



**AUDIT RISK AND IMPROVEMENT  
COMMITTEE MEETING**

**10 March 2021**

# Meeting Notice

**The Audit Risk and Improvement Committee Meeting  
of Central Coast Council  
will be held via Microsoft Teams on  
Wednesday 10 March 2021,  
for the transaction of the business listed below:**

## **GENERAL REPORTS**

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## **CONFIDENTIAL ITEMS (PROVIDED UNDER SEPARATE COVER)**

4.3 Update on Legal Matters

Please note item numbers correspond to items as they appear on the Agenda (see pages 3-4)

**Note:** It was resolved at the 10 March 2021 meeting (please refer to the minutes) that items 3.1, 4.1 and 4.2 were not to be publicly released in accordance with the ARIC Charter. Whilst they are listed in the Table of Contents, the reports have been removed from the Business Paper.

ITEM		PAGE	TIME	RESPONSIBLE OFFICER
<b>1</b>	<b>Introduction</b>			
1.1	Welcome, Acknowledgement of Country & Apologies	Verbal	9am 15 minutes	ARIC Chairperson
1.2	Disclosures of Interest	Report		ARIC Chairperson
1.3	Confirmation of Previous ARIC Meeting Minutes	Report		ARIC Chairperson
1.4	Outstanding Action Items	Report		ARIC Chairperson
<b>2</b>	<b>Internal Audit</b>			
2.1	CIA Quarterly Progress Report	Report	9.15am 20 minutes	Chief Internal Auditor
2.2	Management Actions Arising from Third Line of Defence Review	Report		Chief Internal Auditor
2.3	IA Balanced Scorecard Report	Report		Chief Internal Auditor
<b>3</b>	<b>External Audit</b>			
3.1	Update on External Audit Activities	Verbal / Late Report	9.35am 10 minutes	NSW Audit Office
<b>4</b>	<b>Governance</b>			
4.1	SIO Quarterly Progress Report	Report	9.45am 5 minutes	Senior Internal Ombudsman
4.2	Governance and Risk Activities Update (standing item)	Report	9.50am 10 minutes	Unit Manager Governance and Risk
4.3	Update on Legal Matters (standing item)	Confidential Report	10am 10 minutes	General Counsel
<b>5</b>	<b>Finance</b>			
5.1	General Finance Update (standing item)	Verbal	10.10am 45 minutes	Director Corporate Affairs
5.2	Update on Forensic Audit Report (198/2020ARIC)	Late Report		Director Corporate Affairs
5.3	SRV Application Update	Report		Director Corporate Affairs

ITEM		PAGE	TIME	RESPONSIBLE OFFICER
<b>6</b>	<b>Performance</b>			
6.1	Q1 and Q2 Complaints and Compliments	Report	10.55am 10 minutes	Director Corporate Affairs
6.2	Organisational Performance Update	Verbal	11.05am 10 minutes	Chief Operating Officer
<b>7</b>	<b>General Business</b>			
7.1	2020 Annual Report	Verbal	11.15am 10 minutes	ARIC Chairperson
7.1	Progress re ARIC recruitment	Verbal	11.25am 10 minutes	Unit Manager Governance and Risk
7.2	Appointment of Interim Chair	Verbal	11.35am 10 minutes	ARIC Chairperson
<b>8</b>	<b>Next Meeting</b>			
Tuesday 15 June 2021				ARIC Chairperson
<b>Close</b>				ARIC Chairperson

**Item No:** 1.2  
**Title:** Disclosures of Interest  
**Department:** Corporate Affairs

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10 March 2021 Audit Risk and Improvement Committee Meeting

Reference: F2018/00028-002 - D14439247

### **Report Purpose**

Chapter 14 of the *Local Government Act 1993* ("LG Act") regulates the way in which the Councillors and relevant staff of Council conduct themselves to ensure that there is no conflict between their private interests and their public functions.

Section 451 of the LG Act states in part that:

- (1) *A councillor or a member of a council committee who has a pecuniary interest in any matter with which the council is concerned and who is present at a meeting of the council or committee at which the matter is being considered must disclose the nature of the interest to the meeting as soon as practicable.*
- (2) *The councillor or member must not be present at, or in sight of, the meeting of the council or committee:*
  - (a) *at any time during which the matter is being considered or discussed by the council or committee, or*
  - (b) *at any time during which the council or committee is voting on any question in relation to the matter.*
- (3) *For the removal of doubt, a councillor or a member of a council committee is not prevented by this section from being present at and taking part in a meeting at which a matter is being considered, or from voting on the matter, merely because the Councillor or member has an interest in the matter of a kind referred to in section 448.*

Further, the [Code of Conduct](#) adopted by Council applies to all Councillors and Staff. The Code relevantly provides that if a Councillor or Staff member has a non-pecuniary conflict of interest, the nature of the conflict must be disclosed as well as providing for a number of ways in which a non-pecuniary conflict of interests might be managed.

### **Recommendation**

- 1 *That the Committee now disclose any conflicts of interest in matters under consideration by the Committee at this meeting.*

## **1.2 Disclosures of Interest (contd)**

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- 2 *That the Committee make a recommendation that this report be made publicly available as the nature or content of the report do not fall within any listed exceptions pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

### **Attachments**

Nil



**Item No:** 1.3  
**Title:** Confirmation of Minutes of Previous Meeting  
**Department:** Corporate Affairs

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10 March 2021 Audit Risk and Improvement Committee Meeting

Reference: F2018/00028-002 - D14439297  
Author: Kelly Drover, Advisory Group Support Officer  
Manager: James Taylor, Section Manager Governance

### **Report Purpose**

The purpose of this report is to confirm the minutes of the previous Audit, Risk and Improvement Committee meeting held on *10 December 2020*.

The minutes from 10 December 2020 were circulated to all Audit, Risk and Improvement Committee members by email on 8 January 2021. Concerns were raised by the NSW Audit Office that some parts of their update weren't captured in the draft minutes. In discussion with the Chair, it was agreed that the proper course of action is for the NSW Audit Office to raise this at the next Audit, Risk and Improvement Committee Meeting when the Committee confirms the minutes of the previous meeting. This will allow any proposed amendments to be discussed in front of the full Committee.

Council's *Audit Risk and Improvement Committee Charter* states that all supporting papers to the meeting agendas will be released to the public on Council's website, unless such release would be contrary to the public interest. It is considered that the nature or content of this report and attachments do not fall within any of the exceptions listed under Clause 78 of the Charter and release to the public be approved.

### **Recommendation**

- 1 *That the Committee confirm the minutes of the previous meeting held on 10 December 2020.*
- 2 *That the Committee make a recommendation that this report and the supporting papers to this report be made publicly available as the nature or content of the report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

### **Attachments**

- 1 ARIC Minutes - 10 December 2020 D14430545



**Central Coast Council**

Minutes of the  
**Audit, Risk and Improvement Committee**  
**Meeting of Council**

Held via *Microsoft Teams/Wyong Committee Room* on 10 December 2020,  
Commencing at 2.03pm

**Present**

Dr Colin Gellatly (Chairperson)  
Carl Millington  
John Gordon

**In Attendance**

Mr Rik Hart	Interim Chief Executive Officer
Natalia Cowley	Director Corporate Affairs
Emma Roberts	General Counsel
Tina Baker	Chief Internal Auditor
Lilly Mojsin	Senior Internal Ombudsman
Jade Maskiewicz	Assistant Internal Ombudsman
Shari Driver	Unit Manager Strategic Planning
Shane Sullivan	Unit Manager Governance and Business Services
Heidi Pegg	Section Manager Environmental Reporting
James Taylor	Section Manager Governance
Kelly Drover	Advisory Group Support Officer
David Daniels	Audit Office of NSW
Cassie Malone	Audit Office of NSW
Penelope Corkill	Account Manager, Centium, IA Co-Sourced Partner



Minutes of the Audit Risk and Improvement Committee Meeting of Council 10 December 2020  
contd

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**1 INTRODUCTION**

**Welcome, Acknowledgement of Country and Apologies**

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The Chairperson, Dr Colin Gellatly, opened the meeting, welcomed attendees and completed an Acknowledgement of Country.

Apologies received: Dick Persson AM - Administrator, Ricardo Martello - Executive Manager Innovation and Futures

**1.2 Disclosures of Interest**

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**Resolution**

**187/2020(ARIC) The Committee noted the report on Disclosures of Interest.**

**188/2020(ARIC) John Gordon declared a perceived less than significant non-pecuniary conflict of interest in regard to discussion around the accounts for the 2016 pre-merger because:**

- a. he was a Partner with PriceWaterhouseCoopers (PWC) for a period of 22 years, retiring December 2008. PWC were the Auditors for the former Gosford and Wyong Councils in 2016 although he was not involved in any Audits of either the former Gosford and Wyong Councils at any time; and**
- b. he is an independent member of the NSW Audit Office Audit, Risk and Improvement Committee who are the Auditors of Central Coast Council.**

**And indicated his intention of leaving the meeting when this item is discussed.**

**189/2020(ARIC) The Committee recommended that this report be made publicly available as the nature or content of the report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.**

**1.3 Confirmation of Minutes of Previous Meeting**

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**Resolution**

**190/2020(ARIC) The Committee confirmed the minutes of the previous meeting held on 6 November 2020.**

**191/2020(ARIC) The Committee recommended that this report and the supporting papers to this report be made publicly available as the nature or content of the report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.**

Minutes of the Audit Risk and Improvement Committee Meeting of Council 10 December 2020  
contd

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#### **1.4 Outstanding Action Items**

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##### **Resolution**

**192/2020(ARIC) The Committee noted the report on Outstanding Action Items.**

**193/2020(ARIC) The Committee recommended that the report and the supporting papers to this report be made publicly available as the nature or content of this report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.**

## **2 INTERNAL AUDIT**

#### **2.1 Chief Internal Auditor's Quarterly Progress Report**

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##### **Resolution**

**194/2020(ARIC) The Committee noted the Chief Internal Auditor's Quarterly Progress Report.**

**195/2020(ARIC) The Committee endorsed the proposed changes to the 2020/21 IA work programme to have a greater emphasis on consultancy/advisory work to help reduce existing risk exposures and fix broken controls.**

**196/2020(ARIC) The Committee recommended that this report and the supporting papers to this report be made publicly available as the nature or content of this report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.**

**ITEMS 5.1, 5.2, 5.3 AND 3.1 WERE BROUGHT FORWARD TO THE BEGINNING OF THE MEETING AT THE REQUEST OF THE CHAIR.**

## **5 FINANCE**

#### **5.1 Progress Report on Actions Identified in the Business Recovery Plan**

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##### **Resolution**

**197/2020(ARIC) The Committee noted the Progress Report on Actions identified in the Business Recovery Plan.**

**198/2020(ARIC) The Committee requested to be kept updated on the status of the KPMG's Forensic Audit Report and the Fraud Report.**

**199/2020(ARIC) The Committee recommended that this report and the supporting papers to this report be made publicly available as the nature or content of this report do not fall within any listed exceptions,**

Minutes of the Audit Risk and Improvement Committee Meeting of Council 10 December 2020  
contd

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***pursuant to Clause 78 of the Audit, Risk and Improvement  
Committee Charter.***

Shane Sullivan left the meeting at 2.25pm.

**5.2 Draft Financial Statements for the period 1 July 2019 to 30 June 2020**

John Gordon left the meeting at 2.44pm for the discussion around the 2016 former Gosford and Wyong financial statements and voluntary change in accounting policy as he had declared an interest in this matter.

**Resolution**

***200/2020(ARIC) The Committee recommended that Council adopt the 2019-20 Consolidated Financial Statements for Central Coast Council that includes General Purpose Financial Statements, Special Purpose Financial Statements and Special Schedules.***

***201/2020(ARIC) The Committee recommended that Council adopt the 2019-20 Central Coast Council Water Supply Authority General Purpose Financial Statements.***

***202/2020(ARIC) The Committee recommended that this report and the supporting papers to this report be made publicly available as the nature or content of the report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.***

John Gordon returned at 2.57pm at the conclusion of Item 5.2.

**5.3 Policy for Investment Management**

**Resolution**

***203/2020(ARIC) The Committee endorsed the Policy for Investment Management and Investment Strategy for adoption by Council.***

***204/2020(ARIC) The Committee recommended that this report and the supporting papers to this report be made publicly available as the nature or content of the report do not fall within any listed exception, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.***

**3 EXTERNAL AUDIT**

**3.1 Update on External Audit Activities**

David Daniels advised that the Audit commenced on 16 November 2020. There have been some data issues in regard to the payroll database.

Minutes of the Audit Risk and Improvement Committee Meeting of Council 10 December 2020  
contd

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#### Resolution

**205/2020(ARIC) The Committee noted the verbal update provided by the NSW Audit Office.**

Shane Sullivan returned 3.03pm

#### 2.2 Implementation of Management Actions Arising From Independent Reviews

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##### Resolution

**206/2020(ARIC) The Committee noted the report on Implementation of Management Actions Arising From Independent Reviews.**

**207/2020(ARIC) The Committee considered the proposals for the content of this report in the future and acknowledged that moving forward Internal Audit will be an ELT agenda item as well as being part of the ARIC agenda.**

**206/2020(ARIC) The Committee recommended that this report be made publicly available as the nature or content of the report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.**

#### 2.3 The Internal Audit Balanced Scorecard Report

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##### Resolution

**209/2020(ARIC) The Committee noted The Internal Audit Balanced Scorecard Report.**

**210/2020(ARIC) The Committee recommended that this report be made publicly available as the nature or content of the report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.**

#### 2.4 IA Emerging Themes Report 2019 2020

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##### Resolution

**211/2020(ARIC) The Committee noted the report on IA Emerging Themes Report 2019 2020.**

**212/2020(ARIC) The Committee recommended that this report and the supporting papers to this report be made publicly available as the nature or content of the report do not fall within any listed exception, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.**

Minutes of the Audit Risk and Improvement Committee Meeting of Council 10 December 2020  
contd

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## **2.5 Comparative Data and Risk Outlook**

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### **Resolution**

**213/2020(ARIC) The Committee noted the report on Comparative Data and Risk Outlook.**

**214/2020(ARIC) The Committee recommended that this report and the supporting papers to this report be made publicly available as the nature or content of the report do not fall within any listed exception, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.**

### **Question from Chair re Timing of assimilation of IA items into ELT Agenda**

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Acting CEO, Rik Hart responded to the Chair's question on timing and provided the Committee with a verbal update on Council's current financial situation.

