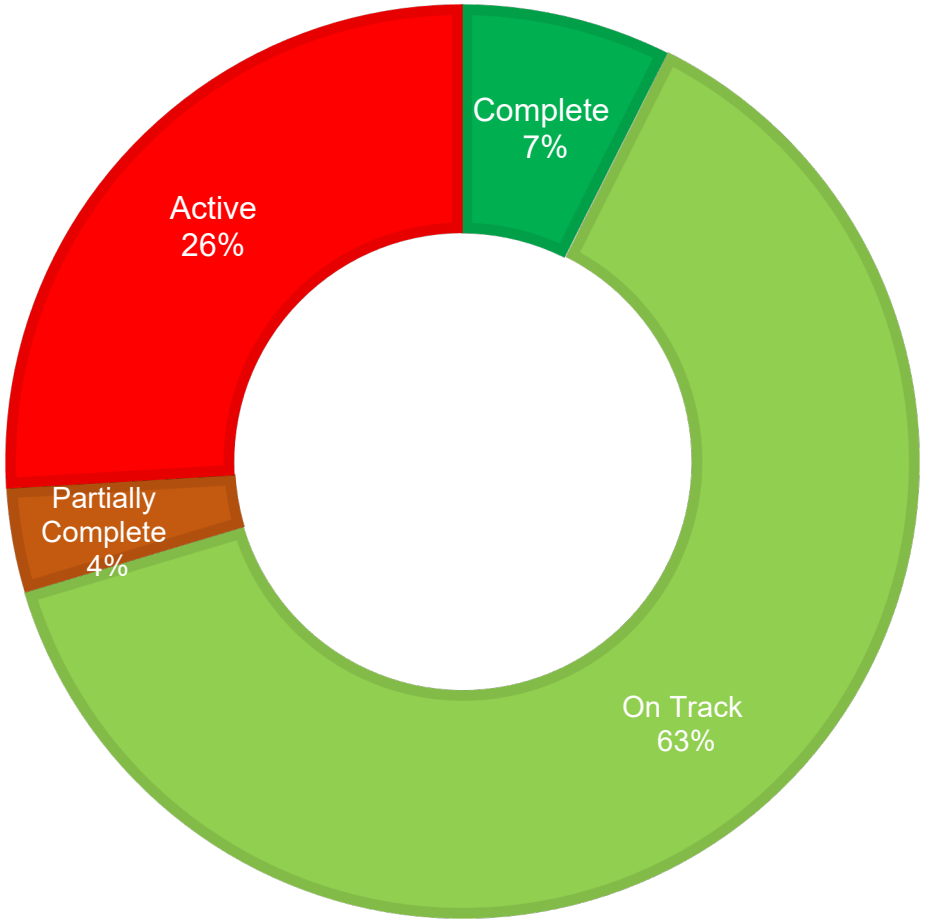
# Summary

The 2023/24 AEDA Business Plan & Budget includes **27 measures across four Key Result Areas:**

**Business, Investment & Residential Growth**; **Visitor Economy**; **Rundle Mall**, and; **Brand & Marketing**.

As at the end of quarter 1 the current progress against the measures is:

- 2 measures have been ‘Complete’;
- 17 measures are On Track, meaning the pro-rata measure is tracking ahead or in-line with the target;
- 1 measures is ‘Partially complete’, as some progress has been made towards the target but we are not tracking ahead of the pro-rata benchmark and;
- 7 measures are ‘Active’ which means work is being done towards the target but no numerical figure towards the target has been recorded.




**Key Terminology:**

✔ **Complete:** the measure has been achieved or surpassed

**On track:** pro-rata the measure is tracking ahead or in-line with the target

**Partially complete:** some progress has been made towards the target

**Active:** actions are being undertaken to work towards the goal

# Visitor Economy

| Key Performance Indicator | Status | Measure | Q1 Pro-rata Benchmark | Actual | Difference | Comment |
|---|---|---|---|---|---|---|
| Delivery of the new Experience Adelaide Visitor Centre | Active | 1 | - | 0 | - | Project planning in progress. Report scheduled to go to Council in November following Board recommendation in October |
| Maintain accreditation of the Visitor Information Centre | Complete | 1 | - | 1 | - | Accreditation finalised September 2023. Renewal will be due August 2024. |
| 8 training sessions with VIC volunteers and staff | On Track | 8 | 2 | 4 | 2 | • National Wine Centre Famil - 26 July<br>• Flamboyance Tour - Jimmy C Street Art Tour - 29 August<br>• Hotel famil (HotelMOTEL, Hotel Alba and The Terrace Hotel) – September<br>• OzAsia & Sealink, Good Governance training - September |
| 2 destination marketing campaigns or initiatives with the state government to increase the number of people visiting the city | On Track | 2 | 0.5 | 1 | 0.5 | SATC launched a major campaign 'Travel Our Way' on 29 Sept. AEDA is investing in amplifying the city's share of voice, and driving leads to operators, as part of the SATC digital and advertising strategy |
| 20 new bookable city tourism products/experiences | On Track | 20 | 5 | 10 | 5 | Product development in progress with 10 established to date, with support from supplier partner 'Tourism Accelerator'. |
| City hotel occupancy above 70% | On Track | 70% | - | 68% | -2% | There has been an extra 500 rooms added to Adelaide's hotel supply since the same time last year, Hotel Alba opened in September |

# Business, Investment & Residential Growth

| Key Performance Indicator | Status | Measure | Q1 Pro-rata Benchmark | Actual | Difference | Comment |
|---|---|---|---|---|---|---|
| 50 inward investment proposals/local expansions supported, with at least 10,000sqm of office space committed to | On Track | 50 | 12.5 | 19 | 6.5 | |
| 1,000 Welcome to Adelaide employee introduction packs distributed | On Track | 1,000 | 250 | 272 | 22 | |
| 30+ vacant shopfronts/premises activated | Partially Complete | 30 | 7.5 | 3 | -4.5 | 3 new ventures launched by Renew Adelaide |
| Deliver AEDA Business Summit | On Track | 1 | - | 0 | - | Planned for May 2024 |
| Deliver 3 industry briefing events | On Track | 3 | 0.75 | 1 | 0.25 | DataAfterDark hosted 24/7/23 and Data4Lunch to be hosted on 8/11/2023 |
| Enrolled international student numbers 5+% above 2019 levels (44,318 students across all segments) | On Track | 44,318 | 40,341 | 48,019 | 7,678 | This is a record level for South Australia. |
| 2+% increase in the number of city workers above 2020/21 levels (148,369) | Active | 2% | | | | Data not yet available, Economy.id will release in Nov |
| 2+% increase in the number of city businesses above 2020/21 levels (12,018) | Active | 2% | | | | Data not yet available, Economy.id will release in Nov |
| 2 campaigns/projects/market interventions to support emerging industries in the city | On Track | 2 | 0.5 | 1 | 0.5 | Extended our support for Games Plus Support Program- offering 20 supported co-working spaces to support early career development |

# Rundle Mall

| Key Performance Indicator | Status | Measure | Q1 Pro-rata benchmark | Actual | Difference | Comment |
|---|---|---|---|---|---|---|
| 3 recommendations from Rundle Mall place vision workshop implemented | On Track | 3 | 0.75 | 1 | 0 | • "Bring Local Brand heroes and fill fashion gaps ": RM Williams Flagship stored launched on mall.<br>• "Optimise the mix: Brands, Dining and Entertainment": Entertainment Place at Rundle Place scheduled to open in November.<br>• "Laneway curation/activation": Charles Street Plaza project commenced; James Place laneway project commenced.<br>• "Improved event infrastructure": Upgraded Rundle Mall Sound system project commenced.<br>• "FB-driven activations/nostalgic events / new rituals": New Rundle Mall and city-wide Christmas trail developed that aligns with these principles |
| 5 major brands committed to Rundle Mall | On Track | 5 | 1.25 | 1 | 4 | Decjuba launched in Q1.  5 others scheduled to open Q2&Q3 |
| Stakeholders agree that the volume and quality of communication and data/insights to stakeholders has improved over the previous 12 months | On Track | 1 | - | - | | Agreement statement will be developed to measure this |
| Rundle Mall average strip vacancy rates below 8% | Active | 8% | | | | Data not yet available |
| Average vacancy rates below 20% for arcades, centres and laneways in the Rundle Mall precinct | Active | 20% | | | | Data not yet available |
| 3 significant campaigns that are aligned with exclusive city events and festivals | On Track | 3 | 0.75 | 1 | 2 | Illuminate Adelaide |
| Uplift in foot traffic across 3 major events/festivals | On Track | 3 | 0.75 | 1 | 2 | Illuminate Adelaide(passer-by traffic up 28% on 2022) |
| Uplift in market share across 3 major events/festivals | Active | 3 | | | | Data not yet available |
| MAT market share remains above 5% | Complete | 5% | | 5.5% | | Current annual market share is 5.5% |

# Brand & Marketing

| Key Performance Indicator | Status | Measure | Q1 Discount | Q1 Pro-rata Benchmark | Actual | Difference | Comment |
|---|---|---|---|---|---|---|---|
| Generate $2 million in advertising space rate with reference to City of Adelaide/AEDA | On Track | $2m | 25% | $500,000 | $1,174,012 | | Events such as ADL Fashion Week and WellFest have been a significant contribution for media mentions, along with announcements such as business openings and the release of city trends such as spend and visitor economy data. |
| Support 200 city businesses to establish or extend their e-commerce capability on byADL.com.au | Active | 200 | 25% | 50 | 88 | | |
| Total city expenditure above $4.45b | On Track | $4.450b | 25% | $1.113b | $1.126b | $13.6M | |

# Key Activities – July – September 2023

- Invest Adelaide Campaign
- ADL IS ON Campaign – Phase 2
- New Year's Event Business Activations Grants
- ADL Fashion Week
- 'Travel Our Way' Co-campaign
- Black Friday Campaign Development
- TripAdvisor & SATC Partnership Campaign
- The Games Plus Support Program
- Strategic Partnership Program
- Commercial Events Fund
- Welcome to Adelaide
- Business Support
- Rundle Mall Activations including Illuminate, Frida & Diego, Gathered Market, NAIDOC in the Mall & FIFA Women's World Cup
- Rundle Mall Welcome Packs
- Christmas 2023 Campaign Development

# Invest Adelaide Campaign

- Invest Adelaide was the first large-scale investment attraction campaign developed by AEDA and City of Adelaide since Covid. The purpose was to position the city as a location of choice for investment, and to highlight its competitive advantage. The campaign was run in South Australia, Sydney, Melbourne, Brisbane, and overseas (Singapore and Kuala Lumpur). The campaign was displayed 5.7 million times to the target audience and led to over 26,000 page views of the dedicated investment campaign page, where the investment prospectus was downloaded 270 times.

# Destination Adelaide Campaign – Phase 2

- Phase 2 of the ADL IS ON campaign that aimed to attract visitors to the city by promoting event and festivals in Adelaide concluded in quarter 1. Website traffic increased by 54% during the second phase. The campaign generated a total of 9,879 leads to city operators, a 61% increase compared to the average for July and August.

# ADL Fashion Week

- Throughout the quarter project management for ADL Fashion Week, including AFW feature event planning, advertising campaign management, retailer and event operator communications and monitoring ticket sales has been undertaken. An advertising campaign launched week commencing 11 September.

# Black Friday Campaign Development

- Council at its 29 November 2022 meeting resolved to '*request AEDA explore the option to implement a dedicated marketing campaign to draw more people in the City during the event (Adelaide 5000 / Black Friday) next year'.* Funding of this was endorsed through the Business Plan and Budget process. Throughout quarter one the Black Friday campaign has been in development stages, in partnership with an advertising agency to source and review data to inform and finalise the creative brief for the campaign.

# Co-operative Marketing Campaign with SATC

- Project management for co-operative marketing campaign with South Australian Tourism Commission, was undertaken throughout quarter 1 for preparation of the campaign launch in October. The purpose of the campaign is to leverage the state campaign ‘Travel Our Way’ with a strong focus on city tourism experiences and deliver leads to operators, measurable through ATDW. AEDA has been working closely with SATC to ensure city and state promotion is complimentary and investment is used effectively, and to ensure duplication is avoided.

# Meeting Incentive Conferences & Events (MICE)

- Meeting Incentive Conferences & Events (MICE) Project commenced with the development of 10 new tourism products and experiences suitable for large groups. This initiative was established to support Business Events Adelaide, who identified a gap of city-centric product available for incentive groups coming to South Australia.



# Tourism Partnership Campaign

- The results for the TripAdvisor and SATC Partnership campaign promoting travel to Adelaide to interstate and intrastate audiences in May and June 2023 have been finalised. The campaign achieved 1.7M impressions across all media with 10,000 clicks. Total revenue generated was AUD$385,351 ($60,302 hotels, $325,049 experiences) with a total of 2,565 people booking either a hotel or experience.

# Business Support & Investment Attraction

- Discussions regarding new purpose-built student accommodation investments and support provided to indie game developer Paper Cactus Games to attend GamesCom
- The Mainstreet Development program grant guidelines were released
- AEDA were a finalist for Economic Development Australia's "Economic Development Strategic Thinking" for the Economic Dashboard project
- 272 Welcome to Adelaide bags that were distributed to: URPS, Big Ant Studios and RAA.



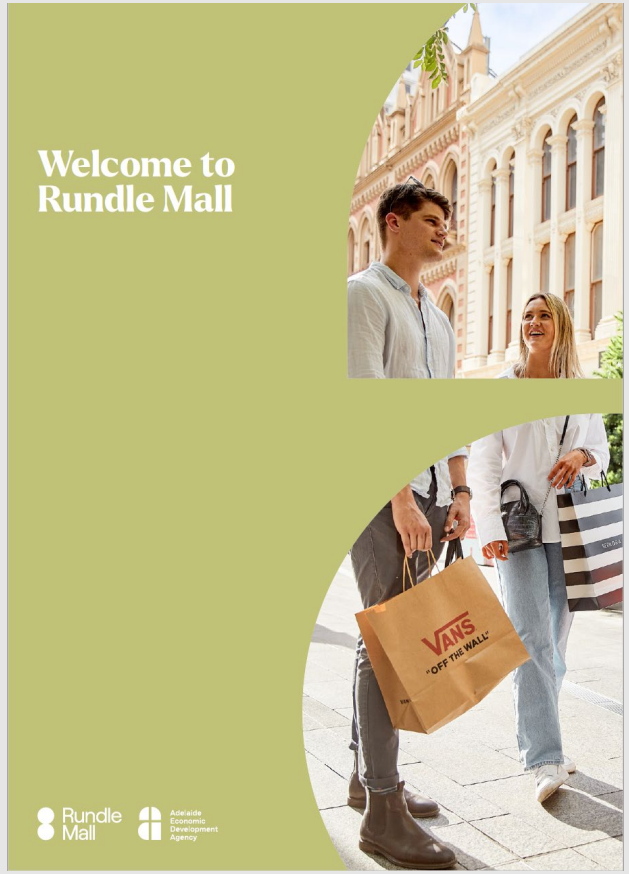
# Sponsorship & Funding Programs

- Following a request of Council at the City Community Services and Culture Committee on 6 June 2023, AEDA developed a grant funding program including framework and assessment criteria to support organisations to provide additional activities on New Years Eve. Following endorsement by Council on 8 August 2023, the New Years Eve Activities and Event Fund for businesses opened for submissions late August. Eight applications were received, and applicants will be advised of the outcome in early quarter 2.
- The Games Plus Support Program accepted 16 successful applications
- The Strategic Partnership Program funding round aimed at Business Support opened and received 23 applications
- The Commercial Events Fund opened and received 19 applications

# Rundle Mall

## Welcome to Rundle Mall Packs

- Two new documents were created to provide a go-to guide with everything businesses need to know about Rundle Mall. Welcome to Rundle Mall is designed to help businesses new and existing uncover and rediscover the benefits of operating within the Rundle Mall Precinct, and what opportunities are available to them. The pack includes the Rundle Mall Security Guide which is a reference of who to call when incidents occur.
- 400 hard copies were distributed across the precinct with digital copies made available to over 1400 Rundle Mall business eDM subscribers.






## Rundle Mall Foot Traffic & Expenditure

### July

**Foot Traffic for July**
Total Traffic* | +23% July YoY
Passer-by Traffic** | +23% July YoY
**Retail Spend**
$118M
-1.9% on July 2022
**Overall Spend**
$384M
+4.87% on July 2022

### August

**Foot Traffic for August**
Total Traffic* | +10% August YoY
Passer-by Traffic** | +4% August YoY
**Retail Spend**
$114M
-0.3% on August 2022
**Overall Spend**
$739M
+5% on August 2022

### September

**Foot Traffic for September**
Total Traffic* | +7 September YoY
Passer-by Traffic** | +1% September YoY
**Retail Spend**
$120.15M
-0.9% on September 2022
**Overall Spend**
$369.16M
+2.7% on September 2022

* Total traffic describes the number of visitors to the main pedestrianised strip of Rundle Mall, each day. Total traffic is a relativistic score, to enable relative comparison. It is not an absolute measure of pedestrian traffic.
** Passer-by describes the total number of sensors triggered by the visitors passing through the Mall. It is influenced by the amount of time visitors spend in the Mall and how much they move around. Passer-by traffic is a score, to enable relative comparison, and is not an absolute measure of traffic.

# Rundle Mall Activations

A range of Activations and Events took place in Rundle Mall designed to enhance brand positioning and drive economic outcomes for the Rundle Mall precinct:

- Illuminate Adelaide Trumpet Flowers - From Friday 7 to Sunday 23 July, visitors could wander amongst the towering flowers of the glowing garden when Illuminate Adelaide's Trumpet Flowers decorated the Gawler Place Canopy as part of their famous City Lights Trail
- Frida & Diego City Trail: La Casa Azul - Throughout Winter Frida Kahlo's home, La Casa Azul, a tribute to Frida's home, now a dedicated museum to the artist in Mexico came to life in Rundle Mall
- rebel 'Home of Football' pop up - rebel's 'Home of Football' activation which ran until Sunday 20 August, located in the Gawler Place intersection
- Gathered Market in the Mall - To support the new shop trading legislation for 9 am trade on Sundays, and to encourage visitation to Rundle Mall, AEDA has programmed artisan markets otherwise known as the Gathered Markets to activate the Mall on select Sundays
- Adelaide Youth Orchestra "The Big Busk 2023" - 23rd September 2023
- NAIDOC in the Mall – 4th July 2023
- FIFA Women's World Cup Trophy Tour – 3rd July 2023
- SANFL Grand Final Eve Presentation - 23rd September 2023

# Coming Up

What is happening from 1 October 2023 – 30 December 2023?

- ADL Fashion Week
- WellFest Adelaide
- Promoting the city during ADL500 (Black Friday campaign)
- Christmas in the Mall
- Black Friday in the Mall
- Pending announcements from Sponsorships/Funding Programs
- Data4Lunch

Adelaide Economic Development Agency

aedasa.com.au

# Kadaltilla

## Adelaide Park Lands Authority

## Quarterly Update
## July to September 2023

Kadaltilla
Adelaide Park Lands Authority

# Core Responsibilities

**PURPOSE FOR WHICH THE AUTHORITY IS ESTABLISHED**

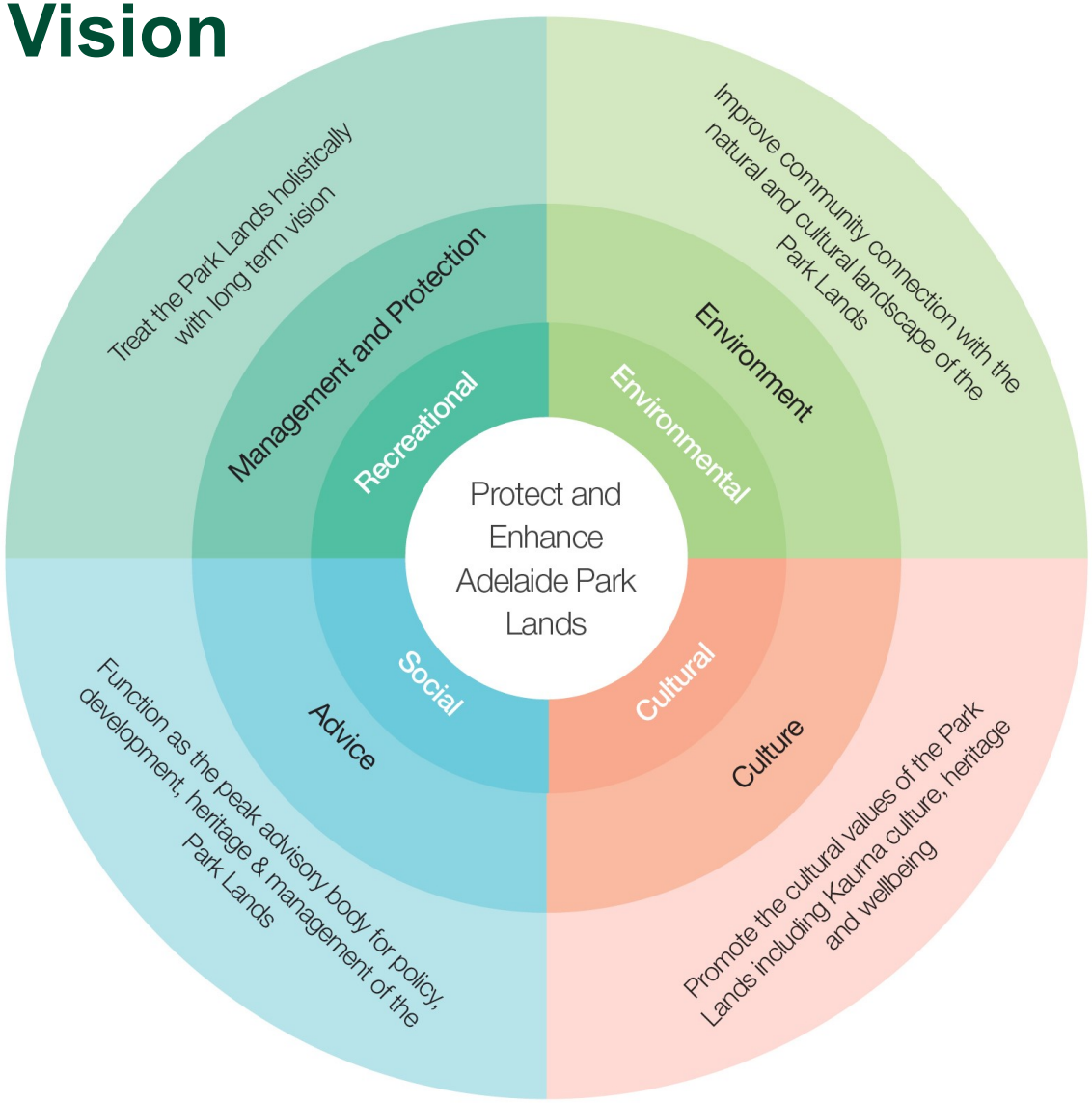
The Council and the State Government of South Australia are committed to protecting and enhancing the Adelaide Park Lands for the benefit of all South Australians.

The Kadaltilla / Adelaide Park Lands Authority (Kadaltilla) is the principal advisor to both the Council and the State Government on the protection, management, enhancement and promotion of the Adelaide Park Lands.

The Council, on behalf of the communities of the City of Adelaide and the State, is committed to ensuring that Kadaltilla delivers maximum benefit for the future of Adelaide's Park Lands as the City of Adelaide's defining feature.

In this context, Kadaltilla is established by Statute to undertake in accordance with the powers conferred by the APLA Charter, the Functions of Kadaltilla as set out in section 9 of the *Adelaide Park Lands Act 2005*.

# Vision


Treat the Park Lands holistically with long term vision
Improve community connection with the natural and cultural landscape of the Park Lands
Management and Protection
Environment
Recreational
Environmental
Protect and Enhance Adelaide Park Lands
Social
Cultural
Advice
Culture
Function as the peak advisory body for policy, development, heritage & management of the Park Lands
Promote the cultural values of the Park Lands including Kaurna culture, heritage and wellbeing

# Key Activities
## July to September 2023

- Delivered two Community Forum events, with the final two scheduled to occur in October 2023
- Undertook a Strategic Plan Workshop
- Embarked on a site tour of Bonython Park / Tulya Warldli (Park 27) with Minister Nick Champion and Brendan Hewitt
- Consult with the Minister for Planning to amend the Kadaltilla membership as per KYAC's request
  - Appointment of Tim Agius (as Member) and Allan Sumner (as Deputy Member)

# Key Activities
## July to September 2023

- Appointment of Elinor Walker as Member of the Board and Deputy Presiding Member following the resignation of Kirsteen Mackay

- Delivered the Kadaltilla 2022/2023 Annual Report

- Delivered the Kadaltilla 2022/2023 Strategic Plan Annual Review of Progress

- Continued the comprehensive review of Adelaide Park Lands Management Strategy 2015-2025 (APLMS), including:
  - Delivery of stage 2 working draft document
  - Delivery of stage 2 digital version working draft

# Strategic Plan 2020-2025
## Key Actions July to September 2023

**Culture**

1.1 Make Kaurna culture intrinsic to everything we do

- Amended the Kadaltilla membership as per KYAC's request

1.4 Host an annual community forum

- Two annual community forums hosted in September 2023

1.5 Support the development of World Heritage listing nomination

- Included in the Kadaltilla Board Meeting agenda as a standing item
- Held A World Heritage Bid Strategic Session with the Board

**Environment**

2.1 Define, protect, and enhance landscape values and design qualities

- An annual review of the business of the Board in achieving the key actions of the Kadaltilla Strategic Plan in the 2022/2023 FY summarised in the Kadaltilla Strategic Plan Annual Review of Progress

2.2 Provide advice in relation to tree canopy cover, biodiversity and environmental sustainability and improvements

- Advice of the Board in the 2022/2023 FY summarised in the Kadaltilla 2022/2023 Annual Report

# Strategic Plan 2020-2025
## Key Actions July to September 2023

**Management and Protection**

3.1 Review and improve the Adelaide Park Lands Management Strategy 2015-2025 (APLMS) which includes prioritisation of projects

- Comprehensive review is ongoing

3.3 Review the City of Adelaide Community Land Management Plans and State Government Management Plans

- Reviewed the City of Adelaide Community Land Management Plans

**Advice**

4.1 Provide advice on plans, projects, and policies for the Adelaide Park Lands

- Advice of Kadaltilla is endorsed and adopted

4.4 Strengthen Kadaltilla's engagement with City of Adelaide, State Government and adjoining Councils

- Appointment of a new State Government nominated Deputy Presiding Member

# Kadaltilla Advice to Council
## July to September 2023

- Noting of the Mini Golf proposal within Possum Park / Pirltawardli (Park 1) and expressing its concerns regarding material selection

- Endorsement of the consolidated Community Land Management Plan (CLMP) for the Adelaide Park Lands under the care, control and management of the City of Adelaide

- Authorisation for the Presiding Member to write to the Chief Executive Officer of the South Australian Motor Sport Board on behalf of Kadaltilla noting the consultation on the changes to the Declared Area and the Declared Period for the 2023 VAILO Adelaide 500 event, noting that no reasonable justification has been provided to the Board for the declaration change and 16,000sqm increase to the Declared Area, and strongly objecting to the removal of public access to the Quentin Kenihan Inclusive Playspace

# Kadaltilla Advice to Council
## July to September 2023

- Endorsement of the assessment of the Adelaide Aquatic Centre Redevelopment community consultation findings
- Adoption of the Annual Report for the 2022/2023 financial year
- Requested that the CPH Group provide the Kadaltilla Board with a higher level of design detail for the Rymill Park / Murlawirrapurka Kiosk addressing the Adelaide Park Lands Park Building Design Guidelines prior to the Board supporting the draft 21-year commercial Park Lands lease agreement
- Noting of the progress updates provided for financial year 2022/2023 of the Kadaltilla 2020-2025 Strategic Plan

# 2022-2023 Business Plan & Budget
## July to September 2023

**Performance Measures Addressed:**

- Support for the development of a World Heritage listing nomination
- Kaurna culture is made intrinsic to everything we do
- A review of the Adelaide Park Lands Management Strategy is conducted which will include prioritisation of projects
- Hosted an annual community forum
- Kadaltilla is insured according to the requirements of the Local Government Mutual Liability Scheme
- Provided advice on plans, projects and policies for the Adelaide Park Lands
- A high level of knowledge and understanding of the Park Lands is developed amongst Members through regular site visits and briefings
- Utilisation of skills is maximised through effective meetings that foster dialogue and the development of shared thinking

# 2022-2023 Business Plan & Budget
## April to June 2023

**Performance Measures Addressed:**

- Kadaltilla's Annual Report is prepared detailing achievement of the aims and objectives of the APLMS, Strategic Plan, and Business Plan and Budget
- The Adelaide Park Lands Fund is operational and monies are received and expended according to the provisions of Kadaltilla's Charter
- Received a State presentation on Park Lands planning and management related matters
- Advice of Kadaltilla is endorsed and adopted
- Kadaltilla makes appropriate use of available finances provided by Council
- Reviewed the City of Adelaide Community Land Management Plans
- Strengthen Kadaltilla's engagement with the State Government

# Budget Position
## July to September 2023

| $ | Annual Budget | YTD Actual | YTD Budget |
|---|---|---|---|
| Income | $253,360 | $23,365 | $63,340 |
| Expenditure | $253,360 | $23,365 | $63,340 |

- For 2023/2024, Kadaltilla's budget of $253,360 includes:
  - Sitting Fees and Salary (Kadaltilla Advisor) of $199,880
  - Operations (e.g. Marketing; community forum) of $16,878
  - Insurance, Audit and Legal of $21,602
  - Grants (Adelaide Park Lands Art Prize Sponsorship) of $15,000
- Note that some planned activities (e.g. community forum) have been included in the YTD Budget even though they are scheduled to occur in Q2-4

# Upcoming Quarter

**Key Actions:**

- Host two annual community forums in October 2023
- Embark on a Park Lands site tour with Board Members
- Finalise the updated Adelaide Park Lands Management Strategy (APLMS)
- Delivery of the Kadaltilla 2023-2028 Strategic Plan

# Upcoming Quarter

**Forward Report Schedule:**

- Adelaide Park Lands Management Strategy (APLMS)
- Kadaltilla Strategic Plan 2023-2028
- National Heritage Management Plan for the Adelaide Park Lands and City Layout
- Blackfriars Priory School - Lease Agreement
- X5500 - Glen Osmond Road, Hutt Road and Park 17 Improvements
- Draft Victoria Park Master Plan Engagement Summary
- Ellis Park / Tampawardli (Park 24) Sports Facilities
- Adelaide Aquatic Centre Redevelopment
- Update on the World Heritage Listing for the Adelaide Park Lands and Rural Settlement Landscapes

# Thank You.

Kadaltilla
Adelaide Park Lands Authority

# Brown Hill and Keswick Creeks Stormwater Board

## Project Update

**September 2023**

This report provides an update to our owner Councils and interested parties on the current financial performance of the Brown Hill and Keswick Creeks Stormwater Board, an overview of capital works projects, and recent activities of interest.

*Prepared by Peta Mantzarapis, Project Director*

## Financial Summary

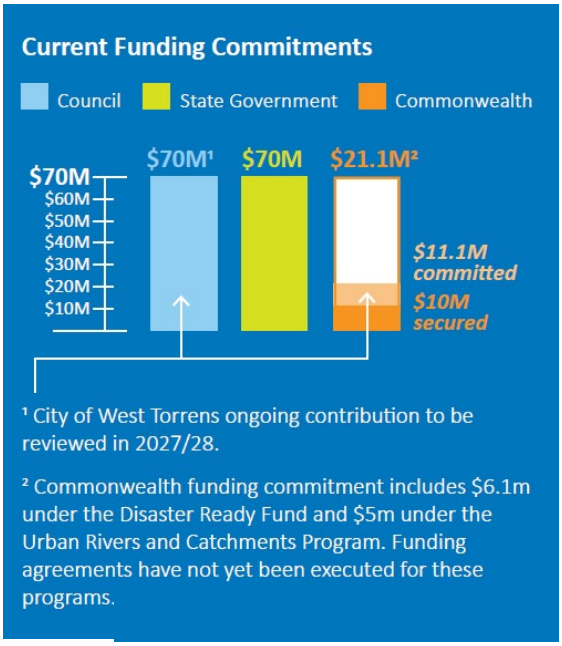
as at 31 August 2023

A funding shortfall exists as a result of the lack of Commonwealth Government contribution to the project.

The Board is seeking to fill this shortfall through pursuit of opportunities to secure smaller grant funding injections and 'whole-of-project' funding from the Commonwealth Government.

Subsequent to preparation of the Project's Business Case in 2021/22, $21.1m in funding has been committed by the Commonwealth Government across 3 grant programs:

- $10m committed under the Preparing Australian Communities Program
- $6.1m committed under the Disaster Ready Fund
- $5m committed under the Urban Rivers and Catchments Program.




### FY24 YTD Operating Summary

| | Actual YTD | Budget YTD | Variance $ |
|---|---|---|---|
| Income | $421,994 | $411,018 | $10,976 |
| Expenses | ($170,512) | ($151,466) | ($19,046) |
| **Net Surplus** | **$251,482** | **$259,552** | **($8,070)** |
| Depreciation | ($28,087) | ($28,088) | $1 |

### FY24 YTD Capital Income Summary

| | Actual YTD | Budget YTD | Variance $ |
|---|---|---|---|
| Constituent Councils | $2,000,000 | $2,000,000 | $0 |
| SMA Funding | $0 | $0 | $0 |
| Federal Funding | $0[1] | $0 | $0 |

[1]The Statement of Comprehensive Income shows Federal Funding of $3,534,178 for July 2023. This is a reallocation of funds previously received but not yet spent in the 2022/23 financial year.

## Project Delivery

The Stormwater Management Plan outlines a whole of catchment flood mitigation strategy that comprises 4 stages:

**Stage 1 – Flood detention** **(Complete)**
Detention storages in the upper catchment that will reduce the downstream flow rates.

**Stage 2 – Lower Brown Hill Creek** **(In Progress)**
Upgrading the flow capacity of Lower Brown Hill Creek so that it can receive the diverted flows from Keswick Creek.

**Stage 3 – Flow Diversions** **(On Hold)**
Diversion of flows from Keswick Creek to Brown Hill Creek before they can 'break-out' of the channel.

**Stage 4 – Upper Brown Hill Creek** **(In Progress)**
Upgrading the flow capacity of Upper Brown Hill Creek and Glen Osmond Creek to prevent 'break-outs' and flooding of private property.

The Project has a funding shortfall which impacts on the ability for all remaining works to be delivered under the current funding model. Additional funding contributions are therefore required to ensure project completion.

While priority remains on securing additional project funding to 'fill the gap', the Board's current delivery schedule prioritises completion of Lower Brown Hill Creek upgrades and targeted priority areas within Upper Brown Hill Creek. The Keswick Creek Flow Diversions remain unfunded under the current funding model and delivery will be reliant upon an injection of project funding.

The Board continues to pursue new funding opportunities.

## Funding Applications

The Australian Government's **Disaster Ready Fund** will provide up to $1 billion in funding over the next 5 years, with up to $200m in funding available annually. The fund aims to build natural disaster resilience and risk reduction, with a focus on delivery of infrastructure projects and systemic risk reduction projects.

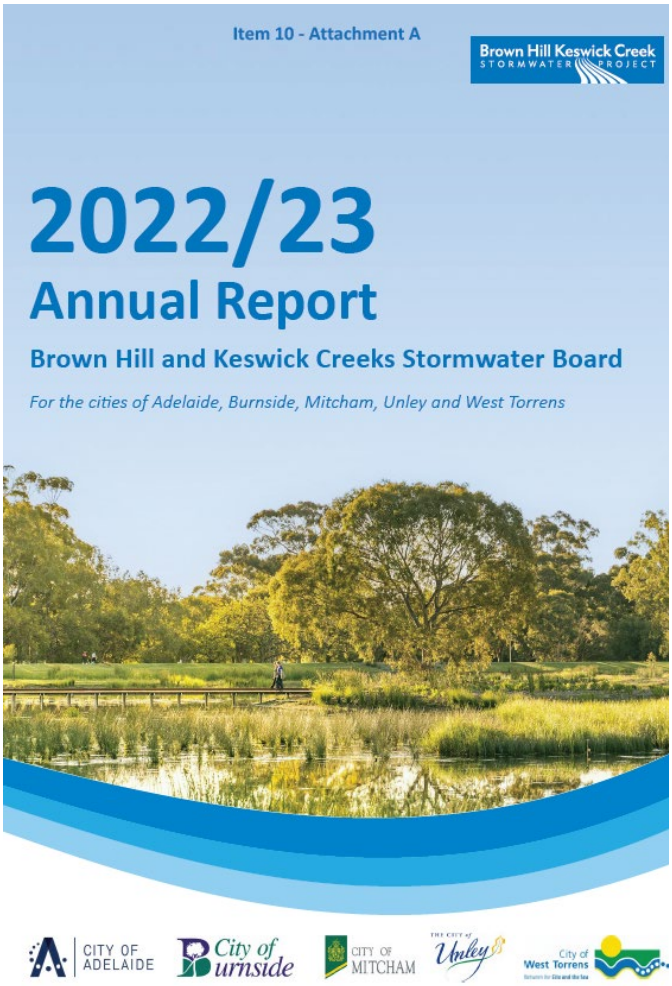
Two applications were submitted for funding under round 1 and both of these applications were successful:

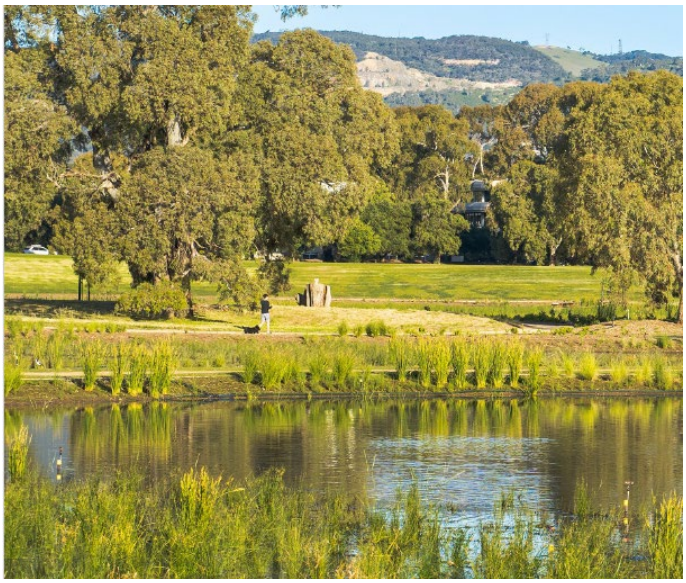
1. $3.7m in funding awarded to upgrade a 320 metre section of Upper Brown Hill Creek in Forestville. Delivery of this section will mark completion of the Area 1 upgrades of Upper Brown Hill Creek. Total project cost $7.4m.
2. $2.387m in funding awarded to upgrade a 230 metre section of Upper Brown Hill Creek in Hawthorn. The channel runs through private properties that were inundated in 2016 and remain vulnerable to flooding. Total project cost $4.774m.

