

Audit & Risk Committee Agenda & Reports

18 September 2023

Our Vision

*A City which values its heritage, cultural diversity,
sense of place and natural environment.*

*A progressive City which is prosperous, sustainable
and socially cohesive, with a strong community spirit.*

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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City of
Norwood
Payneham
& St Peters

14 September 2023

To all Members of the Audit & Risk Committee

Committee Members

- Mayor Robert Bria (Presiding Member)
- Cr Grant Piggott
- Cr Claire Clutterham
- Ms Stephanie Eldridge (Independent Member)
- Ms Sandra Di Blasio (Independent Member)

Staff

- Mario Barone (Chief Executive Officer)
- Lisa Mara (General Manager, Governance & Civic Affairs)
- Natalia Axenova (Chief Financial Officer)
- Skye Grinter-Falzun (Manager, Chief Executive's Office)

NOTICE OF MEETING

I wish to advise that pursuant to Sections 87 and 88 of the *Local Government Act 1999*, the next Ordinary Meeting of the Audit & Risk Committee, will be held in Meeting Room 3 (Upper Level), Norwood Town Hall, 175 The Parade, Norwood, on:

Monday 18 September 2023, commencing at 7.00pm

Please advise Lisa Mara on 8366 4549 or email lmara@npsp.sa.gov.au, if you are unable to attend this meeting or will be late.

A light meal will be available from 6.30pm.

Yours faithfully



Mario Barone
CHIEF EXECUTIVE OFFICER

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City of
**Norwood
Payneham
& St Peters**

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VENUE Meeting Room 3 (Upper Level), Norwood Town Hall

HOUR

PRESENT

Committee Members

Staff

APOLOGIES

ABSENT

TERMS OF REFERENCE:

The functions of the Audit & Risk Committee include:

- (a) reviewing Annual Financial Statements to ensure that the Statements present fairly the state of affairs of the Council; and*
- (b) proposing, and providing information relevant to, a review of the Council's strategic management plans or annual business plan; and*
- (c) monitoring the responsiveness of the Council to recommendations for improvement based on previous audits and risk assessments, including those raised by the Council's External Auditor; and*
- (d) proposing, and reviewing, the exercise of powers under Section 130A of the Local Government Act 1999; and*
- (e) liaising with the Council's External Auditor in accordance with any requirements prescribed by the regulations; and*
- (f) reviewing the adequacy of the accounting, internal controls, reporting and other financial management systems and practices of the Council on a regular basis; and*
- (g) providing oversight of planning and scoping of the Internal Audit work plan; and*
- (h) reviewing and commenting on reports provided by the person primarily responsible for the Internal Audit function at least on a quarterly basis; and*
- (i) reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis; and*
- (j) reviewing any report obtained by the Council pursuant to Section 48(1) of the Local Government Act 1999; and*
- (k) performing any other function determined by the Council or prescribed by the regulations.*

- 1. CONFIRMATION OF MINUTES OF THE AUDIT & RISK COMMITTEE MEETING HELD ON 15 MAY 2023**
- 2. PRESIDING MEMBER'S COMMUNICATION**
- 3. QUESTIONS WITHOUT NOTICE**
- 4. QUESTIONS WITH NOTICE**
Nil
- 5. WRITTEN NOTICES OF MOTION**
Nil
- 6. STAFF REPORTS**

6.1 REVIEW OF FINANCIAL CONTROLS – AUDIT OPINION BY COUNCIL'S AUDITOR

REPORT AUTHOR: Chief Financial Officer
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to advise the Audit & Risk Committee of the Review of Financial Controls that has been undertaken by the Council's Auditors, Galpins.

BACKGROUND

Pursuant to Section 129 of the *Local Government Act 1999* (the Act), in addition to providing an opinion on a Council's Financial Statements, the Council's Auditor must provide the Council with an audit opinion regarding its internal controls.

In respect to the internal controls, pursuant to Section 125 of the Act, a Council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the Council to carry out its activities in an efficient and orderly manner, to achieve its objectives, to ensure adherence to management policies, to safeguard the Council's assets and to secure (as far as possible) the accuracy and reliability of Council records.

It should be noted that the audit opinion is restricted to financial controls as set out in Section 129 of the Act and relate to the internal controls that have been exercised by the Council during the 2022-2023 financial year in respect to the receipt, expenditure, investment of money, the acquisition and disposal of property and incurring of liabilities.

A copy of the report titled *Financial Controls Review* submitted by the Council's Auditor (Galpins), is contained in **Attachment A**.

Mr Tim Muhlhausler of Galpins has been invited to attend this meeting of the Committee, to outline the findings of the review and to answer any questions.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

Appropriate financial controls are fundamental to an organisation's financial governance framework. Undertaking the review has provided the Chief Executive Officer and the Audit & Risk Committee, with an overview of the current situation and recommendations to address the weaknesses that have been identified.

CONSULTATION

- **Elected Members**
Not Applicable.
- **Community**
Not Applicable.
- **Staff**
Not Applicable.
- **Other Agencies**
Not Applicable.

DISCUSSION

As part of the interim audit which has been undertaken, the Council's Auditor, Galpins, has performed a review of procedures and processes to gain an understanding of the Council's internal controls, as these relate to the financial statements and performed tests on the design and effectiveness of the controls.

The contents of the report which has been submitted by the Auditor are self-explanatory and as such, the respective details are not reproduced in this report. However, a summary of the results is provided in Table 1 below.

TABLE 1

Business cycles	Controls Reviewed	Operating Effectively 2023	2023 Findings			
			H	M	L	BP
General Ledger	11	8	2	1	-	-
Fixed Assets	16	13	1	1	1	-
Purchasing & Procurement/Contracting	10	7	-	3	-	-
Accounts Payable (AP)	13	12	-	-	1	-
Rates / Rates Rebates	10	8	-	2	-	-
Banking	5	4	1	-	-	-
Accounts Receivable (AR)	6	5	1	-	-	-
Credit Cards	5	1	-	3	1	-
Payroll	19	19	-	-	-	-
Receipting	5	5	-	-	-	-
Total	100	82	5	10	3	-

In short, of the 100 internal controls that have been reviewed and tested by Galpins, 82 are operating effectively, 5 controls represent a High Risk Weakness, 10 represent a Moderate Risk Weakness which could lead to a Material Weakness in the Council's internal controls and potential non-compliance with Section 125 of the Act, if these are not addressed.

Staff have reviewed the report and agree with the recommendations and are currently in the process of implementing the recommendations.

Notwithstanding this, as identified in the report, there have been a number of issues that have arisen as a result of staff turnover, staff management of staff capacity and capability, staff performance related issues and absence of rigour. This, coupled with minimal handover of some tasks, when staff turnover occurred, inconsistent records management practices and process documentation, has in turn led to a deterioration of the financial internal controls as identified by the Council's Auditor.

The Auditors have acknowledged that a deterioration in controls is to be expected when such circumstances occur.

At the same time, the Auditors have also identified that they have had discussions with the Council's Chief Financial Officer and have reviewed the work and improvements that are being made and have advised that if the improvements (as recommended) are successfully implemented, a strong standard of internal control can be achieved.

OPTIONS

Nil

CONCLUSION

Nil

COMMENTS

Nil

RECOMMENDATION

1. That the Auditor's Report on the Council's Financial Controls and the 2022-2023 Interim Management Letter, as contained in Attachment A, be received and noted.
2. That the Committee notes that implementation of the recommendations contained in the Auditor's Report on the Council's Financial Controls and Interim Management Letter is being progressed and notes that a report will be provided to the Audit & Risk Committee at its next scheduled meeting on 23 October 2023.

Attachment A

Review of Financial Controls Audit Opinion by Council's Auditor

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City of
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& St Peters**



Accountants, Auditors & Business Consultants

Financial Controls Review

City of Norwood Payneham & St Peters

2022/23 Interim Management Letter



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1. EXECUTIVE SUMMARY

1.1 Background

During our interim audit we perform procedures to gain an understanding of the internal controls in place relevant to the financial statements and perform tests of design and effectiveness for these controls. Based on the results of the control testing, we then assess the audit risks to define the extent and nature of our substantive procedures (e.g. inspection of documents, recalculation, reconciliation, etc) for our final visit.

In addition to an opinion on the financial statements, section 129 of the Local Government Act 1999 requires auditors to provide an opinion regarding internal controls of councils. This opinion focuses on Council's obligations under s125 of the Local Government Act 1999:

"A council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the council's assets, and to secure (as far as possible) the accuracy and reliability of council records."

The audit opinion is restricted per s129 of the Act to the application of s125 as it relates to financial internal controls, specifically the controls exercised by the Council during the relevant financial year in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.

In order to assist the Council in addressing the requirements of s129, we have reviewed a prioritised list of controls from the better practice model based on our initial audit risk assessment. Further details about our scope can be found in item 1.2 of this report.

1.2 Objectives and scope

The objectives of our interim audit were to:

- understand Council's business, business cycles and processes relevant to the financial statements
- understand the internal controls in place for the areas we consider critical for the audit of the financial statements
- design internal controls tests for the internal controls identified
- perform the internal controls tests to determine the final risks of material misstatements in the financial statements to be addressed in our final audit
- review a prioritised list of internal financial controls we consider critical for the purpose of issuing a controls opinion.

The scope of our audit included a review of internal controls we consider key controls to be in place for the purpose of addressing the requirements of s129.

These key internal controls consist of a prioritised list of controls from the better practice model. This list was defined based on our risk assessment to determine the key business cycles, and key risks within these business cycles, that we understand should be the focus of the Council's control self-assessment.

The identification of key core controls and key business risks included the following risk assessment procedures:

Risk review – A review of Council's inherent risk assessment for internal financial controls.

Financial statement review – A high level financial statement review performed to identify key accounts and transaction streams.

Internal / external audit results review – The findings and recommendations of internal / external financial audits are reviewed to identify known areas of weakness, and areas known to be attracting audit attention.

The key core controls for the following key business cycles have been identified as critical for the purpose of issuing a controls opinion this financial year:

- General Ledger
- Fixed Assets
- Purchasing and Procurement/Contracting
- Accounts Payable (AP)
- Rates / Rates Rebates
- Banking
- Accounts Receivable (AR)
- Credit Cards
- Payroll
- Receipting

We have included a list of key controls identified by the audit for these business cycles as an appendix to this report (see Appendix 1). This list does not represent a complete population of internal controls that the Council should have in place. There is an expectation that controls not in this list will still exist and be operating effectively within Council.

The list of controls is only intended to be a guide for Council to prioritise its resourcing in readiness for the audit opinion, and for the ongoing monitoring of internal controls i.e. it is a risk based listing of controls which may be desirable for Council to include in its ongoing monitoring program for internal financial controls.

The list should not be considered a minimum standard – rather, it is a starting reference point for Council to consider. It is expected that Council will have performed a risk assessment of financial risks, and given consideration to the need to monitor controls that address High / Extreme risks that may not be included in this listing.

1.3 Category of findings

In order to assist the Council in establishing the overall level of control effectiveness and prioritising areas for attention, we have provided an overall assessment of the business cycles for which we have identified performance improvements opportunities (this report is prepared on an exception basis).

We assessed each business cycle using our risk assessment which was focused on the risk of finding material weaknesses which could lead to a modified controls opinion in the 2022/23 financial year. An overall assessment of the risk of a potential modified audit opinion per business cycle is provided in item 1.5 of this report.

Detailed findings including the controls tested as per the Better Practice Model, findings and recommendations are provided in section 2 of this report. The individual findings are also rated to assist the Council in prioritising corrective actions.

The overall assessment of the risk of non-compliance with s125 of the Local Government Act 1999 and the related findings and recommendations were rated as follows:

Category	Description
High Risk Weaknesses	The issue described could lead to a material weakness in the Council's internal controls and non-compliance with s125 of the Local Government Act.
Moderate Weaknesses	The issue described does not represent a material weakness due to the existence of compensating controls. However, the failure of the compensating controls or the existence of any other moderate weakness within the same business cycle may lead to a material weakness in the Council's internal controls and non-compliance with s125 of the Local Government Act.
Low Risk Weaknesses	The issue described is a low risk weakness due to the existence of compensating controls and/or the failure or absence of the internal controls does not impact significantly on the Council's financial risk. However, multiple low-level risk weakness within the same business cycle may lead to a material weakness in the Council's internal controls and non-compliance with s125 of the Local Government Act.
Better Practice Weaknesses	The issue described has been included in this report as an opportunity for better practice.

The Council should also perform its own assessment of priority based not only on audit risks, but also other risks management considers relevant such as non-compliance with pertinent legislations and regulations, and reputational risks.

1.4 Overall review of the Council's internal controls

During our interim visit we found that many key internal controls reviewed were in place and were operating effectively (82 out of 100 core controls reviewed).

A summary of the results of our review is provided in the table below:

Business cycles	Controls Reviewed	Operating Effectively	2023 Findings			
		2023	H	M	L	BP
General Ledger	11	8	2	1	-	-
Fixed Assets	16	13	1	1	1	-
Purchasing & Procurement/Contracting	10	7	-	3	-	-
Accounts Payable (AP)	13	12	-	-	1	-
Rates / Rates Rebates	10	8	-	2	-	-
Banking	5	4	1	-	-	-
Accounts Receivable (AR)	6	5	1	-	-	-
Credit Cards	5	1	-	3	1	-
Payroll	19	19	-	-	-	-
Receipting	5	5	-	-	-	-
Total	100	82	5	10	3	-

It has been a challenging year for the finance function due to a high turnover of finance staff. The Finance Manager and key staff in AP, AR and Payroll have only been in these roles for the last few months of the financial year. There was minimal handover of some tasks, a lack of / outdated policies and procedures to provide guidance to new staff, and inconsistent records management practices which make it difficult to locate evidence of how some controls have been exercised by previous staff. These factors have resulted in a deterioration of financial internal controls.

A deterioration in controls is to be expected following high staff turnovers, and it is pleasing that key functions of infrastructure asset management, rates, payroll and procurement have continued to a good standard. However, other areas of financial control including bank and other reconciliations have not been operating effectively. The turnover has also revealed gaps in succession planning and knowledge capture within the finance function.

Overall, we have assessed that the financial internal controls have been operating at a minimum short-term acceptable standard in the context of the high staff turnover. However, Audit has an expectation that controls will be improved and key controls reimplemented as a matter of priority and that the 2023/24 audit will show measurable improvement. If not, there is a risk of qualification to the 2023/24 audit opinion on internal financial controls.

The new Finance Manager was aware of many of the issues raised in our report, and is focussed on addressing control gaps and improving processes. We have had discussions and reviewed work in progress on improvements being developed to date. If these and other improvements recommended within our report are successfully implemented, a strong standard of control can be achieved.

1.5. Summary of findings

Business Cycle	Findings	Risk
General Ledger	2.1.1 Instances of balance sheet accounts reconciliations not completed during the 2022/23 financial year	H
	2.1.2 Balance sheet reconciliations were not independently reviewed	H
	2.1.3 A need to review certain allocations of users and profiles to key finance roles in Authority	M
Fixed Assets	2.2.1 Fixed assets balance sheet reconciliations were not completed during the 2022/23 financial year	H
	2.2.2 Land and Buildings assets requiring a new revaluation to be recorded in the general ledger as at 30 June 2023	M
	2.2.3 Assets included in Conquest are not directly linked to the GIS system	L
Purch. Proc. Contracting	2.3.1 Inconsistencies in the Procurement Policy Guidelines document and opportunities to improve its contents	M
	2.3.2 Instances of suppliers providing services with expired contracts	M
	2.3.3 Council does not have a contract register in place	M
Accts Payable (AP)	2.4.1 Accounts payable reconciliations were not completed during the 2022/23 financial year	L
Rates	2.5.1 Absence of a formal reconciliation of total rates revenue and total capital value recorded in the system after rates generation to the rates modelling and the Valuer General report	M
	2.5.2 List of rates rebates and non-rateable properties were not formally reviewed by Finance Management for the 2022/23 financial year	M
Banking	2.6.1 Unreconciled items remaining in the 30 May 2023 bank reconciliation.	H
Accts Receivable (AR)	2.7.1 Accounts receivable reconciliations were not completed during the 2022/23 financial year	H
Credit cards	2.8.1 Absence of evidence of approvals for the issuance and use of Council's credit cards	M
	2.8.2 Instances of credit card statements not being reviewed and/or approved by credit card holder's manager	M
	2.8.3 Instances of tax invoices and/or receipts not attached to the credit card statements	M
	2.8.4 Credit card holders are not required to sign a declaration confirming compliance with Council's policy and procedures prior to the Credit Card being released	L
Payroll	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act.	N/A
Receipting	Audit did not find any issue that would represent a risk of non-compliance with s125 of the Local Government Act.	N/A

2. DETAILED AUDIT FINDINGS

2.1 GENERAL LEDGER

2.1.1 Instances of balance sheet accounts reconciliations not completed during the 2022/23 financial year

High

Control

Reconciliation of all balance sheet accounts are completed in accordance with a schedule of review and/or procedure.

Risk

General ledger does not contain accurate financial information.

Finding	Recommendations	Management Response
<p>The Finance Manager and key staff members in the finance have only been in these roles for the last few months of the financial year. There was minimal handover of some tasks, a lack of / outdated policies and procedures to provide guidance to new staff, and inconsistent records management practices which make it difficult to locate evidence that balance sheet reconciliations have been prepared during the 2022/23 financial year.</p> <p>New finance management commenced in May and promptly started implementing a reconciliation process to ensure that all reconciliations are centralised in a single document and automatically linked to all balance sheet accounts to ensure the completeness of the process.</p> <p>Our review of this process, whilst it was still in development, identified that the reconciliation processes and templates being implemented by the Finance Manager follow good practice. If these processes and templates are successfully implemented and completed for all balance sheet accounts, a robust reconciliation process can be achieved.</p> <p>Reconciliations as at 30 May 2023 have been completed for most balance sheet accounts. The Finance Manager was performing the</p>	<p>Audit encourages and supports Council to continue with the implementation of a reconciliation process that is centralised in a single document to ensure the completeness of the process.</p> <p>Once the new reconciliation process is implemented it is expected that:</p> <ul style="list-style-type: none"> all balance sheet accounts are reconciled to their related subsidiary ledgers. all differences between the balance sheet accounts and their related subsidiary ledgers are identified, investigated and appropriately addressed, and all balance sheet reconciliations are independently reviewed. 	<p>Agree with the comment. All Balance Sheet reconciliations need to be in place and prepared every month.</p>

following tasks to complete the reconciliation of the balance sheet accounts not yet reconciled:

- identifying the appropriate reports to be generated out of Authority containing the balance of the subsidiary reports to be reconciled to the related balance sheet account.
- reconciling identified differences between subsidiary reports and balance sheet accounts.

More details and examples of balance sheet accounts not yet reconciled are provided in the findings 2.2.1, 2.4.1, 2.6.1 and 2.7.1.

2.1.2 Balance sheet reconciliations were not independently reviewed**High****Control**

All balance sheet reconciliations are reviewed by a person other than the preparer at least annually.

Risk

General ledger does not contain accurate financial information.

Finding

Balance sheet reconciliations were not independently reviewed.

As described in finding 2.1.1, balance sheet reconciliations could not be located from July 2022 up to the time the new Finance Manager commenced. The new Finance Manager has completed reconciliations for most balance sheet accounts as at 30 May 2023, and is working to finalise remaining reconciliations.