### **Resolution**

**215/2020(ARIC) The Committee noted the verbal update provided by the Acting CEO.**

## **4 GOVERNANCE**

### **4.1 Report from the Office of the Internal Ombudsman**

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#### **Resolution**

**216/2020(ARIC) The Committee noted the Report from the Office of the Internal Ombudsman.**

**217/2020(ARIC) The Committee recommended that pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter, a 'confidential' privacy marking be assigned to the report and supporting papers and that this report and supporting papers not be released to the public as:**

- a they may contain confidential advice or confidential communications concerning litigation or legal matters that may otherwise be privileged from production on the grounds of legal professional privilege.**
- b further, on balance, it would not be in the public interest to make this information available as it may compromise Council's ability to ensure the optimum outcome for the community.**

Lilly Mojsin and Jade Maskiewicz left at 3.27pm at the conclusion of Item 4.1.

Minutes of the Audit Risk and Improvement Committee Meeting of Council 10 December 2020  
contd

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#### **4.2 Governance and Risk activities update**

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##### **Resolution**

**218/2020(ARIC) The Committee noted the report on Governance and Risk activities.**

**219/2020(ARIC) The Committee recommended that pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter, a 'confidential' privacy marking be assigned to the report and supporting papers and that this report and supporting papers not be released to the public as:**

- a they may contain confidential advice or confidential communications concerning litigation or legal matters that may otherwise be privileged from production on the grounds of legal professional privilege.**
- b further, on balance, it would not be in the public interest to make this information available as it may compromise Council's ability to ensure the optimum outcome for the community.**

#### **4.3 Draft Policies for Review**

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##### **Resolution**

**220/2020(ARIC) The Committee noted the report on Draft Policies for Review.**

**221/2020(ARIC) The Committee had no feedback on the draft Lobbying Policy that is Attachment 1 to this report.**

**222/2020(ARIC) The Committee had no feedback on the draft Gifts and Benefits Policy that is Attachment 2 to this report.**

**223/2020(ARIC) The Committee recommended that this report and the supporting papers to this report be made publicly available as the nature or content of the report do not fall within any listed exception, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.**

#### **4.4 Update on Legal Matters – CONFIDENTIAL**

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Emma Roberts – General Counsel joined the meeting at 3.29pm to provide an update on Legal Matters and left at the conclusion of this item.

##### **Resolution**

**224/2020(ARIC) The Committee noted the report on Update on Legal Matters.**

Minutes of the Audit Risk and Improvement Committee Meeting of Council 10 December 2020  
contd

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**225/2020(ARIC) The Committee recommended that pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter, a 'confidential' privacy marking be assigned to the report and supporting papers and that this report and supporting papers not be released to the public as:**

- a they may contain confidential advice or confidential communications concerning litigation or legal matters that may otherwise be privileged from production on the grounds of legal professional privilege.**
- b further, on balance, it would not be in the public interest to make this information available as it may compromise Council's ability to ensure the optimum outcome for the community.**

## **6 ENVIRONMENT AND PLANNING**

### **6.1 Update on Environmental Management System Update**

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Heidi Pegg – Section Manager Environmental Reporting joined the meeting at 3.31pm to provide an update on the Environmental Management System Development and Implementation and left at the conclusion of this item.

#### **Resolution**

**226/2020(ARIC) The Committee noted the verbal update provided by the Section Manager Environmental Reporting.**

## **7 INNOVATION AND FUTURES**

### **7.1 Draft Works-In-Kind Policies for Works under the Environmental Planning & Assessment Act 1979 and Water Management Act 2000**

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Shari Driver - Unit Manager Strategic Planning discussed the two draft Works-In-Kind policies and supporting guidelines (for works under the Environmental Planning & Assessment Act 1979 and the Water Management Act 2000).

#### **Resolution**

**227/2020(ARIC) The Committee noted the report on Draft Works-In-Kind Policies for Works under the Environmental Planning & Assessment Act 1979 and Water Management Act 2000.**

**228/2020(ARIC) The Committee supported the draft Works-In-Kind policies and supporting guidelines (for works under the Environmental Planning and Assessment Act 1979 and the Water Management Act 2000) being reported to Council to seek authorisation to publicly exhibit the documents.**

Minutes of the Audit Risk and Improvement Committee Meeting of Council 10 December 2020  
contd

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**229/2020(ARIC) *The Committee recommended that this report and the supporting papers to this report be made publicly available as the nature or content of the report do not fall within any listed exception, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.***

**8 GENERAL BUSINESS**

**8.1 Meeting Dates for 2021**

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**Resolution**

**230/2020(ARIC) *The Committee noted the report on Meeting Dates for 2021 and resolved to set the meeting dates following consultation with the three Independent members via email.***

**231/2020(ARIC) *The Committee recommended that this report be made publicly available as the nature or content of the report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.***

**8.2 Update on Council's Financial Situation**

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**Resolution**

**232/2020(ARIC) *The Committee requested an informal meeting with the Acting CEO and Director Corporate Affairs Thursday 17 or Friday 18 December 2020 to be provided with an update on Council's Financial Situation.***

**The Meeting** closed at 3.52pm.

**Next Meeting** TBC





**Item No:** 1.4  
**Title:** Outstanding Action Items  
**Department:** Corporate Affairs

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10 March 2021 Audit Risk and Improvement Committee Meeting

Reference: F2018/00028-002 - D14439434  
Author: Kelly Drover, Advisory Group Support Officer  
Manager: James Taylor, Section Manager Governance  
Manager: Shane Sullivan, Unit Manager, Governance and Risk

### **Report Purpose**

A review of the Outstanding Action Items from previous meetings.

### **Recommendation**

- 1 *That the Committee notes the report.*
- 2 *That the Committee makes a recommendation that the supporting papers to this report be made publicly available as the nature or content of this report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

### **Key**

**Green** = completed items;  
**Blue** = on agenda for 10 March 2021 meeting;  
**White** = still pending (not overdue); and  
**Red** = overdue

In summary there are:

16 Actions

- 7 Actions have been completed
- 7 Actions are not yet completed and are not overdue
- 1 Action is not completed and is overdue
- 1 Actions will be completed as a result of being on the agenda for this meeting

Item	Meeting Date	Action	Responsible Officer	Status
8.4	1/10/2019	A tour of Council's Water and Sewer Assets for the independent committee members to be scheduled for the week commencing 9 December 2019.	Director Water and Sewer / Advisory Group Support Officer	Tour was scheduled for 5 June 2020 however due to the situation with COVID-19, this has been postponed. On hold until further notice
83/2020(ARIC)	17/06/2020	That the Committee note the resourcing options provided and consider Option 2 as preferable, however noting it is a matter for the Chief Executive Officer to determine.	Chief Executive Officer	ARIC's advice is noted but Council's financial situation does not permit for the unfunded vacancy in the IA unit to be filled at the current time so the Unit will remain at 1 FTE at this time.  Action considered complete.
87/2020(ARIC)	17/06/2020	That the Committee request an update in 12 months' time on the implementation of the 14 recommendations supported by staff.	Unit Manager Business Enterprise / Advisory Group Support Officer	To be included on agenda for June 2021 meeting
134/2020 (ARIC)	6/11/2020	The Committee requested the Chief Financial Officer provide a progress report on the actions identified in the Business Recovery Plan to the next meeting.	Director Corporate Affairs	Update provided at 10 December 2020 meeting. Action considered complete.
137/2020 (ARIC)	6/11/2020	The Committee agreed that an audit of IT Assets should feature in this year's audit program, replacing the original cybersecurity audit. The Committee requested a copy of the Terms of Reference for this review.	Chief Internal Auditor	Terms of Reference for the IT Assets review to be provided to ARIC once they have been determined.

## 1.4

## Outstanding Action Items (contd)

Item	Meeting Date	Action	Responsible Officer	Status
140/2020 (ARIC)	6/11/2020	The Committee suggested a workshop be held with the Interim CEO, ELT and IA to determine and prioritise outstanding management actions and discuss management processes for improving internal controls. It was acknowledged that the workshop should only progress once the immediate priority of securing and stabilising Council's financial position has been resolved.	Acting Chief Executive Officer / Chief Internal Auditor	Workshop scheduled for 8 March 2021.
178/2020 (ARIC)	6/11/2020	The Committee requests that the Senior Internal Ombudsman provide an update on investigations regarding contingency workforce engagement at the next applicable meeting.	Senior Internal Ombudsman	Verbal update to be provided at June 2021 meeting.
195/2020 (ARIC)	10/12/2020	The Committee endorsed the proposed changes to the 2020/21 IA work programme to have a greater emphasis on consultancy/advisory work to help reduce existing risk exposures and fix broken controls.	Chief Internal Auditor	Advice noted by CIA 14/1/21. Action considered complete.
198/2020 (ARIC)	10/12/2020	The Committee requested to be kept updated on the status of the KPMG's Forensic Audit Report and the Fraud Report.	Director Corporate Affairs	Update to be provided at first meeting in 2021.

## 1.4

## Outstanding Action Items (contd)

Item	Meeting Date	Action	Responsible Officer	Status
200/2020 (ARIC)	10/12/2020	The Committee recommended that Council adopt the 2019-20 Consolidated Financial Statements for Central Coast Council that includes General Purpose Financial Statements, Special Purpose Financial Statements and Special Schedules.	Director Corporate Affairs	Completion date for statements has been extended until 30 April 2021. Update will be available after that.
201/2020 (ARIC)	10/12/2020	The Committee recommended that Council adopt the 2019-20 Central Coast Council Water Supply Authority General Purpose Financial Statements.	Director Corporate Affairs	Completion date for statements has been extended until 30 April 2021. Update will be available after that.
203/2020 (ARIC)	10/12/2020	The Committee endorsed the Policy for Investment Management and Investment Strategy for adoption by Council.	Director Corporate Affairs	Council adopted the Policy for Investment Management at 14 December 2020 meeting. Action considered complete.
207/2020 (ARIC)	10/12/2020	The Committee considered the proposals for the content of this report in the future and acknowledged that moving forward Internal Audit will be an ELT agenda item as well as being part of the ARIC agenda.	Chief Internal Auditor	Advice noted by CIA 14/1/21. Action considered complete.
228/2020 (ARIC)	10/12/2020	The Committee supported the draft Works-In-Kind policies and supporting guidelines (for works under the Environmental Planning and Assessment Act 1979 and the Water Management Act 2000)	Director Environment and Planning	Resolved at the 8 February 2021 Council Meeting that the policy and supporting guidelines be publicly exhibited for a period of 28 days and that a further report be prepared for

## 1.4

## Outstanding Action Items (contd)

Item	Meeting Date	Action	Responsible Officer	Status
		being reported to Council to seek authorisation to publicly exhibit the documents.		consideration by Council following the exhibition of the draft policies and supporting guidelines which details the outcomes of the exhibition.
230/2020 (ARIC)	10/12/2020	The Committee noted the report on Meeting Dates for 2021 and resolved to set the meeting dates following consultation with the three Independent members via email.	Advisory Group Support Officer	Dates confirmed with Independent members. Calendar invites sent for first two meetings.
232/2020 (ARIC)	10/12/2020	The Committee requested an informal meeting with the Acting CEO and Director Corporate Affairs Thursday 17 or Friday 18 December 2020 to be provided with an update on Council's Financial Situation.	Director Corporate Affairs	Meeting held 17 December 2020. Action considered complete.

**Attachments**

Nil



**Item No:** 2.1  
**Title:** Chief Internal Auditor's Quarterly Progress Report  
**Department:** Chief Executive Officer's Unit

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10 March 2021 Audit Risk and Improvement Committee Meeting

Reference: F2020/00033 - D14504534  
Author: Tina Baker, Chief Internal Auditor  
Executive: Rik Hart, Acting Chief Executive Officer

## Summary

The *Chief Internal Auditor's (CIA) Quarterly Progress Report* forms part of the standard suite of reports presented by Internal Audit to each ordinary meeting of the Audit, Risk and Improvement Committee (ARIC). This report provides an update on the activities of Internal Audit since the last update to the Audit, Risk and Improvement Committee on 10 December 2020 in accordance with the four elements of the IA framework.

## Recommendation

- 1 *That the Committee note the report on Chief Internal Auditor's Quarterly Progress Report.*
- 2 *That the Committee make a recommendation that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

## 1 THE IA FRAMEWORK

- 1.1 The global professional body for Internal Audit – the Institute of Internal Auditors – sets down internationally recognised standards for the professional practice of internal auditing. The IIA professional standards have been adopted by the State Government (under TPP15-03) and are also reflected in the OLG's proposals for *A New Risk Management and Internal Audit Framework for Local Councils in NSW*. The IA Charter and Framework have been established in accordance with the professional standards.
- 1.2 Since the last report, IA's reporting line has changed. The Chief Internal Auditor now reports to the Unit Manager of Governance and Risk who, in turn, reports to the Director of Corporate Affairs. This is not in line with the professional standards and the IA Charter will need to be revised accordingly and presented back to the Committee for consideration, in accordance with the ARIC Charter, section 39 (f):

*"The Committee is responsible for... periodically reviewing the Internal Audit Charter to ensure appropriate organisational structures, authority, access and reporting arrangements are in place".*

## 2 IA FRAMEWORK – BUSINESS ASSURANCE

- 2.1 This element of the framework relates to the business assurance reviews or the schedule of audits, which forms the largest component of time assigned to the IA work programme. Appendix 1 lists the audits from the 2020/21 work programmes and any changes to the programme as presented to or formerly agreed by the Committee.