The Australian Government's **Urban Rivers and Catchments Program** is aimed at restoring the health of urban waterways for native plants and animals, and local communities. A commitment of $4.93m has been made for delivery of works within key areas of public open space including Forestville Reserve, Orphanage Park and Betty Long Gardens.

## 2022/23 Audit

Audit of the Board's 2022/23 financial statements have recently been completed with Dean Newbery appointed to conduct the audit. The Independent Auditor's Report confirms "In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Authority as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and the Australian Accounting Standards." The Board's audit and risk committee endorsed the audit process on 28 August 2023 and recommended adoption by the Board. The Board subsequently considered and adopted the audited financial statements on 12 September 2023.



## 2022/23 Annual Report

The Board's 2022/23 annual report has been prepared and was adopted by the Board on 12 September 2023.

The Annual Report provides a summary of the progress that has been made to date and is a good indication of the collaborative approach being taken to the delivery of flood mitigation works in a way that achieves significantly enhanced outcomes for the community.

## Completed Projects

The completion of works in the South Park Lands marks the finalisation of stage 1 of the project. Efforts are now focussed on delivering capacity upgrades in Lower Brown Hill Creek and targeted priority areas within Upper Brown Hill Creek. Projects that are now in the operational phase include:

### Stage 1 – Flood Detention

- Ridge Park Flood Control Dam (City of Unley responsibility)
- Glenside Detention Basin
- Victoria Park/ Pakapakanthi (Park 16) Wetland
- Blue Gum Park/ Kurangga (Park 20) Creek Works

### Stage 2 – Lower Brown Hill Creek Upgrades

- Lower Brown Hill Creek – Daly Street Bridge

### Stage 4 – Upper Brown Hill Creek Upgrades

- Upper Brown Hill Creek Diversion (Department for Infrastructure and Transport responsibility)
- Upper Brown Hill Creek Hawthorn Reserve
- Upper Brown Hill Creek, Area 1 Everard Park

## Lower Brown Hill Creek, Packages 1-3

Packages 1 to 3 of the Lower Brown Hill Creek Upgrade will involve doubling the flow capacity of a 1.7-kilometre-long section of channel beginning at the south-eastern corner of Adelaide Airport and ending at Birdwood Terrace. The channel is primarily situated within a 12-metre-wide reserve owned by City of West Torrens.

### Key Messages

Construction is set to resume on Package 1A - Keswick Creek to Watson Avenue channel upgrade and Package 1C – Watson Avenue Crossing Upgrade. An open tender is underway for Package 1B - Watson Avenue to Harvey Avenue channel upgrade and Package 1D – Harvey Avenue Crossing Upgrade, and the pre-construction planning and property access arrangements are advanced for those packages. Detailed design is underway for the remaining work packages. In partnership with the City of West Torrens, a stakeholder engagement strategy is being implemented which includes continued one-on-one engagement with property owners that are directly affected by the works, the distribution of print and online resources about the project and upcoming works, and a Community Information Session to be held on 26 October 2023 for all West Torrens residents in suburbs affected by flooding from the BHKC catchment.

### Recent Works and Focus Areas

June to August activities included:

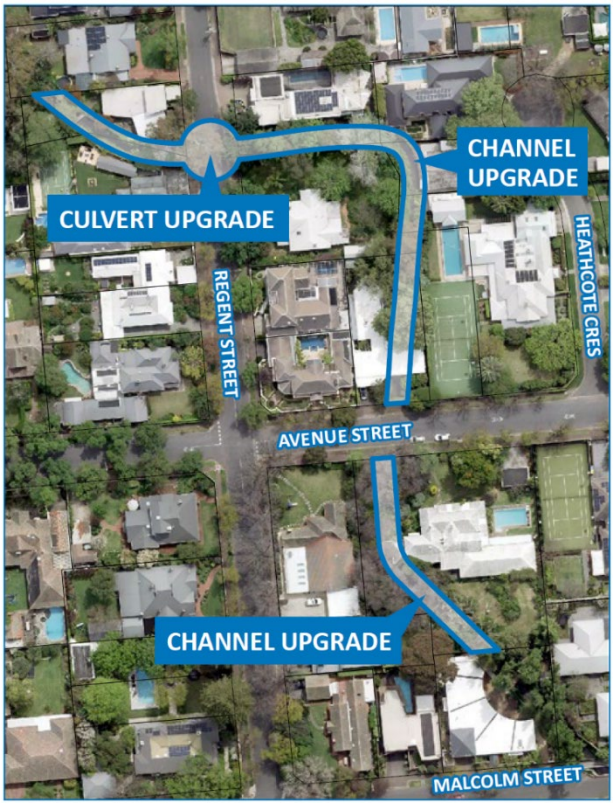
- Watson Avenue / Beare Avenue intersection re-opened (Package 1C). Remaining construction activities for Package 1A and Package 1C placed on hold due to early onset of winter baseflows.
- Open tender for Packages 1B and 1D and industry briefing.
- One-on-one engagement with property owners that are directly affected by Packages 1B and 1D and establishment of Licence Agreements for property access.
- Detailed design of remaining work packages.

September and October activities will include:

- Resumption of construction activities for Package 1A and Package 1C. Tender evaluation and contract award for Packages 1B and 1D and industry briefing.
- Service relocations and commencement of culvert manufacture for Package 1D.
- Community Information Session.

## Upper Brown Hill Creek, Area 3 Millswood

This sub-project involves increasing the size and capacity of the section of Brown Hill Creek from just downstream of Regent Street to just upstream of Avenue Street Millswood, including upgrade of the Regent Street culvert. The creek passes through several privately owned properties and the project team have been engaging closely with owners over the course of the design development.



### Key Messages

Construction has recently resumed after works were placed on hold in July due to winter baseflows. The channel and culvert upgrades are expected to be completed by mid-December 2023, with some landscaping and private property reinstatement works to be completed in 2024 (timing to be agreed with the property owners.

### Recent Works and Focus Areas

June to August activities included:

- Near completion for construction of 15 Avenue Street – Channel Upgrades.
- Progression of construction for Avenue Street to Regent Street – Channel Upgrades until works were placed on hold due to baseflows in July.
- Execution of Licence Agreements with further owners which allows works to continue through these sites.
- Manufacturing of precast culverts.
- Regular liaison with the affected property owners regarding construction scheduling and site matters.

September and October activities will include:

- Complete the construction of 15 Avenue Street – Channel Upgrades.
- Continue construction of Avenue Street to Regent Street – Channel Upgrades.
- Road closure for Regent Street – Culvert Upgrades commencing late October (subject to weather).
- Continued liaison with the affected property owners regarding construction scheduling and site matters.

# Grants Management Internal Audit

**Friday, 10 November 2023**
Audit and Risk Committee

Strategic Alignment - Enabling Priorities

**Program Contact:**
Alana Martin - Manager Governance

Public

**Approving Officer:**
Michael Sedgman - Chief Operating Officer

## EXECUTIVE SUMMARY

In accordance with the 2023-24 Internal Audit Plan for the City of Adelaide (CoA) an internal audit on the review of grant management arrangements and processes for the CoA was performed.

The internal audit identified one high, one moderate and two low risk rated findings, with four process improvement opportunities.

The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities.

Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, effectively, and to advise how it can improve performance.

## RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided as Attachment A to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.
2. Endorses the responses of the Administration to the Grants Management Internal Audit Report as outlined in Attachment A to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.

# IMPLICATIONS AND FINANCIALS

| | |
|---|---|
| City of Adelaide 2020-2024 Strategic Plan | Strategic Alignment – Enabling Priorities<br>Internal audit is an essential component of good governance framework. It enables Council to ensure it is performing its function legally, effectively and efficiently. |
| Policy | Develop and embed an overarching grant policy. |
| 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 | Internal audits suggest a range of improvement opportunities related to the area being reviewed, enhancing functions and services and aligning Council processes to best practice standards. |
| 23/24 Budget Allocation | Not as a result of this report. |
| Proposed 24/25 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. |
| 23/24 Budget Reconsideration (if applicable) | Not as a result of this report. |
| Ongoing Costs (eg maintenance cost) | Not as a result of this report. |
| Other Funding Sources | Not as a result of this report. |

# DISCUSSION

**Background**

1. The Grants Management Internal Audit was performed by KPMG, in accordance with the 2023 – 24 Internal Audit Plan.

**Report**

2. This audit aligns with CoA's Strategic Risk – Reputation: Negative reputation and public perception of Council.
3. The CoA provides a variety of grant programs to local individuals, community groups and organisations. There are currently several funding programs across Council and the grants are managed in a decentralised manner across the various programs. Each grant program has a Grants Officer who is responsible for the administration of the program including the end-to-end process from receiving the application, to initial assessment and oversight of acquittals.
4. Each program has internal guidelines outlining the eligibility criteria and provides guidance in the assessment and approval process of grant applications. In addition, external guidelines have been developed to provide guidance to the applicant on the assessment criteria and process. In addition, each grant program has established a panel to evaluate the applications for all major rounds. The panel members are essentially internal staff, and some grant programs include external assessors.
5. The objective of the Grants Management Internal Audit included the following:
    5.1. Review of the CoA's grant management governance arrangements, including roles and responsibilities in alignment with strategic objectives
    5.2. Review of end-to-end grant management processes in place, including identification, assessment, prioritisation and selection process, evaluation, approval and reporting arrangements.
6. The findings of the internal audit are indexed into the following risk ratings:

| Finding | Risk Rating |
|---|---|
| Lack of consistent approach to the management of grants across the CoA | High |
| Limited strategic processes in place to assess the overall grant program adequacy | Moderate |
| Inconsistencies in grant reporting | Low |
| Review of approval pathway | Low |
| Defining a grant | Process Improvement Opportunity |
| Opportunity to debrief Elected Members of the annual grant management procedure | Process Improvement Opportunity |
| Opportunity to implement guidelines on panel compositions | Process Improvement Opportunity |
| Opportunity to revisit eligibility criteria to avoid duplication | Process Improvement Opportunity |

7. Management have considered the findings and provided actions and time frames to address these findings.

# ATTACHMENTS

**Attachment A** – Grants Management Internal Audit

- END OF REPORT -

KPMG

# Grant Management

Internal Audit Report
City of Adelaide

October 2023

# Acknowledgement of Country

**KPMG acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia. We pay our respects to Elders past, present, and future as the Traditional Custodians of the land, water and skies of where we work.**

At KPMG, our future is one where all Australians are united by a shared, honest, and complete understanding of our past, present, and future. We are committed to making this future a reality. Our story celebrates and acknowledges that the cultures, histories, rights, and voices of Aboriginal and Torres Strait Islander People are heard, understood, respected, and celebrated.

Australia's First Peoples continue to hold distinctive cultural, spiritual, physical and economical relationships with their land, water and skies. We take our obligations to the land and environments in which we operate seriously.

Guided by our purpose to 'Inspire Confidence. Empower Change', we are committed to placing truth-telling, self-determination and cultural safety at the centre of our approach. Driven by our commitment to achieving this, KPMG has implemented mandatory cultural awareness training for all staff as well as our Indigenous Peoples Policy. This sincere and sustained commitment has led to our 2021-2025 Reconciliation Action Plan being acknowledged by Reconciliation Australia as 'Elevate' – our third RAP to receive this highest level of recognition. We continually push ourselves to be more courageous in our actions particularly in advocating for the Uluru Statement from the Heart.

We look forward to making our contribution towards a new future for Aboriginal and Torres Strait Islander peoples so that they can chart a strong future for themselves, their families and communities. We believe we can achieve much more together than we can apart.

# Contents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# Executive Summary

In accordance with the 2023 Internal Audit Plan for the City of Adelaide (CoA), an internal audit focussing on management of grants was performed. Noting that no external consultations were conducted as part of this internal audit the objective, the scope and approach for this project are outlined below.

## Objective

The overall objectives of the internal audit included the following:

- Review of the CoA's grant management governance arrangements, including roles and responsibilities and alignment with strategic objectives.
- Review of the end-to-end grant management processes in place, including identification, assessment, prioritisation and selection process, evaluation process, approval, and reporting arrangements.

## Scope

The scope of the internal audit considered the following areas:

- The relevant roles and responsibilities relating to the governance of grants at the CoA, including the role of the Adelaide Economic Development Agency (AEDA).
- Review of documented policies, procedures, and guidelines relevant to the internal grant management process.
- The adequacy and effectiveness of grant management internal controls.
- Completeness and transparency of the processes in place to manage the awarding of grants.
- Examination of the effective and consistent use of supporting grant management processes and systems, including those used to review grant applications, select successful applications, and communicate outcomes to applicants.
- Review of the grant acquittal process.
- Adequacy of monitoring and reporting in relation to grants awarded by the CoA.
- Review of the effective implementation of recommendations from the FY20 Events Sponsorships Internal Audit Report, for all risk rated findings.



## Positive Observations

Over the last two years, a number of initiatives have been completed to improve grant management across the CoA. A number of positive observations were identified during the course of this internal audit and are summarised below:

**Investment in new system capability |** The CoA has invested in a new grant management system, 'SmartyGrants' to improve the overall efficiency and effectiveness of grants management processes across Council, including automating workflows.

**Application support |** The CoA offers support to applicants who require assistance in submitting funding applications and/or completing required documentation through Grant Coordinators and Case Managers.

**Continuous improvement |** Stakeholder efforts to continuously improve the grant management process were observed. This included annual surveys which seek application process experience from applicants, both successful and unsuccessful. Further, the CoA also gains feedback and insights from successful applicants at the time of acquittals.

**Robust Internal Control Environment |** Through detailed testing of the CoA's grant program no instances of non-compliance with the CoA's grant procedures were identified. Further, for AEDA associated programs, robust conflict of interest procedures were observed.

## Key Findings and Recommendations

Overall, whilst recognising a number of initiatives have been completed to improve grant management across the CoA, greater rigor and formalisation is required to support a consistent approach to the management of grants across the CoA.

The findings and performance improvement opportunities (PIO) identified during this internal audit are illustrated in the summary below. A list of the findings identified, and the recommendations made are included in this report. The findings and recommendations were discussed with the CoA Management.

The detailed Classification of Internal Audit Findings are included in Appendix 4.

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# Background

## Grant Profile

The CoA provides a wide variety of grant programs to local individuals and organisations.

Currently, the CoA has several funding programs. This review has considered six (6) funding programs, including the Events and Festivals Sponsorship Program. In FY23, the total budget for these programs was approximately **$3.49m**.

## Grant Governance

Grants at the CoA are managed in a decentralised manner across the various grant programs. Each grant program has a Grants Officer who is responsible for the administration of the program including the oversight of applications, initial assessment of applications under the program eligibility, and perform acquittals post-completion of grants.

Each program has internal guidelines outlining the eligibility criteria, defining roles & responsibilities and provides guidance in the assessment and approval process. Additionally, the CoA has also developed external guidelines for each funding program. These guidelines provide guidance to applicants on how applications will be assessed and the assessment criteria.

The CoA has also established a Panel to evaluate applications under each funding program for all major rounds of the programs. Stakeholders from several CoA departments, such as City Experience, Community Impact, Sustainability, and Sponsorships make up the Panel. Additionally, some programs have external assessors in the Panel.

## Adelaide Economic Development Agency (AEDA)

The AEDA was established in October 2020 as a Section 42 Subsidiary of the CoA under the Local Government Act 1999. AEDA commenced operating in January 2021, with the primary objectives to:

- Attract visitors, students, businesses, and residents to the city.
- Provide incentives and positive experiences so people stay longer, potentially reside in the city and return more frequently.
- Stimulate economic growth by providing more reasons to spend in the city.
- Support new and existing businesses and industries to grow and create jobs.

Funding provided by the AEDA was considered as part of this internal audit.

## Grant Life-Cycle

The key high-level processes undertaken across all funding programs at the CoA are summarised below:

**Planning:** Key strategic documentation and plans (i.e., Strategic Plan) are used to create Grant Guidelines. The Guidelines communicate the purpose and eligibility criteria for each grant program and are released on the CoA website with key dates and contacts. Any changes to Grant Guidelines require Council review and approval.

**Application and Assessment:** Grant applicants submit their application through SmartyGrants, which contains specific questioning aligned to the Grant Guidelines. The Grants Officer for each program will undertake a pre-eligibility assessment of each application to ensure all applicants are eligible for the program.

**Monitoring and Reporting:** Following assessments, successful applicants are selected and a report is submitted to the Council, seeking approval for the granting of monies. Both successful and unsuccessful applicants are sent standardised emails through SmartyGrants, advising the outcome of their application.

**Acquittals:** Grants Officers are notified of the completion of grant activities, at which point a final acquittal is provided by the grantee with substantiating documentation. Any grants which have not completed their activities are required to return grant monies and are ineligible for future funding.

## Funding Programs selected for sample testing

A selection of funding rounds across the 2022-2023 Financial Year from each grant program, were selected for testing. The selected funding programs are listed below:

| Program | Funding Round | Total Budget |
|---|---|---|
| Community Impact | Community Impact Round 1 | $180,000 |
| City Experience | Christmas Incentive Scheme | $196,000 |
| Heritage | Heritage Incentive Scheme | $1,162,350 |
| Arts & Culture | Artistic Development | $22,000 |
| Sustainability | Sustainability Incentives Scheme | $225,500 |
| AEDA | Events and Festivals Sponsorships | $1,703,000 |



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# Internal Audit Findings

Internal Audit identified one (1) high risk-rated, one (1) moderate risk-rated findings, two (2) low risk-rated finding and four (4) performance improvement opportunities (PIO). The details of the findings are provided in the 'Detailed Findings' section of this report. These findings have been individually rated as follows:

| Rating | Ref # | Description |
|---|---|---|
| High | F1 | Lack of a consistent approach to the management of grants across the CoA |
| Moderate | F2 | Limited strategic processes in place to assess the overall grant program adequacy |
| Low | F3 | Inconsistencies in grant reporting |
| Low | F4 | Review of approval pathways |
| PIO | PIO1 | Defining a grant |
| PIO | PIO2 | Opportunity to debrief Elected Members of the annual grant management procedures |
| PIO | PIO3 | Opportunity to implement guidelines on panel compositions |
| PIO | PIO4 | Opportunity to update grant policy for previous grant recipients |



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## Finding 1 – Lack of a consistent approach to the management of grants across the CoA

**High**

### Finding(s):

Inconsistencies and gaps were identified in the management of grants across the CoA.

The CoA manages grants through a decentralised model, where individual programs are managed by individual teams. Each team is also supported by a Grants Officer assigned to each specific program. A Grant Coordinator assists the individual teams with the use of SmartyGrants, a grant management system, and facilitates quarterly meetings with Grant Officers from across the CoA.

Currently, there is a lack of an overarching policy to support the consistent management of grants across the CoA. It is acknowledged that recent improvements have been made with the introduction of the SmartyGrants system.

From stakeholder consultation and documentation review the following examples of inconsistencies in the management of grants across the CoA were noted:

**a.** **Operating Guidelines:** At a minimum, all grant programs have public-facing guidelines. However, of the six (6) programs reviewed, Sustainability did not have internal operating guidelines. It was advised that this is in progress. It is also noted that Arts & Culture had an additional 'Roles & Responsibility' document, which detailed day-to-day grant management processes.

**b.** **Approval Processes:** Different levels of approvals are required across the CoA prior to awarding of grant funds. For example, there are two (2) Quick Response Grant Programs across the CoA within the Arts & Culture and Community Impact areas. However, different levels of approval are required between these two areas. This includes Associate Director level approvals required for Arts & Culture and Manager level required for the Community Impact. In addition, sustainability seeks approval at Associate Director level. However, these approvals are well below the CoA's current financial delegation requirements which allows the CEO to approve up to $2 million and Associate Directors up to $250,000. It is also noted that AEDA funding programs require approvals from both the AEDA Board and the CoA Council for Events & Festivals Sponsorships Programs. See Finding 4 for further details.

**c.** **Application process:** Through stakeholder consultations, it was advised that the length of the application for major rounds is the same whether it is for a higher monetary value or lower. Further, the application forms do not have consistent wording, when asking the same question, for example, when seeking eligibility checks and details in relation to the project outcomes.

*Finding continues on following page*

### Recommendation(s):

1. It is recommended that the CoA develop and embed an overarching grant policy, with consideration given to the following:
   a. Consistent use of internal and external operating guidelines across the CoA which are reviewed in alignment with the new Strategic Plans, i.e., every four (4) years.
   b. Streamlining and aligning approval pathways of budgeted grant monies. See Finding 4.
   c. Where appropriate, messaging and questions between application forms should be consistent.
   d. Annual feedback via surveys from all successful and unsuccessful applicants across all funding programs.
   e. Through the SmartyGrants Working Group, lessons learned from the use of SmartyGrants to be shared across key processes, such as variations.
   f. Reporting requirements be defined consistently across the CoA's grants. See Finding 3.

### Agreed Management Actions

On 7 November 2023 at the City Community Services and Culture Committee, a Grants Workshop will be held which will seek advice from Council on the direction of grants going forward. The workshop will reference the internal audit (as outlined in the report), its recommendation for consistency in the management of funding programs across CoA and for an overarching policy.

**Responsibility:** Associate Director City Culture

**Target Date**: 30 April 2024



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## Finding 1 – Lack of a consistent approach to the management of grants across CoA

**High**

### Finding(s)

*Finding continued from previous page*

**d. Gathering of feedback:** All grant programs use acquittals to obtain feedback from successful applicants. However, it was observed that Community Impact and Arts & Culture also send annual surveys to successful and unsuccessful applicants on their experience.

**e. Use of Smarty Grants features:** The CoA uses SmartyGrants to manage grants, including to capture applicant information, assessments, approvals, and acquittals. However, each program utilises separate features of SmartyGrants. For instance, one (1) out of six (6) programs reviewed uses a variations form within SmartyGrants to track variations within the program.

**f. Reporting:** An inconsistent level of reporting internally and externally on the performance of the grant programs was identified. This is further discussed in Finding 3.

A table summarising the various processes to manage grants across the CoA has been included in **Appendix 2**.

### Risk(s):

There is a risk that:

- Inconsistent management of grants leads to a risk of non-compliance across the organisation.
- Variations in grant administration procedures could put the CoA's reputation at risk, which would lower grantee satisfaction.
- There is a risk of duplication of work by teams, which minimises efficiency and effectiveness of the resources involved.

### Recommendations

### Agreed Management Actions



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## Finding 2 – Limited strategic processes in place to assess the overall grant program adequacy

**Moderate**

### Finding(s):

Through the audit there was limited evidence that the CoA's overall grant program is assessed in line with the CoA's Strategic Plan, or that it is meeting community needs and expectations at a 'whole of program' level.

The review considered six (6) grant programs with a total budget of approximately $6.65m in funding per annum. This includes AEDA funded sponsorships with a total budget of $1.70m allocated for the Events and Festivals Sponsorships Program in FY23-24.

The CoA currently undertakes various activities within individual grant programs (e.g., Sustainability, Arts & Culture, and Community Impact). This includes ad hoc annual reviews of grant programs and guidelines, occasional surveys, and reports to the Council for specific programs. For instance, the Community Impact program was reviewed post Covid and the recommendations to update the program were provided to the Council and implemented post-approval.

Besides these strategic reviews for individual grant programs, gaps were identified in processes in place to assess the overall grant program of the CoA, including for evaluating the following items:

- Whether the current structure of grant programs adequately serve the needs of the community. A whole of program review has not recently been conducted to consider the number of grants, ease of use for applicants and effectiveness of outcomes to meet the CoA's strategic objectives.
- Whether the current organisational structure for managing grants at the CoA provides sufficient support both internally and to the community. Currently, the CoA manages grants through a decentralised model, where individual programs are managed by individual teams. A Grants Coordinator assists these teams in the use of the Smarty Grants system. Internal Audit noted that there has not been detailed consideration as to whether this is the most efficient and appropriate method to manage grants at the CoA.

The current update of the CoA's Strategic Plan presents an opportunity to conduct a holistic grant program review to consider alignment with the new Plan. This review should also consider the overall funding issued and approved by AEDA, and the alignment of the funding programs to the remit and strategic objectives of both the CoA and AEDA.

### Risk(s):

Where limited processes are in place to periodically review the adequacy of the total grant program, there is the risk that:

- The CoA does not have sufficient information to make changes or observe the results of changes to grant programs, resulting in a disconnect with community sentiments.
- As new grant programs are introduced, existing staff resources are unable to provide sufficient support.

### Recommendation(s):

It is recommended the CoA implement formalised procedures for periodically reviewing the total grant program of the CoA. This should include consideration of:

- Community needs and expectations.
- If the programs and funding allocations offered are sufficient.
- The organisational structure to manage grants.

### Agreed Management Actions

Currently, there are procedures in place, however these will be reviewed to consider:

- Community needs and expectations
- Funding allocations offered are sufficient
- Organisational structure to manage grants.

Each grant program will ensure procedures are reviewed and updated in promapp, linking these back to internal controls, with the assistance of the Risk & Audit Analyst in Governance.

**Responsibility:**

- Associate Director City Culture
- Associate Director Park Lands, Policy & Sustainability
- Managing Director AEDA

**Target Date:** 31 December 2024



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## Finding 3 – Inconsistencies in grant reporting

**Low**

### Finding(s)

The CoA does not have a formalised procedure in place to report on the grant programs and the associated results.

It was evidenced that the details on the current status of grant applications and grants being managed are provided to the Management and Council on an ad hoc basis. Currently, the following reporting activities are performed across the CoA:

- E-news is used by Arts & Culture, City Experience, Community Impact, and AEDA to annually inform the Elected Members of the grant program activities.
- AEDA also provides quarterly updates as part of the CoA Strategic Plan and AEDA Business Plan reporting processes.
- Formal reporting is conducted over the recommended grant applications for all the CoA programs to Council. Additionally, the report includes the overall status of the program.
- A summary of the budget spending is reported to the Council annually for Heritage Incentive Scheme.
- A monthly report is provided to the Associate Director of Park Lands, Policy, and Sustainability for the Sustainability Incentive Scheme.

It is observed that while all Grant Officers of the CoA grant programs report to Council annually when approvals of the recommended applicants are requested, there are inconsistencies in reporting pathways across the grant programs to perform e-news and dashboard reporting.

### Risk(s):

This may expose the CoA to the following risks:

- Lack of transparency and understanding by Council on the benefits of the grant programs.
- Lack of adequate reporting could cause difficulty in assessing the objectives of grants and improve grant policies and guidelines.

### Recommendations

Internal Audit recommends that the CoA develop a consolidated reporting structure, to keep the Council and ELT regularly informed of the grant activities. This should include:

- Implementing e-news and dashboard reporting for all grant programs.
- Defining the reporting frequency, format and key metrics to be provided to the Elected Members.

### Agreed Management Actions

1. The following actions will be taken by the CoA:
   - On 7 November 2023 at the City Community Services and Culture Committee, a Grants Workshop will be held which will seek advice from Council on the direction of grants going forward.
   - The workshop will reference the internal audit, its recommendation for consistency in reporting on funding programs across CoA and for an overarching policy, including e-news, dashboard reporting and report frequency, format and key metrics.

**Responsibility:** Associate Director City Culture

**Target Date:** 30 April 2024



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## Finding 4 – Review of approval pathways

**Low**

### Finding(s)

The approval pathways of the CoA grant programs are not aligned to the current Delegation of Authority (DoA) and inconsistencies are noted across AEDA funded programs.

### CoA Approval Process

Currently, the following approval of the CoA funding recommendations are in place:

- Quick Response Grants (<$2k) – approved by the Associate Director
- Major Rounds (between $2k to $10k) – approved by the CEO via a memo
- Major Rounds (>$10k) – approved by the Council.

However, the DoA allows Associate Directors to approve up to $250,000 and the CEO to approve up to $2m.

### AEDA Approval Process

For AEDA administered funding programs there are different approval pathways for different programs depending on historical practice, requirements for time-critical applications and the value of the funding allocation.

Currently, the following approval pathways are in place for AEDA programs:

- Mainstreet Funding Program - Approval sits at an Executive Manager Level where they must be satisfied that the acquittal process and application requirements have been addressed.
- Strategic Partnership Program - Applications are assessed by a panel with recommendations made to the AEDA Managing Director and approval granted by the AEDA Board.
- Events and Festivals Sponsorships include the following approval process:
  1. Assessments are undertaken by AEDA and CoA staff
  2. Applications are considered by an Advisory Panel made up of key representatives from both AEDA and the CoA
  3. Reviewed and approved by the Executive Manager of AEDA
  4. Reviewed and endorsed by the Managing Director of AEDA and AEDA Board
  5. Council provides final sign-off.

### Risk(s):

- There is a risk of duplication of effort, and inefficient use of resources.
- Different approval process may create confusion and a poor customer experience for AEDA and CoA grant applicants.

### Recommendation(s)

1. It is recommended that the CoA consider streamlining approval processes for all CoA grant programs with consideration of the current DoA.
2. Further, there is an opportunity to streamline AEDA related grants to operate within the delegated authority of the AEDA Board where deemed appropriate.

### Agreed Management Actions

The review of an overarching grants program is currently being formed into a workshop to go to Council later this year. This process will include an annual survey of all grant applicants across the CoA. This process will ideally occur each 4 years with the new Strategic Plan and can be written into the Grants Policy. Additionally the following actions will be taken by the CoA:

1. The Operating Guidelines under each grant program will be reviewed and updated to streamline the approval process as outlined in the audit findings for Sustainability (currently under review), Arts & Culture, Community Impact, City Experience, AEDA and Heritage.
2. The process and responsibilities for the approval of AEDA managed funding will be considered as part of the AEDA review implementation process.

### Responsibility:

1. a) Associate Director City Culture
   b) Managing Director AEDA
   c) Associate Director Park Lands, Policy & Sustainability
2. Managing Director AEDA

### Target Date:

1. 31 May 2024
2. 31 December 2024



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| PIO 1 – Defining a grant | | PIO |
|---|---|---|
| **PIO(s)**<br>There are a number of different funding programs in operation at the CoA which include, for example, Community Impact Grants, Events Sponsorship, and Heritage Incentives.<br>However, through stakeholder consultation, a clear definition of each funding program (grant, sponsorship, and incentives) was not consistently understood across the CoA. | **Recommendation(s)**<br>It is recommended that the CoA clearly define the different funding programs (i.e., grants, sponsorships, and incentives) in the overarching grant policy. See Finding 1. | **Agreed Management Actions**<br>On 7 November 2023 at the City Community Services and Culture Committee, a Grants Workshop will be held which will seek advice from Council on the direction of grants going forward. The workshop will address definition of grants and funding programs delivered by CoA. This will be defined in this Policy.<br><br>**Responsibility:** Associate Director City Culture<br>**Target Date:** 30 April 2024 |

| PIO 2 – Opportunity to debrief Elected Members of the annual grant management procedures | | PIO |
|---|---|---|
| **PIO(s)**<br>Elected Members play a key role as the final approvers of Council grants over $10k.<br>Annually, all CoA grant program (i.e., Arts & Culture, Sustainability, Community Impact, etc.) report to Elected Members on the recommended and not recommended applications. However, it is understood that there is an opportunity to further communicate the grant selection process undertaken to provide additional assurance to Elected Members of the rigour of the processes undertaken.<br>As noted in PIO 1, the AEDA Board is directly involved in the approval of several funding recommendations and the approval of criteria. However, it would be prudent for AEDA to consider how it regularly reports to Council on the outcomes of funding programs, therefore, this recommendation is specific to CoA approved grants. | **Recommendation(s)**<br>It is recommended that the CoA consider further opportunities to inform Elected Members as part of the assessment process to provide greater visibility of assessment decisions as they are made. | **Agreed Management Actions**<br>Organisations receiving funding through AEDA will be communicated to Council members via e-news and included in quarterly subsidiary reports to Council.<br><br>**Responsibility**: Managing Director AEDA<br>**Target Date**: 31 December 2023 |



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| PIO 3 – Opportunity to implement guidelines on panel compositions | | PIO |
|---|---|---|
| **PIO(s)**<br>Several funding programs (including Community Impact and AEDA) at the CoA use an evaluation panel to assess and evaluate applications for major grant funding rounds. These committees perform a critical function to ensure a robust and consistent process is in place to evaluate each grant application.<br>Formal guidance is not in place however to ensure an independent member is included on the composition for these evaluation committee. It is further noted each funding program has varied and changing panel members to assess different grant rounds.<br>Going forward, there is an opportunity for the CoA to update the operating guidelines to ensure independent representation on the evaluation committee. This would help to further bolster the probity and independence process during the grant evaluation and award process and integrate further subject matter expertise into the evaluation process. | **Recommendation(s)**<br>It is recommended the CoA consider:<br>1. Inclusion of guidelines on the use of panels and panel member composition, including an independent member representation, be updated in the overarching grant policy. See Finding 1. | **Agreed Management Actions**<br>On 7 November 2023 at the City Community Services and Culture Committee, a Grants Workshop will be held which will seek advice from Council on the direction of grants going forward. The workshop will reference the internal audit, and its recommendation for an overarching policy, with consideration to the use of panels, and panel member composition.<br>**Responsibility:** Associate Director City Culture<br>**Target Date:** 30 April 2024 |

| PIO 4 – Opportunity to update grant policy for previous grant recipients | | PIO |
|---|---|---|
| **PIO(s)**<br>Through our review of grant data and high-level review of composition of funding recipients, it was identified that out of 365 recipients in 2022/23 across different funding programs, 8 recipients were awarded funds more than once in the same funding round and 14 recipients were awarded funds from several different funding programs. Noting however, this was predominantly for different projects.<br>It was observed that the applicants who have not been acquitted for a previously awarded fund are automatically deemed as ineligible by SmartyGrants. However, under the CoA 's current Grant Policy formal guidance is not stated which prohibits applicants being ineligible to be awarded for more than one program in a financial year.<br>Going forward it would be recommended that the CoA consider opportunities to update this policy area in line with community sentiments and Elected Member feedback. This could include an opportunity to holistically review and consider if the recipient has already been awarded any CoA funding in the financial year utilising the SmartyGrant system. | **Recommendation(s)**<br>It is recommended that the CoA consider if the current policy is to be updated for consideration of the awarding of multiple grants to the same organisation in a financial year. This could consider:<br>1. Updating the grant guidelines to consider the awarding of multiple funds to a single recipient, including from different funding programs.<br>2. As part of the assessment process, consider if the recipient has already received CoA funding in the financial year. This could include annually tracking the awarding of funds to recipients. | **Agreed Management Actions**<br>On 7 November 2023 at the City Community Services and Culture Committee, a Grants Workshop will be held which will seek advice from Council on the direction of grants going forward. The workshop will reference the internal audit, and its recommendation for an overarching policy, with consideration to the awarding of multiple same grants to the same recipients.<br>**Responsibility:** Associate Director City Culture<br>**Target Date:** 30 April 2024 |



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# Appendices


**Appendices**

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# Appendix 1 - Status of FY20 Audit Actions

In line with the scope of the Internal Audit, the status of the FY20 Events Funding risk-rated findings were assessed.

| Ref. | Findings | Recommendations | Actions agreed | Internal Audit – Current Status Comments |
|---|---|---|---|---|
| 1 | **Inconsistency between systems used to manage funding programs across the CoA.**<br>***Rating (Medium).***<br>The CoA provides funding through various programs including grants, incentives and events and festivals sponsorship. The grants and incentives programs also include various categories such as major, minor and quick response grants within individual programs.<br>During our review, it was identified that the end-to-end funding process is managed through inconsistent systems and depending on the type of funding program. As a result, visibility across each program is decentralised and is required to be collated from multiple different sources.<br>Through stakeholder discussions it was advised that this inconsistency has been addressed as part of the Grant, Sponsorship and Incentives Management Business Case to implement a new grants management system that will centrally manage all funding programs across the CoA. | With the introduction of a new grants management system, the CoA should utilise the system to atomise workflows and develop:<br>1. A tailored application form with consistent questions (where applicable) for all funding programs. This form should be scalable based on the program and its priorities ensure a consistent customer experience when applying for funding.<br>2. A centralised register to record the status of al applicants and their applications such as a prior performance and funding eligibility.<br>3. Automated reporting to track approved funding and acquittals across all programs.<br>It is noted that the recommendations above can also be put in place without the implementation of a new grants management system. | 1. Agreed. The CoA will implement a tailored application form with consistent messaging and questions (where applicable) for all funding programs.<br>2. The CoA will investigate the use of a centralised register to record the status of all applications and include all relevant information regarding the performance and funding eligibility.<br>3. The CoA will investigate the use of automated reporting system to track approved funding and acquittals across all funding programs.<br>**Responsibility:** Manager City Wellbeing and Manager Visitor Growth<br>**Original due date:** 30 June 2021 | ***In progress.***<br>1. It was advised that the application forms do not have consistent wording of similar messaging across all grant applications. For further details see Finding 2.<br>***Closed.***<br>2. The CoA implemented a new system 'SmartyGrants' to manage grants. The centralised system records and continuously updates the status of all applications across different grant programs.<br>3. SmartyGrants supports the implementation of this action by generating reports which include a list of successful applicants and their acquittal status. |