Audit were informed that once the new reconciliation process is implemented and all reconciliations are completed, the Finance Manager will determine and assign responsibility for the ongoing preparation of these reconciliations, and their independent review.

Recommendations

Ensure that balance sheet reconciliations are reviewed by a person other than the preparer on a regular basis.

Management Response

Agree with the comment.

2.1.3 A need to review certain allocations of users and profiles to key finance roles in Authority

Moderate

Control	Access to General Ledger maintenance is restricted to appropriately authorised personnel.
Risk	General Ledger does not contain accurate financial information / Data contained within the General Ledger is permanently lost.

Finding	Recommendations	Management Response
<p>New Finance Management has implemented appropriate mechanisms to review lists of users with access to different finance roles in Authority.</p> <p>Audit performed a review of the users with access to key finance roles in Authority and noted the following access allocations:</p> <ul style="list-style-type: none"> Role: Accountant - 5 users: external finance support, GL accountant, rates model officer support, CFO, Finance manager Role: Accounts Payable officer – 16 users: external finance support, pool officer, user with unidentified position 1, AR officer lead, GL accountant, light duties, CFO, user with unidentified position 2, AR/CM support (temp), AP/RATES support (temp), AP officer lead, contractor – external (MB team), finance manager, temp, user with unidentified position 3, payroll officer. Role: Finance Manager – 3 users: external finance support, CFO, Finance Manager. Role: Finance / Revenue Officer – 13 users: external finance support, AR officer lead, Rates officer, GL accountant, Rates Model officer support, CFO, user with unidentified position 2, AR/CM support (temp), AP/Rates support (temp), AP officer lead, Contractor – external (MB team), Finance Manager, Temp. 	<p>Finance Management assesses whether the number / nature of roles allocated to the roles listed in this finding currently pose any risk to the business.</p> <p>Finance Management continues to review a list of users with access to key finance roles in Authority to ensure adequate segregation of duties in the finance system.</p>	<p>The structure of finance team is under re-development to ensure roles set with correct segregation of duties responsibilities where possible. Regular review to take place (annually or with any change in staff movement / roles within the team whichever comes first)</p>

- **Role: Payroll Administrator – 6 users:** external finance support, GL accountant, CFO, user with unidentified position 4, Finance Manager, Payroll officer.
- **Role: Payroll officer – 7 users:** external finance support, GL accountant, CFO, user with unidentified position 2, contractor (MB team), Finance Manager, payroll officer.
- **Role: Rates Officer – 12 users:** external finance support, identified as 'N/A', AR officer lead, Rates officer, GL accountant, Fill in (support), Rates Model officer support (external), CFO, AP/Rates support (temp), user with unidentified position 4, Finance Manager, Payroll officer
- **Role Senior Finance Officer – 9 users:** software provider, external finance support, Rates Model officer support, CFO, user with unidentified position 2, AR/CM support (temp), AP/Rates support, contractor – external (MB team), Finance Manager.

Audit acknowledges that Management may consider some of the above access rights to be appropriate. The purpose of listing them here is to recommend that Management reviews and formally considers the access rights described above when next performing a formal review of a complete list of IT users' access rights.

2.2 FIXED ASSETS

2.2.1 Fixed assets balance sheet reconciliations were not completed during the 2022/23 financial year

High

Control	Reconciliation of fixed assets to the general ledger is performed in accordance with schedule of review or procedure.
Risk	Fixed asset acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed Asset Register (FAR) does not remain pertinent.

Finding	Recommendations	Management Response
<p>As described in finding 2.1.1, balance sheet reconciliations could not be located from July 2022 up to the time the new Finance Manager commenced. The new Finance Manager has completed reconciliations for most balance sheet accounts as at 30 May 2023, and is working to finalise remaining reconciliations.</p> <p>We reviewed the fixed asset reconciliation as at 30 May 2023 and noted that Finance Management has created a template that automatically populates all the balance sheet accounts in the reconciliation, however the populated balance sheet accounts have not yet been reconciled to the detailed asset registers (e.g. Conquest and Authority registers).</p>	<p>Ensure that the fixed assets balance sheet accounts are reconciled to the asset registers (e.g. Conquest and Authority registers).</p> <p>This is particularly important for supporting the 30 June 2023 financial statements.</p>	<p>Agree with the comment.</p>

2.2.2 Land and Buildings assets requiring a new revaluation to be recorded in the general ledger as at 30 June 2023**Moderate**

Control	Relevant staff review useful lives, residuals, valuations, depreciation methodology and test for impairment as required by Accounting Standards and legislation to ensure that methods used are still appropriate and significant changes are incorporated into Asset Management Plans.
Risk	If fixed assets are not valued correctly, the management reports and financial statements will be misstated.

Finding	Recommendations	Management Response
<p>Accounting standards require assets measured using the revaluation model to be revalued with sufficient regularity to avoid material misstatement. Common practice in local government is for assets to have a full revaluation every 3-5 years.</p> <p>Land and Buildings are independently valued every (5) years. An independent valuation of Land and Buildings was last undertaken in the 2017/18 financial year by JLL Infrastructure Advisory Pty Ltd based on the fair value of these assets as at 30 June 2018.</p> <p>A new valuation was completed by AVR Consulting to be effective as at 30 June 2023. At the time of our interim audit the results of the revaluation had not yet been recorded in Council's asset registers and fixed asset general ledger accounts.</p> <p>It is important that Council ensures that the results of the new valuation of land and buildings are recorded in the general ledger, in the asset registers and in the financial report as at 30 June 2023 to ensure that these assets are revalued with the sufficient regularity as required by accounting standards.</p>	<p>Ensure that the results of the new revaluation of land and buildings are recorded in the asset registers, fixed asset general ledger accounts and the financial report as at 30 June 2023 to ensure that these assets are revalued with the sufficient regularity as required by accounting standards.</p>	<p>Agree with the comment.</p>

2.2.3 Assets included in Conquest are not directly linked to the GIS system**Low****Control**

There is a process in place for the verification of fixed assets which is reconciled to the FAR.

Risk

Fixed assets acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed asset register does not remain pertinent.

Finding	Recommendations	Management Response
<p>Councils are highly asset intensive in delivering service to rate payers. Council's infrastructure assets are widespread and require a strong geographical inventory to manage and monitor these assets effectively.</p> <p>A Geographic Information System (GIS) is designed to store, retrieve, manage, display and analyse geographic and spatial data, including geographical features and their characteristics.</p> <p>To ensure accuracy and completeness of asset databases, it is important for Councils to set up a direct link (or if not possible, a robust reconciliation process) between the GIS system and the asset register. This assists in ensuring that all assets, components of assets and modifications to assets captured by the GIS system are reflected in the asset register.</p> <p>Conquest (Council's asset management system) is not directly linked to the GIS system.</p> <p>Asset Management informed Audit that Council is considering upgrading the asset register to Conquest v4 and changing its GIS system from Spectrum Spatial to ArcGIS. The merits of developing a direct link from Conquest v4 to ArcGIS will be discussed after Council completes these asset management systems changes.</p>	<p>A process is introduced to ensure that assets included in Conquest are linked and/or reconciled to the GIS system.</p>	<p>Agree with the comment.</p>

2.3 PURCHASE AND PROCUREMENT/CONTRACTING

2.3.1 Inconsistencies in the Procurement Policy Guidelines document and opportunities to improve its contents

Moderate

Control	Employees must ensure all purchases are in accordance with Council's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies.
Risk	Council does not obtain value for money in its purchasing and procurement / Purchase of goods and services are made from non-preferred suppliers.

Finding	Recommendations	Management Response																					
<p>The Procurement Policy Guidelines provides the following table with guidance on the appropriate method of procurement to be used:</p> <table border="1"> <thead> <tr> <th>Value of purchase</th><th>Method of purchase</th><th>Agreement type</th></tr> </thead> <tbody> <tr> <td>Up to \$3,000</td><td>Direct Sourcing</td><td>Nil required however, does not precluded the issuing of a purchase order.</td></tr> <tr> <td>\$3,001 - \$5,000</td><td>At least three (3) verbal quotes</td><td>Invoice; or Purchase order; or Other written agreement</td></tr> <tr> <td>\$5,001- \$10,000</td><td>At least three (3) written quotes</td><td>Invoice; or Purchase Order; or Other written agreement</td></tr> <tr> <td>\$10,001 - \$100,000</td><td>Request for Quotation</td><td>Purchase Order; or Contract; or Other written agreement</td></tr> <tr> <td>\$100,001 - \$250,000</td><td>Minimum of select tender</td><td>Contract</td></tr> <tr> <td>\$250,000+</td><td>Minimum of open tender</td><td>Contract</td></tr> </tbody> </table> <p>Audit noted the following inconsistencies in the table provided above:</p> <ul style="list-style-type: none"> purchases up to \$3,000 do not require any agreement type, but at the same time the policy states that this does not preclude the issuing of a purchase order the document considers the receipt of an invoice (a document that is provided after services are rendered and/or goods are delivered) as an appropriate agreement type for purchases 	Value of purchase	Method of purchase	Agreement type	Up to \$3,000	Direct Sourcing	Nil required however, does not precluded the issuing of a purchase order.	\$3,001 - \$5,000	At least three (3) verbal quotes	Invoice; or Purchase order; or Other written agreement	\$5,001- \$10,000	At least three (3) written quotes	Invoice; or Purchase Order; or Other written agreement	\$10,001 - \$100,000	Request for Quotation	Purchase Order; or Contract; or Other written agreement	\$100,001 - \$250,000	Minimum of select tender	Contract	\$250,000+	Minimum of open tender	Contract	<p>Review the purchasing thresholds table to ensure that the inconsistencies identified are addressed.</p> <p>Provide in the Procurement Policy Guidelines more details to guide the decision of when to use a purchase order and when entering into a formal agreement.</p> <p>Establish a list of Purchase Order Exemptions and a threshold for the use of purchase orders.</p>	<p>Agree with the comment. Plan and amendments to be implemented.</p>
Value of purchase	Method of purchase	Agreement type																					
Up to \$3,000	Direct Sourcing	Nil required however, does not precluded the issuing of a purchase order.																					
\$3,001 - \$5,000	At least three (3) verbal quotes	Invoice; or Purchase order; or Other written agreement																					
\$5,001- \$10,000	At least three (3) written quotes	Invoice; or Purchase Order; or Other written agreement																					
\$10,001 - \$100,000	Request for Quotation	Purchase Order; or Contract; or Other written agreement																					
\$100,001 - \$250,000	Minimum of select tender	Contract																					
\$250,000+	Minimum of open tender	Contract																					

<p>above \$3,000 and up to \$10,000</p> <ul style="list-style-type: none"> • 'written agreement' is not defined in the Procurement Policy Guidelines. <p>In addition, audit has reviewed Council's Procurement Guidelines document and offer the following opportunities to improve its content:</p> <p><u>Purchase Orders Use</u></p> <p>The policy and the guidelines do not provide sufficient details in relation to the expected use of purchase orders. The guidelines document mentions that a purchase order 'or' a contract 'or' a written agreement is required for purchases above \$3,000 and up to \$100,000.</p> <p>There is an opportunity to provide better guidance on when to use a purchase order and when to enter into a formal agreement. This should not be only based on the value of the purchases but also on the nature of the services and risks involved.</p> <p>An illustrative example of a summary table providing minimum process and documentation requirements for procurement is provided in the table over page.</p> <p><u>Purchase Order Exemptions and Threshold</u></p> <p>The policy and the guidelines do not provide a list of purchase order exemptions. It is good practice to provide a list of purchase order exemptions in the procurement policy and to establish a threshold for the use of purchase orders.</p>		
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Example of a summary table providing minimum process and documentation for procurement

Value of purchase	Up to \$3,000	\$3,001 - \$5,000	\$5,001 - \$10,000	\$10,001 - \$100,000	\$100,001 - \$250,000	250,000+
Procurement Method	Direct Sourcing	At least three (3) verbal or written quotes	At least three (3) written quotes	Request for Quotation	Minimum of select tender	Minimum of open tender
Evaluation evidence	Nil	Copies of quotes Notes detailing verbal quotes from suppliers (inc. date, supplier name, value quoted)	Formal evaluation document detailing quotes and criteria for selection.	Formal evaluation document detailing quotes and criteria for selection.	Tender evaluation matrix comparing tender responses, detailing evaluation criteria, weighting used and reasons for selection.	Tender evaluation matrix comparing tender responses, detailing evaluation criteria, weighting used and reasons for selection.
Agreement type: consultancy or services where purchase order terms and conditions are not sufficient.	Medium risk: standard goods and services contract / High risk: tailored goods and services agreement.					
Agreement type – all other procurement	Nil	Purchase order	Purchase order	Low risk: purchase order Medium risk: standard goods and services contract High risk: tailored goods and services agreement.	Medium risk: standard goods and services contract High risk: tailored goods and services agreement.	Medium risk: standard goods and services contract High risk: tailored goods and services agreement.
Records Management	Where contract was used must be retained in the contract register.	Where contract was used must be retained in the contract register. Where purchase order was used must be retained in Council's record management system.	Where contract was used must be retained in the contract register. Where purchase order was used must be retained in Council's record management system. Written quotes from suppliers and evaluation documents to be retained in Council's record management system.	Where contract was used must be retained in the contract register. Where purchase order was used must be retained in Council's record management system. Written quotes from suppliers and evaluation documents to be retained in Council's record management system.	Contract to be retained in the contract register. Tender responses and evaluation documents to be maintained in Council's record management system.	

Notes:

1. This table is for illustrative purposes containing examples of further details which could be included in the procurement guidelines. Council should determine its own summary based on an assessment of its procurement objectives and processes in place.
2. This table should be read in conjunction with applicable delegation policies or any other relevant policy (e.g. delegations for approving purchase order, entering into a contract, awarding a procurement to a supplier, etc).

2.3.2 Instances of suppliers providing services with expired contracts

Moderate

Control	There is a process in place to ensure that commitments are made with approval by Council or delegated staff.
Risk	Commitments are made for unapproved goods and services.

Finding	Recommendations	Management Response
<p>Audit selected a sample of suppliers for review based on cumulative spend and noted the following instances of suppliers providing services with expired contracts:</p> <ul style="list-style-type: none"> Supplier #3401.01 / Project: Second Creek Outlet – (total spend for the first nine months of the 2022/23 FY: \$222,302). Contract expired on 31 August 2021. Supplier #6958.01 / Project: Seventh Avenue Flood Mitigation – (total spend for the first nine months of the 2022/23 FY: \$363,262). Contract expired in Mid-March 2022. Supplier #9975.01 / Project: Trinity Valley Drainage Design – (total spend for the first nine months of the 2022/23 FY: \$200,985). Contract expired on 30 June 2021. 	<p>Ensure that there are formal agreements in place with suppliers with significant cumulative spend, and that contracts are extended when required.</p>	<p>Agree with the comment. Contract register will be set up for easy representation of dates and continuance of contract cover.</p>

2.3.3 Council does not have a contract register in place**Moderate**

Control	Council maintains a current contract register.
Risk	Council is not able to demonstrate that all probity issues have been addressed in the Contracting process.

Finding	Recommendations	Management Response
<p>Local government entities have numerous contracts with different requirements that need to be monitored.</p> <p>It is common practice for local government entities to maintain a contract register to summarise details of the current contracts in place such as a description of the contract, nature of the service, name of the supplier, date of the contract, expiry date, value of the contract, officer responsible for managing the contract, location of the original copy of contract and reference to the procurement procedures undertaken.</p> <p>Currently, Council does not have a contract register in place.</p>	<p>Implement a contract register containing details of the current contracts in place to enable effective contract management.</p>	<p>Agree with the comment. Contract register will be set up</p>

2.4 ACCOUNTS PAYABLE (AP)

2.4.1 Accounts payable reconciliations were not completed during the 2022/23 financial year

Low

Control

Accounts payable reconciliations are completed in accordance with a schedule of review and/or procedure

Risk

Accounts payable amounts and disbursements are either inaccurately recorded or not recorded at all.

Finding

As described in finding 2.1.1, balance sheet reconciliations could not be located from July 2022 up to the time the new Finance Manager commenced. The new Finance Manager has completed reconciliations for most balance sheet accounts as at 30 May 2023, and is working to finalise remaining reconciliations.

We reviewed the accounts payable reconciliation as at 30 May 2023 and noted that Finance Management has already created a template that automatically populates all the accounts payable balance sheet accounts in the reconciliation. However, finance management is still in the process of identifying the appropriate reports to be generated out of Authority containing the balance of the subsidiary reports to be reconciled to the following accounts payable accounts:

Accounts payable accounts	Balance
DACO DOG REGISTRATON PAYABLES	(6,478.10)
PAYABLES - NON CREDITOR	(4,549.80)
PAYABLES - UNINVOICED CONTROL	(44,075.41)
PLAN SA APPLICATION PAYABLE	(17,782.69)

Recommendations

Ensure that all accounts payable balance sheet accounts are reconciled to their related subsidiary ledger reports.

Management Response

Agree with the comment. All Balance Sheet reconciliations need to be in place and prepared every month.

2.5 RATES / RATES REBATES

2.5.1 Absence of a formal reconciliation of total rates revenue and total capital value recorded in the system after rates generation to the rates modelling and the Valuer General report

Moderate

Control

Annual valuation update is balanced prior to the generation of rates; all mismatches resolved prior to finalising rate generation.

Risk

Rates and rate rebates are either inaccurately recorded or not recorded at.

Finding	Recommendations	Management Response
<p>Audit noted the absence of a formal, documented reconciliation of the total rates revenue and the total capital value recorded in the Authority system after rates generation to the rates modelling and Valuer General report.</p> <p>Importantly, no errors in rates charged to individual properties were noted and no differences were found when audit reperformed the reconciliation mentioned above.</p>	<p>Council develops a pro-forma reconciliation form to be completed following rates generation comparing the following amounts:</p> <ol style="list-style-type: none"> 1. the total rates revenue recorded in the Authority system to the total rates revenue provided by the rates modelling used to generate rates. 2. the total capital value recorded in the Authority system to the total capital value recorded in the Valuer General report used as the basis for rates generation. <p>Illustrative examples of formal reconciliations recommended to be implemented are provided over page.</p>	<p>Agree with the comment. Reconciliations/ formal process with evidence of the same need to be in place and prepared every month or on agreed regular basis.</p>

Illustrative examples of formal reconciliations recommended to be implemented

Total rates revenue recorded in Authority after rates generation to the total rates revenue provided in the rates modelling summary (recommendation 1)

Rates general ledger after generation - 22/23	\$39,091,549
Rates modelling summary – 22/23	\$39,091,549
Difference	nil

Checked by: _____

Reviewed by: _____

Total capital value recorded in Authority after rates generation to the total capital value provided in the Valuer General report (recommendation 2)

Source Valuation report r_rt029 – 22/23	\$18,827,249,700
Valuer General report – 22/23	\$18,827,249,700
Difference	nil

Checked by: _____

Reviewed by: _____

2.5.2 List of rates rebates and non-rateable properties were not formally reviewed by Finance Management for the 2022/23 financial year

Moderate

Control	All rate rebates and adjustments including write offs are appropriately authorised with reference to Delegation of Authority and source documents.
Risk	Rates and rebates are either inaccurately recorded or not recorded at all.