### Changes To The Schedule of Audits

- 2.2 Another additional mandatory review has been brought in the IA work schedule relating to the annual audit of workers compensation claims management. This is being conducted by Centium. Most of the remainder of the budget for the co-sourced partnership has transferred to consultancy/advisory work as Centium have been engaged to conduct risk and issue prioritisation workshops with the Executive. Consequently, the review pertaining to the *Management of IMT Assets* has had to be moved to the end of the financial year, so the majority of costs can be borne in the next financial year.

### Audit Reports Finalised

- 2.3 Since the last ARIC meeting on 6 November 2020, **one** report has been issued in final:
- 01/20-21 Water Quality and Supply Management.
- 2.4 As is standard practice, all members of the Audit, Risk and Improvement Committee are provided with copies of the IA reports when they have been finalised. Consequently, this report contains just an extract from the Executive summary of the key issues from each IA report finalised since the last meeting.

### Summary of Key Issues from Final Audit Reports

#### *01/20-21 Water Quality and Supply Management*

- 2.5 The following extracts from the report, summarise the key findings of the final report for *Water Quality and Supply Management*:

*"The audit identified that controls over operations, and the effectiveness of the current framework for water and sewer management around network connections, water supply and asset maintenance, is **not adequate and requires timely mitigation**.*

*The audit found some gaps in areas related to the governance framework, network connections, water supply management and asset maintenance."*

## **2.1 Chief Internal Auditor's Quarterly Progress Report (contd)**

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- 2.6 A total of **20** recommendations for improvement were made, with the associated risk exposure ratings as follows: **8 – high; 9 - moderate; and 3 - low**. All recommendations, in whole or part, were accepted by management.

### **Audit Reports In Draft:**

- 2.7 **One** report from the **2019/20 audit schedule** still remains in draft, awaiting management responses as previously reported to the Committee on 10 December 2020. Requests for updates have been issued.
- 03/19-20 Complaints Management – ELT were presented with the findings from this report on 19 August 2020.

### **Audits In Progress**

- 2.8 There are 2 audits currently in progress. Both of these are mandatory, annual compliance audits in line with regulatory requirements.
- 03/20-21 NHV Accreditation: fieldwork stage
  - 04/20-21 Workers Compensation Case Management: closing stages of fieldwork

### **Validation and Follow Up**

- 2.9 The tracking system for management actions is now maintained on Smartsheet. This allows management to track and update their actions for themselves, at their own convenience. It should be noted that the corporate Continuous Improvement Officer who was managing the Audit Tracker has left Council, and this will have some impact in terms of timely updates, resolution of system issues and ongoing maintenance/modifications.

## **3 IA FRAMEWORK – CONSULTING & ADVISORY ACTIVITIES**

- 3.1 A workshop with the Executive on strategic risks and priorities has been scheduled for 1 March 2020. Ahead of the workshop, interviews with the CEO, Chief Operating Officer, individual Directors and their nominated Unit Manager were conducted. This work forms the majority of IA focus and Centium budget for the remainder of this financial year at least. A verbal update on the workshop will be provided to the Committee at the meeting.
- 3.2 In response to a staff request, the Chief Internal Auditor compiled and issued a guide on *Data Migration – Risks, Controls and Testing* to assist the project team responsible for the rates harmonisation system and migrating the former Gosford and Wyong rates billing systems across to a single platform.



**4 IA FRAMEWORK – QUALITY AND PERFORMANCE**

- 4.1 Professional and personal development and ongoing education forms a component of this element of IA framework. Since the last report to the Committee, the Chief Internal Auditor has become an accredited *Certified Information Systems Auditor (CISA)* through the internationally renowned professional association for IT governance, ISACA (Information Systems Audit and Control Association).

**5 IA FRAMEWORK - ORGANISATIONAL RISK ANALYSIS AND IA STRATEGIC WORK PROGRAMMING**

- 5.1 The outcome of the workshop with the Executive will be used to inform the audit needs assessment and build up the next IA work programme, which will need to be presented to the June meeting of the Committee.

**Attachments**

- 1** Mar 21 CIA report 2020 2021 Progress with IA Audit Plan      D14504537

## IA: AUDIT PROGRESS REPORT (as at end February 2021)

### 2020/21 Audit Schedule

Report No	Report Title	Status
01/20-21	Water Quality and Supply Management	Complete. Final report issued 23 December 2020.
02/20-21	Payroll	Complete. Final report issued 30 November 2020.
03/20-21	<del>COVID-19 Response: remote working control environment</del>	Audit cancelled.
03/20-21	NHV Accreditation (mandatory annual audit in line with terms of accreditation scheme)	Mandatory annual compliance review. Brought back in-house to save on external consultancy costs. Being conducted by the Chief Internal Auditor. Fieldwork stage.
<del>04/20-21</del> 06/20-21	Management of IMT Assets: Procurement to Disposal	Centium budget transferred to ELT workshops on risks and priorities. Moved to end of 2020/21 financial year (and renumbered accordingly) so bulk of work is captured under 2021/22 budget.
04/20-21	Workers Compensation Case Management	Mandatory annual compliance review. Brought back in-house to save on external consultancy costs. Being conducted by Centium under the co-sourced partnership arrangement. Fieldwork stage.
05/20-21	RMS DRIVES24 (mandatory annual audit in accordance with terms of access agreement with RMS)	Mandatory annual compliance review. Brought back in-house to save on external consultancy costs. Scheduled for May/June 2021. To be conducted by the Chief Internal Auditor.
05/20-21	Roads Maintenance ('pothole management')	Moved to FY 2021/22 Budget transferred to consultancy work to fix key controls.
06/20-21	Property Rates – Setting, Billing, Collection and Recovery	Moved to FY 2021/22 Budget transferred to consultancy work to fix key controls.

### 2019/20 Draft Reports Overdue

Report No	Report Title	Status
03/19-20	Complaints Management	Awaiting management responses from ELT (overdue since August 2020)



**Item No:** 2.2  
**Title:** Implementation of Management Actions Arising From Independent Reviews  
**Department:** Chief Executive Officer's Unit

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10 March 2021 Audit Risk and Improvement Committee Meeting

Reference: F2020/00033 - D14507225  
Author: Tina Baker, Chief Internal Auditor  
Executive: Rik Hart, Acting Chief Executive Officer

### Summary

The report on *Implementation of Management Actions Arising from Independent (third line of defence) Reviews* forms part of the standard suite of reports presented by the Chief Internal Auditor to the quarterly ordinary meeting of the Audit, Risk and Improvement Committee (ARIC).

This report is provided to the Committee to help meet section 39 (d) and (e) of their Charter obligations, which states: "*The Committee is responsible for: [inter alia]*

- *reviewing all audit reports and considering significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of better practices;*
- *monitoring the implementation of internal audit recommendations by management".*

### Recommendation

- 1 *That the Committee note the report on Implementation of Management Actions Arising From Independent Reviews.*
- 2 *That the Committee make a recommendation that this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

### Progress update since last meeting on 10 December 2020

The SmartSheet Tracker system has been implemented and continues to be refined in respect of presentation, format and content. All Directors and responsible officers have been provided with links to the SmartSheet Tracker so they can monitor their own actions and provide updates as appropriate, rather than when requested by IA for the purposes of reporting to this Committee.

The Continuous Improvement Officer who was the expert in SmartSheet development and had been managing and refining the Tracker system has left Council, so responsibility has

## **2.2 Implementation of Management Actions Arising From Independent Reviews (contd)**

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passed back to the Chief Internal Auditor. The Tracker actions will need to be realigned in accordance with the latest staffing changes and organisational restructure and agreed actions from recently finalised reports still need to be added in.

The workshop on 1 March 2021 with the Executive Leadership Team is designed to identify key risks, strategic priorities and what management issues should be addressed. The outstanding list of management actions will underpin this. When the reporting line and management changes have been made, ARIC members will be provided with a secure link to the Tracker. Discussions will be held with the new CEO when appointed to determine how the information will be presented, discussed and resolved with the Executive going forward.

### **Conclusions**

It is incumbent upon management to ensure controls are effectively mitigating the associated risks and that their systems/processes are operating efficiently and cost-effectively. The commitment to improving controls and effectively managing risks through the timely implementation of agreed actions and process improvements are basic management responsibilities and a key component of sound, organisational governance. Whilst actions remain outstanding, the organisation remains exposed to the identified risks unless other mitigating controls are implemented.

### **Attachments**

Nil

**Item No:** 2.3  
**Title:** Internal Audit Balanced Scorecard Report  
**Department:** Chief Executive Officer's Unit

10 March 2021 Audit Risk and Improvement Committee Meeting

Reference: F2020/00033 - D14506493  
 Author: Tina Baker, Chief Internal Auditor  
 Executive: Rik Hart, Acting Chief Executive Officer

**Summary**

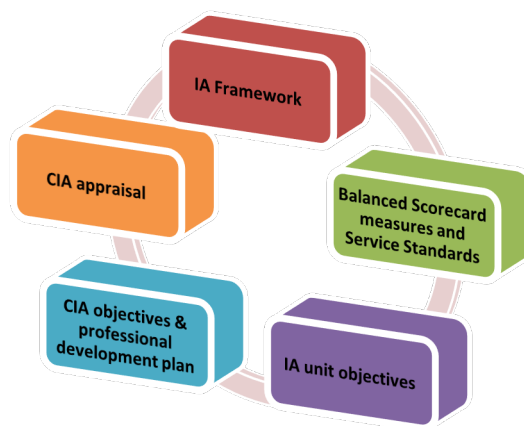
A standing agenda item for the Audit, Risk and Improvement Committee is for IA to deliver a balanced scorecard progress report to each quarterly meeting. IA performance is measured and reported against 13 measures, either quantitative and qualitative, which provide a snapshot of IA’s overall performance, service delivery and accountability in line with best practice, professional standards.

**Recommendation**

- 1 *That the Committee note the report on Internal Audit Balanced Scorecard Report.*
- 2 *That the Committee make a recommendation that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

**Context**

Internal Audit has a set of performance metrics presented as a “Balanced Scorecard”. These metrics are aligned with the IA Framework and underpin the IA objectives, work programme and the personal objectives of the Chief Internal Auditor, as illustrated below.



## **2.3 Internal Audit Balanced Scorecard Report (contd)**

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The balanced scorecard metrics provide the CEO and the Audit, Risk and Improvement Committee with information and data which give a snapshot of IA progress against key measures and how the unit is operating from the perspective of different stakeholders and areas of competence. There is also a set of service standards which are not formally measured but are an indication of the desired intent to help keep the audit process on track in a timely fashion.

The table at Attachment 1 shows IA's latest progress against the existing balanced scorecard measures.

A review of the balanced scorecard measures and service standards is in the 2020/21 IA work programme under the IA Quality and Performance element of the Framework. By continuing to use and report against qualitative and quantitative balanced scorecard measures IA sets a precedent for the organisation in terms of having in place an effective system for monitoring and reporting on performance and being held accountable for specific deliverables. This also assists IA in providing sound advice to other units or teams on effective measures for performance monitoring and reporting.

### **Summary of Progress Against Measures**

#### *1. Audit, Risk & Improvement Committee*

The Committee were surveyed in 2019/2020 and three key issues were raised:

- Under-resourcing of the IA function;
- Overdue and outstanding management actions arising from IA reviews resulting in increased risk exposure to the organisation and weak management controls to be addressed;
- Immature risk management framework.

Update on actions taken to address issues raised:

- IA resourcing: the co-sourcing arrangement with Centium was put in place in November 2019 around the same time the survey was conducted. A paper on IA Resourcing, containing 7 different resourcing options was considered by the Committee in June 2020 and a recommendation made, supporting the option of funding the vacant Senior Internal Auditor position which had not been financed since shortly after amalgamation. It was noted that resourcing of the function was considered "a matter for the Chief Executive Officer to determine".
- Overdue and outstanding management actions: the Committee met with the CEO to stress the need for commitment by management to address organisational risk exposures by implementing agreed actions. The Chief Internal Auditor worked with the Business Improvement Officer to improve the capture and report of management actions in SmartSheet to make it easier for managers to view and update their commitments. Some preliminary work was undertaken with the Unit Managers of Performance and Innovation and Governance and Business Services to improve the

## **2.3 Internal Audit Balanced Scorecard Report (contd)**

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linkages and close the operational gaps between audit, risk and improvement but the organisational restructure has impeded further activity to this end.

- Risk management framework: the workshop with the Executive on 1 March 2021 is aiming to identify the strategic and corporate risks and priorities as determined by the leadership team and should link priorities with the outstanding management actions as well as inform the next audit needs assessment.

### *2. Executive & Audit Stakeholders/Customers*

An Executive feedback survey is overdue. The workshop on 1 March with the Executive to determine strategic risks and priorities will provide some input into the future direction for IA services. Feedback on expectations from the new CEO will also be sought and the one to one meetings with Directors will be resurrected once there is stability within the Executive Leadership team.

Customer feedback surveys (at the conclusion of each audit) yield positive results, though completion rates for the survey are not high. Informal feedback of consultancy work is tracking as very positive. Some work is scheduled for late March to establish a new engagement site for IA following the roll out of a new intranet communications hub. This will hold the feedback survey (at present they have to be emailed to specific stakeholders) along with other useful information, similar to that which existed pre-amalgamation. It is anticipated that this may improve survey completion rates.