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# Appendix 1 - Status of FY20 Audit Actions

| Ref. | Findings | Recommendations | Actions agreed | Internal Audit – Current Status Comments |
|---|---|---|---|---|
| 2 | **Limitations identified with the acquittals process.**<br>***Rating (Medium)***<br><br>The acquittals process is highly manual in nature, creating limitations for tracking and monitoring the completion of acquittal reports post-event.<br><br>All successful applications are required to acquit post –event on outcomes elating to their event or festival using the CoA's acquittal report template. The acquittal report must be provided within 6 to 8 weeks rom the conclusion of the event or festival depending on the funding program. Applicants who do not complete and return an acquittal report are ineligible for future funding.<br><br>For all grants programs, acquittals ae manually monitored in a Microsoft Excel Spreadsheet by a CoA staff member. Currently, there are no automatic workflow to notify staff when an event is overdue. For event and festival sponsorships, it was identified that due date reminders are created in Microsoft Outlook and a separate spreadsheet is also used to manually track and monitor acquittals status. | 1. With the introduction of a new grants management system, it is recommended that the CoA:<br>a) Utilise the system to automate acquittal workflows<br>b) Investigate whether acquittal reminders can be sent automatically to event organisers<br>c) Develop alerts and system flags for staff that notifies when an acquittal is required to be completed or when an acquittal is overdue.<br><br>It is noted that the recommendations above can be put into place through SharePoint monitoring and other IT resources, without the implementation of new grants management system.<br><br>2. Additionally, the CoA should review the Grants Acquittal and Evaluation Form to refine the questions to ensure information received enables an effective assessment of event funding criteria. Subsequent to these updates, the CoA should also consider opportunities to perform a holistic year-end review of all acquittal reports for Major Grants funding categories to assess the key outcomes and benefits received. | 1. The CoA will investigate and implement an automated acquittal workflow, including automated reminders to applicants and flag funding program when an acquittal is due or overdue.<br><br>2. Improvements to the Grants Acquittal and Evaluation Form will be included in a review of grants management and processes, including consideration of a holistic year-end review of all acquittal reports for Major Grants. | ***Closed.***<br>1. It was evidenced that acquittal workflow is automated in SmartyGrants. Further, it was noted that the system allows the Grant Coordinators to flag overdue acquittals and automates notifications of the due date.<br>2. All acquittals and year-end surveys are reviewed and the feedback is utilised for annual review of the grant programs and guidelines. |



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# Appendix 1 - Status of FY20 Audit Actions

| Ref. | Findings | Recommendations | Actions agreed | Internal Audit – Current Status Comments |
|---|---|---|---|---|
| 3 | **Events cost benefit analysis**<br>***Rating (Low).***<br>A cost versus benefit analysis is not performed over the benefits provided directly to the CoA (as an organisation) across the overarching Events and Festivals Sponsorship portfolio. In return for funding provided by the CoA a number of benefits including advertising ad publicity (e.g. inclusion of U-Park parking information and acknowledgement of the CoA via social media) is included under each of the Events and Festivals funding agreements. | 1. The CoA should implement a year-end cost benefit analysis over the overarching Events and Festivals Sponsorship portfolio.<br>2. Additionally, the CoA should ensure that any lessons learn rom informal operational meetings with event organisers are fed back to the annual Advisory Panels. | 1. The CoA will investigate and implement the most appropriate method to introduce a cost benefit analysis with a view to help inform future funding recommendations.<br>2. The information provided to Advisory Panel members will be reviewed, and will consider opportunities to share lessons learned for panel meeting discussion. | 1. The following cost-benefit analysis methods have been implemented by the CoA:<br>• **Events and Festival Sponsorship Program:** SmartyGrants is used to capture data in relation to visitations, economic benefit and visitor bed night etc. SmartyGrants creates reports and summarises the total return/benefit on the investment.<br>• **Individual Events:** the CoA negotiates tailored rights and benefits in return for their investment for branding and marketing. Due to the variable nature and scope of events, the varying levels of investment, and the variations in priorities, it is not practical to compare the rights and advantages on an equal footing between events. Thus, the benefits derived in exchange for CoA's investment varies for each event.<br>2. An annual review of the overarching suite of possible rights and benefits was undertaken in the last 2 years with the marketing team. However, it was determined that this activity is not to be scoped for the purpose of informing future funding recommendations. Instead, a representative of the CoA events team is part of the Advisory Panel for the purpose of contributing insights, knowledge, advice and lessons learnt to panel discussions. |
| 4 | **Documentation of events requires improvement**<br>***Rating (Low).***<br>Event funding documentation retention is performed inconsistently across the CoA. It was noted that the overall records management at the CoA was performed well, and the majority of documentation requested was provided for eight of the nine events sampled. | 1. The introduction of a new grants management system.<br>2. As part of the acquittals process, CoA revise its documentation checklist.<br>3. Reinforce the documentation and record keeping requirements with all relevant staff. | 1. As part of the implementation of a new grants management system, the CoA will investigate the ability to store records for each application.<br>2. Grants Programs will assess the introduction of a documentation checklist to be completed post-event.<br>3. The Events and Festivals Sponsorship Program will revise its existing documentation checklist and continue to track progress throughout the year.<br>4. Training for all relevant staff will be conducted to ensure consistency of record and file note keeping. | ***Closed.***<br>1. It was evidenced that the new grants management system 'SmartyGrants' has the ability to store all documents related to an application.<br>2. An acquittals checklist was evidenced.<br>3. An onboarding training was conducted prior to implementing SmartyGrants, which included an introduction to the record keeping features. |



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# Appendix 2 - Process Summary

A summary of grant management processes across CoA has been outlines in the table below:

| Categories | Type | Operating Guidelines | Application Forms | Level of Approvals | Reporting | Applications open during Care Taker period in FY22-23. | FY23 Budget |
|---|---|---|---|---|---|---|---|
| **Sustainability** | Incentive | • Public facing guidelines<br>• No internal operating guidelines | • Application form and request for a pre-commitment<br>• Entering into a contract or paying 10% deposit<br>• Rebate payment | Not documented. It was advised that approval is at Manager or senior officer level. | • Monthly reports to Associate Director<br>• Ad-hoc E-News to Council and biannual review of the SIS including report to Council. | Yes | $240,000 |
| **Arts & Culture** | Grant | • Public facing guidelines<br>• Internal operating guidelines<br>• Roles & Responsibilities | Standard application via SmartyGrants | • Quick response grant (up to 2k): Associate Director<br>• Major Rounds (up to 10k): CEO<br>• Major Rounds (above 10k): Council | E-news and The Next Edition | No | $701,000 |
| **Community Impact** | Grant | • Public facing guidelines<br>• Internal operating guidelines | Standard application via SmartyGrants | • Quick response grant (up to 2k): Manager<br>• Major Rounds (up to 10k): CEO<br>• Major Rounds (above 10k): Council | E-news and The Next Edition | No | $760,000 |
| **City Experience** | Incentive | • Public facing guidelines<br>• Internal operating guidelines | Standard application via SmartyGrants | • Major Rounds (up to 10k): CEO<br>• Major Rounds (above 10k): Council | E-news and The Next Edition | No | $446,000 |
| **AEDA** | Sponsorship | • Internal operating guidelines<br>• Public facing guidelines | Standard application via SmartyGrants (includes a Contract template, for long term sponsorships) | • Approval process varies as per each funding program. Refer to Finding 4 for additional details. | • E-news and quarterly reporting<br>• Annual AEDA and CoA reports | Yes | $5,044,000 |
| **Heritage** | Incentive | • Internal operating guidelines<br>• Public facing guidelines | Application via Heritage Website | • Funding up to 50k: CEO (delegation and sub-delegation)<br>• Funding above 50k: Council | Annual E-News updates to the Council | Yes | - |



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# Appendix 3 - Stakeholders Consulted

The table below outlines all personnel who were involved in discussions and contributed to the outputs of this engagement.

| Personnel | Role |
|---|---|
| Christine Sutcliffe | Team Leader Partnerships & Relationships |
| Elizabeth Jilbert | Coordinator, Grants Program & Community Impact |
| Felicity Edwards | Strategic Project Lead City Culture |
| Greg Ratch | Managing Director AEDA |
| Jennifer Kalionis | Associate director City Culture |
| Logan Macdonald | Team Leader Arts & Culture |
| Malia Wearn | Coordinator, Art & Culture Development |
| Megan Schartner | Sustainability Coordinator |
| Natali Rojas Palacio | Project Leads Partnerships and Projects |
| Paula Stankiewicz | Events Sponsorships & Attraction Advisor |
| Rachel Emmott | Manager, City Lifestyle |
| Simon Weidenhofer | Senior Heritage Architect |
| Thomas Beales | Team Leader, Community Wellbeing |



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# Appendix 4 - Classification of Internal Audit Findings

The following framework for internal audit ratings has been developed and agreed with the CoA's Management for prioritising internal audit findings according to their relative significance depending on their impact to the process. The individual internal audit findings contained in reports will be discussed and rated with the CoA's Management.

| Rating | Definition | Examples of business impact | Action(s) required |
|---|---|---|---|
| **Extreme/Critical** | Issue represents a control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability to achieve process objectives. | • Detrimental impact on operations or functions.<br>• Sustained, serious loss in reputation.<br>• Going concern of the business becomes an issue.<br>• Decrease in the public's confidence in the CoA.<br>• Serious decline in service/product delivery, value and/or quality recognised by stakeholders.<br>• Contractual non-compliance or breach of legislation or regulation with litigation or prosecution and/or penalty.<br>• Life threatening. | • Requires immediate notification to the CoA Audit Committee via the Presiding Member.<br>• Requires immediate notification to CoA's Chief Executive Officer.<br>• Requires immediate action planning/remediation actions. |
| **High** | Issue represents a control weakness, which could have or is having major adverse effect on the ability to achieve process objectives. | • Major impact on operations or functions.<br>• Serious diminution in reputation.<br>• Probable decrease in the public's confidence in the CoA.<br>• Major decline in service/product delivery, value and/or quality recognised by stakeholders.<br>• Contractual non-compliance or breach of legislation or regulation with probable litigation or prosecution and/or penalty.<br>• Extensive injuries. | • Requires immediate CoA Director notification.<br>• Requires prompt management action planning/remediation actions. |



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# Appendix 4 - Classification of Internal Audit Findings (continued)

| | | | |
|---|---|---|---|
| **Moderate** | Issue represents a control weakness, which could have or is having a moderate adverse effect on the ability to achieve process objectives. | • Moderate impact on operations or functions.<br>• Reputation will be affected in the short term.<br>• Possible decrease in the public's confidence in the CoA.<br>• Moderate decline in service/product delivery, value and/or quality recognised by stakeholders.<br>• Contractual non-compliance or breach of legislation or regulation with threat of litigation or prosecution and/or penalty.<br>• Medical treatment required. | • Requires CoA Director and/or Associate Director attention.<br>• Requires short-term management action. |
| **Low** | Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives. | • Minor impact on internal business only.<br>• Minor potential impact on reputation.<br>• Should not decrease the public's confidence in the Council.<br>• Minimal decline in service/product delivery, value and/or quality recognised by stakeholders.<br>• Contractual non-compliance or breach of legislation or regulation with unlikely litigation or prosecution and/or penalty.<br>• First aid treatment. | • Timeframe for action is subject to competing priorities and cost/benefit (i.e. 90 days). |



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# Appendix 5 - Disclaimers

### Inherent Limitations

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# Review of Confidentiality Orders

**Friday, 10 November 2023**
Audit and Risk Committee

Strategic Alignment - Enabling Priorities

**Program Contact:**
Alana Martin - Manager Governance

Public

**Approving Officer:**
Michael Sedgman - Chief Operating Officer

## EXECUTIVE SUMMARY

The Chief Executive Officer identified a requirement to review the confidentiality orders across Council documents, including the process and decision-making of placing documents in confidence.

The internal audit identified five moderate and one low risk rated findings, plus six improvement opportunity findings.

Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, effectively, and to advise how it can improve performance.

## RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided as Attachment A to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.
2. Endorses the responses of the Administration to the Review of Confidentiality Orders as outlined in Attachment A to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.

# IMPLICATIONS AND FINANCIALS

| | |
|---|---|
| City of Adelaide 2020-2024 Strategic Plan | Strategic Alignment – Enabling Priorities<br>Internal audit is an essential component of a good governance framework. It enables Council to ensure it is performing its function legally, effectively and efficiently. |
| Policy | Development of the Public Transparency Policy. |
| 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 | Internal audits suggest a range of improvement opportunities related to the area being reviewed, enhancing functions and services and aligning Council processes to best practice standards. |
| 23/24 Budget Allocation | Budgetary requirements will be dependent on the outcomes of the investigation of use of technology to support confidentiality order reviews. |
| Proposed 24/25 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 |
| 23/24 Budget Reconsideration (if applicable) | Not as a result of this report |
| Ongoing Costs (eg maintenance cost) | Not as a result of this report |
| Other Funding Sources | Not as a result of this report |

# DISCUSSION

**Background**

1. The Review of Confidentiality Orders was conducted by BRM Advisory.

**Report**

2. This audit was identified by the Chief Executive Officer, who requested a review of the confidentiality orders process to ensure good governance, accountability and transparency in decision-making.

3. The objective of this review was to:

   3.1. Assess Council's policies and procedures in accordance with the *Local Government Act 1999 (SA).*

   3.2. Compare Council's policies and procedures in managing Confidentiality Orders against best practice.

   3.3. Assess Council's performance in the management of confidential orders since 2018.

   3.4. Identify any opportunities for improvement.

   3.5. Provide a draft Public Transparency Policy.

4. The findings of the internal audit are indexed into the following risk ratings:

| Finding | Risk Rating |
|---|---|
| Adopt a Public Transparency Policy to guide decision making practices | Moderate |
| Improved documentation of the reasons for retaining or extending confidential items | Moderate |
| Develop guidelines explain how 'commercial advantage' and 'commercial information' as ground for confidentiality are to be applied | Moderate |
| Provide further guidance and training to report authors about the presentation of reports and attachments to minimise the information that needs to be considered in confidence | Low |
| Apply clear and specific triggers for releasing items from confidence | Moderate |
| Undertake regular training with report authors to build consistent expectations and practice | Moderate |
| Use two reports – one for the public elements of a decision and another for only the confidential elements | Improvement Opportunity |
| Careful consideration of how reports and attachments are presented – redact, separate or de-identify | Improvement Opportunity |
| Provide clear and specific reasons for applying confidentiality | Improvement Opportunity |
| Provide clear and specific triggers for releasing information from in confidence | Improvement Opportunity |
| Use technology to support the period review of Confidentiality Orders | Improvement Opportunity |
| Continuous Improvement and Training | Improvement Opportunity |

5. Management have considered the findings and provided actions and time frames to address these findings.

# ATTACHMENTS

**Attachment A** – Review of Confidentiality Orders

- END OF REPORT -

# City of Adelaide
# Review of Confidentiality Orders

August 2023 (DRAFT 1.2)





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# Introduction

**The City of Adelaide (CoA) engaged BRM Advisory to undertake an independent review their policies and practices related to the use of Confidentiality Orders.**



Good governance in local government requires accountability and transparency in decision-making. A key element to transparency is that the community have access to Council Meetings, Agendas and Minutes.

CoA commissioned this independent review with the scope and objectives of:

- Assessing council's current policies, procedures, and guidelines in managing Confidentiality Orders in accordance with the Act. This includes the entirety of the order, from the recommendation to Council or Committee and the revocation/release of the order;
- Comparing council's current policies, procedures, and guidelines in managing Confidentiality Orders against industry best practice;
- Assessing council's performance in the management of confidential orders since 2018;
- Identifying any opportunities to improve the way in which Confidentiality Orders are managed; and
- Providing a pro-disclosure model for the Council.

The review methodology included the analysis of information from a number of sources, including:

- The *Local Government Act 1999* and the equivalent Acts governing the use of confidentiality by councils in other jurisdictions;
- Annual Report data published by CoA and other selected South Australian councils and the City of Melbourne;
- The outcomes of an internal audit of CoA's confidential items undertaken by KPMG in 2016;
- Current polies, procedures and practices adopted by CoA and comparison councils;
- Reports published by the Office of the South Australian Ombudsman; and
- Best practice guidelines prepared by State and local governments nationally.

This report summarises the findings and conclusions of the review and provides a series of recommendations for the CoA to improve its practice and performance and further demonstrate its commitment to accountability and transparency.

**Summary of Recommendations**

Recommendation 1: Adopt a Public Transparency Policy to guide decision making and practice.

Recommendation 2: Improved documentation of the reasons for retaining or extending confidential items.

Recommendation 3: Develop guidelines explaining how 'commercial advantage' and 'commercial information' as grounds for confidentiality are to be applied.

Recommendation 4: Provide further guidance and training to report authors about the presentation of reports and attachments to minimise the information that needs to be considered in confidence.

Recommendation 5: Apply clear and specific triggers for releasing items from confidence.

Recommendation 6: Undertake regular training with report authors to build consistent expectations and practice.

# South Australian Legislation

**Chapter 6 of the Local Government Act 1999 ('the Act') sets out the arrangements for council and committee meetings, which reflect the principles of participation, openness and accountability.**

**The Act also provides councils with the flexibility and discretion to exclude the public when it is deemed necessary and appropriate to do so within the limits outlined in the Act.**



The objects of the Act speak of 'encouraging the participation of local communities in the affairs of local government' and 'ensuring the accountability of councils to the community'. The principles to be observed by a council include 'providing open, responsive and accountable government' and 'achieving and maintaining standards of good public administration'.

Meetings of councils and committees are to be held in public, except where prescribed circumstances apply, and a council or committee can order that the public be excluded.

There are limited circumstances in which a discussion or document considered in a council or committee meeting can be kept confidential. The council or committee must be satisfied that one or more of the grounds specified in Section 90(3) applies and that it is reasonable and necessary to exclude the public:

- personal affairs
- commercial advantage
- trade secret
- commercial information of a confidential nature
- matters affecting security and safety
- prejudice the maintenance of law
- ensure council does not breach any law
- legal advice
- information relating to litigation
- confidential information of a public authority or official
- tenders
- amendment of a designated instrument under the *Planning, Development and Infrastructure Act 2016*
- review of a determination of a *Freedom of Information Act* 1991
- proposed award recipient

The CEO may, after consultation with the principal member or presiding member, indicate that a document or report, if the council or committee determines, be considered in confidence. The CEO must specify the clear reasons under the Act for such as order to be made.

A council or committee may order that a matter considered in confidence be kept in confidence for a specified duration. Any orders operating for 12 months or more must be reviewed at least once in every year.

There are certain matters that a council or committee cannot order be kept in confidence:

- Remuneration or conditions of service of a council employee (once remuneration or conditions have been set)
- The identity of a successful tenderer and the reasons the successful tenderer was selected
- The amount or amounts payable by council under contract for the supply of goods or provision of services (once the contract has been entered into by all parties)
- The identity of land that has been acquired or disposed of by council and the reasons for its acquisition or disposal.

# Interstate Legislation

**An analysis of the legislation applying in each Australian State has been undertaken to compare South Australia's current framework for holding closed meetings and retaining information in confidence.**

While each jurisdiction has a presumptive bias towards openness, the ability to close all or part of a meeting to discuss a matter in confidence is common across local government nationally. The circumstances and procedures are nuanced in each State, but in all cases the appropriate grounds for closing a meeting are prescribed and the reasons must be documented in the minutes with varying degrees of detail and specificity. The prescribed grounds are reasonable consistent nationally, with personal affairs, commercial advantage, confidential commercial information / trade secret and legal matters being most prevalent.

Each state also prescribed certain information that must not be retained in confidence, most often relating to tendering, contracts and property transactions.

Most notably, South Australia has the most robust framework in place for recording, reviewing and reporting on matters retained in confidence, and is presently the only State where these are all mandatory practices.

| | SA | Vic | NSW | QLD | WA | Tas |
|---|---|---|---|---|---|---|
| Ability to close a meeting to the public | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Prescribed grounds for closing a meeting | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Ability to make decisions in a closed meeting | ✓ | ✓ | 1 | 2 | ✓ | ✓ |
| Register of confidential items required | ✓ | 3 | ✗ | ✗ | ✗ | ✗ |
| Regular review of confidential items required | ✓ | 3 | ✗ | ✗ | ✗ | ✗ |
| Report on number of confidential items required (Annual Report etc) | ✓ | 4 | ✗ | ✗ | ✗ | ✗ |

1. Decisions made by NSW councils in a closed meeting must be released as soon as practicable following the meeting.
2. QLD councils may only pass procedural motions in a closed meeting. All other decisions must be made in public.
3. Victorian councils are not required to maintain a register of or regularly review confidential items. Some councils have adopted this practice under their Public Transparency Policy.
4. Victorian councils are required to report annually on the percentage of resolutions made at a closed meeting. South Australian councils report on the total number of matters considered in confidence.

# City of Adelaide

**As a Capital City, the City of Adelaide has a unique operating environment in local government in South Australia.**

It can be reasonably expected that the different activities and discussions of the CoA Council and Committees may increase the need to use the confidentiality provisions under the Act, compared to other councils.

There are key factors that influence the number and nature of matters that are considered and retained in confidence under the Local Government Act 1999:

- Significant land holdings, leases and licences
- Development projects – deeds, contracts and agreements
- Significant business activities – commercial strategic directions
- Number of subsidiaries
- Litigation arising from complex commercial and contractual matters and planning decisions
- Intergovernmental relationships – Capital City Committee
- Large organisation with an employee headcount of approximately 995*, including labour hire staff

Historical practices relating to Confidentiality Orders have also influenced the number of matters remaining on the CoA confidential items register. Notwithstanding these influencing factors, for the purposes of this review, data from the CoA has been compared to data from South Australia's larger metropolitan councils. Comparisons include the number of matters dealt with in confidence, the grounds that have been relied up on the most under the Act to move into confidence – commercial advantage, commercial information and litigation. Data has been sourced from the published Annual Reports of each council.

Comparisons with interstate councils is difficult as most jurisdictions do not need to report this information, or it is reported using different metrics. For example, Victorian councils report the number of confidential items as a percentage of the total items considered in a reporting period. However, data has been sourced from the City of Melbourne to provide some level of interstate comparison.

*2021-22 City of Adelaide Annual Report

# Council Comparison – Confidential Items

**Figure 1 shows the total number of confidential items considered by a sample of metropolitan councils in the past three financial years.**

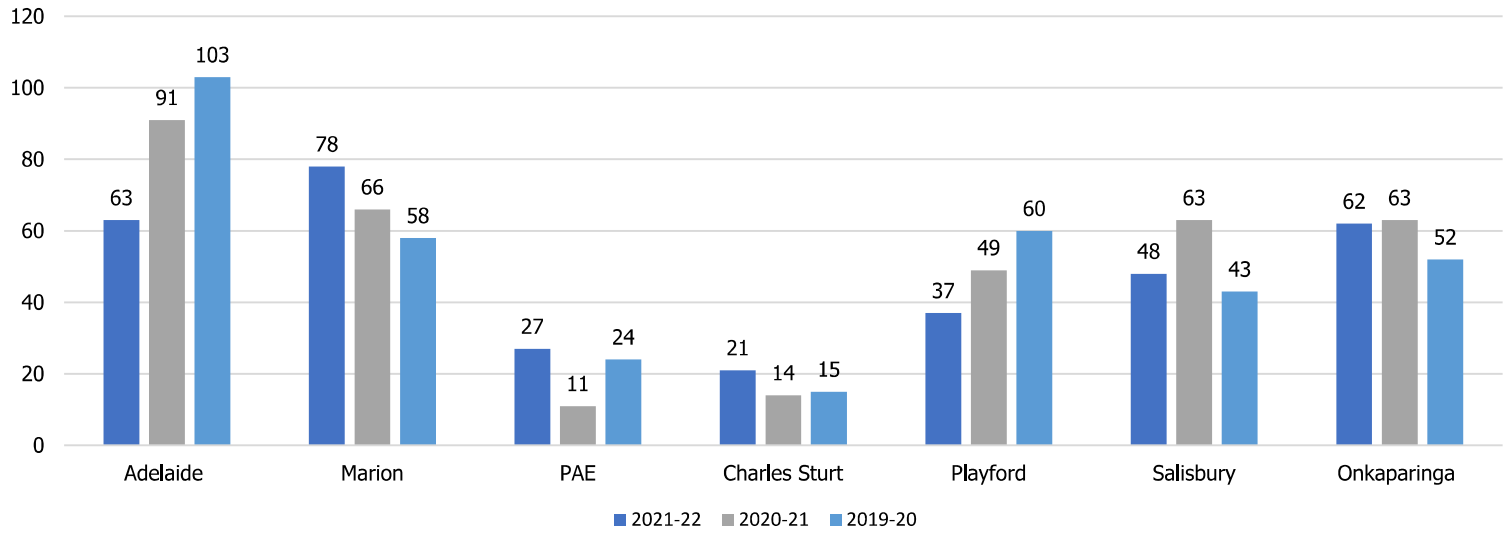
The total number of items considered in confidence by the CoA has decreased by approximately 39 percent across the past three reporting periods.

The 2021-22 figures from CoA are more consistent with the number of confidential items considered by some large metropolitan councils in peak years.

Other larger councils such as Port Adelaide Enfield (PAE) and Charles Sturt have maintained consistently lower numbers of confidential items. This could be a matter of practice, circumstance or both.

There are no consistent trends shown in the data in terms of the total number of confidential items across the three reporting periods. The number is more likely influenced by the nature of the specific matters a council is dealing with in any given year rather than any sector wide trends, regulatory changes or external factors.

Figure 1 - Total Items Considered in Confidence



# Council Comparison – Retained in Confidence

**Figure 2 compares the total number of Confidentiality Orders that remain in operation at the sample councils across three reporting periods.**

While Figure 2 shows the number of items retained in confidence marginally increasing across most comparison councils, the number of operative orders at CoA remains considerably higher.

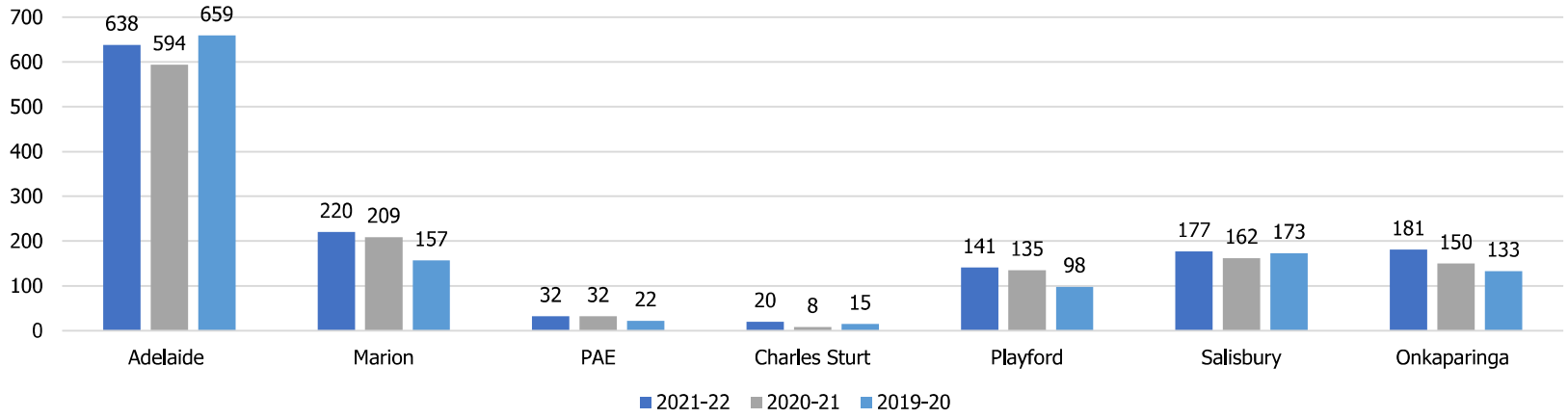
Items of the confidential register date back to 2010-11 and 319 items have been on the register for over 5 years.

BRM Advisory has not reviewed each item remaining on the register to form a view on whether the grounds for confidentiality continue to apply. However, this comparison shows this is a potential area of focus for CoA.

City of Adelaide - Operative
Confidential Orders from each year

| | |
|---|---|
| 2010-2011 | 4 items |
| 2011-2012 | 15 items |
| 2012-2013 | 20 items |
| 2013-2014 | 40 items |
| 2014-2015 | 37 items |
| 2015-2016 | 39 items |
| 2016-2017 | 81 items |
| 2017-2018 | 83 items |
| 2018-2019 | 83 items |
| 2019-2020 | 95 items |
| 2020-2021 | 80 items |
| 2021-2022 | 61 items |

Figure 2 - Confidentiality Orders Remaining Operative



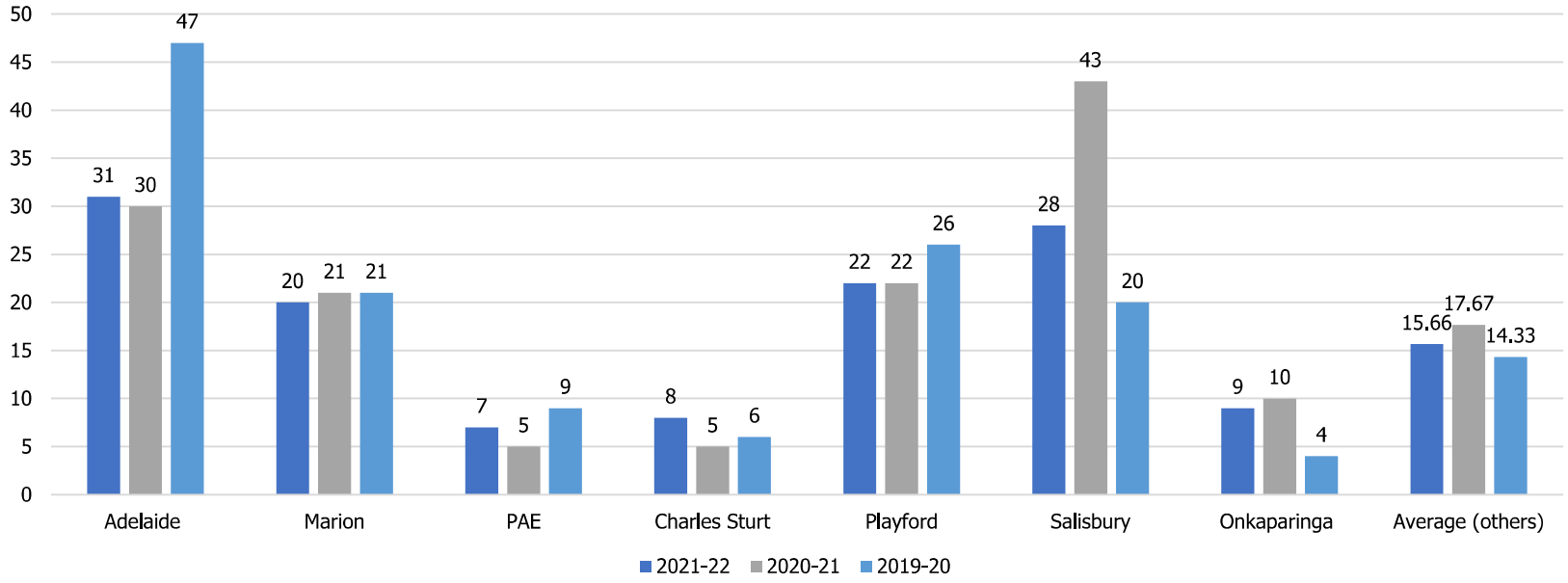
# Council Comparison – Commercial Advantage

**A matter can be dealt with in confidence if it could be reasonably be expected to confer a commercial advantage on a person with whom the council is conducting businesses and disclosure would be contrary to the public interest.**

Figure 3 compares the use of 'commercial advantage' (s.90(3)(b)(i)(ii)) as a grounds for excluding the public. CoA typically relies of this provision at least twice as often as the average of sample comparison councils.

The number of times this provision has been used by CoA has reduced over the past three years but remains consistently higher than other councils. This is likely due, in large part, to the nature of decisions made by the CoA regarding property development, leases and other commercial undertakings.

Figure 3 - Use of s90(3)(b) (i) and (ii)



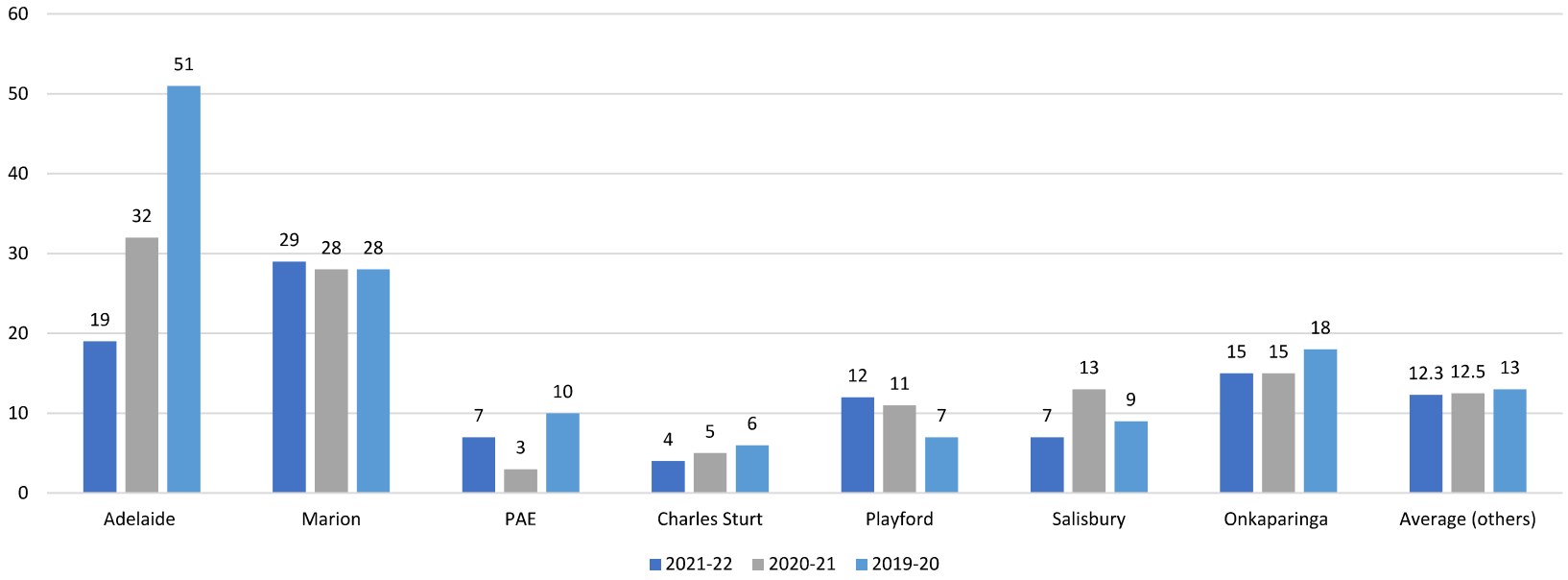
# Council Comparison – Commercial Information

**A matter can be dealt with in confidence if the disclosure of commercial information 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 the disclosure would be contrary to the public interest.**

Figure 4 compares the use of 'commercial information' (s.90(3)(d)(i)(ii)) as a grounds for excluding the public. CoA typically relies of this provision more than most comparison councils, with exceptions in some years.

The number of times this provision has been used by CoA has reduced by approximately 62 percent over the past three years, to a level that is comparable with some other large metropolitan councils. It is unclear whether this is due to a change in practice, or due to a change in the nature of the decisions being considered by council and committees.

Figure 4 - Use of s90(3) (d) (i) and (ii)



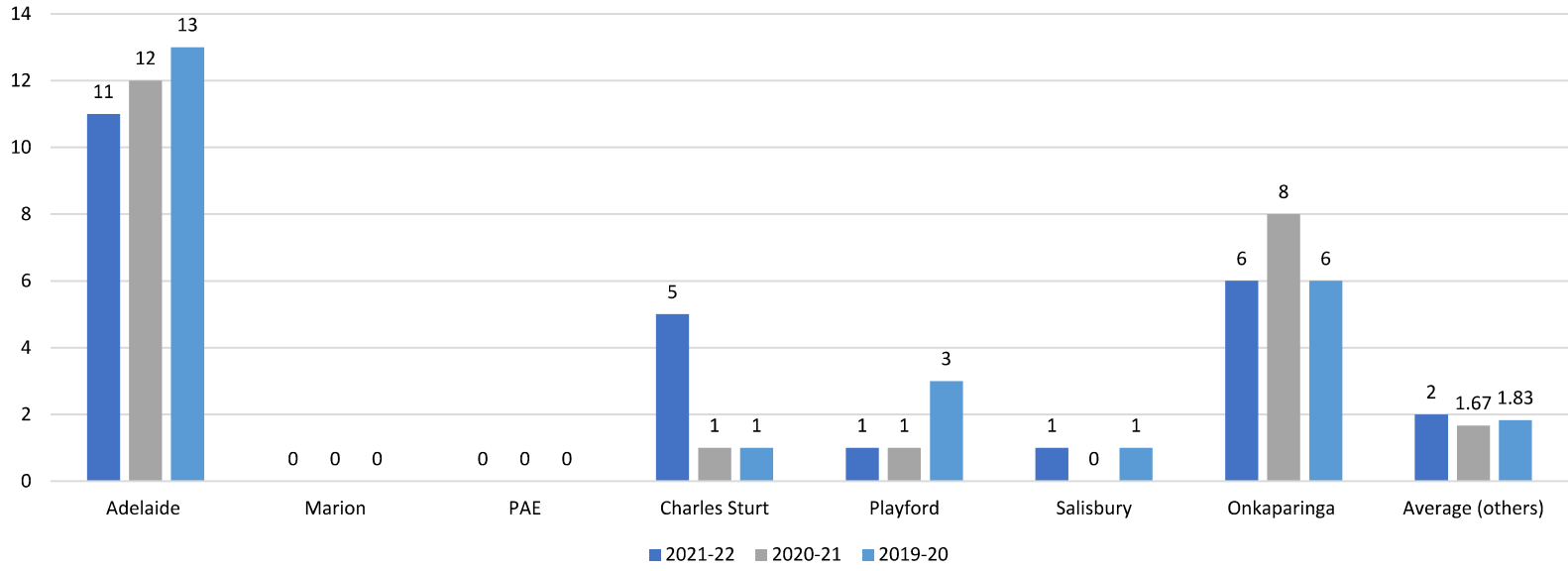
# Council Comparison – Litigation

**A matter can be dealt with in confidence if the information relates to actual litigation, or litigation that the council or committee believes on reasonable grounds will take place, involving the council or an employee of the council.**

Figure 5 compares the use of 'litigation' (s.90(3)(i)) as a grounds for excluding the public. It shows the CoA consistently relies on this provision more than the other sample councils. This could reasonably be expected due to the complex nature of CoA's operations.