Finding	Recommendations	Management Response
<p>A list of rebates and non rateable properties was not formally reviewed by Finance Management for the 2022/23 financial year.</p> <p>Audit acknowledges that rebates and non rateable properties status are applied to a property in accordance with the Local Government Act 1999. However, it is good practice to review a complete list of non rateable properties before the rates generation to ensure this list is still valid and up to date.</p>	<p>A list of rebates and non rateable properties is formally independently reviewed prior to rates generation occurring.</p> <p><i>Note: This is not about the process of individual approvals of rebates and exemptions. This is an additional control to ensure that a list of all rebates and non rateable properties is still valid before the rates generation.</i></p>	<p>Agree with the comment Formal process with evidence of the same need to be in place and prepared every month or on agreed regular basis.</p>

2.6 BANKING

2.6.1 Unreconciled items remaining in the 30 May 2023 bank reconciliation

High

Control	Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated.
Risk	Banking transactions are either inaccurately recorded or not recorded at all.

Finding	Recommendations	Management Response
<p>As described in finding 2.1.1, balance sheet reconciliations could not be located from July 2022 up to the time the new Finance Manager commenced. The new Finance Manager has completed reconciliations for most balance sheet accounts as at 30 May 2023, and is working to finalise remaining reconciliations.</p> <p>The Finance Manager has performed an initial reconciliation of the bank account as at 30 May 2023. We reviewed this bank reconciliation and noted total unreconciled items of \$304,618.42 remain.</p>	<p>Ensure that formal month end bank reconciliations are prepared and reviewed and all differences between the bank statements and the banking general ledger are reconciled.</p> <p>This is particularly important for supporting the 30 June 2023 financial statements.</p>	<p>Agree with the comment.</p>

2.7 ACCOUNTS RECEIVABLE (AR)

2.7.1 Accounts receivable reconciliations were not completed during the 2022/23 financial year

High

Control Debtor's reconciliation performed on a regular basis to the General Ledger and reviewed by an independent person.

Risk Debtors are either inaccurately recorded or not recorded at all.

Finding	Recommendations	Management Response
<p>As described in finding 2.1.1, balance sheet reconciliations could not be located from July 2022 up to the time the new Finance Manager commenced. The new Finance Manager has completed reconciliations for most balance sheet accounts as at 30 May 2023, and is working to finalise remaining reconciliations.</p> <p>We reviewed the accounts receivable reconciliation as at 30 May 2023 and noted that Finance Management has already created the template that automatically populates all accounts receivable balance sheet accounts in the reconciliation. However, finance management is still in the process of identifying the appropriate reports to be generated out of Authority containing the balance of the subsidiary reports to be reconciled to the rates control account (\$4,871,608.87).</p>	<p>Ensure that all accounts receivable balance sheet accounts are reconciled to their related subsidiary ledger reports.</p> <p>This is particularly important for supporting the 30 June 2023 financial statements.</p>	<p>Agree with the comment.</p>

2.8 CREDIT CARDS

2.8.1 Absence of evidence of approvals for the issuance and use of Council's credit cards

Moderate

Control

There is a process in place to ensure there are appropriate approvals prior to the issuing of Credit Cards and limits.

Risk

Credit Cards are issued to unauthorized employees.

Finding	Recommendations	Management Response
<p>The Credit Cards policy states that credit cards may be issued only to an approved person on the authority of the Chief Executive Officer.</p> <p>Audit selected a sample of credit cards issued during the year and noted that evidence of CEO approval for the issuance and use of credit cards was not maintained on file.</p>	<p>Ensure that evidence of approval for the issuance and use of Council's credit cards is maintained on file for all card holders.</p>	<p>Noted. To be finalized by 30 September 2023</p>

2.8.2 Instances of credit card statements not being reviewed and/or approved by credit card holder's manager**Moderate**

Control	There is a process in place to approve all credit card transactions to ensure compliance with policies and procedures covering credit card usage.
Risk	Credit cards are used for purchases of a personal nature.

Finding	Recommendations	Management Response
<p>The Credit Cards policy states that card holders are responsible for ensuring credit card statements are submitted to his or her manager for authorisation.</p> <p>Audit selected a sample of 6 credit card statements and noted that 5 credit card statements were not authorised and/or reviewed by the manager of the credit card holder.</p>	Ensure that credit card statements are approved by the card holder's manager.	Agree with the comment. Credit Card process is under review.

2.8.3 Instances of tax invoices and/or receipts not attached to the credit card statements.**Moderate**

Control	Cardholders must check their statements to ensure all transactions are correct and identify any transactions of a personal nature which must be reimbursed to Council
Risk	Credit cards are used for purchases of a personal nature

Finding	Recommendations	Management Response															
<p>The Credit Cards policy states that credit card holders are responsible for ensuring that all tax invoices, sales vouchers and receipts are attached to the credit card statements.</p> <p>Audit selected a sample of 6 credit card statements and noted the following instances where tax invoices, sales vouchers and/or receipts were not attached to the credit card statements:</p> <table border="1"> <thead> <tr> <th>Holder initials</th><th>Statement date</th><th>No. of Missing receipts</th></tr> </thead> <tbody> <tr> <td>LB</td><td>16/02/2023</td><td>3</td></tr> <tr> <td>CP</td><td>18/12/2023</td><td>All*</td></tr> <tr> <td>LM</td><td>18/12/2022</td><td>3</td></tr> <tr> <td>LM</td><td>16/02/2023</td><td>2</td></tr> </tbody> </table> <p>* no invoices and/or receipts attached to the statement</p>	Holder initials	Statement date	No. of Missing receipts	LB	16/02/2023	3	CP	18/12/2023	All*	LM	18/12/2022	3	LM	16/02/2023	2	<p>Ensure that credit card statements are reconciled to supporting documentation (tax invoices, receipts, etc) and that all copies of these supporting documents are attached to the credit card statements.</p>	<p>Agree with the comment. In cases where receipt is not located. Missing receipt form to be attached.</p>
Holder initials	Statement date	No. of Missing receipts															
LB	16/02/2023	3															
CP	18/12/2023	All*															
LM	18/12/2022	3															
LM	16/02/2023	2															

2.8.4 Credit card holders are not required to sign a declaration confirming compliance with Council's policy and procedures prior to the Credit Card being released

Low

Control

Credit card holders sign a declaration confirming compliance with Council policy and procedures prior to the Credit Card being released.

Risk

Credit Cards are used for purchases of a personal nature

Finding

Credit card holders are not required to sign a declaration confirming knowledge of and agreement with Council's policy and procedures prior to the Credit Card being released.

Recommendations

Require all credit card holders to sign a declaration confirming knowledge of and agreement with Council's policy and procedures prior to the Credit Card being released (see example below).

Management Response

Noted.

Example of an 'Agreement and Acknowledgement by Card Holder'

AGREEMENT AND ACKNOWLEDGEMENT BY CARD HOLDER

Card Holder: _____

Position: _____

I understand and agree that a purchase card is issued to me on the express conditions that I will, at all times, comply with the following conditions:

- | | |
|---|--|
| 1. The card is the property of Council and is in my possession under my strict control. | 1. If I resign, retire, cease employment or transfer to another local government entity, I will immediately hand my card to the Council officer responsible for administration of purchase cards for cancellation. |
| 2. I will not use the card nor permit it to be used, for other than official Council use. | 2. If I misuse the card, I understand that Council may take disciplinary action and proceedings may be instituted against me under law. |
| 3. I may only use the card to the pre-set limit in any one transaction up to monthly pre-set credit limit. | 3. If the card is lost or stolen, I am to report it immediately to the approved credit card holder provider and the officer in the Council responsible for authorising the issuing of the card. |
| 4. I may only use the card in accordance with Council's established procurement policies and management instructions. | 4. I have read and understand the credit card conditions of use. |

I acknowledge that I have read and understood the conditions set out above which governs the issue and use of Council's credit card in my name.

Signature of card holder

Date

APPENDIX 1 – CRITICAL INTERNAL FINANCIAL CONTROLS

GENERAL LEDGER

Risks

R1	General Ledger does not contain accurate financial information
R2	Data contained within the General Ledger is permanently lost.

RISKS	Control	Control Type
R1,R2	All major updates and changes to General Ledger finance system are authorised, tested and documented.	Core
R1,R2	Access to General Ledger maintenance is restricted to appropriately authorised personnel.	Core
R1	Reconciliation of all balance sheet accounts are completed in accordance with a schedule of review and/or procedure.	Core
R1	All balance sheet reconciliations are reviewed by a person other than the preparer at least annually.	Core
R1	Journal entry access is restricted to appropriately authorised personnel.	Core
R1,R2	Financial data is backed up and stored offsite.	Core
R1	Finance system does not allow posting of unbalanced journals or if it does regular reviews are conducted on the suspense account and discrepancies investigated and actioned.	Core
R1	Amendments to the structure of the General Ledger framework and accounts are reviewed and approved by appropriately authorised personnel.	Core
R1,R2	General Ledger policies and procedures are appropriately created, updated and communicated to relevant staff.	Core
R2	Formal disaster recovery plan is in place and communicated to relevant staff.	Core
R1	There is a process in place to review actual vs budget and significant variances investigated.	Core

FIXED ASSETS

Risks

- | | |
|----|--|
| R1 | Fixed asset acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed Asset Register (FAR) does not remain pertinent. |
| R2 | If fixed assets are not securely stored, they may be subject to damage or theft. |
| R3 | If fixed assets are not valued correctly, the management reports and financial statements will be misstated. For example, incorrect carrying values may result from the use of inappropriate depreciation rates. |
| R4 | Depreciation charges are either invalid, not recorded at all or are inaccurately recorded which includes inappropriate useful lives and residuals. |
| R5 | Fixed Asset maintenance and/or renewals are inadequately planned. |

RISKS	Control	Control Type
R1	There is a process in place for the verification of fixed assets which is reconciled to the FAR.	Core
R1	Recorded changes to the FAR and/or masterfile are approved by appropriate staff compared to authorised source documents and General Ledger to ensure accurate input.	Core
R1	All fixed asset acquisitions and disposals are approved in accordance with Delegation of Authority and relevant Procurement and Fixed Asset Policies.	Core
R1	Maintenance of the fixed asset register is limited to appropriate staff with consideration to segregation of duties.	Core
R1	Council has an asset accounting policy which details thresholds for recognition of fixed assets which is monitored to ensure adherence.	Core
R1	Reconciliation of fixed assets to the General Ledger is performed in accordance with schedule of review or procedure.	Core
R1	Asset register calculations are reviewed for accuracy.	Core
R1	Fixed assets are recorded on acquisition, creation or when provided free of charge to facilitate accurate identification of assets and recording of details with regards to the Asset Accounting Policy.	Core
R1	Asset maintenance is planned and monitored with relevant staff in accordance with the Asset Management Plans	Additional
R2	Where appropriate, fixed assets are secured and access is restricted to appropriate staff and authorised users.	Core

RISKS	Control	Control Type
R2	Where appropriate, identification details are recorded for portable and attractive assets such as IT and fleet assets, on acquisition to facilitate accurate identification.	Additional
R3	Relevant staff review useful lives, residuals, valuations, depreciation methodology and test for impairment as required by Accounting Standards and legislation to ensure that methods used are still appropriate and significant changes are incorporated into Asset Management Plans.	Core
R3	Profit or loss on disposal calculations can be substantiated and verified with supporting documentation.	Core
R4	Depreciation charges are calculated in accordance with the asset accounting policy and compliant with relevant accounting standards, including the useful life, depreciation method and residual values.	Core
R5	Asset Management Plans are prepared and renewal expenditure and programmed maintenance required is reviewed periodically to reflect changing priorities, additional asset data and other relevant factors.	Core
R5	Asset Management Plans for all major asset classes are adopted and reviewed by Council as required by the Local Government Act 1999.	Core

Purchasing and Procurement

Risks

R1	Council does not obtain value for money in its purchasing and procurement.
R2	Purchases of goods and services are made from non-preferred suppliers.
R3	Purchase orders are either recorded inaccurately or not recorded at all.
R4	Purchase orders are made for unapproved goods and services.

RISKS	Control	Control Type
R1	Council has a Procurement Policy that provides direction on acceptable methods and the process for procurement activities to ensure transparency and value for money within a consistent framework, with consideration of any potential conflicts of interest.	Core
R1,R2	Employees must ensure all purchases are in accordance with Council's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies.	Core
R1	The organisation has a process in place to ensure use of preferred suppliers where relevant to maximise the best value for money to Council	Core
R2,R3	There is a process in place to review purchasing patterns and ensure maximum use of preferred suppliers	Additional
R3	Purchase order numbers are either system generated and/or sequentially numbered.	Core
R3	There is a process in place to ensure all invoices for payment are matched to relevant source documents such as purchase orders where applicable and are in line with Procurement Policy guidelines.	Core
R3	There is a process in place to follow up and action incomplete purchase orders.	Additional

CONTRACTING

Risks

R1	Council is not able to demonstrate that all probity issues have been addressed in the Contracting process.
R2	Council does not obtain value for money in relation to its Contracting.

RISKS	Control	Control Type
R1,R2	There are robust and transparent evaluation and selection processes in place to engage contractors where relevant in accordance with the Code of Conduct, Conflict of Interest and Procurement Policy.	Core
R1	The selection panel is made up of appropriate personnel who have declared any relevant conflict of interest to ensure that informed and objective decision is made when selecting contractors.	Core
R1	Council maintains a current contract register.	Core

ACCOUNTS PAYABLE

Risks

R1	Accounts payable amounts and disbursements are either inaccurately recorded or not recorded at all.
R2	Credit notes and other adjustments to accounts payable are either inaccurately recorded or not recorded at all.
R3	Disbursements are not authorised properly.
R4	Accounts are not paid on a timely basis.
R5	Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file.

RISKS	Control	Control Type
R1,R2,R4	Statements received from suppliers are reconciled to the supplier accounts in the accounts payable subledger regularly and differences are investigated.	Additional
R3	Records must be maintained of all payments with supporting documentation.	Core
R1	Payments are endorsed by relevant staff separate to the preparer, who ensures that they are paid to the correct payee.	Core
R5	Access to the supplier masterfile is restricted to authorised staff	Core
R2,R5	Separation of Accounts Payable and Procurement duties.	Core
R3	All invoices and payment requests are approved in accordance with relevant policies and/or Delegations of Authority.	Core
R1	Predetermined variances between Purchase Orders and Invoices are assessed and payment released only after verification by the officer with delegation to do so.	Additional
R1	Payments are verified to appropriate supporting documentation and are in line with Delegations of Authority.	Core
R4	Relevant staff to review aged payables listing on a predetermined basis and investigate where appropriate.	Core
R5	Recorded changes to the supplier master file are compared to authorised source documents to ensure that they were input accurately.	Core

RISKS	Control	Control Type
R5	Requested changes or additions to supplier masterfile are verified independently of source documentation.	Additional
R4	There is a system generated report detailing supplier invoices due for payment at any one time.	Core
R5	There is a process in place to ensure the supplier master file is periodically reviewed for ongoing pertinence.	Additional

RATES / RATES REBATES

Risks

- | | |
|----|---|
| R1 | Council does not raise the correct level of rate income. |
| R2 | Rates and rate rebates are either inaccurately recorded or not recorded at all. |
| R3 | The Property master file data does not remain pertinent. |
| R4 | Rates are not collected on a timely basis. |

RISKS	Control	Control Type
R1,R2	Rates are automatically generated by the rate system, including the calculation of rate rebates and other parameters as applicable.	Core
R2	Rates are generated and tested for accuracy of calculation methodology prior to the rates billing run	Core
R1	All software changes to rate modelling functionality fully tested and reviewed by relevant staff.	Core
R1	There is a rating policy in place that is reviewed annually that provides clear guidance on rating methodology and relevant rebates and remissions in line with legislation.	Core
R2	Annual valuation update is balanced prior to the generation of rates; all mismatches resolved prior to finalising rate generation.	Core
R2	All rate rebates and adjustments including write offs are appropriately authorised, with reference to Delegations of Authority and source documents.	Core
R4	There is a process in place to ensure that rates are collected in a timely manner and overdue rates are followed up.	Core
R3	Recorded changes to property master file data and any rate adjustments are compared to authorised source documents to ensure that they were input accurately. An audit trail is maintained for all changes.	Core
R3	Access to the Property master file is restricted to appropriately designated personnel, with a process in place to ensure changes are in line with policies and procedures.	Core
R2	Employees responsible for processing rate payments and rebates cannot process their own payments or rebates unless the transaction is approved by someone independent of the process	Core

RECEIPTING

Risks

- | | |
|----|---|
| R1 | Receipts are either inaccurately recorded or not recorded at all. |
| R2 | Receipts are not deposited at the bank on a timely basis. |

RISKS	Control	Control Type
R2	Prior to and during the banking process, cash is stored securely at all times.	Core
R1	Customers are provided with a system generated or pre-numbered (manual) sequential tax compliant receipt detailing payment made.	Core
R1	There is a review process for the authorisation of the reversal of transactions.	Additional
R1	Receipt transactions are reconciled to the daily takings and out-of-balance banking is corrected promptly.	Core
R2	Receipts are deposited regularly at the bank by a person independent from the initial recording of the cash receipts.	Additional

PAYROLL

Risks

R1	Payroll expense is inaccurately calculated.
R2	Payroll disbursements are made to incorrect or fictitious employees.
R3	Time and/or attendance data is either invalid, inaccurately recorded or not recorded at all.
R4	Payroll master file does not remain pertinent and/or unauthorised changes are made to the payroll master file.
R5	Voluntary and statutory payroll deductions are inaccurately processed or without authorisation.
R6	Employees termination payments are not in accordance with statutory and enterprise agreements.

RISKS	Control	Control Type
R1	Where possible standard programmed formulae perform payroll calculations.	Core
R1, R3	There is a process to ensure all overtime is verified and approved by relevant appropriate staff.	Core
R1	All calculations for generating payroll payments are verified for accuracy.	Core
R4,R5	Managers periodically review listings of current employees within their departments and variances are investigated.	Additional
R1	Payroll is periodically reconciled to the General Ledger accounts.	Additional
R2	The payment for the payroll must be reconciled to a system generated report detailing amount and employee prior to payment.	Core
R2	There is a process to ensure an independent review of proposed payroll payments by authorised staff.	Additional
R2	The payment of the payroll is authorised by appropriate staff not involved in the preparation of the payroll.	Core
R2	Employee records to include employment details and/or contract terms and conditions, authorisations for payroll deductions and leave entitlements.	Core
R2	There is a process to ensure employees are made inactive in payroll records upon termination	Core

RISKS	Control	Control Type
R5	All payroll deductions must be approved by the relevant employee.	Core
R3	Relevant staff are required to complete timesheets and/or leave forms, authorise them and have approved by the relevant supervisor.	Core
R2	There is a segregation of duties from those preparing the payroll to those responsible for preparation of source documents (e.g. timesheets, leave requests etc).	Core
R2	Payroll system generates audit reports detailing all payroll changes and there is a process in place to ensure all changes are reviewed and verified against source documents.	Core
R2	There is a process in place to ensure employees are not added to the payroll masterfile, nor details amended or amounts paid without receipt of the appropriate forms which have been authorised by relevant staff.	Core
R5	Access to the payroll deduction listing is restricted to authorised staff.	Core
R6	There is a process in place to ensure termination payments comply with relevant policies, procedures and legislation.	Core
R3	Time recording and attendance exceptions such as TOIL or flexitime are based on relevant policies/agreement are identified, monitored and corrected.	Core
R4	The ability to access, modify or transfer information contained in the payroll master files is restricted to authorised staff.	Core

CREDIT CARDS

Risks

- | | |
|----|---|
| R1 | Credit Cards are issued to unauthorised employees. |
| R2 | Credit Cards are used for purchases of a personal nature. |
| R3 | Credit Card limits are set at inappropriate levels. |

RISKS	Control	Control Type
R1,R3	There is a process in place to ensure there are appropriate approvals prior to the issuing of Credit Cards and limits.	
R1,R2	Credit card holders sign a declaration confirming compliance with Council policy and procedures prior to the Credit Card being released.	
R2	There is a process in place to approve all credit card transactions to ensure compliance with the policies and procedures covering credit card usage.	
R2	Cardholders must check their statement to ensure all transactions are correct and identify any transactions of a personal nature which must be reimbursed to Council.	
R3	There is a process in place to ensure credit card limits and usage is reviewed for operational efficiency.	

