



AUDIT RISK AND IMPROVEMENT COMMITTEE MEETING

04 December 2018

Meeting Notice

**The Audit Risk and Improvement Committee Meeting
of Central Coast Council
will be held in the Committee Room,
49 Mann Street, Gosford on
Tuesday 4 December 2018,**

for the transaction of the business listed below:

Receipt of Apologies

1 GENERAL REPORTS

1.1	Disclosures of Interest	3
1.2	Confirmation of Minutes of Previous Meeting.....	5
1.3	Outstanding Action Items	12
1.4	Enterprise Risk Management Framework - Update	14
1.5	Update on GIPA Requests	57
1.6	Customer Experience Survey Results.....	62
1.7	Customer Complaints and Compliments.....	68
1.8	Annual Plan for 2019 - Proposed	71
1.9	IA Balanced Scorecard Report	74
1.10	Chief Internal Auditor's Quarterly Progress Update	81
1.11	IA Comparative Data Analysis and Risk Outlook Report	84
1.12	IA Emerging Themes Report	88
1.13	IA Work Programme 2018 to 2020	113
1.14	Implementation of Management Actions Arising From IA Reviews	140
1.15	Dates for 2019 Audit, Risk and Improvement Committee (ARIC) meetings	144

2 CONFIDENTIAL ITEMS

2.1	Report from the Office of the Internal Ombudsman	
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Gary Murphy
Chief Executive Officer

Item No: 1.1
Title: Disclosures of Interest
Department: Governance



4 December 2018 Audit Risk and Improvement Committee Meeting

Trim Reference: F2018/00028 - D13380985

Report Purpose

Chapter 14 of the *Local Government Act 1993* ("LG Act") regulates the way in which the councillors, members of Council Committees 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:

- (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.*
- (4) *Subsections (1) and (2) do not apply to a councillor who has a pecuniary interest in a matter that is being considered at a meeting, if:*
 - (a) *the matter is a proposal relating to:*
 - (i) *the making of a principal environmental planning instrument applying to the whole or a significant part of the council's area, or*
 - (ii) *the amendment, alteration or repeal of an environmental planning instrument where the amendment, alteration or repeal applies to the whole or a significant part of the council's area, and*

1.1 Disclosures of Interest (contd)

- (a1) *the pecuniary interest arises only because of an interest of the councillor in the councillor's principal place of residence or an interest of another person (whose interests are relevant under section 443) in that person's principal place of residence, and*
 - (b) *the councillor made a special disclosure under this section in relation to the interest before the commencement of the meeting.*
- (5) *The special disclosure of the pecuniary interest must, as soon as practicable after the disclosure is made, be laid on the table at a meeting of the council and must:*
- (a) *be in the form prescribed by the regulations, and*
 - (b) *contain the information required by the regulations.*

Further, the adopted Code of Conduct adopted by Council applies to all councillors, members of Council committees and staff. The Code relevantly provides that if a councillor, member of a Council committee or staff have 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 conflicts of interests might be managed.

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 6.4 of the Charter and release to the public be approved.

Recommendation

- 1** *That Council now disclose any conflicts of interest in matters under consideration by Council at this meeting.*
- 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 6.4 of the Audit, Risk and Improvement Committee Charter.*

Attachments

Nil



Item No: 1.2
Title: Confirmation of Minutes of Previous Meeting
Department: Governance

4 December 2018 Audit Risk and Improvement Committee Meeting

Trim Reference: F2018/00028 - D13359004

Author: Kelly Drover, Advisory Group Support Officer

Manager: James Taylor, Acting Unit Manager, Governance and Business Services

Executive: Shane Sullivan, Acting Director Governance

Summary

Confirmation of minutes of the previous Ordinary Meeting of Council held on *2 October 2018*.

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 6.4 of the Charter and release to the public be approved.

Recommendation

- 1** *That the Committee confirm the minutes of the previous meeting held on 2 October 2018.*
- 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 6.4 of the Audit, Risk and Improvement Committee Charter.*

Attachments

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|----------|---|-----------|
| 1 | MINUTES - Audit Risk and Improvement Committee Meeting - 2 October 2018 | D13350861 |
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Central Coast Council

Minutes of the
**AUDIT RISK AND IMPROVEMENT
COMMITTEE MEETING**

Held in the Committee Room, 2 Hely Street, Wyong
on 2 October 2018, commencing at 2.05PM

Present

Dr Colin Gellatly (Chairperson)
Carl Millington
John Gordon
Councillor Louise Greenaway (arrived 2:19pm)
Councillor Doug Vincent

In Attendance

Gary Murphy	Chief Executive Officer
Shane Sullivan	Acting Executive Manager Governance
Phil Cantillon	Acting Director Connected Communities
Chris Sienko	for the Chief Information Officer
Boris Bolgoff	Acting Director Assets Infrastructure and Business
Kristie Bryant	Unit Manager People Planning and Operations (for Item 1.8)
Tina Baker	Chief Internal Auditor
Vivienne Louie	Unit Manager Finance
James Taylor	Acting Unit Manager Governance and Business Services
James Sugumar	Audit Office of NSW
Marco Monaco	Audit Office of NSW

Apologies

Lilly Mojsin	Senior Internal Ombudsman
Martin Elwell	Chief Information Officer

1.1 Disclosures of Interest

Resolution:

- 1 That the Committee receive the report on Disclosures of Interest.**
- 2 That this report be made publicly available, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.**
- 3 Acting Executive Manager Governance, Shane Sullivan made a less than significant non-pecuniary interest disclosure under Items 1.9 and 1.10 that her husband had formerly been employed by the company TeamMate Asia Pacific mentioned in the reports.**

1.2 Confirmation of Minutes of Previous Meeting

Resolution:

- 1 That the Committee confirm the minutes of the previous Meeting held on 19 June 2018.**
- 2 That this report and the supporting papers to this report be made publicly available, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.**

1.3 Outstanding Action Items

Resolution:

- 1 That the Committee note the report.**
- 2 That the supporting papers to this report be made publicly available, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.**

GENERAL REPORTS**1.4 Tour of LGA by Independent Committee Members**

Resolution:

- 1 That the Independent Members of the ARIC and the Chief Executive Officer attend a tour of the Local Government Area on Friday 30 November 2018.**
- 2 That the supporting papers to this report be made publicly available, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.**

1.5 Enterprise Risk Management Framework - Update

Resolution:

- 1 That the Committee note the report on the current status of the Enterprise Risk Management Framework project and the confirmation that Councillors will receive a presentation on the Framework after the completion of the project.**
- 2 That an update on the Enterprise Risk Management Framework project be provided to the Audit, Risk and Improvement Committee at the 4 December 2018 meeting.**
- 3 That the supporting papers to this report be made publicly available, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.**

1.6 Management Letter on the interim phase of external audit for the year ending 30 June 2018

Resolution:

- 1 That the Committee receive the Management Letter on the interim phase of the external audit for the year ending 30 June 2018.**
- 2 The Extraordinary meeting to review Financial Statements for the reporting period ended 30 June 2018 to be rescheduled to 8 November 2018, 2pm at Wyong Admin Building.**
- 3 That the supporting papers to this report be made publicly available, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.**

1.7 Update on Management Actions Arising from IA Reviews (Payroll Items 5 and 9)

Resolution:

- 1 That the Committee receive the update to the report on the implementation of management actions arising from IA reviews for payroll items 5 and 9.**
- 2 That the Audit, Risk and Improvement Committee assign a 'confidential' privacy marking to Appendix 1 to this report for the reasons that it contains information that could compromise the security of Council, Council Officials and Council property and that it not be made publicly available, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter .**

1.8 My Voice Survey Results

Krystie Bryant gave a presentation to the Committee on the results of the My Voice Survey.

Resolution:

- 1 That the Committee receive the report on the My Voice Survey Results.**
- 2 That the results of Council's latest Customer Satisfaction Survey be presented at the 4 December 2018 Audit, Risk and Improvement Committee meeting.**
- 3 That the supporting papers to this report not be made publicly available, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.**

1.9 Chief Internal Auditor's Quarterly Progress Report

Resolution:

- 1 That the Committee receive the Chief Internal Auditor's report.**
- 2 That the Chief Executive Officer report back to the Audit, Risk and Improvement Committee at the 4 December 2018 meeting on resourcing of the Internal Audit function including a co-source model.**
- 3 That this report and the supporting papers not be made publicly available, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.**

1.10 IA Balanced Scorecard Report September 2018

Resolution:

- 1 That the Committee receive the Chief Internal Auditor's Balanced Scorecard Report.**
- 2 That this report and supporting papers be made publicly available, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.**

1.11 Implementation of Management Actions Arising From IA Reviews

Resolution:

- 1 That the Committee receive the report on the implementation of management actions arising from IA reviews.**
- 2 That an update be provided on the actions arising from IA reviews at the 4 December 2018 Audit, Risk and Improvement Committee meeting.**

- 3 Pursuant to Clause 6.4 of the Audit, Risk and Improvement Charter, the Committee assign a 'confidential' privacy marking to Appendix 1 to this report for the reasons that it contains information that could compromise the security of Council, Council Officials and Council property and that it not be made publicly available, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.**

1.12 IA Year in Review 2017-2018

Resolution:

- 1 That the Committee receive the Internal Audit 'Year in Review' report and accompanying information.**
- 2 That this report be made publicly available, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.**

1.13 IA Annual Assurance Statement 2017 2018

Resolution:

- 1 That the Committee receive the IA Annual Assurance Statement for 2017/18 and accompanying information from the Chief Internal Auditor, with the following change to the last page of Attachment 1:**

x Not all elements of the ARIC Charter in respect of the responsibilities for IA were followed completed.

- 2 That a draft annual plan, including actions required to be completed by the Committee and proposed dates for 2019 meetings be developed and presented at the 4 December 2018 Audit, Risk and Improvement Committee meeting.**
- 3 That this report and supporting papers be made publicly available, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.**

1.14 Data Breach Security Update

Resolution:

- 1 That the Committee receive the report on Council's Data Breach Security.**
- 2 That the this Report and Attachment not be made publicly available, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter, for the reason that it contains information that could compromise the security of Council, Council Officials and Council property.**

GENERAL BUSINESS**GB4/18 Mayor attendance at Future Meetings**

The Committee discussed the request from the Mayor to attend a meeting of the Audit, Risk and Improvement Committee.

Resolution:

That in accordance with the Audit, Risk and Improvement Committee Charter the Committee extends an invitation to the Mayor to attend a future meeting of the Audit, Risk and Improvement Committee.

GB5/18 Formal Meeting Invitation to External Auditors

The Committee discussed the requirement to extend a formal invitation to the External Auditors to attend the Audit, Risk and Improvement Committee meetings.

Resolution:

That in accordance with the Audit, Risk and Improvement Committee Charter the Committee extends a formal invitation to the NSW Audit Office to attend each meeting of the Audit, Risk and Improvement Committee.

GB6/18 GIPA, Code of Conduct and Public Interest Disclosures Report

The Committee requested a report summarising GIPA requests including performance information, complaints, compliments and Public Interest Disclosures.

Resolution:

That the Acting Executive Manager Governance arrange to provide a report to the 4 December 2018 Audit, Risk and Improvement Committee meeting with a summary of GIPA requests, data regarding Code of Conduct and Public Interest Disclosure matters and themes arising.

The Meeting closed at 3.58pm

Next Meetings:

- Extraordinary Meeting to review Financial Statements
Thursday 8 November, 2018
2pm – 5pm
Wyong Committee Room
2 Hely Street, Wyong

- Ordinary Meeting
Tuesday 4 December, 2018
2pm – 5pm
Gosford Committee Room
49 Mann Street, Gosford



Item No: 1.3
Title: Outstanding Action Items
Department: Governance

4 December 2018 Audit Risk and Improvement Committee Meeting

Trim Reference: F2018/00028 - D13389271
 Author: Kelly Drover, Advisory Group Support Officer
 Manager: James Taylor, Acting Unit Manager, Governance and Business Services
 Executive: Shane Sullivan, Acting Director Governance

Report Purpose

A review of the Outstanding Action Items from previous meetings.

Recommendation

- 1 That the Committee notes the report.**
- 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 6.4 of the Audit, Risk and Improvement Committee Charter.**

ACTION ITEMS			
ITEM	ACTION	RESPONSIBLE OFFICER	COMMENT
1.4 19 June 2018	The Councillors be given a presentation on the ERM Framework when finalised	Acting Director, Governance	Presentation planned for 3 December 2018
1.5 2 October 2018	That an update on the Enterprise Risk Management Framework project be provided to the Audit, Risk and Improvement Committee at the 4 December 2018 meeting.	Acting Director, Governance	To be provided at the 4 December 2018 ARIC meeting
1.8 2 October 2018	That the results of Council’s latest Customer Satisfaction Survey be presented at the 4 December 2018 meeting.	Director, Connected Communities	To be provided at the 4 December 2018 ARIC meeting

ACTION ITEMS			
ITEM	ACTION	RESPONSIBLE OFFICER	COMMENT
1.9 2 October 2018	That the Chief Executive Officer report back to the 4 December 2018 meeting on resourcing of the Internal Audit function including a co-source model.	Acting Director, Governance	Verbal response to be provided to 4 December 2018 ARIC meeting
1.11 2 October 2018	That an update be provided on the actions arising from IA reviews at the 4 December 2018 meeting.	Chief Internal Auditor	To be reported to 4 December 2018 ARIC meeting
1.13 2 October 2018	That a draft annual plan, including actions required to be completed by the Committee and proposed dates for 2019 be developed and presented at the 4 December 2018 meeting.	Acting Director, Governance	To be reported to 4 December 2018 ARIC meeting
GB4/18 2 October 2018	That in accordance with the Audit, Risk and Improvement Committee Charter the Committee extends an invitation to the Mayor to attend a future meeting of the Audit, Risk and Improvement Committee.	Acting Director, Governance	The Mayor has accepted an invitation to attend 4 December 2018 ARIC meeting
GB6/18 2 October 2018	A report to be provided to the 4 December 2018 meeting with a summary of GIPA requests, data regarding Code of Conduct and Public Interest Disclosure matters and themes arising.	Acting Director, Governance	To be reported to 4 December 2018 ARIC meeting

Attachments

Nil



Item No: 1.4
Title: Enterprise Risk Management Framework - Update
Department: Governance

4 December 2018 Audit Risk and Improvement Committee Meeting

Trim Reference: F2018/00028 - D13370183

Author: Stephen Bignill, Project Manager

Manager: Shane Sullivan, Acting Executive Manager, Governance

Executive: Shane Sullivan, Acting Executive Manager, Governance

Report Purpose

At its meeting held 2 October 2018, the Committee resolved as follows:

1.4 Enterprise Risk Management - Update

Resolution:

- 2 That an update on the Enterprise Risk Management Framework Project be provided to the Audit, Risk and Improvement Committee on the 4 December 2018 meeting.***

The purpose of this report is to provide an update on the Central Coast Council Enterprise Risk Management Framework and a copy of the Framework for the Audit Risk and Improvement Committee's reference.

Recommendation

- 1 That the supporting papers to this Report not/be made publicly available, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.***
- 2 That the Committee note the report on the current status of the Enterprise Risk Management Framework project and the confirmation that Councillors will receive a presentation on the Framework after the completion of the project.***

In a report to the Audit Risk and Improvement Committee at their meeting on the 2nd October 2018 the Committee were informed that '*The Enterprise Risk Management Framework project commenced at the end of January 2018 and is on schedule to be completed by early December 2018. The development of the Framework follows the international standards guide for risk management ISO 31000. The project has 14 key milestones to meet, the majority of which have been successfully completed by the due date.*'

In addition to the above the software for the risk register has been developed and is now being tested and refined. Due to the significant impact of the restructure and other systems training, particularly the Environmental Management System training, the Chief Executive

1.4 Enterprise Risk Management Framework - Update (contd)

Officer has agreed that the training for the Enterprise Risk Management Framework will be postponed until the beginning of February 2019.

Attachments

- 1** CCC ERMF v4 D13370179

Central Coast Council

Enterprise Risk Management

Framework

Draft Version: 4

Date: *10th September 2018*

Contents

Central Coast – Community Vision	3
Introduction	4
Policy for Enterprise Risk Management Framework	6
Central Coast Council Risk Management Responsibilities	14
Risk Responses	18
Risk-Based Decision Making and Reporting	20
The Risk Management Process	22
Central Cost Council Risk Register	34
Risk Appetite – Target Level of Risk	35
Enterprise Risk Management Group Charter	38
Glossary	43

Central Coast – Community Vision

We are ONE Central Coast.

'A smart, green and liveable region with a shared sense of belonging and responsibility'

The Community Vision reflects what matters most to the people of the Central Coast.

The vision was developed through consultation with community members of the Community Reference Group and the Internal Reference Group of Council staff.

Strong partnerships with community members, groups, local businesses and State and Federal Government will be essential to successfully achieving the vision.

Introduction

Central Coast Council's (CCC) commitment to developing and operating an Enterprise Risk Management (ERM) Framework will lead to improved provision of services to the community through utilising an overall enhanced management methodology, contributing directly to council's achieving the Central Coast Community Vision.

This document provides an overview of council's enterprise wide approach to risk management.

ISO31000 is the standard for the development and operation of CCC's ERM Framework.

Within this standard the definition of risk is the 'effect of uncertainty on objectives'.

The purpose of this ERM Framework is to assist staff in developing a portfolio view of risks which threaten the achievement of the organisation's meeting its objectives.

ERM creates a top-down, enterprise view of all the significant risks that can impact the organisation. Responsibility for setting the tone and leadership for ERM resides with the Executive Leadership Team (ELT). They are the ones who have the enterprise view of the organisation and they are ultimately responsible for understanding, managing, and monitoring the most significant risks affecting the Council.

ELT is responsible for designing and implementing the enterprise risk management methodology for the organisation. They are the ones to determine what process should be in place and how it should function, and they are the ones tasked with keeping the process active and alive. ELT provides risk oversight through understanding and approving the ERM process and overseeing the risks identified by the ERM process to ensure management's risk-taking actions are within the organisation's risk appetite.

Because risks constantly emerge and evolve, it is important to understand that ERM is an unending process. The benefits of ERM are realised when risk management is approached as a process that is active, alive, and ongoing, with a strong and consistent focus on continuous improvement.

Risk management should be applied to all decision points and at all levels of planning and operations.

When the management of risk is effective - it generally goes unnoticed. Conversely, when it is absent or fails, the impact is often highly visible and felt across the entire organisation. The consequences can be publicly embarrassing, politically damaging or compromising to CCC in some material way.

The principles and practices of risk management which are detailed in this document can be applied across the entire council, to its Departments, Units and Sections, as well as to specific issues, functions, projects & activities.

POLICY NO: CCC032

POLICY FOR

ENTERPRISE RISK MANAGEMENT

FRAMEWORK

May 2018

AUTHORITY	NAME & TITLE
AUTHOR	Stephen Bignill, Project Manager
MANAGER	James Taylor, Acting Unit Manager Governance
EXECUTIVE LEADER	Shane Sullivan, Acting Executive Manager Governance
CHIEF EXECUTIVE OFFICER	Brian Glendenning, Acting Chief Executive Officer

History of Revisions:

Version	Date	Reason	TRIM Doc. #
1	May 2018	Creation of Policy	

Table of Contents

SUMMARY.....	4
POLICY BACKGROUND.....	4
POLICY STATEMENT.....	4
PURPOSE.....	5
BREACHES.....	7
DEFINITIONS.....	7
RELATED RESOURCES.....	8

SUMMARY

1. The purpose of this Enterprise Risk Management (ERM) Policy is to communicate Council's commitment to managing enterprise-wide risks and to establish clear expectations to ensure that all staff are aware of their responsibilities for identifying and managing risk.

POLICY BACKGROUND

2. Central Coast Council (CCC) acknowledges that significant risk events, should they occur, have the potential to adversely impact the achievement of its strategic, operational, financial, regulatory and other objectives.
3. Risk management thought processes, principles and practices will support the achievement of objectives, helping Council deliver quality services, improving decision-making, establishing priorities, promoting safety, minimising the impact of loss, and ensuring regulatory compliance.

POLICY STATEMENT

Jurisdiction

4. This Policy covers all personnel employed by CCC, any person or organisation contracted to or acting on behalf of CCC, any person or organisation employed to work on CCC premises or facilities and all activities of the CCC.
5. This policy does not confer any delegated authority upon any person. All delegations to staff are issued by the Chief Executive Officer.

General

6. Amendment to this policy will occur in accordance with the procedure for Organisational Policy establishment.
7. It is the personal responsibility of all CCC employees and agents thereof to have knowledge of, and to ensure compliance with this policy
8. CCC is committed to the formal, systematic, structured and proactive management of risks across the organisation.
9. Whilst risk is inherent in all CCC's activities, the management of risk is intelligent business practice, creates value, is integral to good corporate governance and, in some instances, a mandatory legal requirement.

- 10.** Effective risk management:
- a) supports decision-making and planning;
 - b) increases the likelihood of achieving objectives; and
 - c) identifies opportunities.

PURPOSE

- 11.** CCC is committed to maintaining an effective, efficient and tailored risk management framework that consists of this policy, an enterprise risk management strategy, and supporting policies that complement risk management such as fraud prevention, internal audit, business continuity, environmental and WHS management systems and the Code of Conduct.
- 12.** The ERM framework will enable:
- a) formal, structured approach to risk management that is appropriate to CCC's activities and operating environment; and
 - b) risk management approach consistent with the principles of AS/NZS ISO31000:2009.
- 13.** CCC's current risk appetite statement is contained in a separate document and is broadly based on a low tolerance to risk, particularly where it may affect the safety of staff and/or the community, financial viability and regulatory compliance.
- 14.** CCC is committed to ensuring that a strong risk management framework is in place that:
- a) integrates risk management with existing planning and operational activities;
 - b) allocates sufficient funding and resources to risk management activities;
 - c) provides staff with appropriate training in risk management principles and processes;
 - d) assigns clear responsibilities to staff at all levels for managing risk;
 - e) embeds controls to manage risks into business processes;
 - f) establishes mechanisms for measuring and reporting risk management performance;
 - g) communicates risk management policies, plans and issues to staff and other stakeholders; and
 - h) is dynamic, iterative and facilitates continual improvement.
- 15.** Council is ultimately responsible for committing to this risk management policy and fully considering risk management matters contained in Council reports.
- 16.** The Chief Executive Officer is responsible for leading the development of an enterprise risk management culture across the organisation and ensuring that this Policy and the enterprise risk management framework are being effectively implemented.
- 17.** The Executive Leadership Team is responsible for considering urgent, sensitive and/or complex risk management issues that cannot be resolved by staff.

- 18.** Directors and Executive Managers are responsible for ensuring that this Policy and the risk management strategy are being effectively implemented within their areas of responsibility.
- 19.** Unit Managers are required to create an environment where the management of risk is accepted as the personal responsibility of all staff, volunteers and contractors. Managers are accountable for the implementation and maintenance of sound risk management processes, structures and outcomes within their areas of responsibility in accordance with Council's risk management framework.
- 20.** The Section Manager Insurance and Risk is responsible for ensuring that all requirements necessary for the implementation and operation of the risk management strategy across Council are in place, including:
 - a) reporting to Executive Leadership Team on corporate risks and new and emerging risks relevant to Council;
 - b) reporting to the ERM Committee on ERM Framework development needs;
 - c) implementing directions of Executive Leadership Team relating to the ERM Framework;
 - d) contributing to Council's risk policy, risk appetite, and strategic, operational and project risk planning;
 - e) assisting managers in understanding the interrelationships between various types and sources of risk;
 - f) creating a risk-aware culture; and
 - g) ensuring a consistent approach to ERM throughout Council
- 21.** The ERM Management Team is responsible for periodically reviewing the ERM Framework and for:
 - a) planning and facilitating the progressive implementation of the ERM Framework and the development of a risk-aware culture;
 - b) establishing and monitoring key performance indicators for the implementation and operation of the ERM Framework;
 - c) reporting quarterly to the Executive Leadership Team regarding the performance of the ERM Framework, including recommendations to achieve performance targets;
 - d) identifying training and development needs to achieve the required risk management competencies across CCC;
 - e) coordinating resources to support the implementation of the ERM Framework; and
 - f) facilitating the formal review and update of the ERM Framework.
- 22.** Staff are always required to act in a manner which does not place at risk the health and safety of themselves or any other person in the workplace. Staff are responsible and accountable for taking practical steps to minimise Council's exposure to risks including financial, legal, environmental, reputation and conduct insofar as it is practicable within their area of activity and responsibility, and for notifying potential hazards and opportunities.

23. This policy will be reviewed within 12 months of the completion of the Enterprise Risk Management Framework Project, and two years thereafter, or more frequently in the event of a material change in circumstances.

BREACHES

24. Suspected breaches or misuse of this policy are to be reported to the Chief Executive Officer.
25. Alleged breaches of this policy shall be dealt with by the processes outlines for breaches of the Code of Conduct, as detailed in the Code of Conduct and in the Procedures for the Administration of the Code of Conduct.

DEFINITIONS

26. Code of Conduct means the Code of Conduct adopted by Council
27. Council means Central Coast Council
28. Act means the Local government Act
29. Council staff means employee of Council and includes the Chief Executive Officer
30. Mayor means the person elected as the Mayor of the Council
31. Values and Behaviours mean the common set of Values and Behaviours adopted by Council. There are five Values and fourteen supporting Behaviours.

Serve	Deliver amazing services through empowering people; and Pursue collaborative partnerships for better community outcomes.
Improve	Look for better ways of doing things; and Encourage participation and new ideas.
Collaborate	Build relationships based on mutual trust; Share ideas, talent, skills and knowledge; Actively listen to find the best overall outcome; and Demonstrate care and respect for ourselves and each other.
Be Your Best	Strive to be your best every day; Promote self-awareness and development; Open to continual learning and improvement; and Take personal responsibility for actions and decisions.
Be Positive	Celebrate having a go; and Build one team spirit.