The use of this provision by CoA has remained consistent across the past three years. Other councils have experienced spikes where this provision is used more times than the average, indicating that the use of the provision reflects that nature of the decisions being made by councils within a particular year rather than any sector-wide trends.

Figure 5 -Use of s90(3)(i)



# Capital City Comparison

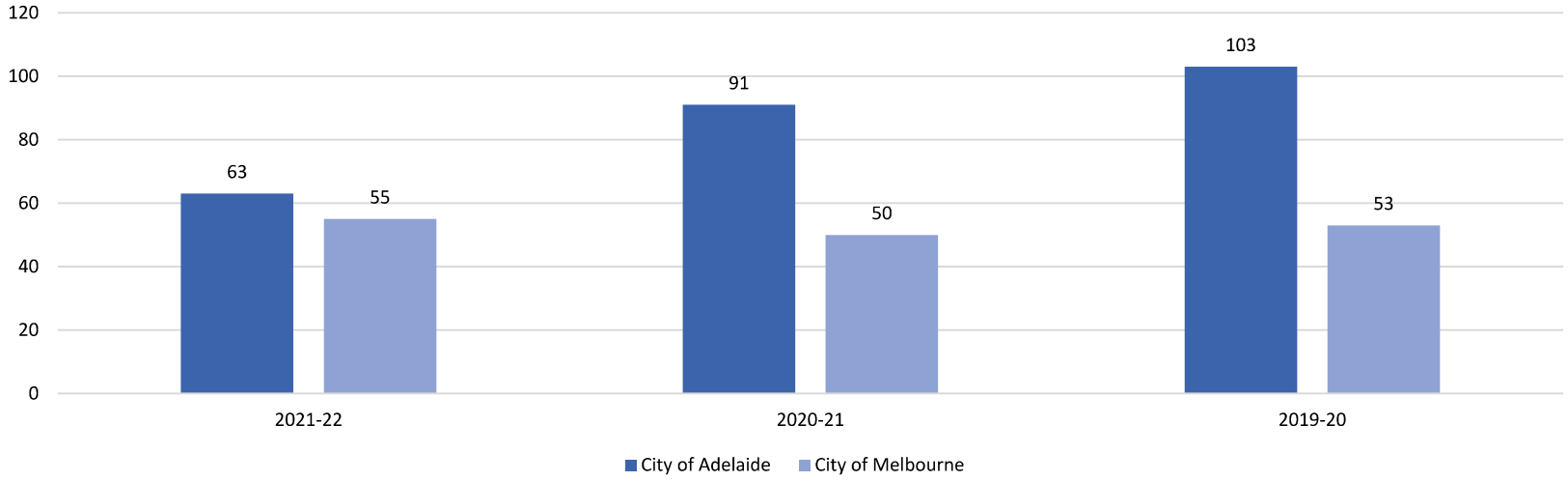
**The City of Melbourne is the only other State Capital to publish in its Annual Report the total number of decisions made in closed meetings each financial year.**

Figure 6 compares shows the number of decisions made in a closed meetings compared to the City of Melbourne across the past three reporting periods. The number of decisions made in confidence by the City of Melbourne has remained consistent, while CoA has recorded a significant decrease across the same period. Despite the decrease recorded by CoA, the number of decisions made in closed meetings remains higher than the City of Melbourne.

Without detailed analysis of individual decisions, it is difficult to draw any informed conclusions about performance from this comparison. While CoA has made more decisions in closed meetings, it does not necessarily follow that this was not necessary and appropriate in accordance with the Act.

In undertaking this review, we have noted that councils in Victoria and the Northern Territory, and some South Australia council, report the number of confidential decisions as a percentage of the total decisions made in the course of the year. This is considered to be a more meaningful measure as it provides greater context than the number of decisions alone. CoA should consider reporting on this basis in future Annual Reports.

Figure 6 - Number of decisions made in closed meeting



# Performance Assessment - KPMG Audit

**KPMG completed an internal audit of City of Adelaide Confidentiality Orders in 2016 and made seven 'low rated' findings. A low rated issue 'represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives'.**

**This review has considered the extent to which these findings have been addressed by CoA.**



### KPMG Finding 1: Inconsistency in the detail of the review comments – not enough detail / commentary to support recommendation to retain / extend etc.

BRM Advisory has considered the information presented to council when an extension of a Confidentiality Order is sought. While justification is provided for each item, the level of detail in the commentary remains limited. Further commentary about the reasons that release would be contrary to the public interest would provide greater transparency and support robust decision making.

CoA has a well-documented procedure in place for undertaking a periodic (six-monthly) internal review of Confidentiality Orders, which requires the relevant Officers to provide reasons why an Order should be retained/revoked/extended etc. Officers could be provided with further guidance on the level of detailed required in their commentary to meet the intent of the Act.

### KPMG Finding 2: Orders lack sufficient explanation in their requests for confidentiality.

CoA has adopted an internal Operating Guideline to assist report authors to submit reports and recommendations to Council and Committees, including where a recommendation of confidentiality is required.

The guideline provides 'Plain English and thorough explanations of why the matter needs to be considered/discussed in confidence' as a key principle.

A review of Council Meeting Agenda and Minutes over the past 18 months has shown a reasonable level of detail is provided in the 'Exclusion of the Public' covering report documenting the relevant grounds and specific reasons for a Confidentiality Order to be made. This report also provides an explanation of how the 'public interest' test has been applied on a case-by-case basis.

### KPMG Finding 3: Potential over reliance on Section 90(3) (b) and (d) as reasons for confidentiality

Over the past 3 reporting periods s.90(3)(b) or 'commercial advantage' has been used 108 times as grounds to exclude the public and s.90(3)(d) 'commercial information' has been used 102 times. Over 40% of Confidentiality Orders made by CoA are on at least one of these grounds. While it is likely that commercial in confidence is the underlying reason for confidentiality in most cases, there could be a perception that it is being automatically applied to certain items such as leases or other property matters.

Each item should continue to be considered on a case-by-case basis and these grounds should only be used where it can be clearly demonstrated that public release of the information would be contrary to the public interest. There should be an overriding presumption towards openness, which could be supported by guidelines providing examples of when these grounds should and should not be used in principle.

# Performance Assessment - KPMG Audit

**KPMG Finding 4: No indication of orders that contain information that require permission before release.**

In their Audit Report, KPMG note that this finding creates a risk that a Confidentiality Order could be revoked without the prior permission of a third party if it is not well documented that the release of the information involves consideration by a third-party.

Documentation provided by CoA demonstrates that this finding has been addressed and consideration of third-party permissions forms part of the periodic review of each Confidentiality Order.

**KPMG Finding 5: Inconsistencies in the degree that orders are broken down for revoking – some items being held in their entirety for longer than necessary – more items could be partially released.**

Council's internal procedures and guidelines prompt reviewers to consider the partial release of information in circumstances where an item cannot be revoked in its entirety due to ongoing grounds for confidentiality.

A review of the CoA Confidential Items Register confirms that partial release of items, where appropriate, is now an established practice.

**KPMG Finding 6: Extended publication dates – not always well indicated why an item needs to be retained for longer than the standard 7-year period.**

The KPMG Audit notes that there may be compelling reasons for an item to be retained in confidence for longer than 7-years, but these reasons must be well documented.

As previously noted, the level of detail provided in the commentary when an order is reviewed is quite limited. The process could be enhanced by Officers providing more detailed commentary when an Order is proposed to be retained or extended. The commentary needs to demonstrate in clear terms how the item has been reviewed, the factors that have been considered and the reasons the grounds for confidentiality continue to apply.

**KPMG Finding 7: Consider utilising MS Excel instead of MS Word to create the register of confidential items.**

This finding was made on the basis that an Excel spreadsheet would have better functionality than a document in MS Word.

The finding has now been addressed and the register of confidential items in now managed internally in an Excel format.

# Performance Assessment – Best Practice

**A review of sector best practice has been undertaken to identify opportunities for the City of Adelaide to enhance its practices in using the confidentiality provisions of the Act.**



**Best Practice 1: Use two reports – one for the public elements of a decision and another for only the confidential elements.**

There are instances where a report may be confidential on the basis that it contains one or more figures, clauses or details that provide grounds for the public to be excluded. In these instances, best practice is to ensure the public has as much visibility to the matter being discussed as possible, while still maintaining confidentiality where necessary and appropriate.

Using two reports – one public and one confidential – can ensure that information is not unnecessarily withheld and reduces the risk of information being retained in confidence for longer than needed.

**Best Practice 2: Careful consideration of how reports and attachments are presented – redact, separate or de-identify.**

Confidential reports and attachment should be presented in a manner that most easily allows for information to be released as soon as practicable.

Guidance should be provided to report authors on the best methods of presenting reports and attachments to preserve confidentiality, while allowing for other information to be released without delay.

Councils use a variety of methods to achieve this including redaction of sensitive information, separating attachments or de-identification.

**Best Practice 3: Provide clear and specific reasons for applying confidentiality.**

In the 2012 Audit Report titled '*In the Public Eye*', the SA Ombudsman provided the following instruction regarding documenting the reasons for applying confidentiality:

*"Councils (and Committees) must, after identifying the relevant paragraph of section 90(3) of the Act, then articulate the reasoning behind the order. Details of the reasons for relying on a particular paragraph in section 90(3) must be provided in order to allow the public to better understand the Council's decision for moving into confidence. This is part of good decision making. Further, articulating reasons will also help the administrative staff and Councillors to think more carefully about why the public should be excluded from the meeting. In the latter case, this may also help add an appropriate measure of caution to weighing up the recommendations for secrecy".*

It is important that each item of business is considered on its merits , and no particular class of business or document should be automatically be deemed confidential. It should be clearly demonstrated that the harm or detriment that would flow from release of a document would be real and substantial.

The 'Exclusion of the Public' report, which accompanies the confidential items presented to Council and Committees is aligned to sector best practice in documenting the grounds for applying confidentiality, the reasoning behind it and how the public interest test has been applied.

# Performance Assessment – Best Practice



**Best Practice 4: Provide clear and specific triggers for releasing information from in confidence**

Periodic review of Confidentiality Orders can be made more difficult when the Order does not clearly specify the clear reasons for the matter to be retained in confidence or the clear triggers for the Order to be revoked. This can result in information being held in confidence for longer than is necessary.

Examples of best practice in providing clear and specific triggers for releasing information include:

- Maintaining confidentiality over documentation for a minimum amount of time before release to the public.
- Using an 'event trigger' with a short time frame, such as 'until nominees have been notified' or 'until all parties have signed the documentation'.
- Where a fixed timeframe has been used, providing a delegation to the CEO to determine if earlier release is appropriate.

We note that the vast majority of items on the COA Register have a fixed timeframe for expiry of the Order rather than an 'event trigger'. Where event triggers have been used, they are sometimes vague such as 'until the matter is finalised' or 'until the person no longer resides in South Australia for a period of at least one year'.

The use of these type of triggers could be contributing to CoA's comparatively high number of items with operative Confidentiality Orders.

Providing more clear and specific triggers for releasing information from in confidence is identified as a potential area for practice improvement for CoA.

**Best Practice 5: Use technology to support the period review of Confidentiality Orders**

Some councils use document management software that provide Officers with automated reminders that an Order is due for expiry and / or requires review. This is particularly helpful where fixed timeframe triggers have been used in Confidentiality Orders, as once an Order has expired it cannot legally be remade retrospectively. A contemporary document management system can reduce the risk of an Order expiring without prior review of whether the reasons for confidentiality continue to apply.

**Best Practice 6: Continuous Improvement and Training**

Undertaking regular reviews of processes is an important part of achieving leading practice. While legislation may not change, expectations about how it is interpreted and applied can change and councils may choose to adopt policies, guidelines or procedures that exceed the minimum standards outlined in the Act. As practices evolve, all staff involved in the application or review of Confidentiality Orders should receive regular training.

# Performance Assessment – Recommendations

**The review of performance has identified six recommendations for improved practice and performance.**

**Recommendation 1: Adopt a Public Transparency Policy to guide decision making and practice.**

A Public Transparency Policy would provide a clear public statement about CoA's commitment to openness and approach to using the confidentiality provisions in the Act. The Policy would set a clear direction for updating guidelines, procedures and practice.

**Recommendation 2: Improved documentation of the reasons for retaining or extending confidential items.**

Update internal guidelines to provide more guidance on the level of commentary required in recommending that an item of register be retained or extended, including documenting the clear reasons the relevant grounds continue to apply and why the release of the information would be contrary to the public interest.

**Recommendation 3: Develop guidelines explaining how 'commercial advantage' and 'commercial information' as grounds for confidentiality are to be applied.**

An internal 'Guide to Confidentiality' providing examples of how the grounds specified in the Act will assist report authors to test the merits of each item of business on a case-by-case basis and reduce the risk of confidentiality being applied to certain classes of business by default.

**Recommendation 4: Provide further guidance and training to report authors about the presentation of reports and attachments to minimise the information that needs to be considered in confidence.**

Applying simple practice changes such as using two reports or separate attachments can ensure that public access is not unnecessarily restricted, while preserving confidentiality where it is necessary and appropriate.

**Recommendation 5: Apply clear and specific triggers for releasing items from confidence.**

Where possible, use an event-trigger rather than a fixed timeframe for determining when it is appropriate to release an item from confidence. Avoid using vague triggers that are open to different interpretations or misunderstanding. Update internal guidelines to achieve a consistent approach across the organisation.

**Recommendation 6: Undertake regular training with report authors to build consistent expectations and practice.**

All staff involved in the preparation of Council and Committee reports should receive regular training on how to apply the confidentiality provisions of the Act. Clear expectations set by a Public Transparency Policy should be set out in internal guidelines and procedures.

# Public Transparency Policy

**The purpose of a Public Transparency Policy is to set out the commitment of the City of Adelaide to provide public access to Council and Committee meetings and associated documents and establish a Policy that will guide why and how the City of Adelaide may use the provisions in the Act to restrict public access where necessary and appropriate.**



A draft Public Transparency Policy tailored to CoA has been prepared and is provided as an attachment to this report. This Policy is not required under the Act in South Australia, but key elements have been drawn from Victoria where councils are required to adopt such a Policy.

The draft Policy recognises that the responsible use of confidentiality is an important part of good governance and does not seek to unreasonably limit or fetter the appropriate application of the Act. The intent is to provide clear guidance on how CoA will balance the objectives of openness and transparency and restricting public access where necessary and appropriate.

In preparing the draft Policy, we have had regard to the SA Ombudsman's 2012 '*In the Public Eye*' report, guidance material provided to SA councils by the Local Government Association of South Australia and best practice in the sector.

The following provides a summary of the key elements of the draft Policy.

### Public Interest Test

The draft Policy sets out an overriding presumption towards openness, in accordance with the intent of the Act and the CoA direction to adopt a pro-disclose approach. In practice this means that matters where the public interest test is finely balanced, decisions should lean towards disclosure. It also means that the reasons for applying confidentiality should clearly establish that the harm or detriment expected to flow from disclosure would be real and significant, rather than a future theoretical harm or detriment.

### Third Party Information

The draft Policy recognises that confidential information provided by or relating to Third Parties can reasonably be expected to be kept in confidence when grounds under the Act can be established. It is important though, that the relevant tests under the Act are applied and that third parties understand CoA's obligations to release decisions and information in circumstances where the grounds for confidentiality under the Act cannot be established. The draft Policy establishes an expectation that CoA will take reasonable steps prior to entering into an agreement or contact to inform a third party of the type of information that will be released and when and how it will be released. Adopting this approach may require consequential amendments to CoA's policies and practices in areas such as procurement and leasing.

### Accountability and Reporting

The draft Policy recognises that CoA has obligations to report on the use of confidentiality provisions in its Annual Report. Guidance is provided on the performance metrics that should be adopted, such as reporting on the number of confidential decisions made as a percentage of total decisions. The SA Ombudsman has previously indicated that an appropriate benchmark for use of confidentiality is not more than 3-5% of total items of business.

### Proactive Disclosure

The draft Policy provides that CoA may routinely publish information on its website to proactively disclose information that could be or has been subject of a Freedom of Information Request.

# Future Options

**Working towards a comprehensive pro-disclosure framework can assist the City of Adelaide to achieve its goals of being a sector-leader in openness and transparency.**

The draft Public Transparency Policy has been largely framed around the requirements of the Act and achieving best practice in how the Act is applied with respect to confidentiality.

There are policies and practices used by other governments that CoA could consider, which exceed the requirements of the Act and position CoA a proactive leader in local government in South Australia.

### Freedom of Information Disclosure Log

The South Australian Government adopted a policy in 2017 requiring agencies to to make available on their websites, information and documents that have already been disclosed to an FOI applicant that:

- are not related to the personal affairs of an individual; and
- could not be claimed as exempt documents/material pursuant to Schedule 1 of the FOI Act, when being publicly released; and
- could not be considered defamatory or a breach of confidentiality or reasonably be anticipated to cause harm to a person.

Agencies are required to publish a summary of the FOI application, along with a copy of or links to eligible documents that have been released. The Policy includes appropriate safeguards against disclosure of information that ought to remain confidential and provides the CEO with delegation to determine circumstances in which an exemption to the Policy should be applied.

We note that a similar approach was taken by CoA in August 2022 for documents provided under FOI relating to the Eighty Eight O'Connell project.

### Proactive Disclosure of Regularly Requested Information

CoA has already adopted the practice of proactively publishing information online about corporate credit card transactions and travel for business purposes.

This practice could be expanded to align with the proactive disclosure Policy adopted by the SA Government, which details a wider range of information to be routinely published by Agencies and Ministerial Officers.

CoA could adopt a tailored policy, having regard to information that is regularly requested by constituents and stakeholders and considering whether the resourcing requiring to collate and publish the information is outweighed by the public benefit of making the information available.

### Register of Contracts

It is a well established practice for public sector bodies nationally to publish an online register of contracts to disclose information relating to certain contracts involving government expenditure. The contract disclosure requirements adopted by the South Australian Government are outlined in Premier and Cabinet Circular PC027. Information to be disclosed about eligible contract includes the contract title, contractor details, details of the goods/services to be supplied, relevant dates, contract value and procurement approach.

CoA could look to the approach used in New South Wales, where councils maintain their own online registers of eligible contracts, subject to exemptions and exclusions necessary to protect the confidential commercial information of third parties.

# Attachment 1 – Public Transparency Policy

**Refer to separate document.**

## City of Adelaide Logo

# Public Transparency Policy

Adopted [insert date] *non-legislative*

| | |
|---|---|
| **PURPOSE** | The purpose of this policy is to set out the commitment of the City of Adelaide (CoA) to provide public access to Council and Committee meetings and associated documents and establish a Policy that will guide why and how the CoA may use the provisions in the Local Government Act 1999 (Act) to restrict public access where necessary and appropriate. |
| **STATEMENT** | Transparent decision making promotes a positive and productive relationship between the Council and the community. It allows the community to have a greater sense of ownership and connection to decisions made by the Council.<br><br>Transparent decision making in local government supports accountability, encourages high performance and also increases public confidence in councils and their processes and decisions. Individuals will not always agree with Council decisions, but transparency allows them to scrutinise and understand the reasoning in the decision-making process.<br><br>The following principles will be applied by Council Members and Council Officers in facilitating transparent decision making.<br><br>**Council and Committee Meetings**<br><br>1. The CoA will conduct all formal Council and Council Committee meetings in public and will provide public access to all documents considered at these meetings except where the strict circumstances outlined in the Act have been considered and it is determined necessary and appropriate for Council or Committee to order that the public be excluded [refer to Appendix 1 and 2].<br><br>2. Meetings will only be closed to the public in circumstances where the Council or Committee is clearly satisfied that the need for confidentiality outweighs the principles of transparent decision making.<br><br>3. The provisions of the Act that enable Council and Council Committees to receive, discuss or consider information in confidence are necessary for the maintenance of good governance. These provisions can and should be relied upon in the special circumstances where it is determined to be necessary and appropriate to order that the public be excluded.<br><br>**Public Interest Test**<br><br>4. In circumstances that require the Council or Committee to determine whether receiving, discussing or considering |

information in an open meeting would be, on balance, contrary to the public interest, the following principles will be applied:

a. there is an overriding presumption towards public access to formal Council and Committee meetings and associated documents;

b. the public interest considerations against public access are limited only to the grounds for confidentiality set out in Section 90(3) of the Act (Refer to Appendix 1);

c. it must be clearly established and explained that the harm or detriment that would reasonably be expected to flow from public access is real and substantial;

d. matters that are not relevant, such as potential for Council or the Committee to experience embarrassment, loss of confidence or adverse criticism as a result of public access, will be disregarded; and

e. where the factors for and against public access are evenly balanced, public access should be allowed.

**Council and Committee Reports**

5. Where the Chief Executive Officer, in consultation with the Lord Mayor, believes that a matter should be considered in confidence, the nature of the matter and the reasons why it should be considered in confidence will be clearly stated on the agenda for the meeting which is made available to the public.

6. Reports, recommendations and resolutions will be presented or framed, wherever possible, so that as much information as possible can be made available to the public.

**Third Party Information**

7. CoA is regularly provided with information from third parties of a commercial or confidential nature. It is reasonable and appropriate to expect that CoA will preserve the confidentiality of this information where permissible in accordance with the provisions of the Act.

8. Prior to entering into a contract or agreement with a third party, CoA will take reasonable steps to inform the third party of the type of information that will be released and when and how it will be released.

9. Use or disclosure of personal information that is not confidential for the purposes of the Act will be in accordance with the CoA Privacy Policy.

**Review of Confidentiality Orders**

10. All orders made by Council or Committee under Section 91(7) of the Act that all or part of a document by kept confidential will clearly specify either the duration of the order or the specific circumstances in which the order will cease to apply.

11. All confidentiality orders that continue to operate will be reviewed no less than once every six (6) months to assess whether the grounds for non-disclosure remain appropriate and necessary.

12. Information will be released as soon as practicable following the expiry or revocation of a confidentiality order.

13. Where it is determined that it is necessary and appropriate to retain or extend an order made under Section 91(7), the relevant grounds and reasons will be clearly documented.

14. Where the grounds for and against retaining or extending the operation of an order are evenly balanced, the order should be revoked.

**Accountability and Reporting**

15. The CoA Annual Report will contain the following information about the use of confidentiality provisions:

    a. The number of occasions each of the confidentiality provisions of the Local Government Act was used, categorised by the section of the Act relied upon.

    b. A summary of and commentary on the reasons for the use of the confidentiality provisions in that year.

    c. The total number of agenda items considered in that year and the proportion of items where confidentiality provisions were utilised.

    d. The number of items that were released from confidentiality, in part or in full, in that year.

    e. The number of items where a confidentiality order remains operative and the reasons why the order remains necessary and appropriate.

**Proactive Disclosure**

16. The CoA may routinely publish regularly requested information on its website to make this information available to all members of the public without requiring a Freedom of Information request.

| | |
|---|---|
| | 17. The CoA may establish a disclosure log to enable central access to non-personal information that it has released under the Freedom of Information Act 1991 (the FOI Act). This will help information that may be of interest to the public to be readily identified and accessed by the community at large.<br><br>**Access to Information**<br><br>18. Access to council documents is facilitated in accordance with the CoA Information Statement prepared under the *Freedom of Information Act 1991*. |
| **OTHER USEFUL DOCUMENTS** | **Relevant Legislation**<br><br>• Local Government Act 1999<br>• City of Adelaide Act 1998<br>• Freedom of Information Act 1991<br>• Privacy Act 1988<br><br>**Related CoA Documents**<br><br>• Acquisition and Disposal of Land and Assets Policy<br>• Elected Members Standing Orders<br>• Privacy Policy<br>• Procurement Policy<br>• Information Statement |
| **GLOSSARY** | **Act:** means the Local Government Act 1999<br><br>**CoA:** means the Corporation of the City of Adelaide<br><br>**Chief Executive Officer:** means the person appointed to the office of Chief Executive Officer of the City of Adelaide<br><br>**Council Members:** means the elected members of the CoA.<br><br>**Council Officers:** means any employee, contractor, consultant, temporary member of staff working for, or on behalf of, the CoA.<br><br>**Meeting(s)** means a meeting formal meeting of Council or a Committee held in accordance with the Local Government Act 1999 |
| **ADMINISTRATIVE** | As part of Council's commitment to deliver the City of Adelaide Strategic Plan, services to the community and the provision of transparent information, all policy documents are reviewed as per legislative requirements or when there is no such provision a risk assessment approach is taken to guide the review timeframe.<br><br>This Policy document will be reviewed every 3 years unless legislative or operational change occurs beforehand. The next review is required in 2026. |

## APPENDIX 1

### Related Provisions of the Local Government Act 1999

Chapter 6 of the Local Government Act 1999 sets out the arrangements for Council and Council Committee meetings. These meetings are to be held in public except where special circumstances exist as prescribed in the Act and a Council or Committee orders that the public be excluded.

There are very strict circumstances in which a discussion or document considered in a Council or Committee meeting can be kept confidential. These provisions are covered in the following sections of the Act:

- 83(5) Council and 87(10) Committee – the Chief Executive may, after consultation with the principal member of Council, or in the case of a Committee the presiding member, indicate on a document or report provided to the members of the Council or the Committee that the matter may, if the Council or Committee so determines, be considered in confidence. The Chief Executive is required to specify at the same time the basis on which such an order can be made.

- 90(2) and (3) - circumstances where Council may order that the public can be excluded from attendance at a meeting, or part of it, to enable a matter to be considered in confidence. [Refer Appendix 2 for the for an exhaustive list of the special circumstances)

- 91(7) – circumstances where a document considered in confidence can be ordered to remain confidential.

- 91(8) – circumstances where a Council must not order that a document remain confidential.

- 91(9) – the Council or Committee must specify the duration of the order or the circumstances in which the order will cease to apply, or a period after which the order will be reviewed. The power to revoke an order can also be delegated to an employee of Council.

- 92 – requires the Council to prepare and adopt a Code of Practice relating to access to meetings and documents. Prior to adoption, alteration or substitution the proposed Code (or changes) must be available for inspection and purchase. Council is also required to follow the relevant steps set out in its public consultation policy. Council must, at least once in every financial year, review the Code.

- 94 – provides that the Ombudsman may, on receipt of a complaint, investigate the use of these provisions.

## APPENDIX 2

Section 90(3) of the Local Government Act outlines the grounds on which it may be necessary and appropriate for a meeting of Council or a committee to be closed to the public. These grounds are exhaustive and no other reasons may be considered when determining whether the receive, discuss or consider information in confidence.

| Section 90 Reference | Description |
|---|---|
| 90(3)(a) | Information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead); |
| 90(3)(b) (i) and (ii) | 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; |
| 90(3)(c) | information the disclosure of which would reveal a trade secret |
| 90(3)(d) (i) and (ii) | 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; |
| 90(3)(e) | matters affecting the security of the council, members or employees of the council, or council property, or the safety of any person; |
| 90(3)(f) | information the disclosure of which could reasonably be expected to prejudice the maintenance of law, including by affecting (or potentially affecting) the prevention, detection or investigation of a criminal offence, or the right to a fair trial; |
| 90(3)(g) | matters that must be considered in confidence in order to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty |
| 90(3)(h) | legal advice |
| 90(3)(i) | information relating to 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 |
| 90(3)(j) (i) and (ii) | information the disclosure of which— (i) would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the council, or a person engaged by the council); and (ii) would, on balance, be contrary to the public interest; |

| Section 90 Reference | Description |
|---|---|
| 90(3)(k) | tenders for the supply of goods, the provision of services or the carrying out of works |
| 90(3)(m) | information relating to a proposal to prepare or amend a designated instrument under Part 5 Division 2 of the Planning, Development and Infrastructure Act 2016 before the draft instrument or amendment is released for public consultation under that Act |
| 90(3)(n) | information relevant to the review of a determination of a council under the Freedom of Information Act 1991; |
| 90(3)(o) | information relating to a proposed award recipient before the presentation of the award |

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# REVIEW OF CONFIDENTIALITY ORDERS

## 1. SUMMARY OF FINDINGS

| **Ref # 1 Adopt a Public Transparency Policy to guide decision making practices** | | **Rating: Moderate** |
|---|---|---|
| **Description of finding** | | **Management Comments** |
| **Identification:**<br><br>A Public Transparency Policy would provide a clear public statement about CoA's commitment to openness and approach to using the confidentiality provisions in the Act. The Policy would set a clear direction for updating guidelines, procedures and practice. | | A Public Transparency Policy will be developed to demonstrate CoA's commitment to openness and the approach to using the confidentiality provisions in the Act. |
| **Position Responsible:** | Manager Governance | |
| **Target Date:** | March 2024 | |

| Ref # 2 Improved documentation of the reasons for retaining or extending confidential items | Rating: Moderate |
|---|---|
| **Description of finding** | **Management Comments** |
| **Identification:**<br>Update internal guidelines to provide a more guidance on the level of commentary required in recommending that an item of register be retained or extended, including documenting the clear reasons the relevant grounds continue to apply and why the release of the information would be contrary to the public interest. | 1. Internal guidelines will be developed to assist report authors and management in developing reports in confidence, this will also take into consideration the requirements for the 6 monthly reviews and detailed commentary on whether the report is retained, revoked or extended.<br><br>2. The Confidentiality Orders Register will be updated to ensure detailed commentary is recorded when an item is retained, extended or revoked. |
| **Position Responsible:** | Manager Governance |
| **Target Date:** | February 2024 |

| Ref # 3 Develop guidelines explain how 'commercial advantage' and 'commercial information' as ground for confidentiality are to be applied | | Rating: Moderate |
|---|---|---|
| **Description of finding** | | **Management Comments** |
| **Identification:**<br>An internal 'Guide to Confidentiality' providing examples of how the grounds specified in the Act will assist report authors to test the merits of each item of business on a case-by-case basis and reduce the risk of confidentiality being applied to certain classes of business by default. | | Internal guidelines will be developed to assist report authors and management in developing reports in confidence, including examples of when a clause can be used and to test the merits of each item. This will be a 'how to guide' accessible to all report authors. |
| **Position Responsible:** | Manager Governance | |
| **Target Date:** | February 2024 | |

| Ref # 4 Provide further guidance and training to report authors about the presentation of reports and attachments to minimise the information that needs to be considered in confidence | | Rating: Low |
|---|---|---|
| **Description of finding** | | **Management Comments** |
| **Identification:**<br>Applying simple practice changes such as using two reports or separate attachments can ensure that public access is not necessarily restricted, while preserving confidentiality where it is necessary and appropriate. | | Internal guidelines will be developed to assist report authors and management in developing reports in confidence, including consideration to presenting reports in public and attachments in confidence (when required). |
| **Position Responsible:** | Manager Governance | |
| **Target Date:** | February 2024 | |

| Ref # 5 Apply clear and specific triggers for releasing items from confidence | | Rating: Moderate |
|---|---|---|
| **Description of finding** | | **Management Comments** |
| **Identification:**<br>Where possible, use an even trigger rather than a fixed timeframe for determining when it is appropriate to release an item from confidence. Avoid using vague triggers that are open to different interpretations or misunderstanding. Update internal guidelines to achieve a consistent approach across the organisation. | | 1. Internal guidelines will be developed to assist report authors and management in developing reports in confidence, including in identifying appropriate confidential timelines (i.e. not using the default of 7 years).<br><br>2. Processes to be created to ensure that once a document has been presented to Council/Committee in confidence, the appropriate release timeframe has been notified to the Corporate Governance team to ensure that the report is made public. These processes will be documented in Council's process mapping tool, Process Manager (formally known as Promapp). |
| **Position Responsible:** | Manager Governance | |
| **Target Date:** | February 2024 | |

| Ref # 6 Undertake regular training with report authors to build consistent expectations and practice | | Rating: Moderate |
|---|---|---|
| **Description of finding** | | **Management Comments** |
| **Identification:**<br><br>All staff involved in the preparation of Council and Committee reports should receive regular training on how to apply the confidentiality provisions of the Act. Clear expectations set by a Public Transparency Policy should be set out in internal guidelines and procedures. | | 1. Training session will be developed by Council and Corporate Governance to be targeted to report authors.<br><br>2. Regular training sessions to be set up during the course of year through the Learning and Development team. |
| **Position Responsible:** | Manager Governance | |
| **Target Date:** | March 2024 | |

| Ref # 7 Use two reports – one for the public elements of a decision and another for only the confidential elements | Rating: Improvement Opportunity |
|---|---|
| **Description of finding** | **Management Comments** |
| **Identification:**<br><br>There are instances where a report may be confidential on the basis that it contains one or more figures, clauses or details that provide grounds for the public to be excluded. In these instances, best practice is to ensure the public has as much visibility to the matter being discussed as possible, while still maintaining confidentiality where necessary and appropriate.<br><br>Using two reports – one public and one confidential – can ensure that information is not unnecessarily withheld and reduces the risk of information being retained in confidence for longer than needed. | Seek to include an attachment in the report for public release. |

| | |
|---|---|
| **Position Responsible:** | Manager Governance |
| **Target Date:** | October 2024 |

| Ref # 8 Careful consideration of how reports and attachments are presented – redact, separate or de-identify. | Rating: Improvement Opportunity |
|---|---|
| **Description of finding** | **Management Comments** |
| **Identification:**<br><br>Confidential reports and attachment should be presented in a manner that most easily allows for information to be released as soon as practicable.<br><br>Guidance should be provided to report authors on the best methods of presenting reports and attachments to preserve confidentiality, while allowing for other information to be released without delay.<br><br>Councils use a variety of methods to achieve this including redaction of sensitive information, separating attachments or de-identification. | Internal guidelines will be developed to assist report authors and management when developing reports in confidence. This will include clear guidance when presenting the reports and associated documents in confidence. |

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|---|---|
| **Position Responsible:** | Manager Governance |
| **Target Date:** | February 2024 |

| Ref # 9 Provide clear and specific reasons for applying confidentiality. | Rating: Improvement Opportunity |
|---|---|
| **Description of finding** | **Management Comments** |
| **Identification:**<br><br>In the 2012 Audit Report titled 'In the Public Eye', the SA Ombudsman provided the following instruction regarding documenting the reasons for applying confidentiality.<br><br>*'Councils (and Committees) must, after identifying the relevant paragraph of section 90(3) of the Act, then articulate the reasoning behind the order. Details of the reasons for relying on a particular paragraph in section 90(3) must be provided in order to allow the public to better understand the Council's decision for moving into confidence. This is part of good decision making. Further, articulating reasons will also help the administrative staff and Councillors to think more carefully about why the public should be excluded from the meeting. In the latter case, this may also help add an appropriate measure of caution to weighing up the recommendations for secrecy'.*<br><br>It is important that each item of business is considered on its merits, and no particular class of business or document should automatically be deemed confidential. It should be clearly demonstrated that the harm or detriment that would flow from release of a document would be real and substantial.<br><br>The 'Exclusion of the Public' report, which accompanies the confidential items presented to Council and Committees is aligned to sector best practice in documenting the grounds for applying confidentiality, the reasoning behind it and how the public interest test has been applied. | Internal guidelines will be developed to assist report authors and management when developing reports in confidence. This will include clear and specific reasons for applying confidentiality with examples. |

| | |
|---|---|
| **Position Responsible:** | Manager Governance |
| **Target Date:** | February 2024 |

| Ref # 10 Provide clear and specific triggers for releasing information from in confidence. | Rating: Improvement Opportunity |
|---|---|
| **Description of finding** | **Management Comments** |
| **Identification:**<br><br>Periodic review of Confidentiality Orders can be made more difficult when the Order does not clearly specify the clear reasons for the matter to be retained in confidence or the clear triggers for the Order to be revoked. This can result in information being held in confidence for longer than is necessary.<br><br>Examples of best practice in providing clear and specific triggers for releasing information include:<br>• Maintaining confidentiality over documentation for a minimum amount of time before release to the public<br>• Using an 'event trigger' with a short time frame, such as 'until nominees have been notified' or 'until all parties have signed the documentation'.<br>• Where a fixed timeframe has been used, providing a delegation to the CEO to determine if earlier release is appropriate.<br><br>We note that the vast majority of items on the CoA Register have a fixed timeframe for expiry of the Order rather than an 'even trigger'. Where event triggers have been used, they are sometimes vague such as 'until the matter is finalised' or 'until the person no longer resides in South Australia for a period of at least one year'.<br><br>The use of these types of triggers could be contributing to CoA's comparatively high number of items with operative Confidentiality Orders.<br><br>Providing more clear and specific triggers for releasing information from in confidence is identified as a potential area for practice improvement for CoA. | Internal guidelines will be developed to assist report authors and management when developing reports in confidence. This will include clear and specific triggers for releasing information from confidence. |
| **Position Responsible:** | Manager Governance |
| **Target Date:** | February 2024 |

| Ref # 11 Use technology to support the period review of Confidentiality Orders. | | Rating: Improvement Opportunity |
|---|---|---|
| **Description of finding** | | **Management Comments** |
| **Identification:**<br><br>Some councils use document management software that provide Officers with automated reminders that an Order is due for expiry and/or requires review. This is particularly helpful where fixed timeframe triggers have been used in Confidentiality Orders, as once an Order has expired it cannot legally be remade retrospectively. A contemporary document management system can reduce the risk of an Order expiring without prior review of whether the reasons for confidentiality continue to apply. | | Most Orders will expire in December of each year. If an order is to expire during the year, this is recorded by the Risk & Audit Analyst, who manages the review process however this process can be improved.<br><br>Investigate the opportunity to use a document management software that will provide automated reminders for Orders that will expire and assist in the review cycles. |
| **Position Responsible:** | Manager Governance | |
| **Target Date:** | March 2024 | |

| Ref # 12 Continuous Improvement and Training. | Rating: Improvement Opportunity |
|---|---|
| **Description of finding** | **Management Comments** |
| **Identification:**<br><br>Undertaking regular review of processes in an important part of achieving leading practice. While legislation may not change, expectations about how it is interpreted and applied can change and councils may choose to adopt policies, guidelines or procedures that exceed the minimum standards outlined in the Act. As practices evolve, all staff involved in the application or review of Confidentiality Order should receive regular training. | The mid-year review is the extensive confidentiality orders review by management and report authors. The end of year review is to ensure all items have been reviewed prior to requesting an extension through a Council report.<br><br>Annual training to be set up prior to the mid-year to be held either as a collective, or by program based (i.e. attend team meetings). This will assist in the review process and any questions that people may have. This will be included in a documented process map. |

| | |
|---|---|
| **Position Responsible:** | Manager Governance |
| **Target Date:** | June 2024 |

# APPENDIX 1: RISK MATRIX OF INTERNAL AUDIT FINDINGS

The following framework for the internal audit ratings is consistent with the CoA Risk Management Operating Guidelines and the Risk Management International Standard ISO31000:2018. The descriptions have been tailored to illustrate risk to the business operations.