BANKING

Risks

- | | |
|----|---|
| R1 | Banking transactions are either inaccurately recorded or not recorded at all. |
| R2 | Fraud (i.e. misappropriation of funds) |

RISKS	Control	Control Type
R1,R2	There is a process in place to ensure all cash, blank cheques and/or cheque signing machine are adequately safeguarded.	Core
R1	Access to EFT Banking system is restricted to appropriately designated personnel.	Core
R1,R2	Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated.	Core
R2	Cash transfers between bank accounts and investment bodies are undertaken by appropriate staff.	Core
R2	There is a process in place to ensure all cash collected is adequately recorded and banked regularly.	Core

DEBTORS

Risks

R1	Debtors are either inaccurately recorded or not recorded at all.
R2	Rebates and credit notes to debtors are either inaccurately recorded or not recorded at all
R3	An appropriate provision for doubtful debts is not recorded
R4	Debtors are either not collected on a timely basis or not collected at all
R5	The Debtors master file data does not remain pertinent.

RISKS	Control	Control Type	CSA Importance	Weighting
R1, R4	Debtor's reconciliation performed on a regular basis to the General Ledger and reviewed by an independent person.	Core		4
R1	Council maintains a Debt Collection Policy.	Core		5
R2, R3, R4	Management and/or Council review and approve all rebates, credit notes, bad debt write-offs and movements in the provision for doubtful debts, in accordance with delegations of authority and Local Government Act.	Core		5
R3, R4	Management reviews debtors ageing profile on a regular basis and investigates any outstanding items.	Core		4
R5	Access to the debtor's master file is restricted to appropriately designated personnel and is reviewed by management for accuracy and on-going pertinence.	Core		5
R5	Recorded changes to debtor's master file data are compared to authorised source documents or confirmed with customers/ratepayers to ensure that they were input accurately.	Core		4

6.2 FINANCIAL DELEGATIONS

REPORT AUTHOR: General Manager, Governance & Civic Affairs
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4549
FILE REFERENCE: qA
ATTACHMENTS: A - B

PURPOSE OF REPORT

The purpose of this report is to present the draft Financial Delegations Policy to the Audit & Risk Committee, for consideration and endorsement prior to being presented to the Council for adoption.

BACKGROUND

Councils exercise a broad range of statutory powers and functions. Most of these powers and functions can be delegated by Councils pursuant to either Section 44 of the *Local Government Act 1999* or statutory powers of delegation which are set out in other Acts relevant to Local Government.

Section 44 (2) of the *Local Government Act 1999*, provides that delegations may be made to:

- an employee of the Council; or
- the employee of the Council for the time being occupying a particular office or position.

In respect to the approval of expenditure, the delegation is limited to the expenditure of money on works, services and operations which are contained in the Council's Annual Budget Plan, as adopted by the Council.

Pursuant to Section 125 of the *Local Government Act 1999*, the Council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the Council's assets, and to secure (as far as possible) the accuracy and reliability of the Council's records.

A review of all Finance related policies has commenced to ensure that all policies are relevant, contemporary and legislatively compliant and these will be presented to the Audit & Risk Committee for endorsement as each policy is reviewed.

In accordance with the review of the current Finance policies, a review of the financial delegations to staff has been undertaken. On the basis of this review, a new *Financial Delegations Policy* has been prepared.

A copy of the draft *Financial Delegations Policy* is contained within **Attachment A**.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

DISCUSSION

The objective of the draft *Financial Delegations Policy* to provide clear direction and a framework within which the Council is able to deliver its corporate governance outcomes in the stewardship of public resources. The draft Policy therefore seeks to deliver upon this objective by ensuring that staff who enjoy the delegation of power of expenditure, have appropriate authority to conduct their activities and that all financial delegations are within the scope of this Policy and are appropriately authorised.

The draft Policy also reflects updated limits for staff in respect to the expenditure of money on works, services and operations which are contained in the Council's Annual Budget Plan as adopted by the Council, to reflect a more contemporary process for the approval of expenditure on budgeted items and services.

The draft *Financial Delegations Policy* replaces the *Expenditure Policy*.

The *Expenditure Policy* therefore is redundant and can be revoked.

A copy of the *Expenditure Policy* is contained within **Attachment B**.

OPTIONS

As the draft *Financial Delegations Policy* is required by legislation without a requirement for consultation, it is recommended that the Committee endorses the draft Policy.

In respect to the *Expenditure Policy*, it is recommended that this Policy be revoked without undergoing any community consultation, as the Policy will replace the new *Financial Delegations Policy*.

CONCLUSION

A comprehensive financial policy framework is essential for public accountability, transparency and consistency in Council decision making.

Policies should be supported by a comprehensive set of documented procedures detailing the specific staff responsibilities and processes to be followed to give effect to the policies and ensure that sound financial management practices are in place. Without such documented financial policies and procedures, the Council could be subject to criticism, (rightly or wrongly), that their financial management framework lacks transparency, legislative compliance or does not reflect contemporary standards.

The requirement on the Council's Auditors to provide an opinion on the adequacy of the Council's internal financial controls further emphasises the need for an explicit, clearly documented, framework of policies and procedures.

COMMENTS

To ensure compliance with Section 125 of the *Local Government Act 1999*, the Council must have in place, appropriate policies, practices and procedures, which assist the Council to carry out its activities in an efficient and orderly manner. To achieve this objective, it is important to ensure that the policies adopted by the Council are regularly reviewed to ensure that they reflect the current operating environment and continue to meet the Council's overall objectives.

RECOMMENDATION

1. That the Audit & Risk Committee recommends to the Council that the *Financial Delegations Policy* (Attachment A), be adopted.
2. That the Audit & Risk Committee recommends to the Council that the *Expenditure Policy* (Attachment B), be revoked.

Attachment A

Financial Delegations

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
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& St Peters**



City of
Norwood
Payneham
& St Peters

NAME OF POLICY: Financial Delegations

POLICY MANUAL: Finance

BACKGROUND

Councils exercise a broad range of statutory powers and functions. Most of these powers and functions can be delegated by Councils pursuant to either Section 44 of the *Local Government Act 1999* or statutory powers of delegation which are set out in other Acts that are administered by Local Government.

Section 44 (2) of the *Local Government Act 1999*, provides that delegations may be made to:

- an employee of the Council; or
- the employee of the Council for the time being occupying a particular office or position.

In respect to the approval of expenditure, the delegation is limited to the expenditure of money on works, services and operations which are contained in the Council's Annual Business Plan, as adopted by the Council. Expenditure in excess of the approved budget, is required to be authorised in accordance with the Council's *Budget Review Policy and Guidelines*.

The Council is required to ensure that financial resources are allocated in an effective and efficient manner to ensure that "best value" is achieved and the continuation of service provision to the community is discharged in the most efficient and cost-effective manner.

When purchasing goods and services to support the operations of the Council, consideration is required to be given to:

- obtaining value for money consistent with specified standards of quality and service;
- minimising risks to the Council and staff; and
- ensuring transparency in all decision making.

This Policy is directly relevant to Section 137 (Expenditure of Funds) of the *Local Government Act 1999* (the Act), which provides the power for the Council to expend its funds in the exercise, performance or discharge of its powers, functions or duties under the Act or any other Act.

Accordingly, this Policy applies to all proposed expenditures including but not limited to, procurement, purchase orders, invoice processing and petty cash. The Council has delegated this power, with limitations, to the Chief Executive Officer in accordance with Section 44 of the Act and in doing so, recognises that the Chief Executive Officer may sub-delegate in accordance with Sections 44(4)(b) and 101 of the Act.

OBJECTIVE

The objective of this Policy is to provide clear direction and a framework within which the Council is able to deliver its corporate governance outcomes in the stewardship of public resources. The financial delegations that are made by the Council, must be exercised in an environment of propriety in respect to the transactions, information, the integrity and accuracy of financial reporting and a framework of effective internal controls in the expenditure of public funds.

This Policy therefore seeks to deliver upon this objective by ensuring that staff who enjoy the delegation of power of expenditure, have appropriate authority to conduct their activities and that all financial delegations are within the scope of this Policy and are appropriately authorised.

KEY PRINCIPLES

All staff members are required to act in an ethical and honest manner in all aspects of procurement and financial expenditure involving Council funds.

To achieve this, all expenditure must be:

- required to perform a valid business purpose consistent with the functions of the Council. If required, staff members must be able to identify and justify the relationship and connection between the expenditure and the official business of the Council;
- reasonable and represent “best value” in that the expenditure amount is not extreme, extravagant or excessive;
- appropriate in that the expenditure is suitable and within the Council's allocated budget; and
- transparent, fair and equitable to ensure and maintain public confidence in the Council.

KEY TERMS

For the purpose of this Policy:

Council means the City of Norwood Payneham & St Peters Council.

Delegating Authority means the Council in a formal Council Meeting or another person that makes a sub-delegation to another person.

Delegated Officers are the holders of those positions which have been approved to hold and exercise a financial delegation.

Financial delegation is a delegation of power made under Sections 44 and/or 101 of the Act to an officer of the Council to expend approved budgeted funds.

Legislation means all relevant State and Commonwealth legislation and Council By-Laws.

POLICY

Financial Delegations

A financial delegation prescribes the dollar (\$) amount up to which a staff member is authorised to commit and/or incur expenditure in respect of an individual transaction.

Any member of staff may create a purchase requisition (request an order), however, this request must be authorised by a staff member with a sufficient financial delegation to generate a purchase order for the goods/services. This Policy position equally applies to verbal or other orders that are not made through Council's purchasing system.

A financial delegation allows a staff member to:

- authorise a purchase requisition or another type of purchase request (in documentary form) from another staff member who enjoys an appropriate financial delegation (noting that a staff member must not approve their own purchase requisition in order to ensuring adequate segregation of duties);
- authorise expenses, invoices and payments (including petty cash). Approval of transactions and/or payments must not exceed the staff member's financial delegation limit per transaction and must be clearly evidenced in documentary form; and
- a single large transaction, which may exceed the delegated limit of authority for a staff member cannot be split into multiple, smaller, transactions that then appear, at face value, to fall within the levels of delegated authority for that staff member.

The financial delegation to the Chief Executive Officer is unlimited except to the extent of the approved budget and in accordance with this Policy and may be exercised by the Chief Executive Officer in respect of a single or multiple related purchase.

With the exception of the Chief Executive Officer, the conferral of a financial delegation must be clearly documented and retained. An application for a financial delegation must be completed using the finance request form on the organisation's intranet or via email. The conferral of or an application for a financial delegation must adhere to the set limits listed in the table below and endorsed by the Chief Executive Officer.

In case of a temporary financial delegation, the dates during which the delegation will apply must be clearly set out in the documentation including, as relevant, on the request form.

Financial Delegations Register

A *Financial Delegations Register* will be kept and maintained by the Chief Financial Officer. This Register includes the financial delegations by Department including the position title of the staff member and the financial limit delegated to the position, as prescribed in Table 1 below.

The *Financial Delegations Register* will be updated for:

- the appointment, termination or resignation of a staff member;
- if there is a change in the position title of a staff member (both temporary and permanent);
- if a variation is required to the current financial delegation of a staff member in accordance with a request of the Chief Executive Officer; and
- the expiration or revocation of a financial delegation to a staff member.

TABLE 1: DELEGATION TYPES

POSITIONS	MAXIMUM LIMIT PER TRANSACTION (excluding GST)
Chief Executive Officer	Unlimited*
General Managers	\$150,000
Managers Level 1	\$ 75,000
Managers Level 2	\$ 20,000
Responsible Officers Level 1	\$ 10,000
Responsible Officers Level 2	\$ 5,000
Other Specified Positions	\$ As per the Financial Delegations Register
Credit Card Holders	\$ As per the Financial Delegations Register

**The Council has delegated the power pursuant to Section 137 of the Act to the Chief Executive Officer which allows the Chief Executive Officer to expend the Council's approved budgeted funds in the exercise, performance or discharge of the Council's powers, functions or duties under the Act or other Acts. The Council has also delegated the power to the Chief Executive Officer to vary funds between approved budget lines but always within budget, as necessary to fulfill approved Council expenditure.*

In addition to the above, the Council has delegated the power to the Chief Executive Officer to approve tenders to the value of \$1million in accordance with budgeted expenditure.

All invoices and commitment of expenditure must be authorised for payment in accordance with the Delegation of Authority as set out in the following:

- *Financial Delegations Register* - Schedule 1; and
- *Financial Delegations Register* - Specified Transactions – Schedule 2.

Financial Delegations applicable to a position will extend to any person appointed to act in the position.

Urgent Expenditure

If urgent repairs associated with Work Health & Safety or security matters are required to be attended to after normal working hours, the Responsible Officer is authorised to purchase whatever goods or services are required to carry out the repair or secure the situation until the next working day.

However, the Responsible Officer is required to use their discretion regarding the level of repair that is required and the consequent level of expenditure.

Reviewing the Financial Delegations Register

In accordance with the Act, Section 44 (6) provides that the Council must keep a separate record of all Delegations made under Section 44 and in accordance with Section 44(6a) and must, within 12 months after the conclusion of each periodic election, review the delegations, including financial delegations for the time being in place under Section 44.

The Chief Financial Officer will provide a report and distribute the report to the Chief Executive Officer and all General Managers and the Executive Leadership Team as part of the annual review of the Policy.

Any changes which are proposed to the financial delegations are required to be communicated in a timely manner to the Chief Financial Officer and any amendments require approval by the Chief Executive Officer.

The *Financial Delegations Register* will, in any event, be reviewed on an annual basis.

General Guidelines for Expenditure

Expenditure should only be authorised for payment after the following:

- the purchase of the goods and/or services has been properly authorised;
- the services provided and/or goods that are received, have been checked for quality, quantity and the performance criteria agreed at the time the purchase was approved; and
- the invoice details have been verified:
 - against the purchase order;
 - to evidence receipt of goods/services;
 - for correct pricing, extensions and additions; and
 - to ensure all available discounts and incentives have been availed.

REVIEW PROCESS

This Policy will be reviewed within 12 months of the adoption of the Policy.

INFORMATION

The Contact Officer for further information at the City of Norwood Payneham & St Peters is the Council's Chief Financial Officer, telephone 8366 4548 or via email: naxenova@npsp.sa.gov.au

ADOPTION OF THE POLICY

This Policy replaces the former Expenditure Policy which was adopted by the Council on 2 April 2012.

This Policy was endorsed by the Audit & Risk Committee on 2023.

TO BE REVIEWED

October 2024



City of
Norwood
Payneham
& St Peters

SCHEDULE 1

FINANCIAL DELEGATIONS REGISTER

Relevant Positions	Delegation Limit Per transaction
All Invoices within adopted Budget (excludes Specified Transactions)	
Chief Executive Officer	Unlimited (Refer to Page 3 of this Policy)
General Managers	\$150,000
Chief Financial Officer	\$150,000
Managers – Level 1	\$ 75,000
Managers – Level 2	\$ 20,000
Responsible Officers – Level 1	\$ 10,000
Responsible Officers – Level 2	\$ 5,000
Other Specified Positions	
Mechanic	\$ 5,000
Administration Officer – City Services	\$ 5,000
Executive Assistants to General Managers	\$ 5,000
Corporate Credit Card Holders (not Responsible Officers)	\$ 2,500
Planning Assistants	\$ 5,000
Administration Assistant – Child Care Centre	\$ 2,500
Managers Level 1	
Manager, Chief Executive's Office	
Manager, City Projects	
Manager, City Assets	
Manager, City Services	
Managers Level 2	
Manager, Arts, Culture & Community Connections	
Manager, Communications & Community Engagement	
Manager, Community Services	
Manager, Development Assessment	
Manager, Economic Development & Strategy	
Manager, Governance & Legal	
Manager, Information Systems	
Manager, Traffic & Integrated Transport	
Manager, Urban Planning & Sustainability	

Responsible Officer 1

Coordinator, Events & Marketing

Coordinator, WH&S

Director, St Peters Childcare Centre & Pre-school

Human Resources Advisor

Manager, Library Services

Project Manager, Assets

Project Manager, Civil

Project Officer, Civil

Swimming Centres Manager

Team Leader Regulatory Services

Works Co-ordinator, Civil Maintenance

Works Co-ordinator, Parks & Garden

Responsible Officers Level 2

Arts Officer

Assistant Director, St Peters Childcare Centre & Pre-school

Swimming Centres Assistant Manager

City Arborist

Co-ordinator, Volunteer Services

Coordinator, Youth Programs

Corporate Records Co-ordinator

Cultural Heritage Advisor

Economic Development Coordinator

Economic Development Officer

Events Coordinator

Facilities & Building Maintenance Officer

Sustainability Officer

Swimming Centres Manager

Team Leader, Collections & Digital Services

Team Leader, Library Customer Experience

Venue Manager, Norwood Concert Hall

Standing Delegations

Where the relevant General Manager or Manager is not available, other General Managers, Managers or the Chief Executive Officer, can authorise invoices for payment in their absences, up to their respective delegation.