- 32.** Risk is the effect of uncertainty on objectives
- 33.** Risk Management is a systematic process that involves establishing the context for risk management, identifying and analysing risks, treating and controlling risks, periodically monitoring and reporting on risks and treatments, communicating and consulting about new and emergent risks, and sharing experiences so that the overall process improves.
- 34.** ERM means Enterprise Risk Management
- 35.** Enterprise Risk Management is the management of all risks within council, not just insurable risks or occupational health and safety (DLG Internal Audit Guidelines, September 2010).
- 36.** Enterprise Risk Management Framework is a set of components that provides the foundations and organisational arrangements for designing, implementing, undertaking, monitoring, reviewing and continually improving risk management throughout the organisation.
- 37.** Risk Appetite is the amount and type of risk that an organisation is prepared to accept, tolerate or be exposed to at any point in time. It is expressed in the form of a risk appetite statement that covers Council's critical risk categories.
- 38.** Regulatory compliance involves adherence to laws, regulations, guidelines and specifications relevant to an organisation's or individuals activities.

RELATED RESOURCES

- 39.** Legislation:
- a) *Local Government Act 1993*; and
 - b) *Local Government (General) Regulations 2005*.
- 40.** Associated Documents:
- a) *Code of Conduct*;
 - b) Procedures for the Administration of the Code of Conduct; and
 - c) Equity, Diversity and Respect Policy.

Central Coast Council Risk Management Responsibilities

Everyone who engages in Council activities at any level is impacted in some way by risks, so every person has an active role in being 'risk aware'. This involves identifying, assessing and managing risks and opportunities in decision-making and planning, as well as understanding and following the reporting process within the CCC's governance framework.

Everyone is expected to work both individually and collectively towards the active promotion of a positive risk management culture within and across CCC.

There are individuals who will be more active in the risk management process than others. Specific responsibilities for risk management across CCC are detailed in the following table:

Council	<ul style="list-style-type: none"> • Responsible for ensuring that Council strategy and operations are managed within an effective risk management framework. • To actively contribute to and promote the risk management process • To ensure that all considerations and decisions by the Council have been subjected to the risk assessment process
Chief Executive Officer	<ul style="list-style-type: none"> • Has overall responsibility to ensure the development, approval and implementation of processes for effectively managing the risks that may affect the achievement of Council's corporate and operational objectives; • Ensuring adequate resources are made available for the planning, implementation, operation and continuous improvement of the Enterprise Risk Management Framework; • Ensuring risk management is undertaken as part of the annual planning process; • Responsible for ensuring that strategic and operational risks are regularly reviewed.

Executive Leadership Team	<ul style="list-style-type: none"> • Are the risk owners within their areas of responsibility; • Provide the direction, methodology and implementation of the risk management Policy/Framework; • Promote and oversee the development of an open, positive, transparent risk management culture throughout Council; • Ensure that the framework for managing, monitoring and reporting risk is maintained; • Provide direction and guidance for the integration of risk management in all corporate and operational decision making; • Possess a clear understanding of the risk profile relating to their area; • Possess an appreciation of the wider risk environment and where risks extend beyond their direct control, cooperating to identify and prioritise risks, developing clear accountabilities for their management and committing to collective solutions and outcomes. Where risks may impact across another risk owner's area of responsibility, collaborating with the appropriate employees to ensure that the risk is being adequately managed; • Ensure that the appropriate training is identified and undertaken to carry out the various risk management responsibilities; • Ensure risk management action plans are developed for activities or responsibilities of the department; • Monitor high-ranked risks associated with strategic projects; • Monitor high-ranked operational risks; • Monitor high-ranked project risks;
Directors and Executive Managers	<ul style="list-style-type: none"> • Responsible for ensuring that this Policy and the risk management strategy are being effectively implemented within their areas of responsibility • Monitor high-ranked risks associated with strategic projects; • Monitor high-ranked operational risks; • Monitor high-ranked project risks;
Senior Managers, Unit Managers	<ul style="list-style-type: none"> • Manage and be responsible for all risks within Units;

	<ul style="list-style-type: none"> • Promote a risk culture throughout their area of responsibility and influence; • Ensure that the ERM Framework is being effectively implemented and operated within their areas of responsibility; • Participate in operational and project risk assessments, updates and reviews; • Escalate risks to the Director for resolution, as appropriate; • Ensure adequate resourcing and risk management training in their area;
Section Managers, Team Leaders & Supervisors	<ul style="list-style-type: none"> • Promote a risk aware culture; • Manage risks within functional areas; • Escalate risks to Managers or Directors to support the achievement of operational objectives (where required); • Ensure the ERM Framework is being effectively implemented and operated within their areas of responsibility;
Project Managers	<ul style="list-style-type: none"> • Promote a risk aware culture. • Manage risks within functional areas. • Escalate risks to Managers or Directors to support the achievement of operational objectives (where required).

Section Manager Insurance and Risk	<ul style="list-style-type: none"> • Facilitate the progressive implementation of the ERM Framework and the development of a risk-aware culture; • Identify opportunities for improvement of the ERM Framework; • Provide specialist risk management support, advice and training to staff, ensuring a consistent risk management approach across CCC; • Promote the communication of risks within and between CCC's various Service Units and Departments; • Coordinate day-to-day risk management activities across CCC; • Maintain CCC's risk register facilitating the provision of consistent information as a basis for effective risk management across CCC; • Provide risk management reports and recommendations to ELT; • Ensure the ERM Framework is being effectively implemented and operated within their areas of responsibility; • Undertake or arrange a periodical risk maturity assessment; • Conduct regular risk management training for staff as required; • Manage the Risk Management Reference Group, or its' equivalent; • Provide information to the Audit and Risk Committee regarding CCC's risk exposure and the operation of the ERM Framework
Audit, Risk and Improvement Committee	<ul style="list-style-type: none"> • Provide independent assurance and advice to Council on risk management, control, governance, and external accountability responsibilities as defined in the Committee's terms of reference
Audit	<ul style="list-style-type: none"> • Consider the risk management framework in planning and conducting audits. • Provide assurance over the correct use by staff of CCC's risk management and internal control frameworks.

Risk Responses

Risk responses are the actions to be taken once the risk assessment is complete. They represent the “business rules” for the management of risk following risk assessment.

Risk responses include:

- development of risk treatments;
- assessment of post-treatment residual risk;
- level of escalation for decision making about the acceptability or otherwise for high-ranked risks, and what subsequent actions, if any, are required;

Risk response options include:

Risk Response Options	Description
<i>Avoid</i>	The risk is avoided by significantly changing the activity in some way or ceasing the activity altogether.
<i>Accept</i>	The risk is accepted or increased in order to pursue an opportunity.
<i>Reduce</i>	Action is taken to reduce the likelihood and/or consequence of the risk
<i>Share</i>	The risk is shared with another external party or parties
<i>Retain</i>	The risk is retained at its current level through an informed decision making process

Risk response options are the approaches that are taken to manage risks that have been identified and quantified.

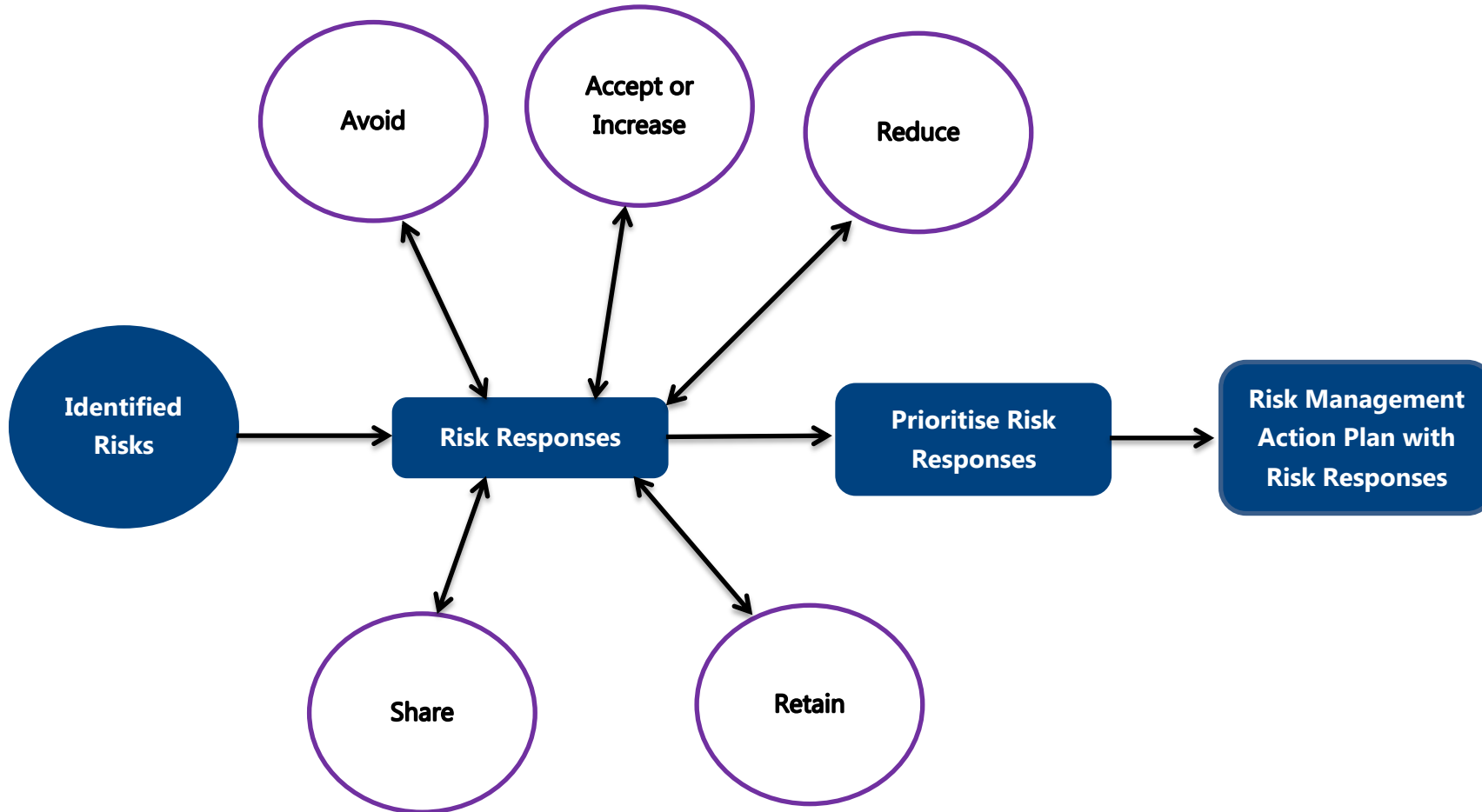
Risk treatment options are based on risk tolerance. Risk tolerance in terms of severity is the point above which a risk is not acceptable and below which the risk is acceptable.

There are many reasons for selecting one risk strategy over another, and all factors need to be considered when making the decision.

The risk response chosen should be appropriate for the risk it is intended to address.

The following diagram illustrates the risk response flow process.

Risk Treatments Options



Risk-Based Decision Making and Reporting

Action	Description	Responsibility	Timing
Operational risk assessments	Undertake comprehensive risk assessments based on the Unit's objectives for the year; record results in CCC's risk register; escalate high-ranked risks for decision.	Unit Managers	Annual (for Unit Business Plans); significant change
Project risk assessments	Undertake comprehensive risk assessment based on project objectives; record results in CCC's project risk register; escalate high-ranked risks for decision.	Project Managers	Project Business Case; project commencement; significant change
Strategic risk assessments	Undertake comprehensive risk assessment based on CCC's community and strategic objectives; record results in CCC's risk database; escalate high-ranked risks for decision.	ELT	New Community Strategic Plan; significant change
Operational risk reviews	Review current risks and update for any changes; update treatment actions; identify/assess any new or emergent risks; record changes in CCC's risk database; report/discuss new, changed and high-ranked risks and any proposed new treatments with Director/ Executive Manager; escalate further if warranted.	Unit Managers	Monthly; significant change
Project risk reviews	Review current risks and update for any changes; update treatment actions; identify/assess any new or emergent risks; record changes in CCC's risk database; report/discuss new, changed and high-ranked risks and any proposed new treatments with Director/ Executive Manager; escalate further if warranted	Project Managers	Monthly; at the commencement of a new milestone; significant change
Strategic Risk review	Review CCC's strategic risks; record results in the Corporate Risk Register	ELT	Annual; significant change

Only where such decision making is beyond the authority of an individual or the risks require escalation for other reasons (see Risk Responses above) should they be passed up the line, and they should only go as far as needed for an authoritative decision.

The progression is normally (remembering that it can start anywhere along the sequence): Team Member -> Supervisor -> Team Leader -> Section Manager -> Unit Manager -> Senior Manager -> Director/Executive Manager -> Chief Executive Officer and/or Executive Leadership Team -> Council.

Consistent, comprehensive and timely risk reporting is essential to provide management with the details of risks that need to be managed, monitored or require decisions.

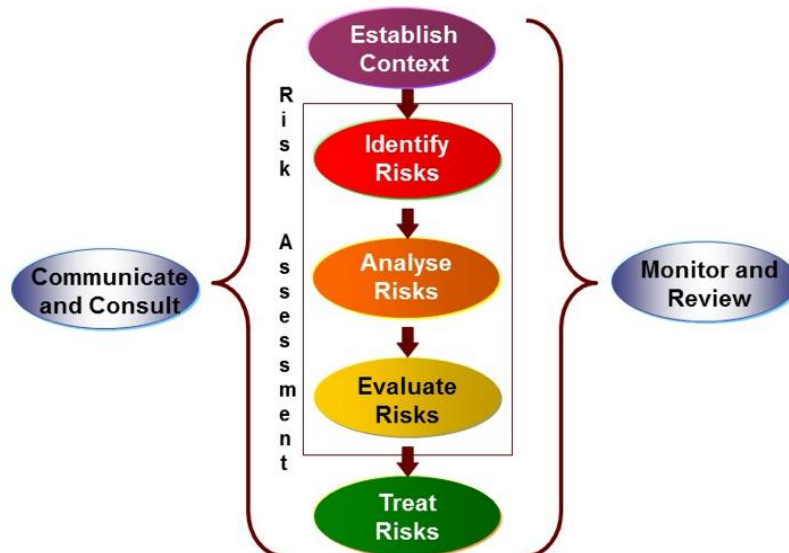
The following table summarises the key ERM Framework actions, reports and reviews required for strategic, operational and project risks.

Action	Description	Responsibility	Timing
<i>Review of escalated operational or project risks</i>	Review high-ranked risks referred from operations or projects; monitor the status of risk treatments already agreed; decide and advise treatment or other actions to be taken for newly referred risks; update CCC's risk register	ELT	Monthly (or when received for high priority risks)
<i>Plan audit program</i>	Review strategic, operational and project risks as an input to planning CCC's audit program	ELT, Chief Internal Auditor	Annual
<i>ERM Framework review</i>	Review ERMF use, operation, application, documentation, systems, etc; identify improvement opportunities (changes, additions, training, etc); report to ELT	Section Manager Insurance and Risk	Annual

The Risk Management Process

Introduction

The risk management process defined in AS/NZS ISO 31000:2009 Risk management – principles and guidelines, comprises seven elements, as represented in the diagram below.



The following sections provide guidance for understanding and implementing each element of the risk management process.

1) Communication and Consultation

Communication and consultation are important considerations at each stage of the risk management process.

Communication and consultation with external and internal stakeholders should occur during all stages of the risk management process. This ensures that stakeholders as well as those accountable for implementing the risk management process understand the basis on which decisions are made, and the reasons why particular actions are required.

A consultative approach involving all relevant stakeholders must be utilised to define the context for and inputs into a risk assessment and provide confidence that all reasonably foreseeable risks are identified. This promotes ownership of the risk assessment outcomes, an appreciation of the benefits of the risk controls, and support for the risk assessment plan.

Effective risk communication ensures that those responsible for implementing risk management and those with an interest in the outcomes understand the basis on which risk management decisions are made and why particular actions are required.

2) Establish the context

Establishing the context articulates the relevant strategic, operational or project objectives, defines the parameters within which risks must be considered and managed, and sets the scope for the remainder of the risk management process.

Establish the external, internal, and risk management context in which the risk management process will take place. In establishing context, CCC articulates its objectives, defines the external and internal parameters to be considered when managing risk, and sets the scope for the remaining processes.

Questions to inform the risk management context include:

- Have objectives been defined and agreed/approved?
- Are the objectives well defined (are they SMART objectives – specific, measurable, achievable, relevant and timely)?
- What is to be achieved from the risk management process?
- What outcomes are being sought?
- What opportunities or benefits might be achieved?
- What decisions will need to be made?
- Who will be involved in or affected by the activities and objectives under consideration?
- Who are the significant stakeholders (both internal and external)?
- Should they be involved in the risk assessment?
- What is the internal context – including strategic direction, recent or proposed organisational change, budget constraints, resource capacity and capability, performance expectations, governance arrangements, information availability, target timeframes, policies and procedures?
- What is the external context – including the social and cultural, political, legal, regulatory, financial, technological, economic, natural and competitive environment?
- Are there benefits to be gained by involving subject matter experts in the risk assessment, or independent personnel who can provide a “fresh set of eyes”?
- Are there lessons from previous risk assessments and comparable projects that might assist the risk assessment?
- What background information and data is needed to inform the risk assessment e.g. information regarding current and projected resourcing levels, budget, cashflow, program, assumptions, current budget and program contingencies, performance data, regulatory or contractual obligations?

2.1) Strategic risk context

Context for assessment of CCC’s strategic risks should be informed by:

- CCC strategies prepared in response to the NSW Division of Local Government Integrated Planning and Reporting framework (including the Community Strategic Plan, Delivery Program, Operational Plan, and Strategic Plan)
- CCC’s strategic risk profile (to be developed)
- CCC’s defined risk appetite as detailed in this document.

2.2) Operational risk context

Context for assessment of CCC's operational risks should be informed by:

- operational objectives, key performance indicators, and performance targets as defined in CCC strategies and Service Unit Business Plans
- requirements defined in CCC's operating policies and procedures
- CCC's strategic risk profile
- CCC's defined risk appetite

2.3) Project risk context

Context for assessment of project risks should include reference to the business case and project plan, and be informed by:

- the purpose and objectives of the project
- the outcomes and benefits to be derived from the project
- operational and strategic risks impacting on the project
- CCC's defined risk appetite.

2.4) Determine potential exposure

In establishing context, CCC's potential exposure needs to be determined. Potential exposure (also known as inherent risk) deliberately assumes the absence of any existing risk controls.

3) Identify the risks

Risk identification is the process of identifying risks which effect achieving objectives. It involves the identification of risk sources, risk events, their causes and potential consequences.

Risk identification involves thinking about what, when, where, why and how events can occur that may prevent CCC from achieving its strategic, operational or project objectives.

3.1) Apply a structured approach

Identifying the effect of risk events on the achievement of objectives is fundamental to effective risk management. Risk assessment should work through the list of relevant objectives one by one, identifying the full range of risk events across all risk categories that potentially impact each objective.

Risk events include threats that objectives will not be achieved, as well as opportunities that exceed current objectives.

Risk identification should include risks if they are under the control or influence of CCC.

Should an identical risk event be identified for more than one objective, rationalise identified risk events to remove duplicates.

Risks that are not identified cannot be assessed, and remain a source of unknown, unquantified and unexpected exposure for the organisation.

3.2) Risk event statements

Document risk event descriptions in the risk register in sufficient detail so that they can be understood by a variety of stakeholders, particularly those who were not part of the risk assessment process.

For clarity and consistency, risk event descriptions should be expressed in the form “x leads to y”, where x is a specific event and y is a specific description of the resulting consequences. For example:

- Death of Council worker during tree management activities
- Unauthorised release of commercial in confidence information during procurement process;
- Parking Ranger assaulted by member of the public;
- Unauthorised removal of a child from the childcare centre;
- Cryptosporidium outbreak at the swimming pool.

3.3) Risk identification methods

There are several different methods to identify risk events, which can be applied individually or in combination:

When identifying a risk, the questions that need to be asked are:

- What could happen?
- What would cause it to happen?
- What would the consequences be?
- What can we do to try and stop it happening?
- What can we do to minimise the consequences if it does happen?

3.4) Select risk events

When identifying risk events there are typically a range of similar risk events along a spectrum that can be identified and used as a basis for risk assessment. The following table provides some examples of similar risk events at opposite extremes of the spectrum (representing worst case and most likely risk events).

Worst case risk event	Most likely risk event
<i>Fire or spill:</i> Major fire or chemical spill requiring emergency response that prevents access to CCC's administration building for an extended period, with major disruption to services	<i>Fire or spill:</i> Multiple minor fires or chemical spills occurring in the field throughout the year requiring local response and resulting in minor injuries and temporary, localised operational disruption
<i>IMS failure:</i> IMS system failure that results in loss of business-critical information for an extended period (>1 week)	<i>IMS failure:</i> Recurring, localised IT system failures that have negligible business impact and are rectified rapidly (<2 hours)

Risk identification can be based on:

- worst case: risk event having the worst case consequence scenario that could reasonably occur, irrespective of likelihood;
- likely worst case: risk event having a worst case consequence scenario that has at least a 50% chance (say) of occurring during the timeframe being considered;
- most likely: risk event having the most likely consequence

Different risk identification approaches will lead to very different risk assessment results, and require different risk controls.

It is important for participants to be conscious of the technique applied for risk identification and to apply the technique consistently throughout the risk identification process.

3.5) Root cause analysis

- Root cause analysis is a structured approach to identifying the causes that can lead to the risk event.
- Root cause analysis is valuable because it provides an opportunity to better understand and record the real causes of specific risk events, and increases the chance that:
- The likelihood of a risk event will be analysed accurately (reflecting the root cause);
- Risk controls will be identified that respond to the root cause.

4) Analyse the risks

Once all risks have been identified, the next step in the risk management process is to analyse the risks. Risk analysis determines the level of risk as a basis for risk evaluation and decisions about risk control. CCC's approach for risk analysis is a semi-quantitative approach using the CCC Risk Tables.

Risks are analysed by determining their consequences and likelihoods. The effectiveness of existing controls should also be considered, where existing controls are in place, known and operating effectively.

CCC's risk register template will be used to record:

- all the foregoing details;
- the risk consequence category selected as the primary consequence as the basis for risk analysis;
- details of any existing controls that reduce exposure and considered as part of the consequence and/or likelihood rating;
- the consequence and likelihood ratings applicable to the risk event;
- comments providing additional context for the risk analysis (including assumptions regarding the effectiveness of existing controls)

4.1) Analyse consequence

Risk Tables identify several risk categories applicable to CCC such as:

- safety – risk events affecting the safety and wellbeing of staff, volunteers, contractors, visitors and the public;
- environment – risk events affecting environmental outcomes and the achievement of CCC's environmental objectives;
- regulatory/compliance – risk events affecting legal, professional or regulatory compliance;
- reputation – risk events affecting staff and community confidence in CCC;
- financial (enterprise level) – risk events affecting CCC's financial objectives (including short term and long term financial objectives);

Assess the consequence using the Risk Tables to identify which consequence descriptions (eg: catastrophic through to insignificant) best align with the consequence for this risk event.

Where a risk event has multiple consequences, risk analysis should focus on the consequence having the greatest impact on CCC's objectives.

4.2) Analyse likelihood

Use the likelihood ratings in the Risk Tables to identify the likelihood of the consequence occurring, ranging from almost certain to rare.

Assess likelihood based on records of past risk events, personal experience or a collective judgement, considering the appropriate planning horizon e.g.

- CCC's corporate planning cycles;
- Service Unit annual planning cycle

4.3) Existing controls

The effect of existing controls must be considered when analysing consequence and likelihood. Existing controls should reduce the likelihood of an event occurring, or the consequences if the event occurs, or both. Existing controls may include:

- training;
- policies and procedures;
- defined roles, responsibilities and authority;
- checking and approvals processes;
- monitoring;
- supervision;
- escalation and reporting processes;
- physical and information controls

If controls are under development or being planned but are not yet in place, their mitigating effect should not be considered as part of the current risk assessment process. Only controls that are actually in place and working should be included.

5) Evaluate the risks

Risk evaluation assists in deciding which risks require control and the priority for control implementation.

5.1) Risk evaluation

CCC's risk evaluation is documented in its Risk Tables and Risk Responses. Use the consequence and likelihood ratings in the Corporate Risk Assessment Tables to identify a risk rating of:

- extreme;
- high;
- medium;
- low

CCC's Risk Response process defines expectations for responding to risks under the above ratings including:

- the need to identify risk controls;
- the analysis of residual risk;
- escalation of risks for decision making;
- the nomination of risk owners

5.2) Prioritisation

A common challenge is that too many high ranked (unacceptable) risks are identified that require control, with insufficient time and resources available to address all of them in a timely manner.

Therefore, CCC accepts that (in addition to the evaluation process identified above) unacceptable risks can be subject to further informed prioritisation to ensure that practical and achievable risk control strategies are implemented to provide the greatest value to CCC. This approach is consistent with AS/NZS ISO 31000:2009 Risk management – principles and guidelines.

The basis for prioritisation must be recorded on the risk register and can include:

- the timeframe in which the consequences will occur, or the timeframe in which associated risk controls would need to be completed (informing the relative urgency of risk control)
- the possibility of foreseeable changes in the internal or external environment which are likely to increase or reduce the risk rating in the near future (for example, changes to legislation, changes to resourcing, dependencies on progress with other CCC initiatives)
- uncertainty around the accuracy of the risk analysis, where further investigation and analysis may be required to better inform the risk analysis prior to agreeing the final priority for a specific risk.

6) Identify risk controls

Risk control involves:

- identifying one or more options for modifying risks;
- evaluating risk control options to identify the preferred option(s);
- implementing the preferred risk control options;

Risk control options are additional to existing controls and can include:

- avoiding the risk by deciding not to undertake the activity giving rise to the risk;
- taking or increasing the risk to pursue an opportunity;
- removing the risk source;
- changing the likelihood;
- changing the consequences;
- sharing the risk with another party or parties e.g. contract conditions, insurances, risk financing;
- retaining the risk by informed decision and conscious acceptance

6.1) Business rules for risk response

CCC's Risk Response Business Rules identify what to do under various risk ratings, including the development of risk controls for all risks outside of risk appetite.

6.2) Select preferred risk controls

Risk control is about managing risk, not necessarily eliminating it. The key is to strike the right balance to be in a position where CCC knowingly takes on reasonable risk, rather than being unwittingly exposed to uncontrolled risk.

Selecting the most appropriate risk control option involves balancing the costs of implementing each option against the benefits to be derived from it. It is important to consider all direct and indirect costs and benefits, both tangible and intangible.

Monitoring and reviewing activities are a type of risk control that may be appropriate where further information needs to be obtained to properly understand the risk.