## 1.1 CoA Risk Matrix

| CoA Risk Matrix | | CONSEQUENCE | | | | |
|---|---|---|---|---|---|---|
| | | Insignificant | Minor | Moderate | Major | Catastrophic |
| LIKELIHOOD | Almost Certain | Moderate | High | Extreme | Extreme | Extreme |
| | Likely | Moderate | High | High | Extreme | Extreme |
| | Possible | Low | Moderate | High | High | Extreme |
| | Unlikely | Low | Low | Moderate | Moderate | High |
| | Rare | Low | Low | Low | Moderate | Moderate |

## 8.3 Risk & Finding Descriptions

| Rating | Definition | Action | Indicative Timeframe (variations to be agreed by SRIA) |
|---|---|---|---|
| Extreme | The finding represents a control weakness which could have or is having an extreme adverse impact on the business and the ability to meet objectives.<br>• Extreme decline in quality and customer service leading to a decrease in community's confidence in Council<br>• Extreme breakdown in process that leads to illegal activity<br>• Breach of legislation or contractual non-compliance that will result in litigation, prosecution and/or penalty | Finding reported to Director immediately and response plan developed with appropriate Associate Director. Implementation updates and status reporting managed through Promapp. | Actions managed in Promapp with a timeframe of no more than 3 months for completion. |
| High | The finding represents a control weakness which could have or is having a high adverse impact on the business and the ability to meet objectives.<br>• Major decline in quality and customer services leading to a decrease in community's confidence in Council<br>• Serious breakdown in process that may lead to increased and unacceptable risk<br>• Breach of legislation or contractual non-compliance that will result in litigation, prosecution and/or penalty | Finding reported to the appropriate Associate Director immediately and response plan developed with appropriate Manager. Managed through Promapp. | Actions managed in Promapp with a timeframe of no more than 6 months for completion. |
| Medium | The finding represents a control weakness which could have or is having a medium adverse impact on the business and the ability to meet objectives.<br>• Medium decline in quality and customer services leading to a decrease in community's confidence in Council<br>• Medium operational breakdown in process that may lead to increased and unacceptable risk<br>• Minor breach of legislation or contractual non-compliance that will not likely result in litigation, prosecution and/or penalty | Finding reported to appropriate Manager through Internal Audit Report and managed through Promapp. | Actions managed in Promapp with a timeframe of no more than 9 months for completion. |
| Low | The finding represents a minor control weakness which could have or is having a low/ minimal but reportable adverse impact on the business and the ability to meet process objectives.<br>• Minimal decline in quality and customer services<br>• Minor breakdown in process that is not likely to affect risk<br>• Minor breach of legislation or contractual non-compliance that will not likely result in litigation, prosecution and/or penalty | Finding reported to appropriate Manager through Internal Audit Report and managed through Promapp. | Actions managed in Promapp with a timeframe of no more than 12 months for completion. |

# Climate Change Risk Adaptation Action Plan

**Friday, 10 November 2023**
Audit and Risk Committee

Strategic Alignment - Environmental Leadership

**Program Contact:**
Associate Director Park Lands, Policy & Sustainability

Public

**Approving Officer:**
Ilia Houridis - Director City Shaping

## EXECUTIVE SUMMARY

At its meeting on the 10 May 2023 the Audit and Risk Committee recommended bringing forward the mid-point review of the Climate Change Risk Adaptation Action Plan.

At its meeting on 4 August 2023, the Audit and Risk Committee noted the internal audit review project proposed as part of the strategic internal audit plan in relation to strategic climate change impacts and commended the intention to integrate Council's Climate Change Risk Adaptation Action Plan 2021- 2026 and the City of Adelaide Climate Action Plan 2022-2025 by December 2023.

This report provides an update on the review and audit of the Climate Change Risk Adaption Action Plan 2021-2026 and progress on the Integrated Climate Strategy.

First quarter reporting on the Climate Change Risk Adaptation Action Plan for 2023/24 is contained in this report.

## RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress in the review of the Climate Change Risk Adaptation Action Plan 2021-2026.

# IMPLICATIONS AND FINANCIALS

| | |
|---|---|
| City of Adelaide 2020-2024 Strategic Plan | Strategic Alignment – Environmental Leadership<br>City of Adelaide's (CoA) 2020-2024 Strategic Plan includes an outcome to be a 'climate ready organisation and community'.<br>Note: Draft Strategic Plan 2024-2028<br>Our Environment<br>Our Objective is to: Be climate conscious and resilient<br>Measure of Success: Evolve and implement our climate adaptation actions in response to the impacts of climate change |
| Policy | The Climate Change Risk Adaptation Action Plan (Plan) 2021-2026 includes actions to integrate climate risk into governance documents and processes, facility planning and management and service provision so risks can be managed. |
| Consultation | The internal audit being conducted by KPMG includes a series of workshops with Administration across the City of Adelaide. These workshops have been completed. |
| Resource | Not as a result of this report |
| Risk / Legal / Legislative | City of Adelaide's exposure to corporate climate change governance, physical and transition risks was identified in the Climate Change Risk Assessment Report. The Climate Change Risk Adaptation Action Plan 2021-2026 seeks to reduce this exposure. |
| Opportunities | Audit and Risk Committee has requested the mid-point review of the Change Risk Adaptation Action Plan 2021-2026 be brought forward to address matters such as the retiming of actions and budget implication of the plan. |
| 22/23 Budget Allocation | $200,000 is allocated to Climate Change Risk Adaptation Actions in 2023/24. The review is being funded from the Climate Change Action Initiative Fund (CCAIF). |
| Proposed 23/24 Budget Allocation | Not as a result of this report |
| Life of Project, Service, Initiative or (Expectancy of) Asset | The Climate Change Risk Adaptation Action Plan has a five-year timeframe for implementation from 2021 to 2026. A mid-point review of the Climate Change Risk Adaptation Action Plan was scheduled in 2024 and final review of the Climate Change Risk Adaptation Action Plan in 2026. The mid-point review is being undertaken in 2023/24 and may change the overall timing of the Climate Change Risk Adaptation Action Plan. |
| 22/23 Budget Reconsideration (if applicable) | Not as a result of this report |
| Ongoing Costs (eg maintenance cost) | Not as a result of this report |
| Other Funding Sources | Not as a result of this report |

# DISCUSSION

**Background**

1. On 10 May 2023, the Audit and Risk Committee considered a report item on the Climate Change Risk Adaptation Action Plan (Item 5.1) and recommended bringing forward the mid-point review of the Climate Change Risk Adaptation Action Plan (the Plan) and requested an update be provided to the October 2023 meeting of the Committee.

2. An update was presented to the Audit and Risk Committee on 4 August 2023, Climate Change Risk Adaptation Action Plan (Item 5.3, noted the internal audit review project proposed as part of the strategic internal audit plan in relation to strategic climate change impacts and commended the intention to integrate Council's Climate Change Risk Adaptation Action Plan 2021- 2026 and the City of Adelaide Climate Action Plan 2022-2025 by December 2023.

3. The 4 August 2023 report proposed a three-phase approach to the review, an update on each phase is provided below.

**Phase 1 of the Review**

4. Phase 1 of the review involved an assessment of the Climate Change Risk Adaptation Action Plan's achievements to date, objectives, strategies, and implementation methods, identifying both strengths and weaknesses of the existing action plan.

5. Administration has reviewed the Climate Change Risk Adaptation Action Plan 2021-2026 and the informing analysis contained in the Climate Change Risk Assessment Report prepared by Edge Environment dated 29 June 2020, and made preliminary observations as follows:

    5.1. The Climate Change Risk Assessment Report identified 283 individual risks to the City of Adelaide and noted over three quarters of these risk were associated with two climate variables:

        5.1.1. Temperature: including both average temperature changes as well as the increase frequency of very hot days and heatwaves.

        5.1.2. Rainfall: including changing rainfall patterns, extreme rainfall and flooding events.

    5.2. Council's key strategic climate risks include:

        5.2.1. Impacts of heat on people and the ability to deliver Council services, the desire for people to come to the city, whether for shopping or events during periods of extreme heat, and the ability for residents and people experiencing homelessness to access services.

        5.2.2. Impacts of heat and drier conditions (drought) on maintaining green infrastructure and trees, whether in the Adelaide Park Lands, open space areas, streetscapes, or the golf links.

        5.2.3. Impacts of increased rainfall intensity leading to greater localised flooding across the city, impacting buildings, infrastructure and service delivery.

        5.2.4. The need to consider acute climate change effects in new asset design.

        5.2.5. The unknown actual and potential impacts of climate change across the existing asset portfolio and strategic businesses.

        5.2.6. A lack of data collection across infrastructure assets to understand and proactively manage climate related impacts.

6. These risks all have potentially significant cost implications in the short term and and into the longer term . The Climate Change Risk Assessment Report identified several adaptation actions to address these risks, including:

    6.1. Foster innovative thinking to develop policies and position of Council to support the consideration of climate impacts in new asset design and explore opportunities to learn and share across council business units.

    6.2. Develop targets in long term financial plans related to climate change resilience that translates to actions in asset management plans.

    6.3. Improved intelligence in asset management and GIS services to allow predictive asset management strategies to be built out to manage key risks.

7. One of the key recommendations from the Climate Change Risk Assessment Report was the development of an adaptation roadmap to guide implementation of adaptation measures and communicate how the City of

Adelaide is building resilience to climate change. The Climate Change Risk Adaptation Action Plan delivers on that recommendation.

8. The actions within the Climate Change Risk Assessment Report are funded through the Climate Change Action Initiatives Fund (CCAIF) which was first established in the 2008 / 2009 budget. The CCAIF budget is currently determined based on one percent (1%) of rates income.

9. Reporting on the progress of Councils Climate Risk to date has been through quarterly reporting on the progress of individual actions. An aim of the review is to identify a roadmap and resourcing approach with an outcomes focused reporting framework that meets the needs of the Audit and Risk Committee.

**Phase 2 of the Review**

10. Phase 2 of the review involves comprehensive analysis of objectives, strategies and implementation, providing recommendations where applicable to enhance the Climate Change Risk Adaptation Action Plan's effectiveness and improve its capacity to address climate change risks.

11. An audit of the status of action in the Climate Change Risk Adaptation Action Plan 2021-2026 has commenced by KPMG as part of Council's internal audit review processes.

12. The objectives and outcomes of the KPMG Audit are to:

    12.1. Understand the integration of the Climate Change Risk Adaptation Action Plan with City of Adelaide systems, including governance, procurement, asset management and project management systems.

    12.2. Audit the development, prioritisation and funding of actions in the Climate Change Risk Adaptation Action Plan, including alignment with the City of Adelaide's Long-term Financial Plan.

    12.3. Audit the development of dates for completion of actions, including consideration of available funding and resources and interdependence of actions.

    12.4. Audit the adequacy of proposed monitoring and reporting processes to provide oversight of the Climate Change Risk Adaptation Action Plan.

13. The results and recommendations of the internal audit will be reported back to the Audit and Risk Committee in February 2024.

**Phase 3 of the Review**

14. Phase 3 - implementation of the recommendations identified in Phase 2 of the review, including (if required) target setting, metrics and measurement, Council's role(s), integration across the organisation, and roadmap for implementation.

15. Work has commenced on an Integrated Climate Strategy which proposes to consolidate a series of existing City of Adelaide action plans, as follows:

    15.1. Climate Action Plan 2022 – 2025

    15.2. Carbon Neutral Strategy 2015 – 2025

    15.3. Climate Risk Adaptation Plan 2021 – 2026

    15.4. Electric Vehicle (EV) Transition Roadmap

    15.5. Zero Emissions Vehicle Plan 2019 – 2030

    15.6. Water Sensitive City Plan

    15.7. Resource Recovery Strategy and Action Plan 2020 – 2028.

16. The Integrated Climate Strategy is being drafted with consideration of alignments with a suite of new plans being prepared by Council including the draft Strategic Plan 2024-2028, City Plan, Integrated Transport Strategy, Housing Strategy, and Economic Development Strategy.

17. Benefits to the organisation of a consolidated Integrated Climate Strategy include alignment with the draft Strategic Plan 2024-2028 and current Council term, simplification of existing environmental strategies, improved clarity of what the City of Adelaide intends to achieve, costed implementation approach, and efficiencies for reporting.

18. The Integrated Climate Strategy aims to support delivery of the Strategic Plan and simplify reporting of Council achievements through its Annual Report and will be presented to Council and to the Audit and Risk Committee early in 2024

**Climate Change Risk Adaptation Action Plan – Quarter 1, 2023/24 Progress**

19. In total there are 95 actions in the Climate Change Risk Adaptation Action Plan to be undertaken over the five year lifespan of the action plan.

20. A summary table of actions due to be completed by 30 June 2024 and their status is provided – Link 3.

    20.1. Of the 32 actions due by 30 June 2024, 2 are complete; 21 are in progress; 5 are not started and 3 actions are recommended to be removed.

21. Key highlights for the Quarter to 30 September 2023 include:

    21.1. An energy efficiency and building envelope audit of community centres and libraries identifying options for saving energy and making buildings more comfortable for staff and community in our warming climate.

    21.2. A Building Climate Resilient Assessment was developed and piloted to ascertain asset condition and renewal issues in the face of a warming drying climate with more intense rainfall and storms.

    21.3. A Climate Adaptation and Development Assessment workshop was developed in house and attended by the Development Assessment Team.

**Next Steps**

22. The KPMG internal audit findings will be reported to Audit and Risk Committee in February 2024.

23. A draft Integrated Climate Strategy will be presented to the Committee in the second half of 2023/24, and is in development to inform the Annual Business Plan and Budget discussions for 2024/2025.

# DATA AND SUPPORTING INFORMATION

**Link 1** - Audit and Risk Committee, 10 May 2023, Climate Change Risk Adaptation Action Plan (Item 5.1)

**Link 2** - Audit and Risk Committee, 4 August 2023, Climate Change Risk Adaptation Action Plan (Item 5.3

**Link 3** - Climate Change Risk Adaptation Action Plan 2021-2026 Q1, 2023-2024 Progress Update

# ATTACHMENTS

**Nil**

- END OF REPORT -

# Record Keeping Internal Audit

**Friday, 10 November 2023**
Audit and Risk Committee

Strategic Alignment - Enabling Priorities

**Program Contact:**
Alana Martin - Manager Governance

Public

**Approving Officer:**
Michael Sedgman - Chief Operating Officer

## EXECUTIVE SUMMARY

In accordance with the 2022-23 Internal Audit Plan for the City of Adelaide (CoA) an internal audit focussing on the record keeping requirements of the CoA was performed.

The internal audit identified one high risk rated finding.

The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities.

Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, effectively, and to advise how it can improve performance.

## RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided as Attachment A to Item 5.5 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.
2. Endorses the responses of the Administration to the Record Keeping Internal Audit Report as outlined in Attachment A to Item 5.5 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.

# IMPLICATIONS AND FINANCIALS

| | |
|---|---|
| City of Adelaide 2020-2024 Strategic Plan | Strategic Alignment – Enabling Priorities<br>Internal audit is an essential component of a good governance framework. It enables Council to ensure it is performing its function legally, effectively and efficiently. |
| 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 | Internal audits suggest a range of improvement opportunities related to the area being reviewed, enhancing functions and services and aligning Council processes to best practice standards. |
| 23/24 Budget Allocation | Not as a result of this report. |
| Proposed 24/25 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. |
| 23/24 Budget Reconsideration (if applicable) | Not as a result of this report. |
| Ongoing Costs (eg maintenance cost) | Not as a result of this report. |
| Other Funding Sources | Not as a result of this report. |

# DISCUSSION

**Background**

1. The Record Keeping Internal Audit was performed by CoA's Risk and Audit Analyst, in accordance with the 2022 – 23 Internal Audit Plan.

**Report**

2. This audit aligns with CoA's Strategic Risk – Compliance: Non-compliance of Council policies and legislative requirements.
3. The *State Records Act 1997 (SA)* governs the obligations and responsibilities of councils in relation to the management of official records. Under this Act, the Council has an obligation to maintain official records in its custody in good order and condition.
4. The Records Management Operating Guideline (Operating Guideline) applies to all areas of Council, including subsidiaries, electronic business and social media. It concerns records which are created, collected, processed, used, sentenced, stored and disposed of in the conduct of official business. It applies to all Council employees and employees of the subsidiaries. The Operating Guideline provides the framework for the Council to effectively fulfill its obligations and statutory requirements under the *State Records Act 1997 (SA)*.
5. Good records management is of key importance to good governance. All official records created or used by employees while conducting Council business are to be retained and, where appropriate, registered into the corporate Electronic Document Records Management System (EDRMS). The current EDRMS that the CoA uses is Content Manager.
6. The Record Keeping Audit for 2023 focused on randomly selecting teams across the organisation to be included within the audit. This audit was developed and facilitated in conjunction with Information Management as per the requirements in the Operating Guideline.
7. The findings of the internal audit are indexed into the following risk ratings:

| Finding | Risk Rating |
|---|---|
| Park Lands Planning | High |

8. Management have considered the findings and provided actions and time frames to address these findings.

# ATTACHMENTS

**Attachment A** - Record Keeping Internal Audit

- END OF REPORT -

# INTERNAL AUDIT REPORT:
# RECORD KEEPING

Prepared by: Annette Pianezzola, Risk & Audit Analyst

July 2023

CITY OF ADELAIDE

CITY OF
ADELAIDE

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| Distribution | | | |
|---|---|---|---|
| For action: | | For information and approval: | |
| Alana Martin | Manager Governance | City of Adelaide | Strategic Risk and Internal Audit Group |
| Sarah Gilmour | Associate Director Park Lands, Policy & Sustainability | City of Adelaide | Audit & Risk Committee |
| | | Clare Mockler | Chief Executive Officer |

# 1. EXECUTIVE SUMMARY

In accordance with the 2022/23 Internal Audit Plan for the City of Adelaide (CoA) an internal audit focussing on the record keeping requirements of the CoA was performed. The objective, scope, approach and findings are outlined below.

# 2. OBJECTIVES

The Record Keeping Audit for 2023 focused on randomly selecting teams across the organisation to be included within the audit. This review is included in the 2022-23 Internal Audit Plan to provide a level of comfort to the CoA Executive Team, the Executive Strategic Risk & Internal Audit Group (SRIA) and the CoA Audit & Risk Committee that our record keeping compliance obligations are being met. This audit was developed and facilitated in conjunction with Information Management as per the requirements in the Records Management Operating Guideline.

# 3. BACKGROUND

The *State Records Act 1997 (SA)* governs the obligations and responsibilities of councils in relation to the management of official records. Under this Act, the Council has an obligation to maintain official records in its custody in good order and condition.

An official record is a record made or received by the council in the conduct of its business. This means that because employees of the Council act as a representative of the Council, any record created, sent, received, forwarded or transmitted by Council employees in the performance and discharge of their functions and duties may be classified as an official record.

The Records Management Operating Guideline (Operating Guideline) applies to all areas of Council, including subsidiaries, electronic business and social media. It concerns records which are created, collected, processed, used, sentenced, stored and disposed of in the conduct of official business. It applies to all Council employees and employees of the subsidiaries. The Operating Guideline provides the framework for the Council to effectively fulfil its obligations and statutory requirements under the *State Records Act 1997 (SA)*.

Good records management is of key importance to good governance. All official records recreated or used by employees while conducting Council business are to be retained and, where appropriate, registered into the corporate Electronic Document Records Management System (EDRMS). The current EDRMS that the CoA uses is Content Manager.

# 4. METHODOLOGY

During June and July, discussions were held with the relevant stakeholders to understand the current practices in each area in relation to record keeping as per the Operating Guideline. Three programs/teams were reviewed independently by Annette Pianezzola, Risk and Audit Analyst. A sample of tasks were selected from each area to discuss the process of how information is recorded and where it is stored.

A desktop review was conducted, with two of the actions deemed to be satisfactory. One action has been determined with deficiencies identified and will be registered in the Promapp software system for monitoring and review. These findings are listed below:

| Program / Team | Task | Satisfactory | Deficiencies Identified |
|---|---|---|---|
| Strategy, Planning & Engagement | Community consultation<br>• Documents, email correspondence | 1 | |

| | | | |
|---|---|---|---|
| Council Governance | Agendas and Minutes of Council and Committees using ModernGov<br>• Agendas, minutes, reports, decisions | 1 | |
| Park Lands Planning | Plans, Strategy and Policies<br>• Email correspondence, documents, spreadsheets, reports (draft and final), audit actions, community forums, engagement | | 1 |

## 5. CONSULTATION

The following CoA stakeholders were involved in meetings throughout the audit:

- Lok Chiu, Team Leader Strategy, Planning & Engagement
- Simone Lavelle, Coordinator Community Engagement
- Amy Buxton, Community Engagement Support Officer
- Kathryn Goldy, Team Leader Council Governance
- Anita Inglis, Council Governance Advisor
- Jared Wilson, Team Leader Park Lands Planning
- Michelle Williams, Senior Park Lands Planner

# 6. SUMMARY OF FINDINGS

| Ref #1 Park Lands Planning | Rating: High |
|---|---|
| **Finding and Recommendation** | **Agreed Actions** |
| **Finding:**<br>The Park Lands Planning team undertake work collaboratively across the team; therefore, a number of team members work on the same documents / projects. In consultation with the key stakeholders, the most effective and efficient way of sharing of information regarding a document / project is through the Sharepoint platform, Microsoft Teams.<br><br>Microsoft Teams is a communication platform which offers file storage for all end users to upload and view. In developing documents/reports or working on a significant project, this platform is a useful tool in the sharing of knowledge and documents to all users of that group. The Park Lands Planning team use this platform for that particular use and all members who require access are able to upload, view and edit documents as the work undertaken is across a number of members of the team.<br><br>For example, the Adelaide Park Lands Management Strategy. A Teams platform has been established for this strategy with a number of sub-folders to store files and documents. The sub-folders are easily identifiable by titles, who has modified it last and date of last modification.<br><br>In review of these folders with the relevant documents / files, it has been noted that many sub-folders have not been used for some time, such as beginning of 2021. In discussion with the Senior Park Lands Planner, it was identified that some folders can be closed, and the documents can be filed, as the project has been finalised. As these are official records as per the Records Management Operating | **Management comments:**<br><br>1. Findings of the audit will be discussed at Park Lands Planning team meeting scheduled for 17 July 2023. APLMS folders and subfolders will be reviewed and filed/closed by August 2023.<br><br>2. Folder structure will be discussed with records to ensure the document hierarchy reflects the various types of content prepared during the APLMS project.<br><br>3. Once this process is defined it should be shared to the whole organisation as teams is widely in use for collaborative work. Park Lands Planning process to be defied and issued to records for review by August 2023.<br><br>4. A gap in APLAG content manager records is identified post September 2022 due to staff changes. Content from October 2022 onwards will be reviewed and uploaded by 21 July 2023 and container number (201/01121) added to agendas for reference. Minutes and agendas will be uploaded on a monthly basis. |

| | |
|---|---|
| Guidelines, these files should be transferred and retained in Council's record management system, Content Manager.<br><br>In addition, an internal advisory group, Adelaide Park Lands Advisory Group (APLAG) has been developed to discuss all issues relating to the Adelaide Park Lands. This folder contains agendas and minutes of the minutes. As the decision-making process can be contained within these minutes, the minutes are considered an official record of Council, therefore should be retained in the Council's records management system.<br><br>**Recommendations**<br>1. Review all folders and sub-folders that are held with the Microsoft Teams platform to determine if they can be filed in Content Manager and closed.<br><br>2. Once a folder with the associated documents have been identified to be closed, create a Content Manager container by contacting Central Records and file the relevant documents in this container.<br><br>3. Identify a process in which on a regular basis, the Microsoft Teams platform is reviewed, and files are transferred to Content Manager.<br><br>4. Ensure that agendas and minutes from the APLAG is filed and stored in Content Manager on a regular basis. | |
| **Position Responsible:** | Associate Director Park Lands, Policy & Sustainability |
| **Target Date:** | Completed |

# APPENDIX 1: RISK MATRIX OF INTERNAL AUDIT FINDINGS

The following framework for the internal audit ratings is consistent with the CoA Risk Management Operating Guidelines and the Risk Management International Standard ISO31000:2018. The descriptions have been tailored to illustrate risk to the business operations.

## 6.1 CoA Risk Matrix

| CoA Risk Matrix | | CONSEQUENCE | | | | |
|---|---|---|---|---|---|---|
| | | Insignificant | Minor | Moderate | Major | Catastrophic |
| LIKELIHOOD | Almost Certain | Medium | High | Extreme | Extreme | Extreme |
| | Likely | Medium | High | High | Extreme | Extreme |
| | Possible | Low | Medium | High | High | Extreme |
| | Unlikely | Low | Low | Medium | Medium | High |
| | Rare | Low | Low | Low | Medium | Medium |

## 8.3 Risk & Finding Descriptions

| Rating | Definition | Action | Indicative Timeframe (variations to be agreed by SRIA) |
|---|---|---|---|
| Extreme | The finding represents a control weakness which could have or is having an extreme adverse impact on the business and the ability to meet objectives.<br>• Extreme decline in quality and customer service leading to a decrease in community's confidence in Council<br>• Extreme breakdown in process that leads to illegal activity<br>• Breach of legislation or contractual non-compliance that will result in litigation, prosecution and/or penalty | Finding reported to Director immediately and response plan developed with appropriate Associate Director. Implementation updates and status reporting managed through Promapp. | Actions managed in Promapp with a timeframe of no more than 3 months for completion. |
| High | The finding represents a control weakness which could have or is having a high adverse impact on the business and the ability to meet objectives.<br>• Major decline in quality and customer services leading to a decrease in community's confidence in Council<br>• Serious breakdown in process that may lead to increased and unacceptable risk<br>• Breach of legislation or contractual non-compliance that will result in litigation, prosecution and/or penalty | Finding reported to the appropriate Associate Director immediately and response plan developed with appropriate Manager. Managed through Promapp. | Actions managed in Promapp with a timeframe of no more than 6 months for completion. |
| Medium | The finding represents a control weakness which could have or is having a medium adverse impact on the business and the ability to meet objectives.<br>• Medium decline in quality and customer services leading to a decrease in community's confidence in Council<br>• Medium operational breakdown in process that may lead to increased and unacceptable risk<br>• Minor breach of legislation or contractual non-compliance that will not likely result in litigation, prosecution and/or penalty | Finding reported to appropriate Manager through Internal Audit Report and managed through Promapp. | Actions managed in Promapp with a timeframe of no more than 9 months for completion. |
| Low | The finding represents a minor control weakness which could have or is having a low/ minimal but reportable adverse impact on the business and the ability to meet process objectives.<br>• Minimal decline in quality and customer services<br>• Minor breakdown in process that is not likely to affect risk<br>• Minor breach of legislation or contractual non-compliance that will not likely result in litigation, prosecution and/or penalty | Finding reported to appropriate Manager through Internal Audit Report and managed through Promapp. | Actions managed in Promapp with a timeframe of no more than 12 months for completion. |

# Cab Charges, Ride Shares & Pool Cars Internal Audit

**Friday, 10 November 2023**
Audit and Risk Committee

Strategic Alignment - Enabling Priorities

**Program Contact:**
Alana Martin - Manager Governance

Public

**Approving Officer:**
Michael Sedgman - Chief Operating Officer

## EXECUTIVE SUMMARY

In accordance with the 2022-23 Internal Audit Plan for the City of Adelaide (CoA) an internal audit focussing on the expenditure of cab charges, the utilisation of pool cars and the use of CoA decals on private vehicles was performed.

The internal audit identified three high, one moderate and one low risk rated findings, with two improvement opportunities.

The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities.

Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, effectively, and to advise how it can improve performance.

## RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided as Attachment A to Item 5.6 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.
2. Endorses the responses of the Administration to the Cab Charges, Ride Shares and Pool Cars Internal Audit Report as outlined in Attachment A to Item 5.6 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.

# IMPLICATIONS AND FINANCIALS

| | |
|---|---|
| City of Adelaide 2020-2024 Strategic Plan | Strategic Alignment – Enabling Priorities<br>Internal audit is an essential component of a good governance framework. It enables Council to ensure it is performing its function legally, effectively and efficiently. |
| 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 | Internal audits suggest a range of improvement opportunities |
| 23/24 Budget Allocation | Not as a result of this report. |
| Proposed 24/25 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. |
| 23/24 Budget Reconsideration (if applicable) | Not as a result of this report. |
| Ongoing Costs (eg maintenance cost) | Not as a result of this report. |
| Other Funding Sources | Not as a result of this report. |

# DISCUSSION

**Background**

1. The Cab Charges, Ride Shares and Pool Cars Internal Audit was performed by CoA's Risk and Audit Analyst, in accordance with the 2022-23 Internal Audit Plan.

**Report**

2. This audit aligns with CoA's Strategic Risk – Financial Sustainability: Failure to plan for and manage Council's finances.
3. Cab charges and ride shares are a form of transportation CoA employees use to attend off-site meetings and appointments in the course of their normal day to day work duties.
4. The CoA have acquired pool cars for employees to use when conducting CoA business. These vehicles are dedicated to general business and not allocated to a position or person. They are available for use by all employees for genera day to day use through the vehicle booking system (i.e. Microsoft Outlook).
5. During the course of the audit and consultation with stakeholders, it was identified that decals and magnetic stickers may be placed on private vehicles of staff / contractors to allow those people to park on the city streets for an unlimited period of time in the course of performing their official duties for CoA. Therefore, it was determined to include this as part of this audit to ensure that appropriate controls and processes are in place for the use of decals and stickers.
6. The objective of the audit considered CoA"s expenditure on cab charges, the utilisation of pool cars (including cars assigned to business units) and the use of CoA decals on private vehicles, with consideration given to ride share opportunities. The review assessed the contracts in place with certain providers and whether CoA is managing these contracts in the most cost-effective way.
7. The findings of the internal audit are indexed into the following risk ratings:

| Finding | Risk Rating |
|---|---|
| No documented processes in place for CoA decals | High |
| No documented processes in place for CoA contractor stickers | High |
| Incorrect use of pool cars | High |
| Logbooks not completed | Moderate |
| No documented guidelines for the use of cab charges | Low |
| Online portal opportunity | Improvement Opportunity |
| Opportunity to reduce pool cars | Improvement Opportunity |

8. Management have considered the findings and provided actions and time frames to address these findings.

# ATTACHMENTS

**Attachment A** – Cab Charges, Ride Shares and Pool Cars Internal Audit

- END OF REPORT -

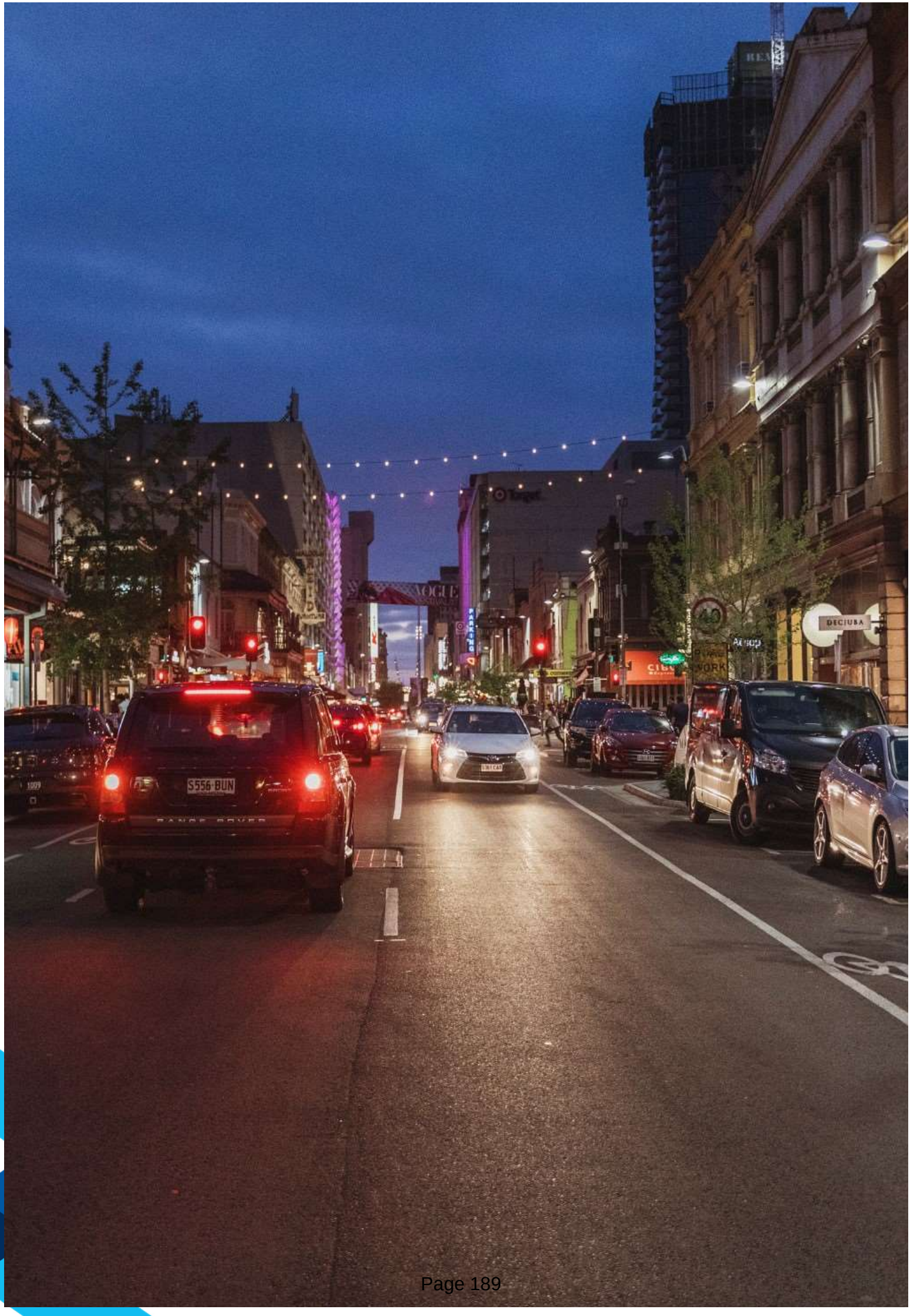
# INTERNAL AUDIT REPORT:

## CAB CHARGES, RIDE SHARES & POOLS CARS

Prepared by: Annette Pianezzola, Risk & Audit Analyst

July 2023

CITY OF ADELAIDE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| Distribution | | | |
|---|---|---|---|
| For action: | | For information and approval: | |
| Alana Martin | Manager Governance | City of Adelaide | Strategic Risk and Internal Audit Group |
| Garry Herdegen | Associate Director City Operations | City of Adelaide | Audit & Risk Committee |
| Anthony Spartalis | Manager Finance & Procurement | Clare Mockler | Chief Executive Officer |
| Louise Williams | Manager People | | |
| Mike Philippou | Associate Director, Strategic Property & Commercial | | |
| Jennifer Kalionis | Associate Director, City Culture | | |

# 1. EXECUTIVE SUMMARY

In accordance with the 2022-23 Internal Audit Plan for the City of Adelaide (CoA) an internal audit focussing on Council's cab charges, ride shares and pool cars was performed. The objective, scope, approach and findings are outlined below.

# 2. OBJECTIVES

The objective of this internal audit project considered CoA's expenditure on cab charges, the utilisation of pool cars (including cars assigned to business units) and the use of CoA decals on private vehicles, with consideration given to ride share opportunities. The review assessed the contracts in place with certain providers and whether CoA is managing these contracts in the most cost-effective way. This review is included in the 2022-23 Internal Audit Plan to assure the CoA Executive Team, the Executive Strategic Risk & Internal Audit Group (SRIA) and the CoA Audit & Risk Committee (ARC).

# 3. SCOPE

This audit has assessed the practices in place to manage contracts, utilisation and expenditure of cab charges, ride shares and pool cars.

## 3.1 Scope Topics

The six main audit areas are:

- **Governance Framework –** are the relevant policies/procedures and guidelines relating to utilisation of vehicle transport available to staff sufficient? Are procedures in place for the use of pool cars? Are staff aware of their responsibilities prior to utilising a form of vehicle transportation?
- **Contract Management –** does CoA have systems in place for the management of contracts with certain providers? Are contracts being managed?
- **Utilisation –** analysis on the utilisation of pool cars or cab charges. Which one is the most cost effective? Are there other ride shares arrangements that can be considered (i.e. e-scooters)?
- **Financial** – analysis of expenditure across all forms of vehicle transportation. Which is the most efficient and cost benefit? Are there any Fringe Benefit Tax implications?
- **Compliance –** are records maintained for compliance such as service records for pool cars, who utilises the pool cars, driver's license, insurance etc? Are records kept for cab charges and usage? Are there documented procedures including approval process for issuing CoA decals for private vehicles?
- **Management –** who manages the pool cars and cab charges/Uber? Are these forms of vehicle transportation monitored?