City of
Norwood
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& St Peters

SCHEDULE 2

SPECIFIED TRANSACTIONS

Transaction	Financial Limit per Transaction
Contract Purchases	As per the Council's <i>Procurement Policy & Guidelines</i>
Contracted Purchase/Lease Agreements (once negotiated)	Relevant General Manager (in accordance with contracted amounts) – up to \$150,000 Manager, City Services (consumables/stores purchases) – up to \$75,000
Project Approval – Approval of Tenders	Council – greater than \$1million Chief Executive Officer – up to \$1million
Project Spend - Approved Project	Relevant General Manager – up to \$100,000
IT Hardware & Software & Maintenance	Manager, Information Systems – up to \$20,000
Communications Equipment	Manager, Information Systems – up to \$20,000
Payroll (including Employee Deductions)	Chief Financial Officer
Encashment of Leave Entitlements	Chief Executive Officer
Recruitment (placing of advertisement etc)	Human Resources Advisor - up to \$7,000
Facility Hire Related Transactions	Communities Facility Officer - up to \$750
Taxation Related Payments (GST, FBT, PAYG etc)	Chief Financial Officer
Reimbursement of Personal Expenditure	
Chief Executive Officer	General Manager, Governance & Civic Affairs
General Managers	Chief Executive Officer
Other Employees	General Managers
Insurance Renewals	Chief Executive Officer – greater than \$100,000 Chief Financial Officer – up to \$100,000
Insurance Claim Settlements	Chief Executive Officer – greater than \$5,000 General Manager, Governance & Civic Affairs – up to \$5,000
Rates Related Transactions	Chief Financial Officer – greater than \$5,000 Rate & Revenue Officer – up to \$5,000
Provision for Doubtful Debts	Council – greater than \$5,000 Chief Executive Officer – up to \$5,000
Write-off Bad Debt Against Provision	Council – greater than \$5,000 Chief Executive Officer – up to \$5,000
Asset Sales & Write-offs	In accordance with the Asset & Land Disposal Policy

Transaction	Financial Limit per Transaction
Salary Increases	All Salary Reclassifications and Increases must be approved by the Chief Executive Officer

Attachment B

Financial Delegations

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Facsimile 8332 6338
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au



City of
**Norwood
Payneham
& St Peters**



City of
Norwood
Payneham
& St Peters

NAME OF POLICY: Expenditure Policy

POLICY MANUAL: Finance

BACKGROUND

Section 44 (2) of the *Local Government Act 1999*, provides that delegations may be made to:

- an employee of the Council; or
- the employee of the Council for the time being occupying a particular office or position.

In respect to approval of expenditure, the delegation is limited to the expenditure of money on works, services and operations which are contained in the Annual Budget Plan as adopted by the Council. Expenditure in excess of the approved budget, are to be authorised in line with the Council Budget Review Policy and Guidelines.

DISCUSSION

The City of Norwood Payneham & St Peters operates in an environment which is subject to public scrutiny and legislative requirements. The Council is required to ensure that financial resources are allocated in an effective and efficient manner to ensure that “best value” is achieved and the continuation of service provision to the City in the most efficient and cost effective manner.

When purchasing goods and services to support the operations of the Council, consideration is required to be given to;

- obtaining value for money consistent with specified standards of quality and service;
- minimising risks to the Council and Staff; and
- ensuring transparency in all decision making.

KEY PRINCIPLES

This Policy applies to all expenditure which is incurred by the Council. Expenditure must be properly authorised before the Council is to be committed to the expenditure.

The general guidelines to be followed for all expenditure, which should be paid for only after:

- the purchase of goods and/or services has been properly authorised;
- the services provided and or a goods received, have been checked for quality, quantity and performance criteria agreed at the time the purchase was approved; and
- the invoice details have been verified;
 - against purchase requisition / order / approval;
 - to evidence receipt of goods / services;
 - for correct pricing, extensions and additions; and
 - to ensure all available discounts and incentives have been availed.

The Delegation of Authority sets out a list of staff with the authority to approve the purchase of goods and services. The Delegation level is based on the position and the value of the purchase. At the time of expenditure commitment, authorised signatories must satisfy themselves that the general guidelines have been followed.

POLICY

All invoices and commitment of expenditure must be authorised for payment in line with the Delegation of Authority listed in;

Schedule 1: Delegation of Authority; and

Schedule 2: Delegation of Authority – Specified Transactions.

If repairs associated with Work Health, Safety or Security are required to be attended to after normal working hours, the Responsible Officer is authorised to purchase whatever goods or services are required to carry out the repair or secure the situation until the next working day. However, the Responsible Officer is required to use discretion regarding the level of repair affected.

REVIEW PROCESS

This Policy will be reviewed within 12 months of the adoption of the Policy.

INFORMATION

The Contact Officer for further information at the City of Norwood Payneham & St Peters is Council's Financial Services Manager, telephone 8366 4548.

ADOPTION OF THE POLICY

This Policy was endorsed by the Audit Committee on 26 March 2012.

This Policy was adopted by the Council on 2 April 2012.

This Policy was endorsed by the Audit Committee on 25 February 2013.

This Policy was adopted by the Council on 4 March 2013.

This Policy was endorsed by the Audit Committee on 24 February 2014.

This Policy was adopted by the Council on 3 March 2014.

This Policy was endorsed by the Audit Committee on 25 May 2015.

This Policy was adopted by the Council on 1 June 2015.

This Policy was endorsed by the Audit Committee on 29 February 2016.

This Policy was adopted by the Council on 7 March 2016.

This Policy was endorsed by the Audit Committee on 27 February 2017.

This Policy was adopted by the Council on 6 March 2017.

This Policy was endorsed by the Audit Committee on 26 February 2018.

This Policy was adopted by the Council on 5 March 2018.

This Policy was endorsed by the Audit Committee on 25 February 2019.

This Policy was adopted by the Council on 6 March 2019.

This Policy was endorsed by the Audit Committee on 24 February 2020.

This Policy was adopted by the Council on 2 March 2020.

This Policy was endorsed by the Audit Committee on 25 May 2020.

This Policy was adopted by the Council on 1 June 2020.

This Policy was endorsed by the Audit Committee on 24 May 2021.

This Policy was adopted by the Council on 7 June 2021.

This Policy was endorsed by the Audit Committee on 23 May 2022.

This Policy was adopted by the Council on 6 June 2022.

This Policy was endorsed by the Audit Committee on 24 October 2022.

This Policy was adopted by the Council on 7 November 2022.

TO BE REVIEWED

October 2023

SCHEDULE 1: DELEGATION OF AUTHORITY

<u>Nature & Level</u>		Limits (per transaction)	
All Invoices within adopted budget (excludes Specified Transactions)			
Chief Executive Officer		As per Council Delegation	
General Managers		\$100,000	
Managers – Level 1		\$50,000	
Manager – Level 2		\$20,000	
Responsible officers – Level 1		\$10,000	
Responsible officers – Level 2		\$5,000	
Other Specified Positions			
▪ Senior Mechanic		\$5,000	
▪ Administration Officer – City Services		\$5,000	
▪ Executive Assistants to General Managers		\$2,500	
▪ Corporate Card holders (not Responsible Officers)		\$2,500	
▪ Planning Assistants		\$5,000	
▪ Administration Assistant – Child Care Centre		\$2,500	
Managers Level 1	Managers Level 2	Responsible Officers Level 1	Responsible Officers Level 2
Manager, City Assets	Manager, Community Care Services	Team Leader Regulatory Services	Co-ordinator, Volunteer Services
Manager, City Services	Manager, Information Systems	Project Manager, Assets	Youth Development Officer
Manager, City Projects	Manager, Development Assessment	Project Manager, Civil	Event Co-ordinator
	Manager, Urban Planning & Sustainability	Works Co-ordinator – Civil Maintenance	Community Art Officer
	Manager, Library Services and Lifelong Learning	Works Co-ordinator – Parks & Garden	City Arborist
	Manager, Organisational Development	Venue Manager, Norwood Concert Hall	Corporate Records Co-ordinator
	Manager, Finance	Director, St Peters Childcare Centre & Pre-school	Economic Development Co-ordinator
	Manager, Economic Development & Strategy	Manager, Swimming Centres	Team Leader – Collections & Digital Services
	Manager, Arts, Culture & Community Connections	Manager, Communications & Community Engagement	Team Leader – Library Customer Experience
	Manager, Governance & Legal	Manager, Traffic & Integrated Transport	Facilities & Building Maintenance Officer
		Manager, Chief Executive Office	Cultural Heritage Advisor
		Manager, WHS & Risk	Coordinator, Events & Marketing
			Assistant Manager, Swimming Centres
			Assistant Director, St Peters Childcare Centre & Pre-school
Standing Delegations			
Where the relevant General Manager/Department Manager is not available, other General Managers, Department Managers and Chief Executive Officer can authorise invoices for payment in their absences, up to their respective delegation.			

SCHEDULE 2: DELEGATION OF AUTHORITY – SPECIFIED TRANSACTIONS

<u>Nature & Level</u>	<u>Limits (per transaction)</u>
Contract Purchases	As per the Procurement Policy & Guidelines
Contracted Purchase/Lease Agreements (once negotiated)	Relevant General Manager (as per contracted amounts only) Manager, City Services (consumable/stores purchases) <\$100,000
Project Approval	Council >\$1,000,000 Chief Executive Officer <\$1,000,000
Project Spend (approved project)	Relevant General Manager <\$250,000 Project Manager Capital <\$25,000 Operating Projects <\$10,000
IT Hardware & Software & Maintenance	Manager, Information Systems
Communications Equipment	Manager, Information Systems
Payroll (including employee deductions)	Manager, Finance
Encashment of Leave Entitlements	Manager, Organisational Development
Recruitment (placing of advertisement etc)	Human Resources Advisor < \$5,000
Facility Hire Related Transactions	Communities Facility Officer <\$750
Taxation related payments (GST,FBT,PAYG etc)	Manager, Finance
Reimbursement of personal expenditure - General Manager - Other employees	Chief Executive Officer Immediate Manager
Insurance Renewals	Chief Executive Officer >\$100,00 General Manager, Corporate Services <\$100,000
Insurance Claim Settlements	Chief Executive Officer >\$5,000 General Manager, Corporate Services <\$5,000
Rates Related Transactions	Manager, Finance >\$5,000 Rate & Revenue Officer <\$5,000
Provision for Doubtful Debts	Council >\$5,000 Chief Executive Officer <\$5,000
Write off bad debt against provision	Chief Executive Officer <\$5,000
Asset sales & write offs	In line with Asset & Land Disposal Policy
Initiate, settle or abandon any legal action in Council name	Council All action
Salary Increases - General Managers - GM Direct Reports - Other employees	Chief Executive Officer In line with re-classification policy In line with re-classification policy

6.3 ST PETERS CHILD CARE CENTRE & PRESCHOOL - REVIEW OF POLICIES

REPORT AUTHOR: General Manager, Governance & Civic Affairs
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4549
FILE REFERENCE: qA62895
ATTACHMENTS: A - E

PURPOSE OF REPORT

The purpose of the report is to present a number of policies required for the St Peters Child Care Centre & Preschool, which have been reviewed, to the Audit & Risk Committee for endorsement.

BACKGROUND

As the Committee is aware, a number of changes to the operations of the St Peters Child Care Centre & Preschool (the Centre), are being progressed. These changes include a review of the Centre's policies to ensure that the policies are contemporary and are legislatively compliant.

The National Quality Framework (NQF) provides a national approach to regulation, assessment and quality improvement for early childhood education and care and outside school hours care services across Australia.

The NQF introduced a new quality standard in 2012 to improve education and care across long day care, family day care, preschool/kindergarten, and outside school hours care services.

The NQF includes:

- National Law and National Regulations;
- National Quality Standard;
- assessment and quality rating process; and
- national learning frameworks.

The National law sets a national standard for children's education and care across Australia.

The major benefits for parents and children include:

- improved educator to child ratios, ensuring children have greater individual care and attention for children
- educators with increased skills and qualifications
- better support for children's learning and development through approved learning frameworks
- consistent, transparent information on educators, providers and services in the national registers.

The National Quality Standard (NQS) sets a high national benchmark for early childhood education and care and outside school hours care services in Australia. The NQS includes seven (7) Quality Areas that are important outcomes for children. Services are assessed and rated by their regulatory authority against the NQS, and given a rating for each of the seven (7) Quality Areas and an overall rating based on these results.

The seven (7) Quality Areas (QA) are:

- QA1 Educational Program and Practice;
- QA2 Children's Health and Safety;
- QA3 Physical Environment;
- QA4 Staffing Arrangements;
- QA5 Relationships with Children;
- QA6 Collaborative Partnerships with Families and Communities; and
- QA7 Governance and Leadership.

QA 7 Governance and Leadership sets out the various policies and procedures which each service type must have in place to support the operation of a quality service.

A full list of the policies and procedures in accordance with QA7 is contained within **Attachment A**.

A review of all St Peters Child Care Centre & Preschool has commenced to ensure all policies are relevant and comply with the requirements of the NQF. All mandatory policies will be presented to the Audit & Risk Committee for endorsement as each policy is reviewed.

The following Policies are now scheduled to be reviewed:

1. Providing a Child Safe Environment (**Attachment B**); and
2. Sleep and Rest for Children (**Attachment C**).

Where required, the Policies have been amended to ensure that the Policies meet current standards and reflect the Council's position on the respective matters.

In addition to the policies set out above, the following policies have been reviewed. It has been determined that these policies are redundant and therefore no longer required.

1. Child Safe Environments Policy (**Attachment D**); and
2. Supervision Policy (**Attachment E**).

The basis for the recommendation to revoke these Policies is set out in the Discussion section of this report.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

DISCUSSION

Providing a Child Safe Environment

The *Providing a Child Safe Environment Policy* is a new Policy.

Under the *Education and Care Services National Regulations 2011*, an approved provider must ensure that policies and procedures are in place for providing a child safe environment (Regulation 168) and take reasonable steps to ensure those policies and procedures are followed.

The draft *Providing a Child Safe Environment Policy* ensures:

- the promotion of a culture of child safety and wellbeing within the service;
- children at the service are provided with a safe environment at all times; and
- staff meet their legislative obligations to prevent harm and hazard towards children.

The draft Policy has been prepared to meet legislative requirements and sets out the Council's commitment to ensuring a safe environment for all children who attend the St Peters Child Care Centre & Preschool.

The draft *Providing a Child Safe Environment Policy* replaces the *Child Safe Environments Policy* and the *Supervision Policy*.

A copy of the draft *Providing a Child Safe Environment Policy* is contained within **Attachment B**.

Sleep and Rest for Children Policy

The *Sleep and Rest for Children Policy* is an existing Policy.

Under the *Education and Care Services National Regulations 2011*, an approved provider is required to ensure that policies and procedures are in place for '*Sleep and rest for children and infants*'.

The purpose of the *Sleep and Rest for Children Policy* is to ensure the health, safety and wellbeing of children attending the Centre and that appropriate opportunities are provided to meet each child's need for sleep, rest and relaxation.

In doing so, the *Sleep and Rest for Children Policy* clearly sets out the roles and responsibilities for staff of the Centre and sets out the procedures to be followed in respect to the safety of children when sleeping and resting.

A copy of the draft *Sleep and Rest for Children Policy* is contained within **Attachment C**.

Child Safe Environments Policy and Supervision Policy

As set out above, the draft *Providing a Child Safe Environment Policy* replaces the *Child Safe Environments Policy* and the *Supervision Policy*.

To ensure compliance with the *Education and Care Services National Regulations 2011*, the draft *Providing a Child Safe Environment Policy* has been prepared to incorporate all requirements in terms of providing a child safe environment including the supervision of children.

As such, both the *Child Safe Environments Policy* and the *Supervision Policy* are therefore redundant as stand-alone policies and can be revoked.

A copy of the *Child Safe Environments Policy* is contained within **Attachment D**.

A copy of the *Supervision Policy* is contained within **Attachment E**.

OPTIONS

As the draft Policies contained within Attachments B and C are required by legislation without a requirement for consultation, it is recommended that the Committee endorses the draft Policies.

In respect to the Policies which have been recommended for revocation, it is recommended that these Policies be revoked without undergoing any community consultation as both policies have been replaced by the new *Providing a Child Safe Environment Policy*.

CONCLUSION

The adoption of the draft Policies as set out within this report ensures the Council complies with the legislative framework in place for the operation and management of the St Peters Child Care Centre & Preschool.

COMMENTS

There is no legislative requirement to consult in respect to the attached policies.

RECOMMENDATION

1. That the Audit & Risk Committee recommends to the Council that the following policies for the St Peters Child Care Centre & Preschool be adopted:
 - 1.1 Providing A Child Safe Environment Policy (Attachment B); and
 - 1.2 Sleep and Rest for Children Policy & Delegation (Attachment C);
2. That the Audit & Risk Committee recommends to the Council, that having conducted a review of the following policies, the Council revokes the following policies:
 - 2.1 Child Safe Environments Policy (Attachment D); and
 - 2.2 Supervision Policy (Attachment E).

Attachment A

St Peters Child Care Centre & Preschool Review of Policies

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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Facsimile 8332 6338
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Website www.npsp.sa.gov.au



City of
Norwood
Payneham
& St Peters

QUALITY AREA 7

GOVERNANCE AND LEADERSHIP

7.1 POLICIES AND PROCEDURES



National Regulations

Regulation 168

The approved provider must ensure the service has policies and procedures in place in relation to the following.

Required policies and procedures for all service types

Health and safety, including:

- sleep and rest (Regulation 168(2)(a))
- nutrition, food and beverages, dietary requirements (Standard 2.1)
- sun protection (Standard 2.2)
- water safety (Standard 2.2)
- administration of first aid (Standard 2.1)

Incident, injury, trauma and illness procedures (Regulations 85, 168(2)(b), Standard 2.1)

Dealing with infectious diseases (Regulations 88, 168(2)(c), Standard 2.1)

Dealing with medical conditions (Regulations 90, 168(2)(d), Standard 2.1)

Emergency and evacuation (Regulations 97, 168(2)(e), Standard 2.2)

*Delivery to and collection of children from the education and care service (Regulation 99 and 168(2)(f)). Approved providers in WA must ensure the service has a policy about the delivery and collection of children that is consistent with the procedures for ensuring children's safety set out at section 165A of the National Law (WA).

Excursions (Regulations 100–102, 168(2)(g))

Transportation (Regulations 102B–102F, 168(2)(ga))

Providing a child safe environment (Regulation 168(2)(h), Standards 2.2, 7.1)

Staffing, including (Regulation 168(2)(i)):

- professional standards / code of conduct for staff members (Standard 4.2)
- determining the responsible person
- participation of volunteers and students

Interactions with children (Regulations 155–156, 168(2)(j), Standards 5.1, 5.2)

Enrolment and orientation (Regulation 168(2)(k), Standard 6.1)

Governance and management of the service, including confidentiality of records (Regulation 168(2)(l), Standard 7.1)

Acceptance and refusal of authorisations (Regulation 168(2)(m))

Payment of fees and provision of a statement of fees (Regulation 168(2)(n), Standard 7.1)

Dealing with complaints (Regulation 168(2)(o), Standard 7.1).

*Approved providers may restrict who can be nominated to collect a child, for example by a person under the age of 16 years. This should be documented in the policy about collection of children. Authorised officers may talk to approved providers about whether they have taken into consideration that some parents may be less than 18 years of age.

Attachment B

St Peters Child Care Centre & Preschool Review of Policies

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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City of
Norwood
Payneham
& St Peters



NAME OF POLICY: Providing a Child Safe Environment

POLICY MANUAL: St Peters Childcare Centre & Preschool

BACKGROUND

The *Education and Care Services National Regulations 2011* (the Regulations) support the *Education and Care Services National Law* by providing detail on a range of requirements relating to the operation of education and child care services in Australia.

The purpose of this is to set a national standard and to ensure that the same laws are applied in each State and Territory (with some varied provisions as applicable to the needs of each State or Territory).

In the case of South Australia, the *Education and Early Childhood Services (Registration and Standards) Act 2011*, provides a national legislative scheme which regulates the provision of education and care services.

The Australian Children's Education and Care Quality Authority (ACEQA), works with all governments to provide guidance, resources and services to support the sector to improve outcomes for children by administering the *National Quality Framework* for children's education and care.