Questions to confirm whether proposed risk controls will be effective include:

- is there an understanding of how the risk controls will reduce the risk?
- does cost/benefit analysis favour the proposed risk control(s)?
- is it likely that the risk control(s) will be implemented in a timely and effective manner (if not, consider alternatives)?
- if the risk control(s) is implemented effectively, is there confidence that the level of risk will be reduced to an acceptable level?
- how can the effects of the risk control(s) be measured to confirm their effectiveness?
- will there be clear accountability for implementing, maintaining and monitoring the risk controls?
- what ongoing monitoring and review is necessary to ensure that the risk controls remain effective?

6.3) Record preferred risk controls

When defining existing controls and considering new ones, be specific about how the risk controls reduce the risks. For example, in a purchasing process 'segregation' may be a control but a more specific and informative description would be 'introduce procurement processes that ensure separation between those responsible for raising a payment order and those authorising payment'.

6.4) Determine residual risk

Residual risk is the risk remaining after risk control(s) are implemented. The assessment of residual risk assists management to demonstrate due diligence by providing confidence that unacceptable and intolerable risks can be reduced to more acceptable levels, subject to the effective implementation of the proposed risk controls.

7) Monitor and review

The risk management process is an ongoing one. It is essential to consider appropriate ongoing monitoring and review processes and timing so that all risks are monitored on a regular basis for the purposes of:

- ensuring that controls are effective and efficient in both design and operation;
- obtaining further information to improve risk assessment;
- analysing and learning lessons from events, changes, trends, successes and failures;
- detecting changes in the external and internal context, including changes to risk criteria and the risk itself which can require revision of risk assessments, controls and priorities;
- identifying emerging risks

Agreed monitoring and reviewing activities must be recorded using CCC's risk register.

Questions to consider when planning risk monitoring and reviewing activities include:

- What information should monitoring and reviewing identify?
- How often should monitoring and reviewing occur?
- What monitoring and reviewing activities would be most effective (for example, audits, customer survey, media reports, etc.)?
- Who should be responsible for monitoring and reviewing activities?
- How should the results of monitoring and reviewing be reported to facilitate timely and effective decision making?

Central Council Risk Tables

v1 24th May 2018

Consequence Table					
	Work, Health & Safety/ Public	Natural Environment	Regulatory/ Compliance	Reputation	Financial
Catastrophic	One(1) or more deaths, serious disability or long term ill health	Widespread contamination and environmental damage which cannot be reversed in the short to medium term.	Breach of legal, regulatory requirement or duty; prosecution; custodial sentence;		> \$15,000,000
Major	Serious injury (Major surgery > two (2) months admission or long term illness	Significant environmental damage which can be reversed in the medium term.	Breach of legal, regulatory requirement or duty; likely fines, prosecution and/ or litigation		\$2,000,000 to \$15,000,000
Moderate	Significant injury one (1) to two (2) months absence	Moderate impact on the environment which can be addressed in the short term.	Breach of legal, regulatory requirement or duty; enforcement action or prohibition notices imposed	Substantial customer/community dissatisfaction State coverage. Reputation recoverable in the long term.	\$500,000 to \$2,000,000
Minor	First aid or medical attention required no long lasting effects several days off work	Minor damage to the environment which is recoverable in the short term.	Non-compliance of legal, regulatory requirement or duty; monitoring by external regulator	Expressed customer/community dissatisfaction local coverage. Reputation recoverable in the	\$50,000 to \$500,000
Insignificant	First aid needed. No absence.	Insignificant damage to the environment, can be cleaned up immediately by local crews.	Non-compliance of legal, regulatory requirement or duty; investigation, not reportable.	May cause some public concern	\$10,000 to \$50,000

Likelihood Table			
	Probability	Indicative frequency (Whole of Life)	Descriptor (Project)
Almost certain	> 85%	Once a year or more frequently	Almost certain to occur
Likely	50 - 85%	Once every 2 years	More than an even chance of occurring
Possible	21 - 49%	Once every 5 years	Could occur periodically
Unlikely	5 - 20%	Once every 10 years	It is possible for the event to occur, but it is unlikely to happen.
Rare	< 5%	Once every 20 years	Event that may occur very seldom and the chances of it happening are considered exceptionally remote

Level of Risk Table					
	A	B	C	D	E
Consequence					
	Catastrophic	Major	Moderate	Minor	Insignificant
Almost certain	25	23	20	16	11
Likely	24	21	17	12	7
Possible	22	18	13	8	4
Unlikely	19	14	9	5	2
Rare	15	10	6	3	1

Risk Rating & Action			
Hazard Score	Risk Level	Risk Acceptability	Immediate Action / Notification
23 to 25	Extreme	Intolerable	Immediate action required by Senior
17 to 22	High	Unacceptable	Senior Management attention required
7 to 17	Medium	Acceptable with continuous review	Manage with consistent monitoring and action when required.
1 to 6	Low	Acceptable with periodic review	Manage by routine procedures

Central Coast Council Risk Register Example

Risk Identification and Assessment																													
The Risk				Uncontrolled							Controlled							Proposed Future Controls											
ID	What's the risk?	What caused the risk?	Risk Manager	Date risk initially identified	Uncontrolled Likelihood	WHS	Natural Environment	Reg/ Compliance	Reputation	Financial	Uncontrolled Risk Rating	Current Control(s)	Controlled Likelihood	WHS	Natural Environment	Reg/ Compliance	Reputation	Financial	Controlled Risk Rating	Future Control	Future Control Start Date	Future Likelihood	WHS	Natural Environment	Reg/ Compliance	Reputation	Financial	Future Risk Rating	
RM1	Injury to employee	Staff falling asleep at work due to the supply of coffee running out and no alternative stimulants available	Manager - Coffee Supply	4th May 2018	Likely	Catastrophic	Insignificant	Insignificant	Moderate	Moderate	Extreme	Supply agreement with coffee supplier plus separate backup agreement another coffee supplier	Possible	Catastrophic	Insignificant	Insignificant	Moderate	Moderate	High	Have two backup coffee suppliers	30th July 2018	Rare	Catastrophic	Insignificant	Insignificant	Moderate	Moderate	Medium	

Risk Appetite – Target Level of Risk

Risk Appetite is defined in the ISO Guide 73:2009 Risk Management Vocabulary as '*amount and type of risk that an organisation is willing to pursue or retain*'.

The risk appetite definition is a measure against which CCC staff managing risks can compare the assessed level of an identified risk to determine if it is acceptable with current controls in place or whether improved controls or escalation are necessary.

The levels of risk appetite for Central Coast Council are detailed below.

Consequence Category	Level of Risk Appetite			
	Low	Medium	High	Extreme
Work, Health & Safety/Public Safety	•			
Natural Environment	•			
Regulatory/Compliance	•			
Reputation		•		
Financial		•		

The Risk Appetite Matrix forms part of the risk evaluation process. Once a risk is evaluated with controls in place it must be assessed against the Risk Appetite Matrix to determine where the highest rated consequence falls. The risk is then evaluated as follows:

If in the Risk Appetite Matrix the highest rated Consequence from risk evaluation process rates as Low: The activity can only be undertaken if the overall risk is rated as Low.

If in the Risk Appetite Matrix the highest rated Consequence from the risk evaluation process rates as Medium: The activity can only be undertaken if the overall risk is rated as Medium or Low.

If in the Risk Appetite Matrix the highest rated Consequence the risk evaluation process rates as High or Extreme: The activity cannot be undertaken and must be reviewed to improve controls to a level within appetite and if this is not possible, escalated.

This is demonstrated in the following example:

Risk A			Risk B		
Likelihood	<i>Possible</i>		Likelihood	<i>Possible</i>	
Consequence	<i>Work, Health & Safety/ Public Safety</i>	Insignificant	Consequence	<i>Work, Health & Safety/ Public Safety</i>	Moderate
	<i>Natural Environment</i>	Insignificant		<i>Natural Environment</i>	Insignificant
	<i>Regulatory/ Compliance</i>	Insignificant		<i>Regulatory/ Compliance</i>	Insignificant
	<i>Reputation</i>	Minor		<i>Reputation</i>	Minor
	<i>Financial</i>	Insignificant		<i>Financial</i>	Insignificant
Risk Level	Medium		Risk Level	Medium	

In the above example both the risks have the same likelihood and consequence and have the same risk level – Medium. But in the first example Risk A the highest level Consequence is the Reputation Consequence at Minor. In the second example Risk B the highest level Consequence is the Work, Health & Safety/Public Safety Consequence rated at Moderate.

If we were to only use the CCC risk tables, we would view both of these risks as being the same and would, with the controls in place and managed, accept both of them.

However CCC has a different appetite for risks with Work, Health & Safety/Public Safety Consequences than we do for those with Reputation Consequences.

Therefore in the above example whilst Risk A is within the acceptable Level of Risk Appetite, Risk B is not and will need to be reassessed before going any further.

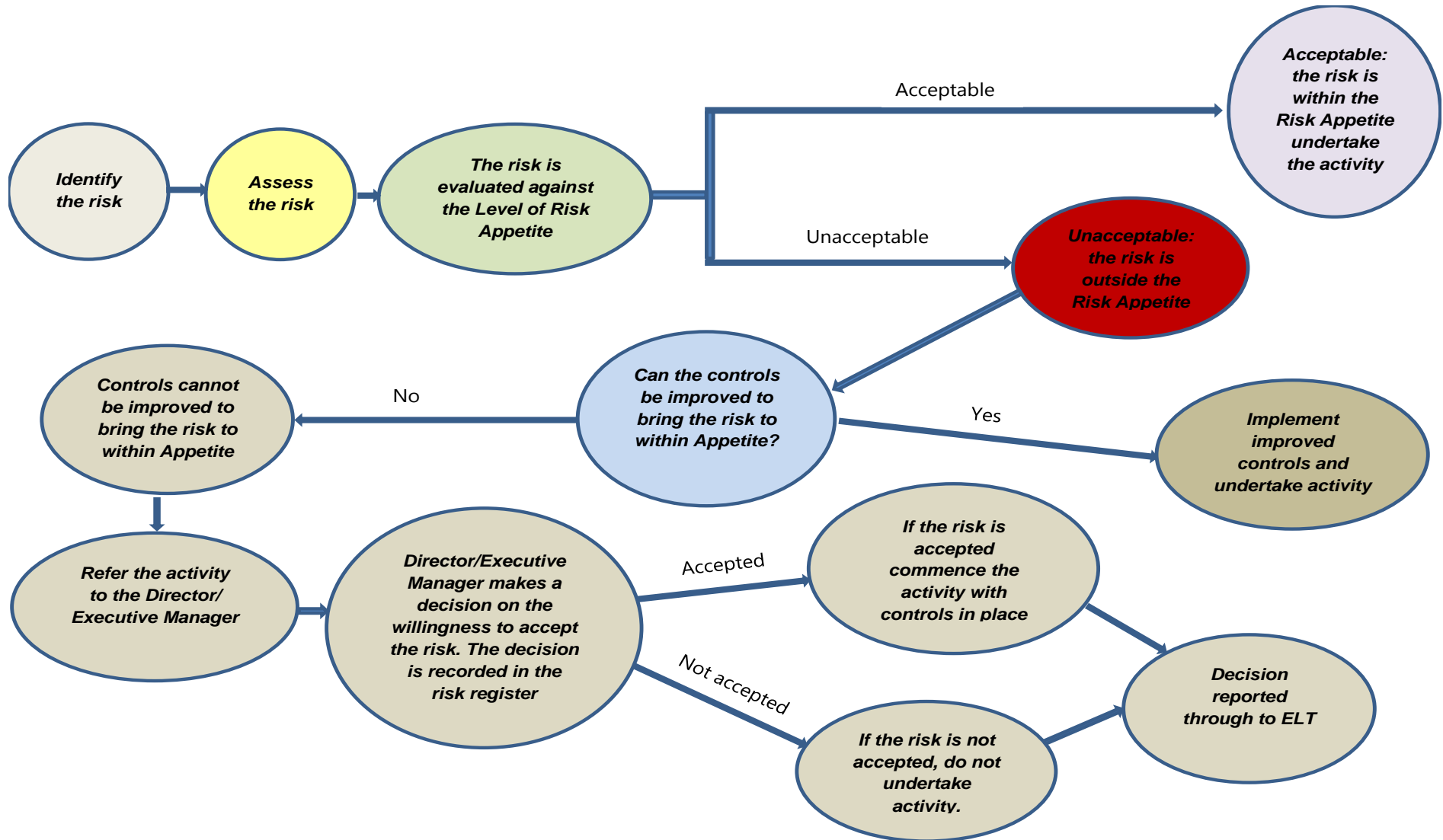
Escalation Process

As part of the risk assessment process the risk is assessed with current controls in place. Once this occurs the outcome is analysed against the Level of Risk Appetite.

If the highest rated consequence is outside the Level of Risk Appetite the risk's controls need to be reviewed. If the risk cannot be lowered to an acceptable level then it must be reported up the management line to the Director/Executive Manager for a decision to be made on the activity and whether or not it can continue despite it being outside the accepted Level of Risk Appetite. The outcome is then reported through to ELT as part of the risk reporting process.

This process is shown in the Risk Appetite Flowchart below.

Risk Appetite Flowchart





Central Coast Council

Enterprise Risk Management Group Charter

1) Background

Development of an Enterprise Risk Management Framework (ERMF) is an important advancement in sound management practice for Central Coast Council (CCC).

Supported and used by the organisations leadership the ERMF draws together all the elements of risk management and allows a complete view of the risks that can impact on the organisation.

A well developed and managed ERMF improves the overall performance of the organisation through the utilisation of a systematic approach to identifying, recording, controlling and monitoring risks to allow the organisation increased certainty of achieving its objectives.

2) Introduction

This charter governs the processes of the Enterprise Risk Management Group (ERMG) and outlines its role and responsibilities in relation to Central Coast Council's Enterprise Risk Management Framework.

The ERMG is the Group that oversees the operation of the ERMF, ensuring its integrity is maintained and use of the Framework contributes directly to the continuous improvement of Council's performance.

The Executive Leadership Team (ELT) has final responsibility for risk oversight and risk management.

The ERMG reports directly to the ELT and is a critical component of Council's ERMF.

3) Composition

The ERMG will have a maximum of eight (8) members all of whom will be Unit Managers and be chaired by the Section Manager responsible for management of the ERMF.

The members, taken collectively, will have a broad range of skills and experience relevant to the operations of the Council. The members must understand legislation, governance, structure, controls and types of operations relevant to NSW Local Councils.

Members of the group will have some or all of the following attributes:

- a commitment to Council and its values;
- an understanding of the Council's aims and objectives;

- ability to understand risk management, legal, information technology and compliance concepts and articulate ideas;
- an independent viewpoint and ability to ask incisive questions;
- a thorough understanding of the responsibilities of the Group and sound knowledge of the strategies, purpose and core operations of the Council and the environment in which it operates;
- a strong demonstrated sense of probity and ethical conduct;
- a commitment to continual improvement throughout the entire organisation

4) Operation

The Risk Management Group will meet quarterly, with further meetings on an as required basis. A summary of each meeting of the Enterprise Risk Management Group (ERMG) is to be kept and distributed to the Group within three (3) working days after each meeting.

Four group members constitute a quorum for meetings of the ERMG. Members are to appoint informed delegates who are Unit Managers to represent them if the member cannot attend the meeting.

5) Role

The role of the Group is to assist the ELT by providing an objective, non-executive oversight of the implementation, operation and continuous improvement of CCC's risk management framework including,

- Assess the organisations current and potential risk profile and key areas of risk;
- Examine and determine the adequacy of CCC internal processes for reporting and managing areas of key risks;
- Determine and assess the recommended level of acceptable risk across Council;
- Actively implement, support, promote and develop the risk management framework;
- Support and encourage appropriate responses to audit findings;
- Identify and assess organisational risk trends, and review the highest rated risks;
- Review and report on the Council's risk profile, specific risks and the overall status of the risk management process

6) Responsibilities

- Overseeing the implementation and operation of the risk management framework and internal compliance and control systems to ensure effective management of risks;
- Ensure the risk appetite protocols are being adhered too;
- Contribute to the ongoing review and improvement of the ERMF;

- Be the face of risk management for the respective Departments;
- Review and assess the quality, integrity and effectiveness of the ERMF and ensure that the risk policy and strategies are effectively managed;
- Ensure that CCC effectively utilises ongoing processes to proactively identify and measure risks;
- Ensure that regular risk reviews are being correctly undertaken and documented at the appropriate level across the organisation;
- Contribute to ensuring a risk aware culture is pervasive throughout CCC;
- Oversee management's implementation of CCC's ERMF;
- Review management's monitoring and managing of CCC's material risks, ensuring consistency with CCC's strategic objectives;
- Oversee stress testing of CCC's key risks including both scenario analysis and sensitivity analysis;
- Constructively challenge proposals and decisions on all material aspects of risk management arising from CCC's activities

7) Review of Charter

The Group will review these terms of reference annually. Any substantive changes to the terms of reference will be recommended by the Group and formally approved by the ELT.

Glossary

Term	Definition
Council	Central Coast Council's elected representative
council	Central Coast Council
Consequence	<p>Outcome of an event affecting objectives</p> <p>Note: An event can lead to a range of consequences. A consequence can be certain or uncertain and can have positive or negative effects on objectives. Consequences can be expressed qualitatively or quantitatively.</p>
Enterprise Risk Management	A process, affected by an entity's board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives.
Financial	Consequence descriptor detailing the potential degree of monetary impact the risk may have on the organisation.
Likelihood	<p>Chance of something happening</p> <p>Note: In risk management terminology, the word "likelihood" is used to refer to the chance of something happening, whether defined, measured or determined objectively or subjectively, qualitatively or quantitatively, and described using general terms or mathematically (such as a probability or a frequency over a given time period).</p>
Natural Environment	Consequence descriptor detailing the physical impact the risk may have on the natural environment.
Potential Exposure	<p>The total plausible maximum impact on an organisation arising from a risk without regard to controls</p> <p>Note: The term "inherent risk" is sometimes used as an alternative to risk exposure.</p>
Regulatory/Compliance	Consequence descriptor detailing the potential legal ramifications on the organisation and individuals if the risk is realised
Reputation	Consequence descriptor detailing the potential impact of the risk on the public's perception of the organisation.
Residual risk	Risk remaining after risk treatment

Risk	<p>Effect of uncertainty on objectives</p> <p>Note: An effect is a deviation from the expected, whether positive or negative. Objectives can have different aspects (such as financial, health and safety, and environmental goals) and can apply at different levels (such as strategic, operational and project objectives).</p>
Risk Appetite	<p>The amount and type of risk an organisation is prepared to pursue or take</p> <p>Note: Risk appetite is about the pursuit of risk and what the organisation does (or does not) want to do, and how it goes about it.</p>
Risk Assessment	<p>The overall process of risk identification , risk analysis and risk evaluation</p>
Risk Category	<p>A class or group of risk events based on their risk consequence.</p> <p>Note: Risk categories are used by WSC to classify risk events as a basis for risk management (including risk reporting, and risk management decision making)</p>
Risk Event	<p>an occurrence or change of a particular set of circumstances</p> <p>Note: An event can be one or more occurrences, and can have several causes. An event can involve something not happening. An event can sometimes be referred to as an "incident" or "accident".</p>
Risk Management	<p>Coordinated activities to direct and control an organisation with regard to risk</p>
Risk Owner	<p>Person or entity with the accountability and authority to manage a risk and delegate management of the risk</p>
Risk Source	<p>An element which alone or in combination has the intrinsic potential to give rise to risk</p> <p>Note: The term 'risk source' means a tangible or intangible element that alone or in combination has the intrinsic potential to give rise to risk. It is thus an encompassing term that includes the terms 'hazard' (a source of potential harm) and 'environmental aspect'. An activity may be a source of risk. A source of risk may also be a change in circumstance, for example, an increase in the average temperature that may cause damage to some species but enhance the habitat of others.</p>

Risk Treatment	<p>A process to modify risk</p> <p>Risk treatment can involve:</p> <ul style="list-style-type: none"> • avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk; • taking or increasing risk in order to pursue an opportunity; • removing the risk source; • changing the likelihood; • changing the consequences; • sharing the risk with another party or parties (including contracts and risk financing); • retaining the risk by informed decision
Risk Tolerance	<p>A series of limits which, depending on the organisation, may either be:</p> <p>a) in the nature of absolute limits, beyond which the organisation does not wish to proceed (i.e. the organisation cannot deal with risks beyond these limits);</p> <p>b) or in the nature of alarms that alert the organisation to an impending breach of tolerable risks.</p> <p>Risk tolerance can be expressed in terms of absolutes, for example “we will not expose more than x% of our capital to losses in a certain line of business” or “we will not deal with certain types of customer”.</p>
Work, Health & Safety/Public Safety	<p>The degree of physical impact the risk may have on an employee or employees and/or members of the public.</p>



Item No: 1.5
Title: Update on GIPA Requests
Department: Governance

4 December 2018 Audit Risk and Improvement Committee Meeting

Trim Reference: F2018/00028 - D13357710

Author: Kelly Drover, Advisory Group Support Officer

Manager: James Taylor, Acting Unit Manager, Governance and Business Services

Executive: Shane Sullivan, Acting Director Governance

Report Purpose

To provide an update to the Audit, Risk and Improvement Committee on GIPA requests.

Recommendation

- 1 That the Committee receive the report on Update on GIPA Requests.**
- 2 That the Committee make a recommendation that this report and the supporting papers be made publically available, pursuant to Clause 6.4 of the Audit Risk and Improvement Committee Charter.**

Government Information (Public Access) Act 2009 (GIPA Act)

Council has a team of GIPA officers who respond to a large number of informal and formal information requests. Council recently submitted its 2017-2018 formal access application data to the NSW Information and Privacy Commission (IPC) as required under section 125 of the GIPA Act and Clause 8 of the GIPA Regulation 2018.

This data will also be reported in Council's 2017-2018 Annual Report and is at Attachment 1.

The data shows that Council responded to 107 formal information access requests in that financial year.

Formal requests for information tend to be more resource intensive than informal requests. These requests may be complex and require third party consultation. Council's decision and a formal statement of reasons, are required to be provided to the applicant within 20 working days. The GIPA Act also provides the applicant with internal and external appeal rights. The application fee (\$30) and the processing fees (\$30 per hour) for formal applications is a statutory fee that does not cover the actual cost to Council.

Various areas of Council respond to hundreds of informal requests for information from the community each year. During the 2017 – 2018 financial year Council's GIPA team responded to approximately 1,100 Informal requests. The majority of informal requests relate to matters

1.5 Update on GIPA Requests (contd)

specific to the individual requesting the information, for example the building plans for their own property.

Proactive release of information under the GIPA Act

In March 2018, Council initiated a project to create a framework that promotes proactive release of Council held information. Proactive release is one way that Council is working to strengthen its relationship with the community and also improve organisation transparency.

Section 7 of the GIPA Act authorises and encourages agencies to make any government information held by an agency publicly available unless there is an overriding public interest against disclosure. The IPC has noted that proactive release of information is a relatively new part of public sector delivery and therefore practices are still evolving. However, in regards to who has the legislative power to determine what information is to be proactively released section 7(5) provides that it is exclusively a matter for the Chief Executive Officer to determine whether information held by Council is proactively released.

To date, Council's work under this program of proactive release has been reactive, and generally in response to areas of interest identified by previous GIPA applications. For example, documents relating to the following have been published on Council's website:

1. Wyong Employment Zone/Central Coast Airport;
2. Mangrove Mountain Landfill; and
3. Wamberal Beach Storm Erosion.

These three topics have been the subject of more than one GIPA application.

Council has made improvements to its internal processes to better track applications and therefore identify trends.

Attachments

- 1 GIPA Final Annual Report Information - Central Coast Council FY 2017/18 D13370912

GIPA Information

GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009
SECTION 125(1)
GOVERNMENT INFORMATION (PUBLIC ACCESS) REGULATION 2009
SCHEDULE 2

Statistical information about access applications to be included in annual report

Table A:	Number of applications by type of applicant and outcome*							
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	1	1	1	1	0	0	0	0
Private sector business	4	7	2	2	3	1	0	3
Not for profit organisations or community groups	3	4	1	2	1	0	0	0
Members of the public (legal representatives)	17	17	1	6	6	0	0	0
Members of the public (other)	23	30	12	2	12	0	0	1

**more than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.*

Table B:	Number of applications by type of application and outcome							
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	1	3	0	0	0	0	0
Access applications (other than personal information applications)	43	49	13	12	18	0	0	3
Access applications that are partly personal information applications and partly other	5	9	1	1	4	0	0	1

** A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual)*

Table C: Invalid applications	
Reason for invalidity	Number of applications
Application does not comply with formal requirements (Section 41 of the Act)	5
Application is for excluded information of the agency (Section 43 of the Act)	0
Application contravenes restraint order (Section 110 of the Act)	0
Total number of invalid applications received	
Invalid applications that subsequently became valid applications	2

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to Act	
	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	10
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E: Other public interest consideration against disclosure: matters listed in table to Section 14 of the Act	
	Number of occasions when application not successful
Responsible and effective government	10
Law enforcement and security	10
Individual rights, judicial processes and natural justice	53
Business interests of agencies and other persons	17
Environment, culture, economy and general matters	3
Secrecy provisions	3
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness	
	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	101
Decided after 35 days (by agreement with applicant)	4
Not decided within time (deemed refusal)	2
Total	

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)			
	Decision varied	Decision upheld	Total
Internal Review	2	2	4
Review by Information Commissioner*	0	0	0
Internal review following recommendation under Section 93 of Act	0	0	0
Review by ADT	1	1	2
Total			

*The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Table H: Applications for review under Part 5 of the Act (by type of applicant)	
	Number of applications for review
Applications by access applicants	3
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	2

Table I: Applications for review under Part 5 of the Act (by type of applicant)	
	Number of applications transferred
Agency-initiated transfers	<u>0</u>
Applicant-initiated transfers	<u>0</u>



Item No: 1.6
Title: Customer Experience Survey Results
Department: Governance

4 December 2018 Audit Risk and Improvement Committee Meeting

Trim Reference: F2018/00028 - D13391231

Author: Zoie Magann, Advisory Group Support Officer

Manager: Sue Ledingham, Unit Manager Community Engagement

Executive: Julie Vaughan, Director, Connected Communities

Summary

This report was prepared by Ellen Suarez, Coordinator Customer Experience, as requested by the Audit Risk and Improvement Committee at the 2 October 2018 meeting.