### 3.2 Timeframes

- The scope was developed and approved by SRIA on 16 February 2023. The audit began in March 2023.
- Consultation and meetings with relevant stakeholders occurred in March and April 2023 to gather and source information.
- Meetings with action owners, and finalisation of the report occurred in May - July 2023.
- The report was presented to SRIA in August 2023.
- The final report will be presented to the ARC in August 2023.

## 4. METHODOLOGY

The audit focused on how pool cars and CoA decals are managed against the following guidelines:

- Light Motor Vehicle Allocation and Use Operating Guideline
- In-Vehicle Monitoring System Operating Guideline
- Hospitality Expenses Operating Guideline

Engagement was performed using the following approach:

- CoA staff member Annette Pianezzola, Risk & Audit Analyst performed the audit.
- One on one discussions with relevant CoA programs:
    - City Operations
    - Infrastructure
    - Finance & Procurement
    - Information Management
    - City Culture
    - Regulatory Services
    - Park Lands, Policy & Sustainability
    - Community Safety
- Review of relevant documentation associated with the management of cab charges, pool cars and CoA decals.
- Review of expenditure across all streams of vehicle transportation to determine the more cost-effective way.
- Review of utilisation of the pool cars and how this is managed, including the issuing of pool keys.
- Review and management of cab charges issued.
- Review of relevant documentation in relation to contract management of certain providers.

# 5. BACKGROUND

## 5.1 Cab Charges / Ride Shares

Cab charges and ride shares are a form of transportation that CoA employees use to attend off-site meetings and appointments in the course of their normal day to day work duties. CoA use the following providers:

- CabCharges
- Suburban Taxis
- Ubers

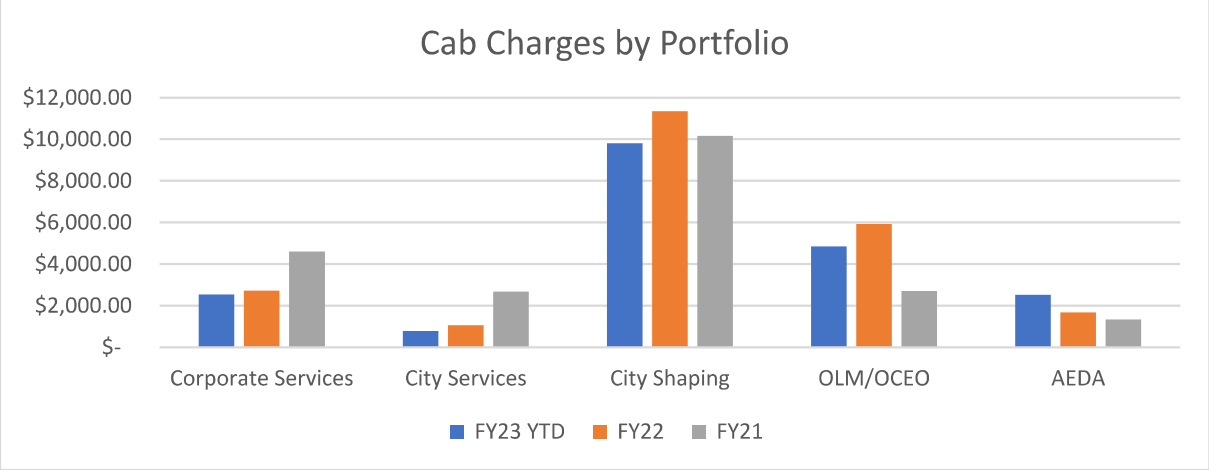
This form of transportation has been utilised by CoA employees for many years, so a review of expenditure for the past 3 financial years was performed. Total expenditure for cab charges is as follows:

- Financial year 2020 / 2021 - $23,667
- Financial year 2021 / 2022 - $23,456
- Financial year 2022 / 2023 - $20,588

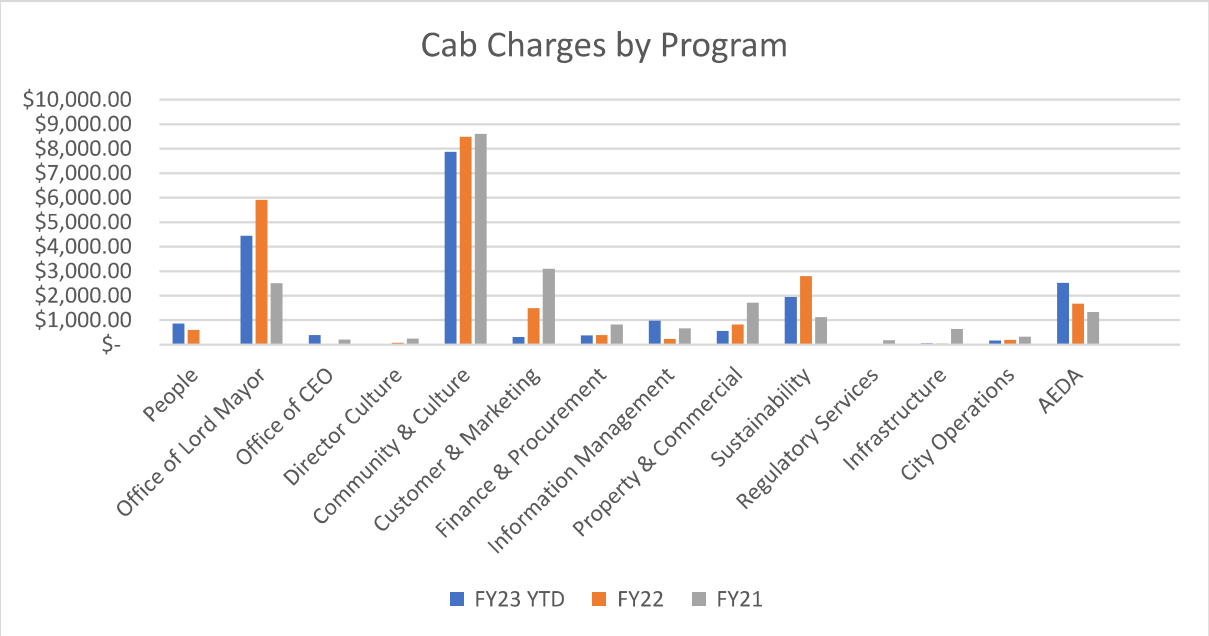
  Note: FY23 YTD information includes July 2022 to March 2023

Below is the breakdown by Portfolio and Program for the above financial years.

Expenditure by Portfolio



Expenditure by Program




Note: FY23 YTD information includes July 2022 to March 2023

The majority of expenditure falls under the City Shaping and OLM/OCEO Portfolios and this is reflected in the City Culture Program and Office of Lord Mayor / Office of the CEO Program respectively. These programs tend to experience higher expenditure than other programs due to:

- City Culture –for the past 3 years, total expenditure is $21,032.37 for the Healthy Aging Program and City Culture program is $3,924.85
- Office of Lord Mayor– cab charges / ride shares are used for out of hours meetings such as Committee or Council meetings for Councillors

## 5.2 Pool Cars

The CoA have acquired pool cars for employees to use when conducting CoA business. These vehicles are dedicated to general business and not allocated to a position or person. They are available for use by all employees for general day to day use through the vehicle booking system (i.e. Microsoft Outlook). The following vehicles have been assigned as a pool car for the use to all employees:

- S689CMC – Hyundai Ioniq EV Hatch (parked at Wyatt UPark)
- S902CNM – Mazda Sport Wagon (parked at Wyatt UPark)
- S665CLJ – Hyundai Ioniq EV Hatch (parked at depot)
- S977CMC - Hyundai Ioniq EV Hatch (parked at depot)

The following vehicles have been assigned as a pool car to a program, for employees in that particular program to use:

- S996CMC - Hyundai Ioniq EV Hatch (assigned to Regulatory Services)
- S994CMC - Hyundai Ioniq EV Hatch (assigned to Regulatory Services)
- S792CNE - Hyundai Ioniq EV Hatch (assigned to Infrastructure)

In review of all pool cars available, an analysis of usage and cost was performed on the following vehicles:

- S689CMC – Hyundai Ioniq EV Hatch
- S902CNM – Mazda Sport Wagon
- S665CLJ – Hyundai Ioniq EV Hatch
- S977CMC - Hyundai Ioniq EV Hatch
- S792CNE - Hyundai Ioniq EV Hatch

All other pool cars were not considered as part of this analysis due to the roles and responsibilities required by the staff members / programs in order to perform their duties (i.e. parking information officers, customer safety officers who require vehicles on a regular basis as part of their core duties).

Over the past 3 financial years the average use of these vehicles is as follows:

| S689CMC | S902CNM | S665CLJ | S977CMC | S792CNE |
|---|---|---|---|---|
| 36% | 53% | 22% | 23% | 32% |

Note: this is based on 2080 working hours per year

During the analysis of usage, the following findings have been identified:

- S902CMC is used more frequently due to a regular booking for Information Management on Tuesdays and Thursdays so they can perform their duties at other council sites.
- S665CLJ & S977CMC usage figures are slightly distorted as there was an extended period of time in which a 'bulk booking' was performed over a 4 month period, so it is undetermined if the car was actually used during this period. Therefore, the 23% usage could be lower than indicated.

The cost per year per vehicle is:

| S689CMC | S902CNM | S665CLJ | S977CMC | S792CNE |
|---|---|---|---|---|
| $21,356 | $21,019 | $20,670 | $21,569 | $21,199 |

The costs include maintenance, service, fuel (though most are electric), insurance, registration, depreciation, car park fees and vehicle purchase (expensed over 3 years less trade in value).

Average rides taken per year per pool car:

| S689CMC | S902CNM | S665CLJ | S977CMC | S792CNE |
|---|---|---|---|---|
| 350 | 360 | 250 | 350 | 450 |

## 5.3 CoA Decals and Stickers

During the course of the audit and consultation with stakeholders, it was identified that decals and magnetic stickers may be placed on the private vehicles of staff / contractors to allow those people to park on city streets for an unlimited period of time in the course of performing their official duties for CoA. Therefore, it was determined to include this as part of this audit to ensure that appropriate controls and processes are in place for the use of decals and stickers.

CoA Decals are stickers that are created to be placed on the private vehicle of a CoA employee or Council Member.

CoA magnetic stickers are given by City Operations to contractors engaged by CoA through a procurement process.

# 6. FINDINGS

The number of findings identified during the audit is shown in the table below.

A full list of the findings identified and agreed management actions can be found further in the Summary of Findings section of the report. Risk ratings are listed in Appendix 1.

| Findings | Risk Rating |
|---|---|
| No documented processes in place for CoA decals | **High** |
| No documented processes in place for CoA contractor stickers | **High** |
| Incorrect use of pool cars | **High** |
| Logbooks not completed | **Moderate** |
| No documented guidelines for the use of cab charges | **Low** |
| Online portal opportunity | **Improvement Opportunity** |
| Opportunity to reduce pool cars | **Improvement Opportunity** |

# 7. CONSULTATION

The following CoA stakeholders were involved in meetings throughout this audit:

- Sylvia Arvanitis, Procure to Pay Officer
- Jennifer Barter, Wellbeing Support Officer
- Colette Keech, Program Administrative Assistant, City Culture
- Sue Lawrence, Team Leader Libraries
- Hayley Lambi, Program Administrative Assistant, Regulatory Services
- Nikki Batten, Program Administrative Assistant, Park Lands, Policy & Sustainability
- Paree Saris, Program Administrative Assistant, Infrastructure
- Brian Cole, Security Officer
- Ken Heaver, Security Officer
- Tony Bellini, Leading Hand Field & Plant
- Michael Hughes, Work Group Leader, Workshop Services
- Paul Meegan, Work Group Leader, On-Street Parking Operations
- Lisa Loveday, Acting Associate Director, Regulatory Services
- Kaushik Shekar, Finance and Business Administrator
- Danielle Pedler, Financial & Capital Accountant
- Frank Fan, Finance Analyst
- Lyndee Payne, Finance Analyst

- David Carroll, Technology, Infrastructure & Platform Lead
- Craig Dykstra, Team Leader Service Desk

# 8. SUMMARY OF FINDINGS

| Ref #1 No documented processes in place for CoA decals | Rating: High |
|---|---|
| **Description of finding** | **Agreed Actions** |
| **Identification:**<br>CoA decals are issued to Executive and Council Members to be placed on their private vehicles in circumstances where they are performing CoA duties such as attending Committee/Council meetings, after hours meetings etc. In discussions with stakeholders across Council, the decals are printed and issued by City Operations but there appears to be no processes or controls in place to ensure transparency. The following findings were identified:<br>• no process documented for who is entitled to be issued with a decal<br>• no approval process in place<br>• limited records retained of approvals<br>• decals do not hold an expiry date<br>• decals are not assigned to a particular vehicle<br>• no process for the return of decals when CoA employee or Council Member leave the organisation<br>• no register of who currently holds a decal<br>• Parking Information Officers are not provided a list of who holds a decal<br>• CoA employees are not parking within the relevant parking bays or within the timeframes (time limits do apply)<br><br>In addition, it was noted that in previous years, particular Members requested more than one decal to be placed on multiple vehicles and the use of these decals were used on evenings not for Council business. | Information received that decals currently issued do have an expiry date on them, and that this date has potentially been removed in some cases.<br><br>1. Decals should be assigned by position, as per the UPark pass. In consultation with the CEO, identify which positions are entitled to a CoA Decal and inform the Fleet Management Office. Once the positions have been identified, ensure those positions are offered a decal or UPark pass on employment.<br><br>Responsibility: Manager People<br><br>Target Date: November 2023<br><br>2 & 7. Create an online form to capture the request for UPark Pass or CoA decals and incorporate the relevant workflows and approval levels. Incorporate the Acknowledgement and Agreement of Conditions of Use for UPark Pass and Decals. The form will need to be initiated from the person that will be allocated the relevant pass.<br><br>Responsibility: Associate Director Strategic Property & Commercial / Associate Director City Operations<br><br>Target Date: November 2023<br><br>3. Work with Information Management to ensure that the Leaving the City of Adelaide Checklist Form has included the return of the UPark Pass and CoA Decal. |

| | |
|---|---|
| Furthermore, in discussion with Finance, Fringe Benefit Tax applies as the CoA employee receives a benefit when they are issued a decal (i.e. free parking in the city). As it is difficult to determine the number of days the benefit is used, the statutory method is used, which equates to $3,437 FBT per year per decal. This only applies to CoA employees and not Council Members. If the employee also holds a UPark pass, then the employee is receiving two benefits. Employees should not be issued both a decal and a UPark pass.<br><br>Through stakeholder discussions, it was noted that there is no formal request to organise a UPark pass or CoA decal. The general requests are forwarded to the relevant areas, UPark and City Operations via email notification. In addition, when the CoA employee leaves CoA, there is not formal follow up to see if the UPark pass or CoA decal is returned. Each employee is required to have a Leaving the City of Adelaide Checklist form completed, and in review of this document, the UPark pass and CoA decal is not listed.<br><br>The risk of not having a proper documented process exposes Council to potential fraudulent behaviour as the benefit the person may receive is free parking within the City boundaries. There is further risk of improper use by the person issued with a decal because they are not informed of the circumstances under which the decal may and may not be used.<br><br>**Recommendation:**<br>1. Decals should be assigned by position, as per the UPark pass. Determine who is entitled to access a CoA decal and inform City Operations. Once the positions have been identified, ensure those positions are offered a decal or UPark pass on employment.<br><br>2. Create an online form to request a UPark pass or CoA decal to be approved and workflow to the relevant area to action the requirement.<br><br>3. To be included in the Exit Checklist, the requirement for the UPark pass and CoA decal to be returned. | Responsibility: Manager People<br><br>Target Date: Completed<br><br>4. Once the positions have been identified, identify who is in possession of a decal and UPark pass. For those positions:<br>• that should not be allocated a CoA decal, a letter to be drafted, by People, explaining the reasons for change which can be discussed by the CEO with relevant leaders.<br>• that are entitled to a CoA decal or UPark pass, a letter to be drafted by People to confirm preference to continue with decal or UPark pass.<br><br>Responsibility: Manager People<br><br>Target Date: December 2023<br><br>5. Include in the Light Motor Vehicle Allocation and Use Operating Guideline the purpose and approval process for the issuing of decals (including positions entitled to access a decal).<br><br>Responsibility: Associate Director City Operations<br><br>Target Date: December 2023<br><br>6. Document the end-to-end process in Promapp so all users are aware of their responsibilities, including the need to renew decals at each expiry period. Communicate this to relevant stakeholders.<br><br>Responsibility: Associate Director City Operations<br><br>Target Date: January 2024 |

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| 4. Once the positions have been identified, organise for any position that is not entitled a decal to be returned and for those that have the decal and UPark pass to decide which one they want to retain.<br><br>5. Include in the Light Motor Vehicle Allocation and Use Operating Guideline the purpose and approval process for the issuing of decals (including who is entitled to access a decal).<br><br>6. Document the end-to-end process in Promapp so all users are aware of their responsibilities. Communicate this to the relevant users of decals.<br><br>7. Create an Acknowledgement and signoff Form for each individual who is issued a decal so they are aware of their responsibilities (i.e. including if parking in a time limit bay). This acknowledgement form must be retained in Content Manager.<br><br>8. Create a register of who is assigned a decal and manage this register.<br><br>9. Consider an annual or 4-year term (in-line with Council term) colour coding system of the decal.<br><br>10. Place an expiry date on the decal and allocate the decal to the vehicle that it will be assigned to (i.e. registration number).<br><br>11. Provide a list annually of vehicles that have been assigned a decal to the Parking Information Officers. | 8. Create a register of who is assigned a decal and manage this register.<br><br>Responsibility: Associate Director City Operations<br>Target Date: Completed<br><br>9 & 10. Refresh all decals to include current expiry date and ensure validity. Offer a moratorium period (e.g. 12 months) to allow arrangements for a refresh on existing decals. This action will inform Parking Information Officers that any decals displayed past the end date of the moratorium without agreed expiry dates listed would not be valid and therefore subject to any expiation as relevant.<br><br>Responsibility: Associate Director City Operations<br><br>Target Date: June 2024<br><br>11. Provide a list annually of vehicles that are assigned a decal to the Parking Information Officers.<br><br>Responsibility: Associate Director City Operations<br><br>Target Date: June 2024 |
| **Position Responsible:** | Manager People, Associate Director Strategic Property & Commercial, & Associate Director City Operations |
| **Target Date:** | As above |

| Ref #2 No documented processes in place for CoA contractor stickers | Rating: High |
|---|---|
| **Description of finding** | **Agreed Actions** |
| **Identification:**<br>CoA contractor stickers are issued to contractors that are engaged to perform work on behalf of CoA in the public realm. Contractors will place these magnetic stickers on their vehicles which entitles them to park their vehicles in the public realm for extended periods of time without being expiated. The sticker resembles the City of Adelaide logo and has no expiry date. During discussion with stakeholders, there is no documented process for how the magnetic stickers are issued to contractors nor is a register held to determine which contractor holds a sticker.<br><br>The risk of issuing stickers to contractors are:<br>• Stickers are not returned<br>• Stickers do not hold an expiry date<br>• No management of stickers therefore stickers can be shared<br>• Contractors receive free parking on days when not engaged by CoA<br><br>**Recommendation:**<br>1. Document end-to-end process in the management of approving and issuing contractor stickers for use in Promapp. Training to be provided to programs that will issues stickers to contractors.<br><br>2. Investigate the opportunity to provide contractors with permits instead of magnetic stickers which contain location and expiry dates. These permits can be placed on the dashboard. This can be similar to visitor permits that are currently issued by Customer Centre. | 1. Investigate the opportunity to provide contractors with permits instead of magnetic stickers which contain location and expiry dates. These permits can be placed on the dashboard. This can be similar to visitor permits that are currently issued by Customer Centre.<br><br>2. Document end-to-end process in the management of approving and issuing contractor permits for use in Promapp |

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| **Position Responsible:** | Associate Director City Operations |
| **Target Date:** | February 2024 |

| Ref #3 Incorrect use of pool cars | Rating: High |
|---|---|
| **Description of finding** | **Agreed Actions** |
| **Identification:**<br>As per the Light Motor Vehicle Allocation and Operating Guideline, a pool car is acquired exclusively for the use of employees conducting CoA business. These vehicles are dedicated to general business and are not allocated to a position or person and will be available for use by all employees for general day to day use, through the vehicle booking system.<br><br>In reviewing the usage of the pool cars:<br>• S689CMC<br>• S902CNM<br>• S665CLJ<br>• S977CMC<br>• S792CNE<br><br>Over the last three years, a vehicle was booked overnight on 82 occasions. It is not known whether the vehicles were garaged in their primary place (i.e. Wyatt UPark or London Road Depot). However, in discussion with stakeholders, there was the assumption that, with the relevant approvals, these pool cars were able to be garaged overnight at the CoA employee's place of residence. In review of the Operating Guideline, all CoA vehicles, unless assigned to position and available for commuter use, must be garaged at a CoA location.<br><br>Pool cars are booked through the vehicle booking system which is Microsoft Outlook. The keys are collected either by security or the Program Administrative Assistant in Infrastructure and a sign in / sign out sheet is completed. In discussions with some stakeholders, it was noted that the person that made the booking or collected the keys was not the person who drove the vehicle. For example, a Program | 1. Inform all CoA employees that pool cars must be garaged overnight at a CoA location. This can be done via the Next Edition.<br><br>Target Date: Completed<br><br>2. Inform all CoA employees that vehicle bookings must be made under the driver's name. This can be done via the Next Edition.<br><br>Target Date: Completed<br><br>3. Develop Pool Vehicle Procedures to be placed in pool vehicles and located at vehicle key distribution points (i.e. Town Hall Security and LRD Radio Room) for pool vehicles users to read, acknowledge and adhere to when booking and utilising pool vehicles.<br><br>Target Date: December 2023 |

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| Administrative Assistant may make the booking and collect the keys on behalf of an employee within the program.<br><br>The risk of booking a vehicle on behalf of another person is that there is no true record of the driver of the vehicle at any particular time, in case there is an incident, or a traffic infringement has occurred. It is imperative that all bookings are made under the driver's name.<br><br>**Recommendation:**<br><br>1. Inform all CoA employees that pool cars must be garaged overnight at a CoA location. This can be done via the Next Edition.<br><br>2. Inform all CoA employees that vehicle bookings must be made under the driver's name. This can be done via the Next Edition. | |
| **Position Responsible:** | Associate Director City Operations |
| **Target Date:** | As above |

| Ref #4 Logbooks not completed | Rating: Moderate |
|---|---|
| **Description of finding** | **Agreed Actions** |
| **Identification:**<br>All pool cars are issued a logbook and these are maintained in the vehicle. In discussion with the Fleet Management Office, the intended use of the logbook is for the driver to complete each time they use the vehicle. The following details must be entered into the logbook:<br>• Date<br>• Time in and time out<br>• Operator safety checks done by (driver's name)<br>• Odometer reading<br>• Operator's signature<br>• Employee number (if known)<br><br>The main reason for completing the logbook is to perform the safety check of the pool car. This is stated in the logbook. If there is a fault found there are pages towards the end of the logbook where the fault/problem with the vehicle should be recorded. This should then be handed into the Fleet Management Office so that a Work Order can be requested for the vehicle's repair.<br><br>In reviewing the logbooks in S689CMC and S902CNM, the logbooks are either hardly completed or not completed at all. In consultation with a number of key users of pool cars, they were unaware that they needed to complete the logbook let alone perform a safety check of the vehicle prior to use.<br><br>Furthermore, the 2 pool cars at the London Road Depot logbooks are checked on a regular basis by the Security Officer at the depot, however the 3 vehicles at Wyatt UPark are not check by anyone unless there is a fault report. Nevertheless, all vehicles are serviced once a year. | 1. Develop Pool Vehicle Procedures to be placed in pool vehicles and located at vehicle key distribution points (i.e. Town Hall Security and LRD Radio Room) for pool vehicles users to read, acknowledge and adhere to when booking and utilising pool vehicles.<br><br>Target Date: December 2023<br><br>2. Information all CoA employees' requirements of taking out a pool car, i.e. the logbook must be completed and safety checks performed. This can be done via the Next Edition and information sheet provided by Security when collecting the keys. The Light Motor Vehicle Allocation and User Operating Guideline will be updated to reflect this.<br><br>Target Date: December 2023<br><br>3. It has been confirmed that the Geotab Drive App is not compatible with SSO, so is not authorised for use by IM, therefore unable to use the in-vehicle monitoring system to assist in logbook entries.<br><br>Target Date: Completed<br><br>4. Include in the Light Motor Vehicle Allocation and Use Operating Guideline the requirement that pre-start and post-journey check lists must be completed prior to commencement of the journey. Communicate this additional requirement to all CoA employees.<br><br>Responsibility: Associate Director City Operations<br><br>Target Date: December 2023 |

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| The risk of not completing a pre-check prior to commencement of driving the vehicle, the driver may be unaware of the fault the vehicle is demonstrating. In consultation with key stakeholders, as part of the In-Vehicle Monitoring System (IVMS) that was recently purchased, one of the modules is a Geotab Drive App. This app synchronises with MyGeotab via a wi-fi or cellular connection, to download the latest duty status logs and vehicle data. Include in this app is a pre start check which drivers can complete prior to taking out a pool car<br><br>**Recommendation:**<br><br>1. Inform all CoA employees requirements of taking out a pool car, i.e. the logbook must be completed and safety checks performed. This can be done via the Next Edition and information sheet provided by Security when collecting the keys.<br><br>2. Investigate the use of a new in-vehicle monitoring system to assist in logbook entries such as pre-start check lists, so they can be completed prior to commencement of the journey. Give CoA staff members the opportunity to complete a logbook or the check list via an online system.<br><br>3. Include in the Light Motor Vehicle Allocation & Use Operating Guideline, the requirement that pre-start check lists must be completed prior to commencement of the journey.<br><br>4. Quarterly spot checks of the logbooks to be performed. | 5. Quarterly spot checks of logbooks to be implemented.<br><br>Target Date: December 2023 |
| **Position Responsible:** | Associate Director City Operations |
| **Target Date:** | As above |

| Ref #5 No documented guidelines for the use of Cab Charges | Rating: Low |
|---|---|
| **Description of finding** | **Agreed Actions** |
| **Identification:**<br>Cab charges are utilised across the Corporation for employees, volunteers and clients (i.e. Healthy Aging Program). Over the past 3 financial years, $67,711.85 was spent on cab charges. For the financial year 2022-23, there were 523 vouchers used to the total value of $13,080.75.<br><br>The Hospitality Expenses Operating Guideline refers to cab charge vouchers in the guideline for the following conditions:<br>• For an employee who has been requested to work additional hours part their ordinary hours<br>• For employees who are unwell and unable to travel home safely<br>• Taxi usage after hours<br><br>The Operating Guideline also provide guidance that leaders can approve the issue of these vouchers.<br><br>Whereas, cab charge vouchers are used for, but not limited to:<br>• After hours use (i.e. going home after a Committee/Council meeting) by employees and Councillors<br>• Attending an off-site meeting<br>• As part of a program deliverable to the community<br>• Employee who is unwell to travel home<br><br>In review of the Operating Guideline, it is noted that employees are issued a cab charge voucher for other reasons in addition to those mentioned in the guideline. Furthermore, the Operating Guideline does not provide guidance for when a voucher can be issued and when it cannot. | The Hospitality Expenses Operating Guideline has been recently reviewed and is in the process of finalisation and communication. As part of the next review, which will be performed within the next 12 months, guidelines will be included for use of cab charges. Cab charges is already mentioned in the current operating guideline. |

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| **Recommendation:**<br><br>Document a guideline for CoA employees to follow when using a cab charge for Council business, including the reasons why a voucher can be used and the use of that voucher. | |
| **Position Responsible:** | Manager Finance & Procurement |
| **Target Date:** | December 2024 |

| Ref #6 Online portal opportunity | Rating: Improvement Opportunity |
|---|---|
| **Description of finding** | **Agreed Actions** |
| **Identification:**<br>Cab charges / ride shares is a form of transportation that CoA employees use to attend offsite meetings/appointments. CoA use the following providers:<br>• CabCharge<br>• Suburban Taxis<br>• Uber<br><br><u>CabCharge</u><br>Process:<br>• Program Administrative Assistants (PAA) and Executive Assistants (EA) manage the process for the programs/portfolios<br>• Accounts Payable orders the CabCharge tickets and issues them to PAAs/EAs who maintain a record of the ticket allocation<br>• PAAs/EAs issue the tickets to the CoA employees and maintain a record of the ticket allocation<br>• The CoA employee hands the ticket to the taxi driver who returns the stub and receipt. The employee should return this to the PAA/EA<br>• Monthly reconciliations are performed by the PAAs/EAs to ensure all entries on the invoice/statement are correct<br>• Payment of the monthly invoice is made by Accounts Payable<br>• 5% monthly fee<br><br>In consultation with stakeholders, it was noted:<br>• On occasion the ticket stubs/receipts were not returned to the PAA/EA for the monthly reconciliation<br>• some taxi providers did not accept the cabcharge tickets | 1. Inform all employees that the use of Uber through a CoA Corporate User account is the approved use of ride share or transportation to attend offsite meetings/appointments. This can be done through The Next Edition.<br><br>Responsibility: Manager, Finance & Procurement<br><br>Target Date: November 2023<br><br>2. The Accounts Payable team will manage the processing Uber Corporate Account invoices in the same manner that it manages all invoices. Given that Program Administrative Assistants (PAA) and Executive Assistants (EA) will establish and manage the relevant Corporate Uber account(s) and processes for the programs/portfolios, there is no expectation that the Accounts Payable team will be required to adjudicate the voracity of any and all Corporate Uber invoices.<br><br>Responsibility: Team Leader, Procurement & Contract Management<br><br>Target Date: November 2023<br><br>3. Suburban Taxis are still able to be booked for the Healthy Ageing team's clients utilising the Commonwealth Home Support Programme program, however, the option for a client to use an Uber should/could be considered if feasible for the Healthy Aging team and their clients.<br><br>Responsibility: Team Leader, Community Wellbeing<br><br>Target Date: December 2023 |

| | |
|---|---|
| Suburban Taxis<br>Process:<br>• Clients of the My Aged Care program request a booking via email or call the Wellbeing Support Officer<br>• The Wellbeing Support Officer will book the taxi via the online portal<br>• Monthly reconciliations are performed by Wellbeing Support Officer to ensure all entries on the invoice/statement are correct<br>• Payment of the monthly invoice is made by Accounts Payable<br>• 5.5% monthly fee<br><br>Uber<br>Process:<br>• Uber bookings are booked via the business online app<br>• Monthly reconciliations are performed by the PAAs/EAs to ensure all entries on the invoice/statement are correct<br>• Payment of the monthly invoice is made by Accounts Payable<br>• Nil monthly fee<br><br>In review of the 3 providers, the Uber business portal provided the following benefits:<br>• Online business portal that can be customised by program / portfolio<br>• PAA/EAs can be assigned administrators of the account and assign access to CoA employees<br>• CoA employees can book via the online app<br>• Once the trip has been completed, an automatic email can be sent to PAA/EA of the travel details (name, date, travel to and from, cost of trip, description of trip etc)<br>• PAA/EA able to monitor usage<br>• Able to set up travel rules (i.e. travel within CBD only)<br>• No monthly fees | 4. Use of CabCharge is to be phased out by the end of the 2023/24 Financial Year in order to reduce the administrative management required to reconcile monthly activity.<br><br>Responsibility: Manager, Finance & Procurement<br><br>Target Date: 30 June 2024 |

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| **Recommendation:**<br>In consultation with the business units, investigate the opportunity to set up a corporate Uber account for each Portfolio/Program to be managed by EA or PAA. The following should be considered (but not limited to):<br>• Account manager (including administrator)<br>• Identify key EA or PAA to manage individual portfolio/programs and provide training<br>• Ensure end-to-end process documentation is developed (in Promapp) and appropriate training is provided<br>• Ensure automatic email notifications are set up to relevant EA / PAA<br>• As part of the exit process of a CoA employee, ensure that the person has been removed from the corporate account | |
| **Position Responsible:** | Manager, Finance & Procurement & Associate Director, City Culture |
| **Target Date:** | As above |

| Ref #7 Opportunity to reduce pool cars | Rating: Improvement Opportunity |
|---|---|
| **Description of finding** | **Agreed Actions** |
| **Identification:**<br><br>The purpose of the In-Vehicle Monitoring System (IVMS) is to gather operational data for fleet management efficiency gains. As part of the CoA's IVMS, GPS devices will be fitted to pool cars so data can be gathered and reviewed from time to time. In discussion with City Operations, the procurement of these devices has been completed to ensure security and connection, as required. The first stage is to procure 10 devices and of these, approx. 5 will be installed in the pool cars.<br><br>The units will monitor a variety of things such as harsh driving, braking, speeding (from a safety perspective). In relation to pool cars, the devices will monitor the availability and utilisation of pool cars including the ability to monitor charging levels for electric vehicles.<br><br>Analysis of the utilisation of the pool cars was performed on the following vehicles:<br>• S689CMC<br>• S902CNM<br>• S665CLJ<br>• S977CMC<br>• S792CNE<br><br>The 2 vehicles (S665CLJ and S977CMC) were utilised under 23% over the last 3 years compared to the other pool cars with a utilisation rate of over 30%. These 2 vehicles are located at the London Road depot.<br><br>On an average, a taxi fare costs approximately $24.88 per ride. The total number of rides taken for the 5 pool cars per year is 1760 which equates to approx. $43,788 in equivalent taxi fares. Therefore, the | Pool vehicle utilisation was only able to calculated using existing user-inputed information, through Outlook calendar booking entries only. This is not a true reflection of pool vehicle utilisation, as the Outlook calendar appointments only show the intended booking request times and not the actual time/kilometre usage.<br><br>The Outlook calendar bookings for pool cars are also dependent on information entry by users and will not capture if a pool vehicle is used without an appointment being entered.<br><br>Installation of IVMS into pool vehicles to be prioritised, ensuring sufficient communications to all staff utilising pool cares and any relevant acknowledgement of IVMS connection to vehicles.<br><br>1. For 12 months from installation, monitor the availability and utilisation of pool cars.<br><br>Target Date: December 2024 (assuming IVMS installation 12 months prior to this date)<br><br>2. Consideration should be given to whether a booking system could be used for all pool cars across Council to ensure accurate and detailed descriptions are provided. Any regular bookings should also be reflected in the system, with the expectation that these bookings will be released should the vehicle not be required.<br><br>Target Date: December 2023<br><br>3. Review pool vehicle utilisation to identify optimal number of vehicles. |

| | |
|---|---|
| costs of maintaining 5 vehicles is $105,815 compared to cost of cab charges $60,360 per year (this includes the average of current and predicted utilisation of cab charges).<br><br>Over the past 3 years, the landscape has changed in that more meetings are held online via Microsoft Teams. Therefore, consideration needs to be given to reduce the number of pool cars available for CoA employees to use. However, it is noted that pool cars are required for specific requirements. For example, Regulatory Services use the vehicles as part of their normal day to day duties and Information Management require a particular vehicle to transport IT equipment to various CoA sites.<br><br>In addition, pool cars are booked via Microsoft Outlook, in which the CoA employee books out the vehicle in a similar fashion to booking a meeting request with the pool car. The details entered into the booking at times was limited and no description or location was provided.<br><br>Some vehicles were permanently booked, such as S689CMC on Tuesday and Thursday by Information Management. This requirement was implemented in case, the vehicle was required to transport IT infrastructure to various CoA locations. In review of the booking system, it was difficult to determine if the vehicle was fully utilised on those two days or utilised at all. There is the opportunity, to release the permanent booking for others to use, if the vehicle is not required.<br><br>**Recommendation:**<br>1. Over the next 12 months, monitor the availability and utilisation of the pool cars that have had the GPS installed.<br><br>2. Give consideration to whether there is an opportunity to reduce the number of pool cars. | Target Date: March 2025 (pending 12 months of information monitoring)<br><br>4. Agreed Action. Manager of Information Management to communicate to staff to delete any booking occurrences when the pool car is not required. This is to be done the day before the booking.<br><br>Target Date: Completed |

| | |
|---|---|
| 3. If the same number of pool cars are required, give consideration to whether a booking system could be used for all pool cars across Council to ensure accurate and detailed descriptions are provided.<br><br>4. IM permanent booking of vehicle S689CMC, consideration to be given to release the permanent booking on those particular days/times when the vehicle is not in use, so other CoA staff members can use the vehicle. | |
| **Position Responsible:** | Associate Director City Operations & Manager Information Management |
| **Target Date:** | As above |

# APPENDIX 1: RISK MATRIX OF INTERNAL AUDIT FINDINGS

The following framework for the internal audit ratings is consistent with the CoA Risk Management Operating Guidelines and the Risk Management International Standard ISO31000:2018. The descriptions have been tailored to illustrate risk to the business operations.