The National Quality Standard (NQS) sets a high national benchmark for early childhood education and care and outside school hours care services in Australia. Services are assessed and rated by the relevant regulatory authority against the NQS.

The key objectives of the NQF are to:

- ensure the safety, health and wellbeing of children attending education and care services;
- improve the educational and developmental outcomes for children attending education and care services;
- promote continuous improvement in the provision of quality education and care services; and
- improve public knowledge, and access to information, regarding the quality of education and care services.

The NQS includes 7 quality areas that are important outcomes for children which includes *Quality Area 2 – Children's Health and Safety*:

Children have the right to experience quality education and care in an environment that safeguards and promotes their health, safety and wellbeing.

Element 2.2.1 Supervision - At all times, reasonable precautions and adequate supervision ensure children are protected from harm and hazard.

Under the Regulations, an approved provider must ensure that policies and procedures are in place for providing a child safe environment (Regulation 168) and take reasonable steps to ensure those policies and procedures are followed (Regulation 170).

The City of Norwood Payneham & St Peters owns and operates the St Peters Childcare Centre & Preschool. As such, the Council and staff at the St Peters Childcare Centre & Preschool, have a duty of care to ensure that children are supervised at all times and to ensure that a safe and secure environment, which complies with the National Regulations, is maintained at all times.

This Policy sets out the requirements and expectations of the Council and staff to ensure that the health, safety and wellbeing of children at the St Peters Childcare Centre & Preschool is protected at all times, whilst also promoting their learning and development

OBJECTIVE

All children have the right to experience quality education and care in an environment that promotes opportunities to thrive with adults who safeguard and advocate for their health, safety, security and wellbeing including the right to:

- feel and be safe in their interactions with adults and other children and young people; and
- understand, as early as possible, what is meant by 'feeling and being safe'.

DISCUSSION

Supervision is essential in ensuring the safety of children. Proper supervision and the appropriate design and maintenance of the facilities and environments which are used for the care of children, assists in the prevention and severity of injury to children and ensures the safety and sense of security for and wellbeing of children.

Supervision is an integral part of the care and education of children and requires all staff at the St Peters Childcare Centre & Preschool, to make ongoing assessments of each child and the activities in which each child is engaged.

Staff and Educators at the St Peters Childcare Centre & Preschool, have a responsibility and duty of care, to provide proper supervision of children who are within their care at all times.

Proper supervision also assists in:

- the development of positive relationships between Educators, children and their families, carer's and guardians;
- informs ongoing assessment and future planning; and
- provides Educators with the opportunity to support and build on the children's learning and play experiences.

Providing proper supervision requires all staff and Educators to work together to ensure that good communication is undertaken at all times.

This Policy applies to all staff, Volunteers and contractors, who are engaged by the City of Norwood Payneham & St Peters and who undertake duties or work at the St Peter Child Care Centre & Preschool.

KEY PRINCIPLES

The key principles of this Policy are:

- *the promotion of a culture of child safety and wellbeing within the Centre;*
- *all staff (and Volunteers) caring for children act in the best interests of the child, and take all reasonable steps to ensure the child's safety and wellbeing at all times;*
- *children at the Centre are provided with a safe environment at all times, which extends to online environments;*
- *Educators and other staff meet their legislative obligations to prevent harm and hazard towards children;*
- *there is timely and effective identification of and response to, children who may be at risk of or who are experiencing abuse or neglect;*

- *the physical environment is set up in a way that supports the care of children and creates a learning environment in a manner that ensures the Educators can properly supervise children to the required standard at all times; and*
- *at a minimum, the required Educator-to-Children ratios are maintained to the required standards and the expectations of the Council, to ensure that the quality, consistency and competency of supervision, is met at all times.*

KEY TERMS

Australian Children's Education and Care Quality Authority (ACECQA) – The independent national authority that works with all regulatory authorities to administer the National Quality Framework, including the provision of guidance, resources and services to support the sector to improve outcomes for children.

Mandatory reporting - The legislative requirement for selected classes of people to report suspected child abuse and neglect to government authorities.

Reasonable grounds - Suspect that a child may be at risk of significant harm based on the staff member's observations of the child or what has been reported to that staff member about a child.

Reportable conduct - Certain organisations or entities such as the St Peters Child Care Centre & Preschool, have legal obligations under Reportable Conduct Schemes. Under these Schemes, certain organisations or entities are required to notify and investigate certain allegations (reportable allegations) of abuse involving a child, when the allegation is against someone they employ, engage or contract in circumstances outlined by the legislation.

Rights of the child - Human rights belonging to all children, as specified in the United Nations Convention on the Rights of the Child.

Wellbeing - wellbeing results from the satisfaction of basic needs – the need for tenderness and affection; security and clarity; social recognition; to feel competent; physical needs and for meaning in life. It includes happiness and satisfaction, effective social functioning and the dispositions of optimism, openness, curiosity, and resilience.

Working with children (WWCC) - A notice, certificate or other document granted to, or with respect to, a person under a working with children law to the effect that:

- the person has been assessed as suitable to work with children; or
- there has been no information that if the person worked with children the person would pose a risk to the children; or
- the person is not prohibited from attempting to obtain, undertake or remain in child-related employment.

POLICY

Supervision

Educators will ensure that the required ratios of Educators to children are maintained at all times as set out below:

- for children aged between new born and two (2) years old, one (1) Educator per four (4) children;
- for children aged between two (2) years old and three (3) years old, one (1) Educator per five (5) children; and
- for children aged between three (3) years old and five (5) years old, one (1) Educator per eleven (11) children.

For the purpose of this Policy, students and Volunteers, are not considered to be an '*Educator*' in the required ratio numbers and only staff members employed as Educators, by the Council may be considered as the Educator as part of the required ratios.

For the purpose of this Policy, when being considered in ratio numbers, Temporary Labour Hire staff must always be *'paired with'* a staff member employed as an Educator by the Council and groups of children must never be supervised only by Temporary Labour Hire staff.

For children aged between new born and two (2) years old, one (1) Educator is required per four (4) children. In the event there are four (4) children present, one (1) Educator is required to supervise to meet the ratio requirements. In this instance the group must be supervised by a staff member employed as an Educator, by the Council.

In the event there are eight (8) children present, two (2) Educators are required to supervise to meet the ratio requirement. In this instance, one person may be a Temporary Labour Hire Staff member and the other must be a staff member employed as an Educator by the Council.

Educators are required to ensure that correct child to Educator ratios are maintained at all times.

Educators will properly supervise children to the required standard and ensure that the children are within their sight and hearing at all times. While undertaking supervision, Educators will position themselves, such that they can view all areas where children are present, including bathrooms, indoor and outdoor areas.

Children will not be left un-supervised in bathroom areas or on change benches and are not to be present in any areas that pose obvious risks and that are not part of the designated areas for children's care, such as the kitchen, sheds, staffroom, laundry, storage areas or outside of the Centre's boundary fencing.

Educators are responsible for documenting how many children are within their group at the commencement of any shift and will monitor the arrival and departure of each child during their shift.

Educators will use accurate head counts of children at all times and in particular, when moving children between areas. Educators will document accurate head counts of children prior to exiting a confined or closed space, such as a vehicle or shed.

The Physical Environment

Educators will ensure that entry and exits points to the environment and any facility which is used by children, are suitability managed prior to children entering the relevant area, including the following:

- exit gates are securely closed;
- only authorised people entering any secured areas; and
- Fire and Emergency exits are accessible at all times.

As part of the proper supervision of children, Educators will actively identify physical and emotional risks that children under their supervision are exposed to and take reasonable action within a reasonable time to mitigate, minimise, or remove any risks in order to assist in reducing potential injuries or harm to children.

Educators will ensure that when setting up any environment which is to be used by children, equipment will be placed in such a way that children can be monitored, supported and supervised by an Educator at all times.

Educators will ensure that equipment, toys, furniture and areas, are maintained at all times and immediately identify any equipment, toys and furniture which are damaged, broken or not fit for purpose.

Once identified, the Educator will remove the item and clearly store it in an area that is not accessible to the children, until it can be disposed of, or the Educator will cordon off the equipment or furniture which is not fit for purpose and ensure that children cannot access it. Educators will ensure all staff receive adequate communication in respect to any equipment, toys, furniture and areas which have been deemed not fit for purpose, by recording the item and risk in the Communication Book.

When moving children between play spaces, before closing off an area that has been in use, Educators will ensure that all children have safely exited the area. In addition, before closing off the area that has been in use, Educators will ensure that an Educator has physically checked the whole area and is the last person to exit the area. For example, a closed space such as a room, shed or a vehicle, must be checked by an Educator, to ensure that all the children have safely left the area, before the Educator exits and closes off the area.

Educators will not exit an area to attend to other duties, unless they have clearly notified the other Educators who are supervising the children in the area and the ratio requirements meet the required standards and that competent and consistent proper supervision can be maintained during their absence.

Educators will ensure that changes to the physical environment are not undertaken until they have discussed with the other Educators supervising the children in the area, the following:

- the change which is to occur;
- the impact that the change may have on proper supervision; and
- they have determined the actions required to ensure that the ratio requirements and adequate, competent and consistent proper supervision can be maintained once the change has been made.

Changes may include but are not limited to, introducing new toys or pieces of equipment, undertaking a new activity or game with the children, increasing or decreasing the number of children present or changing the Educators present, etc.

Roles and Responsibilities

Children and Young People (Safety) Act 2017

- ensure that all staff including Educators, Students and Volunteers, have current *Working with Children* checks or equivalent;
- ensure that all staff are given information and/or training regarding the *Children and Young People (Safety) Act 2017* and their respective obligations under the Act;
- all Educators and Volunteers of the Centre are required to familiarise themselves with the *Children and Young People (Safety) Act 2017* and take appropriate measures if they have reasonable grounds to suspect a child or young person is at risk of significant harm and have concerns about the safety, welfare or wellbeing of a child or young person;
- Staff will undertake training in order to effectively make appropriate responses to all disclosures of abuse and any allegation of abuse against staff members of the Centre to:
 - understand the responsibilities and processes as a mandatory reporter (or equivalent);
 - be able to recognise the factors that increase a child's vulnerability to maltreatment;
 - be aware of the vulnerabilities which may indicate a need to assess, monitor or curtail the behaviour of individuals in relation to children and young people within organisations; and
 - staff will implement procedures for releasing children only into the care of authorised persons.

The Director of the St Peters Childcare Centre & Preschool, is responsible for:

- ensuring sufficient numbers of Educators are employed to ensure appropriate levels of supervision of children at all times;
- discussing the requirements of this Policy, the required ratios, the Centres' Supervision Plans and the expectations of Educators, in respect to proper supervision, during staff inductions, training and staff meetings;
- communicating any changes to this Policy, required ratios, the Centre's Supervision Plans and expectations of Educators in respect to proper supervision to each Educator and ensure that each Educator understands the requirements and any changes that have occurred;
- ensuring a *Supervision Plan* is displayed in each room. Educators must comply with the Centres' *Supervision Plan* at all times.

Educators are required to:

- ensure that no child is left alone (or is out of sight) whilst at the Centre;
- ensure the relevant checklists are dated and signed each day and kept in the folders located in the Director's office at the end of each fortnight for filing. This includes the Outside Safety Checklists, the Indoor Safety Checklists, the Sleep Records and Food Temperature Checklists;
- monitor the Sleeping Areas in accordance with the Council's requirements;
- ensure that each child is released from the Centre at the end of the day to an authorised and known parent, guardian or care giver and details of which are recorded via sign in/sign out on the 'Kid Kiosk'.

The accurate and current details of the authorised and known parent, guardian or care giver, including the name, relationship to the child, contact address, contact number and evidence that the person is authorised to collect the child, will be documented in the Centre's records. The relevant record will be made readily available to any Educator responsible for a child, upon request, so that if required, the Educator can check that a child is being released from the Centre, to the correct authorised and known parent, guardian or care giver.

Excursions

In respect to excursions which are being arranged and which are being undertaken outside of the Centre, the relevant requirements set out in this Policy must be adhered to at all times during any activity or excursion which is undertaken.

In addition, the following requirements must also be observed:

- as part of planning any excursion, Educators must discuss matters relating to proper supervision, undertake a *Risk Assessment* using the *Council's Risk Framework* and implement the required mitigating strategies and document a suitable *Supervision Plan*, prior to undertaking the excursion;
- written consent for each child from the authorised and known parent, guardian or care giver, must be obtained, documented and filed prior to the child being allowed to participate in any excursion;
- in accordance with the requirements set out in the *National Quality Framework*, for each child, the relevant authorised and known parent, guardian or care giver, must be emailed the Risk Plan and the Excursion Plan including the form or travel and the destination;
- the Director of the St Peters Childcare Centre & Preschool will ensure that as part of obtaining written consent for a child to attend an excursion, for each child, the authorised and known parent, guardian or care giver, will be advised in writing of the number of Educators who will be accompanying the children on the excursion; and
- the Director of the St Peters Childcare Centre & Preschool will ensure that an evaluation of the supervision practices that are undertaken on each excursion are evaluated for effectiveness and to be used to plan any other excursions.

Reporting and Responding to Suspected Child Abuse and Neglect

Under Section 31(1) of the *Children and Young People (Safety) Act 2017*, if a person suspects on reasonable grounds that a child or young person is, or may be, at risk of harm, and that suspicion was formed in the course of the person's employment (whether paid or voluntary), they must report that suspicion as soon as is reasonably practicable after forming the suspicion.

Educators are required to comply with the Reporting and Responding to Suspected Child Abuse and Neglect Procedure if they suspect on reasonable grounds that a child may be or is at risk of harm.

RESOURCES

- *National Principles for Child Safe Organisations*;
- *Education and Care Services National Law Act 2010*;
- *Education and Care Services National Regulations 2011*;

- *National Quality Standards Quality Area 2: Children's Health and Safety;*
- *Work Health & Safety Act (SA) 2012;*
- *Children and Young People (Safety) Act 2017;* and
- *City of Norwood Payneham & St Peters Behavioural Standards Policy.*

REVIEW PROCESS

This Policy will be reviewed within 24 months of the adoption date of the Policy.

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is the Council's Director, St Peters Child Care & Preschool Centre on telephone 8362 1843, or e-mail aparsons@npsp.sa.gov.au.

ADOPTION OF THE POLICY

This Policy replaces the Supervision Policy adopted on 18 January 2023.

This Policy was adopted by the Audit & Risk Committee on

TO BE REVIEWED

September 2025

Attachment C

St Peters Child Care Centre & Preschool Review of Policies

City of Norwood Payneham & St Peters
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City of
Norwood
Payneham
& St Peters



City of
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Payneham
& St Peters

NAME OF POLICY:	Sleep and Rest for Children
POLICY MANUAL:	St Peters Child Care Centre & Preschool

BACKGROUND

The *Education and Care Services National Regulations 2011* (the Regulations), support the *Education and Care Services National Law* by providing detail on a range of requirements relating to the operation of education and child care services in Australia.

The purpose of this is to set a national standard and to ensure the same laws are applied in each State and Territory (with some varied provisions as applicable to the needs of each State or Territory).

In the case of South Australia, the *Education and Early Childhood Services (Registration and Standards) Act 2011* provides a national legislative scheme regulating the provision of education and care services.

The Australian Children's Education and Care Quality Authority (ACEQA) works with all governments to provide guidance, resources and services to support the sector to improve outcomes for children by administering the *National Quality Framework* (NQF) for children's education and care.

The National Quality Standard (NQS) sets a high national benchmark for early childhood education and care and outside school hours care services in Australia. Services are assessed and rated by the relevant regulatory authority against the NQS.

The NQS includes 7 quality areas that are important outcomes for children which includes *Quality Area 2 – Children's Health and Safety*:

Children have the right to experience quality education and care in an environment that safeguards and promotes their health, safety and wellbeing.

Element 2.1.1 Wellbeing and comfort - Each child's wellbeing and comfort is provided for, including appropriate opportunities to meet each child's need for sleep, rest and relaxation.

The National Quality Framework (NQF) reflects the requirements of Regulation 168 of the National Regulations which includes a requirement for a policy on 'Sleep and rest for children and infants', including matters set out in Regulation 81 (Sleep and rest).

This policy has been prepared in accordance with the requirements of the *Education and Care Services National Regulations 2011*, the *National Quality Framework* and the *National Quality Standard*.

OBJECTIVE

We will take reasonable steps to ensure that children's needs for sleep and rest are met, having regard to each child's age, development and individual sleep and rest requirements.

We are committed to providing a comfortable, relaxing and safe space for children which will well supervised ensuring all children feel secure at all times.

KEY TERMS

Australian Children's Education and Care Quality Authority (ACECQA) – The independent national authority that works with all regulatory authorities to administer the National Quality Framework, including the provision of guidance, resources and services to support the sector to improve outcomes for children.

Infant - A young child between the ages of birth and 12 months.

Rest - A period of inactivity, solitude, calmness or tranquillity, and can include a child being in a state of sleep.

Relaxation - Relaxation or other activity for bringing about a feeling of calm in your body and mind.

Sudden and Unexpected Death in Infancy (SUDI) - A broad term used to describe the sudden and unexpected death of a baby for which the cause is not immediately obvious.

Sudden Infant Death Syndrome (SIDS) - The sudden and unexpected death of an infant under one (1) year of age with an onset of a fatal episode occurring during sleep, that remains unexplained after a thorough investigation, including performance of a complete autopsy and review of the circumstances of death and the clinical history.

DISCUSSION

The *South Australian Safe Infant Sleeping Standards* were developed by a core group of experts from Government and non-Government sectors in South Australia, under the direction of the South Australian Safe Sleeping Advisory Committee to guide Educators and increase family and community awareness of the key infant care practices associated with reducing the risk of infants dying while asleep.

The SIDS and Kids Safe Sleeping recommendations are the professional standard in infant care practice. Only written medical advice should be accepted by Educators when assisting infants to sleep, other than as recommended by SIDS and Kids.

This *Sleep and Rest for Children Policy* (the Policy), means Educators, management, co-ordinators, other staff, families and the community, can be confident that children's needs for sleep and rest are met while attending the St Peters Child Care & Preschool Centre (the Centre).

Fortunately, cases of children dying in education and care service settings are very rare. However, some deaths have occurred when a child has been sleeping at a service. Relevant Coroners' reports have found that poor sleeping environments and poor supervision are risk factors. While all children need rest and sleep to be happy and healthy, this is an area of service policy and procedure that needs to be very carefully considered, monitored and actively reviewed to ensure risks are appropriately addressed at all times.

KEY PRINCIPLES

The purpose of the *Sleep and Rest for Children Policy* is to ensure the health, safety and wellbeing of children attending the Centre and that appropriate opportunities are provided to meet each child's need for sleep, rest and relaxation.

Our approach to supporting and promoting children's health and physical activity, including safe sleep and nutrition, is informed by current recognised guidelines and up-to-date information and is based upon the following principles:

- Effective sleep and rest strategies are important factors in ensuring a child feels secure and is safe at a service.
- We have a duty of care to ensure children are provided with a high level of safety when sleeping and resting and every reasonable precaution is taken to protect them from harm and hazard.

- All Educators will receive information and training to fulfil their roles effectively, including being made aware of the sleep and rest policies, their responsibilities in implementing these, and any changes that are made over time.
- We will consult with families about their child's individual needs and be sensitive to different values and parenting beliefs, cultural or otherwise, associated with sleep and rest.
- Children of the same age can have different sleep patterns, which Educators will consider, including appropriate opportunities to meet each child's sleep, rest and relaxation needs.