In June 2018 Micromex Research conducted a customer experience telephone survey. This report summarises the key findings from the survey data and outlines the next steps.

Recommendation

- 1 That the Committee receive the report on Customer Experience Survey Results.***
- 2 That the Committee make a recommendation that this report and the supporting papers be made publically available, pursuant to Clause 6.4 of the Audit Risk and Improvement Committee Charter.***

Background

During the period of 18 – 26 June 2018, Micromex Research conducted a customer experience telephone survey of 611 Central Coast Council residents to identify customer perceptions. Residents were interviewed throughout the five wards, 120 surveys per ward with questions identified from customer experience, community engagement and the Community Strategic Plan to benchmark Council's performance annually. The sample provided a maximum error of plus or minus 4.0% at 95% confidence.

Results

Overall Satisfaction

Survey results showed that 80% of residents are somewhat satisfied with Council's overall performance; older residents 50+ and those who have lived in the community more than 20 years being less satisfied. The majority of respondents - 58% have lived in the community for more than 20 years with 23% living in the community for 11-20 years.

However, comparing CCC results against the NSW Local Government Area (LGA) benchmark norms, Council is performing significantly below both the regional and metropolitan norms.

The majority of residents, 60% believed there has been no change in performance since the merger, while 21% believe Council is performing better and 19% believe Council is performing worse. Therefore, the amalgamation is not considered to have had an important impact in the overall satisfaction score.

Initial survey questions determined the key areas of importance and satisfaction for residents in the areas of trust, management development, management services/facilities and customer engagement with Council. Shapley Regression Analysis was conducted which compares data from over 30,000 LGA interviews since 2005 and provides a clear indication of the key drivers of overall community satisfaction. Eight drivers contributed 56% of overall satisfaction with Council and seven of the drivers came from the trust and customer engagement categories including the most significant driver 'Council is a well-run and well-managed organisation' (10%).

It is believed there is a link between governance issues coming from trust and customer engagement and that better engagement with the community about what Council is already accomplishing may help change governance perceptions over time.

Overall Image

With regards to Council's image, 54% of residents rated it as good to excellent; significantly lower than the metropolitan and regional NSW LGA scores. Again, key drivers of image are closely linked to governance issues with 'Council works in the best interests of the community' (13%) and 'Council is a well-managed and well-run organisation' (10.7%). Six of the eight key drivers for image were the same for overall satisfaction. Again it is believed that an improvement in governance issues is likely to bring about a significant improvement in both Council community image and overall community satisfaction.

Customer Expectations

Council response times to customer enquiries and a focus on customer experience are two key areas requiring improvement. The wait times between contact and resolution for non-urgent issues indicates that waiting longer than 2 business days is acceptable (78%) but waiting more than 5 business days significantly reduces the acceptable response time (32%). For urgent issues residents are prepared to wait up to 1 business day (52%) but 14% expect response and action being taken within 1 business day.

The challenge identified regarding customers who contact Council via email or mail and are less likely to have their issue resolved also needs to be addressed. Delays in resolution will continue to reduce customer satisfaction, especially in the older demographic who are more likely to use mail or email. This is most likely the result of a process issue. Resolving customer issues is not merely a customer service concern, but also a customer experience concern, responsiveness and responsibility and will be addressed in the development and implementation of the Customer Experience Strategy.

Areas of Focus

The main areas for improvement or focus lay with the perception that residents have of Council governance, trust and Council accomplishments. This relates to transparency, communicating with residents about changes and impacts in a timely manner, providing easier access to information and outlining expectations for customer follow up and adhering to those expectations. The eight key drivers identified with overall satisfaction with Council are being used as a roadmap to focus Council attention over the next year. As research has shown that customer experience is inexplicably linked to employee experience, the drivers from the customer experience survey are being linked to the results of the staff My Voice survey as we know that to improve the customer experience, we must also focus first on improving the employee experience.

Next Steps

Briefing sessions have occurred with the Leadership Team and in depth briefings with service areas within Roads, Community Engagement and Libraries/Learning and Education. Noting however that all Council service units are currently developing department action plans to undertake at least one item from the eight identified satisfaction drivers which are being linked to the My Voice survey service unit action plans. Action plans are expected to be finalised by 31 October 2018 and will then be used to inform the Customer Experience Strategy currently being developed.

Link to Community Strategic Plan

Theme 4: Responsible

Goal G: Good governance and great partnerships

G4: Serve the community by providing great customer experience, value for money and quality services.

Attachments

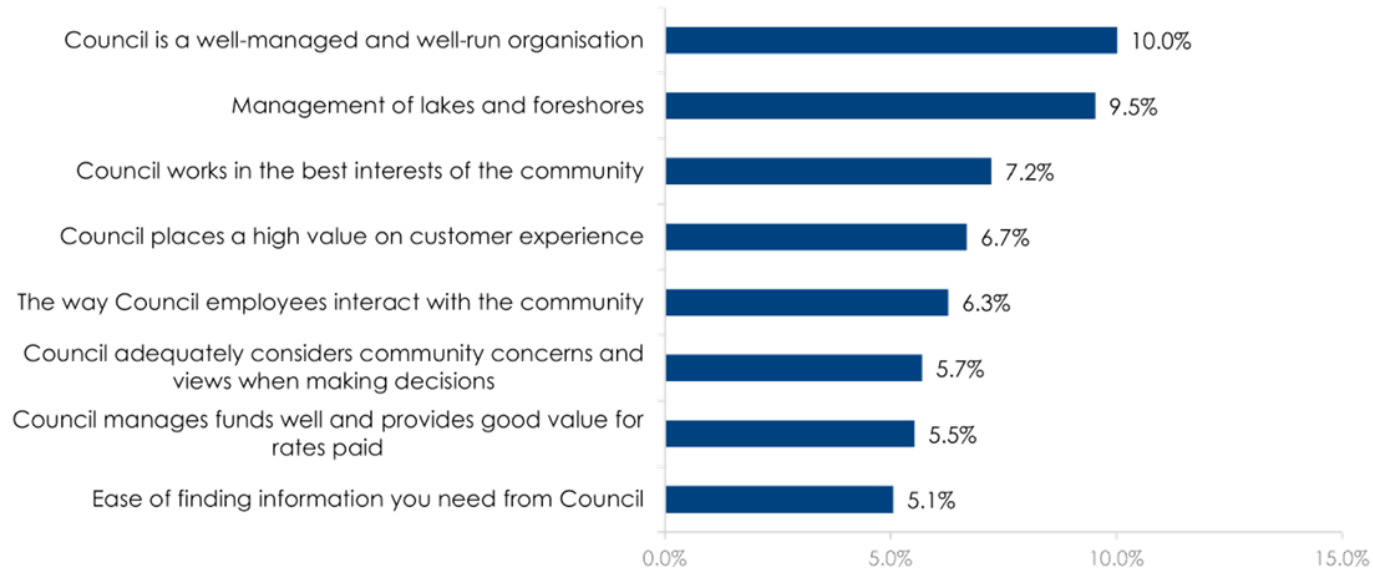
1 Customer Experience Satisfaction Drivers D13391249



Roadmap of Priorities from Customer Experience Survey

Key Drivers of Overall Satisfaction With Council

Dependent variable: Overall, for the last 12 months, how satisfied are you with Council, not just on one or two issues, but across all responsibility areas?

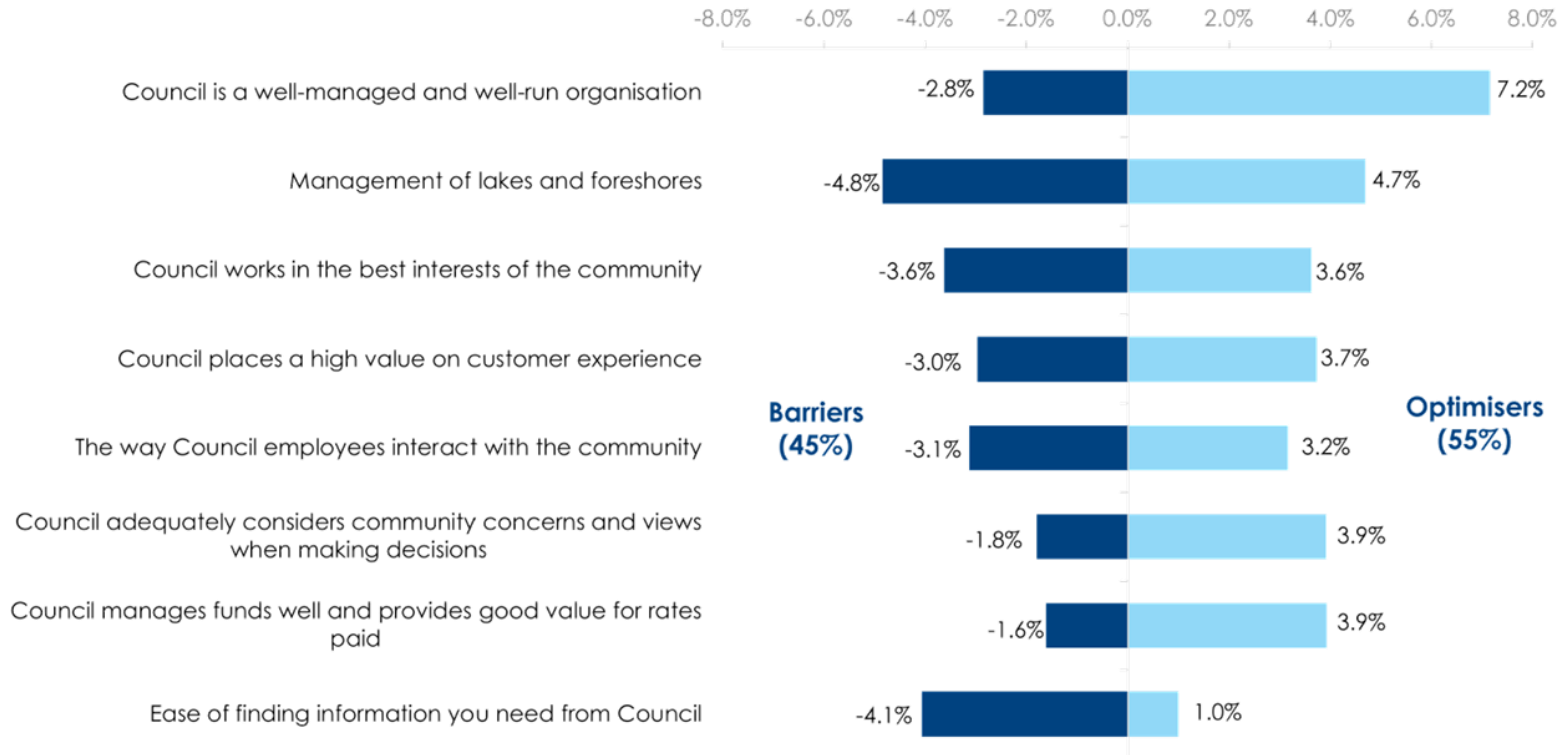


These top 8 services/facilities (so 36% of the 22 attributes surveyed) account for 56% of overall satisfaction with Council based on Shapley Regression Analysis.

Seven of the above eight attributes are potentially 'governance' issues, coming from the 'trust' and 'customer engagement' categories.

Key Contributors to Barriers/Optimisers of Satisfaction With Council

The chart below illustrates the positive/negative contribution the key drivers provide towards overall satisfaction. Some drivers can contribute both negatively and positively depending on the overall opinion of residents. By focusing on these issues we can help move customers from not satisfied to somewhat satisfied and somewhat satisfied to satisfied.





Item No: 1.7
Title: Customer Complaints and Compliments
Department: Governance

4 December 2018 Audit Risk and Improvement Committee Meeting

Trim Reference: F2018/00028 - D13395107

Author: Zoie Magann, Advisory Group Support Officer

Manager: Sue Ledingham, Unit Manager Community Engagement

Executive: Julie Vaughan, Director, Connected Communities

Report Purpose

To provide an update to the Audit, Risk and Improvement Committee on Council's customer complaints and compliments.

Recommendation

- 1 That the Committee receive the report on Customer Complaints and Compliments.**
- 2 That the Committee make a recommendation that this report and the supporting papers be made publically available, pursuant to Clause 6.4 of the Audit Risk and Improvement Committee Charter.**

Background

The information in this report has been provided by the Unit Manager Community Engagement.

Central Coast Council has a Customer Feedback Management Policy adopted March 2017. 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 is captured in Council's Customer Experience (CX) system, this commenced from February 2018. The figures in Attachment 1 provide a report of the complaints and compliments received over the period 1 February 2018 to 30 June 2018.

The current reporting structure within the system does not provide for detailed analysis into each criteria, so for the purpose of this update we have provided a summary below to assist the information contained in Attachment 1. 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. We are currently reviewing the system configuration to reporting to enhance our analysis for service improvement.

Summary

Complaint Types

- The majority of complaints received relate to response time (apart from General Feedback). This is an area Council is focused on improving. Many of these complaints relate to the time taken for Council Officers to respond to the complaint, not the undertaking of service requests. Improvements in system configuration for reporting are underway.
- Sensitive (staff) complaints are approximately 18 per month.
- There are very few complaints received in relation to Fees and Charges which would indicate that the community is generally satisfied with Council's Fees & Charges and no complaints received in relation to our service levels, other than response times.

Complaints by Group

- The majority of complaints received relate to Roads, followed by Environment and Planning, Finance and Waste. These are the four areas of Council operations which receive the most customer contact.

Compliments by Group

- The larger areas of customer contact also generate the largest number of compliments. The previous, Assets Infrastructure and Business are at the top of the list, closely followed by Roads. These are followed on by Environment and Planning and Community Engagement.

Compliment Types

- The majority of these compliments are classified as General Feedback, followed closely by Staff Performance and Quality of Work. This would indicate that the majority of compliments relate to our staff and their work performance.

Link to Community Strategic Plan

Theme 4: Responsible

Goal G: Good governance and great partnerships

G4: Serve the community by providing great customer experience, value for money and quality services.

Attachments

- 1** Complaints and Compliments from CX - 1 February 2018 to 30 June 2018 D13395093



Complaints and Compliments from CX - 1 February 2018 to 30 June 2018

LIST BY COMPLAINT TYPES	335
Council Decision	54
General Feedback	83
Level of Service	0
Quality of work	31
Response Time	67
Staff Complaint	2
Value of Fees and Charges	8
Sensitive Complaints	90

LIST BY COMPLIMENT TYPES	197
Council Decision	3
General Feedback	65
Quality of work	44
Response Time	33
Staff Performance	52

COMPLAINTS BY QUEUE	231
Ask Queue	3
CEO Admin	1
Community Safety	2
Customer Service	1
Feedback	184
Learning and Education	3
Leisure Pools & Rec	1
Natural Asset Operation	1
Open Space Management	4
Rates and Water	1
Risk Management	1
Road Maintenance South	8
Roads Assets South	3
Roads Construction	5
Staff Complaint	2
Theatres and Galleries	1
Traffic	1
W&S Asset Management	1
W&S Dispatch North	1
W&S Mechanical & Electrical Services	1
Waste	2
Wrap Up	4

COMPLAINTS BY GROUP	103
Business Enterprise	1
Community Partnerships	4
ELT	1
Env Plan Bus Perf Integration	1
Exec Assistants (CC)	4
Exec Assistants (E_P)	15
Exec Assistants (GOV)	2
Facilities Management	2
Finance	15
Leasing and Asset Management	1
Leisure and Lifestyle	7
Open Space and Recreation	6
Plant and Fleet	1
Roads and Drainage	26
Waste Services	14
Waterways and Coastal Protection	3

COMPLIMENTS BY GROUP	124
Business Enterprise	2
Community Engagement	13
Environment and Certification	8
Exec Assistants (AIB)	39
Exec Assistants (E_P)	15
Exec Assistants (GOV)	1
Facilities Management	1
Finance	1
IMT	1
Leisure and Lifestyle	1
Open Space and Recreation	6
Roads and Drainage	30
Waste Services	3
Waterways and Coastal Protection	3



Item No: 1.8
Title: Annual Plan for 2019 - Proposed
Department: Governance

4 December 2018 Audit Risk and Improvement Committee Meeting

Trim Reference: F2018/00028 - D13398238

Executive: Shane Sullivan, Acting Director Governance

Summary

At the Audit, Risk and Improvement Committee Meeting held 2 October 2018 it was requested that a draft annual plan, including actions required to be completed by the Committee and proposed dates for 2019 be developed and presented at the 4 December 2018 meeting.

This report provides a proposed Annual Plan for consideration by the Committee.

Recommendation

- 1 That the Committee consider the proposed Annual Plan for 2019 and endorse the proposal for implementation in 2019**
- 2 That the supporting papers to this Report be made publicly available, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.**

Background

Part 4 A of the *Local Government Act 1993* will commence some time in the future and the Committee will be under a statutory obligation to keep under review the following aspects of Council's operations:

- (a) Compliance
- (b) Risk Management
- (c) Fraud Control
- (d) Financial Management
- (e) Governance
- (f) Implementation of the strategic plan, delivery program and strategies
- (g) Service reviews
- (h) Collection of performance measurement data by the Council
- (i) Any other matters prescribed by the regulations

Proposed Annual Plan

The proposed Annual Plan seeks to address these aspects to assist the Committee in meeting its obligations and the Plan also identifies the correspondence Charter references to assist in ensuring the Committee is meeting its obligations under the Charter.

Meeting Date	Charter reference	Specific matters
19 March 2019	4.4 Legislative Compliance	Development of Compliance calendar
19 June 2019	4.2 Control Framework 4.3 External Accountability 4.6 External Audit	Budget for 2019/2020
1 October 2019	4.2 Control Framework	Update on consolidation of Policy Framework Annual report – Community Strategic Plan
Additional Meeting	4.2 Control Framework 4.3 External Accountability 4.6 External Audit	Financial Statements for 2018/2019
4 December 2019	4.1 Risk Management 4.2 Control Framework 4.4 Legislative Compliance	Review of year one – Enterprise Risk Management Framework Outcomes of Governance Health Check and Action plan

The above Plan is in addition to the below regular schedule of reports provided to the Committee by Internal Audit (4.5 – Internal Audit – Charter Reference)

Report	Report Content	Frequency
Chief Internal Auditor’s Report	Summary of all IA activities in line with the IA framework since the last meeting, noting any slippage, issues arising from finalised reviews etc	QUARTERLY , as per scheduled meetings
IA Balanced Scorecard Report	Summary of progress and reasons where targets are not being met	QUARTERLY , as per scheduled meetings
Implementation of Management Actions	Summary of current status, with breakdown of all actions open, closed, overdue, not yet due and closed since last report. Headline data, including charts showing which department the open actions ‘belong’ to tracking per quarter	QUARTERLY , as per scheduled meetings
IA Annual Work Program	Proposals for work program including proposed business assurance reviews and consultancy/advisory activities for forthcoming year. Also shows any changes or adjustments to the 3 year strategic plan	ANNUAL June meeting ready to start 1 July

1.8 Annual Plan for 2019 - Proposed (contd)

Report	Report Content	Frequency
IA Year In Review	Summary of achievements of IA during previous 12 months relating to all areas of the IA framework and identifying key focus areas for future	ANNUAL September meeting
Emerging Themes	Summary of consistent or recurring themes and risk exposures arising from IA reviews and how these are likely to impact on key value drivers or organisational performance	ANNUAL September/ December meeting
IA Annual Assurance Statement	Overview of purpose of annual assurance statement and summary of results <i>(note: this is an annual summary statement. Any impairments, conflicts or errors/ omissions occurring throughout the year will be highlighted to the relevant quarterly ARIC meeting in the CIA report as incidents occur)</i>	ANNUAL September meeting
Comparative Data and Risk Outlook Report	Summary of comparative data results in accordance with Council's OLG peer group and risks/conclusions that may be drawn from analysis	ANNUAL December meeting (depending on release of data from OLG)

The above plan and reporting cycle does not preclude additional items being brought to the Committee at the Committee's request or by the Chief Executive Officer.

Attachments

Nil.



Item No: 1.9
Title: IA Balanced Scorecard Report
Department: Governance

4 December 2018 Audit Risk and Improvement Committee Meeting

Trim Reference: F2018/00028 - D13398285

Author: Tina Baker, Chief Internal Auditor

Executive: Shane Sullivan, Acting Director Governance

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. There are thirteen balanced scorecard measures against which IA is required to report. The *Internal Audit Balanced Scorecard Report* forms part of the standard suite of reports presented by Internal Audit to each ordinary meeting of the Audit, Risk and Improvement Committee.

Recommendation

- 1 That the Audit, Risk and Improvement Committee receive the Chief Internal Auditor's Balanced Scorecard Report.**
- 2 That this report and the supporting papers to this Report be made publicly available, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.**

Context

Section 5 of the Audit, Risk and Improvement Committee Charter states that:

"at the first Committee meeting post 30 June each year, the Chief Internal Auditor will provide a performance report to the Committee dealing with:

- The performance of Internal Audit for the financial year as measured against agreed key performance indicators; and
- The approved Internal Audit Plan of work for the previous financial year showing the current status of each audit."

To meet these obligations, the Chief Internal Auditor provides the Committee with a Progress Update Report each quarter to show the status of audits in the agreed work programme and this report on the performance of Internal Audit against the balanced scorecard measures (which are the KPIs for the unit) is also provided quarterly.

The Chief Internal Auditor also provides annual summary reports on:

- The IA Year in Review
- IA Emerging Themes

- IA Annual Assurance Statement
- Comparative Data Analysis and Risk Outlook

Background

Internal Audit has a set of performance metrics presented as a “Balanced Scorecard”. These metrics are intended to provide Management 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.

The attached table shows IA’s latest progress against the existing balanced scorecard measures. As the outstanding draft reports have not been finalised, there has been little progress against the measures since the last Committee meeting.

Key Headlines

- As highlighted in the CIA Progress Report, there are three draft reports that have been outstanding for several months, awaiting Executive responses to corporate wide/strategic findings. These are *Cash Management in Waste Services*, *NHV Accreditation 2017/18* and *Procurement of IT Goods*.
- The CIA’s recent success in the Computer Information Systems Auditor exam contributes towards the measure relating to knowledge, skills, technical expertise and competency.
- Use of computer assisted audit techniques (CAATs) software through TeamMate has been cancelled due to vendor difficulties.

Conclusions

IA’s Balanced Scorecard measures provide the Committee with an overview of progress and IA performance across a range of deliverable, reflecting the key components of the IA Framework. Balanced Scorecards are effective at monitoring and measuring key elements of work in the context of outputs, outcomes and performance. IA continues to promote the balanced scorecard approach to management taking into account qualitative and quantitative measures, as an effective way to assess the performance of the function in a fully rounded way. This is also useful for the performance appraisal process of individuals by generating a range of information from a number of sources across a period of time to ascertain where performance may be improving or declining, thus making the process more objective and complete, covering a range of key responsibilities.

Attachments

- 1** Appendix 1 Balanced scorecard report to December 2018 ARIC meeting D13398272

PROGRESS AGAINST EACH OF THE BALANCED SCORECARD PERFORMANCE MEASURES (December 2018)

1. Audit, Risk and Improvement Committee

No	Measure	Mechanisms	Target Outcome	Progress To Date
1.1	<p>Level of satisfaction with quality, type and volume of information presented and reported.</p> <p><i>Links to IIA standard 1100</i></p>	<p>Satisfaction survey to all members of the Committee every two years.</p> <p><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></p>	<p>Improved trend for 'overall level of satisfaction' (or sustained positive ratings) indicated by each survey.</p> <p>Satisfaction rating for each part of the survey to be scored as "Good" or higher.</p>	<p>Too early to undertake full survey. Propose first formal survey to be issued post December 2018 after Committee's first full year of operation, although Committee members are welcome to submit feedback at any time without waiting for a formal survey process to be undertaken.</p>
1.2	<p>Perspective on IA effectiveness, professionalism and competence</p> <p><i>Links to IIA standards 1200 and 1300</i></p>	<p>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).</p> <p>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.</p>	<p>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.</p>	<p>Professional Development updates provided to Committee under the CIA progress report, section 3 "IA Work Programme - Quality and Performance".</p> <p>The Chief Internal Auditor (CIA) will be presenting at the "Corporate Governance Culture and Risk Management for Public Sector" conference in Canberra (3-4 April 2019) and take part in a panel discussion at the same event.</p>

2. Executive & 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"> ➤ Value added ➤ Usefulness of recommendations <p><i>Links to IIA standard 2000</i></p>	<p>Customer Satisfaction Survey distributed to all relevant stakeholders after each audit.</p>	<p>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>	<p>There have been 6 feedback surveys received to date. Average ratings across the different rating categories are as follows:</p> <p>Scope of work: 4.6 Communication and Collaboration: 4.76 Timeliness: 4.72 Knowledge and Professionalism: 4.96 Quality and Value: 4.72</p> <p>Target being met</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>	<p>Executive expectations/ experience survey conducted every two years.</p>	<p>Analysis of gap between expectations and experience is <2.5 points for each area surveyed.</p>	<p>Too early to undertake full survey. Propose first formal survey to be undertaken 12 months after appointment of permanent CEO. Survey issued to most recent departing Executive member.</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>	<p>Generally positive feedback on value and usefulness of information.</p>	<p>Manager comment provided through the feedback survey:</p> <p><i>"Tina has and continues to provide a very professional approach to her audit process "</i></p> <p><i>"It is clear that Tina has experience in the subject matter area and holds an interest in this specific area with a vested interest in reducing Council liability."</i></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%.	The Chief Internal Auditor's report summarises progress against the agreed schedule of audits and notes the disruption to the 2017/18 programme. The mandatory audits of RMS DRIVES and NHV Accreditation for 2018/19 have already been completed and a new work programme is to be presented to the Committee for consideration at their meeting of 4/12/18 to determine priorities for the remainder of 2018/19 and for the 2019/20 financial year.
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%	RMS Drives24 - on budget (10 days total budget) NHV Accreditation – on budget (20 days) Currently running at 100%. Target being met.
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%	RMS Drives 24 - under 12 week target (2 weeks) NHV Accreditation – under 12 week target (8 weeks) – note this review had to be put on hold for two weeks for DRIVES review to be conducted. Currently running at 100%. Target being met.
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%	CCTV – finalised within 7 days RMS Drives 24 - finalised within 2 days <i>Cash Management in Waste Services, Procurement of IT Goods, NHV Accreditation</i> – all exceeded target owing to responses to corporate/ strategic issues still being outstanding Target not being met.