## CoA Risk Matrix

| CoA Risk Matrix | | CONSEQUENCE | | | | |
|---|---|---|---|---|---|---|
| | | Insignificant | Minor | Moderate | Major | Catastrophic |
| LIKELIHOOD | Almost Certain | Moderate | High | Extreme | Extreme | Extreme |
| | Likely | Moderate | High | High | Extreme | Extreme |
| | Possible | Low | Moderate | High | High | Extreme |
| | Unlikely | Low | Low | Moderate | Moderate | High |
| | Rare | Low | Low | Low | Moderate | Moderate |

## 8.3 Risk & Finding Descriptions

| Rating | Definition | Action | Indicative Timeframe (variations to be agreed by SRIA) |
|---|---|---|---|
| Extreme | The finding represents a control weakness which could have or is having an extreme adverse impact on the business and the ability to meet objectives.<br>• Extreme decline in quality and customer service leading to a decrease in community's confidence in Council<br>• Extreme breakdown in process that leads to illegal activity<br>• Breach of legislation or contractual non-compliance that will result in litigation, prosecution and/or penalty | Finding reported to Director immediately and response plan developed with appropriate Associate Director. Implementation updates and status reporting managed through Promapp. | Actions managed in Promapp with a timeframe of no more than 3 months for completion. |
| High | The finding represents a control weakness which could have or is having a high adverse impact on the business and the ability to meet objectives.<br>• Major decline in quality and customer services leading to a decrease in community's confidence in Council<br>• Serious breakdown in process that may lead to increased and unacceptable risk<br>• Breach of legislation or contractual non-compliance that will result in litigation, prosecution and/or penalty | Finding reported to the appropriate Associate Director immediately and response plan developed with appropriate Manager. Managed through Promapp. | Actions managed in Promapp with a timeframe of no more than 6 months for completion. |
| Medium | The finding represents a control weakness which could have or is having a medium adverse impact on the business and the ability to meet objectives.<br>• Medium decline in quality and customer services leading to a decrease in community's confidence in Council<br>• Medium operational breakdown in process that may lead to increased and unacceptable risk<br>• Minor breach of legislation or contractual non-compliance that will not likely result in litigation, prosecution and/or penalty | Finding reported to appropriate Manager through Internal Audit Report and managed through Promapp. | Actions managed in Promapp with a timeframe of no more than 9 months for completion. |
| Low | The finding represents a minor control weakness which could have or is having a low/ minimal but reportable adverse impact on the business and the ability to meet process objectives.<br>• Minimal decline in quality and customer services<br>• Minor breakdown in process that is not likely to affect risk<br>• Minor breach of legislation or contractual non-compliance that will not likely result in litigation, prosecution and/or penalty | Finding reported to appropriate Manager through Internal Audit Report and managed through Promapp. | Actions managed in Promapp with a timeframe of no more than 12 months for completion. |

# Internal Audit Progress Report

Strategic Alignment - Enabling Priorities

Public

**Friday, 10 November 2023**
Audit and Risk Committee

**Program Contact:**
Alana Martin, Manager Governance

**Approving Officer:**
Michael Sedgman, Chief Operating Officer

## EXECUTIVE SUMMARY

This report provides an update on Council's Internal Audit Plan, outlining the findings and recommendations of internal audits completed, and the progress of any agreed actions. The Audit and Risk Committee last received an Internal Audit Progress Report at its meeting in August 2023.

The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities.

Internal audit is an essential component of a good governance framework. It is a mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, effectively and efficiently, and to advise how it can improve performance.

## RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress of Internal Audit Plan as outlined in Item 5.7 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.
2. Notes the progress of the completion of Internal Audit Actions as outlined in Item 5.7 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.

# IMPLICATIONS AND FINANCIALS

| | |
|---|---|
| City of Adelaide 2020-2024 Strategic Plan | Strategic Alignment – Enabling Priorities<br>Internal audit is an essential component of a good governance framework. It enables Council to ensure it is performing its function legally, effectively and efficiently. |
| 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 | Internal audits suggest a range of improvement opportunities related to the area being reviewed, enhancing functions and services and aligning Council processes to best practice standards. |
| 22/23 Budget Allocation | $70,000 |
| Proposed 23/24 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. |
| 22/23 Budget Reconsideration (if applicable) | Not as a result of this report. |
| Ongoing Costs (eg maintenance cost) | Not as a result of this report. |
| Other Funding Sources | Not as a result of this report. |

# DISCUSSION

**Background**

1. The role of the Internal Audit is to provide independent assurance that the Council's risk management, governance and internal control processes are operating effectively.

2. The Audit and Risk Committee (the Committee) receive all Internal Audit review reports. The Committee reviews and monitors Council's responsiveness to findings and recommendations of the Internal Auditor (currently KPMG), other external providers and in-house advice.

**Internal Audit Plan Update**

3. The Internal Audit Plan (the Plan) is a risk-based program developed with the Council's Executive and Strategic Risk and Internal Audit Group (SRIA). A status update on the 2022-2023 plan is provided at Link 1. A status update on the 2023-2024 plan is provided at Link 2.

4. Since the Committee met in August 2023, five internal audit reviews have been completed by KPMG, independent consultants and in-house:

    4.1. Grants Management

    4.2. Cab Charges, Ride Shares and Pool Cars

    4.3. Record Keeping

    4.4. Review of Confidentiality Orders

    4.5. Voters Roll

5. The following internal audits have been scoped and are in progress:

    5.1. Community Safety

    5.2. Mercer Review

    5.3. Project Health Check

    5.4. Climate Change Action Plan

    5.5. Strategic Property Review

**Internal Audit Actions**

6. Recommendations arising from the Internal Audit and Strategic Reviews are reported to SRIA.

7. Recommendations and agreed actions, responsibilities and timeframes for implementation are recorded in Council's process mapping and management software, Process Manager (formerly known as Promapp).

8. The implementation status of recommendations is tracked and reported to the Committee.

9. All requests for extension of a due date require the approval of the Chief Executive Officer. This process ensures that there is appropriate accountability before an extension is granted. Since the last Audit and Risk Committee meeting on 4 August 2023, one action has been approved for an extension.

10. The action and rationale for an extension are detailed below:

    10.1. I00664 PCI DSS Gap Assessment – the agreed action is to encryption is in place for the telephony system (Genesys) has been implemented, including documentation. The activity and all pre-requisites involved have been progressing well and close to implementing the software upgrade. Due to urgent operational issues where the resources have been diverted and extension has been requested. The CEO approved the extension till 30 November 2023.

11. Seven internal audit recommendations from previous Audits have been completed since August 2023. Sixty-six recommendations are in progress. The completed recommendations are:

    11.1. Rundle Mall Program Performance Review

        11.1.1. I000591 - Develop a Rundle Mall Strategy and Roadmap

    11.2. Planning, Development and Infrastructure Act 2016 Implementation

        11.2.1. I00620 – Develop guidance documents and continue to advocate for enhancements:

            - That are not automated in the PlanSA (DAP) system
            - A fee waiving/reduction guideline

- Building inspection
- Building notification

11.2.2. I00621 – Develop guidance documents:

- To ensure accurate recording of inspections information in the PlanSA system

11.2.3. To include writing style in reports to ensure all elements are included

11.2.4. I00624 – Set up a UTCO fund

11.3. Essential 8 Maturity Assessment

11.3.1. I00668 – Review the use of macros within the Microsoft environment.

11.3.2. I00669 – Enforce Microsoft Office and PDF software security settings centrally via group policy

11.4. Record Keeping

11.4.1. I00728 – Park Lands Planning team to review all folders and sub-folders that are held with the Microsoft Teams platform to determine if they can be filed in Content Manager as closed.

12. A summary of the status is shown in the below table, with the complete document able to be accessed via Link 3. Nil additional actions have become overdue since the previous update to Audit and Risk Committee.

| Risk | Definition | Overdue | In Progress | |
|---|---|---|---|---|
| High | Issue represents a control weakness which could have or is having major adverse effect on the ability to achieve project objectives. | 4 | 9 | **13** |
| Moderate | Issue represents a control weakness which could have or is having a moderate effect on the ability to achieve process objectives. | 2 | 21 | **23** |
| Low | Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve project objectives. | 3 | 15 | **18** |
| N/A | Improvement Opportunity | 0 | 12 | **12** |
| | **Total** | 9 | 57 | **66** |

# DATA AND SUPPORTING INFORMATION

**Link 1** – Internal Audit Plan 2022 – 2023 Status Update
**Link 2** – Internal Audit Plan 2023 – 2024 Status Update
**Link 3** – Agreed Actions Progress Report

# ATTACHMENTS

Nil

- END OF REPORT -

# Audit and Risk Committee Workplan

**Friday, 10 November 2023**
Audit and Risk Committee

Strategic Alignment - Enabling Priorities

**Program Contact:**
Manager Governance

Public

**Approving Officer:**
Michael Sedgman - Chief Operating Officer

## EXECUTIVE SUMMARY

The following report outlines the City of Adelaide Audit and Risk Committee Work Plan for the 2024 calendar year – key deliverables, frequency and preferred meeting dates for reporting, and responsible City of Adelaide (CoA) managers.

Precise timing for presentation of specific reports and workshops depends on the meeting schedule agreed by the Audit and Risk Committee.

A Report discussing the meeting schedule for Council and Committees in 2024 will go to the 21 November 2023 meeting of the City Finance and Governance Committee, and this Audit and Risk Committee workplan will be taken into account in drafting that Report and recommendations.

## RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Approves the Audit and Risk Committee workplan proposed for 2024 (Attachment A to Item 5.8 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023) to assist Administration in bringing forward reports as required.
2. Notes that precise scheduling of Audit and Risk Committee meetings will be finalised following discussion of a Report to the City Finance and Governance Committee on 21 November 2023.

# IMPLICATIONS AND FINANCIALS

| | |
|---|---|
| City of Adelaide 2020-2024 Strategic Plan | Strategic Alignment – Enabling Priorities |
| Policy | To ensure that the Council delivers outcomes pursuant to the Audit and Risk Committee Terms of Reference a forward schedule of deliverables (workplan) needs to be agreed by the Audit and Risk Committee |
| Consultation | Not as a result of this report |
| Resource | Not as a result of this report |
| Risk / Legal / Legislative | Proposed reporting schedule is in line with legislative requirements. |
| Opportunities | Not as a result of this report |
| 23/24 Budget Allocation | Not as a result of this report |
| Proposed 24/25 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 |
| 23/24 Budget Reconsideration (if applicable) | Not as a result of this report |
| 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 the Audit and Risk Committee (ARC) is to provide independent assurance and advice to the Council on accounting, financial management, internal controls, risk management and governance matters.
2. Following a review of the ARC Terms of Reference (which were endorsed by Council on 12 September 2023) and consultation with key stakeholders a draft ARC Workplan for 2024 (**Attachment A**) has been developed.
3. The proposed workplan is flexible and provides the opportunity for additional reports to be presented at ARC's request or to meet operational needs.
4. It is noted that the scheduling of ARC meeting dates will be finalised following discussion of a Report to the City Finance and Governance Committee on 21 November 2023, which can be retrospectively mapped into the workplan. Feedback received from ARC (including from its 10 November meeting) will be considered in relation to finalising ARC meeting times, so that work plan dates align to key legislative and business timeframes.

# DATA AND SUPPORTING INFORMATION

Nil

# ATTACHMENTS

**Attachment A** – Proposed 2024 Audit and Risk Committee work plan

- END OF REPORT -

# AUDIT & RISK COMMITTEE: 2024 WORK PLAN

| Action | Link to Legislation, ToR | Deliverable | Frequency | Timing - schedule of reports to ARC | | | | | | | | | | | | | Responsible Reporting Officer |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | November 2023 | Dec - Jan break | February 2024 | March 2024 | April 2024 | May 2024 | June 2024 | July 2024 | August 2024 | September 2024 | October 2024 | November 2024 | December 2024 | |
| A&RC Committee Performance | Terms of Reference (4.3, 4.4) | Annual Report from the Presiding Member | Annual | | | | | | | | | | | | | | Manager, Governance |
| | Terms of Reference (4.5) | Audit & Risk Committee Self-Assessment Results | Annual | | | | | | | | | | | | | | Manager, Governance |
| | Terms of Reference (8.2) | Meeting Schedule | Annual | | | | | | | | | | | | | | Manager, Governance |
| | Terms of Reference (2.1) | Annual Work Plan | Annual | | | | | | | | | | | | | | Manager, Governance |
| | Terms of Reference (4.5) | Review of the Terms of Reference | Annual | | | | | | | | | | | | | | Manager, Governance |
| External Audit | Terms of Reference (3.3.2) | End of Financial Year Audit Approach & Reporting Timetable | Annual | | | | | | | | | | | | | | Manager, Finance & Procurement |
| | Terms of Reference (3.3.4) | External Audit Interim Management Letter (delivered by external auditor before end June each year) | Annual | | | | | | | During June | | | | | | | Manager, Finance & Procurement |
| | LG Act s.126(4)(a) Terms of Reference (3.1 & 3.3.5) | Audited Annual Financial Statements and report on Financial Results - CoA, APLA, ACMA and AEDA | Annual | | | | | | | | | | ACMA statements | | | | Manager, Finance & Procurement |
| | LG Act s.126(4)(b) Terms of Reference (3.3.3) | Confidential Meeting with External Auditors | Annual | | | | | | | | | | | | | | Manager, Finance & Procurement |
| | LG Act s.126(4)(b) Terms of Reference (3.3.4) | Matters arising from the External Audit | Annual | | | | | | | | | | | | | | Manager, Finance & Procurement |
| | Terms of Reference (3.5 and 3.3.4) | Internal controls (considered as part of External Audit report) | Annual | | | | | | | | | | | | | | Manager, Finance & Procurement |
| Financial Reporting | LG Act s.126(4)(ab, c) Terms of Reference (3.2) | Review of the Long Term Financial Plan | Annual - before and after consultation | | | Q2 | | | Q3 | | | | Q4 | | Q1 | | Manager, Finance & Procurement |
| | LG Act s.126(4)(ab, c) Terms of Reference (3.2) | Review of Budget | Q3, Q1, Q2 | | | Q2 | | | Q3 | | | | Q4 | | Q1 | | Manager, Finance & Procurement |
| | Terms of Reference (3.2) Specifically requested by ARC | Quarterly Business Update **including subsidiary updates** | Quarterly | Q1 | | Q2 | | | Q3 | | | | Q4 | | Q1 | | Manager, Finance & Procurement GMs of subsidiaries |
| | Terms of Reference (3.2) Specifically requested by ARC | Quarterly Long Term Financial Plan updates | Quarterly | Q1 | | Q2 | | | Q3 | | | | Q4 | | Q1 | | Manager, Finance & Procurement |
| | LG Act s.126(4)(a) | CEO Sustainability Report | Annually | | | | | | | | | | Aligned with LTFP Review | | | | Manager, Finance & Procurement |
| | Terms of Reference (8.2) | Review Council's Draft Annual Report | Annual | | | | | | | | | | | | | | Manager, Strategy Insights and Performance |
| | LG Act s.126(4)(ab, c) Terms of Reference (3.2) | Review of Annual Business Plan | Q3, Q4 | | | | | | | | | | | | | | Manager, Strategy Insights and Performance |
| | LG Act s.126(4)(ab, c) Terms of Reference (3.2.2) | Update on development of the forward year Business Plan & Budget | Annually | | | | | During consultation period | | | | | | | | | Manager, Finance & Procurement |
| Internal Audit | LG Act s.126(4)(b) Terms of Reference (3.4.3) | Confidential Meeting with Internal Auditors | Annually | | | | | | | | | | | | | | Manager, Governance |
| | LG Act s.126(4)(c) Terms of Reference (3.4.2) | Internal Audit action plan update | All meetings | | | | | | | | | | | | | | Manager, Governance |
| | LG Act s.126(4)(c) Terms of Reference (3.4.1) | Strategic Internal Audit Plan | Annually | | | | | | | | | | | | | | Manager, Governance |
| | LG Act s.126(4)(c) Terms of Reference (3.5.2) | Review of Strategic Risk Register | Q1 | | | | | | | | | | | | | | Manager, Governance |
| Internal Control & Risk Management | LG Act s.126(4)(c) Terms of Reference (3.5.2) | Risk Management Systems (including Emergency Management - business continuity plan) | Q4 | | | | | | | | | | | | | | Manager, Governance |
| | LG Act s.126(4)(c) Terms of Reference (3.5.2) | Risk Management Operating Guidelines | As requested | | | | | | | | | | | | | | Manager, Governance |
| | LG Act s.126(4)(c) Terms of Reference (3.5.2) | Risk Management Review | As requested | | | | | | | | | | | | | | Manager, Governance |
| | LG Act s.126(4)(c) Terms of Reference (3.5.2) | Results of the LGRS Risk Management Evaluation *(Last report was presented February 2022)* | Biennially (due in 2024) | | | | | | | | | | | | | | Manager, Governance Manager, People |
| | Terms of Reference (3.5.5) | Activity of Strategic Risk & Internal Audit Group (Quarterly) | All meetings | | | | | | | | | | | | | | Manager, Governance |
| Strategic Plans | Terms of Reference (3.5.1) | Risk Statement | Annually | | | | | | | | | | | | | | Manager, Governance |
| | LG Act s.126(4)(ab) Terms of Reference (2.1.2) | Strategic Plan (each Council term - 2023/24) | Annual | | | | | | | | | | Special | | | | Manager, Strategy Insights and Performance |
| | LG Act s.126(4)(ab) Terms of Reference (3.2.1) | Asset Management Plans | Q4 | | | | | | | | | | | | | | Manager, Infrastructure |
| Other Business | Items arising from internal audit or request from ARC | Climate Risk Plan | As requested | | | | | | | | | | | | | | Director, City Shaping |
| | Items arising from internal audit or request from ARC | Cybersecurity Update | As requested | | | | | | | | | | | | | | Manager, Information Management |

# Draft Strategic Plan 2024-2028

Strategic Alignment - Enabling Priorities

Public

**Friday, 10 November 2023**
Audit and Risk Committee

**Program Contact:**
Manager Strategy, Insights and Performance

**Approving Officer:**
Michael Sedgman - Chief Operating Officer

## EXECUTIVE SUMMARY

Council is required under the *Local Government Act 1999 (SA)* to review the suite of Strategic Management Plans within two years of a periodic election. The Strategic Plan review project will facilitate this by incorporating the development of the 2024-2028 Strategic Plan and a review of the Strategic Management Framework, alongside the work being brought separately to Council on the Long-Term Financial Plan, City Plan, and Asset and Infrastructure Management Plans.

This report provides the Audit and Risk Committee an opportunity to fulfill its Terms of Reference requirements to review and provide advice on Council's Strategic Management Plans, Integrated Business Plan, Long Term Financial Plan and Asset Management Plans, and to monitor and review the effectiveness of delivery.

This report presents the Draft Strategic Plan 2024-2028 for the Audit and Risk Committees consideration. Endorsed for consultation by Council at its 24 October 2023 meeting, as an important and valuable stakeholder, the consideration and feedback of the Audit and Risk Committee is sought. The Draft Strategic Plan 2024-28 has been developed through numerous Council workshops, reports and decisions, research and community feedback and incorporates various Council plans, policies and strategies, market research, data and insights.

The Draft Strategic Plan 2024-2028 proposes a vision "Our Adelaide. Bold. Aspirational. Innovative." The Vision is supported by five Aspirations of Our Community, Our Environment, Our Economy, Our Places and Our Corporation. Objectives, Outcomes, Key Actions and Indicators of Success/Measures/Targets identify how Council will deliver on each Aspiration.

The endorsed Draft Strategic Plan 2024-2028 is available for public consultation for a 21-day period to seek the views of our community. The feedback received will be analysed and modifications to the draft will be considered ahead of Council's consideration of the Strategic Plan 2024-2028 in December 2023

## RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the draft Strategic Plan 2024-2028, provided as Attachment A to Item 5.9 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Receives the following feedback on the draft Strategic Plan 2024-2028 from the Audit and Risk Committee.

# IMPLICATIONS AND FINANCIALS

| | |
|---|---|
| City of Adelaide 2020-2024 Strategic Plan | Strategic Alignment – Enabling Priorities |
| Policy | Council's Community Consultation Policy requires that the consultation period for the Strategic Plan be open for a period of 6 weeks. This is above the legislative requirements of Section 50 of the *Local Government Act 1999 (SA)* which prescribes a 21 day minimum consultation period |
| Consultation | Consultation on the draft Strategic Plan 2024-2028 will be open from Friday 27 October 2023 to Monday 20 November 2023. The results of the consultation feedback and analysis will be reported to Council in December 2023 |
| Resource | Consultation will be conducted using existing resources. There are no additional resources required as a result of this report |
| Risk / Legal / Legislative | There are no additional risks identified as a result of this report |
| Opportunities | There are no additional resources required as a result of this report |
| 23/24 Budget Allocation | There are no additional budget resources required as a result of this report |
| Proposed 24/25 Budget Allocation | There are no additional budget resources required as a result of this report |
| Life of Project, Service, Initiative or (Expectancy of) Asset | Not as a result of this report |
| 23/24 Budget Reconsideration (if applicable) | Not as a result of this report |
| Ongoing Costs (eg maintenance cost) | Not as a result of this report |
| Other Funding Sources | Not as a result of this report |

# DISCUSSION

1. Over the past several months Council has provided direction to inform the development of the Draft Strategic Plan 2024-2028 through decisions, workshops and articulation of priorities of the 2023/24 Business Plan and Budget on the key issues, policy positions and the deliverables sought over this term.

2. At its 18 April 2023 meeting, the City Finance and Governance Committee received a presentation and workshop on the development of the Strategic Plan 2024-2028.

3. At its 25 July 2023 meeting, the City Finance and Governance Committee noted a State of the City report, which contained data, research and insights that formed a key part of the evidence base in the development of the Draft Strategic Plan. Council noted this report at its meeting of 25 July 2023.

4. At its 15 August 2023 meeting, the City Finance and Governance Committee received a report proposing a structure for the Strategic Plan.

5. At its 5 September 2023 meeting, the City Finance and Governance Committee received a report proposing a draft Strategic Plan and noted market research conducted over July and August which informed the draft Strategic Plan. At this meeting, Council requested to have an externally facilitated workshop to further discuss the draft Strategic Plan.

6. The Committee confirmed that the Strategic Plan should:

   6.1 Clearly articulate the long-term goals of Council, and a four-year delivery plan (the detail).

   6.2 Enable Council to build policy positions and build and review strategies and action plans over the Council term.

7. At a 23 September 2023 workshop Council Members provided feedback on the draft Strategic Plan and their key issues, visions, policy concerns and priorities.

8. The Draft Strategic Plan 2024-2028 was considered by the City Finance and Governance Committee at its 17 October 2023 meeting and was endorsed for consultation by Council at its 24 October 2023 Council meeting.

9. The structure for the draft Strategic Plan 2024-2028 is based on Council's decisions, feedback in workshops, and policy setting. It includes:

   9.1. Long Term considerations:

      9.1.1. A vision for the future of Adelaide – a leading aspirational statement summarising the focus of the plan and guiding decision-making on the future of the city.

      9.1.2. The proposed vision is:

      Our Adelaide. Bold. Aspirational. Innovative.

      9.1.3. Aspirations that help articulate the vision, expressed as outcomes which help shape future policy positions of Council. The proposed Aspirations are:

         9.1.3.1. Our Community will be vibrant, connected and diverse

         9.1.3.2. Our Environment will be protected, resilient and sustainable

         9.1.3.3. Our Economy will be growing, innovative and responsive

         9.1.3.4. Our Places will be interesting, purposeful and safe

         9.1.3.5. Our Corporation will be high performing, customer centric and bold.

   9.2. Four-year considerations incorporating:

      9.2.1. Principles that inform the primary areas of focus to drive outcomes across the four-year plan

      9.2.2. Objectives that describe what will be achieved and the strategies employed.

      9.2.3. Key Actions that describe what is being delivered under each objective relevant to Council's responsibilities.

      9.2.4. Indicators of Success that define the desired end result.

**Consultation**

10. Seeking the views of the community is an essential part of the development of a new Strategic Plan. Consistent with Council's Community Consultation Policy, Council will undertake to 'obtain and consider community contributions and relevant information to ensure that any decision made is in the best interests of the community. However, it is important to note that having considered the submissions received, any final decision rests with Council'.

11. The draft Strategic Plan 2024-2028 as shown in **Attachment A** will be available for public consultation for a minimum 21-day period in accordance with the legislative requirements from 9.00am Friday 27 October to 9.00am Monday 20 November 2023.

12. The 21-day consultation period meets the minimum requirements of Section 50 of the *Local Government Act 1999 (SA)*, however, is less than the six-week consultation period required as per Council's Community Consultation Policy. The 21-day consultation period has been selected to ensure that Council meets the legislative requirements for public consultation and ensure that there is sufficient time for collate, analyse and incorporate the feedback ahead of Council's consideration of the final Strategic Plan on 12 December 2023.

13. To ensure the community is informed and aware of their opportunities to provide feedback into this process, consultation will include:

    13.1. Information about the draft Strategic Plan 2024-2028 on Council's website, Your Say site and newsletter and promoted through social media

    13.2. Face-to-face information drop-in sessions will be conducted across the City of Adelaide

    13.3. Face-to-face discussions through visits to precinct groups and resident association meetings to share information and receive feedback

    13.4. Information provided to Council Members to forward to their respective networks as an option

    13.5. Communication to our stakeholder database (similar to the Business Plan and Budget communication)

    13.6. Communication to relevant influential leaders or government agencies such as the House of Assembly, Legislative Council, House of Representatives and Senate members, adjoining Councils, and Department of Premier and Cabinet.

14. Feedback will be analysed and modifications to the draft will be considered ahead of a proposed adoption of the Strategic Plan 2024-2028 in December 2023

15. The consultation for the draft Strategic Plan is complementary to the consultation planned for the City Plan and Transport Strategy. These activities form a critical part of the Integrated Community Engagement Framework, which the City Finance and Governance Committee received on the 19 September 2023 and subsequently endorsed by Council.

**Supporting the Strategic Plan**

16. Under Section 122 of the Local *Government Act 1999 (SA)*, Council must develop and adopt strategic management plans for the management of its area. The following documents comprise these strategic management plans:

    16.1. Strategic Plan 2024-2028

    16.2. Long Term Financial Plan 2023-2033 (revised annually)

    16.3. Asset Management Plans

    16.4. City Plan.

17. These documents, together with supporting strategies, risk register, plans, policies and processes create the City of Adelaide's Strategic Planning Framework Proposed Resource Plan 2024 - 2028

18. A Resource Plan 2024-2028 is proposed to enable and support the delivery of the Strategic Plan 2024-28. This document outlines the financial, and non-financial resources required to achieve strategic objectives across the Strategic Management Plans by articulating:

    18.1. The financial principles and parameters that will enable the delivery of the Long-Term Financial Plan

    18.2. The revenue and financing structures

    18.3. The financial indicators, our position and targets

    18.4. The administrative functions required to deliver the Strategic Plan for a four-year period. This will include the technology and people resources and workforce needs (which will align to a workforce strategy).

19. The Resource Plan underpins the four-year delivery of the Strategic Plan by outlining the inputs required for delivery. The Strategic Plan and the Resource Plan will work in concert with the Long-Term Financial Plan, Asset Management Plans and City Plan to inform the Annual Business Plan and Budget. Council has a suite of strategies, plans and policies to support its decision making for the provision of services, programs and projects. Program Plans ensure all work is planned and delivered.

**Project Timeline**

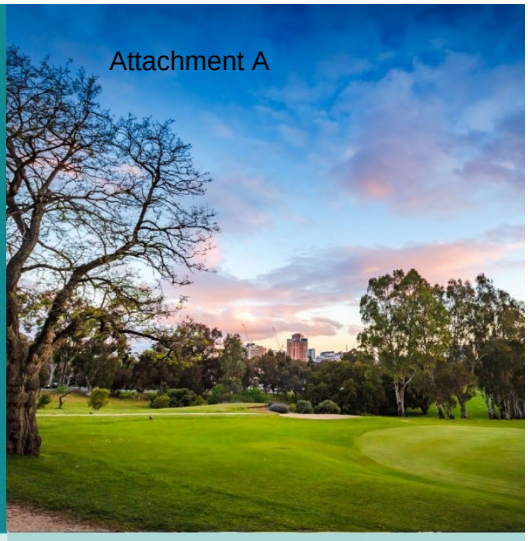
20. Council endorsed the draft Strategic Plan 2024-2028 for public consultation at its meeting on 24 October 2023. Public consultation will occur from 27 October to the 20 November 2023, with Council receiving engagement findings and an updated 2024-28 Strategic Plan for consideration in December 2023.

# ATTACHMENTS

**Attachment A** – Draft Strategic Plan 2024-2028

- END OF REPORT -

# City of Adelaide
# Strategic Plan 2024–2028
*DRAFT FOR CONSULTATION*



Our Adelaide.
**Bold.**
**Aspirational.**
**Innovative.**

CITY OF ADELAIDE

As the capital city of South Australia, Adelaide has a vital role to play in shaping the future of our state.

## Our Adelaide. Bold. Aspirational. Innovative.

To ensure we can build on this vision for the future, our aspirations will guide our focus and delivery:

**Our Community:** **Vibrant, connected and inclusive**

In ten years Adelaide will be a thriving Capital City with an increased number of residents and visitors. Year-round events and quality amenities will support vibrancy, community connections, and celebrate our cultural heritage and diversity.

**Our Environment:** **Resilient, protected and sustainable**

In ten years Adelaide will be a nation leading Green City in a Park showcasing the benefits of green infrastructure, increased biodiversity and a community that is adaptive and resilient to climate change.

**Our Economy:** **Growing, innovative and responsive**

In ten years Adelaide will have strengthened its role as the economic focal point of the state, attracting investment and talent from around the world. New and diverse industries will complement our existing economic strengths and city businesses will be successful.

**Our Places:** **Interesting, purposeful and safe**

In ten years Adelaide will be a diverse collection of unique or distinctive neighbourhoods and precincts. Our streets will be lively, accessible and accentuate its architecture and history.

*Supported by:*

**Our Corporation:** **High performing, customer-centric and bold**

In ten years people will want to work for us and collaborate with us and the Corporation will lead the sector in terms of transparency, financial sustainability and accountability.

# Kaurna Acknowledgement

City of Adelaide tampendi, ngadlu Kaurna yertangga banbabanbalyarnendi (inbarendi). Kaurna meyunna yaitya mattanya Womma Tarndanyako.

Parnako yailtya, parnuko tappa purruna, parnuko yerta ngadlu tampendi. Yellaka Kaurna meyunna itto yailtya, tappa purruna, yerta kuma burro martendi, burro warriappendi, burro tangka martulyaiendi. Kumarta yaitya miyurna iyangka yalaka ngadlu tampinthi.

City of Adelaide acknowledges the 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.

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# Lord Mayor Introduction

Shaping the future of a city requires bold thinking and long-term planning.

The capital city council is custodian of the heart of our state and it's up to us to be both aspirational and audacious in our vision for Adelaide's CBD.

But we also need to deliver on the core business of council – roads, rates, and rubbish – if we want to be bold in other areas and live in a city of which we can be proud.

The City of Adelaide's Strategic Plan 2024-2028 charts a course for our Council to achieve its long-term goals across the economy, the environment and throughout our community.

This Strategic Plan aspires to improve our streetscapes, deliver economic viability for businesses, help property owners to better utilise and profit from their investment and boost residential access, affordability and amenity.

The Plan also maps out how Council can maintain its assets, reduce kerbside waste, achieve zero functional homelessness, and sensibly increase our population to 50,000 people by 2036.

It's also about providing certainty for business owners, potential investors, and residents – matched by a commitment to deliver on our promises.

Our residents, workers, and visitors are also an important part of our Strategic Plan, and we value your feedback during this consultation period.

The Strategic Plan gives us an opportunity to choose a different trajectory for Adelaide, and its future over the next four years.

But importantly, it will be our promise to deliver on our commitments.

Dr Jane Lomax-Smith AM

Lord Mayor City of Adelaide

# Council Members

Our Council Members for the 2022-2026 term of Council:

From left to right:

Councillor Mayor Couros (North Ward), Councillor Arman Abrahimzadeh OAM (Area), Councillor Keiran Snape (South Ward), Councillor Simon Hou (Central Ward), The Right Honourable Lord Mayor of Adelaide Dr Jane Lomax-Smith AM, Councillor David Elliott (Central Ward), Councillor Carmel Noon (Central Ward), Councillor Henry Davis (South Ward), Deputy Lord Mayor Phillip Martin (North Ward), Councillor Janet Giles (Area), Councillor Mark Siebentritt (South Ward), Councillor Jing Li (Central Ward)

# Our City

The City of Adelaide is the capital of South Australia and the heart of the state's civic, cultural and commercial life. Centre to a metropolitan area of 1.3 million residents and a state of 1.7 million residents, it is a local government with more than 26,000 residents. Our strategic planning needs to acknowledge and manage these dual responsibilities.

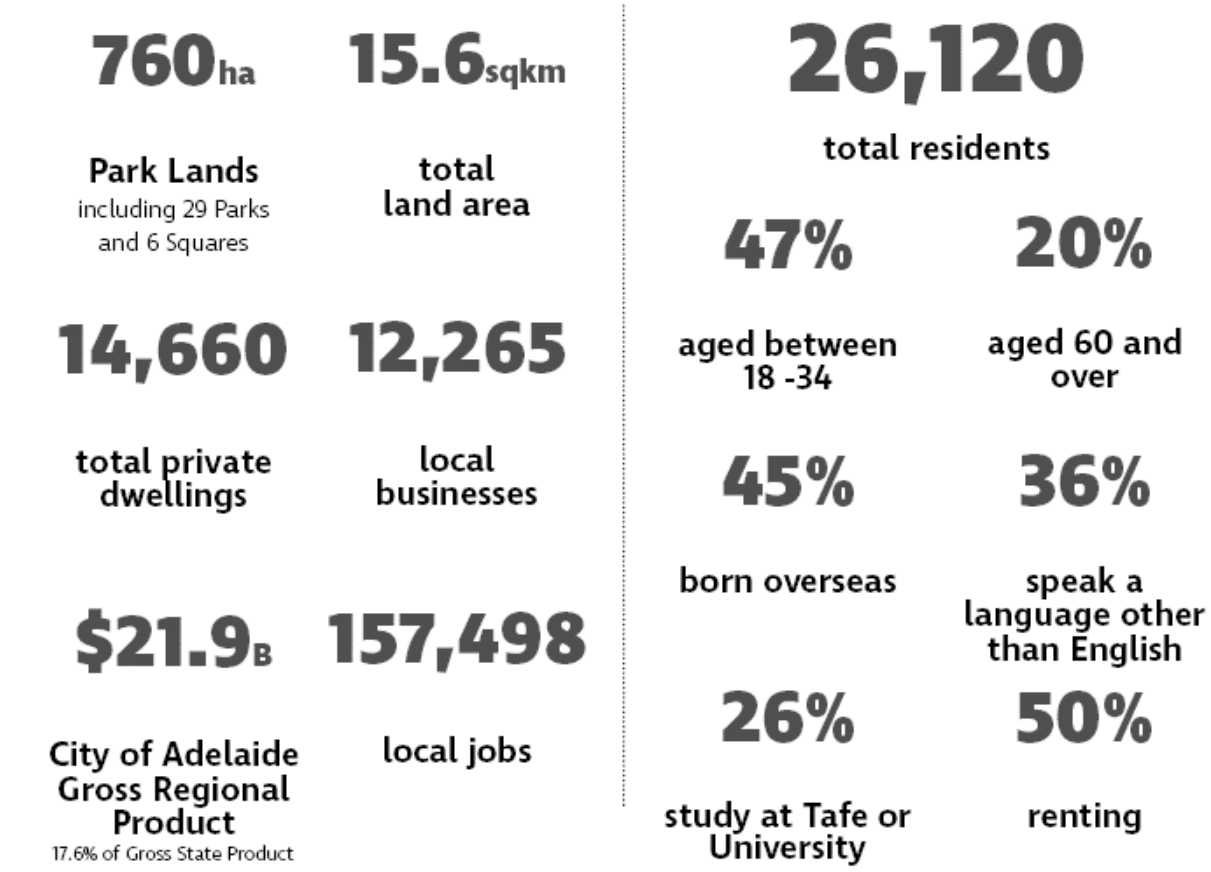
We are bold, aspirational and innovative.

Built on the traditional lands of the Kaurna people with a rich and deep Aboriginal heritage, Colonel Light planned Adelaide in 1837 with an inspired idea: an active city centre and an abundance of open space with the River Torrens at its heart. Colonel Light laid out the streets surrounded by Park Lands with squares and gardens to offer relief to the urban form. The Park Lands are now heritage-listed and are cherished for their beautiful amenity, multiplicity of uses and unique role as a gateway to the city.

Our iconic Adelaide Central Markets, Rundle Mall and Park Lands provide commercial, social and green spaces for people to meet, play and relax. In its built form and public spaces, Adelaide is an attractive, contemporary city whose people take pride in urban design excellence and innovation while recognising and valuing the City's cultural and built form heritage and the unique features of Colonel Light's plan.

Adelaide's spirit and social wellbeing is complemented by its world-wide reputation for creating progressive and unique solutions to ensure the City's ongoing renewal. Adelaide is resilient, bold, trailblazing, enterprising and innovative. Withstanding the times of global social and economic disruption, Adelaide is emerging with a reputation of being a leading commercial, knowledge sharing and ideas exchange city.

Our city continues to recover from the impacts of COVID and as we seek to strengthen what we know makes Adelaide one of the world's most liveable cities, we also know that we are in a position to look to the future and build a city that leverages our past to grow an exceptional Capital City that all South Australians can be proud.



# Our Opportunities

As our population changes, health, diversity, wellbeing and equity will continue to play important roles. In a decade, the number of, and the types of residents in our city will increase and be more diverse. The physical form of our city is changing to accommodate this growth through new developments. This provides an opportunity to better consider appropriate and **quality housing** for the expected 50,000 residents that will call our city home in the near future. Spatial planning will help to guide where this growth is best placed to occur, complemented by **revitalisation** of our streets and precincts where **year-round events** and **quality amenities** will support vibrancy, community connections, and celebrate our cultural heritage and diversity.

The pandemic required new ways of social connectivity, not only through digital means, but through the importance of more local based opportunities. Our city in the future will be a diverse collection of **unique neighbourhoods and precincts** and we have an opportunity to make sure our streets are lively, accessible, and promote connectivity.

In the future, the impacts of climate change will be more urgent so we will need to support our city to adapt and be **climate resilient**. We will ensure that our residents and visitors are prepared, and where possible protected, from adverse hazards such as heatwaves. Adelaide can be a nation leading **Green City in a Park** with new ways to re-use old buildings and a **greener built form**, supporting a **circular economy** and **low-carbon** city. This will be demonstrated by showcasing the benefits of **green infrastructure**, increased biodiversity and a community that is adaptive and resilient to climate change.