POLICY

The St Peters Child Care Centre & Preschool endeavours to keep children safe during all experiences in the services provided, including sleep and rest times.

Children of all ages

- A quiet place will be offered for rest and sleep and will also allow for a calm play experience.
- Children are to sleep and rest with their face uncovered.
- The sleep and rest environment and equipment will be safe and regularly checked for hazards. This includes all equipment complying with the Australian Standards.
- Educators will supervise sleeping and resting children. This involves checking/inspecting sleeping children at regular intervals, and ensuring that we are always within sight and hearing distance of sleeping and resting children so that we can assess a child's breathing and the colour of their skin.
- Service providers will consider the risk for each individual child, and tailor sleep and rest to reflect the levels of risk identified for children at our service. Factors considered include the age of the child, medical conditions, individual needs and history of health and/or sleep issues.

PROCEDURE

Standard 1 - SA Safe Infant Sleeping Standards

All staff will place infants under 12 months on their back to sleep from birth, never on the front (tummy) or side, unless there are medically indicated reasons.

To meet this Standard, all Educators must be able to:

1. Provide parents and caregivers with information on how to position infants safely in the cot and an explanation of the risks associated with side and front (tummy) positioning.
2. Provide sleep and settling strategies that support parents and caregivers in ways that take into account the specific needs of the infant and the family circumstances.
3. Demonstrate the practice of placing all infants, including those with gastroesophageal reflux, on their back to sleep on a firm, flat mattress that is not elevated.
4. Provide parents and caregivers with strategies to manage gastroesophageal reflux effectively without placing the infant at risk.
5. Demonstrate, where a medical directive exists that requires the infant is not placed on their back to sleep in a health facility, that information is provided to parents or caregivers.

Standard 2 - SA Safe Infant Sleeping Standards

All staff will be fully informed about the risks of infants sharing the same sleep surface and promote the placing of infants for sleep in an *Australian Standards (AS/NZS 2172)* compliant cot in the same room as the parents for the first 6 to 12 months.

To meet this Standard, Educators must be able to:

1. Work in partnership with parents and caregivers to identify settling and sleep strategies which take into account the families' social, cultural and life circumstances.

2. Demonstrate the placing of cots by the mother's bed (away from blind cords) and promote the return of infants to their cot after feeding and before parents fall asleep.
3. Demonstrate sharing information for parents about the risks of sharing the same sleep surface with infants and the benefits of room sharing.

Standard 3 - SA Safe Infant Sleeping Standards

All staff will consider the social, cultural and life circumstances of each family when promoting safe sleeping practices and ensure the information is provided in ways that are culturally accessible and can be easily understood by that family.

To meet this Standard, Educators must be able to:

1. Specifically discuss the six (6) safe infant care practices and intended infant sleeping environment with families.
2. Discuss safe infant care practices and proposed sleeping arrangements with families to address any barriers to implementing safe infant care practices at home through the provision of culturally appropriate referrals, information and services based on the specific needs of the infant and the family.

Standard 4 - SA Safe Infant Sleeping Standards

All staff will ensure that expectant and new parents are made aware of the strong association between smoking and the increased risk of fatal infant sleeping incidents, and are supported and referred to smoking cessation or reduction programs.

Standard 5 - SA Safe Infant Sleeping Standards

All staff will provide parents/caregivers and families with accurate information about a safe cot, with a safe mattress, safe bedding and in a safe environment.

To meet this Standard, all Educators must be able to:

1. Provide information and appropriate referrals to parents and caregivers.
2. Discuss information to support safe infant sleeping for both parent and child.
3. Work in partnership with families to identify their reasons for being unable to provide a safe sleeping environment for their infant. These reasons could include cots given as family heirloom, financial constraints, high levels of transience, inadequate housing or other reasons.
4. Engage support services and referrals as appropriate.

Standard 6 - SA Safe Infant Sleeping Standards

All staff will ensure that expectant and new parents are made aware of the benefits of breastfeeding as a protective factor in reducing the risk of SIDS, and are given support to breastfeed.

To meet this Standard, all Educators must be able to:

1. Provide information and appropriate referrals to parents.
2. Support breastfeeding needs of the mother.
3. Work in partnership with expectant and new mothers to identify their reasons for being unable to initiate breastfeeding for their infant.
4. Engage support services and referrals as appropriate.

PRAMS, PUSHERS, BOUNCINETTES AND ROCKERS

Prams, pushers, bouncinettes and rockers must not be used as a sleeping environment for children.

OBSERVATION OF THE SLEEPING INFANT

All sleeping children will be supervised by an Educator under the “sight and sound” recommendations contained in the National Quality Standards.

HEALTH AND HYGIENE

Each child must have clean hygienic bed linen and blankets. Children do not share linen or bedding with other children between washes. All bed linen is stored away from other bed linen to help stop possible cross infection.

Bed linen is washed weekly or sooner if a child is unwell or the linen is soiled.

Cots and mattresses are disinfected between each child’s use.

Any child that is unwell will be given the highest supervision and will be monitored constantly until their parent’s or guardian’s arrival.

In line with the dental recommendations children and babies are not given bottles when placing them down for sleep.

REVIEW PROCESS

This Policy and Procedure will be reviewed annually, or as required, to ensure practices are consistent with safe sleep recommendations. The Department for Education’s Safe Sleeping checklist for infants and young children is the primary guide when reviewing the Centre’s practices to maintain the highest level of safety and wellbeing of every child who attends the Centre.

RESOURCES

www.sidsandkids.org
www.cyh.com
www.parenting.sa.gov.au
www.kidsafe.com.au
www.sahealth.sa.gov.au
<https://rednose.com.au/resources/education>
 SA Health
 National Quality Standards
Education and Care Services National Regulations 2011
 South Australian Safe Infant Sleeping Standards 2016

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is the Council’s Director, St Peters Child Care & Preschool Centre, telephone 8362 1843 or via email: aparsons@npsp.sa.gov.au

ADOPTION OF THE POLICY

This Policy was adopted December 2007.
 This Policy has been reviewed annually since 2007 and is due to be reviewed in 2021.
 This Policy was reviewed and amended on 2023.

TO BE REVIEWED

September 2024.

Attachment D

St Peters Child Care Centre & Preschool Review of Policies

City of Norwood Payneham & St Peters
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NAME OF POLICY: CHILD SAFE ENVIRONMENTS

POLICY MANUAL: ST PETERS CHILD CARE CENTRE & PRESCHOOL

POLICY

In meeting the Centre's duty of care and legislative requirements outlined in the *Children's Services Act 1985 and the Children's Protection Act 1993*, the Management, Educators and Staff implement a high level of safety and protection to all children who access the Centre's facilities and/or programs in our community.

To provide a safe environment where every child and person has the right to be treated with respect and is safe and protected from abuse.

PROCEDURE

The Centre complies with the *Children's Services Act (1985)*:

- The licensee of a child care centre and any employee of the licensee whose duties include child care are required to exercise a duty of care. This duty of care determines that management and staff have a duty to take reasonable care to protect a child in their care from foreseeable risk or harm and injury. Duty of care means doing what is reasonable and in the best interests of the children in a given situation.

The Centre complies with the obligations under the *Children's Protection Act 1993*, including:

- Working with Children Checks assessments for people working with children, and
- Section 11 - Mandatory reporting.

All Educators are required to initially undertake the seven hours Responding to Risks of Harm, Abuse and Neglect for children and young people training before commencing employment and attend on-site training every 3 years. Educators are encouraged to use supplied resources for reference when needed:

Working with Children screening supports education and care organisations to establish child safe environments in which adults do not present a threat to the health and well-being of children and students. All staff at the Centre hold current child-related employment screening, Working With Children Checks from the Department of Human Services.

Any students who undertake work placement at the Centre are required to undertake a Working with Children assessment prior to commencing placement. This is to be undertaken by the training organisation or school and a copy provided on the first day.

St Peters Child Care Centre & Preschool takes all reasonable steps to ensure that it engages the most suitable and appropriate people to work with children. We employ a range of screening measures and apply best practice standards in the screening and recruitment of employees, interviewing and conducting referee checks on all employees. Additionally and employee who is employed by the City of Norwood, Payneham and St Peters will undertake a National Police Clearance.

All children who enrol at St Peters Child Care Centre & Preschool have a right to feel and be safe. We are committed to the safety and well-being of all children and young people accessing our services, the welfare of the children in our care will always be our first priority. We aim to create a child safe and child friendly environment where all children are valued and feel safe, and where children feel respected and are encouraged to reach their full potential.

We support the rights of the child and will act without hesitation to ensure a child safe environment is maintained at all times. We also support the rights and well-being of our educators and encourage their active participation in building and maintaining a secure environment for all participants.

In accordance with duty of care, Educators and Management will work in partnership to ensure that the Centre environment provides for the care of children in a setting that is safe, protective and at all times free from harm. This will be achieved through correct child/ staff ratios, effective supervision practices and the identification and removal of objects/equipment that are unsafe. This will be supported by creating healthy relationships between Educators and Children.

Families will be offered, and have access to, information regarding Child Protection issues and current recommendations/guidelines of appropriate behaviour guidance strategies for within the home.

Educators are prevented from adding families on personal social media platforms (e.g. Facebook, twitter, Instagram) to not confuse any ethical boundaries.

The Centre Director may speak to the family and explain avenues of help if a family discloses to her they are experience difficulties. Every effort will be made to assist the family by referring them to counselling and referral services through Child and Youth Health Services (24 hour service) 1300 364 100.

Reporting and responding to suspected child abuse and neglect.

All employees understand their obligation to notify the Child Abuse Report Line on 13 14 78 as soon as practicable if they have a reasonable suspicion that a child has been, or is being, abused, neglected or at risk of harm. Or for less serious concerns use CARL (online notification) www.reportchildabuse.families.sa.gov.au

Where suspected child abuse and/or neglect has been identified, Educators will adhere to the following recommendations:

- All Educators will objectively record any factual observations of children and their play, or any bruising and unexplained marks that may support a suspicion.
- In instances of suspicion being aroused through conversation with a child, Educators will document exactly what was said, without questioning the child for further details.
- Educators will notify the Director of their concerns and also follow the guidelines addressed in their Mandated Notification training by making a report to the Department for Child Protection.
- During notification the reporting person will be asked to provide basic information, a description of abuse, the current situation and other background information etc.

Centre programs are reflective of our commitment to child protection by encompassing language and experiences which educate children on the importance of protective behaviours regarding their bodies and emotions. Educators have a responsibility to educate and role model appropriate protective behaviours and safety skills to all children.

We teach children what they can do if they feel unsafe. We listen to and act on any concerns children, or their parents, raise with us.

Confidentiality of children and their families will at all times be respected. Suspicions of child abuse will be treated with the utmost discretion and any written notifications/records will be kept in accordance with the Centre's Confidentiality Policy.

Educators and Management will honour all requirements of court orders relating to the custody of children within their care and ensure that children are released only to adults detailed on their enrolment forms (authorised collections.)

REVIEW PROCESS

This policy will be reviewed annually, family and educator feedback will be considered in the review process. Changes in National Law and National Regulations and National Quality Standards will be considered. Any changes to this policy will be communicated to families and educator verbally and in writing.

RESOURCES

National Quality Standard 2.2, 7.1

Children's Protection Act 1993

Children's Services Act 1985

National Laws and Regulations: 168(2)(h)

Child-safe environments, our community response to child abuse and neglect -Guidelines for mandated notifiers and information for organisations (Department for Education and Child Development/ Department for Child Protection) 2015

Protective practices for staff in their interaction with children and young people – Department of Education and Children's Services 2011

Participant's handbook; responding to abuse and neglect, education and care training - Department for Education and Child Development 2014

Child Safe Environments - Principles of Good Practice July 2010

ADOPTION OF THE POLICY

Original policy adopted January 2001.

TO BE REVIEWED

Every 2 years or as legislation, rules and regulations are updated.

Attachment E

St Peters Child Care Centre & Preschool Review of Policies

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City of
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& St Peters**



NAME OF POLICY: Supervision Policy – St Peters Childcare Centre & Pre-school

POLICY MANUAL: St Peters Childcare Centre & Pre-school

BACKGROUND

The Education Standards Board (the Board) is the independent regulatory authority responsible for the regulation and quality assurance of Early Childhood Education and Care services in South Australia.

The Board regulates early childhood education and care services under the *National Quality Framework* (NQF), which sets out the regulatory requirements for Child Care Centres across Australia under the *Education and Early Childhood Services (Registration and Standards) Act 2011* and the relevant regulations.

The key objectives of the NQF are to:

- ensure the safety, health and wellbeing of children attending education and care services;
- improve the educational and developmental outcomes for children attending education and care services;
- promote continuous improvement in the provision of quality education and care services; and
- improve public knowledge, and access to information, regarding the quality of education and care services.

The City of Norwood Payneham & St Peters, owns and operates St Peters Childcare Centre & Pre-school. As such, the Council and staff at the St Peters Childcare Centre & Pre-school have a duty of care to ensure that children are supervised at all times and to ensure that a safe and secure environment, which complies with the National Regulations, is maintained at all times.

This Policy sets out the requirements and expectations of the Council and staff to ensure:

- that there is adequate supervision of all children who are enrolled at the St Peters Childcare Centre & Pre-school, at all times; and
- a safe and secure environment is provided and maintained for all children at times.

This Policy should be read in conjunction with the Council's *Safe Environment Policy*. In addition, legislation, standards and Councils Policies that relate to this Policy include but are not limited to:

- *National Principles for Child Safe Organisations*;
- *Education and Care Services National Law Act 2010*;
- *Education and Care Services National Regulations 2011*;
- *National Quality Standards and in particular Quality Area 2: Children's Health and Safety*;
- *Work Health & Safety Act (SA) 2012*; and
- the Council's Behavioural Standards Policy.

DISCUSSION

Supervision is essential in ensuring that children's safety is protected. Proper supervision and the appropriate design and maintenance of the facilities and environments which are used for the care of children, assists in the prevention and severity of injury to children and ensures the safety and sense of security for and wellbeing of children.

Supervision is an integral part of the care and education of children and requires all staff at the St Peters Childcare Centre & Pre-school, to make ongoing assessments of each child and the activities in which each child is engaged.

Staff and Educators at the St Peters Childcare Centre & Pre-school, have a responsibility and duty of care, to provide proper supervision of children who are within their care at all times.

Proper supervision also assists in:

- the development of positive relationships between Educators, children and their families, carer's and guardians;
- informs ongoing assessment and future planning; and
- provides Educators with the opportunity to support and build on the children's learning and play experiences.

Providing proper supervision requires all staff and Educators to work together to ensure that good communication is undertaken at all times.

This Policy applies to all staff, Volunteers and contractors, who are engaged by the City of Norwood Payneham & St Peters and who undertake duties or work at the St Peter Child Care Centre & Pre-School.

KEY PRINCIPLES

The key principles of this Policy are:

1. Children are supervised properly to the required standards at all times whilst in the care of the St Peters Child Care Centre & Pre-school.
2. Children are within close proximity and within sight and hearing, of an Educator at all times.
3. The physical environment is set up in a way that supports the care of children and creates a learning environment in a manner that ensures the Educators can properly supervise the children to the required standard at all times.
4. At a minimum, the required Educator to children ratio's are maintained to the required standards and the expectations of the Council, to ensure that the quality, consistency and competency of supervision, is met at all times.

POLICY

Educators will ensure that the required ratios of Educators to children are maintained at all times as set out below:

- for children aged between new born and two (2) years old, one (1) Educator per four (4) children;
- for children aged between two (2) years old and three (3) years old, one (1) Educator per five (5) children; and
- for children aged between three (3) years old and five (5) years old, one (1) Educator per eleven (11) Children.

For the purpose of this Policy, students and Volunteers, are not considered to be an 'Educator' in the required ratio numbers and only staff members employed as Educators, by the City of Norwood Payneham and St Peters may be considered as the Educator as part of the required ratios.

For the purpose of this Policy, when being considered in ratio numbers, Temporary Labour Hire staff must always be 'paired with' a staff member employed as an Educator, by the City of Norwood Payneham and St Peters and groups of children must never be supervised only by Temporary Labour Hire staff. The following scenarios are provided as examples:

- for children aged between new born and two (2) years old, one (1) Educator is required per four (4) children.

In the event there were four (4) children present, one (1) educator is required to supervise to meet the ratio requirements. In this instance the group must be supervised by a staff member employed as an Educator, by the City of Norwood Payneham and St Peter.

In the event there were eight (8) children present, two (2) educators are required to supervise to meet the ratio requirement. In this instance, one (1) Educator may be a Temporary Labour Hire Staff member and the other must be a staff member employed as an Educator, by the City of Norwood Payneham and St Peters.

Educators will ensure that correct child to Educator ratios are maintained at all times.

Educators will properly supervise children to the required standard and ensure that the children are within their sight and hearing at all times.

While undertaking supervision, Educators will position themselves, such that they can view all areas where children are present, including bathrooms, indoor and outdoor areas.

Children will not be left un-supervised in bathroom areas or on change benches and are not to be present in any areas that pose obvious risks and that are not part of the designated areas for children's care, such as the kitchen, shed's, staffroom, laundry, storage areas or outside of the Centre's boundary fencing.

As part of the proper supervision of children, Educators will actively identify physical and emotional risks that children under their supervision are exposed to and take reasonable action within a reasonable time to mitigate, or minimise, or remove, any risks in order to assist in reducing potential injuries or harm to children.

Educators are responsible for documenting how many children are within their group at the commencement of any shift and will monitor the arrival and departure of each child during their shift.

Educators will use accurate head counts of children at all times and in particular, when moving children between areas.

Educators will document accurate head counts of children prior to exiting a confined or closed space, such as a vehicle or shed.

Educators will ensure that entry and exits points to the any environment and facility, used by children, are suitability managed prior to children entering the relevant area, including the following;

- exit gates are securely closed;
- only authorised people entering any secured areas; and
- Fire and Emergency exits are accessible at all times.

Educators will undertake a visual safety check of an area and remove any hazards, clean the area and reasonably mitigate or minimise any risks, prior to children entering the area.

Educators will ensure that when setting up any environment which is to be used by children, equipment will be placed in such a way that children can be monitored, supported and supervised by an Educator at all times.

Educators will ensure that equipment, toys, furniture and areas, are maintained at all times and immediately identify any equipment, toys and furniture which is damaged, broken or not fit for purpose. Once identified, the Educator will remove the item and clearly store it in an area that is not accessible to the children, until it can be dispose of, or the Educator will cordon off the equipment or furniture which is not fit for purpose and ensure that children cannot access it. Educators will ensure all staff receive adequate communication in respect to any equipment, toys, furniture and areas which have been deemed not fit for purpose, by recording the item and risk in the Communication Book.

When moving children between play spaces, before closing off an area that has been in use, Educators will ensure that all children have safely exited the area. In addition, before closing off the area that has been in use, Educators will ensure that an Educator has physically checked the whole area and is the last person to exit the. For example, a closed space such as a room, shed or a vehicle, must be checked by an Educator, to ensure that all the children have safely left the area, before the Educator exits and closes off the area.