No	Measure	Mechanisms	Target Outcome	Progress To Date
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.	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"> • Potential for use of CAATs • Audit Tracker needs to be accessible by all No action being undertaken on these at present.

4. Innovation, Professional Development and Capability

No	Measure	Mechanisms	Target Outcome	Progress To Date
4.1	Training hours per member of IA <i>Links to IIA standards 1200, 1300 and 2000</i>	Log of training/professional development.	80 hours CPE every 2 years as per IIA requirements with a minimum of 20 hours in any one year. Training undertaken through >2 types of learning mechanisms.	1 hour IIA webinar (2 of 2) on ethics to complete annual PD requirement of at least 2 hours pa training on ethics.
4.2	Range of knowledge skills, technical expertise and competency within IA <i>Links to IIA standards 1200, 1300 and 2000</i>	Skills assessment against the IIA competency model. Log of training/professional development. Learning needs analysis. Professional Development Plan (PDP) for each member of IA.	Increasing trend in coverage of skills, knowledge and expertise within IA when assessed against the IIA competency model. Areas of training attended align with PDP.	Learning Styles Analysis conducted as part of broader exercise for Local Govt IA Network.

No	Measure	Mechanisms	Target Outcome	Progress To Date
4.3	Consideration and development of innovative methods to deliver elements of the IA framework and through IA recommendations/advice. <i>Links to IIA standards 1200, 1300 and 2000</i>	IA recommendations IA advice Implementation of initiatives as part of the IA work programme	Demonstration of considerations and innovative solutions provided through recommendations and issues raised in audit reports. CIA report to Audit, Risk and Improvement Committee outlining initiatives under development or consideration.	To discuss alternative solutions to implementation of agreed actions with CEO – 29/11/18.



Item No: 1.10
Title: Chief Internal Auditor's Quarterly Progress Update
Department: Governance

4 December 2018 Audit Risk and Improvement Committee Meeting

Trim Reference: F2018/00028 - D13398309

Author: Tina Baker, Chief Internal Auditor

Executive: Shane Sullivan, Acting Director Governance

Summary

A report on the activities of Internal Audit since the last update to the Audit, Risk and Improvement Committee on 2 October 2018. 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.

Recommendation

- 1 That the Audit, Risk and Improvement Committee receive the Chief Internal Auditor's Report.**
- 2 That this report and the supporting papers to this Report be made publicly available, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.**

1. IA FRAMEWORK – ASSURANCE SERVICES

1.1 Progress Against Agreed Schedule of Audits

Two audit reports still remain in draft awaiting Executive responses to corporate wide, strategic issues before report can be finalised (management responses accepting the recommendations were received several months ago). These are:

- Cash Management in Waste Services (report 06/17-18) outstanding since August 2018 – unit manager responses to nine unit specific recommendations received; currently awaiting Executive responses to five corporate wide, strategic issues before report can be finalised.
- NHV Accreditation 2017/18 (report 02/18-19) outstanding since September 2018 – three recommendations made in relation to a corporate chain of responsibility matters that require an Executive response.

To move closer to finalising such reports, it has been agreed that the Chief Internal Auditor will attend Executive meetings on a monthly basis to facilitate an agreed response to all corporate issues so draft reports can be finalised in a more timely manner. This is still to be arranged.

One report also remains outstanding in terms of complete management responses:

- Procurement of IT Goods (report 03/17-18) outstanding since October 2018 (review conducted and report initially drafted October 2017) – 4 corporate issues and 8 operational issues.

The IA Charter states: *"responsible officers shall have a maximum of ten working days to provide written management responses and action plans in response to issues and recommendations contained in internal audit reports."* Consequently this requirement has not been met in the case of these three reports.

1.2 Follow Up of Management Outstanding Actions

A separate report is presented to this meeting of the Audit, Risk and Improvement Committee on the management actions outstanding as a result of IA reviews. Management responses were sought and reminders issued but there has been little movement and few responses received since the last report.

2. IA FRAMEWORK – CONSULTING & ADVISORY ACTIVITIES

2.1 Consulting/Advisory Activities

Part of the suite of IA reports to the Committee includes an *Emerging Themes and Risk Outlook* report. This report help inform Committee members of pertinent issues and emerging risks specific to Council and the region and is an important contributor to the themes and inclusions in the next IA work programme.

This year, the risk outlook report has been incorporated into a detailed and comprehensive *Comparative Data Analysis and Risk Outlook Report* which draws on information from the Office of Local Government and provides comparison of Central Coast Council's performance against a peer group of a number of other Councils. A hard copy of this report will be provided to the Committee members.

Both the *Comparative Data Analysis and Risk Outlook Report* and the *Emerging Themes Report* are provided to this meeting of the Committee under separate cover.

2.2 Relationship Management

The Chief Internal Auditor (CIA) received confirmation that the secondment of an officer from HR to IA will not take place.

The CIA has been assisting Cessnock City Council with the recruitment of the third independent member of their Audit, Risk and Improvement Committee, the intention being to bring an external and independent perspective to the recruitment process.

3. IA FRAMEWORK – QUALITY AND PERFORMANCE

3.1 Monitoring and Measuring the Performance of the IA Function

A separate report on how IA is progressing against the Balanced Scorecard metrics (KPIs) is presented to this meeting of the Audit, Risk and Improvement Committee.

4. IA FRAMEWORK – PLANNING AND ORGANISATIONAL ANALYSIS

A new IA work programme has been developed to operate from January 2019 through to June 2020 and this is presented under separate cover to the Committee for consideration at this meeting. It is not considered worthwhile developing a work programme beyond this 18 month time frame because of the pace of change and changing priorities across Council and this is in line with the Committee's agreed recommendation from their meeting of 19 December 2017 that: "***the Audit, Risk and Improvement Committee agree to a risk based rolling work programme for Internal Audit in line with values based internal auditing from 2018/19 onwards instead of a three year fixed programme of reviews.***"

Once this programme has been agreed, the CIA will finalise the tender documentation for a co-sourced arrangement to deliver around 6 **operational** audits per year in line with the operational audits featured in the programme.

Conclusions

Progress with finalising reports has been slow as managers struggle to meet their many commitments and respond to requests for information from many other 'back office' functions such as budgetary projections, appraisals and training needs. The CIA will be on leave for most of January 2019 so progress for the next quarter on any business assurance reviews will be limited to the months of February and March only.

Attachments

Nil.



Item No: 1.11
Title: IA Comparative Data Analysis and Risk Outlook Report
Department: Governance

4 December 2018 Audit Risk and Improvement Committee Meeting

Trim Reference: F2018/00028 - D13398332
Author: Tina Baker, Chief Internal Auditor
Manager: Shane Sullivan, Acting Director Governance
Executive: Shane Sullivan, Acting Director Governance

Summary

Each year the Office of Local Government collates and publishes performance data for all NSW Councils. The *IA Comparative Data and Risk Outlook Report* analyses Central Coast Council's performance against a peer group of a nine other Councils and provides IA commentary on interpretation of the data and a risk outlook what this might mean for the region and for Council specifically. The *Comparative Data and Risk Outlook Report* is an annual report compiled by Internal Audit and presented to the September/December ordinary meeting of the Audit, Risk and Improvement Committee (subject to timing of release of data from OLG).

Recommendation

- 1** *That this report and the supporting papers to this Report be made publicly available, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.*
- 2** *That the Audit, Risk and Improvement Committee receive the Comparative Data and Risk Outlook Report.*
- 3** *That the Committee consider the issues highlighted in the Comparative Data Analysis and Risk Outlook Report and determine what information/reports/presentations they would like on what topics at future meetings to assist them in further meeting their Charter obligations, with specific reference to section 1(f) implementation of the strategic plan, delivery program and strategies and 1(h) collection of performance measurement data by the Council.*

Context

For the last few years, IA's Risk Outlook has been incorporated into the IA annual *Emerging Themes Report* and the comparative data report has not been compiled because OLG comparative data has not been available for amalgamated councils. However, OLG have recently released *some* comparative data for amalgamated councils for 2016/17.

Consequently, it was considered more relevant to include the risk outlook in this report, rather than the emerging themes, although the two reports are not mutually exclusive.

The *Comparative Data and Risk Outlook Report* highlights for the Committee how Council is performing in relation to its peer group (notwithstanding the time lag of the reporting period). It should also help them determine what additional information/presentations/reports and on what topics (and the frequency) they would like to receive at future meetings to understand the context behind Council's performance and help them meet their Charter (and ultimately statutory) obligations to keep under review:

- (a) compliance
- (b) risk management
- (c) fraud control
- (d) financial management
- (e) governance
- (f) implementation of the strategic plan, delivery program and strategies
- (g) service reviews
- (h) collection of performance measurement data

Owing to the volume of the *Report* itself, this will be provided to Committee members in hard copy prior to this meeting (probably at the extraordinary meeting to discuss the financial reports, scheduled for 30 November).

Key Messages

The data and tables only show the results but not the context. To understand the reasons for the results it is necessary to have a keen appreciation of organisational culture, strategic priorities and of the local government area itself.

The challenges facing the Council are considerable both from an inward-facing perspective with the need for organisational efficiency and operational agility and from an outward-facing perspective with the need for a regional vision driving strategic planning and development. The Council is not just facing massive change from within, but is also working against a backdrop of significant social disadvantage including higher than national rates of domestic violence, child abuse and neglect, homelessness, youth unemployment, and lower than average educational attainment with the associated health outcomes that result from such disadvantage.

The Community Strategic Plan (CSP) is Council's primary planning document. It has 12 focus areas under five key themes of belonging, smart, green, responsible and liveable. For Council to be able to deliver sustainable and significant outcomes for the community in each of these CSP areas, there needs to be greater alignment and closer, more effective collaboration with other tiers of government, the community and supply agencies. Only by doing so, will we be able to avoid competing visions, duplication of services, funding stalemates and stalled development and projects which has inhibited so much regional growth in the past.

The future growth industries, as identified in the World Economic Forum *Future of Jobs 2018* report are:

- Aviation
- Travel and tourism
- Information communication technologies
- Financial services
- Energy utilities and technologies (especially renewables)
- Global health and healthcare
- Chemistry, advanced materials and biotechnology industries

The Central Coast is well placed to capitalize on some of this growth, particularly if partnerships and joint venture operations can be developed with key industries such as universities, biotech and renewable industries, tech start-ups and agricultural and healthcare research bodies. To do so, the region will need a unique value proposition (UVP) that differentiates the offering to these potential industries over other regions (particularly those with the advantage of close proximity and efficient transport links to Sydney). Some key requirements of new businesses in determining location are: reliable and high speed internet access; accessibility and parking; proximity to other services/customers; costs, including Council rates; skills base in the area; and potential for growth. There are many initiatives that Council could take the lead on, to craft the UVP in line with these factors for economic development and implement specific measures that help 'future proof' the region against the effects of economic downturn.

The natural environment of the region also presents very specific challenges in terms of bush, land and coastal management and planning for population expansion (and the associated infrastructure needs of such expansion) and the impacts of climate change, natural erosion and extreme weather events. It is important the Council systems, processes and back office functions provide support and information in an efficient, timely and unobtrusive way so that managers are able to fully research and consider the strategic issues and challenges facing their areas of responsibility to identify and implement sustainable and effective solutions. At present, Council's internal systems and processes are still very time consuming, manual and require a large investment of time, sometimes for very little return.

Conclusions

The *Comparative Data and Risk Outlook Report* is intended to be a catalyst for debate. It is presented to the Committee for their consideration of the information in the report, the CIA's interpretation of the data and associated risk outlook to determine how best they, the Committee, can draw on their collective expertise to advise the CEO and Council "for the purpose of improving the Council's performance of its functions" (as per section 4 of the Committee Charter). It also assists the Chief Internal Auditor in drawing up the IA work programme and schedule of IA reviews.

Attachments

Nil.



Item No: 1.12
Title: IA Emerging Themes Report
Department: Governance

4 December 2018 Audit Risk and Improvement Committee Meeting

Trim Reference: F2018/00028 - D13398370

Author: Tina Baker, Chief Internal Auditor

Executive: Shane Sullivan, Acting Director Governance

Report Purpose

The *Emerging Themes Report* is an annual report compiled by Internal Audit and presented to the December ordinary meeting of the Audit, Risk and Improvement Committee.

Summary

A paper summarising the recurring risks and themes that emerged during the 2017/18 programme of audit reviews.

Recommendation

- 1** *That the Audit, Risk and Improvement Committee receive the IA Emerging Themes Report.*
- 2** *That the Committee consider the issues highlighted in the IA Emerging Themes Report and determine what information/reports/presentations they would like on what topics at future meetings (and the frequency) to assist them in further meeting their Charter obligations, with specific reference to section 1(f) implementation of the strategic plan, delivery program and strategies and 1(h) collection of performance measurement data by the Council.*
- 3** *That the Committee make a recommendation that this report and the supporting papers be made publicly available, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.*

Background

Internal Audit present a paper to the Audit and Risk Committee each year on *Emerging Themes* that captures the recurring issues that have arisen during the year as a result of the root cause analyses around audit findings. This report focuses mostly on operational type issues in respect of Council efficiency and effectiveness, whereas the *Comparative Data Report and Risk Outlook Report* has a more strategic focus.

Summary of Results

As previously reported, Council continues to be exposed to considerable operational risk brought about in most part due to the way the amalgamation has been managed since May 2016. The themes emerging from the IA work programme for 2017/18 continue to reflect those of 2016/17, most notably:

- different policies, practices and procedures from the former Council entities still existing across many operational areas and physical locations;
- dual (or more) systems operating for key, core organisational services such as payroll, information management, staff management and asset management making reconciliation difficult and time consuming;
- in some cases manual workarounds being implemented due to existing systems no longer being able to provide the information required or process shortcuts being taken in an attempt to manage the increased workload with less system functionality and resourcing shortfalls;
- work teams for the same function (eg finance, HR, IT) still being split across two or more office locations weakening team cohesion and making management support difficult;
- no succession planning or knowledge transfer systems to ensure critical information is captured before staff leave the organisation;
- many managers facing increased personal stress and working excessive hours and being unable to give consideration to improved service delivery and future provisions, as they try to maintain service levels whilst:
 - responding to the day to day operational requirements of a split team;
 - compensating for system and information inadequacies;
 - managing teams located across different locations;
 - coping with resourcing shortfalls and information gaps created by staff departures;
 - dealing with legacy issues from the former councils;
 - not having easy access to business data sets, management information or relevant reports to inform their decisions; and
 - having to respond to increasing requests from back office functions (including IA) to complete reports, submit business cases, complete lengthy forms and attend meetings for a limited or even negative return on the investment of time and effort.

Conclusions

The emerging themes exercise acts as a useful barometer of organisational culture. It should be noted that many of the issues that emerged during the audit programme were also highlighted in the most recent staff survey - *The Voice* - conducted during 2018.

As with the *Comparative Data and Risk Outlook report*, the information in this report should help inform the Audit, Risk and Improvement Committee to determine what information they would like to receive to help meet their Charter responsibilities as defined under Part 4A of

the *Local Government Act, 1993*, in particular the statutory obligation to keep under review: risk management; governance; implementation of the strategic plan, delivery program and strategies; and collection of performance measurement data

Attachments

- 1 Appendix 1 IA Emerging Themes Report December 2018 D13399499

Tina Baker
Chief Internal Auditor



IA's Emerging Themes 2017-2018



Purpose Of This Report



To reflect back on IA's work programme for 2017/18 and highlight emerging or recurring themes/issues

To look at some of the recurring community concerns through the headlines for the same period



To present the key operational risks and opportunities for Council for the next 12 months and beyond based on IA reviews and observations

(note: strategic and corporate risks are considered separately in the IA Comparative Data and Risk Outlook Report)



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The Common Casualties of Change: Process, People, Planning and Performance

“For very good reason, organisational change can be daunting for both managers and employees... It is unsurprising that a change manager’s attention is often focussed on the human factors. Too often though, it seems that the focus on human factors has come at the expense of hard factors, such as planning and control. Change in an organisation is, by definition, a change in the control environment. Corruption is made possible through incentives and opportunities created by change that have unintentionally weakened the control environment.”

Source: ICAC [Keeping It Together: Systems and Structures In the Chaos of Change](#)

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2016-17: Reported Emerging Themes and Risks



Organisational Restructure Impact

- Lengthy processes to implement structure and align roles – creating uncertainty and adding to perceptions of a North-South divide
- Teams split across different locations reducing manager visibility, direction and time available to address operational issues and compounding divergence of practices



Lack of Enterprise Risk Management

- Risk not driving strategic direction or operational or organisational priorities or deadlines
- Corporate risk appetite for different operations has not been established or communicated



Loss of Corporate Knowledge

- Staff turnover at many levels and potential burn out
- No corporate succession planning or knowledge transfer processes in place
- Information now being held across many different sources



Ongoing Uncertainty

- Dual systems/policies operating for many critical processes – presenting uncertainty and confusion for the community
- Temporary nature of organisational administration and leadership a significant distraction

2017-18: Exactly The Same...



Organisational Restructure Impact Continues

- Lengthy processes to implement structure and align roles – creating uncertainty and adding to perceptions of a North-South divide
- Teams split across different locations reducing manager visibility, direction and time available to address operational issues and compounding divergence of practices
- Reduced capacity for strategic planning and service delivery
- Staff turnover at many levels, many acting up roles and creating considerable stress and burn out



Lack of Enterprise Risk Management

- Risk not driving strategic direction, decision making or operational or organisational priorities or deadlines
- Corporate risk appetite for different operations has not been established or communicated
- Risk seen as a separate exercise and document driven



Loss of Corporate Knowledge/Information & Data Deficiencies

- No corporate succession planning or knowledge transfer processes in place
- Information being held across many different sources
- Lack of critical information to inform decisions and help management determine how resources in their units are being utilised



Ongoing Uncertainty

- Dual systems/policies operating for many critical processes – presenting uncertainty and confusion for staff and the community
- Systems imposed rather than developed according to user needs
- Temporary nature of organisational administration and leadership a significant distraction

...With Two Important Additional Risks for 2017/18:

1. Internal

Increasing frustration at the lack of progress and direction for the organisation leading to staff loss of confidence in leadership and the consequential impact on behaviours and culture

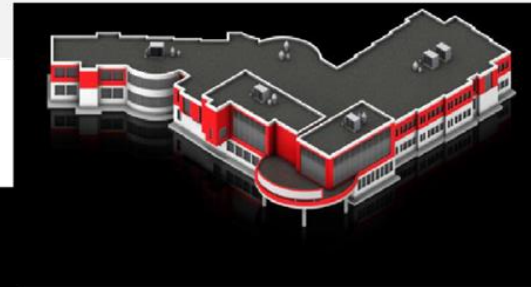
Priorities (importance vs performance)

		2018 % Fav	2017 % Diff	Ind % Diff
Executive Leadership Team	I have confidence in the ability of members of the ELT	36%		-18%
Transition	The culture has changed for the better since amalgamation	22%	-4%	
Survey Response	I have seen improvements at Council resulting from the previous survey I completed	20%		
Executive Leadership Team	Members of the ELT are good role models for staff	33%		-16%
Executive Leadership Team	Members of the ELT listen to other staff	29%		-17%

Source: The Voice Staff Survey 2018

...With Two Important Additional Risks for 2017/18: 2. Community

Divergent policies, practices, plans and lack of team objectives/KPIs means that community members in North are being treated differently/getting different service level than those in the South eg more likely to get parking infringement in the North because of mobile patrols rather than foot patrols and Town Centre levies in the North still exist. The community are still encountering the presentation of two former Councils eg Council's website for most of the year asked community members to align their query with either Gosford or Wyong; likewise menu options for telephone queries require the caller to choose whether their issue is about Gosford or Wyong related matters.



2017/18 Community Concerns and Headlines: Asbestos

Dec 2017

'Asbestos hot spot' pleas not enough to spur council action

DUMPED

Fiona Killman
A PLEA from an asbestos removal professional to make the disposal of the dangerous substance safer for Coonabarabran has been dismissed by Central Coast Council.
Asbestos removal expert John Limpus told a full meeting of councillors in the middle of Asbestos Awareness Month that dumping had increased on the Coast. He cited examples of asbestos left at schools and in car parks.
His suggestions were rejected by councillors.
Full report page 10

Aug 2018

Parent's horror as child collects asbestos and uses it as 'chalk'

TOXIC SHOCK AT THE BEACH

Fiona Killman

AN asbestos find at a Central Coast beach has intensified fears of health risks after a toddler took a piece home and used it as "chalk".

When Warrern's Jo Harrell saw her daughter Bonnie collecting "treasures" at Warrern Beach she thought nothing of it. But she was checked and appalled when she realised the "chalk" the three-year-old was



Jo Harrell with daughter Bonnie.

Developer paid \$13.1m for contaminated site

Richard Noone

THE Sydney-based Chinese developer of the Waterside complex said it was "nervous about the money" and instead was worried he was being "taken for a ride" when demolition costs spiralled out of control and he stopped paying his contractor.

That is the story of East Gosford firm CKDS Architects, who designed the three-tower, 500-apart complex, and who have been

drawn in to broker a peace deal that will hopefully see work resume on the project — perhaps as early as next week.

CKDS Architecture director Colin King said when Jian Wang purchased the site from Sparshere — which the Express-Advertiser can reveal for the first time was at a cost of \$8.1 million — it was on the understanding the past owner had spent \$750,000 in removing asbestos from the derelict building.

“The delays are now costing the developer four times the original amount. You just can't have an open chequebook.”



Colin King

He said — unbeknownst to anyone — that after fire damage buildings burst down the asbestos remains were just "billions", and concrete slabs for what would later become the youth centre were poured over the top. Mr King said 60 tonnes of

contaminated material, at tip fees of about \$40 a tonne, were removed in three days in November.
“The delays are now costing the developer four times the original amount. You just can't have an open chequebook.”

Mr King said he spoke to Mr Wang and his son Jian, and both parties had since reached a verbal agreement. New contracts had been drawn up and, upon signing, contractor Mr Tony Finwick would be paid his outstanding debt. Under the new contract, he said both parties had agreed to a five-week program.

Although by the Express-Advertiser to contact Mr Wang or New Hong Kong Macau Australia were unsuccessful.

Feb 2018

Waterside saga to drag out in court

Contract negotiations break down after asbestos discovered on site

Dec 2017

NEWS 11

REGION

Asbestos back on the agenda with review ordered

Fiona Killman

THREE weeks after dumping a motion to explore asbestos removal initiatives, Central Coast Council has changed its tune.

At Monday's meeting, councillors voted to look at initiatives by Farramatta and Helroyd councils which offer free collection or disposal of small amounts of asbestos from residences during certain times of the year.

At the November 27 meeting, during Asbestos Awareness Month, councillors voted down a report to explore asbestos removal initiatives. Local asbestos removal expert John Limpus spoke at the meeting and called on council to look into reduced fees due to an increase in dumping across the Coast. However, the council voted not to act on the issue.
Councillor Greg Best,



mainly on domestic asbestos disposal.

Councillor Kyle MacGregor said he had received abusive texts following the council's November decision. He said he voted down Councillor Best's initial motion as there was no mention of consulting relevant agencies.

“If you really cared how to get rid of asbestos, you would do it properly,” he said.

He said council needed to talk to experts and use a “rational evidence-based policy” to deal with the issues.

Mayor Jane Smith agreed and said the original motion was lacking.

“Council has called on the chief executive officer to provide a report on what other councils are doing in this key area so we can model best practice and a progressive approach to this key issue,” she said.

2017/18 Community Concerns and Headlines:

Coastal Management Debate dragged through the mud

Skillion warning as cliff collapses

TERRIGAL

Cathy Stubbs

PEOPLE have been warned to stay away from the rock platform beneath Terrigal Skillion after tonnes of rock collapsed from the cliff face last Wednesday.

The spot is popular with walkers, photographers and anglers, and one unconfirmed report said the rock fell just metres from where a group of people were standing.

Central Coast Council staff inspected the site and access to the rock platform was temporarily restricted.

"Members of the public alerted council staff that a small amount of rocks had fallen from the rock face," a spokeswoman said.



Council staff at the base of the Skillion. Picture: Cathy Stubbs

Jul 2018

CHOKED

Shallow and narrow channel threatens to ground popular ferry service



Matt Taylor
Exclusive

A FERRY operator is threatening to shut down its popular tourist and commuter service until fears for passenger safety after one of its vessels ran aground three times over the past month in sand-choked shipping channel near Wauchope.

The loss of Parkways Cruises has sent an SOS to NSW Premier Gladys Berejiklian to set an urgent deadline for the channel — which is only 7m wide and extremely shallow off Ball's Bluff Rocks — to open a safe passage to the Central Coast's major waters which have become "unusable" for skippers.

The latest grounding came on Thursday, when distressed passengers on the Skilling in Palm Beach ferry were forced to walk to the boat access point to reduce the incident's impact on a morning low tide.

The popular service carried more than 300 passengers last year.

Full report page 8

Apr 2017

Skipper investigated over ferry incident

Company blames inadequate dredging after vessel runs aground

Sep 2017



Beach a 'bomb site'

Council defends claims, saying it has started work

Emma Herd

THIS week he said very little had changed. "It's like a bomb's hit it," he said. "I can't believe that's the way they want to present the beach."

A council spokeswoman said staff had visited the beach on a number of occasions since the storms and includes adding more sand and crushed sandstone to the access beach ramp in front of the surf club, which sustained extensive damage in the storms.

"Temporary fencing near the ramp will be removed next week and repaving works will commence."

COASTAL CRISIS

Matt Taylor
Exclusive

THE Central Coast Council to "step up" before multi-million dollar beach — and the need to address the erosion of the coastline.

Local Government Minister Catherine Olyon has passed business leaders and council residents in calling for a "comprehensive" approach to address the erosion of the coastline.

Local Government Minister Catherine Olyon has passed business leaders and council residents in calling for a "comprehensive" approach to address the erosion of the coastline.

Jun 2017



May 2018

Beaches cop crap report

Beaches

- 20 Poor: Terrigal, Avoca
- 19 Good: Towson Bay, Chain Valley Bay, North Avoca, Formenters, Wamberal, Copacabana, Umina, Ocean Beach, Killara, Pearl Beach
- 18 Very good: Fraser Beach, Binde Beach, Dugong Beach, Lanes Beach, Harrigan Beach, The Entrance and North Entrance, Blue Bay, Varsity Beach, Blue Lagoon, Binnu Bay

Lake/Lagoons

- 20 Poor: Wamberal Lagoon, Terrigal Lagoon, Avoca Lagoon, Goodwin, Lake Macquarie, Canities, Cocorona Lagoon, Potomac Creek, Ettilang Creek, Peely Beach Baths, Dawbourn Baths, Way Way Baths, Yellabunga Baths
- 19 Good: Chain Valley Bay, The Entrance Channel, Pearl Beach, Rockpool

Matt Taylor Terrigal and Avoca rate poorly in Beachwatch water quality survey "It's best to avoid..."