Uncertain global economic conditions generated from COVID-19 recovery, resource and material shortages, logistical challenges, interest rate rises and international conflicts and geo-political tensions, are likely to continue and will impact national and local economies. These challenges have encouraged us to re-consider how we **procure**, how we increase our **local workforce**, how we can be **financially sustainable** and how we **partner** across all levels of government and with private enterprises.

We will focus on our economy and how people are choosing to work, **emerging industries** and the ongoing **digital transformation** through artificial intelligence and cashless transactions. We will support an inclusive, fair and thriving economy, enabling current and emerging businesses to be innovative and responsive to future needs.

The approach we take will help the city respond to the challenges that will unfold over the coming years and will have a transformative impact on our city, community and businesses.

# Our Role

The City of Adelaide has developed this Strategic Plan (the Plan) as guided by the *Local Government Act (SA) 1999*, which requires councils to develop and adopt plans for the management of its area, and the *City of Adelaide Act 1998*. This Plan is supported by a Resource Plan which guides the financial, infrastructure and resources that underpin delivery over the next four years, as well as a suite of longer-term plans.

In developing this Plan, we understand and acknowledge that the role of a capital city council is diverse and complex. As the Capital City Council for all South Australians, we have a responsibility to be outward looking, to work collaboratively with Federal, State and Local Governments and to demonstrate excellence, innovation and exceptional service provision.

Our core role is delivering services to the community and the way we deliver these reflects the diversity of our responsibilities to ratepayers, visitors, workers, residents, key stakeholders and the State of South Australia.

This document articulates the key roles and duties that Council assumes and performs.

- Leader: Development of strategies, policies, programs and services.
- Owner/Custodian: Manage assets that are under the care and control of Council.
- Regulator: Undertake responsibilities pursuant to relevant legislation.
- Information Provider: Provision of information to the general community and identified stakeholders.
- Advocate: Represent the interests of our community to influence issues/opportunities that impact our city.
- Facilitator/Initiator: Bring together and/or engage with individuals, community groups, industry, government agencies and other stakeholders to address issues impacting the City.
- Agent: Managing the provision of services to the community on behalf a third party (e.g. State or Federal Government) where there is demonstrated need and significant benefit to the community.
- Direct Provider: Deliver services, projects or programs without resources from external parties.
- Partner: Work with others to deliver service, program or project outcomes. We will continue to build strong partnerships to advocate for the benefit of the city and leverage these to seek co-investment, grants and contributions to the benefit of our community. Key partnerships include those with the Federal, State and Local Government sectors, and strategic non-government (private sector, community groups and not-for-profit) organisations.

# Our Response

As Adelaide grows, we will need to consider economic vitality, social connectivity and wellbeing, distinctive precincts, environmental and financial sustainability, asset management and service delivery. Over the past decade, we have heard from our community that our city must grow if we want to thrive, but this growth should not come at the expense of what has made our city one of the most liveable in the world.

To ensure we maintain our liveability and to support growth, these principles will underpin everything we do:

- Exceptional Amenity - Be bold and courageous in our pursuit of excellence for our city.
- Quality Housing - Strive for liveability and affordability to attract and retain residents.
- Community Connection - Strengthen connection, accessibility, diversity and inclusivity by putting people first.
- Unique Experiences - Create interesting experiences for our residents, workers and visitors.
- Climate Resilience - Embed climate resilience in all that we do.
- Economic Growth - Encourage innovation, investment and development in current and emerging sectors.
- Budget Repair - Provide quality services and ensure long-term financial sustainability.

# Our Community

vibrant, connected and inclusive

**Our Objective is to:**

- Support our communities to thrive
- Create fun, lively and interesting experiences
- Celebrate and honour community and cultures

| Outcome | Key Actions | Indicator of Success/Measures/Targets |
|---|---|---|
| Drive housing outcomes that attract and retain residents in our city | Work with partners to identify new and innovative ways to reduce rough sleeping and homelessness<br><br>Contribute towards achieving Zero Functional Homelessness<br><br>Support increased residential growth and housing affordability through partnerships and advocacy | An increase in the number of people living in the city from 26,000 to 50,000 by 2036<br><br>A reduction in the incidences of people sleeping rough or experiencing homelessness<br><br>An increase in the share of family households from 12.5% to 15% living in the city<br><br>Review of the Housing and Homelessness Policy, defining the role of Council in providing solutions and creating an action plan |
| Foster connection, learning and wellbeing, making Adelaide an interesting and comfortable place to live and visit | Enable community-led services that provide ways for our community participate in active leisure, recreation and sport<br><br>Encourage partnerships, grants and sponsorship of a diverse range of arts, culture, events and activations<br><br>Create opportunities for people to expand knowledge and skills, to learn and master | An increase in residents' wellbeing from 70% to 75% life satisfaction<br><br>An increase in participation in arts, events and cultural experiences facilitated or supported by the City of Adelaide<br><br>Review the Active City Strategy<br><br>Develop an overarching grants policy to support the diversity of grants for arts, culture, community development, recreation and wellbeing<br><br>An increase in library and community centre patronage<br><br>Develop a Community Wellbeing Plan<br><br>An increase in diversity of volunteer opportunities and participation in line with the national average |
| Be an inclusive and welcoming community | Champion reconciliation and recognition of First Nations people and culture by identifying opportunities to celebrate and protect Aboriginal and Kaurna culture and connection to country<br><br>Celebrate and elevate the profiles of multicultural communities and create welcoming programs and services<br><br>Ensure our services and projects are inclusive and offer opportunities for all | Fulfill the commitments of, and renew, the City of Adelaide Stretch Reconciliation Action Plan<br><br>An increase in the number of Aboriginal and Torres Strait Islander-led community reconciliation activities<br><br>Promote multicultural events and activities in our city<br><br>An increase in the number of citizens inducted at the CoA Citizenship Ceremony<br><br>Renew our Disability Access and Inclusion Plan and deliver on targets |

# Our Environment

resilient, protected and sustainable

## Our Objective is to:

- Protect, enhance, and activate our Park Lands and open space
- Be climate conscious and resilient
- Prioritise sustainability in our decisions for the future

| Outcome | Key Actions | Indicator of Success/Measures/Targets |
|---|---|---|
| Lead as a Low Carbon Emissions City | Implement sustainable, renewable and green systems, infrastructure, practices and materials in our projects and services<br><br>Generate, lead and support new circular economy activities to support sustainability and economic outcomes<br><br>Work with partners including universities, and researchers to innovate and transform carbon reliance<br><br>Advocate for an increase in sustainable practices and materials in all development, offset by tree and renewal energy integration | Increase green infrastructure in our assets<br><br>Increase the number of electric vehicle charging stations<br><br>An increase in the use of recycled or sustainable materials in procurement practices<br><br>No net increase in the urban heat island effect<br><br>A reduction in the city's community greenhouse gas emissions of 42% from the 2020 baseline by 2030 |
| Be a sustainable climate resilient city and embed climate resilience in all that we do | Work with our partners to plan for and lead a climate resilient future<br><br>Support the adaptation of buildings and industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and processes<br><br>Work with partners to access data to track the number of green upgrades or new buildings<br><br>Provide progressive waste management and resource recovery services<br><br>Work with the community to divert more waste from landfill | Develop a Sustainability Governance and Reporting Framework and capture and share data and learnings<br><br>All asset investment (design, construct and maintenance) considers and embeds appropriate climate resilient measures<br><br>Evolve and implement our climate adaptation actions in response to the impacts of climate change<br><br>An increase in our resource recovery rates<br><br>An increase in waste diverted from landfill from kerbside residential bins from 50% to 75% |
| Be active in the promotion of the status, attributes and character of our green spaces and the Park Lands by protecting and strengthening their integrity and value | Continue the support for the Kadaltilla Adelaide Parklands Authority Subsidiary and the delivery of the Kadaltilla Charter and Business Plans<br><br>Enhance the environmental value, productivity, quality and biodiversity of the Park Lands, squares, open space and streetscapes<br><br>Protect and restore native habitat in our city<br><br>Work with partners to create innovative ways to create or convert underutilised areas to green space,<br><br>Advocate for Park Lands development to be low impact | An increase in biodiversity in the Park Lands<br><br>An increase in the number of trees planted and improved replacement ratios for any trees that are removed in the CBD<br><br>An increase in tree canopy cover from the 2022 baseline of 27% to 40% by 2028<br><br>An increase in the amount of green spaces<br><br>Achieve world heritage listing of our Park Lands and protect their national heritage listing status<br><br>No net loss of Park Lands<br><br>Review and update the Integrated Biodiversity Management Plan 2018-2023 |

# Our Economy

growing, innovative and responsive

**Our Objective is to:**

- Continue to grow our economy in alignment with the community
- Support existing businesses to be agile and responsive to change
- Create strong skilled workforces

| Outcome | Key Actions | Indicator of Success/Measures/Targets |
|---|---|---|
| Adelaide's unique experiences and opportunities attract visitors to our city | Continue the support for the Adelaide Central Market Authority (ACMA) Subsidiary and the delivery of the ACMA Charter and Business Plans as a unique cultural experience<br><br>Work with the State Government to activate and upgrade precincts to stimulate investment and visitation<br><br>Refresh the way in which information is provided to visitors to the City<br><br>Reinforce the position of Adelaide as the State's central business district and amplify Adelaide's reputation as a place to learn, work and start a business<br><br>Work with associations, community and advocacy groups to maximise opportunities | Deliver the key actions of ACMA<br><br>An increase the number of people who visit the city from 2.1 million to 2.5 million by 2028<br><br>An increase in foot traffic in key and emerging precincts<br><br>An increase in spend across the city<br><br>Deliver marketing and promotion strategies to share Adelaide's unique attributes and emerging opportunities |
| Grow the economy to achieve a critical mass of jobs, investment and attract and retain businesses | Continue the support for the Adelaide Economic Development Agency (AEDA) Subsidiary and the delivery of the AEDA Charter and Business Plans as the City's reshapes following COVID impacts<br><br>Provide services and information that contribute towards a high productivity economy<br><br>Work with partners and businesses to attract investment and improve employment opportunities<br><br>Create partnerships to grow and develop current and emerging sectors such as medical, technology and professional services sectors | Deliver and implement a City of Adelaide Economic Development Strategy<br><br>Deliver the key actions of AEDA Strategic Plan to support investors, emerging sectors, entrepreneurs and business owners to be successful, innovative and responsive to a changing business environment<br><br>Deliver economic data and insights to our business community.<br><br>An increase of businesses who think the city is a good place to do business from 64% to 75%<br><br>An increase in the number of new businesses and investment in the city<br><br>An increase in the City's share of state's economy |
| Create new Council driven development opportunities for our community via diverse commercial activities | Work with partners on the completion of major development outcomes that focus on economic and housing outcomes such as 88 O'Connell, Market Square and the former Bus Station<br><br>Establish the Future Fund to support investment in revenue generating activities to reduce ratepayer burden | Review the Strategic Property Action Plan to manage opportunities including car parks and other commercial assets for our community<br><br>Achieve sales and tenancy targets associated with CoA housing developments<br><br>Develop and implement governance arrangements for the Future Fund |

# Our Places

interesting, purposeful and safe

Our Objective is to:

- Manage assets to meet the needs of our community
- Encourage bold, interesting and purposeful development
- Facilitate and activate our places in a safe and accessible way for our community

| Outcome | Key Actions | Indicator of Success/Measures/Targets |
|---|---|---|
| Our community assets are adaptable and responsibly maintained | Deliver quality street upgrades, mainstreets, precincts, and neighbourhood revitalisation and improvements that make Adelaide well-designed and unique<br><br>Create new assets to meet emerging community needs<br><br>Support the maintenance and development of bold and interesting community, cultural and civic places and infrastructure in step with residential growth<br><br>Work with partners to achieve diversity of transport to ensure drivers, cyclists and pedestrians can safely and easily move within the city and minimise road incidents and decrease fatalities. | Commence the design of the Hindley St upgrade project by 2023/2024<br><br>Commence the design of the Gouger St upgrade project by 2023/2024<br><br>Commence the design of the O'Connell St upgrade project by 2024/2025<br><br>Commence the design of the Hutt St upgrade project by 2024/2025<br><br>Commence the design of the Melbourne St upgrade project by 2025/2026<br><br>Develop and implement an Integrated Transport Strategy<br><br>Revise the Asset Management Plan by June 2024 |
| Encourage bold, interesting and purposeful development | Develop a City Plan that provides guidance on city growth, development, design, amenity needs and accessibility to make Adelaide a liveable and walkable city that people are proud to call home<br><br>Encourage repurposing, adaptive reuse and improvement of buildings and facilities<br><br>Support the development of diverse and affordable office spaces and housing<br><br>Protect, share and elevate our heritage and culturally significant places, maintaining the character while encouraging adaptive reuse, repurposing and upgrading buildings | An increase in the number of people who agree that the city is a welcoming and dynamic place full of rich and diverse experiences from 82% to 90%<br><br>An increase in the number of dwellings in our city<br><br>No net loss of local heritage places<br><br>Review the heritage overlays to ensure our heritage places are known and accommodated during development<br><br>Deliver conservation management plans for heritage assets |
| Responsibly deliver regulatory services and work with partners to create safe, inclusive and healthy places for our community | Maintain and improve Disability Access and Inclusion in our places<br><br>Create opportunities for sustained activation the city through outdoor dining, parking, leases and licences<br><br>Encourage interesting and unique experiences in public spaces through permit management<br><br>Support food businesses to operate safely<br><br>Provide services that encourage responsible pet ownership | Achieve Disability Access compliance in all new and upgraded infrastructure<br><br>Review the Disability Access and Inclusion Plan<br><br>Review the Wellbeing Plan<br><br>Review the Dog and Cat Management Plan |

# Our Corporation

## High performing, customer-centric and bold

### Our Objective is to provide:

- Effective Leadership and Governance
- Exceptional Customer Experience
- Financial Sustainability
- People Engagement
- Strategy, Value and Efficiency
- Technology and Information

| Outcome | Key Actions | Indicator of Success/Measures/Targets |
|---|---|---|
| Effective Leadership and Governance | Demonstrate bold capital city leadership and robust governance with our community at the heart of our decisions<br><br>Enable effective governance, risk management, accountability and transparency at all times in decision making | Implement a Pro Disclosure Policy by June 2024<br><br>Reduce the number of items and Council decisions considered and held in confidence<br><br>Deliver a robust internal audit program that aligns to service outcomes.<br><br>Review the Governance Structure to ensure best practice and advice for Council's undertakings<br><br>Review Emergency Management plans and response |
| Exceptional Customer Experience | Listen and respond to our community, embedding their perspective to support decision-making<br><br>Focus on the experience of our customers to ensure outcomes meet expectations<br><br>Promote and communicate the work of Council | Maintain Customer Satisfaction and Customer Ease through the Voice of Customer Survey<br><br>Review marketing and communication policies and practices to ensure website and social media content is reflective of current decisions, projects and services |
| Financial Sustainability | Focus on budget repair and ensure responsible financial management through the principle of intergenerational equity while delivering quality services<br><br>Achieve high value procurement and contracts management outcomes<br><br>Improve service efficiency by identifying new revenue streams and creating new opportunities for income | Review the Rating System to ensure optimum outcomes<br><br>Determine future funding requirements for community assets such Torrens Weir enhancement and replacement/strengthening of Adelaide Bridge<br><br>Increase in forward procurement plans that reflect targets relating to climate resilience, Aboriginal and Torres Strait Islander employment and locally sourcing.<br><br>Financial indicators are in line with annual targets (as outlined in the Long-Term Financial Plan) with a focus on Asset Renewal Funding Ratio between 90% and 110%<br><br>Grow the share of non-rates based revenue |

| Outcome | Key Actions | Indicator of Success/Measures/Targets |
|---|---|---|
| People Engagement | Attract and retain people with skills and behaviours which align with our organisational objectives and values<br><br>Create an organisational culture that enables bold and experienced leadership, where our people thrive and are proud to work<br><br>Identify and develop the skills, capabilities, and leadership needed to support a high performing organisation<br><br>Support ways of working, which enable informed decision-making and enable agility, collaboration, and innovation | Aboriginal and Torres Strait Islander Employment Rate greater than 2%<br><br>Deliver and maintain a Workforce Strategy<br><br>Deliver a City of Adelaide Graduate Program<br><br>Action recommendations from the Curtin University Thrive workplace culture survey and WHS targets to generate positive employee outcomes |
| Strategy, Value and Efficiency | Work with local, national and international partners to move our city into the future<br><br>Create, maintain and integrate plans and policies that reflect and guide decision making and support our city and our community to thrive<br><br>Use community feedback, data and research to monitor, maintain and adapt our range of quality services to continuously improve the value and efficiency | Develop and implement a Strategic Partnerships Framework to achieve best practice outcomes including benchmarking opportunities<br><br>Review the Strategic Planning Framework to ensure consistency and integration of governing documents<br><br>Ensure Strategic and Capital Projects are delivered on time and on budget (target 75%)<br><br>Business, Resident and City User Surveys identify overall satisfaction with Council services<br><br>Review the Community Engagement approach |
| Technology and Information | Focus on integration, digital opportunities and innovative solutions to support business efficiency and performance improvements<br><br>Continue to efficiently maintain the rich historical significance of our archival and civic collection | Deliver and maintain Business Systems Roadmap<br><br>Deliver Workforce Management System upgrades<br><br>Implement data integration solutions for Customer Insights to drive efficiency outcomes<br><br>Increase awareness and engagement of staff through the use of better systems<br><br>Improve and drive efficiency outcomes through the integration of customer data and insights |

# Strategic Planning Framework

This Plan forms part of the City of Adelaide's suite of Strategic Management Plans.

| | |
|---|---|
| Strategic Plan<br>Community | Long Term with a four year delivery focus.<br>Planning for the vision and aspirations of the Adelaide Capital City. |
| Long Term Financial Plan<br>Financial | Ten year Plan, revised annually to ensure a ten year view is maintained.<br>Planning for the long term financial sustainability of the City of Adelaide. |
| Asset Management Plans<br>Infrastructure | Suite of ten year Plans.<br>Planning for the sustainable renewal and maintenance of Council assets. |
| City Plan<br>Development / Built form | Ten year Spatial Plan.<br>Planning for the future land uses and built form of the Adelaide Capital City. |

Structure of the Strategic Plan 2024-2028 and supporting documents:

### Long Term considerations

| | |
|---|---|
| Vision | A vision for the future of Adelaide. A leading aspirational statement summarising the focus of the plan and guiding decision-making on the future of the city. |
| Aspirations | That help articulate the vision, expressed as outcomes which help shape future policy positions of Council. |

### Short Term considerations

| | |
|---|---|
| Principles | Inform primary areas of focus to drive outcomes across the four-year plan. |
| Objectives and Outcomes | Describe what will be achieved and the strategies employed. |
| Key Actions | What is being delivered under each objective relevant to Council's responsibilities (How we will do it) |
| Indicators of Success/ Measures/Targets | Provide an understanding of what long term success looks like (Measures of Success) |

### Resource Plan

The Strategic Plan is supported by a Resource Plan - the financial, and non-financial resources required for the Administration to enable and support the Strategic Plan's four-year delivery over 2024-2028.

## List of related Strategies, Plans and Policies

To support the Strategic Management Planning environment, Council has a suite of related Strategies, Plans and Policies. These will be changed and refined over time to reflect the Strategic Plan delivery. The below list highlights the primary relationship of each related strategy, plan or policy, noting that some of these have multiple relationships to the aspirations. For a complete list of strategies, plans and policies, please visit the City of Adelaide website https://www.cityofadelaide.com.au/about-council/plans-reporting/strategies-plans-policies/.

Our Community

- Active City Strategy
- Adelaide Events Guidelines
- Adelaide Parklands Leasing and Licencing Policy
- Adelaide Parklands Management Strategy (statutory)
- Cultural Strategy
- Dog and Cat Management Plan (statutory)
- Smart Move Transport and Movement Strategy
- Stretch Reconciliation Action Plan
- Wellbeing Plan (statutory)

Our Environment

- Adelaide Park Lands Authority Subsidiary Charter
- Integrated Biodiversity Management Plan
- Resilient East Regional Climate Change Action Plan
- Water Sensitive City Action Plan

Our Economy

- Adelaide Economic Development Agency Subsidiary Charter
- Carbon Neutral Strategy
- Waste Resource Recovery Strategy
- Property Strategy

Our Places

- Adelaide Central Market Authority Subsidiary Charter
- Heritage Strategy and Action Plan
- Disability Access and Inclusion Plan (statutory)
- Homelessness, Social Housing and Affordable Housing Policy

Our Corporation

- By-Laws
- Community Land Management Plans (statutory)
- Annual Business Plan and Budget (statutory)
- Procurement Policy
- Consultation Policy

# Draft Resource Plan 2024 - 2028

Council has also developed a Resource Plan which underpins this Plan by outlining the financial, and non-financial resources required for the Administration to enable and support the Strategic Plan's four-year implementation over 2024-2028. The Strategic Plan and the Resource Plan will work in concert with the Long-Term Financial Plan, Asset Management Plans and City Plan to inform the Annual Business Plan and Budget. Council's decision making is informed by strategies, plans and policies that articulate the provision of services, programs and projects. Program Plans ensure all work is planned and delivered.

The role of a capital city council is diverse and complex, which impacts the way we deliver services. We are a leader, a service provider, a regulator, an owner, a facilitator and an advocate. By measuring the delivery of our objectives and key actions, our community will know what we have achieved. Targets provide further direction to ensure we are delivering on our vision for the future, while allowing Council to measure and track progress through quarterly reports and an Annual Report each year.

# Financial

Financial Principles

To deliver on our priorities and ensure financial sustainability for current and future generations, the below Financial Principles have been applied:

- Continue to deliver current services and assets, indexed in line with Consumer Price Index (CPI)
- Fees and charges are equitable and responsive to changing community needs
- Ensure an effective rating system
- Maintain an operating surplus
- Capitalise on external funding opportunities through retiming projects to align to stakeholder objectives, recognising the potential need for increased borrowings in order to respond to opportunities
- Consider new and different revenue streams to reduce reliance on existing revenue sources
- Adjust rate revenue after consideration of all other budget components and use growth in rate revenue to partly fund servicing new rateable properties and to service new borrowings
- New or enhanced services, assets or maintenance requiring an increase in operating costs are to be funded from the adjustment of priorities, rate revenue or other revenue increases and/or through savings
- Capital renewal expenditure will be based on asset management plans
- Consider the disposal, purchase and /or repurposing of property assets to support community outcomes, without incurring a financial loss
- Borrowings may be used to fund new and upgrade projects (which include major projects)
- Ideally operations, expenses or renewal projects are funded from within budget.

When considering these principles, Council considers the service or project in the context of Council's:

- Roles and responsibilities
- Statutory obligation;
- Ability to give effect to an adopted strategy, policy or plan;
- Levers and discretion to intervene to address market challenges, opportunities or failure; or
- Ability to gain value, efficiency or effectiveness in relation to dollars spent.

Council's Financial Principles ensure that Council's measures and targets can be met over the longer term.

Financial Sustainability

The Council 's financial resources have the capacity to absorb cyclical economic factors, social trends and financial shocks. Funding decisions are an important method of providing the capacity to meet financial sustainability in the medium and long term, along with planning, stability of revenue and costs, proportionality of revenues with benefits over time and a "balanced" operating result.

Financial sustainability is also central to supporting intergenerational equity (or fairness), which ensures that the costs associated with expenditure are spread over time relevant to the communities that will draw benefit. Council's Long Term Financial Plan has assumed that existing service levels are maintained while seeking efficiency improvements in line with appropriate planning, measures and benchmarks.

Long Term Financial Plan

A high level ten- year Long Term Financial Plan has been developed as part of Council's ongoing financial planning to assist Council to plan within a longer term strategic framework. The key components of the plan are:

- Assessment of Council's current financial position and achieving longer term financial sustainability.
- Ensuring Financial Principles are met.
- Consideration of Council's appropriate role and responsibilities.
- Ensuring alignment with the Strategic Plan and maintenance of high priority expenditure programs.
- Ensuring alignment with agreed service provision and delivery standards.
- Ensuring alignment with Revenue and Financing guidelines, including Rating and Treasury Policies.
- Ensuring alignment with Asset Management Plans.
- Ensuring alignment with other plans and strategies.
- Costing proposed strategies before they are agreed.

The specific assumptions and outcomes underpinning the Long Term Financial Plan are:

- Rates Revenue in line with forecast inflation (in addition to growth from new developments).
- Fees and charges in line with forecast inflation.
- Salaries and wages forecasts based on enterprise agreements; once expired, Wage Price Index (WPI) applied.
- Other revenue and expenditure growth, in general, in line with forecast inflation.
- Interest rates relative to market expectations.
- Capital renewal expenditure in line with Asset Management Plans (AMPs).
- Capital enhancements (new and upgrade) in line with Council Decision to fund $15m per annum over current term of council and assumed continuation.

The Long Term Financial Plan will be periodically adjusted to reflect the recent decisions of Council to ensure sustainability is maintained.

Four Year (Long Term) Financial Plan

Council's four year financial view, taken from the Long Term Financial Plan, provides the funding for Council's Strategic Plan. This period sees significant investment in Council priorities including upgrades to several streets, partnerships with the State Government on major projects such as the former Adelaide Aquatic Centre site, Strategic Property developments including the Franklin Street Bus Station redevelopment, Market Square and 88 O'Connell and ongoing delivery of core services. Significant renewal projects including Torrens Weir and King William Street Bridge influence future year.

| Indicators | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|---|---|---|---|---|---|
| Operating Surplus Ratio - Target: 0%-20% | 0.9% | 1% | 0.9% | 2.8% | 2.6% |
| Net Financial Liabilities - Target: Less than 80% | (1%) | 15% | 39% | 38% | 39% |
| Asset Renewal Funding Ratio - Target: 90%-110% | 90% | 93% | 95% | 98% | 100% |
| Asset Test Ratio - Target: Maximum 50% | 10% | 13% | 18% | 18% | 19% |
| Interest Expense Ratio - Target: Maximum 10% | 0.4% | 1.3% | 1.7% | 2.0% | 2.3% |
| Leverage Test Ratio - Target: Maximum 1.5 years | 0.2 | 0.3 | 0.5 | 0.5 | 0.5 |
| Cash Flow from Operations Ratio -Target: < than 100% | 101% | 100% | 102% | 107% | 107% |
| Borrowings | 20% | 26% | 36% | 36% | 37% |

## General Operating

### Operating Position

| $'000s | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|---|---|---|---|---|---|
| **Income** | | | | | |
| Rates Revenues | 135,395 | 139,809 | 145,177 | 151,533 | 156,845 |
| Statutory Charges | 14,683 | 14,990 | 15,356 | 15,739 | 16,132 |
| User Charges | 70,002 | 64,926 | 66,509 | 74,101 | 75,951 |
| Grants, Subsidies and Contributions | 4,449 | 4,547 | 4,318 | 4,426 | 4,536 |
| Investment Income | 150 | 154 | 157 | 161 | 165 |
| Reimbursements | 338 | 346 | 355 | 364 | 373 |
| Other Income | 465 | 477 | 488 | 500 | 513 |
| Total Income | 225,481 | 225,249 | 232,361 | 246,825 | 254,516 |
| **Expenses** | | | | | |
| Employee Costs | 85,013 | 83,050 | 85,581 | 88,215 | 90,929 |
| Materials, Contracts & Other Expenses | 81,672 | 80,569 | 82,199 | 86,191 | 88,343 |
| Depreciation, Amortisation & Impairment | 56,040 | 56,835 | 59,353 | 62,012 | 64,675 |
| Finance Costs | 835 | 2,525 | 3,117 | 3,502 | 3,970 |
| Total Expenses | 223,561 | 222,980 | 230,250 | 239,920 | 247,917 |
| **Operating Surplus** | 1,920 | 2,268 | 2,111 | 6,905 | 6,598 |

### Rate revenue

Rates are an important source of revenue, accounting for approximately 60% of the total annual revenue. Council assumes a 3% growth in future rate income, primarily from valuation reviews and new properties.

### Other revenue

The Council operates a number of fee based facilities including the Adelaide Aquatic Centre, Adelaide Golf Links, UPark, Adelaide Town Hall and the Property Portfolio (including Adelaide Central Market). Each fee based facility provides valued services for ratepayers and visitors and is an important source of revenue. Council generates income from statutory charges, set by State Government legislation, in addition to the charging of fees for Council services including on-street parking-machine tickets and properties' premises hire income.

Treasury Policy

| $'000s | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|---|---|---|---|---|---|
| Projections | | | | | |
| New Borrowings | 20,285 | 17,515 | 20,921 | 5,005 | 3,626 |
| Principal Paid | - | - | - | - | - |
| Gross Borrowings | 70,568 | 87,666 | 108,587 | 113,592 | 117,219 |
| Future Fund | 40,384 | 39,967 | 39,967 | 39,967 | 39,967 |
| Net Borrowings | 30,184 | 47,699 | 68,620 | 73,625 | 77,252 |
| Prudential Borrowing Limit | 157,628 | 181,387 | 191,951 | 202,867 | 207,932 |

The Long Term Financial Plan identifies borrowing is an important funding source particularly for strategic expenditure relating to new and upgraded projects and Strategic Property activities. Borrowing is undertaken in accordance with Council's Treasury Policy which underpins decision making for the funding of Council's operations in the context of cash flow, budgeting, borrowings and investments.

Asset Management

| $'000s | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|---|---|---|---|---|---|
| Major Projects | 36,386 | 30,917 | 21,100 | 15,920 | 15,820 |
| New and Upgrades | 13,932 | 520 | 320 | 320 | 320 |
| Renewal | 50,416 | 48,682 | 51,932 | 52,739 | 54,922 |
| Total Capital | 100,734 | 80,119 | 73,352 | 68,979 | 71,062 |

The Council owns, and is responsible for the management, operation and maintenance of a diverse asset portfolio that provides services and facilities for city users. Asset Management Plans have been developed to provide effective and comprehensive management of its asset portfolio, with a three year view to deliver the required levels of service for the community and meet strategic and legislative requirements. Rolling condition audits provide information for the ongoing improvement of assets to ensure they inform the Annual Business Plan and Budget.

Renewal and replacement capital expenditure is based on asset management plans which consider the optimal timeframe for asset replacement based on whole of life costing. Total capital expenditure shall be managed in a way which avoids disruptive adjustments to activities, programs and revenue raising efforts.

Property and New and Upgraded Assets

Council's property portfolio seeks to address strategic objectives for growth in the city and provides additional net revenue to Council, assisting to manage expenditure commitments. Consequently, it is important that both the value of the portfolio and its returns (both net of borrowings) are protected to avoid adverse impacts with regard to intergenerational equity, rates and expenditure programs in the future.

The Property Strategy aims to optimise the performance of the property portfolio. It promotes a partnership approach to acquire or repurpose property assets with the private sector and other tiers of government to leverage their value, to meet strategic objectives or to sell under-performing assets with sale proceeds reinvested into new income generating opportunities.

# Resources

## Service Delivery Influences

Influences which may impact on the scope and level of services to be provided over the next four years include:

- Local Government Price Index increases on relevant goods and services, which has historically tracked at approximately 1% above the CPI.
- Current Enterprise Agreements for most staff provide for wages and salary increases of 3% and 4% from 2024.
- Increase in utility charges with indications that sustainability premiums will continue into the future.
- A stronger focus on renewals and maintenance of assets, specifically to mainstreets.
- Service and infrastructure needs for a growing and changing population in the city.
- Commitments to major projects and partnership initiatives.
- Council revenue from commercial operations and other fees and charges expected to be impacted due to fewer people working in the city post-COVID-19.
- Impact of increasing interest rates on Council's borrowings.

## Information Technology

Council recognises the strategic importance of technology investment to deliver integrated technology solutions that improve access to information, streamline processes, safeguard information and systems and encourage collaboration across the organisation, to enable the delivery of customer focused services to our community. The Business Systems Roadmap sets out the program of works over the next four years in Council's ongoing journey to be a digitally enabled, integrated, innovative, secure and inclusive Council.

Council has an ongoing program of works that focusses on four key areas:

- Customers at the centre: We understand our customers and provide services to meet their diverse needs
- Secure and reliable: We train our staff and use technology to increase safety and security for our customers and their information
- Data Driven: We use data and insights to improve our engagement and experiences with our customers and communities to make better and faster decisions.
- Seamless: Our services are simple, intuitive, with purpose and seamless for a better experience for our customers and communities

## Our People

| FTE | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|---|---|---|---|---|---|
| Our Community | 95.7 | 69.4 | 69.4 | 69.4 | 69.4 |
| Our Environment | 40.2 | 39.2 | 39.2 | 39.2 | 39.2 |
| Our Economy | 157 | 157 | 157 | 157 | 157 |
| Our Places | 321.3 | 321.3 | 321.3 | 321.3 | 321.3 |
| Our Corporation | 160.6 | 174.4 | 170.4 | 170.4 | 170.4 |
| TOTAL | 774.8 | 761.3 | 757.3 | 757.3 | 757.3 |

Appropriate resourcing capacity and capability is critical to deliver on the Strategic Plan responsibilities and be responsive to new and emerging challenges. Workforce planning enables the Corporation to attract, develop and retain the skills, knowledge and experience required to deliver across the duration of the Strategic Plan, and creating a performance culture in which individuals are aligned to delivering organisational priorities.

The Corporation, in the way it supports customers, conducts business, delivers services, develops its people and supports good governance must reflect the Council's vision and enable its achievement. The Corporation's commitment to be genuinely responsive to the changing needs of people, business and communities is paramount to the delivery of the Strategic Plan, requiring effective delivery now, and clear plans for the future.

A focus on efficiencies and continuous improvement will enable FTEs numbers to be maintained at current levels over the four year period. At times, consultancy services or additional contract or temporary staff will be required to ensure our service delivery and people resources are scalable.

Employee Values and Behaviours

At City of Adelaide our values provide the context for how we work together and with others. They are the standard against which we hold ourselves and others accountable. We are committed to building a high performing, inclusive and sustainable workplace for the future that is based on and fosters these values and recognises alignment to them is integral to our culture.

- Achievement
- Collaboration
- Customer Commitment
- Integrity
- Innovation

Our Corporation's Purpose

As an organisation we will be:

- An exceptional service provider
- A reliable and trusted partner
- A professional administrator
- A high achieving, best practice organisation

# Exclusion of the Public

**Friday, 10 November 2023**
Audit and Risk Committee

**Program Contact:**
Alana Martin - Manager Governance

Public

**Approving Officer:**
Clare Mockler, Chief Executive Officer

## EXECUTIVE SUMMARY

Section 90(2) of the *Local Government Act 1999 (SA)* (the Act), 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 section 90(3) of the Act.

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

**10.1** Voters Roll Review [section 90(3) (h) of the Act]
**10.2** <public title> [section 90(3) (#) of the Act]

The Order to Exclude for Items 10.1 and 10.2

1. Identifies the information and matters (grounds) from section 90(3) of the Act 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 – section 90(3) (b), (d) or (j) of the Act - how information open to the public would be contrary to the public interest.

## ORDER TO EXCLUDE FOR ITEM 10.1

THAT THE AUDIT AND RISK COMMITTEE

1. Having taken into account the relevant consideration contained in section 90(3) (h) and section 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Audit and Risk Committee dated 10 November 2023 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 10.1 [Voters Roll Review] listed on the Agenda.

   Grounds and Basis

   This Item is confidential in nature because the report includes information provided to Council by a lawyer that is made primarily for the purpose of giving legal advice.

   The disclosure of information in this report could reasonably be expected to prejudice the position of Council based on the legal advice provided.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit and Risk Committee dated 10 November 2023 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 [Voters Roll Review] listed in the Agenda, on the grounds that such item of business, contains information and matters of a kind referred to in section 90(3) (h) of the Act.

# ORDER TO EXCLUDE FOR ITEM 10.2

THAT THE AUDIT AND RISK COMMITTEE

1. Having taken into account the relevant consideration contained in section 90(3) (i) and section 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Audit and Risk Committee dated 10 November 2023 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 10.2 [Strategic Risk and Internal Audit Update] listed on the Agenda.

   Grounds and Basis

   This Item is confidential in 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 and Risk Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of this information relates to actual litigation of Council.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit and Risk Committee dated 10 November 2023 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 10.2 [Strategic Risk and Internal Audit Update] listed in the Agenda, on the grounds that such item of business, contains information and matters of a kind referred to in section 90(3) (i) of the Act.

# DISCUSSION

1. Section 90(1) of the *Local Government Act 1999 (SA)* (the Act), directs that a meeting of a Council Committee must be conducted in a place open to the public.
2. Section 90(2) of the Act, 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 section 90(3) of the Act.
3. Section 90(3) of the Act prescribes the information and matters that a Council may order that the public be excluded from.
4. Section 90(4) of the Act, advises that in considering whether an order should be made to exclude the public under section 90(2) of the Act, it is irrelevant that discussion of a matter in public may -

   *'(a) cause embarrassment to the council or council committee concerned, or to members or employees of the council; or*

   *(b) cause a loss of confidence in the council or council committee; or*

   *(c) involve discussion of a matter that is controversial within the council area; or*

   *(d) make the council susceptible to adverse criticism.'*
5. Section 90(7) of the Act requires that an order to exclude the public:

   5.1 Identify the information and matters (grounds) from section 90(3) of the Act 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.

   5.3 In addition identify for the following grounds – section 90(3) (b), (d) or (j) of the Act - how information open to the public would be contrary to the public interest.
6. Section 87(10) of the Act 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 – Voters Roll Review

   6.1.1 Is not subject to an Existing Confidentiality Order

   6.1.2 The grounds utilised to request consideration in confidence is section 90(3) (h) of the Act

   *Legal advice*

   6.2. Information contained in Item 10.2 – Strategic Risk and Internal Audit Update

   6.2.1 Is not subject to an Existing Confidentiality Order

   6.2.2 The grounds utilised to request consideration in confidence is section 90(3) (i) of the Act

   *Information relating to the actual litigation, or litigation that the council or council committee believes on reasonable ground will take place, involving the council or an employee of the council.*

# ATTACHMENTS

Nil

- END OF REPORT -

Document is Restricted

Document is Restricted

Document is Restricted