### *3. Internal Audit Processes*

Delivery of the audits in the 2020/21 work programme is on track, notwithstanding the agreed changes to the schedule of reviews.

Centium are delivering all audits in line with the budgeted allocation of days although the duration of audits - measured from start date of fieldwork (opening meeting) to date of issue of draft report – is still outside the 12 week target. The reasons for this are understood, namely due to:

- delays around the timely provision of information, the incompleteness of information in Council systems and the integrity of information to facilitate audit testing;
- the impact of COVID-19 in respect of access to information and staff; and
- the capacity of Centium contractors to freely access Council systems.

The turnaround times to finalise reports has improved considerably and the co-operation and timeliness of responses from management in respect of the Payroll and Water Quality and Supply Management audits is appreciated and acknowledged.

### *4. Innovation, Professional Development and Capability*

## **2.3 Internal Audit Balanced Scorecard Report (contd)**

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The Chief Internal Auditor's professional development activities are generally self-funded. Since the last meeting the CIA has been awarded the Certified Information Systems Auditor designation/qualification by ISACA.

Work is continuing to "*develop & implement an IA innovation plan to deliver IA services differently and more effectively*" which forms part of the Quality and Performance element of the IA Work Programme for 2020/2021. The development of the IA communications hub will assist with this and initiatives will be explored with Centium in line with the 'value add' element of the co-sourced partnership contract.

### **Conclusions**

The balanced scorecard measures are a useful barometer of the overall service delivery by IA and provide some constancy against the capricious backdrop of organisational change. The review of the measures will strengthen the links between the Quality and Performance element of the IA Framework, helping to drive and support the IA deliverables and continue with the trajectory of best practice IA services to the organisation.

### **Attachments**

- 1 IA Balanced scorecard report Mar 21 D14506436



## PROGRESS AGAINST EACH OF THE BALANCED SCORECARD PERFORMANCE MEASURES (Feb 2021)

1. **Audit, Risk and Improvement Committee**

No	Measure	Mechanisms	Target Outcome	Progress To Date
1.1	Level of satisfaction with quality, type and volume of information presented and reported.  <i>Links to IIA standard 1100</i>	Satisfaction survey to all members of the Committee every two years.  <i>(The survey will cover as a minimum the audit mandate, audit coverage, the adequacy of reporting, an overall level of satisfaction and the perception of trend of the internal audit activity ie better, same, declining).</i>	Improved trend for 'overall level of satisfaction' (or sustained positive ratings) indicated by each survey.  Satisfaction rating for each part of the survey to be scored as "Good" or higher.	Committee members are welcome to submit feedback at any time without waiting for a formal survey process to be undertaken.  <b>Survey conducted 2020 – reported to ARIC 17/3/20.</b> Average rating (out of 5) on these elements: 3.33. Initiatives to address some of the issues raised in the feedback are covered under the IA Quality and Performance and Consultancy/ Advisory elements of the 2020/21 Work Programme
1.2	Perspective on IA effectiveness, professionalism and competence  <i>Links to IIA standards 1200 and 1300</i>	CIA to provide a "staff profile" to the Audit, Risk and Improvement Committee each year (covering elements such as auditing and work experience, qualifications, auditing certifications, years of auditing experience and professional outreach).  CIA to present a Professional Development Plan to the Committee each year based on development priorities and plans and to report on progress against this plan.	IA staff to achieve majority of priorities in Professional Development Plan that is agreed with the Audit, Risk and Improvement Committee and CEO and have demonstrated reasonable progress with others.	The Chief Internal Auditor contributed to and is cited in Bruce Turner's " <u><i>New Auditor's Guide to Internal Auditing</i></u> " published April 2019, acknowledged in the book as an expert practitioner in the field of Internal Audit.  CIA elected to LGIAN Executive – March 2020  The Chief Internal Auditor contributed to and is cited in Bruce Turner's latest book <u><i>Team Leader's Guide To Internal Audit Leadership</i></u> published April 2020.  Certified Information Systems Auditor (CISA) qualification & designation awarded by ISACA to CIA – Feb 21

## 2. Executive &amp; Audit Stakeholders/Customers

No	Measure	Mechanisms	Target Outcome	Progress To Date
2.1	<p>Levels of customer satisfaction with individual audits, with respect to:</p> <ul style="list-style-type: none"> <li>➤ Value added</li> <li>➤ Usefulness of recommendations</li> </ul> <p><i>Links to IIA standard 2000</i></p>	Customer Satisfaction Survey distributed to all relevant stakeholders after each audit.	Average rating of 3.5 or higher (out of 5) for the two key questions on the survey concerning "value add" and "usefulness of recommendations". (Each 'other' question on the survey points to the possible causes).	<p>There have been 7 feedback surveys received to date. Average ratings across the different rating categories are as follows:</p> <p>Scope of work: 4.5 Communication and Collaboration: 4.64 Timeliness: 4.52 Knowledge and Professionalism: 4.82 Quality and Value: 4.5</p> <p><b>Target being exceeded</b></p>
2.2	<p>Executive expectations of IA vis a vis experience of actual delivery.</p> <p><i>Links to IIA standard 2000 and 2100</i></p>	Executive expectations/ experience survey conducted every two years.	Analysis of gap between expectations and experience is <2.5 points for each area surveyed.	<p>No survey conducted since pre-amalgamation due to the rate of change at ELT level. <b>SURVEY NOW OVERDUE</b></p> <p>Member of Governance Forum.</p> <p>To resurrect quarterly one on one meetings with ELT members from FY 2020/21 – <b>OVERDUE</b></p>
2.3	<p>Feedback (formal and informal) from staff in relation to advice and information provided by IA and improved understanding of the role.</p> <p><i>Links to IIA standard 2000 and 2100</i></p>	<p>Number of referrals to IA for informal or formal advice on risk/control related matters.</p> <p>Consultancy/advisory services provided by IA.</p>	Generally positive feedback on value and usefulness of information.	<p>Assisted Water and Sewer team who are setting up a management review function within the Unit. Positive feedback received.</p> <p>Compiled and provided <i>IA Good Practice Guide to Works In Kind Negotiations</i>. Positive feedback received.</p> <p>Compiled and provided Guide on <i>Data Migration: Risks, Controls and Testing</i> to assist with the project to bring Council's rating system onto one common platform. Positive feedback received.</p>

## 3. Internal Audit Processes

No	Measure	Mechanisms	Target Outcome	Progress To Date
3.1	Completion of approved audit programme.  <i>Links to IIA standard 2200, 2300, 2400, 2500</i>	Number of audits completed and reported to the Audit, Risk and Improvement Committee as per the ratified plan.	90%.	Notwithstanding the changes to the 2020/21 schedule of audits, the programme of reviews is on track. Five audits will be completed this financial year: <ul style="list-style-type: none"> <li>• 01/20-21 Water Quality &amp; Supply Management – COMPLETED</li> <li>• 02/20-21 Payroll – COMPLETED</li> <li>• 03/20-21 NHV Accreditation – underway</li> <li>• 04/20-21 Workers Compensation Case Management – underway</li> <li>• 05/20-21 RMS DRIVES24 – scheduled for Q4</li> <li>• 06/20-21 Management of IMT Assets – subject to budget, likely to straddle financial years</li> </ul> <p><b>Target being met to date (Feb 21)</b></p>
3.2	Proportion of audits completed (to draft report stage) within planned number of days budget.  <i>Links to IIA standards 2200, 2300, 2400, 2500</i>	Number of audits completed in line with planned budget as per the ratified audit plan.	90%	All 2019/20 reviews been delivered within the assigned number of budget days.  <b>100% - to date (Feb 21)</b>
3.3	Duration of audits.  <i>Links to IIA standards 2200, 2300, 2400, 2500</i>	Number of audits completed and taken to draft report stage in 12 weeks or less (measured from the start date of fieldwork to the date of issue of the draft audit report).	80%	This target has not been met for the 2 completed reviews in the 2020/21 programme to date. Remediation – at the planning stage, a project plan with the key dates will be developed with Centium and issued to relevant audit stakeholders. The CIA will track key milestones and report progress to Centium Account Manager as part of the regular progress meetings.  <b>Target not being met.</b>

No	Measure	Mechanisms	Target Outcome	Progress To Date
3.4	Finalisation of draft audit reports.  <i>Links to IIA standards 2200, 2300, 2400, 2500</i>	Number of audit reports finalised and distributed to Audit, Risk and Improvement Committee within 3 weeks (15 working days) of issue of the draft report (in line with service standard of 10 days for management to respond to draft audit reports).	80%	This target was met for the reviews in the 2020/21 programme, finalised to date.  <b>Target being met.</b>
3.5	Compliance with IIA's International Professional Practices Framework (IPPF)  <i>Links to IIA standards 2400 and 2600</i>	Self-assessment External assessment An annual assertion on compliance with the IIA Standards provided by the CIA to the Audit, Risk and Improvement Committee	"Generally conforms" rating of compliance with IIA Standards by the external review.  External review conducted at least every five years.	Last external assessment of IA by Statewide Mutual reported April 2018 gave an overall maturity rating of "optimising" for all IIA standards with the exception of standard 2300 and standard 2500 which were classified as "managed".  Issues highlighted: <ul style="list-style-type: none"> <li>• Potential for use of CAATs (Computer Assisted Audit Techniques)</li> <li>• Audit Tracker needs to be accessible by all</li> </ul> CAATs not a current priority. To be reviewed during 2020/21 in line with the IA innovation plan and considered with Centium in line with the 'value add' element of the co-sourced partnership contract.

Audit Tracker issue has been resolved with management actions now in SmartSheet.

**Target being met.**

#### 4. Innovation, Professional Development and Capability

No	Measure	Mechanisms	Target Outcome	Progress To Date
4.1	<p>Training hours per member of IA</p> <p><i>Links to IIA standards 1200, 1300 and 2000</i></p>	<p>Log of training/professional development.</p>	<p>80 hours CPE every 2 years as per IIA requirements with a minimum of 20 hours in any one year.</p> <p>Training undertaken through &gt;2 types of learning mechanisms.</p>	<p>Volume of work, reduced budgets and the COVID-19 impact on development opportunities have required a different approach to this measure. Online webinars, self-funded study and the award of the Certified Information Systems Auditor qualification from ISACA have contributed to bringing this measure back on track.</p> <p><b>Target being met.</b></p>
4.2	<p>Range of knowledge skills, technical expertise and competency within IA</p> <p><i>Links to IIA standards 1200, 1300 and 2000</i></p>	<p>Skills assessment against the IIA competency model.</p> <p>Log of training/professional development.</p> <p>Learning needs analysis.</p> <p>Professional Development Plan (PDP) for each member of IA.</p>	<p>Increasing trend in coverage of skills, knowledge and expertise within IA when assessed against the IIA competency model.</p> <p>Areas of training attended align with PDP.</p>	<p>February 2021 -the Chief Internal Auditor was accredited with the Certified Information Systems Auditor (CISA) designation by ISACA. This study and ongoing ISACA professional membership was and continues to be self-funded. See above.</p> <p><b>Target being met.</b></p>
4.3	<p>Consideration and development of innovative methods to deliver elements of the IA framework and through IA recommendations/advice.</p> <p><i>Links to IIA standards 1200, 1300 and 2000</i></p>	<p>IA recommendations</p> <p>IA advice</p> <p>Implementation of initiatives as part of the IA work programme</p>	<p>Demonstration of considerations and innovative solutions provided through recommendations and issues raised in audit reports.</p> <p>CIA report to Audit, Risk and Improvement Committee outlining initiatives under development or consideration.</p>	<p>Innovation in delivery of IA services is a feature in the project plan with Centium and forms part of the co-sourced partnership arrangement.</p> <p><i>"Develop &amp; implement an IA innovation plan to deliver IA services differently and more effectively"</i> forms part of the Quality and Performance element of the IA Work Programme for 2020/2021.</p> <p><b>Initiatives under consideration.</b></p>



**Item No:** 5.3  
**Title:** SRV Application Update  
**Department:** Corporate Affairs

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10 March 2021 Audit Risk and Improvement Committee Meeting

Reference: F2018/00028-002 - D14483193

Manager: Shane Sullivan, Unit Manager, Governance and Risk

Executive: Natalia Cowley, Director, Corporate Affairs

### **Summary**

The purpose of this report is to update the Committee on the application made on 8 February 2021 to IPART.

### **Recommendation**

- 1 *That the Committee note the report on SRV Application Update.*
- 2 *That the Committee make a recommendation that this report be made publicly available as the nature or content of the report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

### **Background**

On 8 February 2021, Council resolved the following:

30/21

- 1 *That Council resolve to apply to IPART for a 15% one off permanent special rate increase.*
- 2 *That Council adopt the revised Long-Term Financial Plan (General Fund) for the purpose of public exhibition.*
- 3 *That Council adopt the draft Debt Recovery and Hardship Policy for the purpose of public exhibition.*
- 4 *That a further report be provided following public exhibition of Long-Term Financial Plan and draft Debt Recovery and Hardship Policy to meeting of 22 March 2021 as a late report.*

### **Application to IPART**

Two documents are required when applying for a Special Variation:

### 5.3 SRV Application Update (contd)

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- Part A is a spreadsheet with financial data from the Long-Term Financial Plan with option proposed.  
[https://cdn.centralcoast.nsw.gov.au/sites/default/files/Council/Meetings\\_and\\_minutes/attachment6d14479915part-securingourfuture.xlsx](https://cdn.centralcoast.nsw.gov.au/sites/default/files/Council/Meetings_and_minutes/attachment6d14479915part-securingourfuture.xlsx)
- Part B is a word application outlining the proposed options and impact, consultation that has occurred and how the special variation has been considered in the Long-Term Financial Plan.  
[https://cdn.centralcoast.nsw.gov.au/sites/default/files/Council/Meetings\\_and\\_minutes/d14480026partb-srv15.pdf](https://cdn.centralcoast.nsw.gov.au/sites/default/files/Council/Meetings_and_minutes/d14480026partb-srv15.pdf)

The documents were provided to IPART on 8 February 2021 which was the due date, with numerous attachments. The application is now available on the IPART website and also Council's Your Voice Our Coast site.