Revealed: The shameful state of our flagship beaches

SURF AND TURD

THE systemic failure of local authorities and years of infrastructure inaction has led to the embarrassing revelation that the Central Coast is home to the state's most polluted beaches.

Avoca and Terrigal are two of just three beaches in the entire state deemed to have poor water quality, according to the latest State Of The Beaches report.

The report, released by the NSW Office of Environment and Heritage, details high concentrations of faecal matter and bacteria.

Community Relations and Safety chairwoman Julie Anagnost said Central Coast Council — which collects water samples every six days at 41 monitoring sites — was letting down residents and tourists by allowing the region's flagship beaches to literally turn to crap.

"These results are not good enough," Ms Anagnost said. "Clearly, not enough is being done to protect our prized assets."

Full report page 6

2017/18 Community Concerns and Headlines: Environment

KANGY ANGY

Rail facility beyond council's control Nov 2017

Fiona Killman

CENTRAL Coast Council has a decision making power...

In two weeks, Central Coast Council Mayor Jane Smith said the council had a better understanding about the...

The controversial \$99 million rail maintenance facility was given the green light in August by Transport...

"Landholders have raised concerns with me about noise," she said. "They feel it's not in keeping with the...

council would continue to make representations to Transport for NSW on behalf of the community with a...

include skin of electric railway up to seven track wide, offices, amenities, and parking and ancillary build...

MANNERING PARK

Solar farm powering up

Submissions open for \$115 million plant which could create 100 construction jobs

Cathy Stubbs

UP to 100 construction jobs and five permanent jobs could be created if the State Government approves the building of a \$115 million solar farm at Mannering Park.

The site is roughly bounded by the Murrumbidgee River to the north, the Murrumbidgee River to the south, the Murrumbidgee River to the east and the Murrumbidgee River to the west.

and electrical control equipment. It would be connected to the energy grid by a 33kV transmission line.

Public exhibition of the solar farm project is the latest development in the long history of the Values Point Power Station.

sturdy entrepreneur Trevor St Baker through the company Sunset Power International, Sunset Power trades as Delta Electricity.

Feb 2018

WALLARAH 2 DEADLINE

D-DAY FOR COAL MINE

Minister to rule on controversial long wall project in five weeks

Aug 2017

Site 'not affecting water'

Independent report gives landfill operator green light to resume with conditions

Richard Noone

AN INDEPENDENT report into the Mangrove Mountain landfill site has found no evidence it is affecting ground or surface water quality.

The NSW Environment Protection Authority (EPA) released the long-awaited report into the controversial site by SLE Consulting Australia on Friday.

recommenced operations as long as a further 61 recommendations are met and Central Coast Council confirms the proposed expansion and remedial works can be implemented in line with the development consent. The site was originally approved for 80,000 cubic metres of clean fill to remodel Mangrove Mountain Golf Course under a development consent issued in 1998 by then Gosford Council. But there is about 80,000

cubic metres dumped at the site today. In 2014, the Land and Environment Court ordered some remedial actions but approved the landfill's expansion to 1.3 million cubic metres. However, the site has not received any waste since May 2014 over fears the additional waste was not stored properly and was leaching contaminants into groundwater supplies. EPA Waste and Resource Recovery executive director

Steve Bosman said the report was useful for the community and the on-going monitoring and assessment of the site since it ceased operation and fill in 2014. The independent specialist consultant the Mangrove Mountain Association a number of times during the review to assess their concerns were addressed," Mr Bosman said. "The EPA understands the ongoing community con-

cerns over the storage of waste at the site since it ceased operation and fill in 2014.

July 2017

Illegal dumping proves costly

Driver and company cop hefty fines and clean-up bill for trashing Warnervale with their rubbish

Matt Taylor

CENTRAL Coast Council has charged the driver and company responsible for dumping 10 tonnes of illegal waste in Warnervale with hefty fines and clean-up costs.

The incident, investigated by the Illawarra Regional Council Illegal Dumping Unit Squad, resulted in fines and clean-up costs totalling \$9,000 for illegally dumped building and demolition waste in Sparks Rd

that originated from a Sydney demolition company. Council environment spokesman Scott Cox said it was "proactively seeking out illegal dumpers" and "taking the appropriate action to fine or prosecute them".

"In this (Warnervale) instance, the outcome is a result of community reporting combined with over six months of intensive investigation involving interviews and evidence gathering to identify the key perpetrators," Cox said.

"Council was able to identify and fine a waste disposal company and the driver involved issuing \$2,000 in fines and recovering \$94,999 in clean-up costs.

"If the perpetrators had dumped the waste in accordance with EPA standards, it would have cost them less than \$20,000.

"This clearly shows it does not pay to illegally dump on the Central Coast."

Illegal dumping includes any waste that is not lawfully disposed of such as building and demolition materials, vegetation or green waste, household furniture, whitegoods, TVs, computers, asbestos and contaminated soil and washed tyres and car parts.

On-the-spot fines for illegal dumping start at \$200 for individuals and \$400 for companies. Court action for serious offences can result in fines of up to \$200,000 for individuals and \$1 million for companies.

To report illegal dumping, contact the 800 Specialist 01 555.



The illegally dumped waste at Warnervale.

Nov 2017

Wallahah 2: Final decision on contentious mine is imminent

COAL CALL

July 2018

NO SURRENDER: Coal Alliance vows to fight mine approval

DIGGING IN

Fiona Killman

TSE Australian Coal Alliance says it will continue to fight the Wallarah 2 coal mine until it can "drive the energy from the gates", despite the Planning Assessment Commission's (PAC) latest approval of the mine.

Full Report P4

2017/18 Community Concerns and Headlines: Development

Jan 2018

Revealed: New policy could stall development applications

OBJECTION OVERRULED

Fiona Killman
JUST 10 objections will be enough to stall future building developments under a Central Coast Council policy change.
Previously, 50 objections were needed to bring a development application before a council meeting.
In a late night meeting on Tuesday, councillors overruled the number of objections at the final council meeting on 11/12.
Councillor Jeff Swadlow raised the issue as a "matter of efficiency" unless the community wanted the status quo.
Full report page 1

Jul 2018

Developer waits 17 years for \$40m project to be approved

SAGA OF THE LONGEST DA

Fiona Killman
PROPERTY developer Mr. Wheeler is waiting until after a building permit on the Central Coast, back 17 years in a long saga.
But now he says he's too old to finish the project.
Mr. Wheeler wanted to build a 100 million residential development on land he sold to the council in 2001.
Three months passed but only after protracted dealings with what he called the most difficult council he had ever dealt with.
Full story page 4

Jul 2018

On higher ground

Latest proposal for towers on the ridge overlooking Gosford CBD

Full Report page 1

The latest residential development to be proposed for Gosford is earmarked for the site of a former sandstone quarry and, according to a visual impact statement prepared as part of the development application process, it will be screened by existing trees.
The application also states the 200 units will have only minimal impact on traffic flow — despite an estimated additional 300-400 vehicles likely to be driven to and

from the units via Henry Perry Drive during the morning and evening peak hours. Residents have until July 19 to make submissions on the plans.
John Whiteway Drive runs along the top of a ridge overlooking the CBD and Brawley Water. The road already has a number of large multi-storey unit complexes, including Paternoster Towers and The Sanctuary apartments.
Another major tower development for Gosford CBD also has been revived, with

an updated application lodged with Central Coast Council to build a 10-storey mixed commercial and residential tower — to be known as The Horizon Building — near the corner of Mann and Kings Streets.
The updated application replaces an initial DA lodged in 2016, after the purchase of an adjoining property.
The proposal is for a \$37 million 10-storey mixed-use building with 100 residential units above nine commercial tenancies and basement parking.

Apartment units in size from 80' to 120', and each has access to a private balcony or terrace. In addition to areas of landscaped communal open spaces.
Developers propose a total of 340 carparking spaces including both commercial and residential spaces.
For all the latest development news visit: www.expressadvocate.com.au.



CBD eyesore stays empty

Developer pulls the plug on ill-fated apartments

Fiona Killman

GOSFORD'S biggest hole in the ground is set to remain just that — a hole.
Development plans have fallen over for the ill-fated Watermark Apartments planned for the infamous Henry Perry Drive opencast.
Those who bought off the plan are currently in negotiation.
Full report page 1



Gosford's biggest hole in the ground on Henry Perry Drive.

May 2018

EXCLUSIVE: Plans unveiled for sporting super complex

GAME ON!

ASPERING sports stars have been given a huge boost with the surprise announcement of ambitious plans to create a state-of-the-art, multi-million-dollar sports complex on the Central Coast — and work could start soon.
Patrick Bodden reports page 5

State's top planner says 'cultural shift' critical to revitalise CBD

DEVELOP OR BE DAMNED

Matt Taylor Exclusive

GOSFORD is poised to become a regional powerhouse — provided it can shake off its self-doubting and embrace new development. The state's top planner predicts a vibrant future for the mismanaged CBD, despite yet another financial headwind further staining the reputation of the former council, and a developer's threat to take his millions elsewhere if the current council doesn't back major new projects.
Full Report Pages 8-9

Feb 2018

Dec 2017

THURSDAY, DECEMBER 21, 2017 | EXPRESSADVOCATE.COM.AU

NEWS 07

GOSFORD

Library concept plans released

Fiona Killman

THE revamped Gosford Regional Library is a few pages closer with the final concept plans to be released for public consultation.
It has been more than two decades since Gosford Council decided the town should have a central library, and five years since the Federal Government committed \$7 million to the project.
The community will continue the opportunity to comment on two concept plans for the project with the proposal set down for the library at the Parkside Building at 100A Devon St.
Concept one includes a four-storey library with two levels of basement car parking. Concept two involves consolidation of 100A and the adjoining site for a central commercial, retail, car parking and library built



Concept plan 1 for Gosford Regional Library.



Concept plan 2 for Gosford Regional Library.

The release of the proposed library has changed from the old Broadwater library site to the Parkside Building in February under administrator Ian Reynolds' tenure.
The council's director of assets, infrastructure and business Mike Dowling said the change was due to the expense and difficulty of building on the old hotel site.
Mayor Anne Smith said the community has significant investment and interest in progressing this project.
Plans will be exhibited early in 2018 for a minimum of 10 days with two community consultation sessions.
The Federal Government committed \$7 million on the condition the work is completed by 2018.
process commences as soon as possible.
The Federal Government committed \$7 million on the condition the work is completed by 2018.

2017/18 Community Concerns and Headlines: Warnervale (Central Coast) Airport

July 2018

THURSDAY, NOVEMBER 30, 2017 | EXPRESSADVOCATE.COM.AU NEWS 15

FAILURE TO LAUNCH FOR AIRPORT EXPANSION

Fiona Killman

The long held secret Central Coast Airport masterplan has landed, however the document will not be taking off for public comment, and its aims have been abandoned by the new local Central Coast Council.

Wyang Shire Council's Central Coast Aviation Hub Concept Plan details seven stages of development for the regional airport, including provision for manufacturing, training and aviation services.

Stage one includes a hangar and aircraft assembly facility to be completed by September 2018, while stage 2 included increasing the width of the runway to 30m.

Costs for the \$60m runway hub would have included \$60m for the runway, \$2.28 billion in operational costs.

Independent councillor Louise Green was seen opposing the plan on public exhibition due to a number of "best practice" indicators.



Nov 2017

Plane Jane: Mayor orders council review of airport plans

Fiona Killman

THE future of Central Coast Airport at Warnervale will be reassessed by Central Coast Council after Mayor Jane Smith ordered a stop to any physical work or planning for the project.

Full report page 7

Oct 2017

GROUNDNDED

WARNERVALE

Council to reassess airport plans

Fiona Killman

THE scale, scope and future of the Central Coast Airport at Warnervale will be reassessed by the new Central Coast Council after Mayor Jane Smith ordered a stop to any physical work or planning behind the scenes on the project.

former Wyang Shire Council's plans for the airport with confidential reports, including a detailed masterplan kept for staff eyes only.

Planning Minister Anthony Roberts refused to respond to the Warnervale Airport Restrictions Act. Under the new council, the masterplan could be released to the public for the first time.

Members have voted first to examine the plan themselves and then will determine whether it will be used to spend funds to clear native vegetation and build assets such as roads, runways, buildings, a flood levee, fencing and security cameras in and around the airport," said Cr Smith.

"In addition, an airport manager was employed and expressions of interest called to develop the airport."

"In the interests of openness and transparency I believe we need to understand where the plans are up to so we can make realistic and lasting decisions about the future of the site," she said.

Oct 2017

EXCLUSIVE: Council's secret push to rip up airport contract

CRASH'N'BURN

July 2018

Airport deal flops

Controversial decision to rip up building contract could cost \$60m

From page 1

However, given a resolution motion put forward earlier in the open session of the public meeting — calling for council to put its \$400,000 airport master plan on public exhibition — was voted down, it was unlikely the confidential recession motion was going to fly.

The secrecy in a stark contrast to when the deal was first signed and much fanfare in September 2016.

Then NSW Premier Mike Baird came to Warnervale for the announcement, which was to cost the US company over \$200 million on a new manufacturing facility and create 240 direct jobs and hundreds more indirect jobs.

A month later, in October 2016, the Express Advocate revealed AAL's parent company — Amphibian Aircraft Group — had barely turned a screw on A business aircraft, for which it owned the licence to build BU-30 models A-E and G-11, since it started operating in 2016.

Council later admitted it knew this was the case, but decided not to reveal it. Then it was revealed AAL had only put in a development application for a \$1.2 million (\$700 m) showroom that would create between 27 and 37 jobs, rather than the promised \$100 million project for an 80,000 sq m factory.

Council built an earth levy at the north of the site to prevent flooding and cleared native vegetation to build a loop road for AAL at 140 Speke Rd as part of the lease agreement.

Council retrospectively put in a DA for the road but it was refused by council's planning department on environmental grounds. The road has since been fenced off.

JOIN THE DEBATE @expressadvocate.com

2017/18 Community Concerns and Headlines: Council Services/Governance

Jun 2018

WATER WORRY

CITY'S BIG PIPE GRIPE

New water and sewer report reveals high number of complaints

Sep 2017

Coast boss leaves council - and his bill

Matt Taylor

THIS Coast Hill-based local government reform, purchased as to overcome council mergers on the Central Coast, has affected on the local "reformers" at the local level. May 16 last year, the local government reform bill was presented for final report at the council's meeting last week, setting up how local bodies "back a united front" since the local government reform bill was presented to the State Government on a 100-day period.



Central Coast Council Administrator Ian Reynolds will depart.

report later this year. Mr Reynolds, council's "great governance arrangements" were seen as the "gold standard" for the local government reform bill as he has to be successful in the bill.

Mr Reynolds was appointed by the State Government on a 100-day period. He has been working at the local government reform bill since the start of the year. He was seen as the "gold standard" for the local government reform bill as he has to be successful in the bill.

Oct 2017

Unexpected: Downgrade catches out council bean counters

EXPOSURE

CENTRAL Coast Council's financial bodies will embark on a year-long correction to the organisation's investment portfolio after several investments were downgraded. Almost half of the council's portfolio is expected to be sold or liquidated, according to one portfolio manager. In this report, page 11

Suburbs shortchanged

Jun 2018

Budget spending creating north-south inequality

LAND USE

Council tops the whinge list

Jun 2018

Central Coast is the most complained about council in the state



REVEALED: Councillor exposes another big botch-up at former Gosford Council

'Letting slip \$12m'

Sep 2017

COASTWIDE

Clubs reeling from fee rise

Matt Taylor

Community groups slugged by council increases

THE "heart and soul" of the Central Coast community is facing wipe-out as massive extra charges are slapped on grassroots sports and other

clubs playing rugby league grand finals this weekend - have hit the panic button after the council failed to

"There's no way in hell we'll be agreeing to this. We have maintained our funds for years and have 2000

swims new facilities to be built after a fire destroyed its clubhouse two years ago.

While we have temporary

Group Training which has received millions of dollars in government funding. The Express Advocate has obtained documents which show the former Woy Woy Council stung a 30-year

REGION

Oct 2017

Rookie error on council count

Fiona Killman

A VOTING count blunder during the first meeting of the new Central Coast Council has highlighted the urgent need for an electronic voting system in the chamber.

which meant no debate ensued and the council adopted a \$100m by-election option by default. On review of the council's website, which is a live recording of the meeting, there were actually eight votes in favour of the motion and

major development application," he said. "The council has to be more thorough." Under legislation by the Local Government Act (LGA), councillors had one opportunity to vote for either a by-election or count

\$300,000. "The legislation was clear that if we choose not to vote, it defaults to a by-election," he said. "If a councillor is unable to complete their term, we could have had a countback and got on with the job."

longed by no fewer than two councillors rising to demand a division. "Noncouncillors rose to demand a division at the Ordinary Meeting on Monday, October 2, 2017," she said. "The webcast records that there were eight votes for

and seven votes against. "The minutes for that meeting will accurately record both that vote and the decision of the Mayor that the motion was lost." A council spokeswoman said the council had been trialling an electronic voting

Sep 2017

Council calls for work on new commuter carparks

Isabel Petric

THREE new multi-deck carparks at Waverley, Truganah and Gurnah, as well as a multi-deck extra deck at Gosford, have been listed as key investments in the local government reform in a preliminary consultation.



Gosford's commuter carpark is operating at capacity. Picture: Tony Smith

Jul 2017

Suffering retailers threaten to sue

High rents, dire parking shortage and council levy is sending businesses at tourism jewel to the brink



Key Operational Risks & Opportunities Facing Council

The continuation of multiple operational systems and processes and dual “head office” arrangements send a message to both staff and the community that Central Coast Council is, in practice, still operating as the two former Councils. The longer this situation remains, the more difficult it becomes to instigate change because people become entrenched in their own practices and habits. In addition, service efficiency is being compromised because of the limitations and system incompatibility across the north and south sites which perpetuate the Gosford/Wyong divide. The changes in the Leadership Team which should bring stability and permanence, along with the strategic vision set down in the CSP, now provides a foundation to set the corporate agenda and a prioritised timetable that identifies the change necessary to address these issues effectively and to build a sustainable future for both the organisation and the community.



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Key Operational Risks & Opportunities Facing Council



There are increasing demands from 'back office' functions (Governance, IT, HR, Finance etc) on managers, creating stress and work overload, for example:

- to complete (often manual) forms and documents for basic service requests/internal purposes
- to provide information on areas outside their professional expertise to the back office centres of expertise such as financial forecasting and budgeting
- to attend discussions for the sake of consultation on matters of little relevance
- to put forward lengthy business cases for resources, training or projects that are then determined behind closed doors and for which there appears little discernable return on the investment of time and effort required

These time consuming tasks are preventing managers from focussing strategically on their areas of expertise, researching and investigating new service delivery models and forward modelling and planning for future, demographic changes. At the same time, the 'back office bloat' is moving away from what were traditionally strong support functions that alleviated the need for service managers to be experts in finance, recruitment, disciplinary matters, legal matters, contracts, project management etc and more towards co-ordinating functions that just commission, collect and generate information, a lot of which is considered to contribute little to the effective and efficient operations of Council. There is an opportunity for the Executive Team to theoretically re-frame Council operations to align with a strategy, resourcing, governance and delivery type approach. The back office services are clearly resourcing and/or governance functions and in their support capacity as service enablers could be remodelled to take on more responsibility for the actual delivery of management services aligned with their expertise, through consulting broadly and intelligently with their customers and providing solutions that contribute to the effective resourcing and successful delivery of the operational programs of the community facing, service units.

Key Operational Risks & Opportunities Facing Council

The size, dispersal of sites and services and large customer base of the amalgamated Council increases the number of routes into the organisation and so increases the risk of the organisation being a target for various cyber threats that have the potential to go undetected in the first instance and significantly disrupt core operations. Council holds a lot of information that could be useful to external agents, in particular names, addresses and bank details of the community, contractors and vendors. Access to this information by staff is reasonably open and could be compromised in a number of ways, eg through poor physical controls such as weak recruitment processes, tailgating, targeting vulnerable employees or by desperate/ disaffected employees whose personal circumstances have changed and who turn to fraud, corruption or theft to alleviate their situation. In addition to threats to Council information, Council also provides essential services that could be vulnerable in the event of more sinister motivated attacks, for example through the compromise of water quality, supply or sewer treatment. The key opportunities in this space relate to system controls to increase security of information and the technology that controls key systems. For example holistic and ongoing strategies for staff education programs, improved management information and reporting on system compromise and data breaches through audit log analysis, review of recruitment practices, real time transactional auditing and more meaningful conversations between managers and their staff (which is difficult whilst teams are split across different sites) about system weaknesses and staff concerns.



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Top 10 Operational Risks Facing Council in 2018/19

Economy

- A weakening national economy may adversely impact local investment and add to (already higher than average) local unemployment levels, affecting community use of Council's discretionary services, ability to pay and leading to polarisation of sectors of the community and lower levels of community engagement with Council

Regulation

- Regulatory changes increasing the need for Council to comply with new legislation for which Council is unprepared leading to Council's non-compliance
- Council's regulatory authority responsibilities fail to keep up with change in light of digital disruption (eg regulation of AirBnB) leading to Council being unprepared or staff being insufficiently trained to meet the challenge resulting in inconsistency of action taken by Council over non-compliance

Cyber-Threats

- Council is relying on system firewalls to prevent external attacks so staff are insufficiently prepared to spot and manage cyber threats that have the potential to significantly disrupt core operations and access personal information
- Council information/services have already been compromised without knowledge leading to future, unanticipated disruption for which the organisation is unprepared

Digital Disruption

- Council fails to capitalise on technology solutions to deliver services (internally and externally) resulting in outdated and inefficient systems and processes that impede Council's ability to operate and deliver services efficiently and effectively or to meet the changing needs and expectations of the community
- Council appears out of touch is not an appealing employer option due to the manual and inefficient systems, management hierarchies and bureaucratic operational practices, failing to attract or retain fresh talent and people with vision

Privacy & Info Security

- Privacy/identity management and information security/system protection may be considered as IT issue only rather than an organisational issue leading to a system solution approach that neglects the people solutions, such as training, communication and awareness and fails to provide the required functional security

Taken and adapted for Council from Protiviti's "Executive Perspectives on Top Risks for 2018"

Top 10 Operational Risks For Council in 2017/18

Succession Planning & Talent

- Weak succession planning, failure to capture corporate knowledge from departing staff and the limitations of traditional employee offerings leading to reduced capacity to recruit and retain the appropriate talent and visionaries needed to provide Council with the strategic direction and advice that anticipates and meets the future needs of the Community whilst ensuring that current services are delivered efficiently and effectively

Organisational Culture

- Organisational culture does not sufficiently encourage the timely identification and escalation of risks or mistakes that have the potential to significantly impact on operations and achievement of objectives
- Paper based, forms based, email-trail culture inhibits progress within the organisation leading to the resignation and failure to attract more progressive thinking employees

Analytics & Big Data

- Council fails to utilise big data and data analysis to inform strategic decisions and manage risks
- Council programs, activities and services continue to be delivered as they always have been because the indicators that big data/analytics provide are not sought out or understood

Challenges Presented By "Born Digital" Firms

- Sustaining adequate levels of customer service may be increasingly difficult due to a lack of understanding of evolving customer preferences, demographic shifts in the community base not being reflected within the organisation and no or little take up of new technologies

Resistance to Change

- Staff and/or Councillor and/or community resistance to change or failure to see the need to change may restrict Council from making the necessary adjustments to its service delivery model, services, resourcing and core operations to accommodate the shifting needs of a new community demographic and to attract new, much needed economic development and business

Taken and adapted for Council from Protiviti's "Executive Perspectives on Top Risks for 2018"

NSW Premier's Priorities

1. Creating jobs – 150,000 new jobs by 2019



2. Delivering infrastructure - key metropolitan, regional and local infrastructure projects to be delivered on time and on budget

3. Driving public sector diversity - increase the number of women and Aboriginal and Torres Strait Islander people in senior leadership roles by 2025



4. Improving education results - increase the proportion of NSW students in the top two NAPLAN bands by eight per cent by 2019

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NSW Premier's Priorities

5. Improving government services - improve customer satisfaction with key government services every year, this term of government to 2019



6. Improving service levels in hospitals - 81 per cent of patients through emergency departments within four hours by 2019



7. Making the environment clean - reduce litter by 40 per cent, by 2020

8. Making housing more affordable - deliver 61,000 housing completions on average per year to 2021

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NSW Premier's Priorities



9. Protecting our kids - decrease the percentage of children and young people re-reported at risk of significant harm by 15 per cent by 2019

10. Reducing domestic violence - reduce the proportion of domestic violence perpetrators reoffending by 25 per cent by 2019



11. Reducing youth homelessness - increase the proportion of young people who successfully move from Specialist Homelessness Services to long-term accommodation to more than 34 per cent by 2019



12. Tackling childhood obesity - reduce overweight and obesity rates of children by five percentage points by 2025



Conclusions

- ✓ As highlighted more acutely in the *IA Comparative Data and Risk Outlook Report*, the NSW Premier's Priorities reflect many of the significant issues and challenges facing the Central Coast community
- ✓ Community Engagement work that was undertaken to build the Community Strategic Plan also reflected concerns around many of the same issues
- ✓ Council has an opportunity to work with State and Federal Government as well as local community groups and other support services to identify and implement measures to address these issues in a co-ordinated and innovative way
- ✓ Opportunities exist for Council to lead the way and align strategic priorities with these areas of community concern
- ✓ Climate change or significant weather events, regardless of how the cause is perceived, is also a significant issue for the Central Coast given the waterways and coastline and impact of natural erosion, water supply needs for an increasing population and extensive bushland in the region
- ✓ Likewise, NBN connectivity and speed of access is an issue that can influence how attractive the region is to investors, new businesses and residents and should also form part of the strategic risk considerations
- ✓ If the 'big ticket' operational issues and corporate risks are not managed adequately, then the capacity to focus on strategic and regional solutions will be compromised and so the economic and social return for Council will be diminished
- ✓ The information in this report should help inform the Audit, Risk and Improvement Committee to determine what information they require to meet their Charter responsibilities as defined under Part 4A of the *Local Government Act, 1993*, in particular the statutory obligation to keep under review: risk management; governance; implementation of the strategic plan, delivery program and strategies; and collection of performance measurement data



Item No: 1.13
Title: IA Work Programme 2018 to 2020
Department: Governance

4 December 2018 Audit Risk and Improvement Committee Meeting

Trim Reference: F2018/00028 - D13398391

Author: Tina Baker, Chief Internal Auditor

Executive: Shane Sullivan, Acting Director Governance

Summary

A paper setting down a proposed IA work programme for the remainder of 2018-19 and requesting direction on priorities for audits in the 2019-2020 financial year. The *IA Proposed Work Programme 2018-2020* is presented by Internal Audit to the Audit, Risk and Improvement Committee for consideration and determination of priorities.