Educators will not exit an area to attend to other duties, unless they have clearly notified the other Educators who are supervising the children in the area, the ratio requirements meet the required standards and that competent and consistent proper supervision can be maintained during their absence.

Educators will ensure that changes to the physical environment are not undertaken until they have discussed with the other Educators supervising the children in the area, the following;

- the change which is to occur;
- the impact that the change may have on proper supervision; and
- they have determined the actions required to ensure that the ratio requirements and adequate, competent and consistent proper supervision can be maintained once the change has been made.

Changes may include but are not limited to, introducing new toys or pieces of equipment, undertaking a new activity or game with the children, increasing or decreasing the number of children present or changing the Educators present, etc.

The Director of the St Peters Childcare Centre & Pre-school, is responsible for discussing the requirements of this Policy, the required ratios, the Centres' Supervision Plans and the expectations of Educators, in respect to proper supervision, during staff inductions, training and staff meetings.

The Director of the St Peters Childcare Centre & Pre-school will clearly communicate any changes to this Policy, required ratios, the Centres Supervision Plans and expectations of Educators in respect to proper supervision to each Educator and ensure that each Educator understands the requirements and any changes that have occurred.

The relevant checklists are to be dated and signed each day and kept in the folders located in the Director's office at the end of each fortnight for filing. This includes the Outside Safety Checklists, the Indoor Safety Checklists, the Sleep Records and Food Temperature Checklists.

The Council will ensure that a *Supervision Plan* is displayed in each room. Educators must comply with the Centres' *Supervision Plan* at all times.

Educators must monitor the Sleeping Areas in accordance with the Council's requirements.

Educators will ensure that each child is released from the Centre at the end of the day to an authorised and known parent, guardian or care giver and details of which are recorded via sign in/sign out on the 'Kid Kiosk'.

The accurate and current details of the authorised and known parent, guardian or care giver, including the name, relationship to the child, contact address, contact number and evidence that the person is authorised to collect the child, will be documented in the Centre's records. The relevant record will be made readily available to any Educator responsible for a child, upon request, so that if required, the Educator can check that a child is being released from the Centre, to the correct authorised and known parent, guardian or care giver.

In respect to excursions which are being arranged and which are being undertaken outside of the Centre, the relevant requirements set out in this Policy must be adhered to at all times during any activity or excursion which is undertaken.

In addition, in respect to excursions, the following requirements must also be observed:

- as part of planning any excursion, Educators must discuss matters relating to proper supervision, undertake a *Risk Assessment* using the *Council's Risk Framework* and implement the required mitigating strategies and document a suitable *Supervision Plan*, prior to undertaking the excursion;
- written consent for each child from the authorised and known parent, guardian or care giver, must be obtained, documented and filed prior to the child being allowed to participate in any excursion;

- in accordance with the requirements set out in the *National Quality Framework*, for each child, the relevant authorised and known parent, guardian or care giver, must be emailed the Risk Plan and the Excursion Plan including the form or travel and the destination;
- the Director of the St Peters Childcare Centre & Pre-school will ensure that as part of obtaining written consent for a child to attend an excursion, for each child, the authorised and known parent, guardian or care giver, will be advised in writing of the number of Educators who will be accompanying the children on the excursion; and
- the Director of the St Peters Childcare Centre & Pre-school will ensure that an evaluation of the supervision practices that are undertaken on each excursion are evaluated for effectiveness and to be used to plan any other excursions.

REVIEW PROCESS

This Policy will be reviewed within 24 months of the adoption date of the Policy.

INFORMATION

The contact officer for further information at the City of Norwood Payneham & St Peters is Council's General Manager, Governance & Civic Affairs on telephone 8366 4549, or e-mail lmara@npsp.sa.gov.au.

ADOPTION OF THE POLICY

This Policy was adopted by the Chief Executive Officer on 18 January 2023

TO BE REVIEWED

30 January 2025

Mario Barone PSM
CHIEF EXECUTIVE OFFICER

Date

6.4 SIGNIFICANT CORPORATE RISKS

REPORT AUTHOR:	General Manager, Governance & Civic Affairs
GENERAL MANAGER:	Chief Executive Officer
CONTACT NUMBER:	8366 4549
FILE REFERENCE:	qA75186
ATTACHMENTS:	A - B

PURPOSE OF REPORT

The purpose of this report is to present the draft Significant Corporate Risks to the Audit & Risk Committee for discussion.

BACKGROUND

Effective management of risk is a fundamental component of good management and a key element of effective corporate governance. Accordingly, risk management is regarded as an integral part of the Council's operations.

The Council has always been committed to building an organisational culture where risk awareness and effective risk management, form an integral part of all Council activities and operations and is a core management capability and responsibility. Effective risk management requires:

- a. *a strategic focus;*
- b. *forward thinking and proactive approaches to management;*
- c. *balancing the cost of managing risks with the anticipated benefits; and*
- d. *contingency planning for the critical threats.*

Diagram 1 below illustrates the components of the Council's Risk Management Framework.



In terms of the “categories” of risk, Strategic Risks are identified by reference to both the external environment and the objectives contained in the Council’s Strategic Plan, *CityPlan 2030-Shaping Our Future*. Strategic risks are monitored by the Executive Leadership Team and the Council.

Operational Risks arise from the Council’s day-to-day functions and operations that are required and in place to deliver essential services. Operational risks are monitored by Council’s Executive Leadership Team and/or relevant staff across the organisation.

A review of the Council’s Significant Corporate Risks (Strategic Risks) has been undertaken and an updated *Significant Corporate Risks* register has now been prepared.

A copy of the previous significant risks – *Identified Risk Requiring Treatment Plans* – is contained in **Attachment A**.

A copy of the updated *Significant Corporate Risks* register is contained within **Attachment B**.

Mr David Papa of Bentleys SA/NT has been invited to attend the meeting to provide a presentation to the Committee regarding Risk Management.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

Strategic Planning, (which also includes long-term financial planning and annual budgeting) must adequately and prudently consider the risks that the Council is facing or may face in setting and pursuing its objectives and the effectiveness of systems that are in place to manage and communicate those risks.

Risk Management is incorporated into the Council (as a decision making body) and the organisation's governance structures and it's including decision making processes. Risk assessment and management processes are incorporated into the reports which are presented to the Council and its Committees, where there is a potential impact on achievement of the Council's objectives or on the wider community.

Elected Members and staff are expected to:

- give adequate consideration to risks when setting the Council's objectives;
- understand the risks facing the Council in pursuit of its objectives;
- oversee the effectiveness of systems implemented by the organisation to manage risk;
- accept only those risks that are appropriate and prudent in the context of Council's objectives; and
- consider information about such risks and make sure that these are properly communicated to the appropriate stakeholder or governing body.

CONSULTATION

- **Committee Members**
Not Applicable.
- **Community**
Not Applicable.
- **Staff**
Where Applicable.
- **Other Agencies**
Not Applicable.

DISCUSSION

A review of the Significant Organisational risks has been undertaken and as a result, a number of risks have been removed from the previous *Identified Risk Requiring Treatment Plans*, as the controls which have been implemented to mitigate these risks have been introduced and have been in place for a period of time.

However, the review has identified a number of risks which have been incorporated into the draft *Significant Corporate Risks Register*.

The risks have been considered in terms of their tolerance levels and have been rated accordingly.

In terms of the risk rating for each of the identified risks, the Council's *Risk Tolerance Levels* rating system has been applied, as set out in Table 1 below. The *Risk Tolerance Levels* forms part of the Council's risk management framework.

TABLE 1: RISK TOLERANCE LEVELS

Level	Tolerance
Extreme	Intolerable – Exposure to the risk would normally be immediately discontinued except in extreme circumstances. The decision to tolerate residual risk at this level must be made by the Chief Executive Officer and/or the Council.
High	Intolerable without treatment – The decision to tolerate residual risk at this level, must be made by the Executive Leadership Team. Risk controls must be applied as part of a documented risk management plan that is continuously monitored and reviewed.
Substantial	Tolerable with continual review – Unnecessary exposure to the risk must be discontinued as soon as is reasonably practicable and long-term exposure would only be considered in exceptional circumstances. The decision to tolerate residual risk at this level must be made by the relevant Manager / Event Organiser.
Medium	Tolerable with periodic review – Exposure to the risk may continue provided it has been appropriately assessed, controlled and is subject to periodic review to ensure the risk does not increase. The decision to tolerate residual risk at this level must be made by relevant Supervisor and/or Team Leader.
Low	Acceptable with Periodic Review – Exposure to the threat is acceptable for Team Members / Workers without additional risk controls but is subject to periodic review to ensure the risk does not increase.

It is important to note that further work is required to progress the finalisation of the Register in terms of the respective treatment plans that are required to address the risks, particularly in respect to cost versus the benefit and the appropriate time to introduce the controls.

Once the initial risk rating has been determined, an evaluation of the risk level is required to be undertaken and an assessment regarding any follow-up action is required to be implemented or if the risk level can be tolerated, must also be undertaken.

On this basis, the draft *Significant Corporate Risks Register* is presented to the Committee for consideration and comment prior to the finalisation of the document which will then be provided to the Council for consideration and approval.

OPTIONS

The Committee can determine not to endorse the *Significant Corporate Risks Register*. This however is not recommended as the Council is required to identify, record and manage its Strategic Corporate Risks to ensure the effectiveness of systems that are in place to manage those risks with a view to continually improving the suitability, adequacy and effectiveness of the Council's operations.

CONCLUSION

The final draft *Significant Corporate Risks Register* will be presented to the Committee for endorsement prior to being presented to the Council for adoption.

COMMENTS

Nil

RECOMMENDATION

1. That the draft *Significant Corporate Risks Register* as contained in Attachment B be endorsed.
2. That the Audit & Risk Committee notes that the final *Significant Corporate Risks register* will be presented to the Committee for final endorsement prior to consideration by the Council.

Attachment A

Significant Corporate Risks

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

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IDENTIFIED RISKS REQUIRING TREATMENT PLANS

Risk	Inherent Risk	Residual Risk	Target Risk	Treatment Plan	Status
<p>1. Community Expectations</p> <p>The Council does not deliver what the community expects or is not delivering what has been promised. This can be over or under servicing. The Council is (or should not) deliver certain services and/or projects that the community are (or not) wanting, needing or expecting.</p>	<p>High 9</p> <p>Intolerable without treatment</p>	<p>Substantial 14</p> <p>Tolerable with continual review</p>	<p>Medium 19</p> <p>Tolerable with periodic review</p>	<p>Development of Service Standards for key services</p>	<p>Street and Footpath Sweeping review undertaken during 2019-2020, and a new Street & Footpath Sweeping Program introduced in April 2020.</p> <p>Footpath Defect Identification Program undertaken in 2018-2019.</p> <p>Footpath Defect Rectification Program developed was undertaken over a period of two years, commencing in 2019-2020.</p> <p>Since the commencement of the program, the Council has rectified 1,797 of the 2547 identified footpath defects. This represents 9,747 sqm of footpath paving.</p> <p>The Council has developed a <i>Service Excellence Framework</i>, designed to identify a single agreed service philosophy and expected standards of service, which is aligned to the Organisational Values. Individual Departments are now developing Service Excellence Plans.</p>



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IDENTIFIED RISKS REQUIRING TREATMENT PLANS

Risk	Inherent Risk	Residual Risk	Target Risk	Treatment Plan	Status
				<ul style="list-style-type: none"> Develop a multi-channel approach to communicate service standards 	<p>Street and Footpath Sweeping Program available on the Councils' Website.</p> <p>Letter box affected residents when undertaking programmed street tree pruning and civil infrastructure renewal programs.</p>
				<ul style="list-style-type: none"> Development of standard responses or FAQ for sensitive issues and significant projects and changes 	Frequently Asked Questions developed for COVID-19 Rate deferral.
				<ul style="list-style-type: none"> Policies supporting business practice are regularly reviewed and up dated where appropriate and widely communicated to ensure such policies are administered on a balanced and consistent basis. 	Policy review program and associated framework has been developed. All Council policies have been reviewed and considered by the Council with the exception of the Tree Policy, which has been put on hold pending the development of the Tree Strategy.
2. Non-delivery of a project or not delivery of the right project.	High 9 Intolerable without treatment	Substantial 14 Tolerable with continual review	Medium 19 Tolerable with periodic review	<ul style="list-style-type: none"> Develop a Corporate Plan, which focusses on the priority in the medium term (i.e. 3 years) that links to the Strategic Plans (i.e. City Plan 2030, Long Term Financial Plan, Asset Management Plans). 	



IDENTIFIED RISKS REQUIRING TREATMENT PLANS

Risk	Inherent Risk	Residual Risk	Target Risk	Treatment Plan	Status
				<ul style="list-style-type: none"> Implement a common project management system across the organisation Develop a Project reporting framework, with the focus on what needs to go back to Council (i.e. Strategy & Direction) and what is dealt with at Administration Level (Operational). 	
3. Elected Member Conduct Elected Members (EMs) micro-manage business or communicate inappropriate message.	Substantial 13 Tolerable with continual review	Medium 19 Tolerable with periodic review	Low 23 Acceptable with Periodic review	<ul style="list-style-type: none"> Undertake Culture and Values development programs, similar/consistent to the Staff program (Top down, one organisation) Establish Elected Member "group norms". Develop and implement ongoing/regular training & awareness programs 	



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IDENTIFIED RISKS REQUIRING TREATMENT PLANS

Risk		Inherent Risk	Residual Risk	Target Risk	Treatment Plan	Status
4.	Lack of Innovation and Forward Planning	High 9	Medium 19	Low 24	<ul style="list-style-type: none"> Infrastructure & Asset Management Plans prepared as a forward planning tool rather than a legislative compliance activity Development of a Corporate Plan which provides medium term plan for service priorities and projects Reinforce the inclusion of future impacts, when preparing Funding submissions Encourage consideration of innovation and use of emerging technologies when considering proposals and designs Include, value add and innovation in design solutions and consider in procurement activities. 	<i>Infrastructure & Asset Management Plans</i> have been reviewed and adopted by the Council.
	Lack of forward planning in project priorities and consideration of innovative outcomes in asset management.	Intolerable without treatment	Tolerable with periodic review	Acceptable with Periodic review		



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IDENTIFIED RISKS REQUIRING TREATMENT PLANS

Risk		Inherent Risk	Residual Risk	Target Risk	Treatment Plan	Status
5.	Lack of Organisational and Departmental Strategy Organisation wide or departmental decisions made without reference to an agreed organisational direction and strategy.	Extreme 5 Intolerable	Substantial 13 Tolerable with Continual review	Low 24 Acceptable with Periodic review	<ul style="list-style-type: none"> Development of a Corporate Plan which provides medium term plan for service priorities and project priorities which link to the Council's suite of Strategic documents (City Plan 2030, LTFP, ABP, IAMP) Grant Funding Applications, to be supported with business case and funding submissions prior to applying for the funds 	<p>The mid-term review of the <i>CityPlan 2030</i> and update of the Councils <i>Long Term Financial Plan</i> and <i>Infrastructure & Asset Management Plans and 2021-2022 Annual Business Plan & Budget</i> has been completed and adopted by the Council.</p> <p>Recent Funding applications have been based on projects proposed within the Long Term Financial Plan</p>
6.	Contract Management Insufficient management of contracts	Extreme 4 Intolerable	High 9 Intolerable without treatment	Low 24 Acceptable with Periodic review	<ul style="list-style-type: none"> Finalisation of the Contract Management Framework and associated measurement and monitoring tools Annual Refresher training for staff who manage contracts Induction program be enhanced for staff with contract management responsibilities 	<p>Internal Audit Review undertaken. High level Roadmap developed and templates provided to assist in the development of the Framework.</p>



IDENTIFIED RISKS REQUIRING TREATMENT PLANS

Risk	Inherent Risk	Residual Risk	Target Risk	Treatment Plan	Status
7. Contractor Management Incorrect contractor management in service/project delivery.	Extreme 4 Intolerable	High 9 Intolerable without treatment	Low 24 Acceptable with Periodic review	<ul style="list-style-type: none"> Increase awareness of WHS Contractor Chapter in WHS Manual or develop/enhance a Contractor Management Framework Development of associated Contractor management and Performance measurement and monitoring tools / templates to ensure consistent application across the organisation 	
8. Business and Commercial Awareness	Extreme 5 Intolerable	Substantial 14 Tolerable with Continual review	Low 21 Acceptable with Periodic review	<ul style="list-style-type: none"> Refresher Training to be incorporated in the Corporate Training Calendar 	

Attachment B

Significant Corporate Risks

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Significant Corporate Risks

Risk	Inherent Risk	Target Risk	Existing Controls	Treatment Plan	Status	Residual Risk
<p>Community Expectations</p> <p>The Council is not delivering what the community expects or delivering what has been promised. This can be over or under servicing.</p>	<p>High</p> <p>Intolerable without treatment</p>	<p>Substantial</p> <p>Tolerable with continual review</p>	<p>Service Excellence Framework</p> <p>Community Survey (every 2 years)</p> <p>Customer Request System</p>	<p>Development of Service Standards for key services.</p> <p>Develop a multi-channel approach to communicate Service Standards.</p> <p>Policies supporting business practices are regularly reviewed and up-dated where appropriate and widely communicated to ensure such policies are administered on a balanced and consistent basis.</p>	<p>Ongoing</p>	<p>Substantial</p> <p>Tolerable with continual review</p>
<p>Elected Member Conduct</p>	<p>High</p> <p>Tolerable with continual review</p>	<p>Low</p> <p>Tolerable with continual review</p>	<p>Legislative Framework incorporating:</p> <ul style="list-style-type: none"> • Roles of Elected Members; • Behavioural Standards; • Conflict of Interest provisions, etc <p>Elected Member Mandatory Training</p> <p>Relationships embedded in the Organisational Culture (EMs, CEO + staff)</p>			<p>Low</p> <p>Acceptable with periodic review</p>

Significant Corporate Risks

Risk	Inherent Risk	Target Risk	Existing Controls	Treatment Plan	Status	Residual Risk
Contract Management	Extreme Intolerable	Low Acceptable with periodic review	Procurement Framework LGA Template Contract Documentation			High Intolerable without treatment
Contractor Management	Extreme Intolerable	Low Acceptable with periodic review	Contractor Management Procedures			High Intolerable without treatment
Lack of Contemporary Business Systems	High Intolerable without treatment	Low Acceptable with periodic review				
Business & Commercial Awareness	Extreme Intolerable without treatment	Low Acceptable with periodic review	Procedures and processes in place			Substantial Tolerable with continual review
Workforce Planning & Retention & Attraction of Staff	Extreme Intolerable without treatment	Low Acceptable with periodic review				Medium Acceptable with periodic review

Significant Corporate Risks

Risk	Inherent Risk	Target Risk	Existing Controls	Treatment Plan	Status	Residual Risk
St Peters Child Care Centre & Preschool	Extreme Intolerable without treatment	Low Acceptable with periodic review				High Intolerable without treatment
Climate Change Adaptation			Resilient East Climate Change Adaptation Plan			
Cyber Security	Extreme Intolerable without treatment	Substantial Tolerable with continual review				High Intolerable without treatment

7. CONFIDENTIAL REPORTS
Nil

8. OTHER BUSINESS
(Of an urgent nature only)

9. NEXT MEETING
Monday 23 October 2023

10. CLOSURE