<https://www.yourvoiceourcoast.com/all-projects/securing-your-future-rate-rise>

#### **Long Term Financial Plan**

<https://www.yourvoiceourcoast.com/all-projects/draft-revised-long-term-financial-plan>

Council reviewed its Long-Term Financial Plan for the General Fund only, which is the Fund impacted by the SV rate increase and where the restricted borrowings took place.

The Plan has been revised to show the following three scenarios:

- Temporary Fix - 10%
- Securing our Future – 15%
- No rate rise – rate peg only

Several informed assumptions have been made in the Long-Term Financial Plan. These include the following:

- That there will be a \$31M reduction in staff costs to headcount levels at amalgamation
- That there will be a \$22M structural reduction in materials and contracts
- That Council's infrastructure spending will remain at the same level as is funded by depreciation, and has been put in place for 2020-21
- The Council will manage and monitor costs and find further efficiency and productivity gains.

It is clear from the modelling that without a 15% variation, Central Coast Council will not be financially sustainable and will be unable to pay back the reserve funds unlawfully accessed and service its debt.

### **5.3 SRV Application Update (contd)**

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As a result, Council resolved to apply to IPART for a one-off 15% variation to remain permanently in the rating base and apply from 2021-22.

As at 2 March 2021, no submissions on the Long Term Financial Plan had been received by Council.

#### **Consultation**

[https://cdn.centralcoast.nsw.gov.au/sites/default/files/Council/Meetings\\_and\\_minutes/Attachment\\_3\\_-\\_Securing\\_Your\\_Future\\_Consultation\\_report\\_-\\_4\\_February\\_2021\\_Final\\_Version.pdf](https://cdn.centralcoast.nsw.gov.au/sites/default/files/Council/Meetings_and_minutes/Attachment_3_-_Securing_Your_Future_Consultation_report_-_4_February_2021_Final_Version.pdf)

In accordance with the above resolutions, Council undertook community consultation on both a potential 10% and 15% special variation.

The aim of the engagement for Securing Your Future (Special Variation of rates) was to provide an opportunity for ratepayers and residents to have their say on the proposed options for a Special Variation (SV) application to IPART. The engagement has been planned over three phases:

- Phase 1 (Inform) Awareness and why a special variation is needed
- Phase 2 (Consult) Seek community feedback on proposed options and resulting impacts on service levels
- Phase 3 (Consult) Public exhibition of draft Long-Term Financial Plan and draft Debt Recovery and Hardship Policy. Conduct telephone survey seeking feedback on the percentage increase Council will propose to IPART.

Awareness of the proposed Special Variation was undertaken through the following activities (details are included in the attached report):

- Letter to every ratepayer (residential and business)
- Your Voice – Our Coast website
- Frequently Asked Questions online
- Media Releases
- Coast Connect articles
- Enewsletters
- Social media
- DL flyer with rates notice
- Media coverage achieved through radio, television, newspaper – printed and online.

Community members without internet access were encouraged to visit one of our Libraries or Administration Buildings or call us during business hours on 1300 463 954 for assistance completing the survey or discussing impacts.

Consultation has been undertaken for Phase 1 and Phase 2, the two online surveys conducted from 8 January to 1 February 2021. Partway through the survey period, Council responded to the community when concerns were expressed that the initial survey did not



### 5.3 SRV Application Update (contd)

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provide a “no rate rise” option. Adjustments were made with the second survey commencing from 22 January 2021 inclusive of this option. While the data for the first survey was able to extract and report on a lack of support for a rate rise, Council extended the options to provide more confidence to the community that their voice was being heard.

Anyone could complete the second survey, including those who responded to the first survey. Information was updated on [yourvoiceourcoast.com](http://yourvoiceourcoast.com) to communicate the changes to the survey as well as media.

The total number of responses for both surveys was 10,229. Survey one received 3,944 responses and survey two received 6,285 responses.

A significant amount of feedback was received, and this has been summarised below.

#### *Key findings from consultation*

- Most survey respondents do not support a rate rise.
- Those who do not support a rate rise feel that ratepayers should not shoulder the burden of Council’s mistake/s.
- There is concern about the affordability of a rate rise for either themselves or others in the community.
- Some respondents feel Council’s maintenance of roads, open space and natural assets are already poor.
- Some respondents feel they already don’t get value for money paid due to a perceived lack of maintenance of Council assets, or lack of expected infrastructure in their immediate area, such as kerb and guttering.
- Some suggestions about alternatives to a rate rise include (but are not limited to) seeking NSW Government funds, increasing revenue from fines, selling assets, reducing staff, employee pay cuts, reduction of capital works and scaling back services and expenditure in general.
- A minority of survey respondents support a rate rise.
- The key reasonings behind support is to ‘fix the problem’, maintain services and/or to create a sustainable pathway forward for Council.
- Some respondents who support a rise also expressed a desire to improve the Central Coast through improved assets and economic growth and investment.
- General sentiment from respondents (either in support or against a rate rise) showed the community would like to understand who is accountable for the financial issue and what actions will be taken against these individuals or entities.
- Some respondents will continue to distrust Council, with others stating their expectations of better financial management and accountability in the future.
- There are some suggestions from respondents that corruption or fraud has occurred.
- There is overall strong support for the appointment of a financial controller.

#### *Preferred Option*

Preference out of three options from survey 2\* results:

### 5.3 SRV Application Update (contd)

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- 10.2% preferred Option 1 – Temporary Fix - 10%
- 17.4% preferred Option 2 – Securing our Future – 15%
- 72.4% preferred No rate rise – rate peg only

\* Note figures have been rounded. As the survey was changed to include a third option of 'No rate rise' we have presented the details for survey 2. To protect the integrity of each data set, the attached report presents the results of each survey separately.

The results of the consultation formed part of the application made to IPART.

In addition, Council received over 378 submissions up to 1 February 2021 and continues to receive submissions. The themes and issues raised in self-initiated feedback were like those raised in the survey. These submissions have been provided to IPART.

It is also noted that a significant number of people made submissions directly to IPART and as at 17 February 2021 they had received over 4,000 submissions.

Council is still accepting any written submissions or feedback up to 28 February 2021 for provision to IPART.

Council commissioned a statistically valid survey. The results of the survey were provided to IPART on 1 March 2021 and are available here:

[https://www.yourvoiceourcoast.com/sites/default/files/2021-03/central\\_coast\\_council\\_research\\_report\\_-\\_sv\\_telephone\\_survey\\_results\\_-\\_prepared\\_by\\_micromex\\_2021-02-23.pdf](https://www.yourvoiceourcoast.com/sites/default/files/2021-03/central_coast_council_research_report_-_sv_telephone_survey_results_-_prepared_by_micromex_2021-02-23.pdf)

#### **Debt Recovery and Hardship Policy**

<https://www.yourvoiceourcoast.com/all-projects/draft-debt-recovery-and-hardship-policy>

In the process of considering an application to IPART, it was determined that it was appropriate to review Council's Debt Recovery and Hardship Policy. There was also community feedback regarding capacity to pay, particularly for those experiencing hardship. As a result, the attached draft for the purpose of public exhibition has been developed.

The Policy has been reviewed in accordance with the Office of Local Government's Debt Management and Hardship Guidelines.

It was resolved that the draft Policy be placed on public exhibition for 28 days and that at the conclusion of this period a further report be provided to Council with any comments. As at 2 March 2021 no submissions had been received by Council.

#### **Attachments**

Nil

**Item No:** 6.1  
**Title:** Complaints and Compliments Report Q1 and Q2  
2020-2021  
**Department:** Community and Recreation Services

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10 March 2021 Audit Risk and Improvement Committee Meeting

Reference: F2018/00028-002 - D14464692  
Author: Sue Ledingham, Unit Manager Community Engagement  
Executive: Natalia Cowley, Director, Corporate Affairs

## Summary

The purpose of this report is to provide an overview of complaints and compliments received during the first half of 2020/21, 1 July to 31 December 2020, to the Audit Risk and Improvement Committee (Committee). The information included in this report is based on reports from Councils Customer Experience (CX) system.

## Recommendation

- 1 That the Committee receive the report on the first half of 2020/21 - Complaints and Compliments Report.*
- 2 That the Committee make a recommendation that this report and the supporting papers to this Report be made publicly available, as the nature or content of the report do not fall within any listed exception, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

## Background

Central Coast Council has a Customer Feedback Management Policy. This policy sets out the approach that Council takes to ensuring that all customers are given the opportunity to make complaint or provide feedback about issues they may have regarding potentially inappropriate, unethical or unfair behaviours or practices committed by Council Officials. This policy incorporates the principles of the Australian / New Zealand standard: Guidelines for Complaint Management in Organisations (AS/NZS 10002:2014) and the NSW Ombudsman's Complaint Management Framework (2015).

Feedback from our community provides Council with valuable insights into areas where service standards are meeting customer's expectations or where service standards have not been met and improvements need to be made.

Complaints and Compliments are categorised at a high level as follows:

- Council Decision
- General Feedback

## 6.1 Complaints and Compliments Report Q1 and Q2 2020-2021 (contd)

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- Level of Service
- Quality of Work
- Response Time
- Value of Fees and Charges
- Staff Performance

### Reporting

Evaluation of the type of complaints and compliments received.

#### *Complaint Types*

A total of 194 complaints were received in the in the first 6 months of 2020/21 – 97 for Q1 and Q2 respectively. Total staff or sensitive complaints received in the first 6 months of the financial year was 70 (44 in Q1 and 26 in Q2):

- Most complaints received relate to Staff complaints and general feedback
- On average 32 complaints were received per month in the 6-month period
- On average 12 Sensitive (staff) complaints were received per month for the first half of the year with Q2 period staff complaints decreasing by 40% from Q1
- The number of complaints relating to Value of Fees remains low with a total of 5 within the first half of the financial year.

#### *Compliment Types*

A total of 263 compliments were received in the first half of 2020/21 (148 received in Q1 and 115 received in Q2). Total staff compliments (including 65 in Q1 and 48 in Q2):

- Compliments relating to Staff Performance remains the highest compliment type (43%) followed by General Feedback and Quality of Work (26 compliments for each)
- An average of 43 staff compliments were received per month in Q2.

There was a 22% decrease in overall compliments from the previous quarter.

### Service Levels

Response to community complaints within Service Level Agreement (SLA) continues to improve (55% in Q1 compared to 75% in Q2). More detail is provided in Attachment 1.

26% of staff complaints were responded to within the SLA of 20 working days (information available for Q2 only). Improvement in this area will be a focus and will form part of the broader plan to communicate with staff about complaints management and support. This includes a new responsiveness insights dashboard which has been developed in late 2020 and will be made available to managers next quarter.

**Mode of Contact**

- 63% of complaints are received via Email followed by phone (20%) and Online Customer Portal (13%)
- Phone and Email remain the popular mode for providing compliments (37% and 36% respectively) followed by Online Customer Portal (12%).

**Improvement Program**

*CX Portal – Online Customer Service Centre*

Our new CX Portal – Online Customer Service Centre went live on 25 September 2020. This has simplified the customer experience by directing customers to one online form they can complete for all feedback including compliment, complaint, staff complaint, or other feedback such as suggestions, recommendations or ideas for Council.

The new portal was promoted through an external targeted social media plan, media releases, Coast Connect - online Council newsletter as well as screen savers in libraries and Council facilities.

During the first 12 weeks (Q2) there have been 48 feedback requests received through the portal with the high of 9 requests in Week 10 and a low of 0 requests in Week 7. There is a high conversion rate of 65.75% from portal page web views to Service Request creation. This indicates that if we continue to promote the online Customer Service Centre to our customers it is likely to increase the number of feedback requests we receive through this channel.

An online feedback survey was also created to determine customer effort and satisfaction with ease of use of the new online Customer Service Centre.

Since rollout of the Online Customer Service Centre, of the 44 responses received, 70% state it was extremely easy or moderately easy to use and 84% said they are likely or very likely to use the portal again

*External Complaints Management*

Work continues to implement high and medium risk recommendations to improve the overall management of community complaints and improving the sensitive complaints management processes within Council.

The following table identifies the recommendations and update on actions:

## 6.1 Complaints and Compliments Report Q1 and Q2 2020-2021 (contd)

Recommendation	Action
1. Reconfigure one central reporting inbox, telephone number, online form and mailing address	Completed
2. Include clear directions into the Complaints and Compliments procedure registering all feedback into CX	Awaiting review by Governance to commence and final approval of policy/procedure.
3. Provide training on new complaints procedure	Scheduled for 30 May 2021 upon final approval of policy/procedure.
4. Expand complaints management role to include quality assurance and improved reporting	Ongoing by Team Leader Customer feedback
5. Establish library of complaints templates	Drafts completed and currently under review. Scheduled for completion by March 2021
6. Unit Managers and Directors to quality assure community and staff complaints before being sent to customers	Ongoing as part of current Complaints Management process. This requirement will be reinforced further once the revised policy/procedure and template library are finalised and internal communication rolled out organisation-wide
7. Establish live tracking of complaints reporting in CX	Completed
14. Adopt comprehensive complaints report format	Commenced with Q2 Complaints/Compliments data report (Attachment 2) and will continue to be refined.
17. Update Complaint and Feedback Management procedure to include additional detail based on other recommendations within report.	30 May 2021

### Attachments

- |  |           |
|--|-----------|
| 1 Q1 2020- Complaints and Compliments Data - 1 July 2020 - 30 September 2020     | D14468668 |
| 2 Q2 2020 - Complaints and Compliments Data – 1 October 2020 to 31 December 2020 | D14468676 |

**Q1 Complaints and Compliments 1 July 2020 – 30 September 2020**

The below is a report of the complaints and compliments as registered in CX system for the first quarter period 1 July 2020 to 30 September 2020.