Recommendation

1 That the Audit, Risk and Improvement Committee:

- ***determine whether the three mandatory annual audits of RMS DRIVES, Councillor Expenses (every 2 years) and NHV Accreditation should be conducted by IA or become the responsibility of the relevant business units to fund and contract out;***
- ***identify eight priority audits (which may or may not need to include the three mandatory reviews) for the 2019-2020 IA work programme;***
- ***approve the two remaining reviews for 2018/19 of the Cultural Hub and Performance Management of Employees.***

2 That this report and the supporting papers to this Report be made publicly available, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.

Context

The full IA work programme comprises:

- Internal audit (business assurance) reviews (which makes up the bulk of the audit programme)
- Follow up to verify implementation of agreed actions
- Stakeholder engagement, education & communication initiatives
- Professional development
- Monitoring and measuring the performance of the IA function

Mandatory reviews that must be incorporated into the work programme are:

- **Councillor Expenses** – in accordance with part 16 of the '*Councillor Expenses and Facilities Policy*' "*the operation of this policy, including claims made under the policy, will be included in Councils audit programme and an audit undertaken at least every two years*".
- **RMS DRIVES24** – subject to RMS continuing to grant Council access to the DRIVES system
- **NHV Accreditation** – subject to Council remaining in the scheme

An alternative arrangement would be for the business units that hold responsibility for the mandatory reviews, ie Environment & Planning for RMS DRIVES, Governance for Councillor Expenses and Plant and Fleet for NHV Accreditation, to all set aside budgetary provision for 2019/20 and beyond, to contract their own external consultants to conduct the mandatory reviews. This would free up the IA work programme to focus on other business assurance audits of a higher priority.

The schedule of audits presented in the attachment to this paper was originally drafted based on an additional resource submission for a Senior Internal Auditor, an IT Auditor and an Audit Associate. Since then however, notification has been received that the resourcing submission was not approved and so the audit programme will need to be scaled back to a maximum of 8 reviews for 2019/20, in accordance with priorities determined by the Audit, Risk and Improvement Committee at this meeting and taking into account the resourcing of the three mandatory reviews that are required. The original proposed schedule of audits is attached to this paper as Appendix 1, under the different review focus areas of strategic, operational, IT, validation and mandatory with suggested alternatives incorporating the reviews that would have been conducted by the additional resources had the submission been successful.

The new IA work programme has been developed to operate from January 2019 through to June 2020. It is not considered worthwhile developing a work programme beyond this 18 month time frame because of the pace of change and changing priorities across Council and continued resourcing uncertainties. The timeframe for the work programme is in accordance with the Committee's agreed recommendation from their meeting of 19 December 2017 that: "*the Audit, Risk and Improvement Committee agree to a risk based rolling work programme for Internal Audit in line with values based internal auditing from 2018/19 onwards instead of a three year fixed programme of reviews.*"

How The Schedule Of Audits Was Identified

Consultation with relevant stakeholders was undertaken and the CIA carried out a risk assessment to determine reviews that would be appropriate as well as incorporating those required for accreditation purposes or under Council held agreements with third parties. The issues from the *IA Comparative Data and Risk Outlook Report* and the *Emerging Themes* report were also taken into account along with key messages arising from the community strategic plan and annual report.

The work programme was originally drawn up to comply with the Institute of Internal Auditors' *International Professional Practices Framework* standard 2030, which states:

"the chief audit executive must ensure that internal audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan."

As the resourcing submission has not been approved, the work programme therefore must be scaled back accordingly and so the Audit, Risk and Improvement Committee are requested to:

- determine whether the three mandatory annual audits of RMS DRIVES, Councillor Expenses (every 2 years) and NHV Accreditation should be conducted by IA or become the responsibility of the relevant business units to fund and contract out;
- identify the eight priority audits (which may or may not need to include the three mandatory reviews) for the 2019-2020 IA work programme;
- approve the two remaining reviews for 2018/19 of the Cultural Hub and Performance Management of Employees.

Once this programme has been agreed, the CIA will finalise the tender documentation for a co-sourced arrangement to deliver around 5 of the eight reviews identified as priorities by the Audit, Risk and Improvement Committee.

Conclusion

Under section 4.5 of their Charter, the Audit, Risk and Improvement Committee are responsible for:

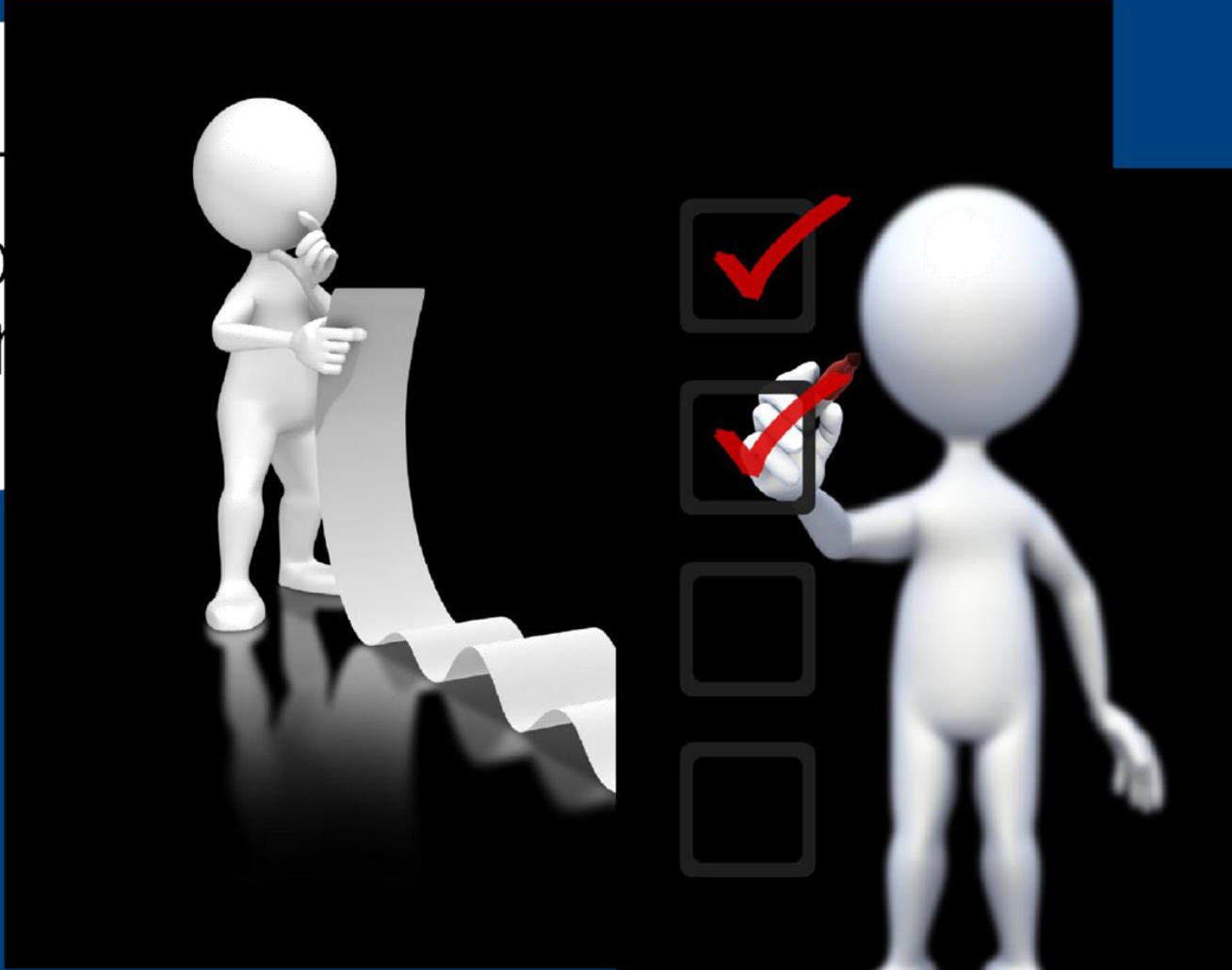
- reviewing the internal audit coverage and Internal Audit Plan, ensure the plan has considered the Risk Management Plan, and approve the plan;
- consider (*sic*) the adequacy of internal audit resources to carry out its responsibilities, including completion of the approved Internal Audit Plan

The proposed schedule of audits presented to the meeting is intended to identify to the Committee where the Chief Internal Auditor considers that the organisation would most benefit from independent review in relation to specific corporate/strategic, operational and IT matters as well as where validation of management actions would be beneficial and the mandatory reviews that Council must report on. It is incumbent upon the Committee to determine where they would like the IA resources to be focused for the remainder of 2018/19 and the financial year 2019/20.

Attachments

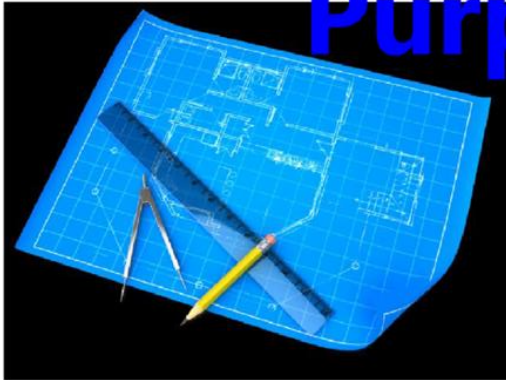
1 Appendix 1 IA Work Programme 2018 to 2020 D13399500

Tina Baker
Chief Internal Auditor
October 2018



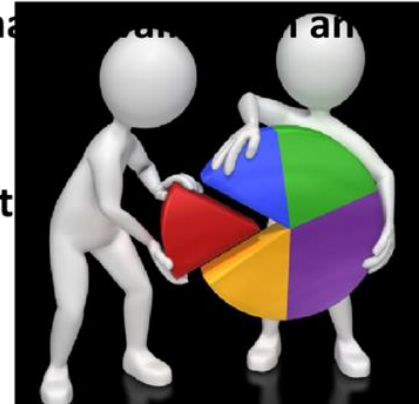
IA Proposed Work Programme: 2018-2020

Purpose of This Report



To set down an IA work programme of possible reviews from Oct 2018 to July 2020, in respect of business assurance audits covering a range of strategic, operational and mandatory reviews

To identify who will conduct the reviews in accordance with resourcing assumptions and provide an indication as to when they take place

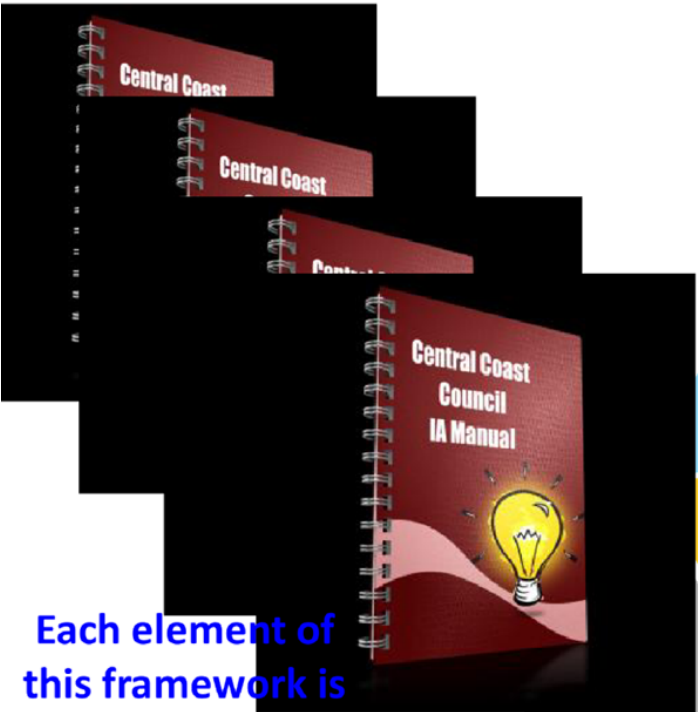


To provide a point of reference for the audit work programme whilst acknowledging that the dynamic nature of the Council's environment is likely to require quarterly review of the programme. Some reviews remain most relevant and others are more profile

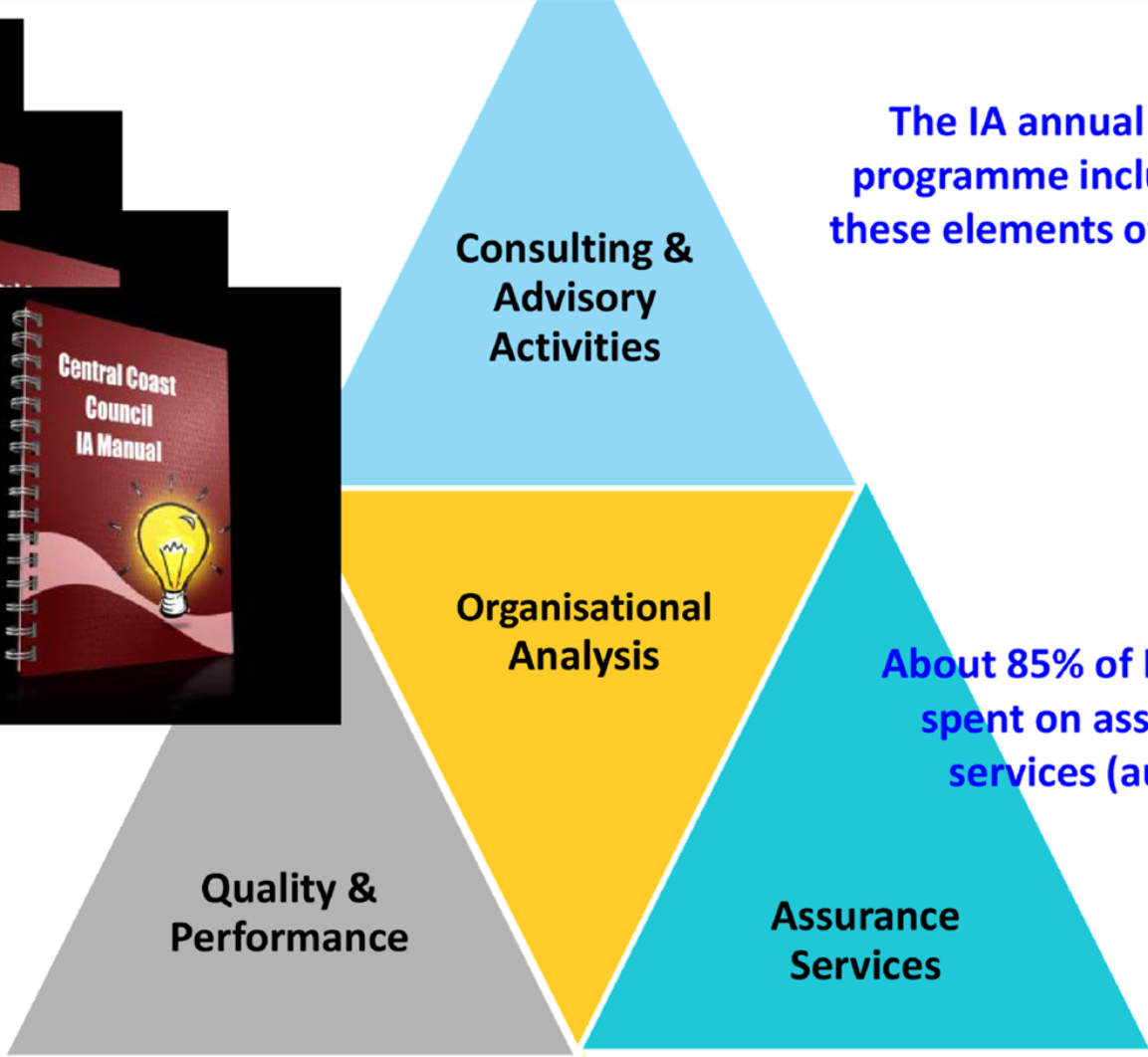
To indicate other deliverables in line with remaining elements of the IA framework



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Each element of this framework is underpinned by an IA procedures manual



The IA annual work programme includes all these elements of activity

About 85% of IA time is spent on assurance services (audits)

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Purpose of Business Assurance Reviews

On behalf of the CEO and Council (reporting through the Audit, Risk and Improvement Committee), IA independently tests the effectiveness of controls that management have put in place around their systems and processes to determine:



LEVELS OF EFFICIENCY,
EFFECTIVENESS AND
ECONOMY



WHETHER ASSETS ARE
BEING ADEQUATELY
PROTECTED



LEVELS OF COMPLIANCE
WITH LAWS, REGULATIONS
AND POLICIES ETC



ACHIEVEMENT OF
BUSINESS OBJECTIVES

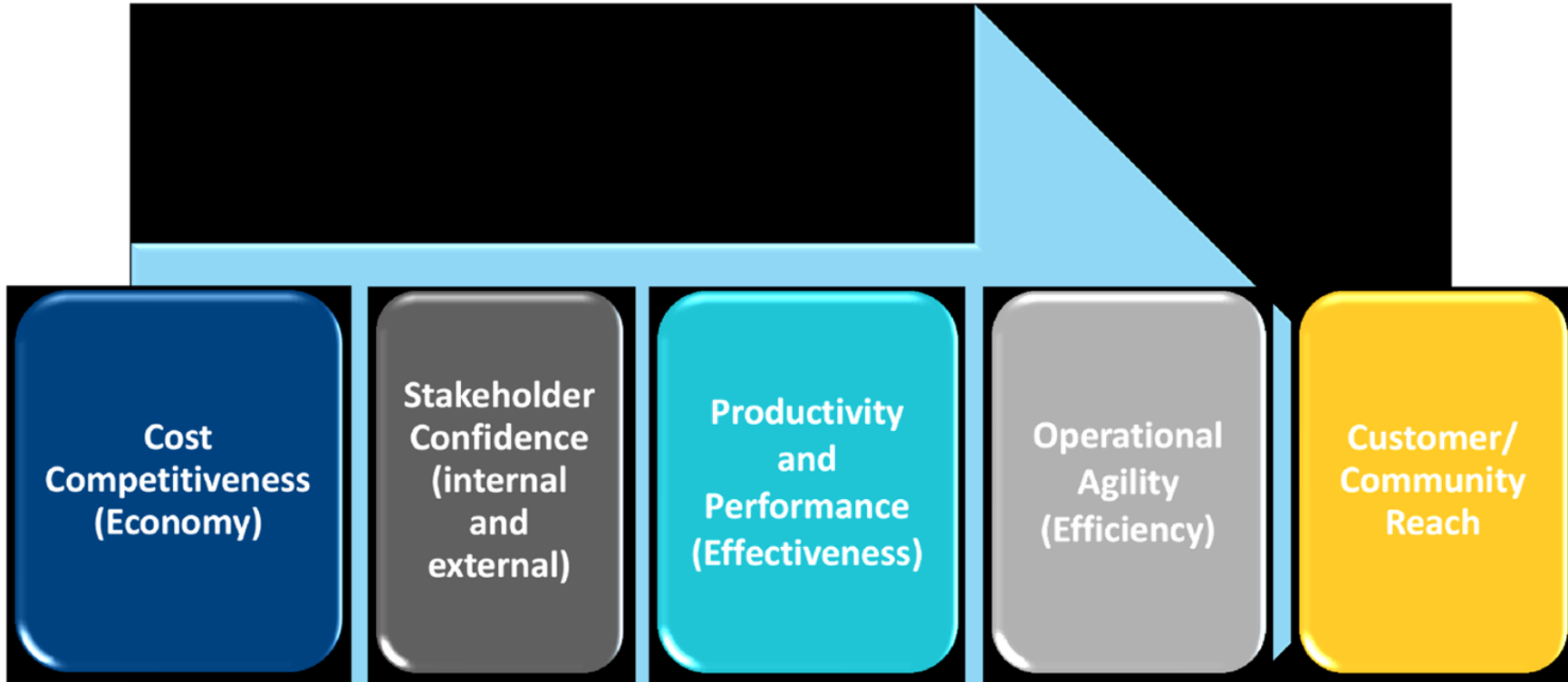


USE, RELIABILITY AND
INTEGRITY OF
INFORMATION



WHETHER FRAUD &
CORRUPTION RISKS ARE
BEING MITIGATED

IA's Key Value Drivers Underpinning Each Review



Relevant Reference Points For Schedule Of Audits

Council's Annual Report

Community Strategic Plan Themes, Focus Areas and Objectives:
Belonging; Smart; Green; Responsible; Liveable

Council Plans and Integrated Planning Framework

Regional Plans

2017/18 ICAC themes/reports/investigations:

Development and planning; Sale of land and property; Credit cards and expenses; Contractors/sub-contractors/consultants ; False invoicing; Regional illegal dumping; Recruitment

Auditor General performance audit topics for Local Government 2017/18:

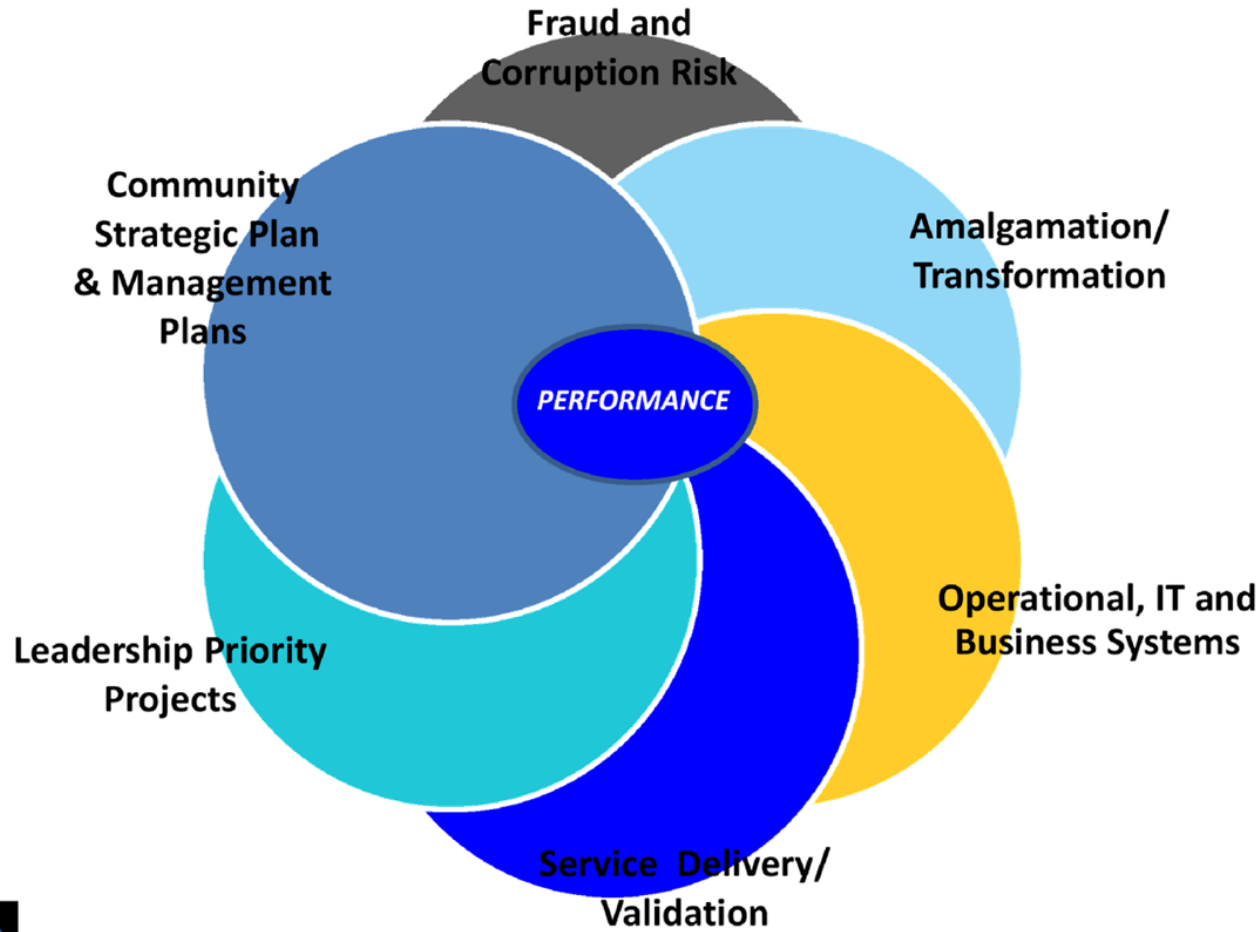
- Council reporting on service delivery
- Fraud control in local government
- Shared services

Auditor General performance audit topics for Local Government 2018/19:

- Waste management in local government
- Amalgamation: managing staffing implications
- Management of an 'activity' (to be determined)

NSW Premier's 12 Priorities (where relevant): 1. creating jobs 2. delivering infrastructure 3. driving public sector diversity 4. improving education results 5. improving government services 6. improving hospital service levels 7. keeping environment clean 8. affordable housing
9. Protecting our kids 10. reducing domestic violence 11. reducing youth homelessness 12 tacking childhood obesity

Factors Influencing Audit Schedule



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What Constitutes The Audit Assurance Programme?



STRATEGIC REVIEWS

Focussing on critical risks, emerging risks, areas of community concern, major and priority projects, culture, performance and integration matters.



OPERATIONAL REVIEWS

Focussing on core corporate systems and processes that provide key services to the organisation or the community.



INFORMATION TECHNOLOGY, DIGITAL & DATA MANAGEMENT REVIEWS

Focussing on specific IT, digital and cyber-related governance, systems, projects and processes.