Feedback is captured in Council's Customer Experience (CX) system.

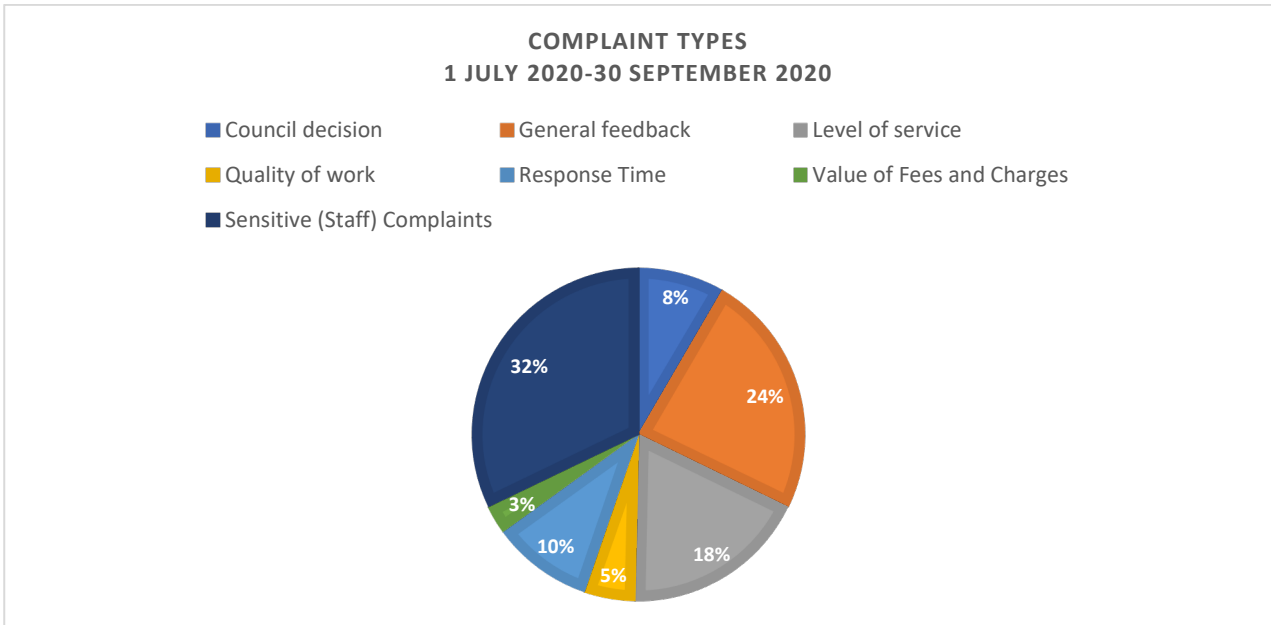
Complaints and Compliments are categorised at a high level as follows:

- Council Decision
- General Feedback
- Level of Service
- Quality of Work
- Response Time
- Value of Fees and Charges
- Staff Performance

<b>Complaints and Compliments from CX system</b>			
<b>1 July – 30 September 2020</b>			
<b>LIST BY COMPLAINT TYPES</b>	<b>No</b>	<b>LIST BY COMPLIMENT TYPES</b>	<b>No</b>
Council Decision	12	Council Decision	2
General Feedback	34	General Feedback	27
Level of Service	26	Level of Service	0
Quality of Work	7	Quality of Work	38
Response Time	14	Response Time	16
Value of Fees and Charges	4	Value of Fees and charges	0
Sensitive (staff) Complaints	44	Staff Performance	65
Total Excluding Sensitive (staff complaints)	<b>97</b>	Total	<b>148</b>

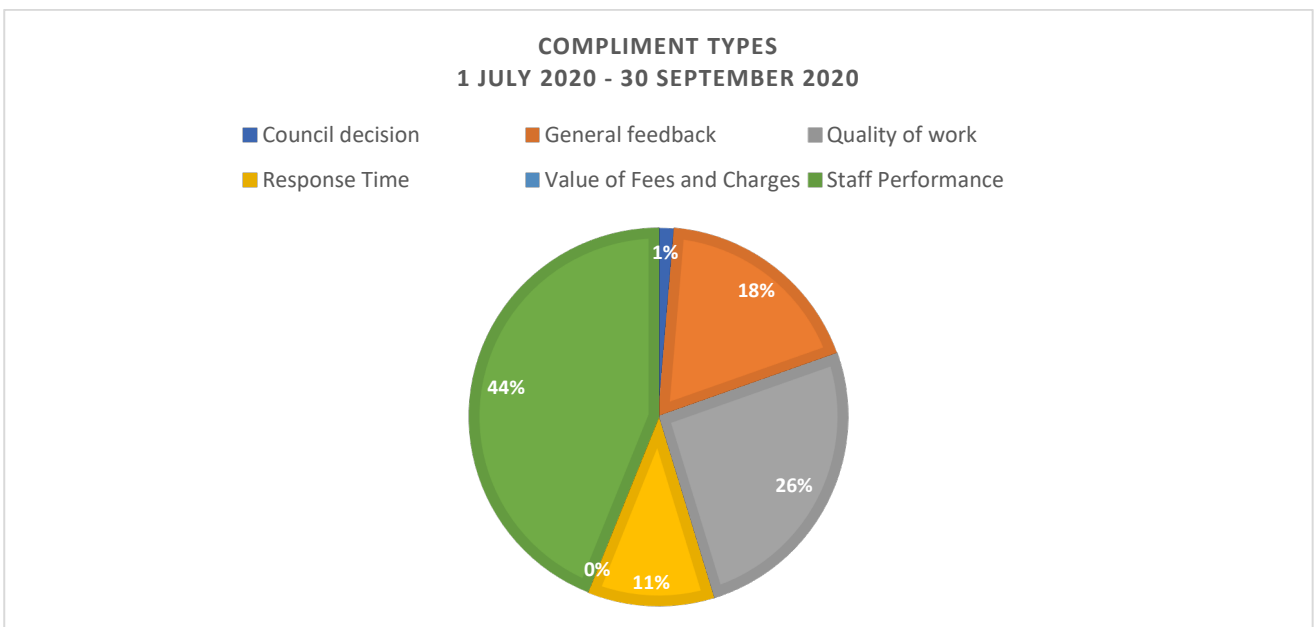
Complaint Types

- On average in the first quarter of 20/21 approximately 47 complaints were received per month. This is a 9% increase from previous quarter (Q4 19/20)
- Sensitive (staff) complaints are 15 per month for Q1 period which is a 22% increase from previous quarter (Q4 19/20)
- The number of complaints relating to Value of Fees and Charges remains low making up only 3% of all complaints followed by Quality of Work at 5% of complaints



Compliment Types

- Staff performance makes up 44% of our overall compliments compared to 31% last quarter (Q4 19/20) followed by Quality of work (26%) and General Feedback (18%).

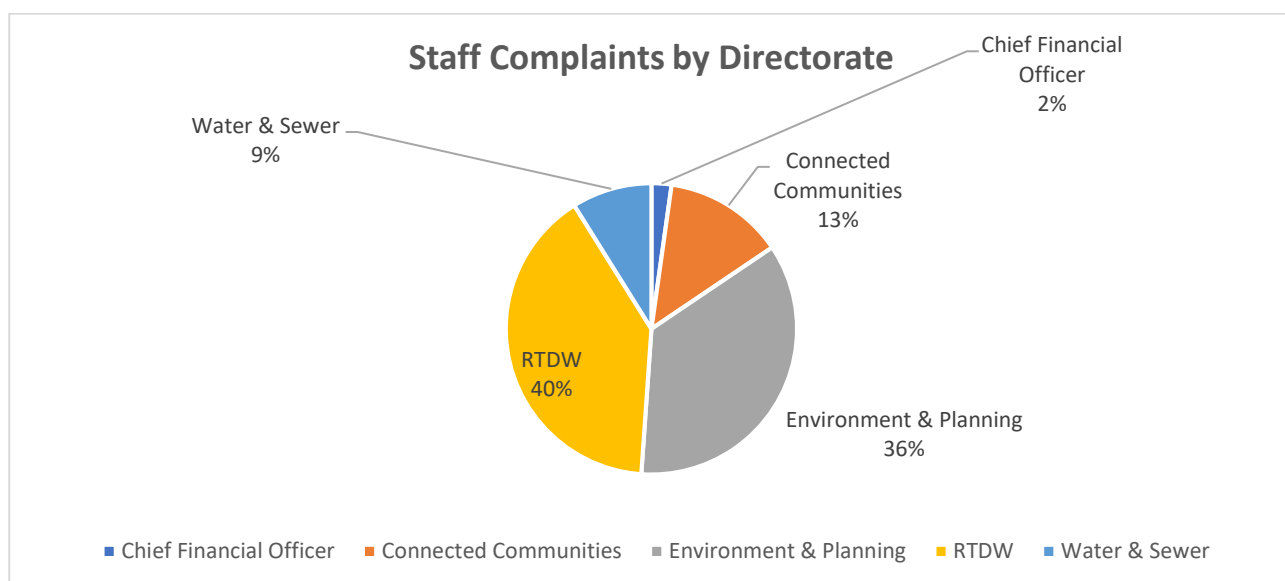




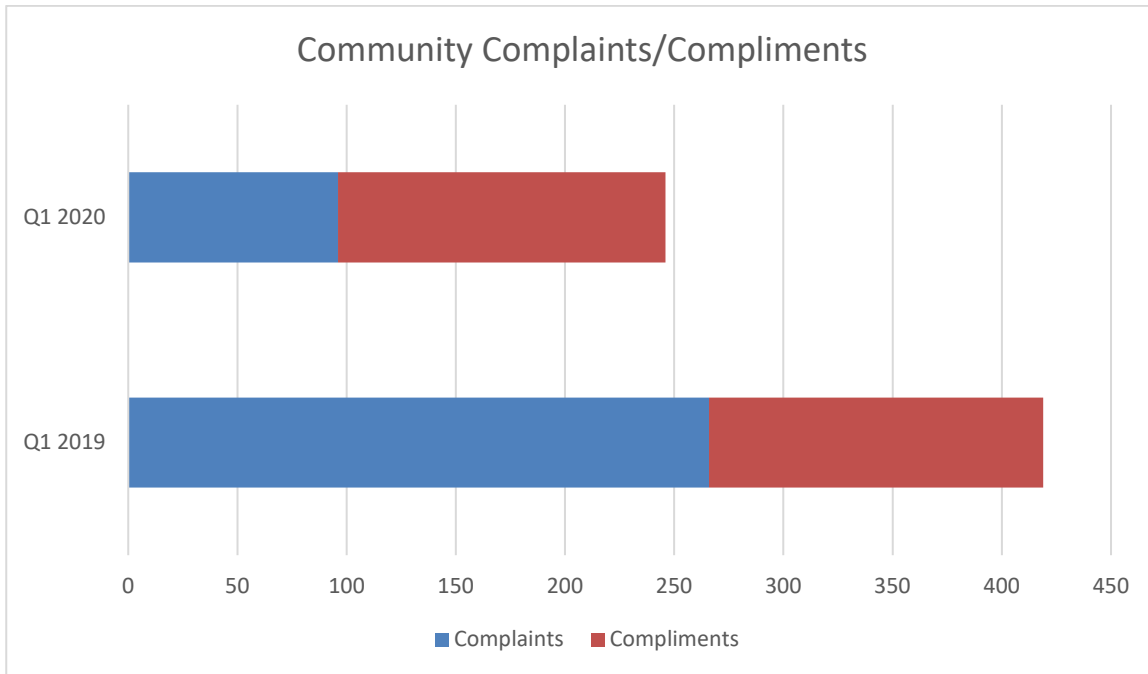
Community Complaints by Directorate	Received	Completed within SLA
Environment & Planning	34	58%
Connected Communities	8	62%
Road Transport Drainage & Waste	33	64%
Water & Sewer	9	33%
CEO (Finance)	9	12.5%
CEO (Governance)	4	100%
<b>Total Exc Sensitive</b>	<b>97</b>	<b>55% (avg)</b>

Staff (Sensitive) Complaints by Directorate	
Chief Financial Officer	1
Connected Communities	6
Environment & Planning	16
RTDW	17
Water & Sewer	4

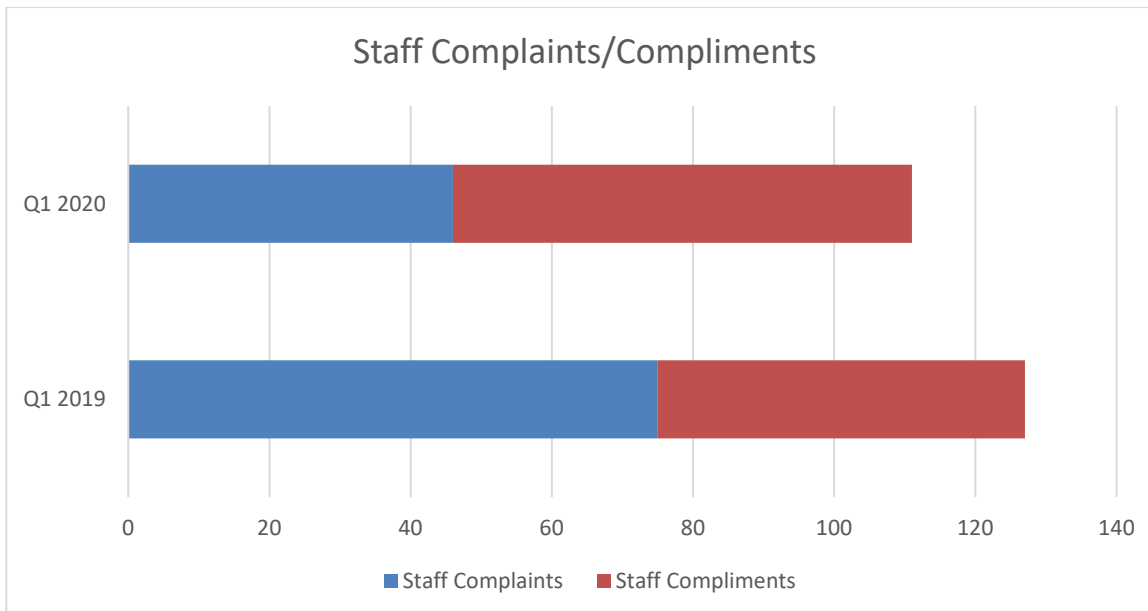
\*Response within SLA reporting for sensitive (staff) complaints to commence from Q2 2020/21



The following is a comparison between Q1 2019 and Q1 2020 and shows a 64% fall in community complaints. Community compliments were consistent for both years



The following is a comparison between Q1 2019 and Q1 2020 and shows a 38% fall in staff complaints and a 25% increase in staff compliments:



<b>Mode of Contact</b>			
<b>1 July – 30 September 2020</b>			
<b>COMPLAINTS</b>	<b>No</b>	<b>COMPLIMENTS</b>	<b>No</b>
In Person		In Person	4
Customer Portal	18	Customer Portal	30
Email	57	Email	53
Letter		Letter	6
Phone	21	Phone	52
Council Event		Council Event	1
Internal		Internal	1
Social Media		Social Media	1
After Hours Provider	1	After Hours Provider	
<b>TOTAL</b>	<b>97</b>	<b>TOTAL</b>	<b>148</b>

### **Improvement Program**

Our new CX Portal – Online Customer Service Centre went live on 25 September 2020. This has simplified the customer experience by directing customers to one online form they can complete for all feedback including compliment, complaint, staff complaint, or other feedback such as suggestions, recommendations or ideas for Council. The results will be shared in the next quarterly report.

The new portal has been promoted through an external targeted social media plan, media releases, Coast Connect - online Council newsletter as well as screen savers in libraries and Council facilities. An online feedback survey has also been created to determine customer effort and satisfaction with ease of use of the new online Customer Service Centre.

## Complaints and Compliments – detailed breakdown by Group

COMPLAINTS BY GROUP		COMPLIMENTS BY GROUP	
<b>Environment &amp; Planning</b>		<b>Environment &amp; Planning</b>	
Director	1	Building Certification North	1
Building Certification South	2	Community Safety	7
Business Support	2	Coastal Protection	2
Community Safety	5	Economic Development Project Delivery (U)	1
Contracts & Projects	3	Environmental Management (U)	11
Development Assessment	1	Environment & Certification	5
Development Control	4	Natural Assets Management	2
Environmental Management Unit	6	Open Space & Recreation (U)	8
Environment & Certification	2	Open space Projects & Planning	2
Natural Assets Management	1		
Parks & Reserves	1		
Sports Facilities	4		
Pre lodgement & customer engagement	1		
Public Health	1		
<b>TOTAL</b>	<b>34</b>	<b>TOTAL</b>	<b>39</b>
<b>Connected Communities</b>		<b>Connected Communities</b>	
Communication & Engagement	1	Community Engagement (U)	10
Community Partnerships	1	Community Partnerships	1
Customer Relationships	1	Customer Relationships	1
Leisure & Pools	2	Facilities & Asset Management	4
Libraries Learning & Education	1	Leisure & Pools	1
Library Ops	2	Libraries Learning & Education	9
<b>TOTAL</b>	<b>8</b>	Library Ops	1
		Sports Facilities	2
		Place Activation	3
		Depots and Administration Facilities	1
		<b>TOTAL</b>	<b>33</b>
<b>CEO</b>		<b>CEO</b>	
Governance & Business Services	2	Financial Services	4
Financial Services	9	Plant & Fleet	1
Insurance & Risk	2	Strategic Planning (U)	2
<b>TOTAL</b>	<b>13</b>	<b>TOTAL</b>	<b>7</b>

<b>COMPLAINTS BY GROUP</b>		<b>COMPLIMENTS BY GROUP</b>	
<b>Roads Transport Drainage &amp; Waste</b>		<b>Roads Transport Drainage &amp; Waste</b>	
Asset Mngt Roads	3	Cemeteries	1
Asset Evaluation	1		
Program Delivery	2	Construction Delivery North	1
Program and Planning	2	Major Works	1
Roads Asset Plan & Design	1	Roads Assets Planning & Design	2
Roads & Drainage Maint (N&S)	8	Roads & Drain Maint North & South	4
Roads Maintenance & Asset Evaluation	4	Roads Bus Dev Technical Services	1
Waste Services	1	Roads Construction & Project Management	3
Waste Services & Business Development	3	Road Maintenance & Asset Evaluation	26
Waste Services & Design	1	Waste Services & Business Development	9
Waste Facilities	1	System Operations	2
Technical Services Roads	1	Technical Services Roads	2
Construction Delivery North	5		
<b>TOTAL</b>	<b>33</b>	<b>TOTAL</b>	<b>52</b>
<b>Water and Sewer</b>		<b>Water and Sewer</b>	
Field Services	3	Field Services	16
Major Construction	1	Technical Services	1
Minor Construction	1		
Network Ops & quality Control	2		
Planning & Delivery	1		
Water Services & Design	1		
<b>TOTAL</b>	<b>9</b>	<b>TOTAL</b>	<b>17</b>

**Q2 Complaints and Compliments 1 October 2020 – 31 December 2020**

The below is a report of the complaints and compliments as registered in CX system for the second quarter period 1 October 2020 to 31 December 2020.

Feedback is captured in Council's Customer Experience (CX) system.

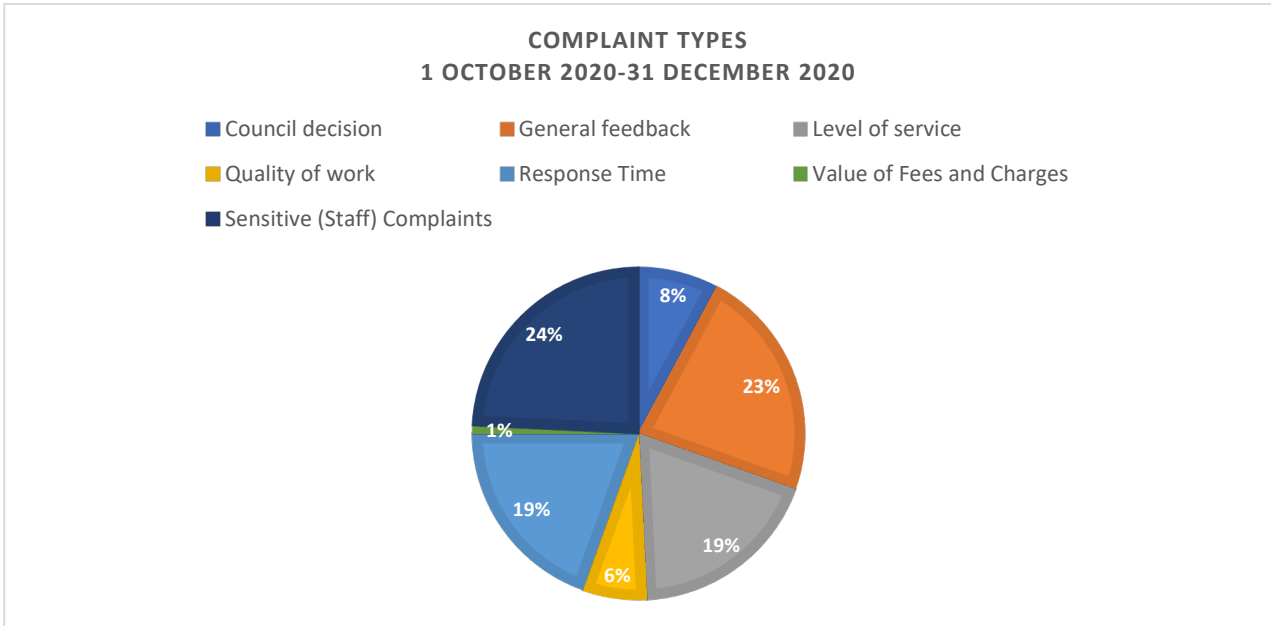
Complaints and Compliments are categorised at a high level as follows:

- Council Decision
- General Feedback
- Level of Service
- Quality of Work
- Response Time
- Value of Fees and Charges
- Staff Performance

<b>Complaints and Compliments from CX system</b>			
<b>1 October – 31 December 2020</b>			
<b>LIST BY COMPLAINT TYPES</b>	<b>No</b>	<b>LIST BY COMPLIMENT TYPES</b>	<b>No</b>
Council Decision	10	Council Decision	0
General Feedback	29	General Feedback	26
Level of Service	24		
Quality of Work	8	Quality of Work	26
Response Time	25	Response Time	15
Value of Fees and Charges	1	Value of Fees and charges	
Sensitive (staff) Complaints	26	Staff Performance	48
Total Excluding Sensitive (staff complaints)	<b>97</b>	Total	<b>115</b>

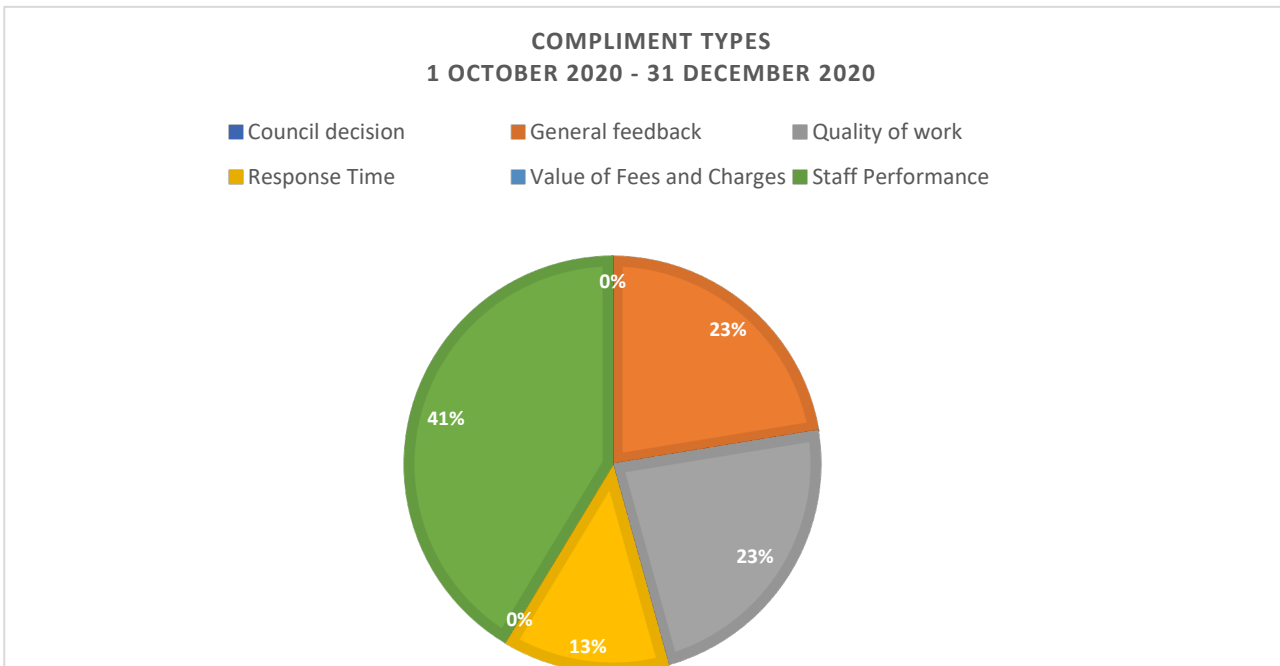
Complaint Types

- On average in the second quarter of 20/21 approximately 41 complaints were received per month (incl sensitive complaints). Although there was the exact same number of community complaints in the previous quarter (Q1), there was a 40% reduction in staff (sensitive) complaints this quarter.
- There was only one complaint received regarding fees and charges and again complaints regarding Quality of Work (8%) and Council decisions (10%) remained low with numbers similar to Q1.



Compliment Types

- Staff performance makes up 42% of our overall compliments followed by quality of work (23%) and general feedback (23%) – this is similar to Q1.



Community Complaints by Directorate	Received	Completed within SLA
Environment & Planning	31	43%
Connected Communities	12	100%
Road Transport Drainage & Waste	22	65%
Water & Sewer	10	75%
CEO	11	100%
Chief Financial Officer	11	64%
<b>Total Exc Sensitive</b>	<b>97</b>	<b>75% (avg)</b>

Staff (Sensitive) Complaints by Directorate	Received	Completed within SLA
Environment & Planning	8	43%
Connected Communities	5	80%
Road Transport Drainage & Waste	6	0%
Water & Sewer	2	0%
CEO	4	33%
Chief Financial Officer	1	0%
<b>Total</b>	<b>26</b>	<b>26% (avg)</b>

The completion rates for community complaints has improved by 20% between Q1 and Q2 due to organisation wide emphasis on CX actions and SLAs.