MANDATORY REVIEWS

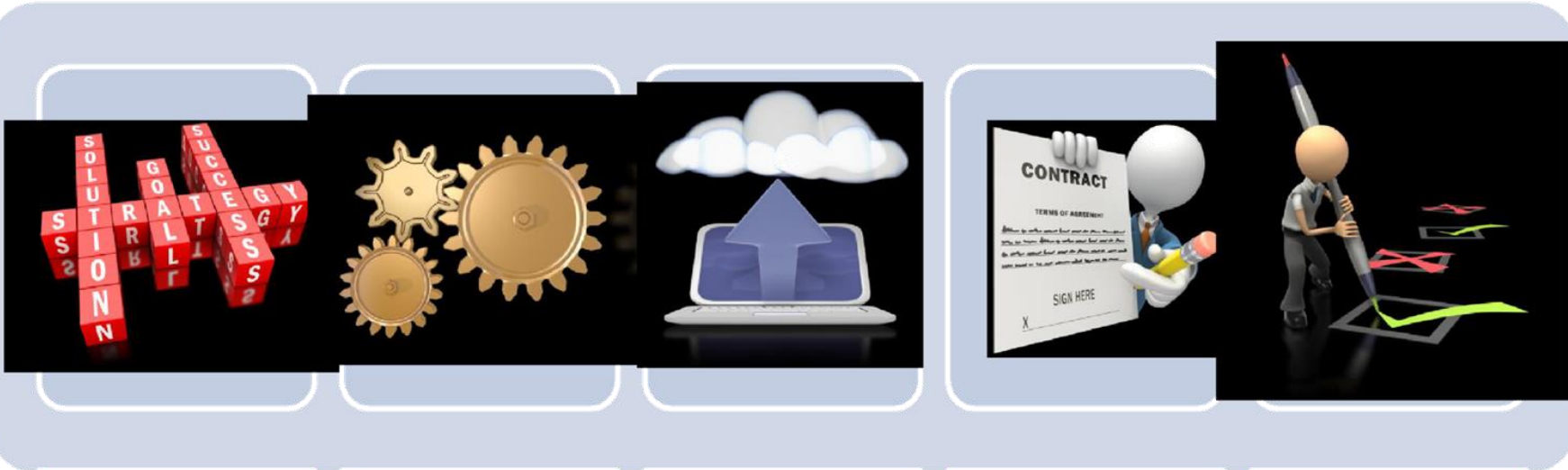
Focussing on reviews required under various contracts, legislation or agreements with third parties, internal policy requirements and good practice determined by recognised standards that govern Council services.



VALIDATION REVIEWS

Focussing on verifying actions taken by management on 'closed' audits to determine whether the risk exposures have been minimised and the recommendations were effective.

Who Will Do What...



STRATEGIC REVIEWS
 Performed by the Chief Internal Auditor and/or the Senior Internal Auditor*

OPERATIONAL REVIEWS
 Performed by IA's co-sourced partner (external firm) in line with \$200k annual budgetary provision

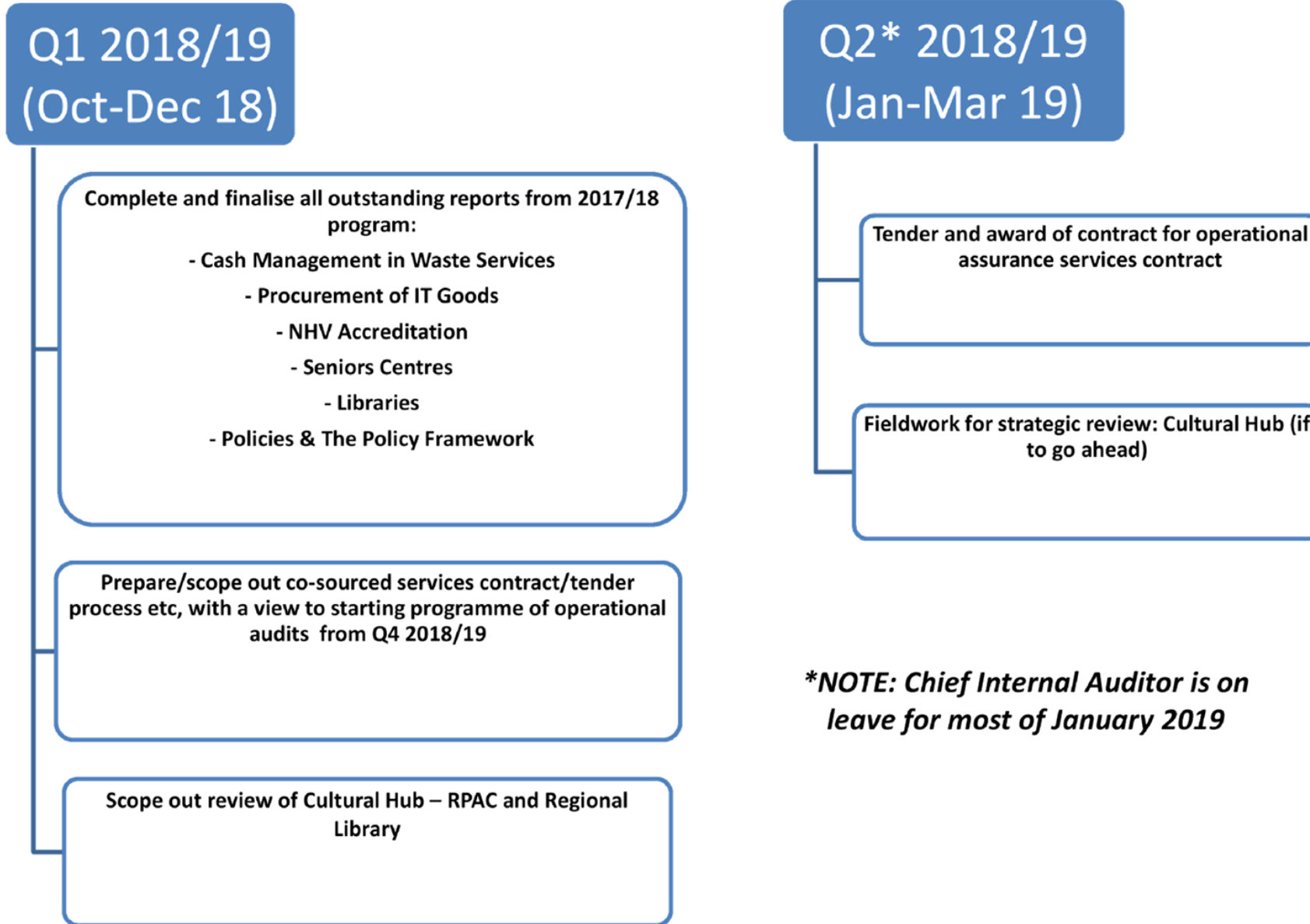
IT/DIGITAL & DATA MGT REVIEWS
 Performed by the IT Auditor* and in some cases IA's co-sourced partner

MANDATORY REVIEWS
 Conducted by in house IA staff or co-sourced partners, depending on availability and cost

VALIDATION REVIEWS
 Conducted by the Audit Associate*

* Senior Internal Auditor, IT Auditor and Audit Associate all identified under Oct 2018 corporate resourcing business case submissions

...and When?



2018-19 Strategic Audits: Proposed Plan

Q4/2018-19 (Apr-Jun 2019) conducted by the Chief Internal Auditor & Senior Internal Auditor if resourcing approved

Audit Topic	Dept/ Service Unit	Budget (days)	Indicative Timing	Rationale	Indicative Scope
Cultural Hub (completion from Q3/18- 19)	Corporate Wide	20	Apr-May 2019	Analysis of two of the largest capital projects being undertaken by Council, simultaneously, after many years of planning and with funding from a number of different sources. This review will help determine what has happened to date, governance around the projects so far and what lessons can be learned and controls are in place to ensure the projects are delivered on time, on budget and to the appropriate standards and community expectations.	Regional Library & Regional Performing Arts Centre <ul style="list-style-type: none"> • Background chronology • Funding • Project planning & scoping • Financial management • Stakeholder management • Time management • Quality management • Communications management • Risk management • Procurement management
Performance Management (Employees)	Corporate Wide	40	May-Jul 2019	Effective performance management of employees at all levels is fundamental to the success of an organisation. Motivated staff are the key to providing high quality services to the community and helping deliver on the commitments in the Community Strategic Plan in cost-effective and efficient ways as well as striving for continuous improvement at a personal and organisational level.	<ul style="list-style-type: none"> • Purpose, policies and procedures that govern the process • Development of current system • Objective setting • Roll out, training and support • Measuring personal effectiveness and development • Integrity, transparency and consistency • Feedback on individuals and on the process • Impact and value • Alignment with workforce management strategy & CSP

2018-19 Operational Audits: Proposed Plan

Q4/2018-19 (Apr-Jun 2019) subject to contract arrangement being in place for co-sourced audit partner

Audit Topic	Dept/ Service Unit	Budget (days)	Indicative Timing	Rationale	Indicative Scope
Contracts awarded since amalgamation	Corporate wide	40	April/May 2018	Contracts form a large part of Council expenditure and it is important that the process followed to award a contract is well controlled and that contract costs are well managed. Council is obliged to report on all contracts awarded over \$150,000 in the Annual Report so it is important that the Contracts Register is accurate and up to date not simply to feed into the Annual Report but also to identify when contracts are due to expire so sufficient planning can be undertaken if a contract needs to be retendered.	<ul style="list-style-type: none"> • Number of contracts awarded since amalgamation and suppliers • Tendering and contract award process • Validation of contract register information and information provided for Annual Reporting purposes • Contract estimates vs actual costs • Contract governance and referrals to Council
Use of contractors/ temporary labour hire since amalgamation	Corporate wide	40	May/June 2018	Use of contractors and temporary labour high is a useful way to manage short term projects and provide cover for permanent resourcing shortfall on temporary basis. A recommendation from the OLG's 2011 'Body Hire' report into the engagement and management practices of the former Wyong Council for contractors and temporary personnel was that "Council's internal auditor should undertake regular audits to ensure compliance with Council's current procedures governing the engagement and management of temporary contract personnel". This review is part of IA's regular response to this recommendation.	<ul style="list-style-type: none"> • Costs, numbers and trends in use of contractors/temps since amalgamation • Determination process for use of contractors/temporary staff • Engagement and selection process for contractors and temporary staff • Purpose, terms and tenure of engagement including contract renewals and extensions • Conversion rates to permanent roles and the advertising, selection and engagement processes followed

2018-19 IT Audits: Proposed Plan

Q4/2018-19 (Apr-Jun 2019) subject to recruitment of IT Auditor, if resourcing approved

Audit Topic	Dept/ Service Unit	Budget (days)	Indicative Timing	Rationale	Indicative Scope
Systems Integration	IM&T and corporate wide	50	Apr-Jun 2019	A major challenge from the amalgamation has been the integration of different IT systems and/or determination of which system to implement for core organisational services such as time and attendance, records management, asset management, procurement and financial management. This review will consider the work undertaken since amalgamation, progress to date, IT governance and project management disciplines around systems integration.	<ul style="list-style-type: none"> • Business case and project scoping • Prioritisation • Work undertaken since amalgamation and progress to date • IT governance and project management disciplines • Stakeholder engagement • System testing • User experience • Training and support

2018-19 Mandatory Audits: Proposed Plan

Q4/2018-19 (Apr-Jun 2019) THE MANDATORY NATURE OF THESE REVIEWS MEAN THEY TAKE PRECEDENCE FOR ALL RESOURCING

Audit Topic	Dept/ Service Unit	Budg et (days)	Indicative Timing	Rationale	Indicative Scope
Councillors Facilities and Expenses	Governance & Business Services	30	Apr-May 2019	A requirement under part 16 of the <i>Councillor Expenses and Facilities Policy</i> : "the operation of this policy, including claims made under the policy, will be included in Council's audit programme and an audit undertaken at least every two years".	<ul style="list-style-type: none"> • Policy framework and compliance • Validity of claims • Processing and authorising of payments • Asset tracking • Evaluation and monitoring of claims • Reporting
DRIVES24	Environment & Certification	15	May-June 2019	A mandatory, annual requirement under Council's Terms of Access Agreement with RMS. Fieldwork must be undertaken by 30 June and the report must be with RMS by 31 July each year	Compliance with the Agreement as per the RMS template

2018-19 Validation Audits: Proposed Plan

Q4/2018-19 (Apr-Jun 2019) subject to recruitment of Audit Associate, if resourcing approved

Audit Topic	Dept/ Service Unit	Budget (days)	Indicative Timing	Rationale	Indicative Scope
Operational Plan 2017-2018 Progress Against Actions: Governance & Business Performance	Corporate wide	45	Apr-Jun 2018	Council's Operational Plan for 2017/18 lists 43 actions relating to Governance and Business Performance. This review will determine progress against the actions as stated and the process for tracking progress.	<ul style="list-style-type: none"> • Identification of actions and deadlines • Verification of actions and progress against deadlines • Alignment with corporate priority projects • Process for tracking progress

2019-20 Strategic Audits: Proposed Plan

2019/2020

- **Fraud & Corruption Risk Assessment**
- **Central Coast (Warnervale) Airport**
- **Emergency management & preparedness**
- **Water quality & supply management**

Other Options

- **Asbestos management**
- **Crown land management**
- **Coastal management**
- **Strategic planning & economic development**

2019-20 Operational Audits: Proposed Plan

2019/2020

- **Staff expenses**
- **Payroll**
- **Recruitment and screening**
- **Bank account changes (payment protection from fraud and error)**
- **Declarations (gifts, benefits, conflicts of interest, code of conduct, pecuniary interests)**
- **Procurement Cards, Fuel Cards, Credit Cards**
- **Secondary employment**

Other Options

- **Regional illegal dumping**
- **Fees and charges**
- **Council as principal certifying authority**
- **Leave & absence management**
- **Legal services**
- **Facilities management**
- **Community Events**
- **Rates**

2019-20 IT Audits: Proposed Plan

2019/2020

- **Business analytics & management information**
- **BCP/disaster recovery**
- **Website and intranet design, maintenance & UX**
- **Security of personal and financial data**

Other Options

- **Cyber security and fraud prevention**
- **Enterprise architecture**
- **IT contracts and contract management**
- **Helpdesk support and customer service**

2019-20 Mandatory Audits: Proposed Plan

2019/2020

- **NHV Accreditation** - Council holds NHV Accreditation which permits Council to service and maintain a nominated fleet of heavy vehicles in house without the need to present the vehicles to RMS for annual inspections.
- **RMS DRIVES** - a mandatory, annual requirement under Council's Terms of Access Agreement with RMS. Fieldwork must be undertaken by 30 June and the report must be with RMS by 31 July

Mandatory

- **NHV Accreditation** - Council holds NHV Accreditation which permits Council to service and maintain a nominated fleet of heavy vehicles in house without the need to present the vehicles to RMS for annual inspections.
- **RMS DRIVES** - A mandatory, annual requirement under Council's Terms of Access Agreement with RMS. Fieldwork must be undertaken by 30 June and the report must be with RMS by 31 July
- **Councillor Expenses** - A requirement under part 16 of the *Councillor Expenses and Facilities Policy*: "the operation of this policy, including claims made under the policy, will be included in Council's audit programme and an audit undertaken at least every two years".

2019-20 Validation Audits: Proposed Plan

2019/2020

- **Operational Plan 2017-2018 Progress Against Actions: Community, Environment, Economy**
- **Operational Plan 2017-2018 Progress Against Actions: Governance, Business Improvement**

Other Options

- **Verification of implementation of management actions from previous reviews - Section 94 Contributions**
- **Verification of implementation of management actions from previous reviews – asset management**

Other Deliverables Under IA Framework Organisational Analysis



- The organisational analysis element of the IA framework relates organisational risk assessment and audit needs analysis (ANA) undertaken to develop the strategic IA work programme
- With a mature enterprise risk management (ERM) process the audit needs analysis drops out of the corporate and operational risk registers, when assessed in line with relevant data such as value of assets under management, capital and operational expenditure, staff turnover etc and intentions stated in strategic plans such as the CSP
- The results of audits should then be used to inform the risk registers and, where appropriate, reassess the effectiveness of stated controls
- During the plan period, the Chief Internal Auditor will continue to populate the ANA worksheets with relevant data as it becomes available and will aim to align the assessment criteria with the ERM risk registers as they are developed as far as it is meaningful to do so

Other Deliverables Under IA Framework

IA Consultancy and Advisory Activities



- IA consultancy and advisory activities include:
 - Fraud and corruption advice
 - Relationship management
 - Stakeholder engagement and education
 - Governance, risk and compliance activity
 - Audit, Risk and Improvement Committee (ARIC) liaison
- For the period of this work programme, the Chief Internal Auditor will:
 - update and roll out a stakeholder engagement strategy and plan
 - review the effectiveness of audit reports and consider new ways to “tell the story”
 - highlight and celebrate where audit findings indicate that the control environment is effective and well managed through the IA Gallery
 - Implement innovative and engaging techniques to inform and educate stakeholders on fraud and corruption matters, and raise awareness of the importance of effective governance, risk management and compliance
 - Refine comparative data reporting and risk outlook reports and consider ways to make them a valuable accessible resource, for management



Other Deliverables Under IA Framework

IA Quality and Performance



- IA quality and performance includes:
 - Customer satisfaction
 - Self and external assessment
 - IA continuous improvement
 - Professional development and ongoing education
 - Performance measurement
- For the period of this work programme, the Chief Internal Auditor will:
 - conduct ARIC and Executive feedback surveys in line with Balanced Scorecard measures
 - Subject to in-house resourcing, undertake communication, learning styles and competency skills assessment for the team and develop professional development programmes to address any identified gaps
 - Establish a peer group reciprocal IA QA arrangement with at least two other Councils
 - Commission a QA review (2020/21) of the IA function
 - Conduct fact-finding visits to high performing organisations relating to strategic reviews, ARIC and IA team performance



Item No: 1.14
Title: Implementation of Management Actions Arising From IA Reviews
Department: Governance

4 December 2018 Audit Risk and Improvement Committee Meeting

Trim Reference: F2018/00028 - D13398440

Author: Tina Baker, Chief Internal Auditor

Summary

The report on *Implementation of Management Actions Arising From IA 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. This report is provided to the Committee to help meet section 4.5 of their Charter obligation, which states: "The Committee is responsible for: *[inter alia]*

- Review (*sic*) all audit reports and consider 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 Audit, Risk and Improvement Committee receive the report on the implementation of management actions arising from IA reviews**
- 2 Pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter, that the Audit, Risk and Improvement Committee consider assigning a 'confidential' privacy marking to Appendix 1 to this report for the reasons that it contains information that could compromise the "security of Council, Council Officials and Council property"**

Background

When IA reviews identify a control weakness, the risk exposure is reported and recommendations to mitigate the risk are captured in a written report along with responses and any corrective action agreed by management.

Management nominate a date by which their agreed action will be implemented in accordance with their own operational priorities. It is intended that all the recommendations and management responses eventually will be captured in an Audit Task Tracker system (as has existed previously). Implementation of the agreed or partially agreed actions are tracked by the Chief Internal Auditor in accordance with management's implementation date. When the Tracker system is fully functional a manager will be able to update/close an item from the Tracker and also attach information to validate closure of the item.

Current Status

No further audits have been finalised since the last report to the Committee. Management updates were received in respect of the RMS DRIVES review, resulting in the closure of 3 actions and the Plant and Fleet Unit Manager is to meet with the CEO to discuss the transfer of responsibilities relating to the CCTV review.

The status summary is as follows:

Status at May 2018	Status at June 2018	Status at Sept 2018	Status at Dec 2018
81 open actions from 19 different reviews	24 open actions from 10 different reviews	46 open actions from 12 different reviews	43 open actions from 12 different reviews

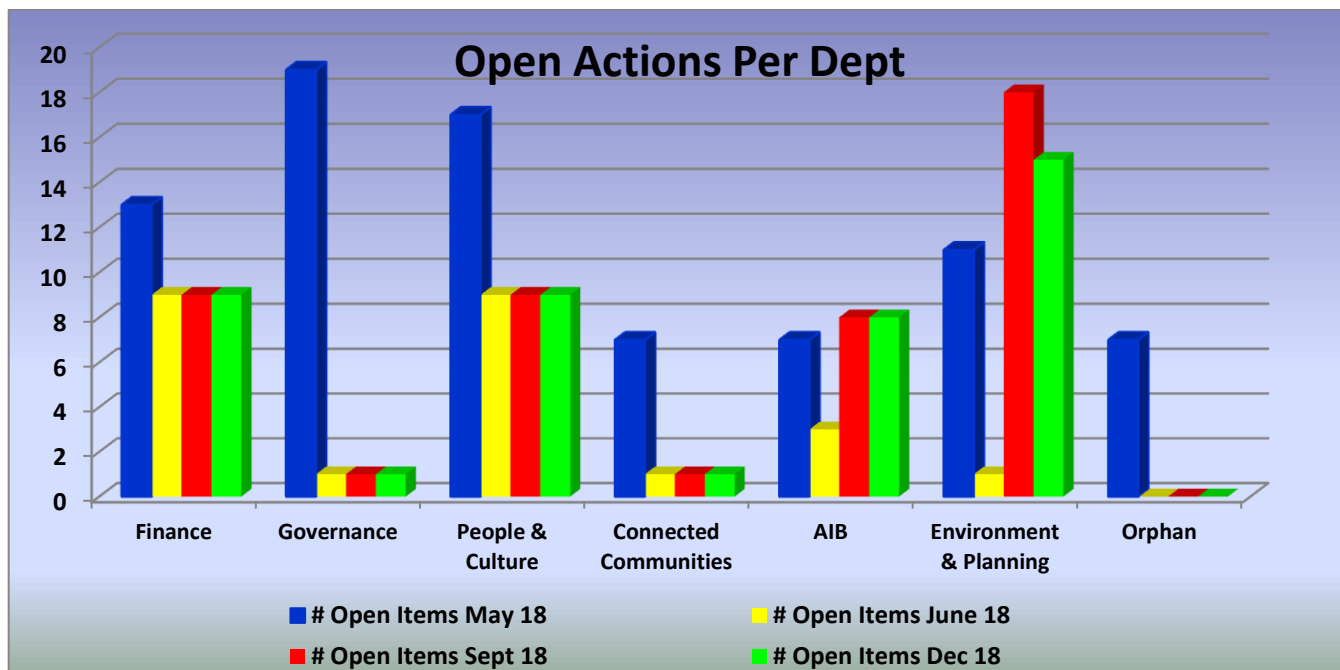
The detailed tables at Appendix 1 shows the findings and recommendations for each review, the last management response received and the management responses to the newly added reviews, along with implementation dates.

Headline Data

The status of where responsibility for the **43** open actions is as follows:

- Environment and Planning – 15
- Finance – 9
- People and Culture – 9
- Assets, Infrastructure and Business – 8
- Governance – 1
- Connected Communities – 1

The chart below shows the number of open actions per department and the changes since the last three reports.



Of the 43 open actions:

- **14** had no allocated action date
- **9** are overdue by 25 months or more
- **1** is overdue by 13-24 months
- **8** are overdue by 1-6 months
- **11** were not yet due at the time this report was compiled

Summary Table

#	Audit Title (Former Council)	Date of Final Report	# Open Actions	Risk Rating of Open Actions
1	CCTV (WSC)	May 2014	1	1 x moderate
2	Engagement & Management of Temporary Contract Personnel (WSC)	July 2014	1	1 x moderate
3	Tendering and Contract Award (WSC)	October 2014	1	1 x moderate
4	Payroll (GCC)	September 2015	2	2 x not assigned
5	Rates Database Integrity Review (GCC)	September 2015	1	1 x not assigned
6	Cash Management (GCC)	October 2015	6	6 x not assigned
7	Town Centre Management/ Issue of Licences (WSC)	December 2015	1	1 x high
8	Asset Management (WSC)	February 2016	3	2 x high 1 x moderate
9	S94 Contributions (WSC)	May 2016	1	1 x moderate
10	Payroll Validation Review – South Office (CCC)	September 2016	7	7 x not assigned
11	CCTV	August 2018	6	5 x high 1 x moderate
12	DRIVES24 (2017-18)	September 2018	13	6 x high 7 x moderate

1.14 Implementation of Management Actions Arising From IA Reviews (contd)

#	Audit Title (Former Council)	Date of Final Report	# Open Actions	Risk Rating of Open Actions
	TOTALS		46 open actions from 12 audits	14 x high 13 x moderate 16 x not assigned

Conclusions

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. It is the responsibility of management to determine whether appropriate action has been undertaken in a timely way and to a sufficient degree to manage down the risk exposure to a more acceptable level to warrant the closure of the action. Senior management are advised that they are accountable in the event that items have been closed off but the mitigating action has not actually been undertaken and the identified risk crystallises. It is also the responsibility of senior management to determine what action or intervention should be taken in the event of overdue actions and to ensure that action taken to close out an item is appropriate to address the risk and issue highlighted by the finding.

Attachments

- 1 Appendix 1 Management Actions Arising From IA Reviews December 2018 - CONFIDENTIAL D13398443



Item No: 1.15
Title: Dates for 2019 Audit, Risk and Improvement Committee (ARIC) meetings
Department: Governance

4 December 2018 Audit Risk and Improvement Committee Meeting

Trim Reference: F2018/00028 - D13357061

Author: Kelly Drover, Advisory Group Support Officer

Manager: James Taylor, Acting Unit Manager, Governance and Business Services

Executive: Shane Sullivan, Acting Director Governance

Report Purpose

To set dates for future Audit, Risk and Improvement Committee meetings in 2019 pursuant to Clause 6.1 of the Audit Risk and Improvement Committee Charter.

RECOMMENDATION

- 1** *That the Committee set the dates Dates for 2019 Audit, Risk and Improvement Committee (ARIC) meetings.*
- 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 6.4 of the Audit, Risk and Improvement Committee Charter.*

Background

Clause 6.1 of the Audit Risk and Improvement Committee Charter states that forward meeting dates for the following year will be agreed by the Committee in December each year. The proposed dates for the 2019 meetings are as follows:

Tuesday 19th March 2019

2pm – 5pm

Gosford Committee Room

Wednesday 19th June 2019

2pm – 5pm

Wyong Committee Room

Tuesday 1st October 2019

2pm – 5pm

Gosford Committee Room

**1.15 Dates for 2019 Audit, Risk and Improvement Committee (ARIC) meetings
(contd)**

Tuesday 5th November 2019 (Proposed Finance Meeting)

2pm – 5pm

Gosford Committee Room

Wednesday 4th December 2019

2pm – 5pm

Wyong Committee Room

Attachments

Nil