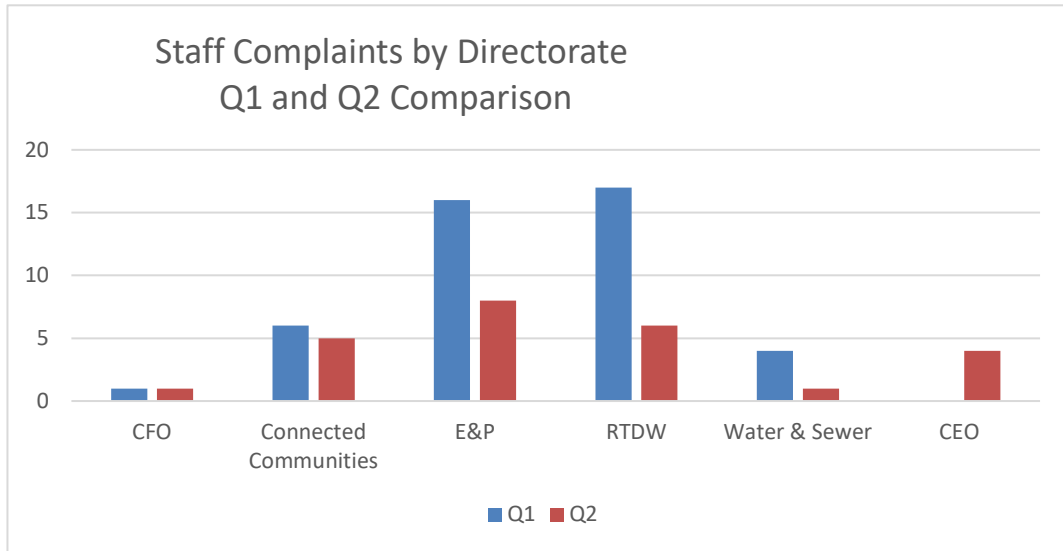
Q2 was the first period in which we have been able to report Staff complaint SLA performance and this information will now be included in quarterly reports moving forward.

Completion rates within SLA (particularly for Staff complaints) needs improvement. Awareness of SLA requirements will form part of the broader plan to communicate with staff about complaints management and support.

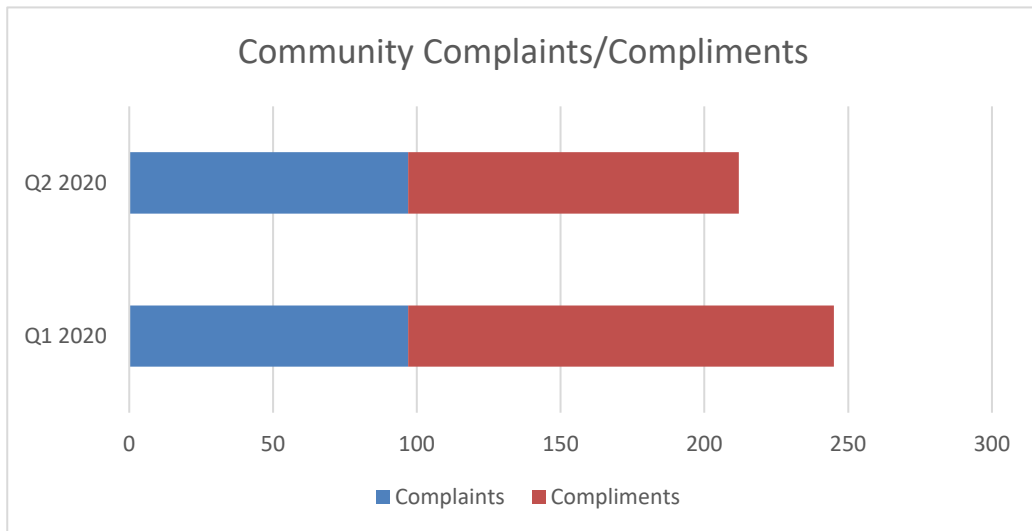


The following is a comparison between Q1 2020 and Q2 2020 in staff complaints by Directorate which shows a considerable reduction in staff complaints, in particular to Environment and Planning (E&P) (50%) and Road, Transport, Drainage & Waste (65%). The reason for the significant decrease in staff complaints in these areas has not been determined but is a very positive results for

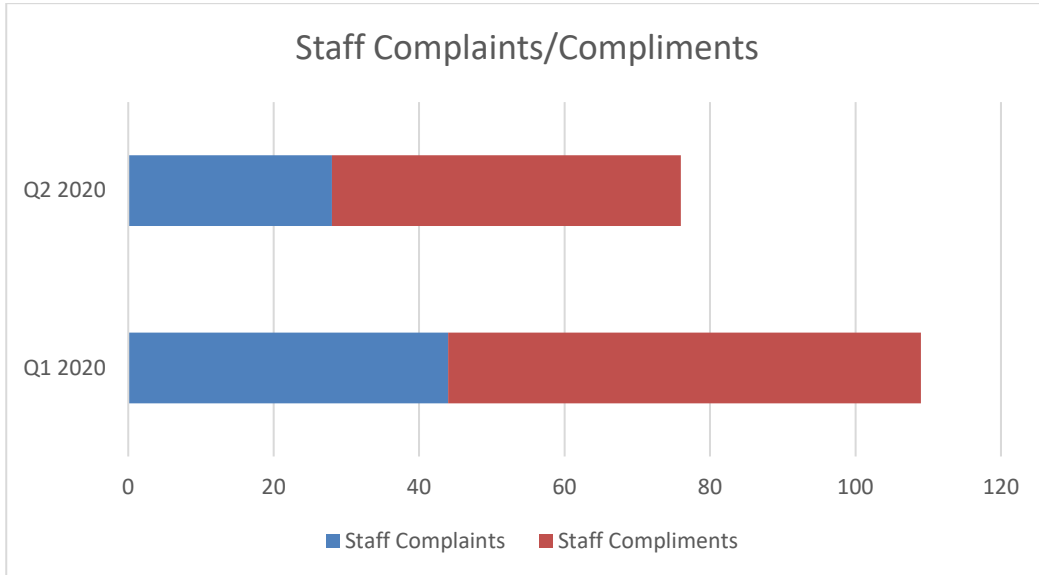
Q2.



The following is a comparison between Q1 2020 and Q2 2020 community complaints and shows that there was no change to community complaints and a drop of 22% in compliments.



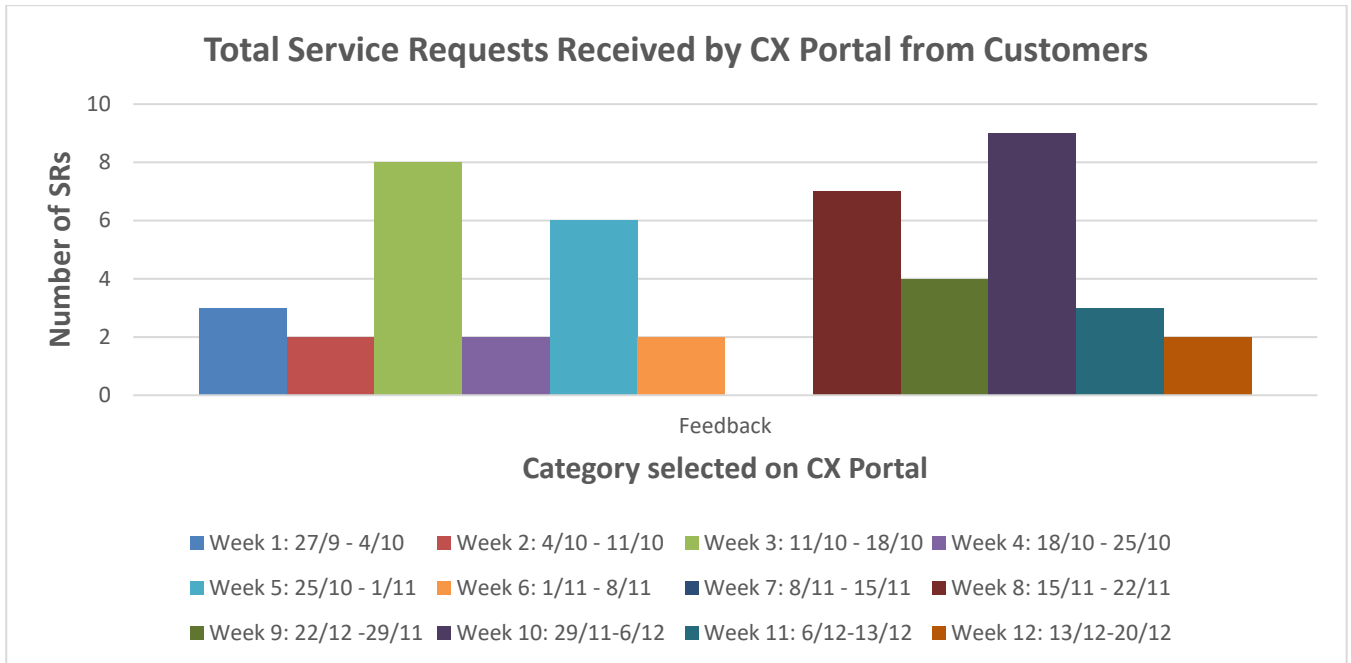
The following is a comparison between Q1 2020 and Q2 2020 staff feedback and shows that although there was a reduction in staff compliments in Q2, there was also a 40% reduction in staff complaints in the second quarter.



Mode of Contact 1 October – 31 December 2020			
COMPLAINTS	No	COMPLIMENTS	No
In Person	1	In Person	3
Customer Portal	15	Customer Portal	14
Email	69	Email	42
Letter	1	Letter	7
Phone	22	Phone	43
Council Event	0	Council Event	0
Internal	0	Internal	6
Social Media	0	Social Media	0
After Hours Provider	2	After Hours Provider	0
<b>TOTAL</b>	<b>97</b>	<b>TOTAL</b>	<b>115</b>

**Improvement Program**

Our new CX Portal – Online Customer Service Centre during the first 12 weeks as seem some changes, there have been 48 feedback requests received through the portal with the high of 9 requests in Week 10 and a low of 0 requests in Week 7. There is a high conversion rate of 65.75% from portal page web views to Service Request creation.



During this same period, we have been asking customers to provide feedback regarding customer effort and satisfaction with using the new online Customer Service Centre. Of the 44 responses received, 70% state it was extremely easy or moderately easy to use and 84% said they are likely or very likely to use the portal again.

## Complaints and Compliments – detailed breakdown by Group

COMPLAINTS BY GROUP		COMPLIMENTS BY GROUP	
<b>Environment &amp; Planning</b>		<b>Environment &amp; Planning</b>	
Director		Building Certification North	
Building Certification North & South	3	Coastal Protection	1
Business Support	2	Business Support	1
Community Safety	3	Economic Development Project Delivery (U)	
Contracts & Projects	2	Environmental Management (U)	8
Development Assessment	5	Environment & Certification	3
Development Control	4	Natural Assets Management	1
Environmental Management Unit	1	Open Space & Recreation (U)	8
Environment & Certification	1	Open space Projects & Planning	
Natural Assets Management	2	Development Assessment	1
Parks & Reserves	1	Engineering Assessment	1
Sports Facilities	1	Parks & Reserves	1
Pre lodgement & customer engagement	2		
Environment & Public Health	1		
Major Development Applications	1		
Open Space & Recreation	2		
<b>TOTAL</b>	<b>31</b>	<b>TOTAL</b>	<b>25</b>
<b>Connected Communities</b>		<b>Connected Communities</b>	
Communication & Engagement		Community Engagement (U)	5
Community Partnerships	1	Community & Cultural Development	1
Customer Relationships	5	Customer Relationships	2
Leisure & Pools	2	Facilities & Asset Management	4
Libraries Learning & Education	2	Leisure & Pools	
Library Ops	1	Libraries Learning & Education	18
Facilities and Asset Management	1	Library Ops	
		Sports Facilities	2
<b>TOTAL</b>	<b>12</b>	Place Activation	2
		Community Partnerships	10
		<b>TOTAL</b>	<b>44</b>
<b>CEO</b>	<b>3</b>	<b>CIO</b>	
Governance & Business Services	3	IMT Geospatial & Land Information	1
Governance Services	1		
Insurance & Risk	4		
<b>TOTAL</b>	<b>11</b>	<b>TOTAL</b>	<b>1</b>

COMPLAINTS BY GROUP		COMPLIMENTS BY GROUP	
<b>CFO</b>		<b>CFO</b>	
Director	1	Plant & Fleet	1
Financial Services	10	Financial Services	1
	<b>TOTAL 11</b>		<b>TOTAL 2</b>
<b>Roads Transport Drainage &amp; Waste</b>		<b>Roads Transport Drainage &amp; Waste</b>	
Asset Mngt Roads	1	Cemeteries	
Asset Evaluation			
Business Enterprise	1		
Parking Stations	2	Construction Delivery South	2
Roads Bus Development Tech Services	1	Major Works	
Roads Asset Plan & Design	1	Roads Assets Planning & Design	
Roads & Drainage Maint (N&S)	5	Roads & Drain Maint North & South	1
Roads Maintenance & Asset Evaluation	4	Roads Bus Dev Technical Services	1
Road Construction and Project Mngt	1	Roads Construction & Project Management	
Waste Services & Business Development		Road Maintenance & Asset Evaluation	14
Waste Services & Design		Waste Services & Business Development	5
Waste Services	2	System Operations	
Technical Services Roads		Technical Services Roads	
Construction Delivery North & South	4	Program Delivery	1
	<b>TOTAL 22</b>		<b>TOTAL 24</b>
<b>Water and Sewer</b>		<b>Water and Sewer</b>	
Field Services		Field Services	15
Major Construction		Technical Services	
Minor Construction	1	Electrical Services	1
Network Ops & quality Control	6		
Planning & Delivery			
Water Services & Design	3		
	<b>TOTAL 10</b>		<b>TOTAL 17</b>
		<b>People &amp; Culture (Director)</b>	2
		<b>TOTAL</b>	<b>2</b>